

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY – FEBRUARY 21, 2012
7:00 P.M.

AGENDA

A. EXECUTIVE SESSION – 7:00 P.M

REVIEW OF GENERAL MANAGER’S PERFORMANCE-Govt. Code 6254.25

B. REGULAR MEETING

1. CALL TO ORDER

- A. Declaration of a Quorum
- B. Review of Agenda

2. PUBLIC COMMENT– Comments from the public regarding items on the Agenda or other items within the jurisdiction of the District.

3. PERFORMANCE EVALUATION OF THE GENERAL MANAGER

4. EMPLOYEE POLICIES AND PROCEDURES – Review of Final Draft

5. ONLINE CUSTOMER PAYMENT OPTIONS

6. REVIEW GENERAL MANAGER’S REPORT

7. REVIEW MINUTES – January 17, 2012

8. REVIEW FINANCIAL REPORTS – January 31, 2012

9. ITEMS FOR NEXT AGENDA

10. CALENDAR – March 20, 2012

April 17, 2012

May 15, 2012 (Adjourned to May 23, 2012)

11. ADJOURNMENT

Each item on the Agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the Agenda Packet is available for public review at the District Office or online at the District’s website <http://www.kinneloairrigationdistrict.info>.



**Employee
Policies and Procedures
for the
Kinneoloa Irrigation District**

January 2012

KINNELOA IRRIGATION DISTRICT

EMPLOYEE POLICIES & PROCEDURES

Adopted February 15, 2000

**Revision 1
Resolution 2001-18-12
December 18, 2001**

Reformatted May 2002

**Spelling and Grammar Corrections
Reformatted May 2004**

**Revision 2
Resignation/Dismissal Procedures and
Employee Acknowledgement Added
January 2005**

**Revision 3
Vacation and Personal Time Off Policies
Adopted October 18, 2005
Effective January 1, 2006**

**Spelling and Grammar Corrections
Reformatted January 2009**

**Revision 4
Resolution 2011-12-20B
Employee Benefits Section Added
Holiday and Vacation Policies Revised
Electronic Communication, Return-To-Work and Anti-Fraud Policies Added
Adopted January 2012**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE NUMBER</u>
I. GENERAL EMPLOYMENT POLICIES	
A. Equal Opportunity	6
B. Discrimination/Harassment	6
C. Immigration Reform and Control Act	8
D. Nepotism	8
E. Employee Classifications	9
F. Rehired Employees	10
II. SAFETY AND SECURITY POLICIES	
A. Injury and Illness Prevention Program	10
B. Security	13
C. Alcohol/Drug Free workplace	14
D. Blood borne Pathogens	14
E. Bomb Threats and/or Threatening Calls	15
F. Emergency Evacuations	15
G. Employment Reference Checks	15
H. Media/Outside Information Requests	16
I. Personnel Records	16
III. EMPLOYEE CONDUCT POLICIES	
A. Standards of Employee Conduct	17
B. Dress & Grooming Standards	18
C. Driving Record Review	18
D. Off Duty Conduct	19
E. Personal Use of Office Equipment	20
F. Vehicle Use	20
G. Smoking	20
H. Solicitation and Distribution	20
I. Staff Expense Reimbursement Guidelines	21
J. Telephone Use	22
K. Electronic Communications	23
L. Anti-Fraud and Ethics	27
IV. PAYROLL POLICIES	
A. Administration Procedures	28
B. Call Back	28
C. Compensation Review and Merit Increase for Non-Exempt Employees	29
D. Compensation Review and Merit Increase for Exempt Employees	30
E. Employee Performance Evaluation	30
F. Compensatory Time Off	31
G. Overtime	32
H. Standby	32
V. PAID AND UNPAID LEAVE POLICIES	
A. Attendance	33
B. Absent Without Leave	33
C. Bereavement Leave	34
D. Educational Assistance	34
E. Family Leave	35
F. Holiday Leave	35
G. Inclement Weather	36

<u>TITLE</u>	<u>PAGE NUMBER</u>
H. Jury/Witness Duty	36
I. Military Leave	37
J. Personal Leave	37
K. Rest/Break Time	38
L. Sick/Personal Time Off	38
M. Pregnancy Disability Leave	39
N. School Activity Leave	40
O. Time Off to Vote	40
P. Vacation	40
Q. Unpaid Leave	41
R. Return-to-Work	42
VI. EMPLOYEE BENEFITS	
A. Introduction	42
B. Group insurance Plans	43
C. Workers' Compensation Program	44
D. California Public Employees' Retirement System (CalPERS)	44
VII. EMPLOYEE GRIEVANCE OR CONCERN PROCEDURES	45
VIII. DISCIPLINARY PROCEDURES	46
IX. RESIGNATION/DISMISSAL PROCEDURES	
A. Resignation	46
B. Dismissal	46
C. Exit Interview	47
D. Benefits	47
E. Final Paycheck	47
F. CalPERS	
X. MODIFICATION POLICY	47
XI. ACKNOWLEDGEMENT OF RECEIPT OF POLICIES AND PROCEDURES AND AT-WILL EMPLOYMENT AGREEMENT	
A. Employee Copy	49
B. Employer Copy for Personnel File	51

C.

I. GENERAL EMPLOYMENT POLICIES

A. Equal Employment Policy

State and Federal employment laws prohibit discrimination because of race, color, religion, sex, sexual orientation, age, physical or mental disability, veteran's status, marital status, national origin, ancestry, pregnancy, citizenship or medical condition in all employment practices, including conditions of employment. Job applicants and current employees will be evaluated solely on their ability and experience as it relates to the requirements of the position.

The Kinneloa Irrigation District will not tolerate acts of discrimination, including harassment, by either supervisors or employees.

The Kinneloa Irrigation District will make reasonable accommodations for the known physical or mental disabilities of an otherwise qualified applicant for employment, unless undue hardship would result. Any applicant or employee who requires accommodation in order to perform the essential functions of a job should contact the General Manager. The applicant or employee should advise the Kinneloa Irrigation District what accommodations he or she believes are needed in order to perform the job. The Kinneloa Irrigation District will determine possible accommodations, if any. If accommodation is reasonable and will not impose undue hardship upon the Kinneloa Irrigation District, the accommodation will be made.

When job openings occur, we are interested in obtaining the best-qualified personnel available, consistent with the requirements of the job.

Federal and State Child Labor Laws prohibit us from employing anyone less than 18 years of age, except in jobs not prohibited by these laws.

If an employee believes that they have been subjected to any form of unlawful discrimination, they should promptly report the facts of the incident or incidents, and names of the individuals involved, to the General Manager. The Kinneloa Irrigation District will promptly investigate all claims of discrimination and insure that appropriate action will be taken. The Kinneloa Irrigation District will also take action to deter any future discrimination. The Kinneloa Irrigation District's determination and related Kinneloa Irrigation District action will be communicated to the reporting employee.

B. Harassment or Discrimination Policy

The Kinneloa Irrigation District strictly prohibits unlawful harassment on the basis of an employee's race, sex, religious creed, color, national origin, ancestry, age, marital status, sexual orientation, or physical or mental disability. Discrimination of anyone in or from the Kinneloa Irrigation District, on any of these bases, is

strictly prohibited. This policy prohibits discrimination in any form, including:

- Verbal harassment** such as epithets, jokes, derogatory comments or slurs based on the person's race, sex, religious creed, color, national origin, ancestry, age (over 40), marital status, sexual orientation, or physical or mental disability;
- Physical harassment** such as assault, impeding or blocking movement, or any physical interference with normal work or movement when directed at an individual based on one of the categories above; and
- Visual harassment** such as derogatory posters, cartoons or drawings based on one of the categories above.

If an employee believes they have been or are being subjected to this kind of discrimination, and are unable to resolve (or uncomfortable attempting to address) the problem with the individual, they should promptly report it to the General Manager. All such claims will be investigated in a manner designed to protect the privacy and confidentiality of all involved and appropriate action will be taken. When appropriate, the Kinneloa Irrigation District may seek to resolve the matter informally. Any employee found to have discriminated against anyone in or from the agency, based on one of the categories above will be disciplined, from verbal reprimand to dismissal, based on the circumstances. If they have any questions about this policy, or want more information about it, please contact the Manager.

--**Sexual Harassment**

Sexual harassment of the Kinneloa Irrigation District employees, by any person includes, but is not limited to, unwelcome sexual advances, requests for sexual favors, or other verbal, visual, or physical conduct of a sexual nature when:

- Submission to such conduct** is made either expressly or by implication a term or condition of an individual's employment; or
- Submission to or rejection of** such conduct by an individual is used as the basis for employment decisions affecting the individual; or
- Such conduct has the purpose** or effect of unreasonably interfering with an individual's work performance; creating an intimidating, hostile, threatening or offensive working environment; or adversely affecting the employee's performance, evaluation, assigned duties, or any other condition.

Sexual harassment also includes any act of retaliation against an employee for reports of violation of this policy or for participating in the investigation of a harassment complaint.

Other examples of sexual harassment include unwelcome sexual flirtations or propositions; verbal abuse of a sexual nature; graphic verbal comments about an individual's body; sexually degrading words used to describe an individual; and the display in the work environment of sexually suggestive objects or pictures, posters, jokes, cartoons, or calendar illustrations.

Guidelines for the Employee

If an employee thinks they are being sexually harassed they should be advised

to:

- Say NO! Make it clear to the offender that the behavior is unacceptable to them. The person may not realize the advances or behavior are offensive. Sometimes a simple confrontation will end the situation.
- Don't let confusion and self-doubt stop them from speaking out.
- Keep a record of dates, times, places, witnesses and nature of harassment. Such records will be very helpful if they find it necessary to pursue a formal grievance.

If an employee feels that they have been or are being sexually harassed or are aware of or suspect the occurrence of sexual harassment, or they desire counseling on coping with sexual harassment, they should be encouraged to immediately contact the General Manager.

Disciplinary and/or Corrective Action

Any employee found to have sexually harassed anyone in or from the Kinneloa Irrigation District will be disciplined, from verbal reprimand to dismissal, based on the circumstances.

C. Immigration Reform and Control Act Policy

The Kinneloa Irrigation District is committed to full compliance with the Immigration Reform and Control Act. This law requires all individuals pass a verification procedure, including the completion of an "Employment Verification Form", before they are permitted to work. This verification procedure requires every potential new employee to provide satisfactory evidence of identity and legal authority to work in this country, which comply with the requirements of the Immigration law. All new employees are required to pass this verification process.

D. Nepotism Policy

A spouse of a Kinneloa Irrigation District employee may not be precluded from employment unless there is a supervision, safety or morale problem involved in placement of the employee in the same department as the spouse, creating potential conflict of interest or other hazard greater for married couples than for other persons.

A closely related person of any present elected or appointed officer or employee may not be hired by the Kinneloa Irrigation District so long as such elected or appointed officer or employee remains as such, except as may be approved by the General Manager or the Board of Directors. For the purpose of this rule, a closely related person shall be defined as any of the following:

Son	Mother-in-law	Adopted Child	Stepmother
Grandmother	Husband	Wife	Grandfather
Daughter	Father-in-law	Mother	Father

Son-in-law
Stepson

Sister-in-law
Stepsister

Stepfather
Daughter-in-law

Brother-in-law
Stepdaughter

E. Employee Classifications

Upon successfully completing an initial appraisal process, ~~you~~the employee will then be classified into one of the following categories.

1. Full-Time Regular Employee

Defined as employees who have successfully completed their initial appraisal process and are assigned a definite work schedule of at least 30 hours per week and their employment is expected to continue for an indefinite period of time. Full-time regular employees are eligible for employee benefits as described later in this handbook. Full-time employees that work less than 40 hours per week, but 30 or more hours per week, will have benefits pro-rated according to the number of hours worked if permitted by the benefit provider and if in accordance with KID's policies and procedures.

2. Part-Time Regular Employee

Defined as employees who have successfully completed their initial appraisal process and are assigned a work schedule of less than 30 hours per week and it is expected to continue for an indefinite period of time. Part-time regular employees are not eligible for vacation, sick leave, and holiday benefits as described later in this handbook.

3. Temporary Employees

Defined as an employee who is hired to perform a specific task or to be employed for a temporary period of time. Temporary employees are not eligible for benefits.

In addition, employees are also classified as Non-Exempt/Hourly, Exempt/Administrative, and Exempt/Executive.

a. Non-Exempt/Hourly Employee

Defined as an employee who is paid wages for each hour of work performed and who is eligible to receive overtime pay according to federal mandates.

b. Exempt/Administrative/Professional

Defined as a second level manager, an advisory specialist or consultant who is paid on a salary basis for work performed with no overtime pay and are expected to work those hours necessary to complete their duties and responsibilities.

c. Exempt/Executive, Manager or Supervisory Employee

Defined as a full-time department head. This management group is paid on a salary basis for work performed with no overtime pay. As salaried senior officials of the organization, executive personnel are expected to work those hours necessary to complete their duties and responsibilities.

F. Rehired Employees

Employees who are rehired following a break in service in excess of one (1) year, other than an approved leave of absence, must serve another initial appraisal process, whether or not such a period was previously completed. Such employees are considered new employees from the effective date of their re-employment for all purposes, including the purposes of measuring benefits.

II. SAFETY and SECURITY POLICIES

A. Injury & Illness Prevention Program

The KID greatly values the safety and health of all of its employees and is committed to providing a safe and healthful workplace. This will be accomplished through the establishment, implementation and maintenance of an effective Injury & Illness Prevention Program (IIPP). The General Manager is assigned primary responsibility for implementing the IIPP.

All managers and supervisors are responsible for implementing the IIPP in their departments and for answering worker questions about the IIPP.

1. Compliance

Management is responsible for ensuring that all safety and health policies and procedures are clearly communicated and understood by all employees. Managers and supervisors will enforce the rules fairly and uniformly.

All employees are responsible for using safe work practices, for following all directives, policies and procedures, and for assisting in maintaining a safe work environment.

The KID's system of ensuring that all employees comply with the rules and maintain a safe work environment includes:

- All employees will be annually evaluated on their safety performance.
- Employees who exercise safe and healthful work practices will be recognized on their performance appraisal.
- Employees that do not, will be trained or retrained.

- Any employee that continues not to comply with or ignores safe and healthful work practices will be disciplined. The KID will not tolerate unsafe acts by its employees. If any employee violates safety and health policies and rules, or otherwise do not perform their job in a safe and healthful manner, they will be subject to appropriate corrective action, up to and including termination.

2. Communication of Safety and Health Information

The KID recognizes that open, two-way communication between management and staff on health and safety issues is essential to an injury-free, productive workplace.

The KID will provide employees with up-to-date safety and health information that is readily understandable. The information will be presented through.

- New employee orientation;
- Staff Q&A's are scheduled to coordinate with Committee meetings.
- During department meetings by the department manager;
- Posters in the break room;
- The monthly Risk Control Bulletin provided by our insurance carrier and other training materials;

This information shall include:

- The KID's safety and health policies;
- The KID's safety and health rules and regulations; and
- New work procedures.

The managers and supervisors may recommend topics or entire articles for distribution and consideration.

Employees are encouraged to share safety and health ideas, information, and concerns with the KID's management. The KID will give these communications prompt and serious attention. As part of this commitment, the KID pledges not to discriminate or take any type of corrective action against any employees who express their safety concerns. The suggestions may be also submitted anonymously.

The KID shall comply with CAL-OSHA and other safety and health rules and regulations that apply.

3. Safety and Healthful Work Practices

The KID recognizes its responsibility to create a safe and healthful workplace for all employees. However, each employee must also share in this responsibility. Specifically, every employee:

- Is responsible for the safe operation of all of the KID's equipment, tools, machinery, vehicles, or other KID property in their charge.
- Must not remove or inactivate any established safeguards. Mechanical safeguards must be in place at all times.
- Must immediately report any machine, tool, or equipment malfunctions to your manager. Managers shall investigate and take the necessary steps to correct the malfunction as soon as possible.
- Must wear appropriate personal protective equipment when required. This personal protective equipment shall be provided and maintained by the KID. Failure to wear the required equipment is cause for disciplinary action.
- Shall follow beneficial ergonomic criteria and adjustments.
- Will utilize defensive driving techniques supported by the KID while driving on the KID's business.
- Report accidents, injuries, exposures, and incidents to their immediate manager and any other manager.

4. Hazard Assessment

Semi-annual inspections to identify and evaluate workplace hazards will be conducted by the General Manager or a designated employee with the assistance of a Risk Management Consultant. These inspections will also be conducted when:

- New processes, substances, procedures or equipment which present potential new hazards are introduced into our workplace;
- New, previously unidentified hazards are recognized;
- Occupational injuries and illnesses occur;
- Workplace conditions warrant an inspection.

Periodic inspections consist of identification and evaluation of workplace hazards utilizing the checklists provided by the Risk Management Consultant or the General Manager.

5. Hazard Correction

Unsafe or unhealthy work conditions, practices or procedures will be corrected in a timely manner based on the severity of the hazards. The inspection checklist will be presented to management and the hazards will be corrected in accordance with the following:

- When observed or discovered;
- When an imminent hazard exists which cannot be immediately be abated without endangering employees or property, all exposed workers will be

removed from the department except those necessary to correct the existing condition. The employees necessary to correct the existing condition will be trained to handle the condition and be provided with necessary protection.

- All corrective actions taken and the dates they are completed will be documented and maintained in a file.

6. Training

All employees, including managers and supervisors, shall have training and instruction on general and job-specific safety and health practices. Training and instruction will be provided as follows:

- When the IIPP is first established;
- To all new employees,
- To all employees given new job assignments for which training has not been previously provided;
- Whenever new substances, processes, procedures or equipment are introduced to the workplace and represent a new hazard.
- To supervisors to familiarize them with the safety and health hazards to which workers under their immediate direction and control may be exposed; and
- To all employees with respect to hazards specific to each employee's job assignment.

7. Record Keeping

The following procedures are taken to maintain the KID IIPP:

- Records of hazard assessment inspections, including the names of persons conducting the inspection, the date and unsafe work conditions and practices that have been identified and the action taken to correct the identified unsafe work conditions and work practices will be documented.
- Documentation of safety and health training for each employee, including the employee's name training dates, type of training will be recorded on the training database.

B. Security Policy

The Kinneloa Irrigation District's policy is to not discuss the security of the Kinneloa Irrigation District premises or services with any individual not employed by the Kinneloa Irrigation District. Additionally, the Kinneloa

Irrigation District and its insurance carriers do not accept any liability for the employees' personal belongings.

The Kinneloa Irrigation District retains the right to search its property or facilities at any time (including employee-assigned desks, files and computer systems). Anything of a private nature subjected to discovery during such searches should be kept in a briefcase, purse or lunch bag.

C. Alcohol/Drug Free Workplace Policy

The Kinneloa Irrigation District recognizes that behavior resulting from the use of alcohol and/or drugs may detrimentally affect the safety and work performance of its work force and can present a risk to the health and welfare of its employees and members. In recognition of the Kinneloa Irrigation District's responsibility to maintain a safe work environment, and the employees' responsibility to perform safely, the Kinneloa Irrigation District will act to eliminate any substance abuse which increases the risk of injuries, accidents, or substandard performance.

For the purpose of this policy, substance abuse includes the use or possession of illegal drugs, alcohol or, abuse of prescription drugs, which could impair their work performance and/or ability to perform their job safely.

It is expected that the employee shall not be at work, drive a vehicle on Kinneloa Irrigation District business, or operate equipment with any amount of alcohol or illegal drugs in their system which would result in a confirmed positive test; shall not use alcohol, possess open containers of alcohol, or use or possess illegal drugs while on duty; and shall not manufacture, distribute, dispense, sell or provide illegal drugs to any person while on duty. If the use of a prescription drug combined with the duties of the required job creates an unsafe working condition, this fact shall be reported to the General Manager prior to reporting to work.

Employees may be subject to drug and alcohol testing upon hiring or when there is reasonable suspicion that the employee has violated the KID's policy. In addition, an employee who has already been found in violation of the policy will be required to submit to periodic substance testing as a condition of remaining in or returning to the District's employment.

D. Blood Borne Pathogens Policy

As part of its continuing commitment to employee safety and health the Kinneloa Irrigation District has adopted a comprehensive policy for dealing with possible employee exposure to blood-borne pathogens. While possible employee exposure to blood-borne pathogens may have serious consequences, these measures are primarily intended to be precautionary.

An employee who renders first aid assistance in any situation involving the presence of blood or other potentially infectious materials will immediately be offered Hepatitis B vaccination. The Kinneloa Irrigation District will pay for this vaccination. If rendering first aid results in an eye, mouth, or non-intact skin contact with blood or other potentially infectious materials, the Kinneloa Irrigation District will document the circumstances of the exposure, identify the person from whom the potentially infectious material came, inform the first aid provider about the symptoms that might develop from exposure, collect and test the first aid provider's blood (with the employee's consent and at the Kinneloa Irrigation District's expense) for Hepatitis B and HIV serum status, provides post exposure treatment, and provide employee counseling.

E. Bomb Threats and/or Threatening Call Procedures

Should an employee receive a threatening phone call, they should remain calm and try to write down the exact wording of the emergency/threat. Be sure to notify the General Manager immediately, and if appropriate, phone 9-1-1.

F. Emergency Evacuation Procedures

1. KID Office

Should a warning alarm sound or an evacuation announcement be made, please take the following minimum actions:

~~_____ -- A designated employee should take whatever immediate steps are necessary~~

~~_____ and feasible to minimize any hazard in leaving the work area unattended.~~

~~_____ Time permitting, shut off computers, heaters, radios, coffee warmers, etc.~~

~~_____ -- An employee should take their personal items such as with them, i.e., purses and~~

~~_____ briefcases, time permitting.~~

~~_____ -- Assemble at the predetermined safe location for an attendance check.~~

~~_____ -- An employee, who finds himself away from their work area at the sound of an~~

~~_____ alarm, should follow the instructions of the person in charge/supervisor. They should not return~~

~~_____ to their work area after the evacuation process has begun.~~

~~_____
_____ -- Do not re-enter the building until advised to do so by the person in charge or supervisor or Fire~~

~~_____ Department.~~

~~-- In the event of an earthquake, an employee is to get under their desk or the nearest table, (staying away from windows if possible) until further notice from the person in charge.~~

~~--In the event of a small fire, a conservative approach should be taken when deciding to use a fire extinguisher and/or calling 9-1-1.~~

2. Other KID Facilities

~~_____ -- Supervisors are responsible for the safety of those in their charge during an~~

- ~~— emergency evacuation, and they will be the last to leave the facility building.~~
- ~~— Procedures should be followed that are appropriate for the particular facility to protect property and the health and safety of employees~~
- ~~— In the event of an earthquake, an employee is to get under their desk or the nearest table, (staying away from windows if possible) until further notice from their supervisor.~~
- ~~— In the event of a small fire, a conservative approach should be taken when deciding to use a fire extinguisher or calling 9-1-1.~~

G. Employment Reference Checks Procedures

All inquiries regarding a current or former Kinneloa Irrigation District employee or Board Member must be referred to the General Manager. Should an employee receive a written request for a reference, they must refer the request to the General Manager for handling. Employees may not issue a reference letter to any current or former employee without the permission of the manager. Under no circumstances should an employee release any information about any current or former Kinneloa Irrigation District employee or Board Member over the telephone. All telephone inquiries regarding any current or former employee of the Kinneloa Irrigation District must be referred to the General Manager.

In response to an outside request for information regarding a current or former Kinneloa Irrigation District employee, the General Manager will verify only an employee's name, dates of employment, and job title. No other data regarding any current or former Kinneloa Irrigation District employee will be released unless the employee authorizes the Kinneloa Irrigation District to release such information in writing or the Kinneloa Irrigation District is required by law to furnish any information.

If, however, an employee is contacted to give a personal reference regarding a current or former Kinneloa Irrigation District employee, they are permitted to do so and should emphasize to the inquirer that the reference is personal only and not on behalf of the Kinneloa Irrigation District.

Failure to follow these directions may be cause for discipline up to and including termination.

H. Media/Outside Information Requests

Employees are not permitted to give or report any information about the members of the Kinneloa Irrigation District, another employee, outside vendor, client or consultant to anyone outside of the Kinneloa Irrigation District. They should forward any such request, whether verbal or written, to the General Manager for handling.

I. Personnel Records Policy and Procedures

Employee files are confidential and are to be treated as such. Access to an employee file is limited to the following:

Persons Other Than The Employee

Other employees of the Kinneloa Irrigation District may have access to personnel files only for legitimate business purposes. Legitimate business purposes shall include:

- Administrative work area staff as they need access in the course of their normal duties
 - Manager considering an employee for promotion, others only specifically authorized by the Manager.
- Non-employees may not, except with specific authorization, have access to the files themselves. Generally, such access will be granted only upon advice of counsel. Access of non-employees to information in a file is governed by the Kinneloa Irrigation District's policy on references.

The Employee

An employee may inspect his or her own personnel file in the presence of the General Manager.

III. EMPLOYEE CONDUCT POLICIES

A. Standards of Employee Conduct Policy

The following examples are given in order to provide them some guidance concerning unacceptable behavior. If the Kinneloa Irrigation District chooses to discipline an employee who engages in unacceptable behavior, the employee may be subject to corrective action up to and including possible termination. Please note that it is impossible to provide an exhaustive list of behaviors that are not acceptable. The following is therefore intended to simply provide some examples:

- Poor performance
- Using abusive or vulgar language, or causing disruption to the work place or to fellow employees or visitors.
- Unavailability for work, i.e. absenteeism or tardiness.
- Misuse of the Kinneloa Irrigation District's moneys.
- Conducting non-business activities during working hours.
- Any action indicating a disrespect or disregard for the Kinneloa Irrigation District suppliers or clients.
- Release of confidential information about the Kinneloa Irrigation District or its members.
- Falsification of forms, records, or reports including, but not limited to, time sheets, employment applications and member records.
- Possessing or bringing firearms, weapons, open containers of alcohol, illegal drugs or chemicals on or to the Kinneloa Irrigation District's property.
- Insubordination, refusing to follow a manager's directions, or other disrespectful conduct toward a manager.
- Unauthorized possession or removal of property, records, or other materials that do not belong to them.
- Smoking in restricted areas.
- Destroying or willfully damaging the Kinneloa Irrigation District's or another employee's property, records, or other materials.
- Non-compliance with safety or health rules or practices or engaging in conduct that creates a safety or health hazard.

- Leaving the Kinneloa Irrigation District property without approval prior to the end of a scheduled workday
- Sexual harassment or other unlawful harassment of another employee.
- Giving false or misleading information during the application and/or selection process.
- Failure to report involvement in an accident occurring on the Kinneloa Irrigation District's premises or involving the Kinneloa Irrigation District's equipment, or giving false or misleading information in accident or insurance reports.
- Willful failure to report to supervisor any significant omissions, errors or mistakes or accidental damage affecting work assignment, property or equipment.
- Unauthorized opening of, or tampering with locks in desks, doors, cabinets, etc., or unauthorized use of or duplication of keys.
- Reporting to work under the influence of drugs and/or alcohol.
- Threatening or intimidating other employees or supervisors.
- Behavior unbecoming a Kinneloa Irrigation District employee; that behavior or action which would adversely prejudice public opinion of the Kinneloa Irrigation District.
- Failure to immediately report the loss of a California driver's license due to suspension, withdrawal, forfeiture or confiscation by any court of law or by the California Department of Motor Vehicles. This rule applies only to those employees who must maintain such a license as a condition of their employment.
- Installing unauthorized software on the Kinneloa Irrigation District's computer system.

Since all employees are "at will" employees, the employment relationship may be terminated at any time by either the Kinneloa Irrigation District or the employee with or without cause.

B. Dress & Grooming Standards Policy

While the Kinneloa Irrigation District has no formal dress code, it is expected that an employee will dress in a manner consistent with good business practices. The Board and General Manager approved the following guidelines:

- Professional clothing for management and office personnel (suits, coats, ties, dresses and skirts) is encouraged but not required on a daily basis.
- Professional clothing should be worn on days when professional contact is expected.
- Employees should wear clothing that is appropriate for the function being performed and with safety in mind at all times. The following are not appropriate:
 1. Torn, cut-off, dirty or frayed clothing.
 2. Clothing with logos (except KID logo), obscene messages or artwork.
 3. Hats or headgear (except those worn for acceptable religious reasons or protection from the sun or for safety reasons).

C. Driving Record Review Policy and Procedures

The Kinneloa Irrigation District has established and maintains a Driving Record Review Program. As part of this program, it has enrolled in the Department of Motor Vehicles (DMV) Employer Pull Notice Program.

Procedures

The Kinneloa Irrigation District obtains from the DMV a copy of the driving record of all of its employees that are authorized to operate vehicles (Kinneloa Irrigation District or personal) for business reasons.

- As a public agency, the Kinneloa Irrigation District is entitled to receive copies of driving records from the DMV without charge.
- A copy of an ~~employee~~ employee's driving record shall be obtained as soon as possible after they are hired and annually thereafter.
- The Kinneloa Irrigation District is responsible for ordering and interpreting all driving records
- To ensure uniformity in the application of recommendations to employees whose records are found to be unacceptable, the driver record review criteria were developed.
- Occasionally other concerned employees or the general public may bring to the Kinneloa Irrigation District's attention the fact that an employee may be jeopardizing the Kinneloa Irrigation District's integrity and exposing it to undue liability through poor driving techniques and habits. All such complaints will be investigated immediately and action taken to correct the problem as follows:

If it is established that they have poor driving techniques and/or habits, the Kinneloa Irrigation District's progressive disciplinary procedures may be followed. (Depending on the seriousness of the poor driving technique and/or habit, it may be desirable to enroll them in a "defensive driving course).

A second warning for the same poor driving technique and/or habit, within a three-year period, may require temporary suspension or temporary reassignment to a non-driving position and will be appropriately documented. If their duties require driving of either a Kinneloa Irrigation District vehicle or a personal vehicle, they must maintain a driving record that will not cause the Kinneloa Irrigation District's insurance rate to be increased or for them to become uninsurable. Any such actions could lead to disciplinary action.

Employees are required to take the defensive driving course offered by the District's insurance company on a periodic basis.

D. Off-duty Conduct Policy

While the Kinneloa Irrigation District does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the Kinneloa Irrigation District's legitimate business interests. For this reason, all employees should be made aware of the following Kinneloa Irrigation District policies.

Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Kinneloa Irrigation District or their integrity, reputation or credibility. Conduct on the part of an employee that adversely affects the Kinneloa Irrigation District's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

While employed by the Kinneloa Irrigation District, employees are expected to devote their energies to their jobs with the Kinneloa Irrigation District.

The following types of outside employment are strictly prohibited.

- Employment that conflicts with an employee's work schedule, duties and responsibilities;
- Employment that creates a conflict of interest or is incompatible with the employee's employment with the Kinneloa Irrigation District.
- Employment that impairs or has a detrimental effect on the employee's work performance with the Kinneloa Irrigation District.
- Employment that requires the employee to conduct work or related activities on Kinneloa Irrigation District's property, facilities and/or equipment during working hours.
- Employment that directly or indirectly competes with the business or the interests of the Kinneloa Irrigation District.

Employees who wish to engage in outside employment that may create a conflict of interest must submit a written request to General Manager explaining the details of the outside employment. If the outside employment is authorized, the Kinneloa Irrigation District assumes no responsibility for the outside employment. The Kinneloa Irrigation District shall not provide workers' compensation coverage for injuries occurring from or arising out of outside employment. Authorization to engage in outside employment can be revoked at any time. If an employee has any doubts, it is recommended that a written request be submitted to insure there are no future problems.

E. Personal Use of Office Equipment Policy

The Kinneloa Irrigation District does **not** permit its employees to utilize office equipment or supplies for personal use. However if an employee requests a single copy of some personal item or to fax a personal item, the Kinneloa Irrigation District management may give permission as a convenience to the employee. If this practice is misused it may be cancelled by management at any time.

F. Vehicle Use Policy

—The Kinneloa Irrigation District does **not** permit its employees to utilize its vehicles for personal use or for commuting to and from work to home or for transporting non-employees unless otherwise authorized by the General Manger. KID vehicles are to be parked overnight at locations that are approved by the General Manager. The single exception without prior approval is when an operator is assigned to standby duty. On those weeks an employee may (but is not required to) park the vehicle in a secure manner overnight at his personal residence.

F.G. Smoking Policy

For health, safety, and legal considerations, the entire Kinneloa Office building is considered a non-smoking area. Vehicles shared with non-smoking employees are also considered to be non-smoking vehicles. Other facilities may also be designated by the General Manager or Board of Directors as non-smoking areas.

G.H. Solicitation and Distribution Policy

Soliciting co-workers during work time, being paid for by the Kinneloa Irrigation District is prohibited including the use of e-mail. Distribution or posting of pamphlets, leaflets, or any other literature in the Kinneloa Irrigation District's work areas is prohibited.

H.I. Staff Expense Reimbursement Guideline Procedures

The Kinneloa Irrigation District will fully compensate employees for all reasonable and prudent expenses incurred in the course of business, as described below:

1. Credit Card Use Procedures

Credit cards will be issued to specific employees who frequently purchase supplies or services. Credit cards shall be used only for legitimate, approved business of the Kinneloa Irrigation District, subject to the following regulations. These cards should be used for all approved expenses as authorized in this section.

- No personal items may be charged on the business credit card
- All charges must be in line with guidelines or as approved by management;
- Receipts must be submitted to office with the approved expense report, expense claims reimbursement form or the charge card request /authorization form within one week of making the charge.

2. Mileage Procedures

The mileage reimbursement rate to operate privately owned vehicles will be the allowable IRS rate in effect at the time the expense is incurred. The mileage distance should be calculated from their home or the Kinneloa Irrigation District's offices, whichever is shorter. The Kinneloa Irrigation District may

reimburse any employee incurring out-of-pocket expenses due to traffic accidents while on Kinneloa Irrigation District business (i.e. deductibles).

An employee driving private vehicles on Kinneloa Irrigation District business will be required to attend a defensive driving class every four years and from time to time, to have their driving records reviewed. In addition, an employee is required to provide the Kinneloa Irrigation District with proof of insurance coverage for their personal vehicle.

An employee is expected to practice good defensive driving techniques and operate the vehicle in a safe and responsible manner.

I.J. Telephone Use Policy

The Kinneloa Irrigation District expects its employee's cooperation in keeping incoming and outgoing personal calls to a minimal level to avoid tying up the phone lines unnecessarily and to avoid direct expense to the District and lost productivity.

J.K. Electronic Communication

The KID uses various forms of electronic communications including, but not limited to computers, email, telephones, cell phones, text messages, internet, PDAs, etc. All electronic communications are official KID records and are the property of the KID. The KID reserves the right to access and disclose all messages sent through its system for any purpose.

Messages transmitted over the electronic communications system should be those involved in the KID business activities for the accomplishment of business related tasks or any communication directly related to KID business, administration, or practices. Incidental and occasional personal use of the system is permitted, but such messages are subject to the access and disclosure statement set forth in the policy above.

1. Personal Use of Electronics Communications Systems

Limited, occasional, or incidental use of the electronics communications systems (either furnished by the KID or property of the employee) for personal, non-business purpose is permitted under the following circumstances:

- Personal use may not interfere with the productivity of the employee or his/her co-workers.
- Personal use may not involve any prohibited activity described in this Policy.
- Personal use may not disrupt or delay the performance of KID business.
- Personal use may not consume KID resources or otherwise deplete system resources available for KID business purposes.

- Personal use may not be used for personal employee gain or commercial ventures.
- Personal use may not support or advocate non-KID-related business purposes.
- The KID's record retention program is regulated by various record retention laws.

2. Retention of E-mail

No e-mail messages shall be considered by the KID to be retained in the ordinary course of business. However, the content of some e-mail messages could be classified as a record pursuant to the guidelines established by management and to the following criteria:

- Content required by law to be retained.
- Content which is documentation of notice to a member of the public of an action or position taken on behalf of the KID.
- Content which is documentation of a KID policy, KID regulation, or official decision made on behalf of the KID.
- Content which is documentation of a transaction of business between the KID and another party.
- Employees should make themselves familiar with the provisions of the KID's Records Retention Policy to determine if an email is required to be maintained as a printed and/or electronic document.

3. Access of Another Person's Electronic Communications

Employees may not intentionally intercept, eavesdrop on, record, read, alter, retrieve, receive, send, or use another person's Electronic Communications and/or Electronic Storage without proper authorization. Employees, including system administrators and Supervisors, may not, without authorization, peruse Electronic Communications and/or Electronic Storage of other employees.

4. KID-Wide Web Site Policies

The external (or public) KID World Wide web site, and all domains owned and maintained by the KID represent a fundamental communication tool for providing critical KID information. The goal of the collective web sites is to encourage increased participation in KID activities. Towards this end, the development and use of the KID's sites are guided by the web site policy:

The KID's General Manager or a designated outside service provider is responsible for the implementation and maintenance of the KID's sites and helping to comply with the web policies, and maintaining and securing the web servers and web sites.

- The KID's web site is for "official use" only. All information disseminated through the web site must be related to the official duties and responsibilities of employees and departments.
- The California Public Records Act applies to information processed, sent, and stored on the Internet. Confidential information should not be posted on the KID's external web site. Management must approve all information that is posted on the web site.
- No KID employee or official may use any KID web site for campaign-related purposes. Such campaign-related purposes include, but are not limited to, the following: statements in support or opposition to any candidate or ballot measure; requests for campaign funds or references to any solicitations of campaign funds; and references to the campaign schedule or activities of any candidate. No KID official's web site may be linked to any private web site related to a candidate's campaign for elective office, but it may link directly to the home page of the election-related pages where general election and candidate information can be found.

5. Internet

Access to the Internet has been provided to staff members for the benefit of the KID and its members. It allows employees to connect to information resources around the world. Every staff member has the responsibility to maintain and enhance the organizations' public image, and to use the Internet in a productive manner. Employees accessing the Internet are representing the KID. Employees are responsible for seeing that the Internet is used in an effective, ethical, and lawful manner. To ensure that all employees are responsible, productive Internet users and are protecting the company's public image, the following guidelines have been established:

a. Unacceptable Use of the Internet

While it is not possible to provide an exhaustive list of every type of inappropriate use of the Internet, all users should be aware that appropriate use of the Internet includes, but is not limited to, the following rules:

- Never use an account assigned to another user.
- Never make an unauthorized attempt to enter any computer.
- Never post, send, or provide access to any confidential Employer materials or information, unless authorized.
- Never post or send publications of discriminatory, offensive, harassing, defamatory, or confidential remarks about other employees.

- Never access or send sexually-suggestive material.
- No gambling.
- No trademark, copyright and licensing stipulation infringements.
- No proprietary and confidential information.
- No solicitation, according to the KID's policy.
- No personal sites.
- No threatening or inappropriate blogs.

b. Communications

Each employee is responsible for the content of all text, audio, or images that they place or send over the Internet. Fraudulent, harassing or obscene messages are prohibited. All messages communicated over the Internet should have your name attached. No messages should be transmitted under an assumed name. Employees may not attempt to obscure the origin of any message. Information published on the Internet should not violate or infringe upon the rights of others. No abusive, profane, or offensive language is transmitted through the system.

c. Passwords

All passwords created by the user or issued to the user are for the purpose of communication and are not to be shared, given, or otherwise disclosed to any other person. Passwords must not be shared and will be changed periodically by the General Manager as needed to ensure security. All security features contained within the KID's Electronic Communications Systems such as passwords, codes, or delete functions will not prevent the KID from accessing employees' business or personal Electronic Communications, stored or otherwise, on the Electronic Communications Systems.

d. No Right of Privacy

The KID respects the individual privacy of its employees. However, employee privacy does not extend to the employee's work-related conduct or to the use of KID-provided equipment or supplies. Employees should be aware that the terms of this Policy limit their privacy in the workplace.

The KID's Electronic Communications Systems, Electronic Communications, and Electronic Storage are the KID's property and are intended for KID business. All Electronic Communications and Electronic Storage within these systems are the property of the KID, regardless of the content, including any personal communications. The KID reserves the right to monitor the Electronic Communications

Systems for any reason, including the right to review, audit, and disclose all matters sent over and/or stored in the Electronic Communications Systems.

As a result, employees should be aware that no Electronic Communications transmitted on the Electronic Communications Systems, or Electronic Storage contained within the systems, is private or confidential. Employees should have no expectation of privacy with respect to any use, including storage, business or personal, of the KID's Electronic Communications Systems.

Employees should be aware that Electronic Communications and/or Electronic Storage can be copied, modified, and/or forwarded to others without the express permission of the original author. Therefore, employees must use caution in the storage, transmission, and dissemination of Electronic Communications outside of the KID and must comply with all state and federal laws. Electronic Communications and/or Electronic Storage of the KID may be recognized as official records in need of protection/retention in accordance with the laws of California. All e-mail and Internet messages are subject to state and federal laws, including but not limited to the California Public Records Act, open meeting laws, and the federal Electronic Communications Privacy Act.

The California Public Records Act (CPRA), Government Code Section 6520, *et seq* requires the KID to make all public records available for inspection and to provide copies upon request. A public record is any writing (which includes electronic documents) related to the conduct of the public's business prepared, owned, used, or retained by the KID. The CPRA includes a number of exceptions from the disclosure requirement. Any information on the KID's information system may be subject to disclosure under the CPRA. If there is some doubt, the employee should contact the General Manager for advice as to whether the information is public record. All public records must be retained in accordance with the KID's Record Retention Policy.

6. Social Networking

The KID views social networks such as web based discussion or conversation pages and other forms of social networking such as Facebook, Twitter, You Tube, etc., as significant new forms of public communication. As such, we hold all of our employees who engage in social networking to the same standards we hold for any public communications. Therefore, all employees have an obligation to the KID to ensure that any public communication they make, including social networking communications, must not negatively impact the reputation of the KID or bring disrepute in any way to the KID, its partners, customers, suppliers, etc. Further, only the General Manager is authorized to publicly speak on behalf the KID unless approval is obtained in advance. Violations

of this policy will result in discipline which may include termination, depending on the severity of the situation and its impact on the KID.

Additionally, engaging in social networking during your workday can negatively impact your productivity and work performance. Therefore, it is your responsibility to regulate your social networking so that it does not impact your productivity or cause performance issues.

Identified below are general guidelines and examples of prohibited communications. Please note that this lists shows examples only and is not intended to be, nor is it, an exhaustive list of prohibited communications. *The absence of, or lack of explicit reference to a specific site does not limit the extent of the application of this policy.* Where no policy or guideline exists, employees should use their professional judgment and take the most prudent action possible. Consult with your manager or supervisor if you are uncertain.

General Guidelines and Examples of Prohibited Communications:

- If your posts on social media mention the KID, its products or services, employees and/or customers, make clear that you are an employee of the KID and that the views posted are yours and do not represent the views of the KID.
- Do not mention KID employees, member Districts, clients, customers or partners without their express consent. Information published on social networks or blog(s) should comply with the KID's confidentiality and disclosure of proprietary data policies.
- You may not use the KID's logo on your posts unless given written consent by the General Manager. Respect copyright laws, and reference or cite sources appropriately.
- You are responsible for what you write or present on social media. You can be sued by other employees, competitors, members, and any individual that views your social media posts as defamatory, pornographic, proprietary, harassing, libelous or creating a hostile work environment.
- Employees may not use KID equipment or facilities for non-work related activities without permission.
- Do not link to the KID's website or post KID material on a social media site without written permission.
- All KID policies that regulate off-duty conduct apply to social media activity including, but not limited to, policies related to illegal harassment, code of conduct, non-competition, protecting confidential and/or proprietary information. Violation of this policy may lead to discipline up to and including termination.

7. Software

To prevent computer viruses from being transmitted through the system, there will be no unauthorized downloading of any software. All software downloads will be done by or under the supervision of the General Manager or his designated person.

8. Violations

Violations of any guidelines listed above may result in disciplinary action up to and including terminations. If necessary, the company will advise appropriate legal officials of any illegal violations.

K.L. Anti-Fraud/Ethics Policy

The KID and its employees must, at all times, comply with all applicable laws and regulations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their manager.

The KID expects its employees to conduct themselves in a businesslike manner and perform duties conscientiously, honestly, and in accordance with the best interests of the organization. Employees are expected to take great care when working with suppliers, contractors and customers. Employees should respect the confidentiality of information acquired in the course of their work. Regardless of circumstances, if an employee senses that a course of action may involve a conflict of interest, fraud and/or dishonesty, they should immediately communicate all facts to the General Manager.

IV. PAYROLL

A. Payroll Administration Policy and Procedures

1. Time Sheets

Employees are required to keep an accurate record of their time on the forms provided by the KID. Exempt and non-exempt employees fill out separate forms. They must submit signed time sheets on a semi-monthly basis. The time sheet should be completed in a neat and orderly manner (so that all entries are easily read) and submitted on the afternoon of the last working day of the pay period.

Vacation, sick, and holiday time must be entered on the time sheet.

2. Paydays

The District's semi-monthly payroll periods for all employees are the first through the fifteenth and the sixteenth through the end of the month.

Paychecks should be distributed no later than 4 days after the end of the

pay period. If, however, such fourth day falls on Saturday, Sunday, or a holiday, paychecks will be distributed on the workday preceding the scheduled date.

3. Direct Deposit Policy

Direct deposit of an employee paycheck is available [ADP]. To take advantage of this service, they must complete the "Direct Deposit" form, and return them to the office. This is a voluntary participation policy.

B. Call Back Policy

If an employee is called back to work unscheduled overtime from their home, overtime is computed from the time the employee leaves home and ends upon the employees return home. The employee is paid according to the Overtime Policy and Procedures. Call back will be offered to personnel on the Stand-by rotation list and seniority.

The Kinneloa Irrigation District will pay all non-exempt employees overtime pay for hours worked in excess of forty (40) hours in one workweek * Although the Kinneloa Irrigation District will endeavor to provide advance notice of an overtime request, this is not always possible. The manager or Facility Supervisor, in advance of being worked, must approve work by non-exempt employees. The General Manager will always have the option to report to duty himself based on the circumstances.

C. Compensation Review and Merit Increase Policy For Non-Exempt Employees

Reviews will occur when there has been a significant change in position, responsibilities or job performance or at the discretion of the Board or General Manager. At a compensation review, the manager or supervisor will evaluate an employee's performance and based on the outcome of the performance appraisal, an employee's position, salary and job responsibilities may be adjusted. Merit increases, if any, are given based on performance and in accord with current business circumstances of the Kinneloa Irrigation District. All these factors determine salary changes within the pay range. There is no automatic pay increase. It is the Kinneloa Irrigation District's objective to adjust a salary level to best represent the performance level and responsibilities of each employee in accord with current business circumstances.

Note: Any employee on written warning may be ineligible for merit pay increases or promotion.

1. Promotional Increase/Demotion

-- A promotion occurs when an employee accepts a higher position. A salary increase is generally given to recognize increased job responsibilities.

-- A demotion occurs when an employee has been assigned to a lower position. A salary decrease may be given depending on the circumstances.

2. Administrative Increase/Decrease (Adjustment)

-- An administrative increase is an increase in salary within a salary range. It is given to recognize employees who accept a significant increase in responsibilities or have demonstrated significant "growth" in a position which supports a merit increase.

-- Current salary level, increased responsibilities and current business circumstances will be considered when determining a possible salary increase.

-- An administrative decrease is a decrease in salary within a salary range if the responsibilities the job has decreased or if required by the current economic conditions.

3. Pay Increases

-- Minimum and maximum salary ranges have been established for each position. These ranges are reviewed and may be adjusted periodically for inflation or other circumstances with the approval of the Board.

D. Compensation Review and Merit Policy for Exempt Employees

Reviews will occur annually or at the discretion of the Board or General Manager. At a compensation review, the Board or Manager will evaluate an employee's performance and based on the outcome of the performance appraisal, an employee's position, salary and job responsibilities may be adjusted. This evaluation will be based on a set of goals determined by the exempt employee and the Board of Directors or the Manager. The goals agreed upon will be evaluated for completeness and quality and an increase in compensation may be recommended based on the overall performance of the employee.

E. Employee Performance Evaluations Policy

The Kinneloa Irrigation District maintains a policy of evaluating an employee's job performance as a means of measuring the efficiency and effectiveness of operations and providing meaningful information about their work. Employee performance evaluations also aid the Manager or Board in making decisions related to such areas as training, merit pay increases, promotion, job assignments, retention, and long range planning. The process is intended to be participatory in nature, involving the employee and the Manager.

The process is designed to be as objective as possible, focusing on overall performance in relation to job responsibilities and also take into account conduct, demeanor and record of attendance and tardiness.

1. Overview

All new employees will be evaluated at the end of initial evaluation period to provide management with the opportunity to review their job performance. It will also provide them with an opportunity to become comfortable with their job position. Major objectives will be outlined by the manager at this employee performance evaluation.

Thereafter, an employee will be evaluated periodically to review the objectives set at the prior evaluation with suggestions for improvement as necessary. The overall performance will be used in consideration of any compensation changes. Job descriptions should be reviewed at each evaluation and updated accordingly.

An Employee Performance Evaluation Form can be used to inform an employee of their performance during a review period and support the appropriateness of a salary adjustment within the established guidelines for the current salary level and job classification.

2. Mechanics of the Employee Performance Evaluations

The Employee Performance Evaluation contains several areas of consideration such as the following criteria:

- a. Availability
- b. Adherence to Policy
- c. Behavior Patterns
- d. Creativity
- e. Dependability
- f. Independence
- g. Initiative
- h. Interpersonal Relationships
- i. Knowledge of Job
- j. Productivity
- k. Quality

3. Consequences of Substandard Performance

Employees with substandard performance in one or more categories may have their employment conditions modified in any of, but not limited to, the following:

- a. Ineligibility for promotional consideration until the deficiency is corrected;
- b. Withholding of a merit or performance based pay increase until the deficiency is corrected;
- c. Transfer to a comparable position or demotion for an indefinite period to a position in which competency can be reasonably expected; or
- d. Termination.

If the employee's deficient performance has improved to an acceptable level while maintaining the satisfactory performance in all other respects, the manager may recommend a pay increase and restoration of promotional consideration.

F. Compensatory Time Off Policy

Paid compensatory time-off may be given to non-exempt employees at a rate of one and one half (1-1/2) hours for each hour of overtime if an employee and the Kinneloa Irrigation District agree to the time off from work in lieu of earned overtime pay. Employees must request in writing their desire for compensatory time off in lieu of overtime pay. If an employee wishes to take compensatory time-off, a written request for the time off must be submitted and approved by the manager at least three (3) days in advance of the time requested.

Compensatory time for non-exempt employees must be taken within thirty [30] days following the date on which the overtime was worked. Hours paid for hours not worked, e.g., holidays, sick days, and vacations, do not count toward hours worked for overtime computation purposes.

Requests from exempt personnel for compensatory time off for a day or more with pay must be approved by the manager in advance of the time being taken.

G. Overtime Policy and Procedures

Overtime compensation is paid at a rate of one-and-one-half (1-1/2) times the normal hourly rate for all hours worked in excess of forty (40) hours in one work week.*

Non-exempt employees who work on a KID-recognized holiday shall be paid their straight-time rate of pay for hours actually worked on the holiday, plus the regular holiday pay for the day. All non-emergency overtime must be approved in advance by the General Manager or in his absence by the Facilities Supervisor.** Non-approved overtime will be paid, but may subject the employee to disciplinary procedures.

* Fair Labor Standards Act

** Resolution 2001-12-18

H. Stand-by Policy and Procedures

Non-Exempt employees shall be paid thirty dollars (\$30.00) per day. The employee assigned to stand-by duty will be furnished with a pager and cell phone so that they can be contacted in the event of an emergency. The employee, while on stand-by, must be either ~~be~~ at home or readily available by pager. The KID voice mail advises the caller to dial 03 to be transferred to the answering service in case of an emergency or other urgent need. Instructions on notifying the stand-by personnel of an emergency will be given to the KID answering

service after receiving a call from a customer or other agency. The answering service will page the person on stand-by.

When a page from the answering service is received, the person on stand-by will call the answering service to get the caller's contact information and determine the purpose of the call. If the call is an emergency the person on stand-by will call back immediately and advise the person that they are on the way to investigate the problem.

District vehicles may be taken home while on standby duty, but are to be used for District business and only District personnel are to be in the vehicle, unless otherwise authorized by the General Manager. Standby will be one week in duration [7 days], commencing at 7:00 PM Friday and ends 7:30 AM the following Friday. In the event a holiday falls on Friday, the next scheduled person will take over the stand-by at 4:30 P.M., Thursday.

If for some reason such as illness, injury, etc. the person cannot fulfill their duty or remain on duty, the person in rotation will take over, unless other arrangements are made.

The stand-by employee must be able to respond to the location of an emergency within thirty [30] minutes of becoming informed about an emergency.

Employees on stand-by will do the facility check daily on Saturday, Sunday and recognized holidays or as designated by the Facility Supervisor or General Manager.

Any emergency work performed by an employee on stand-by duty should first be cleared through the Facility Supervisor or General Manager.

Non-exempt employees who work on a recognized holiday shall be paid their straight-time rate of pay for hours actually worked on the holiday, plus the regular holiday pay for the day unless other arrangements have been made. Work on Saturday and Sunday shall be paid at an over-time rate if the employee has already worked 40 hours on the previous Monday through Friday.*

*See Resolution 2001-12-18

V. PAID/UNPAID LEAVE POLICIES

A. Attendance Policy

The Kinneloa Irrigation District may utilize a system of progressive discipline, at its sole discretion, in cases of misconduct or unacceptable performance, including absenteeism. The use of such a system does not waive either the Kinneloa Irrigation District's or their right to terminate employment at any time with or without cause. If the number of absences within the most recent 12

month period, regardless of the reason, is excessive, they will be required to attend corrective interviews, at the discretion of the Kinneloa Irrigation District, to make them aware of problems and to create an action plan to resolve issues.

The corrective process first takes the form of an informal discussion. If the problem persists, a written corrective action plan will then be issued confirming they have been made aware of any problem, that an interview has taken place and that they understand what must take place for satisfactory resolution. Certain instances of gross misconduct could lead to immediate dismissal.

B. Absent Without Leave Policy

Failure on the part of the employee absent without leave to return to duty within 24 hours after notice to return is delivered by certified mail or direct contact shall be cause for immediate discharge.

C. Bereavement Leave Policy

In the event of a death in an employee's immediate family, the Kinneloa Irrigation District will grant up to four (4) days of paid time away from work if they are a regular full-time employee. The intent of this benefit is to allow them to make arrangements for and/or to attend the funeral. Additional unpaid time off in the form of a personal leave of absence may be granted for special circumstances with the General Manager's approval. Immediate family for the purpose of bereavement leave is defined as a mother, father, wife, husband, natural or adopted child, brother, sister, grandparent, grandchild, similar in-laws or step-relatives or any other relative who resides with the employee.

D. Educational Assistance Policy

Recognizing the mutual benefits derived from personal growth and increased work competence, it is the policy of the Kinneloa Irrigation District to provide financial assistance to regular full-time employees interested in furthering their formal education. To be eligible, an employee must submit an Application for Educational Assistance for approval. All requests must be approved in advance by the employee's manager and the Board of Directors and a limit to the amount of the assistance may be set by the Board. This assistance is provided through the Educational Assistance Program and outlined below.

1. Degree/Certification/Professional Designation Programs

The Kinneloa Irrigation District will pre-pay the expense of tuition and required text for all courses leading to a job-related degree or certificate. Expenses for tuition and required text to obtain professional designations will be pre-paid/reimbursed at actual cost. The application must be complete

with a description of the entire program, listing of classes required, explanation of job-relatedness to the Kinneloa Irrigation District, targeted career path with the Kinneloa Irrigation District and defined timelines for completion of courses. A copy of the course description and necessary classes from the school catalog should be included.

2. Professional Courses and Specific Job-Related Courses

Professional and job-related course tuition, required text, and exam fee expenses will be pre-paid upon approval.

3. Additional Requirements

The employee is responsible for registration and ordering of any necessary text. It is the employee's responsibility to provide the manager with transcripts after completion of the course. If the employee does not complete or fails a course, he/she will be expected to repeat the course at their own expense or reimburse the Kinneloa Irrigation District within one year if they decide not to continue pursuit of the program. In general, no future approval will be given until this is cleared from the files. Each application must be complete with a two-year history of the Educational courses the employee has taken while employed at the Kinneloa Irrigation District. If the employee fails to meet the timelines outlined, the Kinneloa Irrigation District will have the discretion to discontinue the financing of the program.

E. Family Leave Policy

The District will grant employees, with at least one year of continuous service or a minimum of 1250 hours, up to 12 weeks of unpaid leave in a 12-month period for family care responsibilities and for the employee's own serious medical condition in conjunction with Family and Medical Leave Act (FMLA) and California Family Relief Act (CFRA).

The twelve-month period begins on January 1 and ends December 31, coinciding with the District's fiscal year. The purpose of the family leave is to provide them with the right to take time off from work to bond with a child, to care for a family member or to recover from a serious illness without jeopardizing their job.

When possible, requested leaves should be submitted in writing and be approved by the manager before the leave begins. The Kinneloa Irrigation District will maintain coverage under the group health plan provided by the District for the duration of the leave (for a maximum of 12 weeks) and under the condition coverage that would have been provided had they been employed continuously during the leave. If they fail to return to work at the end of the leave, the Kinneloa Irrigation District has the right to collect from them the cost of the health benefits premiums. An employee who returns to work for at least 30 days is considered to have "returned to work".

F. Holiday Policy

All regularly scheduled full time employees will receive a normal day's pay at their normal hourly rate for the following holidays, subject to the conditions below:

1. New Year's Day
2. Presidents' Day
3. Memorial Day
4. Independence Day
5. Labor Day
6. Veteran's Day
7. Thanksgiving Day
8. Day after Thanksgiving
9. Christmas Eve
10. Christmas Day
11. New Year's Eve

Holiday Conditions:

- If the holiday falls on a Saturday, it will be observed on the preceding Friday.
- If it falls on a Sunday, it will be observed on the next Monday, unless otherwise noted.
- Employees on leaves of absence for any reason at the time of the holiday observance will be ineligible for holiday pay.
- If a holiday falls during their approved vacation period, they will be paid for the holiday and will not be charged with a vacation day for the day the holiday is observed.
- When computing overtime pay, they do not receive credit for hours that are not actually worked on the holiday.
- In order to be paid for a holiday, they must have worked both the day before and the day after a holiday, unless scheduled/planned time off was approved in advance (i.e., vacation). In the event of an emergency, the employee must contact the manager.
- Non-exempt employees who work, or are on call back, on a recognized holiday shall be paid their straight-time rate of pay for hours actually worked on the holiday, plus the regular holiday pay for the day.

G. Inclement Weather Policy

In the event the manager deems it necessary to close the office due to inclement weather, employees will be phoned. The employee should make the effort to come in to the office unless they are notified otherwise. If the employee is unable to do so, they need to touch base with a manager.

H. Jury and Witness Duty Policy and Procedures

The employee should immediately notify the manager if they receive a notice for jury duty. If they are summoned for jury duty, they will be paid the difference

between jury duty pay and their regular hourly rate for up to a maximum of ten working days per year.

If required by law to appear in court as a witness, they may be given paid time off up to a maximum of four (4) days per year for such purpose, provided that they provide the KID with reasonable advance notice and proof of such court order.

I. Military Leave Policy

A military leave, in accordance with Federal law, will be granted to those ~~—Employees~~ in a reserve component of the Armed Forces of the United States, Reserves- or National Guard.

If regular, full-time employees are called to active military duty training as members of the Armed Forces, Reserves, or National Guard, they will be assured full pay for military leaves for up to ten (10) working days per calendar year provided that they are regular, full-time employees; ordered for purposes of military training, encampment, naval cruises, special exercises or like activity; they shall be entitled to receive the difference between their regular rate exercises or like activity; they shall be entitled to receive the difference between their regular rate of pay and the military rate of pay for the first 30 calendar days of any such absence.

If regular, full-time employees are called to active duty during national or state emergencies, as members of the Armed Forces, Reserves, or National Guard, they shall be entitled to receive the difference between their regular rates of pay and their military rate of pay for the duration of their active duty calls.

Military orders should be presented to the manager and arrangements for leave made as early as possible before departure.

Should they either voluntarily or involuntarily leave employment to serve in the armed services, they shall be entitled to reinstatement according to State and Federal law in effect at the time of their release from active service. No one in this category should be denied re-employment without the District first consulting legal counsel.

J. Personal Leaves of Absence Policy

General

Employees who have been continuously employed with the Kinneloa Irrigation District for at least one (1) year, may, due to special circumstances, request a personal leave of absence without pay, for a reasonable period of time up to one hundred and eighty (180) days. Requests for leaves of absence will be considered on the basis of length of service, performance, responsibility level, the reason for the request, whether other individuals are already out on leave

and the expected impact on the Kinneloa Irrigation district.

Requests

A request must be submitted in writing and be approved in writing by the manager before a leave begins. A request for an extension of a leave of absence must be submitted in writing and approved in writing by the manager before the extended period begins. It is their responsibility to report to work at the end of the approved leave. If they fail to report to work on the day after their leave expires, they will be considered to have voluntarily resigned.

Status of Employee Benefits During A Personal Leave:

The Kinneloa Irrigation District does not pay for group insurance premiums during any portion of a non-medical leave of absence beyond the end of the month in which the leave begins. Accordingly, the premiums beyond that point for such coverage is their complete responsibility. In order to keep the insurance in force, premiums for the period of the leave must be paid in a timely manner. Since premiums are normally due by the first of each month, premiums for a month will be considered untimely if received more than thirty (30) days after this date. Failure to pay premiums in a timely manner will result in immediate termination of coverage and a ninety (90) day waiting period from the date of return from the leave for reinstatement of benefits. Additionally, the Kinneloa Irrigation District's insurance carrier may require employees on leave to go on a COBRA plan during the leave of absence.

K. Rest and Break Time Policy

Employees should be encouraged to take a 15-minute break in the morning and a similar break in the afternoon in order to "break" up the day and as a relief from office and field routine and tension. Non-exempt employees are encouraged to take at least a 30-minute lunch break.

L. Personal Time Off [PTO] Policy and Procedures

In order to minimize the economic hardships that may result from out of the ordinary, unexpected or emergency need to take time off, such as an unexpected short-term illness or injury to employees or their immediate family members, the District provides employee paid time off benefits (PTO). These benefits are intended to be used for the out of the ordinary or unexpected emergency need to take time off and are not intended to be used in lieu of vacation unless approved by the General Manager.

Immediate family for PTO purposes is defined as a family member residing with the employee. Employees shall report by telephone to the District office as early as possible, their inability to report to work, and the reason therefore.

PTO accrues at 6.667 hours per month (80 hours per year) with a maximum accrual of 480 hours (60 days). PTO is available when work is missed for any reason other than vacation, holiday, bereavement, jury/witness duty, inclement weather, and time to vote, military leave or workers' compensation. PTO cannot be attached before or after a holiday and/or vacation unless approved by the General Manager.

The guidelines for planned and unplanned PTO are defined below:

Planned:

Employee shall submit a request to the General Manager, at least eighteen (18) hours in advance of scheduled absence. Time used will be deducted from accrued PTO.

Unplanned:

Employee shall notify the General Manager as soon as possible when time is needed for out-of-the-ordinary, unexpected time away from work because of short-term illness, injury or personal emergencies. This time generally cannot be made up unless approved by the General Manager and will be deducted from accrued PTO.

Employees are encouraged to use PTO for contagious illnesses that might endanger the health of fellow employees and for illnesses or conditions that might impair safety or performance on the job. The General Manager may send an employee home if these illnesses or conditions are observed.

M. Pregnancy Disability Leave (PDL) Policy

Any full or part-time regular female employee who is disabled by pregnancy, childbirth, or a related medical condition will, upon written request, be granted a pregnancy disability leave of absence (PDL) without pay not to exceed four (4) months. An employee who is granted a PDL may utilize any accrued sick leave benefits and earned vacation benefits during the period of her leave. Any portion of the leave that occurs after all sick and vacation benefits have been exhausted shall be without pay.

If permitted by the Kinneloa Irrigation District's insurance carrier, group insurance benefits ordinarily provided by the District will remain in effect until the end of the month in which the leave terminates provided that the employees pay the full cost of this coverage. The insurance carrier might require employees on leave to go on a COBRA plan during the leave of absence. Employees are requested to notify the General Manager that arrangements have been made with the office to pay for the cost of coverage before the leave begins. If they require a PDL, they must notify the manager in writing as soon as possible. The written notice should specify the commencement date of the leave, the expected duration of the leave and is accompanied by a signed physician's statement.

Written extension requests of PDL, not to exceed the four month limitation, must be received by the manager prior to the expiration of the approved leave or within three days of an absence. Employees who do not report for work at the end of an approved PDL will be considered to have voluntarily resigned. Employees returning from a PDL shall be required to provide a physician's statement that indicates that they are medically able to return to work.

For employees on PDL, the District guarantees reinstatement to the same or similar job with the same or similar duties, pay, and location unless granting such a leave would substantially undermine the District's ability to operate the business safely and efficiently. Employees on PDL will be credited with all service prior to the commencement of their disability, but not for the period of their disability.

N. School Activity Leave Policy

Any employee who is the parent or guardian of a child in kindergarten through Grade 12 may request up to 40 hours off per school year for the purpose of participating in school activities. This time will be unpaid unless they choose to use vacation or compensatory time off for this purpose. They will be limited to no more than eight hours off for this purpose in any one calendar month. Upon request, the Kinneloa Irrigation District reserves the right to require documentation from the school as proof that they participated in the school activity. This request must be made in writing with as much advance notice as possible.

O. Time Off To Vote Policy

In accordance with California State Law, if Kinneloa Irrigation District work hours do not allow sufficient time off to vote in California general, primary, or presidential elections, the Kinneloa Irrigation District will offer two (2) hours paid time off for them to vote. To receive time off for voting, the employee must notify the General Manager and present a valid voter's registration card. When they return from voting, it will be necessary to present the voter's receipt to the manager. Time taken for the purpose of voting must be either at the beginning or end of the normal workday.

P. Vacation Policy and Procedures

Regular full-time employees are eligible for paid vacation according to months of service. Temporary and part-time employees are not covered under this

policy. The General Manager shall schedule the times at which the employee may take their vacation. Length of service with the District, the needs of the District and the wishes of the employee will be considered in the scheduling of vacation time. Vacation must be approved in advance and any request for vacation in excess of ten days or vacation to be taken in advance of accrual needs the approval of the General Manager. Vacation is earned and accrued from the first day of employment with maximum accrual as follows:

KID Service Completion of:	Monthly Accrual	Annual Accrual	Maximum Accrual
6-MOs - 1 year	3.334 hours	40 hours	40 hours
1 - 5 years	6.667 hours	80 hours	80 hours
Over 5 years	10.000 hours	120 hours	120 hours
Over 10 years	13.334 hours	160 hours	160 hours

Employees do not accrue vacation leave during any unpaid leave of absence. No vacation shall be granted during the first year of employment except in emergency situations, where the use of vacation credits is recommended and approved by the General Manager.

-At termination or retirement, any unused accrued vacation not to exceed 160 hours or the maximum accrual in the above table will be paid in a lump sum to the employee at his or hers base rate and combined with the final check. In no event shall such payment for unused accrued vacation credit exceed that which is allowed under the terms and conditions of this policy.

Q. Unpaid Time Off Policy

Several types of unpaid leaves of absence are available to eligible employees under the Kinneloa Irrigation District policies. The types of leaves that are available include personal, family (includes medical), and military. A summary of the rules and restrictions applicable to leaves of absence is provided below:

- All leaves of absence are provided on an unpaid basis.
- When returning from a Leave of Absence for pregnancy, disability, family or military leave, the Kinneloa Irrigation District guarantees reinstatement to the same or similar job with the same or similar duties, pay, and location unless it would substantially undermine the Kinneloa Irrigation District's authority to operate the business safely and efficiently.
- When returning from a personal leave of absence, an effort will be made to hold their position open for the period of the approved leave. However, the Kinneloa Irrigation District will not guarantee reinstatement after a personal leave of absence.
- The Kinneloa Irrigation District will attempt to reasonably accommodate employees who are released for partial or modified duty by their treating physician.

- The period that they are on a leave of absence is not considered time worked for purposes of determining eligibility for or the amount of certain benefits such as vacation and sick benefits. When they return from a leave of absence the eligibility and accrual dates will be adjusted forward to reflect the period of the leave.
- They will not be eligible for holiday pay if a paid holiday falls during the period they are on leave of absence.
- They will be required to pay for the entire cost of group health insurance for:
 - (1) The period of any family leave of absence beyond the end of the third calendar month following the month in which the leave begins; and
 - (2) The entire period of a non-medical leave beyond the end of the calendar month in which the leave begins. The employee is requested to notify the General Manager that they have arranged for all necessary payments with office before their leave commences.
- Misrepresenting reasons for applying for a leave of absence may result in disciplinary action, including possible termination.

The Kinneloa Irrigation District's insurance carrier may require employees on leave to go on a COBRA plan during the leave of absence.

R. Return-to-Work Program (RTW)

In an effort to minimize serious disability due to on-the-job and off-the-job injuries and illnesses and to reduce workers' compensation costs (if applicable), the KID has developed a Return-to-Work program.

This policy is consistent with the KID's responsibilities under the Americans with Disabilities Act to provide reasonable accommodations to persons with disabilities.

Managers will assist by directing the employee to appropriate care and assisting in proper reporting of the injury or illness while maintaining a positive and constant flow of communication with the injured worker. They will also assist in arranging work which meets "light duty" restrictions, as needed, to reduce lost time. The management staff will work with the workers' compensation carrier (if applicable) and the physician to assist with the assessment of the employee's ability to return to work. Together they will actively encourage the treating physician to release the injured worker to work as soon as possible.

By this joint effort, the KID will help the injured/ill worker recover at a more rapid rate, gain production for wages paid, minimize the employees' wage loss, and reduce workers' compensation costs.

VI. EMPLOYEE BENEFITS

A. Introduction

The KID has employee benefit programs for full-time employees. These employee benefit programs consist of two categories: Uninsured and insured. Uninsured benefits are provided by and/or paid for by the KID. Examples are vacation, personal time off and holidays as described in Section V. Insured benefits are those that are provided through an outside source such as medical, dental and vision care. The KID currently provides these benefits as described below. However, the benefits may be changed in the future upon approval of the Board of Directors.

B. Group Insurance Plans

1. Medical Plan

- a. Eligibility: Regular full-time employees and their eligible family members.
- b. Waiting Period: First day of the month following three months of continuous full-time employment.
- c. Employee Contribution: 30% of dependent cost.
- d. Employer Contribution: 100% of employee cost and 70% of dependent cost.
- e. Providers:
- f. Anthem Blue Cross of California Prudent Buyer Plan, a preferred provider organization (PPO) plan.
- g. Anthem Blue Cross of California Health Maintenance Organization (HMO) plan.
- h. Kaiser Permanente HMO
- i. Benefits Provided: See information provided for details.

2. Dental Plan

- a. Eligibility: Regular full-time employees and their eligible family members.
- b. Waiting Period: First day of the month following three months of continuous full-time employment.

- c. Employee Contribution: 30% of dependent cost
- d. Employer Contribution: 100% of employee cost and 70% of dependent cost.
- e. Provider: Delta Dental of California.
- f. Benefits Provided: See information provided for details.

3. Vision Care

- a. Eligibility: Regular full-time employees and their eligible family members.
- b. Waiting Period: First day of the month following three months of continuous full-time employment.
- c. Employee Contribution: None
- d. Employer Contribution: 100% of employee and dependents cost.
- e. Provider: Vision Service Plan
- f. Benefits Provided: See information provided for details.
- g. Where To File Claims: All participating vision care providers have claim forms and will file directly with Vision Service Plan.

C. Workers' Compensation Program

The KID provides workers' compensation coverage. This coverage protects you if you are injured or disabled on the job. It also provides medical, surgical and hospital treatment in addition to payment for loss of earnings that result from work related injuries. Compensation payments begin from the first day of your hospitalization or after the third day following the injury if you are not hospitalized. The cost of this coverage is completely paid for by the KID. "Sick/Paid Time Off" may be used for the three-day waiting period, but may not be used to supplement workers' compensation benefits for time lost from work due to an industrial injury or illness.

If you are injured while working, you must immediately report such injuries to your manager, regardless of how minor the injury might be. If you have any questions regarding this workers' compensation coverage, you should contact the Manager.

D. California Public Employees' Retirement System (CalPERS)

Along with Social Security, the KID offers to its eligible employees, a retirement plan under CalPERS. [2% at age 60 for each year of service credit]

- 1. Person's Eligible:** Regular full-time employees.
- 2. Waiting Period:** Eligible from the first day of employment.
- 3. Employee Contribution:** Seven percent of regular semi-monthly earnings (overtime earnings are not included).
- 4. Employer Contribution:** **Varies** according to experience rating.
- 5. Vesting Provisions:** You become vested after completion of five years of public service, be it with the KID or another public employer who participated in PERS. Vesting means funds may be left on deposit for future retirement. Should you leave the KID and wish to withdraw your contributions, you may request a refund. The employer contributions are only paid upon retirement.
- 6. Benefits Provided:** You will be eligible to retire when you have five years of service credit and have attained age 50. Your retirement date can be any date you choose; however, the amount of the monthly allowance can be affected. Your age determines your benefit factor used in the retirement formula. So, you may decide to retire on your birthday or at a completed quarter year of age to increase the benefit factor. PERS will calculate the retirement benefits based on three factors: (1) years of service; (2) a percentage factor determined by your age at retirement; and (3) the final average monthly pay rate for the highest 36 consecutive months of work. There is no mandatory retirement age.

Employees nearing retirement are urged to avail themselves of the retirement pre-counseling and planning available to them by PERS. PERS requires at least 90 days' notice in advance of planned retirement (as does Social Security for any previous services). However, the KID strongly urges employees anticipating retirement to make their inquiries at least six months to one year in advance to avoid any unnecessary delays.

The General Manager can provide more detailed information as well as the phone numbers of personnel at PERS who can assist you in your retirement planning.

VII. EMPLOYEE GRIEVANCE OR CONCERN PROCEDURES

The KID defines a grievance or concern as an expressed dissatisfaction by employees to conditions of their employment. The Kinneloa Irrigation District encourages its employees who may be experiencing work performance problems, employee-supervisory concerns, peer disturbances or other concerns to bring them to the attention of the supervisor or General Manager.

In matters relating to the General Manager's job demotion, reduction in salary, or employment termination, he/she may present his/her concerns to the Board of Directors in a closed session or at its next regularly scheduled meeting.

VIII. DISCIPLINARY POLICY AND PROCEDURES

Employees whose conduct is detrimental to the District's service or whose performance falls below standard may be subject to disciplinary action. Prior to termination, suspension or reduction in salary or rate of pay imposed as a disciplinary action, an employee is entitled to receive notice, in writing, of the proposed discipline, the reason therefor and the basis of the charges. The employee shall have an opportunity to respond to the charges orally or in writing before the discipline is imposed. The penalty may vary with each case but, shall usually be one of the following:

1. Oral reprimand
2. Written reprimand
3. Suspension without pay
4. Demotion
5. Dismissal

Employees are expected to perform their duties and conduct themselves in such manner that discipline is not necessary. The supervisor or manager shall warn an employee who is performing poorly or behaving improperly. Only when the warning is not heeded, shall disciplinary action ordinarily be taken.

IX. RESIGNATION/DISMISSAL PROCEDURES

A. Resignation

When you decide to leave for any reason, the manager would like an opportunity to discuss the resignation with you before final action is taken. Management would appreciate it if you provide a written two-week advance notice. If, as it sometimes happens, management believes it advisable for you to leave prior to the end of the two weeks' notice, you may be paid for the remainder of that period.

B. Dismissal

As a KID employee, you have the status of “employee-at-will”, meaning that you have no contractual right, expressed or implied, to remain in the KID’s employ. The KID may terminate your employment, or you may terminate your employment, with or without cause, and with or without notice, at any time. No person has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above, with the exception of the General Manager. All such agreements must be in writing. All of the KID’s property including but not limited to keys, reports, records, proprietary information or any other job related materials must be returned prior to departure.

C. Exit Interview

The Manager is responsible for scheduling an exit interview with you on your last date of employment and for arranging the return of the KID’s property.

D. Benefits

Medical, and Dental benefits end on the last day of the month of your employment. COBRA notification will be sent directly to your home.

E. Final Paycheck

You will receive your final paycheck on the next regularly scheduled payday, or earlier if law requires it. Unused vacation will be paid and calculated in accordance with the KID’s vacation policy.

F. CalPERS

You will be notified directly by PERS regarding your options.

X. Modification Policy

These policies and procedures are subject to change, from time to time, by the District.

(This page is intentionally blank.)

XI. Acknowledgment of Receipt of Employee Policies and Procedures and At-Will Agreement

After you have read this Policies and Procedures manual and have clarified any issues with your manager, please complete and sign both copies of the following statement. Two copies are provided, one for your records and one for the KID's records. Detach one copy and return it to the General Manager within five days.

KID Employee Policies and Procedures Receipt

I have received my copy of the KID's Employee Policy and Procedures manual. I understand and agree that it is my responsibility to read and familiarize myself with and follow the policies and procedures contained in the manual.

I understand that, except for employment at-will status, the KID can change any and all policies or practices at any time. I understand and agree that, other than the General Manager of the KID, no supervisor or representative of the KID has authority to enter into any agreement, expressed or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the General Manager has the authority to make any such agreement and then only in writing, signed by the General Manager.

My signature below certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between KID and me concerning the duration of my employment. It supersedes all prior agreements, understandings and representations concerning the duration of my employment.

Employee's Signature: _____ Date: _____

Sign, date and keep this copy for your records.

(This page is intentionally blank.)

XI. Acknowledgment of Receipt of Employee Policies and Procedures and At-Will Agreement

After you have read this Policies and Procedures manual and have clarified any issues with your manager, please complete and sign both copies of the following statement. Two copies are provided, one for your records and one for the KID's records. Detach one copy and return it to the General Manager within five days.

KID Employee Policies and Procedures Receipt

I have received my copy of the KID's Employee Policy and Procedures manual. I understand and agree that it is my responsibility to read and familiarize myself with and follow the policies and procedures contained in the manual.

I understand that, except for employment at-will status, the KID can change any and all policies or practices at any time. I understand and agree that, other than the General Manager of the KID, no supervisor or representative of the KID has authority to enter into any agreement, expressed or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the General Manager has the authority to make any such agreement and then only in writing, signed by the General Manager.

My signature below certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between KID and me concerning the duration of my employment. It supersedes all prior agreements, understandings and representations concerning the duration of my employment.

Employee's Signature: _____ Date: _____

Sign, date and return this copy to the General Manger.



Memo

Date: January 24, 2012
To: Board of Directors
From: Mel Matthews
Subject: Online Customer Payment Options

One of my goals has been to develop online account access and payment options for our customers. Although I achieved the online account access functionality last year, it became clear that we had reached a dead end with regard to providing an Internet payment portal because of our obsolete billing system.

With the conversion of our billing system nearly completed, I once again have taken a look at our options with regard to developing a robust customer Internet portal which would include the ability to accept payment via a direct e-debit from a checking or savings account as well as accepting credit and debit cards.

In the past we have rejected the credit/debit card option because we assumed that the fees would be excessive as compared to processing a check payment. However the increased cost of processing checks has changed that analysis.

The cost of our current check-only policy

Our current desktop deposit solution from Wells Fargo has a typical charge of approximately \$200 a month. This amounts to a unit cost of about \$0.35 per customer per month in direct bank charges. Shirley spends at least 30 hours per month in posting payments, scanning checks, preparing the e-debits for our automatic payment customers and preparing the desktop deposits for electronic transfer to the bank. At her current salary, that amounts to another \$667 per month or \$1.15 per customer per month. That brings the total to \$1.50 per customer per month to handle check payments.

The cost of accepting credit and debit cards

I requested a proposal from Century Business Solutions for processing credit and debit cards. This company works in partnership with Able Software to provide a tightly integrated system that requires virtually no staff time inputting payments made via the Internet. CBS provides services to 190 water districts and has very competitive rates. In order to calculate a typical cost, we assumed that 25% of our customers would eventually select this payment option and that the average amount of each transaction would be \$142. Based on that volume and transaction amount the total cost would be \$1.06 per debit card transaction and \$1.51 per credit card transaction assuming a 60/40 split between the use of debit cards vs. credit cards.

Other scenarios of card use do not drastically change the analysis. If a larger number of customers use a debit card from a large bank, the average cost would be lower because of the new regulations regarding debit card transaction charges. If a larger number of customers use a credit card, the average cost would be higher. But the typical average cost would be in the \$1.06 to \$1.51 range.

Conclusion

Currently check payments are not posted to customer accounts or deposited until about 50 checks have accumulated. The above analysis shows that there is no financial advantage in maintaining a check-only policy and by changing our policy we can provide the payment options that customers expect in this day and age. Additional payment options will also speed up our cash flow and be beneficial to our collections process on past-due accounts. Since the posting of credit/debit card payments to customer accounts would be virtually automatic, staff time would be freed up for other work.

Recommendation

I recommend that the Board authorize me to set up a merchant account with CBS and authorize Able Software to proceed with the design of the customer Internet portal that is already included in the cost of the approved billing system project.

General Manager's Report for the Board of Directors Meeting on February 21, 2012

I. Capital Improvement, Preventative Maintenance and Repair Projects

- A. K-3 and Vosburg/Delores Tunnel Chlorine Generators – The repair and reinstallation of these sodium hypochlorite generators is in progress. The K-3 chlorine building is being prepared for the cleaning and sealing of the concrete floor and the lower portion of the wall to prevent further corrosion of the adjacent electrical cabinets.

II. Customer Service and Office Operations

- A. Delinquent Accounts –

- 36 accounts received late charges
 - 17 accounts received door hanger shut off notice
 - 0 accounts were shut off for non-payment
 - 1 account remains off for non-payment

- B. New Billing System Training – Shirley, Chris and I received the second on-site training session on January 19th.

III. General Manager's Projects and Activities

- A. Billing System – The project for replacing the billing system software continues as planned. The second test conversion of the database was completed on schedule and now final improvements and corrections are being made prior for the final conversion before going “live.” The billing software has been installed on all office computers. Work is still required on re-creating the existing billing statement format for the new system as well as the several custom reports that we would like to continue to use after the conversion.
- B. Audit – The field work was done by Gail Egan on February 13th and we will be getting a draft early in March.
- C. FMWD – The Board authorized proceeding with the preliminary engineering on purchasing and installing replacement generators at two sites at its meeting on January 17th. This project if approved will not have a physical or financial impact on the KID.
- D. ACWA – I have been selected to serve another two-year term on the ACWA Finance Committee. The FMWD Board supported my nomination and will reimburse any expenses in attending meetings.
- E. RBMB – I will continue to serve on the Administration and Finance Committee and will participate in the upcoming management retreat. The goal is to gain a better understanding of our objectives with respect to the ongoing basin studies and focus on actual projects that will benefit member agencies in maintaining water levels in the basin and contain possible contamination sources. This will in turn determine the appropriate level of reserves and annual assessments.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JANUARY 17, 2012**

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

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

CALL TO ORDER: The Meeting was called to order by the President, Gerrie Kilburn, at 1930 hours. She noted that there was a quorum present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT: No members of the public wished to speak.

SELECTION OF LAFCO REPRESENTATIVE:

The Board reviewed the resumes that had been submitted by the candidates.
It was M/S/C- Sorell/Eldridge-4/0

“That the Board nominates Donald Dear to serve as Special District Representative to the LAFCO Board.”

REVIEW OF SIERRA MADRES VILLA/WINDOVER ROAD PIPELINE PROJECT:

The **General Manager** reviewed his written report of the project. He noted that the total cost for the Contractor was \$671,612.41, for the Engineer 60,398.81, for supplies provided by the District \$21,740.74, for concrete testing \$1,603.44 which brought the grand total to \$755,355.40. He explained that the additional \$170,054 for the project was due to changes required at the Vosburg Reservoir Valve Pit, the backfill and road paving requirements of Los Angeles County and the additional paving done on Windover Road and the Vosburg Reservoir driveway.

Director Kilburn noted that the improvement of the driveway would improve access for the next project at the Reservoir.

DISCUSSION AND APPROVAL OF MASTER PLAN PROJECTS FOR 2012:

The **General Manager** reviewed the list of proposed projects for 2012 noting that some of the projects are incremental parts of larger projects.

Director Barkhurst stated that he sees the year as one that will permit the District to rebuild the reserves and still leave sufficient reserve to do a large emergency project if one should occur.

It was M/S/C-Barkhurst/Sorell-4/0-

“The proposed Master Plan Projects for the year 2012 be approved”

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JANUARY 17, 2012**

Page 2

RESOLUTION 2011-12-20B Revision of Employee Policy and Procedures

The Chair requested comments from the Board regarding the proposed changes to the Employee Policy and Procedures Manual.

Director Barkhurst referred to page 41-“extending vacation for full time employees from three weeks to four weeks per year” and questioned as to how many of the employees who are full time or part time do not have more than ten years employment and the **General Manager** replied that all full time employees have more than ten years employment with the District.

Director Barkhurst then questioned as to when the General Manager would reach his tenth year and the **General Manager** replied that he had been grandfathered in due to his service on the Board.

Director Barkhurst then questioned the General Manager as to whether as General Manager, since all employees could take off four weeks per year, did he believe that he had the ability to keep the District running on the basis that the Board wants it to be run without having to cut corners or hire part time employees in order to get the job done, be able to stay within the budget and do things in a professional way and the **General Manager** replied yes he could.

Director Kilburn referred to the overtime policy –“employees will be paid overtime after they have worked forty hours in week” that formerly read “employees will be paid overtime after they have worked eight hours in a day” – and questioned whether a person who worked overtime in a day would be expected to come to work the next morning and the General Manager said that in a employee memo he had encouraged them to take time off later in the week to avoid overtime.

Director Barkhurst questioned whether the General Manager expected to see much of a change in the employee’s paycheck and the **General Manager** stated that he expected it could be lower over time for some employees.

Director Sorell noted that he did not see an arbitration policy in the manual that contains procedures for handling grievances and the **General Manager** stated that since the manual states the District is an “at will employer” he had been advised by our attorney and Nancy Stengel that if an arbitration policy is included that would be a direct conflict as you want to be able to terminate.

Director Sorell stated he would not necessarily disagree but that many companies have a provision that states if a matter cannot be resolved through the grievance process, the parties agree to submit any disputes to binding arbitration rather than litigation and it is enforceable if the employee does not incur additional costs. He noted that if policy were included in the manual it would be a lot to add at this time, but it is a pretty common practice.

Director Kilburn questioned whether it might be best to ask further since that is something that could happen and **Director Sorell** said it is preferred by a lot of employers because it avoids expensive litigation but he would not push for it to be a change at this time but it could be submitted for approval at a later date.

The **General Manager** replied that he had been advised that it should not be in the policy and

Director Sorell replied that that he could not disagree more and that it certainly is not the trend.

The General Manager suggested that Director Sorell submit some language that would be appropriate and would not jeopardize the “at will employment” policy.

Director Sorell replied that it has nothing to do with the “at will employment” policy but a question of how a dispute can be handled within the grievance process.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JANUARY 17, 2012**

Page 3

Director Kilburn questioned Director Sorell as to whether he would submit a suggested policy and he replied that he would submit some information to actually do it right.

Director Eldridge called the Board's attention to the topic of "Social Networking" and questioned whether this policy refers to when people are at work or outside of work and **Director Sorell** replied that it refers as to what extent you can limit free expression outside of work.

Director Eldridge then questioned "who is the authority" as it appears on page 42, under the "Return to Work" policy and Director Sorell that the word should be changed to "District."

Director Sorell questioned "Employee Benefits" as outlined on Page 43, Section 6 and suggested that the wording should include that "these are the benefits presently offered and these can be changed without notice.

Director Kilburn then questioned many areas within the document that she thought needed additional language so as to provide more detail for clarification and noted that she did not see a drug policy.

Director Kilburn stated that the next step would be for the General Manager to take some of these suggestions and put them into the document and the **General Manager** replied that while he did take notes it would be helpful if there was something that someone felt passionate about some of the suggested corrections that they give them to him in writing so that he could consider including them in the next draft.

Director Barkhurst questioned whether these suggestions aren't incidental to the document and

Director Kilburn replied that some of them should be incorporated into the document as they will make it more usable but the **General Manager** stated he had hoped it could be approved subject to including some of these suggestions.

Director Eldridge questioned as to whether, if the document is approved and something is not correct, can it be changed at a later time and the General Manager explained it could be changed at any time.

Director Sorell questioned whether the General Manager had a list of what suggestions he would include and the **General Manager** said that he would add additional material to a clean document and that anything that is controversial would be open for discussion at the next meeting.

Director Eldridge questioned whether the action would be to approve the document in its present form and the Director Sorell replied that it would be with the understanding that there will be another working draft submitted with the additions included at the next meeting.

It was M/S/C – (Sorell/Eldridge-4/0)-

"That the Policy Manual as written be approved subject to further additions which will come before the Board at the next Regular Meeting.

REVIEW OF THE GENERAL MANAGER'S REPORT:

The **General Manager** reviewed his report as presented in the Board Packet and reported in detail on the status of the new billing program noting that the schedule is about one week behind.

Director Eldridge questioned as to the status of the Lead Education Program and the **General Manager** replied that he had included a very detailed message on the last water billing.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JANUARY 17, 2012**

Page 4

REVIEW OF MINUTES:

The minutes of December 20, 2011 were unanimously approved as submitted.

Director Kilburn stated that the nomination that occurred at the last meeting for Treasurer was invalid as Director Sorell was Chair of the meeting and therefore cannot nominate per Roberts Rules of Order.

Director Kilburn then requested nominations for the office of Treasurer. **Director Barkhurst** nominated Director Sorell and Director Sorell declined. Director Eldridge nominated Director Barkhurst and the nomination was seconded by Director Sorell.

Director Barkhurst was declared Treasurer by a vote of 4/0.

REVIEW OF FINANCIAL REPORTS:

Director Barkhurst reviewed the Financial Reports and stated that the income statement shows how the District performed in 2011 as compared to the 2012 Budget and that he is not suggesting that the 2012 Budget be changed but he had the following questions-

-\$27,900 was collected for Leased Water Rights this year and \$38,000 is budgeted for next year and questioned whether water will cost the District more next year and the **General Manager** stated that the increase was due to the fact that the District is leasing more water in 2012.

-\$172,600 was spent this year for Operations and Maintenance Labor and \$160,500 is budgeted for this year and he questioned whether the budgeted amount is realistic because there are going to be fewer operations and maintenance issues and the **General Manager** stated that it was if he is successful in controlling overtime. He noted that in 2011 the District spent \$42,000 less than budgeted and in 2012 the District is going to spend \$130,000 more. The Financial Reports were unanimous approved for filing as presented.

ITEM FOR NEXT AGENDA

Review Employee Policy and Procedure with the changes
General Manager Performance Review

ADJOURNMENT:

The meeting was adjourned at 2100 Hours.

There will be an Executive Session on February 17th at 10:00 A.M.

The meeting for May 15 will be adjourned to May 23 as the General Manager will be out of town.

Respectfully submitted,

Shirley Burt
Secretary to the Board

Kinneloa Irrigation District
Income Statement
For the One Month Ending January 31, 2012

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
4000 Water Sales	\$ 72,570.52	\$ 68,000.00	\$ 72,570.52	\$ 68,000.00
4020 Service Charges	600.65	833.33	600.65	833.33
4035 Interest-Reserve Fund	550.76	333.33	550.76	333.33
Total Revenues	73,721.93	69,166.66	73,721.93	69,166.66
Expenses				
5005 Electricity	7,009.43	5,500.00	7,009.43	5,500.00
5010 Maintenance Supplies	1,691.55	2,500.00	1,691.55	2,500.00
5012 Safety Equipment	0.00	133.33	0.00	133.33
5015 Operations & Maintenance Labor	11,870.62	13,000.00	11,870.62	13,000.00
5020 Stand-by Compensation	420.00	625.00	420.00	625.00
5022 Training/Certification	0.00	133.33	0.00	133.33
5025 Water Treatment/Analysis	2,037.24	1,833.33	2,037.24	1,833.33
5030 Maintenance Contractors	4,788.18	9,750.00	4,788.18	9,750.00
5034 Equipment Maintenance	754.46	500.00	754.46	500.00
5035 Vehicle Maintenance	224.23	500.00	224.23	500.00
5036 Fuel - All Equipment	763.12	1,250.00	763.12	1,250.00
5046 Insurance-Liability	1,158.50	1,833.33	1,158.50	1,833.33
5048 Insurance-Property	178.50	208.33	178.50	208.33
5049 Insurance-Medical	3,779.41	3,666.67	3,779.41	3,666.67
6000 Engineering Services	0.00	3,750.00	0.00	3,750.00
6005 Watermaster Services	878.92	1,000.00	878.92	1,000.00
6015 Administrative Salary	10,000.00	10,004.40	10,000.00	10,004.40
6017 Administrative Travel	294.13	416.67	294.13	416.67
6020 BofD Compensation	300.00	400.00	300.00	400.00
6021 Administrative & Board Expense	0.00	208.33	0.00	208.33
6024 Customer/Public Info. Prog.	0.00	333.33	0.00	333.33
6025 PERS - KID	1,143.99	1,166.67	1,143.99	1,166.67
6030 Social Security - KID	2,019.81	2,416.67	2,019.81	2,416.67
6035 Office/Computer Supplies	736.18	750.00	736.18	750.00
6036 Postage/Delivery	240.28	500.00	240.28	500.00
6040 Professional Dues	637.99	625.00	637.99	625.00
6045 Legal Services	0.00	1,250.00	0.00	1,250.00
6050 Telephone	349.46	458.33	349.46	458.33
6051 Mobile Telephone	194.47	208.33	194.47	208.33
6052 Pagers	19.00	20.00	19.00	20.00
6053 Internet Service	84.94	125.00	84.94	125.00
6059 Computer/Software Maintenance	6,677.42	9,333.33	6,677.42	9,333.33
6061 Office Equipment Maintenance	0.00	83.33	0.00	83.33
6070 Office Labor	3,812.16	4,000.00	3,812.16	4,000.00
6075 Outside Services	1,252.54	1,666.67	1,252.54	1,666.67
6080 Capital Improvement Fees	(51.40)	614.08	(51.40)	614.08
6081 Permits/Fees	180.00	208.33	180.00	208.33
6120 Bank Service Charges	284.72	250.00	284.72	250.00
Total Expenses	63,729.85	81,221.79	63,729.85	81,221.79
Net Income	9,992.08	(12,055.13)	9,992.08	(12,055.13)

Other Expenditures

Kinneloa Irrigation District
Income Statement
For the One Month Ending January 31, 2012

		Current Month	Current Month	Year to Date	Year to Date
		Actual	Budget	Actual	Budget
1509	Wilcox Well/Wilcox Booster	0.00	7,500.00	0.00	7,500.00
1511	Water Treatment Plant	4,604.79	5,400.00	4,604.79	5,400.00
1512	Trans. & Dist. Plant Meters	0.00	1,666.67	0.00	1,666.67
1513	Electrical/Electronic Equip.	0.00	2,083.33	0.00	2,083.33
1514	Computer/Office Equipment	0.00	416.67	0.00	416.67
1516	Water Company Facilities	0.00	1,666.67	0.00	1,666.67
1527	SCADA Equipment	0.00	1,000.00	0.00	1,000.00
1530	Tools	540.37	200.00	540.37	200.00
Total Other Expenditures		5,145.16	19,933.34	5,145.16	19,933.34
Total Increase or (Drawdown)		\$ 4,846.92	\$ (31,988.47)	\$ 4,846.92	\$ (31,988.47)

Kinneloa Irrigation District
Balance Sheet
January 31, 2012

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 15,511.03
1012	Reserve Fund-LAIF	117,611.08
1014	Reserve Fund-CalTRUST	258,902.37
1015	Accr. Int./Price Adj.-CalTRUST	(254.25)
1016	Accrued Interest-LAIF	52.33
1100	Accts. Receivable-Water Sales	48,705.56
1101	Accts. Receiv.-Service Charges	13,084.46
1190	Allowance for Bad Debts	(683.79)
1200	Inventory	20,000.00
1340	Accrued Water Sales	97,316.41
1350	Prepaid Insurance	9,185.29
1360	Prepaid Expenses	10,477.75
		<hr/>
	Total Current Assets	589,908.24

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	2,402,367.42
1505	Water Tunnels	705,985.75
1506	K-3 Well	82,848.37
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	83,486.82
1510	Interconnections	14,203.27
1511	Water Treatment Plant	178,522.11
1512	Trans. & Dist. Plant Meters	63,774.00
1513	Electrical/Electronic Equip.	248,588.55
1514	Computer/Office Equipment	44,172.53
1515	Vehicles & Portable Equipment	222,084.16
1516	Water Company Facilities	60,079.20
1517	KID Office	54,202.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1520	Glen Reservoir/Booster	24,190.86
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	500,288.76
1526	Vosburg Booster	12,590.00
1527	SCADA Equipment	196,172.05
1528	Tanks and Reservoirs	97,944.39
1529	Holly Tanks	181,113.76
1530	Tools	5,649.90
1600	Accum. Depreciation	(2,693,534.12)
		<hr/>
	Total Property and Equipment	4,701,555.68
		<hr/>
	Total Assets	\$ 5,291,463.92
		<hr/> <hr/>

Kinneloa Irrigation District
Balance Sheet
January 31, 2012

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 9,632.16	
2272	Job Deposits	3,800.00	
2290	Accrued Vacation	10,817.70	
		<hr/>	
	Total Current Liabilities		24,249.86

Long-Term Liabilities

2400	Truck Loan Payable	34,514.29	
		<hr/>	
	Total Long-Term Liabilities		34,514.29
			<hr/>
	Total Liabilities		58,764.15

Capital

3040	Fund Balance	5,222,707.69	
	Net Income	9,992.08	
		<hr/>	
	Total Capital		5,232,699.77
			<hr/>
	Total Liabilities & Capital		\$ 5,291,463.92
			<hr/> <hr/>

Kinneloa Irrigation District
Statement of Cash Flow
For the One Month Ended January 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 9,992.08	\$ 9,992.08
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(2,481.06)	(2,481.06)
1350 Prepaid Insurance	1,337.00	1,337.00
1360 Prepaid Expenses	1,431.91	1,431.91
2000 Accounts Payable	(8,031.94)	(8,031.94)
2272 Job Deposits	1,300.00	1,300.00
	(6,444.09)	(6,444.09)
Total Adjustments	(6,444.09)	(6,444.09)
Net Cash provided by Operations	3,547.99	3,547.99
 Cash Flows from investing activities		
<i>Used For</i>		
1511 WaterTreatment Plant	(4,604.79)	(4,604.79)
1530 Tools	(540.37)	(540.37)
	(5,145.16)	(5,145.16)
Net cash used in investing	(5,145.16)	(5,145.16)
 Cash Flows from financing activities		
<i>Proceeds From</i>		
<i>Used For</i>		
	0.00	0.00
Net cash used in financing	0.00	0.00
Net increase (decrease) in cash	\$ (1,597.17)	\$ (1,597.17)
 Summary		
Cash Balance at End of Period	\$ 489,138.97	\$ 489,138.97
Cash Balance at Beg. of Period	(490,736.14)	(490,736.14)
	(490,736.14)	(490,736.14)
Net Increase (Decrease) in Cash	\$ (1,597.17)	\$ (1,597.17)

Kinneloa Irrigation District
Net Income Statement For the Years Ending December 31, 2011 and December 31, 2010

	Year of 2011	Percentage	Year of 2010	Percentage
Revenues				
Water Sales	\$ 1,161,912.61	87.87	\$ 1,047,668.91	92.21
Wholesale Water Sales	135,246.41	10.23	61,591.07	5.42
Service Charges	20,985.92	1.59	5,109.76	0.45
Asset Sale/Miscellaneous	0.00	0.00	15,260.43	1.34
Interest-Reserve Fund	4,140.31	0.31	6,556.66	0.58
Total Revenues	1,322,285.25	100.00	1,136,186.83	100.00
Expenses				
Leased Water Rights	27,900.00	2.11	18,600.00	1.64
Electricity	89,764.04	6.79	89,876.46	7.91
Maintenance Supplies	31,437.19	2.38	71,460.50	6.29
Safety Equipment	1,170.81	0.09	4,351.03	0.38
Operations & Maintenance Labor	172,623.46	13.05	150,900.74	13.28
Stand-by Compensation	7,440.00	0.56	7,260.00	0.64
Training/Certification	493.28	0.04	403.00	0.04
Water Treatment/Analysis	19,541.76	1.48	17,520.73	1.54
Maintenance Contractors	113,499.81	8.58	87,677.85	7.72
Equipment Maintenance	4,738.81	0.36	2,308.35	0.20
Vehicle Maintenance	6,536.72	0.49	2,876.33	0.25
Fuel - All Equipment	16,234.33	1.23	8,849.94	0.78
Equipment Rental	2,377.72	0.18	0.00	0.00
Insurance-Workers Compensation	3,418.00	0.26	1,845.00	0.16
Insurance-Liability	22,666.22	1.71	18,268.73	1.61
Insurance-Property	1,795.50	0.14	1,619.22	0.14
Insurance-Medical	43,396.91	3.28	37,631.33	3.31
Engineering Services	13,953.10	1.06	16,485.70	1.45
Watermaster Services	10,567.02	0.80	10,701.48	0.94
Administrative Salary	120,052.80	9.08	120,052.80	10.57
Administrative Bonus	3,000.00	0.23	0.00	0.00
Administrative Travel	4,789.73	0.36	3,945.25	0.35
BofD Compensation	4,800.00	0.36	6,000.00	0.53
Administrative & Board Expense	2,376.54	0.18	1,701.29	0.15
BofD-Election	0.00	0.00	32.96	0.00
Customer/Public Info. Prog.	1,647.37	0.12	1,404.19	0.12
PERS - KID	13,075.67	0.99	11,083.29	0.98
Social Security - KID	25,994.48	1.97	24,650.65	2.17
Office/Computer Supplies	5,379.94	0.41	5,578.72	0.49
Postage/Delivery	4,478.71	0.34	3,739.42	0.33
Professional Dues	7,063.96	0.53	5,312.75	0.47
Legal Services	3,093.06	0.23	3,996.76	0.35
Telephone	5,187.76	0.39	3,736.93	0.33
Mobile Telephone	2,497.94	0.19	1,494.33	0.13
Pagers	228.08	0.02	227.16	0.02
Internet Service	1,550.73	0.12	774.33	0.07
Computer/Software Maintenance	8,965.67	0.68	7,168.52	0.63
Office Equipment Maintenance	432.61	0.03	0.00	0.00
Accounting Services	6,200.00	0.47	6,200.00	0.55
Office Labor	45,052.80	3.41	45,226.08	3.98
Outside Services	13,583.41	1.03	9,839.46	0.87
Capital Improvement Fees	(565.40)	(0.04)	6,746.04	0.59
Permits/Fees	6,229.56	0.47	5,092.29	0.45
Interest Expense	0.00	0.00	3,368.12	0.30
Bank Service Charges	2,561.17	0.19	2,550.71	0.22
Total Expenses	877,231.27	66.34	828,558.44	72.92
Net Income	445,053.98	33.66	307,628.39	27.08

Aged Receivables Report -- Previous 12 Months

ACCOUNTING PERIOD	CURRENT PERIOD	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL BALANCE	LATE PAYMENT CHARGES
FEBRUARY 2011	\$38,168 323	\$3,153 77	\$557 19	\$1,218 13	\$43,096	\$536.18 33 Accts.
MARCH 2011	\$26,868 247	\$2,601 61	-\$709 22	\$2,331 11	\$31,092	\$345.74 21 Accts.
APRIL 2011	\$71,105 312	\$851 61	\$1,592 18	\$972 13	\$74,520	\$341.45 21 Accts.
MAY 2011	\$72,917 289	\$38,282 47	\$135 15	\$2,497 12	\$113,831	\$385.86 24 Accts.
JUNE 2011	\$81,228 320	\$5,233 76	\$1,058 27	\$2,717 11	\$90,236	\$738.13 45 Accts.
JULY 2011	\$64,746 327	\$36,816 67	\$568 19	\$1,903 11	\$104,033	\$566.89 35 Accts
AUGUST 2011	\$47,152 252	\$2,461 73	\$901 15	\$2,216 12	\$52,731	\$493.34 30 Accts
SEPTEMBER 2011	\$37,028 228	\$4,821 59	\$237 19	\$2,127 11	\$44,213	\$512.55 30 Accts
OCTOBER 2011	\$48,106 212	\$13,256 72	\$4,342 20	\$1,670 5	\$67,373	\$383.27 24 Accts.
NOVEMBER 2011	\$45,448 226	\$22,823 85	\$4,441 25	\$2,251 6	\$74,962	\$392.35 24 Accts.
DECEMBER 2011	\$27,080 315	\$15,343 97	\$3,209 19	\$593 3	\$46,225	\$519.13 33 Accts.
JANUARY 2012	\$35,448 225	\$9,066 67	\$2,974 18	\$1,218 4	\$48,706	\$600.65 36 Accts.

Kinneloa Irrigation District
Check Register
For the Period From January 1, 2012 to January 31, 2012

Date	Check #	Payee	Amount	Description
1/5/12	EFT1298	AT&T	63.81	SCADA data line
1/5/12	EFT1299	Bank of America Business	1,907.17	credit card payment
1/5/12	EFT1300	Calif. Public Employees Re	2,494.17	CalPERS- KID and employee
1/5/12	EFT1301	Earthlink Network	4.95	Internet service
1/5/12	EFT1302	Pasadena Municipal Servic	1,065.58	electricity
1/5/12	EFT1303	Southern California Edison	4,776.95	electricity
1/5/12	EFT1304	Verizon Wireless	250.73	mobile phone and data
1/5/12	6838	ACWA/JPIA	2,737.00	1st quarter workers comp
1/5/12	6839	Ameripride Uniform Servic	81.66	shop rag service
1/5/12	6840	Athens Services	134.37	trash pickup
1/5/12	6841	Berg Hardware	42.62	maintenance supplies
1/5/12	6842	Cook Paging, Inc.	19.00	paggers
1/5/12	6843	Michael T. Emmons Consu	550.00	transfer old billing system from Server02 to Server03
1/5/12	6844	Generator Services Co.	3,430.36	windstorm rental plus routine service on KID genera
1/5/12	6845	Melvin L. Matthews	105.34	expense reimbursement
1/5/12	6846	MWH Laboratories	188.80	water sample analysis
1/5/12	6847	Shirley Burt	129.97	mileage reimbursement
1/5/12	6848	Specialty Services	275.00	janitorial service
1/5/12	6849	Underground Service Alert	1.50	dig alerts
1/5/12	6850	Utility Service Co., Inc.	3,651.97	tank maintenance
1/15/12	EFT1305	Christopher A. Burt	2,013.05	salary
1/15/12	EFT1306	Shirley L. Burt	1,329.85	salary
1/15/12	EFT1307	Melvin L. Matthews	3,294.94	salary
1/15/12	65074010	Brian L. Fry	1,270.81	salary
1/15/12	65074011	Felix Galindo	382.68	salary
1/15/12	65074012	Chris J. Mellinger	312.66	salary
1/15/12	EFT1808	Christopher A. Burt	150.00	salary
1/15/12	EFT1809	ADP	55.48	payroll processing
1/15/12	EFT1810	ADP	3,629.85	payroll taxes and employee withholding
1/17/12	6852	Clinical Laboratory, San B	24.00	water sample analysis
1/17/12	6853	McMaster Carr	2,086.64	maintenance supplies and parts for Cl2 install
1/17/12	6854	Monrovia Mailing Compan	363.95	statement mailing and postage
1/17/12	6855	MWH Laboratories	118.80	water sample analysis
1/17/12	6856	Raymond Basin Managemen	279.33	water sample analysis
1/17/12	6857	Slater Waterproofing Inc.	482.00	deposit on K-3 Cl2 building floor waterproofing
1/17/12	EFT1311	AT&T	63.81	SCADA data line
1/17/12	EFT1312	Bank of America Business	2,058.96	credit card payment
1/17/12	EFT1313	Charter Communications	79.99	Internet service
1/17/12	EFT1314	Arco Gaspro Plus	763.12	truck gas
1/17/12	EFT1315	AT&T	285.65	telephone

Kinneloa Irrigation District
Check Register
For the Period From January 1, 2012 to January 31, 2012

1/17/12	6858	ACWA Health Benefits Au	4,402.05	health insurance-KID and employee
1/31/12	6859	A&B Electric	1,136.21	repair Brown Reservoir antenna and solar cell mount
1/31/12	6860	Able Software, Inc.	6,677.42	2nd installment on new billing software
1/31/12	6861	Ameripride Uniform Servic	81.66	shop rag service
1/31/12	6862	Consolidated Electrical Dis	63.62	maintenance supplies
1/31/12	6863	Christopher A. Burt	85.00	reimbursement for AWWA membership
1/31/12	6864	Matt Chlor Inc.	644.38	parts for repair of Uniclor C12 units
1/31/12	6865	McMaster Carr	936.09	parts for reinstallation of Clortec C12 units
1/31/12	6866	MWH Laboratories	212.00	water sample analysis
1/31/12	6867	Severn Trent Water Purific	4,263.34	new generator cell for K-3 C12 unit
1/31/12	6868	Sunny Express, Inc.	20.86	delivery charge
1/31/12	EFT1316	Earthlink Network	4.95	Internet service
1/31/12	EFT1317	Verizon Wireless	194.47	mobile phone and data
1/31/12	EFT1318	ADP	99.50	year end payroll processing
1/31/12	EFT1319	Richard L. Barkhurst	94.35	salary
1/31/12	EFT1320	Christopher A. Burt	2,196.90	salary
1/31/12	EFT1321	Shirley L. Burt	1,539.87	salary
1/31/12	EFT1322	Gerrie G. Kilburn	94.35	salary
1/31/12	EFT1323	Melvin L. Matthews	3,294.94	salary
1/31/12	EFT1324	Steven G. Sorell	59.35	salary
1/31/12	65089601	Brian L. Fry	1,666.10	salary
1/31/12	65089602	Felix Galindo	293.39	salary
1/31/12	65089603	Chris J. Mellinger	355.57	salary
1/31/12	EFT1325	Christopher A. Burt	150.00	salary
1/31/12	EFT1326	ADP	60.16	payroll processing
1/31/12	EFT1327	ADP	4,321.67	payroll taxes and employee withholding
			73,904.72	
		Total	73,904.72	

**Credit Card Detail
November 2011**

Acct. No.	Account Description	Additional Description	Shirley	Mel	Brian	Chris B	Chris M	TOTAL
5010	Maintenance Supplies					\$46.45		\$46.45
1530	Maintenance Tools	socket set/extention bar				\$22.51	\$32.60	\$55.11
5012	Safety Equipment							\$0.00
5022	Training/Certification							\$0.00
5025	Water Treatment/Analysis	chlorine			\$15.44			\$15.44
5035	Vehicle Maintenance	inverter for 08-1 truck				\$185.75		\$185.75
5036	Fuel							\$0.00
6017	Adm. Travel							\$0.00
6021	Adm. & Bd. Exp							\$0.00
6035	Office/Computer Supplies	printheads/ink/toner/imaging drum		\$729.40				\$729.40
6036	Postage/Delivery		\$45.71					\$45.71
6040	Professional Dues							\$0.00
6051	Mobile Phone							\$0.00
6053	Internet Service							\$0.00
6059	Computer/ Software Maintenance	backup hard drives/wireless adapter		\$829.31				\$829.31
6061	Office Equipment Maintenance							\$0.00
								\$0.00
								\$0.00
TOTAL			\$45.71	\$1,558.71	\$15.44	\$254.71	\$32.60	\$1,907.17

**Credit Card Detail
December
2011**

Acct. No.	Account Description	Additional Description	Shirley	Mel	Brian	Chris B	Chris M	TOTAL
5010	Maintenance Supplies	general supplies/repl. Batteries			\$78.26	\$613.35	\$44.57	\$736.18
1530	Maintenance Tools							\$0.00
5012	Safety Equipment							\$0.00
5022	Training/Certification							\$0.00
5025	Water Treatment/Analysis	chlorine			\$118.09		\$46.00	\$164.09
5035	Vehicle Maintenance	smog check/oil/fuel stabilizer		\$40.00		\$184.23		\$224.23
5036	Fuel							\$0.00
6017	Adm. Travel							\$0.00
6021	Adm. & Bd. Exp							\$0.00
6035	Office/Computer Supplies	replace UPS/SCADA batteries	\$52.49	\$543.97		\$158.00		\$754.46
6036	Postage/Delivery							\$0.00
6040	Professional Dues							\$0.00
6051	Mobile Phone							\$0.00
6053	Internet Service							\$0.00
6059	Computer/ Software Maintenance							\$0.00
6061	Office Equipment Maintenance							\$0.00
6081	Permits/Fees	CA Air Resources Board	\$180.00					\$180.00
								\$0.00
TOTAL			\$232.49	\$583.97	\$196.35	\$955.58	\$90.57	\$2,058.96