

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY – SEPTEMBER 21, 2010
7:30 P.M.

AGENDA

- 1. CALL TO ORDER**
 - A. Declaration of a Quorum
 - B. Review of Agenda

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

- 3. REVIEW OF YEAR 2011 PROPOSED BUDGET**

- 4. SELECTION OF AUDITOR FOR 2010 YEAR**

- 5. GENERAL MANAGER’S REPORT**

- 6. REVIEW OF MINUTES** – August 17, 2010

- 7. REVIEW OF FINANCIAL REPORTS** – August 31, 2010

- 8. ITEMS FOR NEXT AGENDA**

- 9. CALENDAR** – October 19, 2010
November 16, 2010
December 21, 2010

- 9. 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>.



Memo

Date: September 16, 2010
To: Board of Directors
From: Mel Matthews
Subject: 2011 Budget (Second Draft)

The revised *2011 Budget Worksheet* and the proposed *Kinneloa Irrigation District 2011 Budget* are attached to this memo. The proposed changes reflect the discussion at the August 17th meeting as well as a consideration of one more month of actual expenses included in the 2010 FYE forecast. The recommended changes are as follows:

1. The budgeted amount for account 5030, Maintenance Contractors, has been lowered to \$117,000 which was computed by taking the nine-year average for this account plus the fixed expense of the tank maintenance agreement which is currently \$42,000 annually. This fixed amount had previously appeared in the Capital and Preventative Maintenance (Other Expenditures) section on the Income Statement. Although there is still uncertainty in this account since it includes the unpredictable expense for leak repair, the new amount reflects the historical average expenses. As I mentioned in the e-mail sent to you after the meeting, I do not recommend putting a contingency line item in the operating expense budget. If we have a particularly “bad” year, any amount over budget can be explained and justified and the following year’s budget would be once again adjusted based on the multi-year average. This methodology will also help to reflect any increase in contractor labor rates in future budgets.
2. The budgeted amount for maintenance supplies has been reduced to \$28,000 which is approximately \$3,000 more than the 2010 forecasted year-end amount. The increase from the 2010 budget is because of significantly higher prices on many items including the recently-required no-lead brass fittings and valves. There is no significant increase planned in the total inventory, but some existing parts may be epoxy-coated instead of replacing them with parts meeting our current specifications.

The “revenue” section has not been changed from the previous draft and is based on a reduction in the forecasted water sales from 284,000 units to 271,000 units and an increase in the commodity rate from \$2.75 per unit to \$2.95 per unit and holding the fixed monthly service charge at \$49.00. Although there are an infinite number of possible rates, this proposal is consistent with our revenue needs and encourages our goal of increasing water efficiency to reduce our possible need for higher-cost supplemental water. Last year we made a substantial increase in the fixed monthly service charge because it was a more certain stream of incremental revenue and was justified based on our fixed costs and expenditures for capital improvement projects. Because these expenditures are budgeted to remain virtually the same for 2011, I recommend maintaining the same monthly service charge rate for 2011. The main increase in variable costs is attributed to expected increase in leasing additional water rights and the expected increase in electricity cost based on SCE rate filings with the PUC. The proposed increase in the commodity rate covers these incremental costs.

The “expense” section reflects a net increase of approximately \$15,000 mostly attributed to the increased cost of *leased water rights, liability insurance* and *electricity*. Reductions are shown in *telephone, mobile telephone, maintenance contractors, pagers*, and the *KID PERS contribution*.

The “net revenue” section is virtually the same as last year and shows a decrease of approximately \$3,600.

The “other expenditures” section lists possible projects for 2011 plus the installment payment on the trucks purchased in 2008. An updated list will be provided later in the year. A substantial amount of net cash flow from 2010 will be carried over into 2011 in anticipation of doing a major pipeline replacement project in 2011. The projected net cash flow surplus from 2010 is virtually the same as the net cash flow deficit budgeted for 2010 if all the recommended projects are completed. The projects actually done will reflect the goal of maintaining cash reserves at the targeted level of between \$250,000 and \$300,000.

Kinneloa Irrigation District 2011 Budget Worksheet

Account	Account Description	2010 Budget	2010 FYE Forecast as of 8/31/2010	Proposed 2011 Budget	Variance of Proposed 2011 Budget to 2010 Budget	Variance of Proposed 2011 Budget to 2010 FYE Forecast
4000	Water Sales	1,133,800	1,076,342	1,152,250	18,450	75,908
4015	Wholesale Water Sales	0	61,591	0	0	-61,591
4020	Service Charges	10,000	8,230	10,000	0	1,770
4025	Asset Sale	0	2,000	0	0	-2,000
4035	Interest-Reserve Fund	14,000	7,134	7,200	-6,800	66
4050	Capacity Charge	12,000	0	12,000	0	12,000
Total Income		1,169,800	1,155,297	1,181,450	11,650	26,153
5000	Leased Water Rights	20,000	20,000	28,000	8,000	8,000
5005	Electricity	90,000	88,318	99,000	9,000	10,682
5010	Maintenance Supplies	24,000	24,868	28,000	4,000	3,132
5012	Safety Equipment	2,000	4,257	2,400	400	-1,857
5015	Operations/Maintenance Labor	160,500	156,119	160,500	0	4,381
5020	Stand-by Compensation	7,500	7,330	7,500	0	170
5022	Training/Certification	2,400	1,203	2,400	0	1,197
5025	Water Treatment/Analysis	22,000	18,613	22,000	0	3,387
5030	Maintenance Contractors	126,000	89,852	117,000	-9,000	27,148
5034	Equipment Maintenance	6,000	3,376	6,000	0	2,624
5035	Vehicle Maintenance	3,600	2,688	3,600	0	912
5036	Fuel - All Equipment	12,000	9,344	12,000	0	2,656
5040	Equipment Rental	500	500	500	0	0
5045	Insurance-Workers Comp.	12,000	-676	12,000	0	12,676
5046	Insurance-Liability	15,000	12,636	22,000	7,000	9,364
5048	Insurance-Property	2,500	1,619	2,500	0	881
5049	Insurance-Medical	38,000	37,280	38,000	0	720
6000	Engineering Services	24,000	25,034	24,000	0	-1,034
6005	Watermaster Services	12,000	10,778	12,000	0	1,222
6015	Administrative Salary	125,500	120,053	125,500	0	5,447
6017	Administrative Travel	5,000	4,533	5,000	0	467
6020	BofD Compensation	7,000	6,500	7,000	0	500
6021	Administrative & Board Expense	2,500	2,197	2,500	0	303
6022	Board of Directors Election	0	33	0	0	-33
6024	Customer/Public Info. Prog.	4,000	2,738	4,000	0	1,262
6025	PERS - KID	14,600	11,083	12,900	-1,700	1,817
6030	Social Security - KID	27,400	25,724	27,300	-100	1,576
6035	Office Supplies	9,000	7,453	9,000	0	1,547
6036	Postage/Delivery	6,000	4,580	6,000	0	1,420
6040	Professional Dues	5,000	5,902	7,000	2,000	1,098
6045	Legal Services	15,000	8,488	15,000	0	6,512
6050	Telephone	6,000	3,936	4,000	-2,000	64
6051	Mobile Telephone	2,400	1,556	1,800	-600	244
6052	Pagers	2,000	230	240	-1,760	10
6053	Internet Service	1,000	774	1,000	0	226
6059	Computer/Software Maintenance	10,000	7,077	10,000	0	2,923
6061	Office Equipment Maintenance	1,000	333	1,000	0	667
6065	Accounting Services	7,000	6,200	7,000	0	800
6070	Office Labor	48,000	45,226	48,000	0	2,774
6075	Outside Services	20,000	12,929	20,000	0	7,071
6080	Capital Improvement Fee	0	6,184	0	0	-6,184
6081	Permits/Fees	2,500	2,320	2,500	0	180
6120	Bank Service Charges	3,000	2,880	3,000	0	120
Total Expenses		903,900	802,068	919,140	15,240	117,072
NET REVENUES		265,900	353,229	262,310	-3,590	-90,919
Other Expenditures					0	
1200	Inventory	0	0	0	0	0
1504	Mains	45,000	0	255,000	210,000	255,000
1506	K-3 Well	0	0	15,000	15,000	
1509	Wilcox Well/Wilcox Booster	15,000	15,974	15,000	0	-974
1511	Water Treatment Plant	5,400	1,800	5,400	0	3,600
1512	Meter Replacement	21,000	33,413	20,000	-1,000	-13,413
1513	Electrical/Electronic Equipment	50,000	19,184	25,000	-25,000	5,816
1514	Computer/Office Equipment	5,000	7,500	5,000	0	-2,500
1515	Vehicles & Portable Equipment	62,200	41,532	0	-62,200	-41,532
1516	Water Company Facilities	0	0	15,000	15,000	15,000
1520	Glen Reservoir/Booster	0	0	16,000	16,000	16,000
1522	Eucalyptus Booster Station	15,000	28,471	30,000	15,000	1,529
1527	SCADA	15,000	3,235	12,000	-3,000	8,765
1530	Tools	0	7,450	2,400	2,400	-5,050
2400	Truck Installment Payment	19,881	19,881	19,881	0	0
Total Other Expenditures		253,481	178,440	435,681	182,200	242,241
NET CASH FLOW		12,419	174,789	-173,371	-185,790	-348,160

Kinneloa Irrigation District Proposed 2011 Budget

Monthly Service Charge \$49.00
Commodity Charge \$2.95 per CCF

Account Description	2011
4000 Water Sales	1,152,250
4020 Service Charges	10,000
4035 Interest-Reserve Fund	7,200
4050 Capacity Charge	12,000
Total Income	1,181,450
5000 Leased Water Rights	28,000
5005 Electricity	99,000
5010 Maintenance Supplies	28,000
5012 Safety Equipment	2,400
5015 Operations & Maintenance Labo	160,500
5020 Stand-by Compensation	7,500
5022 Training/Certification	2,400
5025 Water Treatment/Analysis	22,000
5030 Maintenance Contractors	117,000
5034 Equipment Maintenance	6,000
5035 Vehicle Maintenance	3,600
5036 Fuel - All Equipment	12,000
5040 Equipment Rental	500
5045 Insurance-Workers Compensatic	12,000
5046 Insurance-Liability	22,000
5048 Insurance-Property	2,500
5049 Insurance-Medical	38,000
6000 Engineering Services	24,000
6005 Watermaster	12,000
6015 Administrative Salary	125,500
6017 Administrative Travel	5,000
6020 Board of Directors Compensatio	7,000
6021 Administrative & Board Expense	2,500
6024 Customer/Public Information Pro	4,000
6025 PERS - KID	12,900
6030 Social Security - KID	27,300
6035 Office Supplies	9,000
6036 Postage/Delivery	6,000
6040 Professional Dues	7,000
6045 Legal Services	15,000
6050 Telephone	4,000
6051 Mobile Telephone	1,800
6052 Pagers	240
6053 Internet Service	1,000
6059 Computer/Software Maintenance	10,000
6061 Office Equipment Maintenance	1,000
6065 Accounting Services	7,000
6070 Office Labor	48,000
6075 Outside Services	20,000
6081 Permits/Fees	2,500
6120 Bank Service Charges	3,000
Total Expenses	919,140
NET REVENUES	262,310

Water Sales, Units	271,000
Rate Per Unit	\$2.95
Annual Commodity Revenue	\$799,450
Monthly Service Charge	\$49.00
Annual DSC Revenue	\$352,800
Total Annual Water Sales	\$1,152,250
Other Annual Revenue	\$29,200
Total Annual Revenue	\$1,181,450
Total Expenses	\$919,140
Net Revenues	\$262,310
Capital Improvement Projects	\$435,681
Annual Net Cash Flow	-\$173,371
Average Monthly Charge for Low Usage	\$79
Usage	\$197
Average Monthly Charge for High Usage	\$787
Reserve Fund Balance (Beginning)	\$464,000
Reserve Fund Balance (Year End)	\$290,629

Rate History

Implementation Date	DSC Chg.	Com.Chg.
1/1/89	\$20.00	\$0.85
1/1/91	\$20.00	\$1.10
5/1/93	\$20.00	\$1.60
4/5/01	\$30.00	\$1.90
1/6/03	\$30.00	\$1.95
1/1/05	\$30.00	\$2.05
1/1/06	\$34.00	\$2.30
1/1/07	\$36.00	\$2.42
1/1/09	\$41.00	\$2.55
1/1/10	\$49.00	\$2.75
1/1/2011 (Proposed)	\$49.00	\$2.95

Recommended Expenditures for Capital Improvement Projects

1504 Mains	255,000
1506 K-3 Well	15,000
1509 Wilcox Reservoir/Booster	15,000
1511 Water Treatment Plant	5,400
1512 Meter Replacement	20,000
1513 Electrical/Electronic Equipment	25,000
1514 Computer/Office Equipment	5,000
1516 Facilities	15,000
1520 Pasadena Glen Reservoir/Boost	16,000
1522 Eucalyptus Reservoir/Booster	30,000
1527 SCADA	12,000
1530 Tools	2,400
2400 Truck Installment Sale Payment	19,881
Total Other Expenditures	435,681
NET CASH FLOW	-173,371

Windover Road/Sierra Madre Villa Pipeline Replacem
Lowering of Pump and Installing Flex Coupling to M
KID Share of Wilcox Reservoir and Booster Improve
Upgrade Cl2 Analyzers with PH and Temperature Se
Meter Replacement Program
Facility Electrical Projects
Replace Obsolete Computers and Other Equipment
Facility Improvement Projects
Rebuild Booster
Rebuild Booster #2
SCADA Improvement Projects
Purchase/Replace Non-Expendable Tools
Annual Payment for Two Trucks Purchased in 2008

General Manager's Report

September 21, 2010

I. Capital Improvement and Preventative Maintenance Projects

- A. Wilcox Well – Chlorine Analyzer is being repaired and upgraded for pH measurement.
- B. Facility Repairs – Repaired broken 6 inch PVC main in two locations in Pasadena Glen.
- C. SMV/Windover Pipeline – First set of plans and specs received from SA Associates for review.
- D. Doyne Road Tract – Project is on hold waiting for Developer to work out financing. Earliest possible restart state is December 1, 2010.

II. Customer Service Issues

- A. Pasadena Glen Road – Several customers reported water main break near the north end of Pasadena Glen Road on 8/21/10 at 11:04 AM. Leak was repaired and water service restored at 5:00 PM. No customers were affected outside of the immediate leak area.
- B. Old Grove Road – Several customers reported water main break on 9/10/10 at 6:30 AM. Ten customers were affected in the immediate area until the leak was repaired and water service restored at 11:00 AM. Numerous other customers experienced low or no water pressure until 7:15 AM when the leak was isolated with shut-off valves in the area. After completion of the repair we responded to three customers who reported air in the line and/or clogged aerators on facets. The lines were flushed and aerators were cleaned as required.
- C. Barhite Street – Customer reported water leaking near meter box. I shut off the water and determined that the leak was coming from a PVC irrigation pipe on customer's side of meter. I repaired the leak as a courtesy to the customer and returned two hours later after the joint cement had cured to turn on the water.
- D. Kinneloa Canyon Road – Brian shut off water to facilitate repair to customer's sprinkler valve.
- E. Hastings Heights Lane – Repaired leak on service line by replacing existing polyethylene service line with copper pipe. The leak was caused by a tree root displacing the line.
- F. Villa Highlands Road – Chris investigated a leak near meter box and determined that the problem was in the customer's service line to the house and advised the customer to call a plumber.
- G. Delinquent Accounts –
 - 25 accounts received 10 day letters
 - 3 accounts received 5 day letters
 - 1 account received 24-hour shut off notice
 - 1 account was shut off for non-payment
 - 2 accounts remain off for non-payment

III. General Manager's Highlights

- A. Budget for 2011 – Updated budget worksheet to reflect actuals through August. Performed additional analysis on account 5030, Maintenance Contractors and other accounts over a multi-year period. Prepared modified proposed budget for Board review discussion and possible approval at this meeting.
- B. CSDA – Attended Fiscal Committee meeting to prepare and discuss recommended budget for review and adoption by the CSDA Board.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 17, 2010**

MEMBERS PRESENT: Directors Barkhurst, Eldridge, Griffith, Kilburn, and Sorell

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

CALL TO ORDER: The Meeting was called to order by the Chair, Director Sorell, at 1939 hours. He noted that there was a quorum present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT:

No members of the public wished to comment at this time.

GENERAL MANAGER'S REPORT:

Mr. Matthews reviewed his report and the Board Members had no questions or comments.

REVIEW OF MINUTES:

The minutes of July 20, 2010 were reviewed and unanimously approved as presented.

REVIEW OF FINANCIAL REPORTS:

Director Barkhurst reviewed the Financial Reports noting that the income was down due to decreased water sales.

Director Sorell noted that

--the budget was tracking close to expectation

--the Maintenance Contractor expenditures were substantially lower

--the Insurance expenditures were lower due to the credits that had been received for prior years

--the Eucalyptus Booster repair was higher than expected

The Financial Reports were unanimously approved as presented.

REVIEW OF YEAR 2011 PROPOSED BUDGET

Director Griffith urged the Board to start considering how to accumulate the funds to construct the pipeline between the East Tank and West Tank which would improve the fire flow.

Mr. Matthews stated that he estimated the project would cost several million dollars to construct, and that it is included in the Master Plan.

Director Sorell noted that a project of that size might require some kind of financing or a bond and that its value needed to be compared with other items in the master plan.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 17, 2010**

Page 2

REVIEW OF YEAR 2011 PROPOSED BUDGET (continued):

Director Barkhurst questioned the amount of revenue expected based on the proposed 20 cent rate increase and **Director Sorell** replied that it was around \$54,000.

Director Barkhurst commented that he has the following fundamental concerns about the proposed budget in these economic times, where unemployment locally is at a rate of 12%, and investment yield is at a skeptical rate of 1.2 – 2%, and that the Board is asking the rate payers to pay for increases in expenses. He further commented that when he compares the 2010 actual and 2011 proposed budget he noticed that there is

- nothing proposed for Wholesale Water Sales
- \$8,000 proposed increase in Leased Water Rights
- \$9,000 proposed increase in Electricity
- \$6,000 proposed increase in Maintenance Supplies
- \$36,000 proposed increase in Maintenance Contractors
- \$5,000 proposed increase in Administrative Salary
- \$7,000 proposed increase in Legal Services
- \$3,000 proposed increase on Computer Maintenance
- \$6,000 proposed increase in Outside Services
- \$90,000 proposed for water mains although zero dollars was spent for this in 2010

Director Sorell noted that the cost for the water mains would be part of the \$250,000 for capital projects so that he doesn't see any savings to be made with that item, but that the other items could be reviewed for possible savings.

Director Barkhurst said that what he is suggesting, that instead of running to the rate payers to pay for the proposed increases, that the Board tighten up the proposed 2011 budget. He stated that he would much prefer that the Board find the money by tightening the budget rather than proposing an increase in the water rate.

Mr. Matthews noted that he did not budget anything for wholesale water sales because he did not know at this time whether the District would need that water for its own customers since the District loses another 6% loss of pumping rights in 2011. In addition he does not know at this time whether the purchase price for leased water rights next year will be \$300 or \$400 per acre foot.

Director Sorell noted that in the past the Board had determined that a small increase every one to two years would be a better approach than a large increase at one time.

Director Sorell suggested that the individual expenses be carefully reviewed because the proposed 2011 budget is \$110,000 above the 2010 projected expense budget, which is a big increase. He also suggested that the cost of these items for the past few years be reviewed so as to provide a comparison.

Director Sorell stated that, based on his review of the total budget expense for maintenance contractors for the last three years which was around \$90- \$100,000 each year, he would recommend that amount be considered as a starting point for the 2011 year.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 17, 2010**

Page 3

Mr. Matthews reminded the Board that in recommending a twenty cent rate increase he was mindful of the reduction of the District's pumping rights which next year would be 18% and would possibly mean that the District would have to purchase water in spite of conservation measures.

Director Barkhurst commented that there are two approaches to the budget-- conservatively you collect it in advance or not conservatively you collect it within the year after it is spent. He further noted that if the rate increase is used as a conservation tool as well as a budget management tool and budget is tightened up then the District should have a comfortable margin at the end of the year.

Director Griffith stated that he thought each individual item should be reviewed such as maintenance supplies which has increased and **Mr. Matthews** reminded the Board that due to the no lead rule the cost of these supplies has increased.

Director Barkhurst suggested that if the Board could reach a consensus that a small rate increase would serve as a conservation tool as well as an appropriate management tool then it would be less important as to what the individual numbers were as long as you could justify that expense.

Director Griffith stated that he thought it was the Board's responsibility to know the exact number and he suggested that the suggested rate be increased to \$50 for the monthly rate and \$3.00 for the commodity rate.

Director Barkhurst noted that increasing the monthly rate would hurt those customers that the Board wanted to hurt the least and that it would not promote conservation.

Director Barkhurst suggested that a 5% of the total budget contingency line be added to the budget since so many of the expenses are uncertain.

Following further discussion it was decided that Mr. Matthews would make changes to the proposed budget that had been suggested and provide past history on the items where there is a large variance.

TEMS FOR NEXT AGENDA

Review of YEAR 2011 BUDGET

ADJOURNMENT:

The meeting was adjourned at 2100 hours and the next meeting will be held on September 21, 2010.

Respectfully submitted,

Shirley Burt,
Secretary to the Board

Kinneloa Irrigation District
Income Statement
For the Eight Months Ending August 31, 2010

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
4000 Water Sales	\$ 125,614.81	\$ 140,000.00	\$ 711,341.94	\$ 768,800.00
4015 Wholesale Water Sales	0.00	0.00	61,591.07	0.00
4020 Service Charges	560.25	833.33	4,896.19	6,666.64
4025 Asset Sale	0.00	0.00	2,000.00	0.00
4035 Interest-Reserve Fund	389.10	1,166.67	5,134.34	9,333.36
4050 Capacity Charge	0.00	0.00	0.00	6,000.00
Total Revenues	126,564.16	142,000.00	784,963.54	790,800.00
Expenses				
5000 Leased Water Rights	0.00	20,000.00	0.00	20,000.00
5005 Electricity	9,079.66	10,000.00	59,318.13	61,000.00
5010 Maintenance Supplies	799.01	2,000.00	18,201.84	16,000.00
5012 Safety Equipment	0.00	0.00	4,257.04	2,000.00
5015 Operations & Maintenance Labor	12,850.16	13,500.00	102,119.19	106,500.00
5020 Stand-by Compensation	780.00	625.00	4,830.00	5,000.00
5022 Training/Certification	288.00	200.00	403.00	1,600.00
5025 Water Treatment/Analysis	1,248.57	1,833.33	11,280.06	14,666.64
5030 Maintenance Contractors	5,762.29	10,500.00	66,303.28	84,000.00
5034 Equipment Maintenance	0.00	500.00	1,375.88	4,000.00
5035 Vehicle Maintenance	547.49	300.00	1,488.27	2,400.00
5036 Fuel - All Equipment	745.80	1,000.00	6,010.74	8,000.00
5045 Insurance-Workers Compensation	0.00	0.00	(3,464.00)	6,000.00
5046 Insurance-Liability	1,359.75	1,250.00	7,132.99	10,000.00
5048 Insurance-Property	169.00	208.33	943.22	1,666.64
5049 Insurance-Medical	3,158.13	3,166.67	24,647.04	25,333.36
6000 Engineering Services	0.00	2,000.00	17,033.50	16,000.00
6005 Watermaster Services	882.25	1,000.00	7,172.48	8,000.00
6015 Administrative Salary	10,004.40	10,609.64	80,035.20	83,061.40
6017 Administrative Travel	276.41	416.67	2,866.37	3,333.36
6020 BofD Compensation	400.00	500.00	4,500.00	4,600.00
6021 Administrative & Board Expense	0.00	208.33	1,364.00	1,666.64
6022 BofD-Election	0.00	0.00	32.96	0.00
6024 Customer/Public Info. Prog.	0.00	333.33	1,404.19	2,666.64
6025 PERS - KID	927.33	1,228.00	7,373.97	9,688.00
6030 Social Security - KID	2,130.28	2,300.00	16,941.82	18,200.00
6035 Office Supplies	890.41	750.00	4,452.93	6,000.00
6036 Postage/Delivery	266.45	500.00	2,580.41	4,000.00
6040 Professional Dues	328.75	416.67	3,569.00	3,333.36
6045 Legal Services	1,373.11	1,250.00	3,487.50	10,000.00
6050 Telephone	776.91	500.00	2,335.65	4,000.00
6051 Mobile Telephone	335.78	200.00	955.80	1,600.00
6052 Pagers	18.93	166.67	151.44	1,333.36
6053 Internet Service	64.94	83.33	514.57	666.64
6059 Computer/Software Maintenance	739.77	833.33	5,076.61	6,666.64
6061 Office Equipment Maintenance	0.00	83.33	0.00	666.64
6065 Accounting Services	0.00	1,000.00	6,200.00	7,000.00
6070 Office Labor	3,812.16	4,000.00	29,977.44	32,000.00
6075 Outside Services	683.51	1,666.67	6,262.45	13,333.36
6080 Capital Improvement Fees	562.17	0.00	3,935.19	0.00
6081 Permits/Fees	0.00	208.33	1,486.29	1,666.64
6120 Bank Service Charges	57.53	250.00	1,879.62	2,000.00
Total Expenses	61,318.95	95,587.63	516,436.07	609,649.32
Net Income	65,245.21	46,412.37	268,527.47	181,150.68

Kinneloa Irrigation District
Income Statement
For the Eight Months Ending August 31, 2010

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Other Expenditures				
1504 Water Mains	0.00	3,750.00	0.00	30,000.00
1509 Wilcox Well/Wilcox Booster	0.00	0.00	15,974.12	15,000.00
1511 Water Treatment Plant	0.00	450.00	0.00	3,600.00
1512 Trans. & Dist. Plant Meters	0.00	0.00	33,413.10	21,000.00
1513 Electrical/Electronic Equip.	0.00	4,166.67	2,517.80	33,333.36
1514 Computer/Office Equipment	0.00	416.67	7,500.00	3,333.36
1515 Vehicles & Portable Equipment	0.00	0.00	41,531.67	62,200.00
1522 Eucalyptus Booster Station	0.00	0.00	28,470.95	15,000.00
1527 SCADA Equipment	0.00	1,250.00	3,235.13	10,000.00
1530 Tools	0.00	0.00	2,449.58	0.00
2400 Truck Loan Payable	19,880.82	19,881.00	19,880.82	19,881.00
Total Other Expenditures	19,880.82	29,914.34	154,973.17	213,347.72
Total Increase or (Drawdown)	\$ 45,364.39	\$ 16,498.03	\$ 113,554.30	\$ (32,197.04)

Kinneloa Irrigation District
Balance Sheet
August 31, 2010

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 210,850.05
1012	Reserve Fund-LAIF	236,216.44
1014	Reserve Fund-CalTRUST	254,489.59
1015	Share Price Adjust - CalTRUST	(725.89)
1016	Accrued Interest - LAIF	218.00
1100	Accts. Receivable-Water Sales	62,596.21
1101	Accts. Receiv.-Service Charges	29,334.68
1190	Allowance for Bad Debts	(9,088.93)
1200	Inventory	20,000.00
1340	Accrued Water Sales	128,292.13
1350	Prepaid Insurance	28,779.95
1360	Prepaid Expenses	12,180.74
		<hr/>
	Total Current Assets	973,142.97

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	1,647,012.03
1505	Water Tunnels	705,985.75
1506	K-3 Well	70,233.86
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	87,286.82
1510	Interconnections	14,203.27
1511	Water Treatment Plant	172,044.97
1512	Trans. & Dist. Plant Meters	94,083.57
1513	Electrical/Electronic Equip.	200,660.53
1514	Computer/Office Equipment	42,261.42
1515	Vehicles & Portable Equipment	222,084.16
1516	Water Company Facilities	60,079.20
1517	KID Office	51,362.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	500,288.76
1526	Vosburg Booster	12,590.00
1527	SCADA Equipment	177,636.36
1528	Tanks and Reservoirs	97,944.39
1529	Holly Tanks	181,113.76
1530	Tools	2,449.58
1600	Accum. Depreciation	(2,444,905.00)
		<hr/>
	Total Property and Equipment	4,111,241.33
		<hr/>
	Total Assets	\$ 5,084,384.30
		<hr/> <hr/>

Kinneloa Irrigation District
Balance Sheet
August 31, 2010

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 10,300.74	
2250	PERS Withholding-Employee	674.96	
2271	Deposits-Construction Meters	850.00	
2273	Job Deposits-Doyne Rd.	20,000.00	
2290	Accrued Vacation	14,349.70	
	Total Current Liabilities		46,175.40

Long-Term Liabilities

2400	Truck Loan Payable	51,026.99	
	Total Long-Term Liabilities		51,026.99
	Total Liabilities		97,202.39

Capital

3040	Fund Balance	4,718,654.44	
	Net Income	268,527.47	
	Total Capital		4,987,181.91
	Total Liabilities & Capital		\$ 5,084,384.30

Kinneloa Irrigation District
Statement of Cash Flow
For the eight Months Ended August 31, 2010

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 65,245.21	\$ 268,527.47
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	285.74	(7,838.71)
1101 Accts. Receiv.-Service Charges	350.00	(887.21)
1350 Prepaid Insurance	(20,444.25)	(11,698.00)
1360 Prepaid Expenses	1,211.00	(2,357.52)
2000 Accounts Payable	(3,140.59)	(6,616.32)
2250 PERS Withholding-Employee	674.96	674.96
2271 Deposits-Construction Meters	0.00	(850.00)
2272 Job Deposits	0.00	(1,300.00)
2273 Job Deposits-Doyme Rd.	0.00	902.88
	<hr/>	<hr/>
Total Adjustments	(21,063.14)	(29,969.92)
	<hr/>	<hr/>
Net Cash provided by Operations	44,182.07	238,557.55
Cash Flows from investing activities		
<i>Used For</i>		
1509 Wilcox Well/Wilcox Booster	0.00	(15,974.12)
1512 Trans. & Dist. Plant Meters	0.00	(35,777.50)
1513 Electrical/Electronic Equip.	0.00	(2,517.80)
1514 Computer/Office Equipment	0.00	(7,500.00)
1515 Vehicles & Portable Equipment	0.00	(41,543.04)
1522 Eucalyptus Booster Station	0.00	(28,470.95)
1527 SCADA Equipment	0.00	(3,235.13)
1530 Tools	0.00	(2,449.58)
	<hr/>	<hr/>
Net cash used in investing	0.00	(137,468.12)
Cash Flows from financing activities		
<i>Proceeds From</i>		
<i>Used For</i>		
2400 Truck Loan Payable	(19,880.82)	(19,880.82)
	<hr/>	<hr/>
Net cash used in financing	(19,880.82)	(19,880.82)
	<hr/>	<hr/>
Net increase (decrease) in cash	\$ 24,301.25	\$ 81,208.61
Summary		
Cash Balance at End of Period	\$ 829,340.32	\$ 829,340.32
Cash Balance at Beg. of Period	(805,039.07)	(745,755.94)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash	\$ 24,301.25	\$ 83,584.38
	<hr/>	<hr/>

Aged Receivables Report -- Previous 12 Months

ACCOUNTING PERIOD	CURRENT PERIOD	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL BALANCE	LATE PAYMENT CHARGES
SEPTEMBER 2009	\$29,107 259	\$15,194 74	\$2,647 20	\$1,570 8	\$48,518	\$680.85 40 Accts.
OCTOBER 2009	\$38,273 251	\$12,885 77	\$2,304 19	\$3,119 9	\$56,581	\$470.00 27 Accts.
NOVEMBER 2009	\$67,749 405	\$9,659 83	\$1,950 12	\$1,632 8	\$80,990	\$568.31 33 Accts.
DECEMBER 2009	\$43,397 322	\$6,175 55	\$3,964 32	\$2,222 12	\$55,758	\$695.19 40 Accts.
JANUARY 2010	\$38,196 329	\$2,721 57	\$213 15	\$2,139 14	\$43,268	\$440.86 26 Accts.
FEBRUARY 2010	\$27,015 360	\$8,461 140	\$1,207 35	\$1,636 14	\$38,320	\$767.92 46 Accts.
MARCH 2010	\$22,986 259	\$4,532 120	\$6,680 79	\$2,894 13	\$37,093	\$695.72 43 Accts.
APRIL 2010	\$34,652 312	\$2,631 122	\$1,469 49	\$4,848 19	\$43,599	\$433.27 26 Accts.
MAY 2010	\$58,922 355	\$1,870 56	\$1,432 28	\$1,621 17	\$63,845	\$432.87 26 Accts.
JUNE 2010	\$51,011 278	\$5,128 68	\$324 24	\$1,518 13	\$57,981	\$646.46 39 Accts.
JULY 2010	\$60,040 275	\$1,464 72	-\$9 18	\$1,386 8	\$62,882	\$337.87 20 Accts.
AUGUST 2010	\$57,320 296	\$6,836 48	-\$2,408 26	\$848 7	\$62,596	\$470.25 28 Accts.

Kinneloa Irrigation District
Check Register
For the Period From August 1, 2010 to August 31, 2010

Date	Check #	Payee	Amount	Description
8/6/10	6353	ACWA/JPIA	21,973.00	Deposit Premium for 2010-2011 policy
8/6/10	6354	Athens Services	129.38	trash pickup
8/6/10	6355	Berg Hardware	19.18	maintenance supplies
8/6/10	6356	Cook Paging, Inc.	18.93	pager service
8/6/10	6357	Brian Fry	90.00	reimbursement for CDPH certification renewal
8/6/10	6358	Melvin L. Matthews	94.20	expense reimbursement
8/6/10	6359	McMaster Carr	103.92	maintenance supplies
8/6/10	6360	National Meter & Automat	258.26	net cost of exchanged meter
8/6/10	6361	Raymond Basin Managemen	1,540.74	Title 22 water analysis
8/6/10	6362	Red Supply	110.35	maintenance supplies
8/6/10	6363	Specialty Services	275.00	janitorial service
8/6/10	6364	Underground Service Alert	1.50	dig alerts
8/6/10	6365	Utility Service Co., Inc.	5,455.29	tank maintenance agreement
8/16/10	EFT876	Arco Gaspro Plus	745.80	truck gas
8/16/10	EFT877	AT&T	65.61	telephone
8/16/10	EFT878	Charter Communications	59.99	Internet service
8/16/10	EFT879	Pasadena Municipal Servic	1,046.77	Wilcox Well power
8/16/10	EFT880	Calif. Public Employees Re	2,277.24	CalPERS- KID and Employee contribution
8/16/10	EFT881	Southern California Edison	8,293.98	electricity
8/16/10	6366	ACWA Health Benefits Au	3,636.85	health/dental - KID and Employee contribution
8/16/10	6367	Ameripride Uniform Servic	68.48	shop rag service
8/16/10	6368	Clinical Laboratory, San B	319.00	water analysis
8/16/10	6369	Foothill Municipal Water I	562.17	capital improvement fee
8/16/10	6370	Lagerlof,Senecal,Bradley,C	548.11	our share of public water agency group matters
8/16/10	6371	Monrovia Mailing Compan	363.45	billing and postage
8/16/10	6372	MWH Laboratories	118.80	water analysis
8/16/10	6373	Shirley Burt	77.65	mileage reimbursement
8/16/10	6374	Lagerlof,Senecal,Bradley,C	825.00	new board member orientation
8/26/10	EFT882	AT&T	243.30	telephone
8/26/10	EFT883	Bank of America Business	3,133.97	see attached schedule
8/26/10	EFT884	Earthlink Network	4.95	Internet service
8/26/10	6375	Alert Communications, Inc	468.00	answering service February through July
8/26/10	6376	Consolidated Electrical Dis	445.10	parts for Wilcox generator hookup
8/26/10	6377	Citizens Business Bank	19,880.82	installment payment for two 2008 trucks
8/26/10	6378	MWH Laboratories	132.00	water analysis
8/26/10	EFT886	Verizon Wireless	132.66	mobile phone service
8/26/10	EFT887	Christopher A. Burt	2,146.86	salary
8/26/10	EFT888	Shirley L. Burt	1,297.10	salary
8/26/10	EFT889	Melvin L. Matthews	3,219.51	salary
8/26/10	64501972	Brian L. Fry	1,575.71	salary

Kinneloa Irrigation District
Check Register
For the Period From August 1, 2010 to August 31, 2010

8/26/10	64501973	Felix Galindo	412.03	salary
8/26/10	64501974	Chris J. Mellinger	458.44	salary
8/26/10	EFT890	ADP	64.68	payroll processing
8/26/10	EFT891	Christopher A. Burt	150.00	salary
8/26/10	EFT892	ADP	4,385.65	payroll taxes and withholding
8/31/10	EFT893	Richard L. Barkhurst	92.35	salary
8/31/10	EFT894	Christopher A. Burt	2,230.61	salary
8/31/10	EFT895	Francis J. Griffith	92.35	salary
8/31/10	EFT896	Shirley L. Burt	1,499.05	salary
8/31/10	EFT897	Gerrie G. Kilburn	92.35	salary
8/31/10	EFT898	Melvin L. Matthews	2,874.04	salary
8/31/10	64523647	Brian L. Fry	1,490.81	salary
8/31/10	64523648	Chris J. Mellinger	434.62	salary
8/31/10	EFT899	Steven G. Sorell	57.35	salary
8/31/10	EFT900	ADP	68.51	payroll processing
8/31/10	EFT901	Christopher A. Burt	150.00	salary
8/31/10	EFT902	ADP	4,814.58	payroll taxes and withholding
8/31/10	EFT902a	Calif. Public Employees Re	<u>2,277.24</u>	CalPERS- KID and Employee contribution

Total

103,403.29

**CREDIT CARD CHARGES
JULY 2010**

Category	Shirley	Mel	Brian	Chris B	Chris M	TOTAL
Maint. Supply			\$118.24	\$43.62		\$161.86
Maint. Tools **						\$0.00
Maint. Exp.						\$0.00
Postage	\$47.44					\$47.44
Computer Supplies		\$724.19				\$724.19
Computer Program		\$739.77				\$739.77
Computer						
Scada						\$0.00
Kinn. Mesa Pipeline						\$0.00
Emp. Cert.			\$198.00			\$198.00
Truck Exp.			\$501.42	\$46.07		\$547.49
Truck Fuel						\$0.00
Generator/Pump Fuel						\$0.00
Office Supplies	\$166.22					\$166.22
Safety						\$0.00
Water Quality				\$97.12		\$97.12
Adm. Exp.		\$198.76				\$198.76
Doyne Road Project						\$0.00
Telephone				\$253.12		\$253.12
Office equip.						\$0.00
Finance Chg.						\$0.00
Finance Credit						\$0.00
TOTAL	\$213.66	\$1,662.72	\$817.66	\$439.93	\$0.00	\$3,133.97