

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY – February 17, 2008
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. OFFICE EMERGENCY POWER PROJECT**

- 4. GENERAL MANAGER’S REPORT**

- 5. REVIEW MINUTES** – Regular Meeting of January 20, 2009

- 6. REVIEW OF FINANCIAL REPORTS** – January 31, 2009

- 7. ITEMS FOR NEXT AGENDA**

- 8. CALENDAR** – March 17, 2009
April 21, 2009
May 19, 2009

- 9. 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: February 12, 2009

To: Board of Directors

From: Mel Matthews

Subject: Office Emergency Power – Automatic Transfer Switch and Generator Installation

Recommended Action: Approval

The emergency power generator for the office has been delivered. The final price was \$18,688.58 which is less than the approved budgeted amount of \$20,000.

We are now ready to do the installation of the generator connecting cables and the automatic transfer switch and to add the necessary controls and monitoring to the SCADA system. We have a quotation from A&B Electric for \$12,244 for the cables and the installation of the automatic transfer switch. Our 2009 budgeted amount for electrical work is \$20,000; SCADA improvement is \$15,000; and facility work is \$30,000. None of these amounts have been spent to date.

The quotation from A&B is consistent with our knowledge of the work to be completed. Since A&B successfully completed the similar Pasadena Glen Reservoir project we recommend that office emergency power installation by A&B Electric be approved and that the SCADA work be arranged with Byrd Industrial Electronics on a time and materials basis as we have done in the past.

General Manager's Report

February 17, 2009

I. Projects

- A. Kinneloa Mesa Pipeline Project – Project start date is March 2, 2009. A letter announcing the project has been sent to all Mesa residents and a sign will be posted on site. Completion is projected to be May 29, 2009 if there are no significant delays due to rain.
- B. Doyne Road Development – The engineering work is proceeding and upon completion we will have the plans and specifications for the bidding package.
- C. Brown Reservoir Flo-LOC™ Valve – Valve actuator has been received and fabrication of the mounting bracket is in progress.
- D. SCADA – The replacement computer is being prepared by Byrd Industrial Electronics. Once the new computer is installed, the old computer will be retained to serve as an onsite backup in case of another catastrophic failure like we had in October 2008.

II. Customer Service Issues for January

- A. Clarmeya Lane – Customer complained about high usage. We checked for any obvious leaks and found none. We had previously replaced the meter due to age but the usage pattern was the same with both old and new meter. We provided usage history upon the customer's request.

III. Office Operations

A. Delinquent Accounts

30 accounts received 10 day letters
14 accounts received 5 day letters
2 account received 24-hour shut off notice
0 accounts were shut off for non-payment and turned back on after payment
2 accounts remain shut off for non-payment

IV. GM's Projects and Goals

- A. I am working on the management section of the year-end audit.
- B. I am working on my annual report to the Board of Directors.
- C. I am working on our opposition to the proposed general NPDES permit which is currently set for approval by the Regional Water Quality Board on March 9.

V. Continuing Education

I participated in an all day human resources seminar given by ACWA/JPIA primarily covering the new employer/employee federal and state legislation that became effective on January 1, 2009. Additional topics included the new online employee training and certification program that is being provided to the District at no cost. This will allow us to more easily get the necessary safety and certification training as well as general education on subjects of interest and value to the employee and the District. I will be setting up a web site that is specific to the KID and I will be the administrator of the continuing education program for the employees and me.

The day also included training on the use of the new online interactive ACWA salary and benefits survey that we will be participating in for 2009. We paid a \$150 fee to have access to the 2008 survey, but we will not pay a fee going forward as a participant in future years.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JANUARY 20, 2009**

MEMBERS PRESENT: Directors Barkhurst, Kilburn, Pickard, and Sorell
Director Griffith notified the Chair that he would be absent.

STAFF PRESENT: Shirley Burt, Administrative Assistant
Chris Burt, Facilities Supervisor
Melvin Matthews, General Manager

CALL TO ORDER: The meeting was called to order by the Chair, Director Barkhurst, at 1930 hours. He noted that there was a quorum of the Board present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT: No persons from the Public wished to comment at this time.

REVIEW OF GENERAL MANAGER'S REPORT:

The **General Manager** asked if the Board had any questions regarding any items in his report.

Accounts Payable Procedure:

Director Barkhurst explained that he had been working with the General Manager and the Auditor to determine if there is a method whereby bills could be paid electronically, and the scheme he is suggesting is to have a listing of the bills with a fairly complete description Emailed to all the Board Members several times a month and upon receiving back an approval from a minimum of three Board Members the General Manager would thereby be authorized to pay those bills electronically.

Director Sorell commented that, while approval could be given for a list of bills to be paid, there is no control to ensure that those specific bills would be paid and not some other bills that had not been approved.

Director Barkhurst replied that the Bank Statement reconciliation at the end of the month would serve as the oversight control.

Director Sorell questioned who was doing the Bank Statement reconciliation and **Director Barkhurst** replied that he thought Director Sorell was doing that and Director Sorell replied that he was not.

The **General Manager** stated that he performs the Bank Statement reconciliation and it is available for review.

Director Sorell noted that the General Manager is writing the checks and also reconciling the accounts and he thinks that the Auditor would see that as a huge control issue. He further stated that what minimizes that issue now is that currently two Board Members sign the checks as the General Manager is not a signatory on the check and the Board Members are actually handling the paper. He further stated that if the General Manager is doing everything off line, this negates that point of control.

The **General Manager** noted that the Bank doesn't even check signatures on the checks anymore and **Director Sorell** stated that he was aware of that.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JANUARY 20, 2009**

GENERAL MANAGER'S REPORT (continued):

Director Barkhurst stated that nothing is finalized yet and that he just wanted the Board to know that a procedure is being developed and will be presented for Board review.

The **General Manager** stated that he wanted to make the Board aware that there is not much control now and that it is his basic honesty and integrity that prevents abuse and this suggested procedure would not represent any change from the current practice.

Overtime :

Director Kilburn questioned how the overtime for 2008 compare with 2007 and the General Manager replied that he thought it was slightly more but that the purpose of this overtime report was to delineate where the overtime is incurred.

Director Sorell noted that Facility Check is a scheduled activity and Projects are a known kind of activity but that the other activities are unplanned and the General Manager concurred.

REVIEW OF THE MINUTES:

The minutes of December 16, 2008 were reviewed and unanimously approved with the correction of three typographical errors.

REVIEW OF FINANCIAL REPORTS:

Director Sorell reviewed the reports and made the following comments –

- The reports reflect the unofficial report of this year's activity
- Water revenue for the year is \$1,041,000
- The District is about \$50,000 ahead in the budget overall
- Electricity costs are less than budgeted
- Maintenance Contractors are over budget mostly due to leak repairs
- Legal expense are within budget but a larger portion than expected is being spent on obtaining ownership of the Sage and West Tank sites

Director Barkhurst stated that he had been asked by Director Griffith to make the following comments –1)He could not reconcile the power expense, 2) He wished to know why there was not the Budget Spread Sheet in the Board Packet and 3) Why the Credit Card Disbursement Report shows Brian using the credit card for expenditures that could be better handled at the office level.

Director Sorell stated that that question about the power reconciliation had already been answered. The **General Manager** stated that he had decided to eliminate that Budget Spread Sheet because it is not used at the meetings, but that he will keep it as an internal document which can be reviewed at any time.

The **General Manager** explained the expenditures that Brian made were within his area of responsibility.

**MINUTES OF THE REGULAR MEETING
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KINNELOA IRRIGATION DISTRICT
JANUARY 20, 2009**

REVIEW OF FINANCIAL REPORTS(continued):

Director Sorell noted that a schedule of our power bills could be shown where at least ten of the months would line up.

Director Barkhurst requested the General Manager to report on the feedback from the Board Members regarding what financial reports they would like to have included in the Board Packet. The **General Manager** replied that Director Sorell requested the Income Statement, Balance Sheet, Cash Flow Report, Check Register, and the Aged Receivables Report, and that was about the same for the other Directors, although he had not received a reply from Director Griffith.

Director Sorell stated that it is nice to have a resource where he can look at the trend on a month to month basis and suggested that the Budget Spread Sheet be reviewed on a periodic basis.

Director Barkhurst noted that it would be particularly helpfull when there are large unanticipated expenditures that might change the actuals at the end of the year.

Director Sorell said that it would be helpful to have the report available at the meeting.

The **General Manager** suggested that he could Email the report which would avoid the printing.

The Financial Reports were unanimously approved for filing as submitted.

ITEMS FOR NEXT AGENDA:

Director Barkhurst stated that as Chair he would like to appoint Gerrie Kilburn and Maurice Pickard to an Ad Hoc Personnel Committee to review the performance of the General Manager for the calendar year 2008 and that Gerrie Kilburn act as scribe. He reviewed the process that should be followed--

- The General Manager will Email a Performance Review Form that has been used for the last four years to Director Kilburn.
- Director Kilburn will meet with Director Pickard and develop a complete narrative of the Performance Review leaving the number scores blank.
- The General Manager will Email to all Board Members his self appraisal for the year 2008.
- The Board will meet in Executive Session in March.

ADJOURNMENT:

The meeting was adjourned at 1955 hours. The next meeting will be held on February 17, 2008.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board

2009 AGED RECEIVABLES REPORT

ACCOUNTING PERIOD	TOTAL BALANCE	CURRENT PERIOD	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	OVER 120 DAYS	Penalty Charges	Interest Charges
JANUARY	\$61,807	\$37,314 416	\$18,057 112	\$3,440 28	\$1,269 12	\$1,727 2	\$675.00 45	\$91.91
FEBRUARY								
MARCH								
APRIL								
MAY								
JUNE								
JULY								
AUGUST								
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER								
						Totals	\$720.00	\$91.91

Kinneloa Irrigation District
Statement of Cash Flow
For the one Month Ended January 31, 2009

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 19,655.75	\$ 19,655.75
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	5,504.00	5,504.00
1101 Accts. Receivable-Invoices	(643.76)	(643.76)
1350 Prepaid Insurance	1,525.75	1,525.75
1360 Prepaid Expenses	1,745.08	1,745.08
2000 Accounts Payable	13,631.93	13,631.93
2200 Fed. Withholding Tax Payable	1,749.77	1,749.77
2210 Soc.Sec./Medicare Tax Payable	1,083.11	1,083.11
2220 State Withholding Tax Payable	534.90	534.90
2240 Savings Withholding-Employee	125.00	125.00
2250 PERS Withholding-Employee	19.07	19.07
2273 Job Deposits-Doyme Rd.	15,000.00	15,000.00
	<hr/>	<hr/>
Total Adjustments	40,274.85	40,274.85
	<hr/>	<hr/>
Net Cash provided by Operations	59,930.60	59,930.60
Cash Flows from investing activities		
<i>Used For</i>		
1528 Tanks and Reservoirs	(17,501.71)	(17,501.71)
	<hr/>	<hr/>
Net cash used in investing	(17,501.71)	(17,501.71)
	<hr/>	<hr/>
Cash Flows from financing activities		
<i>Proceeds From</i>		
<i>Used For</i>		
	<hr/>	<hr/>
Net cash used in financing	0.00	0.00
	<hr/>	<hr/>
Net increase (decrease) in cash	\$ 42,428.89	\$ 42,428.89
	<hr/>	<hr/>
Summary		
Cash Balance at End of Period	\$ 1,035,527.16	\$ 1,035,527.16
Cash Balance at Beg. of Period	(993,098.27)	(993,098.27)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash	\$ 42,428.89	\$ 42,428.89
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Steven Sorell, Treasurer _____

Kinneloa Irrigation District
Income Statement
For the One Month Ending January 31, 2009

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
4000 Water Sales	\$ 73,192.32	\$ 53,795.00	\$ 73,192.32	\$ 53,795.00
4020 Invoice Sales	350.00	833.33	350.00	833.33
4035 Interest-General Fund Savings	4,683.59	6,250.00	4,683.59	6,250.00
Total Revenues	78,225.91	60,878.33	78,225.91	60,878.33
Expenses				
5005 Electricity	5,881.90	5,000.00	5,881.90	5,000.00
5010 Maintenance Supplies	3,810.78	1,666.67	3,810.78	1,666.67
5012 Safety Equipment	0.00	500.00	0.00	500.00
5015 Maintenance Labor	12,559.95	14,050.00	12,559.95	14,050.00
5020 Stand-by Compensation	450.00	625.00	450.00	625.00
5022 Training/Certification	0.00	200.00	0.00	200.00
5025 Water Treatment/Analysis	823.65	1,833.33	823.65	1,833.33
5030 Maintenance Contractors	2,724.29	4,166.67	2,724.29	4,166.67
5034 Equipment Maintenance	49.85	250.00	49.85	250.00
5035 Vehicle Maintenance	15.13	583.33	15.13	583.33
5036 Fuel - All Equipment	2,885.93	833.33	2,885.93	833.33
5045 Insurance-Workers Compensation	0.00	3,750.00	0.00	3,750.00
5046 Insurance-Liability	1,359.75	1,250.00	1,359.75	1,250.00
5048 Insurance-Property	166.00	208.33	166.00	208.33
5049 Insurance-Medical	5,764.29	3,333.33	5,764.29	3,333.33
6000 Project Engineering	0.00	1,250.00	0.00	1,250.00
6005 Watermaster	901.33	666.67	901.33	666.67
6015 Administrative Salary	10,369.00	10,369.00	10,369.00	10,369.00
6017 Administrative Travel	9.97	416.67	9.97	416.67
6020 BofD Compensation	400.00	500.00	400.00	500.00
6021 Administrative Exp.	0.00	208.33	0.00	208.33
6024 Customer/Public Info. Prog.	0.00	333.33	0.00	333.33
6025 PERS - KID	907.62	1,183.33	907.62	1,183.33
6030 Social Security - KID	1,043.69	2,175.00	1,043.69	2,175.00
6035 Office Supplies	247.83	750.00	247.83	750.00
6036 Postage/Delivery	237.52	500.00	237.52	500.00
6040 Professional Dues	843.75	583.33	843.75	583.33
6045 Legal	909.22	833.33	909.22	833.33
6050 Telephone	469.54	487.50	469.54	487.50
6051 Cellular Telephone	137.84	208.33	137.84	208.33
6052 Pagers	132.69	150.00	132.69	150.00
6053 Internet Service	64.94	83.33	64.94	83.33
6059 Computer/Software Maintenance	700.00	833.33	700.00	833.33
6061 Office Equipment Maintenance	0.00	83.33	0.00	83.33
6070 Office Labor	3,812.16	4,000.00	3,812.16	4,000.00
6075 Outside Services	692.28	1,666.67	692.28	1,666.67
6081 Permits/Fees	0.00	208.33	0.00	208.33
6120 Bank Service Charges	199.26	250.00	199.26	250.00
Total Expenses	58,570.16	65,989.80	58,570.16	65,989.80
Net Income	19,655.75	(5,111.47)	19,655.75	(5,111.47)

Other Expenditures

Kinneloa Irrigation District
Income Statement
For the One Month Ending January 31, 2009

	Current Month	Current Month	Year to Date	Year to Date
	Actual	Budget	Actual	Budget
1504 Water Mains	0.00	94,750.00	0.00	94,750.00
1511 Water Treatment Plant	0.00	833.33	0.00	833.33
1512 Trans. & Dist. Plant Meters	0.00	1,666.67	0.00	1,666.67
1513 Electrical/Electronic Equip.	0.00	1,666.67	0.00	1,666.67
1514 Computer/Office Equipment	0.00	416.67	0.00	416.67
1515 Trucks and Portable Equipment	0.00	1,666.67	0.00	1,666.67
1527 SCADA Equipment	0.00	1,250.00	0.00	1,250.00
1528 Tanks and Reservoirs	17,501.71	6,250.00	17,501.71	6,250.00
	<u>17,501.71</u>	<u>108,500.01</u>	<u>17,501.71</u>	<u>108,500.01</u>
Total Other Expenditures	17,501.71	108,500.01	17,501.71	108,500.01
Total Increase or (Drawdown)	\$ 2,154.04	\$ (113,611.48)	\$ 2,154.04	\$ (113,611.48)

Steven Sorell, Treasurer _____

Kinneloa Irrigation District
Balance Sheet
January 31, 2009

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 224,564.53
1012	Savings Account-LAIF	488,064.07
1013	Savings-LAIF Reserve Fund	250,000.00
1100	Accts. Receivable-Water Sales	61,806.70
1101	Accts. Receivable-Invoices	1,620.49
1190	Allowance for Bad Debts	(1,881.57)
1200	Inventory	24,964.95
1340	Accrued Water Sales	72,898.56
1350	Prepaid Insurance	11,163.20
1360	Prepaid Expenses	11,211.55
		<hr/>
	Total Current Assets	1,144,412.48

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	1,188,444.80
1505	Water Tunnels	705,985.75
1506	K-3 Well	70,233.86
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well	71,312.70
1510	Interconnections	14,203.27
1511	Water Treatment Plant	172,044.97
1512	Trans. & Dist. Plant Meters	79,073.92
1513	Electrical/Electronic Equip.	230,136.29
1514	Computer/Office Equipment	50,352.42
1515	Trucks and Portable Equipment	204,417.06
1516	Water Company Facilities	41,254.15
1517	Hidden Valley Office	51,362.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	471,817.81
1526	Vosburg Booster	12,590.00
1527	SCADA Equipment	164,211.91
1528	Tanks and Reservoirs	171,395.88
1529	Holly Tanks	181,113.76
1600	Accum. Depreciation	(1,968,472.95)
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	Total Property and Equipment	4,128,303.50
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	Total Assets	\$ 5,272,715.98
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Kinneloa Irrigation District
Balance Sheet
January 31, 2009

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 26,011.73
2200	Fed. Withholding Tax Payable	1,749.77
2210	Soc.Sec./Medicare Tax Payable	1,083.11
2220	State Withholding Tax Payable	534.90
2240	Savings Withholding-Employee	125.00
2250	PERS Withholding-Employee	1,307.82
2260	Med./Dental-Withhold-Employee	502.80
2271	Deposits-Construction Meters	1,700.00
2273	Job Deposits-Doyme Rd.	20,497.68
2290	Accrued Vacation	10,525.70
		<hr/>
	Total Current Liabilities	64,038.51

Long-Term Liabilities

2400	Truck Lease Payable	86,671.63
		<hr/>
	Total Long-Term Liabilities	86,671.63
		<hr/>
	Total Liabilities	150,710.14

Capital

3040	Fund Balance	5,102,350.09
	Net Income	19,655.75
		<hr/>
	Total Capital	5,122,005.84
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	Total Liabilities & Capital	\$ 5,272,715.98
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Steven Sorell, Treasurer _____