

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, July 18, 2023
3:00 P.M.

AGENDA

This meeting will be conducted at the District office in accordance with the Brown Act and AB 2449. Public comment may be made in person or submitted via email to kinneloa@outlook.com prior to the meeting, any information submitted will become part of the official record. The public may participate at the office or via computer or telephone using the following information: <https://us02web.zoom.us/j/85061795151?pwd=QURaWGV5Lzg3dmEvcGx1Ujl6akRHdz09>

Meeting ID: 850 6179 5151

Passcode: 156331

Telephone: 669 900 9128

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. ELECTION OF KINNELOA IRRIGATION DISTRICT TREASURER FOR YEAR 2023 –

Recommended Action: Conduct election per the following procedure per Article 4.03 of the Kinneloa Irrigation District's Rules and Regulations

BOARD OFFICER ELECTION PROCEDURE

- a. The Chairman calls for nominations for the office of Treasurer.
- b. A candidate is nominated.
- c. The nomination is seconded. If a second is not received, the nomination dies.
- d. The Chairman then asks if there are other nominations.
- e. All other nominations (if any) are received and seconded.
- f. The Chairman then calls for a vote and announces the results.

4. REVIEW OF MINUTES – May 16, 2023, Regular Meeting
Recommended Action: Review and approve motion to file.

5. REVIEW OF FINANCIAL REPORTS – June 30, 2023
Recommended Action: Review and approve motion to file.

6. INFORMATION ITEMS

- a. Update on general election on 11/7/23 for Division 1, 4 and 5
- b. Customer Outreach –June Newsletter
- c. Subeca Customer Interface Rollout
- d. Fluoride Variance Expiration – Compliance Plan sent to DDW on 7/10/23
- e. 1850 Kinneloa Canyon Road – pending customer funds deposit
- f. Proposed CY 2024 Budget and 5 Year CIP
- g. Rate Setting Briefing

7. AD HOC PERSONNEL COMMITTEE REPORT – Information item presented by the Committee Chair
The committee will meet with the GM one final time to review the final recommended changes to the Employee Policies and Procedures manual following JPIA review and comment.

8. AD HOC FINANCE COMMITTEE REPORT – Information item presented by the Committee Chair
The ad hoc finance committee has not met, General Manager recommends establishing a new Ad Hoc “2024 Budget and Rate Setting” committee in its place.

9. GENERAL MANAGERS REPORT – Information item presented by the General Manager.
Recommended Action: General Manager to summarize the report and respond to questions

10. 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.

11. CALENDAR – Upcoming regular meetings: August 15, 2023 September 19, 2023 October 17, 2023

12. 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://kinneloa Irrigation District.info>.

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, June 20, 2023, 3:00 P.M.

MINUTES

The meeting was conducted in the District Board Room and by teleconference in accordance with the Brown Act and AB 2449. The District offered the public the option to attend the meeting by telephone, videoconference or in-person as stated in the agenda.

DIRECTORS PRESENT: (In-Person): Gordon Johnson, Gerrie Kilburn, Timothy Eldridge

DIRECTORS ABSENT: Stephen Brown

STAFF PRESENT: (In-Person): General Manager, Tom Majich; Board Clerk, Martin Aragon; Field Staff; Chris Burt & Michele Ferrell

PUBLIC PRESENT: Robert Cruz

1. CALL TO ORDER:

Chairman Johnson called the meeting to order at 3:00 P.M. and took roll call. A quorum of Board Members was present and reviewed the agenda.

2. PUBLIC COMMENT: Mr. Robert Cruz, resident of Division 5, was in attendance and shared his desire to be appointed to the Board of Directors representing Division 5.

3. REVIEW OF MINUTES:

Director Kilburn motioned to approve the **May 16, 2023** Minutes for filing, subject to correction of the typo in Item 8, and was seconded by Director Eldridge. It was motioned/seconded/carried unanimously – (Kilburn / Eldridge– 3 Aye/0 Nay /0 Abstain/1 Absent)

4. REVIEW OF FINANCIAL REPORTS:

The General Manager presented the May 2023 financial reports. Director Eldridge motioned to approve the May 2023 financial reports for filing and was seconded by Director Kilburn. It was motioned/seconded/carried unanimously – (Eldridge / Kilburn – 3 Aye/0 Nay /0 Abstain/1 Absent)

5. INFORMATION ITEMS:

Mr. Robert Cruz responded to the Division 5 Board vacancy with the desire to be considered for appointment. The deadline for the Board to make the appointment has passed and action is now with the County Board of Supervisors.

General Election candidacy materials for the Board seats representing Divisions 1, 4 and 5 have not yet been made available by the County.

The next customer newsletter will go out late June. The General Manager will write a section about our water supply sources. Director Brown will work with the General Manager and CV Strategies to develop the newsletter.

District Staff noted that the Subeca customer dashboard is still not fully functional and does not recommend rolling out to all customers at this time until alert issues are resolved.

The customer associated with the 1850 Kinneloa Canyon Road project has signed the agreement and provided the professional services deposit. The project has been advertised for bids due July 6th. Provided customer funds are received timely following the bid opening the award of this project will be on the agenda for the next regular Board Meeting.

Foothill Municipal Water District will have a vacancy on their Board for Division 2 which includes the KID service area. Notifications provided to KID staff will be furnished to the Board upon receipt and other public notice will be made as required.

6. AD HOC PERSONNEL COMMITTEE REPORT:

The Ad Hoc Personnel Committee has not met since the last Board meeting and has nothing to report.

7. AD HOC FINANCE COMMITTEE REPORT:

The Ad Hoc Finance Committee has not met since the last Board meeting and has nothing to report.

8. GENERAL MANAGER'S REPORT:

The General Manager presented the monthly report on District activities and water supply and production. A year-to-date summary of the Watermaster Year ending June 2023 was provided. An estimate of water supply and demand for the forthcoming water year was provided, it was recommended by District Staff to not pursue lease rights for additional pumping for the 2023-2024 water year.

9. DIRECTOR REPORTS AND/OR COMMENTS:

Director Eldridge asked District Staff to survey District property in the Pasadena Glen area for needed brush clearing.

Director Eldridge shared an article from the California Special Districts magazine regarding potential legislative initiatives to allow Special Districts to include wildfire mitigation to be included in their scope of services.

Director Johnson attended the most recent board meeting of the Foothill Municipal Water District and reported that the new FMWD representative to the Metropolitan Water District will be Garry Bryant.

10. CALENDAR: Upcoming regular meetings: July 18, 2023; Aug. 15, 2023; Sept. 19, 2023

11. ADJOURNMENT:

**Chairman Johnson adjourned the meeting at 4:25 P.M.
Prepared and submitted by,**

Martin Aragon

**Martin Aragon
Office Manager/Board Clerk**

Kinneloa Irrigation District
Income Statement Compared with Budget for the Six Months Ending June 30, 2023

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget
Revenues							
4000 Water Sales	114,142.10	155,000.00	(40,857.90)	605,374.00	751,000.00	(145,626.00)	1,600,000.00
4015 Wholesale Water Sales	0.00	0.00	0.00	187,081.40	50,000.00	137,081.40	50,000.00
4020 Service/Installation Charges	966.47	833.33	133.14	3,873.76	4,999.98	(1,126.22)	10,000.00
4035 Interest-Reserve Fund	3,393.22	833.33	2,559.89	28,690.41	4,999.98	23,690.43	10,000.00
4036 Unrealized Gain(Loss)-CalTRU	(6,253.09)	2,083.33	(8,336.42)	(3,591.64)	12,499.98	(16,091.62)	25,000.00
Total Revenues	112,248.70	158,749.99	(46,501.29)	821,427.93	823,499.94	(2,072.01)	1,695,000.00
Expenses							
5000 Leased Water Rights	0.00	0.00	0.00	103,500.00	63,135.00	40,365.00	63,135.00
5005 Electricity	11,932.89	17,000.00	(5,067.11)	79,061.11	75,000.00	4,061.11	170,000.00
5010 Maintenance/Repair Supplies	2,890.73	3,500.00	(609.27)	10,250.75	19,000.00	(8,749.25)	40,000.00
5011 Material and Labor for Install	0.00	3,333.33	(3,333.33)	0.00	19,999.98	(19,999.98)	40,000.00
5012 Safety Equipment	333.63	166.67	166.96	1,501.26	1,000.02	501.24	2,000.00
5015 Operations Labor	25,792.50	27,646.67	(1,854.17)	168,025.97	165,880.02	2,145.95	331,760.00
5016 Operations OT	3,595.52	1,666.67	1,928.85	19,746.84	10,000.02	9,746.82	20,000.00
5020 Stand-by Compensation	1,020.00	915.00	105.00	5,430.00	5,490.00	(60.00)	10,980.00
5022 Training/Certification	154.40	133.33	21.07	754.38	799.98	(45.60)	1,600.00
5025 Water Treatment/Analysis	604.00	2,500.00	(1,896.00)	14,524.76	15,000.00	(475.24)	30,000.00
5026 Water Treatment/Analysis Equip	268.27	0.00	268.27	5,130.59	0.00	5,130.59	0.00
5030 Maintenance/Repair Contractors	5,700.66	11,666.67	(5,966.01)	76,622.20	70,000.02	6,622.18	140,000.00
5031 SCADA Operating/Maintenance	441.36	833.33	(391.97)	8,515.42	4,999.98	3,515.44	10,000.00
5034 Equipment Maintenance	805.07	2,083.33	(1,278.26)	805.07	12,499.98	(11,694.91)	25,000.00
5035 Vehicle Maintenance	992.72	1,333.33	(340.61)	9,589.00	7,999.98	1,589.02	16,000.00
5036 Fuel	1,428.15	1,833.33	(405.18)	13,705.36	10,999.98	2,705.38	22,000.00
5040 Equipment Rental	0.00	0.00	0.00	0.00	0.00	0.00	500.00
5045 Insurance-Workers Comp.	4,921.41	5,000.00	(78.59)	9,630.04	10,000.00	(369.96)	20,000.00
5046 Insurance-Liability	2,162.39	1,416.67	745.72	12,974.34	8,500.02	4,474.32	17,000.00
5048 Insurance-Property	312.56	208.33	104.23	1,875.36	1,249.98	625.38	2,500.00
5049 Insurance-Medical	6,356.68	7,744.58	(1,387.90)	38,847.34	46,467.48	(7,620.14)	92,935.00
6000 Engineering Services	0.00	3,958.33	(3,958.33)	3,220.00	23,749.98	(20,529.98)	47,500.00
6005 Watermaster Services	1,318.00	1,416.67	(98.67)	7,908.00	8,500.02	(592.02)	17,000.00
6015 Administrative Salary	14,279.18	14,500.00	(220.82)	58,274.40	87,000.00	(28,725.60)	174,000.00
6017 Administrative Travel	0.00	250.00	(250.00)	140.04	1,500.00	(1,359.96)	3,000.00
6020 Board Compensation	300.00	700.00	(400.00)	3,000.00	4,200.00	(1,200.00)	8,400.00
6021 Administrative & Board Exp.	0.00	83.33	(83.33)	227.85	499.98	(272.13)	1,000.00
6022 Board of Directors Election	0.00	0.00	0.00	0.00	0.00	0.00	12,500.00
6024 Customer/Public Info. Prog.	589.40	1,250.00	(660.60)	4,925.15	7,500.00	(2,574.85)	15,000.00
6025 PERS - KID	4,001.49	4,400.00	(398.51)	23,178.01	26,400.00	(3,221.99)	52,800.00
6030 Social Security - KID	3,471.37	3,300.00	171.37	20,846.61	19,800.00	1,046.61	39,600.00
6031 Medicare - KID	811.88	779.17	32.71	4,875.52	4,675.02	200.50	9,350.00
6035 Office/Computer Supplies	148.75	583.33	(434.58)	4,291.72	3,499.98	791.74	7,000.00
6036 Postage/Delivery	0.00	416.67	(416.67)	2,225.24	2,500.02	(274.78)	5,000.00
6040 Professional Dues	927.57	1,333.33	(405.76)	5,879.18	7,999.98	(2,120.80)	16,000.00

Kinneloa Irrigation District
Income Statement Compared with Budget for the Six Months Ending June 30, 2023

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget
6045 Legal Services	0.00	1,250.00	(1,250.00)	5,252.24	7,500.00	(2,247.76)	15,000.00
6050 Telephone	234.96	375.00	(140.04)	1,769.70	2,250.00	(480.30)	4,500.00
6051 Mobile Communications	157.49	166.67	(9.18)	887.18	1,000.02	(112.84)	2,000.00
6052 Pagers	36.18	41.67	(5.49)	248.66	250.02	(1.36)	500.00
6053 Internet Service	114.98	133.33	(18.35)	679.88	799.98	(120.10)	1,600.00
6059 Computer Software Maintenance	2,189.86	2,000.00	189.86	7,008.79	12,000.00	(4,991.21)	24,000.00
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	2,115.13	499.98	1,615.15	1,000.00
6065 Accounting Services	0.00	7,000.00	(7,000.00)	6,400.00	7,000.00	(600.00)	7,000.00
6070 Office & Accounting Labor	11,398.00	12,008.33	(610.33)	84,683.43	72,049.98	12,633.45	144,100.00
6075 Professional Services	900.89	7,916.67	(7,015.78)	15,252.99	47,500.02	(32,247.03)	95,000.00
6076 Contract Services	0.00	0.00	0.00	1,371.84	0.00	1,371.84	0.00
6080 Administrative Fees	969.28	1,036.67	(67.39)	5,682.88	6,220.02	(537.14)	12,440.00
6081 Permits/Fees	1,094.38	1,250.00	(155.62)	4,200.83	7,500.00	(3,299.17)	15,000.00
6086 Taxes - Sales/Use	0.00	41.67	(41.67)	0.00	250.02	(250.02)	500.00
6088 Interest Expense	0.00	0.00	0.00	24,102.84	24,500.00	(397.16)	49,000.00
6090 Customer Requested Expense	(336.25)	0.00	(336.25)	370.00	0.00	370.00	0.00
6120 Bank Service Charges	753.38	1,000.00	(246.62)	3,484.95	6,000.00	(2,515.05)	12,000.00
Total Expenses	113,073.73	156,255.41	(43,181.68)	882,992.85	941,167.46	(58,174.61)	1,847,200.00
Net Income	(825.03)	2,494.58	(3,319.61)	(61,564.92)	(117,667.52)	56,102.60	(152,200.00)
Other Expenditures							
1505 Water Tunnels	0.00	0.00	0.00	993.63	1,000.00	(6.37)	10,000.00
1511 Water Treatment Plant	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
1512 Water Meters	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
1513 Electrical/Electronic Equip.	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
1514 Computer/Office Equipment	0.00	0.00	0.00	5,904.27	0.00	5,904.27	5,000.00
1515 Vehicles & Portable Equipment	0.00	0.00	0.00	0.00	0.00	0.00	45,000.00
1516 Water Company Facilities	17,177.85	0.00	17,177.85	23,677.85	0.00	23,677.85	35,000.00
1522 Eucalyptus Booster Station	0.00	0.00	0.00	0.00	0.00	0.00	45,000.00
1527 SCADA Equipment	0.00	0.00	0.00	5,944.00	0.00	5,944.00	0.00
1530 Tools	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00
2400 Installment Purchase Agreement	0.00	0.00	0.00	75,998.14	75,601.00	397.14	151,202.00
Total Other Expenditures	17,177.85	0.00	17,177.85	112,517.89	76,601.00	35,916.89	329,202.00
Total Increase or (Drawdown)	(18,002.88)	2,494.58	(20,497.46)	(174,082.81)	(194,268.52)	20,185.71	(481,402.00)

Kinneloa Irrigation District Balance Sheet as of June 30, 2023

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 534,943.30
1012	Reserve Fund-LAIF	130,641.27
1014	Reserve Fund-CalTRUST	1,011,931.71
1016	Accrued Interest-LAIF	1,142.04
1100	Accts. Receivable-Water Sales	31,639.36
1102	Accts. Receiv.-Wholesale Water	70,288.94
1190	Allowance for Bad Debts	(3,199.39)
1200	Inventory	20,000.00
1340	Accrued Water Sales	111,987.68
1350	Prepaid Insurance	4,940.67
1360	Prepaid Expenses	29,070.64

Total Current Assets

1,943,386.22

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	4,010,066.35
1505	Water Tunnels	738,468.23
1506	K-3 Well	89,543.06
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	206,569.07
1512	Water Meters	405,838.63
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	81,563.11
1515	Vehicles & Portable Equipment	308,656.75
1516	Water Company Facilities	127,900.05
1517	KID Office	64,899.78
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	368,061.90
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	6,273.13
1600	Accum. Depreciation	(5,933,805.76)

Total Property and Equipment

5,560,366.86

Other Assets

1901	PERS-Deferred Outflows	64,858.00
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Total Assets

\$ 7,568,611.08

Kinneloa Irrigation District Balance Sheet as of June 30, 2023

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$	51,843.55
2005	Umpqua Visa Payable		4,566.96
2271	Deposits-Construction Meters		850.00
2272	Job Deposits		20,900.00
2275	Deposits-Water Customers		255.02
2290	Accrued Vacation		13,237.40
			13,237.40
	Total Current Liabilities		91,652.93

Long-Term Liabilities

2400	Installment Purchase Agreement		1,228,980.51
2801	PERS- Net Liability		100,903.50
2901	PERS- Deferred Inflows		160,498.00
			160,498.00
	Total Long-Term Liabilities		1,490,382.01
	Total Liabilities		1,582,034.94

Capital

3040	Fund Balance		6,048,141.06
	Net Income		(61,564.92)
			(61,564.92)
	Total Capital		5,986,576.14
	Total Liabilities & Capital	\$	7,568,611.08

Kinneloa Irrigation District
Statement of Cash Flow
For the Six Months Ended June 30, 2023

	Current Month	Year to Date
Cash Flows from Operating Activities		
Net Income	\$ (825.03)	\$ (61,564.92)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(17,856.62)	(7,081.73)
1102 Accts. Receiv.-Wholesale Water	56,954.16	(70,288.94)
1190 Allowance for Bad Debts	0.00	2,427.91
1340 Accrued Water Sales	17,841.12	16,481.68
1350 Prepaid Insurance	2,474.95	14,849.70
1360 Prepaid Expenses	2,886.21	1,092.26
2000 Accounts Payable	12,446.78	(15,558.41)
2005 Umpqua Visa Payable	(396.76)	4,566.96
2272 Job Deposits	0.00	18,200.00
	74,349.84	(35,310.57)
Total Adjustments	74,349.84	(35,310.57)
Net Cash Provided by Operations	73,524.81	(96,875.49)
 Cash Flows from Investing Activities		
<i>Used for</i>		
1505 Water Tunnels	0.00	(993.63)
1514 Computer/Office Equipment	0.00	(5,904.27)
1516 Water Company Facilities	(17,177.85)	(23,677.85)
1527 SCADA Equipment	0.00	(5,944.00)
	(17,177.85)	(36,519.75)
Net Cash Used in Investing	(17,177.85)	(36,519.75)
 Cash Flows from Financing Activities		
<i>Proceeds from</i>		
<i>Used for</i>		
2400 Installment Purchase Agreement	0.00	(75,998.14)
	0.00	(75,998.14)
Net Cash Used in Financing	0.00	(75,998.14)
Net Increase (Decrease) in Cash	\$ 56,346.96	\$ (209,393.38)
 Summary		
Cash Balance at End of Period	\$ 1,678,658.32	\$ 1,678,658.32
Cash Balance at Beg. of Period	(1,622,311.36)	(1,888,051.70)
	\$ 56,346.96	\$ (209,393.38)
Net Increase (Decrease) in Cash	\$ 56,346.96	\$ (209,393.38)

Kinneloa Irrigation District
Check Register
June 1, 2023 to June 30, 2023

Date	Check #	Payee	Amount	Description
	EFT5733	Bernadette C. Allen	460.69	Salary
	EFT5734	Arthur M. Aragon	2,013.71	Salary
	EFT5735	Ramon Jr. Ascencio	2,289.16	Salary
	EFT5736	Christopher A. Burt	3,637.49	Salary
	EFT5737	Michele M. Ferrell	2,235.10	Salary
	EFT5738	Thomas L. Majich	4,813.96	Salary
	EFT5739	Juan R. Tello	1,587.60	Salary
	EFT5740	Melanie E. Timoteo	1,772.16	Salary
	EFT5741	Christopher A. Burt	300.00	Salary
	EFT5742	Juan R. Tello	353.00	Salary
	EFT5743	Michele Ferrell	750.00	Salary
	EFT5744	Automatic Data Processing, Inc.	8,216.95	Payroll Taxes & Withholdings
	10618	ACWA-JPIA	6,544.56	KID & Employee Health Benefits Contributions
	10619	Applied Technology Group, Inc.	120.00	Handheld Radio Communication (PWAG group)
	10620	Aramark Uniform Services	201.61	Hi-Vis T-Shirts for field Staff
	10621	Clinical Lab of San Bernardino	159.00	Water Treatment/Analysis
	10622	De Nora Water Technologies, Inc.	426.06	Temperature Level Switch for K3 Chlorine Generation
	10623	Underground Service Alert	34.50	Underground Service Alert
	10624	Aramark Uniform Services	69.11	Towel Service
	10625	Clinical Lab of San Bernardino	24.00	Water Treatment/Analysis
	10626	LA County Auditor-Controller	626.32	Allocated cost to LAFCO
	10627	Foothill Municipal Water District	969.28	Administrative Fee (O & M charge)
	10628	Generator Services Co.	805.07	Vosburg - Injection Pump
	10629	Geotab USA, Inc	79.00	Vehicle Maintenance
	10630	Hill Brothers Chemical Co.	844.80	80 gallons - Sodium Hypochlorite
	10631	McMaster Carr	324.21	Small parts & Tools
	10632	Marvel Landscapes, Inc	6,500.00	Holly Reservoir Site Erosion Control
	10633	McMaster Carr	521.35	Truck# 2 - Parts for Service Body Repair
	10634	Paydirt Printing Services	231.61	Statement Stuffing & Mailing
	10635	Public Water Agencies Group	289.08	PWAG Monthly Assessment for Emergency Preparedness
	10636	Red Supply	12.07	Hi-Lo Tunnel PVC Couplings
	10637	Ultimate Cleaning Solutions, Inc.	90.00	Janitorial Service
	10638	Utility Service Co., Inc.	5,700.66	Tank Maintenance
	10639	Ware Disposal	474.37	Trash Pickup Services
	10640	Western Water Works	1,036.40	Meter box lid & replacement parts
	10641	Alert Communications, Inc.	75.00	Pagers
	10642	THOMAS HARRIS	490.29	Refund on net deposit
	EFT5745	Spectrum	274.94	Internet Services
	EFT5746	VeriCheck, Inc.	122.44	E-check Processing Fees
	EFT5747	Streamline	200.00	Website Services
	EFT5748	CA Public Employees Ret. Sys.	8,087.38	KID & Employee Retirement Contributions
	EFT5749	Southern California Edison Co.	12,268.15	Electricity - District / K3 Pumping
	EFT5750	Automatic Data Processing, Inc.	109.93	Payroll Processing Fee
	EFT5751	Arco Gaspro Plus	1,428.15	Fleet Vehicle Fuel
	EFT5752	Century Business Solutions	15.00	Credit Card processing Fee
	EFT5753	Pasadena Municipal Services	1,838.89	Electric Services (Wilcox)
	EFT5754	Umpqua Bank	4,963.72	Credit Card Payment
	EFT5755	AT&T Mobility	59.42	Mobile Phones
	EFT5756	Century Business Solutions	284.09	Bank Services
	EFT5757	Bernadette C. Allen	239.59	Salary

Kinneloa Irrigation District
Check Register
June 1, 2023 to June 30, 2023

Date	Check #	Payee	Amount	Description
	EFT5758	Arthur M. Aragon	1,994.02	Salary
	EFT5759	Ramon Jr. Ascencio	2,248.23	Salary
	EFT5760	Christopher A. Burt	4,366.66	Salary
	EFT5761	Timothy J. Eldridge	138.52	Salary
	EFT5762	Michele M. Ferrell	2,356.65	Salary
	EFT5763	Gerrie G. Kilburn	138.52	Salary
	EFT5764	Thomas L. Majich	4,791.40	Salary
	EFT5765	Juan R. Tello	551.22	Salary
	EFT5766	Melanie E. Timoteo	1,752.28	Salary
	EFT5767	Christopher A. Burt	300.00	Salary
	EFT5768	Michele Ferrell	750.00	Salary
	EFT5769	Juan R. Tello	353.00	Salary
	EFT5770	Automatic Data Processing, Inc.	8,314.95	Payroll Taxes & Withholdings
	EFT5771	Automatic Data Processing, Inc.	102.09	Payroll Processing Fee
			113,127.41	

* Gap in check sequence:

Voided check #10643 (Funds paid to payroll)

Kinneloa Irrigation District
Cash Disbursements Journal
For the Period From Jun 1, 2023 to Jun 30, 2023

Filter Criteria includes: Report order is by Date. Report is prin

Date	Check #	Name	Line Description	bit Amount	in1 Acct	Account Description	Column2
6/1/23	20230601JT-1	Lawn Mower Corner	Landscaping tools	33.83	5010	Maintenance/Repair Supplies	
6/1/23	20230601JT-1	Lawn Mower Corner	Rain Gear	29.00	5012	Safety Equipment	
6/1/23	20230601MA-1	Staples, Inc.	Office Supplies	106.17	6035	Office/Computer Supplies	
6/1/23	20230601MA-2	Google LLC	Software Maintenance	42.20	6059	Computer Software Maintenance	
6/6/23	20230606MF-1	Ganahl Lumber Company	Powder Fruit Punch	12.58	5012	Safety Equipment	
6/6/23	20230606MF-2	Home Depot	Supplies to secure House Tunnel	316.51	5010	Maintenance/Repair Supplies	
6/7/23	20230607MA-1	Sage 50 Accounting	Annual Accounting Software Fee	1,686.00	6059	Sage 50	
6/7/23	20230607RA-1	Home Depot	Small Parts	31.23	5010	Maintenance/Repair Supplies	
6/8/23	20230608MF-1	Ralphs	Water	5.56	5012	Safety Equipment	
6/9/23	20230609RA-1	Home Depot	Hedge Trimmer and Blower/Trimmer	571.06	5010	Maintenance/Repair Supplies	
6/11/23	20230611CB-1	Amazon.com Inc	Tools for Generator Maintenance	176.25	5010	Maintenance/Repair Supplies	
6/12/23	20230612TM-1	American Water Works Assoc.	Online webinar	125.00	5022	Training/Certification	
6/12/23	20230612TM-2	TheBookPatch.com	Book: California water Prop 218	29.40	5022	Training/Certification	
6/13/23	20230613MF-1	Interstate Battery Systems	Batteries - SCADA Ops. Maintenance	231.36	5031	SCADA Operating/Maintenance	
6/13/23	20230613RA-1	Altadena Hardware	Far Mesa Tunnel Supplies	114.92	5010	Maintenance/Repair Supplies	
6/13/23	20230613RA-2	Altadena Hardware	Far Mesa Tunnel Supplies	22.98	5010	Maintenance/Repair Supplies	
6/14/23	20230614JT-1	Home Depot	Landscaping Tools	296.55	5010	Maintenance/Repair Supplies	
6/14/23	20230614JT-2	Home Depot	Landscaping Tools	219.40	5010	Maintenance/Repair Supplies	
6/14/23	20230614JT-1cm	Home Depot	Landscaping Tools	-274.52	5010	Maintenance/Repair Supplies	
6/14/23	20230614RA-1	ADVANTAGE FORD	Truck# 3 Water Heater Hose	55.33	5035	Vehicle Maintenance	
6/14/23	20230614RA-2	NAPA Auto Parts	Truck #3 Heater Hose	25.49	5035	Vehicle Maintenance	
6/15/23	20230615RA-1	O'Reilly Auto Parts	Antifreeze	70.52	5035	Vehicle Maintenance	
6/16/23	20230616MA-1	American Messaging Services	Pagers	36.18	6052	Pagers	
6/21/23	20230621JT-1	Smart & Final Market	Water & Sparkling Water	29.10	5012	Safety Equipment	
6/21/23	20230621MA-1	Stater Bro's Market	Office Supplies	19.48	6035	Office/Computer Supplies	
6/22/23	20230622JT-1	O'Reilly Auto Parts	Vehicle Cleaning Supplies	50.11	5035	Vehicle Maintenance	
6/23/23	20230623MA-1	Amazon.com Inc	Landscaping Tool	33.66	5010	Maintenance/Repair Supplies	
6/24/23	20230624MA-1	Amazon.com Inc	Office Supplies	23.10	6035	Office/Computer Supplies	
6/28/23	20230628MF-1	Valvoline Instant Oil Change	Truck #5 Oil Chmange & wiper blades	160.65	5035	Vehicle Maintenance	
6/29/23	20230629RA-2	Lawn Mower Corner	Chainsaw Repair	95.00	5010	Maintenance/Repair Supplies	
6/30/23	20230630CB-1	John M. Ellsworth Co, Inc.	Generator Maintenance - Pump Parts	93.23	5010	Maintenance/Repair Supplies	
6/30/23	20230630CB-2	Amazon.com Inc	Generator Maintenance- Pump Parts	99.63	5010	Maintenance/Repair Supplies	
Total				4,566.96			



Memo

Date: July 18, 2023

To: Board of Directors

From: Tom Majich, General Manager

Subject: 2023 Board of Directors Election Procedures

November 7, 2023, is the date of the next General Election for which KID Board of Director seats for Divisions One, Four and Five are eligible for election.

The Los Angeles County Registrar-Record/County Clerk "Calendar of Events" is attached noting key dates and actions. Key Dates Applicable to KID are:

July 5 "Notice of Election" – completed by KID staff

July 10 to August 9 "Notice of Governing Board Member Election Publication (UDEL and School Jurisdictions) – ongoing, notice posted on KID website, bulletin boards at Office and around District, ad placed in Pasadena Star News.

July 10 to August 9 "Notice of Election Posting (UDEL and School Jurisdictions) – ongoing by KID staff

July 17 to August 11 "Nomination Period – Filing for Declaration of Candidacy" and "Candidate Statements"

August 16 "Appointment – No Election Held (UDEL Jurisdictions)" If only one person or no person has filed a declaration of candidacy and if a petition to hold election has not been filed by this date, a certificate shall be submitted to the Board of Supervisors requesting appointment of the candidates or, if there are no candidates, appointment of any qualified person.



Memo

Date: July 18, 2023

To: Board of Directors

From: Tom Majich, General Manager

Subject: Rate Setting Background

Generally accepted industry practice is to develop financial policies and proposed rates that are cost-based and equitable. The AWWA publishes manuals of practice to aid in maintaining a professional industry standard. Manual M1 was published in 1954 as "Water Rates Manual." The seventh edition, "Principles of Water Rates, Fees, and Charges" is the current version. In 1996 California voters approved Proposition 218 that water retail service providers in California must comply with. The AWWA California-Nevada Section published "Water Rate Setting Under Proposition 218, a Practical Guidebook" in 2017 to provide general guidance for rate design.

A good rate structure should recover all costs, be fair and equitable, not be used for any other services, be transparent, be based on a sound budget and be easy to administer. The current Kinneloa Irrigation District (KID) rate structure is falling short with respect to covering all costs and being fair and equitable. Additionally, the District entered into an Installment Purchase Agreement (IPA) in 2015 to provide funds for the Vosburg Reservoir and East/West Pipeline Projects. This IPA includes the following covenants:

The District covenants that it shall prescribe, revise and collect such charges for the Water Service that, after allowances for contingencies and error in the estimates, shall produce Water Revenues sufficient in each Fiscal Year to provide Net Water Revenues equal to at least 125% of the sum of (1) the 2015 Installment Payments becoming due and payable in such Fiscal Year, and (2) all debt service and any additional payments required with respect to Parity Debt for such Fiscal Year.

The District covenants and agrees to raise water rates (subject to the legal restrictions and requirements incumbent thereon) and take other legally available steps necessary to not only cover operating expenses, capital expenditures, and maintenance expenses, but also to faithfully and punctually pay and perform all of its obligations under this Installment Purchase Agreement, including, without limitation, meeting all debt service, rate and other financial covenants contained herein.

Since 2016, every budget proposed to and adopted by the District has not satisfied the covenant that the Net Water Revenues equal at least 125% of the installment payments and other debt service for the fiscal year. To stay in compliance with the IPA the District must adjust water rates for 2024 and adopt a budget that complies.

A well-designed rate structure is not only equitable but also fully recovers the cost of service. The true costs of service include operating costs, debt service, debt reserves, operating reserves, emergency reserves and CIP reserves. KID's dwindling reserves and recent years where operating expenses exceeded revenue requires a re-evaluation of the rate structure so that costs of service are recovered.

There are generally four types of rate structures: (1) Flat Rate, (2) Uniform Block Rate, (3) Increasing Block Rate, and (4) Decreasing Block Rate. The District utilizes a Single Block Rate structure where customers are charged a constant price per unit regardless of the amount of water used. Many neighboring agencies use an Increasing Block Rate structure, to use this structure an agency needs to prove that the increased consumption costs more. As we do not buy water from MWD at a tiered rate structure we would likely not be able to justify an Increasing Block Rate and it is recommended by the General Manager that KID continue with a Uniform Block Rate Structure.

The District's rate structure costs of a fixed daily service charge and a water usage (commodity) charge. The fixed daily service charge is the same for all meter sizes and types throughout the District. The commodity charge is the same for all customers and there is no tiered pricing for increased consumption. Periods of above average precipitation result in decreased water sales as a large portion of water use in the District is directed to outdoor landscape irrigation. The first three months of 2023 illustrate this as virtually no outdoor watering was performed and revenue's were well below budgeted amounts.

Fixed expenses are the costs incurred by the utility system even if you do not pump or sell any water. Variable expenses are the costs incurred to deliver the water to the customers. It is best practice to structure rates so that the fixed daily service charge covers all the fixed costs of the utility system. In KID's case this will be very challenging as a high proportion of our costs are fixed in that we import no water, the only true variable cost is electricity for pumping. Using the 2022 data, it shows that the total amount of the fixed daily service charge only covered about 28% of the District's total operating expenses, excluding any consideration for capital reserves. Additionally, the current rate structure where all meter types are charged the same daily service charge results in higher water consumers contributing revenue at a disproportionally lower level than the water they consume and lower water consumers contributing revenue at a disproportionally higher level than the water they consume.

It is widespread industry practice to charge different fixed daily rates based on meter size. The Equivalent Dwelling Units (EDU) provides a method to quantify different customers in terms of their equivalence to a single-family residential housing unit. Fixed and capital cost are typically distributed on an EDU basis.

Table A shows the number of meters in service in 2022 by size and their associated consumption for the year by meter size.

Table B develops EDU's based on size of water meter per AWWA standards for safe maximum operating capacity. In this example a 2" meter is equivalent to 5.333 single-family residential units. The far right column of this table shows what the monthly base rate should be, by meter size, to recover the fixed charge component in 2022.

Table C is a breakdown of actual charges in 2022 and an equitability analysis highlighting the fact that the KID rate structure is not equitable and is more favorable to the larger meter size customers.

Table D is an alternate scenario, using 2022 revenues, where the fixed daily charge is variable based on meter size. This solves for the same amount of revenue collected but reallocates revenue among the meter type classes so that the equitability ratio is the same for all classes of customers.

This memorandum provides no recommendation or request for action. It is only to inform the Board of deficiencies in our current rate structure for consideration while approving a 2024 operating budget and proposed rate schedule.

TABLE A

2022	meters	CCF Used	% of total	\$\$\$ Billed	% of total
2"	38	48,406.62	19.18%	\$ 259,966.91	15.40%
1-1/2"	127	67,056.44	26.56%	\$ 423,635.97	25.09%
1"	277	103,428.35	40.97%	\$ 722,698.95	42.80%
3/4" and 5/8"	146	33,538.45	13.29%	\$ 282,329.32	16.72%
SUBT	588	252,429.86	100.00%	\$ 1,688,631.14	100.00%

TABLE B

Meter Size	Number of Meters	Max Flow Limit	EDU	Max Demand (GPM)	% of Max Demand by Meter Size	Total Fixed Costs by Meter Size	Theoretical Daily Base Rate by Meter Size	Monthly Base Rate
2"	38	160	5.333	6080	16.43%	\$ 82,503.15	\$ 5.95	\$ 178.45
1-1/2"	127	100	3.333	12700	34.32%	\$ 172,333.89	\$ 3.72	\$ 111.53
1"	277	50	1.667	13850	37.42%	\$ 187,938.92	\$ 1.86	\$ 55.77
3/4" and 5/8"	146	30	1.000	4380	11.83%	\$ 59,434.84	\$ 1.12	\$ 33.46
SUBT	588			37010	100.00%	\$ 502,210.80		

TABLE C

	ACTUAL	\$2.34	\$4.70							
	Meter Size	Number of Meters	Base Fees	Usage Billed	Total Billed	% of Revenue	CCF Billed	% of Usage	Equitability Spread	Equitability Ratio
\$ 71.18	2"	38	\$ 32,455.80	\$ 227,511.11	\$ 259,966.91	15.40%	48406.62	19.18%	-3.78%	80%
\$ 71.18	1-1/2"	127	\$ 108,470.70	\$ 315,165.27	\$ 423,635.97	25.09%	67056.44	26.56%	-1.48%	94%
\$ 71.18	1"	277	\$ 236,585.70	\$ 486,113.25	\$ 722,698.95	42.80%	103428.35	40.97%	1.82%	104%
\$ 71.18	3/4" and 5/8"	146	\$ 124,698.60	\$ 157,630.72	\$ 282,329.32	16.72%	33538.45	13.29%	3.43%	126%
		588	\$ 502,210.80	\$ 1,186,420.34	\$ 1,688,631.14	100.00%	252429.86	100.00%		

TABLE D

	EQUITABLE ALTERNATIVE	\$	4.66							
	Meter Size	Number of Meters	Base Fees	Usage Billed	Total Billed	% of Revenue	CCF Billed	% of Usage	Equitability Spread	Equitability Ratio
\$ 215.00	2"	38	\$ 98,040.00	\$ 225,745.90	\$ 323,785.90	19.17%	48406.62	19.18%	0.00%	100.0%
\$ 89.00	1-1/2"	127	\$ 135,636.00	\$ 312,719.96	\$ 448,355.96	26.55%	67056.44	26.56%	-0.01%	100.0%
\$ 63.00	1"	277	\$ 209,412.00	\$ 482,341.59	\$ 691,753.59	40.97%	103428.35	40.97%	-0.01%	100.0%
\$ 39.00	3/4" and 5/8"	146	\$ 68,328.00	\$ 156,407.69	\$ 224,735.69	13.31%	33538.45	13.29%	0.02%	100.2%
		588	\$ 511,416.00	\$ 1,177,215.14	\$ 1,688,631.14	100.00%	252429.86	100.00%		