

**KINNELOA IRRIGATION DISTRICT**  
**REGULAR MEETING – BOARD OF DIRECTORS**  
1999 KINCLAIR DRIVE, PASADENA, CA 91107  
TUESDAY – SEPTEMBER 20, 2011  
7:30 P.M.

**AGENDA**

- 1. CALL TO ORDER**
  - A. Declaration of a Quorum
  - B. Review of Agenda
- 2. PUBLIC COMMENT**– Comments from the public regarding items on the Agenda or other items within the jurisdiction of the District.
- 3. REVIEW AND APPROVAL OF YEAR 2012 BUDGET**
- 4. CONSIDERATION OF BILLING SOFTWARE PROPOSAL**
- 5. APPROVE RESOLUTION 2011-9-20** – Declaring that no election will be held
- 6. REVIEW GENERAL MANAGER’S REPORT**
- 7. REVIEW MINUTES** – August 16 , 2011  
August 26, 2011
- 8. REVIEW FINANCIAL REPORTS** – August 31, 2011
- 9. ITEMS FOR NEXT AGENDA**
- 10. CALENDAR** – October 18, 2011  
November 15, 2011  
December 20, 2011
- 11. ADJOURNMENT**

Each item on the Agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the Agenda Packet is available for public review at the District Office or online at the District’s website <http://www.kinneloairrigationdistrict.info>.



# Memo

Date: September 20, 2011  
To: Board of Directors  
From: Mel Matthews  
Subject: 2012 Budget

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The proposed budget for 2012 was presented and preliminarily approved at the special August 26, 2011 meeting. No changes were requested by the Board. Therefore the *Kinneloa Irrigation District 2012 Budget* as presented at that meeting is attached to this memo for final discussion and approval. No public hearing is required since no rate change is proposed with this budget.

The “other expenditures” section lists possible projects for 2012 plus the installment payment on the trucks purchased in 2008. An updated list for possible 2012 projects will be provided once the actual net surplus from 2011 is known. The projects actually done will reflect the goal of maintaining cash reserves at the targeted level of between \$250,000 and \$300,000. No major pipeline projects are planned for 2012.

## Kinneloa Irrigation District Proposed 2012 Budget

Monthly Service Charge \$49.00  
Commodity Charge \$2.95 per CCF

Account	Account Description	Budget
4000	Water Sales	1,111,000
4020	Service Charges	10,000
4035	Interest-Reserve Fund	4,000
<b>Total Income</b>		<b>1,125,000</b>
5000	Leased Water Rights	38,000
5005	Electricity	99,000
5010	Maintenance Supplies	30,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	160,500
5020	Stand-by Compensation	7,500
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	22,000
5030	Maintenance Contractors	117,000
5034	Equipment Maintenance	6,000
5035	Vehicle Maintenance	6,000
5036	Fuel - All Equipment	15,000
5040	Equipment Rental	500
5045	Insurance-Workers Compensation	12,000
5046	Insurance-Liability	22,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	44,000
6000	Engineering Services	45,000
6005	Watermaster	12,000
6015	Administrative Salary	125,500
6017	Administrative Travel	5,000
6020	Board of Directors Compensation	5,600
6021	Administrative & Board Expenses	2,500
6024	Customer/Public Information Proq	4,000
6025	PERS - KID	14,000
6030	Social Security - KID	29,000
6035	Office Supplies	9,000
6036	Postage/Delivery	6,000
6040	Professional Dues	7,500
6045	Legal Services	15,000
6050	Telephone	5,500
6051	Mobile Telephone	2,500
6052	Pagers	240
6053	Internet Service	1,500
6059	Computer/Software Maintenance	27,000
6061	Office Equipment Maintenance	1,000
6065	Accounting Services	7,000
6070	Office Labor	48,000
6075	Outside Services	20,000
6080	Capital Improvement Fee	7,369
6081	Permits/Fees	2,500
6120	Bank Service Charges	3,000
<b>Total Expenses</b>		<b>990,909</b>
<b>NET REVENUES</b>		<b>134,091</b>

<b>Water Sales, Units</b>	260,804
<b>Rate Per Unit</b>	\$2.95
<b>Annual Commodity Revenue</b>	\$769,372
<b>Monthly Service Charge</b>	\$49.00
<b>Annual DSC Revenue</b>	\$341,628
<b>Total Annual Water Sales</b>	\$1,111,000
<b>Other Annual Revenue</b>	\$14,000
<b>Total Annual Revenue</b>	\$1,125,000
<b>Total Expenses</b>	\$990,909
<b>Net Revenues</b>	\$134,091
<b>Capital Improvement Projects</b>	\$117,181
<b>Annual Net Cash Flow</b>	\$16,910
<b>Average Monthly Charge for Low Usage</b>	\$79
<b>Average Monthly Charge for Medium Usage</b>	\$197
<b>Average Monthly Charge for High Usage</b>	\$787
<b>Reserve Fund Balance (Beginning)</b>	\$376,600
<b>Reserve Fund Balance (Year End)</b>	\$393,510

### Rate History

Implementation Date	DSC Chg.	Com.Chg.
1/1/89	\$20.00	\$0.85
1/1/91	\$20.00	\$1.10
5/1/93	\$20.00	\$1.60
4/5/01	\$30.00	\$1.90
1/6/03	\$30.00	\$1.95
1/1/05	\$30.00	\$2.05
1/1/06	\$34.00	\$2.30
1/1/07	\$36.00	\$2.42
1/1/09	\$41.00	\$2.55
1/1/10	\$49.00	\$2.75
1/1/11	\$49.00	\$2.95

### Recommended Expenditures for Capital Improvement Projects

1509	Wilcox Well/Wilcox Booster	7,500
1511	Water Treatment Plant	5,400
1512	Meter Replacement	20,000
1513	Electrical/Electronic Equipment	25,000
1514	Computer/Office Equipment	5,000
1516	Facilities	20,000
1527	SCADA	12,000
1530	Tools	2,400
2400	Truck Installment Sale Payment	19,881
<b>Total Other Expenditures</b>		<b>117,181</b>
<b>NET CASH FLOW</b>		<b>16,910</b>

**Replace/Repair well depth line and/or transducer**  
**Upgrade Cl<sub>2</sub> Analyzers**  
**Meter Replacement Program**  
**Facility Electrical Projects**  
**Replace Obsolete Computers and Other Equipment**  
**Facility Improvement and Maintenance Projects**  
**SCADA Improvement and Maintenance Projects**  
**Purchase/Replace Non-Expendable Tools**  
**Annual Payment for Two Trucks Purchased in 2008**



# Memo

Date: September 20, 2011  
To: Board of Directors  
From: Mel Matthews  
Subject: Proposal for Replacement of Customer Billing System Software

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Since March of 1997, the KID has been using customer billing software provided by a vendor which is no longer actively in business since the retirement of its principals. The users of this obsolete DOS-based system have dwindled to a handful of utilities in recent years and the software is supported by a single individual who lives in Palm Desert and works out of his home. Although the system is currently meeting our basic needs, there is no close integration with our Peachtree accounting system and a lot of time is wasted in using additional intermediary software to accomplish the accounting and reporting functions. Furthermore there is not a migration path to a modern Windows-based system. Finally, I have become increasingly concerned over getting continued support for the current system from that single individual. The length of time that it has taken to get the current "My Account" web portal going with its limited features is an example of inadequate support.

Because of the obsolescence factor and support concerns, I started a search for new billing software that was affordable and appropriate for a small utility as well as software that would provide a robust customer web portal with multiple online payment options. This has not been an easy search. Most software is intended for much larger utilities and/or has huge continuing licensing and support fees. Furthermore much of the available software is not designed to directly interface with our Northrup Grumman VersaTerm handheld meter reading device, or able to directly interface with the ACH system at Wells Fargo, or directly interface with our Peachtree accounting software. Finally many of the systems use proprietary database software like our current system.

The attached proposal from Able Software, Inc. meets or exceeds all of my requirements and objectives. Some of the features that will save a great deal of time and provide increased features are as follows:

1. Able Software's UtilityStar software has a customizable open-ended design which uses Microsoft SQL database engine.
2. Built-in report template and report designer and over 200 pre-designed report formats included. This will eliminate the need for me to use Crystal Reports to generate import/export files for Peachtree or past-due bill reminders.
3. Bank draft (Automated Clearing House) software utility which will eliminate the double posting of our e-debit accounts and provide a direct interface to our bank's ACH system.
4. E-billing capability is included to provide simple bill statements, past due reminders and other information via email.

5. Provides direct interface to our existing Northrup Grumman VersaTerm handheld meter reading device without the need for intermediary software.
6. Bill tracking is included. We will be able to pull up the exact same bill as was previously printed or emailed to the customer regardless of date.
7. Advanced customer notes functionality will allow us to store an unlimited number of notes that can be categorized for convenient accessibility. Possible categories are billing notes, adjustment notes, meter notes, premise notes or customer service/inquiry notes.
8. Advanced rate configurations are available if needed.
9. Documents in any format can be linked to a specific billing account record.
10. The optional online billing system components known as "CustomerDirect" will provide online bill pay and account management services to our customers through a full service web portal.

Although the UtilityStar billing system and the CustomerDirect online system can be purchased separately, I recommend purchase of both systems at this time in order to take advantage of the substantial combined system discount. The proposed amount of \$16,100 includes licenses for two stations. The cost of each additional license is \$500. I recommend that we purchase two additional licenses in order to maintain the functionality that we currently have with the current system. The Able proposal includes an annual maintenance and support fee of \$2,000 for the first year as well as \$900 for hosting the CustomerDirect service if we choose that option rather than using our current hosting service. I also want to allow for some customization of the off-the-shelf software if needed to accommodate and not lose any of the historical information in the current database as well as any additional work needed to interface with our Peachtree software.

I anticipate that there will be a transition period during which both systems will need to be maintained. However once the new system is working well and we are ready to go "live" we would no longer need to pay for the support and licensing fees from our current provider. Ongoing maintenance and support for the new system after the first year will be budgeted in the computer/software maintenance category as it has been in the past and will be comparable to what we have been paying to our current vendor.

In conclusion, I am recommending your approval to spend up to \$20,000 on this project. The combination of remaining funds in the 2011 budget and the proposed budgeted amount for 2012 is sufficient to support the project. Able Software is also amenable to working out various payment options if needed to get the project started this year.



*Able Software, Inc.*

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# Utility Billing Software Proposal For

## **Kinneloa Irrigation District**

### **Utility Star Customer Information and Billing System Options Proposal**

August 17, 2011

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August 17, 2011

Melvin Matthews  
Kinneloa Irrigation District  
1999 Kinclair Drive  
Pasadena, CA 91107

Dear Melvin:

Able Software presents **UTILITY STAR BASIC® (USB)** billing software and the **CustomerDirect** online payment system for your consideration. ASI offers proven technology, an improved user interface, advanced software tools and considerable experience in utility billing system migration projects.

Our state-of-the-art **UTILITY STAR BASIC®** billing system utilizes a modular software system platform and is designed to be a fully customizable utility billing solution. Open-ended design and flexible (MS SQL) database technology allows for customization to accommodate your specific requirements, offering major advantages compared to your current billing software system.

We'll ensure your organization receives maximum value from your investment. Our services include:

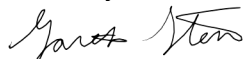
- Complete web portal design and ongoing hosting services
- Comprehensive user training for our **UTILITY STAR BASIC®** software
- Comprehensive user training for our **CustomerDirect** online payment system
- Ongoing customer/technical support services via phone, web, and e-mail

The process of migrating to the Able Software system platform is rather straightforward and shouldn't adversely impact your current utility billing process. ***Kinneloa Irrigation District's*** existing data and reports can be migrated over to our billing system and many new report formats may be added as well. The result will be a more fully functional and flexible utility billing system.

There are various pricing options available for consideration. For example, there's a significant product discount when bundling the utility billing software system with our online bill payment system, which we can review together. We are also amenable to working out various payment options, to accommodate limited budget funding availability.

We look forward to the opportunity to work with you and your staff to improve your utility billing system process functionality and efficiency.

Sincerely,



Garth Stern  
Able Software, Inc.

## UTILITY STAR BASIC® Edition Advantages

- **SQL Database Support:** One of the major advantages of Utility Star Basic (USB) is the Microsoft SQL Database Engine. SQL is both stable and secure, which minimizes any chance of data corruption due to power outages, a Windows system freeze or other events that can interrupt billing processes or cause a shutdown. Data recovery is a major advantage with Utility Star Basic. It also provides greater data storage without affecting performance. Many years of history can be stored without having to archive transactions.
- **Streamlined System Updates:** USB employs a “Live Update” service similar to many popular software products (such as Norton Antivirus). A “Live Update” Server application allows your system administrator to centrally manage update deployment for all running copies of USB.
- **Report Template and Report Designer:** There are **over 200** user report formats now available with USB. There’s also a custom report designer utility which allows users to modify and/or create new reports.
- **Efficient Processing Performance:** USB runs payment posting, adjustment posting, and billing processes much faster. A typical bill run process may be completed in 50% to 80% less time!
- **Multiple User Screen Capability:** USB users can display multiple screens simultaneously in order to perform multiple activities as desired.
- **Bill Tracking:** USB prints bills to screen first and allows users the option of saving an exact copy of the bill for DB storage. Users can now pull up the exact same bill as previously printed and mailed to the customer, regardless of date.
- **Enhanced User Security:** USB features an advanced security system with more functional control, allowing the system administrator the ability to define individual user access as desired.
- **E-Billing:** USB enables simple bill statements, past due reminders and reminder notices to be sent to customers via email. This feature can be customized as desired.
- **Audit Trail Capability:** USB contains an audit trail feature for recording actions performed by users and creates a reviewable report. The audit trail feature records a variety of information for permanent reference.
- **Comprehensive User Alerts & Notifications:** USB uses a “flag” system to allow users to see important notifications pertaining to customer accounts. There are several types of available alerts and notes may be attached to individual account records.
- **Multiple Account Name Capability:** USB systems users can now apply multiple tenant names to a single customer account record.



- **Advanced Customer Notes Functionality:** USB employs an advanced method of storing and displaying customer related note information. Individual notes may be of any length and there is no maximum number of notes that can be created. Customer notes are also categorized for more convenient accessibility. Categories include: Billing Notes, Reading Notes, Adjustment Notes, Meter Notes, Premise Notes, etc.
- **Advanced Customer Notice Capability:** USB utilizes a more flexible method of applying and referencing customer account notices. More detailed customer information may be utilized by system users.
- **Advanced Search Screen Functionality:** There are a large number of customer information fields available for searching customer records.
- **Advanced “Fast Search” Mode Operation:** USB contains a convenient “*fast search*” mode in order to quickly and efficiently return requested search results.
- **Flexible Billing Rule Capability:** USB enables a “split billing” option which allows multiple tenants at a single address to receive individual bill amounts.
- **Advanced Rate Configuration:** A more flexible and advanced usage rate configuration scheme is utilized by USB. For example, an automatic pro-rated rate change can be applied during the middle of a billing cycle.
- **Pending Payments View:** A “*Pending Payments*” screen allows system users to view recent customer payments in real time, even if those transactions have not yet posted. This can help avoid customer service interruptions (shut offs) for customers making last minute payments.
- **Product Customization Capability:** USB is designed with a more advanced technology platform allowing for various customization capabilities. For example, an instant transaction posting process could be designed and programmed into the USB system.
- **Document Library Capability:** USB allows related documents to be “linked” to a specific billing account record. Users may link Word, PDF, Excel and other relevant document formats to any billing account as necessary. This feature allows information about individual accounts to be quickly and conveniently accessed by billing system users
- **Period Closing “Snapshot” Feature:** As with many popular financial accounting systems, USB allows users to create a “Snapshot” at the end of each billing period in order to simplify reconciliation between USB and General Ledger accounting systems.

## Utility Star Billing System Project Components

### **UTILITY STAR BASIC® (2 user licenses)**

A comprehensive Customer Information System which includes powerful features designed to provide efficiency and an unparalleled user experience. New user features include multi-screen capability, more complex billing rate capability and **over 200** built-in reports that can be easily modified by users. In addition, since USB utilizes the ASI **smart modular** design concept, adding and supporting new software modules can be done at any time.

### **Report Customization Services**

ASI will design, develop, and perform internal testing for all required report customizations identified during the "Project Analysis" phase. This includes custom formatting for reports and bill statements.

### **Bank Draft (Automated Clearing House) Software Utility**

The ACH (Automated Clearing House) utility automates the process of customer bill payment by linking your Utility Star billing system with your bank (or any bank who is a member of NACHA) See this link for more information about NACHA. <http://www.nacha.org/>

### **Payment Station Software**

This is Utility Star's point-of-sales solution, which is capable of interfacing to barcode scanners, credit card readers, receipt printers, and cash drawer systems. This allows various POS hardware devices to have direct communication with the Utility Star billing system.

### **VersaTerm Meter Reading Device Software Interface**

Provides interface capabilities to your existing VersaTerm Model CX allowing meter data to be imported into the utility billing system.

### **Data Conversion Services**

As part of your new system implementation, Able Software will analyze your existing data, convert all customer records over to the MS SQL Server platform and perform data validation and testing to insure the integrity and accuracy of your customer information records.

### **Software Implementation Services**

ASI's project implementation methodology has been refined by performing over 250 utility customer projects. ASI will provide a project implementation schedule, coordinate all programming resources and monitor project implementation progress to insure project scheduling goals are met. ASI also incorporates a parallel testing process to assure your new billing system accurately processes all billing activities prior to running in production mode.

## User Training Services

There will be multiple user training sessions performed on key areas of functionality, such as user data entry screens, running reports, e- billing options, using the new “flagging” system and for other important system user activities. Training for Utility Star Basic is available via on-site or remote user training sessions. One week of comprehensive on-site user training is recommended for ***Kinneloa Irrigation District*** system users.

## Annual Maintenance & Support Program

ASI will provide ***Kinneloa Irrigation District*** system users an annual maintenance and support program for continued technical support and maintenance of all ASI products. The program consists of the following benefits:

- a) Software patches and periodic product updates available as released
- b) New product enhancements and features available as released
- c) Updated user information guides available as released
- d) Unlimited access to technical support analysts as required

## Utility Star Billing System Amount

Utility Star Billing System	\$17,400
Annual Maintenance & Support	\$1,500
System Discount Applied	\$7,400
Utility Star Billing System Total	<b>\$11,500</b>

All Proposed pricing is valid through September 30, 2011

## **Able Software Online Billing System Components**

### **CustomerDirect Online Bill Presentment & Payment System**

The CustomerDirect online payment system features a comprehensive web portal service thereby enabling ***Kinneloa Irrigation District*** to offer online bill pay & account management services to all customers. CustomerDirect is packed with advanced and powerful features such as online account management, account status overview, online bill presentation, online bill payment, online service initiation, work order initiation and more. With CustomerDirect, your organization can provide customers a full service web portal, available 24 hours a day while allowing your customer service personnel to save time and valuable resources. The CustomerDirect online portal is a customized web site designed to your specifications and is hosted and maintained by Able Software.

### **Web Portal Design Services**

Able Software project implementation programmers will design a fully functional web portal and populate the site with sample customer data for testing and quality assurance compliance. The site can be set up to appear similar to your organization's main web site for increased customer familiarity.

### **Annual Web Portal Hosting Services**

ASI will provide a fully hosted server platform for your online payment processing web portal. All hardware systems and related software will be maintained, updated and fully supported by Able Software technical personnel (utility organizations may choose to maintain their ASI web portal using in-house servers utilizing their own technical support personnel, should they prefer).

### **Software Implementation Services**

ASI's project implementation methodology has been refined by performing over 250 utility customer implementations. ASI believes a critical factor for success with any new project is encouraging two way communication with our customer users. Although ASI will fully manage the project implementation process and will oversee all project aspects, it only makes sense to involve the customer each step of the way. ASI will fully manage the project implementation process and will oversee all project aspects. ASI will produce a project implementation schedule, coordinate available programming resources, monitor project implementation progress, and coordinate all relevant information sources to help see that project scheduling goals are met. ASI utilizes a web site testing process to ensure proper functionality is achieved prior to actual utility customer sign up and use.

ASI will also provide your billing system users any technical support as required during the project implementation process. This includes responding to technical support issues, user errors, basic system training and coordinating communication between your billing system users and our software development team.

## User Training Services

There will be multiple user training sessions performed on key areas of functionality, such as daily online transaction information transfer, posting customer credit card transactions, transferring transactional data to your bank, running relevant reports and other important activities. Training for CustomerDirect is available via on-site or remote user training sessions, as well as periodic online product seminars. Two days of comprehensive remote user training is recommended for **Kinneloa Irrigation District** system users.

### Annual Maintenance & Support Program

ASI will provide **Kinneloa Irrigation District** system users an annual maintenance and support program for continued technical support and maintenance of all ASI products. The program consists of the following benefits:

- a) Software patches and periodic product updates available as released
- b) New product enhancements and features available as released
- c) Updated user information guides available as released
- d) Unlimited access to technical support analysts as required

## CustomerDirect Online Billing System Amount

CustomerDirect Online Billing System	\$15,800
Annual Hosting	\$1,800
Annual Maintenance & Support	\$1,000
System Discount applied	\$9,100
CustomerDirect Online Billing System Total	<b>\$9,500</b>

All Proposed pricing is valid through September 30, 2011

## Combined Billing System Amount

Combined Billing Systems	\$33,200
Annual Hosting	\$900
Combined Annual Maintenance & Support	\$2,000
Combined System Discount Applied	\$20,000
Combined Billing System Total	<b>\$16,100</b>

All Proposed pricing is valid through September 30, 2011

**RESOLUTION 2011-9-20**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KINNELOA IRRIGATION DISTRICT ORDERING THAT NO ELECTION BE HELD FOR DIVISIONS ONE, FOUR AND FIVE IN THE NOVEMBER 8, 2011 ELECTION AND REQUESTING THAT THE LOS ANGELES COUNTY BOARD OF SUPERVISORS APPOINT THE PERSONS NOMINATED.**

**WHEREAS, only one person has been nominated for the office of Member of the Board of Directors in each of Divisions One, Four and Five of the Kinneloa Irrigation District;**

**WHEREAS, pursuant to Section 98-52 of the Water Code Appendix, where there is no contested election, the Board of Directors of the Kinneloa Irrigation District shall order that an election not be held;**

**THEREFORE, the Board of Directors of the Kinneloa Irrigation District hereby requests that the Los Angeles County Board of Supervisors make the following appointments**

**Divison One---Gerrie G. Kilburn  
Divison Four--Timothy J. Eldridge  
Divison Five --Steven G. Sorell**

**PASSED, APPROVED AND ADOPTED THIS TWENTIETH DAY OF SEPTEMBER 2011.**

SIGNED: \_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Secretary

# General Manager's Report

## Board of Directors Meeting on September 20, 2011

### I. Capital Improvement, Preventative Maintenance and Repair Projects

- A. SMV/Windover Pipeline Project – The project has been completed. Final project payment will be made after the contractor has completed the post-project punch list items and the extra costs and credits have been reviewed, negotiated and mutually approved.
- B. K-3 Well – Installation of the variable frequency drive motor control is in progress and is expected to be completed by the time of this meeting.

### II. Customer Service and Office Operations

- A. Delinquent Accounts –
  - 35 accounts received termination letter
  - 14 accounts received door hanger shut off notice
  - 0 accounts were shut off for non-payment
  - 1 account remains off for non-payment

### III. General Manager's Highlights

- A. 2012 Budget – The proposed budget was prepared and presented to the Board at a special meeting on August 26, 2011. This budget will be presented at this meeting for discussion and final approval.
- B. Billing System – The replacement of our billing system software is recommended due to obsolescence and concern over lack of future support. A proposal from Able Software, Inc. will be presented at this meeting with my recommendation to accept the proposal.
- C. 2010-2011 Production and Sales Report – My report is included with your agenda packet. A bound copy is available upon request.

### IV. System Operations

- A. Service Leaks – Two service leaks on our side of the meter were repaired.
- B. Main Leak – A major leak occurred on Pasadena Glen Road just south of Shaw Ranch Road. Unlike the several Pasadena Glen leaks in recent years, this was not a longitudinal crack in the PVC main. The leak was caused when a plug broke loose on the line leading from the Glen Reservoir Booster to the water main in Pasadena Glen Road that is in the Vosburg pressure zone. The plug was installed during the 1970s improvement district construction after disconnection of the old water main. Additional old fittings that are no longer needed were also removed during the repair.
- C. Main Leak – Contractor excavating for new home hit the 4 inch steel main in Trevan Road and the line broke at a nearby coupling. The line had been marked on numerous occasions during the past year and its location was well known by the general contractor. We will be reimbursed for all repair expenses, our administrative costs and the cost of the lost water.

# PRODUCTION AND SALES REPORT FOR 2010-2011



9/20/2011

Kinneloa Irrigation District

Prepared by Melvin L. Matthews, General Manager



# Production and Sales Report for 2010-2011

## SUMMARY OF PRODUCTION SOURCES, CUSTOMER SALES, RAINFALL, POWER COSTS AND LONG TERM STORAGE FOR THE WATERMASTER YEAR OF 2010-2011, JULY THROUGH JUNE

### Production

The Kinneloa Irrigation District (KID) produced 880 acre-feet from our wells and tunnels during this period as shown in Figure 1. This total includes 217 acre-feet of water delivered to the City of Pasadena. The net amount of 663 acre-feet was produced for our retail customers which was 9% less than the 728 acre-feet produced for retail customers last year. Figure 1 includes data for all production sources from 1994-1995 through 2010-2011 as well as for surface water and ground water which is diverted from our system for which we receive a spreading credit. Figure 2 shows total production from the KID wells and tunnels. This year our wells produced approximately 67% of the water and the tunnels produced 33% of the water. Tunnel production level is dependent on rainfall in the current and previous years and has ranged from a high of 530 acre-feet in 2005-2006 to a low of 152 acre feet in 2002-2003. The production for 2010-2011 was 293 acre feet which is close to the 17-year average of 287 acre feet. Figure 3 is a pie chart showing the percentage of total production by source.

### Sales

Total sales were 591 acre-feet as shown in Figure 4. The average monthly sales of water during the year from 1994 to 2011 is shown in Figure 5. Peak sales are usually in the July through October period and minimum sales usually occur in December through March period. Weather conditions in a particular year can cause these periods to shift and can drastically affect the total sales for the year. An analysis of the typical distribution of monthly water usage per customer for an average month shows that 94% of our customers use 100 units or less per month and 20% of our customers use 10 units or less per month. Each unit is equivalent to one hundred cubic feet or 748 gallons. The KID has promoted conservation measures heavily over the past five years and the data indicates a 9% reduction this year and a total reduction of 27% over the five-year period for sales to our retail customers. The difference between the water produced and water sold (which is the water loss for the system) was 72 acre-feet or 10.8% as shown in Figure 1. The loss is attributed to system leaks, main flushing for water quality purposes, fire flow tests, unmetered water used for construction and other purposes, normal operational procedures at KID facilities and water meter inaccuracies. A water loss of 10% is considered to be excellent by industry standards.

### Rainfall

Rainfall for 2010-2011 was 31.3 inches as shown in Figures 1 and 6 as compared to 23.6 inches in the previous year. Although the rainfall this year was higher than the average of 24.6 inches for the past 17 years, a sustained drought in future years would decrease the tunnel production and lower the groundwater pumping level and might require the KID to purchase supplemental water to meet customer demand.

## Power Cost

Figure 7 shows the power cost per acre-foot of total production for 2010-2011 and for the previous 12 years. Since most of our power consumption is for pumping, it is also an approximate indirect measure of production efficiency. However it should be noted that this indicator does not take into account the percentage of well production vs. tunnel production nor does it take into account rising electricity rates. In years of high tunnel production, less water is pumped from our wells saving us considerable power cost. Electricity rates have increased approximately 6-7% a year for the last ten years. However we have been able to mitigate most of the increases by participating in various time-of-use and interruptible power programs that restrict our use of power to non-peak hours in exchange for lower rates. We have also installed higher-efficiency motors when equipment has been replaced. The net effect has been to stabilize our power costs over the past four years. The 2010-2011 cost was \$105 per acre-foot of total production as compared to \$111 per acre-foot for the previous year. Even though we will continue to take advantage of cost-reduction programs, it will be more difficult to maintain our current cost especially considering the mandated switch to more “green” power in the years ahead.

## Long Term Storage

The Raymond Basin Management Board established a long term storage program to cover situations such as prolonged drought or unusually high demand that might lead to over pumping of our water rights in the current year. This program is the equivalent of a savings account for surplus water. The KID activated our long term storage account for the first time in 2004-2005 by adding 326 acre-feet of surplus water as shown in Figure 1. The following year we added additional storage to bring the account to 848 acre-feet. Some of this storage was used in 2006-2007 to support our water sales to the City of Pasadena so the remaining storage at the end of 2006-2007 was 729 acre-feet. The net addition to our long term storage in 2007-2008 was 69 acre-feet and the total was 798 acre-feet at the end of that year. Due to declining water levels in the Raymond Basin, the Board voted to suspend the program and freeze the total at the end of the 2008-2009 year. The result as shown in Figure 8 is that we still have 790 acre-feet in the account that can be used to offset any shortages in the future but we cannot add any surplus to the account. Our current plan is to use this water only if we are unable to lease pumping rights at a reasonable cost or to acquire additional pumping rights from another Raymond Basin member. This additional water in storage is especially important to the KID now that the Raymond Basin Management Board has also required a reduction in pumping of 6% each year for five years starting in 2009-2010 for a total cumulative reduction of 30% from our adjudicated pumping rights in 2013-2014. The Board will monitor basin pumping levels to see if stabilization can be achieved without the injection of imported water or other recovery efforts.

## Production Issues

Figure 1 shows that the Wilcox Well was used for only 7.1 acre-feet of water in 2010-2011 as compared with 272.4 acre-feet in the peak year of 1999-2000. The declining level in the Raymond Basin aquifer at this facility has caused a 50% reduction in the available operational flow rate from this well because the output needs to be restricted to prevent entrainment of air and damage to the pump. This operational necessity is inefficient from a power standpoint and relegates this well to emergency and supplemental supply uses only. This also means that we must shift the lost production to the K-3 Well which accounted for 66% of our total annual production in 2010-2011. A continued decline in basin levels could also affect the K-3 Well in future years. As mentioned above, the court-ordered adjudication of pumping rights in the Raymond Basin no longer matches the natural replenishment rate and the Raymond Basin Management Board has

not yet developed an external replenishment source. The Raymond Basin Management Board and the water agencies that pump from the basin are aware of the difficulties we will all face if the current trend continues. We are collectively addressing the problem through engineering studies and consideration of additional water resources and conservation measures that could be used in-lieu of pumping from the basin in order to stabilize the level. All water agencies in the area except for the KID purchase imported supplemental water from the Metropolitan Water District (MWD) or its wholesale distributor, Foothill Municipal Water District. The KID has not needed to purchase imported water except for occasional emergency or facility maintenance purposes because our local tunnel water and adjudicated pumping rights have been sufficient to meet customer demand. However, our independence from imported water is not assured unless we are able to continue to lease unused pumping rights from other water agencies in the area. We used these leases to help establish our long term storage account and will continue to do so in future years to supplement our local supply. The condition of the basin as well as a possible reduction in the availability of imported water is presenting a serious challenge to the KID and other water agencies in the area. We will continue our conservation efforts as part of the long term solution which will include other water resources such as imported replenishment water when available and the increased use of recycled water for landscape irrigation. The KID will continue to work with the Foothill Municipal Water District to develop a long term plan for supplemental water in case our ground water pumping rights are permanently reduced.

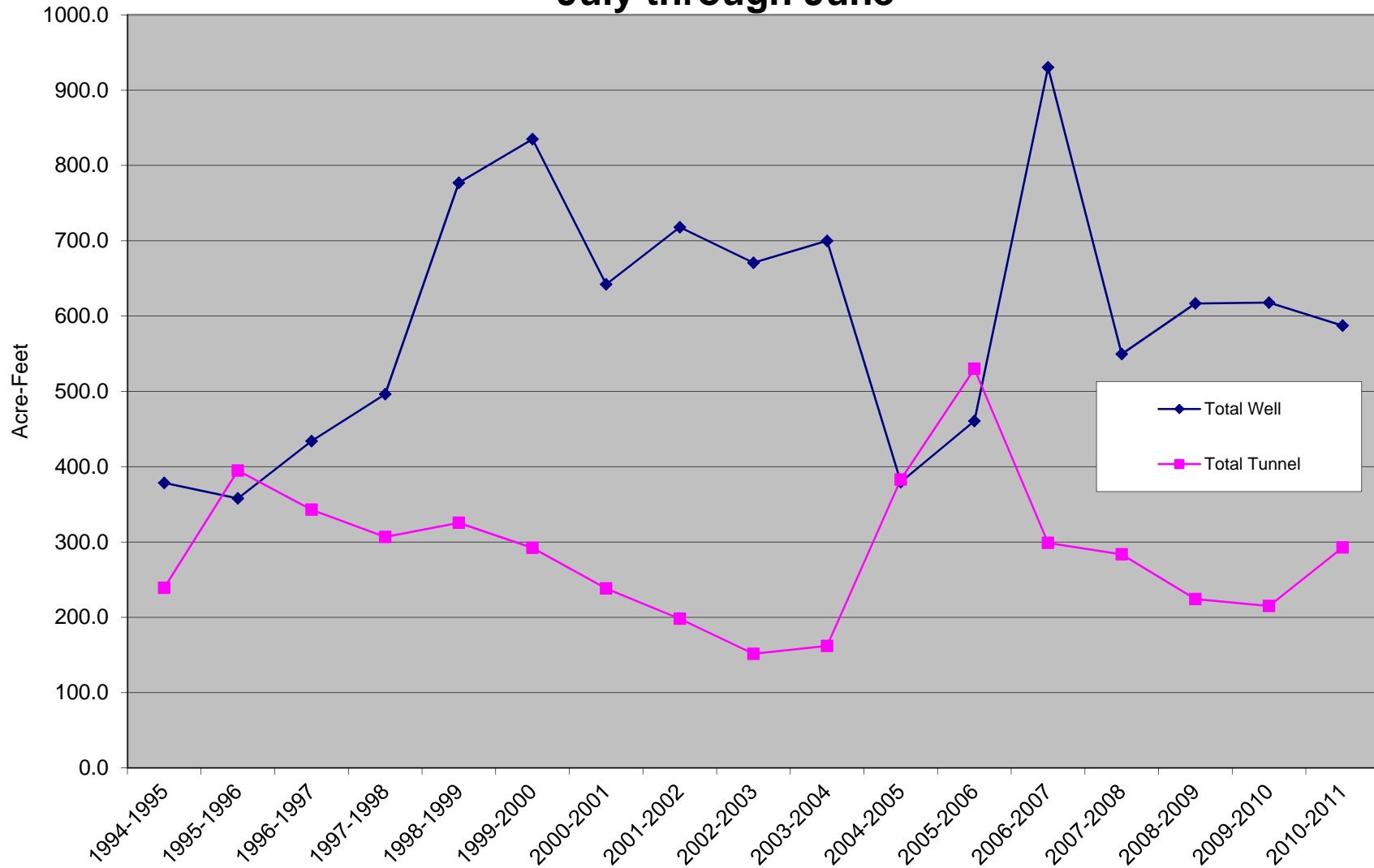
**Figure 1**  
**Data for Watermaster Year (July through June)**

Production in Acre-Feet																	
Source	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Wilcox Well	93.2	119.6	170.2	165.4	209.6	272.4	216.9	203.7	213.7	148.9	60.2	37.2	70.2	5.6	5.6	7.3	7.1
K-3 Well	285.3	238.3	263.8	330.9	567.3	562.5	425.2	514.3	457.1	551.0	319.3	423.5	860.1	543.9	611.2	610.6	580.2
Total Well	378.5	357.9	434.0	496.3	776.9	834.9	642.1	718.0	670.8	699.9	379.5	460.7	930.3	549.5	616.7	617.8	587.3
Holly Tunnel	71.3	217.0	177.2	146.6	143.1	132.6	111.1	86.0	57.6	59.8	125.6	171.9	131.0	107.6	89.2	80.1	98.8
House Tunnel	37.8	43.9	35.4	33.1	41.1	31.5	26.2	21.5	16.7	12.7	12.6	44.9	26.5	20.6	12.8	13.8	14.5
Eucalyptus Tunnel	56.5	64.9	62.6	58.7	62.4	54.0	44.3	38.6	29.5	41.5	50.0	50.4	44.6	43.2	39.1	37.4	39.8
Delores Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	126.5	223.3	83.6	63.7	40.2	44.8	98.5
Far Mesa Tunnel	73.6	69.1	67.7	68.3	78.9	74.1	56.7	52.0	47.7	45.6	68.2	39.6	13.1	48.6	42.9	38.9	41.2
Total Tunnel	239.2	394.9	342.9	306.7	325.5	292.2	238.3	198.1	151.5	162.0	382.9	530.1	298.8	283.7	224.2	215.0	292.8
<b>Total Production</b>	<b>617.7</b>	<b>752.8</b>	<b>776.9</b>	<b>803.0</b>	<b>1102.4</b>	<b>1127.1</b>	<b>880.4</b>	<b>916.1</b>	<b>822.3</b>	<b>861.9</b>	<b>762.5</b>	<b>990.8</b>	<b>1229.0</b>	<b>833.2</b>	<b>840.9</b>	<b>832.9</b>	<b>880.0</b>
Deliveries from Pasadena	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.5	0.0	0.0	18.8	0.0	0.0	1.5	0.0	0.0
Deliveries to Pasadena	0.0	0.0	0.0	-139.5	-325.8	-222.9	-64.1	-87.3	-61.7	0.0	0.0	-160.6	-321.8	0.0	-42.4	-105.1	-217.4
Net Import/Export	0.0	0.0	0.0	-139.5	-325.8	-222.9	-64.1	-87.3	-30.2	0.0	0.0	-141.8	-321.8	0.0	-40.9	-105.1	-217.4
<b>Total Production for Retail Customers</b>	<b>617.7</b>	<b>752.8</b>	<b>776.9</b>	<b>663.5</b>	<b>776.6</b>	<b>904.2</b>	<b>816.3</b>	<b>828.8</b>	<b>792.1</b>	<b>861.9</b>	<b>762.5</b>	<b>849.0</b>	<b>907.2</b>	<b>833.2</b>	<b>800.0</b>	<b>727.8</b>	<b>662.7</b>

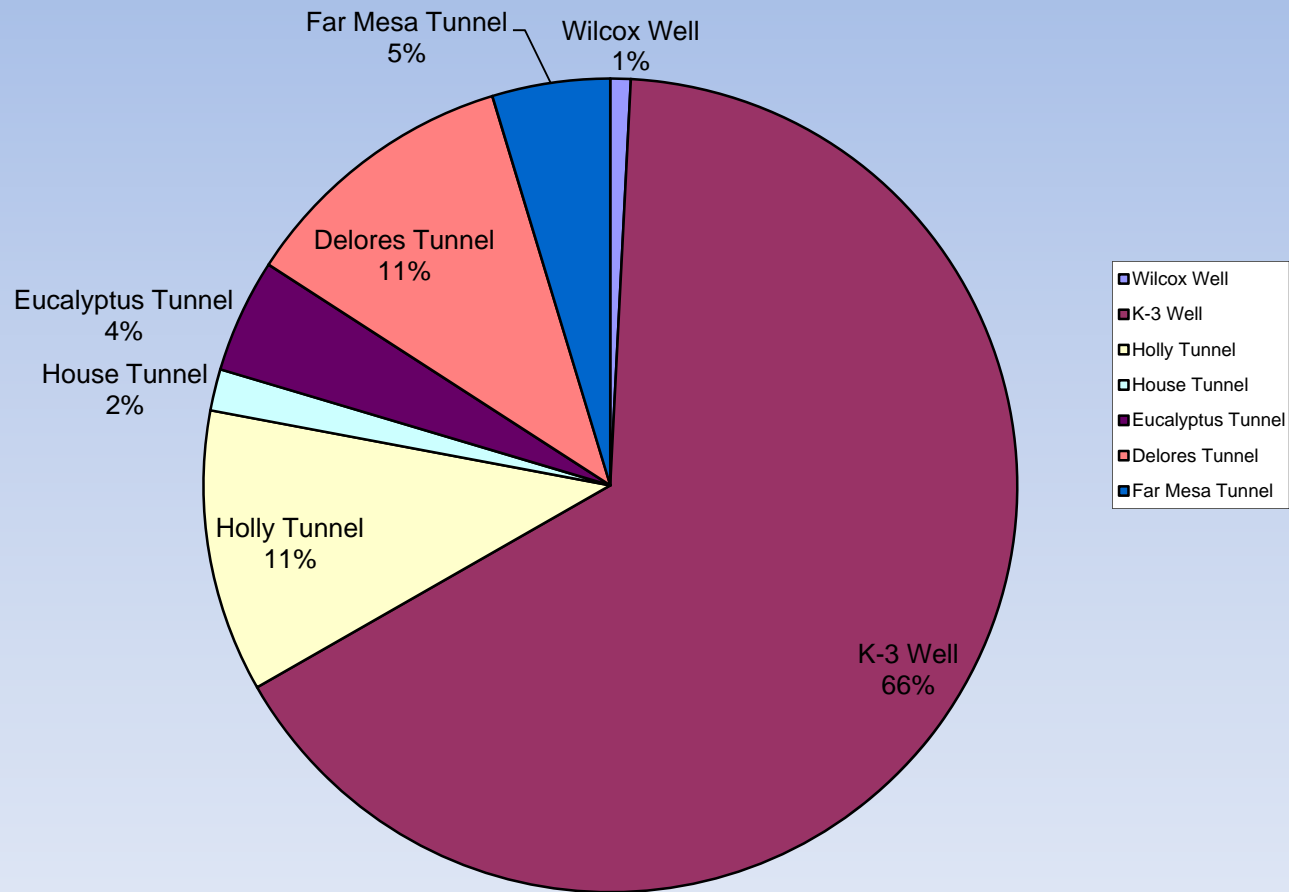
<b>Diversions in Acre-Feet</b>																	
<b>Source</b>	<b>1994-1995</b>	<b>1995-1996</b>	<b>1996-1997</b>	<b>1997-1998</b>	<b>1998-1999</b>	<b>1999-2000</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>
Holly Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
House Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.0	25.6	0.0	0.0	0.0	4.2	0.0	0.0
Kinneloa Canyon	140.7	50.2	54.3	56.8	48.6	52.1	33.4	28.9	12.2	9.5	31.2	40.4	45.4	27.2	21.4	21.2	37.8
Eucalyptus Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.9	16.7	0.0	0.0	0.0	0.0	0.0
<b>Eaton Wash Sub Total</b>	<b>140.7</b>	<b>50.2</b>	<b>54.3</b>	<b>56.8</b>	<b>48.6</b>	<b>52.1</b>	<b>33.4</b>	<b>28.9</b>	<b>38.0</b>	<b>9.5</b>	<b>81.7</b>	<b>57.2</b>	<b>45.4</b>	<b>27.2</b>	<b>25.6</b>	<b>21.2</b>	<b>37.8</b>
Delores Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.4	31.1	21.5	44.5	0.0	0.0	0.0	0.0	0.0	0.0
Long Tunnel	35.8	37.2	39.2	39.2	38.9	37.7	38.1	38.0	36.0	35.3	46.8	44.7	37.4	36.0	34.3	33.8	39.8
Far Mesa Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	4.6	0.0	0.0	0.0	0.0	30.2	42.5	0.0	0.0	0.0	0.0
Glen Wash	429.3	396.3	262.5	321.3	359.1	174.8	156.7	52.7	26.7	28.1	933.9	161.4	74.0	56.7	59.0	45.1	188.0
Tent Tunnel	5.1	5.5	5.4	5.3	5.8	3.4	2.4	2.3	2.1	2.0	3.2	3.5	2.9	2.5	2.1	2.0	1.8
Pasadena Glen Sub Total	470.2	439.0	307.1	365.8	403.8	215.9	201.8	134.4	95.9	86.9	1028.5	239.8	156.7	95.2	95.4	80.8	229.6
Sierra Madre Villa DB Outflow	-256.7	-32.8	-7.2	-33.7	0.0	0.0	0.0	0.0	0.0	0.0	-459.7	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Pasadena Glen Sub Total</b>	<b>213.5</b>	<b>406.2</b>	<b>299.9</b>	<b>332.1</b>	<b>403.8</b>	<b>215.9</b>	<b>201.8</b>	<b>134.4</b>	<b>95.9</b>	<b>86.9</b>	<b>568.8</b>	<b>239.8</b>	<b>156.7</b>	<b>95.2</b>	<b>95.4</b>	<b>80.8</b>	<b>229.6</b>
<b>Total Diverted</b>	<b>354.2</b>	<b>456.4</b>	<b>354.2</b>	<b>388.9</b>	<b>452.4</b>	<b>268.0</b>	<b>235.2</b>	<b>163.3</b>	<b>133.9</b>	<b>96.4</b>	<b>650.5</b>	<b>297.0</b>	<b>202.1</b>	<b>122.4</b>	<b>121.0</b>	<b>102.1</b>	<b>267.4</b>

Other Data	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Rainfall (inches)	43.61	22.64	22.80	52.29	14.46	18.82	20.04	7.86	24.48	10.12	58.00	21.79	5.81	24.61	16.10	23.63	31.34
Water Sales (Acre-Feet)	584.3	668.8	679.9	600.4	666.3	782.9	710.9	739.1	717.7	772.6	672.6	785.8	847.3	754.1	729.7	771.0	590.8
Water Loss (Acre-Feet)	33.4	84.0	97.0	63.1	110.3	121.3	105.4	89.7	74.4	89.3	89.8	63.2	59.9	79.0	70.3	61.9	71.8
Water Loss (%)	5.4	11.2	12.5	9.5	14.2	13.4	12.9	10.8	9.4	10.4	11.8	7.4	6.6	9.5	8.8	8.5	10.8
RBMB Long Term Storage Account (Acre-Feet)											326.9	847.9	728.6	797.9	790.0	790.0	790.0
Power (\$)					86,488	97,064	77,780	111,676	111,062	100,410	87,537	82,476	112,924	89,011	92,204	92,700	92,700
Power (\$ per Acre-Foot of Total Production)					78	86	88	122	135	116	115	83	92	107	110	111	105

**Figure 2**  
**Total Production**  
**July through June**

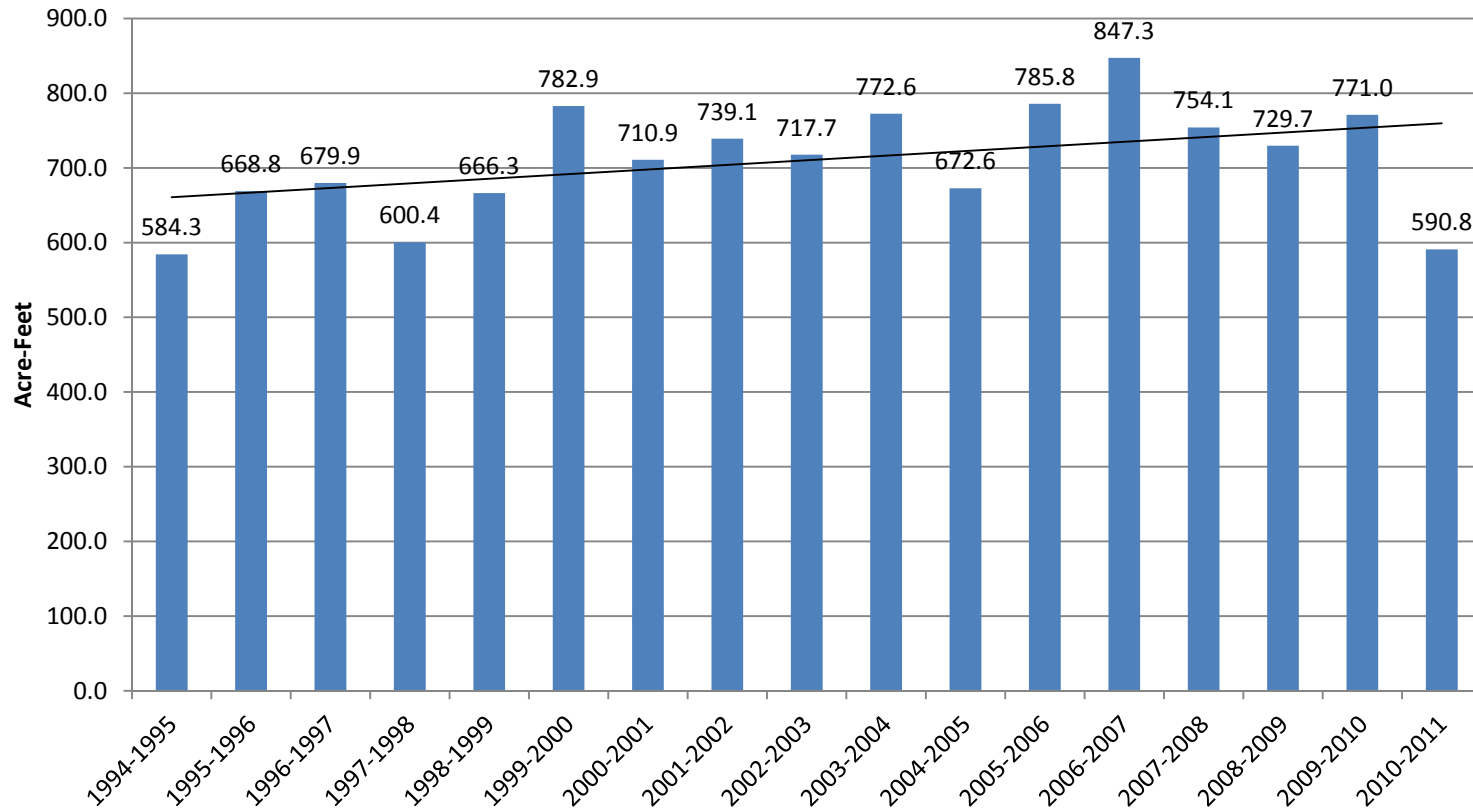


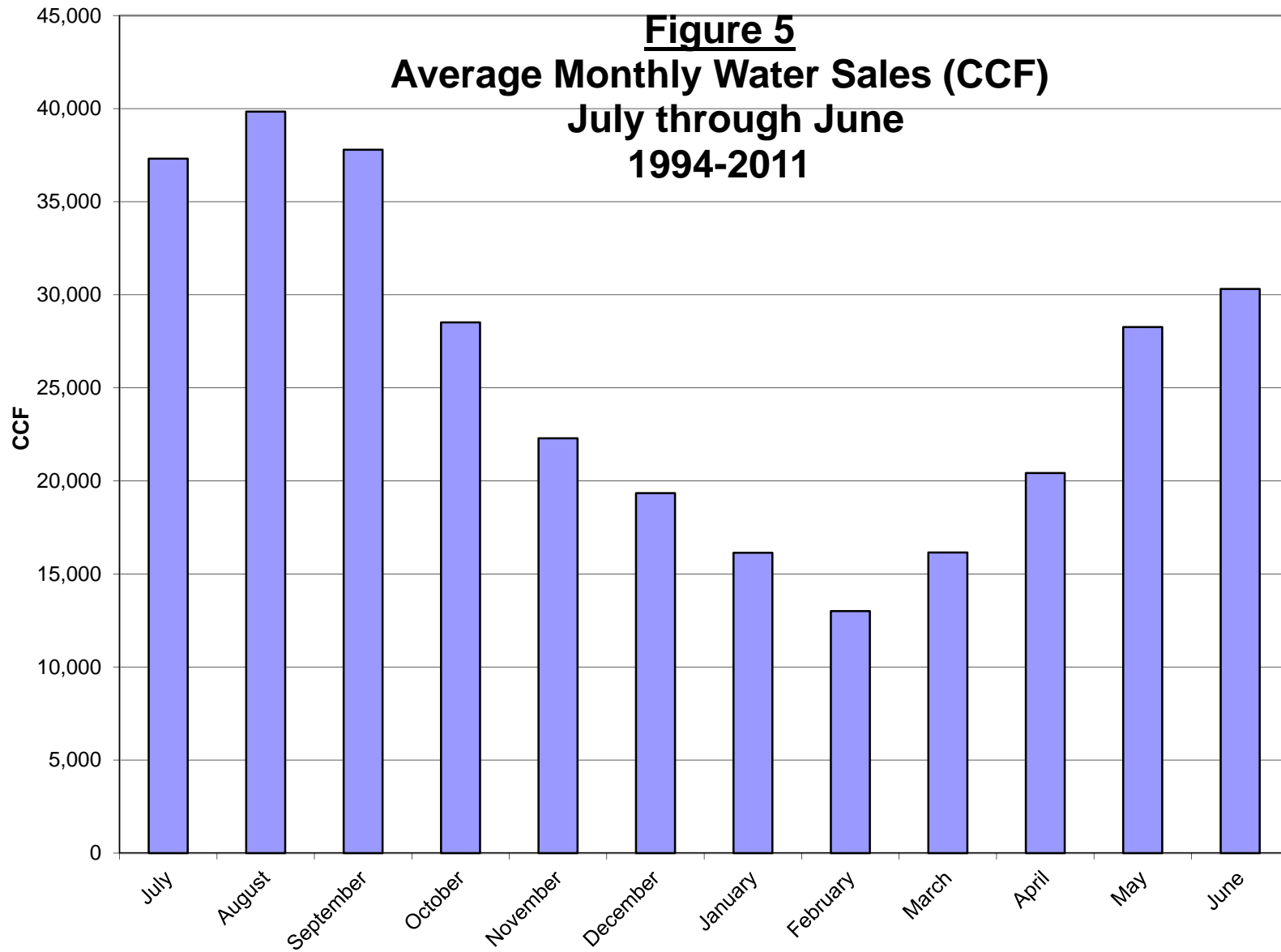
**Figure 3**  
**2010-2011 Production Sources**  
**July through June**



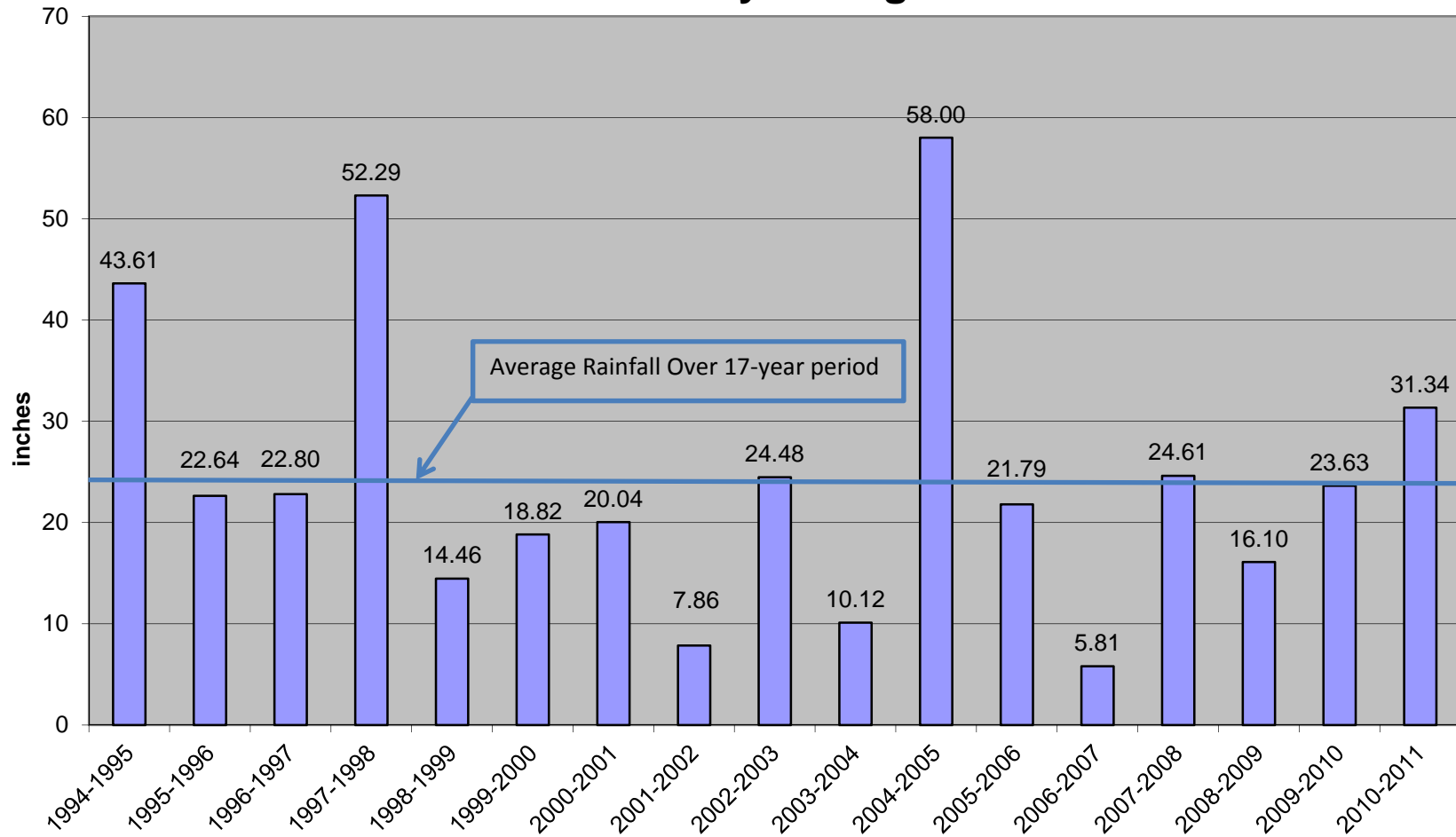


**Figure 4**  
**Annual Water Sales**  
**July through June**

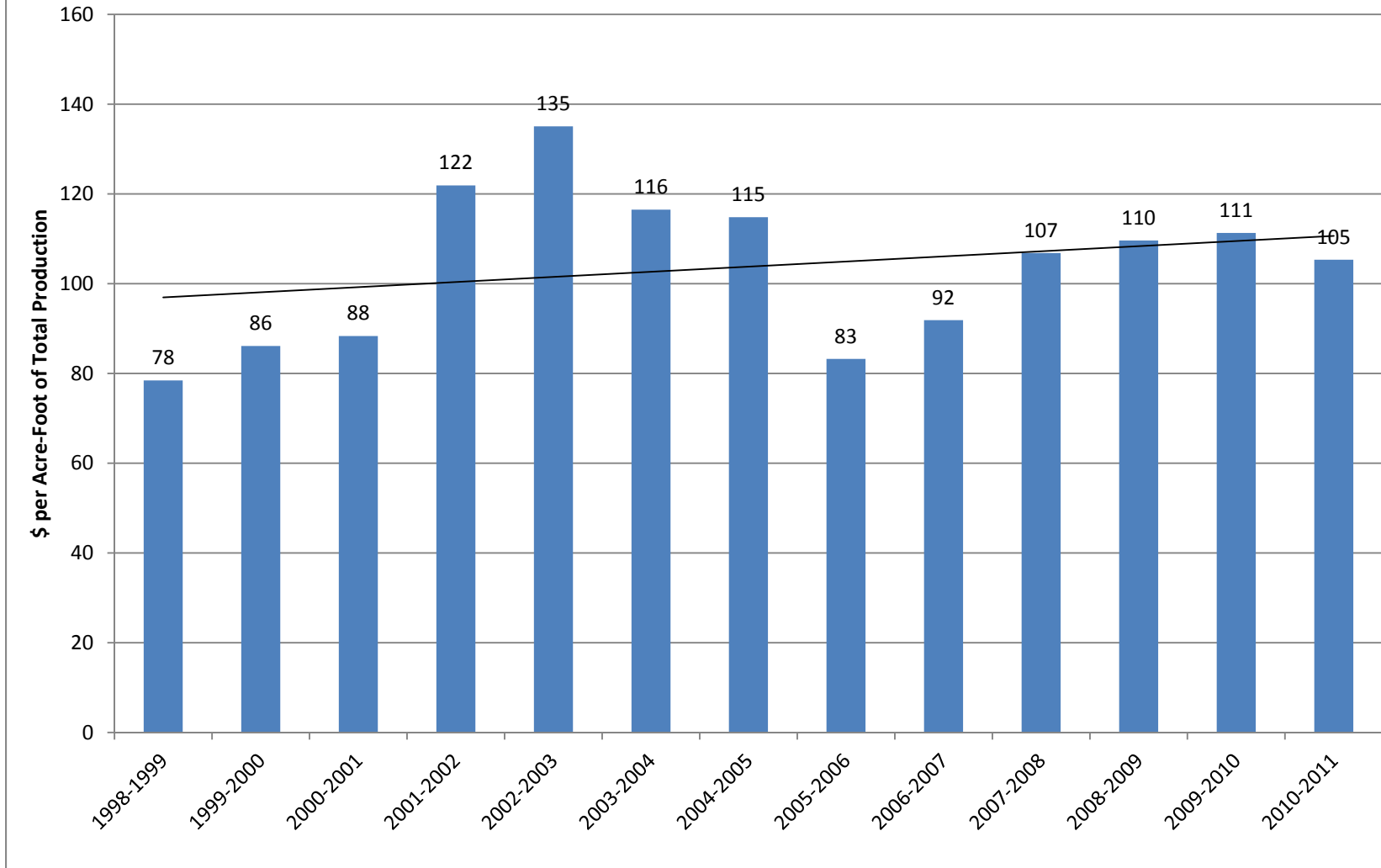




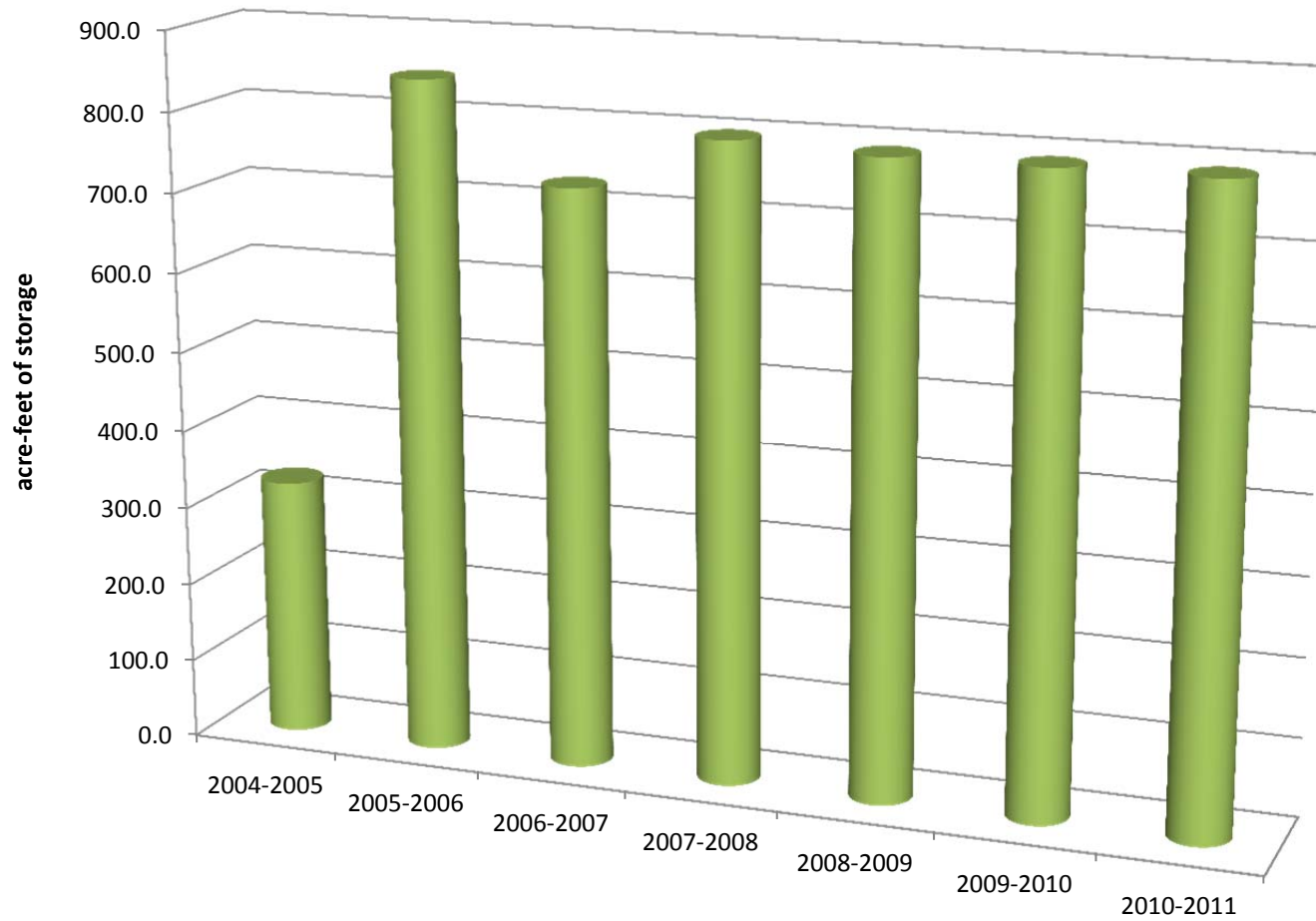
**Figure 6**  
**Rainfall**  
**July through June**



**Figure 7**  
**Power Cost in Dollars per Acre-Foot of**  
**Total Production**



**Figure 8**  
**Long Term Storage**



**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
KINNELOA IRRIGATION DISTRICT  
AUGUST 16, 2011**

**MEMBERS PRESENT:** Directors Barkhurst, Eldridge, Griffith, and Kilburn.  
Director Sorell was absent due to a prior engagement.

**STAFF PRESENT:** Melvin Matthews, General Manager

**CALL TO ORDER:** The Meeting was called to order by the Secretary, Frank Griffith, at 1933 hours. He noted that there was a quorum present. The Agenda was unanimously approved as presented.

**PUBLIC COMMENT:** No members of the public wished to speak.

**CONSIDERATION OF DIVISION APPORTIONMENT:**

The **General Manager** explained that this was an information item because there has been a new census and the District is legally required to review the Divisions to determine if they are equally divided by population. This will be an action item at a later date in the form provided by Mr. Kruse and the District is not allowed to make any changes to the Divisions 180 days prior to the election.

**REVIEW OF GENERAL MANAGER'S REPORT:**

**Sierra Madre Villa-Windover Road Pipeline Project:**

The project is completed with the exception of the contractor cleanup items. There is a punch list of three pages and final inspection will be conducted by the General Manager and Facilities Supervisor.

**K-3 Well Variable Frequency Drive Installation:**

Revised drawings for the electrical cabinet are expected soon.

**Chlorine Analyzer Upgrades:**

Both continuous chlorine and pH will be monitored continuously as required by the Health Dept. and the chlorine is on the alarm system in SCADA.

**REVIEW OF MINUTES:**

The minutes of July 19, 2011 were unanimously accepted for filing as presented.

**REVIEW OF FINANCIAL REPORTS:**

Director Barkhurst reviewed the Financial Reports noting that for the month the Revenue was slightly under budget and the Expenditures were about \$10,000 under budget and for the year to date, because of the wholesale water sales, the Revenue is considerably over budget and the Expenditures are \$10,000 under budget.

**ADJOURNMENT:**

The meeting was adjourned at 20:15 hours. The next meeting will be at 8:30 A.M. on August 26, 2011 which will be a budget workshop.

Respectfully submitted,

Shirley Burt  
Secretary to the Board

**MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
KINNELOA IRRIGATION DISTRICT  
AUGUST 26, 2011**

**+MEMBERS PRESENT:** Directors Barkhurst, Eldridge, Griffith, Kilburn and Sorell

**STAFF PRESENT:** Shirley Burt, Administrative Assistant  
Melvin Matthews, General Manager

**CALL TO ORDER:** The Meeting was called to order by the Chair, Director Sorell, at 0835 hours. He noted that there was a quorum present. The Agenda was unanimously approved as presented.

**PUBLIC COMMENT:** No members of the public were present.

**PRESENTATION AND DISCUSSION OF YEAR 2012 PROPOSED BUDGET:**

The General Manager submitted the following documents for review by the Board.

- The 2012 Budget Worksheet
- Budget Financial Summary for the years 2002-2011
- 2012 Proposed Budget.

He reviewed the worksheet providing detailed notes regarding the variances between the 2011 approved budget and the proposed 2012 budget noting that the total proposed revenue is reduced by \$56,450 from the 2011 year mainly due to --

- continued customer conservation efforts without a change in the rate
- decreased interest income due to lower reserve fund balance
- unknown wholesale water sales at this time
- no capacity charge as project delayed

and the proposed expenditures are increased by \$71,769 from the year 2011 mainly due to --

- increase in medical insurance, supplies, fuel, vehicle maintenance, profession dues
- purchase of replacement billing system (software)
- design work for the proposed 2013-2015 projects (Vosburg Booster Station, East-West Line)
- leased water rights

**Director Barkhurst** questioned whether the billing system should not be included in the Capitol Projects area and depreciated over several years noting that it would make the operating budget a little more in line. **Director Sorell** replied that the auditor may move that item because of the dollar size but probably only part of the cost would be transferred because some of the costs include the annual renewal fee, etc.

**Director Griffith** questioned whether there would be electrical rate increases and the **General Manager** stated that he does not expect any increases.

**Director Sorell** questioned maintaining the amount for Maintenance Contractors the same as in 2011 and **Director Barkhurst** noted that each year the system gets older and therefore more vulnerable. The **General Manager** explained this item now also includes the Tank Maintenance Contract and this skews the picture in reviewing years since 2002 since that was added in 2004.

**MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
KINNELOA IRRIGATION DISTRICT  
AUGUST 26, 2011**

**Page 2**

**Director Griffith** questioned whether the trucks had been paid off and the **General Manager** replied that there are two more years to go.

**Director Sorell** questioned the amount allocated for engineering services and the **General Manager** explained that some of the expenditures get transferred to the project when it is done and that the category was originally intended for non project engineering such as distribution system maps, fire flows, etc.

**Director Barkhurst** questioned why the engineering design work is scheduled so far in advance of the project and the **General Manager** explained that the engineering design takes a very long time and it is needed in order to estimate the cost and build up the reserve necessary to fund the project. The **General Manager** explained that this budget reflects sort of an off year for projects so that this will give an opportunity for the reserve to build back up.

**Director Sorell** noted that this is a break even budget and therefore the reserve will not be increased or decreased.

**Director Eldridge** questioned where the funds will come from to do the project if the reserve is not going to increase and the **General Manager** explained that the money will have to be borrowed or the rates will need to be increased however he is hopeful that additional income will come from selling leased water.

**Director Eldridge** expressed concern as to how the continued emphasis on conservation could effect the income from customer sales and **Director Barkhurst** noted that in the future the District may have to increase wholesale water sales if leased pumping rights are available at a favorable cost.

It was M/S/C (Barkhurst/Kilburn-5/0) – **“That the Board accept the proposed budget as submitted for final consideration at the next Regular Meeting”**.

**ADJOURNMENT:**

The meeting was adjourned at 1000 hours.

Respectfully submitted,

Shirley Burt  
Secretary to the Board



**Kinneloa Irrigation District**  
**Income Statement**  
**For the Eight Months Ending August 31, 2011**

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
<b>Revenues</b>				
4000 Water Sales	\$ 124,427.70	\$ 146,600.00	\$ 750,000.09	\$ 770,650.00
4015 Wholesale Water Sales	0.00	0.00	135,246.41	0.00
4020 Service Charges	1,013.34	833.33	6,848.04	6,666.64
4035 Interest-Reserve Fund	370.61	600.00	3,302.93	4,800.00
4050 Capacity Charge	0.00	0.00	0.00	6,000.00
<b>Total Revenues</b>	<b>125,811.65</b>	<b>148,033.33</b>	<b>895,397.47</b>	<b>788,116.64</b>
<b>Expenses</b>				
5005 Electricity	9,850.40	11,000.00	60,153.76	67,100.00
5010 Maintenance Supplies	2,666.65	2,333.33	26,521.30	18,666.64
5012 Safety Equipment	0.00	200.00	1,170.81	1,600.00
5015 Operations & Maintenance Labor	14,310.26	13,500.00	118,413.47	106,500.00
5020 Stand-by Compensation	720.00	625.00	4,950.00	5,000.00
5022 Training/Certification	240.00	200.00	493.28	1,600.00
5025 Water Treatment/Analysis	2,477.30	1,833.33	14,832.14	14,666.64
5030 Maintenance Contractors	4,005.41	9,750.00	81,924.72	78,000.00
5034 Equipment Maintenance	0.00	500.00	3,734.28	4,000.00
5035 Vehicle Maintenance	0.00	300.00	4,391.46	2,400.00
5036 Fuel - All Equipment	1,029.44	1,000.00	10,609.17	8,000.00
5045 Insurance-Workers Compensation	0.00	0.00	(2,090.00)	6,000.00
5046 Insurance-Liability	1,831.08	1,833.33	17,359.64	14,666.64
5048 Insurance-Property	178.50	208.33	1,081.50	1,666.64
5049 Insurance-Medical	3,509.90	3,166.67	28,079.20	25,333.36
6000 Engineering Services	9,444.10	2,000.00	13,453.10	16,000.00
6005 Watermaster Services	878.92	1,000.00	7,051.34	8,000.00
6015 Administrative Salary	10,004.40	10,609.64	80,035.20	83,061.40
6016 Administrative Bonus	0.00	0.00	3,000.00	0.00
6017 Administrative Travel	517.51	416.67	3,298.20	3,333.36
6020 BofD Compensation	800.00	500.00	3,400.00	4,600.00
6021 Administrative & Board Expense	750.00	208.33	2,338.54	1,666.64
6024 Customer/Public Info. Prog.	0.00	333.33	1,647.37	2,666.64
6025 PERS - KID	1,169.85	1,100.00	7,790.33	8,500.00
6030 Social Security - KID	2,281.24	2,300.00	18,342.88	18,100.00
6035 Office Supplies	216.12	750.00	4,014.48	6,000.00
6036 Postage/Delivery	224.73	500.00	3,366.04	4,000.00
6040 Professional Dues	539.08	583.33	4,907.64	4,666.64
6045 Legal Services	0.00	1,250.00	2,690.81	10,000.00
6050 Telephone	452.31	333.33	3,456.12	2,666.64
6051 Mobile Telephone	144.84	150.00	1,596.26	1,200.00
6052 Pagers	18.69	20.00	152.16	160.00
6053 Internet Service	84.94	83.33	607.32	666.64
6059 Computer/Software Maintenance	0.00	833.33	1,209.99	6,666.64
6061 Office Equipment Maintenance	0.00	83.33	400.00	666.64
6065 Accounting Services	0.00	1,000.00	6,200.00	7,000.00
6070 Office Labor	3,985.44	4,000.00	29,977.44	32,000.00
6075 Outside Services	1,398.00	1,666.67	9,641.79	13,333.36
6080 Capital Improvement Fees	(51.40)	0.00	(359.80)	0.00
6081 Permits/Fees	2,300.00	208.33	2,623.56	1,666.64
6120 Bank Service Charges	215.14	250.00	1,418.65	2,000.00
<b>Total Expenses</b>	<b>76,192.85</b>	<b>76,629.61</b>	<b>583,884.15</b>	<b>593,821.16</b>
<b>Net Income</b>	<b>49,618.80</b>	<b>71,403.72</b>	<b>311,513.32</b>	<b>194,295.48</b>

**Kinneloa Irrigation District**  
**Income Statement**  
**For the Eight Months Ending August 31, 2011**

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
<b>Other Expenditures</b>				
1504 Water Mains	0.00	21,250.00	0.00	170,000.00
1506 K-3 Well	0.00	0.00	12,614.51	15,000.00
1509 Wilcox Well/Wilcox Booster	0.00	0.00	0.00	15,000.00
1511 WaterTreatment Plant	0.00	0.00	1,872.35	5,400.00
1512 Trans. & Dist. Plant Meters	0.00	1,666.67	3,103.53	13,333.36
1513 Electrical/Electronic Equip.	0.00	2,083.33	5,740.94	16,666.64
1514 Computer/Office Equipment	0.00	416.67	1,911.11	3,333.36
1516 Water Company Facilities	0.00	2,500.00	0.00	5,000.00
1520 Glen Reservoir/Booster	0.00	0.00	24,190.86	16,000.00
1522 Eucalyptus Booster Station	0.00	2,500.00	0.00	20,000.00
1523 Construction in Progress	1,603.44	0.00	488,465.93	0.00
1527 SCADA Equipment	0.00	1,000.00	7,603.43	8,000.00
1530 Tools	0.00	200.00	2,281.20	1,600.00
2400 Truck Loan Payable	19,880.82	19,881.00	19,880.82	19,881.00
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Other Expenditures</b>	<b>21,484.26</b>	<b>51,497.67</b>	<b>567,664.68</b>	<b>309,214.36</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Increase or (Drawdown)</b>	<b>\$ 28,134.54</b>	<b>\$ 19,906.05</b>	<b>\$ (256,151.36)</b>	<b>\$ (114,918.88)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Kinneloa Irrigation District**  
**Balance Sheet**  
**August 31, 2011**

**ASSETS**

**Current Assets**

1010	Checking-Wells Fargo Bank	\$ 176,823.28
1012	Reserve Fund-LAIF	117,370.81
1014	Reserve Fund-CalTRUST	258,327.30
1015	Accr. Int./Price Adj.-CalTRUST	(994.82)
1016	Accrued Interest-LAIF	220.10
1100	Accts. Receivable-Water Sales	53,327.80
1190	Allowance for Bad Debts	855.13
1200	Inventory	20,000.00
1340	Accrued Water Sales	129,427.03
1350	Prepaid Insurance	16,542.87
1360	Prepaid Expenses	10,945.66
		<hr/>
	Total Current Assets	782,845.16

**Property and Equipment**

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	1,647,012.03
1505	Water Tunnels	705,985.75
1506	K-3 Well	82,848.37
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	83,486.82
1510	Interconnections	14,203.27
1511	Water Treatment Plant	173,917.32
1512	Trans. & Dist. Plant Meters	63,774.00
1513	Electrical/Electronic Equip.	208,315.91
1514	Computer/Office Equipment	44,172.53
1515	Vehicles & Portable Equipment	222,084.16
1516	Water Company Facilities	60,079.20
1517	KID Office	51,362.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1520	Glen Reservoir/Booster	24,190.86
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	500,288.76
1523	Construction in Progress	505,540.34
1526	Vosburg Booster	12,590.00
1527	SCADA Equipment	196,172.05
1528	Tanks and Reservoirs	97,944.39
1529	Holly Tanks	181,113.76
1530	Tools	4,730.78
1600	Accum. Depreciation	(2,693,534.12)
		<hr/>
	Total Property and Equipment	4,403,104.08
		<hr/>
	Total Assets	\$ 5,185,949.24
		<hr/> <hr/>

**Kinneloa Irrigation District**  
**Balance Sheet**  
**August 31, 2011**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

2000	Accounts Payable	\$ 48,100.22	
2271	Deposits-Construction Meters	850.00	
2272	Job Deposits	2,500.00	
2290	Accrued Vacation	10,817.70	
	Total Current Liabilities		62,267.92

**Long-Term Liabilities**

2400	Truck Loan Payable	34,514.29	
	Total Long-Term Liabilities		34,514.29
	Total Liabilities		96,782.21

**Capital**

3040	Fund Balance	4,777,653.71	
	Net Income	311,513.32	
	Total Capital		5,089,167.03
	Total Liabilities & Capital		\$ 5,185,949.24

**Kinneloa Irrigation District**  
**Statement of Cash Flow**  
**For the eight Months Ended August 31, 2011**

	Current Month	Year to Date
<b>Cash Flows from operating activities</b>		
Net Income	\$ 49,618.80	\$ 311,513.32
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	50,579.80	(15,306.86)
1101 Accts. Receiv.-Service Charges	0.00	28,872.01
1190 Allowance for Bad Debts	0.00	(8,983.45)
1350 Prepaid Insurance	2,009.58	425.34
1360 Prepaid Expenses	1,418.00	816.98
2000 Accounts Payable	3,350.09	25,209.11
2273 Job Deposits-Doyne Rd.	0.00	(20,000.00)
	57,357.47	11,033.13
<b>Total Adjustments</b>	<b>57,357.47</b>	<b>11,033.13</b>
<b>Net Cash provided by Operations</b>	<b>106,976.27</b>	<b>322,546.45</b>
 <b>Cash Flows from investing activities</b>		
<i>Used For</i>		
1506 K-3 Well	0.00	(12,614.51)
1511 WaterTreatment Plant	0.00	(1,872.35)
1512 Trans. & Dist. Plant Meters	0.00	(3,166.65)
1513 Electrical/Electronic Equip.	0.00	(5,740.94)
1514 Computer/Office Equipment	0.00	(1,911.11)
1520 Glen Reservoir/Booster	0.00	(24,190.86)
1523 Construction in Progress	(1,603.44)	(488,470.34)
1527 SCADA Equipment	0.00	(7,603.43)
1530 Tools	0.00	(2,281.20)
	(1,603.44)	(547,851.39)
<b>Net cash used in investing</b>	<b>(1,603.44)</b>	<b>(547,851.39)</b>
 <b>Cash Flows from financing activities</b>		
<i>Proceeds From</i>		
<i>Used For</i>		
2400 Truck Loan Payable	(19,880.82)	(19,880.82)
	(19,880.82)	(19,880.82)
<b>Net cash used in financing</b>	<b>(19,880.82)</b>	<b>(19,880.82)</b>
<b>Net increase (decrease) in cash</b>	<b>\$ 85,492.01</b>	<b>\$ (245,185.76)</b>
 <b>Summary</b>		
Cash Balance at End of Period	\$ 681,173.70	\$ 681,173.70
Cash Balance at Beg. of Period	(595,681.69)	(926,291.93)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 85,492.01</b>	<b>\$ (245,118.23)</b>

## Aged Receivables Report -- Previous 12 Months

ACCOUNTING PERIOD	CURRENT PERIOD	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL BALANCE	LATE PAYMENT CHARGES
SEPTEMBER 2010	\$53,563 296	\$6,842 58	\$2,559 19	-\$648 15	\$62,316	\$648.73 38 Accts
OCTOBER 2010	\$86,747 395	\$9,160 86	\$2,182 17	\$1,783 11	\$99,872	\$472.90 27 Accts
NOVEMBER 2010	\$27,813 251	\$3,922 60	\$2,993 22	\$3,486 12	\$38,213	\$659.51 38 Accts
DECEMBER 2010	\$31,464 276	\$3,003 61	\$66 23	\$3,488 13	\$38,021	\$372.05 22 Accts
JANUARY 2011	\$28,163 281	\$2,537 63	\$754 22	\$838 16	\$32,293	\$480.29 29 Accts.
FEBRUARY 2011	\$38,168 323	\$3,153 77	\$557 19	\$1,218 13	\$43,096	\$536.18 33 Accts.
MARCH 2011	\$26,868 247	\$2,601 61	-\$709 22	\$2,331 11	\$31,092	\$345.74 21 Accts.
APRIL 2011	\$71,105 312	\$851 61	\$1,592 18	\$972 13	\$74,520	\$341.45 21 Accts.
MAY 2011	\$72,917 289	\$38,282 47	\$135 15	\$2,497 12	\$113,831	\$385.86 24 Accts.
JUNE 2011	\$81,228 320	\$5,233 76	\$1,058 27	\$2,717 11	\$90,236	\$738.13 45 Accts.
JULY 2011	\$64,746 327	\$36,816 67	\$568 19	\$1,903 11	\$104,033	\$566.89 35 Accts
AUGUST 2011	\$47,404 252	\$2,534 73	\$916 15	\$2,228 12	\$53,083	\$493.34 30 Accts

**Kinneloa Irrigation District**  
**Check Register**  
For the Period From August 1, 2011 to August 31, 2011

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
8/12/11	EFT1171	Arco Gaspro Plus	1,029.44	truck gas
8/12/11	EFT1172	AT&T	63.72	telephone
8/12/11	EFT1173	Bank of America Business	2,013.33	credit card payment
8/12/11	EFT1174	Calif. Public Employees Re	2,437.79	CalPERS
8/12/11	EFT1175	Pasadena Municipal Servic	1,076.13	electricity
8/12/11	EFT1176	Southern California Edison	5,637.78	electricity
8/12/11	EFT1177	Verizon Wireless	179.01	mobile phones
8/12/11	6695	A&B Electric	510.65	install chlorine analyzer
8/12/11	6696	Ace Industrial Supply	173.89	insect repellent
8/12/11	6697	ACWA/JPIA	13,902.00	liability insurance - deposit premium
8/12/11	6698	ACWA Health Benefits Au	4,043.72	health insurance
8/12/11	6699	Alert Communications, Inc	78.00	answering service
8/12/11	6700	Ameripride Uniform Servic	77.70	rag service
8/12/11	6701	Athens Services	129.38	trash pickup
8/12/11	6702	Berg Hardware	25.87	maintenance supplies
8/12/11	6703	Consolidated Electrical Dis	18.81	maintenance supplies
8/12/11	6704	Cook Paging, Inc.	18.69	paggers
8/12/11	6705	Brian Fry	61.10	reimbursement for CDPH certification renewal
8/12/11	6706	McMaster Carr	51.67	maintenance supplies
8/12/11	6707	MWH Laboratories	118.80	water samples
8/12/11	6708	National Meter & Automat	1,154.47	water meter
8/12/11	6709	Raymond Basin Managemen	1,917.50	water samples
8/12/11	6710	Red Supply	125.47	maintenance supplies
8/12/11	6711	SA Associates	17,122.20	construction project support - SMV/Windover
8/12/11	6712	Shirley Burt	70.72	expense reimbursement
8/12/11	6713	Specialty Services	275.00	janitorial service
8/12/11	6714	Underground Service Alert	9.00	dig alerts
8/12/11	6715	Utility Service Co., Inc.	3,477.21	tank maintenance
8/15/11	6716	California Department of P	90.00	Mel's CDPH certification renewal
8/25/11	EFT1178	AT&T	310.59	telephone
8/25/11	EFT1179	Charter Communications	79.99	Internet service
8/25/11	EFT1180	Earthlink Network	4.95	Internet service
8/25/11	6717	Byrd Industrial Electronics	587.36	SCADA maintenance
8/25/11	6718	Clinical Laboratory, San B	309.00	water samples
8/25/11	6719	Denram Products	434.77	envelopes
8/25/11	6720	Melvin L. Matthews	1,198.01	expense reimbursement
8/25/11	6721	McCall's Meter Sales & Se	134.87	repair K-3 production meter
8/25/11	6722	Monrovia Mailing Compan	367.92	billing statement processing and mailing
8/25/11	6723	Red Supply	70.11	maintenance supplies
8/25/11	6724	Western Water Works	1,142.97	maintenance supplies

**Kinneloa Irrigation District**  
**Check Register**  
**For the Period From August 1, 2011 to August 31, 2011**

8/25/11	6726	Consolidated Electrical Dis	257.74	maintenance supplies
8/25/11	EFT1181	Christopher A. Burt	2,438.26	salary
8/25/11	EFT1182	Shirley L. Burt	1,428.02	salary
8/25/11	EFT1183	Melvin L. Matthews	3,661.16	salary
8/25/11	64922137	Brian L. Fry	1,569.26	salary
8/25/11	64922138	Felix Galindo	376.31	salary
8/25/11	64922139	Chris J. Mellinger	318.78	salary
8/26/11	EFT1184	ADP	55.48	payroll processing
8/26/11	EFT1185	Christopher A. Burt	150.00	salary
8/26/11	EFT1186	ADP	4,234.43	payroll taxes and withholding
	<b>Total</b>		<b>75,019.03</b>	

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**CREDIT CARD CHARGES**  
**JULY 2011**

Category	Shirley	Mel	Brian	Chris B	Chris M	TOTAL
Maintenance Supplies			\$64.86	\$64.12		\$128.98
Maintenance Tools						\$0.00
Maint. Exp.						\$0.00
Postage/Delivery	\$227.51		\$50.07			\$277.58
Computer Supplies						\$0.00
Computer Software		\$709.84				\$709.84
Computer Maintenance						
Scada						\$0.00
Windover Rd. Project						\$0.00
Emp. Cert.						\$0.00
Truck Exp.						\$0.00
Truck Fuel						\$0.00
Generator/Pump Fuel						\$0.00
Office Supplies	\$112.73					\$112.73
Safety						\$0.00
Water Quality						\$0.00
Adm. Exp.	\$413.00	\$19.23	\$231.00			\$663.23
Doyne Road Project						\$0.00
Telephone			\$120.97			\$120.97
Office equip.						\$0.00
Finance Chg.						\$0.00
Finance Credit						\$0.00
<b>TOTAL</b>	\$753.24	\$729.07	\$466.90	\$64.12	\$0.00	<b>\$2,013.33</b>