

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY – SEPTEMBER 16, 2008
7:30 P.M.

AGENDA

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

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

- 3. SECOND READING PROPOSED 2009 BUDGET**

- 4. DISCUSSION AND APPROVAL OF MEETING NOTICE FOR PROPOSED RATE INCREASE**

- 5. GENERAL MANAGER'S REPORT**

- 6. REVIEW OF MINUTES** – Regular Meeting – August 19, 2008

- 7. REVIEW OF FINANCIAL REPORTS** – August 31, 2008

- 8. ITEMS FOR NEXT AGENDA**

- 9. CALENDAR – Regular Meeting** – October 21, 2008
November 18, 2008
December 16, 2008

- 10. 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.
Materials related to an item on this agenda submitted after distribution of the Agenda Packet are available for public review at the District Office.

Kinneloa Irrigation District 2009 Budget

Monthly Service Charge \$41.00

Commodity Charge \$2.55 per CCF

Account	Account Description	2009 Budget
4000	Water Sales	1,075,795
4020	Invoice Sales	10,000
4035	Interest-LAIF	25,000
4050	Capacity Charge	12,000
Total Income		1,122,795
5005	Power	90,000
5010	Maintenance Supplies	20,000
5012	Safety Equipment	2,000
5015	Maintenance Labor	180,000
5020	Stand-by	7,500
5022	Training/Certification	2,400
5025	Water Treatment/Analysis	22,000
5030	Outside Contractors	50,000
5034	Equipment Maintenance	3,000
5035	Vehicle Maintenance	7,000
5036	Fuel - All Equipment	10,000
5040	Equipment Rental	500
5045	Insurance-Workers Comp.	15,000
5046	Insurance-Liability	15,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	40,000
6000	Engineering	15,000
6005	Watermaster	8,000
6010	Telemetry	850
6015	Administrative Salary	102,900
6017	Administrative Travel	5,000
6018	Administrative PERS	7,500
6020	Board of Directors Compensation	7,000
6021	Administrative Exp.	2,500
6024	Customer/Public Information Prog.	4,000
6025	PERS - KID	13,900
6030	Social Security - KID	25,500
6035	Office Supplies	9,000
6036	Postage/Delivery	6,000
6040	Professional Dues	7,000
6045	Legal	10,000
6050	Telephone	5,000
6051	Cellular Telephone	2,500
6052	Pagers	1,800
6053	Internet Service	1,000
6059	Computer/Software Maintenance	10,000
6061	Office Equipment Maintenance	1,000
6065	Accounting	7,000
6070	Office Labor	50,000
6075	Outside Services	20,000
6081	Permits/Fees	2,500
6120	Bank Service Charges	3,000
Total Expenses		794,850
NET REVENUES		327,945

<i>Water Sales, Units</i>	306,116
<i>Rate Per Unit</i>	\$2.55
<i>Annual Commodity Revenue</i>	\$780,595
<i>Monthly Service Charge</i>	\$41.00
<i>Annual DSC Revenue</i>	\$295,200
<i>Total Annual Water Sales</i>	\$1,075,795
<i>Total Annual Revenue</i>	\$1,122,795
<i>Total Expenses</i>	\$794,850
<i>Capital Improvements</i>	\$345,000
<i>Annual Net Cash Flow</i>	-\$17,055
<i>Average Monthly Charge for Low Usage Customer</i>	\$66
<i>Average Monthly Charge for Medium Usage Customer</i>	\$168
<i>Average Monthly Charge for High Usage Customer</i>	\$676
<i>Reserve Account Balance (Beginning)</i>	\$450,000
<i>Reserve Account Balance (Year End)</i>	\$432,945

Notes to Budget

1. Water sales based on 306,116 billing units which is the same as for 2008. Conservation by customers could lower this amount.
2. No income from wholesale water sales is expected.
3. Capacity charge is based on service connections to four new homes.
4. No expense has been budgeted to purchase water. Possible action by the Raymond Basin Management Board to reduce pumping might make it necessary to purchase water.
5. No expense has been budgeted for the 2009 election of Directors. The invoice from the County of Los Angeles (if any) would be received in 2010.
6. Southern California Edison has applied to the PUC for a rate increase. If approved, the budgeted amount for power may need to be increased in future years.

Recommended Expenditures for Capital Improvement and Preventative Maintenance Projects (Subject to Board Approval)

1504	Mains	150,000	Kinneloa Mesa Pipeline (Carried Over From 2008)
1511	Water Treatment Plant	10,000	Water Treatment Plant Improvements
1512	Meter Replacement	20,000	Meter Replacement (Continuing)
1513	Electrical Equipment	20,000	Generator Transfer Switch and Other Electrical Projects
1514	Computer/Office Equipment	5,000	Replace Aging Computers and Other Equipment (Continuing)
1515	Equipment	20,000	Standby Generator for Office
1517	Facilities	30,000	Reservoir Roof Coating and Other Facility Projects
1527	SCADA	15,000	SCADA Improvements
1528	Tank and Reservoir Maintenance	75,000	Tank Maintenance Contract and Reservoir Inspection (Continuing)
Total Other Expenditures		345,000	
NET CASH FLOW		-17,055	

September 17, 2008

Meeting Notice

Dear Property Owners and Customers,

In order to maintain the safety and reliability of our water delivery system, the Kinneloa Irrigation District has needed to continually invest in renovating and upgrading our water production, treatment and delivery infrastructure. The Board of Directors, consultants and staff have developed and approved a Master Plan to accomplish these major replacement and maintenance projects to be implemented gradually over a 20-year period.

Since revenue from water sales is the only source of income to the District, water rates have been periodically raised to provide funding for these projects in addition to allowing for the increase in general and operating costs. We continue to review and refine the Master Plan as well as perform an annual review of operating expenses in preparation of the budget.

The Board of Directors of the Kinneloa Irrigation District approved the budget for the calendar year of 2009 at its regular meeting on September 16, 2008. The approved budget reflects a proposed increase in the district's water sales revenue of approximately 7.6%. Since there was no increase in 2007, the proposed 2009 adjustment represents an annual increase of 3.8% which is slightly below the rate of inflation in the greater Los Angeles area as measured by the Consumer Price Index.

The proposed increase in the commodity (water usage) charge is 13¢ per unit (one unit equals 100 cubic feet or 748 gallons) from \$2.42 to \$2.55. The proposed increase in the monthly service charge is \$5.00 from \$36.00 per month to \$41.00 per month. The total increase if adopted would be approximately \$6.00 per month for the typical low usage customer (10 units) or approximately \$11.00 per month for the typical medium usage customer (50 units) or \$35.00 for the typical high usage customer (250 units).

We are notifying you that the Board of Directors will consider and establish water rates for 2009 at its meeting at 7:30 p.m. on November 18, 2008 at the District's office at 1999 Kinclair Drive, Pasadena 91107. The Board will consider oral and written comments from the public at this meeting prior to adopting any increase in the District's rates.

RESOLUTION 2008-11-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KINNELOA IRRIGATION DISTRICT ESTABLISHING RATES FOR SERVICE AND COMMODITY CHARGES EFFECTIVE JANUARY 1, 2009

WHEREAS, the Board of Directors of this District has the statutory responsibility and authority to set rates and charges at a level adequate to meet the District's operating expenses and reserve requirements; and

WHEREAS, the Board has approved a budget for 2009 after consideration of projected operating and capital expenses and wishes to establish water rates for 2009 as reflected in the budget.

NOW THEREFORE, IT IS RESOLVED that the Board adopts a service charge of \$41.00 (forty one dollars) per month (\$1.3479 per day); and a commodity charge of \$2.55 (two dollars and fifty five cents) per unit (100 cubic feet or 748 gallons) effective for water used on and after January 1, 2009 and reflected on bills received in February 2009;

RESOLVED FURTHER, that the General Manager is directed to insert the changed rates in the Rules and Regulations and other documents maintained by the District.

PASSED, APPROVED AND ADOPTED THIS EIGHTEENTH DAY OF NOVEMBER 2008.

SIGNED: _____
Chair

ATTEST: _____
Secretary

General Manager's Report

September 16, 2008

I. Projects

- A. Ranch Top Road Interconnection – This companion project to the Fairpoint Interconnection is completed. The Kinneloa Irrigation District will receive emergency water if needed via this interconnection from the City's Don Benito reservoir. This 2-way interconnection will also provide Pasadena emergency water from our Vosburg Reservoir.
- B. Truck Replacement Project – The truck is completed and we expect to take delivery in the next couple of weeks after final processing by Wondries Fleet Division. This unit will replace the 1989 Chevrolet which will be sold.
- C. Kinneloa Mesa Pipeline Project – Revised Plans and Specifications have been received from SA Associates and are currently under review. Bidding packages will be distributed ASAP after final corrections are made.
- D. Doyne Road Development – The developer has started grading of this 8-home development and will be constructing streets and other infrastructure. This work is expected to take a year or longer. We will discuss the water system construction agreement with the developer upon his request. The District's Rules and Regulations require the developer to deposit funds to cover the preparation of detailed plans and specifications for the bidding package and to deposit construction funds after awarding of the contract to the successful bidder. The District will manage the construction project.

II. Customer Service Issues for August

- A. Kinclair Drive – Neighbor reported leak on customer's sprinkler system. Brian found broken line and turned off the water at the meter since customer was out of the country and the house was not occupied. We made contact with a relative who arranged for a plumber to fix the problem.
- B. Ranch Top – Customer reported large amount of water running down his driveway. No water was flowing when I arrived on scene. I tested his sprinklers but no leak was found. I provided a meter shutoff key to the customer in case problem reoccurred.
- C. Trevan Road – Customer requested assistance in turning off water to fix broken garden valve.
- D. Sierra Madre Villa – Customer concerned about high water bill. We found that the meter was flowing with all water turned off to house. Customer informed to check for leaks in sprinkler system.

- E. Brambling Lane – Customer requested that water be turned off to facilitate replacement of a sprinkler valve.

III. Office Operations

A. Delinquent Accounts

- 23 accounts received 10 day letters
- 8 accounts received 5 day letters
- 1 account received 24-hour shut off notice
- 0 accounts shut off

IV. Meetings and Conferences

A. Foothill Municipal Water District Board Meeting

- B. RBMB meetings – Pasadena Sub-Area Safe Yield Sub-Committee considered proposals to voluntarily cut back pumping and/or possible suspension of the long term storage program until the level in the basin is stabilized and/or replenishment water becomes available. Two possible recommendations by the committee to the Board are as follows:

1. Cut back fiscal year 2009-2010 and subsequent fiscal year pumping rights 30-35% from the 1955 rights to approximate the 1944 court-adjudicated “safe yield” rights and allow agencies to pump any existing accumulated long term storage up to a total annual pumping level no greater than specified in the 1955 modification and then eliminate the long term storage program. No additions to long term storage would be allowed in the interim period. Inter-agency lease or sale of unused rights would continue to be permitted at prices to be negotiated between agencies. Review strategy annually and adjust as needed to stabilize basin levels.
2. Cut back annual fiscal year pumping rights 5% per year until basin levels are stabilized. Freeze (but not eliminate) long term storage program until basin levels are stabilized and/or replenishment water becomes available. Review the results annually. Lease or sale of unused rights would continue to be permitted.

Staff will present additional information on these and other possible scenarios at the next meeting on October 2, 2008. According to the RBMB’s engineering consultant, none of the proposals considered so far would stop the decline in basin levels unless imported replenishment water becomes available.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
AUGUST 19, 2008**

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

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

CALL TO ORDER: The meeting was called to order by the Chair, Director Barkhurst, at 1930 hours. He noted that there was a quorum of the Board present. The Agenda was unanimously approved as presented.

PUBLIC COMMENT: No one from the Public wished to comment at this time.

REVIEW OF ARTICLE 14 – APPENDIX A & G-RULES & REGULATIONS

Director Barkhurst requested comments from the Board regarding the content of Article 14 and Appendix A and G.

Director Kilburn suggested that a discussion be held regarding an addition to the Conflict of Interest Code that Director Barkhurst had included in the Board Packet having to do with the encouragement of Board Members to seek advice from the District's Attorney when they wished to do so regarding compliance with the Conflict of Interest and Disclosure Code. She stated that she thought it should be modified to address any personal questions.

Director Barkhurst replied that he would prefer that it be kept to the Conflict of Interest Code as that is where the personal liability is concerned, and that Appendix G clearly confirms the principle that the Kinneloa Irrigation District Board governs collectively whereas the General Manager manages individually with appropriate consultation with the Board. He stated that it was his intent to make an exception to that principle and permit an individual Board Member to consult with the Attorney only with questions regarding compliance with the Conflict of Interest Code and Disclosure Code.

It was M/S/C - (Sorell/Pickard-5/0) - **“That the Board resolves Board Members are encouraged to individually contact the Attorney with any questions regarding compliance with the Conflict of Interest and Disclosure Code and that this resolution shall be incorporated into the Rules and Regulations Manual as Exhibit C of Appendix A of Article V.”**

Director Barkhurst asked if there were further comments or questions on the content of Appendix A & G.

Directors Pickard stated that he noted a few typographical errors.

Director Sorell stated that he had noted several errors.

Director Barkhurst requested that those errors be given to the Administrative Assistant for correction at a later date.

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REVIEW OF ARTICLE 14 (continued)

Director Sorell stated that beside the typographical errors he would suggest that the Manager be responsible for safeguarding District property including securing appropriate insurance for that property.

2009 BUDGET

Director Barkhurst stated that the review of the proposed Budget at this meeting would be considered as a first reading and that at the next meeting, if the Board approves the budget as presented, it could be given a final reading and considered for final approval.

Director Sorell then reviewed the proposed budget noting that it –

- is fairly close to last year's budget
- represents approximately a 4% overall increase
- proposes --the same amount of water sales as last year
 - capital expenditures of \$350,000
 - \$800,000 of other expenses
 - \$1.1 million dollars in revenue
 - electrical expense of \$90,000, above this year's forecast, but below the budget
 - maintenance labor increase of about 10%, small increase above current forecast
 - a rate increase of 5% in commodity charge and \$5.00 increase in daily service charge which will raise approximately \$75,000 and is needed to keep reduction of reserves under \$20,000.

Director Griffith questioned whether an amount should be budgeted for purchased water and the **General Manager** stated that if water needs to be purchased he would reduce the amount of capital expenditures for the year so that the overall budget would remain the same.

Director Sorell noted that if water has to be purchased at a cost that would exceed the amount the District now charges than the rate structure would have to be changed.

Director Barkhurst noted that if the Board approves a rate increase then proper notification will have to be given.

The **General Manager** stated that the District is required to send out a notice to all rate payers which could be included with the water bill and that if the proposed rate increase is affirmed by the Board than the public hearing could be scheduled for the October Meeting.

Director Barkhurst requested comments from the Board regarding the proposed rate increase and the report that had been generated delineating customer usage. Following a general discussion there was a consensus among Board Members that there would be a second reading of the proposed budget at the September Board Meeting.

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GENERAL MANAGER'S REPORT

The **General Manager** reviewed his report noting that the Kinneloa Mesa Pipeline Project design is dragging a bit due to vacations and about a month has been lost from the original timeline but he hopes a bid package will be ready in September.

Director Griffith questioned as to when the design drawings would be back from the Engineer and the **General Manager** replied that he expected them anytime.

Director Kilburn questioned whether the Mesa Pipeline Project would have any effect on the Doyme Road Development and the **General Manager** replied it would not change the pipeline as planned for Doyme Road as the Developer has stated that the homes will be below 5000 Sq. Ft. and that that the grading will take from twelve to eighteen months.

Director Griffith questioned whether, from the end of the Kinneloa Mesa Pipeline Project on Doyme Road, anything that is needed for water in the Doyme Road Development would be paid for by the Developer.

The **General Manager** stated that the Developer's improvements will include a pipeline extending from the Gate on Kinneloa Canyon Road and also a Booster and Pipeline up to the development from the Wilcox Reservoir. He noted that the last time he had estimated the project it was over \$800,000 and with current costs he expects the project to be over one million dollars.

Director Griffith questioned whether the fire flow would be 1200 GPM and the **General Manager** replied that it would supply 1250 GPM.

Director Kilburn questioned whether the Developer knows the costs for the improvements and the **General Manager** replied that he knew about the \$800,000 four years ago.

Director Griffith questioned whether Terry Kerger had designed the project originally and the **General Manager** replied that Mr. Kerger had developed the original concept of the plan as to what improvements to the water system would be needed. He further explained that those improvements are subject to negotiations and if any changes needed to be made the project would be brought back to the Board for consideration.

Director Griffith questioned whether anyone had determined what water is available and how many additional services the District could provide.

The **General Manager** stated that several studies have been done that took into account all available sites, including the Doyme Road property.

The **General Manager** gave the following report of the last meeting of the Raymond Basin Pasadena Sub-Area Group noting that

--Not all areas in the Raymond Basin are suffering the decline in pumping levels as this problem is more on the east side of the Basin

--A suggested first step to reduce the decline in the water levels was to freeze long term storage

--Another proposed suggestion was to reduce pumping rights back to the 1944 adjudicated rights which would be approximately a 35% reduction

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GENERAL MANAGER'S REPORT(continued)

- A report that Chris Burt found in the District's files done in 1971 by Engineers from Department of Water Resources indicated that they knew the basin was being "mined" and predicted this decline unless replenishment was accelerated.
 - By increasing the pumping rights with the 1955 Court action and adding long term storage at a later date really accelerated this predicted decline
 - Whatever decision is made by the Board regarding voluntary efforts to decrease pumping there could always be court challenge if any pumper is unhappy with the decision, but currently there appears to be a spirit of cooperation.
 - The Engineer proposes a 50% reduction in order to prevent further decline of the water
 - Weather patterns are no longer an important factor as natural replenishment is adversely affected by the increase in paved surfaces, development of sewer systems, and water continuing to flow into storm drains.
 - All these predictions that were made sixty years ago were known and essentially ignored until now so that we are in a crisis mode
 - Now the only long term solution is to convert the basin to a replenishment basin and bring in outside water at an unknown cost and this would require each pumper to replace whatever they pump in order to avoid further decline of the water level.
- He ended his report stating that
- he is exploring a connection between Kinneloa and the Foothill Municipal Water District
 - the price of that water currently is in excess of \$700 an acre foot as Foothill adds their operational expenses to the cost of the MWD water.
 - If replenishment water is obtained through a direct member such as Pasadena the charge would be the MWD cost per acre foot but that cost is continuing to go up as MWD is also scrambling for water and the availability of replenishment water is uncertain.
 - Ultimately whatever happens will depend what happens with MWD rather than locally.

REVIEW OF MINUTES

The minutes of July 15 were reviewed and approved as presented.

REVIEW OF FINANCIAL REPORTS

Director Sorell reviewed the reports noting that

- A refund check had been received from the insurance carrier and the **General Manager** explained that this occurs every few years depending upon the District's experience and the number of claims that are submitted.

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REVIEW OF FINANCIAL REPORTS (continued)

- There appeared to be no electrical expense this month on the check register and the **General Manager** explained that there were probably two payments made in June and that the proper monthly expense is reflected on the income statement which is presented on the accrual basis.
- Credit card expense was higher than usual and requested that the detail be supplied when the expense is large noting that certain items may have to be capitalized.
- Gasoline expense may need to be increased in next year's budget
- A security analysis is a new charge and the **General Manager** stated that he has contracted for a one time security analysis to get an evaluation of the District's vulnerability and obtain recommendations as to what needs to be improved.
- A payment to Doreck Construction for City of Pasadena permits. The **General Manager** stated that he had made a personal commitment to him that the District would pick up this expense due to the unexpected nature and that no work in Pasadena was in any of the bid documents.

Director Griffith stated that in the future he thought that all contracts should contain verbiage that put the responsibility of obtaining and paying for the appropriate permits on the contractor. The **General Manager** stated that this responsibility is already in our standard bidding documents.

Director Griffith questioned as to why there was not a combined billing for the phone services and the **General Manager** replied that they charge for that service.

Director Sorell stated that if all the billings were from different carriers he could understand the charge but not if the billings were all from the same carrier and the **General Manager** stated that he had explored the combined billing and they would not remove the charge.

The Financial Reports were then approved for filing as presented.

ITEMS FOR NEXT AGENDA

- Second Reading of Proposed 2009 Budget
- Approval of Proposed Rate Increase
- Mesa Pipeline Project

ADJOURNMENT

The meeting was adjourned at 2042 hours and the next meeting will be on September 16, 2008.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board

2008 AGED RECEIVABLES REPORT

ACCOUNTING PERIOD	TOTAL BALANCE	CURRENT PERIOD	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	OVER 120 DAYS	Penalty Charges	Interest Charges
JANUARY*	\$63,445	\$49,587 580 Accts.	\$10,620 105 Accts.	\$1,954 21 Accts.	\$493 9 Accts.	\$791 2 Accts.	\$570.00 38 Accts.	\$57.76
FEBRUARY**	\$38,863	\$28,139 180 Accts.	\$7,918 72 Accts.	\$1,573 19 Accts.	\$442 8 Accts.	\$791 2 Accts.	\$495.00 33 Accts.	\$47.84
MARCH	\$22,659	\$13,132 193 Accts.	\$7,186 77 Accts.	\$1,369 18 Accts.	\$184 4 Accts.	\$788 2 Accts.	\$465.00 31 Accts.	\$38.68
APRIL	\$40,774	\$32,502 291 Accts.	\$5,890 61 Accts.	\$1,116 13 Accts.	\$340 6 Accts.	\$927 2 Accts.	\$285.00 19 Accts.	\$22.53
MAY	\$45,788	\$34,890 216 Accts.	\$8,760 76 Accts.	\$1,043 16 Accts.	\$242 4 Accts.	\$854 2 Accts.	\$360.00 24 Accts.	\$35.64
JUNE	\$45,749	\$31,632 219 Accts.	\$11,068 77 Accts.	\$1,550 16 Accts.	\$470 7 Accts.	\$1,028 3 Accts.	\$435.00 29 Accts.	\$44.77
JULY	\$33,920	\$19,918 174 Accts.	\$11,104 76 Accts.	\$1,585 18 Accts.	\$380 6 Accts.	\$933 2 Accts.	\$450.00 30 Accts.	\$54.22
AUGUST	\$72,780	\$62,211 180 Accts.	\$7,267 63 Accts.	\$2,110 22 Accts.	\$244 5 Accts.	947.37 1 Acct.	\$480.00 32 Accts.	\$48.40
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER								
						Totals	\$3,540.00	\$349.84

*Jan. balance is after billing on February 8 -- All other balances are as of month end before billing for water sales for the month

** Feb. balance does not include credits after February 8

Kinneloa Irrigation District
Income Statement
For the Eight Months Ending August 31, 2008

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
4000 Water Sales	\$ 121,245.12	\$ 128,770.00	\$ 671,919.28	\$ 675,410.00
4020 Invoice Sales	0.00	416.67	11,723.95	3,333.36
4030 Interest-General Fund Checking	1.17	4.17	10.43	33.36
4035 Interest-General Fund Savings	0.00	0.00	22,516.24	15,000.00
Total Revenues	121,246.29	129,190.84	706,169.90	693,776.72
Expenses				
5005 Power	9,929.26	13,000.00	54,392.67	82,000.00
5010 Maintenance Supplies	715.98	1,666.67	15,451.66	13,333.36
5012 Safety Equipment	0.00	0.00	1,823.65	2,000.00
5015 Maintenance Labor	12,777.35	14,333.33	101,393.10	114,666.64
5020 Stand-by	720.00	625.00	4,950.00	5,000.00
5022 Training/Certification	0.00	200.00	1,257.55	1,600.00
5025 Water Treatment/Analysis	1,654.58	1,666.67	13,951.51	13,333.36
5030 Maintenance Contractors	8,164.17	4,000.00	53,056.04	32,000.00
5034 Equipment Maintenance	0.00	250.00	2,089.77	2,000.00
5035 Vehicle Maintenance	0.00	750.00	2,458.15	6,000.00
5036 Fuel - All Equipment	722.29	708.33	5,711.88	5,666.64
5045 Insurance-Workers Compensation	0.00	0.00	6,015.90	12,000.00
5046 Insurance-Liability	1,229.00	1,250.00	7,326.90	10,000.00
5048 Insurance-Property	166.00	208.33	1,376.75	1,666.64
5049 Insurance-Medical	3,063.12	3,583.33	24,422.42	28,666.64
6000 Project Engineering	0.00	1,250.00	2,245.00	10,000.00
6005 Watermaster	901.33	666.67	5,802.68	5,333.36
6010 Telemetry	65.70	70.83	516.14	566.64
6015 Administrative Salary	8,195.16	8,195.16	63,061.32	65,561.28
6017 Administrative Travel	0.00	333.33	2,013.17	2,666.64
6018 Administrative PERS	564.33	564.34	4,845.69	4,501.70
6020 BofD Compensation	500.00	500.00	3,900.00	4,600.00
6021 Administrative Exp.	0.00	208.33	1,003.42	1,666.64
6022 BofD-Election	0.00	0.00	12,501.89	0.00
6024 Customer/Public Info. Prog.	0.00	333.33	1,524.85	2,666.64
6025 PERS - KID	826.98	1,006.25	8,987.69	8,050.00
6030 Social Security - KID	1,979.83	2,170.00	15,569.35	17,360.00
6035 Office Supplies	68.07	750.00	4,447.76	6,000.00
6036 Postage/Delivery	240.58	500.00	2,480.51	4,000.00
6040 Professional Dues	370.42	583.33	2,809.34	4,666.64
6045 Legal	0.00	833.33	2,692.32	6,666.64
6050 Telephone	390.59	416.67	3,413.72	3,333.36
6051 Cellular Telephone	147.29	208.33	1,107.69	1,666.64
6052 Pagers	132.22	150.00	1,045.16	1,200.00
6053 Internet Service	69.89	83.33	619.21	666.64
6059 Computer/Software Maintenance	0.00	833.33	2,732.76	6,666.64
6061 Office Equipment Maintenance	0.00	83.33	1,063.60	666.64
6065 Accounting	0.00	1,000.00	6,200.00	7,000.00
6070 Office Labor	3,687.62	4,000.00	30,216.58	32,000.00
6075 Outside Services	748.74	1,666.67	9,636.50	13,333.36
6081 Permits/Fees	1,725.00	208.33	7,261.01	1,666.64
6120 Bank Service Charges	365.81	100.00	1,415.36	800.00
Total Expenses	60,121.31	68,956.55	494,790.67	543,239.38
Net Income	61,124.98	60,234.29	211,379.23	150,537.34

Kinneloa Irrigation District
Income Statement
For the Eight Months Ending August 31, 2008

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Other Expenditures				
1200 Inventory	0.00	0.00	3,883.58	0.00
1504 Mains	0.00	0.00	178,267.68	125,000.00
1511 WaterTreatment Plant	0.00	0.00	13,844.86	13,000.00
1512 Trans. & Dist. Plant Meters	316.09	833.33	17,626.57	6,666.64
1513 Electrical/Electronic Equip.	0.00	833.33	24,060.79	6,666.64
1514 Computer/Office Equipment	0.00	416.67	3,000.00	3,333.36
1515 Trucks and Equipment	0.00	0.00	65,818.90	113,000.00
1516 Water Company Facilities	0.00	0.00	620.59	10,000.00
1523 Construction in Progress	0.00	0.00	(128,391.75)	0.00
1527 SCADA	0.00	0.00	28,240.03	10,000.00
1528 Tanks and Reservoirs	5,891.26	6,250.00	47,130.08	50,000.00
Total Other Expenditures	6,207.35	8,333.33	254,101.33	337,666.64
Total Increase or (Drawdown)	\$ 54,917.63	\$ 51,900.96	\$ (42,722.10)	\$ (187,129.30)

Steven Sorell, Treasurer _____

Kinneloa Irrigation District
Balance Sheet
August 31, 2008

ASSETS

Current Assets

1000	Checking-Bank of the West	\$ 3,887.11
1010	Checking-Wells Fargo Bank	85,161.29
1012	Savings Account-LAIF	478,297.32
1013	Savings-LAIF Reserve Fund	250,000.00
1100	Accts. Receivable-Water Sales	72,779.64
1101	Accts. Receivable-Invoices	2,298.66
1190	Allowance for Bad Debts	(1,881.57)
1200	Inventory	23,883.63
1340	Accrued Water Sales	121,245.72
1350	Prepaid Insurance	2,344.20
1360	Prepaid Expenses	12,792.95
		<hr/>
	Total Current Assets	1,050,808.95

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Mains	1,188,444.80
1505	Water Tunnels	705,985.75
1506	K-3 Well	70,233.86
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well	71,312.70
1510	Interconnections	14,203.27
1511	Water Treatment Plant	172,044.97
1512	Trans. & Dist. Plant Meters	72,359.16
1513	Electrical/Electronic Equip.	201,959.35
1514	Computer/Office Equipment	48,430.51
1515	Trucks and Equipment	158,304.85
1516	Water Company Facilities	37,210.85
1517	Hidden Valley Office	51,362.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	471,817.81
1526	Vosburg Booster	12,590.00
1527	SCADA	163,315.55
1528	Tanks and Reservoirs	129,699.33
1529	Holly Tanks	181,113.76
1600	Accum. Depreciation	(1,968,472.95)
		<hr/>
	Total Property and Equipment	3,998,741.47
		<hr/>
	Total Assets	\$ 5,049,550.42
		<hr/> <hr/>

Kinneloa Irrigation District
Balance Sheet
August 31, 2008

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 11,082.38	
2260	Med./Dental-Withhold-Employee	252.84	
2271	Deposits-Construction Meters	1,700.00	
2273	Job Deposits-Doyne Rd.	5,497.68	
2290	Accrued Vacation	10,525.70	
	Total Current Liabilities		29,058.60

Long-Term Liabilities

	Total Long-Term Liabilities		0.00
	Total Liabilities		29,058.60

Capital

3040	Fund Balance	4,809,112.59	
	Net Income	211,379.23	
	Total Capital		5,020,491.82
	Total Liabilities & Capital		\$ 5,049,550.42

Steven Sorell, Treasurer _____

Statement of Cash Flow
For the Eight Months Ended August 31, 2008

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 61,124.98	\$ 211,379.23
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(38,860.10)	66,418.88
1200 Inventory	0.00	(3,883.58)
1350 Prepaid Insurance	1,395.00	9,228.75
1360 Prepaid Expenses	1,271.75	(3,121.98)
2000 Accounts Payable	1,143.49	(21,376.14)
2250 PERS Withholding-Employee	0.00	(1,163.98)
2260 Med./Dental-Withhold-Employee	1.44	2.88
2271 Deposits-Construction Meters	1,700.00	850.00
2272 Job Deposits	0.00	(9,189.38)
2277 New York Drive Retention	0.00	(10,743.00)
	(33,348.42)	27,022.45
Net Cash provided by Operations	27,776.56	238,401.68
 Cash Flows from investing activities		
<i>Used For</i>		
1504 Mains	0.00	(178,267.68)
1511 Water Treatment Plant	0.00	(13,844.86)
1512 Trans. & Dist. Plant Meters	(316.09)	(17,626.57)
1513 Electrical/Electronic Equip.	0.00	(24,060.79)
1514 Computer/Office Equipment	0.00	(3,000.00)
1515 Trucks and Equipment	0.00	(67,118.90)
1516 Water Company Facilities	0.00	(620.59)
1527 SCADA	0.00	(28,240.03)
1528 Tanks and Reservoirs	(5,891.26)	(47,130.08)
	(6,207.35)	(379,909.50)
Net cash used in investing	(6,207.35)	(379,909.50)
 Cash Flows from financing activities		
<i>Proceeds From</i>		
<i>Used For</i>		
	0.00	0.00
Net cash used in financing	0.00	0.00
Net increase (decrease) in cash	\$ 21,569.21	\$ (141,507.82)
 Summary		
Cash Balance at End of Period	\$ 938,591.44	\$ 938,591.44
Cash Balance at Beg. of Period	(917,022.23)	(950,407.51)
	21,569.21	(11,816.07)
Net Increase (Decrease) in Cash	\$ 21,569.21	\$ (11,816.07)

Steven Sorell, Treasurer _____

Kinneloa Irrigation District 2008 Financial Summary (Actual and Forecasted)

Account	Account Description	2008 Budget	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Forecasted	October Forecasted	November Forecasted	December Forecasted	2008 FYE Forecasted	Deviation from Budget Amount	Percent
4000	Water Sales	1,000,000	50,094	73,271	41,058	87,835	97,577	72,146	128,693	121,245	101,800	91,000	76,080	55,710	996,509	-3,491	0%
4015	Wholesale Water Sales-Pasadena	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
4020	Invoice Sales	5,000	9,154	700	0	1,255	350	-85	350	0	417	417	417	417	13,391	8,391	168%
4030	Interest-Checking	50	1	2	2	1	2	1	1	1	4	4	4	4	28	-22	-45%
4035	Interest-Reserve Fund (LAIF)	20,000	8,927	0	0	7,949	0	0	5,640	0	0	5,000	0	0	27,516	7,516	38%
4050	Capacity Charge	3,000	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000	0	0%
	Total Income	1,028,050	68,177	73,972	41,060	97,041	97,928	72,062	134,684	121,246	102,221	96,421	76,501	59,131	1,040,444	12,394	1%
	Expenditures																
5005	Power	110,000	5,152	4,409	4,806	6,285	7,632	7,093	9,087	9,929	7,000	7,000	6,000	4,000	78,393	-31,607	-29%
5010	Maintenance Supplies	20,000	561	9,695	7,642	3,095	-10,751	3,246	1,249	716	1,667	1,667	1,667	1,667	22,118	2,118	11%
5012	Safety Equipment	2,000	0	0	0	0	0	1,824	0	0	0	0	0	0	1,824	-176	-9%
5015	Maintenance Labor	172,000	13,131	12,728	11,927	12,957	13,340	12,310	12,221	12,777	14,333	14,333	14,333	14,333	158,726	-13,274	-8%
5020	Stand-by	7,500	630	630	540	570	690	690	480	720	625	625	625	625	7,450	-50	-1%
5022	Training/Certification	2,400	140	0	780	103	0	175	60	0	200	200	200	200	2,058	-342	-14%
5025	Water Treatment/Analysis	20,000	1,599	2,130	4,472	2,121	365	880	800	1,655	1,667	1,667	1,667	1,667	20,688	688	3%
5030	Maintenance Contractors	48,000	10,184	2,978	19,795	482	-3,177	14,219	412	8,164	4,000	4,000	4,000	4,000	69,056	21,056	44%
5034	Equipment Maintenance	3,000	216	0	0	915	845	0	114	0	250	250	250	250	3,090	90	3%
5035	Vehicle Maintenance	9,000	332	0	920	1,088	32	87	0	0	750	750	750	750	5,458	-3,542	-39%
5036	Fuel - All Equipment	8,500	766	592	595	779	220	925	1,112	722	925	925	925	711	9,198	698	8%
5040	Equipment Rental	500	0	0	0	0	0	0	0	0	0	0	0	500	500	0	0%
5045	Insurance-Workers Comp.	15,000	3,024	-196	2,777	0	0	2,928	-2,517	0	0	4,000	0	0	10,016	-4,984	-33%
5046	Insurance-Liability	15,000	1,229	1,229	1,229	1,229	1,229	1,229	-1,276	1,229	1,229	1,229	1,229	1,229	12,243	-2,757	-18%
5048	Insurance-Property	2,500	186	186	186	166	166	166	154	166	166	166	166	166	2,041	-459	-18%
5049	Insurance-Medical	43,000	3,047	3,047	3,047	3,047	3,047	3,062	3,063	3,063	3,063	3,063	3,063	3,063	36,674	-6,326	-15%
6000	Project Engineering	15,000	0	600	0	1,050	595	0	0	0	1,250	1,250	1,250	1,250	7,245	-7,755	-52%
6005	Watermaster	7,500	667	667	667	667	667	667	901	901	901	901	901	901	9,408	1,908	25%
6010	Telemetry	850	66	51	66	67	68	66	66	66	71	71	71	71	800	-50	-6%
6015	Administrative Salary	98,000	7,362	7,362	7,362	8,195	8,195	8,195	8,195	8,195	8,195	8,195	8,195	8,195	95,842	-2,158	-2%
6017	Administrative Travel	4,000	12	101	481	156	588	427	248	0	333	333	333	333	3,347	-653	-16%
6018	Administrative PERS	6,720	506	1,012	506	564	564	564	564	564	564	564	564	564	7,103	383	6%
6020	BofD Compensation	7,000	500	500	500	500	400	500	500	500	500	500	500	900	6,300	-700	-10%
6021	Administrative Exp.	2,500	100	0	0	0	903	0	0	0	208	208	208	208	1,837	-663	-27%
6022	Board of Directors Election	0	0	12,502	0	0	0	0	0	0	0	0	0	0	12,502	12,502	0%
6024	Customer/Public Info. Prog.	4,000	86	83	90	177	916	0	172	0	333	333	333	333	2,858	-1,142	-29%
6025	PERS - KID	12,075	819	3,003	819	891	891	869	868	827	891	891	891	891	12,551	476	4%
6030	Social Security - KID	26,040	1,959	1,897	1,829	1,997	2,040	1,926	1,942	1,980	1,942	1,942	1,942	2,040	23,434	-2,606	-10%
6035	Office Supplies	9,000	268	1,146	12	1,114	685	126	1,030	68	750	750	750	750	7,448	-1,552	-17%
6036	Postage/Delivery	6,000	208	269	311	351	518	272	311	241	500	500	500	500	4,481	-1,519	-25%
6040	Professional Dues	7,000	425	329	329	329	329	329	370	370	583	583	583	583	5,143	-1,857	-27%
6045	Legal	10,000	591	0	881	166	0	145	910	0	833	833	833	833	6,026	-3,974	-40%
6050	Telephone	5,000	379	332	557	502	457	443	354	391	417	417	417	417	5,080	80	2%
6051	Cellular Telephone	2,500	153	134	132	132	136	133	141	147	208	208	208	208	1,941	-559	-22%
6052	Pagers	1,800	126	126	126	126	126	142	143	132	126	126	126	126	1,548	-252	-14%
6053	Internet Service	1,000	75	70	70	125	70	70	70	70	70	70	70	70	899	-101	-10%
6059	Computer/Software Maintenance	10,000	834	104	171	0	0	0	1,623	0	833	833	833	833	6,066	-3,934	-39%
6061	Office Equipment Maintenance	1,000	0	0	0	0	0	0	1,064	0	83	83	83	83	1,397	397	40%
6065	Accounting	7,000	0	0	0	0	0	0	6,200	0	0	0	0	0	6,200	-800	-11%
6070	Office Labor	48,000	3,987	3,582	3,582	3,877	4,040	3,476	3,985	3,688	4,000	4,000	4,000	4,000	46,217	-1,783	-4%
6075	Outside Services	20,000	1,018	688	976	1,510	687	2,729	1,280	749	1,667	1,667	1,667	1,667	16,303	-3,697	-18%
6081	Permits/Fees	2,500	728	0	0	75	0	0	4,733	1,725	208	208	208	208	8,094	5,594	224%
6120	Bank Service Charges	1,200	309	313	45	-13	-264	374	285	366	200	200	200	200	2,215	1,015	85%
	Total Expenses	794,085	61,375	72,299	78,227	55,392	36,248	70,286	60,914	60,121	61,543	65,543	60,543	59,327	741,817	-52,269	-7%
	NET REVENUES	233,965	6,802	1,673	-37,167	41,650	61,681	1,776	73,769	61,125	40,678	30,878	15,958	-197	298,627	64,662	28%

Kinneloa Irrigation District 2008 Financial Summary (Actual and Forecasted)

Account	Account Description	2008 Budget	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Forecasted	October Forecasted	November Forecasted	December Forecasted	2008 FYE Forecasted	Deviation from Budget Amount Percent	
Other Expenditures and Adjustments																	
1200	Inventory	0	0	1,639	2,244	0	0	0	0	0	0	0	0	0	3,884	3,884	0%
1504	Replacement Mains	184,000	25,463	0	131,221	0	21,584	0	0	0	0	0	0	25,000	203,268	19,268	10%
1505	Tunnels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
1511	Water Treatment Plant	13,000	0	13,844	1	0	0	0	0	0	0	0	0	0	13,845	845	6%
1512	Meter Replacement	20,000	779	16,531	0	0	0	0	0	316	0	100	1,000	1,000	19,727	-273	-1%
1513	Electrical/Electronic Equipment	20,000	0	0	0	0	12,339	10,665	1,057	0	0	0	0	0	24,061	4,061	20%
1514	Computer/Office Equipment	5,000	3,000	0	0	0	0	0	0	0	1,000	0	0	0	4,000	-1,000	-20%
1515	Trucks and Equipment	113,000	0	680	59,509	0	4,156	493	981.83	0	50,000	0	0	0	115,819	2,819	2%
1516	Facilities	10,000	0	0	0	0	621	0	0	0	0	0	0	0	621	-9,379	-94%
1523	Construction in Progress	-130,000	0	0	-128,392	0	0	0	0	0	0	0	0	0	-128,392	1,608	0%
1527	SCADA	15,000	0	958	0	883	0	25,915	484	0	0	0	0	0	28,240	13,240	88%
1528	Tanks and Reservoirs	75,000	5,891	5,891	5,891	5,891	5,891	5,891	5,891	5,891	6,250	6,250	6,250	6,250	72,130	-2,870	-4%
Total Other Expenditures		325,000	35,133	39,544	70,474	6,774	44,590	42,964	8,414	6,207	57,250	6,350	7,250	32,250	357,201	32,201	10%
NET CASH FLOW		-91,035	-28,331	-37,870	-107,640	34,876	17,090	-41,188	65,355	54,918	-16,572	24,528	8,708	-32,447	-58,574	32,461	-36%