

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY – AUGUST 19, 2014
6:30 P.M.

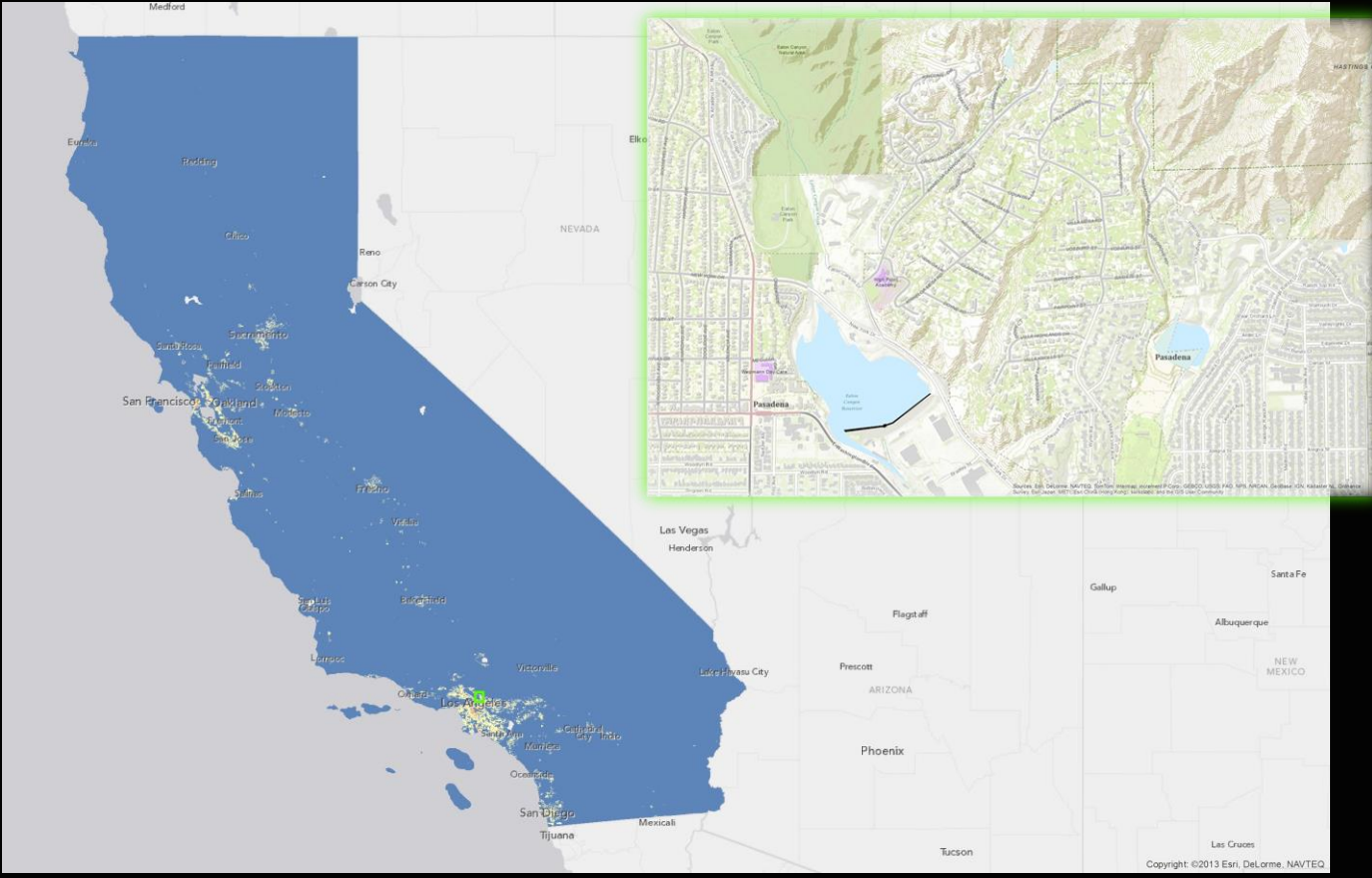
AGENDA

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. **PRESENTATION ON VALVE AND HYDRANT MAINTENANCE PROGRAM** – General Manager
4. **RESOLUTION 2014-08-19 AND PROPOSED WATER CONSERVATION PROGRAM** – Discussion and action on emergency water conservation restrictions.
5. **REVIEW PROPOSED BUDGET FOR 2015**
6. **GENERAL MANAGER’S REPORT**
7. **REVIEW MINUTES** – July 15, 2014
8. **REVIEW FINANCIAL REPORTS** – July 31, 2014
9. **ITEMS FOR NEXT AGENDA**
10. **CALENDAR** – September 16, 2014
October 21, 2014
November 18, 2014
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>.



Kinneoloa Irrigation District, Pasadena, California



Fire Hydrant Operation and Check, Isolation Valve Exercising, Valve Exercising

August 19, 2014 Presentation



Outline

- ❖ Program Objectives
- ❖ Overall GPS Locations
- ❖ Findings
 - ❖ Observed Static Pressure
 - ❖ Observed Flow
 - ❖ Hydrant Leaks
 - ❖ Hydrant & Valve Condition
- ❖ Summary & Work Orders
- ❖ Observations
- ❖ Recommendations



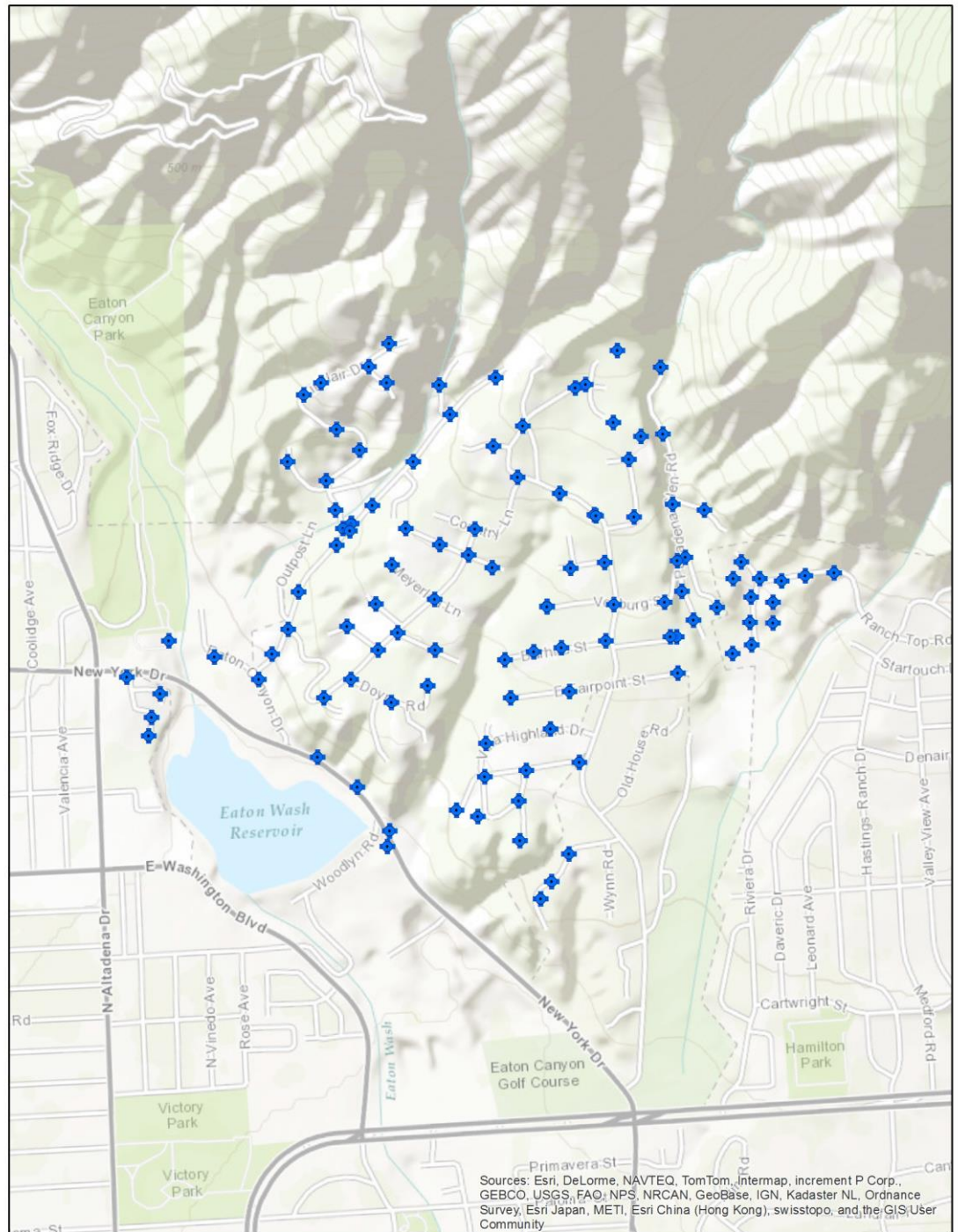
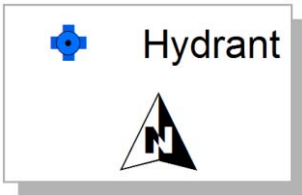
Program Objectives

- ▶ Inspect, assess, and flow test 111 fire hydrants, including exercising each hydrant's isolation valve
- ▶ Exercise and assess 234 main line valves
- ▶ Perform general maintenance on each asset
- ▶ Record the static pressure of each hydrant
- ▶ Document the nozzle count and size for each hydrant
- ▶ Lubricate nozzles and stems for each hydrant
- ▶ Deliver field captured data about condition and repairs needed for each hydrant and each valve



KINNELOA
IRRIGATION DISTRICT
SPECIAL DISTRICT • PUBLIC WATER AGENCY

Overall GPS Locations of Hydrants 111



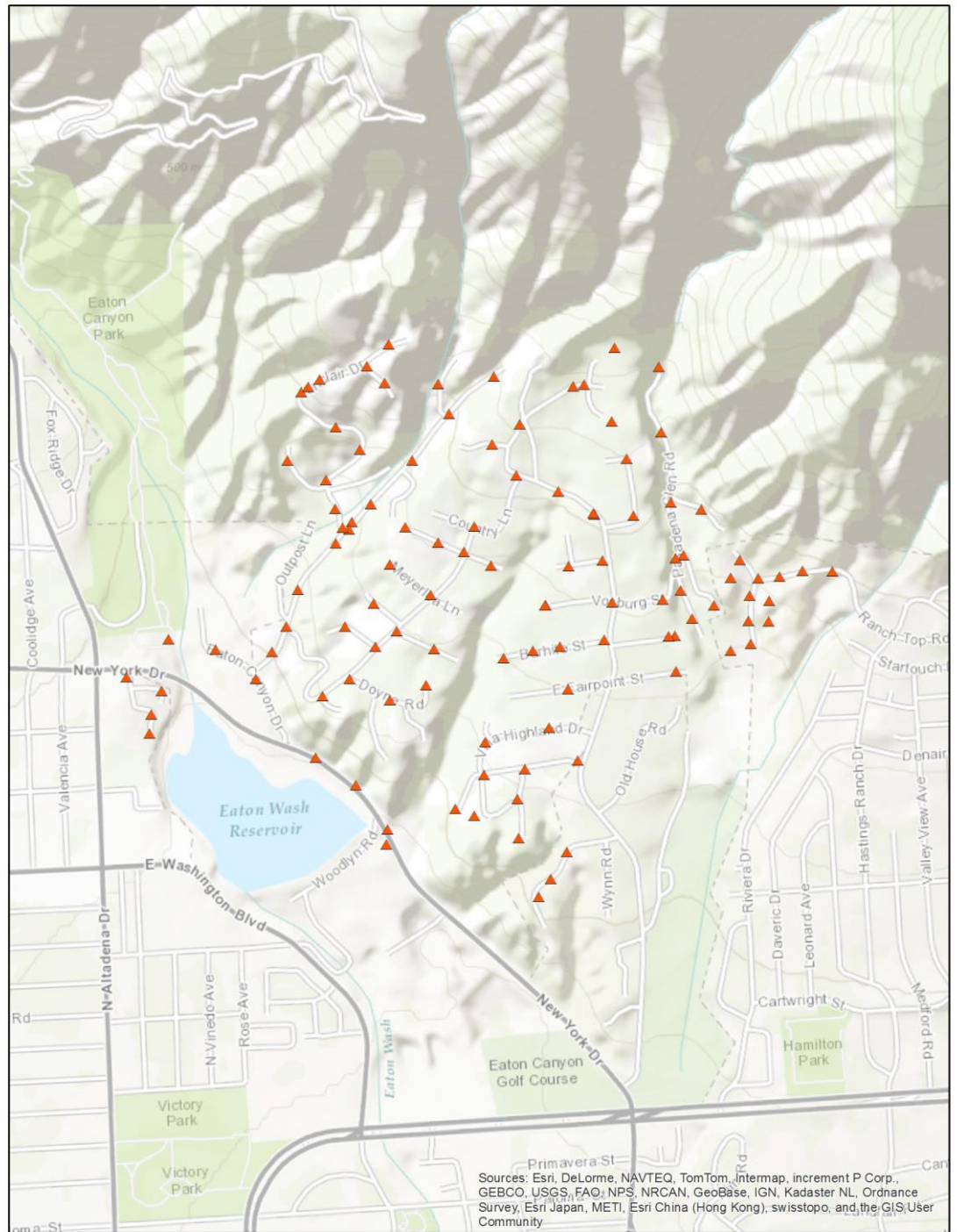
Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, and the GISUser Community



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Overall GPS Locations of Isolation Valves 109

▲ Isolation Valve

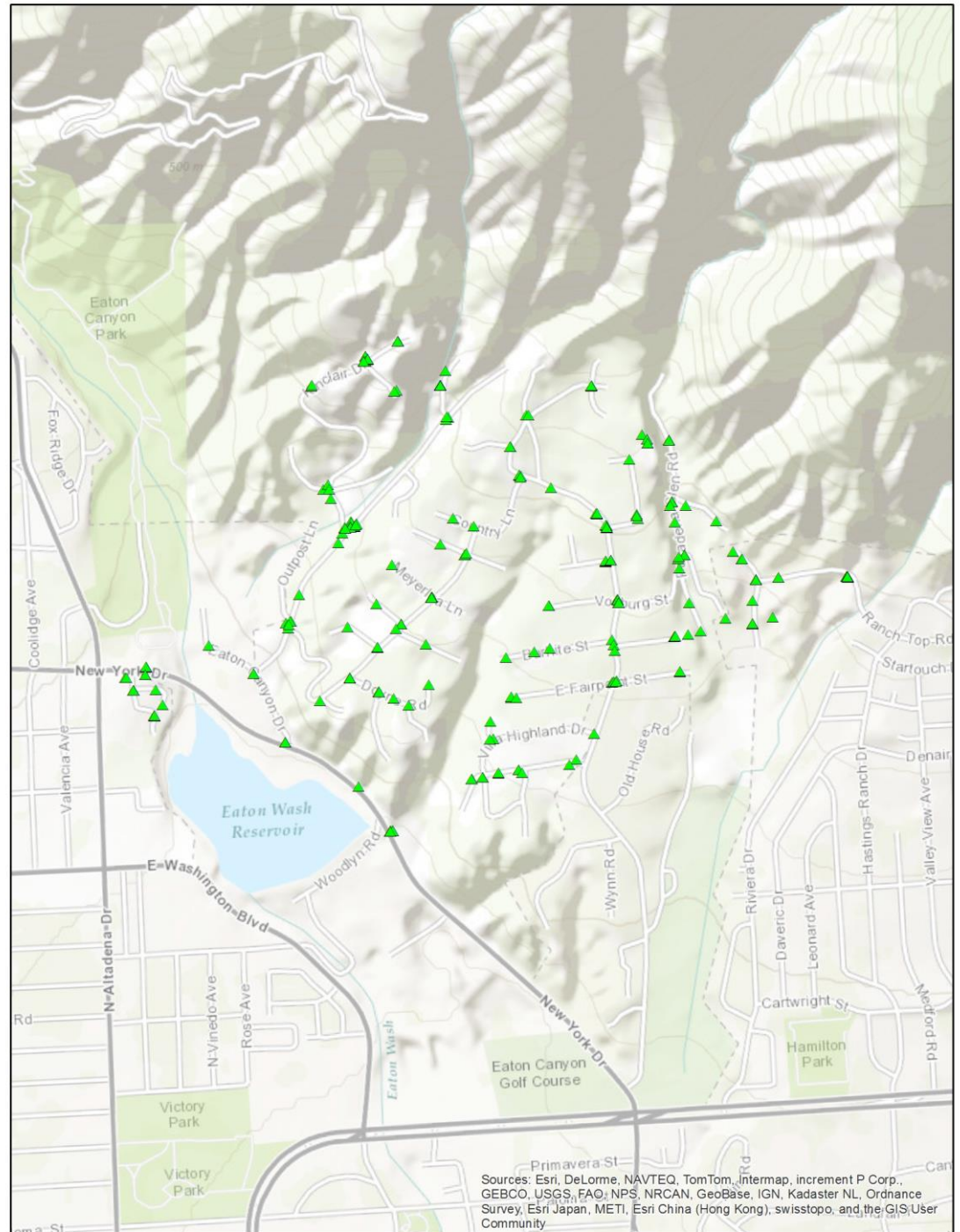
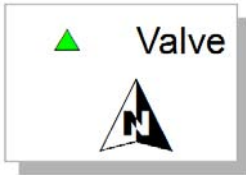


Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, and the GIS User Community



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Overall GPS Locations of Main Line Valves 234





Findings



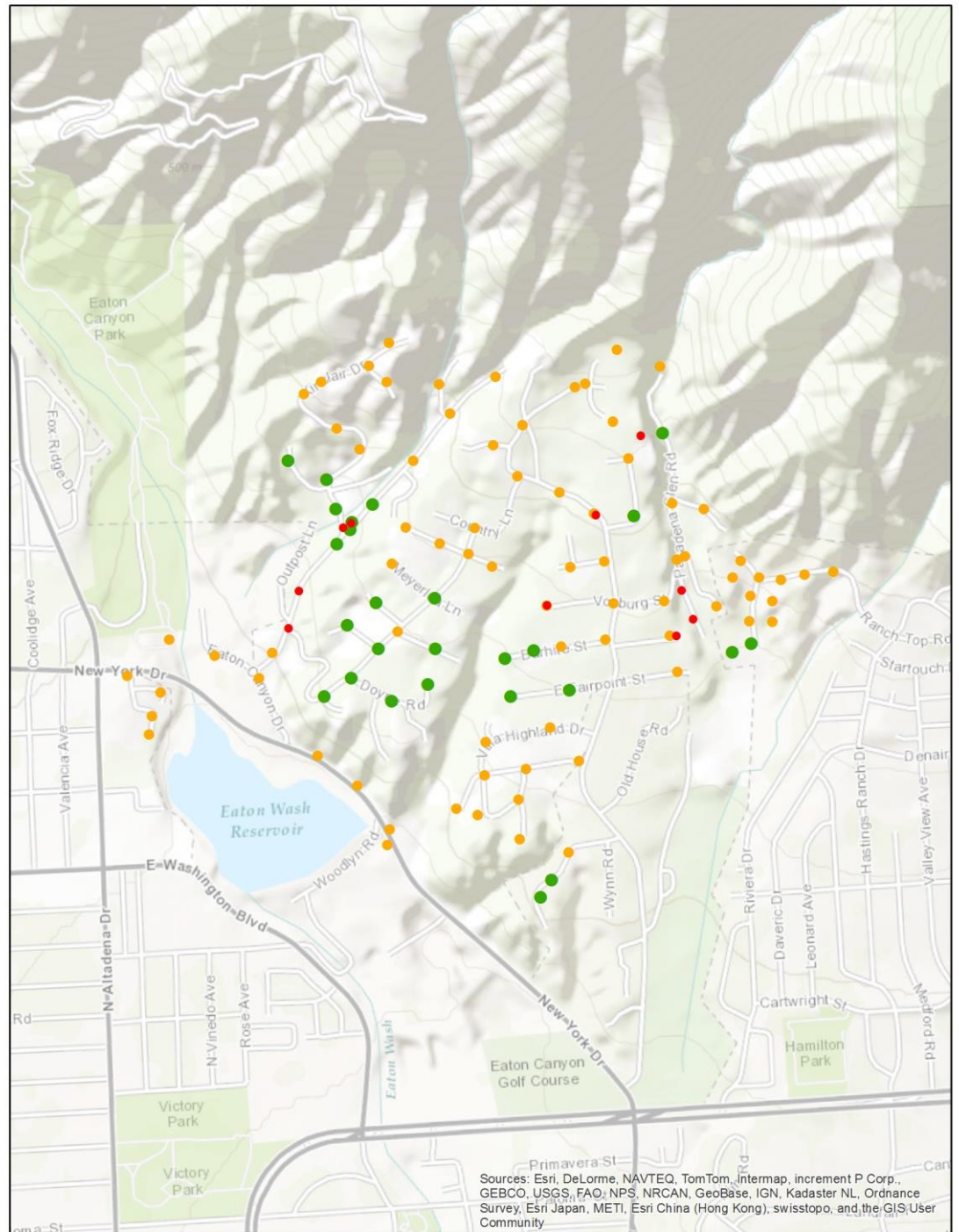


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Observed Static Pressure

Static Pressure (psi)

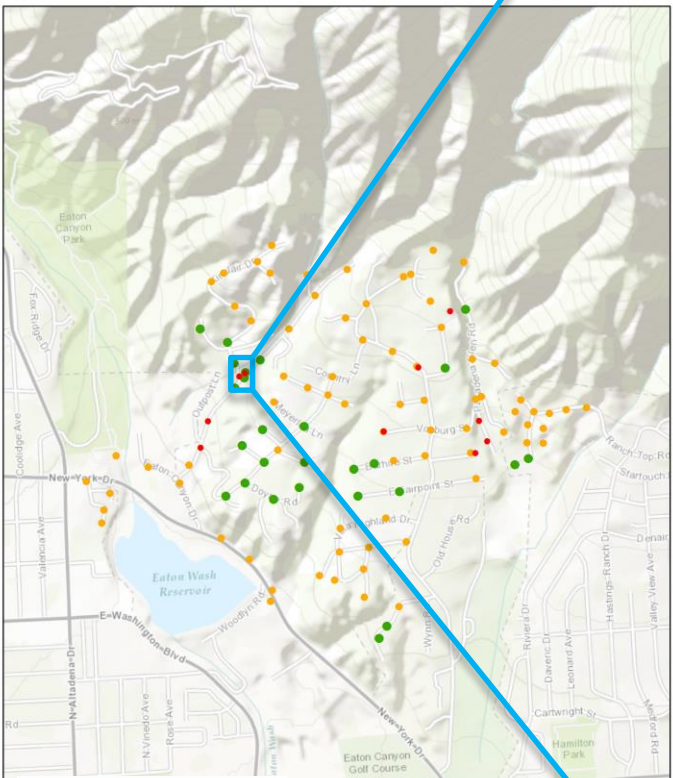
- < 50 psi
- 50 - 120 psi
- > 120 psi





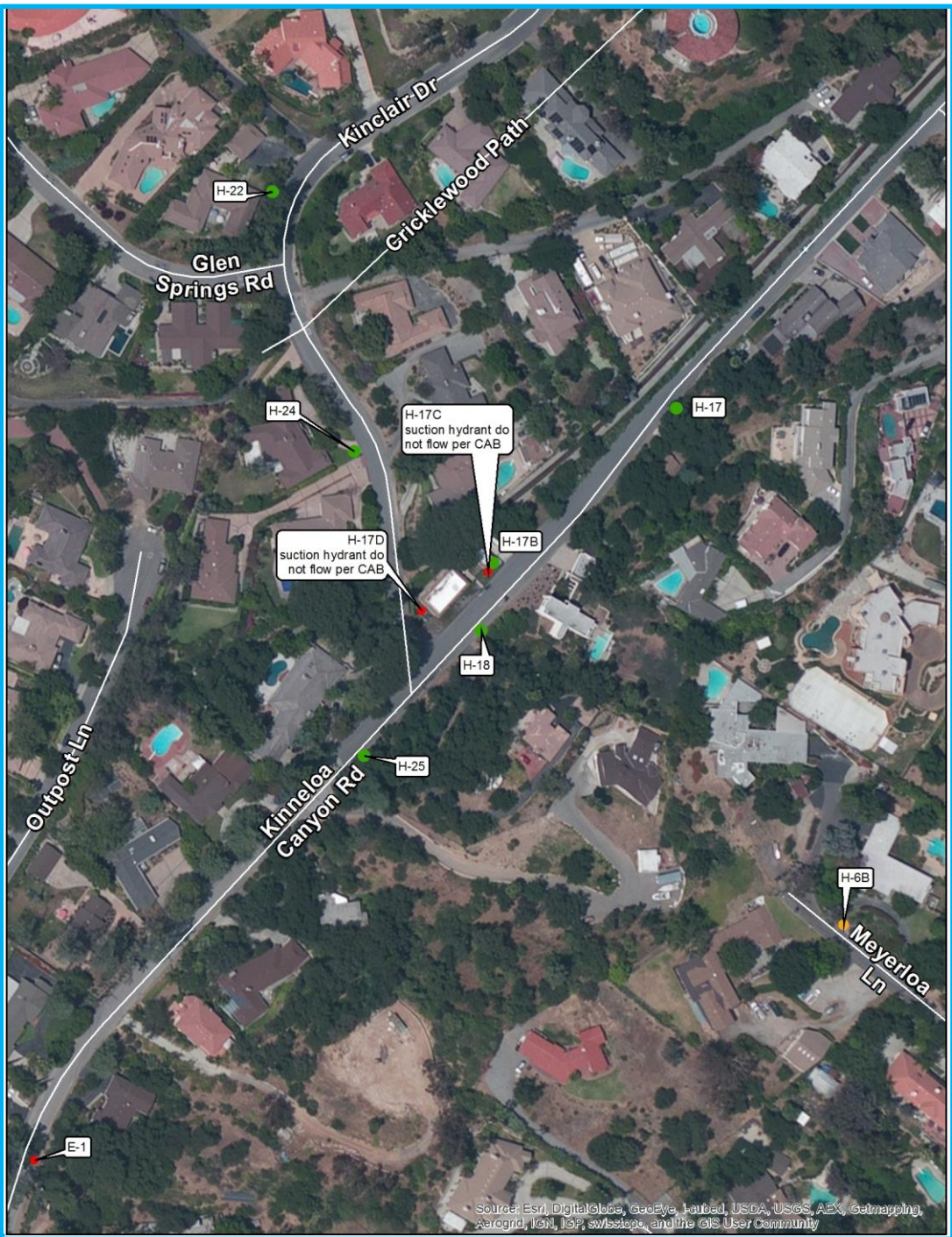
KINNELOA
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Observed Static Pressure



Static Pressure (psi)

- < 50 psi
- 50 - 120 psi
- > 120 psi



Source: Esri, DigitalGlobe, GeoEye, IGN, GeoEye, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



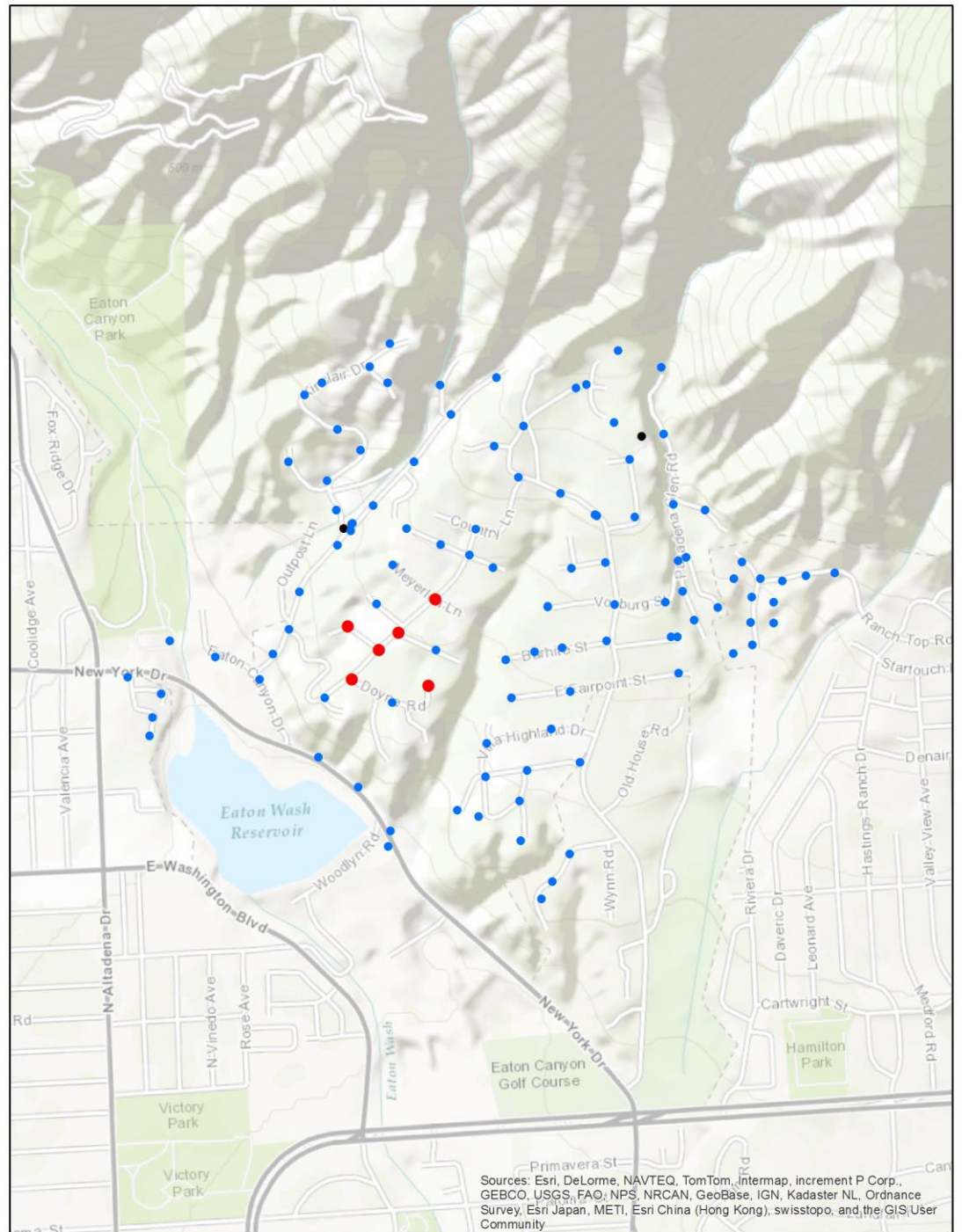
Hydrant Condition

Condition

- In Service - No Repair Needed
- In Service - Repair Needed
- Unknown*

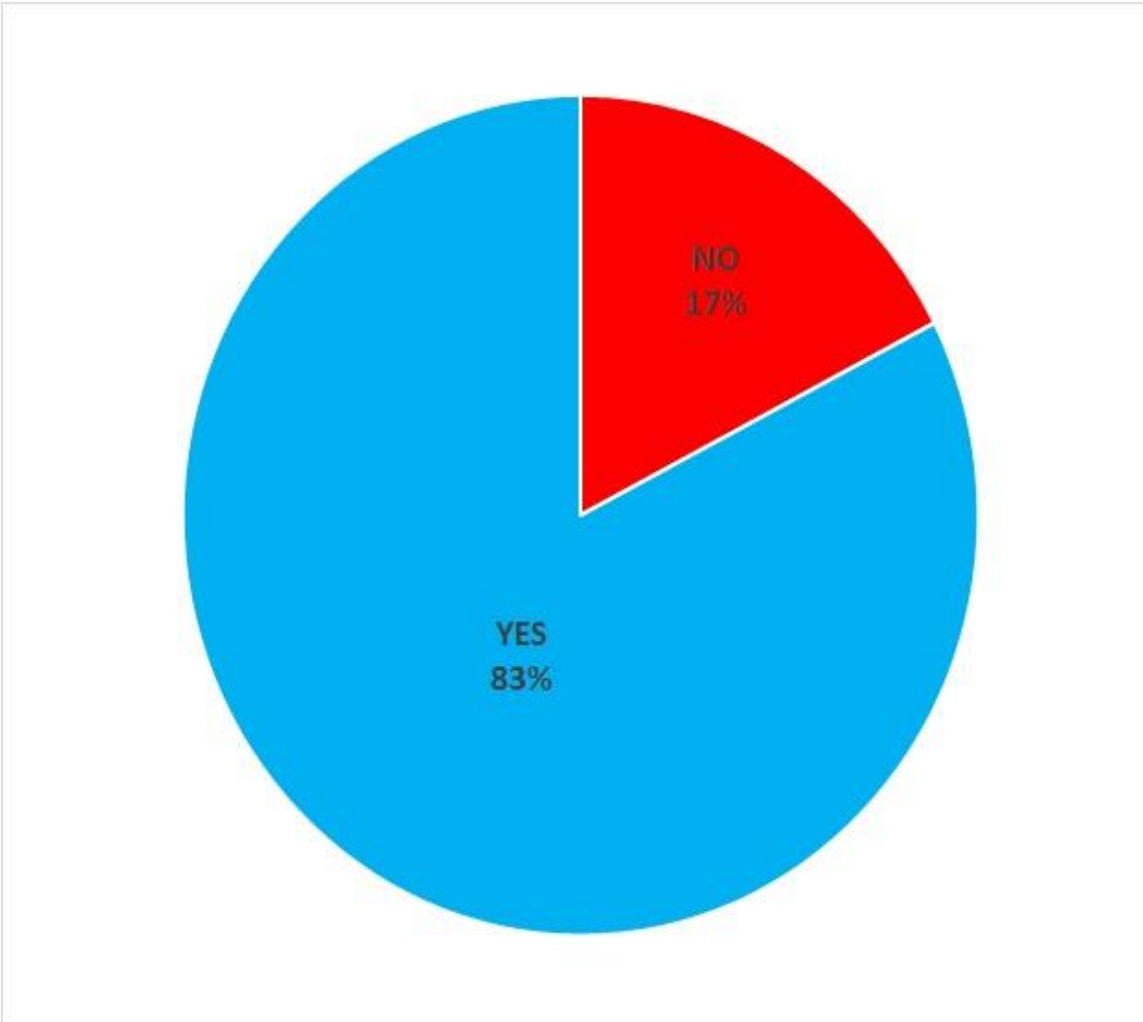


● *Do not flow per CAB



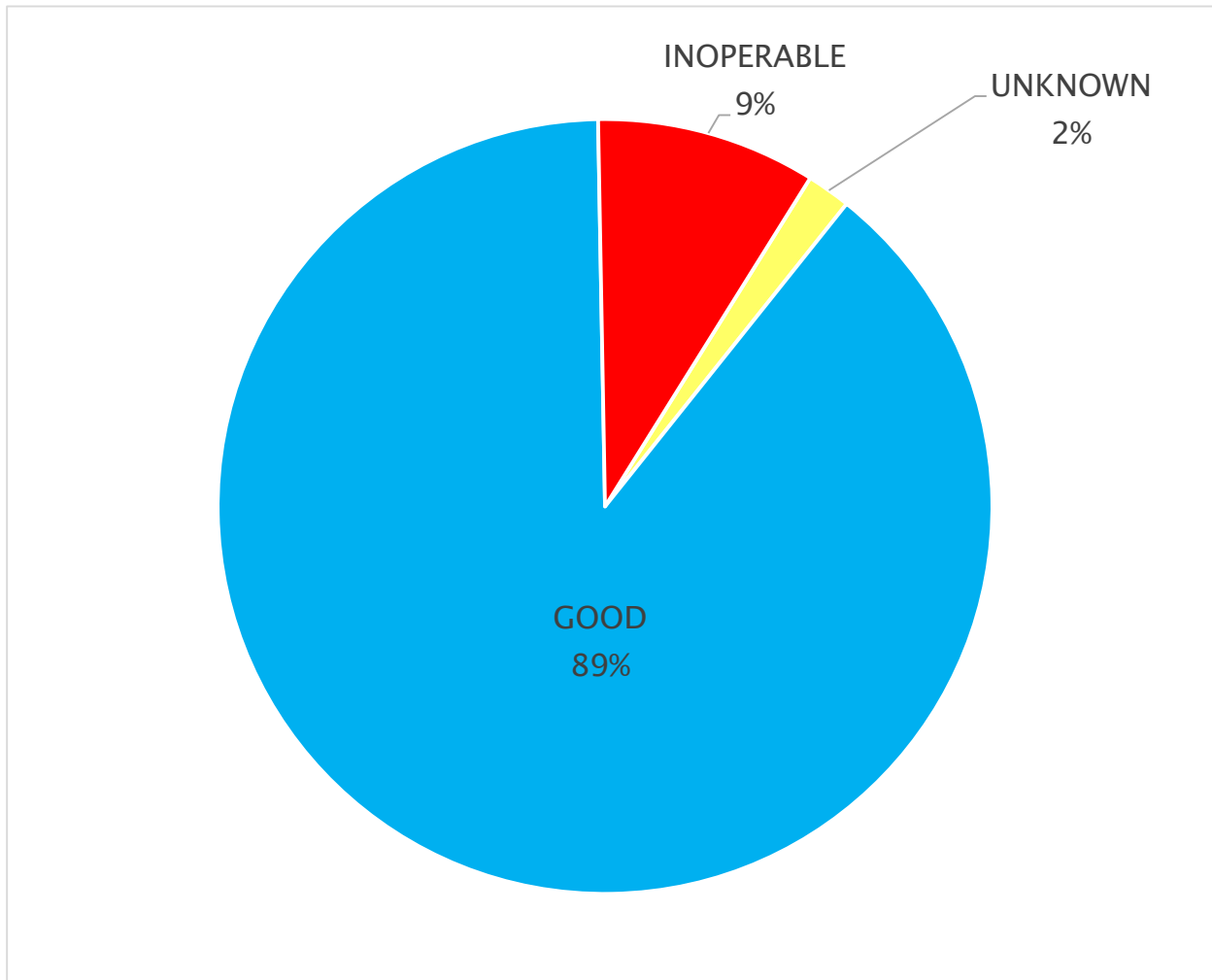


Isolation Valve – Initial Operability



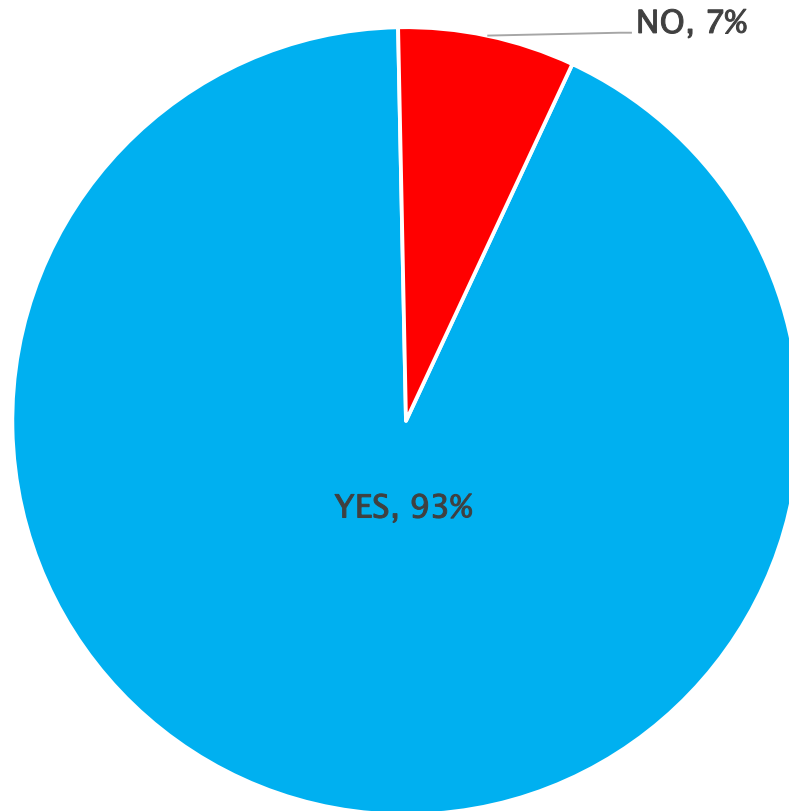


Isolation Valve – Final Operability



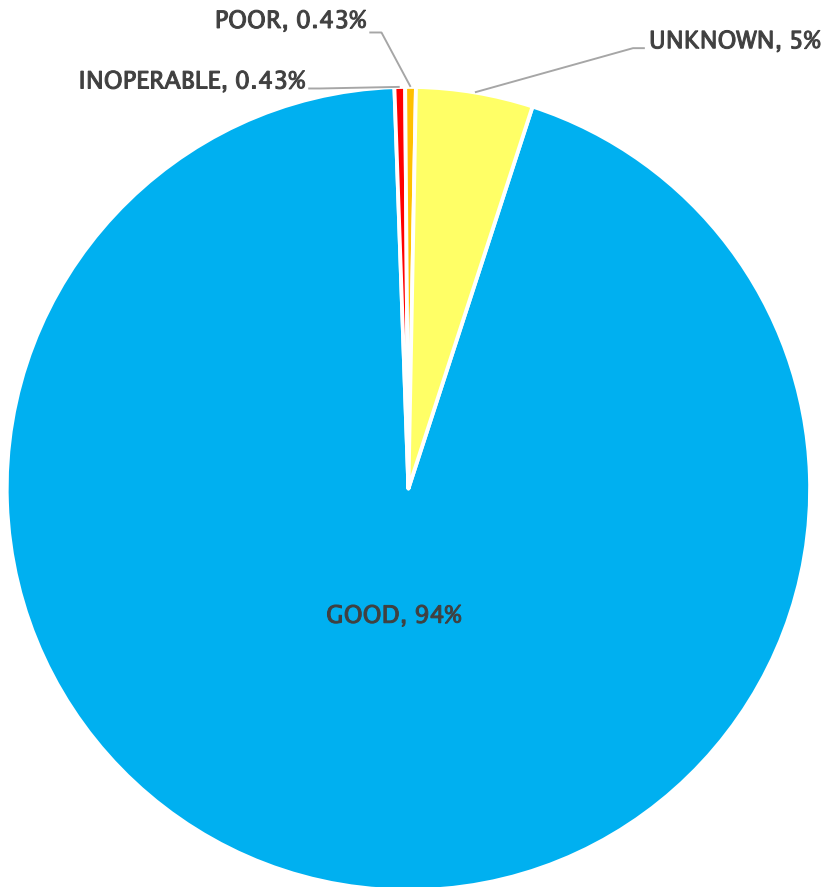


Main Line Valve – Initial Operability





Main Line Valve – Final Operability



Inoperable:

- Frozen

Poor:

- Packing leak

Unknowns:

- Do not operate per Chris
- Hand wheel valves



Summary and Work Orders





Wednesday, April 30, 2014



Kinneloa Irrigation District California, USA



Total Number of Hydrants **111**

HYDRANT CONDITION

<i>In Service-No Repair Needed</i>	102	91.9%
<i>In Service-Repair Needed</i>	6	5.4%
<i>Out of Service-Repair Needed</i>	0	0.0%
<i>Out of Service-Need to Replace</i>	0	0.0%
<i>Unknown</i>	3	2.7%
<hr/>		
<i>Need to Paint</i>	110	99.1%

Work Orders

<i>Cannot Locate (not billable)</i>	0
<i>Map Discrepancy</i>	1
<i>Op-Nut Problem</i>	6
<i>Need to Clear Radius</i>	0
<i>Total Work Orders</i>	7



Total Number of Isolation Valves **109**

VALVE CONDITION

Initial Operability 90 83%
Final Operability 97 89%

Good 97 89%
Fair 0 0%
Poor 0 0%
Unknown 2 2%
Inoperable 10 9%

Work Orders

Packing Leak 0
Valves w/Op Nut Problem 1
Misaligned Box 0
Frozen 1
Spins Free 1
Covered Over 1
Need To Replace Lid 0
Cannot Locate 6

Other Issues

Other Discrepancies 1
Found Shut Left Open 0
Map Discrepancies 3



Total Number of Valves **234**

VALVE CONDITION

Initial Operability 217 93%
Final Operability 221 95%

Good 221 94%
Fair 0 0%
Poor 1 0.43%
Unknown 11 5%
Inoperable 1 0.4%

Work Orders

Packing Leak 0
Valves w/Op Nut Problem 1
Misaligned Box 0
Frozen 1
Spins Free 0
Covered Over 0
Need To Replace Lid 0
Cannot Locate 0

Other Issues

Other Discrepancies 0
Found Shut Left Open 0
Map Discrepancies 5



Observations

VALVE TYPE	COUNT
BUTTERFLY	38
GATE	68
RESILIENT WEDGE	127
UNKNOWN	1
TOTAL	234

ISOLATION VALVE TYPE	COUNT
BUTTERFLY	20
GATE	52
RESILIENT WEDGE	30
UNKNOWN	7
TOTAL	109



Observations

- ▶ Two of the 111 hydrants are suction hydrants
- ▶ Overall the hydrants have poor paint condition
- ▶ 7 individual hydrant work orders
- ▶ Hydrants needing repair were isolated within a specific area
- ▶ 7 individual main line valve work orders
- ▶ 14 individual isolation valve work orders
- ▶ 83% of the isolation valves were operable upon arrival
- ▶ 89% of the isolation valves are currently operable
- ▶ 93% of the main line valves were operable upon arrival
- ▶ 94% of the main line valves are currently operable



Recommendations

- ▶ Complete work orders
- ▶ Resolve map discrepancies
- ▶ Continue program to maintain operability

**KINNELOA IRRIGATION DISTRICT
RESOLUTION NO. 2014-8-19**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF KINNELOA IRRIGATION DISTRICT
DECLARING EMERGENCY WATER CONSERVATION RESTRICTIONS
AND ADOPTING STATE WATER RESOURCE CONTROL BOARD REGULATIONS
ON THE DELIVERY AND CONSUMPTION
OF WATER FOR PUBLIC USE**

WHEREAS, Kinneloa Irrigation District ("District") is a water district empowered to provide water service within District boundaries; and

WHEREAS, due to shortages in water supplies, Governor Edmund G. Brown Jr. issued a Proclamation on January 17, 2014, declaring a State of Emergency to exist in California due to severe drought conditions; and

WHEREAS, on April 25, 2014, Governor Edmund G. Brown Jr. further issued an executive order to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water; and

WHEREAS, on May 20, 2014, the Board of Directors of the District passed Resolution 2014-5-20 urging heightened water conservation by customers in response to drought; and

WHEREAS, Water Code section 1058.5 grants the State Water Resources Control Board (SWRCB) the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation;" and

WHEREAS, on July 15, 2014, the SWRCB adopted findings regarding the existing statewide drought conditions and that such conditions will likely continue for the foreseeable future, and adopted emergency water conservation regulations prohibiting all individuals from engaging in certain water use practices and would require mandatory conservation-related actions of public water suppliers during the current drought emergency; and

WHEREAS, following the making of findings as required by law in accordance with Water Code Section 375, the District has the power and authority to adopt mandatory water conservation measures within its boundaries; and

WHEREAS, the District is required to comply with State law, including regulations adopted by the SWRCB, codified at Title 23 of the California Code of Regulations and is authorized pursuant thereto to implement its requirements;

WHEREAS, the District now desires to comply with the SWRCB emergency water conservation regulations by taking actions to reduce water use within its service area,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Kinneloa Irrigation District as follows:

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

1) On July 15, 2014, the State Water Resources Control Board issued mandatory Emergency Water Conservation Regulations prohibiting all individuals from engaging in certain water use practices and requiring all operators of public water supplies to take action to reduce water use within their service areas.

2) The lack of rainfall limits the natural replenishment of groundwater basins and limitations on imported water preclude the use of such imported water to replenish groundwater basins. Continued production of groundwater without proportionate recharge of the basin could result in irreparable damage to the storage capacity of the basin aquifers and impair the long-term water delivery capability of the District;

4) Voluntary water conservation measures have not resulted in the 20% reduction in consumption recommended by Governor Brown;

5) Should existing drought conditions continue, or should the District lose its water production capacity, there may be insufficient water available for human consumption, sanitation and fire protection;

Section 2: Determination of Need for Water Conservation Measures: The District's Board of Directors, in accordance with the foregoing findings, hereby determines and declares that the regulations and restrictions on delivery of water and consumption of water within its service area as hereinafter set forth are necessary, in the sound discretion of the Board of Directors, to conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

Section 3: Authorization to Implement Restrictions on Water Consumption: The District's Board of Directors hereby authorizes the District's General Manager to take specific steps to implement the required water use restrictions as hereinafter set forth.

Section 4: Mandatory Conservation Actions. The General Manager shall take all steps necessary to advise the District's customers of the following mandatory (except to the extent necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency) water conservation actions and to enforce them in accordance with applicable law and District policy:

1. No ornamental landscape, lawn or other turf area shall be watered more often than three (3) days per week (for purposes of this regulation, a week shall be deemed to commence at 12:01 a.m. on Sunday morning and end at midnight on the following Saturday night) and no more often than every other day nor during the hours between 9:00 a.m. and 6:00 p.m.

2. No water users shall cause or allow the water to run off landscape areas into adjoining streets, sidewalks, or other paved areas due to incorrectly directed or maintained sprinklers or excessive watering.

3. There shall be no application of potable water to driveways, sidewalks, patios, parking areas or other paved surfaces.

4. Washing of motor vehicles, trailers, boats and other types of equipment shall be done only with a hand-held nozzle or other device that causes the hose to cease dispensing water immediately when not in use, except that vehicle washing may be done with reclaimed wastewater or by a commercial car wash using recycled water.

5. No potable water shall be used to clean, fill or maintain levels in decorative fountains, ponds, lakes or other similar aesthetic structures unless such water is part of a recirculating system.

6. All water users shall promptly upon discovery repair all leaks from indoor and outdoor plumbing fixtures.

7. Commercial nurseries, and schools shall be prohibited from watering lawn, landscaping, and other turf areas more often than five days per week and between the hours of 9:00 a.m. and 6:00 p.m., except that there shall be no restriction on watering when utilizing recycled water or where public use requires a modified and approved watering schedule. The District requires advance written notice of any maintenance activities requiring water use between the hours of 9:00 a.m. and 6:00 p.m.

8. The use of water from fire hydrants shall be limited to fire fighting and related activities and other uses shall be limited to activities necessary to maintain the public health, safety, and welfare. Ongoing water system improvement projects are also exempt under this section and may continue to use construction meters in accordance with standard District policy.

Section 5: Duration of Water Emergency: The regulations, restrictions, and actions set forth herein shall take full force and effect immediately upon the Board of Directors' adoption of this resolution and shall remain in full force and effect for 270 days or until otherwise directed by the SWRCB.

Section 6: Appeal: Decisions made by the District under the regulations set forth in this Resolution may be appealed by consumers in accordance with the procedure set forth in the District Rules and Regulations.

Section 7: Violation: A violation of the regulations and restrictions set forth herein will result in progressive warnings, fines, or result in the discontinuance of service to consumers willfully violating the conservation measures set forth herein or such other penalty or restriction as may be allowed by law.

Section 8: Severability: If any portion of this Resolution is found to be unconstitutional or invalid, the District hereby declares that it would have enacted the remainder of this Resolution regardless of the absence of any such valid part.

Section 9: Effective Date: This Resolution shall take effect _____, 2014.

BE IT FURTHER RESOLVED, that the Board of Directors finds that the provisions of this Resolution are exempt from the provisions of the California Environmental Quality Act as an action to mitigate emergency conditions and as a rate setting measure pursuant to Public Resources Code §21080(b)(4) and (8).

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Kinneloa Irrigation District held on _____, 2014.

Gerrie G. Kilburn, Chair

ATTEST:

Gordon L. Johnson, Secretary

APPENDIX L

KINNELOA IRRIGATION DISTRICT

WATER CONSERVATION PROGRAM

GENERAL STATEMENT

1. Due to the water supply conditions prevailing within the Kinneloa Irrigation District (KID) and/or conditions and availability of imported water supplies, the general welfare requires that:
 - The water resources available to KID be put to the maximum beneficial use;
 - The waste or unreasonable use, or unreasonable method of use of water be prevented;
 - The conservation of such water be practiced with a view to the reasonable and beneficial use thereof in the interest of the customers of KID and for the public health and safety.
2. The purpose of this program is to provide water conservation regulations, in a phased approach, to minimize the effect of a shortage of water supplies on the customers of KID during various critical stages of a water shortage.

NORMAL WATER CONSERVATION

Normal water conservation practices will be in effect at all times. The KID Board of Directors has adopted the following measures to reduce consumption and prohibit water waste for existing and new water users within KID in order to sustain water supply reliability.

Prohibited Use Applicable to Existing and New Customers

1. **Water hose usage:** Hose washing of sidewalks, walkways, driveways, parking areas, tennis courts, patios, porches or other paved areas shall not be permitted. Exceptions: Flammable or other dangerous substances may be disposed of by direct hose flushing by public safety officers for the benefit of public health and safety; Schools required to hose down public eating areas.
2. **Overspray and runoff:** Use of water for any purpose which results in overspray, excessive runoff onto hardscapes, driveways, streets, adjacent lands or into gutters shall not be permitted.
3. **Fountains, similar structures and swimming pools:** Water used to clean, fill or maintain levels in decorative fountains or similar structures must be part of a recirculation system.
4. **Leaks:** Leaks from any facility both inside and outside of a customer's premises must be repaired within seventy-two hours after the customer is notified of, or discovers a leak. Failure to repair any leak shall subject said customer to all waste of water penalties provided herein.

5. **Irrigating times:** No watering, sprinkling or irrigating shall take place between the hours of nine a.m. (9:00AM) and six p.m. (6:00PM) in any landscaped or vegetated areas, including, but not limited to, grass, lawn, groundcover, shrubbery, annual and perennial plants, crops, trees, and California-friendly plantings, except for very short periods of time for the express purpose of adjusting or repairing an irrigation system.
6. **Hand watering:** Hand watering of non-turf areas is allowed using a hose with a shut-off nozzle or watering can.
7. **Windy and rainy days:** No watering, sprinkling or irrigating shall take place in any landscaped or vegetated areas on days when the wind is blowing causing overspray, and on days when it is raining.
8. **Vehicle washing:** The washing of automobiles, trucks, trailers, motor-homes, boats, buses, airplanes and other types of vehicles is restricted to use of a hand-held bucket and quick rinses using a hose with a shut-off nozzle.
9. **Swimming pools:** Owners of outdoor swimming pools, wading pools or spas, when these are not in use, are requested to use covers to minimize the evaporation of water.
10. **Construction water restrictions:** Water for construction purposes including but not limited to de-brushing of vacant land, compaction of fills and pads, trench backfill and other construction uses, shall be used in an efficient manner which will not result in runoff.
11. **Fire hydrants:** The use of potable water from fire hydrants shall be limited to firefighting related activities or other activities immediately necessary to maintain the health, safety, and welfare of the residents.
12. **Reporting waste of water:** The District shall maintain a program for residents to report waste of water throughout the District boundaries. Residents are requested to report any observed waste of water from surrounding properties or in the community and report to the District for follow-up.
13. **New development:** All landscape must be in accordance with the permitting agency's landscape ordinance. If the permitting agency does not have a landscape ordinance, the Department of Water Resources Model Landscape Ordinance will apply.

WATER CONSERVATION TIPS

Kinneloa Irrigation District urges its customers to rethink the way we use water on a daily basis. By following these water-saving tips, you can help save water every day:

Laundry Room

- Use the washing machine for full loads only to save water and energy.
- Install a water-efficient clothes washer and save up to 16 gallons/load.
- Wash dark clothes in cold water to save water and energy and help clothes retain their color.

Kitchen

- Run the dishwasher only when full to save water and energy.
- Install a water- and energy-efficient dishwasher and save 3 to 8 gallons/load.

- Install aerators on the kitchen faucet to reduce flows to less than 1 gallon per minute.
- When washing dishes by hand, don't let the water run. Fill one basin with wash water and the other with rinse water.
- Dishwashers typically use less water than washing dishes by hand.
- If your dishwasher is new, cut back on rinsing. Newer models clean more thoroughly than older ones.
- Soak pots and pans instead of letting the water run while you scrape them clean.
- Use the garbage disposal sparingly. Instead, compost vegetable food waste and save gallons every time.
- Wash your fruits and vegetables in a pan of water instead of running water from the tap.
- Don't use running water to thaw food. Defrost food in the refrigerator.
- Keep a pitcher of drinking water in the refrigerator instead of running the tap.
- Cook food in as little water as possible. This also helps it retain more nutrients.
- Select the proper pan size for cooking. Large pans may require more cooking water than necessary.
- If you accidentally drop ice cubes, don't throw them in the sink. Drop them in a house plant instead.
- Collect the water you use while rinsing fruit and vegetables. Use it to water house plants.

Bathroom

- Install low-flow shower heads.
- Take five minute showers instead of 10 minute showers and save 12.5 gallons.
- Fill the bathtub halfway or less and save 12 gallons.
- When running a bath, plug the bathtub before turning on the water. Adjust the temperature as the tub fills.
- Install aerators on bathroom faucets. Save: 1.2 gallons per person/day.
- Turn water off when brushing teeth or shaving and save approximately 10 gallons/day.
- Install a high-efficiency toilet and save 19 gallons per person/day.
- Don't use the toilet as a wastebasket.
- Be sure to test your toilet for leaks at least once a year.
- Put food coloring in your toilet tank. If it seeps into the bowl without flushing, there's a leak. Fix it and start saving gallons.
- Consider buying a dual-flush toilet. It has two flush options: a half-flush for liquid waste and a full-flush for solid waste.

- Plug the sink instead of running the water to rinse your razor and save up to 300 gallons a month.
- Turn off the water while washing your hair and save up to 150 gallons a month.
- When washing your hands, turn the water off while you lather.
- Take a (short) shower instead of a bath. A bathtub can use up to 70 gallons of water.

Outdoors

50% or more of the water we use daily goes on lawns and outdoor landscaping. There are lots of ways to save water at home, but reducing the water you use outdoors can make the biggest difference of all. Here are a few easy ways to change the way you use water outside your home.

- Water early in the morning or later in the evening when temperatures are cooler. Save: 25 gallons/each time you water.
- Check your sprinkler system frequently and adjust sprinklers so only your lawn is watered and not the house, sidewalk, or street. Save: 15-12 gallons/each time you water.
- Choose a water-efficient irrigation system such as drip irrigation for your trees, shrubs, and flowers. Save: 15 gallons/each time you water.
- Water deeply but less frequently to create healthier and stronger landscapes.
- Put a layer of mulch around trees and plants to reduce evaporation and keep the soil cool. Organic mulch also improves the soil and prevents weeds. Save: 20-30 gallons/each time you water/1,000 sq. ft.
- Plant drought-resistant trees and plants. Save: 30- 60 gallons/each time you water/1,000 sq. ft.
- Don't Overwater. Learn how much water your landscaping actually needs in order to thrive.
- Invest in a weather-based irrigation controller—or a smart controller. These devices will automatically adjust the watering time and frequency based on soil moisture, rain, wind, and evaporation and transpiration rates.

WATER CONSERVATION ALERT SYSTEM

When voluntary water conservation does not produce the required reduction in water use, a water conservation alert system may be implemented by direction of the General Manager. If the alert system is implemented, the following measures to reduce water consumption will be required for all water users within KID.

- a. Color Code **“Blue”** is defined as the Normal Water Conservation Alert. Standard water conservation applies as defined in Appendix L of the Rules and Regulations.
- b. Color Code **“Green”** is defined as an Increased Voluntary Conservation Alert. Customers should increase efforts to conserve by following strict water conservation practices indoors and limiting outdoor water use.

- c. Color Code **“Yellow”** is defined as an Extraordinary Conservation Alert. Customers are requested to minimize indoor water use and water outdoors no more than three (3) days per week. Outdoor irrigation will be permitted only on Tuesday, Thursday, and Saturday.
- d. Color Code **“Orange”** is defined as a Rationing Conservation Alert. Customers are required to minimize indoor water use and severely limit outdoor water use as follows:
1. Residential and commercial landscape irrigation is limited to no more than three (3) days per week on Tuesday, Thursday and Saturday.
 2. The filling, refilling or adding of water to indoor and outdoor pools, wading pools, or spas is prohibited. Exemptions: Adding water for the prevention of equipment failure is permissible, however, the District strongly urges that a cover be used to prevent evaporation and thereby reducing the frequency of refilling.
 3. The use of water to clean, maintain, fill, or refill decorative fountains or similar structures is prohibited. Exemptions: Adding water for the prevention of equipment failure is permissible.
 4. Vehicle washing is restricted to the use of a hand-held bucket and quick rinses using a hose with a shut-off nozzle.
 5. Fix leaks within 48 hours.
- e. Color Code **“Red”** is defined as a Critical Water Conservation Alert, when water supplies are only available for health and safety needs. Customers are required to minimize indoor water use and curtail all outdoor water use and fix any leaks within 24 hours.

Notification of the Water Conservation Alert System status on any given day shall be posted on the District’s Internet site at <http://www.kinneloairrigationdistrict.info> and other means at the discretion of the General Manager.



Memo

Date: August 14, 2014
To: Board of Directors
From: Mel Matthews
Subject: Proposed 2015 Budget

Attached for your review are three documents to aid in our discussion of the proposed 2015 budget:

- 2015 Budget Worksheet
- Proposed 2015 Budget
- Survey of Fees and Charges for Water Service for the eight FMWD agencies

The 2015 budget worksheet provides a comparison of the 2014 budget, the 2014 year end forecast and the proposed 2015 budget with explanatory notes. The proposed 2015 budget provides a summary of the budget, a breakdown of the revenues, expenses, capital expenditures and the reserve balances as well as a rate history.

The projected 2015 revenue is based on the current rates which were effective on January 1, 2013, and the forecasted water sales for 2014. One topic of discussion should be whether or not we should increase our rates and/or develop a new rate structure to provide an increased motivation for our customers to reduce water consumption and/or to provide a larger contribution to our reserve fund for the upcoming large projects. I will provide a verbal review on the trend in water rate designs to provide a framework for the discussion on rates.

The proposed 2015 expenses are mostly the same as those approved for the 2014 budget. The difference (if any) and an explanation is provided on expenses that are changed from the 2014 budget.

The proposed improvement and maintenance expenditures for 2015 do not include the estimated construction costs for the two major construction projects, the East West Tank Connector Pipeline and the Vosburg Booster Station Replacement. Although the engineering work on these projects will be substantially completed by year end 2014, the board and staff will need to come to mutual agreement on when these projects are to be put out to bid, the construction schedule, the financing method and the amount of reserve funds that will be committed to these projects. Unfortunately, neither of these projects qualify for any grants or infrastructure financing from the State. However, I have already found a favorable financing source for these projects if they are to be started in 2015.

Kinneloa Irrigation District 2015 Budget Worksheet

Account	Account Description	2014 Budget	2014 FYE Forecast as of 7/31/2014	Proposed 2015 Budget	Variance of Proposed 2015 Budget to 2014 Budget	Notes
4000	Water Sales	1,223,000	1,409,738	1,400,000	177,000	Based on current rates and usage
4015	Wholesale Water Sales	75,000	0	0	-75,000	Water may not be available for wholesale water sales
4020	Service Charges	10,000	12,056	10,000	0	
4025	Asset Sale/Miscellaneous	0	350	0	0	
4035	Interest-Reserve Fund	4,000	5,306	4,000	0	
4050	Capacity Charge	0	0	0	0	
4070	Misc. Income	0	1,534	0	0	
Total Income		1,312,000	1,428,985	1,414,000	102,000	
5000	Leased Water Rights	46,500	63,135	63,135	16,635	207 AF @ \$305/AF (additional 52 AF to be leased)
5005	Electricity	110,000	118,995	126,500	16,500	SCE rate increases were approved by PUC
5010	Maintenance Supplies	25,000	26,107	25,000	0	
5011	Material and Labor for Install	10,000	14,430	10,000	0	
5012	Safety Equipment	1,600	741	1,600	0	
5015	Operations & Maintenance Labor	155,000	152,269	160,000	5,000	Base on 3% salary increase
5016	Operations & Maintenance OT	14,000	18,334	15,000	1,000	Based on non-emergency overtime
5020	Stand-by Compensation	7,500	7,445	7,500	0	
5022	Training/Certification	1,600	817	1,600	0	
5025	Water Treatment/Analysis	22,000	19,946	22,000	0	
5030	Maintenance Contractors	125,000	150,314	125,000	0	
5034	Equipment Maintenance	10,000	10,250	10,000	0	
5035	Vehicle Maintenance	6,000	4,047	6,000	0	
5036	Fuel - All Equipment	15,000	14,284	15,000	0	
5040	Equipment Rental	500	500	500	0	
5045	Insurance-Workers Comp.	12,000	10,226	12,000	0	
5046	Insurance-Liability	22,000	9,254	16,000	-6,000	Premium has been reduced based on our claims history
5048	Insurance-Property	2,500	1,792	2,500	0	
5049	Insurance-Medical	71,415	72,594	75,000	3,585	Based on announced 2015 rates
6000	Engineering Services	45,000	44,968	45,000	0	
6005	Watermaster Services	12,000	11,177	12,000	0	
6015	Administrative Salary	130,000	125,244	130,000	0	
6016	Administrative Bonus	0	0	0	0	
6017	Administrative Travel	3,000	2,208	3,000	0	
6020	BoFD Compensation	5,600	3,500	4,200	-1,400	Two board members receive no compensation
6021	Administrative & Board Expense	1,250	521	1,000	-250	More meetings conducted via conference calls
6022	Board of Directors Election	12,500	11,790	0	-12,500	2015 election expenses (if any) will be paid in 2016
6024	Customer/Public Information	1,500	692	1,000	-500	Greater use of KID website/email newsletter
6025	PERS - KID	22,000	21,089	23,670	1,670	KID rate 8.005%; estimated 8.6% increase effective 7/1/2015
6030	Social Security - KID	31,000	30,108	32,000	1,000	Based on previous and expected salary increases
6035	Office/Computer Supplies	7,000	4,842	7,000	0	
6036	Postage/Delivery	5,000	4,277	5,000	0	
6040	Professional Dues	7,500	8,982	9,000	1,500	ACWA dues increase is planned
6045	Legal Services	15,000	9,430	15,000	0	
6050	Telephone	4,000	4,242	4,500	500	Minor rate increase expected on contract renewal
6051	Mobile Telephone	1,500	952	1,500	0	
6052	Pagers	240	242	240	0	
6053	Internet Service	1,000	1,089	1,000	0	
6059	Computer/Software Maintenance	9,000	6,034	9,000	0	
6061	Office Equipment Maintenance	1,000	693	1,000	0	
6065	Accounting Services	7,000	6,200	7,000	0	
6070	Office & Accounting Labor	83,355	82,452	85,700	2,345	Based on 3% salary increase
6075	Outside Services	20,000	14,424	20,000	0	
6080	Administrative Fees	7,250	7,205	8,900	1,650	Approved FMWD Administrative Fee for 2015
6081	Permits/Fees	10,000	8,485	10,000	0	
6120	Bank Service Charges	4,500	4,741	5,000	500	Based on current average monthly rate
Total Expenses		1,104,810	1,111,068	1,136,045	31,235	
NET REVENUES		207,190	317,917	277,955	70,765	
Other Expenditures						
1504	Water Mains	0	0	40,500.00	40,500	Estimated cost for replacement of 4" steel main in East Clarmeya
1504	Water Mains	25,000	17,257	25,000	0	East-West Tank Connector Pipeline: est. constr. cost \$920,000
1504	Water Mains	0	0	18,300	18,300	Valve replacement: Kimm. Cyn. Rd./Brambling; East Vosburg hydrant
1505	Water Tunnels	0	0	7,000	7,000	Replace damaged Delores Tunnel 3" hose with PVC pipe (Falls Tun.)
1505	Water Tunnels	0	0	6,000	6,000	Hi-Lo Tunnel 4" steel line leak repair at Kinneloa Cyn. Rd. crossing
1509	Wilcox Well/Wilcox Reservoir	10,300	0	0	-10,300	No projects planned at present time
1511	Water Treatment Plant	6,000	0	6,000	0	Normal maintenance and upgrades
1512	Water Meters	5,000	2,656	5,000	0	Only replacement meters needed unless new construction
1513	Electrical/Electronic Equipment	25,000	20,218	25,000	0	Includes cell repeaters at 2 sites; electrical upgrades at multiple sites
1514	Computer/Office Equipment	5,000	3,222	5,000	0	Includes replacement of 2 computers and updated software
1515	Vehicles/Portable Equipment	0	0	40,000	40,000	Purchase 2 72KVA generators & accessories (Sell 2 PACO pumps)
1516	Water Company Facilities	12,000	10,672	50,000	38,000	Repairs and maintenance - Actual projects to be determined
1522	Eucalyptus Booster Station	0	0	0	0	Pump maintenance delayed to 2015
1526	Vosburg Booster Station Replacement	25,000	38,834	25,000	0	Estimated construction cost for entire project is \$412,500
1527	SCADA	13,000	15,425	13,000	0	Replace East Tank SCADA pack; add programming for Sage gen.
1530	Tools	3,000	2,952	3,000	0	Major tools and instruments
Total Other Expenditures		129,300	111,236	268,800	139,500	
NET CASH FLOW		77,890	206,681	9,155	-68,735	

Kinneloa Irrigation District Proposed 2015 Budget

Daily Service Charge = \$1.68 (Average Charge per Month = \$51.10)
Commodity Charge \$3.35 per CCF

Account	Account Description	2015
4000	Water Sales	1,400,000
4015	Wholesale Water Sales	0
4020	Service Charges	10,000
4035	Interest-Reserve Fund	4,000
Total Income		1,414,000
5000	Leased Water Rights	63,135
5005	Electricity	126,500
5010	Maintenance Supplies	25,000
5011	Material and Labor for Installs	10,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	160,000
5016	Operations & Maintenance OT	15,000
5020	Stand-by Compensation	7,500
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	22,000
5030	Maintenance Contractors	125,000
5034	Equipment Maintenance	10,000
5035	Vehicle Maintenance	6,000
5036	Fuel - All Equipment	15,000
5040	Equipment Rental	500
5045	Insurance-Workers Compensation	12,000
5046	Insurance-Liability	16,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	75,000
6000	Engineering Services	45,000
6005	Watermaster Services	12,000
6015	Administrative Salary	130,000
6017	Administrative Travel	3,000
6020	Board of Directors Compensation	4,200
6021	Administrative & Board Expenses	1,000
6022	Board of Directors Election	0
6024	Customer/Public Information	1,000
6025	PERS - KID	23,670
6030	Social Security - KID	32,000
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	9,000
6045	Legal Services	15,000
6050	Telephone	4,500
6051	Mobile Telephone	1,500
6052	Pagers	240
6053	Internet Service	1,000
6059	Computer/Software Maintenance	9,000
6061	Office Equipment Maintenance	1,000
6065	Accounting Services	7,000
6070	Office & Accounting Labor	85,700
6075	Outside Services	20,000
6080	Administrative Fees	8,900
6081	Permits/Fees	10,000
6120	Bank Service Charges	5,000
Total Expenses		1,136,045
NET REVENUES		277,955

Water Sales, Units	311,012
Rate Per Unit	\$3.35
Annual Commodity Revenue	\$1,041,891
Daily Service Charge	\$1.68
Annual DSC Revenue	\$358,109
Annual Water Sales	\$1,400,000
Wholesale Water Sales	\$0
Other Annual Revenue	\$14,000
Total Revenue	\$1,414,000
Total Expenses	\$1,136,045
Net Revenues	\$277,955
Capital Improvement Projects	\$268,800
Annual Net Cash Flow	\$9,155
Average Monthly Charge for Low Usage	\$85
Average Monthly Charge for Medium Usage	\$219
Average Monthly Charge for High Usage	\$386
Reserve Fund Balance (Beginning)*	\$1,268,006
Reserve Fund Balance (Year End)*	\$1,277,161

*Reserve fund balance includes targets of \$150,00 for operating reserve, \$200,000 for emergency repairs, \$200,000 for replacement of existing facilities equipment and vehicles and \$500,000 for future capital improvement projects.

Rate History

Effective Date	Daily Service Charge (Charge Per Average Month)	Com.Chg.
12/15/1955	No daily service charge - Monthly minimum charge based on meter size: \$2.50 for 3/4" \$3.50 for 1" \$5.50 for 1.5" \$6.50 for 2"	3/4" \$2.50 1st 400 Cu. Ft. (4 units) 1" \$3.50 1st 600 Cu. Ft. (6 units) 1 1/2" \$5.00 1st 800 Cu. Ft. (8 units) 2" \$6.50 1st 1000 Cu. Ft. (10 units) \$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
5/1/1958	No daily service charge - Monthly minimum charge \$5.00 for all meters for 1st 800 Cu. Ft. (8 units)	\$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
4/1/1976	0.1810 (\$5.50)	\$0.20
4/1/1977	0.2140 (\$6.50)	\$0.27
1/1/1989	0.6575 (\$20.00)	\$0.85
1/1/1991	0.6575 (\$20.00)	\$1.10
5/5/1993	0.6575 (\$20.00)	\$1.60
4/5/2001	0.9863 (\$30.00)	\$1.90
1/6/2003	0.9863 (\$30.00)	\$1.95
1/1/2005	0.9863 (\$30.00)	\$2.05
1/1/2006	1.1178 (\$34.00)	\$2.30
1/1/2007	1.1836 (\$36.00)	\$2.42
1/1/2009	1.3479 (\$41.00)	\$2.55
1/1/2010	1.6110 (\$49.00)	\$2.75
1/1/2011	1.6110 (\$49.00)	\$2.95
1/1/2013	1.6800 (\$51.10)	\$3.35

Recommended Expenditures for Improvement Projects

1504	Water Mains	40,500
1504	Water Mains	25,000
1504	Water Mains	18,300
1505	Water Tunnels	7,000
1505	Water Tunnels	6,000
1511	Water Treatment Plant	6,000
1512	Water Meters	5,000
1513	Electrical/Electronic Equipment	25,000
1514	Computer/Office Equipment	5,000
1515	Vehicles/Portable Equipment	40,000
1516	Water Company Facilities	50,000
1526	Vosburg Booster Station	25,000
1527	SCADA	13,000
1530	Tools	3,000
Total Other Expenditures		268,800
NET CASH FLOW		9,155

Estimated cost for replacement of 4" steel main in East Clarmeya East-West Tank Connector Pipeline - Est. construction cost \$920,000
Valve replacement - Kinneloa Canyon Road/Brambling; East Vosburg hydrant
Replace damaged Delores Tunnel 3" hose with PVC pipe (back of Falls Tunnel)
Hi-Lo Pressure Tunnel 4" steel line leak repair at Kinneloa Canyon Road crossing
Normal maintenance and upgrades
Only replacement meters needed
Includes cell repeaters at 2 sites and electrical upgrades at multiple sites
Includes replacement of 2 computers and updated software
Purchase two 72KVA generators and accessories (Sell two PACO pumps)
Repairs and maintenance - Actual projects to be determined at a later date
Estimated construction cost for entire project is \$412,500
Replace East Tank SCADA pack and add programming for Sage generator
Major tools and instruments

FMWD SURVEY OF FEES AND CHARGES FOR WATER SERVICE

Updated May 2014

	Crescenta Valley Water District	La Cañada Irrigation District	Las Flores Water Company	Lincoln Avenue Water Company	Mesa Crest Water Company	Rubio Cañon Land & Water Association	Valley Water Company	Kinneloa Irrigation District
Monthly or Bimonthly	monthly	bimonthly	monthly	monthly	monthly	monthly	monthly	monthly
Service charges each meter size	3/4" - 17.10 1" - 21.00 1-1/2" - 30.67 2" - 38.79 3" - 42.29 4" - 108.66	5/8 & 3/4" - \$51.00 1-1/4" & 1" - 86.00 1-1/2" - 207.00 2" -- 287.00 3" -- 488.00	\$26.25 service charge all sizes	\$29.00 monthly standby fee +\$5 for multiple dwelling	5/8" - \$18.92 3/4" - 28.39 1" - 47.32 1-1/2" - 94.62 2" - 151.39 3" - 283.81 4" - 473.08	5/8 - \$25.00 3/4" - 25.00 1" - 30.00 1-1/2" - 32.00 2" - 40.00 over 2" - 45.00	3/4" - \$10.18 1" - 15.95 1-1/2" - 44.00 2" - 68.75 3" - 143.00 4" - 220.00 6" - 297.00 8" - 357.50	\$51.10/month all meters
	Eff. 7/1/13			Eff. 5/10				Eff. 1/1/13
Commodity rates	1 - 10 units @ \$4.12/unit (1 Unit = 1,000 gal) 11 - 33 Units @ \$5.33/unit 34 - 50 Units @ \$7.60/unit 51 units & over @ \$10.19/unit	1st 60 units (ccf) \$3.53 ea 61 to 100 units @ \$3.94 ea 101 to 176 units @ \$4.52 ea 177 to 250 units @ \$5.14 ea over 250 units @ \$5.65 ea	\$3.25/unit (ccf)	1 to 7 units (ccf) \$3.00 ea* 8 to 20 units @ \$3.25 ea 21 to 40 units @ \$3.50 ea 41 units and over @ \$3.75 ea *Tier 1 allocation is 7 units per share of stock (i.e. 2 shares receive 14 units at tier 1 rate, 3 shares receive 21 units, etc..)	\$4.711/unit (ccf)	\$2.40 0 -16 \$2.85 17 - 36 \$3.30 +36ccf	1 - 50 Units (ccf) @ \$3.414/unit 51 to 100 units @ \$3.729/unit 100 units and over @ \$4.362 ea	\$3.35/unit (ccf)
	Eff. 7/1/13			Eff. 5/10				(Eff. 1/1/13)
Water system connection charge	\$3,420 per EDU		N/A			N/A	N/A	\$3,000 per EDU effective 1/90
	Eff. 7/1/13							
Fire service line	1" - 7.16 2" - 10.54 3" - 15.73 4" - 21.33 6" - 36.66 8" - 55.78 10" - 77.89 monthly	same as meter charge	same as meter charge	\$25.00/mo monthly	4"- 26.19 6"- 39.34	\$30	same as meter charge	same as meter charge

	Crescenta Valley Water District	La Cañada Irrigation District	Las Flores Water Company	Lincoln Avenue Water Company	Mesa Crest Water Company	Rubio Cañon Land & Water Association	Valley Water Company	Kinneloa Irrigation District
OTHER CHARGES								
Temporary construction meter	\$1,000 Deposit \$25 Non-refundable Fee Commodity rate - Tier 2	\$1000.00 deposit \$25 setup charge 5 tier commodity rates	\$700 deposit \$45/mo. rental \$3.25/ccf	\$1200 deposit + ccf charge +\$29 monthly	\$500 deposit \$151.39/mo + ccf charge	\$1800 deposit \$50/week + water usage	\$1500 deposit + \$35 setup +\$15/mo +Commodity Rate	\$850 deposit +\$6.70/ccf
Turn-on fee -- delinquency	\$25 during office hours \$40 after hours	\$100.00	\$50.00	\$50.00 reconnection	\$20.00	\$50.00 reconnection	Total bill + \$50.00	\$50.00
Turn-on fee -- new service/owner	\$100 Deposit for renters	\$10.00	0	\$100 dep for owner \$300 dep for renter	Renter-\$34 deposit on acct	Handled through escrow	\$5 - owner Renter-\$65 deposit +\$5	\$50.00
Delinquency penalty	\$15.00	None	\$10.00	\$12.00	2 mo avg bill on deposit	\$10.00	\$50.00 + total bill	\$15/month plus 10% interest
Fire flow tests	\$300.00	N/A	\$100	\$200.00	Mkt Price	\$120	\$50.00	\$950.00
New metered service installation + labor + material	All Sizes - time & material	all sizes (applied to material, labor & 30% o/h) plus 5/8"-1" \$1,500 > 2" \$3,000	\$1,275-\$1,375	\$2,500-\$4,500	0	billed for permits, materials, & \$65/hr labor	Labor & Material	all sizes time & material +15%
Other	\$35 returned check	\$10 returned check	\$12 returned check	\$100 non-emerg. call \$30 meter test	move a service -time & mat.	\$30 returned check	move a service -time & mat. of new service	\$20 returned check
				\$30 returned check \$15 autopay returned item	\$15-retd check	After Hours \$70		
MUTUALS								
Stock transfer fee			\$75	\$75		\$75	\$50	
Affidavit of lost stock			0	\$75		no charge	\$50	
Purchase of additional shares			\$100/share	\$2,800		current audited price	\$60/share	
Shares required			2-1/2 shares	5 shares/acre			1 share every one tenth acre	
Next anticipated rate increase	7/1/2014			.	Jun-14	6/1/2015		1/1/2015

1 ccf = 748 gallons

General Manager's Report for the Board of Directors Meeting on August 19, 2014

I. Customer Account Information and Internet Usage

A. Delinquent Accounts –

- 31 accounts received past-due notice
- 30 accounts received late charges in the total amount of \$510.11
- 10 accounts received door hanger shut off notice
- 0 accounts were shut off for non-payment
- 1 account remains shut off for non-payment

B. Aged Receivables –

Month	Current	30 days	60 days	90 days or greater	Total
January 2014	\$21,534.89	\$1,251.61	\$16.32	\$0.00	\$22,802.82
February 2014	\$45,508.72	\$1,631.05	\$216.50	\$16.32	\$47,372.59
March 2014	\$34,460.40	\$3,123.69	\$773.48	\$232.82	\$38,590.39
April 2014	\$21,542.73	\$1,986.53	\$386.45	\$213.03	\$24,128.74
May 2014	\$41,789.99	\$3,373.77	\$238.42	\$419.11	\$45,821.29
June 2014	\$48,926.12	\$3,045.41	\$371.59	\$315.24	\$52,658.36
July 2014	\$46,766.47	\$3,382.59	\$317.21	\$499.79	\$50,966.06
August 2014					
September 2014					
October 2014					
November 2014					
December 2014					

C. Internet Usage –

Month	Visitors	Page Views	Online Payments	Online Amount
January 2014	106	459	32	\$5,380.79
February 2014	117	403	29	\$4,356.27
March 2014	133	346	40	\$6,556.36
April 2014	143	446	26	\$3,963.75
May 2014	127	352	37	\$6,869.92
June 2014	140	409	31	\$7,374.51
July 2014	183	520	41	\$8,116.83
August 2014				
September 2014				
October 2014				
November 2014				
December 2014				
Year to Date	949	2935	236	\$42,618.43

II. General Manager's Projects and Activities

A. **Budget for 2015** – A draft budget will be presented at the August meeting.

B. Activities/Meetings/Webinars/Conferences for July 2014

Subject	Location	Start	End	Purpose
KID Board Meeting	KID	July 15, 7:30pm	July 15, 8:30pm	Regular board meeting
FMWD Managers Meeting	La Canada	July 16, 10:00am	July 16, 12:00pm	Information/networking
RBMB Quarterly Meeting	Azusa	July 16, 2:30pm	July 16, 4:00pm	Regular board meeting
FMWD Managers Meeting	La Canada	July 16, 10:00am	July 16, 12:00pm	Information/networking
FMWD Board Meeting	La Canada	July 21, 3:00pm	July 21, 5:00pm	Regular board meeting
NPDES Permit	MWD, Los Angeles	July 23, 10:00am	July 23, 4:00pm	Stakeholder workshop on Statewide permit with SWRCB staff and water agencies
FMWD Election	Norwalk	July 28, 9:00am	July 28, 12:00pm	File candidate election papers

III. System and Facility Activities and Incidents

A. **Water Sampling/Well Water Level** – Quarterly water quality sampling was completed; level measurement was done at Wilcox Well for RBMB monitoring program.

B. **Generator Maintenance/Testing** – Monthly scheduled testing and maintenance was performed.

C. **Water Service Installation** – Three new water services and meters were installed for the Kinneloa Canyon Association for common landscaping irrigation.

D. **Eucalyptus Reservoir** – Warm weather caused intermittent problems with booster startup and unintended shutdown. The problem was traced to overly sensitive overload protectors which have now been replaced with a different type.

E. **East Tank** – Intermittent SCADA radio communications problem was corrected by cycling radios off and then on again to re-establish synchronization. Also a faulty backup battery charger was replaced.

F. **K3** – Chlorine line developed leak. Contractor was used to dig up and expose line and make the repair.

IV. Informational Items

Water Bond Update

The Legislature has passed and the Governor has signed a \$7.5 Billion Water Bond to be on the November 4, 2014 ballot. The new bond contains \$2.7 billion continuously appropriated for water storage projects (above and below ground), as well as funds for regional water reliability, safe drinking water, water recycling, water conservation, groundwater management and cleanup, watershed protection and statewide flood management.

The Legislature approved mockups of two identical water bond bills – AB 1471 and SB 866. The Assembly passed SB 866 by a vote of 77-1. The Senate concurred with those amendments by a vote of 37-0. The Senate passed AB 1471 by a vote of 37-0. The Assembly concurred with those amendments by a vote of 77-2. The votes came after weeks of intensive negotiations on a modified bond to replace the existing \$11.14 billion bond measure currently set for the November ballot, which is widely viewed as being too large to be approved by a majority of voters. Public opinion polling conducted over several months by ACWA in partnership with Clean Water and Jobs and others, including the California Alliance for Jobs and The Nature Conservancy, played a critical role in guiding the process to this successful outcome.

The ACWA Board will take a formal position on the bond in the near future.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
JULY 15, 2014**

MEMBERS PRESENT: Chair-President Gerrie Kilburn
Directors-Steven Sorell, Tim Eldridge, Gordon Johnson
Director Griffith was absent due to a prior commitment

STAFF PRESENT: Melvin Matthews, General Manager
Chris Burt, Facilities Supervisor
Shirley Burt, Administrative Assistant & Secretary to the Board

CALL TO ORDER:

The meeting was called to order by the Chair, Gerrie Kilburn, at 1930 hours. She declared that there was a quorum present. The Agenda was approved as presented.

PUBLIC COMMENT: No persons desired to speak.

GENERAL MANAGER'S REPORT:

The General Manager briefly reviewed his report as presented in the Board Packet and reported that he had sent out the District newsletter for the first time by email.

REVIEW OF MINUTES:

The minutes of June 17, 2014, were reviewed and approved for filing.

REVIEW OF FINANCIAL REPORTS:

Director Sorell reviewed the reports for June 30, 2014, and they were accepted for filing as presented.

POSSIBLE ITEMS FOR NEXT AGENDA:

Review of the Valve Survey Report
Review of proposed Year 2015 Budget

ADJOURNMENT:

The meeting was adjourned at 1955 hours.
The next meeting will be on August 19, 2014, at 6:30 P.M.

Respectfully submitted,

Shirley Burt
Secretary to the Board



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Memo

Date: August 11, 2014
 To: Board of Directors
 From: Mel Matthews
 Subject: Financial Review for July 2014

Total Revenues for the month were \$157,076.38 as compared to the budgeted amount of \$154,166.66. Retail water sales were \$153,816.18 which is very close to the budgeted amount of \$153,000.00. The total revenues for the seven months year to date were \$844,151.14 as compared to the budgeted amount of \$752,166.62 which is a favorable variance of \$91,984.52. **Total Expenses** for the month were \$85,310.38 as compared to the budgeted amount of \$86,459.14. Total expenses for the seven months year to date were \$610,616.59 as compared to the budgeted amount of \$624,113.98 which is a favorable variance of \$13,497.39. The General Ledger amounts that were significantly different than the budgeted amounts for the month are as follows:

GL Acct.	Description	Actual	Budgeted	Difference	Comments
4020	Service/Installation Charges	2,610.42	833.33	1,777.09	Budgeted evenly over year - One fire flow engineering study this month
5011	Material/Labor for Install	3,273.14	833.33	2,439.81	Budgeted evenly over year - 3 water services installed this month
5016	Operations/Maint. O.T.	3,206.12	1,166.67	2,039.45	K3 Cl2 line, East Tank battery charger & comm. failure; Eucalyptus booster problems
5025	Water Treatment	2,339.96	1,833.33	506.63	Repaired K3 Cl2 line
6050	Telephone	494.64	333.33	161.31	Includes 3 months of answering service charges

Net Income was \$71,766.00 as compared to a budgeted gain of \$67,707.52 which is a favorable variance of \$4,058.48. Net income for the seven months year to date was \$233,534.55 as compared to the budgeted amount of \$128,052.64 which is a favorable variance of \$105,481.91. There were \$20,143.75 in **Other Expenditures** for the Vosburg Booster replacement project. The year to date amount spent for projects is \$84,986.05. The total budgeted amount for 2014 projects is \$129,300.00. The actual projects performed and the scheduling of the projects continues to be contingent on the actual net income and the desired increase in the net surplus for future major projects.

Total cash in our checking and reserve accounts excluding Pasadena Glen Fire Safe Council funds is \$1,268,005.61 as of July 31, 2014. The net increase in cash for the month was \$50,195.26 and year to date increase is \$159,765.77.

Kinneloa Irrigation District
Income Statement for the Seven Months Ending July 31, 2014

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
4000 Water Sales	153,816.18	153,000.00	830,738.35	669,000.00
4015 Wholesale Water Sales	0.00	0.00	0.00	75,000.00
4020 Service/Installation Charges	2,610.42	833.33	7,889.46	5,833.31
4025 Asset Sale/Miscellaneous	0.00	0.00	350.00	0.00
4035 Interest-Reserve Fund	585.55	333.33	3,639.10	2,333.31
4070 Misc. Income	64.23	0.00	1,534.23	0.00
Total Revenues	157,076.38	154,166.66	844,151.14	752,166.62
Expenses				
5005 Electricity	10,972.38	10,500.00	66,495.29	62,500.00
5010 Maintenance Supplies	912.87	2,000.00	16,107.15	15,000.00
5011 Material and Labor for Install	3,273.14	833.33	10,263.73	5,833.31
5012 Safety Equipment	0.00	133.33	74.67	933.31
5015 Operations & Maintenance Labor	13,532.87	12,916.67	86,394.49	90,416.69
5016 Operations & Maintenance OT	3,206.12	1,166.67	12,383.59	8,166.69
5020 Stand-by Compensation	570.00	625.00	4,320.00	4,375.00
5022 Training/Certification	150.00	133.33	150.00	933.31
5025 Water Treatment/Analysis	2,339.96	1,833.33	10,778.96	12,833.31
5030 Maintenance Contractors	9,272.60	10,416.67	98,230.81	72,916.69
5034 Equipment Maintenance	0.00	833.33	6,083.07	5,833.31
5035 Vehicle Maintenance	834.02	500.00	1,547.26	3,500.00
5036 Fuel - All Equipment	997.86	1,000.00	9,284.24	10,000.00
5045 Insurance-Workers Compensation	0.00	0.00	4,225.84	6,000.00
5046 Insurance-Liability	1,233.75	1,833.33	3,085.36	12,833.31
5048 Insurance-Property	180.83	208.33	887.57	1,458.31
5049 Insurance-Medical	6,049.54	5,951.25	42,346.78	41,658.75
6000 Engineering Services	1,800.00	3,750.00	26,218.45	26,250.00
6005 Watermaster Services	900.58	1,000.00	6,176.60	7,000.00
6015 Administrative Salary	10,523.00	10,833.33	72,629.20	75,833.31
6017 Administrative Travel	107.46	250.00	958.33	1,750.00
6020 BofD Compensation	200.00	400.00	2,000.00	3,200.00
6021 Administrative & Board Expense	0.00	104.17	0.00	729.19
6022 BofD-Election	0.00	0.00	11,790.38	12,500.00
6024 Customer/Public Info. Prog.	0.00	125.00	66.76	875.00
6025 PERS - KID	1,963.57	1,833.33	11,270.82	12,833.31
6030 Social Security - KID	2,722.16	2,583.33	17,191.07	18,083.31
6035 Office/Computer Supplies	504.84	583.33	1,925.06	4,083.31
6036 Postage/Delivery	244.59	416.67	2,193.76	2,916.69
6040 Professional Dues	748.48	625.00	5,239.44	4,375.00
6045 Legal Services	690.34	1,250.00	3,179.69	8,750.00
6050 Telephone	494.64	333.33	2,539.98	2,333.31
6051 Mobile Telephone	76.71	125.00	551.59	875.00
6052 Pagers	21.95	20.00	142.11	140.00
6053 Internet Service	55.00	83.33	672.64	583.31
6059 Computer/Software Maintenance	266.66	750.00	2,283.74	5,250.00
6061 Office Equipment Maintenance	0.00	83.33	276.49	583.31
6065 Accounting Services	0.00	0.00	6,200.00	7,000.00
6070 Office & Accounting Labor	7,551.59	6,946.25	46,992.33	48,623.75
6075 Outside Services	728.80	1,666.67	6,090.26	11,666.69
6080 Administrative Fees	600.84	604.17	4,184.48	4,229.19
6081 Permits/Fees	1,193.14	833.33	4,318.51	5,833.31
6120 Bank Service Charges	390.09	375.00	2,866.09	2,625.00
Total Expenses	85,310.38	86,459.14	610,616.59	624,113.98
Net Income	71,766.00	67,707.52	233,534.55	128,052.64

Kinneloa Irrigation District
Income Statement for the Seven Months Ending July 31, 2014

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Other Expenditures				
1504 Water Mains	0.00	0.00	17,257.32	25,000.00
1509 Wilcox Well/Wilcox Booster	0.00	0.00	0.00	10,300.00
1511 WaterTreatment Plant	0.00	0.00	0.00	6,000.00
1512 Water Meters	0.00	416.67	573.10	2,916.69
1513 Electrical/Electronic Equip.	0.00	2,083.33	9,800.91	14,583.31
1514 Computer/Office Equipment	0.00	416.67	1,138.19	2,916.69
1516 Water Company Facilities	0.00	1,000.00	5,672.00	7,000.00
1526 Vosburg Booster	20,143.75	0.00	38,833.75	25,000.00
1527 SCADA Equipment	0.00	1,083.33	10,008.74	7,583.31
1530 Tools	0.00	250.00	1,702.04	1,750.00
Total Other Expenditures	20,143.75	5,250.00	84,986.05	103,050.00
Total Increase or (Drawdown)	51,622.25	62,457.52	148,548.50	25,002.64

Kinneloa Irrigation District
Balance Sheet
July 31, 2014

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 182,946.79
1011	Checking-PGFSC	44,507.72
1012	Reserve Fund-LAIF	118,466.17
1014	Reserve Fund-CalTRUST	966,592.65
1015	Accr. Int./Price Adj.-CalTRUST	1,853.75
1016	Accrued Interest-LAIF	36.51
1100	Accts. Receivable-Water Sales	50,966.06
1101	Accts. Receiv.-Service Charges	450.00
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	153,388.17
1350	Prepaid Insurance	2,300.67
1360	Prepaid Expenses	10,832.20

Total Current Assets

1,551,569.21

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	2,441,074.34
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	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	184,940.70
1512	Water Meters	78,941.79
1513	Electrical/Electronic Equip.	255,705.46
1514	Computer/Office Equipment	61,210.72
1515	Vehicles & Portable Equipment	222,084.16
1516	Water Company Facilities	65,751.20
1517	KID Office	54,202.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1520	Glen Reservoir/Booster	24,190.86
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	532,342.43
1526	Vosburg Booster	68,227.75
1527	SCADA Equipment	236,593.65
1528	Tanks and Reservoirs	97,944.39
1529	Holly Tanks	181,113.76
1530	Tools	6,811.57
1600	Accum. Depreciation	(3,447,963.12)

Total Property and Equipment

4,177,065.93

Total Assets

\$ 5,728,635.14

Kinneloa Irrigation District
Balance Sheet
July 31, 2014

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 21,174.14	
2272	Job Deposits	22,766.90	
2274	PGFSC Grant	44,507.72	
2290	Accrued Vacation	17,933.70	
	Total Current Liabilities		106,382.46

Long-Term Liabilities

	Total Long-Term Liabilities		0.00
	Total Liabilities		106,382.46

Capital

3040	Fund Balance	5,382,953.13	
3900	Prior Year Adjustments	5,765.00	
	Net Income	233,534.55	
	Total Capital		5,622,252.68
	Total Liabilities & Capital	\$	5,728,635.14

Kinneloa Irrigation District
Statement of Cash Flow
For the Seven Months Ended July 31, 2014

	Current Month	Year to Date
Cash Flows from Operating Activities		
Net Income	\$ 71,766.00	\$ 233,534.55
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	1,692.30	(2,401.42)
1101 Accts. Receiv.-Service Charges	1,500.00	(181.23)
1350 Prepaid Insurance	1,414.58	7,729.57
1360 Prepaid Expenses	2,205.72	4,005.66
2000 Accounts Payable	(6,665.36)	(64,484.99)
2011 Accounts Payable PGFSC	0.00	(421.00)
2260 Med./Dental-Withhold-Employee	0.00	78.57
2272 Job Deposits	(1,500.00)	22,766.90
2274 PGFSC Grant	(74.23)	44,125.21
	(1,426.99)	11,217.27
Net Cash Provided by Operations	70,339.01	244,751.82
 Cash Flows from Investing Activities		
<i>Used for</i>		
1504 Water Mains	0.00	(17,257.32)
1512 Water Meters	0.00	(573.10)
1513 Electrical/Electronic Equip.	0.00	(9,800.91)
1514 Computer/Office Equipment	0.00	(1,138.19)
1516 Water Company Facilities	0.00	(5,672.00)
1526 Vosburg Booster	(20,143.75)	(38,833.75)
1527 SCADA Equipment	0.00	(10,008.74)
1530 Tools	0.00	(1,702.04)
	(20,143.75)	(84,986.05)
Net Cash Used in Investing	(20,143.75)	(84,986.05)
 Cash Flows from Financing Activities		
<i>Proceeds from</i>		
<i>Used for</i>		
Net Cash Used in Financing	0.00	0.00
Net Increase (Decrease) in Cash	\$ 50,195.26	\$ 159,765.77
 Summary		
Cash Balance at End of Period	\$ 1,467,791.76	\$ 1,467,791.76
Cash Balance at Beg. of Period	(1,417,596.50)	(1,308,025.99)
Net Increase (Decrease) in Cash	\$ 50,195.26	\$ 159,765.77

Kinneloa Irrigation District
Check Register
For the Period from July 1, 2014 to July 31, 2014

Date	Check #	Payee	Amount	Description
7/15/14	7644	Bedros Darkjian	300.00	net refund on deposit 20140618cm
7/15/14	7644V	Bedros Darkjian	-300.00	incorrect net refund amount 20140618cm
7/15/14	7645	Bedros Darkjian	263.59	net refund on deposit 20140618cm corrected
7/15/14	7646	Starlite, Inc.	300.00	net refund on deposit 20140625cm
7/15/14	EFT2153	Arco Gaspro Plus	997.86	truck gas
7/15/14	EFT2154	Athens Services	132.57	trash pick up
7/15/14	EFT2155	Bank of America Business Card	3,557.12	see attached schedule - May
7/15/14	EFT2156	Calif. Public Emp. Ret. Sys.	3,176.38	calPERS - June KID/employee
7/15/14	EFT2157	Century Business Solutions	162.34	banking service fee
7/15/14	EFT2158	Pasadena Municipal Services	1,192.09	electricity
7/15/14	EFT2159	Southern California Edison Co.	9,982.02	electricity
7/15/14	7647	A&B Electric	1,539.57	corrected mounting SCE panel, Holly Booster
7/15/14	7648	ACWA/JPIA	2,730.00	2nd quarter 2014 workers' compensation
7/15/14	7649	ACWA/JPIA	7,136.32	August health insurance - KID/employee
7/15/14	7650	American Messaging Services	21.95	paggers
7/15/14	7651	AmeriPride Services	56.80	shop towel service
7/15/14	7652	Berg Hardware	51.12	maintenance supplies
7/15/14	7653	Civiltec Engineering, Inc.	1,800.00	fire flow test and engineering study
7/15/14	7654	Civiltec Engineering, Inc.	20,143.75	Vosburg pump station replacement
7/15/14	7655	Clinical Laboratory, SB	24.00	water sample analysis
7/15/14	7656	County of Los Angeles	466.73	LAFCO net operating cost allocation 2014-2015
7/15/14	7657	Eurofins Eaton Analytical, Inc.	282.00	water sample analysis
7/15/14	7658	Foothill Municipal Water District	600.84	administrative fee
7/15/14	7659	Lagerlof,Senecal,Gosney & Kruse	36.00	recording fees: grant of revocable lic.
7/15/14	7660	Lagerlof,Senecal,Gosney & Kruse	654.34	public water agencies group 1/17th share
7/15/14	7661	McMaster Carr	1,569.72	Wilcox Res. & K3 C12 maint. sup., leak repair parts, tools
7/15/14	7662	Monrovia Mailing Company	377.45	June statement mail handling and postage
7/15/14	7663	National Meter & Automation	871.10	3 meters LF55 1 x 10 3/4 for Kinneloa Cyn.
7/15/14	7664	Perry Thomas Construction Co.	6,719.22	capping trench lines 3 sites; Hastings Heights repl'd concrete; Kinneloa Cyn Rd. bollards
7/15/14	7665	Shirley Burt	63.67	mileage reimbursement
7/15/14	7666	Specialty Services	300.00	janitorial service
7/15/14	7667	Utility Service Co., Inc.	3,859.70	tank maintenance agreement
7/15/14	7668	Western Water Works	3,677.56	parts for: service Villa Highlands; leak repair Clarmeya; stock; Kinneloa Cyn.
7/15/14	EFT2160	Bernadette C. Allen	966.23	salary
7/15/14	EFT2161	Christopher A. Burt	3,477.34	salary
7/15/14	EFT2162	Shirley L. Burt	1,466.19	salary
7/15/14	EFT2163	Gerrie G. Kilburn	92.35	salary
7/15/14	EFT2164	Melvin L. Matthews	3,288.69	salary
7/15/14	EFT2165	Steven G. Sorell	57.35	salary

Kinneloa Irrigation District
Check Register
For the Period from July 1, 2014 to July 31, 2014

Date	Check #	Payee	Amount	Description
7/15/14	65689583	Brian L. Fry	1,394.94	salary
7/15/14	65689584	Felix Galindo	302.04	salary
7/15/14	65689585	Chris J. Mellinger	444.71	salary
7/15/14	EFT2166	Christopher A. Burt	150.00	salary
7/15/14	EFT2167	Automatic Data Processing, Inc.	73.75	payroll processing
7/15/14	EFT2168	Automatic Data Processing, Inc.	6,033.06	withholding and taxes
7/31/14	EFT2169	Bernadette C. Allen	1,066.68	salary
7/31/14	EFT2170	Christopher A. Burt	3,205.82	salary
7/31/14	EFT2171	Shirley L. Burt	1,572.89	salary
7/31/14	EFT2172	Melvin L. Matthews	3,288.68	salary
7/31/14	65692731	Brian L. Fry	1,493.52	salary
7/31/14	65692732	Felix Galindo	426.80	salary
7/31/14	65692733	Chris J. Mellinger	582.50	salary
7/31/14	EFT2173	Christopher A. Burt	150.00	salary
7/31/14	EFT2174	Automatic Data Processing, Inc.	70.63	payroll processing
7/31/14	EFT2175	Automatic Data Processing, Inc.	6,079.45	withholding and taxes
7/31/14	EFT2176	Century Business Solutions	15.00	monthly banking fee
7/31/14	EFT2177	Charter Communications	324.64	internet and telephone
7/31/14	EFT2178	Verizon Wireless	80.96	mobile phones
Total			<u>108,850.03</u>	

108,850.03

Credit Card Detail

May 2014

(Expenses incurred in May, billed in June, due in July, and paid in July.)

Acct. No.	Account Description	Additional Description	Shirley	Mel	Brian	Chris B	Chris M	TOTAL
5010	Maintenance Supplies	battery, timer, soaker hose; cut off saw, maint. sup., hydrant fittings/gaskets, blue dot markers			\$110.71	\$1,750.26		\$1,860.97
5012	Safety Equipment							\$0.00
5022	Training/Certification							\$0.00
5025	Water Treatment/Analysis	40 lbs. solar salt/delivery; water treatment sup.			\$706.64	\$457.22		\$1,163.86
5035	Vehicle Maintenance	truck maintenance supplies				\$40.48		\$40.48
5036	Fuel							\$0.00
6017	Adm. Travel							\$0.00
6021	Adm. & Bd. Exp.							\$0.00
6035	Office/Computer Supplies	office supplies	\$51.65					\$51.65
6036	Postage/Delivery	postage	\$9.25	\$7.40				\$16.65
6040	Professional Dues							\$0.00
6050	Telephone	answering service April		\$78.00				\$78.00
6051	Mobile Phone							\$0.00
6053	Internet Service	GoDaddy hosting 3 year renewal		\$287.64				\$287.64
6059	Computer/Software Maintenance	LogMeIn yearly subsc., Microsoft month subsc.		\$57.87				\$57.87
6061	Office Equipment Maintenance							\$0.00
6075	Outside Services							\$0.00
6081	Permits/Fees							\$0.00
TOTAL			\$60.90	\$430.91	\$817.35	\$2,247.96	\$0.00	\$3,557.12

Kinneloa Irrigation District - PGFSC Grant Account

Check Register

For the Period from July 1, 2014 to July 31, 2014

Date	Check #	Payee	Amount	Description
7/15/14	001029	Kinneloa Irrigation District	<u>74.23</u>	June admn., bookkeeping, reporting services
	Total		<u><u>74.23</u></u>	
