



Winter 2025

From The General Manager

Dear Kinneloa Irrigation District Customers and Community Members,

As we approach the end of a very difficult year for our community and region, I wanted to make sure that you are aware of the progress that the District has made, and continues to make, ensuring that you have reliable water service for your home. In late 2024, District staff and the Board of Directors completed a robust system evaluation and capital improvement plan that was used to inform a new water rate structure. That new rate structure became effective January 1, 2025. Unfortunately, the Eaton Fire had a negative impact on District finances in two significant ways. The first is the actual cost of our response and the work associated with stabilizing the system and returning to normal operations. It is expected that most, if not all of those costs, will be recovered from the Federal Emergency Management Agency (FEMA)'s Public Assistance program; however, that federal agency has changed many operating procedures under the current administration and receipt of expected funds has been delayed but is still expected. Beyond actual response costs, the District had a meaningful loss of expected revenue due to customer homes that were either destroyed or damaged, as well as some customers that have chosen to not yet return to their still standing homes. The uncertainty around our cash flow this year led to the delay of several capital projects that

Although some major projects were deferred, we did make meaningful progress on several smaller projects which include new control valves that provide us flexibility to move water between various zones in the District as well as upgrades to the cybersecurity systems and procedures for our operational technology platforms.

District staff and the Board of Directors also evaluated the need to make adjustments to the 5-year financial plan and rate schedule that was approved in November 2024. To avoid the need to make additional rate increases beyond those already scheduled to go into effect, the District not only adjusted its capital improvement project timing but also made adjustments to its reserve policy. That policy, adopted in 2024, was ambitious as it was intended to quickly build robust reserves for the District to respond to an emergency like the one we experienced in January. Given that we are still responding to that incident, the Board of Directors decided to keep the rate structure in place as previously approved. Please be aware that effective January 1, 2026 your rates for daily service charge and water consumption will increase 19% as was planned and approved in 2024. If you'd like to review the water system evaluation, capital improvement plan and water rate study that was completed last year you are encouraged to visit the District website. In the search bar please enter "water rates" or just "rates" and you will be led to the Prop 218 notice along with a "Public Rate Hearing Frequently Asked Questions" that we hope is helpful in understanding why these increases were made.



Tom Majich
General Manager



Your Operators at Work



Aside from the routine daily tasks that you see District field staff performing each day, we completed several critical behind-the-scenes projects this year. Unfortunately (or fortunately, depending on your perspective), most of our infrastructure is out of sight, either underground or behind a locked fence. The District has five (5) above ground steel water tanks that require periodic maintenance and repair. At intervals of about every fifteen or twenty (15-20) years, the interior coatings of those tanks need to be removed via sandblasting and replaced. This is a labor intensive and expensive process that can also unfortunately be disruptive to the quiet neighborhood life we are used to. This year, the District was able to rehabilitate the interior of three (3) of our steel tanks. To those customers who had to put up with increased traffic, noise and other disruption while these projects were undertaken, I appreciate your patience and the grace you gave us while we tried to promptly complete them. The good news is that it should be a long time until we have to do it again!

District Rules & Regulations Highlight

The District often gets calls from customers to have the water shutoff to their property to facilitate a planned or emergency repair. Sometimes customers, or their hired vendors, attempt to turn the water off at the meter themselves and damage the meter or service line, resulting in the customer receiving a significant repair bill from the District. As a reminder, all customers must abide by the District Rules and Regulations, Section 8.02 Conditions of Service states "Control Valve on the Consumer's Property: The Consumer shall provide a valve on their side of the service installation, as close to the meter location as practicable to control the flow of water to the piping on their premises. The Consumer shall not use the service curb stop to turn water on and off for their convenience." Customers are advised to ensure that they have a required control valve, know where it is, how to operate it and that it is in good working order. If one is not installed or is inoperable, please have one installed or repaired promptly. Be sure to call the District for a shut off when the project is underway as using any shutoff inside the District's meter box is prohibited, and any damage due to violation of this District rule will result in the customer receiving an invoice for the full repair cost.



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