

# **KINNELOA IRRIGATION DISTRICT**

## **Regular Meeting – Board of Directors**

1999 Kinclair Drive, Pasadena, CA 91107

Tuesday, January 16, 2018

7:00 P.M. – Closed Session

7:30 P.M. – Open Session

### **AGENDA**

1. **CALL TO ORDER** – 7:00 P.M.
  - a. Declaration of a quorum
  - b. Review of agenda
2. **PUBLIC COMMENT** – Comments from the Public regarding closed session item.
3. **CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION – 54954.5(e)**  
Title: General Manager
4. **OPEN SESSION** – 7:30 P.M.
5. **REPORT ON CLOSED SESSION**
6. **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)
7. **REVIEW OF MINUTES** – December 19, 2017
8. **RESOLUTION 2018-01-16 RECOGNITION AND APPRECIATION OF SERVICE BY GERRIE KILBURN**
9. **VENDOR PAYMENT PROCEDURE** – Discussion of current accounts payable procedures and adoption of recommended procedure.
10. **BALLOT FOR SPECIAL DISTRICT LAFCO REPRESENTATIVE AND ALTERNATE** – Discussion and voting for recommended candidates.
11. **PERSONNEL COMMITTEE REPORT** – Report by Personnel Committee
12. **PROJECT APPROVAL** – Discussion and approval of SCADA Upgrade Project
13. **MAINTENANCE SCHEDULE REPORT** – Information item by Facilities Supervisor
14. **GENERAL MANAGER’S REPORT**
15. **REVIEW OF FINANCIAL REPORTS** – December 31, 2017

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**

1999 Kinclair Drive, Pasadena, CA 91107

Tuesday, January 16, 2018

7:00 P.M. – Closed Session

7:30 P.M. – Open Session

16. CALENDAR – February 20, 2018      April 17, 2018  
                         March 20, 2018                      May 15, 2018

**17. 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 [www.KinneloalrrigationDistrict.info](http://www.KinneloalrrigationDistrict.info).

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**  
**December 19, 2017 - 7:30 P.M.**  
**Minutes**

**MEMBERS PRESENT:** Directors Tim Eldridge, Frank Griffith, Gerrie Kilburn, Bill Opel

**MEMBERS ABSENT:** Director Gordon Johnson

**STAFF PRESENT:** General Manager Melvin Matthews, Facilities Supervisor Chris Burt,  
Office Manager/Secretary to the Board Bernadette Allen

**1. CALL TO ORDER:** The meeting was called to order by the Chair, Gerrie Kilburn, at 7:30 P.M. A quorum of Board Members was present. The Agenda was reviewed, and no changes were requested.

**2. PUBLIC COMMENTS:** No members of the public were present.

**3. REVIEW OF MINUTES:** The minutes of November 21, 2017, were reviewed. With an addition of the title, Facilities Operator, to HR Activities on page 1, the minutes were unanimously approved for filing and posting on the website.

**4. PUBLIC HEARING REGARDING PROPOSED 2018 WATER RATES:** The Chair opened the meeting at 7:32 P.M. No members of the public were present. The General Manager stated that sufficient notice regarding the meeting and proposed rates was sent to all customers and owners as required by Proposition 218. No letters and no phone calls were received. The Chair closed the meeting at 7:33 P.M.

**5. WATER RATES – RESOLUTION 2017-12-19:** The Chair opened the discussion. No additional questions nor remarks were made. The Chair called for a motion from the Board regarding the adoption of the 2018 water rates.

It was motioned/seconded/carried-(Eldridge/Kilburn-4/0/0).

**“That the Board approve Resolution 2017-12-19 as presented.”**

(Aye-Eldridge, Griffith, Kilburn, Opel/Nay-0/Abstain-0)

**6. MANAGEMENT REPORT 2016-2017:** The General Manager reviewed the Management Report, which in the past was titled Production and Sales Report. The report was retitled to include additional topics beyond production and sales. He highlighted the following:

**Figure 3 2016-2017 Production Sources** which shows a reliance upon K-3 Well, but also shows the importance of low cost tunnel water and maintaining these sources.

**Figure 6 Water Usage per Customer** graph shows constant and predictable water usage and the table shows the distribution range. Per month, a clear majority of District customers use 100 units or less and only about 10% of District customers use more than 100 units.

**Figure 7 Total Monthly Water Sales** shows the effect of conservation efforts and the dependence on the type of weather, temperature and winds.

Director Opel asked about K-3 Well level measurement data. The General Manager said that he will present that data to the Board as an information item at the next meeting.

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**  
**December 19, 2017 - 7:30 P.M.**  
**Minutes**

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There were no additional questions and the Chair thanked the General Manager for the report, graphs and summary narrative.

**7. PERSONNEL COMMITTEE REPORT:** The Chair stated that the committee has completed interviewing all staff and would like to have a special session in January to share the report with the Board.

**8. GENERAL MANAGER'S REPORT:** The General Manager and Board reviewed the report.  
**Activities/Meetings/Conferences:** Director Griffith asked for additional information regarding the Mutual Aid Agreement approved at the FMWD Managers Meeting. The General Manager stated that the agreement is between all eight FMWD agencies. He added that the District is also part of the Public Water Agencies Emergency Preparedness Group which has additional resources for emergency preparedness and mutual aid.

**Customer Contact:** Additional discussion and questions regarding the reported water drainage on Meyerloa confirmed that the drainage is a homeowner issue. There are no action items.

**Report on ACWA and ACWA JPIA Conference:** Director Opel asked about District staff development, training and leadership and if development is being considered for future staff. The General Manager affirmed the past effort to recruit from local community colleges and agreed with the priority of training current and future staff.

**9. REVIEW OF FINANCIAL REPORTS:** The financial reports for November 30, 2017, were reviewed. Director Opel reviewed the forecasted financial summary, the balance sheet and cash flow statements. Direct Opel had questions regarding the assets listed on the balance sheet and the depreciation schedule. He requested a possible separation of the non-depreciable assets from the depreciable. He expressed interest in having additional detail for account 1504: Water Mains. He also requested more information on the actuarial calculations for CalPERS. The General Manager stated that the current audit report posted on the website has detailed notes regarding the CalPERS liability. Both the depreciation question and CalPERS actuarial question may be readdressed with the auditor in 2018. The General Manager answered questions regarding items on the check register. The reports were unanimously approved for filing as presented.

**10. ELECTION OF KINNELOA IRRIGATION DISTRICT BOARD OFFICERS FOR YEAR 2018:**

Nominations for the office of Chair for the year 2018 were opened.

It was motioned/seconded/carried-(Eldridge/Opel-3/0/1).

**“That Director Griffith serve as Chair for the year 2018.”**

(Aye-Eldridge, Kilburn, Opel/Nay-0/Abstain-Griffith)

Nominations for the office of Secretary for the year 2018 were opened.

It was motioned/seconded/carried-(Opel/Griffith-4/0/0).

**“That Director Eldridge serve as Secretary for the year 2018.”**

(Aye- Eldridge, Griffith, Kilburn, Opel/Nay-0/Abstain-0)

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**  
**December 19, 2017 - 7:30 P.M.**  
**Minutes**

**Page 3**

Nominations for the office Treasurer for the year 2018 were opened.  
It was motioned/seconded/carried-(Eldridge/Griffith-3/0/1).

**“That Director Opel serve as Treasurer for the year 2018.”**  
(Aye-Eldridge, Kilburn, Opel/Nay-0/Abstain-Opel)

Director Kilburn turned the meeting over to Director Griffith.

**11. CALENDAR:** The next regular meeting will be on January 16, 2018, at 7:30 P.M.

**Possible Items for the Next Regular Meeting Agenda:**

1. Information Item – K-3 Well Level Measurements
2. Check Signing – Vendor Payment Procedure
3. General Manager Evaluation in February
4. Project Approval List
5. Resolution thanking Director Kilburn for her service

**12. ADJOURNMENT:** The meeting was adjourned at 8:27 P.M.

Respectfully submitted by,



Bernadette C. Allen  
Secretary to the Board

**RESOLUTION 2018-01-16**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KINNELOA IRRIGATION DISTRICT EXPRESSING APPRECIATION TO GERRIE G. KILBURN FOR HER SERVICE**

**WHEREAS**, Gerrie G. Kilburn has served with great distinction on the Board of Directors of the Kinneloa Irrigation District since 2006; and

**WHEREAS**, throughout her years of service, Mrs. Kilburn has devoted countless hours to ensure the success and sustainability of The Kinneloa Irrigation District and has been a resource for the Kinneloa Irrigation District’s mission to provide a safe and reliable source of water for our customers; and

**WHEREAS**, Mrs. Kilburn has served as Chair of the Board from 2012 to 2015 and again from 2016 to 2018, confronting major challenges where her leadership was critical; and

**WHEREAS**, Mrs. Kilburn continues to serve as a Director; and

**WHEREAS**, the Board wishes to formally recognize the dedication, outstanding judgment, leadership and deep commitment Mrs. Kilburn has brought to the Board.

**NOW THEREFORE BE IT RESOLVED**, the Board of Directors of the Kinneloa Irrigation District System hereby expresses its appreciation to Gerrie G. Kilburn for her dedicated and distinguished service as a Director, Secretary and Chair of the Kinneloa Irrigation District, and

**BE IT FURTHER RESOLVED**, that this Resolution be published on the website of the Kinneloa Irrigation District.

**PASSED, APPROVED AND ADOPTED THE SIXTEENTH DAY OF JANUARY 2018.**

SIGNED: \_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Secretary



# Memo

Date: January 11, 2018  
 To: Board of Directors  
 From: Mel Matthews  
 Subject: Accounts Payable Procedures  
 Recommended Action: Discussion and Adoption of Revised Procedures

## Background

Director Eldridge requested a discussion of the current check approval and signing procedure in the light of the changes in the banking system where signatures on paper checks are rarely verified and electronic transactions are becoming the norm. Because the fees charged by our bank to process paper checks have increased significantly in the past few years, we would like to reduce the use of paper checks for regular budgeted expenses and streamline our procedures.

This discussion item was previously presented in 2016 and no action was taken to streamline the process. Currently there is no written procedure for this function in our **Rules and Regulations**. However, it has been our practice to have two directors come to the office to review the transactions and sign the checks. The other directors only see the transactions on the check register prepared for the Board meetings after payment has been made.

## Proposal

To streamline the process and provide greater oversight by involving all directors, I suggest the following revised accounts payable procedures:

- a. Post invoices in accounting system upon receipt as we are currently doing.
- b. Provide a list of payables to all directors via email one week prior to a payment date regardless of the payment method.
- c. Directors can request additional information on any transaction during the one-week review period.

- d. After the one-week review period, make the payment by electronic or paper check unless a request is made to hold payment until further review or discussion.
- e. Allow the General Manager to be an additional signer on paper checks when Directors are not available.
- f. Whenever possible, use electronic payment options to minimize transaction fees.
- g. Continue to provide the check register as part of the financial report for Board meetings.

### **Summary and Conclusion**

The Board has previously authorized the staff to make electronic payment on recurring budgeted expenses and to use the CSDA purchasing card for online transactions. These payment methods have already helped to improve the accounts payable process. Adoption of the above procedures will provide even greater flexibility without sacrificing oversight by the Board.



*Lagerlof Senecal  
Gosney & Kruse, LLP*

301 NORTH LAKE AVENUE, 10TH FLOOR  
PASADENA, CALIFORNIA 91101  
PHONE: (626) 793-9400 • FAX (626) 793-5900

William F. Kruse  
E-MAIL: WFKRUSE@lagerlof.com

TO: PRESIDING OFFICER OF EACH INDEPENDENT SPECIAL DISTRICT IN  
LOS ANGELES COUNTY

FROM: WILLIAM F. KRUSE

RE: BALLOT; SPECIAL DISTRICT LAFCO REPRESENTATIVE and LAFCO  
ALTERNATE

DATE : JANUARY 4, 2018

Enclosed is the Ballot and the supplementary materials submitted for each of the candidates for Special District LAFCO REPRESENTATIVE for the term expiring in May 2018 and for Special District LAFCO ALTERNATE for the term expiring in May 2018. Nominations closed as of 5:00 p.m. on December 21, 2017.

Please vote for ONE candidate on each BALLOT. The marked ballots should be placed in the envelope marked "Ballot Envelope." Please write the name of your agency and sign your name on the outside of the ballot envelope and return the completed ballots by mail to:

**William F. Kruse, Esq.  
Lagerlof, Senecal, Gosney & Kruse, LLP  
301 N. Lake Avenue, 10th Floor  
Pasadena, CA 91101-5123.**

**No ballot will be counted if it is missing the name of the voting agency and the signature of the Presiding Officer on the ballot envelope.**

The candidate receiving the highest number of votes will be declared the special district representative or alternate to LAFCO. In the event of a tie, a new election will be held with only the two candidates who constituted a tie on the ballot.

**Ballots must be returned by 5:00 p.m. on April 6, 2018.**

WFK/pjc  
Enclosures

cc: Paul Novak, w/enc.



**BALLOT**

**SPECIAL DISTRICT LAFCO REPRESENTATIVE**

**Please vote for no more than one candidate.**

**E.G. "JERRY" GLADBACH**

Occupation: Water District Director

Sponsor: Castaic Lake Water Agency;  
and Newhall County Water District

**DON PARADO, M.D.**

Occupation: Healthcare District Director

Sponsor: Antelope Valley Healthcare District



NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT **REPRESENTATIVE**  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee  
From: Castaic Lake Water Agency  
Date: November 20, 2017

Name of Candidate: E. G. "Jerry" Gladbach  
Castaic Lake Water Agency

Castaic Lake Water Agency is pleased to nominate  
E. G. "Jerry" Gladbach as a candidate for appointment as special  
district **REPRESENTATIVE** to the Los Angeles Local Agency Formation Commission. The  
nominee is an elected official or a member of the board of an independent special district appointed  
for a fixed term. For your consideration, we submit the following additional information together  
with a resume of the candidate's qualifications.

Elective office: Division 2 CLWA Director

Agency: Castaic Lake Water Agency

Type of Agency: Water Wholesaler

Term Expires: December 31, 2020

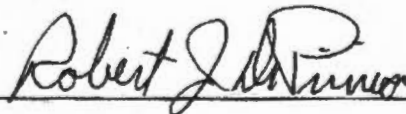
Residence Address: 27491 Hillcrest Place, Valencia, CA 91354

Telephone: 661 297-2200

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)  
Castaic Lake Water Agency

(Name of Agency)

By: Robert DiPrimio  
Its: Board President



## E.G. "Jerry" Gladbach



### EXPERIENCE / COMMITMENT / DEDICATION

I would be honored to continue serving you on the Local Agency Formation Commission for Los Angeles County. As Chair of Los Angeles LAFCO I have urged the Commission to become more customer oriented. If reelected I would also be able to continue representing Los Angeles County on the California Association of Local Agency Formation Commissions' Board of Directors, even though I am not a member of the CALAFCO Board. Recognizing that Special Districts are an important segment of government in California, I will represent your concerns at LAFCO for Los Angeles County and CALAFCO.

#### LAFCO

Chair	2006 – present
First Vice-Chair	2005 – 2006
Commissioner	2002 – present
Alternate Commissioner	2001 – 2002

#### California Association of LAFCOs

President	2011 – 2012
Vice President	2010 – 2011
Treasurer	2008 – 2010
Secretary	2006 – 2008
Chair, CALAFCO Conference Committee	2008
Member, Board of Directors	2005 – 2013
Member, Water Committee	2005 – 2008

#### Association of California Water Agencies (ACWA)

President	2004 – 2005
Vice President	2002 – 2003
Region Chair	1998 – 2001
Board of Directors	1998 – present

#### ACWA – Joint Powers Insurance Authority

President	2010 – present
Executive Committee	2002 – 2003, 2006 – present
Board of Directors	2002 – present

#### Castaic Lake Water Agency

Board of Directors	1985 – present
President	1987 – 1990
Chair, Water Resources Committee	2003 – 2016
Chair, Finance, Administration, PR Committee	1991 – 2002

#### CALAFCO's "Outstanding Commissioner" Award 2013

**Water Education Foundation, Board of Directors 1987 – 2009**

**Los Angeles Department of Water and Power**

*Leadership in Engineering, Management, Environmental Planning / retired after 35 years*

**Past Member, United States EPA Groundwater Task Force**

**Provided technical assistance to U.S. Commission on Water Quality**

**Past Member, Advisory Committee, CalPoly State University,**

*Civil and Environmental Engineering*

**Professional Engineer, Registered in California**

**Life Member, American Society of Civil Engineers**

**Master of Science Degree in Civil Engineering / Water Resources**

#### PERSONAL

Married with 3 children, and 6 grandchildren, I have lived in the Santa Clarita Valley for over 45 years and have been devoted to community service for that entire period.

NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT **REPRESENTATIVE**  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Newhall County Water District

Date: November 9, 2017

Name of Candidate: E. G. "Jerry" Gladbach

Newhall County Water District is pleased to nominate  
E. G. "Jerry" Gladbach as a candidate for appointment as special  
district **REPRESENTATIVE** to the Los Angeles Local Agency Formation Commission. The  
nominee is an elected official or a member of the board of an independent special district appointed  
for a fixed term. For your consideration, we submit the following additional information together  
with a resume of the candidate's qualifications.

Elective office: Board Director of Castaic Lake Water Agency

Agency: Castaic Lake Water Agency

Type of Agency: Public water wholesaler

Term Expires: January 2021

Residence Address: 27234 Bouquet Canyon Road, Santa Clarita, CA 91350

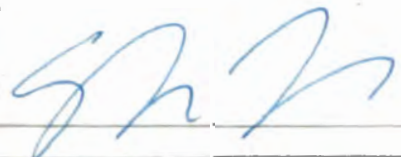
Telephone: 661-297-1600

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

Newhall County Water District

(Name of Agency)

By: Stephen L. Cole  
Its: General Manager





## **E.G. "Jerry" Gladbach**



### **EXPERIENCE / COMMITMENT / DEDICATION**

*I would be honored to continue serving you on the Local Agency Formation Commission for Los Angeles County. As Chair of Los Angeles LAFCO I have urged the Commission to become more customer oriented. If reelected I would also be able to continue representing Los Angeles County on the California Association of Local Agency Formation Commissions' Board of Directors, even though I am not a member of the CALAFCO Board. Recognizing that Special Districts are an important segment of government in California, I will represent your concerns at LAFCO for Los Angeles County and CALAFCO.*

#### **LAFCO**

Chair	2006 – present
First Vice-Chair	2005 – 2006
Commissioner	2002 – present
Alternate Commissioner	2001 – 2002

#### **California Association of LAFCOs**

President	2011 – 2012
Vice President	2010 – 2011
Treasurer	2008 – 2010
Secretary	2006 – 2008
Chair, CALAFCO Conference Committee	2008
Member, Board of Directors	2005 – 2013
Member, Water Committee	2005 – 2008

#### **Association of California Water Agencies (ACWA)**

President	2004 – 2005
Vice President	2002 – 2003
Region Chair	1998 – 2001
Board of Directors	1998 – present

#### **ACWA – Joint Powers Insurance Authority**

President	2010 – present
Executive Committee	2002 – 2003, 2006 – present
Board of Directors	2002 – present

#### **Castaic Lake Water Agency**

Board of Directors	1985 – present
President	1987 – 1990
Chair, Water Resources Committee	2003 – 2016
Chair, Finance, Administration, PR Committee	1991 – 2002

#### **CALAFCO's "Outstanding Commissioner" Award 2013**

**Water Education Foundation, Board of Directors 1987 – 2009**

**Los Angeles Department of Water and Power**

*Leadership in Engineering, Management, Environmental Planning / retired after 35 years*

**Past Member, United States EPA Groundwater Task Force**

**Provided technical assistance to U.S. Commission on Water Quality**

**Past Member, Advisory Committee, CalPoly State University,**

*Civil and Environmental Engineering*

**Professional Engineer, Registered in California**

**Life Member, American Society of Civil Engineers**

**Master of Science Degree in Civil Engineering / Water Resources**

#### **PERSONAL**

*Married with 3 children, and 6 grandchildren, I have lived in the Santa Clarita Valley for over 45 years and have been devoted to community service for that entire period*



NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT **REPRESENTATIVE**  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Kristina Hong, Antelope Valley Healthcare District Board of Directors

Date: 2/15/17

Name of Candidate: Don Parazo, MD.

Antelope Valley Healthcare District is pleased to nominate

Don Parazo, MD, Chair as a candidate for appointment as special

district **REPRESENTATIVE** to the Los Angeles Local Agency Formation Commission. The

nominee is an elected official or a member of the board of an independent special district appointed

for a fixed term. For your consideration, we submit the following additional information together

with a resume of the candidate's qualifications.

Elective office: Antelope Valley Healthcare District Board of Directors

Agency: Antelope Valley Healthcare District

Type of Agency: Healthcare District

Term Expires: 11/16/18

Residence Address: 41103 Carmel Road, Palmdale CA 93551

Telephone: (661) 917-3639

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

Antelope Valley Healthcare District  
(Name of Agency)

By: Kristina Hong  
Its: Director, Antelope Valley Healthcare District

**DON V. PARAZO, M.D.**  
**CURRICULUM VITAE**

**PERSONAL**

Marital Status: Married to Angela Chin  
Children: Matthew and Stephanie

**EDUCATION AND TRAINING**

Pre-Medical University of Texas, El Paso  
Major – Microbiology  
Minor – Chemistry  
Graduate Studies – Immunology

Medical School Texas Tech University School of Medicine

Post Graduate Training R.E. Thomason General Hospital  
Family Practice Residency

Military Service Health Professions Scholarship Program  
Chief of Family Practice Department  
El Toro MCAS, Santa Ana, CA.

**CERTIFICATION AND DEGREES**

1984 – Present American Board of Family Medicine  
1996 – 2006 American Board of Family Medicine/Geriatrics

**TEACHING EXPERIENCE**

Clinical Instructor of 4 years - Glendale Adventist Family Practice Residency Program

**PROFESSIONAL EXPERIENCE**

1988 – Present Chief, Family Practice Department  
High Desert Medical Group, Lancaster, CA.

1990 – Present Associate Medical Director  
High Desert Medical Group, Lancaster, CA.

**COMMITTEES AND APPOINTMENTS**

2002 – Present Antelope Valley Hospital Board of Directors

2008 – 2016 Association of California Healthcare Districts  
Board of Directors  
Chairman of the Board

2013 – 2015 Chairman of the Board – Antelope Valley Hospital Medical Center  
Family Practice Steering Committee  
Quality Assurance Committee  
Peer Review Committee  
Utilization Review Committee

1987 - Present High Desert Medical Group / Heritage Medical Group  
California ACO Medical Director

**BALLOT**

**SPECIAL DISTRICT LAFCO REPRESENTATIVE  
(ALTERNATE)**

**Please vote for no more than one candidate.**

**DON PARAZO, M.D.**

Occupation: Healthcare District Director

Sponsor: Antelope Valley Healthcare District

**JOSEPH T. RUZICKA**

Occupation: Water District Director

Sponsor: Three Valleys Municipal Water District



NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE **(ALTERNATE)**  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Kristina Hong, Antelope Valley Healthcare District Board of Directors

Date: 12/15/17

Name of Candidate: Don Parazo, M.D

Antelope Valley Healthcare District is pleased to nominate

Don Parazo, MD, Chair as a candidate for appointment as

**ALTERNATE** special district representative to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: Antelope Valley Healthcare District Board of Directors

Agency: Antelope Valley Healthcare District

Type of Agency: Healthcare District

Term Expires: 11/6/18

Residence Address: 41103 Carmel Road, Palmdale CA 93551

Telephone: (661) 917-3639

(please attach resume - one page only)

Antelope Valley Healthcare District  
(Name of Agency)

By: Kristina Hong Kristina Hong  
Its: Director, Antelope Valley Healthcare District

**DON V. PARAZO, M.D.**  
**CURRICULUM VITAE**

**PERSONAL**

Marital Status:

Married to Angela Chin  
Children: Matthew and Stephanie

**EDUCATION AND TRAINING**

Pre-Medical

University of Texas, El Paso  
Major – Microbiology  
Minor – Chemistry  
Graduate Studies – Immunology

Medical School

Texas Tech University School of Medicine

Post Graduate Training

R.E. Thomason General Hospital  
Family Practice Residency

Military Service

Health Professions Scholarship Program  
Chief of Family Practice Department  
El Toro MCAS, Santa Ana, CA.

**CERTIFICATION AND DEGREES**

1984 – Present

American Board of Family Medicine

1996 – 2006

American Board of Family Medicine/Geriatrics

**TEACHING EXPERIENCE**

Clinical Instructor of 4 years - Glendale Adventist Family Practice Residency Program

**PROFESSIONAL EXPERIENCE**

1988 – Present

Chief, Family Practice Department  
High Desert Medical Group, Lancaster, CA.

1990 – Present

Associate Medical Director  
High Desert Medical Group, Lancaster, CA.

**COMMITTEES AND APPOINTMENTS**

2002 – Present

Antelope Valley Hospital Board of Directors

2008 – 2016

Association of California Healthcare Districts  
Board of Directors  
Chairman of the Board

2013 – 2015

Chairman of the Board – Antelope Valley Hospital Medical Center  
Family Practice Steering Committee  
Quality Assurance Committee  
Peer Review Committee  
Utilization Review Committee

1987 - Present

High Desert Medical Group / Heritage Medical Group  
California ACO Medical Director

NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT REPRESENTATIVE (ALTERNATE)  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Three Valleys Municipal Water District

Date: November 15, 2017

Name of Candidate: Joseph T. Ruzicka

Three Valleys Municipal Water District is pleased to nominate  
Joseph T. Ruzicka as a candidate for appointment as  
**ALTERNATE** special district representative to the Los Angeles Local Agency Formation  
Commission. The nominee is an elected official or a member of the board of an independent special  
district appointed for a fixed term. For your consideration, we submit the following additional  
information together with a resume of the candidate's qualifications.

Elective office: Director, Division 5

Agency: Three Valleys Municipal Water District

Type of Agency: California Special District

Term Expires: December 7, 2018

Residence Address: 22311 E. Birds Eye Drive

Diamond Bar, CA 91765

Telephone: 909-861-7406

(please attach resume - one page only)

Three Valleys Municipal Water District

(Name of Agency)

By: Bob Kuhn 

Its: Board President





**Candidate Statement of Joseph T. Ruzicka**  
*Nominee for LAFCO*  
*Independent Special District Representative—Alternate Member*

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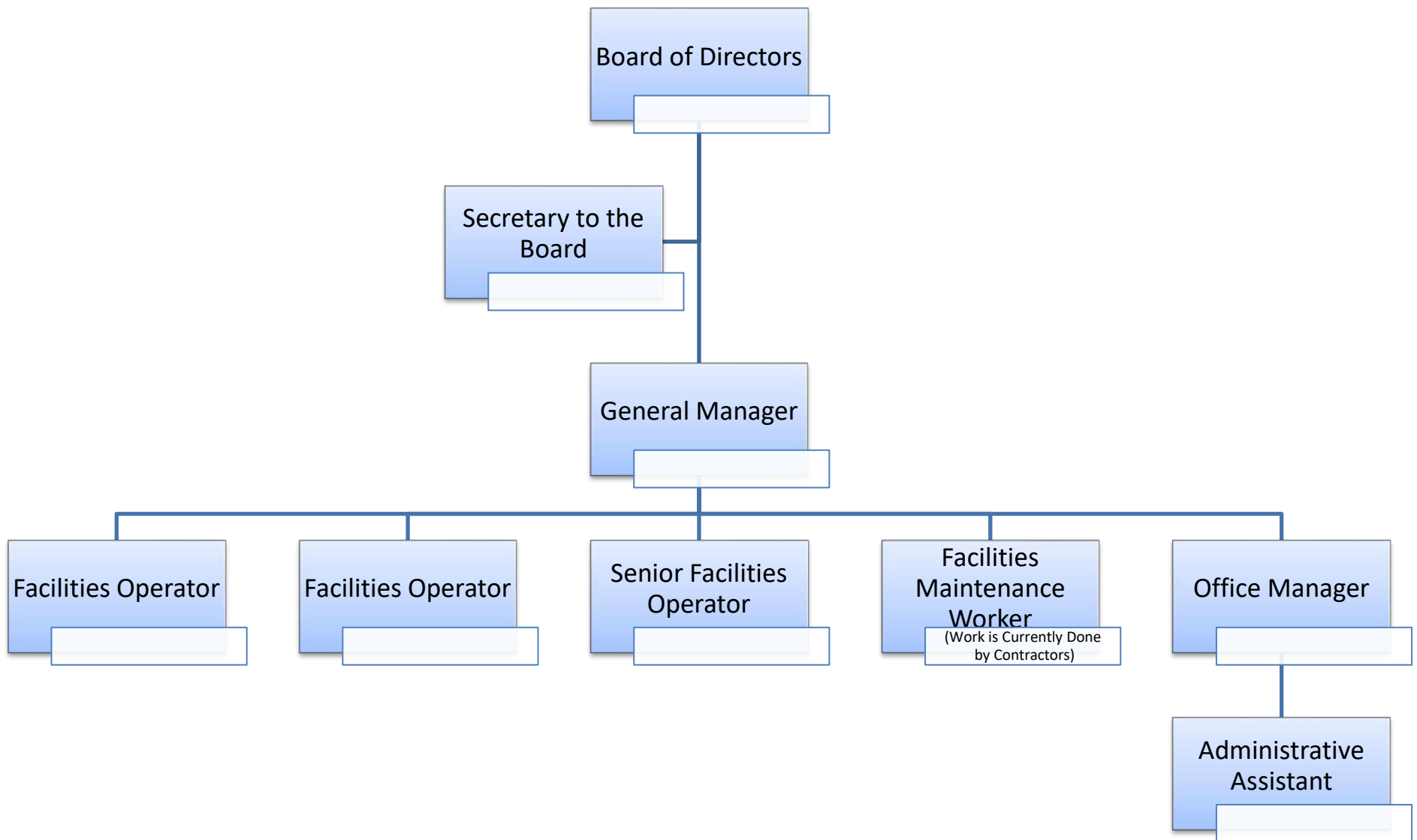
Joe Ruzicka, a 42-year Diamond Bar resident and retired Regional Manager for the U.S. Railroad Retirement Board, with operational and administrative responsibilities for all Southern California, would bring many years of public and volunteer service experience as the **LAFCO Independent Special District Representative – Alternate Member**.

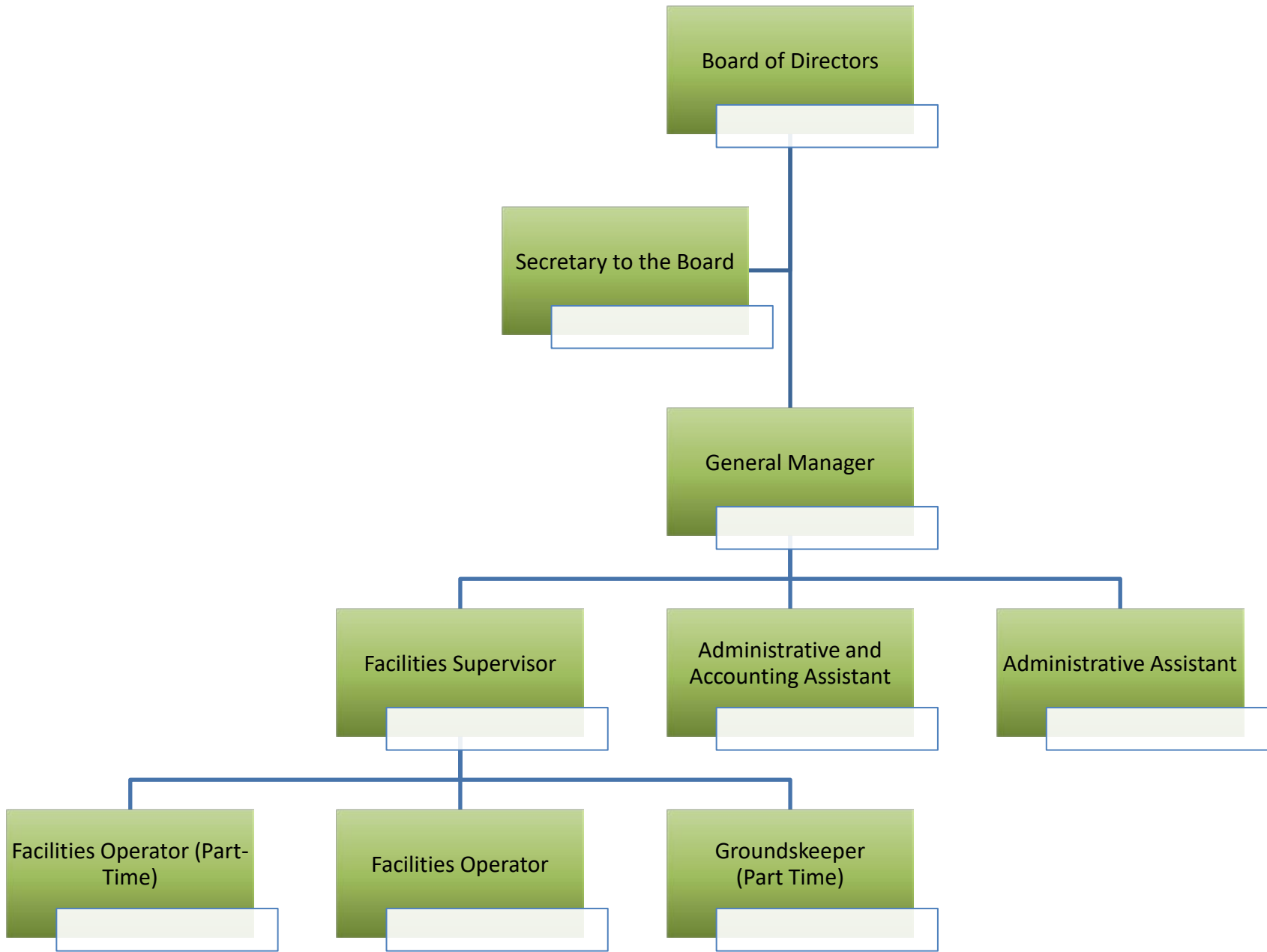
I have served on the various committees that led to the eventual incorporation of the City of Diamond Bar, where immediately after the incorporation I was appointed from 1989 to 1996 as an inaugural member of the Diamond Bar *Parks & Recreation Commission* and was instrumental in instituting several new programs that accommodated the needs of youth sports organizations and also helped to initiate the popular "Concerts in the Parks" series. I was then appointed as a *Planning Commissioner* for the City of Diamond Bar from 1997 to 2003, during which time there were many accomplishments including the successful development of some 425 acres in the heart of the City. I resigned from the Planning Commission to serve on the *Three Valleys MWD Board of Directors*.

As a member of the Three Valleys Board of Directors, among other appointments, I currently serve as the Three Valleys' representative to the LAFCO Commission as the alternate voting member for Special Districts, in that capacity I have attended nearly all meetings of the commission since my appointment.

I have also served the City of Diamond Bar as President of the local Little League, as a member of the Walnut Valley Rotary Club (past president) and as a Board Member of the Diamond Bar Improvement Association. I am an eight-year Marine Corp veteran in both active and reserve duty (1954-1962). For nine years I was the Executive Director of the San Gabriel Valley Mediation Center.









*"Keeping You in Control"*

**Quote 4969**

**Byrd Industrial Electronics**

36 N. Central Ave.  
Upland, CA 91786  
909 985 9191  
www.byrdelectronics.com

To: **Kinneloa Irrigation  
District**

January 5, 2018

## **System Upgrade**

### **Overview**

This proposal will update your current HMI Software, Alarm Software and Report System.

### **Implementation**

The following general scope-of-work will be required to accomplish the project objectives:

- The Customer provided workstation will be updated with all the latest updates for Windows 10; the updating service will then be set to notify first before updating. Configure the Auto Admin login, Auto startup configuration, disable hibernation and sleep, configure screen saver if any.
- Provide and Install Intouch 2014 R2 sp1 with SQL. Install and configure Modbus DAS server. The Current HMI will be transferred to the Workstation and updated to 2014 R2. Screen resolution will be modified to 1080p at this time. This is now the standard screen resolution for HMI's
- The current SCADAAlarm program, voice files, log files address book and configuration will be backed up. WIN-911 will be installed and configured on the HMI workstation. A Multitech Modem and driver will be installed and configured to work with Win911.
- Configuration Buttons and Notification indicators will be added to the Digital alarm screen. They will provide notification of the status of the Win911 system and voice modem health The buttons provide access to starting and stopping Win911, for viewing the log and changing the system configuration.
- A file structure in the root of the C drive will be created with the folder name SCADA. Additional folders to be created are HMI, History, Data, RTU, Docs and Scripts.
- Auto HMI backup script, automatically backs up the HMI daily or when button is pressed.
- Alarm Failure Detection Script, notifies by E-mail/Text when it detects an Alarm System or Modem failure. Alarms also set to Byrd Alarm server.
- RealVNC remote access software will be installed to be used by the Byrd support team. Additional remote access software may be installed by the client. Byrd assumes no responsibility for this product.
- It is highly recommended that the SCADA workstation be behind a network firewall. It is also recommended that the SCADA network be isolated from the business network. The SCADA PC should have two network adapters. RTU's will be later configured with a gateway address for remote access. Port configuration will be required if there is an existing Route/firewall.
- Microsoft Office current version will be installed and licensed on the HMI workstation. Current system reports will be updated to run with the current version of Microsoft Excel. By default SQL is installed with the HMI program. The existing SQL database will be backed up and migrated to the new workstation. Alarm DB logger will be installed and configured to run with the new SQL database. ActiveX will be installed and registered for the Alarm query screen.

The following general scope-of-work will be required to accomplish the project objectives: (Continued)

- All HMI Text files will be backed up and transferred to the new HMI SCADA directory
- Verify
  - Communications to the MTU
  - Communications to MODbus
  - Report Generation
  - Screen Menu
  - Screen Note Files
  - Alarm Notification Scripting
  - System Start-up and Shut Down

**Financial**

Total price for accomplishing the general scope-of-work indicated above is \$29,852.82 including applicable tax.

Freight Included	Delivery 30 Days	Terms Net 30	Valid for 30 Days
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# General Manager's Report for the Board of Directors Meeting on January 16, 2018

## I. Customer Account Information and Internet Usage

### A. Delinquent Accounts –

- 25 accounts received past-due notice
- 25 accounts received late charges in the total amount of \$400.47
- 5 accounts received door hanger shut off notice
- 0 accounts were shut off for non-payment
- 0 accounts remain shut off for non-payment

### B. Aged Receivables –

Month	Current	30 days	60 days	90 days or greater	Total
January	\$18,655.25	\$831.08	\$77.07	\$509.18	\$20,072.58
February	\$13,415.24	\$2,017.08	\$3.69	\$0.00	\$15,436.01
March	\$11,853.30	\$567.02	\$0.00	\$0.00	\$12,420.32
April	\$30,240.57	\$1,960.49	\$0.00	\$0.00	\$32,201.06
May	\$32,820.78	\$1,211.49	\$0.00	\$0.00	\$34,032.27
June	\$41,823.31	\$1,194.07	\$0.00	\$0.00	\$43,017.38
July	\$46,258.41	\$1,721.59	\$34.64	\$0.00	\$48,014.64
August	\$40,478.52	\$2,599.01	\$0.03	\$0.00	\$43,077.56
September	\$51,919.66	\$2,654.61	\$22.10	\$0.00	\$54,596.37
October	\$40,107.93	\$3,825.51	\$7.99	\$0.00	\$43,941.43
November	\$44,949.92	\$5,546.20	\$1,152.96*	\$0.00	\$51,649.08
December	\$29,254.86	\$2,484.82	\$524.97	\$649.60*	\$32,914.25

\*One customer's leak in August resulted in a \$2,029.60 bill. They arranged to make installment payments.

### C. Internet Usage –

Month	Users	Page Views	Online Payments	Online Amount
January	145	495	56	\$11,131.89
February	167	403	54	\$6,571.90
March	128	297	60	\$9,330.36
April	148	395	51	\$9,717.78
May	220	623	66	\$13,331.34
June	142	536	59	\$12,824.62
July	190	654	66	\$17,960.58
August	176	736	61	\$15,730.86
September	139	427	67	\$17,775.30
October	199	510	57	\$19,405.03
November	148	438	71	\$18,036.18
December	141	909	72	\$16,815.79
<b>Year to Date</b>	<b>1,943</b>	<b>6,423</b>	<b>740</b>	<b>\$168,631.63</b>

## II. General Manager's Projects and Activities

- A. HR Activities** – Recruitment for a Facilities Operator will be started again as soon as I develop a plan to target the pool of candidates considering the desired certification and skill level desired and the appropriate salary.
- B. Staff Meetings** – Weekly staff meetings started on January 8, 2018.
- C. Data Synchronization, Backup and Security Procedures** – Continued to prepare a manual to document the computer network architecture, backup and security procedures. This is an internal manual for staff and will not be available to the public for security reasons. Revisions were made to reflect feedback from the staff.
- D. Computer Replacement** – I transferred the Utility Star customer/billing SQL database and associated programs from the 6-year-old computer to the new computer that was purchased for this purpose. The old computer was experiencing reliability problems and could not be upgraded to the latest version of Windows due to hardware and software compatibility problems.
- E. Activities/Meetings/Webinars/Conferences**

Subject	Location	Start	End	Purpose/Notes/Action/Benefit
<b>FMWD Board Meeting</b>	La Cañada	Mon 12/18/2017 3:00 PM	Mon 12/18/2017 5:00 PM	Regular Board meeting
<b>KID Board Meeting</b>	Office	Tue 12/19/2017 7:30 PM	Tue 12/19/2017 9:30 PM	Regular Board meeting

## III. System and Facility Activities and Incidents

### A. Water Leak/Water Waste/Customer Contact

Location	Type	Date	Description
<b>Kinneloa Mesa Road</b>	Water leak	12/4/2017	Customer requested assistance in isolating water leak. I was able to eliminate the house as a source of the leak and determined that it was in the general area of the pool and pool house.
<b>Vosburg Street</b>	Water leak	12/14/2017	Customer requested leak check. Brian determined that there was no leak when water to the house was turned off. Plumber was coming to fix leaking faucets and Brian showed customer how to turn off water and left a meter key.
<b>Villa Heights Road</b>	Water leak	12/17/2017	Customer requested emergency shut-off at the meter to repair broken valve in backyard. Mel responded and turned off water and left a meter key.

<b>Barhite Street</b>	Customer Service	12/23/2017	Customer received shut-off notice and was concerned that we would shut off the water during the holidays. Customer was instructed to call the office to arrange for payment.
<b>Hastings Heights Lane</b>	Customer Service	12/27/2017	Customer was concerned about roots damaging main line running to the house. Brian responded and recommend trimming shrubs around meter box and back-flow device.
<b>Doyne Road</b>	Water leak	12/28/2017	Customer requested verification that a repair has eliminated the leak. Brian verified that there was no leakage at the time of the service call.
<b>Villa Highlands Drive</b>	Water leak	12/28/2017	Customer called to tell us that a leak had been fixed and that he was able to verify no flow and did not need a service call
<b>Far Mesa Tunnel</b>	Water waste	12/29/2017	Director Eldridge reported that water was coming out the vent line adjacent to the Far Mesa Tunnel driveway. SCADA showed no flow from the tunnel into the Pasadena Glen Reservoir. Brian determined that the production water meter was clogged with debris. Brian disassembled, cleaned and re-assembled the meter to restore flow.
<b>Pasadena Glen Road</b>	Customer Service	12/31/2017	Customer was concerned about the constant need to pump his septic tank and wanted our assistant to make sure that there was no leak from our system that was causing the problem. Brian checked his meter for flow as well as the neighbor's meter. No water was flowing through these meters, but water was still flowing in the septic tank. The source was not determined.

IV. Water Supply Summary as of November 2017 for the Fiscal Year July 2017 through June 2018

Raymond Basin Groundwater (Acre Feet)		Kinneloa Irrigation District Water Tunnels (Acre Feet)	
Water Rights	516	Eucalyptus	4.5
Prior Year Carryover	52	Far Mesa	2.4
Less Temporary 30% Reduction in Water Rights	-155	Delores	0.1
Leases/Exchanges	0	House	0.0
Prior Year Spreading	103	Holly High/Low	2.0
Short Term Storage	191		
Current Year Spreading	0		
<b>Total Allowable Extractions</b>	<b>707</b>		
Less Water Extracted YTD through June 2018	- 384	Current Tunnel Monthly Production	9.0
Remaining Allowable Groundwater Extractions through June 2018	323	Remaining Estimated Tunnel Production through June 2018	63.0
Total Available Water Supply through September 2017 (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2018)		386 Acre Feet	
Less Remaining Forecasted Retail Water Sales through June 2018		-342 Acre Feet	
<b>Surplus Water through June 2018*</b>		<b>44 Acre Feet</b>	

\* 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. Regarding the available surplus water, we will generally maximize the carryover to the next year and deliver the balance of the forecasted surplus water (if any) to the City of Pasadena. In the 2016-2017 year, 29 Acre-Feet were sold to the City, 52 Acre-Feet were carried over to 2017-2018 and 191 Acre-Feet were put into our short-term storage account. Although we may lease additional pumping rights from another agency with surplus pumping rights, this is not considered a guaranteed source of supply since it is subject to negotiation.

In addition to the available water, the KID has 790 Acre Feet in a long-term storage account. Additions to long-term storage are no longer permitted but withdrawals can be made at any time to supplement allowable extractions. However, since long-term storage is considered by KID staff to be an emergency supply we do not plan to use or sell this water now.



## V. Information Items

### A. General Ledger Asset Accounts on Balance Sheet

# Memo

Date: December 20, 2017  
To: Board of Directors  
From: Mel Matthews  
Subject: General Ledger Asset Accounts Recommended  
Action: Information Item for Discussion

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#### Background

Since becoming your general manager in 2004, I have strived to accurately track major project costs and applied those costs to the appropriate existing general ledger (GL) asset accounts or established new GL accounts for specific projects and improvements when there appeared to be a reason to separately track the improvement. However, the auditor establishes the depreciation schedule and often adjusts accounts at year end in completing the audited financial statement.

Questions like what Director Opel raised at the December meeting have been asked many time in the past and I have provided written responses as is shown in the attached examples from 2013. As I have previously commented, many of the asset values shown on the balance sheet do not reflect the value of our property and equipment and are not useful in indicating the current value of the District's assets. The auditor tracks the assets and establishes the depreciation schedule in accordance with generally accepted accounting principles and establishes the expected lifetime of an asset. However, many assets significantly exceed their expected lifetime and others fail or wear out long before they are fully depreciated and some assets like land do not depreciate. Therefore, the accumulated depreciation on the balance sheet does not accurately represent the replacement cost of the District's assets or reflect the condition of the District's assets.

There is no practical way to reconstruct the GL to separate depreciable assets from non-depreciable assets and/or to separate or combine specific assets from the past. Furthermore, there is no need to have a specific GL account for every project. In fact, it is more useful to combine projects into a single GL account that represents the category of the asset or the facility as has been done in the past.

#### Summary and Conclusion

The Balance Sheet is not a useful tool to determine the future capital improvement needs of the District. However, I can provide details of past projects upon request and the auditor can describe the general methodology for determining the depreciation schedule of each type of depreciable asset. The periodically updated ***Water Master Plan for the Kinneloa Irrigation District*** and ***Capital Project*** list provide the best short and long-term look at the District's future needs.



January 29, 2013

**Overview of Improvement District #1 (General Ledger Account 1507) and the Kinneloa Irrigation District Office (General Ledger Account 1517) and General Comments on the Asset Accounts and Accounting Methods**

**Improvement District #1** – In February 1975 the District issued general obligation serial bonds totaling \$600,000 to enable the District to acquire and improve the system formerly owned by the Mira Loma Mutual Water Company. Approximately 50% of the funds were used for the purchase of Mira Loma and 50% of the funds were used for the improvements. These bonds matured annually in varying amounts through 2004 with interest paid at the annual rate of 8%. The bonds were paid off through tax assessments made on the land in the improvement district in a sufficient amount annually to meet the interest and bond maturities during the year and to maintain a reserve balance.

A separate set of accounting records was maintained to record the income and expenses of the improvement district including general expenses and project-related expenses such as replacement pipelines and booster stations. These records were maintained manually and are not now easily accessible. Apparently one of our prior auditors recorded an asset value for the Improvement District and the office starting in the mid-1980s. The original recorded value for the Improvement District appears to be the \$600,000 proceeds from the bonds and may not represent the actual cost of the acquisition and improvements. The current balance sheet amount is \$602,778.

**Kinneloa Irrigation District Office** – The funds for construction of the office were primarily from the proceeds of the sale of surplus water to the City of Pasadena from 1973 through 1976 in the amount of \$35,320. The remainder was probably from the general net surplus or from reserves. We found documentation for the original expenditures in the total amount of \$53,366 which is close to the current balance sheet amount of \$54,203 which probably includes minimal subsequent expenditures in the amount of \$837. This amount does not reflect the current value or replacement cost of the building and does not include accumulated depreciation.

**Comments** – The age of both of these assets is approximately 38 years and I believe that any additional research into these assets would not provide further benefit considering the amount of staff time needed to find and analyze the original records. **Nevertheless this exercise has been useful in indicating that some of the assets shown on the balance sheet may be arbitrary and may not reflect the replacement cost or the value of our property and equipment.** The current balance sheet shows a total accumulated depreciation of nearly \$3M and a net value of all our property and equipment of nearly \$4.5M. These amounts were determined in part by the present and prior auditors and should not be used for valuation purposes.

Since becoming your general manager in 2004, I have strived to accurately track project costs and apply those costs to the appropriate existing general ledger asset account or establish new GL accounts for specific projects and improvements. However, the auditor establishes the depreciation schedule and may make adjustments at year end in completing the audited financial statement. These adjustments are reflected in our internal accounting records at the start of the new accounting year. As I have mentioned before, there is often a “healthy” disagreement between the auditor and me on how a particular item should be booked.

In future months I will continue to take a look at additional specific projects with unique general ledger account numbers and try to find supporting documentation for the valuations shown on the balance sheet. However, I believe that the primary benefit of this effort will be to be able to provide the Board with a better understanding of the history of our major assets and the role that they play in delivering water to our customers.

Respectfully submitted to the Board of Directors,

*Melvin L. Matthews*

Melvin L. Matthews  
General Manager



February 20, 2013

**Overview of the Dove Creek Project (General Ledger Account 1519)**

Forty eight town homes were built in 1989-1990 by Dove Creek Development at a site near New York Drive and Altadena Drive. The project was managed for the developer by Cantwell Anderson Company. Various off site and on site improvements were required to provide water service to the development as documented below:

Off Site:

K-3 Well Re-equipping	\$149,256 (Developer paid \$125,518 of this mount)
Eucalyptus Reservoir Extension	\$166,416 (Developer paid \$152,194 of this amount)
Main Line Extension in New York Drive	\$ 29,836

On Site: (Paid by Developer)

Water Mains	\$ 87,735
Water Meters	\$ 15,660

Other Expenses (Paid by Developer)

Inspection	\$ 23,100
<u>Engineering, Construction Water, Legal</u>	<u>\$ 15,381</u>
Total Amount on Balance Sheet	\$487,384

In summary, it appears that this asset was booked at the original cost and included the amount reimbursed by the developer. The small incremental amount paid by the KID provided increased pumping capacity for the K-3 Well and increased storage capacity in the Eucalyptus Reservoir beyond what was required for the development and benefited the District as a whole. This cost-sharing arrangement is typical of other development projects in the District.

Respectfully submitted to the Board of Directors,

*Melvin L. Matthews*

Melvin L. Matthews  
General Manager



April 22, 2013

**Overview of the Kinneloa Ridge Project (General Ledger Account 1521);  
and Eucalyptus Booster Station Upgrade (General Ledger Account 1522);  
and Eucalyptus Tunnel Reserve Fund**

The Kinneloa Ridge Project consisted of providing water system improvements to Tract No. 37856 which contains 21 building lots, a common-area lot for two reservoirs, and improvement of the booster station that is used to pump water to these reservoirs. The agreement with Diamond Segundo Development, LLC (“Developer”) for construction of the improvements was signed on July 17, 2000 and the completed project was accepted by the District on October 15, 2003. The improvements were done according to the plans and specifications dated February 8, 2000, which were prepared by our engineer, Terry Kerger of ASL Consulting Engineers and his successor company Tetra Tech, Inc.

Although most of the work was done by the Developer and its contractors and paid by the Developer, the District received inspection, contract administration, connection, meter installation, engineering, legal fees and charges for construction water and replacement water during the time the Eucalyptus station was out of service.

The District financially participated in the construction of certain facilities that benefitted the District’s water system as a whole that was not directly related to the construction of the Development. The major items in this category were the Eucalyptus Booster Station Upgrade (at a percentage of approximately 15%), various pipeline upsizing (100%) and SCADA upgrades at the office and K-3 Well (approx. 69-80%). Additionally, upgrades were made to Sage Tank to accommodate the needs of the proposed Doayne Road Development with the expectation of recovering some of those costs from the Developer of that project.

The Development was constructed in the vicinity of the Eucalyptus Tunnel. Although the Developer believed that the Development would not adversely affect the water quality from the Tunnel, no independent study of the existing hydrogeological conditions was available to confirm to the District that there would be no contamination or need for treatment in future years. Therefore, as a material inducement to the District, the Developer agreed to deposit \$500,000 into an escrow account, to be held for the purpose of remediating any adverse impact that the Development could have in the future as well as including the provisions in the CC&R’s to maintain the account as a successor to the Developer as well as provide a written notice to purchasers of its lots the location of the District’s easements and facilities on or adjacent to their property. Subsequent to this requirement of the original agreement, the Developer and the District negotiated and mutually agreed to a cash settlement of this requirement whereby the Developer paid \$250,000 in cash to the District. These funds are not segregated from the District’s other reserve funds in LAIF and CalTRUST and are not formally restricted by resolution. However, the Board has reserved \$250,000 for the intended purpose unless it appears in the future that contamination from the development is no longer a concern.

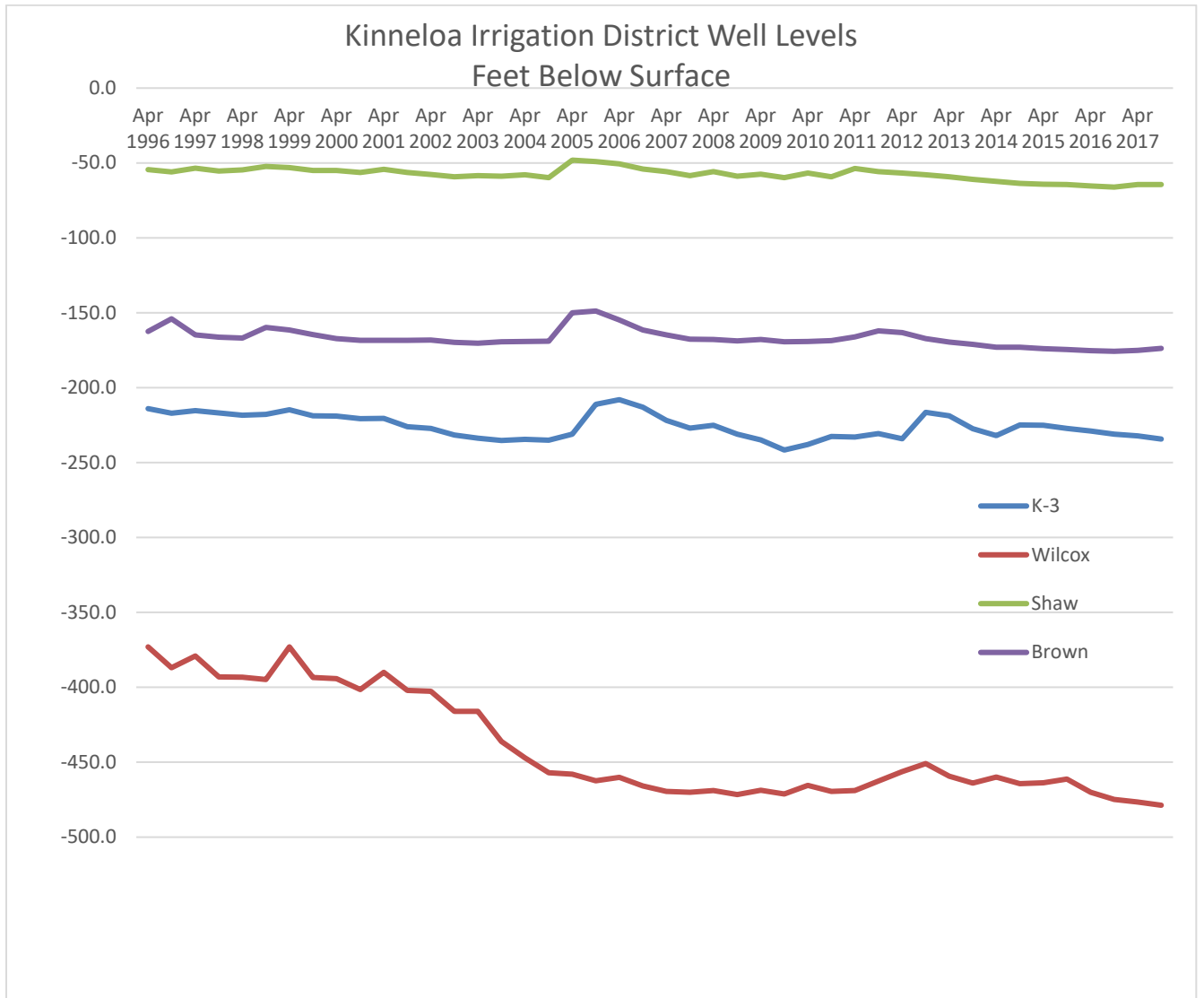
The assets described above were accepted and transferred to the District in a Bill of Sale signed by me on October 15, 2003. However, the value of these assets was not reflected on the financial records of the District until 2004 due to the work that was necessary to research and summarize all the applicable expenses of the District and the Developer from 1998 through 2003. The amount that was posted as a general journal entry in 2004 was \$690,492.58 for the Kinneloa Ridge improvements GL #1521 and \$471,817.81 for Eucalyptus Booster Station improvements GL #1521. The total of these adjustments, \$1,162, 310.39, represents the book value of the entire project and was credited to Prior Year Adjustments, GL #3900 and is now reflected in our Fund Balance, GL #3040.

Respectfully submitted to the Board of Directors,

*Melvin L. Matthews*

Melvin L. Matthews  
General Manager

**B. Well Level Measurements –** Well levels are measured semi-annually. The chart below shows the levels since 1996 at the four wells that are measured.



**Kinneloa Irrigation District**  
**Income Statement for the Twelve Months Ending December 31, 2017**

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Revenues</b>						
4000 Water Sales	155,555.66	100,000.00	55,555.66	1,521,355.22	1,347,000.00	174,355.22 *
4015 Wholesale Water Sales	17,877.63	0.00	17,877.63	88,346.53	75,000.00	13,346.53 *
4020 Service/Installation Charges	500.47	833.37	(332.90)	26,958.93	10,000.00	16,958.93
4035 Interest-Reserve Fund	1,568.73	817.00	751.73	13,009.95	9,804.00	3,205.95
4070 Misc. Income	0.00	0.00	0.00	3,942.82	0.00	3,942.82
<b>Total Revenues</b>	<b>175,502.49</b>	<b>101,650.37</b>	<b>73,852.12</b>	<b>1,653,613.45</b>	<b>1,441,804.00</b>	<b>211,809.45</b>
<b>Expenses</b>						
5000 Leased Water Rights	0.00	63,135.00	(63,135.00)	0.00	63,135.00	(63,135.00)
5005 Electricity	11,706.32	10,000.00	1,706.32	122,814.14	120,000.00	2,814.14 *
5010 Maintenance/Repair Supplies	514.10	2,083.37	(1,569.27)	28,159.26	25,000.00	3,159.26
5011 Material and Labor for Install	0.00	833.37	(833.37)	10,703.00	10,000.00	703.00
5012 Safety Equipment	0.00	133.37	(133.37)	451.86	1,600.00	(1,148.14)
5015 Operations Labor	10,716.99	12,445.87	(1,728.88)	133,727.51	149,350.00	(15,622.49)
5016 Operations OT	1,170.45	1,333.37	(162.92)	22,982.78	16,000.00	6,982.78
5020 Stand-by Compensation	750.00	625.00	125.00	7,410.00	7,500.00	(90.00)
5022 Training/Certification	0.00	133.37	(133.37)	725.00	1,600.00	(875.00)
5025 Water Treatment/Analysis	1,145.87	1,833.37	(687.50)	15,091.82	22,000.00	(6,908.18)
5030 Maintenance/Repair Contractors	4,607.60	10,416.63	(5,809.03)	129,293.84	125,000.00	4,293.84
5034 Equipment Maintenance	0.00	833.37	(833.37)	10,139.72	10,000.00	139.72
5035 Vehicle Maintenance	97.96	583.37	(485.41)	5,039.98	7,000.00	(1,960.02)
5036 Fuel	456.35	1,250.00	(793.65)	7,848.85	15,000.00	(7,151.15)
5040 Equipment Rental	0.00	500.00	(500.00)	0.00	500.00	(500.00)
5045 Insurance-Workers Compensation	2,303.85	3,000.00	(696.15)	9,434.38	12,000.00	(2,565.62) *
5046 Insurance-Liability	1,183.50	1,333.37	(149.87)	14,263.51	16,000.00	(1,736.49)
5048 Insurance-Property	155.33	208.37	(53.04)	1,925.22	2,500.00	(574.78)
5049 Insurance-Medical	5,662.55	6,375.00	(712.45)	68,322.35	76,500.00	(8,177.65)
6000 Engineering Services	0.00	3,958.37	(3,958.37)	10,955.00	47,500.00	(36,545.00)
6005 Watermaster Services	909.25	1,000.00	(90.75)	11,038.50	12,000.00	(961.50)
6015 Administrative Salary	10,838.70	11,333.37	(494.67)	130,064.40	136,000.00	(5,935.60)
6017 Administrative Travel	19.42	250.00	(230.58)	2,932.66	3,000.00	(67.34)
6020 Board Compensation	400.00	350.00	50.00	5,200.00	4,200.00	1,000.00
6021 Administrative & Board Expense	0.00	83.37	(83.37)	953.25	1,000.00	(46.75)
6022 Board of Directors Election	0.00	12,500.00	(12,500.00)	0.00	12,500.00	(12,500.00)
6024 Customer/Public Info. Prog.	0.00	166.63	(166.63)	1,533.07	2,000.00	(466.93)
6025 PERS - KID	2,730.03	2,062.50	667.53	28,515.60	24,750.00	3,765.60
6030 Social Security - KID	1,809.80	2,145.87	(336.07)	21,569.39	25,750.00	(4,180.61)
6031 Medicare - KID	437.04	516.63	(79.59)	5,058.13	6,200.00	(1,141.87)
6035 Office/Computer Supplies	1,442.94	583.37	859.57	7,296.45	7,000.00	296.45
6036 Postage/Delivery	298.54	416.63	(118.09)	3,803.23	5,000.00	(1,196.77)
6040 Professional Dues	884.03	944.13	(60.10)	10,608.00	11,330.00	(722.00)
6045 Legal Services	47.00	1,250.00	(1,203.00)	2,204.87	15,000.00	(12,795.13)
6050 Telephone	359.84	375.00	(15.16)	3,994.95	4,500.00	(505.05)
6051 Mobile Telephone	57.51	125.00	(67.49)	804.15	1,500.00	(695.85)
6052 Pagers	24.89	25.00	(0.11)	430.84	300.00	130.84
6053 Internet Service	59.99	83.37	(23.38)	1,006.05	1,000.00	6.05
6059 Computer Software Maintenance	393.87	750.00	(356.13)	5,543.91	9,000.00	(3,456.09)
6061 Office Equipment Maintenance	0.00	83.37	(83.37)	128.74	1,000.00	(871.26)
6065 Accounting Services	0.00	0.00	0.00	6,750.00	7,000.00	(250.00) *

Favorable variances are shown in GREEN and unfavorable variances are shown in RED.  
\* 2017 budgeted total amount for account not evenly allocated.



**Kinneloa Irrigation District**  
**Income Statement for the Twelve Months Ending December 31, 2017**

	<b>Current Month Actual</b>	<b>Current Month Budget</b>	<b>Current Month Variance</b>	<b>Year to Date Actual</b>	<b>Year to Date Budget</b>	<b>Year to Date Variance</b>
6070 Office & Accounting Labor	7,224.38	7,810.00	(585.62)	61,425.46	93,720.00	(32,294.54)
6075 Professional/Contract Services	1,999.00	1,916.63	82.37	27,980.47	23,000.00	4,980.47
6080 Administrative Fees	674.15	741.63	(67.48)	8,109.38	8,900.00	(790.62)
6081 Permits/Fees	293.00	1,166.63	(873.63)	7,333.01	14,000.00	(6,666.99)
6086 Taxes - Sales	0.00	0.00	0.00	276.00	500.00	(224.00) *
6088 Interest Expense	0.00	0.00	0.00	75,916.19	75,901.00	15.19 *
6120 Bank Service Charges	621.71	500.00	121.71	6,646.47	6,000.00	646.47
<b>Total Expenses</b>	<b>71,995.96</b>	<b>168,193.70</b>	<b>(96,197.74)</b>	<b>1,036,411.39</b>	<b>1,240,236.00</b>	<b>(203,824.61)</b>
<b>Net Income</b>	<b>103,506.53</b>	<b>(66,543.33)</b>	<b>170,049.86</b>	<b>617,202.06</b>	<b>201,568.00</b>	<b>415,634.06</b>
<b>Other Expenditures</b>						
1504 Water Mains	0.00	25,000.00	(25,000.00)	1,099,599.53	25,000.00	1,074,599.53
1505 Water Tunnels	0.00	7,000.00	(7,000.00)	23,088.85	7,000.00	16,088.85
1506 K-3 Well	0.00	0.00	0.00	6,694.69	0.00	6,694.69
1511 Water Treatment Plant	0.00	6,000.00	(6,000.00)	0.00	6,000.00	(6,000.00)
1512 Water Meters	0.00	0.00	0.00	5,509.04	4,500.00	1,009.04
1513 Electrical/Electronic Equip.	0.00	5,000.00	(5,000.00)	0.00	5,000.00	(5,000.00)
1514 Computer/Office Equipment	1,208.43	3,300.00	(2,091.57)	3,629.21	5,000.00	(1,370.79)
1516 Water Company Facilities	0.00	10,000.00	(10,000.00)	0.00	10,000.00	(10,000.00)
1523 Constr. in Progress-Vosburg	0.00	0.00	0.00	(1,555,035.10)	0.00	(1,555,035.10)
1524 Constr. in Progress-East/West	0.00	0.00	0.00	(713,677.13)	0.00	(713,677.13)
1526 Vosburg Booster	0.00	0.00	0.00	1,555,035.10	0.00	1,555,035.10
1527 SCADA Equipment	0.00	0.00	0.00	23,318.47	11,000.00	12,318.47
1530 Tools	0.00	3,000.00	(3,000.00)	0.00	3,000.00	(3,000.00)
2400 Installment Purchase Agreement	0.00	0.00	0.00	124,285.77	124,301.00	(15.23)
<b>Total Other Expenditures</b>	<b>1,208.43</b>	<b>59,300.00</b>	<b>(58,091.57)</b>	<b>572,448.43</b>	<b>200,801.00</b>	<b>371,647.43</b>
<b>Total Increase or (Drawdown)</b>	<b>102,298.10</b>	<b>(125,843.33)</b>	<b>228,141.43</b>	<b>44,753.63</b>	<b>767.00</b>	<b>43,986.63</b>

Favorable variances are shown in GREEN and unfavorable variances are shown in RED.  
\* 2017 budgeted total amount for account not evenly allocated.

## Kinneloa Irrigation District

### Balance Sheet as of December 31, 2017

#### ASSETS

#### Current Assets

1010	Checking-Wells Fargo Bank	\$ 393,402.87
1012	Reserve Fund-LAIF	120,494.31
1014	Reserve Fund-CalTRUST	1,146,504.23
1015	Unrealized Gain(Loss)-CalTRUST	6,926.41
1016	Accrued Interest-LAIF	290.54
1100	Accts. Receivable-Water Sales	32,914.25
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	190,540.93
1350	Prepaid Insurance	9,504.02
1360	Prepaid Expenses	22,193.32

Total Current Assets

1,941,999.40

#### Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	3,584,517.77
1505	Water Tunnels	729,074.60
1506	K-3 Well	89,543.06
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	185,398.06
1512	Water Meters	88,328.50
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	67,170.98
1515	Vehicles & Portable Equipment	242,548.91
1516	Water Company Facilities	70,422.20
1517	KID Office	54,202.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1520	Glen Reservoir/Booster	24,190.86
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	532,342.43
1526	Vosburg Booster	1,647,215.66
1527	SCADA Equipment	278,045.10
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	6,811.57
1600	Accum. Depreciation	(4,245,822.02)

Total Property and Equipment

6,236,574.21

#### Other Assets

1901	PERS-Deferred Outflows	30,295.00
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Total Assets

\$ 8,208,868.61



**Kinneloa Irrigation District**  
**Balance Sheet as of December 31, 2017**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

2000	Accounts Payable	\$ 25,924.14	
2275	Deposits-Water Customers	255.02	
2290	Accrued Vacation	14,380.60	
	Total Current Liabilities		40,559.76

**Long-Term Liabilities**

2400	Installment Purchase Agreement	1,997,389.65	
2801	PERS- Net Liability	173,870.00	
2901	PERS- Deferred Inflows	53,567.00	
	Total Long-Term Liabilities		2,224,826.65
	Total Liabilities		2,265,386.41

**Capital**

3040	Fund Balance	5,326,280.14	
	Net Income	617,202.06	
	Total Capital		5,943,482.20
	Total Liabilities & Capital	\$ 8,208,868.61	

**Kinneloa Irrigation District**  
**Statement of Cash Flow**  
**For the Twelve Months Ended December 31, 2017**

	Current Month	Year to Date
<b>Cash Flows from Operating Activities</b>		
Net Income	\$ 103,506.53	\$ 617,202.06
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	18,709.33	7,702.03
1101 Accts. Receiv.-Service Charges	25.50	0.00
1340 Accrued Water Sales	(41,833.69)	(85,222.58)
1350 Prepaid Insurance	1,338.83	122.73
1360 Prepaid Expenses	(318.89)	(6,076.30)
2000 Accounts Payable	3,794.95	6,469.93
2272 Job Deposits	0.00	(3,900.00)
2275 Deposits-Water Customers	0.00	255.02
	(18,283.97)	(80,649.17)
<b>Net Cash Provided by Operations</b>	<b>85,222.56</b>	<b>536,552.89</b>
 <b>Cash Flows from Investing Activities</b>		
<i>Used for</i>		
1504 Water Mains	0.00	(1,099,599.53)
1505 Water Tunnels	0.00	(23,088.85)
1506 K-3 Well	0.00	(6,694.69)
1512 Water Meters	0.00	(5,509.04)
1514 Computer/Office Equipment	(1,208.43)	(3,629.21)
1524 Constr. in Progress-East/West	0.00	(133,769.40)
1526 Vosburg Booster	0.00	(1,555,035.10)
1527 SCADA Equipment	0.00	(23,318.47)
	(1,208.43)	(2,850,644.29)
<b>Net Cash Used in Investing</b>	<b>(1,208.43)</b>	<b>(2,850,644.29)</b>
 <b>Cash Flows from Financing Activities</b>		
<i>Proceeds from</i>		
<i>Used for</i>		
2400 Installment Purchase Agreement	0.00	(124,285.77)
	0.00	(124,285.77)
<b>Net Cash Used in Financing</b>	<b>0.00</b>	<b>(124,285.77)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 84,014.13</b>	<b>\$ (2,438,377.17)</b>
 <b>Summary</b>		
Cash Balance at End of Period	\$ 1,667,618.36	\$ 1,667,618.36
Cash Balance at Beg. of Period	(1,583,604.23)	(1,703,513.90)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 84,014.13</b>	<b>\$ (35,895.54)</b>

**Kinneloa Irrigation District**  
**Check Register**  
**For the Period from December 1, 2017 to December 31, 2017**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
12/7/17	EFT3303	Automatic Data Processing, Inc.	85.87	payroll processing
12/7/17	EFT3304	Century Business Solutions	372.99	banking service fee
12/7/17	8681	ACWA/JPIA	6,622.21	KID & employee payment for health insurance
12/7/17	8682	Bernadette Allen	78.38	mileage reimbursement
12/7/17	8683	Consolidated Electrical Distr.	73.32	LED lights
12/7/17	8684	California Special Districts	3,384.00	membership dues 2018
12/7/17	8685	Eurofins Eaton Analytical, Inc.	105.60	water sample analysis
12/7/17	8686	Ultimate Cleaning Solutions, Inc.	75.00	janitorial service for office
12/7/17	8687	Underground Service Alert	16.60	digalert
12/7/17	8688	Utility Service Co., Inc.	4,607.60	tank maintenance agreement
12/15/17	EFT3305	Bernadette C. Allen	1,375.61	salary
12/15/17	EFT3306	Joel D. Bundy	1,254.25	salary
12/15/17	EFT3307	Christopher A. Burt	2,624.11	salary
12/15/17	EFT3308	Brian L. Fry	1,647.30	salary
12/15/17	EFT3309	Melvin L. Matthews	3,564.00	salary
12/15/17	EFT3310	Automatic Data Processing, Inc.	83.73	payroll processing
12/15/17	EFT3311	Christopher A. Burt	150.00	salary
12/15/17	EFT3312	Automatic Data Processing, Inc.	4,799.88	payroll taxes and employee withholdings
12/19/17	EFT3313	American Messaging Services	24.89	pager service
12/19/17	EFT3314	Arco Gaspro Plus	456.35	fuel for trucks
12/19/17	EFT3315	Athens Services	170.49	trash pickup
12/19/17	EFT3316	CA Public Employees Ret. Sys.	3,933.77	CalPERS Nov. KID and employee contributions
12/19/17	EFT3317	Century Business Solutions	15.00	monthly service fee
12/19/17	EFT3318	Pasadena Municipal Services	1,431.49	Wilcox Well power
12/19/17	EFT3319	Southern California Edison Co.	10,326.82	electricity for all 13 sites November
12/19/17	EFT3320	Verizon Wireless	57.51	mobile phone for C. Burt
12/19/17	8689	AmeriPride Services	59.85	shop rag service
12/19/17	8690	BrightView Landscape Services	1,490.00	landscape service maintenance
12/19/17	8691	Consolidated Electrical Distr.	123.05	sensor, LED light, and photocontrol
12/19/17	8692	Clinical Laboratory, SB	24.00	water sample analysis
12/19/17	8693	Eurofins Eaton Analytical, Inc.	132.00	water sample analysis
12/19/17	8694	Foothill Municipal Water District	674.15	administrative fee
12/19/17	8695	Lagerlof, Senecal, Gosney & Kruse	47.00	service: record notices of completion
12/31/17	EFT3321	Bernadette C. Allen	1,212.72	salary
12/31/17	EFT3322	Joel D. Bundy	1,152.60	salary
12/31/17	EFT3323	Christopher A. Burt	2,564.15	salary
12/31/17	EFT3324	Brian L. Fry	1,501.44	salary
12/31/17	EFT3325	Timothy J. Eldridge	92.35	salary
12/31/17	EFT3326	Francis J. Griffith	92.35	salary
12/31/17	EFT3327	Gerrie G. Kilburn	92.35	salary

**Kinneloa Irrigation District**  
**Check Register**  
**For the Period from December 1, 2017 to December 31, 2017**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
12/31/17	EFT3328	Melvin L. Matthews	3,512.62	salary
12/31/17	EFT3329	Arthur W. Opel	92.35	salary
12/31/17	EFT3330	Christopher A. Burt	150.00	salary
12/31/17	EFT3331	Automatic Data Processing, Inc.	77.31	payroll processing
12/31/17	EFT3332	Automatic Data Processing, Inc.	4,645.59	payroll taxes and employee withholdings
12/31/17	EFT3333	Bank of the West Business Card	2,738.30	credit card payment - see attached detail
12/31/17	EFT3334	Charter Communications	344.83	phone and internet
<b>Total</b>			<b><u>68,155.78</u></b>	

**Credit Card Detail Bank of the West  
November 2017**

(Expenses incurred/billed in November and due/paid in December.)

Acct. #	Account Description	Additional Description	BCA	CAB	BLF	MLM	TOTAL
1514	Computer/Office Equip.	OptiPlex 3050 Tower, Dell monitor				\$794.31	\$794.31
5010	Maintenance Supplies	battery charger, batteries, West Tank maint. supp., generator maint. supp.		\$573.79			\$573.79
5012	Safety Equipment						\$0.00
5022	Training/Certification						\$0.00
5025	Water Treatment/Analysis	Cl2 analyzer sump pump supplies		\$198.97			\$198.97
5035	Vehicle Maintenance	battery for '96 Chevy	\$133.44				\$133.44
5036	Fuel						\$0.00
6017	Adm. Travel						\$0.00
6021	Adm. & Bd. Exp.						\$0.00
6035	Office/Computer Supplies	office supplies, printing calculator, keys; converter cable	\$153.95			\$9.84	\$163.79
6036	Postage/Delivery	postage	\$784.00				\$784.00
6040	Professional Dues						\$0.00
6050	Telephone	answering service				\$75.00	\$75.00
6051	Mobile Phone						\$0.00
6053	Internet Service						\$0.00
6059	Computer/Software Maint.						\$0.00
6061	Office Equipment Maint.						\$0.00
6075	Outside Services	notary				\$15.00	\$15.00
6081	Permits/Fees						\$0.00
<b>TOTAL</b>			\$1,071.39	\$772.76	\$0.00	\$894.15	\$2,738.30

**Kinneloa Irrigation District  
Government Code Section 53065.5 Disclosure Report  
Reimbursements for Individual Charges of \$100 or More for Services or Product Received  
January 1, 2017 through December 31, 2017**

<b>Name</b>	<b>Title</b>	<b>Payment/ Reimbursement Date</b>	<b>Event Date(s)</b>	<b>Amount of Payment</b>	<b>Service/Product Description and Business Purpose</b>
Mel Matthews	General Manager	4/17/2017	3/31/2017	\$181.96	APC Battery Backup & Surge Protector reimbursement
Tim Eldridge	Director	5/15/2017	5/8/17-5/10/17	\$273.92	mileage reimbursement to attend ACWA/JPIA Conference/Director meeting in Monterey, CA
Tim Eldridge	Director	5/15/2017	5/8/17-5/10/17	\$591.75	3 night accomodations reimbursement to attend ACWA/JPIA Conference/Director Meeting, Monterey, CA
Mel Matthews	General Manager	10/4/2017	9/25/17-9/28/17	\$350.96	Mileage reimbursement to attend CSDA Conference in Monterey, CA
Mel Matthews	General Manager	10/4/2017	9/25/17-9/28/17	\$644.04	3-night accomodations reimbursement to attend CSDA Conference in Monterey, CA
Bernadette Allen	Board Secretary	10/31/2017	10/23/17-10/24/17	\$575.00	Board Secretary conference & certificate program
Bernadette Allen	Board Secretary	11/9/2017	10/01/17-10/31/17	\$112.78	Oct. mileage reimbursement, included transportation to CSDA Board Secretary Conference in Garden Grove, CA - 10/23/17 & 10/24/17