

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY – SEPTEMBER 17, 2013
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. **APPROVAL RESOLUTION 2013-09-17- NO ELECTION BE HELD FOR DIVISION 2**
4. **REVIEW ADDENDUM TO EAST-WEST PIPELINE REPORT**
5. **REVIEW PROPOSED YEAR 2014 BUDGET**
6. **DISCUSSION ON THE ESTABLISHMENT OF A RESERVE POLICY**
7. **REVIEW GENERAL MANAGER’S REPORT**
8. **REVIEW MINUTES** – August 20, 2013
9. **REVIEW FINANCIAL REPORTS** – August 31, 2013
10. **ITEMS FOR NEXT AGENDA**
11. **CALENDAR** – October (to be determined -12th or 14th have been suggested)
November 19, 2013
December 17, 2013
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>.

RESOLUTION 2013-09-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KINNELOA IRRIGATION DISTRICT ORDERING THAT NO ELECTION BE HELD FOR DIVISION TWO IN THE NOVEMBER 5, 2013 ELECTION AND REQUESTING THAT THE LOS ANGELES COUNTY BOARD OF SUPERVISORS APPOINT THE PERSON NOMINATED.

WHEREAS, only one person has been nominated for the office of Member of the Board of Directors in Division Two 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 for Division Two;

THEREFORE, the Board of Directors of the Kinneloa Irrigation District hereby requests that the Los Angeles County Board of Supervisors appoint Frank Griffith to Division Two of the Kinneloa Irrigation District.

PASSED, APPROVED AND ADOPTED THIS SEVENTEENTH DAY OF SEPTEMBER 2013.

SIGNED: _____
Chair

ATTEST: _____
Secretary



Kinneloa Irrigation District

East-West Tank Connector Pipeline
Addendum to Preliminary Design Report
(Segment 3 Alternates)



July, 2013

Prepared By:



1.0 Introduction

This report is being prepared as an Addendum to the Preliminary Design Report (PDR) for the East West Tank Connector Water Main. Previously, the District contracted with SA Associates to prepare the PDR in order to determine design parameters, evaluate alignment options, and to provide cost estimates for the construction of a 12-inch water line connecting the distribution systems of its East and West Tanks. The PDR separated the overall pipeline alignment into three segments (Segments 1, 2, and 3). After further review, the District decided to prepare an Addendum to the PDR to evaluate three (3) alternate alignments to the original Segment 3 of the overall alignment (Exhibits A and B of this Addendum show the alternates). This Addendum to the PDR discusses the key issues affecting the proposed alternate alignments, including construction costs, maintenance and operations, and easement/property issues.

2.0 Summary of Segment 3 of East-West Tank Connector Pipeline (See Exhibit 1 of PDR and Exhibits A & B of this Addendum)

Per Exhibit 1 of the PDR, Segment 3 of the East-West Tank Connector Pipeline begins in Kinneloa Canyon Road and proceeds up a Private Access Road to Villa Heights Road. The overall intent of this segment is to overcome a significant elevation climb on the hillside east of Kinneloa Canyon Road and to connect to a 6-inch AC main in Villa Heights Road from the East Tank's distribution system, thereby tying the West Tank's distribution system into the East Tank's distribution system. The alternative alignments to the alignment shown in the PDR also require significant elevation climbs -three of which pass by the Holly Tanks Site (see Exhibits A and B on the following pages). **Photos 1** and **2** below show the view from the Holly Tanks site looking down onto Kinneloa Canyon Road below.

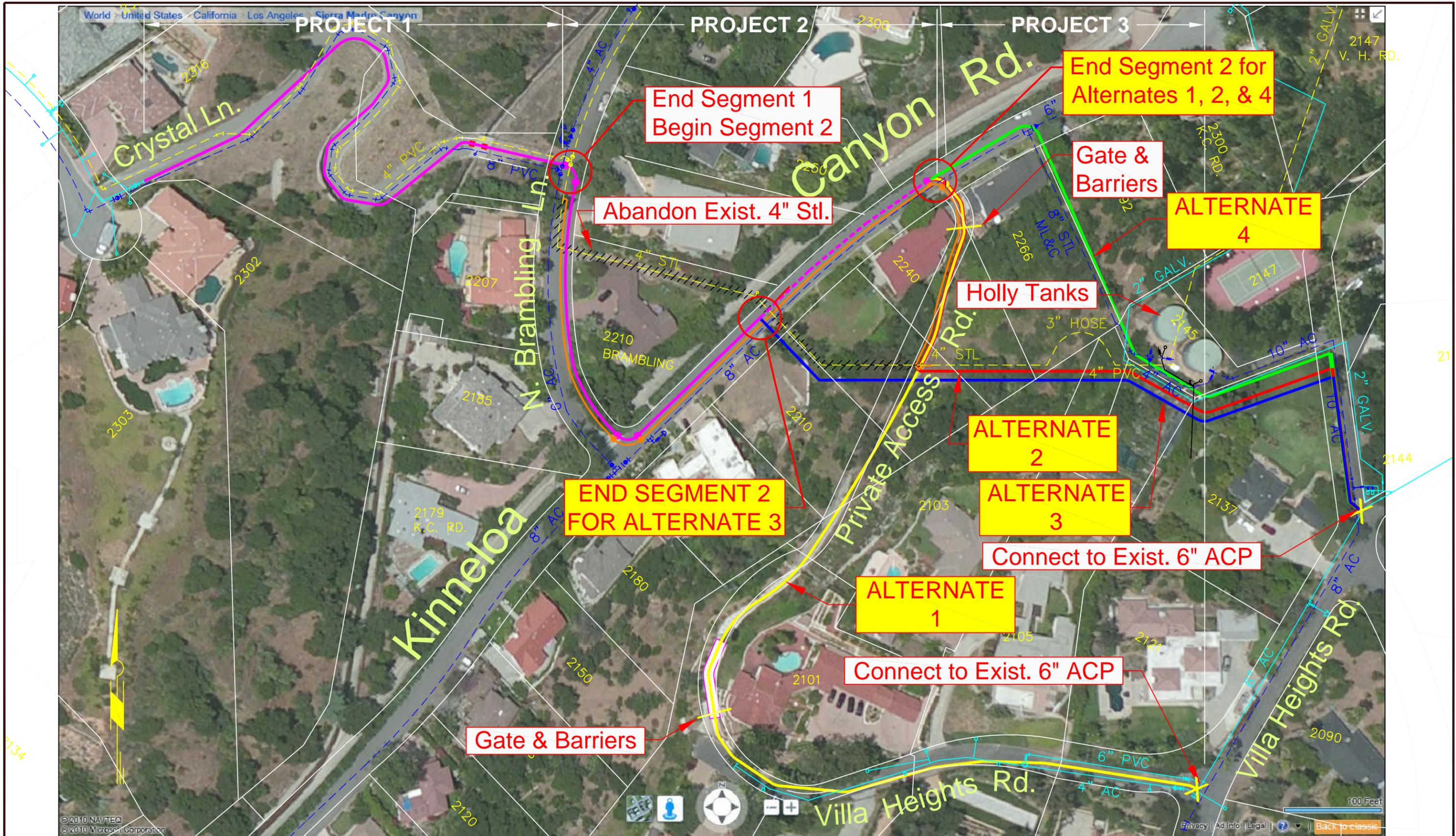


Photo 1: Westerly View from Holly Tanks Site



Photo 2: Southwesterly View from Holly Tanks Site

As indicated in the PDR, the length for Segment 3 (Alternate 1 of Exhibit 1) is approximately 1,200 feet, which amounts to approximately 43% of the overall length of 2,800 feet for the East-West Tank Connector Pipeline. The lengths for the alternate alignments all appear to be significantly less, with preliminary CAD measurements indicating that the alternates range in length from 770 feet to 840 feet. Although the alternate pipeline lengths appear to be advantageous, each alternate possesses its own unique set of challenges since the alternate alignments require hillside installation as indicated in Exhibit B. These set of challenges will be discussed along with an engineering/cost analysis and a land/property analysis in the following sections.



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 ASSOCIATES
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Kinneoloa Irrigation District
 East-West Tank Connector Pipeline
 Addendum to Preliminary Design Report

Scale: 1" = 45' (Approximate)
 Overall Alignment
 ALTERNATES 1-4

Exhibit
 A



Exhibit B: Alternate Routes for Segment 3

(Showing Elevation Perspective - Refer to Exhibit A)

3.0 Alternate 1 (See Exhibits A & B)

Alternate 1 involves the installation of 12 inch ductile iron pipe (DIP) along a narrow Access Road which connects Villa Heights Road with Kinneloa Canyon Road, and along Villa Heights Road from the Access Road to Villa Heights Road to the East. The total length of this alternate is estimated to be 1,224 feet. The Access Road runs through several property boundaries under a 20 foot easement to the County of Los Angeles for fire road purposes. From the base of the Access Road at Kinneloa Canyon Road until the property boundaries of 2101 Villa Heights Road, the Access Road is paved with asphalt concrete (AC). At 2101 Villa Heights Road, the paving transitions to Portland cement concrete (PCC). Villa Heights Road is AC throughout. **Photo 3** below provides a view of the Access Road:



Photo 3: Looking northerly near midpoint of Access Road

With regard to the Access Road portion of Alternate 1, there are improvements to the hillside which may impact construction, including both ornamental and structural improvements. For instance, there is short CMU wall and a chain-link fence along the west side of the Access Road, which extends nearly half-way up the road from Kinneloa Canyon Road. Along the east side, there is a v-gutter which helps transmit drainage flows down away from 2101 Villa Heights Road (as can be seen on the right side of **Photo 3**) and a short concrete slurry wall along the east side at about the midpoint of the Access Road. There are also some retaining features along the Access Road which restrict hillside erosion and also help prevent landslides, including a CMU block wall and a precast concrete crib wall along the west side

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of the properties at 2103 and 2101 Villa Heights Road. These improvements, when combined with slope of the hillside, result in considerable space restrictions for construction equipment, such as excavators.

In addition to some of the improvements made to the hillside that present construction challenges, there are some natural features which are likely to present construction challenges, including vegetative overgrowth and poor sub-surface soil conditions. With the exception of the southerly portion of the Access Road adjacent to 2103 and 2101 Villa Heights Road, there is significant vegetative growth which includes grass, shrubs, and trees which are likely to result in the need for removal, branch trimming, and root pruning. Additionally, large boulders were present at the northerly base of the Access Road at 2266 and 2240 Kinneloa Canyon Road, which indicate that sub-surface boulders are likely present (our experience with previous water main construction with the District confirms that boulders are present in the area). **Photo 4** below shows the conditions of the Access Road:



Photo 4: Looking southerly near midpoint of Access Road

With regard to the Villa Heights Road portion of Alternate 1, there are also improvements which impact construction, such as an existing private access gate located at the end of the Access Road along the southwesterly side of 2101 Villa Heights Road. In addition to the private access gate, there are several subsurface improvements which impacting construction, including existing 6-inch PVC and 4-inch ACP water lines (both of which are part of the East Tank system), and an existing gas line. There does not appear to be any natural features which could impact construction and create space constraints that could limit construction equipment along this final portion of the alignment.

Engineering Conclusions

Alternate 1 will involve the installation of over 1,200 feet of 12-inch DIP along a narrow Access Road and along Villa Heights Road as shown in Exhibits A and B. This alignment presents several engineering and construction challenges both related to the pipeline itself as well as surrounding topography. Due to the nature of this alignment, a below-grade installation is preferred. With regard to pipe joints, it is recommended that mild to moderate joint restraint be used, such as TR Flex/Field Lock or Mechanical Joint. As a result of the steep nature of the road, it may be necessary to install slope anchors (slope anchors are necessary for slopes equal to or greater than 1:3). A field survey will confirm the actual grade of the access road. It is possible that thrust blocks installed at bends in the pipeline along this road may help to provide proper slope stability in lieu of slope anchors. The need for slope anchors will be determined in the design phase of the project. Due to the length of Alternate 1, it is recommended that a minimum of two (2) isolation valves be installed for isolation and maintenance purposes. At each isolated segment, it is also recommended that a blow-off or sample tap be installed for ease of maintenance, so as to keep shut-down time to a minimum. Finally, since this is a transmission main for the purpose of looping the District's East and West Tank water systems, fire hydrants are not required and therefore not recommended to keep costs to a minimum.

Land/Property Conclusions

Alternate 1 is the longest of the four Alternates with a total of 1,224 feet. The width of the proposed easement is 20 feet. It crosses on, under and through eight total parcels, including a private road and an existing 20 ft private access easement in favor of the Los Angeles County Fire Department (LACFD) for fire access.

The 20 ft width of a proposed permanent easement typically contains the right to construct the facility. Also, the proposed 20 ft width provides construction workers enough room for staging, access, debris overflow, and grading. For this reason a temporary construction easement is not considered for cost estimating in this report for this alternate.

For that portion of the proposed easement that is expected to encumber the fire access easement it is assumed KID will have the implied right to construct, operate and maintain the pipeline. If compensation is paid to LACFD, a percentage of the proceeds paid to the private parcels will be discounted in order to pay LACFD. Lastly, it is assumed that improvements identified in the PDR will be protected in-place to the maximum extent possible or replaced in-kind if improvements are damaged.

Cost Conclusions

Table A1 shows a preliminary cost estimate for Alternate 1. The cost is broken down by major components only and the total cost is an approximate figure only for planning purposes. As noted from Table A1, the total estimated cost for Alternate 1 is \$473,000 (including 10% contingency). The key cost components are related to the Construction Costs and Easement/Property Costs as follows:

Construction Costs:

Construction costs included in this report include the cost to install pipeline and associated components (i.e. valves, fittings, etc.), as well as other construction items not directly related to the pipeline itself (i.e. mobilization/demobilization, traffic control, etc). This is consistent with publicly-bid water main projects. The actual unit-price dollar amounts of the construction-related costs are based on recent water main bids and adjusted for the difficulty of construction with narrow, steep roads and hillsides which will be encountered on this project.

The total construction related cost for Alternate 1 is estimated to be \$298,000 (including 10% contingency). It may be possible to achieve some savings with regard to the pipeline installation if portions of the pipe can be installed at a shallower depth (i.e. 2 foot cover), at least for the portion along the LACFD access road portion.

Easement/Property Costs:

Easement/Property Costs included in this report include the cost to obtain a 20 ft wide permanent pipeline easement along the entire length of Alternate 1. The actual dollar amount costs of the pipeline easement are based on actual recent fair-market values of the land, plus an adjustment for current-year values, less a percentage (30%) for below-grade pipelines. Additionally, a 35% contingency was added to cover unexpected situations that arise as a result of additional discovery of land documents, improvements and other unknown factors. The total costs related to procurement of a 20 ft wide permanent easement are estimated to be \$159,000.

4.0 Alternate 2 (See Exhibits A & B)

Alternate 2 involves the installation of 12 inch ductile iron pipe (DIP) partially along the Access Road as discussed for Alternate 1, and partially along a hillside to the East through the District's Holly Tanks Site, before proceeding down another access road to Villa Heights Road to the East. The total length of this alternate is estimated to be 830 feet. Under this route, the pipeline will extend from the base of the Access Road at Kinneloa Canyon Road until the vacant lot south of 2240 Kinneloa Canyon Road (at the location of the concrete slurry wall). At this point, the pipeline will turn easterly and proceed up the adjacent hillside up to the Holly Tank site, paralleling an existing 3" hose and through property boundaries at 2103 and 2105 Villa Heights Road. **Photo 5** below provides a view of the Access Road at the approximate turning point:



Photo 5: Looking southerly up the Private Access Road near basketball hoop (see Photo 6)

As is the case with Alternate 1, the Access Road portion of Alternate 2 contains improvements to the hillside which may impact construction, including a short CMU wall, a chain-link fence, and a concrete slurry wall. along the west side of the Access Road, which extends nearly half-way up the road from Kinneloa Canyon Road. Like Alternate 1, the improvements and the slope of the hillside result in considerable space restrictions for construction equipment.

As is also the case with Alternate 1, there are some natural features for the Access Road and hillside portions of Alternate 2 which are likely to present construction challenges, including vegetative

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overgrowth and poor sub-surface soil conditions. With specific regard to the proposed hillside installation west and east of the Access Road, there is significant vegetative growth which includes grass, shrubs, and trees which are likely to result in the need for removal, branch trimming, and root pruning. Additionally, large boulders were present at the northerly base of the Access Road at 2266 and 2240 Kinneloa Canyon Road, which indicate that sub-surface boulders are likely present (our experience with previous water main construction with the District confirms that boulders are present in the area). **Photo 6** below shows the conditions of the existing hillside east of the Access Road:



Photo 6: Looking easterly onto hillside slope from Private Access Road along hillside

With specific regard to the Holly Tanks site portion of Alternate 2, there are multiple improvement features which may impact construction and present significant space constraints, including structural, mechanical, and electrical improvements. There is also some asphalt paving along the southerly side of the site. **Photo 10** on Page 13 shows the conditions of the Holly Tanks site. The Holly Tanks site is discussed in further detail on Page 13.

(through the Holly Tanks access driveway and down along a northerly branch of Villa Heights Road leading to Villa Heights Road) and contains some mild improvements impacting construction, such as subsurface gas and water lines, including a 10-inch AC and a 2-inch Steel water line. The gas and water lines appear to provide service to two homes at 2144 and 2147 Villa Heights Road. There does not appear to be any natural features which could impact construction and create space constraints that could limit construction equipment along this final portion of the alignment.

Engineering Conclusions

Alternate 2 will involve the installation of over 830 feet of 12-inch DIP along a narrow Access Road and steep hillside, through the Holly Tanks site, and along a northerly branch of Villa Heights Road as shown in Exhibits A and B. This alignment presents several engineering and construction challenges both related to the pipeline itself as well as surrounding topography. Due to the nature of this alignment, a shallow, below-grade installation is preferred. With regard to pipe joints, it is recommended that moderate to secure joint restraint be used, such as Mechanical Joint or Flanged pipe (for the hillside portion). As a result of the steep nature of the hillside, it will be necessary to install slope anchors (slope anchors are necessary for slopes equal to or greater than 1:3). Although a field survey will confirm the actual grade of the access road, as-builts of the existing 8-inch steel waterline along the route of Alternate 4 (see Section 6.0) show the presence of concrete slope anchors. The design and quantity of slope anchors will be determined in the design phase of the project. Due to the stark differences in the portions of Alternate 3, it is recommend that a minimum of two (2) isolation valves be installed for isolation and maintenance purposes. At each isolated segment, it is also recommended that a blow-off or sample tap be installed for ease of maintenance, so as to keep shut-down time to a minimum. Finally, since this is a transmission main for the purpose of looping the District's East and West Tank water systems, fire hydrants are not required and therefore not recommended to keep costs to a minimum.

Land/Property Conclusions

Alternate 2 has a total length of 830 feet. The width of the proposed easement is a varying range of 15-20 feet. Subject to final design it will cross on, over, under and through as many as eight total parcels, including a private road (Kinneloa Canyon Road), an existing private access easement in favor of the Los Angeles County Fire Department (LACFD) for fire access, and the 215-foot access road customarily referred to as the "Holly Tanks Easement". Potentially, over 500 feet of the proposed 12 inch ductile iron pipe (DIP) may be constructed at or above grade.

The permanent easement rights typically contain the right to construct the facility. Also, a 20-foot width is typically considered sufficient for construction staging, access, debris overflow, and grading. Therefore, a Temporary Construction Easement (TCE) is not considered in the cost estimate except for a 215-foot linear section situated on private parcel(s) adjacent to the Holly Tanks Easement. Here a 5-foot TCE is also required to provide a 20-foot wide area for construction since KID believes that the 15-foot Holly Tank Easement will be sufficient to operate and maintain the proposed improvements after construction.

For that portion of the proposed easement that is expected to encumber the fire access easement it is assumed KID will have the implied right to construct, operate and maintain the pipeline. If compensation is paid to LACFD a percentage of the proceeds paid to the private parcels will be discounted in order to pay LACFD. Lastly, it is assumed that improvements identified in the PDR will be protected in-place to the maximum extent possible or replaced in-kind if improvements are damaged.

Cost Conclusions

Table A2 shows a preliminary cost estimate for Alternate 2. The cost is broken down by major components only and the total cost is an approximate figure only for planning purposes. As noted from Table A2, the total estimated cost for Alternate 2 is \$378,000 (including 10% contingency). The key cost components are related to the Construction Costs and Easement/Property Costs as follows:

Construction Costs:

Construction costs included in this report include the cost to install pipeline and associated components (i.e. valves, fittings, etc.), as well as other construction items not directly related to the pipeline itself (i.e. mobilization/demobilization, traffic control, etc). This is consistent with publicly-bid water main projects. The actual unit-price dollar amounts of the construction-related costs are based on recent water main bids and adjusted for the difficulty of construction with narrow, steep roads and hillsides which will be encountered on this project.

The total construction related cost for Alternate 2 is estimated to be \$238,000 (including 10% contingency). It may be possible to achieve some savings with regard to the pipeline installation if portions of the pipe can be installed at a shallower depth (i.e. 1-2 foot cover), with at least 2 foot of cover for the portion along the LACFD access road portion and the Holly Tanks easement, 1 foot of cover for the hillside portion, and potential at-grade installation in the Holly Tanks Site.

Easement/Property Costs:

Easement/Property Costs included in this report include the cost to obtain a 20 ft wide permanent pipeline easement and a 5 ft wide temporary construction easement (TCE). The actual dollar amount costs of the pipeline easement are based on actual recent fair-market values of the land, plus an adjustment for current-year values, less a percentage (30%) for below-grade pipelines. Additionally, a 35% contingency was added to cover unexpected situations that arise as a result of additional discovery of land documents, improvements and other unknown factors. The total costs related to procurement of a 20 ft wide permanent easement are estimated to be \$128,000.

Note: A view amenity benefit would eventually be considered for at-grade sections within private parcels to determine just compensation as a result of the proposed facilities impairing views; however, it is premature to apply a fractional adjustment to the cost estimate at this early juncture in the design.

5.0 Alternate 3 (See Exhibits A & B)

Alternate 3 involves the installation of 12 inch ductile iron pipe (DIP) along the southerly limits of the vacant lot, then up along the hillside to the East through the District's Holly Tanks site, before proceeding down another access road to Villa Heights Road to the East as in the manner of Alternate 2. The total length of this alternate is estimated to be 780 feet. Under this route, Segment 2 will end approximately 200 feet south of the original endpoint as shown in the PDR, and the pipeline will then turn easterly from Kinneloa Canyon Road and parallel an existing 3" steel/hose waterline through the vacant lot and up the hillside. Once the pipeline reaches the Access Road, it will proceed further up the hill at approximately the same location as Alternate 2 (at the location of the concrete slurry wall) until reaching the Holly Tanks site. **Photo 7** below provides a view of the Vacant Lot:



Photo 7: Looking easterly onto vacant lot and hillside from Kinneloa Canyon Road

Unlike Alternates 1 and 2, the first portion of Alternate 3 (Vacant Lot) does not contain significant space restrictions that would limit construction equipment. Besides a few miscellaneous improvements, including an existing 4-inch Steel waterline there are some natural features which present some construction challenges such as grass, shrubs, and trees which are likely to result in removal, branch trimming, and root pruning. However, these challenges appear to be relatively minor.

With specific regard to the proposed hillside portions of Alternate 3 (west and east of the Access Road), there is significant vegetative growth which includes grass, shrubs, and trees which are likely to result in

the need for removal, branch trimming, and root pruning. Additionally, large boulders were present at the northerly base of the Access Road at 2266 and 2240 Kinneloa Canyon Road, which indicate that subsurface boulders may be present which could affect slope stability when excavated (our experience with previous water main construction with the District confirms that boulders are present in the area). **Photo 8** below shows the vacant lot and Kinneloa Canyon Road as seen from the Access Road:



Photo 8: Looking westerly onto vacant lot and Kinneloa Canyon Road from hillside

With specific regard to the Holly Tanks site portion of Alternate 2, there are multiple improvement features which may impact construction and present significant space constraints, including structural, mechanical, and electrical improvements. There is also some asphalt paving along the southerly side of the site. **Photo 10** on Page 13 shows the conditions of the Holly Tanks site. The Holly Tanks site is discussed in further detail on Page 13.

The final portion of Alternate 3 follows the same path as Alternate 2 (through the Holly Tanks access driveway and down along a northerly branch of Villa Heights Road leading to Villa Heights Road) and contains some mild improvements impacting construction, such as subsurface gas and water lines, including a 10-inch AC and a 2-inch Steel water line. The gas and water lines appear to provide service to two homes at 2144 and 2147 Villa Heights Road. There does not appear to be any natural features which could impact construction and create space constraints that could limit construction equipment along this final portion of the alignment.

Engineering Conclusions

Alternate 3 will involve the installation of over 780 feet of 12-inch DIP along a Vacant Lot and steep hillside, through the Holly Tanks site, and along a northerly branch of Villa Heights Road as shown in Exhibits A and B. This alignment presents several engineering and construction challenges both related to the pipeline itself as well as surrounding topography. Due to the nature of this alignment, a shallow, below-grade installation is preferred. With regard to pipe joints, it is recommended that moderate to secure joint restraint be used, such as Mechanical Joint or Flanged pipe (for the hillside portion). As a result of the steep nature of the hillside, it will be necessary to install slope anchors (slope anchors are necessary for slopes equal to or greater than 1:3). Although a field survey will confirm the actual grade of the access road, as-builts of the existing 8-inch steel waterline along the route of Alternate 4 (see Section 6.0) show the presence of concrete slope anchors. The design and quantity of slope anchors will be determined in the design phase of the project. Due to the stark differences in the portions of Alternate 3, it is recommend that a minimum of two (2) isolation valves be installed for isolation and maintenance purposes. At each isolated segment, it is also recommended that a blow-off or sample tap be installed for ease of maintenance, so as to keep shut-down time to a minimum. Finally, since this is a transmission main for the purpose of looping the District's East and West Tank water systems, fire hydrants are not required and therefore not recommended to keep costs to a minimum.

Land/Property Conclusions

Alternate 3 has a total length of 780 feet. The width of the proposed easement is a varying range of 15-20 feet. Subject to final design it will cross on, over, under and through as many as nine total parcels, including a private road (Kinneloa Canyon Road), an existing private access easement in favor of the Los Angeles County Fire Department (LACFD) for fire access, and the 215-foot access road customarily referred to as the "Holly Tanks Easement". Unlike Alternates 1 and 2 only small sections of the proposed easement are situated within the private road (Kinneloa Canyon Road) and the existing private access (fire access easement) road. Potentially, over 500 feet of the proposed 12 inch ductile iron pipe (DIP) may be constructed at or above grade.

The permanent easement rights typically contain the right to construct the facility. Also, a 20-foot width is typically considered sufficient for construction staging, access, debris overflow, and grading. Therefore, a Temporary Construction Easement (TCE) is not considered in the cost estimate except for a 215-foot linear section situated on private parcel(s) adjacent to the Holly Tanks Easement. Here a 5-foot TCE is also required to provide a 20-foot wide area for construction since KID believes that the 15-foot Holly Tank Easement will be sufficient to operate and maintain the proposed improvements after construction.

For that small portion of the proposed easement that is expected to encumber the fire access easement it is assumed KID will have the implied right to construct, operate and maintain the pipeline. If compensation is paid to LACFD a percentage of the proceeds paid to the private parcels will be discounted in order to pay LACFD. Lastly, it is assumed that improvements identified in the PDR will be protected in-place to the maximum extent possible or replaced in-kind if improvements are damaged.

Cost Conclusions

Table A3 shows a preliminary cost estimate for Alternate 3. The cost is broken down by major components only and the total cost is an approximate figure only for planning purposes. As noted from Table A3, the total estimated cost for Alternate 3 is \$325,000 (including 10% contingency). The key cost components are related to the Construction Costs and Easement/Property Costs as follows:

Construction Costs:

Construction costs included in this report include the cost to install pipeline and associated components (i.e. valves, fittings, etc.), as well as other construction items not directly related to the pipeline itself (i.e. mobilization/demobilization, traffic control, etc). This is consistent with publicly-bid water main projects. The actual unit-price dollar amounts of the construction-related costs are based on recent water main bids and adjusted for the difficulty of construction with narrow, steep roads and hillsides which will be encountered on this project.

The total construction related cost for Alternate 3 is estimated to be \$211,000 (including 10% contingency). It may be possible to achieve some savings with regard to the pipeline installation if portions of the pipe can be installed at a shallower depth (i.e. 1-2 foot cover), with at least 2 foot of cover for the portion along the LACFD access road portion and the flat lot, 1 foot of cover for the hillside portion, and potential at-grade installation in the Holly Tanks Site.

Easement/Property Costs:

Easement/Property Costs included in this report include the cost to obtain a 20 ft wide permanent pipeline easement and a 5 ft wide temporary construction easement (TCE). The actual dollar amount costs of the pipeline easement are based on actual recent fair-market values of the land, plus an adjustment for current-year values, less a percentage (30%) for below-grade pipelines. Additionally, a 35% contingency was added to cover unexpected situations that arise as a result of additional discovery of land documents, improvements and other unknown factors. The total costs related to procurement of a 20 ft wide permanent easement are estimated to be \$103,000.

Note: A view amenity benefit would eventually be considered for at-grade sections within private parcels to determine just compensation as a result of the proposed facilities impairing views; however, it is premature to apply a fractional adjustment to the cost estimate at this early juncture in the design.

6.0 Alternate 4 (See Exhibits A & B)

Alternate 4 involves the installation of 12 inch ductile iron pipe (DIP) along the hillside to the West of the District's Holly Tanks site and through the Holly Tanks site, before proceeding down another access road to Villa Heights Road to the East as in the manner of Alternates 2 and 3. The total length of this alternate is estimated to be 770 feet. Under this route, Segment 2 will end approximately 200 feet north of the original endpoint as shown in the PDR, and the pipeline will then turn easterly from Kinneloa Canyon Road and parallel an existing 8" steel waterline up the hillside to the Holly Tanks site. **Photo 9** below provides a view of the existing hillside from the Holly Tanks site:



Photo 9: Looking southwesterly onto Kinneloa Canyon Road from Holly Tanks site

As is also the case with Alternates 1-3, there are some natural and man-made features along this route which are likely to present construction challenges. With specific regard to the proposed hillside installation west of the Holly Tanks site, there is significant vegetative growth which includes grass, shrubs, and trees which are likely to result in removal, branch trimming, and root pruning. Also, due to the steepness of the hillside, the District installed two retaining walls along the westerly side of the Holly Tanks site, one of which can be seen from **Photo 9** above (the existing 8" steel line is located to the left of the retaining walls). Additionally, as also mentioned for Alternates 1-3, our experience with previous water main construction with the District confirms that boulders are present in the area.

(Draft) Addendum to Preliminary Design Report - East West Tank Connector Water Main

With specific regard to the Holly Tanks site, there are multiple improvement features which may impact construction and present significant space constraints, including structural, mechanical, and electrical improvements. For instance, besides the actual tanks, there is significant above-ground piping west and south of the Holly Tanks, a chlorination shed to the South, fencing, several above ground air-release assemblies, a electrical service pole and electrical control boxes, a drainage grate, and several pull boxes. Additionally, there appears to be significant underground improvements including water piping, chemical feed piping, electrical conduits, and drainage piping (due to the presence of a drainage grate). There is also a some asphalt paving along the southerly side of the site. **Photo 10** below shows the conditions of the Holly Tanks site:



Photo 10: Holly Tanks site looking west

The final portion of Alternate 4 follows the same path as Alternates 2 and 3 (through the Holly Tanks access driveway and down along a northerly branch of Villa Heights Road leading to Villa Heights Road) and contains some mild improvements impacting construction, such as subsurface gas and water lines, including a 10-inch AC and a 2-inch Steel water line. The gas and water lines appear to provide service to two homes at 2144 and 2147 Villa Heights Road. There does not appear to be any natural features which could impact construction and create space constraints that could limit construction equipment along this final portion of the alignment.

Engineering Conclusions

Alternate 4 will involve the installation of over 770 feet of 12-inch DIP along a steep hillside, through the Holly Tanks site, and along a northerly branch of Villa Heights Road as shown in Exhibits A and B. This alignment presents several engineering and construction challenges both related to the pipeline itself as well as surrounding topography. Due to the nature of this alignment, a shallow, below-grade installation is preferred. With regard to pipe joints, it is recommended that moderate to secure joint restraint be used, such as Mechanical Joint or Flanged pipe (for the hillside portion). As a result of the steep nature of the hillside, it will be necessary to install slope anchors (slope anchors are necessary for slopes equal to or greater than 1:3). Although a field survey will confirm the actual grade of the access road, as-builts of the existing 8-inch steel waterline show the presence of concrete slope anchors. The design and quantity of slope anchors will be determined in the design phase of the project. Due to the stark differences in the portions of Alternate 4, it is recommend that a minimum of one (1) isolation valve be installed for isolation and maintenance purposes. At each isolated segment, it is also recommended that a blow-off or sample tap be installed for ease of maintenance, so as to keep shut-down time to a minimum. Finally, since this is a transmission main for the purpose of looping the District's East and West Tank water systems, fire hydrants are not required and therefore not recommended to keep costs to a minimum.

Land/Property Conclusions

Alternate 4 has a total length of 770 feet. The width of the proposed easement is a varying range of 15-20 feet. Subject to final design it will cross on, over, under and through as many as five total parcels, including a private road (Kinneloa Canyon Road), a parcel owned by KID (Holly Tanks site), and the 215-foot access road customarily referred to as the "Holly Tanks Easement". Similar to Alternate 3 only a small section of the proposed easement is situated within the private road; conversely, no section(s) of the easement is encumbering an existing 20' private access (fire access) road. Potentially, just over 500 feet of the proposed 12 inch ductile iron pipe (DIP) may be constructed at or above grade.

The permanent easement rights typically contain the right to construct the facility. Also, a 20-foot width is typically considered sufficient for construction staging, access, debris overflow, and grading. Therefore, a Temporary Construction Easement (TCE) is not considered in the cost estimate except for a 215-foot linear section situated on private parcel(s) adjacent to the Holly Tanks Easement. Here a 5-foot TCE is also required to provide a 20-foot wide area for construction since KID believes that the 15-foot Holly Tank Easement will be sufficient to operate and maintain the proposed improvements after construction. Lastly, it is assumed that improvements identified in the PDR will be protected in-place to the maximum extent possible or replaced in-kind if improvements are damaged.

Cost Conclusions

Table A4 shows a preliminary cost estimate for Alternate 4. The cost is broken down by major components only and the total cost is an approximate figure only for planning purposes. As noted from Table A4, the total estimated cost for Alternate 4 is \$352,000 (including 10% contingency). The key cost components are related to the Construction Costs and Easement/Property Costs as follows:

Construction Costs:

Construction costs included in this report include the cost to install pipeline and associated components (i.e. valves, fittings, etc.), as well as other construction items not directly related to the pipeline itself (i.e. mobilization/demobilization, traffic control, etc). This is consistent with publicly-bid water main projects. The actual unit-price dollar amounts of the construction-related costs are based on recent water main bids and adjusted for the difficulty of construction with narrow, steep roads and hillsides which will be encountered on this project.

The total construction related cost for Alternate 3 is estimated to be \$231,000 (including 10% contingency). It may be possible to achieve some savings with regard to the pipeline installation if portions of the pipe can be installed at a shallower depth (i.e. 1-2 foot cover), with at least 2 foot of cover for the portion along Holly Tanks easement, 1 foot of cover for the hillside portion, and potential at-grade installation in the Holly Tanks Site.

Easement/Property Costs:

Easement/Property Costs included in this report include the cost to obtain a 20 ft wide permanent pipeline easement and a 5 ft wide temporary construction easement (TCE). The actual dollar amount costs of the pipeline easement are based on actual recent fair-market values of the land, plus an adjustment for current-year values, less a percentage (30%) for below-grade pipelines. Additionally, a 35% contingency was added to cover unexpected situations that arise as a result of additional discovery of land documents, improvements and other unknown factors. The total costs related to procurement of a 20 ft wide permanent easement are estimated to be \$110,000.

Note: A view amenity benefit would eventually be considered for at-grade sections within private parcels to determine just compensation as a result of the proposed facilities impairing views; however, it is premature to apply a fractional adjustment to the cost estimate at this early juncture in the design.

Table A1

Preliminary Cost Estimate Alternate 1 for Segment 3

Item	Description	Qty	Unit	Unit Price	Total Price
1	Mobilization Demobilization (not to exceed 5%)	1	LS	\$21,000	\$21,000
2	Traffic Control	1	LS	\$5,000	\$5,000
3	Trenching and Excavation Safety Measures	1	LS	\$3,000	\$3,000
4	Furnish and install 12" DIP Main	1224	LF	\$175	\$214,000
5	Furnish and install 12" gate valve	2	EA	\$6,000	\$12,000
6	Furnish and install 2" air release assembly	2	EA	\$4,000	\$8,000
7	Connection at Villa Heights Road including valves & appurtenances	1	EA	\$8,000	\$8,000
8	Easements/Property Acquisition	1	LS	\$159,000	\$159,000
Subtotal				\$430,000	
10% Contingency				\$43,000	
Total Construction Cost				\$473,000	

Regarding easement/property costs*:

1,224 total linear feet (below grade) x 20' permanent easement width = 24,480 sq. ft. x \$16.00 (rate)¹ = 391,680.00 x 30% (percent of fee)² = \$117,504.00 x 1.35 (contingency factor)³ = **\$158,650.00**

¹ Review of comparable land sales in the vicinity of Kinneloa Irrigation District (KID) determined an estimated fair market value of \$16 per square foot. This value most heavily weighed on one of the dozen comparable sales analyzed since it was located within the proposed project footprint. An upward adjustment was made for this sale as it was approximately one-year old. There are no sections of at-surface or above grade construction of the proposed 12 inch ductile iron pipe (DIP); therefore, no adjustment was made in the cost estimate for at-surface improvements

² The percent of fee for below grade pipeline easements has historically ranged from 20-50%. This is based on industry standards and a judgment for the amount of utility taken from the property owner for use of the land. For this cost estimate 30% was considered fair and reasonable.

³ A 35% contingency was added to cover unexpected situations that arise as a result of additional discovery of land documents, improvements and other unknown factors.

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Table A2

Preliminary Cost Estimate Alternate 2 for Segment 3

Item	Description	Qty	Unit	Unit Price	Total Price
1	Mobilization Demobilization (not to exc. 5%)	1	LS	\$17,000	\$17,000
2	Traffic Control	1	LS	\$2,000	\$2,000
3	Trenching and Excavation Safety Measures	1	LS	\$3,000	\$3,000
4	Furnish and install 12" DIP Main	830	LF	\$200	\$166,000
5	Furnish and install 12" gate valve	2	EA	\$6,000	\$12,000
6	Furnish and install 2" air release assembly	2	EA	\$4,000	\$8,000
7	Connection at Villa Heights Road including valves & appurtenances	1	EA	\$8,000	\$8,000
8	Easements/Property Acquisition	1	LS	\$128,000	\$128,000
Subtotal				\$344,000	
10% Contingency				\$34,000	
Total Construction Cost				\$378,000	

Regarding easement/property costs*:

830 total linear feet minus 695 feet (at- grade) = 135 feet (section within KID parcel). 695' minus 215' (Holly Tanks Easement) = 480' x 20' perm. at-grade easement = 9,600 sq. ft. x \$8.00 (rate)⁴ = \$76,800.00 x 90% (easement interest of fee)⁵ = \$69,120.00

215 linear foot x 15-foot (width) = 3,225 sq. ft. x \$8.00 (rate) = \$25,800.00 x 90% (easement interest of fee) = \$23,220.00

215-foot x 5-foot (TCE) = 1,075 sq. ft. x \$8.00 (rate) x 7.5% (market return rate) x 2 (years) = \$2,600.00 (rounded)

\$69,120.00 + \$23,220.00 + \$2,600.00 (sum) = \$94,940.00 x 1.35% (contingency factor)⁶ = **\$128,000.00** (rounded)

⁴ Review of comparable land sales in the vicinity of Kinneloa Irrigation District (KID) determined an estimated fair market value of \$8 (\$16 divided by 50% - see above) per square foot on the parcels expected to have at-grade grade improvements. This value most heavily weighed on one of the dozen comparable sales analyzed since it was located within the proposed project footprint. An upward adjustment was made for this sale as it was approximately one-year old.

⁵ Below grade sections are valued nearly at 100% of fee and at-grade sections are discounted by 50% because of terrain steepness and lack of utility. A view amenity benefit was also considered for at-grade sections within private parcels to determine just compensation as a result of the proposed facilities impairing views; however, it was premature to apply a fractional adjustment to the cost estimate at this early juncture in the design. The percent of fee for above or at-grade pipeline easement was 90% and is based on industry standards and a judgment for the amount of utility taken from the property owner for use of the land.

⁶ A 35% contingency was added to cover unexpected situations that arise as a result of discovery of land documents, improvements and other unknown factors

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Table A3

Preliminary Cost Estimate Alternate 3 for Segment 3

Item	Description	Qty	Unit	Unit Price	Total Price
1	Mobilization Demobilization (not to exc. 5%)	1	LS	\$15,000	\$15,000
2	Traffic Control	1	LS	\$2,000	\$2,000
3	Trenching and Excavation Safety Measures	1	LS	\$3,000	\$3,000
4	Furnish and install 12" DIP Main	780	LF	\$185	\$144,000
5	Furnish and install 12" gate valve	2	EA	\$6,000	\$12,000
6	Furnish and install 2" air release assembly	2	EA	\$4,000	\$8,000
7	Connection a Villa Heights Road including valves & appurtenances	1	EA	\$8,000	\$8,000
8	Easements/Property Acquisition	1	LS	\$103,000	\$103,000
Subtotal				\$295,000	
10% Contingency				\$30,000	
Total Construction Cost				\$325,000	

Regarding easement/property costs*:

780 total linear feet minus 80 feet (below grade) = 700 feet (linear sections split between the KID parcel and the private parcels). 700 feet minus 135 feet (KID parcel) = 565 feet (at-grade). 565 feet minus 215 (Holly Tanks Easement) = 350' x 20' permanent at-grade easement = 7,000 sq. ft. x \$8.00 (rate)⁷ = \$56,000.00 x 90% (ease interest of fee)⁸ = \$50,400.00

215 linear foot x 15-foot (width) = 3,225 sq. ft. x \$8.00 (rate) = \$25,800.00 x 90% (ease interest of fee) = \$23,220.00

80' x 20' (below grade) perm ease width = 1,600 sq. ft. x \$16.00 (rate) = \$25,600.00 x 30% (ease interest of fee) = \$7,680.00

215-foot x 5-foot (TCE) = 1,075 sq. ft. x \$8.00 (rate) x 7.5% (market return rate)⁹ x 2 (years) = \$2,600.00 (rounded)

\$50,400.00 + \$23,220.00 + 7,680.00 + \$2,600.00 (sum) = \$76,220.00 x 1.35% (contingency factor) = **\$103,000.00** (rounded)

⁷ Review of comparable land sales in the vicinity determined an estimated fair market value of \$16 per square foot for the parcels encumbered by below grade improvements and at-grade sections are discounted by 50% as a result of terrain steepness and lack of utility. The remaining section(s) of the proposed improvements totaling approximately 135 feet do not require an easement and will be situated within the parcel owned by Kinneloa Irrigation District (KID).

⁸ The percent of fee for below grade pipeline easements has historically ranged from 20-50%. This is based on industry standards and a judgment for the amount of utility taken from the property owner for use of the land. For below grade sections 30% was considered fair and reasonable and 90% of fee was used for at-grade sections. A view amenity benefit was also considered for at-grade sections within private parcels to determine just compensation as a result of the proposed facilities impairing views; however, it was premature to apply a fractional adjustment to the cost estimate at this early juncture in the design. A 35% contingency was added to cover unexpected situations that arise as a result of discovery of land documents, improvements and other unknown factors

⁹ The TCE is paid as a percentage of fee and market rates for it will vary from 5% to 12%. For today's market a 7.5% return on a cash investment is considered fair for this cost estimate

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Table A4

Preliminary Cost Estimate Alternate 4 for Segment 3

Item	Description	Qty	Unit	Unit Price	Total Price
1	Mobilization Demobilization (not to exceed 5%)	1	LS	\$15,000	\$15,000
2	Traffic Control	1	LS	\$2,000	\$2,000
3	Trenching and Excavation Safety Measures	1	LS	\$3,000	\$3,000
4	Furnish and install 12" DIP Main	770	LF	\$210	\$162,000
5	Furnish and install 12" gate valve	1	EA	\$6,000	\$12,000
6	Furnish and install 2" air release assembly	2	EA	\$4,000	\$8,000
7	Connection at Villa Heights Road including valves & appurtenances	1	EA	\$8,000	\$8,000
8	Easements/Property Acquisition	1	LS	\$110,000	\$110,000
Subtotal				\$320,000	
10% Contingency				\$32,000	
Total Construction Cost				\$352,000	

Regarding easement/property costs*:

770 total linear feet minus 100 feet (below grade) = 670 feet (linear sections split between the KID parcel and the private parcels). 670 feet minus 135 feet (KID parcel) = 535 feet (at-grade). 535 feet minus 215 (Holly Tanks Ease) = 320' x 20' perm at-grade ease = 6,400 sq. ft. x \$8.00 (rate)¹⁰ = \$51,200.00 x 90% (ease interest of fee)¹¹ = \$46,080.00.

215 linear foot x 15-foot (width) = 3,225 sq. ft. x \$8.00 (rate) = \$25,800.00 x 90% (ease interest of fee) = \$23,220.00

100' x 20' (below grade) perm ease width = 2,000 sq. ft. x \$16.00 (rate) = \$32,000 x 30% (ease interest of fee) = \$9,600.00

215-foot x 5-foot (TCE) = 1,075 sq. ft. x \$8.00 (rate) x 7.5% (market return rate)¹² x 2 (years) = \$2,600.00 (rounded)

\$46,080.00 + \$23,220.00 + 9,600.00 + \$2,600.00 (sum) = \$81,500.00 x 1.35% (contingency factor) = **\$110,000.00** (rounded)

¹⁰ Review of comparable land sales in the vicinity determined an estimated fair market value of \$16 per square foot for the parcels encumbered by below grade improvements and at-grade sections are discounted by 50% as a result of terrain steepness and lack of utility. The remaining section(s) of the proposed improvements totaling approximately 135 feet do not require an easement and will be situated within the parcel owned by Kinneloa Irrigation District (KID).

¹¹ The percent of fee for below grade pipeline easements has historically ranged from 20-50%. This is based on industry standards and a judgment for the amount of utility taken from the property owner for use of the land. For below grade sections 30% was considered fair and reasonable and 90% of fee was used for at-grade sections. A view amenity benefit was also considered for at-grade sections within private parcels to determine just compensation as a result of the proposed facilities impairing views; however, it was premature to apply a fractional adjustment to the cost estimate at this early juncture in the design. A 35% contingency was added to cover unexpected situations that arise as a result of discovery of land documents, improvements and other unknown factors

¹² The TCE is paid as a percentage of fee and market rates for it will vary from 5% to 12%. For today's market a 7.5% return on a cash investment is considered fair for this cost estimate

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Kinneloa Irrigation District 2014 Budget Worksheet

Account	Account Description	2013 FYE		Proposed 2014 Budget	Variance of Proposed 2014 Budget to 2013 Budget	Notes
		2013 Budget	Forecast as of 8/31/2013			
4000	Water Sales	1,223,000	1,308,194	1,300,000	77,000	
4015	Wholesale Water Sales	150,000	33,325	150,000	0	Additional leased pumping rights were purchased for 2013-2014
4020	Service Charges	10,000	12,253	10,000	0	
4035	Interest-Reserve Fund	4,000	3,478	4,000	0	
	Total Income	1,387,000	1,357,250	1,464,000	77,000	
5000	Leased Water Rights	46,500	46,500	46,500	0	
5005	Electricity	105,000	103,099	110,000	5,000	SCE rate increases were approved by PUC
5010	Maintenance Supplies	20,000	22,043	25,000	5,000	Reflects price increases on recently-purchased maintenance items
5011	Material and Labor for Install	10,000	9,688	10,000	0	
5012	Safety Equipment	1,600	1,105	1,600	0	
5015	Operations & Maintenance Labor	155,000	142,918	155,000	0	
5016	Operations & Maintenance OT	10,000	14,878	14,000	4,000	Based on expected non-emergency overtime at current hourly rate
5020	Stand-by Compensation	7,500	7,450	7,500	0	
5022	Training/Certification	1,600	1,073	1,600	0	
5025	Water Treatment/Analysis	22,000	17,387	22,000	0	
5030	Maintenance Contractors	125,000	100,908	125,000	0	Includes \$38,500 for valve/hydrant and Delores Tunnel maintenance
5034	Equipment Maintenance	10,000	9,001	10,000	0	
5035	Vehicle Maintenance	6,000	3,469	6,000	0	
5036	Fuel - All Equipment	15,000	11,827	15,000	0	
5040	Equipment Rental	500	500	500	0	
5045	Insurance-Workers Comp.	12,000	4,872	12,000	0	Refunds from prior years not expected
5046	Insurance-Liability	22,000	11,410	22,000	0	Refunds from prior years not expected
5048	Insurance-Property	2,500	1,389	2,500	0	Refunds from prior years not expected
5049	Insurance-Medical	46,000	66,125	71,415	25,415	Increase for 2014 and increase for 2013 that was not budgeted
6000	Engineering Services	45,000	18,975	45,000	0	
6005	Watermaster Services	12,000	9,727	12,000	0	Possible increase to build reserve for future RBMB projects
6015	Administrative Salary	130,000	123,800	130,000	0	
6016	Administrative Bonus	0	2,500	0	0	
6017	Administrative Travel	5,000	2,837	3,000	-2,000	More meetings conducted via conference call
6020	BofD Compensation	5,600	4,500	5,600	0	
6021	Administrative & Board Expense	2,500	947	1,250	-1,250	More meetings conducted via conference call
6022	Board of Directors Election	0	0	12,500	12,500	Election for Division 3 in November 2013 (payable in 2014)
6024	Customer/Public Information	3,000	1,068	1,500	-1,500	Greater use of KID website for communication with customers
6025	PERS - KID	15,000	17,408	22,000	7,000	KID contribution rate increase effective 7/1/2014
6030	Social Security - KID	29,000	29,133	31,000	2,000	Based on previous and expected salary increases
6035	Office/Computer Supplies	9,000	5,778	7,000	-2,000	Based on current average monthly rate
6036	Postage/Delivery	6,000	4,005	5,000	-1,000	Based on current average monthly rate
6040	Professional Dues	7,500	7,517	7,500	0	
6045	Legal Services	15,000	6,685	15,000	0	Legal expenses are not predictable
6050	Telephone	4,000	4,165	4,000	0	
6051	Mobile Telephone	2,000	1,325	1,500	-500	Services were reduced in 2013
6052	Pagers	240	228	240	0	
6053	Internet Service	1,500	966	1,000	-500	Negotiated lower rate
6059	Computer/Software Maintenance	9,000	3,926	9,000	0	
6061	Office Equipment Maintenance	1,000	333	1,000	0	
6065	Accounting Services	7,000	6,200	7,000	0	
6070	Office & Accounting Labor	78,000	78,637	83,355	5,355	Based on previous and expected salary increases
6075	Outside Services	20,000	13,391	20,000	0	Outside services are not fully predictable
6080	Capital and Administrative Fee	7,000	6,651	7,250	250	Approved FMWD Administrative Fee for 2014
6081	Permits/Fees	5,000	11,718	10,000	5,000	AQMD fees are not predictable
6120	Bank Service Charges	3,600	4,251	4,500	900	Based on current average monthly rate
	Total Expenses	1,041,140	942,313	1,104,810	63,670	
	NET REVENUES	345,860	414,937	359,190	13,330	
	Other Expenditures					
1504	East-West Tank Connector	80,000	16,272	25,000	-55,000	Estimated construction cost for entire project not yet determined
1509	Wilcox Well/Wilcox Reservoir	5,000	10,544	10,300	5,300	Install auto transfer switch at Wilcox Reservoir and clean up electrical panel
1511	Water Treatment Plant	5,400	5,779	6,000	600	Replace programable logic controller (PLC) for K-3 C12 generator
1512	Water Meters	32,000	24,081	5,000	-27,000	Only replacement meters needed unless new construction
1513	Electrical/Electronic Equipment	25,000	0	25,000	0	Incl. cell repeaters at 3 sites; C12 time clocks at 3 sites; arc flash compliance
1514	Computer/Office Equipment	5,000	0	5,000	0	Includes replacement of 2 computers
1516	Water Company Facilities	12,000	0	12,000	0	Actual projects not yet determined
1522	Eucalyptus Booster Station	30,000	32,054	0	-30,000	Pump maintenance delayed to 2015
1526	Vosburg Booster Station Replacement	25,000	8,349	25,000	0	Estimated construction cost for entire project is \$390,000
1527	SCADA	15,000	21,051	13,000	-2,000	Replace Sage touch screen; battery status at 6 sites; connect Wilcox ATS
1530	Tools	2,400	0	3,000	600	Street valve locator, etc.
2400	Truck Installment Payment	19,881	19,881	0	-19,881	Loan paid in full
	Total Other Expenditures	256,681	138,011	129,300	-127,381	
	NET CASH FLOW	89,179	276,926	229,890	140,711	

Kinneloa Irrigation District Proposed 2014 Budget

Daily Service Charge = \$1.68 (Average Charge per Month = \$51.10)

Commodity Charge \$3.35 per CCF

Account	Account Description	2014
4000	Water Sales	1,300,000
4015	Wholesale Water Sales	150,000
4020	Service Charges	10,000
4035	Interest-Reserve Fund	4,000
Total Income		1,464,000
5000	Leased Water Rights	46,500
5005	Electricity	110,000
5010	Maintenance Supplies	25,000
5011	Material and Labor for Installs	10,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	155,000
5016	Operations & Maintenance OT	14,000
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	22,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	71,415
6000	Engineering Services	45,000
6005	Watermaster Services	12,000
6015	Administrative Salary	130,000
6017	Administrative Travel	3,000
6020	Board of Directors Compensation	5,600
6021	Administrative & Board Expenses	1,250
6022	Board of Directors Election	12,500
6024	Customer/Public Information	1,500
6025	PERS - KID	22,000
6030	Social Security - KID	31,000
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	7,500
6045	Legal Services	15,000
6050	Telephone	4,000
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	83,355
6075	Outside Services	20,000
6080	Capital Improvement Fee	7,250
6081	Permits/Fees	10,000
6120	Bank Service Charges	4,500
Total Expenses		1,104,810
NET REVENUES		359,190

Water Sales, Units	281,711
Rate Per Unit	\$3.35
Annual Commodity Revenue	\$943,731
Daily Service Charge	\$1.68
Annual DSC Revenue	\$356,269
Annual Water Sales	\$1,300,000
Wholesale Water Sales	\$150,000
Other Annual Revenue	\$14,000
Total Revenue	\$1,464,000
Total Expenses	\$1,104,810
Net Revenues	\$359,190
Capital Improvement Projects	\$129,300
Annual Net Cash Flow	\$229,890
Average Monthly Charge for Low Usage	\$85
Average Monthly Charge for Medium Usage	\$219
Average Monthly Charge for High Usage	\$386
Reserve Fund Balance (Beginning)*	\$1,040,121
Reserve Fund Balance (Year End)*	\$1,270,011

*Reserve fund balance includes proposed targets of \$150,00 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		
Implementation Date	DSC Chg. (Per Average Month)	Com.Chg.
1/1/89	0.6575 (\$20.00)	\$0.85
1/1/91	0.6575 (\$20.00)	\$1.10
5/1/93	0.6575 (\$20.00)	\$1.60
4/5/01	0.9863 (\$30.00)	\$1.90
1/6/03	0.9863 (\$30.00)	\$1.95
1/1/05	0.9863 (\$30.00)	\$2.05
1/1/06	1.1178 (\$34.00)	\$2.30
1/1/07	1.1836 (\$36.00)	\$2.42
1/1/09	1.3479 (\$41.00)	\$2.55
1/1/10	1.6110 (\$49.00)	\$2.75
1/1/11	1.6110 (\$49.00)	\$2.95
1/1/13	1.6800 (\$51.10)	\$3.35

Recommended Expenditures for Capital Improvement Projects

1504	East-West Tank Connector Pipeline	25,000	Estimated construction cost for entire project not yet determined
1509	Wilcox Well	10,300	Install auto transfer switch at Wilcox Reservoir and clean up electrical panel
1511	Water Treatment Plant	6,000	Replace programable logic controller (PLC) for K-3 Cl2 generator
1512	Water Meters	5,000	Only replacement meters needed
1513	Electrical/Electronic Equipment	25,000	Incl. cell repeaters at 3 sites; Cl2 time clocks at 3 sites; arc flash compliance
1514	Computer/Office Equipment	5,000	Includes replacement of 2 computers
1516	Facilities	12,000	Actual projects not yet determined
1522	Eucalyptus Booster Station	0	Pump maintenance delayed to 2015
1526	Vosburg Booster Station	25,000	Estimated construction cost for entire project is \$390,000
1527	SCADA	13,000	Replace Sage touch screen; battery status at 6 sites; connect Wilcox ATS
1530	Tools	3,000	Street valve locator, etc.
2400	Truck Installation Sale Payment	0	Loan paid in full in 2013
Total Other Expenditures		129,300	
NET CASH FLOW		229,890	



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Memo

Date: September 11, 2013
To: Board of Directors
From: Mel Matthews
Subject: Development of a Reserve Policy for the KID

In previous years the Board has approved budgets and set rates for the purpose of covering our operating expenses and to build reserves to cover operational cash flow needs, emergency repairs and provide funds for current and future capital improvement projects on a pay-as-you-go basis. As of August 31, 2013 our total operating and reserve fund is approximately \$1M and is being held in accounts at Wells Fargo, LAIF and CalTrust.

Although the Board has addressed the issue of reserve funds and established informal policies with regard to these funds, it is prudent at this time to establish a formal policy and to be able to justify and communicate the purpose for accumulating these "excess" funds to our customers. The attached document from CSDA provides background information and guidelines for establishing our policy.

It is my recommendation that the Board considers establishing the following reserve funds and discusses specific target levels as suggested below:

Fund	Pupose	Target Amount	Criteria
Operating	Cash flow variations	\$150,000	1-2 months of operating expenses
Emergency	Unexpected repair or replacement of facilites or equipment	\$200,000	5% of net fixed assets
Replacement	Rehabilitate or replace existing facilities, equipment and vehicles	\$200,000	5% of net fixed assets
Improvement	Fund a portion of future capital facilities and improvements	\$500,000	Based on planned projects for the next five years



**California Special
Districts Association**

Districts Stronger Together

Special District Reserve Guidelines

SECOND EDITION



A GUIDE TO DEVELOPING A PRUDENT RESERVE.



Acknowledgements

In preparing the Special District Reserve Guidelines, the California Special Districts Association (CSDA) greatly benefited from individuals who were generous with their time and insightful with their views. Our task force consisted of finance staff and general managers from independent special districts, as well as professional financial consultants.

CSDA extends its appreciation to its special district task force members:

- Paul Hughes of South Tahoe Public Utilities District
- Jeff Ramos of Cosumnes Community Services District
- John Rossi of Western Municipal Water District
- Rainy Selamat of Olivenhain Municipal Water District
- Ward Winchell of Southgate Recreation & Park District

To the finance professionals on our task force, who significantly contributed to the development of the principles and guidelines, CSDA extends its sincere gratitude. The contributions of the following were invaluable:

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- Saul Rosenbaum of the investment banking firm, Prager Sealy & Co, LLC
- Tim Schaefer of the public financial advisory firm, Fieldman, Rolapp & Associates

Table of Contents

The Formation of Special District Reserve Guidelines	page 4
Prudent Accumulation and Management of Reserves: Developing Policy	page 8
Fund Balance and Net Position/Net Assets	page 10
Addendums	
Addendum I: Glossary	page 18
Addendum II: Special District Reserves Talking Points	page 19
Addendum III: Capital Planning	page 20
Addendum IV: Additional Resources	page 23

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The Formation of Special District Reserve Guidelines

Answering a
Call, Fulfilling
a Need

The genesis for CSDA's Special District Reserve Guidelines was a 2000 Little Hoover Commission report entitled, *"Special Districts: Relics of the Past or Resources for the Future?"* The report included a section on special district reserves with an introductory finding that stated: *"Hundreds of independent special districts have banked multi-million dollar reserves that are not well publicized and often not considered in regional or statewide infrastructure planning."*

The 2000 report raised a number of issues relating to special district reserves including:

- Lack of guidelines and consistency
- Lack of visibility and publication of district financial information
- Lack of understanding among constituents and policymakers of district finances
- Lack of districts incorporating reserve information into infrastructure planning

News media reacted to the Little Hoover Commission report with banner headlines claiming that "obscure" public agencies have "hoarded" billions in reserves. Legislative hearings on special district finances were held and interest was spiked among grand juries, leading them to investigate how special districts within their counties handle reserves.

Ultimately, the Little Hoover Commission recommended that guidelines for prudent reserves be established, and that investment policies and practices be reviewed to determine if additional oversight was warranted.



...many independent special districts already have established reserve policies and most, if not all, special district officials recognize their fiduciary responsibilities and take them seriously.

CSDA Reserve Guidelines Task Force

Although special district advocacy organizations disagreed with some of the Little Hoover Commission's findings and data interpretation, CSDA concurred that the establishment of reserve guidelines would assist special district governing officials and administrators in fulfilling their fiduciary responsibilities. To accomplish this, CSDA formed a task force in 2001 to identify both the essential elements of a reserve policy and the issues to be discussed during policy development.

The Special District Reserve Guidelines were developed by the task force as a tool for special district governing officials and administrators to assist them in fulfilling their commitment to provide cost-effective and efficient public services for the communities they serve.

Special District Reserve Guidelines

Second Edition

Today, with over a decade having passed since CSDA convened its original task force in 2001, many special districts have utilized the guidelines to evaluate their reserve policies, develop new reserve policies, and/or promote comprehensive and easily understood policies.

Through this decade-long process, special districts have gained new insights on improved best practices. Furthermore, certain accounting practices and terminologies have evolved. Therefore, in order to ensure the most accurate and updated guidelines, and in continuance of efforts to promulgate widespread adoption, CSDA commissioned a second task force in 2012 to produce a Special District Reserve Guidelines, Second Edition. CSDA encourages district officials to incorporate these new guideline elements into their policies, where applicable, based on size and services offered.

In developing and updating the second edition, the CSDA task force recognized that many independent special districts already have established reserve policies and most, if not all, special district officials recognize their fiduciary responsibilities and take them seriously. What may have generated most of the concern regarding special district reserves in 2000 is not lack of policy, but lack of outreach to constituents and others regarding district operations. It is essential that special districts continue to promote understanding outside their boardroom and perform outreach on district financial management to facilitate understanding among the public, media and legislators.



Introduction

Reserves are the foundation of the sustainable delivery of core services.

Importance of Maintaining a Reserve

Reserves are the foundation of the sustainable delivery of core services. Through prudent reserves, special districts offer taxpayers and ratepayers significant benefits including:

1. Savings to balance budgets
2. Emergency preparedness
3. Stable rates
4. Well-maintained infrastructure
5. Investment in the future

The fundamental question in maintaining a reserve is, how much is enough? In other words, when are reserves too low and when are they too high? These can be delicate questions because unwarranted reserves could undermine taxpayer and ratepayer support, while insufficient reserves could jeopardize the district's long-term sustainability.

There is also the question of where reserve funds should be spent. Pressure to expend reserves on making current services cheaper, rather than planning for the future, is all too frequent. Adopting a reserve policy will assist your agency in answering these fundamental questions.

Reasons for Adopting a Reserve Policy

In addition to the over-arching taxpayer and ratepayer benefits of reserves noted earlier, there are many specific reasons for a special district to adopt reserve policies:

Shared Vision:

A formally adopted policy promulgates a shared understanding of the proper level and use of reserves, which facilitates healthy working relationships.

Objectivity:

Revenue decisions represent some of the most controversial and difficult choices that governing boards must face. Utilizing reserve policies reduces political gamesmanship and promotes responsible long-term planning.

Fiscal Justification:

Inevitably, public agencies will face scrutiny over whether to raise or reduce rates, taxes or fees. Having reserve policies in place prior to such occasions serves as a valuable tool for both making and explaining difficult decisions.

Public Awareness:

Keeping the public informed about what you do is a fundamental responsibility for any public agency. They are the boss, after all, and all of us understand from personal experience that our jobs are a lot easier and a lot less stressful when the boss knows about and approves of what you are doing. Adopting a policy can help the district better communicate to the public the motives for adopting a reserve, as well as convey the reasons for maintaining the reserve at a certain level.



Important questions about reserves

The fundamental question in maintaining a reserve is, how much is enough? In other words, when are reserves too low and when are they too high? These can be delicate questions because unwarranted reserves could undermine taxpayer and ratepayer support, while insufficient reserves could jeopardize the district's long-term sustainability.



Prudent Accumulation and Management of Reserves: Developing Policy

Each special district should develop and adopt a reserve policy.

The Special District Reserve Guidelines reflect the common belief among special districts that there should be a clear and well-articulated rationale for the accumulation and management of reserve funds. Each special district should develop and adopt a reserve policy as a commitment to financial prudence and careful stewardship of community assets. It is critical to understand that a reserve fund is designated by a public agency to carry out specific purposes in a manner consistent with other financial policies, budgetary practices, district programs, and legal requirements.

Reserve Policy Objectives:

1. To provide adequate funding to meet the agency's short-term and long-term plans.
2. To minimize adverse annual and multi-year budgetary impacts from anticipated and unanticipated expenditures, thus minimizing the possibility of unplanned service fees or rate fluctuations.
3. To strengthen the financial stability of the agency against present and future uncertainties in an ever-changing environment.

Foundational Elements of a Reserve Policy:

Prior to developing a reserve policy, a district should first establish the three prerequisites below.

1. Clear, organizational philosophy/mission.
2. Policy-oriented board of directors, with long-term focus on fiscal sustainability.
3. Standardized method of financial reporting, such as Governmental Accounting Standards Board (GASB) Statement Nos. 34 and/or 54.

Communicating regularly about district financials and reserve priorities creates trust.

Principles for Developing a Reserve Policy:

1. Identify the uniqueness of the district.

- a. Consider district goals, needs and constraints.
- b. Utilize life-cycle analysis if district is capital intensive.
- c. Regularly measure condition of assets.

2. Form a complete understanding of the district's core business and significant cost drivers for district operations.

3. Engage in strategic planning.

- a. By developing, regularly evaluating and, when necessary, modifying strategic plans, districts can more efficiently plan and shape their futures. Strategic planning can help district boards anticipate and adapt to changing environmental, regulatory and demographic conditions. This assists districts in establishing appropriate reserve funds and adopting adequate target levels.
- b. Seek community input in the strategic planning process, i.e., ratepayers and taxpayers, business groups, community organizations, other public agencies serving the same constituency, etc.

4. Make communicating a priority.

- a. A regular newsletter and annual report are good starting points; it is critical for districts to reach out to the public and explain their financial position.
- b. Seek input through customer surveys, community meetings, and other meaningful engagement.
- c. Inform customers and constituents of output and seek their input in evaluating policies.

5. Recognize that a good reserve policy must be consistent with other financial policies, such as a balanced operating budget and investment policies.

6. Create and maintain a well-developed capital improvement plan.

7. Estimate the ebb and flow, or "seasonality," of cash-flow during the fiscal year and build a basic understanding of the degree of short-term borrowing necessary to meet such needs.

8. Clearly identify reserves—both categories and purposes. Set target levels for reserves that are consistent with the district's mission, the district's uniqueness and the philosophy of the district's board and community.

9. A broad reserve policy may include many elements or sub-policies. Some areas that may need sub-policies include:

- a. Rate-stabilization funds
- b. Fees and charges
- c. Debt issuance and management
- d. Deferred maintenance
- e. Level of unrestricted (contingency) funds
- f. Long-term repair and replacement



Fund Balance and Net Position/Net Assets

Every district has unique circumstances and a proper fund balance should be considered on a case-by-case basis.

There are many factors that must be considered when establishing an appropriate fund balance and ensuring the prudent management of your district's finances. Every district has unique circumstances and a proper fund balance should be considered on a case-by-case basis. Thoughtfully accounting for variables such as your district's revenue sources and income volatility will assist your district in determining its reserve amount. On the following pages are issues that should be considered when adopting a reserve level.



Specific Considerations for Budgeting and Allocating Fund Balance or Net Position/Net Assets

Considerations
<p>1. Define the special district’s fiscal objectives:</p> <ul style="list-style-type: none">a. Short-termb. Long-termc. Operatingd. Capital
<p>2. Identify where funds are used:</p> <ul style="list-style-type: none">a. Operating revenues are the general-purpose funds through which ongoing activities are funded.b. Special-purpose revenues often are legally restricted for a particular use. For example, a special assessment for infrastructure must be separately accounted for and spent on designated infrastructure costs.c. Debt proceeds should be used to fund costs that provide a benefit across fiscal years. The issuance of debt allows the district to allocate these costs by spreading the debt service to these periods. Debt proceeds should never be used for short-term operating costs because this would entail allocating current operating costs to future periods.d. One-time revenues should be used for one-time expenses. If a special district gets one-time revenues and uses it to provide additional full-time positions or to fund on-going operating costs, it may lead to a budget crisis when the one-time funding runs out.



One-time Revenue

According to the Government Finance Officers Association, “Examples of one-time revenue include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development and grants. These revenue may be available for more than one year (e.g. , a three-year grant) but are expected to be non-recurring.”

One-time Expenditures

According to the Government Finance Officers Association, “Examples of expenditures which a government may wish to use one-time revenue include start up costs, stabilization (e.g. to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases.”

Unassigned fund balance is typically the primary subject of a reserve policy. However, committed and assigned fund balance may also be thought of as part of a reserve policy as the governing board or management, respectively, has some control over the balances. Conversely, restricted fund balances or nonspendable fund balances are fundamentally constrained, making it unnecessary to place parameters on them through reserve policy in order to achieve prudent savings and expenditures of public resources.

It is recommended that every district establish policies regarding minimum fund balance and spending priorities in order to communicate to users the importance of a reserve for economic uncertainties, why it consists of amounts that are unassigned and that it is not available for spending.

Districts' policies should specify the order in which fund balances are spent when more than one amount is available for a specific purpose. Where such policies do not exist, GASB 54 prescribes that the default order in which these amounts should be spent is committed, assigned, and then unassigned.



GASB 54

According to the Governmental Accounting Standards Board, statement No. 54 was issued after, "...research revealed that the existing standards guiding fund balance reporting were being interpreted inconsistently by different governments. Consequently, the fund balance information reported by many governments also was inconsistent. It also became clear that the understandability of fund balance information was affected and that financial statement users were unable to readily interpret reported fund balance information."

GASB fact sheet about Fund Balance Reporting and Governmental Fund Type Definitions



Sample Policy Language

The "X" district maintains a minimum unassigned fund balance of not less than "X" percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The district believes a reserve of this level is prudent to maintain a high bond rating and to protect the district from the effects of fluctuations in property tax revenues to which special districts are vulnerable. Because amounts in the nonspendable, restricted, committed and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

Reserve Level Targets

A reserve policy must set a target level of reserves to maintain. The target is typically defined in terms of unrestricted fund balance as a percentage of either regular operating revenues or regular operating expenditures. The choice between revenue and expenditures as a basis depends on which element is more predictable. A government that relies heavily on property taxes typically would choose revenues, whereas a government with a less predictable revenue portfolio might choose expenditures. In either case, the base should only reflect operating numbers and should remove the effect of unusual spikes or drops that would distort long-term trends.

With the basis of the target defined, the next step is to select a reserve-level target number. The Government Finance Officers Association (GFOA) offers guidance as to the amount of unassigned fund balance governments should maintain in their general fund operating revenues or regular general fund operating expenditures, regardless of size. As special-purpose governments, special districts should carefully balance such general advice with the unique circumstances associated with the district's operational environment.

In considering what constitutes adequate reserves, a special district may want to establish key benchmarks or ratios. Many industries have key equity target formulas or ratios that establish minimums to provide a red flag warning when equity may be too low. Some of those ratios may include the following:

- Debt to Equity
- Property Taxes to Equity
- Current Ratio
- Capital Outlay to Equity
- Capital Outlay to Operating Expenses

Certain districts may establish their own ratios based on the unique aspects of the district or an operating environment that may be different than other organizations in their industry.



Local Conditions as a Basis

The Government Finance Officers Association notes that fund balance is ultimately a local decision based on local conditions. "...Finance staff should analyze the risks that influence the need for maintaining reserves as a hedge against uncertainty and loss."

(p.57, GFOA, Financial Policies)

Articulating Financial Position and Decisions

Is this organization in good financial shape? That depends on the condition of the current assets and the short-term and long-term needs of the organization as they relate to its resources. If there exists significant current infrastructure needs, then financing may be required. Is enough set aside for contingencies? If water costs increase by 10 percent, or new environmental or health standards are issued, how will that affect total net assets?

Governmental entities collect, hold and expend resources in public trust. If too little is collected, they risk failing to meet mandated needs. If too much is collected, they overburden the public and tie up resources that taxpayers and ratepayers could use in the economy. Historically, governments have been known to spend most of their resources each year and too often fail to properly plan for long-term needs. Special districts should carefully examine their operations and budget to ensure that expenses, such as capital needs and contingencies, are anticipated and appropriate resources are set aside.

Some governments, either through good fortune or good planning, have reserved net assets for future plans and needs. What most governments have failed to do, as emphasized in the 2000 Little Hoover Commission's report, is to effectively communicate their plans for the net assets and explain why the balance is appropriate.

Each special district needs to:

1. Analyze its financial position.
2. Examine its current and long-term needs, including a capital improvement plan.
3. Establish its target fund balance or net assets.
4. Outline its goals and needs through policy, budgets and enhanced financial statement note disclosures.
5. Anticipate public scrutiny of financial statements and proactively communicate how finances are being used in a manner the public can easily digest.

It is recommended that special districts, at minimum, conduct a review of their reserve policy annually to ensure it meets the needs of the district and is in compliance with any requirements/standards that may have changed.

Conclusion

Each special district's financial and legal professionals should review reserve policies prior to adoption to ensure they are in compliance with all current laws and regulations. Reserve policy should be established based on each district's unique financial situation. Any reserve policy needs to be reviewed regularly as the financial environment within which it functions is dynamic and there may be applicable legislative or regulatory changes.

The 2000 Little Hoover Commission report concluded that there was a disconnect between special districts and their constituents and other local government entities. Therefore, it is important that each agency not only develop a reserve policy, but ensure that stakeholders know and understand the district's financial position and decision-making process.

Districts should consider preparation of a public outreach program to communicate financial and program information on a regular basis to affected or interested populations. How involved each respective public outreach program is for a district is typically determined by the size and complexity of the district. A first step may be as simple as adding the information to an agency's website or the development of an annual report. CSDA encourages districts to take the next step and proactively engage the public to ensure its awareness.

We hope you find these guidelines helpful and if you have any comments or suggestions on how we can improve this document, please contact us at 877.924.2732.



Addendum I: Glossary

Assigned Fund Balance: Amounts that are intended to be used by the special district for specific purposes but do not meet the criteria to be classified as restricted or committed.

Capital Improvement Program (CIP): A short-range plan that identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

Committed Fund Balance: Amounts that can only be used for the specific purposes as determined by a formal action of the special district's highest level of decision-making authority.

Net assets: The amount of assets in excess of liabilities. For non-enterprise fund types, this excess is referred to as "fund balance." For enterprise-fund types, this excess is referred to as "net assets" or, as of July 1, 2012, "net position."

Nonspendable Fund Balance: Amounts that cannot be spent or where cash has been spent previously to produce a fund balance – for example, inventory, pre-paid expenses or restricted assets.

Pay-Go: Is the practice of financing expenditures with funds that are currently available rather than borrowed.

Restricted Fund Balance: Amounts that can only be spent for specific purposes which are stipulated outside the control of the special districts, such as the constitution, external resource providers (such as granting entities) or enabling legislation.

Unassigned Fund Balance: The residual of all other funds that are not nonspendable, restricted, committed or assigned. Unassigned balances are not in special revenue, capital projects, permanent or debt service funds unless the fund is in deficit.



Addendum II: Special District Reserves Talking Points

PRUDENT RESERVES MAKE FOR SOUND BUDGETING

For countless families, saving for a rainy day is common-sense. For special districts, reserve funds are not just money in a bank; they are fundamental resources for ensuring reliable core services and community security.

How Taxpayers and Ratepayers Benefit

Special districts designate money toward savings in order to balance their budget, respond to emergencies, keep rates affordable, maintain current infrastructure and plan for future public works projects.

- **Balancing Budgets** – Over the course of the fiscal year, short-term reserves help balance the ebb and flow of revenues verse expenditures.
- **Emergency Preparation** – In the event of a disaster, communities can't afford not to have savings readily available to quickly repair critical local infrastructure and bring core services back online.
- **Affordable Rates** – With appropriate savings, special districts are able to use resources wisely and smooth out the highs and the lows of volatile economic conditions, rather than spend their entire surplus and then seek new revenue or jeopardize services.
- **Infrastructure Maintenance** – Reserves mean the pipes are fixed, roofs are patched, and worn equipment is replaced without going back to the taxpayers or ratepayers to pay for routine upkeep.
- **Planning for the Future** – A long-term, thoughtful approach to public infrastructure requires the foresight to plan for, and discipline to save for, future needs.

Reserves are Much More than Liquid Assets

- What comprises a reserve fund? Reserve fund balances and net assets are not just cash and investments. They also include the net value of capital facilities, land and equipment measured from the very inception of the district.
- Assigned funds are budgeted for specific long-term public needs as planned by the board of directors.
- Committed funds are set aside via established policies for specific uses such as cash-flow, capital improvements, contingencies, and rate stabilization.
- Restricted funds are limited by legal or contractual requirements, or cannot otherwise be spent.

Best Practices for Sensible Budgets

- Historically, governmental agencies and departments have been known to spend everything they have before the end of the fiscal year in order to justify increased future allocations from their larger bureaucracy.
- Special districts are different because they empower core local service providers with budgetary control, encouraging efficiency and fiscal restraint rather than punishing it.
- The CSDA Reserve Guidelines Task Force identified both the essential elements of reserve policies and key issues to be discussed during reserve policy development to assist districts in fulfilling their commitment to provide cost-effective and efficient public services to their communities.



Addendum III: Capital Planning

A Capital Improvement Program (CIP), also referred to as a capital plan, exists to identify and prioritize a special district's need for capital goods. A CIP should prioritize the importance and timing of the various assets to be acquired. In addition, a CIP should contemplate how those goods will be paid for – cash (equity) or debt. A capital plan is a strategic and comprehensive plan for the acquisition and implementation of the district's capital assets over time. In that sense, it is different from a finance plan, which focuses on individual acquisitions and how to pay for them.

To fulfill their mission, every district makes capital investments. Debt, especially tax-exempt debt, is recognized as an important and continuing source of a district's capital to fund improvements necessary to achieve its mission and strategic objectives. A CIP provides the framework by which decisions will be made regarding the use of cash and debt to finance capital projects.

Debt is defined to include all short and long-term obligations, guarantees and instruments that have the effect of committing the district to future payments. The assumption of debt, both direct and indirect, is subject to the district's approval. Any debt issued by subsidiary entities is subject to these policies. In satisfying their fiduciary responsibilities, it is important that a district's board and management know the extent of debt obligations.

CIP Objectives

1. To provide guidelines to management on the use of reserves and debt to support a special district's capital needs while achieving the lowest overall cost of capital.
2. To provide selected financial measures, with specific targets, to ensure that the district continues to operate within appropriate financial parameters while allowing the agency to maintain financial stability and the highest acceptable credit rating that permits it to issue debt at favorable rates.
3. To bridge the cash flow gap between the district's available funds and its capital needs when the assumption of debt is deemed prudent.

Creating a Capital Plan

1. Establish goals
2. Assess needs
3. Determine pay-go or borrow
4. Identify methods available for funding
5. Design the loan—the tactical plan
6. Organize approach

Details on the following pages.

Establish Goals

The key elements in setting clear capital plan goals include:

- 1. Understanding the role of the planning horizon.*** Planning horizons are important considerations in well-developed capital plans. For example, it makes little sense to try to plan for a 10-year or 20-year horizon if innovation, technology, demographics or legislative threats to the plan occur frequently or on short notice. Conversely, agencies that are in low-technology businesses and stable demographic circumstances can more effectively and more appropriately plan for long periods. Planning horizons should mirror long-term repair and replacement requirements of existing facilities.
- 2. Integrating the use (or lack thereof) of reserves.*** The extent to which a particular district has accumulated reserves will dramatically impact the CIP. The development of, and adherence to, strong reserve policies can greatly simplify funding choices for a capital plan, but blind adherence to arbitrary reserve levels can be just as inhibiting as no reserves at all. The key is to make reserve accumulation, or depletion, work in harmony with the CIP, operating budget and risk management of the district.
- 3. Recognizing the repetitive nature of implementing the CIP.*** A capital plan is by its nature repetitive. For that reason, many districts choose to review and update it annually, usually as an adjunct to deliberation of the operating budget. This keeps the CIP current and tempered by present information on the priorities of the district.

Assess Needs

Every capital plan starts with a needs assessment. The assessment should be based on a comprehensive review of the agency's assets at the time an asset is recorded and an estimated useful life is assigned to each asset. This information later will be used as an indicator of when an asset is scheduled to be replaced. Estimated future replacement costs need to be obtained in order to reasonably estimate CIP fund requirements within an agency's long term financial plan.

Determining Pay-Go or Borrow

The "pay-go" method of using current revenues to pay for long-term infrastructure and other projects is often considered when sufficient revenues and reserves are available and long-term borrowing rates are higher than expected cash reserve fund earnings.

On the other side of the spectrum, the "pay-as-you-use" or "borrow" strategy limits the need for building of major amounts of equity in capital assets. Such accumulation can be less economically efficient, particularly for those districts that are capital intense and whose capital goods are "used up" over long periods of time. Similarly, financing of smaller capital goods, or those with short or uncertain useful lives, is also inefficient. The rationale behind the borrow approach is that the district's stakeholders should "pay" for the assets required to deliver the goods or services of the agency over a time period that more closely mirrors the useful life of those assets.

Most districts use a blended approach based on their debt management policy. Often, a district's approach is dictated as much by affordability as by philosophy, given that few public bodies are capable of paying cash for all capital assets.

Identify Methods Available for Financing

Once the goals have been set, the needs assessed and the decision whether to pay cash or finance the asset has been made, some thought must be given to the method of financing. For example, even if an asset is to be procured for cash, and the cash is on hand in a reserve set aside for that purpose, a decision still must be made on whether to replenish or restore that reserve, and over what time period and from what source it will be replenished.

Choosing to issue debt means that the following choices must be made: form of debt, mode (fixed or variable rate), repayment terms and method of sale. These are the tactical decisions that often blur the understanding of the strategic elements of the capital plan.

Design the Loan – The Tactical Plan

If a decision is made to borrow, an array of choices will follow. Some districts choose to borrow from banks or private lenders; others choose public offerings of debt. Lease financing may be considered as an alternate to bond financing. Some districts pool their needs with other similarly situated districts in order to reduce costs through economies of scale.

Regardless of the choice of lenders or approach matching the useful life of the financed asset to the borrowing term is an important consideration. Common sense tells us that we should hesitate to finance automobiles with 30-year bonds. By the same token, a water treatment plant with a design-life of 50 years can be safely and prudently financed over long periods of time. Still, debt issuances over 30 years are rare.

This element of the CIP should also carefully consider other needs within the strategic plan when pledging assets or revenues to lenders. A generous package to a lender on today's asset may make tomorrow's asset financing problematic or impossible. The key is to ensure that each tactical financing plan within the capital plan works harmoniously with other elements of the plan and is flexible enough to allow for the inherently changing nature of the CIP.

Organize the Approach

The successful capital planning process looks a great deal like the successful budgeting process. The end-result articulates the goals and objectives of the organization to all stakeholders and relies on an accurate and unbiased assessment of needs. It provides for an evaluation of the desired assets to distinguish between "wants" and "needs." It is written and shared with the district's stakeholders.

The capital plan is revisited often and provisions for changing or amending it are straightforward. Finally, it incorporates periodic analysis of results and achievements for management and the governing body.

Summary

A CIP need not be elaborate or weighty to be effective. Many effective capital plans consist of a single spreadsheet and several paragraphs of supporting text. The development of the program is vital to the efficient use of capital. It is a key ingredient in a lender's assessment of management's effectiveness and control. It is among the most important tools an elected official possesses to discharge the duties of office.

Readers who are interested in additional information about the development of capital plans should consider a variety of books, and other information sources, on the topic. Some suggested examples are shown in the attached resource listing at the back of this document.



Addendum IV: Resources

The Government Finance Officers Association (GFOA) is a great source for more information regarding various government financial matters, including fund balance and financial reporting. GFOA has an extensive publications department. View a list of its full offerings at www.gfoa.org. The following publications may be useful:

1. "An Elected Official's Guide to Financial Reporting"
2. "Best Practice – Replenishing Fund Balance in the General Fund"
3. "Governmental Accounting, Auditing, and Financial Reporting"
4. "Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting"

The Governmental Accounting Standards Board (GASB) has a number of user guides written by the standard setter for use in many types of governments. These include:

1. *An Analyst's Guide to Government Financial Statements—revised, updated, and significantly expanded*
2. *What You Should Know about the Finances of Your Government's Business-Type Activities—a completely new guide for 2012*
3. *What You Should Know about Your Local Government's Finances*

In addition, in 2013, GASB is expecting to publish a guide directed at "Business-Type Activities." Most special districts in California are "Business-Type Activities."



CSDA

**California Special
Districts Association**

Districts Stronger Together

1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
csda.net

General Manager's Report for the Board of Directors Meeting on September 17, 2013

I. Capital Improvement, Preventative Maintenance and Repair Projects

- A. **High/Low Tunnel** – The flow rate has declined significantly over the past month. A preliminary investigation is in progress.
- B. **Delores Tunnel** – Temporary repairs to the tunnel line have been completed. Permanent repairs plus root removal at the tunnel entrance are planned for 2014.
- C. **SCADA** – Various communications and alarm problems were investigated and corrected.

II. Customer Information and Internet Site Statistics

A. Delinquent Accounts –

- 31 accounts received past-due notice
- 31 accounts received late charges in the total amount of \$484.39
- 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 2013	\$21,960.44	\$4,042.13	\$493.31	\$741.26	\$27,237.14
February 2013	\$23,985.69	\$1,674.89	\$1,015.81	\$703.92	\$27,380.31
March 2013	\$41,288.57	\$2,646.48	\$297.22	\$1,070.53	\$45,302.80
April 2013	\$44,290.63	\$22,023.09	\$224.44	\$188.22	\$66,726.38
May 2013	\$31,963.50	\$1,712.42	\$281.28	\$121.28	\$34,078.48
June 2013	\$34,725.68	\$3,043.78	\$476.62	\$352.16	\$38,598.24
July 2013	\$50,207.87	\$1,460.99	\$436.02	\$444.19	\$52,549.07
August 2013	\$67,405.71	\$2,883.43	\$201.61	\$142.14	\$70,632.89
September 2013					
October 2013					
November 2013					
December 2013					

C. Internet Statistics –

Month	Number of Requests	Number of Page Requests	Online Payments	Online Amount
January 2013	5,635	2,290	19	\$2,176.32
February 2013	6,212	2,516	13	\$1,695.87
March 2013	9,161	4,473	19	\$2,250.81
April 2013	8,006	4,100	18	\$3,516.01
May 2013	6,921	3,250	25	\$4,217.47
June 2013	4,466	1,995	19	\$3,986.79
July 2013	5,493	2,058	27	\$5,839.65
August 2013	5,060	1,694	28	\$7,043.38
September 2013				
October 2013				
November 2013				
December 2013				
Total YTD	50,954	22,376	168	\$30,726.30

III. General Manager's Projects and Activities

- A. **2014 Budget** – The draft budget worksheets have been prepared and updated with August actuals for presentation and discussion at this meeting.
- B. **Web Site** – I reviewed the KID site and made some formatting changes, moved older information to the document archive page and added new information.
- C. **Production and Sales Report** – I prepared the 2013 report and have attached it to this document.
- D. **Printer Replacement** – I researched and purchased two printers as replacements for existing printers that were nearing the end of their useful life. The new printers were purchased at a substantial discount and are expected to lower our printing and copying cost.
- E. **Reserve Policy** – I researched the reserve policies of special districts and the information contained in the CSDA's second edition of *Special District Reserve Guidelines* in preparation for the discussion of this item on this month's agenda.
- F. **Brown Well** – Trees were removed from the site in preparation for the driveway and landscaping.

IV. Information for the Board and Requests from the Board

- A. **East-West Tank Connector Pipeline (Addendum to Preliminary Design Report)** – This report was prepared to evaluate four possible alignments for Segment 3 of the project with respect to construction costs, maintenance and operations and easement/property issues. Plans and Specifications for the project will be prepared once an alignment is chosen.

V. Agency and Association Update

- A. **Association of California Water Agencies (ACWA)** – I participated in the finance committee meetings (via conference call) to review the draft 2014 budget and the 2013 financial statements for

the period ending June 30, 2013. The update of the IT infrastructure this year has been completed and most of the one-time expenses have been funded out of the reserves. Income and expenses for 2013 are on track to be within the budgeted amounts. A small increase in membership dues for 2014 will be considered by the Board when it discusses the budget at its next meeting.

- B. Raymond Basin Management Board (RBMB)** – The annual report has been completed and is available in electronic or printed form upon request.
- C. California Special Districts Association (CSDA)** – I continue to serve on the fiscal and audit committees and attended the August meeting in Sacramento. The 2014 budget has been prepared and will be considered by the Board at the October meeting. The next scheduled meeting of the Fiscal Committee will be in February 2014. The Audit Committee will meet (via conference call) later in the year.
- D. Foothill Municipal Water District (FMWD)** – I continue to serve on the board and on the finance committee. I attended the general managers’ meeting, the regular board meeting and the pipeline repair and replacement advisory committee meeting. The Board also held a special workshop on the proposed recycled water project which is in the preliminary stages of site selection, grant funding applications and the EIR process.
- E. National Pollutant Discharge Elimination System (NPDES) Permit** – I attended a conference organized by Monrovia Mayor Mary Ann Lutz and Congresswoman Grace Napolitano with regard to the implementation of the Los Angeles County Municipal Separate Storm Sewer System (MS4) permit. I also continue to serve on the committee that is preparing the MOU and Best Management Practices (BMP’s) that will define our role and responsibilities as a community water system (CWS) that discharges into the municipal and county systems and ultimately into the “waters of the United States.”

This whole permitting process is a result of compliance with Section 402 of the Clean Water Act of 1977 which is an amendment to the Federal Water Pollution Control Act of 1972 and sets the basic structure for regulating discharges of pollutants to waters of the United States. Discharges are illegal unless authorized by an NPDES permit. Our working group has toiled for several years to incorporate reasonable exemptions for CWS to facilitate normal operational procedures, leaks and emergency functions (such as fire-fighting) without the need for a separate discharge permit. Water from our system is not considered a “pollutant” but flows from our system can carry trash and other pollutants into the storm sewer system and potentially cause violations for exceeding the “maximum daily load (MDL)” for various pollutants at downstream locations.

PRODUCTION AND SALES REPORT FOR 2012-2013



8/21/2013

Kinneloa Irrigation District

Prepared by Melvin L. Matthews, General Manager

Production and Sales Report for 2012-2013

SUMMARY OF PRODUCTION SOURCES, CUSTOMER SALES, RAINFALL, POWER COSTS AND LONG TERM STORAGE FOR THE WATERMASTER YEAR OF 2012-2013, JULY THROUGH JUNE

Production

The Kinneloa Irrigation District (KID) produced 807 acre-feet from our wells and tunnels during this period as shown in Figure 1. This total includes 47.8 acre-feet of water delivered to the City of Pasadena. The net amount of 759 acre-feet was produced for our retail customers which was 4.1% more than the 729 acre-feet produced for retail customers last year. Figure 1 includes data for all production sources from 1994-1995 through 2012-2013 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 79% of the water and the tunnels produced 21% 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 2012-2013 was 165 acre-feet which is below the 18-year average of 285 acre feet. Figure 3 is a pie chart showing the percentage of total production by source.

Sales

Total sales to retail customers were 696 acre-feet as shown in Figure 4. The average monthly sales of water during the year from 1994 to 2013 are 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. This year had below-average rainfall. Figure 6 shows an analysis of the distribution of monthly water usage per customer for the month of June in four typical years. The data shows that in 2013 18% of our customers used 10 units or less per month, 44% used between 11 and 50 units per month, 28% used between 51 and 100 units per month and 10% used more than 100 units per month. Each unit is equivalent to one hundred cubic feet or 748 gallons.

The KID has continued to promote measures to increase efficiency in water use over the past seven years and the data indicates an 18% reduction in the 2012-2013 usage as compared to the base year of 2006-2007. The 4.6% increase in sales for 2012-2013 is attributed to the continuation of the drought rather than the lack on conservation efforts by our customers. Rate increases in future years may provide an additional incentive for customers to further reduce water usage.

The difference between the water produced and water sold (which is the water loss for the system) was 63 acre-feet or 8.3% 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 2012-2013 was 8.3 inches as shown in Figures 1 and 7 as compared to 11.8 inches in the previous year and the 18-year average of 23 inches. This is the second consecutive year where the rainfall has been substantially lower than the average and has contributed to the continued decline in tunnel production. The KID has leased additional pumping rights from other agencies to offset this decline and has been able to meet customer demand. However, this supplemental production source is not guaranteed and an increase in water-use efficiency may be needed to offset the loss of production.

Power Cost

Figure 8 shows the power cost per acre-foot of total production for 2012-2013 and for the previous 18 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.

Although electricity rates have increased over these years, 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. The 2012-2013 cost was \$130 per acre-foot of total production as compared to \$97 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 327 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 of the additions and withdrawals, as shown in Figure 9, 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 57.6 acre-feet of water in 2012-2013 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 72% of our total annual production in 2012-2013. A continued decline in basin levels could also affect the K-3 Well in future years and our continued dependence on a single production source presents a challenge to achieving a reasonable level of production reliability.

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 or through its wholesale distributor, Foothill Municipal Water District. The KID has not needed to purchase imported water because our local tunnel water, adjudicated pumping rights and available leases 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 if available in future years to supplement our pumping rights. 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 to rely on our interconnections with the City of Pasadena for a water supply during system emergencies or for planned facility maintenance purposes. That water is returned to Pasadena as soon as possible after an event.

We will also 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 and leased pumping rights are no longer available.

Respectfully submitted to the Board of Directors,



Melvin L. Matthews
General Manager

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	
Wilcox Well	93.2	119.6	170.2	165.4	209.6	272.4	216.9	203.7	213.7	148.9	
K-3 Well	285.3	238.3	263.8	330.9	567.3	562.5	425.2	514.3	457.1	551.0	
Total Well	378.5	357.9	434.0	496.3	776.9	834.9	642.1	718.0	670.8	699.9	
Holly Tunnel	71.3	217.0	177.2	146.6	143.1	132.6	111.1	86.0	57.6	59.8	
House Tunnel	37.8	43.9	35.4	33.1	41.1	31.5	26.2	21.5	16.7	12.7	
Eucalyptus Tunnel	56.5	64.9	62.6	58.7	62.4	54.0	44.3	38.6	29.5	41.5	
Delores Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	
Far Mesa Tunnel	73.6	69.1	67.7	68.3	78.9	74.1	56.7	52.0	47.7	45.6	
Total Tunnel	239.2	394.9	342.9	306.7	325.5	292.2	238.3	198.1	151.5	162.0	
Total Production	617.7	752.8	776.9	803.0	1102.4	1127.1	880.4	916.1	822.3	861.9	
Deliveries from Pasadena	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.5	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	
Net Import/Export	0.0	0.0	0.0	-139.5	-325.8	-222.9	-64.1	-87.3	-30.2	0.0	
Total Production for Retail Customers	617.7	752.8	776.9	663.5	776.6	904.2	816.3	828.8	792.1	861.9	
Diversions in Acre-Feet											
Source	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	
Holly Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.3	0.0	
House Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.0	
Kinneloa Canyon	140.7	50.2	54.3	56.8	48.6	52.1	33.4	28.9	12.2	9.5	
Eucalyptus Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.9	0.0	
Brown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Eaton Wash Sub Total	140.7	50.2	54.3	56.8	48.6	52.1	33.4	28.9	38.0	9.5	
Delores Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.4	31.1	21.5	
Long Tunnel	35.8	37.2	39.2	39.2	38.9	37.7	38.1	38.0	36.0	35.3	
Far Mesa Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	4.6	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	
Tent Tunnel	5.1	5.5	5.4	5.3	5.8	3.4	2.4	2.3	2.1	2.0	
Pasadena Glen Sub Total	470.2	439.0	307.1	365.8	403.8	215.9	201.8	134.4	95.9	86.9	
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	
Net Pasadena Glen Sub Total	213.5	406.2	299.9	332.1	403.8	215.9	201.8	134.4	95.9	86.9	
Total Diverted	354.2	456.4	354.2	388.9	452.4	268.0	235.2	163.3	133.9	96.4	
Other Data											
	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	
Rainfall (inches)	43.61	22.64	22.80	52.29	14.46	18.82	20.04	7.86	24.48	10.12	
Water Sales (Acre-Feet)	584.3	668.8	679.9	600.4	666.3	782.9	710.9	739.1	717.7	772.6	
Water Loss (Acre-Feet)	33.4	84.0	97.0	63.1	110.3	121.3	105.4	89.7	74.4	89.3	
Water Loss (%)	5.4	11.2	12.5	9.5	14.2	13.4	12.9	10.8	9.4	10.4	
RBMB Storage Account (Acre-Feet)											
Power (\$)	71,086	55,137	68,132	57,193	86,488	97,064	77,780	111,676	111,062	100,410	
Power (\$ per AF of Total Production)	115	73	88	71	78	86	88	122	135	116	

Figure 1
Data for Watermaster Year (July through June)

Production in Acre-Feet	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Source									
Wilcox Well	60.2	37.2	70.2	5.6	5.6	7.3	7.1	9.5	57.6
K-3 Well	319.3	423.5	860.1	543.9	611.2	610.6	580.2	708.0	584.2
Total Well	379.5	460.7	930.3	549.5	616.7	617.8	587.3	717.5	641.9
Holly Tunnel	125.6	171.9	131.0	107.6	89.2	80.1	98.8	94.3	53.5
House Tunnel	12.6	44.9	26.5	20.6	12.8	13.8	14.5	15.7	14.3
Eucalyptus Tunnel	50.0	50.4	44.6	43.2	39.1	37.4	39.8	40.5	40.7
Delores Tunnel	126.5	223.3	83.6	63.7	40.2	44.8	98.5	57.7	17.4
Far Mesa Tunnel	68.2	39.6	13.1	48.6	42.9	38.9	41.2	41.2	39.3
Total Tunnel	382.9	530.1	298.8	283.7	224.2	215.0	292.8	249.3	165.2
Total Production	762.5	990.8	1229.0	833.2	840.9	832.9	880.0	966.8	807.0
Deliveries from Pasadena	0.0	18.8	0.0	0.0	1.5	0.0	0.0	1.2	0.0
Deliveries to Pasadena	0.0	-160.6	-321.8	0.0	-42.4	-105.1	-217.4	-239.0	-47.8
Net Import/Export	0.0	-141.8	-321.8	0.0	-40.9	-105.1	-217.4	-237.8	-47.8
Total Production for Retail Customers	762.5	849.0	907.2	833.2	800.0	727.8	662.7	729.1	759.3
Diversions in Acre-Feet									
Source									
Holly Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
House Tunnel	25.6	0.0	0.0	0.0	4.2	0.0	0.0	0.0	0.0
Kinneloa Canyon	31.2	40.4	45.4	27.2	21.4	21.2	37.8	37.8	35.6
Eucalyptus Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brown	24.9	16.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eaton Wash Sub Total	81.7	57.2	45.4	27.2	25.6	21.2	37.8	37.8	35.6
Delores Tunnel	44.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Tunnel	46.8	44.7	37.4	36.0	34.3	33.8	39.8	38.4	34.4
Far Mesa Tunnel	0.0	30.2	42.5	0.0	0.0	0.0	0.0	0.0	0.0
Glen Wash	933.9	161.4	74.0	56.7	59.0	45.1	188.0	88.7	89.2
Tent Tunnel	3.2	3.5	2.9	2.5	2.1	2.0	1.8	2.8	2.3
Pasadena Glen Sub Total	1028.5	239.8	156.7	95.2	95.4	80.8	229.6	129.9	125.9
Sierra Madre Villa DB Outflow	-459.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Pasadena Glen Sub Total	568.8	239.8	156.7	95.2	95.4	80.8	229.6	129.9	125.9
Total Diverted	650.5	297.0	202.1	122.4	121.0	102.1	267.4	167.7	161.4
Other Data									
Rainfall (inches)	58.00	21.79	5.81	24.61	16.10	23.63	31.34	11.77	8.32
Water Sales (Acre-Feet)	672.6	785.8	847.3	754.1	729.7	771.0	590.8	654.9	696.2
Water Loss (Acre-Feet)	89.8	63.2	59.9	79.0	70.3	61.9	71.8	74.2	63.1
Water Loss (%)	11.8	7.4	6.6	9.5	8.8	8.5	10.8	10.2	8.3
RBMB Storage Account (Acre-Feet)	326.9	847.9	728.6	797.9	790.0	790.0	790.0	790.0	790.0
Power (\$)	87,537	82,476	112,924	89,011	92,204	92,700	92,700	93,964	105,248
Power (\$ per AF of Total Production)	115	83	92	107	110	111	105	97	130

Figure 2
Total Production
July through June

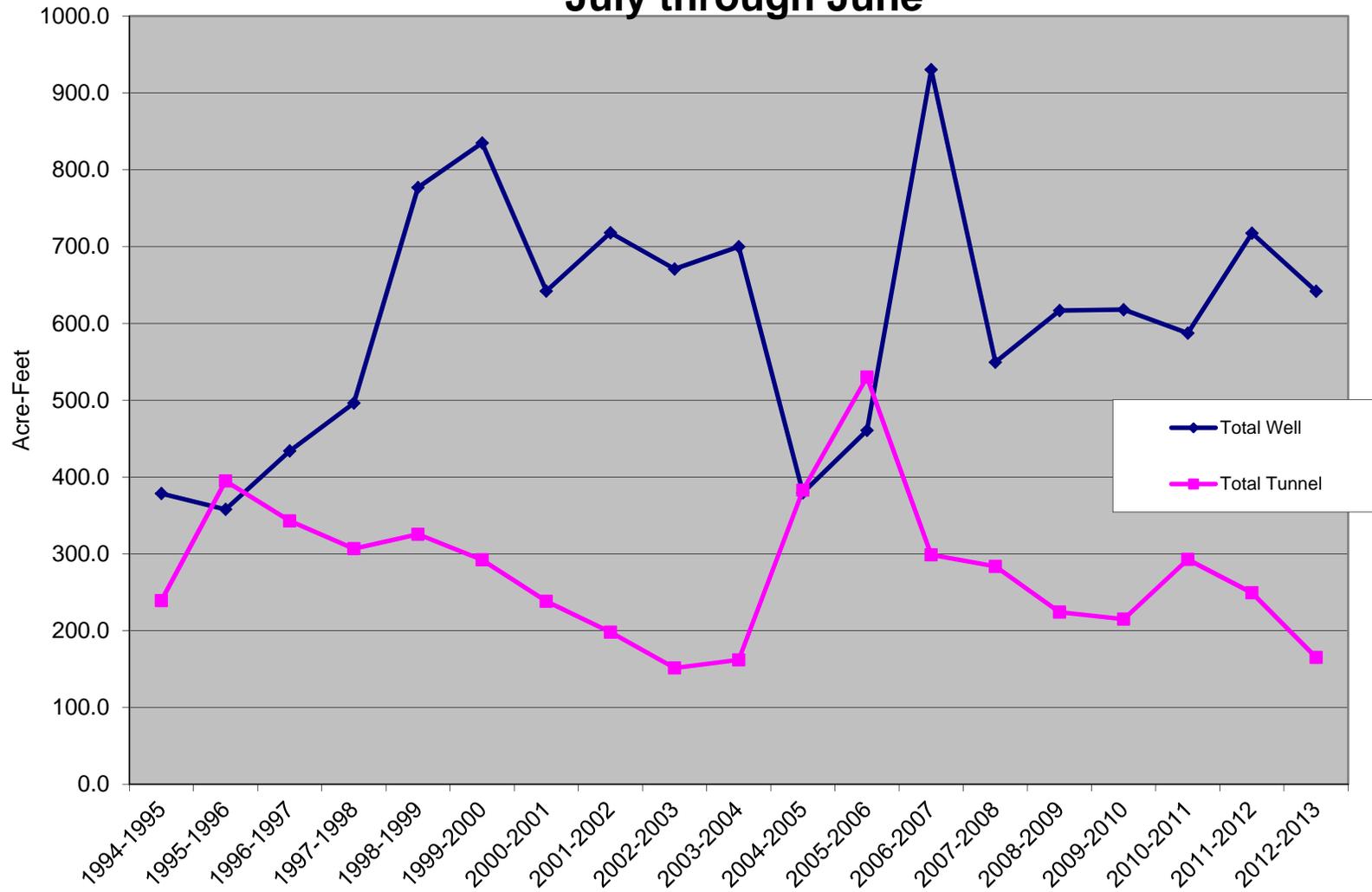


Figure 3
2012-2013 Production Sources
July through June

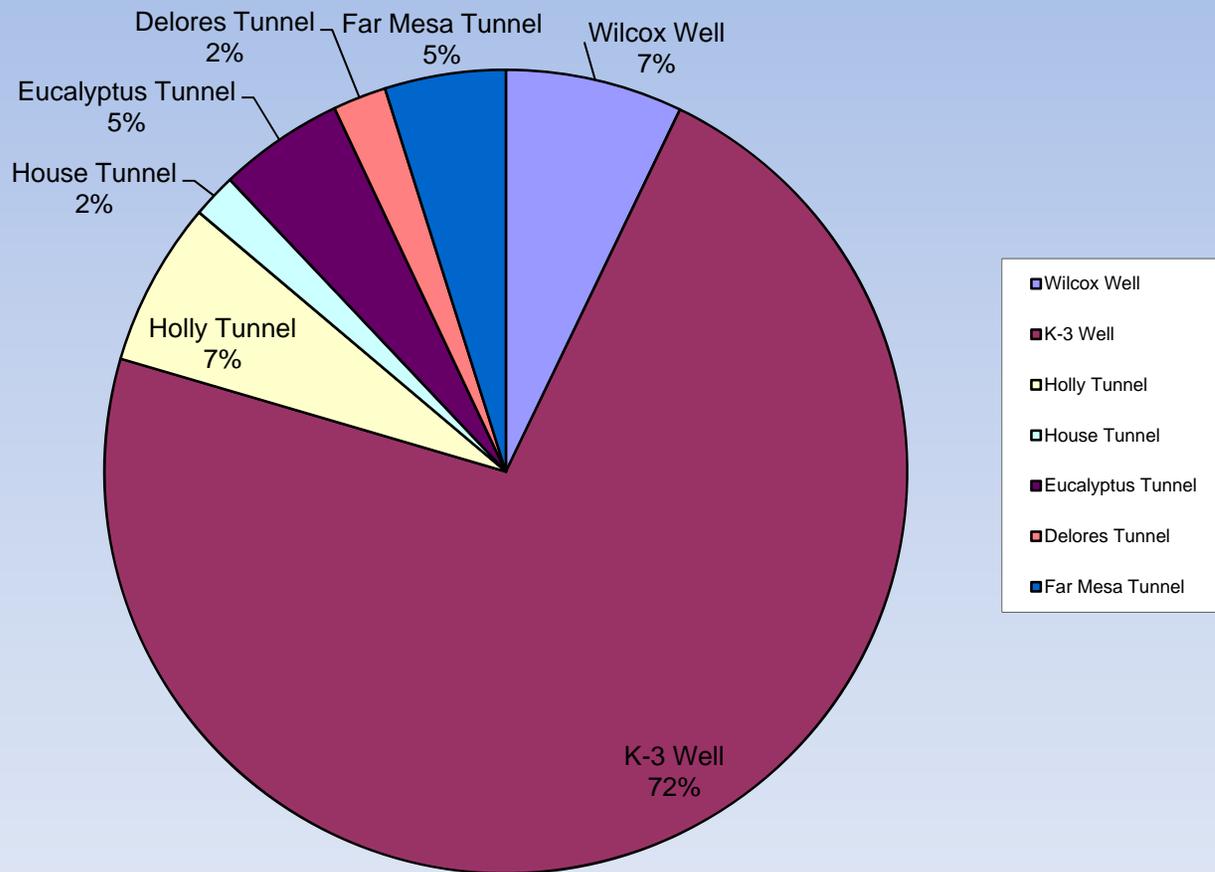
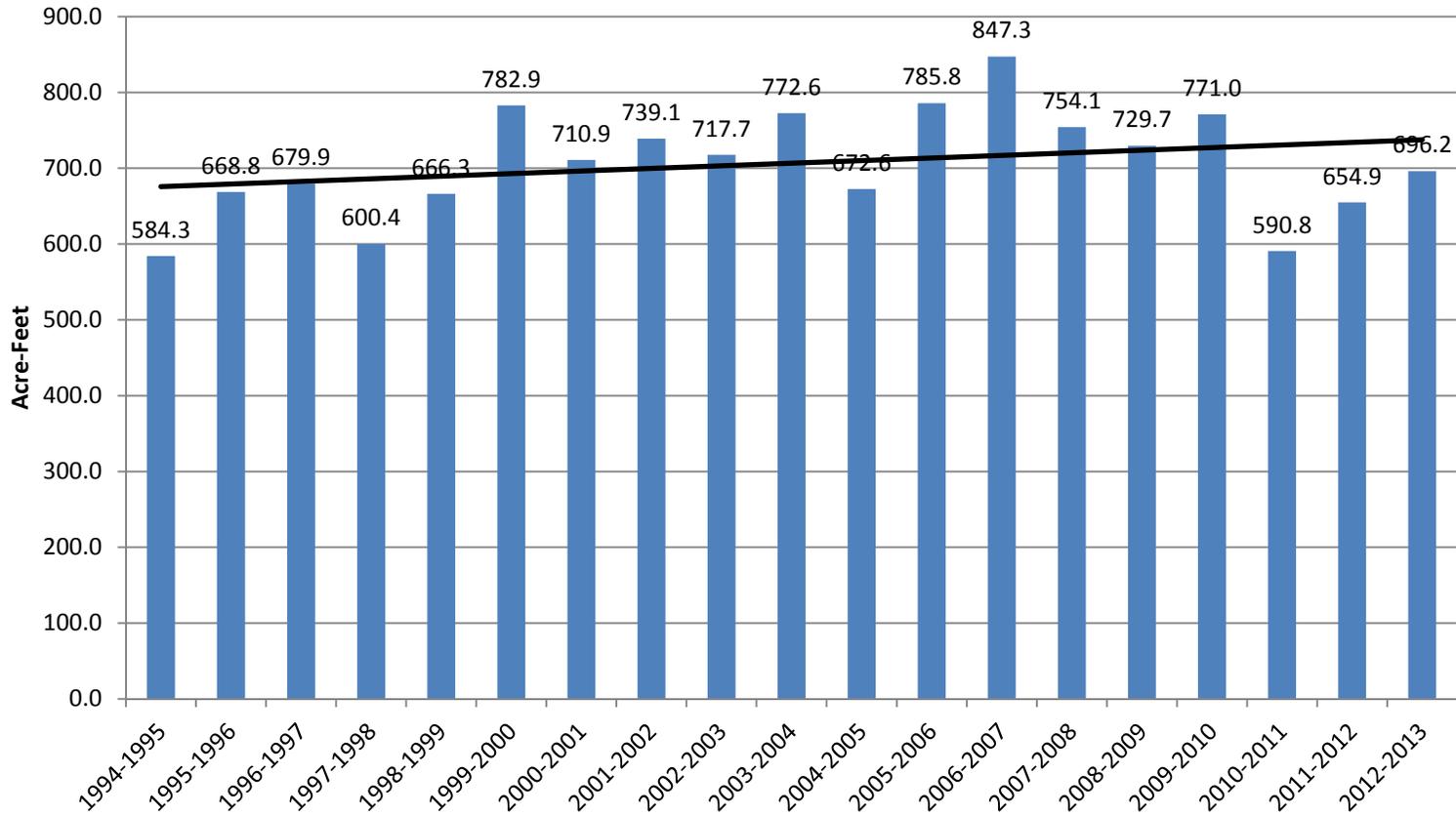


Figure 4
Annual Water Sales
July through June



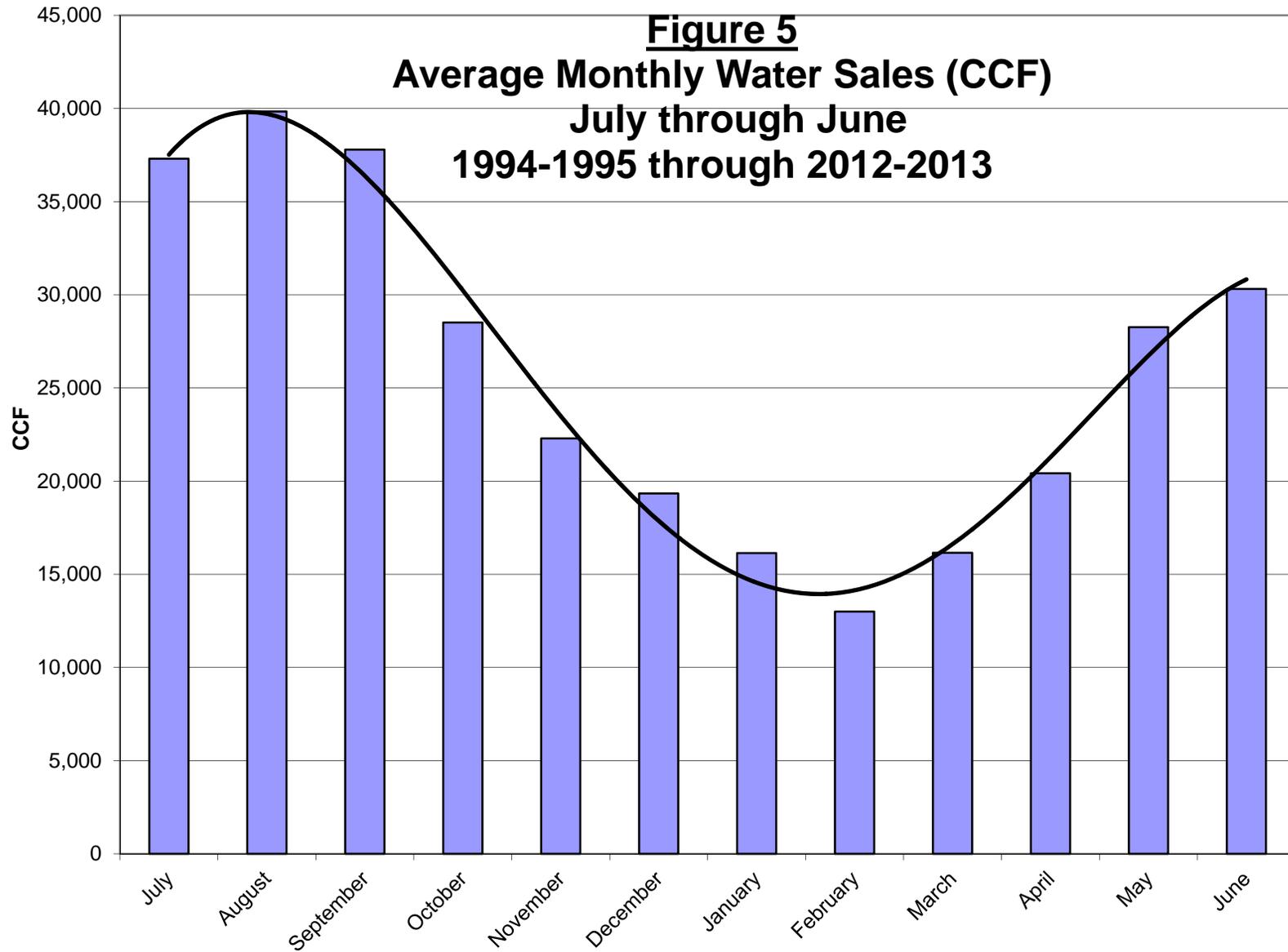


Figure 6
Water Usage per Customer

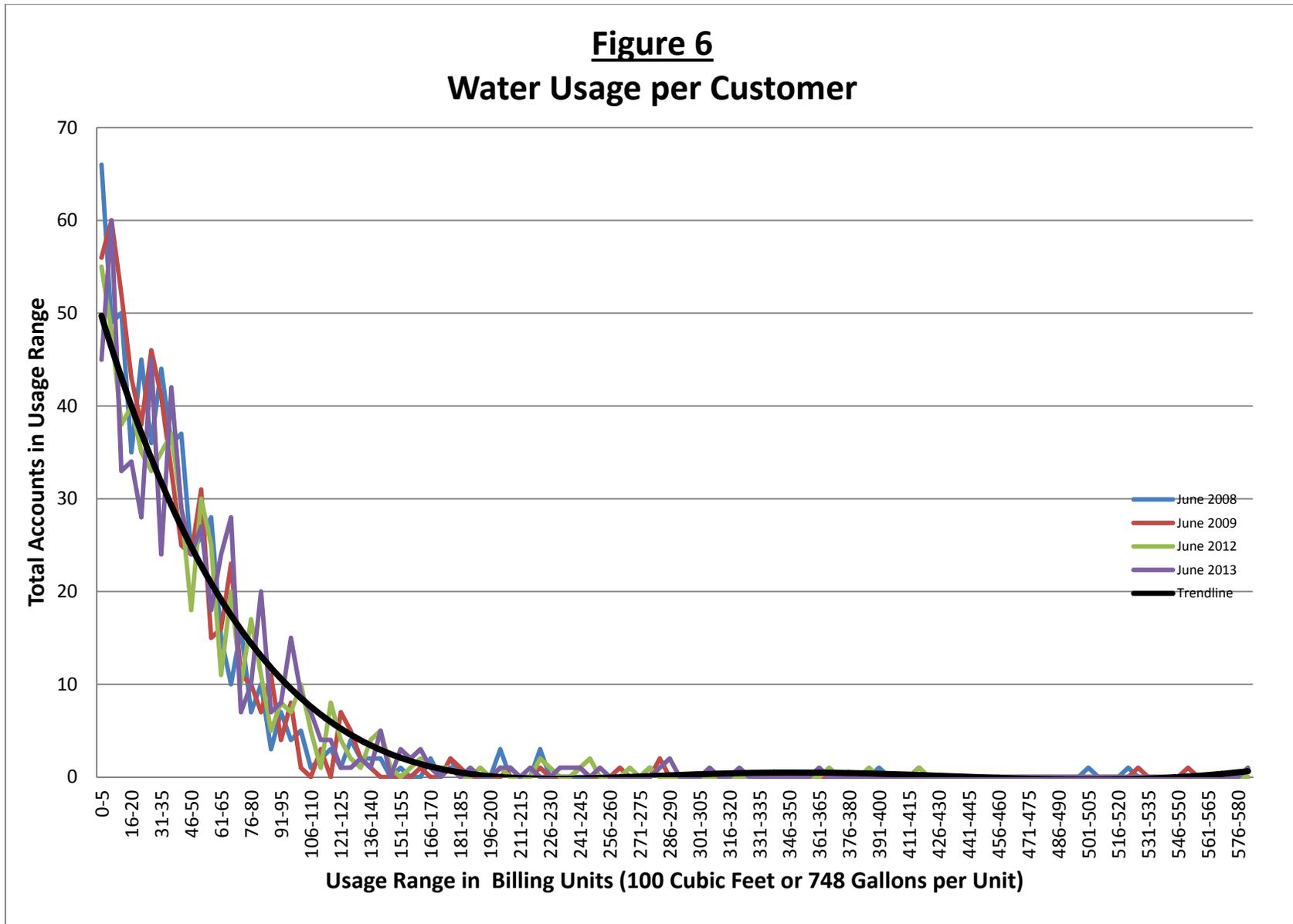


Figure 7
Rainfall
July through June

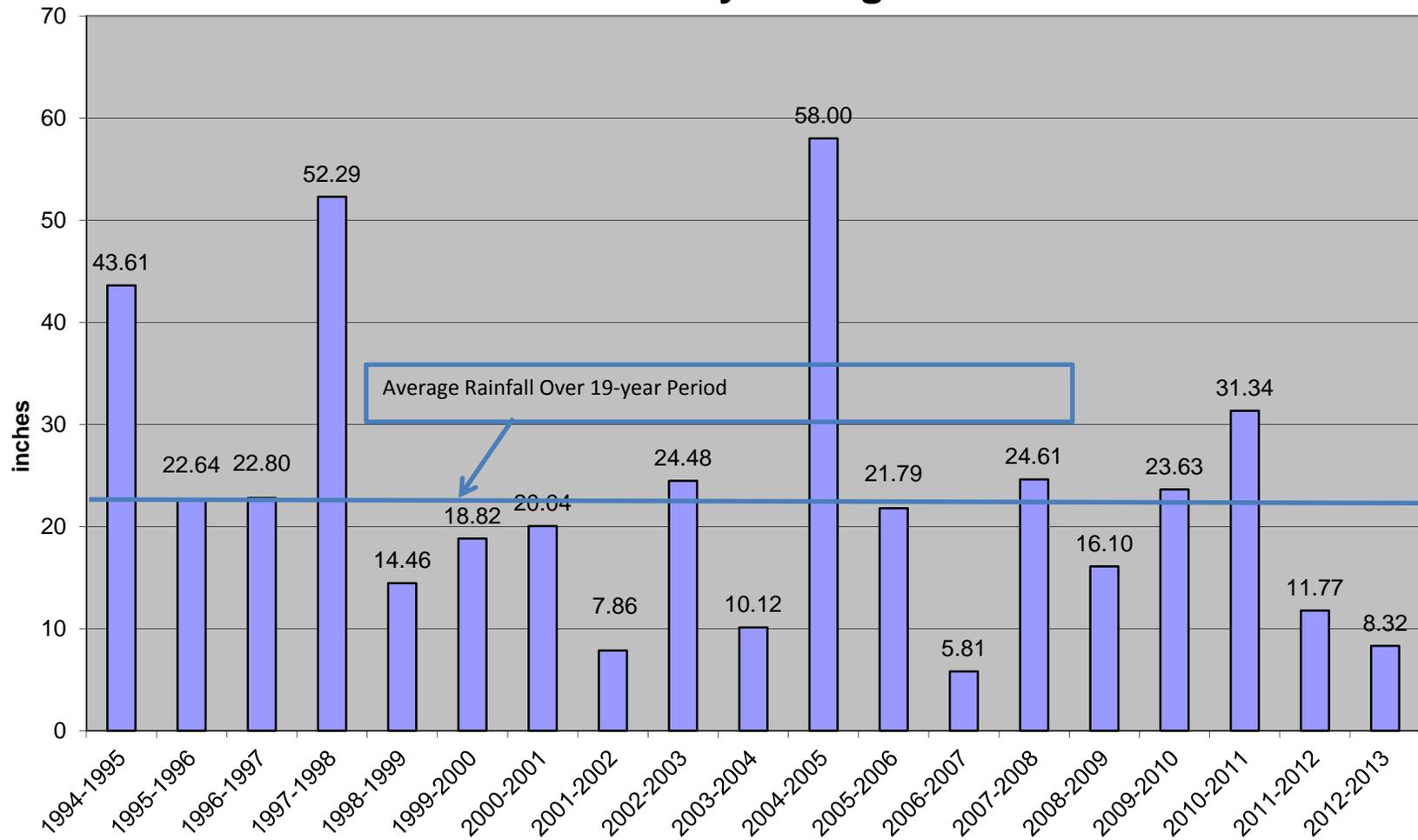


Figure 8
Power Cost in Dollars per Acre-Foot of
Total Production

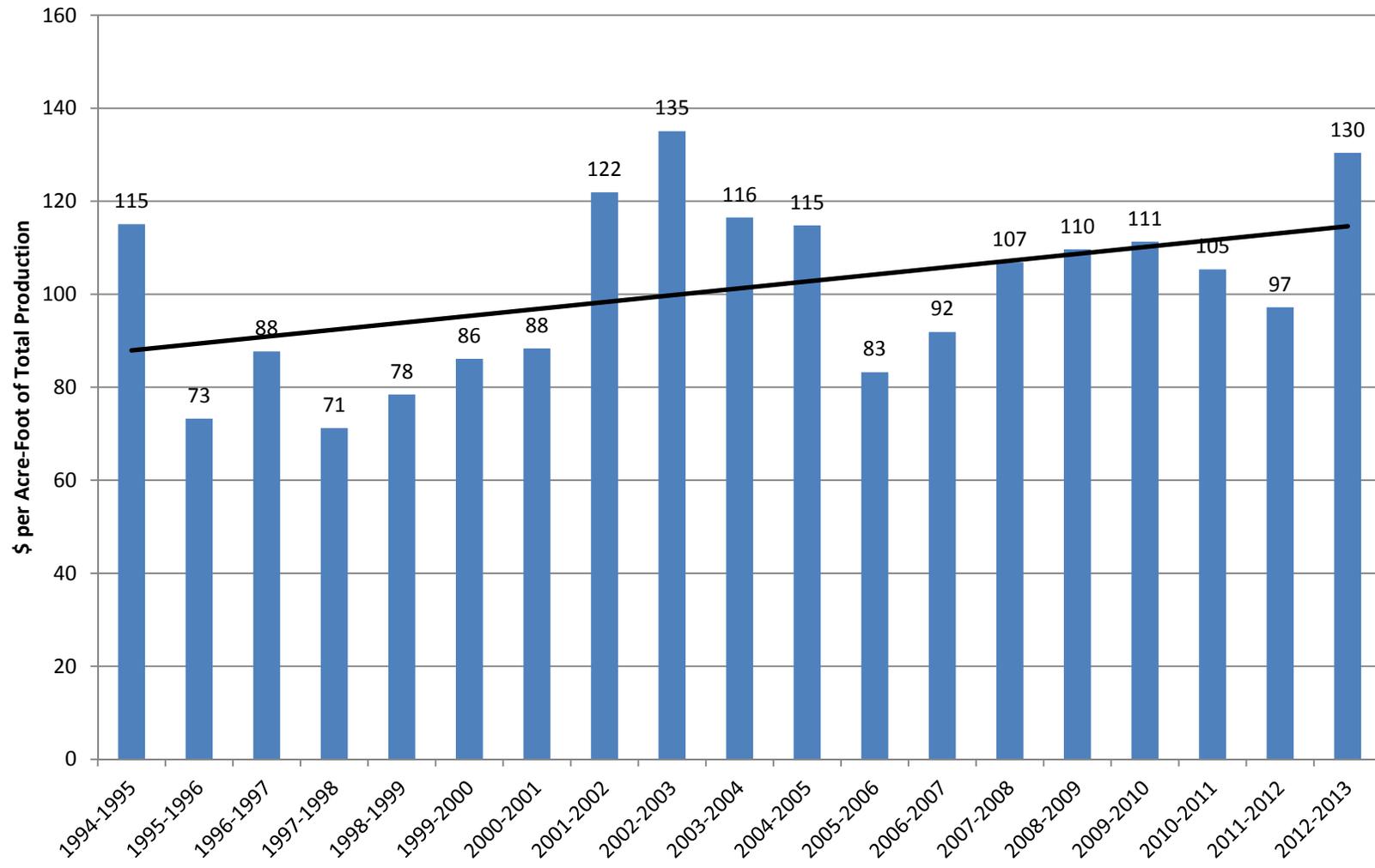
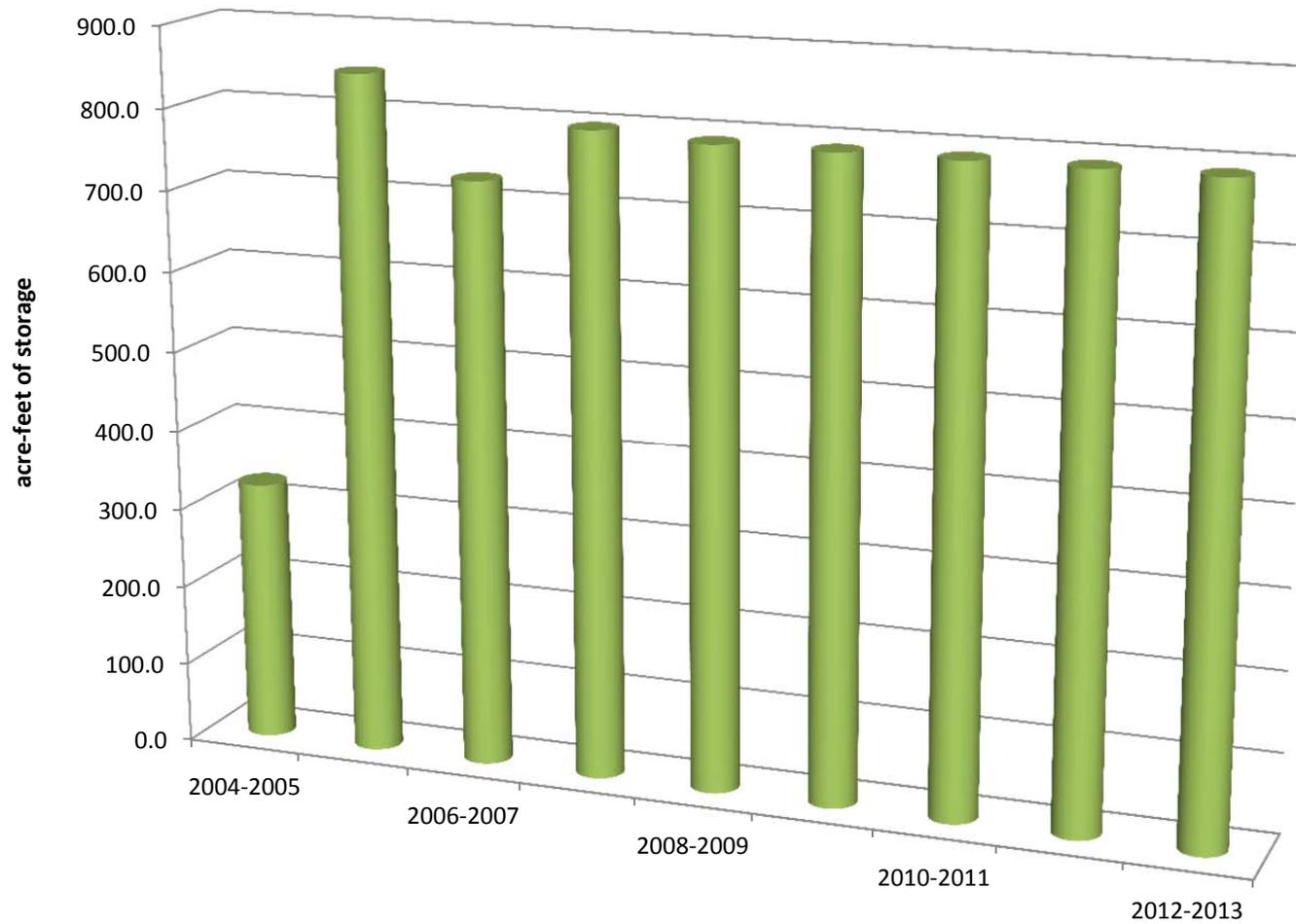


Figure 9
Long Term Storage



**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 20, 2013**

MEMBERS PRESENT: Directors Barkhurst, Kilburn and Sorell
Directors Eldridge and Griffith were out of town.

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

CALL TO ORDER: The Meeting was called to order by the President, Gerrie Kilburn, at 1935 hours. She noted that there was a quorum present.

PUBLIC COMMENT: No persons wished to comment at this time. The Chairman stated that Mr. Chmielewski had requested to speak to the Board and since he is not present that his presentation would be heard at the end of the meeting.

REVIEW PROPOSED LANDSCAPING PLAN FOR BROWN WELL SITE:

The Chairman introduced Paul Beach, President of the North Kinneloa Ranch Property Owners Association, who had requested to address this item on the Agenda. He stated that members of his organization viewed the site as an “eyesore” and presented a revised drawing of a proposed plan for landscaping the site. He stated that his organization is requesting that the District plant bushes along the north side and west side of the property sufficient to hide the site from view. He also reported that it was his understanding that the neighbor to the west would be putting in a driveway and had volunteered to put in a cement pad on the Well Site at the same time according to the specifications shown on the plan. In exchange the neighbor would be requesting to put in a rounded approach to his driveway on the northwest corner of the Well Site.

It was M/S/C-(Barkhurst/Sorell-3/0)-“That the General Manager be empowered to

- 1) Plant a line of bushes along the complete boundary fronting on Sierra Madre Villa
- 2) Plant a line of bushes along the driveway on west side of the property where appropriate
- 3) Put in appropriate ground cover on the rest of the property
- 4) Remove the two trees on the Sierra Madre Villa boundary”

The Chairman and the General Manager then agreed that they would work together to determine the choice of plantings that would be used.

GENERAL MANAGER’S REPORT:

The General Manager reviewed his report as included in the Board Packet.

REVIEW OF MINUTES:

The minutes of July 16, 2013, were approved for filing as presented.

REVIEW OF FINANCIAL REPORTS:

The reports for July 31, 2013, were reviewed and accepted for filing as presented.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 20, 2013**

Page 2

PUBLIC COMMENT:

The Chairman introduced Mr. Arthur Chmielewski, a member of the Board of the Kinneloa Mesa Association. He explained that he had attended a meeting of the Regional Planning Commission and that the owner of the property at the east end of Doyne Road had requested approval to build an 8200 square foot house on the southwest portion of the property. The owner had already vacated the previous development plan for eight lots and had joined the four parcels on the west side into one parcel and the four parcels on the east side into one parcel. He thought this information would be of interest to the District since there currently is no water service to the property.

ITEMS FOR NEXT AGENDA:

Review Proposed East-West Pipeline Project
Review Proposed Year 2014 Budget
Determine the date for the October Board Meeting

ADJOURNMENT:

The meeting was adjourned at 2040 hours. The next meeting will be on September 17, 2013.

Respectfully submitted,

Shirley Burt
Secretary to the Board



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 TELEPHONE (626) 797-6295 • FAX (626) 794-5552
 WEBSITE: kinneloairrigationdistrict.info

Memo

Date: September 17, 2013
 To: Board of Directors
 From: Mel Matthews
 Subject: Financial Review for August 2013

Total Revenues were \$140,788.21 with retail water sales of \$139,329.40 which is slightly less than the budgeted amount of \$144,000.00. Overall revenues for the year to date are \$941,716.80 as compared to the budgeted amount of \$971,333.28.62. Although year to date retail water sales continue to substantially exceed the budgeted amount, the anticipated revenue from wholesale water sales has not been achieved due to lack of available water. **Total Expenses** were \$89,006.99 as compared to the budgeted amount of \$85,444.98. The general ledger accounts that were significantly different than the budgeted amounts are as follows:

GL Acct.	Description	Actual	Budgeted	Difference	Comments
5005	Electricity	9,784.65	11,600.00	-1,815.35	Decreased customer demand this month; no pumping for wholesale water sales
5016	Operations OT	2,264.64	833.33	1,431.31	Heat wave related alarms and failures; SCADA communication problems
5030	Maintenance Contractors	23,695.04	10,416.67	13,278.37	Leak and other repairs not predicible; YTD amount still well below budget
6081	Permits/Fees	2,026.76	416.67	1,610.09	Annual AQMD operating and emissions fees for 4 units

Net Income was \$51,781.22 as compared to a budgeted amount of \$59,721.68. There was \$18,979.47 in **Other Expenditures** which was the final installment for the trucks which were purchased in 2008. There were no expenditures for projects this month. The overall spending in this category for the year to date is \$137,109.65 which is substantially less than the budgeted amount of \$228,779.47. Although the budgeted projects for 2013 are \$256,681.00, the actual projects performed and the scheduling of those projects continues to be contingent on the actual net income and the desired increase in the net surplus for future major projects. Some adjustments in project schedules have already been made to reflect the lower than expected wholesale water sales.

Total cash in our checking and reserve accounts (including \$250,000.00 in board-designated funds and excluding Pasadena Glen Fire Safe Council funds) is \$1,000,535.54 as of August 31, 2013. The net increase in cash for the month was \$54,963.05 and the total increase of cash for the year to date is \$246,106.36. Fiscal sponsorship of the Pasadena Glen Fire Safe Council does not impact the Net Income or the Net Surplus of the District.

Kinneloa Irrigation District
Income Statement for the Eight Months Ending August 31, 2013

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
4000 Water Sales	139,329.40	144,000.00	897,194.01	812,000.00
4015 Wholesale Water Sales	0.00	0.00	33,324.87	150,000.00
4020 Service/Installation Charges	1,174.39	833.33	8,919.61	6,666.64
4035 Interest-Reserve Fund	284.42	333.33	2,278.31	2,666.64
Total Revenues	140,788.21	145,166.66	941,716.80	971,333.28
Expenses				
5005 Electricity	9,784.65	11,600.00	69,299.22	71,200.00
5010 Maintenance Supplies	1,322.19	1,666.67	15,376.23	13,333.36
5011 Material and Labor for Install	1,144.95	833.33	6,355.05	6,666.64
5012 Safety Equipment	0.00	133.33	571.77	1,066.64
5015 Operations & Maintenance Labor	12,033.56	12,916.67	94,918.33	103,333.36
5016 Operations & Maintenance OT	2,264.64	833.33	9,877.50	6,666.64
5020 Stand-by Compensation	690.00	625.00	4,950.00	5,000.00
5022 Training/Certification	70.00	133.33	540.00	1,066.64
5025 Water Treatment/Analysis	1,077.93	1,833.33	10,053.26	14,666.64
5030 Maintenance Contractors	23,695.04	10,416.67	59,241.64	83,333.36
5034 Equipment Maintenance	0.00	833.33	5,667.34	6,666.64
5035 Vehicle Maintenance	84.79	500.00	1,468.57	4,000.00
5036 Fuel - All Equipment	755.36	1,250.00	8,226.51	10,000.00
5045 Insurance-Workers Compensation	0.00	0.00	(841.67)	6,000.00
5046 Insurance-Liability	1,249.00	1,833.33	6,413.62	14,666.64
5048 Insurance-Property	180.00	208.33	668.87	1,666.64
5049 Insurance-Medical	5,510.44	3,833.33	44,083.52	30,666.64
6000 Engineering Services	0.00	3,750.00	3,975.00	30,000.00
6005 Watermaster Services	879.33	1,000.00	6,213.31	8,000.00
6015 Administrative Salary	10,316.64	10,833.33	82,533.12	86,666.64
6016 Administrative Bonus	0.00	0.00	2,500.00	0.00
6017 Administrative Travel	408.82	416.67	1,170.46	3,333.36
6020 BofD Compensation	300.00	800.00	2,900.00	4,000.00
6021 Administrative & Board Expense	0.00	208.33	113.86	1,666.64
6024 Customer/Public Info. Prog.	0.00	250.00	68.13	2,000.00
6025 PERS - KID	1,560.72	1,250.00	11,204.25	10,000.00
6030 Social Security - KID	2,465.94	2,416.67	19,132.55	19,333.36
6035 Office/Computer Supplies	180.48	750.00	2,778.42	6,000.00
6036 Postage/Delivery	365.76	500.00	2,004.54	4,000.00
6040 Professional Dues	853.91	625.00	4,915.32	5,000.00
6045 Legal Services	0.00	1,250.00	1,684.87	10,000.00
6050 Telephone	430.22	333.33	2,941.22	2,666.64
6051 Mobile Telephone	90.56	166.67	966.97	1,333.36
6052 Pagers	19.00	20.00	152.00	160.00
6053 Internet Service	55.00	125.00	745.62	1,000.00
6059 Computer/Software Maintenance	0.00	750.00	926.34	6,000.00
6061 Office Equipment Maintenance	0.00	83.33	0.00	666.64
6065 Accounting Services	0.00	1,000.00	6,200.00	7,000.00
6070 Office & Accounting Labor	6,629.70	6,500.00	52,419.98	52,000.00
6075 Outside Services	722.77	1,666.67	6,724.53	13,333.36
6080 Administrative Fees	579.44	583.33	4,333.66	4,666.64
6081 Permits/Fees	2,026.76	416.67	10,051.66	3,333.36
6088 Interest Expense	901.35	0.00	901.35	0.00
6120 Bank Service Charges	358.04	300.00	2,838.71	2,400.00
Total Expenses	89,006.99	85,444.98	567,265.63	664,559.84
Net Income	51,781.22	59,721.68	374,451.17	306,773.44

Kinneloa Irrigation District
Income Statement for the Eight Months Ending August 31, 2013

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Other Expenditures				
1504 Water Mains	0.00	0.00	16,272.40	80,000.00
1509 Wilcox Well/Wilcox Booster	0.00	0.00	10,544.16	5,000.00
1511 WaterTreatment Plant	0.00	0.00	5,779.48	5,400.00
1512 Water Meters	0.00	1,800.00	24,080.83	24,800.00
1513 Electrical/Electronic Equip.	0.00	2,083.33	0.00	16,666.64
1514 Computer/Office Equipment	0.00	416.67	0.00	3,333.36
1516 Water Company Facilities	0.00	1,000.00	0.00	8,000.00
1522 Eucalyptus Booster Station	0.00	0.00	32,053.67	30,000.00
1526 Vosburg Booster	0.00	0.00	8,349.00	25,000.00
1527 SCADA Equipment	0.00	1,250.00	21,050.64	10,000.00
1530 Tools	0.00	200.00	0.00	1,600.00
2400 Truck Loan Payable	18,979.47	19,881.00	18,979.47	19,881.00
Total Other Expenditures	18,979.47	26,631.00	137,109.65	229,681.00
Total Increase or (Drawdown)	32,801.75	33,090.68	237,341.52	77,092.44

Kinneloa Irrigation District
Balance Sheet
August 31, 2013

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 421,601.85
1011	Checking-PGFSC	5,022.62
1012	Reserve Fund-LAIF	118,180.97
1014	Reserve Fund-CalTRUST	460,752.72
1015	Accr. Int./Price Adj.-CalTRUST	2,686.94
1016	Accrued Interest-LAIF	89.91
1100	Accts. Receivable-Water Sales	70,632.89
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	131,850.41
1350	Prepaid Insurance	15,700.49
1360	Prepaid Expenses	7,906.78

Total Current Assets

1,253,654.10

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	2,418,639.82
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	184,940.70
1512	Water Meters	78,368.69
1513	Electrical/Electronic Equip.	245,904.55
1514	Computer/Office Equipment	60,072.53
1515	Vehicles & Portable Equipment	222,084.16
1516	Water Company Facilities	60,079.20
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
1526	Vosburg Booster	29,394.00
1527	SCADA Equipment	226,584.91
1528	Tanks and Reservoirs	97,944.39
1529	Holly Tanks	181,113.76
1530	Tools	5,109.53
1600	Accum. Depreciation	(3,195,521.12)

Total Property and Equipment

4,339,344.68

Total Assets

\$ 5,592,998.78

Kinneloa Irrigation District
Balance Sheet
August 31, 2013

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 67,693.59	
2272	Job Deposits	1,800.00	
2274	PGFSC Grant	5,022.62	
2290	Accrued Vacation	15,931.70	
	Total Current Liabilities		90,447.91

Long-Term Liabilities

	Total Long-Term Liabilities		0.00
	Total Liabilities		90,447.91

Capital

3040	Fund Balance	5,126,947.39	
3900	Prior Year Adjustments	5,765.00	
	Net Income	369,838.48	
	Total Capital		5,502,550.87
	Total Liabilities & Capital	\$ 5,592,998.78	

Kinneloa Irrigation District
Statement of Cash Flow
For the Eight Months Ended August 31, 2013

		Current Month		Year to Date
Cash Flows from Operating Activities				
	Net Income	\$ 51,781.22	\$	374,451.17
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
1100	Accts. Receivable-Water Sales	(21,188.42)		(27,175.29)
1102	Accts. Receiv.-Wholesale Water	3,104.60		0.00
1350	Prepaid Insurance	(13,376.00)		(4,540.92)
1360	Prepaid Expenses	1,782.24		2,537.46
2000	Accounts Payable	50,238.88		31,467.10
2272	Job Deposits	1,800.00		1,453.87
2274	PGFSC Grant	(200.00)		5,022.62
	Total Adjustments	22,161.30		8,764.84
	Net Cash Provided by Operations	73,942.52		383,216.01
 Cash Flows from Investing Activities				
<i>Used for</i>				
1504	Water Mains	0.00		(16,272.40)
1509	Wilcox Well/Wilcox Booster	0.00		(10,544.16)
1511	Water Treatment Plant	0.00		(5,779.48)
1512	Water Meters	0.00		(24,080.83)
1522	Eucalyptus Booster Station	0.00		(32,053.67)
1526	Vosburg Booster	0.00		(8,349.00)
1527	SCADA Equipment	0.00		(21,050.64)
	Net Cash Used in Investing	0.00		(118,130.18)
 Cash Flows from Financing Activities				
<i>Proceeds from</i>				
<i>Used for</i>				
2400	Truck Loan Payable	(18,979.47)		(18,979.47)
	Net Cash Used in Financing	(18,979.47)		(18,979.47)
	Net Increase (Decrease) in Cash	\$ 54,963.05	\$	246,106.36
 Summary				
	Cash Balance at End of Period	\$ 1,140,185.42	\$	1,140,185.42
	Cash Balance at Beg. of Period	(1,085,222.37)		(894,079.06)
	Net Increase (Decrease) in Cash	\$ 54,963.05	\$	246,106.36

Kinneloa Irrigation District
Check Register
For the Period from August 1, 2013 to August 31, 2013

Date	Check #	Payee	Amount	Description
8/8/13	7383	A&B Electric	124.00	checked controls on booster pumps, Eucalyptus
8/8/13	7384	ACWA/JPIA	6,518.62	health ins. - KID/employee
8/8/13	7385	AmeriPride Services	52.84	shop towel service
8/8/13	7386	Byrd Industrial Electronics	2,621.26	Upgrade SCADA controller; Euc. overflow, K-3
8/8/13	7387	Cook Paging, Inc.	19.00	paggers
8/8/13	7388	Foothill Municipal Water District	579.44	administrative fee
8/8/13	7389	McMaster Carr	359.85	facility, cl2, SCADA, gen'l maint. supplies
8/8/13	7390	Perry Thomas Construction Co.	1,618.00	Leak repair on Clarmeya Lane
8/8/13	7391	Specialty Services	275.00	janitorial service
8/8/13	7392	Utility Service Co., Inc.	3,763.82	tank maintenance agreement
8/8/13	EFT1850	Century Business Solutions	15.00	monthly banking service fee
8/8/13	EFT1851	Bank of America Business Card	2,028.89	see attached schedule - June
8/8/13	EFT1852	Calif. Public Employees Ret. Sys.	3,212.79	CalPERS - July KID and employee
8/8/13	EFT1853	Century Business Solutions	89.70	banking service fee
8/15/13	EFT1854	Bernadette C. Allen	914.51	salary
8/15/13	EFT1855	Christopher A. Burt	2,442.99	salary
8/15/13	EFT1856	Shirley L. Burt	1,437.86	salary
8/15/13	EFT1857	Melvin L. Matthews	3,281.73	salary
8/15/13	65534393	Brian L. Fry	1,570.87	salary
8/15/13	65534394	Felix Galindo	431.27	salary
8/15/13	65534395	Chris J. Mellinger	239.42	salary
8/15/13	EFT1858	Christopher A. Burt	150.00	salary
8/15/13	EFT1859	Automatic Data Processing	65.89	payroll processing
8/15/13	EFT1860	Automatic Data Processing	4,901.23	withholding and taxes
8/20/13	7393	South Coast AQMD	117.87	emissions fees: 1834 Pasadena Glen Rd.
8/20/13	7394	South Coast AQMD	317.07	annual operating fees: 1834 Pasadena Glen Rd.
8/20/13	7395	South Coast AQMD	117.87	emissions fees: 2041 Kinclair Dr.
8/20/13	7396	South Coast AQMD	317.07	annual operating fees: 2041 Kinclair Dr.
8/20/13	7397	South Coast AQMD	117.87	emissions fees: 2014 Windover Rd.
8/20/13	7398	South Coast AQMD	317.07	annual operating fees: 2014 Windover Rd.
8/20/13	7399	South Coast AQMD	117.87	emissions fees: 1999 Kinclair Dr.
8/20/13	7400	South Coast AQMD	317.07	annual operating fees: 1999 Kinclair Dr.
8/20/13	7401	Clinical Laboratory, SB	333.00	water sample analysis
8/20/13	7402	Eurofins Eaton Analytical, Inc.	132.00	water sample analysis
8/20/13	7403	McMaster Carr	335.60	air filters, maint. supplies, tools, truck step
8/20/13	7404	Monrovia Mailing Company	371.95	July statement mail handling and postage
8/20/13	7405	National Meter & Automation	1,144.95	LF120 meters (2)
8/20/13	7406	Shirley Burt	64.64	July mileage reimbursement
8/20/13	EFT1861	Arco Gaspro Plus	755.36	truck gas
8/20/13	EFT1862	Athens Services	155.12	trash pick up
8/20/13	EFT1863	Pasadena Municipal Services	1,276.72	electricity
8/20/13	EFT1864	Southern California Edison Co.	8,826.71	electricity

Kinneloa Irrigation District
Check Register
For the Period from August 1, 2013 to August 31, 2013

Date	Check #	Payee	Amount	Description
8/20/13	EFT1865	Verizon Wireless	88.61	mobile phone
8/31/13	EFT1866	Bernadette C. Allen	914.51	salary
8/31/13	EFT1867	Richard L. Barkhurst	92.35	salary
8/31/13	EFT1868	Christopher A. Burt	2,894.65	salary
8/31/13	EFT1869	Shirley L. Burt	1,437.85	salary
8/31/13	EFT1870	Gerrie G. Kilburn	92.35	salary
8/31/13	EFT1871	Melvin L. Matthews	3,281.73	salary
8/31/13	EFT1872	Steven G. Sorell	57.35	salary
8/31/13	65544324	Brian L. Fry	1,485.19	salary
8/31/13	65544325	Felix Galindo	444.14	salary
8/31/13	65544326	Chris J. Mellinger	503.40	salary
8/31/13	EFT1873	Christopher A. Burt	150.00	salary
8/31/13	EFT1874	Automatic Data Processing	70.57	payroll processing
8/31/13	EFT1875	Automatic Data Processing	5,396.29	withholding and taxes
8/31/13	EFT1876	Charter Communications	329.22	internet and telephone
	Total		<u>69,088.00</u>	

**Credit Card Detail
June 2013**

(Expenses incurred in June, billed in July, due in July, paid in July, and payment processed in August.)

Acct. No.	Account Description	Additional Description	Shirley	Mel	Brian	Chris B	Chris M	TOTAL
5010	Maintenance Supplies	yard/maint. supplies, asphalt mix; tools, batteries			\$155.73	\$438.40		\$594.13
5012	Safety Equipment							\$0.00
5022	Training/Certification							\$0.00
5025	Water Treatment/Analysis	solar salt/water softner/delivery; cl2 maint. supplies			\$1,091.88	\$193.28		\$1,285.16
5035	Vehicle Maintenance							\$0.00
5036	Fuel							\$0.00
6017	Adm. Travel							\$0.00
6021	Adm. & Bd. Exp.							\$0.00
6035	Office/Computer Supplies	offices supplies; spare keys (28)	\$99.66			\$49.94		\$149.60
6036	Postage/Delivery							\$0.00
6040	Professional Dues							\$0.00
6050	Telephone							\$0.00
6051	Mobile Phone							\$0.00
6053	Internet Service							\$0.00
6059	Computer/Software Maintenance							\$0.00
6061	Office Equipment Maintenance							\$0.00
6075	Outside Services							\$0.00
6081	Permits/Fees							\$0.00
TOTAL			\$99.66	\$0.00	\$1,247.61	\$681.62	\$0.00	\$2,028.89

Kinneloa Irrigation District - PGFSC Grant Account
Check Register
For the Period from August 1, 2013 to August 31, 2013

Date	Check #	Payee	Amount	Description
8/29/13	001002	Pasadena Glen Improvement Assoc.	<u>200.00</u>	reimburse: attorney fee; opening bank act funds
	Total		<u><u>200.00</u></u>	
