

**KINNELOA IRRIGATION DISTRICT**  
**REGULAR MEETING – BOARD OF DIRECTORS**  
1999 KINCLAIR DRIVE, PASADENA, CA 91107  
TUESDAY – NOVEMBER 17, 2015 at 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. PUBLIC HEARING** – Water Rates
  
- 4. WATER RATES** – Discussion and adoption of water rates for 2016
  
- 5. GENERAL MANAGER’S REPORT**
  
- 6. REVIEW MINUTES** – October 20, 2015
  
- 7. REVIEW FINANCIAL REPORTS** – October 31, 2015
  
- 8. ITEMS FOR NEXT AGENDA**
  
- 9. CALENDAR** –     December 15, 2015  
                          January 19, 2016  
                          February 16, 2016
  
- 10. 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 [www.KinneloalrrigationDistrict.info](http://www.KinneloalrrigationDistrict.info).



October 1, 2015

## **Public Hearing Notice**

Dear Property Owners and Customers,

Pursuant to the requirements set forth in Article 13D of the California Constitution, we are notifying you that the Kinneloa Irrigation District's Board of Directors will consider establishing water rates for 2016, as described below, at a public hearing to be held at 7:30 p.m. on Tuesday, November 17, 2015, at the District's office, 1999 Kinclair Drive, Pasadena. These rates will be applicable for water supplied to all parcels in the District's boundaries. The Board will consider oral and written comments from the public at this meeting prior to adopting any change in the District's rates, and you may submit a written protest to the proposed rates at the address set forth above either prior to or at the public hearing.

Water sales revenue is the only source of income to the District and our revenue has significantly declined this year due to the mandated and voluntary conservation efforts of our customers. Furthermore, the District needs to provide funding for system improvements and preventative maintenance projects as well as for increases in general and operating costs. Each year, we review and refine our Master Plan to determine what projects should be undertaken in the immediately coming years, as well as perform an annual review of operating expenses in preparation of the budget. That review has demonstrated that the District's existing water usage rate and daily service charge are not sufficient to meet the District's revenue requirements for necessary ongoing operations, capital improvements and debt service, and that additional funding of approximately \$180,000 is needed to meet the required revenue. District management calculated how much of an increase in the water usage rate and daily service charge would be necessary by using the current average annual water usage within the District and determining the incremental increase needed to produce the additional revenue.

The Master Plan of the District, which lists the necessary capital improvement projects the District will be undertaking, can be viewed at [www.kinneloa Irrigation District.info](http://www.kinneloa Irrigation District.info). This plan, which was originally developed after the 1993 Kinneloa firestorm, lists projects that improve the District's ability to store and provide sufficient water for firefighting and to maintain water service after other natural disasters, such as earthquakes and windstorms. In addition, the plan includes projects to ensure the District continues to provide its customers with safe and healthful drinking water. Many of the recommended projects listed in the Master Plan have already been completed, but over \$5 million in additional beneficial projects will not be completed until the necessary funding is obtained. Although the District's self-funding of \$3 million in projects over the past fifteen years has saved the District's customers significant debt service costs, two major projects to be completed in 2015 and 2016 required supplemental financing with semi-annual payments starting in 2015 to service the debt over a 15-year period.

The Board of Directors of the Kinneloa Irrigation District approved the budget for the calendar year of 2016 at its regular meeting on September 15, 2015, subject to further discussion and approval of water rates for 2016 at a future meeting in full compliance with the California Constitution's requirements. At that meeting on September 15, 2015, the Board also proposed an increase in the District's water usage (commodity) charge from \$3.52 to \$4.05 per unit (one unit equals 100 cubic feet or 748 gallons) and an increase in the District's fixed daily service charge from \$1.76 to \$2.02. The proposed rate increase for 2016 is necessary to meet the projected revenue, capital improvement and debt service requirements of the 2016 budget.

In 2015, the Kinneloa Irrigation District is replacing an obsolete booster pumping station to provide additional fire protection and operational redundancy in the event of a natural disaster. In 2016, the District will be constructing a new pipeline to connect two reservoirs to provide additional combined storage capacity. These two major projects and planned projects are estimated to cost \$2.3 million and are being funded using an installment purchase agreement to spread the cost of projects over a 15-year period. In addition to these major projects, the District continues to complete scheduled preventative maintenance and improvement projects.

Your billing and usage history is available online by registering your account at the District's Internet site at [www.kinneloa Irrigation District.info](http://www.kinneloa Irrigation District.info) or by mail upon request. The effect of this proposed rate increase on your monthly water bill can be offset by continuing your conservation efforts, by converting your outdoor irrigation and landscaping to California-friendly plants and by applying at [www.socalwatersmart.com](http://www.socalwatersmart.com) for rebates on appliances, weather-based irrigation controllers and other water saving devices.

Sincerely,

Kinneloa Irrigation District Board of Directors

# Kinneloa Irrigation District 2016 Budget

Account	Account Description	2016 Budget
4000	Water Sales	1,379,616
4015	Wholesale Water Sales	0
4020	Service Charges	10,000
4035	Interest-Reserve Fund	8,000
<b>Total Income</b>		<b>1,397,616</b>
5000	Leased Water Rights	63,135
5005	Electricity	120,000
5010	Maintenance Supplies	25,000
5011	Material and Labor for Installs	10,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	145,000
5016	Operations & Maintenance OT	15,500
5020	Stand-by Compensation	7,500
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	22,000
5030	Maintenance Contractors	125,000
5034	Equipment Maintenance	10,000
5035	Vehicle Maintenance	6,000
5036	Fuel - All Equipment	15,000
5040	Equipment Rental	500
5045	Insurance-Workers Compensation	12,000
5046	Insurance-Liability	16,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	76,500
6000	Engineering Services	45,000
6005	Watermaster Services	12,000
6015	Administrative Salary	132,000
6017	Administrative Travel	3,000
6020	Board of Directors Compensation	4,200
6021	Administrative & Board Expenses	1,000
6022	Board of Directors Election	12,500
6024	Customer/Public Information	1,000
6025	PERS - KID	24,000
6030	Social Security - KID	25,000
6031	Medicare - KID	6,000
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	11,000
6045	Legal Services	15,000
6050	Telephone	4,500
6051	Mobile Telephone	1,500
6052	Pagers	240
6053	Internet Service	1,000
6059	Computer/Software Maintenance	9,000
6061	Office Equipment Maintenance	1,000
6065	Accounting Services	7,000
6070	Office & Accounting Labor	91,000
6075	Outside Services	20,000
6080	Administrative Fees	8,900
6081	Permits/Fees	10,000
6088	Interest Expense	80,293
6120	Bank Service Charges	5,000
<b>Total Expenses</b>		<b>1,217,968</b>
<b>NET REVENUES</b>		<b>179,648</b>

<b>Water Sales, Units</b>	234,329
<b>Usage Charge Per Unit</b>	\$4.05
<b>Annual Usage (Commodity) Revenue</b>	\$949,032
<b>Daily Service Charge</b>	\$2.02
<b>Annual Daily Service Charge Revenue</b>	\$430,583
<b>Annual Water Sales</b>	\$1,379,616
<b>Wholesale Water Sales</b>	\$0
<b>Other Annual Revenue</b>	\$18,000
<b>Total Revenue</b>	\$1,397,616
<b>Total Expenses</b>	\$1,217,968
<b>Net Revenues</b>	\$179,648
<b>Improvement Projects and Debt Service</b>	\$246,309
<b>Annual Net Cash Flow</b>	-\$66,661
<b>Average Monthly Charge for Low Usage</b>	\$102
<b>Average Monthly Charge for Medium Usage</b>	\$264
<b>Average Monthly Charge for High Usage</b>	\$466
<b>Reserve Fund Balance (Beginning)*</b>	\$1,377,419
<b>Reserve Fund Balance (Year End)*</b>	\$1,310,758

\*Reserve fund balance includes targets of \$150,000 for operating reserve, \$200,000 for emergency repairs, \$200,000 for replacement of existing facilities equipment and vehicles and \$500,000 for future capital improvement projects.

Rate History		
Effective Date	Daily Service Charge (Charge Per Average Month)	Usage Charge
12/15/1955	No daily service charge - Monthly minimum charge based on meter size: \$2.50 for 3/4" \$3.50 of 1" \$5.50 for 1.5" \$6.50 for 2"	3/4" \$2.50 1st 400 Cu. Ft. (4 units) 1" \$3.50 1st 600 Cu. Ft. (6 units) 1 1/2" \$5.00 1st 800 Cu. Ft. (8 units) 2" \$6.50 1st 1000 Cu. Ft. (10 units) \$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
5/1/1958	No daily service charge - Monthly minimum charge \$5.00 for all meters for 1st 800 Cu. Ft. (8 units)	\$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
4/1/1976	0.1810 (\$ 5.50)	\$0.20
4/1/1977	0.2140 (\$ 6.50)	\$0.27
1/1/1989	0.6575 (\$20.00)	\$0.85
1/1/1991	0.6575 (\$20.00)	\$1.10
5/5/1993	0.6575 (\$20.00)	\$1.60
4/5/2001	0.9863 (\$30.00)	\$1.90
1/6/2003	0.9863 (\$30.00)	\$1.95
1/1/2005	0.9863 (\$30.00)	\$2.05
1/1/2006	1.1178 (\$34.00)	\$2.30
1/1/2007	1.1836 (\$36.00)	\$2.42
1/1/2009	1.3479 (\$41.00)	\$2.55
1/1/2010	1.6110 (\$49.00)	\$2.75
1/1/2011	1.6110 (\$49.00)	\$2.95
1/1/2013	1.6800 (\$51.10)	\$3.35
1/1/2015	1.7600 (\$53.53)	\$3.52
1/1/2016	2.0200 (\$61.44)	\$4.05

### Recommended Expenditures for Improvement Projects\*\*

1505	Water Tunnels	7,000	Replace damaged portion of Delores Tunnel line
1511	Water Treatment Plant	6,000	Normal maintenance and upgrades
1512	Water Meters	12,900	Replace customer and facility production water meters
1513	Electrical/Electronic Equipment	10,000	Electrical upgrades at multiple facilities
1514	Computer/Office Equipment	5,000	Replace obsolete equipment
1515	Vehicles/Portable Equipment	20,000	Purchase 72 KVA standby generator
1516	Water Company Facilities	25,000	Repairs and maintenance - Actual projects to be determined at a later date
1527	SCADA	12,000	Purchase and install replacement computer and current versions of software
1528	Tanks and Reservoirs	25,500	Install mixer at West Tank
1530	Tools	3,000	Purchase major tools and instruments
2400	Install Purchase Agreement	119,909	Principal payment on installment purchase agreement for completed major projects
<b>Total Other Expenditures</b>		<b>246,309</b>	
<b>NET CASH FLOW</b>		<b>-66,661</b>	

\*\*Recommended improvement and maintenance projects will be prioritized during the year based on urgency and available funds.

# General Manager's Report for the Board of Directors Meeting on November 17, 2015

## I. Customer Account Information and Internet Usage

### A. Delinquent Accounts –

20 accounts received past-due notice  
 20 accounts received late charges in the total amount of \$331.88  
 7 accounts received door hanger shut off notice  
 0 accounts were shut off for non-payment  
 1 account remains shut off for non-payment

### B. Aged Receivables –

Month	Current	30 days	60 days	90 days or greater	Total
January 2015	\$30,538.67	\$2,546.45	\$181.49	\$318.08	\$33,584.69
February 2015	\$31,348.75	\$3,242.50	\$153.11	\$442.32	\$35,186.68
March 2015	\$23,288.05	\$978.12	\$225.49	\$78.37	\$25,170.03
April 2015	\$29,587.52	\$918.79	\$187.50	\$203.86	\$30,897.67
May 2015	\$36,429.32	\$3,394.61	\$172.04	\$91.36	\$40,087.33
June 2015	\$27,595.04	\$541.64	\$236.99	\$263.40	\$28,637.07
July 2015	\$33,399.75	\$1,702.93	\$162.79	\$0.00	\$35,265.47
August 2015	\$25,433.47	\$9,052.02	\$135.14	\$0.00	\$34,620.63
September 2015	\$66,217.99	\$1,912.16	\$388.62	\$135.14	\$68,653.91
October 2015	\$32,622.89	\$2,348.66	\$418.34	\$134.28	\$35,524.17
November 2015					
December 2015					

### C. Internet Usage –

Month	Visitors	Page Views	Online Payments	Online Amount
January 2015	165	510	51	\$8,067.18
February 2015	157	436	35	\$5,335.40
March 2015	445	829	55	\$7,918.77
April 2015	370	911	51	\$7,543.68
May 2015	822	1272	47	\$7,034.73
June 2015	991	1474	54	\$8,371.75
July 2015	1027	1385	37	\$5,762.31
August 2015	547	848	57	\$9,930.47
September 2015	221	423	37	\$5,667.87
October 2015	242	519	56	\$9,996.46
November 2015				
December 2015				
<b>Year to Date</b>	<b>4987</b>	<b>8607</b>	<b>480</b>	<b>\$75,628.62</b>

## II. General Manager's Projects and Activities

- A. Brown Well Landscaping** – The proposal received from Valley/Crest Landscaping in the amount of \$7,073.35 has been forwarded to the property owner.
- B. Water Usage Report** – I developed the draft of the customer water usage comparison for 2013, 2014 and 2015. An example is attached to this report.
- C. Vosburg Reservoir Fencing** – I worked on the layout and design and solicited proposals for installation of the replacement fencing to secure the site in conjunction with the Vosburg Booster Station project.
- D. Activities/Meetings/Webinars/Conferences for September 2015**

Subject	Location	Start	End	Purpose
<b>ACWA Region 8 Board Meeting</b>	Foothill Municipal Water District, 4536 Hampton Road, La Canada, CA	Thu 10/1/2015 11:00 AM	Thu 10/1/2015 2:00 PM	I. Call to Order, Welcome II. Self-Introductions III. ACWA Updates <ul style="list-style-type: none"> <li>• ACWA Drought Portal</li> </ul> AGENDA <ul style="list-style-type: none"> <li>• Developing an Effective Water Market</li> <li>• ACWA Elections</li> <li>• ACWA Fall Conference</li> </ul> IV. Committee Reports V. Roundtable Discussion on Local Issues VI. ACWA Board Meeting Update VII. ACWA Chair and Vice Chair Webinar Update VIII. ACWA Fall Conference Membership Meeting IX. Additional Discussion Items Informational Items I Handout Materials: <ul style="list-style-type: none"> <li>• Spring Region 8 Membership Meeting Re-Cap</li> <li>• Developing an Effective Water Market in California</li> <li>• ACWA Drought Portal</li> <li>• ACWA Fall Conference Flyer</li> <li>• ACWA Region 5 Event Flyer</li> </ul>
<b>Homeowner</b>	Windover Road	Fri 10/2/2015 4:00 PM	Fri 10/2/2015 5:00 PM	Discuss landscaping and fencing at Vosburg Reservoir site
<b>Terry Kerger, Civiltec Engineering</b>	Villa Highlands	Wed 10/14/2015 8:00 AM	Wed 10/14/2015 9:30 AM	Assist with fire flow test
<b>FMWD Board Meeting</b>	Foothill Municipal Water District, 4536 Hampton Road, La Canada, CA	Fri 10/19/2015 3:00 PM	Fri 10/19/2015 5:00 PM	1. Call to Order and Determination of a Quorum 2. Pledge of Allegiance 3. Preliminary Matters 3.1. Additions to Agenda (as required by Gov. Code 54954.2) 4. Public Comments 4.1. Opportunity for members of the public to address the board directly on

				<p>items of public interest those are within the subject matter jurisdiction of the board (as required by Gov. Code 54954.3(a)). Speakers may be limited to two minutes each at the discretion of the President of the Board.</p> <p>5. Consent Calendar</p> <p>5.1. Action approving the Minutes of the September 28, 2015 Special Meeting of the Board of Directors.</p> <p>5.2. Action approving the Financial Statements for September 2015; monthly Director Compensation, Expense Report and Treasurer's Report.</p> <p>6. Directors' Oral Reports</p> <p>6.1. Reports and appropriate action on ACWA, MWD, and other association and organization activities.</p> <p>7. Action Calendar</p> <p>7.1. Discussion and action authorizing the General Manager to purchase sight gauges for the District's reservoirs.</p> <p>7.2. Discussion and action regarding ACWA's President and Vice President Election and Proxy Designation Form.</p> <p>7.3. Discussion and action regarding invoice from Allen Pipeline, Inc.</p> <p>8. Information Item None</p> <p>9. Staff Reports General Manager Nina Jazmadarian: Reports and appropriate action on administrative and operating projects and activities:</p> <p>9.1. Operations/sales summary report for prior month</p> <p>9.2. Water Supply Update</p> <p>9.3. Public Outreach and Landscaping Classes</p> <p>9.4. Conservation Rebate Activity</p> <p>9.5. Great Pacific Securities</p> <p>9.6. Other Operations Report Justin Bailey, Operations Manager: Report on system operations. MWD Representative Richard Atwater: Report regarding MWD activities. Attorney: Report on legal and related matters relevant to the District.</p> <p>10. Other Business Related to general operations, administration and policy items, future agenda items, and concerns of Board members.</p> <p>11. Closed Session</p>
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				<p>Next Board meetings:  3 P.M., Monday, November 16, 2015  3 P.M., Monday, December 21, 2015  11.1. Pending litigation - Gov't code section 54956.9 San Diego County Water Authority v. Metropolitan Water District of Southern California  11.2. Existing litigation - Gov't code section 54956.9 City of Los Angeles et al v. Metropolitan Water District of Southern California  12. Adjournment</p>
<b>KID Board Meeting</b>	KID Office	Tue 10/20/2015 7:30 PM	Tue 10/20/2015 9:00 PM	Regular Board Meeting
<b>Raymond Basin Management Board</b>	Azusa	Wed 10/21/2015 2:30 PM	Wed 10/21/2015 4:00 PM	<ol style="list-style-type: none"> <li>1. Preliminary Items: <ol style="list-style-type: none"> <li>A. Pledge of Allegiance</li> <li>B. Call to Order and Determination of Quorum</li> <li>C. Self-introductions</li> <li>D. Additions to Agenda (2/3 vote required for action items)</li> <li>E. Public Comment (Speakers will be limited to three minutes each)</li> <li>F. Approval of Minutes of July 15, 2015, Regular Meeting</li> </ol> </li> <li>2. Report from other parties and appropriate action: <ol style="list-style-type: none"> <li>A. NASA-JPL</li> <li>B. L.A. County Public Works Department</li> <li>C. Metropolitan Water District</li> <li>D. Other</li> </ol> </li> <li>3. Treasurer's Report: <ol style="list-style-type: none"> <li>a) Receive and File financial statement for quarter ending September 30, 2015</li> </ol> </li> <li>4. Finance and Administration Committee Report <ol style="list-style-type: none"> <li>a) Receive and File Audit of Financial Statements for Fiscal Year 2014-15</li> <li>b) Consideration of Diversifying up to \$500,000 of Reserve Funds</li> </ol> </li> <li>5. Executive Committee Report</li> <li>6. Request from the City of Sierra Madre to Spread Imported Water at Sierra Madre Spreading Grounds</li> <li>7. Pumping and Storage Committee Report</li> <li>8. Consideration and Adoption of the annual report of "Watermaster Service in the Raymond Basin" for fiscal year 2014-15</li> <li>9. Adoption of a Resolution Commemorating the 100th Anniversary of the Los Angeles County Flood Control District</li> </ol>



				10. Approval of Findings & Recommendations for San Gabriel County Water District Wells No. 3 & 16 11. Approval of Findings & Recommendations for Private Well - Kolb (737 Berkshire Avenue, La Canada Flintridge) 12. Engineer's Report 13. Executive Officer's Report 14. Information Items (receive and file): A. Groundwater production summary (first quarter 2015-16) B. 2015-16 groundwater leases/exchanges/sales C. Investment Report/LAIF Statements D. Various news Articles 15. Other Business 16. Adjournment; next Regular Meeting January 20, 2016 (Azusa)
<b>ACWA/JPIA</b>	All KID facilities	Mon 10/26/2015 11:00 AM	Mon 10/26/2015 2:30 PM	ACWA/JPIA Annual Inspection by Lee Patton

### III. System and Facility Activities and Incidents

#### A. Water Leaks/Water Waste

Location	Type	Date	Description
<b>Villa Highlands</b>	Customer's service line	10/24/2015	Water was turned off by neighbor to stop water running down driveway. Customer was notified to call plumber to repair leak.

#### B. Scheduled Facility and Equipment Maintenance and Repairs

1. Testing of emergency generators and pumps was performed.
2. Water samples were collected for lab analysis.
3. Well water levels were measured.
4. Flow at tunnels measured.
5. Villa Highlands pressure zone changeover from Glen Reservoir to Vosburg Reservoir.
6. Adjustment of Wilcox Reservoir pressure sustaining valve.

### C. **Unscheduled Facility and Equipment Failures, Maintenance and Repairs**

1. Replace frozen meter on Edgecliff Lane.
2. Replace frozen meter on Doyne Road.
3. The SCADA communication radios at East Tank became un-synced with the receiver at the office. This time the problem was self-corrected after about two hours.

## IV. **Projects**

- A. Vosburg Booster Replacement Project** – The building is substantially completed. Pumps and motors have been installed. Installation of the electrical panels and wiring is in progress. (See attached photos.)
- B. East-West Pipeline Project** – A letter explaining the purpose and benefits of the project as well as the proposed improvements to the road has been sent to property owners adjacent to the fire/utility easement road that will be used for Segment 3 of the project. The plan is to solicit bids in December and schedule a bid opening in January.



**Unloading Booster Pump #1**



**Installing Booster Pump #2**



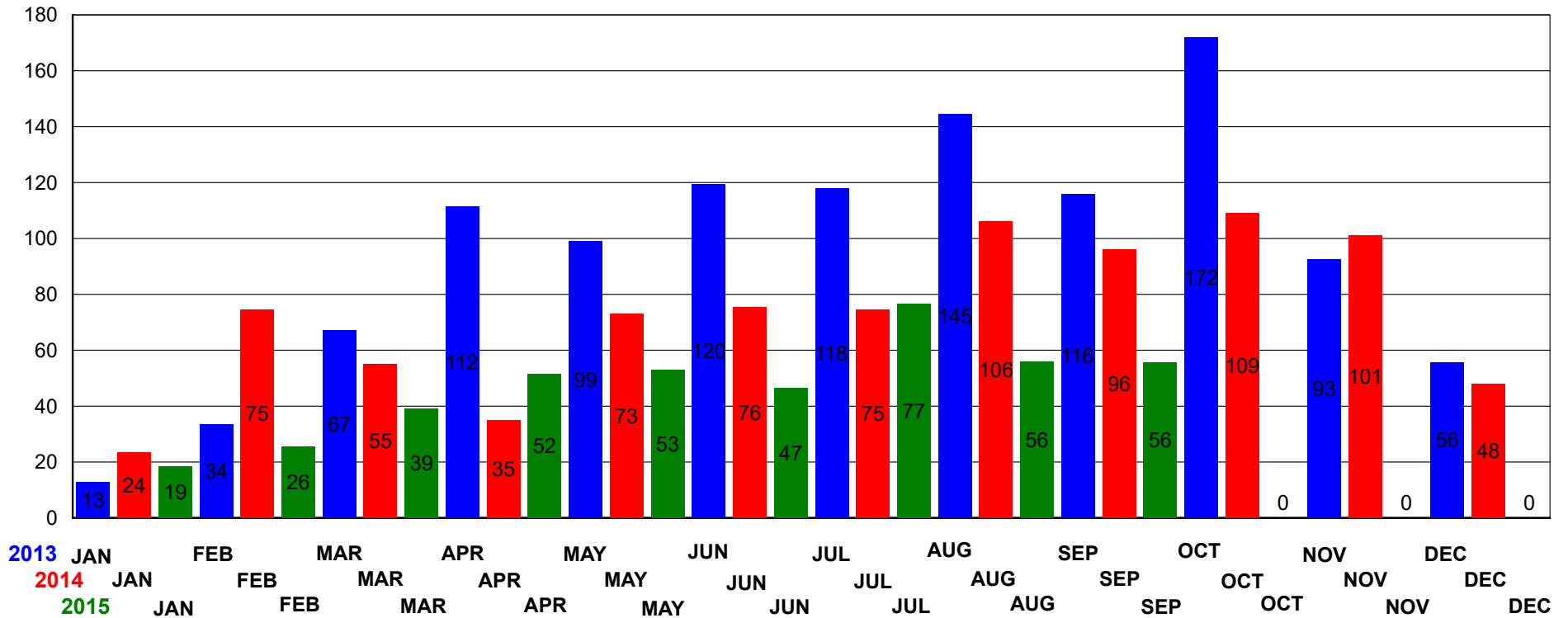


**Lowering Booster Pump #1 through Skylight**



# Water Usage Report

ACCOUNT NUMBER	FIRST & LAST NAME												STREET ADDRESS
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2013	13.00	33.50	67.00	111.50	99.00	119.50	118.00	144.50	116.00	172.00	92.50	55.50	1,142.00
2014	23.50	74.50	55.00	35.00	73.00	75.50	74.50	106.00	96.00	109.00	101.00	48.00	871.00
2015	18.50	25.50	25.50	51.50	53.00	46.50	76.50	56.00	55.50	0.00	0.00	0.00	422.00



**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
KINNELOA IRRIGATION DISTRICT  
OCTOBER 20, 2015**

**MEMBERS PRESENT:** Chair–Sorell  
Directors–Eldridge, Griffith, Johnson, Kilburn

**STAFF PRESENT:** Melvin Matthews, General Manager  
Chris Burt, Facilities Supervisor  
Shirley Burt, Administrative Assistant & Secretary to the Board

**CALL TO ORDER:** The meeting was called to order by the chair at 1942 hours. A quorum of Board Members was present and the Agenda was approved as presented.

**PUBLIC COMMENT:** No persons present

**EAST TANK-WEST TANK CONNECTOR PIPELINE PROJECT:**

The **General Manager** reported that the Plans and Specifications for the project were essentially completed and that he was planning to put the project out to bid in early January with the project to be started in April. He noted that things such as the weather could change the timeline for the project.

**Director Griffith** questioned whether the easements had been obtained for the project and the **General Manager** replied that all the properties involved already have a general utility easement on the property. The **Board** recommended that the General Manager notify the property owners by letter about the Project so that any concerns or questions could be addressed before the project is started. The **Board** also recommended that if there is no feedback from the Property Owners that the Project be put out to bid in late December rather than early January.

**GENERAL MANAGER'S REPORT:**

The Board reviewed the report as submitted in the packet.

**Director Griffith** inquired as to the current process for mailing the bills since the current mailing house will no longer be used and the **General Manager** replied that currently the Bills are being completely handled in house.

**REVIEW OF MINUTES:**

The Minutes of September 15, 2015, were reviewed and approved as submitted.

**FINANCIAL REPORTS:**

The Financial Reports for September 30, 2015, were reviewed and approved for filing.

**ITEMS FOR NEXT AGENDA:**

Public Hearing-Water Rates

**ADJOURNMENT:**

The meeting was adjourned at 2017 hours. The next meeting will be on November 17, 2015.

Respectfully submitted,

Shirley Burt  
Secretary to the Board

**Kinneloa Irrigation District**  
**Income Statement for the Ten Months Ending October 31, 2015**

	<b>Current Month Actual</b>	<b>Current Month Budget</b>	<b>Current Month Variance</b>	<b>Year to Date Actual</b>	<b>Year to Date Budget</b>	<b>Year to Date Variance</b>	<b>Comments</b>
<b>Revenues</b>							
4000	Water Sales	93,644.84	125,000.00	(31,355.16)	1,020,075.38	1,195,000.00	(174,924.62) Lower sales due to conservation
4015	Wholesale Water Sales	0.00	0.00	0.00	6,947.49	0.00	6,947.49
4020	Service/Installation Charges	436.33	833.33	(397.00)	19,495.46	8,333.30	11,162.16
4035	Interest-Reserve Fund	856.09	333.33	522.76	7,267.81	3,333.30	3,934.51
4070	Misc. Income	80.80	0.00	80.80	1,474.20	0.00	1,474.20
	<b>Total Revenues</b>	<b>95,018.06</b>	<b>126,166.66</b>	<b>(31,148.60)</b>	<b>1,055,260.34</b>	<b>1,206,666.60</b>	<b>(151,406.26)</b>
<b>Expenses</b>							
5005	Electricity	8,969.08	10,500.00	(1,530.92)	89,899.59	105,500.00	(15,600.41)
5010	Maintenance/Repair Supplies	823.24	2,083.33	(1,260.09)	23,801.27	20,833.30	2,967.97
5011	Material and Labor for Install	0.00	833.33	(833.33)	0.00	8,333.30	(8,333.30)
5012	Safety Equipment	50.01	133.33	(83.32)	464.73	1,333.30	(868.57)
5015	Operations Labor	11,167.74	13,333.33	(2,165.59)	114,099.38	133,333.30	(19,233.92)
5016	Operations OT	2,934.48	1,250.00	1,684.48	26,812.80	12,500.00	14,312.80 OT for Vosburg Project was not budgeted
5017	Operations Bonus	0.00	0.00	0.00	2,469.07	0.00	2,469.07
5020	Stand-by Compensation	600.00	625.00	(25.00)	5,940.00	6,250.00	(310.00)
5022	Training/Certification	0.00	133.33	(133.33)	0.00	1,333.30	(1,333.30)
5025	Water Treatment/Analysis	1,162.55	1,833.33	(670.78)	14,191.68	18,333.30	(4,141.62)
5030	Maintenance/Repair Contractors	4,177.85	10,416.67	(6,238.82)	72,747.00	104,166.70	(31,419.70)
5034	Equipment Maintenance	0.00	833.33	(833.33)	9,632.26	8,333.30	1,298.96
5035	Vehicle Maintenance	505.57	500.00	5.57	2,875.58	5,000.00	(2,124.42)
5036	Fuel	671.22	1,250.00	(578.78)	8,144.06	12,500.00	(4,355.94)
5045	Insurance-Workers Compensation	0.00	0.00	0.00	8,284.00	9,000.00	(716.00)
5046	Insurance-Liability	1,175.58	1,333.33	(157.75)	11,803.85	13,333.30	(1,529.45)
5048	Insurance-Property	166.50	208.33	(41.83)	1,708.03	2,083.30	(375.27)
5049	Insurance-Medical	6,206.56	6,250.00	(43.44)	62,065.60	62,500.00	(434.40)
6000	Engineering Services	0.00	3,750.00	(3,750.00)	37,890.50	37,500.00	390.50
6005	Watermaster Services	927.58	1,000.00	(72.42)	9,113.84	10,000.00	(886.16)
6015	Administrative Salary	10,838.70	10,833.33	5.37	106,492.80	108,333.30	(1,840.50)
6016	Administrative Bonus	0.00	0.00	0.00	1,894.14	0.00	1,894.14
6017	Administrative Travel	54.74	250.00	(195.26)	2,162.01	2,500.00	(337.99)
6020	Board Compensation	300.00	350.00	(50.00)	2,700.00	3,500.00	(800.00)
6021	Administrative & Board Expense	0.00	83.33	(83.33)	725.23	833.30	(108.07)
6024	Customer/Public Info. Prog.	0.00	83.33	(83.33)	601.11	833.30	(232.19)
6025	PERS - KID	2,084.45	1,972.50	111.95	19,680.51	19,725.00	(44.49)
6030	Social Security - KID	2,064.75	2,158.33	(93.58)	20,705.83	21,583.30	(877.47)
6031	Medicare - KID	482.89	508.33	(25.44)	4,842.43	5,083.30	(240.87)
6035	Office/Computer Supplies	194.76	583.33	(388.57)	3,916.10	5,833.30	(1,917.20)

**Kinneloa Irrigation District**  
**Income Statement for the Ten Months Ending October 31, 2015**

	<b>Current Month Actual</b>	<b>Current Month Budget</b>	<b>Current Month Variance</b>	<b>Year to Date Actual</b>	<b>Year to Date Budget</b>	<b>Year to Date Variance</b>	<b>Comments</b>
6036 Postage/Delivery	403.51	416.67	(13.16)	3,916.38	4,166.70	(250.32)	
6040 Professional Dues	790.81	750.00	40.81	7,908.26	7,500.00	408.26	
6045 Legal Services	217.50	1,250.00	(1,032.50)	8,513.72	12,500.00	(3,986.28)	
6050 Telephone	351.40	375.00	(23.60)	3,499.08	3,750.00	(250.92)	
6051 Mobile Telephone	37.65	125.00	(87.35)	491.01	1,250.00	(758.99)	
6052 Pagers	22.09	20.00	2.09	222.94	200.00	22.94	
6053 Internet Service	59.99	83.33	(23.34)	574.95	833.30	(258.35)	
6059 Computer Software Maintenance	749.00	750.00	(1.00)	6,257.89	7,500.00	(1,242.11)	
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	618.92	833.30	(214.38)	
6065 Accounting Services	0.00	0.00	0.00	6,200.00	7,000.00	(800.00)	
6070 Office & Accounting Labor	7,461.46	7,141.67	319.79	72,282.04	71,416.70	865.34	
6071 Office & Accounting Bonus	0.00	0.00	0.00	1,275.02	0.00	1,275.02	
6075 Professional/Contract Services	2,313.84	1,666.67	647.17	26,933.27	16,666.70	10,266.57	
6080 Administrative Fees	736.73	741.67	(4.94)	7,231.41	7,416.70	(185.29)	
6081 Permits/Fees	289.50	833.33	(543.83)	11,515.24	8,333.30	3,181.94	
6086 Taxes - Sales	0.00	0.00	0.00	341.92	0.00	341.92	
6088 Interest Expense	41,745.00	0.00	41,745.00	41,745.00	0.00	41,745.00	Interest due for installment purchase agreement payment
6120 Bank Service Charges	349.26	416.67	(67.41)	4,087.00	4,166.70	(79.70)	
<b>Total Expenses</b>	<b>111,085.99</b>	<b>87,742.46</b>	<b>23,343.53</b>	<b>869,277.45</b>	<b>893,924.60</b>	<b>(24,647.15)</b>	
<b>Net Income</b>	<b>(16,067.93)</b>	<b>38,424.20</b>	<b>(54,492.13)</b>	<b>185,982.89</b>	<b>312,742.00</b>	<b>(126,759.11)</b>	
<b>Other Expenditures</b>							
1504 Water Mains	0.00	0.00	0.00	21,496.00	21,500.00	(4.00)	
1511 Water Treatment Plant	0.00	0.00	0.00	457.36	500.00	(42.64)	
1512 Water Meters	791.07	500.00	291.07	1,654.92	4,000.00	(2,345.08)	
1516 Water Company Facilities	0.00	0.00	0.00	4,671.00	4,700.00	(29.00)	
1523 Constr. in Progress-Vosburg	336,433.21	0.00	336,433.21	1,084,801.47	0.00	1,084,801.47	Expected \$996,899.61 - Change Orders \$67,182.01 - Unexpected Engineering/Legal \$20,719.85
1524 Constr. in Progress-East/West	0.00	0.00	0.00	15,549.06	25,000.00	(9,450.94)	
1526 Vosburg Booster	2,098.47	1,500.00	598.47	9,354.43	9,500.00	(145.57)	Warrick level probes for Vosburg Reservoir
1527 SCADA Equipment	0.00	0.00	0.00	10,722.31	4,100.00	6,622.31	
2400 Installment Purchase Agreement	58,355.98	0.00	58,355.98	(2,241,644.02)	0.00	(2,241,644.02)	Principal due for installment purchase agreement
<b>Total Other Expenditures</b>	<b>397,678.73</b>	<b>2,000.00</b>	<b>395,678.73</b>	<b>(1,092,937.47)</b>	<b>69,300.00</b>	<b>(1,162,237.47)</b>	
<b>Total Increase or (Drawdown)</b>	<b>(413,746.66)</b>	<b>36,424.20</b>	<b>(450,170.86)</b>	<b>1,278,920.36</b>	<b>243,442.00</b>	<b>1,035,478.36</b>	

Favorable variances are shown in GREEN and unfavorable variances are shown in RED.



**Kinneloa Irrigation District**  
**Balance Sheet**  
**October 31, 2015**

**ASSETS**

**Current Assets**

1010	Checking-Wells Fargo Bank	\$ 303,882.94
1011	Checking-PGFSC	49,197.44
1012	Reserve Fund-LAIF	118,869.90
1014	Reserve Fund-CalTRUST	1,127,270.42
1015	Accr. Int./Price Adj.-CalTRUST	1,129.39
1016	Accrued Interest-LAIF	46.63
1050	Project Escrow Account	1,534,540.65
1100	Accts. Receivable-Water Sales	35,524.17
1101	Accts. Receiv.-Service Charges	269.88
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	93,641.16
1350	Prepaid Insurance	12,150.41
1360	Prepaid Expenses	12,139.94

Total Current Assets

3,307,891.45

**Property and Equipment**

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	2,484,918.24
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	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	185,398.06
1512	Water Meters	80,023.61
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	61,889.72
1515	Vehicles & Portable Equipment	222,084.16
1516	Water Company Facilities	70,422.20
1517	KID Office	54,202.92
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	532,342.43
1523	Constr. in Progress-Vosburg	1,084,801.47
1524	Constr. in Progress-East/West	15,549.06
1526	Vosburg Booster	101,534.99
1527	SCADA Equipment	247,315.96
1528	Tanks and Reservoirs	97,944.39
1529	Holly Tanks	181,113.76
1530	Tools	6,811.57
1600	Accum. Depreciation	(3,713,616.64)

Total Property and Equipment

5,107,738.83

Total Assets

\$ 8,415,630.28

**Kinneloa Irrigation District**  
**Balance Sheet**  
**October 31, 2015**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

2000	Accounts Payable	\$ 450,533.53	
2011	Accounts Payable PGFSC	164.42	
2272	Job Deposits	3,500.00	
2274	PGFSC Grant	49,033.02	
2290	Accrued Vacation	14,768.70	
	Total Current Liabilities		517,999.67

**Long-Term Liabilities**

2400	Installment Purchase Agreement	2,241,644.02	
	Total Long-Term Liabilities		2,241,644.02
	Total Liabilities		2,759,643.69

**Capital**

3040	Fund Balance	5,464,238.70	
3900	Prior Year Adjustments	5,765.00	
	Net Income	185,982.89	
	Total Capital		5,655,986.59
	Total Liabilities & Capital		\$ 8,415,630.28

**Kinneloa Irrigation District**  
**Statement of Cash Flow**  
**For the Ten Months Ended October 31, 2015**

	Current Month	Year to Date
<b>Cash Flows from Operating Activities</b>		
Net Income	\$ (16,067.93)	\$ 185,982.89
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	33,129.74	(5,608.56)
1101 Accts. Receiv.-Service Charges	0.00	(269.88)
1350 Prepaid Insurance	1,342.08	(2,593.12)
1360 Prepaid Expenses	2,739.05	3,663.74
2000 Accounts Payable	223,869.50	410,644.09
2011 Accounts Payable PGFSC	0.00	112.90
2272 Job Deposits	3,500.00	2,600.00
2274 PGFSC Grant	(255.71)	29,697.60
	264,324.66	438,246.77
<b>Net Cash Provided by Operations</b>	<b>248,256.73</b>	<b>624,229.66</b>
 <b>Cash Flows from Investing Activities</b>		
<i>Used for</i>		
1504 Water Mains	0.00	(21,496.00)
1511 Water Treatment Plant	0.00	(457.36)
1512 Water Meters	(791.07)	(1,654.92)
1516 Water Company Facilities	0.00	(4,671.00)
1523 Constr. in Progress-Vosburg	(336,433.21)	(1,084,801.47)
1524 Constr. in Progress-East/West	0.00	(15,549.06)
1526 Vosburg Booster	(2,098.47)	(9,498.19)
1527 SCADA Equipment	0.00	(10,722.31)
	(339,322.75)	(1,148,850.31)
<b>Net Cash Used in Investing</b>	<b>(339,322.75)</b>	<b>(1,148,850.31)</b>
 <b>Cash Flows from Financing Activities</b>		
<i>Proceeds from</i>		
2400 Installment Purchase Agreement	0.00	2,300,000.00
<i>Used for</i>		
2400 Installment Purchase Agreement	(58,355.98)	(58,355.98)
	(58,355.98)	2,241,644.02
<b>Net Cash Used in Financing</b>	<b>(58,355.98)</b>	<b>2,241,644.02</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (149,422.00)</b>	<b>\$ 1,717,023.37</b>
 <b>Summary</b>		
Cash Balance at End of Period	\$ 3,228,578.53	\$ 3,228,578.53
Cash Balance at Beg. of Period	(3,378,000.53)	(1,511,411.40)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (149,422.00)</b>	<b>\$ 1,717,167.13</b>

**Kinneloa Irrigation District**  
**Check Register**  
For the Period from October 1, 2015 to October 31, 2015

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
10/7/15	EFT2554	Southern California Edison Co.	8,326.30	electricity
10/7/15	8070	ACWA/JPIA	7,321.30	November health insurance - KID/employee
10/7/15	8071	American Messaging Services	22.09	paggers
10/7/15	8072	AmeriPride Services	43.75	shop towel service
10/7/15	8073	Aramark Uniform Services	205.74	company shirts
10/7/15	8074	Byrd Industrial Electronics	402.36	service East Tank radio sync problem
10/7/15	8075	Byrd Industrial Electronics	677.36	K-3 Flo-Comm meter upgrade \$567.36; PCIC flow to read zero \$110.00
10/7/15	8076	Byrd Industrial Electronics	6,155.86	Fairpoint IC to City of Pas. Murray Zone upgrade
10/7/15	8077	Eurofins Eaton Analytical, Inc.	105.60	water sample analysis
10/7/15	8078	Foothill Municipal Water District	736.73	administrative fee
10/7/15	8079	Melvin L. Matthews	1,318.95	Aug./Sept. mileage reimbursement and CSDA conference travel/expense reimbursement
10/7/15	8080	McMaster Carr	454.09	generator and CI2 maintenance supplies
10/7/15	8081	Meridian Graphics, Inc.	194.35	August water statement mailing
10/7/15	8082	Shirley Burt	74.14	mileage reimbursement
10/7/15	8083	Specialty Services	300.00	janitorial service
10/7/15	8084	Ueware, Inc.	3,760.00	Utility Star annual support/maintenance/hosting and database maintenance services fee
10/7/15	8085	Utility Service Co., Inc.	4,177.85	tank maintenance agreement
10/9/15	EFT2555	Automatic Data Processing, Inc.	72.23	payroll processing
10/15/15	EFT2556	Bernadette C. Allen	995.92	salary
10/15/15	EFT2557	Christopher A. Burt	2,547.40	salary
10/15/15	EFT2558	Shirley L. Burt	1,506.49	salary
10/15/15	EFT2559	Melvin L. Matthews	3,377.39	salary
10/15/15	30130022	Brian L. Fry	1,704.61	salary
10/15/15	30130023	Chris J. Mellinger	374.23	salary
10/15/15	EFT2560	Christopher A. Burt	150.00	salary
10/15/15	EFT2561	Automatic Data Processing, Inc.	5,463.58	withholding and taxes
10/20/15	EFT2562	Arco Gaspro Plus	671.22	truck gas
10/20/15	EFT2563	Athens Services	134.88	trash pick up
10/20/15	EFT2564	CA Public Employees Ret. Sys.	3,340.96	calPERS Sept. KID & employees contributions
10/20/15	EFT2565	Century Business Solutions	122.77	banking service fee
10/20/15	EFT2566	Pasadena Municipal Services	1,450.79	electricity
10/20/15	EFT2567	Verizon Wireless	37.51	mobile phone
10/20/15	8086	ACWA/JPIA	2,820.00	3rd quarter 2015 workers' compensation
10/20/15	8087	Clinical Laboratory, SB	24.00	water sample analysis
10/20/15	8088	Eurofins Eaton Analytical, Inc.	282.00	water sample analysis
10/20/15	8089	General Pump Company	1,572.18	Euc. Booster #1 & #2 inspect/pull/install/adjust packing

**Kinneloa Irrigation District**  
**Check Register**  
For the Period from October 1, 2015 to October 31, 2015

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
10/20/15	8090	Lagerlof, Senecal, Gosney & Kruse	217.50	legal services re: election procedures
10/20/15	8091	ValleyCrest Landscape Maint.	1,490.00	landscape maintenance
10/30/15	EFT2568	Automatic Data Processing, Inc.	72.23	payroll processing
10/31/15	EFT2569	Bernadette C. Allen	1,012.51	salary
10/31/15	EFT2570	Christopher A. Burt	2,994.77	salary
10/31/15	EFT2571	Shirley L. Burt	1,506.47	salary
10/31/15	EFT2572	Francis J. Griffith	92.35	salary
10/31/15	EFT2573	Gerrie G. Kilburn	92.35	salary
10/31/15	EFT2574	Melvin L. Matthews	3,377.39	salary
10/31/15	EFT2575	Steven G. Sorell	57.35	salary
10/31/15	30168237	Brian L. Fry	1,606.22	salary
10/31/15	30168238	Chris J. Mellinger	290.34	salary
10/31/15	EFT2576	Christopher A. Burt	150.00	salary
10/31/15	EFT2577	Automatic Data Processing, Inc.	5,748.24	withholding and taxes
10/31/15	EFT2578	Bank of the West Business Card	4,285.26	see attached schedule - September 2015
10/31/15	EFT2579	Century Business Solutions	15.00	monthly service fee
10/31/15	EFT2580	Charter Communications	336.39	internet and telephone
<b>Total</b>			<b><u>84,269.00</u></b>	

**Credit Card Detail Bank of the West  
September 2015**

(Expenses incurred/billed in September and due/paid/processed in October.)

<b>Acct. No.</b>	<b>Account Description</b>	<b>Additional Description</b>	<b>BCA</b>	<b>CAB</b>	<b>SLB</b>	<b>BLF</b>	<b>MLM</b>	<b>CJM</b>	<b>TOTAL</b>
1526	Vosburg Booster	Warrick level probes for Vosburg Res.		\$2,098.47					\$2,098.47
5010	Maintenance Supplies	sprinklers, hoses, maint. supplies, tools, battery				\$454.35			\$454.35
5012	Safety Equipment	hard hats				\$50.01			\$50.01
5022	Training/Certification								\$0.00
5025	Water Treatment/Analysis	Cl2 door repair; chlorine				\$23.15		\$30.95	\$54.10
5035	Vehicle Maintenance	motor oil, gloves; portable unit tires		\$37.02		\$468.55			\$505.57
5036	Fuel								\$0.00
6017	Adm. Travel								\$0.00
6021	Adm. & Bd. Exp.								\$0.00
6035	Office/Computer Supplies	2016 planner, 11x17 binder, envelopes			\$194.76				\$194.76
6036	Postage/Delivery	postage			\$404.00				\$404.00
6040	Professional Dues								\$0.00
6050	Telephone	answering service October					\$75.00		\$75.00
6051	Mobile Phone								\$0.00
6053	Internet Service								\$0.00
6059	Computer/Software Maint.	LogMeIn Pro yearly subscription					\$449.00		\$449.00
6061	Office Equipment Maint.								\$0.00
6075	Outside Services								\$0.00
6081	Permits/Fees								\$0.00
<b>TOTAL</b>			\$0.00	\$2,135.49	\$598.76	\$996.06	\$524.00	\$30.95	\$4,285.26

**Kinneloa Irrigation District - Project Escrow Account**  
**Check Register**  
For the Period from October 1, 2015 to October 31, 2015

<b>Date</b>	<b>Check #*</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
10/9/15	3696	R.C. Foster Corporation	195,749.09	Vosburg Pump Station Replacement Project Pay Request #007
10/30/15	3721	Civiltec Engineering, Inc.	585.00	Vosburg Pump Station Replacement - construction management
<b>Total</b>			<b><u>196,334.09</u></b>	

\* Check numbers assigned by the banking institution and may not be consecutive.

**Kinneloa Irrigation District - PGFSC Grant Account**  
**Check Register**  
For the Period from October 1, 2015 to October 31, 2015

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
10/20/15	001069	Kinneloa Irrigation District	91.29	Sept. admn., bookkeeping, reporting services
10/20/15	001070	United Site Services of CA, Inc.	<u>164.42</u>	portable toilet rental costs
	<b>Total</b>		<u><u>255.71</u></u>	