

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, April 28, 2026
2:00 P.M.

AGENDA

This meeting will be conducted at the District office in accordance with the Brown Act and AB 2449. Public comment may be made in person or submitted via email to gm@kidwater.info prior to the meeting, any information submitted will become part of the official record. The public may participate at the office or via computer or telephone using the following information:
<https://us02web.zoom.us/j/85061795151?pwd=QURaWGV5Lzg3dmEvcGx1Ujl6akRHdz09>

Meeting ID: 850 6179 5151

Passcode: 156331

Telephone: 669 900 9128

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

In compliance with the Brown Act, the Board cannot discuss or act on items not on the Agenda. However, Board Members or District Staff may acknowledge Public comments, briefly respond to statements or questions posed by the Public, ask a question for clarification, or request Staff to place item on a future Agenda (Government Code section §54954.2)

3. FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 AND INDEPENDENT AUDITOR'S REPORT –

Auditor and General Manager to summarize report and respond to questions
Recommended Action: Review and approve motion to file.

4. REVIEW OF MINUTES – March 24, 2026 Regular Meeting

Recommended Action: Review and approve motion to file.

5. REVIEW OF FINANCIAL REPORTS – March 2026

Recommended Action: Review and approve motion to file.

6. INFORMATION ITEMS

- a. Water Loss Audit – March 2026*
- b. Water Quality Testing and Reporting – March 2026*
- c. Capital Project Status Report and Schedule*
- d. General Managers Report – March 2026*
- e. Subeca Performance Update
- f. SCE Pole Relocation at Vosburg
- g. Verizon Facility Lease at Vosburg

7. COMPENSATION STUDY FOR GENERAL MANAGER CLASSIFICATION –

Recommended Action: Authorize the engagement of CPS HR to conduct a compensation study for the General Manager classification.

8. CLOSED SESSION – Pending or threatened litigation (Government Code Section 54956.9(a))

9. DIRECTOR REPORTS AND/OR COMMENTS –

In accordance with Government Code §54954.2 Directors may make brief announcements or brief reports on their own activities. Directors may ask a question for clarification, provide a reference to staff or other resources for information, request staff to report back to the Directors at a subsequent meeting, or act to direct staff to place a matter of business on a future agenda.

10. CALENDAR – Upcoming meetings: May 26, 2026; June 23, 2026; July 28, 2026

11. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting, please contact the District office 48 hours prior to the meeting at 626-797-6295. 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 <https://kinneloirrigationdistrict.info>.

**KINNELOA IRRIGATION DISTRICT
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2025 and 2024**

AND INDEPENDENT AUDITOR'S REPORT

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**KINNELOA IRRIGATION DISTRICT
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DECEMBER 31, 2025 and 2024**

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**KINNELOA IRRIGATION DISTRICT
BOARD OF DIRECTORS AND DISTRICT PERSONNEL
AS OF DECEMBER 31, 2025**

BOARD OF DIRECTORS

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Stephen Brown	Chairman	2026
John Feliton	Treasurer	2028
Timothy Eldridge	Director	2028
Gordon Johnson	Secretary	2026
William Opel	Director	2028

MANAGEMENT PERSONNEL

Thomas Majich General Manager

OFFICE PERSONNEL

Martin Aragon Administrative Coordinator
Melanie Timoteo Operations Coordinator
Katherine Morrisroe Administrative Assistant

FIELD PERSONNEL

Chris Burt Senior Facilities Operator
Felipe Gallegos Facilities Operator
Ramon Ascensio Facilities Operator
Jeff Peterson Facilities Operator

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 and 2024**

Management's discussion and analysis of the financial performance of Kinneloa Irrigation District (the "District") provides an overview of the District's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the District's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The District's operating revenues, consisting primarily of water sales, increased by 14.7% to \$2,281,056 as compared to 2024 operating revenues of \$1,989,237. The increase is primarily the result of a new rate schedule that went into effect January 1, 2025 that was a general 19% increase in rates. Overall consumption was lower in 2025 than 2024 due to customer displacement from the January 2025 Eaton Fire but the rate adjustment caused revenues to increase over the prior year.

Total operating, maintenance, administrative and general expenses including depreciation increased by 14.3% to \$2,603,536 as compared to \$2,277,403 in 2024. The net increase is primarily due to unanticipated costs responding to and partially recovering from the January 2025 Eaton Fire.

DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The District operates as a utility enterprise and its annual report consists of a series of financial statements presented on the full accrual basis of accounting. The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position provide information about the District as a whole and present a longer-term view of the District's finances.

DESCRIPTION OF OPERATIONS

The District provides water to 548 retail customers in a service area that includes a portion of the unincorporated Los Angeles County that is east of Altadena and an adjacent portion of the City of Pasadena. The District also sells excess groundwater when available to the City of Pasadena on a wholesale basis. The current number of customers is down from 597 the previous year due to the destruction of customers properties by the January 2025 Eaton Fire.

The District obtains its water from two vertical wells and five horizontal wells. These sources are sufficient to meet customer demand except in periods of extreme drought or other emergency. The District has six interconnections with the City of Pasadena municipal water system which allow either agency to supply water to the other agency under emergency conditions.

More information about the Kinneloa Irrigation District can be found on our Internet site at www.kinneloairrigationdistrict.info.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 and 2024**

CONDENSED FINANCIAL INFORMATION

The following condensed financial information provides an overview of the District's financial activities as of December 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS		
Current assets	\$ 1,508,311	1,607,440
Capital assets, net	4,616,071	4,841,865
Deferred outflows of resources	87,088	132,752
Total assets and deferred outflows of resources	<u>\$ 6,211,470</u>	<u>6,582,057</u>
LIABILITIES AND DEFERRED INFLOWS		
Current liabilities	\$ 450,871	289,675
Noncurrent liabilities	1,056,792	1,303,495
Deferred inflows of resources	86,153	34,282
Total liabilities and deferred inflows of resources	<u>1,593,816</u>	<u>1,627,452</u>
NET POSITION		
Investment in capital assets	4,616,071	4,841,865
Unrestricted	1,583	112,740
Total net position	<u>4,617,654</u>	<u>4,954,605</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 6,211,470</u>	<u>6,582,057</u>

Capital and other assets – The change in capital and other assets is net of a decrease in capital and other assets less current year's depreciation of \$375,175.

Net position – The net position decreased from the prior year due to the current year's excess of expenses over revenues. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 and 2024**

CHANGES IN NET POSITION

	<u>2025</u>	<u>2024</u>
Total operating revenues	\$ 2,281,056	1,989,237
Total non-operating revenues	<u>172,888</u>	<u>96,171</u>
Total revenues	2,453,944	2,085,408
Total operating expenses	2,603,536	2,277,403
Total non-operating expenses, net	<u>187,359</u>	<u>43,161</u>
Total expenses	<u>2,790,895</u>	<u>2,320,564</u>
Change in net position	(336,951)	(235,156)
Net position, beginning of year	<u>4,954,605</u>	<u>5,189,761</u>
Net position, end of year	\$ <u>4,617,654</u>	<u>4,954,605</u>

Revenues – Retail water sales by volume decreased to 524 acre feet as compared to 538 acre-feet in 2024 and the total operating revenue increased to \$2,281,056 from \$1,989,237.

The District also received \$64,648 in non-operating revenue from interest on its temporary investments. The District's cash and temporary investments at year end were \$1,094,606 and \$1,284,853 in 2025 and 2024, respectively. The District has identified \$11,578,120 in future projects in its Water System Evaluation and 10-Year Capital Improvement Plan. The temporary investments will be used for some of these projects and provide an operating reserve in accordance with the District's reserve policy.

Expenses – The District's operating and maintenance expenses increased by \$376,165 in 2025 as compared to 2024. This increase is due primarily to an increase in the labor costs and responding to the January 2025 Eaton Fire. The District's administrative and general expenses decreased by \$45,044 due primarily to internal and outside labor costs and election expenses. A schedule of these expenses is provided on page 26.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 and 2024**

BUDGET ANALYSIS AND VARIANCES

Revenue from water sales for 2025 was \$2,265,567 as compared to the budgeted amount of \$2,354,666 for retail and wholesale water sales. The budgeted revenue was based on the 10-year average consumption level, adjusted for rate changes and/or expected new service connections for the year. Total revenue for 2024 was \$1,982,121 as compared to the budgeted amount of \$2,126,997.

Overall, for 2025, the net operating income before depreciation was \$52,695, as compared to the budgeted amount of \$703,26. Capital and planned maintenance projects in the amount of \$407,256 were completed as compared to the budgeted amount of \$281,634. The cash reserve at year end was \$955,855 which is below the target \$2,534,760 established by the Board in the Reserve Policy Funding Guidelines for Calendar Year 2025 in the District’s Rules and Regulations. Each year the District budgets amounts for capital projects and planned maintenance projects based on its expected operations and available reserves. In 2025, the major projects and equipment purchases included the completion of a new interconnection and source blending station as well as the purchase of various sizes of meters for future installation based on obsolescence.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – At December 31, 2025 and 2024, the District had investments in land, water rights, buildings, wells and distribution systems, machinery and equipment as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 96,700	96,700
Water rights	52,060	52,060
Buildings, wells and distribution system	10,232,846	10,548,063
Machinery and equipment	<u>1,004,948</u>	<u>1,102,767</u>
 Total	 <u>\$ 11,386,554</u>	 <u>11,799,590</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Average inflation as measured by the consumer price index for all urban consumers in the Los Angeles area was 3.0% for the 12 months ended December 2025.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025 and 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES, continued

The annual rainfall in the 2025-2026 season is expected to be well below the 27-year average and future weather patterns will continue to be the major factor in determining water usage since most of the District's water is used for outdoor irrigation rather than indoor use.

In 2024, the District completed a Water System Evaluation and Capital Improvement Plan identifying priority projects and funding needs over the next 10 years. The District also commissioned a detailed Cost of Service study and implemented a new 5-year water rate schedule to support the revenue needs identified in the Capital Improvement Plan. In 2025, the second year of the adopted rate increase schedule was implemented, due to the January 2025 Eaton Fire the Capital Improvement Plan implementation was delayed one year.

The Board of Directors approved the 2026 budget without making any adjustments to the previously approved rate adjustment plan. Wholesale water sales are not expected to be realized in 2026.

Although weather will continue to play a significant role in determining retail water sales for 2026, the displacement of customers from the Eaton Fire, whether due to complete loss of their home or displacement due to repairs and remediation will have the largest impact on the reduction in revenues expected over the next 5 years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our purveyors, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the District's finance office at 1999 Kinclair Drive, Pasadena, CA 91107. Current and archived documents of the Kinneloa Irrigation District can also be found on our Internet site at: www.kinneloairrigationdistrict.info

EGAN & EGAN
CERTIFIED PUBLIC ACCOUNTANTS
1545 N. COLUMBUS AVENUE
GLENDALE, CA 91202
(877) EGAN 4 US EGANCPA.COM

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Kinneloa Irrigation District
Pasadena, California

Opinion

We have audited the accompanying financial statements of Kinneloa Irrigation District (the "District") as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood

that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 6 and the Schedules of District's Proportionate Share of the Plan's Net Pension Liability and Contributions to the Pension Plan on pages 27 through 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Operating Expenses on page 26 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Operating Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Egan & Egan

_____, 2026

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**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets		
Cash and cash equivalents	\$ 138,751	273,802
Cash, restricted as to use	955,855	1,011,051
Customer receivables	393,705	246,075
Prepaid expenses	-	56,512
Materials and supplies	<u>20,000</u>	<u>20,000</u>
Total current assets	1,508,311	1,607,440
Capital assets, net of accumulated depreciation	4,616,071	4,841,865
Deferred outflows of resources		
Deferred amounts from pension plan	<u>87,088</u>	<u>132,752</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>6,211,470</u>	<u>6,582,057</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities		
Current portion of installment purchase contract	\$ 171,825	165,753
Accounts payable and accrued expenses	28,734	75,021
Deferred grant receipts	198,250	
Accrued payroll and payroll taxes	31,922	35,030
Customer deposits	<u>20,140</u>	<u>13,871</u>
Total current liabilities	450,871	289,675
Installment purchase contract, net of current	650,739	822,379
Net pension liability	<u>406,053</u>	<u>481,116</u>
Total liabilities	1,507,663	1,593,170
Deferred inflows of resources		
Deferred amounts from pension plan	86,153	34,282
Net position		
Invested in capital assets, net of related debt	4,616,071	4,841,865
Unrestricted	<u>1,583</u>	<u>112,740</u>
Total net position	<u>4,617,654</u>	<u>4,954,605</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ <u>6,211,470</u>	<u>6,582,057</u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Operating revenues		
Water sales and service fees	\$ <u>2,281,056</u>	<u>1,989,237</u>
Operating expenses		
Operating and maintenance	1,439,056	1,062,891
Administration and general	789,305	834,349
Depreciation	<u>375,175</u>	<u>380,163</u>
Total operating expenses	<u>2,603,536</u>	<u>2,277,403</u>
Operating loss	<u>(322,480)</u>	<u>(288,166)</u>
Non-operating revenue and expense		
Interest	32,652	43,332
Interest expense	(34,634)	(39,955)
Unrealized gain (loss)	-	(3,206)
Loss on disposal of assets	(152,725)	-
Other income, including grants	<u>140,236</u>	<u>52,839</u>
Net non-operating revenue and expense	<u>(14,471)</u>	<u>53,010</u>
Change in net position	(336,951)	(235,156)
Net position, beginning of year	<u>4,954,605</u>	<u>5,189,761</u>
Net position, end of year	<u>\$ <u>4,617,654</u></u>	<u><u>4,954,605</u></u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

Cash flows from operating activities:	2025	2024
Cash received from customers	\$ 2,133,426	1,912,874
Cash payments to employees for services	(3,108)	22,955
Cash payments for services and goods	<u>(2,019,886)</u>	<u>(1,962,535)</u>
Net cash provided (used) by operating activities	<u>110,432</u>	<u>(26,706)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(302,106)	(174,240)
Net cash used (provided) for pension liabilities	22,472	57,845
Principal paid on installment purchase agreement	(165,568)	(160,247)
Customer deposits	6,269	(21,384)
Other non-operating gain, net	-	(3,206)
Other non-operating income, including grants	140,236	52,839.00
Interest expense paid	<u>(34,634)</u>	<u>(39,955)</u>
Cash used by capital and related financing activities	<u>(333,331)</u>	<u>(288,348)</u>
Cash flows from investing activities:		
Interest received	<u>32,652</u>	<u>43,332</u>
Net decrease in cash and cash equivalents	(190,247)	(271,722)
Cash and cash equivalents, beginning of the year	<u>1,284,853</u>	<u>1,556,575</u>
Cash and cash equivalents, end of the year	<u>\$ 1,094,606</u>	<u>1,284,853</u>
SUMMARY OF BALANCE SHEET CASH and CASH EQUIVALENTS		
Cash	\$ 138,751	273,802
Temporary investments, restricted as to use	<u>955,855</u>	<u>1,011,051</u>
Total cash	<u>\$ 1,094,606</u>	<u>1,284,853</u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
Reconciliation of operating income to net cash operating activities:		
Operating income	\$ (322,480)	(288,166)
Adjustments to reconcile operating income to net provided by operating activities:		
Depreciation and loss on disposal	375,175	380,163
Increase in receivables	(147,630)	(76,363)
Decrease (increase) in prepaid expenses	56,512	(12,817)
Increase in accounts payable and accrued expenses	148,855	(29,523)
Net cash provided (used) by operating activities	\$ 110,432	(26,706)

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The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kinneloa Irrigation District (the "District") is a special district organized in 1953 under the provisions of Division 11 of the Water Code of the State of California. The District delivers water to the residents in a specific area of Los Angeles County, northeast of the City of Pasadena. This District is not a subdivision of a larger governmental organization.

The District is governed by an elected Board of Directors. At December 31, 2025, the Board of Directors were as follows:

<u>NAME</u>	<u>OFFICE</u>
Stephen Brown	Chairman
Timothy Eldridge	Treasurer
John Feliton	Director
Gordon Johnson	Secretary
William Opel	Director

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental enterprise funds. The more significant policies reflected in the financial statements are summarized as follows:

a. Basis of Presentation and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its customers on a continuing basis be financed or recovered, primarily through user charges (water sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses are generated and incurred through the water sales activities to the District's customers. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

In accordance with U.S. GAAP, the Statements of Net Position reports separate sections for Deferred Outflows of resources, and Deferred Inflows of Resources, when applicable.

b. Deferred Outflows of Resources

Represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

c. Deferred Inflows of Resources

Represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, will not be recognized as revenue until that time.

d. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.

Unrestricted – This component of net position consists of net assets that do not meet the definition of restricted or net investment in capital assets.

e. Utility Plant

Utility plant is stated at cost. The District capitalizes applicable overhead costs in connection with self-constructed assets. Depreciation of all exhaustible utility plant is charged as an expense in the accompanying statements of income. Depreciation is provided over the estimated useful lives of the asset using the straight-line method. Estimated useful lives are as follows:

	<u>Number of Years</u>
Water system	5 to 50
Autos and trucks	3 to 5
Office equipment	5 to 10
Office and production facilities	10 to 40

f. Restricted Assets

The Board of Directors has designated a portion of the District's cash and cash equivalents to be maintained for future capital improvements. The restriction is at the discretion of the Board.

g. Uncollectible Accounts - Credit Risk

The District's management estimates that its accounts receivable are collectible. Unpaid water accounts receivable become a lien on the property and must be paid upon the sale of the property.

h. Cash and Cash Equivalents

The District defines cash and cash equivalents as demand account balances, cash on hand and money market accounts. The District invests cash in excess of its operating

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued**

h. Cash and Cash Equivalents, continued

requirements primarily with the State Treasurer's Local Agency Investment Fund (LAIF) and CalTrust, a money market account.

i. Materials and Supplies

Materials and supplies are stated at cost and consist of expendable supplies held for consumption or future additions to Utility Plant.

j. Concentration of Credit Risk

The District's receivables are from consumers within a specific geographic area.

k. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

l. Budgetary Process

Each year, the District adopts a budget which provides for its general operations. Budgets are prepared on the accrual basis of accounting. The District follows these procedures in establishing the budget for the fiscal year:

- i. Formal budgetary integration is employed as a management control device during the year for the operations.
- ii. The Board approves the total budget for the year for the District. The Board is authorized to make any budget adjustments during the year.
- iii. Unused appropriations lapse at the end of the year unless extended into the subsequent year by a vote of the Board of Directors.

m. Income Taxes

The District is exempt from income taxes under provisions of the Internal Revenue Code and related California statutes; accordingly, no provision for income taxes is required.

n. Compensated Absences

It is the District's policy to permit employees to accumulate paid time off for either vacation or illness in accordance with the limits expressed in its employee handbook. Upon termination, retirement or death of an employee, the District pays eligible accrued time in a

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
continued

n. Compensated Absences, continued

lump-sum payment to the employee or beneficiary. Accumulated paid time off is recorded as an expense and a liability at the time the benefit is earned.

o. Operating Revenues and Expenses

Operating revenues, principally water sales, are charges for services resulting from exchange transactions associated with the principal activity of the District and billed monthly. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues result from non-exchange transactions or ancillary activities in which the District gives or receives value without directly receiving or giving equal value in exchange. Revenue is recognized upon the conclusion of the District's performance obligation.

p. Property taxes

The Constitution of the State of California, Article 13A, limits the District's ability to levy taxes on property within the District. Taxes may be imposed upon the vote of a two-thirds vote of the qualified electors of the District. Such taxes would be limited for a specific purpose such as bond indebtedness or improvements to the water system.

q. Subsequent Events

The District has evaluated subsequent events through the date at which the financial statements were available to be issued, which was _____, 2026.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2025 and 2024 cash and cash equivalents consist of:

	<u>2025</u>	<u>2024</u>
Insured with financial institutions	\$ 273,302	273,302
Local Agency Investment Fund ("LAIF")	1,011,051	1,011,051
Uninsured and uncollateralized	500	500
	<u>\$ 1,284,853</u>	<u>1,284,853</u>

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 2. CASH AND CASH EQUIVALENTS, continued

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is Federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The District is a voluntary participant in LAIF, which is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by participating in LAIF.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District does not believe a credit risk exists from its deposits with LAIF.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 3. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2025 and 2024 was as follows:

2025				
	Balance January 1	Additions	Disposal & Transfers	Balance December 31
Land	\$ 96,700			96,700
Water rights	52,060			52,060
Buildings, wells and distribution system	10,548,063	289,124	604,341	10,232,846
Machinery and equipment	1,102,767	118,132	215,951	1,004,948
	11,799,590	407,256	820,292	11,386,554
Less accumulated	(6,957,725)	562,417	375,175	(6,770,483)
Total capital assets	\$ 4,841,865	969,673		4,616,071
2024				
	Balance January 1	Additions	Disposal & Transfers	Balance December 31
Land	\$ 96,700			96,700
Water rights	52,060			52,060
Buildings, wells and distribution system	10,424,221	123,842		10,548,063
Machinery and equipment	1,052,369	50,398		1,102,767
	11,625,350	174,240		11,799,590
Less accumulated	(6,577,562)	(380,163)		(6,957,725)
Total capital assets	\$ 5,047,788	(205,923)	0	4,841,865

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 4. INSTALLMENT PURCHASE AGREEMENT

During the year ended December 31, 2015, the District entered into a \$2,300,000 installment purchase agreement ("the Agreement") to provide funds for the construction and acquisition of a booster pump station and connector pipelines. The Agreement requires semi-annual payments of principal and interest of \$100,101. Future annual debt service is as follows:

Year ended December 31,	Installment Payments	Interest	Total Debt Service
2026	\$ 171,825	28,377	200,202
2027	178,119	22,083	200,202
2028	184,643	15,559	200,202
Thereafter	287,977	10,580	298,557
	\$ 822,564	76,599	899,163

The District pledged Net Water Revenues as security for the Agreement. The District is required to maintain a minimum unrestricted fund balance of \$200,200.

NOTE 5. PENSION PLAN

DRAFT

Plan Description

The District contributes to the State of California Public Employees Retirement System ("PERS"), an agent multi-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute and city ordinance. Copies of PERS' annual financial report may be obtained from their offices or through their web site.

All full-time employees are eligible to participate as members of PERS. Benefits vest after five years of service. District employees are eligible to retire upon attaining age 60. Annual retirement benefits are determined based upon the age at retirement, the length of membership service and the amount of earnings based upon the highest twelve consecutive months' average.

Benefits Provided

PERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 5. PENSION PLAN, continued

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law, taking effect January 1, 2013. The new legislation closed the District's PERS 2.5% at 55 and 2% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. The District had 3 employees included in Classic. All employees hired after January 1, 2013, are eligible for the District's PERS 2% at 62 Retirement Plan under PEPRA. The District has 4 employees covered by PEPRA.

The Plans' provision and benefits in effect as of the June 30, 2023 measurement are as follows:

	Miscellaneous Plan	
	Classic	PEPRA
	Prior to January 1, 2011	On or after January 1, 2011
Hire Date		
Benefit formula	2.0% @ age 60	2% @ age 62
Benefit vesting schedule	5 service years	5 service years
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55 and up	52-67 and up
Monthly benefits, as a % of eligible comp.	2.0% to 2.5%	1.0% to 2.0%
Required employee contribution rates	7.000%	6.75%
Required employer contribution rates	8.650%	7.590%

Contributions

California Public Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarial determined rate and the contribution rate of employees.

Employer contributions for the years ended December 31, 2026 and 2025 were \$59,248 and \$50,552, respectively.

Net Pension Liability, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2025 the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ <u>406,053</u>

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 5. PENSION PLAN, continued

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2025, and the total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2025.

The District's proportionate share of the net pension liability for the Plan as of the reporting period ending December 31, 2025 and 2024 was as follows:

	<u>Miscellaneous</u>
Proportion - December 31, 2025	0.01018%
Proportion - December 31, 2024	0.00995%
Change - Increase	-0.00023%

For the years ended December 31, 2025 and 2024, the District recognized pension expense, including change in estimates, of \$139,828 and \$126,631, respectively. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions after the measurement date	\$ 28,679	
Differences between actual and expected experience	48,655	
Change in assumptions		
Change in employer's proportion and differences between the District's contributions and the District's proportionate share of contributions	9,754	31,210
Differences between projected and actual earnings on Plan investments		54,943
	\$ 87,088	86,153

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 40,182
2027	(18,954)
2028	(27,997)
2029	(20,974)
	\$ (27,743)

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 5. PENSION PLAN, continued

Actuarial Assumptions and Methods

The actuarial valuation is computed using the entry age normal actuarial cost method. The actuarial assumptions include: (a) an investment rate of return of 7.15% compounded annually, (b) projected annual salary increases that vary by duration of service, and (c) payroll cost-of-living adjustments of 2.75%. The rates used in (a) and (b) are compounded annually at 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a specific period that depends upon the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of projected payroll over a closed 20-year period. As of the date of the PERS actuarial valuation and the PERS assumptions, the District does not have an unfunded liability for the PEPRA plan and an unfunded liability of \$28,502 for its classic plan participants.

Discount Rate

CalPERS used a 6.90% discount rate to determine the total pension liability for each of the years ended December 31, 2025 and 2024. The District relies upon the actuarial analysis performed by CalPERS actuaries for the reasonableness of this discount rate.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u> %	<u>Long-Term Expected Real Rate of Return</u> %	<u>Real Return Years 11+</u> %
Public Equity	37.0	4.56	5.98
Private Equity	17.0	5.56	
Fixed Income	28.0	2.53	2.62
Real Assets	15.0	3.03	1.81
Private Debt	8.0	4.93	7.23
Strategic Leverage	(5.0)	1.40	4.93
	<u>100.0</u>		

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

NOTE 5. PENSION PLAN, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The District relies upon CalPERS to compute the liability using an expected long-term rate of return. The following presents the District's proportionate share of the net pension liability calculated using the discount rate for the Plan and what the District's proportionate share would be if it was calculated using a discount rate that is one percent lower and one percent higher:

	Discount Rate		
	Less 1% - 5.90%	Current - 6.90%	Plus 1% - 7.90%
Proportionate Net Pension Liability	\$ <u>737,542</u>	<u>406,053</u>	<u>133,241</u>

NOTE 6. INSURANCE POOLS

The District is a member of the Joint Powers Insurance Authority ("JPIA"), which pools together members of the Association of California Water Agencies for the purpose of paying group property, general liability and workers' compensation claims. Premiums are remitted directly to the JPIA by its members. The property portion is entirely self-funded, and the general liability self-funded portion is capped at \$5,000,000. Excess liability insurance in the amount of \$55,000,000 has been purchased by the Authority, bringing the total liability coverage to \$60,000,000.

To date, the District and its counsel are not aware of any material claims incurred through the period ended December 31, 2025, regarding these insurance plans. The District does not anticipate the need for a reserve for Incurred but Not Reported. The impact of the Eaton Fire on JPIA is currently unknown.

NOTE 7. CONTINGENCIES AND COMMITMENTS

Contingencies

The District is the subject of certain claims and assessment arising in the normal course of its operations. Management of the District does not believe that the resolution of these matters will have a material adverse effect on the District's financial condition.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 and 2024**

Contingencies

The District is subject to water usage requirements of the State of California. The District's primary source of water is from groundwater wells and its water rights are sufficient to meet customer demand under normal conditions. Interconnections with the City of Pasadena are used for supplemental water in the event of an operational emergency. The District is also a member agency of the Foothill Municipal Water District which is a wholesale supplier of imported water from the Metropolitan Water District of Southern California.

The accompanying financial statements do not include the effects, if any, should the District be required to import additional water to meet demand.

Eaton Fire

The impact of the Eaton fire, which began on the evening of January 7, 2025, destroyed transmission facilities totaling approximately \$401,000 and customer residences and businesses. The District's ongoing operations were disrupted and damaged resulting from the wind, fire and the burn scare. The extent of the ongoing damages have not been fully determined.

The District is one of many Plaintiffs in a mass tort lawsuit filed against public utility that is believed to have caused the fire. The utility has cross-complained against the District and other Plaintiffs alleging that they failed to provide sufficient water to fight the fire. The District is vigorously defending against this assertion. The outcome of this litigation is not currently determinable.

SUPPLEMENTARY INFORMATION

DRAFT

**KINNELOA IRRIGATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Operating & Maintenance		
Power	\$ 209,521	206,998
Labor	382,240	313,232
Engineering	62,440	78,323
Maintenance and repairs	138,481	29,099
Water analysis	43,938	22,518
Outside contractors	110,995	125,306
Unplanned/emergency repairs	168,578	84,760.00
Truck maintenance and fuel	25,140	20,214
Insurance	193,824	137,301
Watermaster	18,300	16,984
Other	<u>85,599</u>	<u>28,156</u>
	<u>\$ 1,439,056</u>	<u>1,062,891</u>
Administrative and General		
Administrative salaries	\$ 191,037	199,805
Office labor	170,772	186,459
Payroll taxes	55,911	51,476
CalPERS retirement	55,889	50,758
CalPERS change in estimates	83,939	75,873
State employment tax	342	13,003.00
Outside services	62,281	87,216
Legal fees	10,418	4,865
Professional dues	34,552	20,347
Board compensation	7,050	11,550
Office expense	74,201	61,098
Telephone, internet	11,432	7,842
Accounting fees	520	7,600
Permits and operational fees	18,685	13,913
Information systems	12,276	8,609
Election	<u>-</u>	<u>33,935</u>
	<u>\$ 789,305</u>	<u>834,349</u>

KINNELOA IRRIGATION DISTRICT
Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability
For the Year Ended December 31, 2025

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date:	June 30, 2025¹	June 30, 2024¹	June 30, 2023¹	June 30, 2022¹
District's Proportion of the Net Pension Liability	<u>0.0101800%</u>	<u>0.0099500%</u>	<u>0.0096100%</u>	<u>0.0000888%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 406,053</u>	<u>\$ 481,116</u>	<u>\$ 480,308</u>	<u>\$ 428,385</u>
District's Covered-Employee Payroll	<u>\$ 747,157</u>	<u>\$ 699,496</u>	<u>\$ 679,609</u>	<u>\$ 644,059</u>
Liability as a Percentage of Covered-Employee	<u>54.35%</u>	<u>68.78%</u>	<u>70.67%</u>	<u>66.51%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>84.34%</u>	<u>79.91%</u>	<u>77.97%</u>	<u>78.19%</u>

¹ Historical information is presented only for measurement periods for which GASB No. 68 is applicable.

KINNELOA IRRIGATION DISTRICT
Required Supplementary Information (Unaudited)
Schedule of the District's Contributions to the Pension Plan
For the Year Ended December 31, 2025

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year:	<u>2024-25¹</u>	<u>2023-24¹</u>	<u>2022-23¹</u>	<u>2021-22¹</u>	<u>2020-21¹</u>	<u>2019-20¹</u>
Actuarially Determined Contribution ²	\$ 59,248	\$ 50,552	\$ 44,452	\$ 42,935	\$ 42,594	\$ 33,964
Actuarially Determined Contribution ²	<u>(59,248)</u>	<u>(50,552)</u>	<u>(44,452)</u>	<u>(42,935)</u>	<u>(42,594)</u>	<u>(33,964)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<u>\$ 747,157</u>	<u>\$ 699,496</u>	<u>\$ 679,609</u>	<u>\$ 644,059</u>	<u>\$ 554,185</u>	<u>\$ 491,319</u>
Covered-Employee Payroll	<u>7.93%</u>	<u>7.23%</u>	<u>6.54%</u>	<u>6.67%</u>	<u>7.69%</u>	<u>6.91%</u>

¹ Historical information is presented only for measurement periods for which GASB No. 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, March 24, 2026, 2:00 P.M.

MINUTES

The meeting was conducted in the District Board Room and by teleconference in accordance with the Brown Act and AB 2449. The District offered the public the option to attend the meeting by telephone, videoconference or in-person as stated in the agenda.

DIRECTORS PRESENT: (In-Person): Stephen Brown, Timothy Eldridge, John Feliton, Gordon Johnson, William Opel,

DIRECTORS ABSENT: None

STAFF PRESENT: (In-Person): Tom Majich, General Manager (GM); Katherine Morrisroe, Assistant Management Analyst; Chris Burt, Chief Operator

PUBLIC PRESENT: Michael Oliver (remote)

1. **CALL TO ORDER:**

Chairman Brown called the meeting to order at 2:00 P.M. and took roll call. A quorum of Board Members was present and reviewed the agenda.

The GM advised that to facilitate the previously agendaed Resolution 2026-03-24-01 “Authorizing the Execution and Delivery by the District of an Installment Loan Agreement and Authorizing the Execution of other necessary documents and related actions” an additional Resolution Adopting a Debt Management Policy must also be acted on. The GM noted that this requirement was made known after the agenda was posted and there is an immediate need to act so that the previously agendaed item can be acted upon. Director Johnson motioned to add this item to the agenda immediately following agenda item 6 “Support Letter for SB 1153” and was seconded by Director Feliton. A discussion ensued where questions were asked and answered. Director Opel asked when this Policy became a requirement and if it was indeed an emergent issue. The GM advised that Debt Management Policy became a requirement in 2017 after the District’s most recent financing in 2015 which is why the District does not have one in place currently and that it must be in place to effectuate the borrowing included in the agenda as Item 7. Following this discussion Chairman Brown called for a vote. It was motioned / seconded / carried unanimously – (Johnson / Feliton – 5 Aye / 0 Nay).

2. **PUBLIC COMMENT:** None

3. **REVIEW OF MINUTES**

Director Eldridge motioned to approve the **February 24, 2026 Minutes** for filing and was seconded by Director Opel. It was motioned / seconded / carried unanimously – (Eldridge / Opel – 5 Aye / 0 Nay).

4. REVIEW OF FINANCIAL REPORTS:

The General Manager presented the **February 2026 financial reports**. Director Eldridge motioned to approve the reports for filing and was seconded by Director Feliton. It was motioned / seconded / carried unanimously – (Eldridge / Feliton – 5 Aye / 0 Nay).

5. LAFCO ELECTION FOR SPECIAL DISTRICT REPRESENTATIVE:

The General Manager presented the nominees for the LAFCO Election for Special Districts. Chairman Brown motioned to authorize the General Manager to submit a ballot for Robert W. Lewis and was seconded by Director Eldridge. A discussion ensued where questions were asked and answered. It was motioned / seconded / carried unanimously – (Brown / Eldridge – 5 Aye / 0 Nay).

6. SUPPORT LETTER FOR SB1153 WILDFIRE PREPAREDNESS FOR PUBLIC WATER AGENCIES:

The GM presented documentation prepared by the Association of California Water Agencies (ACWA) requesting all ACWA members sign onto the SB1153 support letter prepared by ACWA. Director Eldridge motioned to authorize the General Manager to sign the support letter for SB 1153 on behalf of the District and was seconded by Director Feliton. A discussion ensued where questions were asked and answered. It was motioned / seconded / carried unanimously – (Eldridge / Feliton – 5 Aye / 0 Nay).

7. RESOLUTION 2026-03-24-02 ADOPTING DEBT MANAGEMENT POLICY IN ACCORDANCE WITH GOVERNMENT CODE SECTION 8855(j):

The GM presented Resolution 2026-03-24-02 to adopt a Debt Management Policy as required by Government Code Section 8855. Chairman Brown motioned to adopt the resolution and was seconded by Director Eldridge. A discussion ensued. Following that discussion Chairman Brown motioned to adopt the resolution subject to the modification of language in sections III-H-1 and III-H-2 to add “the Board” to provisions that authorized the GM to act as they deem prudent. The amended motion was seconded by Director Eldridge. It was motioned / seconded / carried unanimously – (Brown / Eldridge – 5 Aye / 0 Nay).

8. RESOLUTION 2026-03-24-01 AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF AN INSTALLMENT LOAN AGREEMENT AND AUTHORIZING THE EXECUTION OF OTHER NECESSARY DOCUMENTS AND RELATED ACTIONS:

The General Manager presented Resolution 2026-03-24-01 to authorize the General Manager to provide the necessary documents to close the proposed financing with Columbia Bank to execute the District’s Capital Improvement Plan. Director Eldridge motioned to adopt the Resolution and was seconded by Director Johnson. A discussion ensued where questions were asked and answered. Director Johnson requested that the minutes reflect the Board’s discussion that this action conforms with the District’s adopted Debt Management Policy and that the terms of the financing are consistent with the District’s adopted financial plan and current rate structure. It was motioned / seconded / carried unanimously – (Eldridge / Johnson – 5 Aye / 0 Nay).

9. INFORMATION ITEMS:

a. The General Manager presented a draft of the February 2026 Water Loss Audit report.

- b. The General Manager reviewed the February 2026 Water Quality Testing report.
- c. The General Manager presented the Capital Project Status Report. He reported that plans have been received for project 24113 the “Brown-Glen Pipeline Project” and will be out for bid in April.
- d. The General Manager presented the monthly report on District activities, water supply, and production. A year-to-date summary of the Watermaster Year ending February 2026 was presented.
- e. The General Manager discussed Subeca device replacement status and reporting performance. The GM and District staff believe that a replacement for Subeca may be required soon and that a meter reading upgrade project will be added to the Capital Project list and options for replacement will be developed over the coming months.
- f. The General Manager provided a reminder that Form 700 Filing is due by April 1, 2026.

10. CLOSED SESSION – Pending or Threatened Litigation / Threats to Critical Infrastructure Controls:

The Board went into closed session at 3:37p.m, the closed session ended at 4:20pm. Chairman Brown reported that no action was taken.

11. DIRECTOR REPORTS AND/OR COMMENTS

None

12. CALENDAR:

Upcoming meetings: April 28, 2026; May 26, 2026, June 23, 2026.

13. ADJOURNMENT:

Chairman Brown adjourned the meeting at 4:25 P.M.

Prepared and submitted by,

**Katherine Morrisroe
Assistant Management Analyst**

Kinneloa Irrigation District
Balance Sheet as of March 31, 2026

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 152,530.15
1011	CIP Reserve Fund	4,586,427.43
1012	Reserve Fund-LAIF	965,961.88
1100	Accts. Receivable-Water Sales	24,856.94
1101	Accts. Receiv.-Service Charges	2,697.50
1108	AR Public Asst. - Federal	198,249.92
1109	AR Public Asst. - State	0.00
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	224,631.92
1360	Prepaid Expenses	8,007.44
	Total Current Assets	<u>6,182,591.70</u>

Property and Equipment

Total Property and Equipment	<u>5,289,504.89</u>
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Other Assets

1901	PERS-Deferred Outflows	\$ 132,752.00
	Total Assets	<u><u>11,604,848.59</u></u>

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 28,715.83
2005	Umpqua Visa Payable	5,275.56
2271	Deposits-Construction Meters	950.00
2272	Job Deposits	20,334.95
2275	Deposits-Water Customers	1,554.91
2290	Accrued Vacation	<u>35,030.40</u>
	Total Current Liabilities	91,861.65

Long-Term Liabilities

2300	Loan Payment for 2026 CIP	5,500,000.00
2801	PERS- Net Liability	419,648.50
2901	PERS- Deferred Inflows	<u>34,282.00</u>
	Total Long-Term Liabilities	<u>5,953,930.50</u>

Total Liabilities	6,045,792.15
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Capital

3040	Fund Balance	\$ 5,525,322.06
	Net Income	<u>151,708.09</u>
	Total Capital	<u>5,677,030.15</u>
	Total Liabilities & Capital	<u><u>11,722,822.30</u></u>

Kinneloa Irrigation District
Income Statement Compared with Budget For the Three Months Ending March 31, 2026

		Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget
Revenues								
4001	Retail Water Sales DSC	72,164.00	72,574.06	(410.06)	207,699.26	210,698.88	(2,999.62)	854,501.00
4002	Retail Water Sales Consumption	153,422.74	96,479.25	56,943.49	358,501.32	289,437.80	69,063.52	1,929,585.00
4020	Service Charges	354.91	0.00	354.91	1,498.38	0.00	1,498.38	0.00
4035	Interest on Cash	0.00	6,549.25	(6,549.25)	10,106.68	19,647.75	(9,541.07)	78,591.00
4070	Misc. Income	0.00	0.00	0.00	3,479.21	0.00	3,479.21	0.00
	TOTAL REVENUES	225,941.65	175,602.56	50,339.09	581,284.85	519,784.43	61,500.42	2,862,677.00
Expenses								
5005	Electricity	18,649.04	20,872.50	(2,223.46)	50,561.93	62,617.50	(12,055.57)	250,470.00
5010	Maintenance Supplies	832.30	2,187.50	(1,355.20)	4,025.22	6,562.50	(2,537.28)	26,250.00
5012	Safety Equipment	105.59	257.50	(151.91)	1,461.31	772.50	688.81	3,090.00
5015	Operations & Maint. Labor	30,561.20	29,750.00	811.20	89,375.26	89,250.00	125.26	357,000.00
5016	Non-Emergency Operations OT	1,340.92	2,925.00	(1,584.08)	4,388.10	8,775.00	(4,386.90)	35,100.00
5020	Standby Compensation	930.00	912.50	17.50	2,760.00	2,737.50	22.50	10,950.00
5022	Training/Certification	40.00	260.00	(220.00)	(85.00)	780.00	(865.00)	3,120.00
5025	Water Treatment/Analysis	590.00	1,287.50	(697.50)	9,636.10	3,862.50	5,773.60	15,450.00
5026	Water Treatment/Supplies	1,892.76	875.00	1,017.76	3,084.26	2,625.00	459.26	10,500.00
5030	Maint. Contractors Scheduled	0.00	9,721.25	(9,721.25)	22,513.89	29,163.75	(6,649.86)	116,655.00
5031	SCADA System O&M	5,205.75	862.50	4,343.25	5,205.75	2,587.50	2,618.25	10,350.00
5033	Unscheduled/Emergency Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5034	Equipment Maintenance	0.00	1,725.00	(1,725.00)	821.00	5,175.00	(4,354.00)	20,700.00
5035	Vehicle Maintenance	148.67	517.50	(368.83)	725.86	1,552.50	(826.64)	6,210.00
5036	Fuel - All Equipment	539.27	1,050.00	(510.73)	1,930.74	3,150.00	(1,219.26)	12,600.00
5040	Equipment Rental	0.00	42.75	(42.75)	0.00	128.25	(128.25)	513.00
5045	Insurance-Workers Compensation	0.00	1,781.08	(1,781.08)	4,934.62	5,343.25	(408.63)	21,373.00
5046	Insurance-Liability	0.00	3,041.67	(3,041.67)	0.00	9,125.00	(9,125.00)	36,500.00
5048	Insurance-Property	0.00	470.58	(470.58)	0.00	1,411.75	(1,411.75)	5,647.00
5049	Insurance-Medical	10,646.79	8,837.50	1,809.29	31,940.33	26,512.50	5,427.83	106,050.00
6000	Engineering Services	13,587.50	5,177.08	8,410.42	26,587.50	15,531.25	11,056.25	62,125.00
6005	RBMB Watermaster Fees	0.00	1,622.92	(1,622.92)	0.00	4,868.75	(4,868.75)	19,475.00
6015	General Manager Compensation	15,815.84	16,720.75	(904.91)	47,220.10	50,162.25	(2,942.15)	200,649.00
6017	Administrative Travel	0.00	266.50	(266.50)	0.00	799.50	(799.50)	3,198.00
6020	Board of Directors Comp.	600.00	750.00	(150.00)	1,800.00	2,250.00	(450.00)	9,000.00
6021	Administrative/Board Expense	279.37	427.08	(147.71)	590.92	1,281.25	(690.33)	5,125.00
6022	Boad of Directors Election	0.00	1,041.67	(1,041.67)	0.00	3,125.00	(3,125.00)	12,500.00
6024	Customer/Public Information	352.00	1,288.92	(936.92)	1,756.00	3,866.75	(2,110.75)	15,467.00
6025	CalPERS - KID	5,069.14	4,875.00	194.14	15,089.88	14,625.00	464.88	58,500.00
6030	Social Security - KID	3,970.70	3,819.58	151.12	11,651.66	11,458.75	192.91	45,835.00
6031	Medicare - KID	928.65	944.17	(15.52)	2,725.06	2,832.50	(107.44)	11,330.00
6035	Office/Computer Supplies	604.27	600.83	3.44	1,300.63	1,802.50	(501.87)	7,210.00

Kinneloa Irrigation District
Income Statement Compared with Budget For the Three Months Ending March 31, 2026

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget
6036 Postage/Delivery	1,391.84	343.33	1,048.51	2,468.72	1,030.00	1,438.72	4,120.00
6040 Professional Dues	692.00	1,801.33	(1,109.33)	4,070.80	5,404.00	(1,333.20)	21,616.00
6045 Legal Services	776.58	515.00	261.58	2,171.10	1,545.00	626.10	6,180.00
6050 Phone/Internet/Wireless	483.99	729.58	(245.59)	1,501.86	2,188.75	(686.89)	8,755.00
6059 Computer/Software Maint.	460.53	1,098.67	(638.14)	8,695.38	3,296.00	5,399.38	13,184.00
6061 Office Equipment Maint.	0.00	214.58	(214.58)	0.00	643.75	(643.75)	2,575.00
6065 Accounting Services	0.00	660.92	(660.92)	503.04	1,982.75	(1,479.71)	7,931.00
6070 Office & Accounting Labor	16,067.21	14,878.17	1,189.04	46,201.47	44,634.50	1,566.97	178,538.00
6075 Professional Services	1,242.50	1,281.25	(38.75)	4,265.46	3,843.75	421.71	15,375.00
6076 Contract Services	2,175.00	4,082.83	(1,907.83)	6,525.00	12,248.50	(5,723.50)	48,994.00
6080 FMWD Administrative Fees	1,103.70	1,254.58	(150.88)	3,376.90	3,763.75	(386.85)	15,055.00
6081 Permits/Fees	0.00	1,293.75	(1,293.75)	0.00	3,881.25	(3,881.25)	15,525.00
6120 Bank Service Charges	2,669.94	2,587.50	82.44	7,795.91	7,762.50	33.41	31,050.00
Subtotal Operating Expenses	139,753.05	155,653.33	(15,900.28)	429,576.76	466,960.00	(37,383.24)	1,867,840.00
NET OPERATING INCOME	86,188.60	19,949.23	66,239.37	151,708.09	52,824.43	98,883.66	994,837.00
Repair and Maintenance Expenses							
1504 Water Mains/Valves	0.00	4,166.67	(4,166.67)	27,536.00	12,500.00	15,036.00	50,000.00
1505 Water Tunnels	0.00	875.00	(875.00)	0.00	2,625.00	(2,625.00)	10,500.00
1512 Water Meters	0.00	2,187.50	(2,187.50)	22,865.67	6,562.50	16,303.17	26,250.00
1513 Electrical/Electronic Equip.	0.00	875.00	(875.00)	0.00	2,625.00	(2,625.00)	10,500.00
1514 Computer/Office Equip.	0.00	214.58	(214.58)	0.00	643.75	(643.75)	2,575.00
1516 Water Company Facilities	0.00	1,666.67	(1,666.67)	23,297.00	5,000.00	18,297.00	20,000.00
1527 SCADA Components	0.00	875.00	(875.00)	6,155.50	2,625.00	3,530.50	10,500.00
1530 Tools	0.00	416.67	(416.67)	0.00	1,250.00	(1,250.00)	5,000.00
Subtotal Other Expenditures	0.00	11,277.08	(11,277.08)	79,854.17	33,831.25	46,022.92	135,325.00
NET WATER REVENUES	86,188.60	8,672.14	77,516.46	71,853.92	18,993.18	52,860.74	859,512.00
Debt Service							
2300 Loan Payment for 2026 CIP	0.00	0.00	0.00	0.00	0.00	0.00	410,777.00
6088 Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	410,777.00
TOTAL INCREASE/(DRAWDOWN)	86,188.60	8,672.14	77,516.46	71,853.92	18,993.18	52,860.74	448,735.00

Kinneloa Irrigation District
Check Register
For the Period From March 1, 2026 to March 31, 2026

Date	Check #	Payee	Amount
03/03/2026	11643	Silva Movsesyan	-750.00
03/10/2026	11644	Clinical Lab of San Bernardino	-330.00
03/12/2026	11645	McMaster Carr	-1,191.50
03/13/2026	11646	Bluegrass Integrated Communications	-539.92
03/13/2026	11647	Waypoint Geospatial LLC	-4,200.00
03/13/2026	11648	Foothill Municipal Water District	-1,103.70
03/13/2026	11649	Public Water Agencies Group	-412.00
03/16/2026	EFT7069	Payroll - Office	-5,117.24
03/16/2026	EFT7070	Payroll - Field	-11,076.51
03/16/2026	EFT7071	Payroll - Management	-4,511.74
03/16/2026	EFT7072	Automatic Data Processing, Inc.	-7,997.07
03/16/2026	EFT7073	Southern California Edison Co.	-13,641.29
03/16/2026	EFT7074	Underground Service Alert	-27.20
03/16/2026	EFT7075	Streamline	-352.00
03/16/2026	EFT7076	Ultimate Cleaning Solutions, Inc.	-90.00
03/16/2026	EFT7077	CA Public Employees Ret. Sys.	-9,259.52
03/16/2026	EFT7078	CalPERS 457 Plan	-1,232.17
03/16/2026	EFT7079	Umpqua Bank	-5,547.88
03/16/2026	EFT7080	Spectrum	-57.24
03/16/2026	EFT7081	Automatic Data Processing, Inc.	-133.44
03/17/2026	11650	ACWA JPIA	-11,918.49
03/18/2026	11651	BMC Landscape Management	-2,175.00
03/18/2026	11652	Cricket Scada LLC	-5,205.75
03/18/2026	11653	Geotab USA, Inc.	-42.32
03/23/2026	11654	Clinical Lab of San Bernardino	-390.00
03/23/2026	11655	Lagerlof LLP	-776.58
03/23/2026	11656	McMaster Carr	-555.18
03/23/2026	11657	Civiltec Engineering, Inc.	-9,387.50
03/23/2026	11658	Highroad Information Technology	-250.00
03/31/2026	EFT7082	Arco Business Solutions	-484.86
03/31/2026	EFT7083	Automatic Data Processing, Inc.	-121.03
03/31/2026	EFT7084	CalPERS 457 Plan	-1,232.17
03/31/2026	EFT7085	National Construction Rentals	-196.05
03/31/2026	EFT7086	Nexbillpay	-2,001.80
03/31/2026	EFT7087	Nexbillpay	-332.00
03/31/2026	EFT7088	Pasadena Municipal Services	-2,056.63
03/31/2026	EFT7089	Verizon Wireless 1	-38.37
03/31/2026	EFT7090	Spectrum	-200.00
03/31/2026	EFT7091	Payroll - Office	-6,152.30
03/31/2026	EFT7092	Payroll - Field	-12,230.59
03/31/2026	EFT7093	Payroll - Management	-4,511.74
03/31/2026	EFT7094	Payroll - Board	-554.12
03/31/2026	EFT7095	Automatic Data Processing, Inc.	-9,648.52
	TOTAL		-138,031.42

Kinneloa Irrigation District
Cash Disbursements
For the Period From March 1, 2026 to March 31, 2026

Date	Check #	Name	Memo/Description	Cr ID	Account Description	Amount
03/02/2026	20260302TM-1	GOOGLE LLC	Google Cloud	6059	Computer/Software Maint.	184.80
03/02/2026	20260302TM-2	GOOGLE LLC	Google Cloud	6059	Computer/Software Maint.	78.19
03/03/2026	20260303KM-1	Ware Disposal	Trash Service	6075	Professional Services	509.79
03/04/2026	20260304TM-1	So Cal Water Utilities Association	Membership	5022	Training/Certification	40.00
03/05/2026	20260305FG-1	Amazon	Tools	5010	Maintenance Supplies	172.74
03/08/2026	20260308RA-1	FedEx	Package Drop off	6075	Professional Services	55.68
03/08/2026	20260308MA-1	USPS	Stamps (4)	6036	Postage/Delivery	312.00
03/10/2026	20260310MA-1	Ralphs	Office Supplies	6035	Office/Computer Supplies	31.46
03/11/2026	202603011FG-1	HOME DEPOT	Salt	5026	Water Treatment/Supplies	1,337.58
03/11/2026	20260311FG-1	Amazon	Shovel	5010	Maintenance Supplies	50.14
03/11/2026	20260311FG-2	Amazon	Document Sorter	6035	Office/Computer Supplies	46.38
03/11/2026	20260311TM-1	STARLINK	Internet	6059	Computer/Software Maint.	10.00
03/12/2026	20260312KM-1	Moo Print	ID Cards	6021	Administrative/Board Expense	279.37
03/12/2026	20260312MA-1	Staples	Paper	6035	Office/Computer Supplies	107.53
03/12/2026	20260312MA-1	Amazon	Office Supplies	6035	Office/Computer Supplies	418.90
03/15/2026	20260315FG-1	BNI Books	Traffic Safety Books	5012	Safety Equipment	105.59
03/17/2026	20260317TM-1	Zoom Video Communications Inc.	Annual Dues	6059	Computer/Software Maint.	177.55
03/17/2026	20260317KM-1	MyFax	Annual Dues	6050	Phone/Internet/Wireless	124.95
03/18/2026	20260318JP-1	Airgas	Nitro Tank	5010	Maintenance Supplies	51.21
03/19/2026	20260319TM-1	SimpliSafe	Simplisafe	6059	Computer/Software Maint.	9.99
03/19/2026	20260319FG-1	HOME DEPOT	Trash Can, Hose	5010	Maintenance Supplies	77.29
03/20/2026	20260322RA-1	Arco Business Solutions	Fuel	5036	Fuel - All Equipment	54.41
03/22/2026	20260322JP-1	HOME DEPOT	Tools	5010	Maintenance Supplies	91.92
03/24/2026	20260324KM-1	AT&T Mobility	FirstNet Wireless Service	6050	Phone/Internet/Wireless	63.43
03/25/2026	20260325MA-1	Sky Blueprint & Blueprint	Printing	6075	Professional Services	24.86
03/26/2026	20260326KM-1	FedEx	Package Drop off	6075	Professional Services	84.45
03/26/2026	20260326FG-1	Arco Business Solutions	Vehicle Maintenance	5035	Vehicle Maintenance	106.35
03/26/2026	20260326RA-1	FERGUSON	K3 CL2 Repair Parts	5010	Maintenance Supplies	223.04
03/26/2026	20260326TM-1	So Cal Water Utilities Association	Event	6040	Professional Dues	40.00
03/27/2026	20260327TM-1	American Water Works Association	Event	6040	Professional Dues	240.00
03/29/2026	20260329FG-1	Amazon	Wrench (2)	5010	Maintenance Supplies	135.08
03/29/2026	20260329FG-2	Amazon	Hose Connector	5010	Maintenance Supplies	30.88
TOTAL						\$5,275.56

WATER SAMPLE RESULTS SUMMARY
March 2026

SAMPLE DATE	LAB	SOURCE OR DISTRIBUTION	TEST ANALYSIS	DESCRIPTION	# SAMPLES	# TESTS	RESULTS	COMMENTS
3/3/2026	Clinical	Distribution	Bacteriological	Total Coliform, E.coli	6	12	ND	
3/3/2026	Clinical	Distribution	General Physical	Color, Odor, Turbidity	6	18	< MCL	Color, odor, turbidity are regulated by a secondary standard to maintain aesthetic qualities such as taste, smell, & appearance.
3/3/2026	Clinical	Distribution	Field	Chlorine Residual	6	6	.62-1.56 mg/L	District permit requires Chlorine Residual to be > 0.5 mg/L.
3/3/2026	Clinical	Source*	Bacteriological	Total Coliform, E.coli	2	4	ND	1st week sources tested are groundwater wells - Kinneloa #3 Well & Wilcox Well.
3/11/2026	Clinical	Special Inhouse- West Tank #1 & #2	Bacteriological	Total Coliform, E.coli	2	4	ND	Special Sampling for Total Coliform performed for West Tank Washout.
3/11/2026	Clinical	Special Inhouse- West Tank #1 & #2	Field	Chlorine Residual	2	2	1.44 & 1.47 mg/L	
3/17/2026	Clinical	Distribution	Bacteriological	Total Coliform, E.coli	6	12	ND	
3/17/2026	Clinical	Distribution	Field	Chlorine Residual	6	6	.87 - 1.57 mg/L	District permit requires Chlorine Residual to be > 0.5 mg/L.
3/17/2026	Clinical	Source*	Bacteriological	Total Coliform, E.coli	2	4	5.2 MPN/100 mL Total Coliform detected on Far Mesa Tunnel possible mix up of samples from either KID of Clinical Labs. We expect this result from Eucalyptus Tunnel.	3rd week sources are raw ground water tunnels. All tunnels are diverted to spreading. In-house sampling for Eucalyptus Tunnel & Far Mesa Tunnel only.
3/31/2026	Clinical	Inhouse K3 Well Samples	Perchlorate	Perchlorate	2	2	1.2 µg/L & 1.2 µg/L	CA Perchlorate MCL is 6 µg/L.

Total Samples 40 70

NOTES:

*All source groundwater tunnels were diverted to spreading on 12/01/2023. Delores Tunnel was turned into the system on 5/1/24 and again diverted to spreading on 1/7/25 due to Eaton Fire damage. As of 1/7/2025, all source groundwater tunnels are diverted to spreading.

< MCL = less than Maximum Contaminant Level, ND = not detected, mg/L = milligrams per liter, ug/L = micrograms per liter, A = Absence

4/20/26							
KID Job #	KID Job Name	Summary	Status	Engineer / Contractor	2026	2027	2028
25014	SCADA RTU Upgrade Project	With grant assistance from CalOES upgrade all RTU's in SCADA system due to obsolescence	All 16 devices in hand, start programming and install March 2026. Project must be complete by 12/31/2026 per CalOES grant guidelines	KID / CRICKET	\$ 9,204	\$ -	
24113	Brown-Glen Reduced Pressure Zone Project	Extend 12" DIP Vosburg Pressure to Villa Highlands, install PSV/PRV station. Replace all piping, hydrants and services on Edgecliff. Provide connection for future Wilcox to Vosburg Pumping Line	Bid Package will be issued Monday, May 4 with bids due June 10th, intend to award at June 23rd BOD meeting. Permits applied for with DDW/LACounty/City of Pasadena	CIVILTEC / TBD	\$2,152,800	\$ -	
26004	Lower Pasadena Glen Road Pipeline Replacement	Lower Pasadena Glen Road: Replace 780' of 3" STL to 8" DIP on Vosburg Pressure (14 services, 2 new VPZ hydrants, abandon GV-1&2)	design started week of 4/20, bid plans and specs anticipated by end of June	CIVILTEC / TBD	\$ 855,000	\$ -	
25006	K3 Well/Pump/Motor/Electrical Rehab, new Disinfection Station	Rehab K3 well pump and motor, install new chlorination system and controls, replace electrical MCC due to age/corrosion	KID GM scope memo 75% complete, no design proposal solicited yet; budget assumes \$52,000 in design work in 2026	KID / GENERAL PUMP CO	\$ 52,000	\$ 648,960	
26003	Eucalyptus Reservoir Rehab Project	While K3 is out of service, bypass Eucalyptus reservoir via PWP connection, fix identified cracks in walls, repair deficient roof hatch, recoat interior of reservoir, remove abandoned piping and valves in reservoir, replace old isolation gate valve at reservoir inlet	KID GM scope memo 75% complete, no design proposal solicited yet	KID / TBD	\$ -	\$ 162,240	
26001	Wilcox Reservoir and Booster Station Rehab	Replaced failing reservoir liner, replace (2) booster pumps, rehab pump platform/enclosure, new pumping line up to Villa Highlands/Dove Court, new backup generator for pump station, solar for non-pumping electrical loads	KID GM scope memo 75% complete, no design proposal solicited yet. Assumes \$156,000 spent in 2026 on design work and planning	TBD / TBD	\$ 156,000	\$1,695,949	
26002	Vosburg Reservoir Resilience Project	Install CSPE liner in concrete reservoir, replace wood framed roof with non-combustible steel or aluminum	2027 Budget includes \$100,000 for complete design work so that grant and other funding opportunities may be pursued for "shovel ready" project of ~\$2.5m	TBD / TBD	\$ -	\$ 100,000	
26005	AMR/AMI Metering Upgrade						\$ -
26006	Septic to Sewer Feasibility Study		waiting on proposal from consultant				\$ -
28001	Solar Power Systems at all Generator Powered Sites		conceptual only, no scope defined				\$ 112,486
28002	Backup Generators for Eucalyptus and Vosburg/Sage		conceptual only, no scope defined				\$ 281,216
	SUBTOTAL				\$ 3,255,680	\$ 2,607,149	\$ 393,702

KID MASTER PROJECT LIST



Tasks	Duration	Pred	Start Date	End Date	2026				2027				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
4 <input type="checkbox"/> 24113 Brown Glen RPZ and Edgecliff Pipeline Upgrades	170d		04/20/26	12/11/26		24113 Brown Glen RPZ							
5 Board Review Project and Authorize Bid Solicitation	1d		04/28/26	04/28/26		Board Review Project and Authorize Bid							
6 Bid and Award	40d		05/04/26	06/26/26		Bid and Award							
7 Permitting by DDW and LACoPW	20d		04/20/26	05/15/26		Permitting by DDW and LACoPW							
8 Submittals and Mobilization	30d	6	06/29/26	08/07/26		Submittals and Mobilization							
9 Pipeline Installation SMV to PRV Station	30d	8	08/10/26	09/18/26		Pipeline Installation SMV to P							
10 Cla-Val Fabrication and Delivery	40d	8	08/10/26	10/02/26		Cla-Val Fabrication and Deliv							
11 PRV Station Install and Commissioning	20d	10	10/05/26	10/30/26		PRV Station Install and Co							
12 Edgecliff Pipeline Improvements	30d	9	09/21/26	10/30/26		Edgecliff Pipeline Improver							
13 Project Closeout	30d	9, 11, 12	11/02/26	12/11/26		Project Closeout							
14 <input type="checkbox"/> 26004 Lower Pasadena Glen Road Pipeine	165d		04/20/26	12/04/26		26004 Lower Pasadena							
15 Civiltec Design Phase	30d		04/20/26	05/29/26		Civiltec Design Phase							
16 Bid and Award	40d	15	06/01/26	07/24/26		Bid and Award							
17 Submittals, Procurement and Mobilization	20d	16	07/27/26	08/21/26		Submittals, Procurement and M							
18 Install Mainline and Hydrants	30d	17	08/24/26	10/02/26		Install Mainline and Hydrants							
19 Connect Domestic Services	15d	18	10/05/26	10/23/26		Connect Domestic Services							
20 Project Closeout	30d	19	10/26/26	12/04/26		Project Closeout							
21													
22 <input type="checkbox"/> 25006 K3 WELL REHAB PROJECT	229d		05/26/26	04/09/27		25006 K3 WELL							
23 Approve Vendor Contracts	10d		05/26/26	06/08/26		Approve Vendor Contracts							
24 <input type="checkbox"/> PUMP AND MOTOR	209d		06/09/26	03/26/27		PUMP AND MO							
25 Procure Pump Components	30d	23	06/09/26	07/20/26		Procure Pump Components							
26 Pull Pump and Motor	5d		01/11/27	01/15/27		Pull Pump and Motor							
27 Offsite Repair of Pump and Motor	30d	26	01/18/27	02/26/27		Offsite Repair of Pi							
28 Reinstall Pump and Motor	5d	27	03/01/27	03/05/27		Reinstall Pump an							
29 Startup and Testing Motor and Water Jet System	15d	28	03/08/27	03/26/27		Startup and Test							
30 <input type="checkbox"/> CHLORINATION STATION	219d		06/09/26	04/09/27		CHLORINATIOI							
31 Submittal Review/Approval	20d	23	06/09/26	07/06/26		Submittal Review/Approval							
32 Fabrication and Delivery	40d	23	06/09/26	08/03/26		Fabrication and Delivery							
33 Decommission/Remove Existing Generation Unit	15d	26	01/18/27	02/05/27		Decommission/Rem							
34 Install new Chlorination Unit	5d	32, 33	02/08/27	02/12/27		Install new Chlorina							

Tasks	Duration	Pred	Start Date	End Date	2026				2027				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
35 MEP Connections to new Generator	20d	34	02/15/27	03/12/27									MEP Connections
36 Testing and Startup	10d	35	03/15/27	03/26/27									Testing and Star
37 SCADA Integration	10d	36, 29	03/29/27	04/09/27									SCADA Integrat
38 26003 Eucalyptus Reservoir Repairs	30d		01/04/27	02/12/27									26003 Eucalyptus F
39 Draw Down/Isolate Reservoir and Activate PWP IX	5d	26SS -5d	01/04/27	01/08/27									Draw Down/Isolate Re
40 Remove Abandoned Piping in Tank	5d	39	01/11/27	01/15/27									Remove Abandoned I
41 Prep Tank interior for Resurfacing	5d	40	01/18/27	01/22/27									Prep Tank interior for
42 Resurfacing of Tank Interior and Roof Hatch	10d	41	01/25/27	02/05/27									Resurfacing of Tank
43 Replace Isolate Valve Outside Reservoir	10d	39	01/11/27	01/22/27									Replace Isolate Valve
44 Refill Reservoir	5d	42, 43	02/08/27	02/12/27									Refill Reservoir
45													
46													
47 26001 Wilcox Booster Station and Pumping Line Project	375d		04/26/26	09/30/27									26001
48 Project Scoping Memo Complete	15d		04/26/26	05/14/26									Project Scoping Memo Complete
49 Design Consultant RFP and Proposals	20d	48	05/15/26	06/11/26									Design Consultant RFP and Proposa
50 Engage Design Consultant	20d	49	06/12/26	07/09/26									Engage Design Consultant
51 Design Development	30d	50	07/10/26	08/20/26									Design Development
52 Estimating and Constructibility Review	30d	51	08/21/26	10/01/26									Estimating and Constructibilit
53 Construction Documents	30d	52	10/02/26	11/12/26									Construction Documents
54 Bid and Award	40d	53	11/13/26	01/07/27									Bid and Award
55 Fabrication and Delivery	80d	54	01/08/27	04/29/27									Fabrication and
56 Site Preparation	30d	55	04/30/27	06/10/27									Site Preparat
57 Installation	60d	56	06/11/27	09/02/27									Install
58 Startup and Commissioning	20d	57	09/03/27	09/30/27									Star

General Manager's Report for the Board of Directors Meeting on April 28, 2026

I. Customer Account Information

A. Customer Accounts – as of 4/20/25

Active accounts: 546 (down from 592 pre-Eaton Fire, disconnected County Parks meter)
 Delinquent accounts receiving late charges: 4
 Accounts shut off for non-payment: 0
 Accounts in current amortization agreements: 1

II. Customer Care Report

Customer Leaks	System Leaks	Water Waste	Water Quality	Customer Service*	Comments
5	0	0	0	12	

* Customer service includes requests for water shutoff to facilitate customer plumbing repairs, inquiries about water bills, requests for leak checks and general questions.

III. General Manager's Projects and Activities

A. Meetings/Outreach/Key Contacts

1. LA County Public Works bi-weekly water systems recovery meetings
2. SCWUA Luncheon on 3/26/26
3. ACWA-JPIA Leadership Essentials Cohort Meeting on 4/3/26
4. AWWA Water Conference of the West, spoke with PWAG Group on 4/9/26
5. FMWD Managers Meeting 4/21/26
6. Wildfire Water Quality Consortium Workshop on 4/22/26

B. Grant Funding Opportunities

1. Hazard Mitigation Grants: KID staff are monitoring EPA BRIC (Building Resilient Infrastructure and Communities) grant opportunities to apply once the PWAG Multi-Agency Hazard Mitigation Plan is complete and approved. **Multi-Jurisdictional Hazard Mitigation Plan approved by KID BOD at November 2025 meeting, with PWAG Consultant for final FEMA approval.**

C. Office Staff Updates

1. Quickbooks Reconciliation Complete, transitioned from Sage effective 12/31/25
2. Operations Coordinator has relocated out of state; position is fully remote now.

D. System Project Updates

1. **Wilcox Interconnection: All work complete, testing and programming of controls is underway. Met with PWP on 4/20/26 to coordinate install of their meter.**
2. **GIS and Asset Management Updates Underway by consultant with field support**
3. **Valve Exercising for 2026 underway with KID Staff (51 of 100 valve goal completed YTD)**
4. **Meter replacement program for 2026 underway (43 of 60 meter swap goal completed YTD)**

E. Regulatory Compliance and Reporting

1. Sanitary Survey Report from DDW received by KID on March 20, 2025. Responses submitted to DDW May 19, 2025.
2. Permit Amendment 1910035PA-001 Issued April 30, 2025, for standby sources
3. Cross Connection Policy Handbook – new policy adopted by KID Board July 2025.
4. 2025 Electronic Annual Report (eAR) Submitted and Accepted by DDW
5. 2025 Consumer Confidence Report (CCR) to be issued with May 2026 bills
6. Fluoride Variance – KID fluoride variance expires on 12/13/23. Compliance Plan submitted to DDW on 7/10/23. Revised permit application and blending plan submitted to DDW on 12/5/24.
7. Monthly Water Quality Reporting – Monthly reporting due by the 10th of each month.
8. Water Quality Emergency Notification Plan – annual requirement, filed timely in March 2026
9. Drought and Conservation Report – required per Order No. DDW_HQ_Drought2023-001 issued on 1/1/23. New requirement for monthly data due quarterly. 2025Q4 report was filed timely.
10. PFOA, PFOS and PFAS Chemicals: Impacts of regulations are being monitored through trade groups that KID is affiliated with and Raymond Basin monitoring.
11. SB 552 – status of compliance, must meet Fire Flow requirements by January 2032. Costs to be considered in Master Planning.
12. SB 1020 – Clean Energy, Jobs, and Affordability Act of 2022 – requires 100% of all state agency electricity consumption to be from renewable and carbon neutral sources by 2035.

* Acronyms:

ACWA – Association of California Water Agencies
ACWA JPIA – Association of California Water Agencies Joint Powers Insurance Authority
CSDA – California Special Districts Association
CUEA – California Utilities Emergency Association
DDW – Dept. of Drinking Water
DWR – Dept. of Water Resources
FMWD – Foothill Municipal Water District
KID – Kinneloa Irrigation District
LAFCO – Local Agency Formation Commission of Los Angeles County
PWAG – Public Water Agencies Group
RBMB – Raymond Basin Management Board
SWRCB – State Water Resources Control Board
LCRR – Lead and Copper Rule Revisions

IV. Water Supply Summary as 3/31/26 for the Watermaster Year 2025-2026

Raymond Basin Groundwater (Acre Feet)		Kinneloa Irrigation District Water Tunnels (Acre Feet)	
1955 Decreed Rights	516	Holly High-Low	0.0
Less Pasadena Subarea 30% Reduction in Water Rights	-154.8	Eucalyptus	0.0
Net Effective Decreed Rights	361.2		
Prior Year Carryover	51.6	Far Mesa	0.0
Leases/Exchanges	0	House	0.0
Prior Year Spreading	283.5	Delores	0.0
Short Term Storage	248.4		
Total Allowable Extractions	944.7		
Less Water Extracted YTD This Watermaster Year	-441.4	Year to Date Tunnel Production	0.0
Remaining Allowable Groundwater Extractions	503.3	Remaining Estimated Tunnel Production	0.0
Total Available Water Supply (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2026)			503.3 Acre Feet
Less Remaining Forecasted Pumping for Retail Water Sales			-150.0 Acre Feet
Estimated Surplus Water through June 2026**			353.3 Acre Feet

As of 3/31/26 approximately 3.1 AF excess water delivered to KID from PWP through Ranch Top IC

Total Retail Water Sales for Watermaster Year 2024-2025 = 585.8 Acre-Feet

Total Retail Water Sales for Watermaster Year 2023-2024 = 474.8 Acre-Feet

Total Retail Water Sales for Watermaster Year 2022-2023 = 493.2 Acre-Feet

** This is the forecasted surplus water available for sale in the current year and/or carryover to the next Watermaster year which starts on July 1 subject to the carryover limits established by the Raymond Basin Management Board.

CALIFORNIA
TEXAS
COLORADO
OHIO



PROPOSAL

Kinneloa Irrigation District

Compensation Services

Date: March 4, 2026

Submitted by:

Melissa Asher

Chief of Client Services

CPS HR Consulting, 2450 Del Paso Road, Suite 220, Sacramento, CA 95834

P: (916) 471-3358, masher@cpsshr.us

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Cover Letter

March 4, 2026

Tom Majich
General Manager
Kinneloa Irrigation District
1999 Kinclair Dr.
Pasadena, CA 91107

Submitted via email to: tm@kidwater.info

Subject: Classification and Compensation Services

Dear Mr. Majich,

CPS HR Consulting (CPS HR) is pleased to have the opportunity to submit a proposal to the Kinneloa Irrigation (“District”) to provide compensation services for the General Manager classification. We are uniquely qualified to undertake this effort as we have vast experience of assisting public agencies with classification and compensation work. We have 40 years of experience providing human resources services to state and local government agencies and non-profit organizations.

We understand that each agency is unique, and our extensive experience allows us to tailor our process to specifically meet your needs utilizing best practice methods for classification and compensation work. Our work with local government agencies in California and throughout the United States gives us an in-depth understanding of government operations, programs, and services.

Thank you for the opportunity to be considered for this assignment. Should you have questions or comments about the information presented in this proposal, **please do not hesitate to contact our Principal Consultant, Talent Acquisition & HR Services, Kristin Morris at kmorris@cpshr.us or 916-471-3405.**

Sincerely,



Melissa Asher
Chief of Client Services

Business Information and Background

About CPS HR Consulting

CPS HR is a client-focused human resources and management consulting firm, dedicated to addressing the unique challenges faced by government and non-profit organizations. Founded in 1985, we have earned a reputation as a trusted advisor by leveraging our in-depth public sector expertise to deliver practical, results-driven solutions. As a Joint Powers Authority, we are a self-supporting government agency exclusively serving public entities. This gives us a distinct advantage in understanding and meeting the specific needs of clients across all levels of government, including Federal, State, Local, Special Districts, Higher Education, and Non-Profit organizations.

Our unwavering commitment to delivering an unparalleled client experience is built on our comprehensive knowledge of the complexities within the public and non-profit sectors.

With more than 100 full-time employees and a network of 200+ project consultants and technical experts across the nation, CPS HR has partnered with more than 2,700 public and non-profit clients throughout the United States. Headquartered in Sacramento, CA, with regional offices in Texas, Colorado, Ohio, and Southern California, we are strategically positioned to support your organization's growth and help your employees fulfill the promise of public service.

Client Focused

We help clients succeed by:

- **Understanding Their Goals:** We listen to your needs, understand your business, and focus on achieving your desired outcomes.
- **Unlocking New Perspectives:** Together we explore new ideas, expand possibilities, and consider the broader impact on those you serve.
- **Bringing Solutions to Life:** We put plans into action, making strategies operational and effective.
- **Empowering Their Growth:** Provide you with the tools and knowledge to elevate performance and expand capabilities for your organization and those you serve.

Consulting Services

Areas of Expertise and Core Markets

CPS HR believes in an integrated, systems-based approach to talent management and provides consulting in all the key areas which follow.



CORE SERVICES

Comprehensive HR solutions for advanced organizational performance.



TALENT MANAGEMENT

- Classification & Compensation
- HR Consultation / Outsourcing
- HR Membership Subscription
- Recruitment Solutions
- Organizational Assessment
- Succession Planning



TESTING & SELECTION

- Assessment Center Services
- Employment Testing/Test Rental
- Job Analysis
- Selection Tools Development
- Test Administration



HR COMPLIANCE

- Audits
- Policies & Procedures
- Complaint Investigation



ORGANIZATIONAL CULTURE

- Diversity Equity Inclusion (DEI)
- Employee Engagement



LEARNING & DEVELOPMENT

- Training
- Executive Coaching
- Performance Management
- 360° Feedback



LICENSING & CERTIFICATION

- Accreditation
- Applicant/Candidate Management
- Credential Program Management
- Testing Services

Understanding of Scope

CPS HR Consulting (“CPS HR”) understands that the District is seeking a consulting firm to conduct a compensation study for the General Manager. CPS HR can provide base compensation only or a more robust total compensation approach to include: CalPERS, Social Security, Deferred Compensation, Time off, and Vehicle Provided/Car Allowance. Both options are included below.

Approach to Consulting

CPS HR fully understands that compensation studies require a collaborative and flexible approach. Our work plans are designed to be inclusionary and collaborative with all District stakeholders. The outcome of a compensation study includes, but is not limited to, the following:

- A compensation plan that is competitive with the market and provides strong recruitment and retention of staff.

CPS HR will assist the District's Internal Project Manager, and any other stakeholders, with implementation and systems questions.

Compensation Study Work Plan

Task 1 – Review the District's Background Materials. Upon contract execution, CPS HR will request any applicable background information from the District to ensure our Project Manager and the CPS HR Project Team are prepared for initial meetings.

- Compensation philosophy and strategy
- Salary schedules
- Organization charts
- Classification specifications
- Budget information
- Memorandums of Understanding (MOUs)
- Compensation policies and procedures
- Benefit information (Total Comp)
- Past classification/compensation studies

The CPS HR Project Manager will coordinate activities through, and report to, the District's Internal Project Manager and other designated key stakeholders.

Task 2 – Initial Project Meeting/Labor Market Agency Discussions. The CPS HR Project Team will meet with the District's Internal Project Manager and any other designated stakeholders to discuss the study methodologies, deliverables, timelines, communication, labor market, benchmark classifications, and data collection methods.

Task 3 – Design and Develop Data Spreadsheets/Review and Analyze Labor Market Survey Data. CPS HR begins labor market data collection by researching available information online to make preliminary classification matches. The CPS HR Project Team will reach out to labor market agencies to confirm and/or complete survey data, when needed. Once CPS HR has completed our survey analysis tasks, the CPS HR Project Manager will audit the final data as part of our quality review process. This task will include gathering and analyzing benefit data should this option be selected.

Task 4 – Prepare and Submit Draft Compensation Report. The CPS HR Project Team will develop a Draft Compensation Report detailing the results of the labor market survey. The CPS HR Project Team will meet with the District's Internal Project Manager to discuss the Draft Compensation Report and to respond to any questions, comments, or concerns on the Report.

Task 5 – Research and Resolve Issues/Prepare and Submit the Final Compensation Report.

Based upon the District’s review of the Draft Compensation Report, the CPS HR Project Team will follow-up and resolve any outstanding compensation issues. CPS HR will submit the findings to the District’s Internal Project Manager and respond to any questions about the study.

The timeline to complete the project through the submission of the draft report is approximately four (4) weeks for base compensation and five (5) weeks for total compensation.

Cost of Compensation Services

CPS HR proposes a time and materials contract for this professional service and will bill the District monthly for professional hours and fees incurred. Hours may be moved between team members for efficiency. CPS proposes a not to exceed contract amount of \$5,700 for total compensation or \$3,780 for base pay compensation services.

Professional Services – Compensation Study

Description and Assumptions	Project Manager \$180	Principal Project Consultant \$140	Senior Project Consultant \$135	Administrative Technician \$100
Task 1 - Review Client's background materials	1		1	1
Task 2 - Initial Project Meeting/Labor Market Agency Discussion	1		1	
Task 3A - Design and Develop Data Spreadsheets/Gather Data/Review and Analyze Labor Market Survey Data (assumes one data spreadsheet for a proposed class, as deemed applicable.) This assumes labor market is provided. Add additional 5-10 to determine labor market. Assumes up to 7 agencies. Includes looking at internal alignment.	1	1	6	1
Task 3B – With total compensation.	1	4	8	1

Task 4 - Prepare and Submit Draft Base Pay Compensation Report	1		4	1
Task 5 - Research and Resolve Issues/ Prepare and Submit Final Compensation Report	1		2	1
Task 6 - Client Communications	1		2	
Total Hours for Base Pay	6	1	16	4
Total Hours for Total Compensation	7	5	24	5
Professional Services Fee Not-to-Exceed Amount (Base Pay)	\$1,080	\$140	\$2,160	\$400
Professional Services Fee Not-to-Exceed Amount (Total Comp)	\$1,260	\$700	\$3,240	\$500
Estimated Professional Services Not-to-Exceed (Base Pay)			\$3,780	
Estimated Professional Services Not-to-Exceed (Total Comp)			\$5,700	

Pricing Assumptions

General Scope	
Compensation Study	CPS HR has built in time to survey up eight (8) labor market agencies identified by the District, and to survey for one classification. If Total Compensation is selected, CPS HR will survey for the benefits listed in the scope of work.
Travel Expenses	Travel time and expenses are not included in the fees above as all work products will be developed via tele –

	and web-conferences, e-mail, and an online portal provided by CPS HR for document sharing/editing.
Other Expenses	CPS HR will provide all reports, data sheets, and other documents electronically. Hard copy duplication of materials will be the responsibility of the District. The District will also provide CPS HR will all relevant materials electronically.

Proposal Feedback

CPS HR is open to discussing alternative work plans which may alter the cost of the project. The methods, approach, and timelines described in this proposal, as well as the cost estimate, have been prepared as accurately as possible based upon the services requested and objectives described in the information provided to CPS HR. The total cost reflects the steps and time necessary to conduct the services in a sound, thorough, and sustainable manner. If changes or additional services are required, we will be happy to discuss changes to the project activities, schedule, and/or cost estimates.