

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**  
**1999 Kinclair Drive, Pasadena, CA 91107**  
**Tuesday, September 18, 2018**  
**3:00 P.M.**

**AGENDA**

- 1. CALL TO ORDER – 3:00 P.M.**
  - a. Declaration of a quorum
  - b. Review of agenda
  
- 2. PUBLIC COMMENT –** Comments from the Public regarding items on the Agenda or other items within the jurisdiction of the District  
In compliance with the Brown Act, the Board cannot discuss or act on items not on the Agenda. However, Board Members or District Staff may acknowledge Public comments, briefly respond to statements or questions posed by the Public, ask a question for clarification, or request Staff to place item on a future Agenda (Government Code section §54954.2)
  
- 3. REVIEW OF MINUTES –** August 28, 2018 minutes  
*Recommended Action: Review and approve motion to file*
  
- 4. REVIEW OF FINANCIAL REPORTS –** August 31, 2018 financial reports  
*Recommended Action: Review and approve motion to file*
  
- 5. GENERAL MANAGER’S REPORT –** Information item by General Manager  
*Recommended Action: General Manager to summarize the report and respond to questions*
  
- 6. PERSONNEL COMMITTEE –** General Manager’s job description  
*Recommended Action: Review revised job description and approve motion to adopt*
  
- 7. 2019 Budget –** General Manager to present budget with proposed water rates  
*Recommended Action: Review and approve motion to adopt 2019 budget subject to public hearing and approval of proposed water rates*
  
- 8. DIRECTOR REPORTS AND/OR COMMENTS –** In accordance with Government Code §54954.2 Directors may make brief announcements or brief reports on their own activities. Directors may ask a question for clarification, provide a reference to staff or other resources for information, request staff to report back to the Directors at a subsequent meeting, or act to direct staff to place a matter of business on a future agenda.
  
- 9. CALENDAR –** October 16, 2018  
November 20, 2018  
December 18, 2018

**10. ADJOURNMENT**

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

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

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**  
**1999 Kinclair Drive, Pasadena, CA 91107**  
**Tuesday, August 28, 2018**  
**3:00 p.m.**  
**Minutes**

**DIRECTORS PRESENT:** Directors Tim Eldridge, Frank Griffith, Gordon Johnson, Gerrie Kilburn, Bill Opel

**DIRECTORS ABSENT:** None

**STAFF PRESENT:** Melvin Matthews, General Manager/Acting Board Secretary; Donna Eggehorn, Administrative Assistant

**1. CALL TO ORDER:** Chair Frank Griffith, called the meeting to order at 3:00 p.m. A quorum of Board Members was present. The Agenda was reviewed, and no changes were requested.

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

**3. REVIEW OF MINUTES:** The minutes of July 31, 2018 were reviewed. Director Opel requested to change the word “**verbiage**” to “**add wording**” as stated in the June 19, 2018 minutes under Item #3 Review of Minutes and change “**add minor verbiage**” to “**add wording**” stated in Item #6 Water Master Plan for the Kinneloa Irrigation District in the June 19, 2018 minutes. Director Johnson requested to change the wording in Item #7 Personnel Committee from “**will distribute to each Board member an updated job description form**” to “**will re-distribute to each Board member a draft job description form**”.

It was motioned/seconded/-(Johnson/Kilburn-5-0)  
(Aye-Eldridge, Griffith, Kilburn, Johnson, Opel/Nay-0/Abstain-0)

**“that the minutes of July 31, 2018 be approved for filing with corrections.”**

**4. REVIEW OF FINANCIAL REPORTS:** Director Opel reviewed the financial reports for July 31, 2018, highlighting that the District had increased water sales as compared to the budget, that operations and maintenance expenses were lower than the budget this month and that the net increase in cash was higher than the budgeted amount.

It was motioned/seconded/unanimously carried -(Opel/Kilburn 5-0)

**“that the Board approves the financial reports for filing as presented.”**

**5. GENERAL MANAGER’S REPORT:** The General Manager and Board reviewed the report and highlighted the follow items and answered questions from the Directors:

**Budget.** Prepare 2019 draft budget.

**Accounting.** The General Manager has been training the office staff on the use of the accounting software and will be delegating some of the routine tasks over the next few months.

**Computer/Software Maintenance.** Security/feature/software updates were done on all computers.

**KINNELOA IRRIGATION DISTRICT**  
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**6. PERSONNEL COMMITTEE:** The committee requested that the Board discuss and implement the proposed changes for the General Manager’s job description and performance goals. General Manager Matthews will distribute to the Personnel Committee an updated job description form to be reviewed before the next meeting. The Board requested that this item be carried over to the next meeting.

**7. AUXILIARY DWELLING UNITS (ADU’S):** General Manager Matthews requested that the Board discuss and review the District’s Rules and Regulations regarding providing water service to newly constructed or remodeled separate living units on existing single-home lots. There was further discussion on regulations from the County of Los Angeles, existing polices, establish new policies, lot size, water supply, and separate meters.

**8. 2019 BUDGET:** The General Manager reviewed the proposed budget documents, highlighting that the trends forecast that income will cover debt service as well as normal expenses. The 3% rate increase in the budget will enable the District to cover increases in expenses due to inflation and maintain the ability to undertake \$200,000 to \$300,000 worth of improvement/maintenance projects each year. The General Manager explained that the District was required to give a 45-day notice for the public hearing to recommend proposed water rates. The Board also discussed increasing the Board of Directors compensation, re-evaluating CalPERS for employees. Director Johnson suggested a letter to be sent to customers to justify the increased rate. GM Matthews will send last year’s letter/Public hearing notice to the Board and other budget scenarios on the fixed rate to keep total revenue the same.

**9. DIRECTOR REPORTS AND/OR COMMENTS:** General Manager Matthews reminded the Board that a scheduled presentation by a representative from the ACWA JPIA on the insurance programs will be attending the October 16, 2018 Board meeting. Director Kilburn will be late for the September 18, 2018 Board meeting.

**10. CALENDAR:** The next regular meeting will be at 3:00 p.m. on Tuesday, September 18, 2018.

**11. ADJOURNMENT:** The meeting was adjourned at 4:50 p.m.

Prepared by:

Donna Eggehorn, Administrative Assistant

Reviewed and submitted by:

  
Acting Secretary to the Board

**Kinneloa Irrigation District**  
**Income Statement for the Eight Months Ending August 31, 2018**

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Revenues</b>						
4000 Water Sales	170,607.68	140,000.00	30,607.68	1,041,984.48	943,000.00	98,984.48
4015 Wholesale Water Sales	0.00	0.00	0.00	3,847.26	0.00	3,847.26
4020 Service/Installation Charges	413.73	833.33	(419.60)	9,339.20	6,666.64	2,672.56
4035 Interest-Reserve Fund	2,255.46	833.33	1,422.13	16,017.38	6,666.64	9,350.74
4070 Misc. Income	0.00	0.00	0.00	10,844.53	0.00	10,844.53
<b>Total Revenues</b>	<b>173,276.87</b>	<b>141,666.66</b>	<b>31,610.21</b>	<b>1,082,032.85</b>	<b>956,333.28</b>	<b>125,699.57</b>
<b>Expenses</b>						
5000 Leased Water Rights	0.00	0.00	0.00	63,135.00	63,135.00	0.00
5005 Electricity	22,224.58	10,000.00	12,224.58	83,446.41	79,000.00	4,446.41
5010 Maintenance/Repair Supplies	(6,369.96)	2,083.33	(8,453.29)	22,582.40	16,666.64	5,915.76
5011 Material and Labor for Install	0.00	833.33	(833.33)	664.89	6,666.64	(6,001.75)
5012 Safety Equipment	71.43	133.33	(61.90)	122.86	1,066.64	(943.78)
5015 Operations Labor	16,634.84	15,616.67	1,018.17	106,795.19	124,933.36	(18,138.17)
5016 Operations OT	158.79	666.67	(507.88)	4,866.00	5,333.36	(467.36)
5020 Stand-by Compensation	480.00	912.50	(432.50)	4,800.00	7,300.00	(2,500.00)
5022 Training/Certification	600.00	133.33	466.67	600.00	1,066.64	(466.64)
5025 Water Treatment/Analysis	2,135.80	1,833.33	302.47	9,653.87	14,666.64	(5,012.77)
5030 Maintenance/Repair Contractors	7,584.60	10,416.67	(2,832.07)	79,842.18	83,333.36	(3,491.18)
5034 Equipment Maintenance	0.00	833.33	(833.33)	7,999.03	6,666.64	1,332.39
5035 Vehicle Maintenance	33.93	833.33	(799.40)	4,483.52	6,666.64	(2,183.12)
5036 Fuel	995.16	1,250.00	(254.84)	8,293.77	10,000.00	(1,706.23)
5045 Insurance-Workers Compensatio	0.00	0.00	0.00	2,274.34	6,000.00	(3,725.66)
5046 Insurance-Liability	1,183.50	1,333.33	(149.83)	9,468.00	10,666.64	(1,198.64)
5048 Insurance-Property	144.50	208.33	(63.83)	1,188.53	1,666.64	(478.11)
5049 Insurance-Medical	6,733.04	6,375.00	358.04	49,922.12	51,000.00	(1,077.88)
6000 Engineering Services	0.00	3,958.33	(3,958.33)	4,770.00	31,666.64	(26,896.64)
6005 Watermaster Services	880.83	1,000.00	(119.17)	7,217.16	8,000.00	(782.84)
6015 Administrative Salary	11,489.02	11,666.67	(177.65)	88,335.40	93,333.36	(4,997.96)
6017 Administrative Travel	45.45	250.00	(204.55)	412.83	2,000.00	(1,587.17)
6020 Board Compensation	400.00	466.67	(66.67)	3,500.00	3,733.36	(233.36)
6021 Administrative & Board Expens	0.00	83.33	(83.33)	0.00	666.64	(666.64)
6022 Board of Directors Election	0.00	0.00	0.00	81.28	100.00	(18.72)
6024 Customer/Public Info. Prog.	199.99	166.67	33.32	1,233.06	1,333.36	(100.30)
6025 PERS - KID	2,618.11	2,062.50	555.61	22,363.01	16,500.00	5,863.01
6030 Social Security - KID	2,247.40	2,145.83	101.57	16,178.95	17,166.64	(987.69)
6031 Medicare - KID	525.60	516.67	8.93	3,783.81	4,133.36	(349.55)
6035 Office/Computer Supplies	2,036.43	583.33	1,453.10	6,779.17	4,666.64	2,112.53
6036 Postage/Delivery	0.00	416.67	(416.67)	1,783.46	3,333.36	(1,549.90)
6040 Professional Dues	898.66	1,000.00	(101.34)	7,189.36	8,000.00	(810.64)
6045 Legal Services	304.95	1,250.00	(945.05)	4,333.88	10,000.00	(5,666.12)
6050 Telephone	286.66	375.00	(88.34)	2,755.38	3,000.00	(244.62)
6051 Mobile Telephone	57.49	125.00	(67.51)	460.29	1,000.00	(539.71)
6052 Pagers	27.72	41.67	(13.95)	217.15	333.36	(116.21)

**Kinneloa Irrigation District**  
**Income Statement for the Eight Months Ending August 31, 2018**

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
6053 Internet Service	59.99	83.33	(23.34)	965.00	666.64	298.36
6059 Computer Software Maintenance	340.00	750.00	(410.00)	14,152.25	6,000.00	8,152.25
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	0.00	666.64	(666.64)
6065 Accounting Services	350.00	0.00	350.00	6,750.00	7,000.00	(250.00)
6070 Office & Accounting Labor	7,785.75	8,045.83	(260.08)	59,293.27	64,366.64	(5,073.37)
6075 Professional/Contract Services	2,080.94	1,916.67	164.27	20,286.39	15,333.36	4,953.03
6080 Administrative Fees	708.72	741.67	(32.95)	5,635.19	5,933.36	(298.17)
6081 Permits/Fees	1,908.74	1,250.00	658.74	6,135.92	10,000.00	(3,864.08)
6086 Taxes - Sales	0.00	0.00	0.00	84.00	500.00	(416.00)
6088 Interest Expense	0.00	0.00	0.00	36,195.06	36,253.00	(57.94)
6120 Bank Service Charges	424.94	541.67	(116.73)	4,488.91	4,333.36	155.55
<b>Total Expenses</b>	<b>88,287.60</b>	<b>92,983.32</b>	<b>(4,695.72)</b>	<b>785,518.29</b>	<b>855,854.56</b>	<b>(70,336.27)</b>
<b>Net Income</b>	<b>84,989.27</b>	<b>48,683.34</b>	<b>36,305.93</b>	<b>296,514.56</b>	<b>100,478.72</b>	<b>196,035.84</b>
<b>Other Expenditures</b>						
1511 WaterTreatment Plant	1,433.89	0.00	1,433.89	1,433.89	6,000.00	(4,566.11)
1512 Water Meters	0.00	0.00	0.00	9,091.77	4,500.00	4,591.77
1514 Computer/Office Equipment	0.00	0.00	0.00	8,034.65	5,000.00	3,034.65
1527 SCADA Equipment	0.00	0.00	0.00	29,852.82	11,000.00	18,852.82
1530 Tools	0.00	0.00	0.00	671.34	0.00	671.34
2400 Installment Purchase Agreement	0.00	0.00	0.00	63,905.92	63,848.00	57.92
<b>Total Other Expenditures</b>	<b>1,433.89</b>	<b>0.00</b>	<b>1,433.89</b>	<b>112,990.39</b>	<b>90,348.00</b>	<b>22,642.39</b>
<b>Total Increase or (Drawdown)</b>	<b>83,555.38</b>	<b>48,683.34</b>	<b>34,872.04</b>	<b>183,524.17</b>	<b>10,130.72</b>	<b>173,393.45</b>

**Kinneloa Irrigation District**  
**Balance Sheet as of August 31, 2018**

**ASSETS**

**Current Assets**

1010	Checking-Wells Fargo Bank	\$ 579,521.69
1012	Reserve Fund-LAIF	121,885.42
1014	Reserve Fund-CalTRUST	1,152,995.14
1015	Unrealized Gain(Loss)-CalTRUST	14,968.57
1016	Accrued Interest-LAIF	383.74
1100	Accts. Receivable-Water Sales	36,076.52
1101	Accts. Receiv.-Service Charges	807.37
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	187,024.98
1350	Prepaid Insurance	581.49
1360	Prepaid Expenses	9,962.78

Total Current Assets

2,123,436.22

**Property and Equipment**

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	3,584,517.77
1505	Water Tunnels	729,074.60
1506	K-3 Well	89,543.06
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	186,831.95
1512	Water Meters	97,420.27
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	75,205.63
1515	Vehicles & Portable Equipment	242,548.91
1516	Water Company Facilities	70,422.20
1517	KID Office	54,202.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1520	Glen Reservoir/Booster	24,190.86
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	532,342.43
1526	Vosburg Booster	1,647,215.66
1527	SCADA Equipment	307,897.92
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	7,482.91
1600	Accum. Depreciation	(4,587,390.02)

Total Property and Equipment

5,944,090.68

**Other Assets**

1901	PERS-Deferred Outflows	21,181.00
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Total Assets

\$ 8,088,707.90

**Kinneloa Irrigation District**  
**Balance Sheet as of August 31, 2018**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

2000	Accounts Payable	\$ 17,820.67	
2250	PERS Withholding-Employee	(1,150.33)	
2260	Med./Dental-Withhold-Employee	700.22	
2271	Deposits-Construction Meters	850.00	
2272	Job Deposits	7,880.99	
2275	Deposits-Water Customers	255.02	
2290	Accrued Vacation	14,380.60	
	Total Current Liabilities		40,737.17

**Long-Term Liabilities**

2400	Installment Purchase Agreement	1,933,483.73	
2801	PERS- Net Liability	329,655.24	
2901	PERS- Deferred Inflows	83,822.00	
	Total Long-Term Liabilities		2,346,960.97
	Total Liabilities		2,387,698.14

**Capital**

3040	Fund Balance	5,404,495.20	
	Net Income	296,514.56	
	Total Capital		5,701,009.76
	Total Liabilities & Capital		\$ 8,088,707.90

**Kinneloa Irrigation District**  
**Statement of Cash Flow**  
**For the Eight Months Ended August 31, 2018**

	Current Month	Year to Date
<b>Cash Flows from Operating Activities</b>		
Net Income	\$ 84,989.27	\$ 296,514.56
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	993.10	(3,162.27)
1101 Accts. Receiv.-Service Charges	0.00	(807.37)
1340 Accrued Water Sales	(9,443.02)	3,515.95
1350 Prepaid Insurance	1,328.00	8,922.53
1360 Prepaid Expenses	2,537.49	12,230.54
2000 Accounts Payable	2,899.25	(8,103.47)
2250 PERS Withholding-Employee	(1,150.33)	(1,150.33)
2260 Med./Dental-Withhold-Employee	700.22	700.22
2271 Deposits-Construction Meters	0.00	850.00
2272 Job Deposits	7,880.99	7,880.99
	5,745.70	20,876.79
<b>Total Adjustments</b>	<b>5,745.70</b>	<b>20,876.79</b>
<b>Net Cash Provided by Operations</b>	<b>90,734.97</b>	<b>317,391.35</b>
 <b>Cash Flows from Investing Activities</b>		
<i>Used for</i>		
1511 WaterTreatment Plant	(1,433.89)	(1,433.89)
1512 Water Meters	0.00	(9,091.77)
1514 Computer/Office Equipment	0.00	(8,034.65)
1527 SCADA Equipment	0.00	(29,852.82)
1530 Tools	0.00	(671.34)
	(1,433.89)	(49,084.47)
<b>Net Cash Used in Investing</b>	<b>(1,433.89)</b>	<b>(49,084.47)</b>
 <b>Cash Flows from Financing Activities</b>		
<i>Proceeds from</i>		
<i>Used for</i>		
2400 Installment Purchase Agreement	0.00	(63,905.92)
2801 PERS- Net Liability	(1,132.38)	(2,264.76)
	(1,132.38)	(66,170.68)
<b>Net Cash Used in Financing</b>	<b>(1,132.38)</b>	<b>(66,170.68)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 88,168.70</b>	<b>\$ 202,136.20</b>
 <b>Summary</b>		
Cash Balance at End of Period	\$ 1,869,754.56	\$ 1,869,754.56
Cash Balance at Beg. of Period	(1,781,585.86)	(1,667,618.36)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 88,168.70</b>	<b>\$ 202,136.20</b>



**Kinneloa Irrigation District**  
**Check Register**  
**For the Period from August 1, 2018 to August 31 , 2018**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
8/3/18	EFT3566a	Century Business Solutions	165.09	service charge
8/6/18	EFT3567	CA Public Employees Ret. Sys.	4,843.09	unfunded accrued liability
8/6/18	EFT3568	Arco Gaspro Plus	995.16	truck fuel
8/6/18	EFT3569	Athens Services	254.21	trash pick-up
8/6/18	EFT3570	CA Public Employees Ret. Sys.	1,132.38	unfunded accrued liability
8/6/18	EFT3571	Pasadena Municipal Services	1,486.37	wilcox well power
8/6/18	EFT3572	VeriCheck, Inc.	24.93	e-check charges
8/10/18	EFT3573	Southern California Edison Co.	9,872.83	facility power
8/10/18	EFT3574	Charter Communications	346.65	internet-phone
8/10/18	EFT3575	Umpqua Bank	3,372.81	credit card payment - see attached detail
8/10/18	8877	ACWA/JPIA	6,897.89	KID/employee portion health benefits
8/10/18	8878	AmeriPride Services	61.35	shop towel service
8/10/18	8879	South Coast AQMD	1,077.16	generator and emissions fees
8/10/18	8880	BrightView Landscape Services	1,490.00	landscape maintenance
8/10/18	8881	Joel Bundy	29.10	mileage reimbursement
8/10/18	8882	Consolidated Electrical Distributo	55.62	electrical supplies
8/10/18	8883	Denram Products	437.77	billing envelopes
8/10/18	8884	Foothill Municipal Water District	708.72	administrative charge
8/10/18	8885	Lagerlof,Senecal,Gosney & Kruse	304.95	emergency preparedness coordinator
8/10/18	8886	One Call Now	33.07	emergency call service
8/10/18	8887	Perry Thomas Construction Co.	2,869.00	windover rd. leak repair
8/10/18	8888	Ultimate Cleaning Solutions, Inc.	75.00	janitorial service
8/10/18	8889	Underground Service Alert	85.90	digalert
8/10/18	8890	Western Water Works	815.88	saddles and couplings for 3264 Barhite
8/15/18	EFT3576	Joel D. Bundy	1,436.60	salary
8/15/18	EFT3577	Christopher A. Burt	2,651.50	salary
8/15/18	EFT3578	Donna V. Eggehorn	1,375.06	salary
8/15/18	EFT3579	Brian L. Fry	1,720.92	salary
8/15/18	EFT3580	Melvin L. Matthews	3,830.65	salary
8/15/18	EFT3581	Juan R. Tello	1,375.06	salary
8/15/18	EFT3582	Automatic Data Processing, Inc.	83.42	payroll processing
8/15/18	EFT3583	Christopher A. Burt	150.00	salary
8/15/18	EFT3584	Automatic Data Processing, Inc.	5,040.21	payroll processing and employee withholdings
8/28/18	EFT3585	American Messaging Services	27.72	paggers
8/28/18	EFT3586	Century Business Solutions	15.00	monthly fee
8/28/18	EFT3587	Verizon Wireless	57.49	Chris Burt cel phone
8/28/18	8891	South Coast AQMD	1,615.74	annual renewal and emissions fees
8/28/18	8894	BrightView Landscape Services	1,490.00	landscape maintenance
8/28/18	8895	Clinical Laboratory, SB	108.00	general physical
8/28/18	8896	Eurofins Eaton Analytical, Inc.	105.60	water sample analysis

**Kinneloa Irrigation District**  
**Check Register**  
**For the Period from August 1, 2018 to August 31 , 2018**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
8/28/18	8897	RBMB	1,922.20	title 22 monitoring
8/28/18	8898	Utility Service Co., Inc.	4,715.60	tank maintenance service agreement
8/31/18	EFT3588	Joel D. Bundy	1,528.83	salary
8/31/18	EFT3589	Christopher A. Burt	2,562.57	salary
8/31/18	EFT3590	Donna V. Eggehorn	1,483.06	salary
8/31/18	EFT3591	Timothy J. Eldridge	92.35	salary
8/31/18	EFT3592	Brian L. Fry	2,078.96	salary
8/31/18	EFT3593	Francis J. Griffith	92.35	salary
8/31/18	EFT3594	Gerrie G. Kilburn	92.35	salary
8/31/18	EFT3595	Melvin L. Matthews	3,830.63	salary
8/31/18	EFT3596	Arthur W. Opel	92.35	salary
8/31/18	EFT3597	Juan R. Tello	1,505.18	salary
8/31/18	EFT3598	Christopher A. Burt	150.00	salary
8/31/18	EFT3599	Automatic Data Processing, Inc.	5,562.58	payroll taxes and employee withholdings
8/31/18	EFT3600	Automatic Data Processing, Inc.	92.41	payroll processing
<b>Total</b>			<b><u>84,319.32</u></b>	

**Credit Card Detail Umpqua Bank**  
**July 2018**  
(Expenses incurred/billed in July and due/paid in August)

Acct. No.	Account Description	Additional Description	MLM	CAB	BLF	JDB	TOTAL
1514	Computer/Office Equip.						
1530	Tools						
5010	Maintenance Supplies	tape,mtr oil, seal cmpnd, varathane, nozzles, trash can, asphalt, hoses,spikes		\$267.11	\$363.91		\$631.02
5012	Safety Equipment	coveralls, gloves			\$71.43		\$71.43
5022	Training/Certification	CSDA Annual Conference	\$600.00				\$600.00
5025	Water Treatment/Analysis	Salt Solar Crystals, shed for Far Mesa Tunnel chlorinator; softener	\$1,428.01		\$39.35		\$1,467.36
5034	Equipment Maintenance						
5035	Vehicle Maintenance	ball mount			\$33.93		\$33.93
5036	Fuel						
6017	Adm. Travel						
6021	Adm. & Bd. Exp.						
6035	Office/Computer Supplies	printer ink; water; stamps, tape, dividers	\$179.27		\$2.20	\$312.60	\$494.07
6036	Postage/Delivery						
6040	Professional Dues						
6050	Telephone	answering service	\$75.00				\$75.00
6051	Mobile Phone						
6053	Internet Service						
6059	Computer/Software Maint.						
6061	Office Equipment Maint.						
6075	Outside Services						
6081	Permits/Fees						
<b>TOTAL</b>			\$2,282.28	\$267.11	\$510.82	\$312.60	\$3,372.81

# General Manager's Report for the Board of Directors Meeting on September 18, 2018

## I. Customer Account Information and Internet Usage

### A. Delinquent Accounts –

- 20 accounts received past-due notice
- 20 accounts received late charges in the total amount of \$333.73
- 5 accounts received door hanger shut off notice
- 1 account was 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	\$41,770.80	\$1,293.38	\$233.37	\$496.86	\$43,794.41
February	\$33,167.69	\$6,413.90	\$269.88	\$230.23	\$40,081.70
March	\$30,908.94	\$2,238.94	\$399.31	\$0.11	\$33,547.30
April	\$25,192.32	\$2,508.02	\$225.08	\$0.00	\$27,925.42
May	\$27,495.43	\$1,856.40	\$45.80	\$0.00	\$29,397.63
June	\$30,129.15	\$1,697.59	\$170.81	\$0.00	\$31,997.55
July	\$34,464.51	\$2,400.95	\$79.26	\$124.90	\$37,069.62
August	\$34,844.21	\$969.39	\$78.10	\$184.82	\$36,076.52
September					
October					
November					
December					

### C. Internet Usage –

Month	Users	Page Views	Online Payments	Online Amount
January	145	413	60	\$17,554.59
February	173	631	62	\$12,719.98
March	175	592	84	\$16,947.45
April	211	534	51	\$9,282.52
May	146	482	60	\$14,244.39
June	203	469	53	\$13,053.28
July	147	350	59	\$13,409.95
August	227	595	60	\$17,688.78
September				
October				
November				
December				
<b>Year to Date</b>	<b>1,427</b>	<b>4,066</b>	<b>489</b>	<b>\$114,900.94</b>

## II. General Manager's Projects and Activities

- A. **Accounting** – Provided training for staff on Sage accounting system
- B. **KID Rules and Regulations** – Started project to revise and update this document
- C. **Emergency Preparedness** – Provided the current KID manuals and procedures to Mike Holmes (the PWAG Emergency Preparedness Coordinator) for review and updating
- D. **Computer/Software Maintenance** – Security/software updates, backups and maintenance were done on all computers
- E. **Activities/Meetings/Webinars/Conferences**

Subject or Organization	Location	Start	End	Purpose/Notes/Action/Benefit
<b>Staff Meetings</b>	Office	Mondays 9:00 AM	Mondays 10:00 AM	<ul style="list-style-type: none"> <li>• Tasks for the week</li> <li>• Projects -- current and future</li> <li>• Safety topic</li> <li>• Customer service update</li> <li>• Operations update</li> <li>• GM update</li> </ul>
<b>Wells Fargo</b>	Teleconference	Monday 8/10/2018 10:00 AM	Monday 8/10/2018 11:00 AM	<ul style="list-style-type: none"> <li>• Discuss existing and new services</li> <li>• Discuss service fees</li> </ul>
<b>ACWA JPIA</b>	Office and KID Facilities	Thu 8/16/2018 9:30 AM	Thu 8/16/2018 12:00 PM	<ul style="list-style-type: none"> <li>• Risk assessment by JPIA consultant</li> <li>• Review Claims history</li> <li>• Review training course completions by employees and discuss new courses</li> </ul>
<b>FMWD</b>	La Cañada	Mon 8/27/2018 3:00 PM	Mon 8/27/2018 5:00 PM	<ul style="list-style-type: none"> <li>• Regular board meeting</li> <li>• Closed session</li> </ul>
<b>KID Board Meeting</b>	Office	Tue 8/28/2018 3:00 PM	Tue 8/28/2018 5:00 PM	<ul style="list-style-type: none"> <li>• Regular board meeting</li> </ul>

### III. System and Facility Activities and Incident Reports

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

Location	Type	Date	Description
<b>Creekside Court</b>	Water Leak	8/2/2018	Customer reported water in meter box. Brian determined that the leak was at a coupling on the customer's side of meter and told the customer that it was necessary to have the leak repaired by a plumber.
<b>Edgecliff Lane</b>	Water Leak	8/6/2018	Customer requested leak check after receiving our leak alert letter and making a repair. Brian and Juan determined that there was still a very small leak that was adding about \$15 to the monthly billing.
<b>Kinclair Drive</b>	Customer Contact	8/9/2018	Customer called answering service and reported that water pressure was low and wondered if we had turned off water due to leak or for any other reason. Joel contacted the customer and confirmed that we did not turn off the water and that there was no indication of a leak.
<b>Kinclair Drive</b>	Customer Contact	8/10/2018	Customer concerned about higher than normal water bill. Brian found no leaks. Customer was informed that high usage was probably due to the gardener resetting the sprinkler timer due to new landscaping that was recently installed.
<b>Fairpoint Street</b>	Water Leak	8/18/2018	Customer reported water coming out of dirt area next to meter. Brian determined that the leak was on the KID service line to the meter. Leak was repaired by replacing the short piece of polyethylene pipe with copper tubing with the help of a crew from Perry Thomas Construction.
<b>Barhite Street</b>	Customer Contact	8/20/2018	Customer requested turn-off at the meter to prevent usage while house is under construction.
<b>Windover Road</b>	Water Leak	8/23/2018	Customer reported that meter box was full of water. Brian and Juan determined that the leak was on the customer's service line and notified customer that it was not the KID's responsibility to fix the leak.
<b>Windover Road</b>	Water Waste	8/24/2018	Customer requested water usage history to help determine source of extremely high usage. We download the hourly history from the meter and provided usage graphs to the customer. Although the customer was not on the leak report, it appears that the problem is due to a combination of high usage and/or a leak and/or outside irrigation. Current month's usage was back at historical levels.
<b>Villa Heights Road</b>	Customer Contact	8/30/2018	Customer reported low water pressure and a possible leak. There was a very small leak on the customer's gate valve. Brian repaired it by tightening the stem packing nut and informed customer that he would need to replace it if the leak returned. There was no explanation for the low water pressure.

**B. Facilities Improvement, Maintenance and Repair Projects**

1. Glen Reservoir chlorinator system replacement project
2. Generator testing and maintenance
3. Operator training
4. Meter and transmitter maintenance and replacement
5. Service line leak repair
6. Water samples
7. Weed clearance and tree trimming at facilities

### C. Water Samples and Test Results

Sample Date	Source or Distribution	Lab	Description	# of tests	Results*	Maximum Contaminant Level* (MCL)
01/09/18	Source	Weck	Title 22 fluoride	3	1.1-2.8 ppm	3ppm
01/09/18	Source	Weck	Title 22 nitrate	2	<MCL	10ppm
01/09/18	Source	Weck	Title 22 fluoride	2	1.6-2 ppm	3ppm
01/09/18	Source	Weck	Title 22 1,2,3 TCP	4	ND	80ppb
01/09/18	Source	Weck	Title 22 Gross Alpha	1	<MCL	15 pCi/L
01/10/18	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
01/10/18	Distribution	Clinical	fluoride	6	1.2-1.5 ppm	3ppm
01/10/18	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
01/23/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
01/31/18	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
02/01/18	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
02/06/18	Distribution	Clinical	color, odor, turbidity	6	<MCL	15 units, 3 units, 5 units
02/06/18	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
02/08/18	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
02/09/18	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
02/20/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
03/06/18	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
03/07/18	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
03/20/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
04/03/18	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
04/03/18	Distribution	Clinical	fluoride	6	1.2-1.6 ppm	3ppm
04/03/18	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
04/17/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
04/17/18	Source	Weck	Title 22 VOC	340	ND or A	1 positive sample
04/17/18	Source	Weck	Title 22 fluoride	5	1.2-2.8	3ppm
04/17/18	Source	Weck	Title 22 nitrate	5	0.68-4.5	10ppm
05/01/18	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
05/02/18	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
05/08/18	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
05/09/18	Distribution	Clinical	color, odor, turbidity	6	<MCL	15 units, 3 units, 5 units
05/22/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
06/05/18	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
06/06/18	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
06/19/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
07/10/18	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
07/10/18	Distribution	Clinical	fluoride	6	1.2-1.6 ppm	3ppm
07/10/18	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
07/24/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
08/21/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
08/27/18	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
08/27/18	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample

Total Tests 1692

\*ppm = parts-per-million, ppb = parts-per-billion, pCi/L = picocuries per liter, <MCL = less than Maximum Contaminant Level, ND = not detected, A = Absence



IV. Water Supply Summary as of July 2018 for the Fiscal Year July 2018 to June 2019

Raymond Basin Groundwater (Acre Feet)		Kinneloa Irrigation District Water Tunnels (Acre Feet)	
Water Rights	516	Eucalyptus	4
Prior Year Carryover	52	Far Mesa	3
Less Temporary 30% Reduction in Water Rights	-155	Delores	0
Leases/Exchanges		House	0
Prior Year Spreading	65	Holly High/Low	3
Short Term Storage	145		
Current Year Spreading	0		
<b>Total Allowable Extractions</b>	<b>623</b>		
Less Water Extracted YTD This Watermaster Year	- 77	Current Tunnel Monthly Production	10
Remaining Allowable Groundwater Extractions through June 2019	546	Remaining Estimated Tunnel Production through June 2019	110
<b>Total Available Water Supply through September 2018 (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2019)</b>		<b>656 Acre Feet</b>	
<b>Less Remaining Forecasted Retail Water Sales through June 2019</b>		<b>533 Acre Feet</b>	

**Surplus Water through June 2019\* 123 Acre Feet**

\* This is the forecasted surplus water available for sale in the current year and/or carryover to the next Watermaster year which starts on July 1 subject to the carryover limits established by the Raymond Basin Management Board. Regarding the available surplus water, we will generally maximize the carryover to the next year and deliver the balance of the forecasted surplus water (if any) to the City of Pasadena. In the 2017-2018 year, 87 Acre-Feet were sold to the City, 52 Acre-Feet were carried over to 2018-2019 and 145 Acre-Feet were put into our short-term storage account. Although we may lease additional pumping rights from another agency with surplus pumping rights, this is not considered a guaranteed source of supply since it is subject to negotiation. In addition to the available water, the KID has 790 Acre Feet in a long-term storage account. Additions to long-term storage are no longer permitted but withdrawals can be made at any time to supplement allowable extractions. However, since long-term storage is considered by KID staff to be an emergency supply we do not plan to use or sell this water now.

# Kinneloa Irrigation District

## General Manager Job Description

### DEFINITION

The General Manager is responsible for all administrative, financial, regulatory, public relations, human resources, and general affairs of the District. The General Manager has full charge and control of the District's water system and its facilities including their construction, operation and maintenance in accordance with the District's current Rules and Regulations. The General Manager represents the Board of Directors in all matters with employees, community organizations, other agencies, and customers.

Adopted: 09/16/2018

Supersedes: 02/29/04

FLSA Status: Exempt

Reporting Location: KID primary office site

### OVERSIGHT

Supervision Received: Receives direction from the collective Board of Directors

Supervision Provided: Manages and supervises all District employees

### ESSENTIAL FUNCTIONS

- Serves as the Chief Administrative Officer for the District.
- Keeps the Board informed of all District activities, and all significant upcoming actions by the General Manager.
- Provides analyses and recommendations for the development of District programs and policies.
- Represents the Board and communicates District policies, programs, and services with employees, other agencies, and the community.
- Oversees preparation of the District's annual budget and makes recommendations to the Board on expenditures.
- Conducts a variety of studies and surveys related to water supply and the condition of District infrastructure and makes recommendations to the Board on capital improvements.

- Provides financial management which includes oversight of customer billing, collections, accounts payable, and accounts receivable.
- Assures that all District operations comply with regulatory requirements and completes and files all required reports in a timely manner.
- Maintains continuous awareness of administrative practices and recommends changes which increase the efficiency and economy of District operations.
- Manages and takes responsibility for all District human resources issues, including employment procedures, preparation of job descriptions, classification and pay, resolution of disputes, and employer-employee relations. Supervises all employees, which includes responsibility for hiring, training, assigning/reviewing work, establishing work schedules and locations, and approving leave and overtime. Prepares employee performance evaluations and delivers the evaluations to employees.
- Maintains up-to-date records, manuals, and operating procedures. Prepares monthly and annual reports for the Board of Directors of all significant activities in the District, including financial status and budget compliance, major operational or maintenance issues, capital improvement projects, water production and sales, water quality, and legal issues.
- Oversees development of agendas for meetings of the Board of Directors in cooperation with the Board Chair.
- Manages and reviews all work by consultants and contractors.
- Prepares leases and agreements with other agencies.
- Establishes and maintains positive working relationships with the Board, employees, other agencies, and the public.

Responsibility for execution of the Essential Functions may be delegated to other employees, with approval of the Board of Directors.

## OTHER DUTIES

- Maintains and updates the District's web-site and prepares quarterly communiques for customers via multiple delivery formats.
- Investigates alternative sources of income for the District, including water sales, leasing of water rights, and state and federal grants and loans.
- Steps in and functions in place of any employee, as necessary, and performs standby duty and field maintenance for operation of the water delivery system as needed to cover Operators' absences.
- Participates in the activities of other organizations when that participation benefits the District and does not interfere with performance of the General Manager's other duties.

## MINIMUM QUALIFICATIONS

Education and Experience: High school diploma and a minimum of five years of progressively increasing experience in all aspects of water company operations, administration, and management.

Certifications and Licenses:

- California Water Treatment Operator license, T2 level
- California Distribution Operator license, D3 level
- California Class C driver license

Required Knowledge:

- Principles and practices of public administration including administrative analysis, fiscal planning and control, and policy and program development
- Laws, regulations, and legislative processes controlling District functions, programs, and operations
- Methods of research, analysis, and evaluation
- Organization, operations, and challenges of special districts
- Cost estimating and contract administration
- Public agency personnel administration and employer-employee relations
- Business-related computer hardware and software for word processing, accounting spreadsheets, database management, and web-site management

Required Skills and Abilities:

- Excellent written and oral communication skills
- Ability to communicate effectively with the public, employees and the Board of Directors
- Ability to plan, organize, coordinate, and direct the work of employees to achieve efficient overall operation and meet District goals
- Ability to exercise leadership, authority, and supervision tactfully and effectively
- Ability to ensure the timely and cost-effective completion of District projects, studies, and regulatory submittals
- Ability to maintain the District in sound financial condition while addressing long-term infrastructure needs

## DESIRABLE QUALIFICATIONS

- B.S. degree in engineering, accounting, or business administration
- California Professional Engineer license
- Experience in engineering, construction, project management, or field maintenance

**WORK ENVIRONMENT**

Physical Demands: Light

Environmental Factors: Works at the District’s office, field and project construction sites

I have reviewed this Job Description with the Board of Directors and agree with its contents.

---

Employee Signature

Date

---

Board of Directors Signature

Date

**COMMENTS**

# Kinneloa Irrigation District

## General Manager Job Description

### DEFINITION

The General Manager is responsible for all administrative, financial, regulatory, public relations, human resources, and general affairs of the District. The General Manager has full charge and control of the District's water system and its facilities including their construction, operation and maintenance in accordance with the District's current Rules and Regulations. The General Manager represents the Board of Directors in all matters with employees, community organizations, other agencies, and customers.

Adopted: 09/16/2018

Supersedes: 02/29/04

FLSA Status: Exempt

Reporting Location: KID primary office site

### OVERSIGHT

Supervision Received: Receives direction from the collective Board of Directors

Supervision Provided: Manages and supervises all District employees

### ESSENTIAL FUNCTIONS

- Serves as the Chief Administrative Officer for the District.
- Keeps the Board informed of all District activities, and all significant upcoming actions by the General Manager.
- Provides analyses and recommendations for the development of District programs and policies.
- Represents the Board and communicates District policies, programs, and services with employees, other agencies, and the community ~~representatives~~.
- Oversees preparation of the District's annual budget and makes recommendations to the Board on expenditures.
- Conducts a variety of studies and surveys related to water supply and the condition of District infrastructure and makes recommendations to the Board on capital improvements.

- Provides financial management which includes oversight of customer billing, collections, accounts payable, and accounts receivable.
- Assures that all District operations comply with regulatory ~~requirements, and~~requirements and completes and files all required reports in a timely manner.
- Maintains continuous awareness of administrative ~~practices, and~~practices and recommends changes which increase the efficiency and economy of District operations.
- Manages and takes responsibility for all District human resources issues, including employment procedures, preparation of job descriptions, classification and pay, resolution of disputes, and employer-employee relations. Supervises all employees, which includes responsibility for hiring, training, assigning/reviewing work, establishing work schedules and locations, and approving leave and overtime. Prepares employee performance evaluations ~~for Board review,~~ and delivers the evaluations to employees.
- Maintains up-to-date records, manuals, and operating procedures. Prepares monthly and annual reports for the Board of Directors of all significant activities in the District, including financial status and budget compliance, major operational or maintenance issues, capital improvement projects, water production and sales, water quality, and legal issues.
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- Participates in the activities of other organizations, ~~with Board approval,~~ when that participation benefits the District and does not interfere with performance of the General Manager's other duties.

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- Cost estimating and contract administration
- Public agency personnel administration and employer-employee relations
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Required Skills and Abilities:

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- Ability to exercise leadership, authority, and supervision tactfully and effectively
- Ability to ensure the timely and cost-effective completion of District projects, studies, and regulatory submittals
- Ability to maintain the District in sound financial condition while addressing long-term infrastructure needs

## DESIRABLE QUALIFICATIONS

- B.S. degree in engineering, accounting, or business administration
- California Professional Engineer license
- Experience in engineering, construction, project management, or field maintenance



WORK ENVIRONMENT

Physical Demands: Light

Environmental Factors: Works at the District's office, field and project construction sites

I have reviewed this Job Description with the Board of Directors and agree with its contents.

---

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

Board of Directors Supervisor Signature \_\_\_\_\_ Date \_\_\_\_\_

COMMENTS



# Memo

Date: September 12, 2018  
To: Board of Directors  
From: Mel Matthews  
Subject: Proposed 2019 Budget

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Attached for your review are four documents to aid in our discussion of the proposed 2019 budget:

- **10-year Actual and Forecasted Income and Expenses**
- **2019 Budget Worksheet**
- **Proposed 2019 Budget**
- **Water Rate Survey**

The **10-year Actual and Forecasted Income and Expense** document shows the actual income and expenses for the past five years and the forecasted income and expenses for the next five years including the proposed budget for 2019.

The **2019 Budget Worksheet** provides a comparison of the 2018 budget, the 2018 yearend forecast (updated for this meeting with August actual revenue and expenses) and the proposed 2019 budget with explanatory notes.

The **Proposed 2019 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. This becomes the official budget of the District when approved and when the proposed water rates or modified rates are approved after the public hearing.

The **Water Rate Survey** provides a comparison of rates for the other FMWD agencies plus the Cities of Sierra Madre and Pasadena as of July 2018 to the proposed rates for the Kinneloa Irrigation District for 2019. Although each agency has a unique cost structure, customer base, rate design and revenue requirement, this document is helpful to validate that the KID's rates are reasonable in comparison to other nearby agencies at three typical usage levels.

## Revenue

The projected 2019 revenue is based on the current rates which were effective on January 1, 2018, the forecasted water sales for 2018 and a proposed 3% rate increase effective on January 1, 2019. If conservation by our customers and/or weather conditions reduces water sales in 2019, we would have water available for sale to Pasadena. Therefore, I have included \$85,000 in the wholesale water sales in the budget for 2019. If customer demand increases over my projection, the revenue generated by our customers will make up for any revenue shortfall in wholesale water sales.

## Expenses

The proposed 2019 expenses are mostly the same as those approved for the 2018 budget. The difference (if any) and an explanation is provided on expenses that are changed from the 2018 budget.

The proposed improvement and maintenance expenditures for 2019 do not include the construction cost for any major pipeline projects. However, we expect to start the engineering of at least one future project for construction in the 2020-2021 timeframe. As in past years, some projects can be deferred if necessary to maintain the desired net cash flow and all projects will be evaluated and prioritized as the year progresses. Additional projects may be presented during the year for approval if the actual cash flow exceeds the budgeted amount.

The current recommendation is to not use financing for any additional projects. However, to maintain our reserve funds at current levels and accomplish approximately \$300,000 in capital and preventative maintenance projects annually, it will necessary to increase rates about 3% a year for these projects while maintaining our reserve fund and covering our existing debt service payments. This recommended increase is necessary primarily due to the increase in general operating and administrative expenses. I used a 2.5 % annual increase in most expense categories in the ***10-year Actual and Forecasted Income and Expense*** document. This is consistent with the general inflation rate as measured by the Consumer Price Index in our area.

## Summary

The proposed budget contains changes in a few expense categories to better reflect current operating and administrative expenses but maintains most expenses at the same level as the approved 2018 budget. The overall net surplus is designed to be near zero based on the forecasted revenue. Capital projects can be adjusted if necessary to maintain a surplus if actual revenue is below the budgeted amount.

The proposed rate increase of 3% in both the fixed service charge and the usage charge is designed to offset inflationary trends and actual increases in some expenses. I continue to recommend this type of rate design since it is fair to customers at all usage levels and supports our conservation efforts. Establishing tiered or budget-based rates would be confusing to the customer, expensive to implement and require a continuing administrative expense to maintain.

# 10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2023 Forecast	2022 Forecast	2021 Forecast	2020 Forecast	2019 Budget	2018 Forecast	2018 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	10-Year Total	5-Year Average
4000	Water Sales	1,688,263	1,639,091	1,591,350	1,545,000	1,500,000	1,498,984	1,400,000	1,521,355	1,426,516	1,220,253	1,415,616	15,046,428	1,396,748
4015	Wholesale Water Sales	92,882	90,177	87,550	85,000	85,000	78,847	75,000	88,347	68,126	6,947	0	682,875	47,684
4020	Service/Installation Charges	11,255	10,927	10,609	10,300	10,000	12,673	10,000	26,959	22,542	21,023	32,413	168,701	22,587
4025	Asset Sale	0	0	0	1,000	0	0	0		10,675	0	3,350	15,025	3,506
4035	Interest-Reserve Fund	16,883	16,391	15,914	15,450	15,000	19,351	10,000	13,010	12,108	9,049	6,739	139,893	10,181
4050	Capacity Charge	0	0	0	0	0	0	0		0	0	3,000	3,000	750
4070	Misc. Income	0	0	0	0	0	10,845	0	3,943	1,222	1,648	2,497	20,155	1,862
	<b>Total Income</b>	<b>1,809,283</b>	<b>1,756,585</b>	<b>1,705,423</b>	<b>1,656,750</b>	<b>1,610,000</b>	<b>1,620,700</b>	<b>1,495,000</b>	<b>1,653,613</b>	<b>1,541,189</b>	<b>1,258,920</b>	<b>1,463,614</b>	<b>16,076,077</b>	<b>1,482,467</b>
5000	Leased Water Rights	0	0	0	0	63,135	63,135	63,135	0	63,135	63,135	63,135	315,675	50,508
5005	Electricity	120,000	120,000	120,000	120,000	125,000	124,446	120,000	122,814	110,282	108,380	118,301	1,189,223	115,955
5010	Maintenance Supplies	27,595	26,922	26,266	25,625	25,000	30,916	25,000	28,159	24,710	29,074	37,637	281,904	28,916
5011	Material and Labor for Install	11,038	10,769	10,506	10,250	10,000	3,998	10,000	10,703	8,281	0	17,646	93,192	9,326
5012	Safety Equipment	1,766	1,723	1,681	1,640	1,600	656	1,600	452	1,753	476	75	11,821	871
5015	Operations & Maintenance Labor	218,996	213,655	208,444	203,360	198,400	169,262	187,400	133,728	142,253	139,218	149,015	1,776,331	150,323
5016	Operations & Maintenance OT	9,934	9,692	9,456	9,225	9,000	7,533	8,000	22,983	34,413	30,844	19,411	162,491	23,130
5017	Operations Bonus	0	0	0	0	0	0	0	0	0	2,469	0	2,469	494
5020	Stand-by Compensation	10,950	10,950	10,950	10,950	10,950	8,450	10,950	7,410	7,170	7,200	7,470	92,450	8,040
5022	Training/Certification	1,766	1,723	1,681	1,640	1,600	1,133	1,600	725	470	0	260	10,998	611
5025	Water Treatment/Analysis	24,284	23,692	23,114	22,550	22,000	16,987	22,000	15,108	17,146	15,127	17,667	197,675	17,410
5030	Maintenance Contractors	137,977	134,611	131,328	128,125	125,000	121,509	125,000	129,294	102,259	82,752	173,354	1,266,209	122,532
5034	Equipment Maintenance	13,798	13,461	13,133	12,813	12,500	11,332	10,000	10,140	7,101	9,632	7,651	111,560	8,905
5035	Vehicle Maintenance	11,038	10,769	10,506	10,250	10,000	7,817	10,000	5,040	6,644	5,170	7,006	84,240	6,772
5036	Fuel - All Equipment	16,557	16,153	15,759	15,375	15,000	13,294	15,000	7,849	7,862	9,263	13,952	131,064	10,785
5040	Equipment Rental	500	500	500	500	500	500	500	0	0	0	0	3,000	100
5045	Insurance-Workers Comp.	13,246	12,923	12,608	12,300	12,000	8,274	12,000	9,434	10,710	11,090	9,734	112,319	10,594
5046	Insurance-Liability	17,661	17,230	16,810	16,400	16,000	14,801	16,000	14,264	14,151	14,155	9,096	150,568	13,533
5048	Insurance-Property	2,760	2,692	2,627	2,563	2,500	2,022	2,500	1,925	2,081	2,041	1,792	23,002	2,068
5049	Insurance-Medical	84,442	82,382	80,373	78,413	76,500	75,422	76,500	68,322	74,938	74,632	72,752	768,175	73,429
6000	Engineering Services	52,431	51,152	49,905	48,688	47,500	20,603	47,500	10,955	24,456	41,981	33,768	381,439	31,732
6005	Watermaster Services	12,000	12,000	12,000	12,000	12,000	11,217	12,000	11,039	11,149	10,969	10,680	115,053	11,167
6015	Administrative Salary	163,364	159,380	155,493	151,700	148,000	135,002	140,000	130,064	130,064	128,170	125,244	1,426,482	130,709
6016	Administrative Bonus	0	0	0	0	0	0	0	0	0	1,894	0	1,894	379
6017	Administrative Travel	3,311	3,231	3,152	3,075	3,000	1,413	3,000	2,933	1,848	2,281	2,364	26,607	2,485
6020	BofD Compensation	5,600	5,600	5,600	5,600	5,600	5,367	5,600	5,200	4,000	3,200	3,400	49,167	4,280
6021	Administrative & Board Exp.	1,104	1,077	1,051	1,025	1,000	333	1,000	953	242	725	645	8,155	713
6022	B of D Election	12,500	0	12,500	0	12,500	12,481	12,500	0	115	0	11,790	61,887	4,881
6024	Customer/Public Information	2,208	2,154	2,101	2,050	2,000	1,900	2,000	1,533	1,775	601	161	16,482	1,214
6025	PERS - KID	39,737	38,768	37,823	36,900	36,000	30,613	24,750	225,918	25,206	23,849	20,796	515,611	64,104
6030	Social Security - KID	32,011	31,230	30,468	29,725	29,000	24,762	25,750	21,569	24,520	24,182	29,129	276,596	25,030
6031	Medicare - KID	6,844	6,677	6,514	6,355	6,200	5,850	6,200	5,058	5,902	5,821	0	55,221	4,596
6035	Office/Computer Supplies	7,727	7,538	7,354	7,175	7,000	9,113	7,000	7,296	4,537	4,901	4,438	67,079	5,634
6036	Postage/Delivery	5,519	5,384	5,253	5,125	5,000	3,450	5,000	3,803	3,706	4,763	3,715	45,720	4,198
6040	Professional Dues	13,246	12,923	12,608	12,300	12,000	11,189	12,000	10,608	11,045	9,490	9,226	114,635	10,474
6045	Legal	16,557	16,153	15,759	15,375	15,000	9,334	15,000	2,205	11,573	9,775	5,543	117,275	8,819
6050	Telephone	4,967	4,846	4,728	4,613	4,500	4,255	4,500	3,995	4,132	4,273	4,228	44,537	4,226
6051	Mobile Telephone	1,656	1,615	1,576	1,538	1,500	960	1,500	804	456	567	798	11,470	825
6052	Pagers	552	538	525	513	500	384	500	431	336	267	253	4,300	358
6053	Internet Service	1,104	1,077	1,051	1,025	1,000	1,298	1,000	1,006	720	720	948	9,948	879
6059	Computer/Software Maintenance	13,246	12,923	12,608	12,300	12,000	17,152	9,000	5,544	6,933	7,008	4,777	104,490	6,652

# 10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2023 Forecast	2022 Forecast	2021 Forecast	2020 Forecast	2019 Budget	2018 Forecast	2018 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual	10-Year Total	5-Year Average
6061	Office Equipment Maintenance	1,104	1,077	1,051	1,025	1,000	333	1,000	129	256	619	592	7,185	519
6065	Accounting Services	7,727	7,538	7,354	7,175	7,000	6,750	7,000	6,750	8,550	6,200	6,200	71,244	6,940
6070	Office & Accounting Labor	106,573	103,974	101,438	98,964	96,550	91,477	96,550	61,425	85,794	87,162	79,668	913,024	82,120
6071	Office & Accounting Bonus	0	0	0	0	0	0	0	0	0	1,275	0	1,275	255
6075	Professional/Contract Services	30,907	30,153	29,418	28,700	28,000	27,953	23,000	27,980	23,349	20,650	10,703	257,811	21,136
6080	Capital and Administrative Fee	9,934	9,692	9,456	9,225	9,000	8,602	8,900	8,109	8,368	8,705	7,189	88,279	8,254
6081	Permits/Fees	16,557	16,153	15,759	15,375	15,000	11,136	15,000	7,333	14,318	12,112	9,572	133,316	11,667
6086	Taxes - Sales	552	538	525	513	500	84	500	276	352	342	0	3,682	294
6088	Interest Expense	56,664	56,664	56,664	61,735	66,628	71,290	71,348	75,916	80,233	41,745	0	567,539	53,849
6120	Bank Service Charges	7,175	7,000	6,829	6,663	6,500	6,656	6,500	6,646	6,136	5,002	4,897	63,503	5,836
	<b>Total Expenses</b>	<b>1,357,183</b>	<b>1,316,903</b>	<b>1,302,301</b>	<b>1,268,432</b>	<b>1,328,163</b>	<b>1,212,447</b>	<b>1,282,783</b>	<b>1,233,830</b>	<b>1,135,430</b>	<b>1,073,907</b>	<b>1,116,675</b>	<b>12,345,271</b>	<b>1,168,525</b>
	<b>NET REVENUES</b>	<b>452,100</b>	<b>439,682</b>	<b>403,122</b>	<b>388,318</b>	<b>281,837</b>	<b>408,253</b>	<b>212,217</b>	<b>419,783</b>	<b>405,759</b>	<b>185,014</b>	<b>346,939</b>	<b>3,730,806</b>	<b>313,942</b>
	<b>Capital and Planned Maintenance Expenditures</b>													
1504	Water Mains	20,000	100,000	20,000	20,000	0	0	0	1,099,600	0	21,496	39,605	1,320,701	232,140
1505	Water Tunnels	0	0	0	0	0	0	0	23,089	0	0	0	23,089	4,618
1506	K-3 Well	50,000	0	0	0	0	0	0	6,695	0	0	0	56,695	1,339
1509	Wilcox Well/Wilcox Booster	0	0	0	0	52,000	0	0	0	0	0	0	52,000	0
1511	Water Treatment Plant	1,000	1,000	1,000	1,000	6,000	7,434	6,000	0	0	0	0	17,434	1,200
1512	Water Meters	5,000	5,000	5,000	5,000	9,000	9,092	4,500	5,509	1,461	0	0	45,062	2,294
1513	Electrical/Electronic Equipment	5,000	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	11,014	41,014	3,203
1514	Computer/Office Equipment	5,000	5,000	5,000	5,000	5,000	8,035	5,000	3,629	1,652	1,652	1,817	41,785	2,750
1515	Vehicles & Portable Equipment	40,000	0	40,000	0	45,000	0	40,000	0	20,465	0	0	145,465	12,093
1516	Water Company Facilities	10,000	10,000	10,000	10,000	15,000	10,000	10,000	0	0	4,671	5,672	75,343	4,069
1522	Eucalyptus Booster	0	0	0	0	0	0	0	0	0	0	0	0	0
1523	Construction in Progress - Vosburg	0	0	0	0	0	0	0	-1,555,035	317,049	1,237,986	0	0	0
1524	Construction in Progress - East/Wes	0	0	0	0	0	0	0	-713,677	698,128	15,549	0	0	0
1526	Vosburg Booster	0	0	0	0	0	0	0	1,555,035	0	0	62,787	1,617,822	323,564
1527	SCADA	10,000	10,000	10,000	40,000	11,000	29,853	11,000	23,318	7,411	10,722	10,009	162,313	12,492
1528	Tank and Reservoir Maintenance	0	0	0	0	0	0	0	0	21,548	0	0	21,548	4,310
1530	Tools	1,500	1,500	1,500	1,500	0	1,343	0	0	0	0	1,702	9,045	340
2400	Installment Purchase Agreement	143,538	143,538	143,538	138,467	133,574	128,912	128,854	124,286	119,969	-2,241,644	0	-1,165,822	-373,707
	<b>Total Other Expenditures</b>	<b>291,038</b>	<b>281,038</b>	<b>241,038</b>	<b>225,967</b>	<b>281,574</b>	<b>199,668</b>	<b>210,354</b>	<b>572,448</b>	<b>1,187,682</b>	<b>-949,567</b>	<b>132,606</b>	<b>3,629,314</b>	<b>230,705</b>
	<b>NET CASH FLOW</b>	<b>161,061</b>	<b>158,644</b>	<b>162,083</b>	<b>162,352</b>	<b>263</b>	<b>208,585</b>	<b>1,863</b>	<b>-152,665</b>	<b>-781,923</b>	<b>1,134,581</b>	<b>214,333</b>	<b>101,492</b>	<b>110,812</b>

## Kinneloa Irrigation District 2019 Budget Worksheet (Proposed Rates)

Account	Account Description	2018 Budget	2018 FYE Forecast as of 8/31/2018	Variance of 2018 FYE Forecast to 2018 Budget	Proposed 2019 Budget	Variance of Proposed 2019 Budget to 2018 Budget	Notes
4000	Water Sales	1,400,000	1,498,984	98,984	1,500,000	100,000	Projection based on 3% rate increase and current usage
4015	Wholesale Water Sales	75,000	78,847	3,847	85,000	10,000	
4020	Service Charges	10,000	12,673	2,673	10,000	0	
4025	Asset Sale/Miscellaneous	0	0	0	0	0	
4035	Interest-Reserve Fund	10,000	19,351	9,351	15,000	5,000	
4050	Capacity Charge	0	0	0	0	0	
4070	Misc. Income	0	10,845	10,845	0	0	
	<b>Total Income</b>	<b>1,495,000</b>	<b>1,620,700</b>	<b>125,700</b>	<b>1,610,000</b>	<b>115,000</b>	
5000	Leased Water Rights	63,135	63,135	0	63,135	0	
5005	Electricity	120,000	124,446	4,446	125,000	5,000	
5010	Maintenance Supplies	25,000	30,916	5,916	25,000	0	
5011	Material and Labor for Install	10,000	3,998	-6,002	10,000	0	
5012	Safety Equipment	1,600	656	-944	1,600	0	
5015	Operations & Maintenance Labor	187,400	169,262	-18,138	198,400	11,000	
5016	Non-Emergency Operations OT	8,000	7,533	-467	9,000	1,000	
5017	Operations Bonus	0	0	0	0	0	
5020	Stand-by Compensation	10,950	8,450	-2,500	10,950	0	
5022	Training/Certification	1,600	1,133	-467	1,600	0	
5025	Water Treatment/Analysis	22,000	16,987	-5,013	22,000	0	
5030	Maintenance Contractors	125,000	121,509	-3,491	125,000	0	
5034	Equipment Maintenance	10,000	11,332	1,332	12,500	2,500	
5035	Vehicle Maintenance	10,000	7,817	-2,183	10,000	0	
5036	Fuel - All Equipment	15,000	13,294	-1,706	15,000	0	
5040	Equipment Rental	500	500	0	500	0	
5045	Insurance-Workers Comp.	12,000	8,274	-3,726	12,000	0	
5046	Insurance-Liability	16,000	14,801	-1,199	16,000	0	
5048	Insurance-Property	2,500	2,022	-478	2,500	0	
5049	Insurance-Medical	76,500	75,422	-1,078	76,500	0	
6000	Engineering Services	47,500	20,603	-26,897	47,500	0	
6005	Watermaster Services	12,000	11,217	-783	12,000	0	
6015	Administrative Salary	140,000	135,002	-4,998	148,000	8,000	
6016	Administrative Bonus	0	0	0	0	0	
6017	Administrative Travel	3,000	1,413	-1,587	3,000	0	
6020	BofD Compensation	5,600	5,367	-233	5,600	0	
6021	Administrative & Board Expense	1,000	333	-667	1,000	0	

## Kinneloa Irrigation District 2019 Budget Worksheet (Proposed Rates)

Account	Account Description	2018 Budget	2018 FYE Forecast as of 8/31/2018	Variance of 2018 FYE Forecast to 2018 Budget	Proposed 2019 Budget	Variance of Proposed 2019 Budget to 2018 Budget	Notes
6022	Board of Directors Election	12,500	12,481	-19	12,500	0	
6024	Customer/Public Information	2,000	1,900	-100	2,000	0	
6025	PERS - KID	24,750	30,613	5,863	36,000	11,250	
6030	Social Security - KID	25,750	24,762	-988	29,000	3,250	
6031	Medicare - KID	6,200	5,850	-350	6,200	0	
6035	Office/Computer Supplies	7,000	9,113	2,113	7,000	0	
6036	Postage/Delivery	5,000	3,450	-1,550	5,000	0	
6040	Professional Dues	12,000	11,189	-811	12,000	0	
6045	Legal Services	15,000	9,334	-5,666	15,000	0	
6050	Telephone	4,500	4,255	-245	4,500	0	
6051	Mobile Telephone	1,500	960	-540	1,500	0	
6052	Pagers	500	384	-116	500	0	
6053	Internet Service	1,000	1,298	298	1,000	0	
6059	Computer/Software Maintenance	9,000	17,152	8,152	12,000	3,000	
6061	Office Equipment Maintenance	1,000	333	-667	1,000	0	
6065	Accounting Services	7,000	6,750	-250	7,000	0	
6070	Office & Accounting Labor	96,550	91,477	-5,073	96,550	0	
6071	Office & Accounting Bonus	0	0	0	0	0	
6075	Professional/Contract Services	23,000	27,953	4,953	28,000	5,000	
6080	Administrative Fees	8,900	8,602	-298	9,000	100	
6081	Permits/Fees	15,000	11,136	-3,864	15,000	0	
6086	Taxes - Sales	500	84	-416	500	0	
6088	Interest Expense	71,348	71,290	-58	66,628	-4,720	Interest declines as installment payments are made
6120	Bank Service Charges	6,500	6,656	156	6,500	0	
<b>Total Expenses</b>		<b>1,282,783</b>	<b>1,212,447</b>	<b>-70,336</b>	<b>1,328,163</b>	<b>45,380</b>	
<b>NET REVENUES</b>		<b>212,217</b>	<b>408,253</b>	<b>196,036</b>	<b>281,837</b>	<b>69,620</b>	
<b>Other Expenditures</b>							
1504	Water Mains	0	0	0	0	0	Engineering will start for a project in the 2020-2021 timeframe
1505	Water Tunnels	0	0	0	0	0	No projects currently scheduled
1506	K-3 Well	0	0	0	0	0	
1509	Wilcox Well/Wilcox Booster	0	0	0	52,000	52,000	Replace 50 hp booster pump and motor and sandblast/paint pump stand
1511	Water Treatment Plant	6,000	7,434	1,434	6,000	0	
1512	Water Meters	4,500	9,092	4,592	9,000	4,500	Based on meter replacement rate and transmitters reaching end of 10-year life cycle
1513	Electrical/Electronic Equipment	5,000	5,000	0	5,000	0	

## Kinneloa Irrigation District 2019 Budget Worksheet (Proposed Rates)

Account	Account Description	2018 Budget	2018 FYE Forecast as of 8/31/2018	Variance of 2018 FYE Forecast to 2018 Budget	Proposed 2019 Budget	Variance of Proposed 2019 Budget to 2018 Budget	Notes
1514	Computer/Office Equipment	5,000	8,035	3,035	5,000	0	
1515	Vehicles/Portable Equipment	40,000	0	-40,000	0	-40,000	Delay purchase of new vehicle to replace 1996 pickup truck to next year
1516	Water Company Facilities	10,000	10,000	0	20,000	10,000	Joint and crack repair at Brown Reservoir
1527	SCADA	11,000	29,853	18,853	51,000	40,000	
1528	Tanks and Reservoirs	0	0	0	0.00	0	
1530	Tools	0	1,343	1,343	0.00	0	
2400	Installment Purchase Agreement	128,854	128,912	58	133,574	4,720	Principle increases as installment payments are made
<b>Total Other Expenditures</b>		<b>210,354</b>	<b>199,668</b>	<b>-10,686</b>	<b>281,574</b>	<b>71,220</b>	
<b>NET CASH FLOW</b>		<b>1,863</b>	<b>208,585</b>	<b>206,722</b>	<b>263</b>	<b>-1,600</b>	



# Proposed Kinneloa Irrigation District 2019 Budget

Account	Account Description	2019 Budget
4000	Water Sales	1,500,000
4015	Wholesale Water Sales	85,000
4020	Service Charges	10,000
4035	Interest-Reserve Fund	15,000
<b>Total Income</b>		<b>1,610,000</b>
5000	Leased Water Rights*	63,135
5005	Electricity	125,000
5010	Maintenance Supplies	25,000
5011	Material and Labor for Installs	10,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	198,400
5016	Operations & Maintenance OT	9,000
5020	Stand-by Compensation	10,950
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	22,000
5030	Maintenance Contractors	125,000
5034	Equipment Maintenance	12,500
5035	Vehicle Maintenance	10,000
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	76,500
6000	Engineering Services	47,500
6005	Watermaster Services	12,000
6015	Administrative Salary	148,000
6017	Administrative Travel	3,000
6020	Board of Directors Compensation	5,600
6021	Administrative & Board Expenses	1,000
6022	Board of Directors Election	12,500
6024	Customer/Public Information	2,000
6025	PERS - KID	36,000
6030	Social Security - KID	29,000
6031	Medicare - KID	6,200
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	12,000
6045	Legal Services	15,000
6050	Telephone	4,500
6051	Mobile Telephone	1,500
6052	Pagers	500
6053	Internet Service	1,000
6059	Computer/Software Maintenance	12,000
6061	Office Equipment Maintenance	1,000
6065	Accounting Services	7,000
6070	Office & Accounting Labor	96,550
6075	Professional/Contract Services	28,000
6080	Administrative Fees	9,000
6081	Permits/Fees	15,000
6086	Sales Tax	500
6088	Interest Expense	66,628
6120	Bank Service Charges	6,500
<b>Total Expenses</b>		<b>1,328,163</b>
<b>NET REVENUES</b>		<b>281,837</b>

<b>Water Sales, Units</b>	232,199
<b>Usage Charge Per Unit</b>	\$4.43
<b>Annual Usage (Commodity) Revenue</b>	\$1,028,639
<b>Daily Service Charge</b>	\$2.20
<b>Annual Daily Service Charge Revenue</b>	\$471,361
<b>Annual Water Sales</b>	\$1,500,000
<b>Wholesale Water Sales</b>	\$85,000
<b>Other Annual Revenue</b>	\$25,000
<b>Total Revenue</b>	\$1,610,000
<b>Total Expenses</b>	\$1,328,163
<b>Net Revenues</b>	\$281,837
<b>Improvement Projects and Debt Service</b>	\$281,574
<b>Annual Net Cash Flow</b>	\$263
<b>Average Monthly Charge for Low Usage (10 units)</b>	\$112
<b>Average Monthly Charge for Medium Usage (50 units)</b>	\$289
<b>Average Monthly Charge for High Usage (100 units)</b>	\$511
<b>Reserve Fund Balance (Beginning)*</b>	\$1,764,102
<b>Reserve Fund Balance (Year End)*</b>	\$1,764,365

\*Reserve fund balance includes targets of \$100,000-\$200,000 for operating reserve, \$200,000-\$400,000 for emergency repairs, \$200,000-\$400,000 for replacement of existing facilities equipment and vehicles and \$500,000-\$4,500,000 for future capital improvement projects. The total target reserve fund range is \$1,000,000-\$5,500,000.

Rate History		
Effective Date	Daily Service Charge (Charge Per Average Month)	Usage Charge
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) 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
1/1/2015	1.7600 (\$53.53)	\$3.52
1/1/2016	2.0200 (\$61.44)	\$4.05
1/1/2017	2.0800 (\$63.27)	\$4.17
1/1/2018	2.1400 (\$65.09)	\$4.30
1/1/2019 (proposed)	2.2000 (\$67.53)	\$4.43

### Recommended Expenditures for Projects\*\*

1504	Water Mains	0	Engineering will start for a project in the 2020-2021 timeframe
1505	Water Tunnels	0	No tunnel projects are scheduled at this time
1509	Wilcox Well/Wilcox Booster	52,000	Replace 50 hp booster pump and motor and sandblast and paint pump stand
1511	Water Treatment Plant	6,000	
1512	Water Meters	9,000	Based on meter replacement rate and transmitters reaching end of 10-year life cycle
1513	Electrical/Electronic Equipment	5,000	
1514	Computer/Office Equipment	5,000	
1515	Vehicles/Portable Equipment	0	Delay purchase of vehicle to replace 1996 pickup truck until next year
1516	Water Company Facilities	20,000	Joint and crack repair at Brown Reservoir
1527	SCADA	51,000	Includes replacement of obsolete radios at 17 sites plus one spare
2400	Installment Purchase Agreement	133,574	Annual principle payment on project loan
<b>Total Other Expenditures</b>		<b>281,574</b>	
<b>NET CASH FLOW</b>		<b>263</b>	

\* Optional expense based on need for supplemental water and negotiation for leased water rights

\*\*Major projects will be prioritized during the year based on urgency and available funds and presented to the Board of Directors for approval.

**SURVEY OF FEES AND CHARGES FOR WATER SERVICE**

Rates are as of July 2018 for FMWD agencies. Kinneloa has the proposed rates as of 1/1/2019, Sierra Madre are the current rates and Pasadena has the proposed rates for 2018-2019 for service outside of city limits (Altadena and other unincorporated areas)

	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	City of Pasadena	City of Sierra Madre	Kinneloa Irrigation District
Monthly or Bimonthly	Monthly (billed bimonthly)	Monthly (billed bimonthly)	monthly	monthly	monthly	monthly	monthly	Monthly (billed bimonthly)	Monthly (billed bimonthly)	monthly
Service charges each meter size	3/4" - 25.28 1" - 37.71 1-1/2" - 68.78 2" - 106.08 3" - 224.17 4" - 398.21	5/8 & 3/4" - 24.28 1-1/4" & 1" - 50.33 1-1/2" - 93.75 2" - 145.86 3" - 310.87	\$26.25 service charge all sizes	\$29.90 monthly standby fee +\$5 for multiple dwelling \$3.75 monthly Catastrophic Loss Fund	5/8" - \$19.20 3/4" - 28.82 1" - 48.03 1-1/2" - 96.04 2" - 153.66 3" - 288.07 4" - 480.18	5/8 - \$27.55 3/4" - 27.55 1" - 33.00 1-1/2" - 36.75 2" - 45.50 over 2" - 49.95  \$10 each addl unit with only one meter	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	5/8 & 3/4" - \$27.87 1" - 52.95 1-1/2" - 109.24 2" - 251.09 3" - 613.09 4" - 942.21 6" - 1454.42 8" - 2365.42 10" - 3087.28	5/8 & 3/4" - \$39.84 1" - 53.50 1-1/2" - 76.27 2" - 103.59 3" - 167.34 4" - 248.48	\$67.53/month service charge all sizes
Commodity rates	Eff. 7/1/18 1 - 10 units @ \$4.83/unit (1 Unit = 1,000 gal) 11 - 26 Units @ \$7.61/unit 27 Units and over @ \$11.49/unit	Eff. 5/1/18 1st 14 units (ccf) \$3.30 ea 15 to 70 units @ \$4.19 ea Over 70 units @ \$4.68 ea	Eff. 1/1/2018 1 to 10 units \$3.49 ccf 11 to 20 units \$3.83 ccf 21 to 40 units \$4.40 ccf Over 40 units \$5.50 ccf  Foothill MWD Charge: \$0.53/unit (ccf) Energy Surcharge \$0.15 ccf	Eff. 5/1/18 1 to 7 units (ccf) \$3.30 ea* 8 to 20 units @ \$3.81 ea 21 to 40 units @ \$4.19 ea 41 units and over @ \$4.61 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..)	Eff. 5/1/18 \$5.32/unit (ccf)	Eff. 6/1/2018 1 - 12 units (ccf) \$2.95 13 - 26 units (ccf) \$3.50 27 units and over \$3.95	Eff. 1/1/17 1 - 50 Units (ccf) @ \$4.282/unit 51 to 100 units @ \$4.677/unit 100 units and over @ \$5.471 ea	Proposed 2018-2019 1st 8 units (ccf) \$2.51 ea 9 to 15 units @ \$3.73 ea 16 to 19 units @ \$4.43 ea  greater than 20 units @ \$5.25 ea  A capital improvement charge of \$1.25 per unit is included in above commodity rates. However, rates do not include purchased water adjustment, utility users' tax of 7.67% or other fees.	Eff. 7/1/2018 1st 11 units (ccf) \$2.69 ea 12 to 33 units @ \$3.47 ea 34 to 66 units @ \$4.08 ea  greater than 66 units @ \$5.55 ea  non-residential uniform @ 3.89 ea.	Proposed 1/1/19 \$4.43/unit (ccf)
Water system connection charge	Eff. 7/1/18 \$4,200 per EDU		N/A			N/A	N/A	Main fees plus costs		Proposed 1/1/19 \$3,000 per EDU effective 1/90
Fire service line	Eff. 7/1/18 1" - 7.41 2" - 10.43 3" - 20.59 4" - 36.37 6" - 93.02 8" - 190.73 10" - 337.70	same as meter charge	same as meter charge	\$35.00/mo	4" - 26.58 6" - 39.93	\$30	same as meter charge		2" - 6.29/ccf 4" - 38.95/ccf	same as meter charge
<b>OTHER CHARGES</b>										
Temporary construction meter	\$1,000 Deposit \$25 Non-refundable Fee Commodity rate - Tier 2	\$1000.00 deposit \$100 setup charge 3 tier commodity rates	\$700 deposit \$45/mo. rental \$3.25/ccf	\$1500 deposit \$4.61/ccf +\$5.00/day	\$1,200 deposit \$153.66/mo + ccf charge	\$1800 deposit \$50/week + water usage	\$1500 deposit + \$35 setup +\$15/mo +Commodity Rate			\$850 deposit +\$8.60/ccf \$100 minimum
Turn-on fee -- delinquency	\$75 during office hours \$125 after hours	\$100.00	\$50.00	\$50.00 reconnection \$100.00 after hours	\$20.00	\$50.00 reconnection	Total bill + \$50.00			\$50.00
Turn-on fee -- new service/owner	\$100 Deposit for renters \$40 during office hours \$60 outside of office hours	\$10.00	0	\$200 dep for owner \$350 dep for renter	Renter-\$34 deposit on acct	Handled through escrow	\$5 - owner Renter-\$65 deposit +\$5		\$51--\$83	\$50.00
Delinquency penalty	\$25.00	None	\$10.00	\$15.00	2 mo avg bill on deposit	\$10.00	\$50.00 + total bill		\$94 deposit	\$15/month plus 10% interest
Fire flow tests	\$300.00	\$250.00 Supervision of Test	\$100	\$200.00	Mkt Price	\$120	\$50.00	\$200.00		\$900.00
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	\$5,000-\$15,000	0	billed for permits, materials, & \$75/hr labor	Labor & Material	actual cost	3/4" and 1" - \$674 minimum or actual cost with \$3,065-\$4,508 deposit 1 1/2" and 2" - \$907-\$1,143 minimum or actual cost with \$5,365-\$5,506 deposit	all sizes  time & material +15%
Other	\$35 returned check	\$10 returned check	\$12 returned check	\$150 non-emerg.call \$50 meter test \$30 returned check \$15 autopay returned item	move a service -time & mat. CPUC Fee -> .01168 * entire bill \$15-ret'd check	\$30 returned check After Hours \$70	move a service -time & mat. of new service \$15-ret'd check			\$30 returned check
<b>MUTUALS</b>										
Stock transfer fee			\$75	\$100		\$75	\$50			
Affidavit of lost stock			0	\$100		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						6/1/2019				1/1/2020
Drought Surcharge	No			None as of yet		No	+4.597/unit, +35 units			
Low Income Discount	No	No	No	No	No	No	No	Yes	Yes	No
Approximate number of connections	8,000	2,900	1,400	4,500	710	3,100	3,580	56,000	4,750	584
Monthly Charge for Low Usage (10 units)*	\$84.20	\$87.78	\$67.95	\$64.43	\$101.23	\$62.50	\$58.77	\$105.45	\$83.91	\$111.83
Monthly Charge for Medium Usage (50 units)*	\$419.25	\$262.73	\$276.45	\$240.43	\$314.03	\$204.50	\$230.05	\$315.45	\$268.14	\$289.03
Monthly Charge for High Usage (100 units)*	\$848.98	\$496.73	\$585.45	\$470.93	\$580.03	\$402.00	\$463.40	\$577.95	\$545.64	\$510.53

\*Monthly charges shown above are based on 1" meter which is the most common size used in the Kinneloa Irrigation District. Monthly charges increase substantially for larger meters for agencies that base service charges on meter size. Also water agencies that read meters bi-monthly and bill bi-monthly base the charges on two months of usage which usually moves the customer into higher tier rates. For example a customer that uses 10 units per month and 20 units for two months will be billed for the first 10 units at lowest tier rate and 10 units at the next higher tier rate. Since cities usually add other taxes and fees to the bill such as capital improvement fees and utility users' tax, comparison of rates is difficult. Crescenta Valley's typical monthly charges have been adjusted to reflect the difference in billing units (1000 gallons vs. ccf) so that the typical charges are uniform for all agencies.