

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**  
**1999 Kinclair Drive, Pasadena, CA 91107**  
**Tuesday, October 16, 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 –** September 18, 2018 minutes  
*Recommended Action: Review and approve motion to file*
  
- 4. REVIEW OF FINANCIAL REPORTS –** September 30, 2018 financial reports  
*Recommended Action: Review and approve motion to file*
  
- 5. ACWA JPIA PRESENTATION –** Andy Sells, Chief Executive Officer
  
- 6. GENERAL MANAGER’S REPORT –** Information item by General Manager  
*Recommended Action: General Manager to summarize the report and respond to questions*
  
- 7. PERSONNEL COMMITTEE –** General Manager’s performance evaluation and goals forms  
*Recommended Action: Review revised forms and approve motion to adopt*
  
- 8. CAPACITY CHARGE AND DEVELOPMENT FEES –** Discussion item  
*Recommended Action: Review General Manager’s memo and provide direction to staff regarding possible changes to the District’s **Rules and Regulations** and/or rates and charges for these items*
  
- 9. 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.
  
- 10. CALENDAR –** November 20, 2018  
December 18, 2018  
January 15, 2019

**11. 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 <https://kinneloairrigationdistrict.info>.

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

**DIRECTORS PRESENT:** Tim Eldridge, Frank Griffith, Gordon Johnson, Gerrie Kilburn (arrived at 3:10 p.m.) and Bill Opel

**DIRECTORS ABSENT:** Tim Eldridge left at 3:25 p.m.

**STAFF PRESENT:** Melvin Matthews, General Manager/Acting Board Secretary; Donna Eggehorn, Administrative Assistant; Chris Burt, Sr. Facilities Operator

**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 August 28, 2018 were reviewed and approved. Motioned/seconded Opel/Eldridge and approved by a vote of 4-0-1 Ayes-Eldridge, Griffith, Johnson, Opel/Noes-0/Absent-Kilburn

**4. REVIEW OF FINANCIAL REPORTS:** Director Opel reviewed the financial reports for August 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. Motioned/seconded Eldridge/Johnson and approved by a vote of 5-0 Ayes-Eldridge, Griffith, Johnson, Kilburn, Opel/Noes-0

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

**Accounting.** The General Manager has been training the office staff on the use of the Sage accounting system.

**KID Rules and Regulations** – Started project to revise and update this document

**Emergency Preparedness** – Provided the current KID manuals and procedures to Mike Holmes (the PWAG Emergency Preparedness Coordinator) for review and updating

**Computer/Software Maintenance.** Security/software updates, backups and maintenance were done on all computers.

**6. PERSONNEL COMMITTEE:** The committee requested that the Board discuss and implement the proposed changes for the General Manager's job description. Director Johnson read the changes, Director Opel added wording with the Board agreeing to approve of the General Manager's Job Description with the suggested changes.

Motioned/Seconded Kilburn/Johnson and approved by a vote of 4-0-1 Ayes-Griffith, Johnson, Kilburn, Opel/Noes-0/Absent-Eldridge

Director Johnson then distributed a draft of the Annual Performance Review for General Manager to the Board for review and requested that it to be brought back with any suggested changes for approval at a future meeting.

**KINNELOA IRRIGATION DISTRICT**  
**Regular Meeting – Board of Directors**  
**Tuesday, September 18, 2018**  
**Minutes**

**7. 2019 BUDGET:** The General Manager reviewed the proposed budget documents consisting of 10-year Actual and Forecasted Income and Expenses, 2019 Budget Worksheet, Proposed 2019 Budget, and Water Rate Survey. The Water Rate Survey provided comparison of rates for other FMWD agencies plus two local cities to Kinneloa Irrigation District's rates and were shown to be reasonable in comparison at three usage levels. With a 3% rate increase effective January 1, 2019, the General Manager projected a revenue increase in retail water sales of approximately \$100,000. If there are any shortfalls in retail water sales due to conservation or weather conditions, wholesale water can be sold to meet total revenue requirements. The General Manager explained that the District is required to give a 45-day notice for the public hearing to discuss the proposed water rates. Director Johnson requested a list of future capital improvement projects to support the District's revenue requirements. The General Manager stated that the proposed list of major projects for the next year and beyond will be presented to the Board at the November meeting for discussion and approval of selected projects and periodically brought back at future meetings as required for discussion and approval of additional projects. Motioned/Seconded Opel/Kilburn and approved by a vote of 4-0-1 subject to the establishment of rates Ayes-Griffith, Johnson, Kilburn, Opel/Noes-0/Absent-Eldridge

**8. DIRECTOR REPORTS AND/OR COMMENTS:** Chair Griffith requested an update on the Doyne Road development. General Manager Matthews stated that he will present a general topic on parcels with no previous water service at the next meeting. Chair Griffith also requested information on our computer systems. General Manager Matthews stated that he previously prepared an internal document with this information and that it would not be appropriate to present this document at a public meeting because of the need to maintain security. Director Opel requested to see total personnel costs listed by function rather than by account numbers. The General Manager Matthews stated that it would not be possible to redesign the Chart of Accounts to facilitate this because we would lose the ability to compare expenses with previous accounting periods and that extracting the data to an external spreadsheet to provide this functional information would be a major project. Director Opel requested an update on the \$50,000 budget for SCADA radios. Sr. Facilities Operator Chris Burt reiterated the cost for SCADA includes the programming of the radios, not just the cost of the radios.

**9. CALENDAR:** The next regular meeting will be at 3:00 p.m. on Tuesday, October 16, 2018. A presentation by a representative from the ACWA JPIA on the insurance programs will be given at the October 16, 2018 Board meeting.

**10. ADJOURNMENT:** The meeting was adjourned at 4:30 p.m.

Prepared by:

Donna Eggehorn, Administrative Assistant

Reviewed and submitted by:

*Melvin L. Matthews*

Acting Secretary to the Board

**Kinneloa Irrigation District**  
**Income Statement for the Nine Months Ending September 30, 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	184,132.03	140,000.00	44,132.03	1,226,116.51	1,083,000.00	143,116.51
4015 Wholesale Water Sales	15,050.44	18,750.00	(3,699.56)	18,897.70	18,750.00	147.70
4020 Service/Installation Charges	8,240.80	833.33	7,407.47	17,580.00	7,499.97	10,080.03
4035 Interest-Reserve Fund	2,083.47	833.33	1,250.14	18,100.85	7,499.97	10,600.88
4070 Misc. Income	0.00	0.00	0.00	10,844.53	0.00	10,844.53
<b>Total Revenues</b>	<b>209,506.74</b>	<b>160,416.66</b>	<b>49,090.08</b>	<b>1,291,539.59</b>	<b>1,116,749.94</b>	<b>174,789.65</b>
<b>Expenses</b>						
5000 Leased Water Rights	0.00	0.00	0.00	63,135.00	63,135.00	0.00
5005 Electricity	7,540.14	11,000.00	(3,459.86)	90,986.55	90,000.00	986.55
5010 Maintenance/Repair Supplies	1,560.52	2,083.33	(522.81)	24,142.92	18,749.97	5,392.95
5011 Material and Labor for Install	0.00	833.33	(833.33)	664.89	7,499.97	(6,835.08)
5012 Safety Equipment	0.00	133.33	(133.33)	122.86	1,199.97	(1,077.11)
5015 Operations Labor	14,482.70	15,616.67	(1,133.97)	121,277.89	140,550.03	(19,272.14)
5016 Operations OT	785.99	666.67	119.32	5,651.99	6,000.03	(348.04)
5020 Stand-by Compensation	690.00	912.50	(222.50)	5,490.00	8,212.50	(2,722.50)
5022 Training/Certification	0.00	133.33	(133.33)	600.00	1,199.97	(599.97)
5025 Water Treatment/Analysis	3,599.84	1,833.33	1,766.51	13,253.71	16,499.97	(3,246.26)
5030 Maintenance/Repair Contractors	11,734.18	10,416.67	1,317.51	91,576.36	93,750.03	(2,173.67)
5034 Equipment Maintenance	0.00	833.33	(833.33)	7,999.03	7,499.97	499.06
5035 Vehicle Maintenance	3,135.48	833.33	2,302.15	7,619.00	7,499.97	119.03
5036 Fuel	722.86	1,250.00	(527.14)	9,016.63	11,250.00	(2,233.37)
5045 Insurance-Workers Compensatio	2,537.04	3,000.00	(462.96)	4,811.38	9,000.00	(4,188.62)
5046 Insurance-Liability	1,183.50	1,333.33	(149.83)	10,651.50	11,999.97	(1,348.47)
5048 Insurance-Property	144.50	208.33	(63.83)	1,333.03	1,874.97	(541.94)
5049 Insurance-Medical	6,716.55	6,375.00	341.55	57,088.78	57,375.00	(286.22)
6000 Engineering Services	0.00	3,958.33	(3,958.33)	4,770.00	35,624.97	(30,854.97)
6005 Watermaster Services	880.83	1,000.00	(119.17)	8,097.99	9,000.00	(902.01)
6015 Administrative Salary	11,489.02	11,666.67	(177.65)	99,824.42	105,000.03	(5,175.61)
6017 Administrative Travel	599.31	250.00	349.31	1,012.14	2,250.00	(1,237.86)
6020 Board Compensation	400.00	466.67	(66.67)	3,900.00	4,200.03	(300.03)
6021 Administrative & Board Expens	0.00	83.33	(83.33)	0.00	749.97	(749.97)
6022 Board of Directors Election	0.00	0.00	0.00	81.28	100.00	(18.72)
6024 Customer/Public Info. Prog.	125.00	166.67	(41.67)	1,358.06	1,500.03	(141.97)
6025 PERS - KID	2,391.01	2,062.50	328.51	24,754.02	18,562.50	6,191.52
6030 Social Security - KID	2,103.73	2,145.83	(42.10)	18,282.68	19,312.47	(1,029.79)
6031 Medicare - KID	491.99	516.67	(24.68)	4,275.80	4,650.03	(374.23)
6035 Office/Computer Supplies	246.67	583.33	(336.66)	7,025.84	5,249.97	1,775.87
6036 Postage/Delivery	300.00	416.67	(116.67)	2,083.46	3,750.03	(1,666.57)
6040 Professional Dues	863.66	1,000.00	(136.34)	8,053.02	9,000.00	(946.98)
6045 Legal Services	76.70	1,250.00	(1,173.30)	4,410.58	11,250.00	(6,839.42)
6050 Telephone	361.03	375.00	(13.97)	3,116.41	3,375.00	(258.59)
6051 Mobile Telephone	0.00	125.00	(125.00)	460.29	1,125.00	(664.71)
6052 Pagers	27.72	41.67	(13.95)	244.87	375.03	(130.16)

**Kinneloa Irrigation District**  
**Income Statement for the Nine Months Ending September 30, 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)	1,024.99	749.97	275.02
6059 Computer Software Maintenance	340.00	750.00	(410.00)	14,492.25	6,750.00	7,742.25
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	0.00	749.97	(749.97)
6065 Accounting Services	0.00	0.00	0.00	6,750.00	7,000.00	(250.00)
6070 Office & Accounting Labor	6,783.25	8,045.83	(1,262.58)	66,076.52	72,412.47	(6,335.95)
6075 Professional/Contract Services	2,090.45	1,916.67	173.78	22,376.84	17,250.03	5,126.81
6080 Administrative Fees	708.72	741.67	(32.95)	6,343.91	6,675.03	(331.12)
6081 Permits/Fees	293.00	1,250.00	(957.00)	6,428.92	11,250.00	(4,821.08)
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	532.03	541.67	(9.64)	5,020.94	4,875.03	145.91
<b>Total Expenses</b>	<b>85,997.41</b>	<b>96,983.32</b>	<b>(10,985.91)</b>	<b>871,965.81</b>	<b>952,837.88</b>	<b>(80,872.07)</b>
<b>Net Income</b>	<b>123,509.33</b>	<b>63,433.34</b>	<b>60,075.99</b>	<b>419,573.78</b>	<b>163,912.06</b>	<b>255,661.72</b>
<b>Other Expenditures</b>						
1511 WaterTreatment Plant	1,662.70	0.00	1,662.70	1,662.70	6,000.00	(4,337.30)
1512 Water Meters	2,351.54	0.00	2,351.54	11,443.31	4,500.00	6,943.31
1514 Computer/Office Equipment	0.00	0.00	0.00	8,034.65	5,000.00	3,034.65
1517 KID Office	538.44	0.00	538.44	538.44	0.00	538.44
1527 SCADA Equipment	0.00	0.00	0.00	29,852.82	11,000.00	18,852.82
1530 Tools	38.58	0.00	38.58	709.92	0.00	709.92
2400 Installment Purchase Agreement	0.00	0.00	0.00	63,905.92	63,848.00	57.92
<b>Total Other Expenditures</b>	<b>4,591.26</b>	<b>0.00</b>	<b>4,591.26</b>	<b>116,147.76</b>	<b>90,348.00</b>	<b>25,799.76</b>
<b>Total Increase or (Drawdown)</b>	<b>118,918.07</b>	<b>63,433.34</b>	<b>55,484.73</b>	<b>303,426.02</b>	<b>73,564.06</b>	<b>229,861.96</b>

**Kinneloa Irrigation District**  
**Balance Sheet as of September 30, 2018**

**ASSETS**

**Current Assets**

1010	Checking-Wells Fargo Bank	\$ 641,855.24	
1012	Reserve Fund-LAIF	121,885.42	
1014	Reserve Fund-CalTRUST	1,151,396.34	
1015	Unrealized Gain(Loss)-CalTRUST	18,458.97	
1016	Accrued Interest-LAIF	575.61	
1100	Accts. Receivable-Water Sales	57,652.68	
1101	Accts. Receiv.-Service Charges	(375.22)	
1190	Allowance for Bad Debts	(771.48)	
1200	Inventory	20,000.00	
1340	Accrued Water Sales	216,254.00	
1350	Prepaid Insurance	13,787.49	
1360	Prepaid Expenses	7,460.29	
	Total Current Assets		2,248,179.34

**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	WaterTreatment Plant	187,060.76	
1512	Water Meters	99,771.81	
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	54,741.36	
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	7,521.49	
1600	Accum. Depreciation	(4,587,390.02)	
	Total Property and Equipment		5,947,248.05

**Other Assets**

1901	PERS-Deferred Outflows	21,181.00	
	Total Assets		\$ 8,216,608.39

**Kinneloa Irrigation District**  
**Balance Sheet as of September 30, 2018**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

2000	Accounts Payable	\$ 29,825.20	
2271	Deposits-Construction Meters	850.00	
2272	Job Deposits	1,400.00	
2275	Deposits-Water Customers	255.02	
2290	Accrued Vacation	14,380.60	
	Total Current Liabilities		46,710.82

**Long-Term Liabilities**

2400	Installment Purchase Agreement	1,933,483.73	
2801	PERS- Net Liability	328,522.86	
2901	PERS- Deferred Inflows	83,822.00	
	Total Long-Term Liabilities		2,345,828.59
	Total Liabilities		2,392,539.41

**Capital**

3040	Fund Balance	5,404,495.20	
	Net Income	419,573.78	
	Total Capital		5,824,068.98
	Total Liabilities & Capital		\$ 8,216,608.39

**Kinneloa Irrigation District**  
**Statement of Cash Flow**  
**For the Nine Months Ended September 30, 2018**

	Current Month	Year to Date
<b>Cash Flows from Operating Activities</b>		
Net Income	\$ 123,509.33	\$ 419,573.78
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(21,576.16)	(24,738.43)
1101 Accts. Receiv.-Service Charges	1,182.59	375.22
1340 Accrued Water Sales	(29,229.02)	(25,713.07)
1350 Prepaid Insurance	(13,206.00)	(4,283.47)
1360 Prepaid Expenses	2,502.49	14,733.03
2000 Accounts Payable	13,438.42	3,901.06
2271 Deposits-Construction Meters	0.00	850.00
2272 Job Deposits	(6,480.99)	1,400.00
	(53,368.67)	(33,475.66)
<b>Net Cash Provided by Operations</b>	<b>70,140.66</b>	<b>386,098.12</b>
 <b>Cash Flows from Investing Activities</b>		
<i>Used for</i>		
1511 WaterTreatment Plant	(1,662.70)	(1,662.70)
1512 Water Meters	(2,351.54)	(11,443.31)
1514 Computer/Office Equipment	0.00	(8,034.65)
1517 KID Office	(538.44)	(538.44)
1527 SCADA Equipment	0.00	(29,852.82)
1530 Tools	(38.58)	(709.92)
	(4,591.26)	(52,241.84)
Net Cash Used in Investing	(4,591.26)	(52,241.84)
 <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)	(3,397.14)
	(1,132.38)	(67,303.06)
Net Cash Used in Financing	(1,132.38)	(67,303.06)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 64,417.02</b>	<b>\$ 266,553.22</b>
 <b>Summary</b>		
Cash Balance at End of Period	\$ 1,934,171.58	\$ 1,934,171.58
Cash Balance at Beg. of Period	(1,869,754.56)	(1,667,618.36)
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 64,417.02</b>	<b>\$ 266,553.22</b>



**Kinneloa Irrigation District**  
**Check Register**  
**For the Period from September 1, 2018 to September 30, 2018**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
9/5/18	EFT3600a	VeriCheck, Inc.	33.43	e-check charges
9/15/18	EFT3601	Joel D. Bundy	1,319.01	salary
9/15/18	EFT3602	Christopher A. Burt	2,593.12	salary
9/15/18	EFT3603	Brian L. Fry	1,775.51	salary
9/15/18	EFT3604	Melvin L. Matthews	3,830.64	salary
9/15/18	EFT3605	Juan R. Tello	1,266.65	salary
9/15/18	EFT3606	Donna V. Eggehorn	1,266.65	salary
9/15/18	EFT3607	Automatic Data Processing, Inc.	83.42	payroll processing
9/15/18	EFT3608	Christopher A. Burt	150.00	salary
9/15/18	EFT3609	Automatic Data Processing, Inc.	4,862.14	payroll processing and employee withholdings
9/18/18	EFT3610	American Messaging Services	27.72	paggers
9/18/18	EFT3611	Arco Gaspro Plus	722.86	truck fuel
9/18/18	EFT3612	Athens Services	196.07	trash pick-up
9/18/18	EFT3613	CA Public Employees Ret. Sys.	6,470.46	unfunded accrued liability
9/18/18	EFT3614	Century Business Solutions	251.14	credit card discount fees
9/18/18	EFT3615	Pasadena Municipal Services	1,391.41	wilcox well power
9/18/18	EFT3616	Southern California Edison Co.	10,960.34	facility power
9/18/18	EFT3617	Charter Communications	346.02	internet-phone
9/18/18	EFT3618	Umpqua Bank	4,618.47	credit card payment - see attached detail
9/18/18	EFT3619	Century Business Solutions	15.00	monthly fee
9/18/18	8899	ACWA/JPIA	2,537.04	worker's comp
9/18/18	8900	AmeriPride Services	66.51	shop towel service
9/18/18	8901	Joel Bundy	30.41	mileage reimbursement
9/18/18	8902	Clinical Laboratory, SB	24.00	general physical
9/18/18	8903	Eurofins Eaton Analytical, Inc.	118.80	water sample analysis
9/18/18	8904	Foothill Municipal Water District	708.72	administrative charge
9/18/18	8905	Lagerlof, Senecal, Gosney & Kruse	48.60	PWAG share
9/18/18	8906	Matt Chlor Inc.	3,351.44	Far Mesa vacuum feed, tank, fittings
9/18/18	8907	Melvin L. Matthews	90.03	mileage reimbursement
9/18/18	8908	McMaster Carr	1,895.56	Glen Reservoir shed
9/18/18	8909	Perry Thomas Construction Co.	1,545.00	3215 Fairpoint service line repair
9/18/18	8910	Underground Service Alert	153.55	dig alert
9/18/18	8911	Utility Service Co., Inc.	4,877.18	tank maintenance
9/18/18	8912	Western Water Works	588.01	wedding rings and couplings
9/18/18	8913	ACWA/JPIA	7,416.77	KID/employee health benefits
9/18/18	8914	Lagerlof, Senecal, Gosney & Kruse	28.10	PWAG share
9/18/18	8915	McMaster Carr	388.84	Vosburg and Glen supplies
9/18/18	8916	Perry Thomas Construction Co.	5,312.00	3264 Barhite service line installation
9/30/18	EFT 3620	Joel D. Bundy	1,321.02	salary
9/30/18	EFT 3621	Christopher A. Burt	2,446.64	salary

**Kinneloa Irrigation District**  
**Check Register**  
**For the Period from September 1, 2018 to September 30, 2018**

<b>Date</b>	<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
9/30/18	EFT 3622	Donna V. Eggehorn	1,266.65	salary
9/30/18	EFT 3623	Timothy J. Eldridge	92.35	salary
9/30/18	EFT 3624	Brian L. Fry	1,785.10	salary
9/30/18	EFT 3625	Francis J. Griffith	92.35	salary
9/30/18	EFT 3626	Gerrie G. Kilburn	92.35	salary
9/30/18	EFT 3627	Melvin L. Matthews	3,830.64	salary
9/30/18	EFT 3628	Juan R. Tello	1,266.65	salary
9/30/18	EFT 3629	Arthur W. Opel	92.35	salary
9/30/18	EFT3630	Automatic Data Processing, Inc.	92.41	payroll processing
9/30/18	EFT3631	Christopher A. Burt	150.00	salary
9/30/18	EFT3632	Automatic Data Processing, Inc.	<u>4,864.55</u>	payroll taxes and employee withholdings
<b>Total</b>			<b><u>88,753.68</u></b>	

**Credit Card Detail Umpqua Bank**

**AUGUST 2018**

(Expenses incurred/billed in August and due/paid in September)

Acct. No.	Account Description	Additional Description	MLM	CAB	BLF	JDB	TOTAL
1514	Computer/Office Equip.						
1517	KID Office	toilet, seat, installation; toilet install supplies	\$443.44			\$95.00	\$538.44
1530	Tools	shovel, broom			\$38.58		\$38.58
5010	Maintenance Supplies	coveralls, tarps,iron,gloves, drum liners, asphalt			\$284.30		\$284.30
5012	Safety Equipment						
5022	Training/Certification						
5025	Water Treatment/Analysis						
5034	Equipment Maintenance						
5035	Vehicle Maintenance	2008-1 F350 tire; 2008-1 F350 tune-up & A/C repair		\$180.70	\$2,954.78		\$3,135.48
5036	Fuel						
6017	Adm. Travel						
6021	Adm. & Bd. Exp.						
6035	Office/Computer Supplies	snacks, envelopes				\$246.67	\$246.67
6036	Postage/Delivery	stamps				\$300.00	\$300.00
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>			\$518.44	\$180.70	\$3,277.66	\$641.67	<b>\$4,618.47</b>

# General Manager's Report for the Board of Directors Meeting on October 16, 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	\$55,385.63	\$1,993.97	\$129.61	\$143.47	\$57,652.68
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	161	397	63	\$18,216.22
October				
November				
December				
Year to Date	1,588	4,463	552	\$133,117.16

## II. General Manager's Projects and Activities

- A. **Accounting** – Continued training for staff on Sage accounting system
- B. **KID Rules and Regulations** – Continued project to revise and update this document
- C. **Emergency Preparedness** – Participated in the training provided by Public Water Agency Group (PWAG) Emergency Preparedness Group on the Incident Command System (ICS), Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS)
- D. **Computer/Software Maintenance** – Continued to provide IT support including security/software updates, backups and maintenance
- E. **Automated Meter Reading** – Met with representatives from Badger Meter to discuss the path forward regarding new technologies to collect data and the planned discontinuance of current products
- F. **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>Rate Setting</b>	Webinar	Thurs 9/6/2018 6:00 PM	Thurs 9/6/2018 7:00 PM	Webinar on Proposition 218 requirements and provided an overview of rate setting best practices for a small water system. The session included a discussion of the link between water system objectives and rates and explored different types of rate structures.
<b>Communications</b>	Webinar	Fri 9/7/2018 11:00 AM	Fri 9/7/2018 12:00 PM	This webinar presented tools to improve communication with the board to facilitate sound, well-informed decisions for the benefit of the agency and its customers.
<b>FMWD</b>	La Cañada	Mon 9/17/2018 3:00 PM	Mon 9/17/2018 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 9/18/2018 3:00 PM	Tue 9/18/2018 5:00 PM	<ul style="list-style-type: none"> <li>• Regular board meeting</li> </ul>
<b>CSDA</b>	Palm Desert	Mon 9/24/2018 8:00 AM	Thur 9/29/2018 10:30 AM	<ul style="list-style-type: none"> <li>• Annual Conference (see separate report)</li> </ul>

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

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

Location	Type	Date	Description
<b>Windover Road</b>	Customer Contact	9/10/2018	Customer requested old pipes to be removed from property. I confirmed that they were abandoned distribution pipes and not in service. Since pipes became exposed due to the customer's construction and change in the grade of the lot to accommodate the home addition and retaining wall, I told the customer that it was not our responsibility to remove the exposed pipes. However, customer was given permission to have their contractor remove the pipes.
<b>Clarmeya Lane</b>	Water Leak	9/10/2018	Customer requested leak check after receiving our leak alert letter and making a repair. Brian and Juan determined that there was no leak at this time.
<b>Dove Creek</b>	Customer Contact	9/17/2018	Customer called answering service and reported that there was a loud noise coming from K-3 chlorine building. Brian determined that the noise was coming from the bellows pump due to worn-out bearings and replaced the pump.
<b>Kinneloa Canyon Road</b>	Customer Contact	9/14/2018	Customer concerned about higher than normal water bill. Brian found no leaks. Customer was informed that high usage was probably due to the sprinklers. Usage history was downloaded, and the resulting graphs were shared with the customer to show the periods of unusual usage and that current usage was back to historical levels.
<b>Kinclair Drive</b>	Customer Contact	9/17/2018	Customer concerned about higher than normal usage while house was undergoing remodeling. Usage history was downloaded, and the graphs were shown to the customer to document the days of high usage.

**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
09/04/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
09/05/18	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
09/18/18	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
09/25/18	Both	Eurofins	coliform, e. coli	8	ND or A	1 positive sample

**Total Tests 1846**

\*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 August 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	- 154	Current Tunnel Monthly Production	10
Remaining Allowable Groundwater Extractions through June 2019	469	Remaining Estimated Tunnel Production through June 2019	100
<b>Total Available Water Supply (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2019)</b>		<b>569 Acre Feet</b>	
<b>Less Remaining Forecasted Retail Water Sales through June 2019</b>		<b>485 Acre Feet</b>	

**Surplus Water through June 2019\* 84 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.

## V. Report on California Special District (CSDA) Conference

I attended the following sessions:

- A. Stand Out Leadership: The speaker, Connie Podesta stressed that successful leaders know how to get consensus, ownership and buy-in from the Board and customers without manipulation, intimidation, sacrificing relationships, or stepping on toes. Getting the job done the right way hinges on our ability to present ideas in such a positive and trusting way that people will choose to follow your way and cooperate.
- B. Emergency Preparedness: Panel discussion on lessons learned from recent wild fires and mud flows in Montecito and San Bernardino regarding interagency cooperation and restoration after the events.
- C. “Dear Ratepayer” Messaging for Rate Increases and Other “Bummer” News: Tips for giving a positive spin to communications with the customer.
- D. Social Media: Every District must be engaged effectively with social media for news and information.
- E. Harnessing Your Power to Create Change: The speaker, Derrech Kayongo used his personal experience to encourage us to stop complaining, take responsibility and seek opportunities to improve and maintain faith in yourself and your team to create an environment where everyone is empowered to thrive.
- F. Best Practices for Recruiting, Hiring, Negotiating, Evaluating and Terminating the Board’s General Manager: I was attracted to this session because of the Board’s work in developing a job description and evaluation form. My conclusion is that we are on the right track. However, it should be noted that the presenter stressed the importance of having a negotiated written contract that is mutually beneficial and acceptable to all parties and that it should explicitly state financial and non-financial expectations, performance goals, the procedure for evaluation by the Board and methodology for salary increases. (For your information, I don’t have a contract with the District.)
- G. Best Practices for a Proposition 218 Rate Hearing: Panelists gave examples of what their District did to facilitate a successful hearing.
- H. Can’t We All Just Get Along? Improving Board/Manager/Staff Roles and Relationships: Panelists gave examples of and suggestions for the following challenges: Integrating new directors; Working as a board team; GM performance review; Committees or not; Dealing with difficult directors; Preparing effective board packets; Avoiding micromanaging of staff; Role/Relationship with GM; Providing clear direction; Avoiding overly-long meetings.
- I. Nightmare on Board Night: Session covered the Brown Act, quorum requirements and voting requirements

## VI. ACWA JPIA Information Item

DATE: October 4, 2018  
TO: Liability Program Members  
FROM: Debbie Kyburz, Lead Member Services Representative  
RE: 2018-19 Liability Program Renewal

The JPIA's Liability Program renewed on October 1, 2018. The JPIA received a favorable renewal proposal, which prompted the Liability Committee and the Executive Committee to approve a 9% rate decrease for its Members. The Memorandum of Liability Coverage (MOLC) is available to members on the JPIA's website, <http://www.acwajpia.com/Liability.aspx>. To access, the username is (*jpiamember*) and the password is (*water*).

Every year the MOLC is thoroughly reviewed and amended to best fit the ever-changing needs of the membership. The JPIA's retention remains at \$5 million and the total limit at \$60 million (refer to the Coverage Schedule for details). There are a couple of changes to the MOLC, which clarifies the original intent regarding public officials' errors & omissions and fiduciary liability (refer to Section VI, paragraphs Q and R)

Cyber Liability coverage has been renewed at no additional cost for all Liability Program members. The limit remains at \$3M per occurrence. The program is provided through a commercial policy so it is not a provision in the MOLC. The policy will be distributed to the Members once it is received and reviewed.

Attached is the Liability Program Declaration page for your agency. Please save a copy together with the MOLC for future reference. If there are any questions, please contact the Member Services department.

## VII. Legislative Report

The State Legislature concluded its 2017-18 Legislative Session on August 31 and Governor Brown has now acted on all bills that advanced from the Legislature. This report includes summaries of all bills of interest that passed the Legislature and were either signed by the Governor (highlighted in green) or were vetoed (highlighted in red).

### ASSEMBLY BILLS:

**AB 1270 (Gallagher) – Dam Safety:** This bill was passed by the Legislature on February 12, 2018 as an urgency measure and signed into law by Governor Brown on February 26, 2018. This bill is a result of the problems experienced with the Oroville Dam. Existing law requires the Department of Water Resources, from time to time, to make inspections of dams and reservoirs at state expense for determining their safety. This bill repeals those provisions and instead now requires DWR to inspect dams, reservoirs, and appurtenant structures once per fiscal year except for low hazard potential dams, which the bill would require to receive inspections at least every two fiscal years. The bill requires the owner of a dam to operate critical outlet and spillway control features on an annual basis and to demonstrate their full operability in DWR's presence every three years or as DWR directs. The bill provides that dam inspection reports are public records subject to the California Public Records Act and authorizes DWR to withhold

from public release sensitive data, images, or other information if DWR includes in the public release a statement of findings that the withheld information would disclose a dam's vulnerability or pose a security threat. The bill requires the Division of Safety of Dams, in consultation with independent, national dam safety and dam safety risk management organizations to, on or before January 1, 2019, and every 10 years thereafter, propose amendments to its dam safety inspection and reevaluation protocols to incorporate updated best practices, including risk management, to ensure public safety. The bill requires DWR to provide on its website the dam safety inspection and reevaluation protocols, notice of the Division of Safety of Dams' intent to update the protocols, a schedule for the update, and any updates to the protocols. The bill requires DWR to report to the Governor and the Legislature on amendments developed pursuant to these provisions and to notify dam owners and the Legislature of the Division of Safety of Dams' intent to update dam safety inspection and reevaluation protocols prior to amending the protocols.

**AB 1577 (Gibson) – Sativa-Los Angeles County Water District:** As gutted and amended and amended for the last time on August 24, this bill would require the State Water Resources Control Board to order Group member Sativa-Los Angeles County Water District to accept administrative and managerial services, including full management and control, from an administrator selected by the State Board. The bill would require Sativa's board of directors, upon the appointment of an administrator, to surrender all control to the appointed administrator and would provide that the District shall thereafter cease to exist. The bill would authorize, if L.A. County LAFCO approves a dissolution of the District, a successor agency designated in the dissolution, in consultation with LAFCO, to solicit proposals, evaluate submittals, and select any public water system to be the receiving water system and provide retail water service to existing and future ratepayers within the District's former territory. The bill would limit the liability of specified entities involved in the dissolution of the District and make related changes.

This bill was signed into law.

**AB 1770 (Steinorth) – Investments:** Existing law authorizes public agencies to invest surplus monies in, among other things, mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds that have a maximum of 5 years' maturity. Existing law further requires that these investments be issued by an issuer rated "A" or its equivalent or better for the issuer's debt as provided by a nationally recognized statistical rating organization (NRSRO) and rated in a rating category of "AA" or its equivalent or better by a NRSRO. This bill would revise the maximum 5-year maturity requirement to instead require that the securities have a maximum remaining maturity of 5 years or less. The bill also would eliminate the requirement that the securities issuer be rated "A" or its equivalent or better for the issuer's debts as provided by an NRSRO. This bill was signed into law.

**AB 1867 (Reyes) – Employment – Sexual Harassment:** This bill would require an employer with 50 or more employees to maintain internal complaint records of employee complaints alleging sexual harassment for the later of 5 years after the last day of employment of: (i) the complainant or (ii) the alleged harasser named in the complaint. ~~10 years from the date of filing of the complaint.~~ This bill was vetoed by Governor Brown, who stated the time expansion under the bill was not warranted because existing law already requires personnel records to be maintained for a suitable period.

**AB 1870 (Reyes, Friedman and Waldron) – Employment Discrimination – Extended Filing Period:** The Fair Employment and Housing Act authorizes a person claiming to be aggrieved by an alleged unlawful practice under that law to file a complaint with the Department of Fair Employment and Housing within one year from the date upon which the unlawful practice occurred. This bill would extend the period to 3 years for which complaints alleging unlawful employment or discrimination housing practices [August 17 amendments] may be filed with the department. This bill was vetoed by Governor Brown, who stated

the current one-year deadline encourages prompt resolution while memories and evidence are fresh, while also halting unwelcome behavior.

**AB 1877 (Limon) – Emergency Services – Translation:** This bill would require the Office of Emergency Services to create a library of translated emergency notifications and a translation style guide, and would require designated alerting authorities, defined as any agency authorized under applicable law to alert the public of emergency situations, to consider using the library and translation style guide that may be used by designated alerting authorities when issuing emergency notifications to the public. The bill would authorize OES to require a city, county, or city and county to translate emergency notifications as a condition of approving its application to receive any voluntary grant funds with a nexus to emergency management performance. **This bill was signed into law.**

**AB 2050 (Caballero) – Small System Water Authority Act:** This bill would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate non-compliant public water systems. The March 19 amendments added much detail to the process by which the small system water authorities would be formed, including the opportunity any non-compliant system would have to come into compliance, and how they would operate, including the role of the administrator engaged by the State Water Board and of the authority's board of directors in governing the authority. The April 17 amendments clarified various provisions of the bill, including specifying that the pertinent drinking water standards are primary MCLs and that non-compliance must exist for at least four consecutive quarters and adding an appeals process to a State Water Board determination concerning a system's status as non-compliant. Subsequent amendments have added various details to the bill, including providing General Fund or bond funding of up to \$5,400,000 for any required mutual water company valuations, adding provisions regarding the LAFCO process to form a small system water authority, and ensuring that the authority takes over any pending claims of a water system that is merged into the authority and is responsible for any legal fees connected to such claims. **This bill was vetoed by Governor Brown, who stated it would create an expensive and bureaucratic process, while not addressing the most significant problem in providing safe drinking water – a stable funding source. In his veto message, he urged the Legislature and stakeholders to work towards developing a stable funding source in 2019.**

**AB 2060 (E. Garcia) – Grants – Advanced Payments:** The May 25 amendments deleted the provisions of the bill that would have required DWR to provide a project proponent that requests and demonstrates a need for an advanced payment with advanced payment for those projects up to a maximum of [August 21 amendments] \$500,000 or 50% of the grant award, and would eliminate the requirement that the grant award for the project be less than \$1,000,000 in order to obtain advanced payment. This bill would also require the State Water Board, within 60 days of awarding a Prop. 1 grant from the Small Community Grant Fund for wastewater projects, to provide a project proponent that requests and demonstrates a need for an advanced payment with advanced payment of the lesser of \$500,000, or 50% of the grant award, for projects in which the project proponent is a nonprofit organization or a disadvantaged community, or if the project benefits a disadvantaged community. The June 28 amendments added additional criteria a project proponent must meet to be eligible to receive the advanced payments. The August 21 amendments authorize the State Water Board to impose penalties for misuse of any advanced payment funds. To a large extent, AB 2060 would make the requirements for handling advanced funds similar across state agencies, which would be helpful to local agencies. **This bill was vetoed by Governor Brown, who stated the State Water Board has established other means for grantees to address cash-flow problems and thus this bill was not warranted.**

**AB 2064 (Gloria and Weber) – IRWMP Grants – Advanced Payments:** Existing law requires a regional water management group, within 90 days of receiving notice of a grant award, to provide the Department of Water Resources with a list of projects to be funded by the grant funds if the project

proponent is a nonprofit organization or a disadvantaged community, or if the project benefits a disadvantaged community. Existing law requires DWR, within 60 days of receiving that information, to provide advance payment of 50% of the grant award for any project where the grant award is less than \$1 million. The May 25 amendments add a requirement that DWR provide a project proponent that requests and demonstrates a need for advanced payment with advanced payment for those projects of \$500,000 or 50% of the grant award, whichever is less. The bill would eliminate the requirement that the grant award for the project be less than \$1,000,000 to obtain advanced payment. Also, this bill would, until January 1, 2025, require a project proponent, upon completion of the first half of a project receiving that advanced funding, to provide a first half project accountability report to DWR, which states the completion of objectives for the first half of the project and sets forth the expenditure and use of the advanced grant funds. The bill would require DWR to provide advanced payment of the remaining grant award for a project that received advanced payment for the first one-half of the project [added by June 13 amendments] within 60 days of receiving the report if the project meets the criteria specified in the bill. The bill would require DWR ~~authorize~~ to withhold ~~up to~~ 10% of the ~~remaining~~ [changes by June 13 amendments] advanced grant award as retention proceeds that DWR is required to release fully to the project proponent upon verification of project completion. The bill would require a project proponent to submit a final project accountability report to DWR upon completion of the project. **This bill was vetoed by Governor Brown, who stated the additional financial risk and administrative costs associated with an advance payment process are not warranted.**

**AB 2179 (Gipson) – Sale of Municipal Water and Sewer Service:** Existing law (Public Utilities Code Section 10001) sets forth a procedure by which a municipal corporation may lease, sell or transfer any public utility it owns upon approval of 2/3rds of its governing board and 2/3rds' voter approval. Public Utilities Code Section 10061 sets forth an alternative procedure whereby a municipal corporation can lease, sell, or transfer that portion of a water utility used for furnishing water service outside the boundaries of the municipal corporation with majority approval its governing board and majority voter approval, among other requirements. This bill would additionally authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation. **This bill was signed into law.**

**AB 2196 (Cooper) – PERS – Service Credit:** This bill would make various changes to PERS relating to service credits. Existing law permits a PERS member who retires before paying off the entire amount for service credit to pay the balance due by deductions from his or her retirement allowance equal to those authorized as payroll deductions. The bill would permit the member, survivor, or beneficiary, as an alternative, to elect to receive an allowance that is reduced by the actuarial equivalent of any balance for that service credit that is remaining unpaid by the member. The bill would also provide that all elections taking effect on or after January 1, 2019, including elections for normal contributions, arrears contributions, absences, or public service, would become due and payable at the time of the member's retirement or preretirement death. The bill would additionally require the member, survivor, or beneficiary to have his or her allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member, except as specified in the bill. The bill would specify that for an election taking place on or after January 1, 2019, the amount of the election remaining for normal contributions, arrears, contributions, absences, or public service would become due and payable at the time of the member's retirement or preretirement death. The bill would provide that in these circumstances the member, survivor, or beneficiary would have his or her allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member. The June 13 amendments change the effective dates in the bill from January 1, 2019 to January 1, 2020. **This bill was signed into law by Governor Brown on August 20.**

**AB 2225 (Limon) – Public Agency Data Protection:** Formerly a spot bill, as amended on March 19, this bill would require the Department of Technology and the Secretary of State to approve and adopt

appropriate uniform statewide standards for storing and recording permanent documents in electronic media. ~~and would specify that "cloud computing" is to be defined by the Department of Technology based on industry recognized standards, consistent with the intent of the state law.~~ [deleted by August 6 amendments] Under the April 10 amendments, the bill would require a cloud computing storage service that complies with the standards adopted by the Secretary of State that provide administrative users with controls to prevent stored records from being overwritten, deleted, or altered to be considered a trusted system. The bill would require a trusted system using cloud computing storage service to comply with applicable standards articulated in the State Administrative Manual and the Statewide Information Management Manual. As amended on August 6, the bill would require a state agency, prior to establishing an information technology system interconnection or data exchange with a local government entity or otherwise partnering with a local government entity for the development, use, or maintenance of an information technology system, product, or service to first enter into a written agreement with that local government entity for the purpose of establishing mutually agreeable terms that protect relevant public records. **This bill was signed into law.**

**AB 2249 (Cooley) – Public Contracting – Alternative Procedure:** For public works projects under the Uniform Public Construction Cost Accounting Act, this bill would authorize public projects of \$60,000 or less (current law is \$45,000 or less) to be performed by the employees of a public agency, authorize public projects of \$200,000 or less (current law is \$175,000 or less) to be contracted by informal procedures, and require public projects of more than \$200,000 (current law is \$175,000) to be contracted by formal bidding procedures. The June 7 amendments add provisions that would increase the thresholds under existing law that permit a public agency, in the event all bids received for the performance of a public project are more than \$175,000, to award the contract at \$187,500 or less to the lowest responsible bidder if the agency determines its cost estimate was reasonable. As amended, this bill would permit the public agency, in the event all bids received for the performance of the project are more than \$200,000, to award the contract at \$212,500 or less to the lowest responsible bidder if it determines its cost estimate was reasonable. **The bill was signed into law by Governor Brown on August 20.**

**AB 2252 (Limon) – State Grants Administrator:** The bill was gutted and amended on June 14 and now would enact the Grant Information Act of 2018. The bill would require the California State Library, on or before July 1, 2020, to create a funding opportunities web portal that provides a centralized location for grant seekers to find state grant opportunities. The bill would additionally require each state agency, on or before July 1, 2020, to register every grant the state agency administers with the California State Library prior to commencing a solicitation or award process for distribution of the grant, as specified. The bill would require each state agency, on or before July 1, 2020, to provide for the acceptance of electronic applications for any grant administered by the state agency. **This bill was signed into law on September 10.**

**AB 2258 (Caballero) – LAFCO:** Formerly a spot bill, as amended on March 15, this bill would require the state's Strategic Growth Council, until ~~January 1~~ July 31, 2024 [August 24 amendments], to establish and administer a local agency formation commissions grant program to pay costs associated with initiating and completing the dissolution of inactive districts, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community [added by August 6 amendments], and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The grant program is to be funded through the annual Budget Act. As amended on April 9, the bill would require the Strategic Growth Council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of

the Administrative Procedure Act. This bill was vetoed by Governor Brown, who stated the proposed grant program should go through the budget process.

**AB 2282 (Eggman) – Salary History:** Formerly a spot bill, as amended on March 15, this bill would authorize an employer to make a compensation decision based on an employee’s current salary as long as any wage differential resulting from that compensation decision is justified by one or more factors specified in the bill, including a seniority system, a merit system or a system that measures quality or quantity of production. The bill also states that asking an employee about his or her salary expectation is not prohibited. The bill was signed into law on July 18, 2018.

**AB 2310 (Aguiar-Curry) – PERS –** Formerly a spot bill, as amended on March 20, this bill now relates to employer contribution cost-sharing in PERS. The bill would allow such cost-sharing agreements, as an alternative to specifying the exact percentage of member compensation to be paid toward the current service cost of the benefit by members, to specify the methodology for calculating that cost-sharing rate. The bill would also specify that once a contracting agency elects to be subject to the cost-sharing provision, contract amendments are not required to effectuate cost sharing in subsequent collective bargaining agreements or memoranda of understanding ratified by the employee bargaining unit and the governing body of the agency. The bill would, however, further require the contracting agency, if a collective bargaining agreement or memorandum of understanding sets forth a methodology for calculating the cost-sharing rate instead of an exact percentage, to provide PERS with a signed side letter ratified by the employee bargaining unit and the agency indicating the exact percentage at least 90 days prior to the effective date of the cost-sharing rate as set forth in the signed side letter. The bill was signed into law on August 27.

**AB 2317 (Eggman) – Whistleblower Protection for Local Agency Independent Contractors:** Existing law prohibits an employer, or any person acting on behalf of the employer, from preventing an employee from, or retaliating against an employee for, providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of a law, regardless of whether disclosing the information is part of the employee’s job duties. This bill would extend the protections afforded to employees under these provisions to independent contractors and contracting entities working for a state and local government agency that are tasked with monitoring, and receiving complaints from, facilities, services, and programs operated by the state and local government. The May 25 amendments significantly amended the bill and it now applies only to county patients’ rights advocates appointed or under contract to provide services relating to mental health advocacy. This bill was vetoed by Governor Brown, who stated the bill presented too broad of a change for a small problem relating only to patients’ rights advocates.

**AB 2339 (Gipson & Gallagher) – Sale of City Water System:** This bill would permit a city that owns and operates a public utility for furnishing water service to sell that water system in order to consolidate that system with another public water system pursuant to the procedures that are generally applicable to the sale of real property by a city, only if: (i) the potentially subsumed water system is wholly within the boundaries of the city, (ii) if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and (iii) if certain other requirements set forth in the bill met. The bill would prohibit the city from selling the public utility for one year if 50% of “interested persons,” as defined in the bill, protest the sale. The April 3 amendments added a requirement of approval of the sale by at least four-fifths of the city council. The April 3 amendments also added that notice of the sale may be given by including notice in the agency’s regular billing statement; that one written protest per parcel, filed by an owner or tenant of the parcel, is to be counted in calculating a protest; and that the city shall maintain all written protests for a minimum of two years following the date of the hearing to consider written protests. The bill was amended on July 5 to specifically apply only to the cities of El Monte, Montebello and Willows. This bill was signed into law.



**AB 2370 (Holden and Gonzalez Fletcher) – Lead Testing – Child Day Care Facilities:** As amended on August 24, the provisions in this bill that would have required the State Water Resources Control to adopt regulations for the testing of drinking water at licensed child day care centers were deleted. As amended, this bill would now require a licensed child day care center that is located in a building that was constructed before January 1, 2010, to have its drinking water tested for lead contamination levels on a specified schedule and to notify parents or legal guardians of children enrolled in the day care center of the requirement to test the drinking water and the results of the test. If a licensed child day care center is notified of that elevated lead levels, the day care center would have to immediately make inoperable and cease using the affected fountains and faucets and obtain a potable source for water for children and staff. The bill would require the State Water Board to post all test results received pursuant to these provisions on its website and require the Department of Social Services, in consultation with the State Water Board, to adopt regulations implementing these provisions no later than January 1, 2021.

**This bill was signed into law.**

**AB 2371 (Carrillo) – Water Use Sustainability – Irrigation:** After multiple amendments, this bill would now accomplish the following: (i) would require the Contractors' State License Board to confer with specified entities to determine whether any updates or revisions to the contractor license examination are needed to reflect new and emerging landscape irrigation efficiency practices; (ii) would authorize a home inspection report on a dwelling unit on a parcel containing an in-ground landscape irrigation system to include information regarding the operation and observation of the irrigation system, and, to the extent funds are available, would require the Department of Water Resources, in consultation with the California Real Estate Inspection Association and the Department of Housing and Community Development, to compile an estimate of the number of properties for which an irrigation system inspection report has been prepared each year, beginning with 2018, for inclusion in an update to the California Water Plan; (iii) would require the Director of Water Resources, on or before June 30, 2019, to convene a working group to complete tasks by January 1, 2020 relating to water use associated with landscape plants, and to provide a written overview of its findings and recommendations; and (iv) would require the Department of Water Resources, on or before June 30, 2019, and at least every 3 years thereafter, to collaborate with the University of California Division of Agriculture and Natural Resources to review and revise the Water Use Classification of Landscape Species publication, and its associated database, relating to plant taxa. **This bill was signed into law.**

**AB 2501 (Chu and Friedman) – Water System Administrators; Consolidations:** The bill was gutted and amended on August 24. As amended, the bill would recast the provisions of existing law relative to water system consolidations and the State Water Board's appointment of administrators. The bill would authorize the State Water Board to order consolidation with a receiving water system if a public water system or state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water or if a disadvantaged community that is reliant on a domestic well that consistently fails to provide an adequate supply of safe drinking water. The bill would require the State Board, instead of a public hearing at the expiration of the deadline, to conduct a second public meeting if the consolidation has not concluded within 6 months of the first public meeting. The bill would require the State Board, as necessary and appropriate, to compensate a receiving water system for any capacity lost because of the consolidation or extension of service. The bill would prohibit a receiving water system from charging any fees to, or placing conditions on, customers of the subsumed water system that it does not charge to, or impose on, new customers that are not subject to the consolidation with the receiving water system. The bill would prohibit the State Board from funding public works or upgrades unrelated to the delivery of an adequate supply of affordable, safe drinking water. The bill would authorize the State Board to order a receiving water system to consolidate or extend service to a public water system operated by a local educational agency only if certain additional conditions are met.

The bill would also authorize the State Board to contract with, or provide a grant to, an administrator to provide administrative, technical, operational, or managerial services, or any combination of those services, to a designated water system to assist with the provision of an adequate supply of affordable, safe drinking water. The bill would also authorize the State Board to order a designated water system to accept those services from an administrator appointed by the State Board for full oversight of construction or development projects related to a consolidation or extension of service. The bill would require the State Board, before ordering a designated water system to accept those services from an administrator, to develop certain standards, terms, and procedures in a policy handbook for purposes of these provisions.

**This bill was signed into law.**

**AB 2516 (Eggman) – Reservoir Restrictions – Public Notice:** Existing law authorizes the Department of Water Resources to impose reservoir restrictions and to impose liens on an owner of a dam who fails to comply with requirements relating to dam safety or any DWR approval, order, rule, regulation, or requirement. This bill would require DWR to post, and update quarterly, on its website a report containing the name of each reservoir subject to a restriction, the effective date of the reservoir restriction, the reason for the restriction, and actions that would allow the restriction to be removed. The bill, if no reservoir restrictions are in effect, would require DWR to post this fact on its website. The bill was amended on August 6 to change the reporting to annually instead of quarterly and to change the reporting subjects to be “any actions, planned or completed, that the dam owner reports to address the restriction.” **This bill was signed into law.**

**AB 2538 (Rubio) – Stormwater** – Formerly a spot bill, as amended on March 23, this bill would require the State Water Resources Control Board, by July 1, 2019 [April 26 amendments], to establish financial capability assessment guidelines for MS4 permittees that are adequate and consistent when considering the costs to local jurisdictions. **This bill was vetoed by Governor Brown, who stated the generic financial analysis the bill suggests would not meaningfully advance the issue of municipalities’ compliance with stormwater permitting requirements.**

**AB 2541 (Salas) – Water Quality – SRF Financing** – Formerly a spot bill, as amended on March 15, this bill would authorize the State Water Resources Control Board, to the extent permitted by federal law, to provide up to 100% grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund to a project for a water system that serves a severely disadvantaged community. **The bill was signed into law on August 27.**

**AB 2587 (Levine) – Paid Family Leave:** Existing law establishes the paid family leave program, for the provision of wage replacement benefits to workers who take time off work to care for a seriously ill family member or to bond with a minor child within one year of birth or placement. Existing law authorizes an employer to require an employee to take up to 2 weeks of earned but unused vacation as a condition of the employee’s initial receipt of these benefits during any 12-month period in which the employee is eligible for these benefits. The April 2 amendments clarify that the bill will delete that application of vacation leave to the waiting period, consistent with the removal of the 7-day waiting period for those benefits on and after January 1, 2018. **The bill was signed into law by Governor Brown on July 9.**

**AB 2770 (Irwin) – Sexual Harassment – Privileged Communications:** This bill would state that employee complaints of sexual harassment based on credible evidence and employer communications to interested persons and witnesses regarding a sexual harassment complaint during an investigation are privileged communications. The bill would authorize an employer to answer whether a decision to not rehire a person is based on the employer’s determination that the former employee engaged in sexual harassment. This bill clarifies the law to ensure employers can disclose instances of sexual harassment

with additional legal protection. ACWA has taken a **favor** position on this bill. Clarifying amendments were made on April 19. **The bill was signed into law by Governor Brown on July 9.**

**AB 2782 (Friedman) – CEQA:** As amended on April 2, the bill would authorize lead agencies under CEQA, in describing and evaluating projects, to consider specific [April 30 amendments] economic, legal, social, technological, or other benefits of, and the negative impacts of denying, the project. **The bill was signed into law by Governor Brown on August 24.**

**AB 2880 (Harper) – Political Reform Act:** This bill would generally authorize the governing body of a local government agency to contract with the Fair Political Practices Commission for the administration, implementation, and enforcement of a local campaign finance or government ethics law. **This bill was signed into law on September 14.**

**AB 2900 (Committee on Environmental Safety and Toxic Materials) - New Water Systems:** The California Safe Drinking Water Act (SDWA) currently requires a proposed new public water system to first submit a preliminary technical report to the State Water Board at least 6 months before initiating construction of any water-related improvement. That report must include, among other things, the name of each public water system for which any service area boundary is within 3 miles of the proposed new public water system's service area and discussions of the feasibility of each of the adjacent public water systems supplying domestic water to the proposed new public water system's service area. The SDWA makes it a misdemeanor for a person to knowingly make a false statement or representation in a report submitted, maintained, or used for purposes of compliance with the SDWA. This bill would authorize the State Water Board to approve the preliminary technical report and allow construction to proceed before the end of the 6-month period. The bill would require the preliminary technical report to additionally include the type of each nearby public water system and would require discussions of each nearby system's feasibility of supplying domestic water to the proposed new service area. **The bill was signed into law by Governor Brown on August 24.**

**AB 3081 (Gonzalez Fletcher) - Employment:** The bill was significantly amended on August 24. With those amendments, the bill now would require a client employer to share with a labor contractor all civil legal responsibility and civil liability for harassment for all workers supplied by that labor contractor. The bill would also prohibit an employer from discharging or in any manner discriminating or retaliating against an employee because of the employee's status as a victim of sexual harassment, as defined by the Fair Employment and Housing Act. The bill would establish a rebuttable presumption of unlawful retaliation based on the employee's status as a victim of domestic violence, sexual assault, sexual harassment, or stalking if an employer takes any of the listed actions (i.e., discharge, threaten with discharge, demote, suspend, or in any other manner discriminate or retaliate against) within 30 days following the date that the victim provides notice to the employer or the employer has actual knowledge of the status. The August 24 amendments also removed the provisions from the bill that would have extended the limitations period to file a lawsuit from one year to three years.

**This bill was vetoed by Governor Brown, who stated the bill would add a new, ill-defined standard of joint liability, and that most of the bill's provisions are already covered in existing law.**

#### **SENATE BILLS:**

**SB 821 (Jackson) – Emergency Services:** As relevant to the Group, this bill would authorize each county, including a city and county, to enter into an agreement to access the contact information of resident account holders through the records of a public utility or other agency responsible for water service, waste and recycling services, or other property-related services for the sole purpose of enrolling county residents in a county-operated public emergency warning system. The bill would require any county that enters into such an agreement to include procedures to enable any resident to opt out of the warning

system and a process to terminate the receiving agency's access to the resident's contact information. The bill would prohibit the use of the information gathered for any purpose other than for emergency notification. **This bill was signed into law.**

**SB 833 (McGuire) – Emergency Alerts:** This bill, on or before July 1, 2019, would require OES, in consultation with specified entities, to develop voluntary guidelines for alerting and warning the public of an emergency. The bill would require OES to provide each city, county, and city and county with a copy of the guidelines. This bill would authorize OES to impose conditions upon voluntary application for grant funding that it administers requiring operation of alert and warning activities consistent with the guidelines. The bill would also require OES, within 6 months of making the statewide guidelines available and at least annually thereafter and through its California Specialized Training Institute, to develop alert and warning training on specified subjects, including operation of emergency alert system and software and communications under the federal Wireless Emergency Act (WEA). **This bill was signed into law.**

**SB 929 (McGuire) – Special District Websites:** This bill is sponsored by the California Special Districts Association and is a result of the recent Little Hoover Commission study on special districts. Beginning on January 1, 2020, this bill would require that every special district have a website, unless a district declares a hardship exists that prevents the district from establishing or maintaining a website, including, but not limited to, inadequate access to broadband communications network facilities that enable high-speed Internet access, significantly limited financial resources, or insufficient staff resources. ACWA has taken a **favor** position on this bill. **This bill was signed into law on September 14.**

**SB 963 (Allen) – Water Replenishment Districts:** This bill would repeal the existing statutory cap of \$10,000,000 on the reserves held by the Water Replenishment District of Southern California. That cap was put in place at a time when WRD was engaging in very controversial activities. WRD has since acted to “clean up its act” and with its extensive capital projects, including its GRIP project, it should maintain higher levels of reserves. As amended on June 4, the bill includes specific audit requirements, including that WRD's audit be submitted to the Senate Governance and Finance Committee and Assembly Local Government Committee, and to the Governor. Also, WRD must include in its audit report information on expenditures relating to capital improvement projects planned to be undertaken by the district. **This bill was signed into law on September 11.**

**SB 966 (Wiener) – Onsite Recycled Water Systems:** This bill would, on or before December 1, 2022, require the State Water Board, in consultation with the California Building Standards Commission and Department of Housing and Community Development [added by August 23 amendments], to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of non-potable water. The bill would require a local jurisdiction (defined as a city, county or city and county) that elects to establish a program for onsite treated non-potable water systems to, among other things, adopt, through ordinance, a local program that includes the risk-based water quality standards established by the State Water Board. The bill would prohibit an onsite treated non-potable water system from being installed except under a program established by a local jurisdiction in compliance with the bill's provisions. As amended on August 23, the bill also would, on or before December 1, 2023, require the Department of Housing and Community Development, in consultation with the State Water Board, to develop and propose for adoption any necessary corresponding building standards to support the risk-based water quality standards established by the State Water Board. **This bill was signed into law.**

**SB 998 (Dodd) – Water Service Termination:** The bill has been subsequently amended, but still has significant problems. This bill would require an urban and community water system (i.e., a public water system that supplies water to more than 200 service connections) to have a written policy on residential service shutoffs available in English, Spanish, Chinese, Vietnamese, Korean, Tagalog and any other language spoken by at least 10% [threshold changed back to 10% from 5%] of the people residing in the system's service area. The bill would require the policy to include certain components, including how to

arrange a plan for deferred payments, to be available on the system's website and to be provided to customers upon request. The bill would make a violation of these provisions punishable by a civil penalty issued by the State Water Resources Control Board in an amount not to exceed \$500 for each day in which the violation occurs. The bill would eliminate existing notice and other requirements relating to the termination of residential water service and would replace them with the provisions of the bill.

The bill would prohibit an urban and community water system from shutting off residential service until a payment by a customer has been delinquent for at least 60 days. The bill would require the system to contact the customer named on the account and provide the customer with the system's policy on residential service shutoff no less than 7 business days before shutoff.

This bill would prohibit residential service from being shut off if the customer provides certification from a primary care provider that the termination of service would be life threatening, if the customer demonstrates he or she is financially unable to pay during the normal billing cycle (i.e., if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares [note that declaration under penalty of perjury is no longer required] that the household's annual income is less than 200 percent of the federal poverty level); or if the customer is willing to enter into an amortization agreement, alternative payment schedule or deferred or reduced payment arrangement.

Under the amendments, the reconnection fees are limited only for residential customers with household income less than 200 percent of the federal poverty level. For those persons, the reconnection fees are limited to the lesser of actual costs of reconnection or \$50 if reconnected during normal business hours or \$150 if reconnected outside of normal business hours. The bill would require a water system that shuts off residential service to provide the customer with information on how to restore service. The bill would require each system to report the number of annual shutoffs for inability to pay on its website. The bill would require public agency urban and community water systems to comply with the bill's provisions on and after April 1, 2020. [changed from April 1, 2019]

**This bill was signed into law.**

**SB 1022 (Pan) – PERS – Administration:** This bill would require an entity that desires to terminate its PERS contract to notify past and present employees who are members, former members, or retired members of PERS, within ~~7~~ 30 [April 12 amendments] days of the adoption of the resolution giving notice of intention to terminate and, with regard to contracts that were approved by the electorate, to make notification of a pending vote to terminate at least 90 days before the date of vote. The bill would require that the ordinance or resolution terminating the PERS contract be adopted not less than 90 days and not more than one year after PERS' receipt of the resolution giving notice of intention to terminate. The bill would prohibit the termination effective date from being earlier than the date of adoption of the ordinance or resolution terminating the contract. The April 12 amendments also added that the bill would require the board to provide contact information in a specified format to contracting agencies for providing notice to past employee members, former members, and retired members and would prescribe a process in this regard. The bill would immunize contracting agencies for failure to provide notice if the contact information is incomplete or incorrect.

Existing law authorizes the PERS board to elect not to impose a benefit reduction, or to impose a lesser reduction, on a plan that has been terminated if the board has made all reasonable efforts to collect the amount necessary to fully fund the liabilities of the plan and the board finds that not reducing the benefits, or imposing a lesser reduction, will not impact the actuarial soundness of the terminated agency pool. As introduced, this bill would repeal those provisions. The March 14 amendments deleted

this repeal provision, so the PERS board will continue to be able to elect the stated benefit reduction.  
**This bill was signed into law.**

**SB 1085 (Skinner) – Meyers-Milias-Brown:** Formerly a spot bill, as amended on April 10, this bill would require public employers, upon request of the exclusive representative of an employee, to grant reasonable leaves of absence without loss of compensation or other benefits to enable employees to serve as stewards or officers of the exclusive representative, or of any statewide or national employee organization with which the exclusive representative is affiliated. The bill would specify that leave may be granted on a full-time, part-time, periodic, or intermittent basis, in accordance with certain procedures. The bill would grant the steward or representative, at the conclusion or termination of the leave granted, the right of reinstatement to the same position held before the leave without loss of seniority, rank, or classification. The bill would provide that the exclusive representative is not obligated to request leave under this provision and may terminate that leave at any time, for any reason. The bill would specify that compensation during leave granted is required to include retirement fund contributions, the employee is to earn full service credit during the leave, and is required to pay his or her membership contributions, unless the employer has agreed to pay the contributions on the employee's behalf, as specified [the August 23 amendments deleted the limitation in the prior version of the bill that limited such service time credit to 12 years]. The bill would also provide that a public employer is not liable for acts, omissions, or injuries suffered by employees that occur during the course and scope of the employee's leave. As amended on May 25, the bill would require the exclusive representation or employee organization to reimburse the public employer for all compensation paid to the employee on leave, unless otherwise agreed to. **This bill was signed into law.**

**SB 1126 (Portantino) – Upper L.A. River and Tributaries Working Group:** This bill would specify the Arroyo Seco Tributary as a waterway for the Upper Los Angeles River and Tributaries Working Group to include in its revitalization plan and watershed education programs. As amended on March 20, the bill would add the Flint Wash as a waterway under that Working Group's jurisdiction and would add one representative from each of La Cañada Flintridge, Pasadena and South Pasadena to the Working Group. The April 18 amendment deleted Flint Wash from the bill. The June 13 amendments added that the bill would require the Working Group's revitalization plan to be developed on or before June 30, 2020, and that a copy of that plan is provided to certain legislative committees by that date. **This bill was signed into law.**

**SB 1133 (Portantino) – Regional Water Quality Control Board – Acceptance of Funds:** Formerly a spot bill, this bill was amended on March 19, and further amended on June 6, to authorize the State Water Resources Control Board, on its own behalf or on behalf of a regional water quality control board to accept donations of moneys from a permittee for the purpose of updating a water quality control plan. **This bill was signed into law on September 11.**

**SB 1215 (Hertzberg) – Consolidation of Water Systems:** The Safe Drinking Water Act authorizes the State Water Board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. The SDWA requires the State Water Board, before ordering consolidation or extension of service, to, among other things, consult with specified entities, hold at least one public meeting, and make certain findings. The SDWA authorizes the State Water Board to set timelines and performance measures to facilitate the completion of consolidation.

This bill would authorize the State Water Board to set timeline and performance measures to facilitate completion of the extension of service of drinking water. This bill would authorize the State Water Board to order consolidation with a receiving sewer system for, or order the extension of sewer service to, a disadvantaged community under specified circumstances. The bill would require the State Water Board to take certain actions before ordering consolidation or extension of sewer service that are similar to

those required for the consolidation or extension of water systems and would additionally require the State Water Board to find that at least 75% of the households in the community potentially subject to extension or consolidation of service have agreed to receive sewer service from the receiving sewer system. This bill would expand the definition of “disadvantaged community,” for purposes of these consolidation and extension of service provisions, to also include a defined disadvantaged community that is in an incorporated area but not served by a public water system or wastewater system. The bill would also prohibit the receiving sewer system from increasing charges on existing customers solely because of the consolidation or extension of service, unless those customers receive a corresponding benefit, and would prohibit the receiving sewer system from charging rates to newly absorbed customers that are higher than those necessary to provide the sewer service. ACWA has taken a **not favor** position on this bill.

Similar to AB 2501, relative to water system consolidations, the April 12 amendments to this bill also delete the 75% threshold for petitioning the State Water Board for consolidation and instead would authorize the State Water Board develop and adopt a policy that provides a process by which members of a disadvantaged community may petition the State Board to consider the provision of sewer service.

The June 21 amendments changed the bill so that it applies to regional water quality control boards, instead of the State Water Resources Control Board. Also, the policies that must be adopted must be included in a policy handbook. The August 20 amendments added further provisions concerning on-site sewage systems. **This bill was signed into law.**

**SB 1244 (Wieckowski) – Public Records Act:** Formerly a spot bill, this bill was amended on March 21 to address the Public Records Act. Under existing provisions of the Public Records Act, disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemption from disclosure under the act. This bill would specify that the waiver of the exemption applies whether the disclosure is intentional or inadvertent. The bill would leave public agencies without recourse in the event of an inadvertent disclosure of documents currently exempt from disclosure under the act. **This bill was signed into law on September 17.**

**SB 1300 (Jackson) – Employment – Sexual Harassment:** This bill would specify that an employer may be responsible for the acts of nonemployees with respect to other harassment activity [added by August 20 amendments].

The bill would prohibit an employer from requiring the execution of a release of a claim or right under the Fair Employment and Housing Act (FEHA) in exchange for a raise or bonus or as a condition of employment or continued employment. The bill would prohibit an employer from requiring an employee to sign a non-disparagement agreement or other document that purports to deny the employee the right to disclose information about unlawful acts in the workplace, including but not limited to, sexual harassment. The bill would provide that an agreement or document in violation of either of those prohibitions is contrary to public policy and unenforceable.

The bill would also authorize an employer to provide bystander intervention training, as specified in the bill, to their employees. [changes made by August 20 amendments]

The April 4 amendments provide that it suffices in an action for discrimination or harassment for the plaintiff to show that the employer knew that the conduct was unwelcome to the plaintiff, that the conduct would meet the legal standard for harassment or discrimination if it increased in severity or become pervasive, and that the defendant failed to take all reasonable steps to prevent the same or similar conduct from recurring. The April 4 amendments also broaden an employer’s liability for acts of non-employees by making an employer liable for any type of harassment (instead of just sexual harassment) prohibited under FEHA of employees, applicants, unpaid interns or volunteers, or persons

providing services pursuant to a contract in the workplace. Those amendments also add that a prevailing defendant in a harassment or discrimination case is prohibited from being awarded fees and costs unless the court finds the action was frivolous, unreasonable, or ~~totally without foundation~~ groundless [August 20 amendments] when brought or that the plaintiff continued to litigate after it clearly became so. **This bill was signed into law.**

**SB 1343 (Mitchell) – Sexual Harassment Training:** The Fair Employment and Housing Act currently requires employers with 50 or more employees to provide at least 2 hours of training and education regarding sexual harassment, abusive conduct, and harassment based upon gender to all supervisory employees within 6 months of their assumption of a supervisory position and once every 2 years thereafter. As amended, this bill would instead require an employer who employs 5 or more employees to provide at least 2 hours of sexual harassment training to all supervisory employees and one hour of sexual harassment training to all non-supervisory employees by January 1, 2020, and once every 2 years after that. The bill would require the Department of Fair Employment and Housing to develop or obtain the 1-hour and 2-hour on-line training courses on the prevention of sexual harassment in the workplace and to post it on its website. The bill would also require the department to provide existing informational posters and information regarding sexual harassment prevention, to be available to employers in alternate languages. **This bill was signed into law.**

**SB 1413 (Nielsen) – Pension Prefunding:** Formerly a spot bill, as amended on April 9, this bill would enact the California Employers' Pension Prefunding Trust Program and establish the California Employers' Pension Prefunding Trust Fund to allow state and local public agency employers that provide a defined benefit pension plan to their employees to prefund their required pension contributions. The bill would authorize an employer, upon terms and conditions to be set by the Public Employee Retirement Board, to elect to participate in the prefunding plan, and would require the governing body of that employer to enter into a contract with the board relative to the prefunding plan. The bill would require the board to offer participating employers specified cost-effective, diversified investment portfolios.

The bill would require each participating employer, as defined, to pay an amount, determined by the board, for administrative and asset management costs of the prefunding plan and would grant the board the sole and exclusive control of the administration and investment of the fund. The bill would also authorize the board to adopt emergency regulations for the purposes of these provisions and would make an appropriation of \$695,140 from the General Fund to the Board of Administration of the Public Employees' Retirement System for expenditure in fiscal years 2019–20 to develop the program. **This bill was signed into law.**

**SB 1422 (Portantino) – Water Quality (plastics):** This bill initially stated the Legislature's intent to enact legislation relating to levels of plastic that are found in water and the impacts of those levels on human health. The bill was subsequently further amended and now would require the State Water Resources Control Board, on or before July 1, 2020, to adopt a definition of microplastics in drinking-water, and on or before July 1, 2021, to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results. **This bill was signed into law.**



**Kinneloa Irrigation District**

**Annual Performance Review  
General Manager**

**Name**

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**Evaluation Period**

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**Summary**

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**Major Accomplishments During the Evaluation Period**

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**Supplemental Comments Regarding Performance on Essential Functions**

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**Performance with Respect to Goals and Objectives for the Evaluation Period**

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**Additional Comments**

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**General Manager Signature**

**Date**

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**Signature of Member of Board of Directors**

**Date**



I have reviewed these Goals and Objectives with the Board of Directors and am in agreement.

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**General Manager Signature**

**Date**

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**Signature of Member of Board of Directors**

**Date**



# Memo

Date: September 28, 2018  
 To: Board of Directors  
 From: Mel Matthews  
 Subject: Capacity Charge and Development Fees  
 Recommended Action: Discuss and provide direction to staff

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## Background

The District has a **Capacity Charge** as set forth in Appendix C of the District's **Rules and Regulations** for each new connection for a parcel that has not previously had water service from the District. This charge is in addition to the charge for installation of a new water service connection and meter and partially compensates the District and its customers for water system improvements in prior years that also benefit the new customer. The law requires that the District follow a specific procedure in instituting such a charge. Among the things required is an adequate investigation which would establish the need for the improvements and the connection between the improvements constructed and the benefit rendered to future residential construction.

On May 15, 1990 the Board of Directors passed Resolution 90-5-15 that authorized the General Manager to order an engineering study by ASL Consulting Engineers regarding the following:

1. The amount expended by the District for such purposes from January 1, 1987 through May 15, 1990
2. The facilities built or improved through such expenditure of District funds
3. The relationship between the type of facilities built or improved and water service to parcels presently undeveloped with the District, but which may later be developed
4. The need for the facilities built or improved to service parcels presently undeveloped within the District, but which may later be developed

On July 2, 1990 the District received the Engineering Study for ASL identifying the improvements, estimating the expense to the District at \$90,000 and the number of dwelling units that would be constructed over a 10-year period to be 30. Therefore, the **Capacity Charge** was calculated to be \$3,000 per dwelling. Although we are well beyond the ten-year period, the District has been collecting this charge on all new water service connections since 1990 including providing connections to parcels that were sub-divided. Additionally, owners and developers that

required new and improved facilities to provide in-development infrastructure and/or increased fire flow and/or storage were required to pay all or a portion of those construction costs. The most-recent major development in the District was Kinneloa Ridge where the developer paid for approximately \$1M in improvements. The only remaining area of major development is the 13-acre parcel on Doyne Road. Under District policy, if the Doyne project had been started within 5 years, the Ridge Developer would have received refund of a portion of the development charge since some of the improvements made also benefited the Doyne project. Since the project was not developed, the District retained 100% of those fees. Development of this parcel has been proposed by several owners and developers over many decades and its status is unknown at the time I am writing this memo. However, the original subdivision (Tract no. 44323) containing 8 lots has been reduced to single-family homes on two parcels with private driveways and no dedicated streets and other infrastructure. Therefore, the previous draft developer agreement with the prior owner is no longer applicable and a new agreement might be necessary depending on the requirements for the new project when it proceeds. The remaining parcels identified in the 1990 report are single vacant lots throughout the District.

### Summary and Discussion

By law, **Capacity Charges and Development Fees** cannot be arbitrary or used to encourage or discourage development. There must be a cost basis for the impact on the District and the fees must be justified to be fair to future customers/property owners and compensate the District and current customers for previous investment to improve the system that benefits the new customers/property owners. The Board needs consider the following if a new capacity charge is desired or fairly dividing the costs for improvement projects between the District and the property owner:

1. If the Board wants to increase the **Capacity Charge**, a study of projects completed between 1990 and the present will be needed to determine which projects benefit the remaining undeveloped parcels and what portion of each project was paid by the District and not reimbursed by the developer/owner.
2. Each future project will need to be analyzed to determine the fair and reasonable proportion of benefits between the developer/owner and the general benefit to the District and its customers. **Development Fees** need to be based on the proportional cost of providing past and future system improvements that exclusively benefit the undeveloped parcel versus vs. the general benefit to the District or the specific pressure zone serving the parcel.

The determination of fair and reasonable charges is a difficult and time-consuming process. In some cases, especially for smaller projects, the staff has simply charged the owner 100% of the cost. For example, increased fire flow can sometimes be provided by replacing the fire hydrant and its lateral supply line from the water main. We generally have charged the owner 100% of the cost even though the new fire hydrant also benefits the neighbors near his property. In other cases, like most of our pipeline projects, the KID has paid 100% of the cost to increase water main size and install new fire hydrants because the project was beneficial to many customers.

Finally, there is the example of the \$408,354 Sierra Madre Villa/Barhite pipeline project to increase fire flow where a portion of the project bid items was paid 100% by the KID, another portion 100% by the owner, another portion split 50%/50% and the remaining portion split 65% for the KID and 35% by the owner. The net result was that the owner paid for approximately 55% of the total project cost. This splitting of the costs was based on the staff and engineer's proposal and agreed to by the owner. This is the first and only project of this magnitude where an owner and existing customer of a single parcel has agreed to share a cost of this magnitude even though all the customers in the project area benefited from the project.

### Conclusion

The KID's **Rules and Regulations** is the document which describes and establishes the **Capacity Charge** and the relationship between the District and the Customer/Owner/Developer and any applicable **Development Fees** and other charges. I am currently working on Revision 12 of this document and I want to incorporate any additions, changes or clarifications regarding the subjects contained in this memo after discussion by the Board.