

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, December 15, 2020
3:00 P.M.

AGENDA

This meeting will be conducted only by teleconference under the provisions of Executive Order N-29-20. Public comments may be submitted via email to kinneloa@outlook.com prior to the meeting and any information submitted will become part of the official record. The public may participate via computer or telephone using the following information:

<https://us02web.zoom.us/j/85823718385?pwd=WDDmdm9CNU5qZ1FHTVZsUTM0VU5VUT09>

+1 669 900 9128

Meeting ID: 858 2371 8385

Passcode: 647890

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. **PUBLIC HEARING REGARDING PROPOSED 2021 WATER RATES** –
Recommended Action: Open public hearing; receive written and oral comments from the public; close public hearing
4. **WATER RATES** – Discussion and adoption of 2021 water rates – Resolution 2020-12-15
Recommended Action: Discuss proposed water rates; approve motion to adopt resolution
5. **REVIEW OF MINUTES** – November 17, 2020
Recommended Action: Review and approve motion to file
6. **REVIEW OF FINANCIAL REPORTS** – November 30, 2020
Recommended Action: Review and approve motion to file
7. **GENERAL MANAGER’S REPORT** – Information item presented by the General Manager
Recommended Action: General Manager to summarize the report and respond to questions
8. **ADVANCED METER INFRASTRUCTURE** – Review and discuss proposal from Subeca to supply components for replacement of current meter reading system with an advanced system that provides real-time usage and other information such as leakage alerts to the District and to customers
Recommended Action: Review proposal and authorize General Manager to issue a purchase order

9. ELECTION OF KINNELOA IRRIGATION DISTRICT BOARD OFFICERS FOR YEAR 2021 –

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

Officers will be nominated and elected individually, not as a “slate.” The procedure is as follows:

- a. The Chairman calls for nominations for the office of Chairman.
- 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.
- g. The same procedure is followed for the office of Treasurer and Secretary.

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 – Special Meeting: January 12 or January 26 (Master Plan Workshop)

Regular Meetings: January 19,2021 February 16, 2021 March 16, 2021

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>.



October 22, 2020

PUBLIC HEARING NOTICE REGARDING PROPOSED WATER RATE INCREASES FOR 2021

Dear Property Owners and Customers,

Pursuant to the requirements set forth in Article 13D of the California Constitution, we are notifying you that the Kinneloa Irrigation District's Board of Directors will consider establishing water rates for 2021, as described below, at a public hearing to be held at 3:00 p.m. on Tuesday, December 15, 2020. Information for participating in the meeting will be available by calling the office prior to the meeting and also on the District's website at <https://www.kinneloairrigationdistrict.info/board-meetings>.

These rates will be applicable for water supplied to all parcels within the District's boundaries. The Board will consider oral and written comments from the public at this meeting prior to adopting any change in the District's rates. You may submit a written protest to the proposed rates at the address set forth above either prior to or at the public hearing.

Water sales revenue is the primary source of income to the District and this revenue is needed to provide funding for system improvements, preventative maintenance projects, general costs and operating costs. Each year, we review our *Water Master Plan for the Kinneloa Irrigation District* (Revision 4 was adopted July 31, 2018) to determine what projects should be undertaken in the coming years, as well as perform an annual review of operating expenses in preparation of the budget. That review has demonstrated that the District's existing water usage rate and daily service charge are not enough to meet the District's revenue requirements for necessary ongoing operations, capital improvements and debt service. In order to maintain existing water service revenues with declining usage due to conservation, District management has calculated how much of an increase in the water usage rate and daily service charge would be necessary to provide the same budgeted water sales revenue as for the previous year. Although the proposed rates do not increase the total budgeted water sales income for the District, your water bill will increase unless you reduce your usage.

The *Water Master Plan for the Kinneloa Irrigation District*, which lists the necessary capital improvement projects the District will be undertaking, can be viewed at <https://www.kinneloairrigationdistrict.info/files/33cfb5b6a/Master+Plan+Approved+20180731.pdf>. This plan, which was originally developed after the 1993 Kinneloa wildfire, lists projects that improve the District's ability to store and provide water for firefighting and to maintain water service after other natural disasters, such as earthquakes and windstorms. Although no public water system is designed for fighting wildfires, the numerous wildfires throughout California every year underscore the important role the District has in providing the firefighting ability to protect your home in a future disaster. In addition, the plan includes projects to ensure the District continues to provide its customers with safe and healthful drinking water. The District has completed over \$8 million in projects over the past nineteen years and has saved the District's customers significant debt service costs by self-funding most of the projects through water sales revenue. In

2017, the Kinneloa Irrigation District constructed a new pipeline to connect two reservoirs to provide additional storage capacity, additional fire protection and operational redundancy in the event of a natural disaster. This project and the previously completed booster station project were funded with a \$2.3 million installment purchase agreement to spread the cost of projects over a 15-year period. In 2018, the District completed another pipeline project using reserve funds to increase fire flow to offer additional fire protection in another portion of the District. The District will continue to complete other scheduled preventative maintenance and improvement projects using reserve funds set aside for this purpose. Two additional pipeline replacement projects to increase fire protection are now in the design phase and are scheduled to be constructed in the 2021-2022 time period. If the District has a net operating surplus, the funds are put in a reserve account to be used in future years for projects or to offset the cost to recover from an unexpected emergency or net operating loss.

The District will continue to consider current and potential fire flow requirements, potential impacts of auxiliary dwelling units (ADU's) on the District's water delivery system, the available annual water supply and options for additional water sources. The District will also need to replace aging pipelines to maintain the reliability of the water distribution system.

The Board of Directors of the Kinneloa Irrigation District approved the budget for the calendar year of 2021 at its regular meeting on September 15, 2020, subject to further discussion and approval of water rates for 2021 at the public hearing and board meeting, in full compliance with the California Constitution's requirements. At that meeting on September 15, 2020, the Board also proposed an increase in the District's water usage (commodity) charge from \$4.56 to \$4.70 per unit (one unit equals 100 cubic feet or 748 gallons) and an increase in the District's fixed daily service charge from \$2.27 to \$2.34. The proposed rate increases for 2021 are necessary to meet the projected revenue, capital improvement and debt service requirements of the 2021 budget.

Your billing and usage history are available online by registering your account at the District's Internet site at <https://www.kinneloirrigationdistrict.info> or by mail upon request. The effect of this proposed rate increase on your monthly water bill can be offset by continuing your conservation efforts, by converting your outdoor irrigation and landscaping to California-friendly plants and by applying at <https://www.socalwatersmart.com> for rebates on appliances, weather-based irrigation controllers and other water saving devices.

Your Board of Directors who are also customers of the District is committed to keeping your water rates as low as possible and still provide a safe and reliable water supply and a superior emergency response capability. This minimal increase is consistent with those goals.

Sincerely,

Kinneloa Irrigation District Board of Directors

Kinneloa Irrigation District • 1999 Kinclair Drive, Pasadena, California 91107-1017
Phone (626) 797-6295 • Fax (626) 794-5552 • E-mail: kinneloa@outlook.com
<https://www.kinneloirrigationdistrict.info>

Lonergan

11/03/20

To: The KID Board

I am having a hard enough time controlling my expenses while you raise our water rates to pay exorbitant salaries at KID.

PLEASE DON'T COMPARE YOUR PAY WITH WATER COMPANIES WITH THOUSANDS OF MTERS COMPARED TO OUR 5-6 HUNDRED.

I soundly object to any increase in water rates.

J A Lonergan

North Kinneloa Ranch
PROPERTY OWNERS' ASSOCIATION

November 17, 2020

Board of Directors
Kinneloa Irrigation District
1999 Kinclair Drive
Pasadena, CA 91107

Re: Proposed Rate Increase & Administrative Costs

Dear Board of Directors,

The undersigned is the President of the North Kinneloa Ranch Property Owner's Association ("Association"), a community of 44 homes within the jurisdiction of the Kinneloa Irrigation District ("KID"). On behalf of the Association and its members, who are also members of the KID, I am writing to express our opposition of the KID's proposed further rate increases and other expenditures.

By our calculations, within the last five years, there have been a 30% increase in the KID's charged water usage rate and a 29 % increase in the daily service charge. These increases are staggering and extremely unusual, especially for a local utility provider. Moreover, the daily service charge rate should, but does not, cover capital improvements. Also, the top usage rates are much higher than similarly situated districts. This information can only lead to the conclusion that the KID's spending is unreasonable and needs to be changed immediately.

For example, the KID's administrator's compensation is twice that of other district administrators when compared on a per meter basis. Like every other well-managed business, the KID's Board should review the number of its personnel and carefully examine where any such costs can be lowered or eliminated altogether. Furthermore, unnecessary projects should be put on hold or cancelled.

Given the above, as well as the current economic climate caused by the pandemic, further rate increases cannot responsibly be considered at this time.

Thank you for your attention to the above.

Sincerely,

Paul B. Beach

Paul B. Beach
President, Board of Directors
North Kinneloa Ranch Property Owners Association
1836 Country Lane
Pasadena, CA 91107
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WEBSITE: kinneloairrigationdistrict.info

Memo

Date: November 25, 2020
To: Board of Directors
From: Mel Matthews
Subject: Water Rates for 2021
Recommended Action: Approve proposed rates

Background

The 2021 Budget was approved by the Board subject to a public hearing and discussion on the proposed rates for 2021. A public hearing notice was sent to all customers and property owners on October 22, 2020 in compliance with Article 13D of the California Constitution. Customers and property owners are given the opportunity to submit a written protest to the proposed rates prior to or at the public hearing. The Board will consider oral and written comments from the public at this meeting prior to adopting any change in the District's rates.

Rate History

For your information, I have attached a rate history for the 28 years from 1993 to the proposed rates for 2021. Annual rate increases since 1993 have ranged from 0% to 50% on the fixed daily service charge and from 0% to 18.8% on the usage charge. A major rate increase occurred in 2001 after a rate study performed by an outside consultant determined that the current rates were not sufficient to carry out the District's **Water Master Plan** or to support the operations budget. That increase came after 8 years with no increase. Other major increases occurred in 2006, 2009, 2010 and 2016. The 2016 rate increase of approximately 15% was needed to service the \$2.3 million construction loan for two major projects that could not be completed using the available balance in the District capital project reserve fund. Since that time, increases have been limited to 3% primarily to account for inflation in operating expenses and to maintain a contribution to the reserve fund for future projects.

Rate Comparison

For your information, I have also attached a rate comparison of the 8 agencies that are members of the Foothill Municipal Water District plus the cities of Pasadena and Sierra Madre. Although each water agency in our area has a unique cost structure and a varying customer base, it is useful to compare rates as a reality check to verify that the KID's proposed 2021 rates are reasonable. Rate comparisons are difficult due to different rate structures, usage ranges and the application of taxes and fees by some agencies. In reviewing this information, be aware that the comparisons are between the KID's proposed 2021 rates and the current rates of the other agencies and not the proposed rates by those agencies. Also please know that some agencies subsidize low usage and/or low income customers and that fixed monthly service charges are based on meter size. The KID has a "flat" fixed and usage rate structure and the comparison data in the table is based on a one-inch meter which is the most common size in the District.

Summary and Conclusion

The average annual rate increase for the 28 year period is 5.1% for the daily service charge and 4.0% for the usage charge. This is a small average increase considering that the average annual inflation rate over this time period has been 2.4%. Furthermore, these increases have allowed us to complete over \$8 million in capital improvement projects contained in the **Water Master Plan** and our planned maintenance program to improve the operational reliability of the water system and to increase the fire flow capability.

The proposed rates compare favorably with most agencies except for the low usage customers; but this is intentional since we believe that all customers should contribute equally to the fixed costs of providing and maintaining the system that brings water to their meter. Regarding high usage customers, our proposed usage rate is substantially lower than all but one agency and the total charge for customers that use 100 units is lower than 6 agencies in the rate comparison. For customers using 50 units our total charge is lower than 3 agencies.

Regarding the split between the fixed charges and the usage charges, no agency has a rate structure that completely captures the fixed costs of operating the agency. These costs typically are in the 60-70% range whereas the variable costs are in the 30-40% range. The KID's projected total revenue for 2021 is \$1,500,000 with 33.4% coming from the daily service charge and 66.6% coming from the usage charge. Although this split in revenue does not reflect the actual split of the fixed and variable costs, it does accomplish the important goal of encouraging water use efficiency and is similar to the rate structure of most agencies.

Regarding our "flat" rate structure, we believe that it is not in the interest of the District or our customers to discourage landscape irrigation by having a "penalty" rate for high usage customers. It is important that properties are properly maintained rather than allowing them to deteriorate to a natural state to reduce the danger of wildfires.

The District like all public agencies in California, may only set fees to recover up to the full cost of providing service. The District's rates have been established to address the direct cost for maintaining system integrity and providing to the customer a reliable water supply that meets all federal and state water quality standards. To accomplish this the District must perform preventative maintenance of existing equipment, integrate new equipment and technologies into

the system and provide continued education of the staff to enhance their skill level. The net revenue from customers is also the only income available to upgrade aging infrastructure, improve system fire flow capabilities and provide a reserve for the unpredictable cost of emergency repairs. The proposed modest water rate increase would ensure our ability to continue to provide an excellent level of service.

Approval of the proposed rates will also allow the District to continue to complete projects at a reasonable pace and help to offset the revenue lost due to increase water-use efficiency by our customers.

Rate History 1993 to 2021

Effective Date	Daily Service Charge (Charge Per Average Month)	Percentage Increase in Daily Service Charge	Usage Charge	Percentage Increase in Usage Charge	Average Monthly Charge for Low Usage Customer (10 Units)	Average Monthly Charge for Medium Usage Customer (50 Units)	Average Monthly Charge for High Usage Customer (100 Units)
5/5/1993	0.6575 (\$20.00)		\$1.60				
1/1/1994	0.6575 (\$20.00)	0.0%	\$1.60	0.0%			
1/1/1995	0.6575 (\$20.00)	0.0%	\$1.60	0.0%			
1/1/1997	0.6575 (\$20.00)	0.0%	\$1.60	0.0%			
1/1/1998	0.6575 (\$20.00)	0.0%	\$1.60	0.0%			
1/1/1999	0.6575 (\$20.00)	0.0%	\$1.60	0.0%			
1/1/2000	0.6575 (\$20.00)	0.0%	\$1.60	0.0%			
4/5/2001	0.9863 (\$30.00)	50.0%	\$1.90	18.8%			
1/1/2002	0.9863 (\$30.00)	0.0%	\$1.90	0.0%			
1/6/2003	0.9863 (\$30.00)	0.0%	\$1.95	2.6%			
1/1/2004	0.9863 (\$30.00)	0.0%	\$1.95	0.0%			
1/1/2005	0.9863 (\$30.00)	0.0%	\$2.05	5.1%			
1/1/2006	1.1178 (\$34.00)	13.3%	\$2.30	12.2%			
1/1/2007	1.1836 (\$36.00)	5.9%	\$2.42	5.2%			
1/1/2008	1.1836 (\$36.00)	0.0%	\$2.42	0.0%			
1/1/2009	1.3479 (\$41.00)	14.3%	\$2.55	5.4%	\$66.00	\$168.00	\$296.00
1/1/2010	1.6110 (\$49.00)	19.5%	\$2.75	7.8%	\$77.00	\$187.00	\$324.00
1/1/2011	1.6110 (\$49.00)	0.0%	\$2.95	7.3%	\$79.00	\$197.00	\$344.00
1/1/2012	1.6110 (\$49.00)	0.0%	\$2.95	0.0%	\$79.00	\$197.00	\$344.00
1/1/2013	1.6800 (\$51.10)	4.3%	\$3.35	13.6%	\$85.00	\$219.00	\$386.00
1/1/2014	1.6800 (\$51.10)	0.0%	\$3.35	0.0%	\$85.00	\$219.00	\$386.00
1/1/2015	1.7600 (\$53.53)	4.8%	\$3.52	5.1%	\$89.00	\$230.00	\$406.00
1/1/2016	2.0200 (\$61.44)	14.8%	\$4.05	15.1%	\$102.00	\$264.00	\$466.00
1/1/2017	2.0800 (\$63.27)	3.0%	\$4.17	3.0%	\$105.00	\$272.00	\$480.00
1/1/2018	2.1400 (\$65.09)	2.9%	\$4.30	3.1%	\$108.00	\$280.00	\$495.00
1/1/2019	2.2000 (\$66.92)	2.8%	\$4.43	3.0%	\$112.00	\$289.00	\$511.00
1/1/2020	2.2700 (\$69.05)	3.2%	\$4.56	2.9%	\$115.00	\$297.00	\$525.00
1/1/2021 (Proposed)	2.3400 (\$71.18)	3.1%	\$4.70	3.1%	\$118.00	\$306.00	\$541.00

**Cumulative Percentage
Average Annual Percentage**

**141.8%
5.1%**

**113.2%
4.0%**

Rate Comparison

	Crescenta Valley Water District	La Cañada Irrigation District	Las Flores Water Company	Lincoln Avenue Water Company	Liberty Utilities	Rubio Cañon Land & Water Association	Valley Water Company	City of Pasadena	City of Sierra Madre	Kinneloa Irrigation District
Highest Usage Rate Per Unit	\$12.26	\$5.37	\$5.78	\$4.79	\$6.28	\$4.00	\$5.47	\$5.38	\$5.55	\$4.70
Monthly Charge for Low Usage (10 units)*	\$109.47	\$102.31	\$72.28	\$68.42	\$110.42	\$64.15	\$58.77	\$74.59	\$87.39	\$118.18
Monthly Charge for Medium Usage (50 units)*	\$448.53	\$317.11	\$289.88	\$250.62	\$361.62	\$217.25	\$230.05	\$277.61	\$256.59	\$306.18
Monthly Charge for High Usage (100 units)*	\$908.18	\$569.93	\$612.88	\$486.37	\$675.62	\$416.10	\$463.40	\$546.61	\$556.53	\$541.18

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

Kinneloa Irrigation District 2021 Budget

Account	Account Description	2021 Budget
4000	Water Sales	1,500,000
4015	Wholesale Water Sales	100,000
4020	Service Charges	10,000
4035	Interest-Reserve Fund	15,000
4036	Unrealized Gain(Loss)-Cal TRUST	25,000
Total Income		1,650,000
5000	Leased Water Rights	63,135
5005	Electricity	125,000
5010	Maintenance Supplies	30,000
5011	Material and Labor for Installs	10,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	290,500
5016	Operations & Maintenance OT	15,500
5020	Stand-by Compensation	10,980
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	22,000
5030	Maintenance Contractors	140,000
5034	Equipment Maintenance	20,000
5035	Vehicle Maintenance	15,000
5036	Fuel - All Equipment	20,000
5040	Equipment Rental	500
5045	Insurance-Workers Compensation	20,000
5046	Insurance-Liability	16,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	103,250
6000	Engineering Services	47,500
6005	Watermaster Services	12,000
6015	Administrative Salary	158,600
6017	Administrative Travel	3,000
6020	Board of Directors Compensation	8,400
6021	Administrative & Board Expenses	1,000
6022	Board of Directors Election	12,500
6024	Customer/Public Information	2,000
6025	PERS - KID	42,000
6030	Social Security - KID	34,000
6031	Medicare - KID	8,000
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	15,000
6045	Legal Services	15,000
6050	Telephone	4,500
6051	Mobile Telephone	500
6052	Pagers	500
6053	Internet Service	1,000
6059	Computer/Software Maintenance	12,000
6061	Office Equipment Maintenance	1,000
6065	Accounting Services	7,000
6070	Office & Accounting Labor	125,750
6075	Professional/Contract Services	28,000
6080	Administrative Fees	12,440
6081	Permits/Fees	15,000
6086	Sales/Use Tax	3,500
6088	Interest Expense	56,664
6120	Bank Service Charges	9,000
Total Expenses		1,555,419
NET REVENUES		94,581

Account	Account Description	2021 Budget
Recommended Expenditures for Capital Improvement Projects*		
1504	Water Mains	500,000
1505	Water Tunnels	10,000
1511	Water Treatment Plant	6,000
1512	Water Meters	20,000
1513	Electrical/Electronic Equipment	5,000
1514	Computer/Office Equipment	5,000
1515	Vehicles/Portable Equipment	45,000
1516	Water Company Facilities	30,000
1527	SCADA	10,000
1530	Tools	3,000
2400	Installation Purchase Agreement	143,538
Total Other Expenditures		777,538
NET CASH FLOW		-682,957

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

RATES FOR 2021

Daily Service Charge (Charge Per Average Month)	\$2.34 (\$71.18)
Usage Charge	\$4.70 per unit
Usage Charge for Construction Water (\$100 minimum)	\$9.40 per unit

Water Sales, Units	212,477
Usage Charge Per Unit	\$4.70
Annual Usage (Commodity) Revenue	\$998,643
Daily Service Charge	\$2.34
Annual Daily Service Charge Revenue	\$501,357
Annual Water Sales	\$1,500,000
Wholesale Water Sales	\$100,000
Other Annual Revenue	\$65,000
Total Revenue	\$1,665,000
Total Expenses	\$1,555,419
Net Revenues	\$109,581
Improvement Projects and Debt Service	\$777,538
Annual Net Cash Flow	-\$667,957
Reserve Fund Balance (Beginning)*	\$2,088,880
Reserve Fund Balance (Year End)*	\$1,420,923
Average Monthly Charge for Low Usage (10 units)	\$118
Average Monthly Charge for Medium Usage (50 units)	\$306
Average Monthly Charge for High Usage (100 units)	\$541

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

RESOLUTION 2020-12-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KINNELOA IRRIGATION DISTRICT ESTABLISHING RATES FOR SERVICE AND USAGE CHARGES EFFECTIVE DECEMBER 23, 2020

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

WHEREAS, the Board has approved a budget for 2021 after consideration of projected operating and capital expenses and wishes to establish water rates for 2021 as reflected in the budget.

NOW THEREFORE, IT IS RESOLVED that the Board adopts a service charge of \$2.34 per day (\$71.18 per average month); and a commodity charge of \$4.70 per unit (100 cubic feet or 748 gallons) effective for water used on and after December 23, 2020, and reflected on bills received in February 2021; and

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

PASSED, APPROVED AND ADOPTED THIS FIFTEENTH DAY OF DECEMBER 2020.

SIGNED: _____

Chair

ATTEST: _____

Secretary

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, November 17, 2020, 3:00 P.M.
MINUTES

Meeting conducted by teleconference under the provisions of Executive Order N-29-20.

The meeting was conducted by teleconference pursuant to the Brown Act Waivers provided for under the Governor's Executive Orders in response to COVID-19 State of Emergency. As stated in the agenda, there was no public location for attending the meeting in person, however the public was provided with alternative methods of listening or participating via telephonically or by videoconference.

DIRECTORS PRESENT: Zoom teleconference/videoconference (Zoom): Tim Eldridge, Frank Griffith, Gordon Johnson, Gerrie Kilburn and Dave Moritz

DIRECTORS ABSENT: None

STAFF PRESENT: Zoom: General Manager Melvin Matthews & Office Manager Martin Aragon

- 1. CALL TO ORDER:** Director/Chair Gordon Johnson called the meeting to order at 3:00 P.M. and called the roll. A quorum of Board Members was present. The agenda was reviewed. No changes were requested.
- 2. PUBLIC COMMENT:** Member of the public Stephen Brown offered recommendations for the development of the Water Master Plan.
- 3. REVIEW OF MINUTES:** October 15, 2020
It was motioned by Tim Eldridge and seconded by Gerrie Kilburn to approve the Minutes as presented for filing. A roll call vote was taken and Directors Tim Eldridge, Frank Griffith, Gordon Johnson, Gerrie Kilburn and Dave Moritz all voted Aye.
- 4. REVIEW OF FINANCIAL REPORTS:** Director Dave Moritz reviewed the Financial Reports. It was motioned by Frank Griffith and seconded by Tim Eldridge to approve Financial Reports for filing. A roll call vote was taken and Directors Tim Eldridge, Frank Griffith, Gordon Johnson, Gerrie Kilburn and Dave Moritz all voted Aye.
- 5. GENERAL MANAGER'S REPORT:** General Manager's report was presented, and no actions were taken.
- 6. KINNELOA IRRIGATION DISTRICT MASTER PLAN:** General Manager and the Board of Directors discussed the approach for developing a revision to the current Water Master Plan
Action: General Manager and the Board of Directors determined that a Special Meeting would be necessary to address this topic and will be scheduled in January 2021.

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors

Tuesday, November 17, 2020

MINUTES

7. **ADVANCED METER INFRASTRUCTURE:** General Manager presented the benefits of a new Advanced Meter Infrastructure (AMI), the approach towards implementation and the necessity.

Action: No action was taken. Decision on topic will be deferred to the 12/15/20 Meeting upon the collection of more information.

8. **INFORMATION ITEMS**

General Manager encouraged focused attention and stronger engagement in legislative matters that directly impact our water agency functions.

Discussions are taking place regarding the use of generators during public safety power shutoffs (PSPS). Either by legislation or newly introduced rules, the District may be obligated to replace the generators soon, since the engines do not meet the current standards.

9. **DIRECTOR REPORTS AND/OR COMMENTS:**

Gordon Johnson:

(AMI)

- Provide a comparison of manual meter reading to our current approach.
- Develop a cost comparison and identify pros and cons.

(Water Master Plan)

- What are the Impacts of growth, regulations and deteriorating infrastructure?
- Smaller Master Plans that are comprised of a series of technical memos taking on individual topics may be another option to help focus efforts.
- What would be the assessment of potential future demands on the system?
- The option for additional water sources should be quantified.
- What are the District's water delivery goals? One such example would be the improvement of fire flow.
- Determine what is appropriate for the District, in terms of the level of effort, the results desired and overall cost.

Tim Eldridge

(Water Master Plan)

- Recommended that the District budget (Time/Money) be determined, before approaching the development of the Water Master Plan.

10. **ADJOURNMENT**

The meeting was adjourned at 5:03 pm.

Prepared and submitted by,



Martin Aragon

Office Manager/Acting Board Clerk

Kinneloa Irrigation District
Income Statement for the Eleven Months Ending November 30, 2020

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
4000 Water Sales	142,088.75	112,000.00	30,088.75	1,577,696.90	1,388,000.00	189,696.90
4015 Wholesale Water Sales	13,719.09	45,000.00	(31,280.91)	49,126.05	45,000.00	4,126.05
4020 Service/Installation Charges	1,438.86	833.33	605.53	8,121.07	9,166.63	(1,045.56)
4035 Interest-Reserve Fund	1,012.74	2,500.00	(1,487.26)	20,757.64	27,500.00	(6,742.36)
4036 Unrealized Gain(Loss)-CalTRU	(51.36)	0.00	(51.36)	24,031.34	0.00	24,031.34
Total Revenues	158,208.08	160,333.33	(2,125.25)	1,679,733.00	1,469,666.63	210,066.37
Expenses						
5000 Leased Water Rights	0.00	0.00	0.00	63,135.00	63,135.00	0.00
5005 Electricity	8,568.26	12,000.00	(3,431.74)	118,950.05	113,000.00	5,950.05
5010 Maintenance/Repair Supplies	3,653.36	2,083.33	1,570.03	37,578.24	22,916.63	14,661.61
5011 Material and Labor for Install	0.00	833.33	(833.33)	0.00	9,166.63	(9,166.63)
5012 Safety Equipment	56.98	133.33	(76.35)	775.87	1,466.63	(690.76)
5015 Operations Labor	21,422.40	17,200.00	4,222.40	189,745.32	189,200.00	545.32
5016 Operations OT	195.00	1,125.00	(930.00)	12,577.92	12,375.00	202.92
5020 Stand-by Compensation	900.00	915.00	(15.00)	10,200.00	10,065.00	135.00
5022 Training/Certification	0.00	133.33	(133.33)	150.00	1,466.63	(1,316.63)
5025 Water Treatment/Analysis	1,321.91	1,833.33	(511.42)	26,145.61	20,166.63	5,978.98
5030 Maintenance/Repair Contractors	5,248.24	10,833.33	(5,585.09)	124,837.88	119,166.63	5,671.25
5034 Equipment Maintenance	0.00	1,250.00	(1,250.00)	14,542.29	13,750.00	792.29
5035 Vehicle Maintenance	0.00	1,250.00	(1,250.00)	8,954.45	13,750.00	(4,795.55)
5036 Fuel	1,372.99	1,250.00	122.99	14,174.40	13,750.00	424.40
5045 Insurance-Workers Comp.	(1,169.73)	0.00	(1,169.73)	8,286.39	15,000.00	(6,713.61)
5046 Insurance-Liability	1,387.46	1,333.33	54.13	14,308.44	14,666.63	(358.19)
5048 Insurance-Property	196.04	208.33	(12.29)	2,011.32	2,291.63	(280.31)
5049 Insurance-Medical	5,895.81	7,375.00	(1,479.19)	75,029.04	81,125.00	(6,095.96)
6000 Engineering Services	760.00	3,958.33	(3,198.33)	28,551.38	43,541.63	(14,990.25)
6005 Watermaster Services	870.08	1,000.00	(129.92)	9,632.46	11,000.00	(1,367.54)
6015 Administrative Salary	12,063.48	12,833.33	(769.85)	131,262.13	141,166.63	(9,904.50)
6017 Administrative Travel	0.00	250.00	(250.00)	454.70	2,750.00	(2,295.30)
6020 Board Compensation	600.00	700.00	(100.00)	6,000.00	7,700.00	(1,700.00)
6021 Administrative & Board Exp.	0.00	83.33	(83.33)	1,017.13	916.63	100.50
6022 Board of Directors Election	0.00	0.00	0.00	211.03	0.00	211.03
6024 Customer/Public Info. Prog.	200.00	166.67	33.33	2,213.58	1,833.37	380.21
6025 PERS - KID	3,532.92	3,000.00	532.92	34,277.40	33,000.00	1,277.40
6030 Social Security - KID	2,731.02	2,416.67	314.35	27,661.64	26,583.37	1,078.27
6031 Medicare - KID	638.74	566.67	72.07	6,469.52	6,233.37	236.15
6035 Office/Computer Supplies	500.88	583.33	(82.45)	6,469.21	6,416.63	52.58
6036 Postage/Delivery	331.80	416.67	(84.87)	3,838.50	4,583.37	(744.87)
6040 Professional Dues	1,176.57	1,000.00	176.57	12,934.45	11,000.00	1,934.45
6045 Legal Services	179.29	1,250.00	(1,070.71)	8,870.10	13,750.00	(4,879.90)
6050 Telephone	381.03	375.00	6.03	4,109.28	4,125.00	(15.72)
6051 Mobile Telephone	39.27	125.00	(85.73)	248.13	1,375.00	(1,126.87)
6052 Pagers	34.81	41.67	(6.86)	381.44	458.37	(76.93)

Kinneloa Irrigation District
Income Statement for the Eleven Months Ending November 30, 2020

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
6053 Internet Service	69.99	83.33	(13.34)	769.89	916.63	(146.74)
6059 Computer Software Maintenance	400.43	1,000.00	(599.57)	6,664.53	11,000.00	(4,335.47)
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	0.00	916.63	(916.63)
6065 Accounting Services	0.00	0.00	0.00	7,100.00	7,000.00	100.00
6070 Office & Accounting Labor	9,543.75	9,125.00	418.75	105,577.50	100,375.00	5,202.50
6075 Professional/Contract Services	3,310.06	2,333.33	976.73	24,219.04	25,666.63	(1,447.59)
6080 Administrative Fees	953.73	750.00	203.73	10,333.13	8,250.00	2,083.13
6081 Permits/Fees	322.85	1,250.00	(927.15)	6,891.95	13,750.00	(6,858.05)
6086 Taxes - Sales/Use	0.00	0.00	0.00	6,887.51	500.00	6,387.51
6088 Interest Expense	30,245.09	30,245.00	0.09	61,735.46	61,735.00	0.46
6120 Bank Service Charges	912.38	541.67	370.71	8,156.57	5,958.37	2,198.20
Total Expenses	118,846.89	133,934.97	(15,088.08)	1,244,339.88	1,268,959.67	(24,619.79)
Net Income	39,361.19	26,398.36	12,962.83	435,393.12	200,706.96	234,686.16
Other Expenditures						
1504 Water Mains	6,536.35	0.00	6,536.35	50,000.03	43,510.00	6,490.03
1511 Water Treatment Plant	572.84	0.00	572.84	10,198.90	6,000.00	4,198.90
1512 Water Meters	0.00	0.00	0.00	6,142.82	5,000.00	1,142.82
1514 Computer/Office Equipment	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)
1515 Vehicles & Portable Equipment	0.00	0.00	0.00	66,107.84	90,000.00	(23,892.16)
1516 Water Company Facilities	0.00	0.00	0.00	33,800.00	30,000.00	3,800.00
1527 SCADA Equipment	0.00	0.00	0.00	11,959.56	10,000.00	1,959.56
2400 Installment Purchase Agreement	69,855.89	69,856.00	(0.11)	138,466.50	138,467.00	(0.50)
Total Other Expenditures	76,965.08	69,856.00	7,109.08	316,675.65	323,977.00	(7,301.35)
Total Increase or (Drawdown)	(37,603.89)	(43,457.64)	5,853.75	118,717.47	(123,270.04)	241,987.51

Kinneloa Irrigation District
Balance Sheet as of November 30, 2020

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 394,918.78
1012	Reserve Fund-LAIF	127,714.90
1014	Reserve Fund-CalTRUST	1,762,920.38
1016	Accrued Interest-LAIF	488.85
1100	Accts. Receivable-Water Sales	38,522.42
1113	Employee Loans	351.26
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	157,122.80
1350	Prepaid Insurance	13,700.44
1360	Prepaid Expenses	32,412.38

Total Current Assets

2,547,380.73

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	3,634,517.80
1505	Water Tunnels	729,074.60
1506	K-3 Well	89,543.06
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	201,824.72
1512	Water Meters	118,735.53
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	75,922.12
1515	Vehicles & Portable Equipment	308,656.75
1516	Water Company Facilities	104,222.20
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	362,117.90
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	6,273.13
1600	Accum. Depreciation	(5,253,645.76)

Total Property and Equipment

5,518,315.97

Other Assets

1901	PERS-Deferred Outflows	76,176.00
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Total Assets

\$ 8,141,872.70

Kinneloa Irrigation District
Balance Sheet as of November 30, 2020

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 25,781.18	
2272	Job Deposits	4,500.00	
2275	Deposits-Water Customers	255.02	
2290	Accrued Vacation	21,462.60	
	Total Current Liabilities		51,998.80

Long-Term Liabilities

2400	Installment Purchase Agreement	1,594,609.63	
2801	PERS- Net Liability	287,723.89	
2901	PERS- Deferred Inflows	38,397.00	
	Total Long-Term Liabilities		1,920,730.52
	Total Liabilities		1,972,729.32

Capital

3040	Fund Balance	5,733,750.26	
	Net Income	435,393.12	
	Total Capital		6,169,143.38
	Total Liabilities & Capital		\$ 8,141,872.70

Kinneloa Irrigation District
Statement of Cash Flow
For the Eleven Months Ended November 30, 2020

	Current Month	Year to Date
Cash Flows from Operating Activities		
Net Income	\$ 39,361.19	\$ 435,393.12
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	1,187.72	5,357.26
1101 Accts. Receiv.-Service Charges	0.00	494.19
1113 Employee Loans	50.19	552.09
1340 Accrued Water Sales	5,388.35	(28,843.50)
1350 Prepaid Insurance	1,583.50	(2,562.80)
1360 Prepaid Expenses	4,485.32	(2,619.00)
2000 Accounts Payable	(957.46)	(6,411.06)
2272 Job Deposits	0.00	3,600.00
	11,737.62	(30,432.82)
Net Cash Provided by Operations	51,098.81	404,960.30
 Cash Flows from Investing Activities		
<i>Used for</i>		
1504 Water Mains	(6,536.35)	(50,000.03)
1511 Water Treatment Plant	(572.84)	(10,256.66)
1512 Water Meters	0.00	(6,142.82)
1515 Vehicles & Portable Equipment	0.00	(66,107.84)
1516 Water Company Facilities	0.00	(33,800.00)
1527 SCADA Equipment	0.00	(11,959.56)
	(7,109.19)	(178,266.91)
Net Cash Used in Investing	(7,109.19)	(178,266.91)
 Cash Flows from Financing Activities		
<i>Proceeds from</i>		
<i>Used for</i>		
2400 Installment Purchase Agreement	(69,855.89)	(138,466.50)
2801 PERS- Net Liability	(1,732.49)	(17,280.07)
	(71,588.38)	(155,746.57)
Net Cash Used in Financing	(71,588.38)	(155,746.57)
Net Increase (Decrease) in Cash	\$ (27,598.76)	\$ 70,946.82
 Summary		
Cash Balance at End of Period	\$ 2,286,042.91	\$ 2,286,042.91
Cash Balance at Beg. of Period	(2,313,641.67)	(2,215,038.33)
Net Increase (Decrease) in Cash	\$ (27,598.76)	\$ 71,004.58

Kinneloa Irrigation District
Check Register
For the Period from November 1, 2020 to November 30, 2020

Date	Check #	Payee	Amount	Description
11/13/20	EFT4516	Arco Gaspro Plus	1,372.99	fuel for trucks
11/13/20	EFT4517	CA Public Employees Ret. Sys.	6,754.52	KID & employee retirement contributions
11/13/20	EFT4518	Century Business Solutions	409.84	credit card processing fee
11/13/20	EFT4519	Southern California Edison Co.	12,548.33	electricity for 13 sites
11/13/20	EFT4520	Umpqua Bank	6,721.96	credit card - se attached detail
11/13/20	EFT4521	VOID		voided - EFT4521 descriptions overwrote check
11/13/20	EFT4522	VeriCheck, Inc.	149.53	echeck processing fee
11/13/20	9629	Civiltec Engineering, Inc.	760.00	fire flow test
11/13/20	9630	Underground Service Alert	29.80	digalert
11/13/20	9631	Department of Motor Vehicles	27.00	generator registration fee
11/13/20	9632	Foothill Municipal Water District	953.73	administrative fee
11/13/20	9633	Fyre Guard Company	848.30	fire extinguisher annual inspection
11/13/20	9634	Matt Chlor Inc.	572.84	spare parts
11/13/20	9635	Pasadena Sign Studios	450.00	Truck lettering (two trucks)
11/13/20	9636	Ultimate Cleaning Solutions, Inc.	75.00	janitorial services
11/13/20	9637	Utility Service Co., Inc.	5,248.24	tank maintenance agreement
11/13/20	9638	Cecline Chan	92.70	Net refund on fire flow deposit
11/15/20	EFT4523	Bernadette C. Allen	666.41	salary
11/15/20	EFT4524	Arthur M. Aragon	1,390.11	salary
11/15/20	EFT4525	Joel D. Bundy	1,509.43	salary
11/15/20	EFT4526	Christopher A. Burt	2,527.27	salary
11/15/20	EFT4527	Michele M. Ferrell	1,841.30	salary
11/15/20	EFT4528	Brian L. Fry	1,693.92	salary
11/15/20	EFT4529	Melvin L. Matthews	3,962.73	salary
11/15/20	EFT4530	Juan R. Tello	1,412.89	salary
11/15/20	EFT4531	Christopher A. Burt	150.00	salary
11/15/20	EFT4532	Automatic Data Processing, Inc.	6,254.70	payroll taxes and withholdings
11/30/20	EFT4533	Automatic Data Processing, Inc.	104.35	payroll processing fee
11/30/20	EFT4534	American Messaging Services	34.81	pager service
11/30/20	EFT4535	AT&T Mobility	144.57	FirstNet cell phone service
11/30/20	EFT4536	Athens Services	215.69	trash pickup
11/30/20	EFT4537	Century Business Solutions	15.00	credit card processing fee
11/30/20	EFT4538	Kinneloa Irrigation District CA	100,100.98	loan installment payment
11/30/20	EFT4539	Pasadena Municipal Services	1,800.81	electricity for Wilcox Well
11/30/20	EFT4540	Spectrum	376.02	phones and internet
11/30/20	EFT4541	Automatic Data Processing, Inc.	96.92	payroll processing fee
11/30/20	9639	Aramark Uniform Services	82.37	shop rag service
11/30/20	9640	BrightView Landscape Services	1,490.00	landscape service
11/30/20	9641	Clinical Lab of San Bernardino	108.00	water sample analysis
11/30/20	9642	Eurofins Eaton Analytical, Inc.	105.60	water sample analysis

Kinneloa Irrigation District
Check Register
For the Period from November 1, 2020 to November 30, 2020

Date	Check #	Payee	Amount	Description
11/30/20	9643	Hill Brothers Chemical Co.	467.00	Sodium Hypochlorite
11/30/20	9644	Public Water Agencies Group	179.29	Emergency Preparedness Coordinator Salary
11/30/20	9645	SA Associates	6,536.35	SMV & Villa Heights Project engineering services
11/30/20	9646	Western Water Works	49.61	Meter Gaskets
11/30/20	EFT4542	Bernadette C. Allen	226.05	salary
11/30/20	EFT4543	Arthur M. Aragon	1,526.10	salary
11/30/20	EFT4544	Joel D. Bundy	1,615.46	salary
11/30/20	EFT4545	Christopher A. Burt	2,570.07	salary
11/30/20	EFT4546	Timothy J. Eldridge	277.05	salary
11/30/20	EFT4547	Michele M. Ferrell	1,863.62	salary
11/30/20	EFT4548	Brian L. Fry	2,100.07	salary
11/30/20	EFT4549	Francis J. Griffith	138.52	salary
11/30/20	EFT4550	Gerrie G. Kilburn	138.53	salary
11/30/20	EFT4551	Melvin L. Matthews	4,025.92	salary
11/30/20	EFT4552	Juan R. Tello	1,596.46	salary
11/30/20	EFT4553	Christopher A. Burt	150.00	salary
11/30/20	EFT4554	Automatic Data Processing, Inc.	6,748.57	payroll taxes and withholdings
Total			<u>193,307.33</u>	

**Credit Card Detail Umpqua Bank
October 2020**

(Expenses incurred/billed in October and due/paid in November)

Acct. No.	Account Description	Additional Description	MLM	CAB	BLF	JDB	BCA	JRT	TOTAL
1511	Water Treatment Plant								\$0.00
1514	Computer/Office Equip.								\$0.00
5010	Maintenance Supplies	CB: Roof repair; BF: K3-Cl., Nitrogen gas, towels, Work tools; JB: Chain saw; JT: Water cooler, sanding paper, flashlight, tools		\$79.30	\$154.40	\$130.92		\$120.14	\$484.76
5012	Safety Equipment	BF: Masks,			\$29.76				\$29.76
5022	Training/Certification								\$0.00
5025	Water Treatment/Analysis	JB: Water Test Kits, Chlorine SwifTest,				\$999.51			\$999.51
5035	Vehicle Maintenance	MM: Truck Tool Box (2); CB: door repair, keys, smog; BF: car wash, Oil Change, full maintenance, floor mats, Key chains; JT: Tire	\$1,896.08	\$139.17	\$1,009.41			\$212.96	\$3,257.62
5036	Fuel								\$0.00
6017	Adm. Travel								\$0.00
6021	Adm. & Bd. Exp.	MM: CSDA training	\$625.00						\$625.00
6024	Customer/Public Info	JB: Streamline monthly website fee				\$200.00			\$200.00
6035	Office/Computer Supplies	MM: Toner; JB: Copy Paper, Pens, vacuum, envelopes, cleaners, foot rest, snacks	\$175.89			\$375.82			\$551.71
6036	Postage/Delivery	JB: Stamps				\$498.60			\$498.60
6040	Professional Dues								\$0.00
6050	Telephone	MM: answering service	\$75.00						\$75.00
6051	Mobile Phone								\$0.00
6053	Internet Service								\$0.00
6059	Computer/Software Maint.								\$0.00
6061	Office Equipment Maint.								\$0.00
6075	Outside Services								\$0.00
6081	Permits/Fees								\$0.00
TOTAL			\$2,771.97	\$218.47	\$1,193.57	\$2,204.85	\$0.00	\$333.10	\$6,721.96

General Manager's Report for the Board of Directors Meeting on December 15, 2020

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 \$351.16
 9 accounts received door hanger shut off notice
 0 accounts were shut off for non-payment
 0 accounts remain shut off for non-payment

B. Aged Receivables –

Month	Current	30 days	60 days	90 days or greater	Total
December 2019	\$39,429.62	\$4,242.43	\$207.63	\$0.00	\$43,879.68
January 2020	\$57,804.78	\$2,029.61	\$0.00	\$0.00	\$59,834.39
February 2020	\$43,425.93	\$2,189.30	\$0.00	\$0.00	\$45,615.23
March 2020	\$17,853.64	\$2,148.94	\$261.86	\$0.00	\$20,264.44
April 2020	\$20,241.55	\$3,075.96	\$320.44	\$24.85	\$23,662.80
May 2020	\$21,330.64	\$2,628.19	\$261.22	\$159.13	\$24,379.18
June 2020	\$26,619.22	\$1,657.73	\$0.00	\$0.00	\$28,276.95
July 2020	\$35,672.74	\$1,791.06	\$44.66	\$0.00	\$37,508.46
August 2020	\$27,970.57	\$2,624.99	\$0.00	\$0.00	\$30,595.56
September 2020	\$32,787.39	\$3,299.78	\$181.77	\$0.00	\$36,268.94
October 2020	\$35,165.98	\$3,020.50	\$1,102.31	\$97.99	\$39,386.78
November 2020	\$31,925.74	\$6,497.96	\$98.72	\$0.00	\$38,522.42

C. Website Usage and Online Payments –

Month	Users	Page Views	Online Payments	Online Amount
December 2019	*	*	77	\$18,103.56
January 2020	222	633	86	\$16,487.54
February 2020	302	792	79	\$15,576.49
March 2020	261	676	71	\$13,884.21
April 2020	268	729	87	\$16,741.06
May 2020	296	798	92	\$15,222.42
June 2020	459	994	92	\$19,899.20
July 2020	354	1166	98	\$27,411.85
August 2020	276	708	100	\$30,398.55
September 2020	277	608	91	\$27,761.46
October 2020	278	654	109	\$35,098.93
November 2020	248	591	93	\$29,258.42

* No data due to transition to new website

II. General Manager’s Projects and Activities

A. Rate Hearing – Prepared documents for Public Hearing and Board discussion.

B. Advanced Meter Infrastructure – Prepared documents for Board discussion of proposal.

C. Activities/Meetings/Webinars/Conferences*

1. FMWD Board Meetings
2. KID Board Meeting
3. PWAG Meeting
4. FMWD Managers Meeting
5. KID Staff Meetings
6. ACWA Regional Events
7. Cyber Security Training
8. Meeting with Subeca Field Technician – Advanced Meter Infrastructure Pilot Program
9. Well Rehabilitation Webinar
10. PWAG Board Meeting
11. PWAG Emergency Coordination Update & Discussion
12. LAFCO Board Meeting
13. Webinar – Geotab’s Telematics Device for Fleet Tracking and Maintenance
14. ACWA JPIA Board Meeting

* Organization Acronyms:

ACWA – Association of California Water Agencies

ACWA JPIA – Association of California Water Agencies Joint Powers Insurance Authority

AWWA – American Water Works Association

CalTRUST – Investment Trust of California Joint Powers Authority

CSDA – California Special Districts Association

CUEA – California Utilities Emergency Association

FMWD – Foothill Municipal Water District

KID – Kinneloa Irrigation District

LAFCO – Local Agency Formation Commission of Los Angeles County

PWAG – Public Water Agencies Group

RBMB – Raymond Basin Management Board

RCAC – Rural Community Assistance Corporation

III. Incident Reports and Facility Activities

A. Incident Reports –

Customer Leaks	System Leaks	Water Waste	Water Quality	Customer Service*	Comments
0	1	0	0	3	System leak was at meter gasket on KID side of the meter

* Customer service includes requests for water shutoff to facilitate customer plumbing repairs, inquiries about water bills, requests for leak checks and general questions.

B. Current and Completed Capital Improvement, Facilities Improvement, Maintenance and Repair Projects and Activities –

1. Routine daily and monthly activities
 - a. Operator training
 - b. Meter and transmitter maintenance and replacement
 - c. Water samples
 - d. Vehicle and equipment maintenance and testing
 - e. Facility cleanup
 - f. Production meter readings and report to RBMB
 - g. Chlorine generator maintenance
 - h. Meter reading
 - i. Customer service calls
 - j. Responding to Underground Service Alerts (USA's) to mark our pipelines

2. Facility and Equipment Repair and Maintenance for November
 - a. Holly Hi pressure tunnel meter replacement
 - b. Delores Tunnel meter replacement
 - c. New truck - mount cross box and modify tool trays
 - d. Glen eyewash filter housing leak repair
 - e. Eucalyptus CL 2 pressure regulator overhaul
 - f. Vosburg CL 2 storage clean up
 - g. '99 truck tool box lock repair
 - h. Eucalyptus CL 2 Analyzer sump pump leak repair
 - i. K3 Cl 2 brine tank float switch replaced

3. Capital Improvement and Maintenance Projects for 2020 (Completed or in progress)
 - a. Water softener installation at Glen for Far Mesa Cl₂ system
 - b. Two replacement pickup trucks
 - c. Replace chlorination equipment at Eucalyptus Reservoir for Eucalyptus Tunnel water
 - d. Solar power supplies for West Tank and Transfer Valve
 - e. Office driveway remove and replace

C. Future Capital Improvement Projects, Facilities Improvement, Maintenance and Repair Projects –

1. Sierra Madre Villa and Villa Heights Pipeline Improvement Project (Design phase completed)
2. Brown/Glen Pipeline Improvement Project (Design phase in progress)
3. House Tunnel Pipeline repair
4. High/Low Tunnel Pipeline inspection

IV. Water Supply Summary as of October for the Watermaster Year July 2020 through June 2021

Raymond Basin Groundwater (Acre Feet)		Kinneloa Irrigation District Water Tunnels (Acre Feet)	
Water Rights	516	Eucalyptus	5
Prior Year Carryover	52	Far Mesa	2
Less Temporary 30% Reduction in Water Rights	-155	Delores	2
Leases/Exchanges	0	House	0
Prior Year Spreading	93	Holly High/Low	4
Short Term Storage	134		
Current Year Spreading	0		
Total Allowable Extractions	640		
Less Water Extracted YTD This Watermaster Year	-229	Current Tunnel Monthly Production	13
Remaining Allowable Groundwater Extractions through June 2021	411	Remaining Estimated Tunnel Production through June 2021	104
Total Available Water Supply (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2021)		515 Acre Feet	
Less Remaining Forecasted Retail Water Sales through June 2021		-325 Acre Feet	

Surplus Water through June 2021* 190 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 2019-2020 year, 119 Acre-Feet were sold to the City, 52 Acre-Feet were carried over to 2020-2021 and 134 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 774 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. Water Samples and Test Results – See Attachment A

Attachment A

Water Samples and Test Results

Sample Date	Source or Distribution	Lab	Description	# of tests	Results**	Maximum Contaminant Level* (MCL)
01/07/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
01/08/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
01/08/20	Distribution	Clinical	fluoride	6	1.2 - 1.7 ppm	3 ppm
01/15/20	Source	Weck	Title 22 VOC	66	ND or A	1 positive sample
01/15/20	Source	Weck	Title 22 fluoride	6	1.1 - 2.7	3 ppm
01/15/20	Source	Weck	Title 22 nitrate	3	1.6 - 4.2	10 ppm
01/21/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
02/04/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
02/04/20	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
02/12/20	Both	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
02/13/20	Both	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
02/19/20	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
03/03/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
03/04/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
03/04/20	Both	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
03/11/20	Both	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
03/12/20	Both	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
03/17/20	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
04/01/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
04/01/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
04/01/20	Distribution	Clinical	fluoride	6	1.2 - 1.7 ppm	3 ppm
04/02/20	Source	Weck	Title 22 VOC	330	ND or A	1 positive sample
04/02/20	Source	Weck	Title 22 fluoride	6	1.2-2.7	3 ppm
04/02/20	Source	Weck	Title 22 nitrate	5	0.76-4.5	10 ppm
04/14/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
05/05/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
05/05/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
05/19/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
06/02/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
06/02/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
06/16/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
07/07/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
07/07/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
07/14/20	Source	Weck	fluoride	6	1.0-2.5	3 ppm
07/14/20	Source	Weck	Nitrate	2	3.9-4.2	10 ppm
07/14/20	Source	Weck	Perchlorate	6	ND	6 ppb
07/21/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
07/22/20	Distribution	Clinical	fluoride	6	1.2 - 1.5 ppm	3 ppm
08/04/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
08/04/20	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
08/10/20	Distribution	Weck	DBPR TTHM/HAA5	22	<1-26 ppb	80 ppb, 60 ppb
08/18/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample

Attachment A

Water Samples and Test Results

Sample Date	Source or Distribution	Lab	Description	# of tests	Results**	Maximum Contaminant Level* (MCL)
08/20/20	Both	Eurofins	coliform, e. coli	8	ND or A	1 positive sample
09/01/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
09/01/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
09/22/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
10/06/20	Source	Weck	fluoride	6	1.1 - 2.7	3ppm
10/06/20	Source	Weck	Nitrate	2	4.2 - 4.3	10 ppm
10/06/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
10/06/20	Distribution	Clinical	fluoride	6	1.1 - 1.3 ppm	3ppm
10/06/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
10/20/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
11/03/20	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
11/03/20	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
11/17/20	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample

Total samples: 2354

* Color, odor, and turbidity are regulated by a secondary standard to maintain aesthetic qualities.

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

The State of California Water Resources Control Board, Division of Drinking Water, provides access to water quality monitoring notification documents, including monitoring schedules and test results. The link for Kinneloa Irrigation District Water System Details is

https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2514&tinwsys_st_code=CA



November 24, 2020

Dear Board of Directors,

In response to the discussion and questions raised in the November 17, 2020 meeting, I have compiled a list of factors that distinguish Subeca AMioT™ from any other platform to support my recommendation to purchase the Subeca system. Although an “apples to apples” comparison with other vendors’ systems is not possible since there are no other systems that uses the same technology, I have provided a comparison with the Badger LTE system we field tested as well as the Badger ME system which is the successor to our existing drive-by radio read system for which replacement radio transmitters are no longer available.

As explained in the previous meeting, Subeca has not “created” new technology but has consolidated proven technologies to accommodate the needs of the water agencies for today and tomorrow. This type of integrated water management system empowers both the District and the customer to offset increases in rates by giving customers ultimate control over their respective water usage. This also helps the KID to meet the reduced water usage mandate of the State of California and avoid the need for costly imported water supplies.

I have listed below some of the advantages of upgrading to the Subeca system:

1. The most obvious is our ability to provide communications coverage over the challenging terrain that is unattainable through cellular. Subeca uses the open LoRa communications system that ensures that we oversee what IoT devices that will run on the network now and in the future. All the other meter vendors use a proprietary communications system that only works with their brand of meters.
2. Retrofitting of existing meters is exceedingly rare because meter companies want to sell entire systems. Retrofitting multiple meter models so they are both smart and speak the same language to the customer and the District platforms, as well as billing system, is non-existent outside of Subeca.
3. As we have failures with the existing system, Subeca will provide Bluetooth-read capable Gen 1 PINS at no cost to be installed on existing meters and then we can replace them with Gen 2 PINS during the broader install.
4. The Edge network is something no one else has. Redundant capability is created by the Bluetooth signal coming from the PIN that can be captured in less than one second intervals by either the District or the customer through a smart device.
5. This is a fail-safe system. If the network ever goes down, the meter can be read via a smart device app. The customer can map water usage, or the district representative can respond to a high bill/customer-side leak episode and demonstrate a constant flow of water through the meter.
6. Subeca includes a consumer and District-facing platform for personal and District-wide water management
7. The District will have the ability to create custom Subeca Engage platforms for various staff members.
8. The District can schedule remote reads from the office at preset dates and times for billing.

9. The readings for generating move-in or move-out bills can be done by the office staff.
10. The system provides analytics and trends about water use throughout the District sorted in a host of ways.
11. The system provides water budget management to ensure compliance with State and County regulations.
12. Subeca and Able Software will provide billing system integration.
13. Subeca will provide a knowledge base of tutorials for customer and the District.
14. Subeca will directly train our team with an initial onboarding process.
15. The Subeca PIN reading can be programmed to continue from existing register reading.
16. There is no interruption of customer water service to install new PIN and LINK on an existing meter.
17. Simple installation/activation of PIN/LINK, and transformation of meter to “smart” in minutes rather than hours.
18. Getting to “smart” without changing out meter body or disruption of water service.
19. Customer or the District can add an IoT device that will show up on the Engage platform to manage. There are new devices in development and hitting the market regularly. In other words, this system will serve the District for decades to come.
20. Replacing an obsolete and failing system with a new system adds layers of benefit, both tangible and intangible.
 - a. Fewer customer service calls related to billing issues.
 - b. When customers do call, the District and customer are both able to view the same data that shows time and date of water use anomalies, average daily use, etc. (i.e. “evidence”), thereby helping the customer better manage their water.
 - c. Customer can control the use of water and be accountable for the use.
 - d. No more “surprise” high bills, especially once budgets and alerts are set that communicate to their phones.
 - e. The District’s ability to oversee high users and communicate early in the billing cycle.
 - f. Receiving leak alerts on a timely basis will reduce water usage for the individual and the District.

I have attached a table of scenarios for the Board’s information to compare the options for replacing or upgrading the current meter reading system.

Sincerely,



Melvin L. Matthews

General Manager

Attachment: Water Meter Infrastructure Scenarios

Water Meter Infrastructure Scenarios

Scenario	Pros	Cons	Financial Impact
Do Nothing	No significant capital investment.	Increased number of manual readings over time; increased office labor to input readings into billing system	No initial costs; Unknown increased field and office labor over time because of a return to a manual system in the field and the office
Upgrade to Badger ME	Familiar installation method for field staff; conversion could take place over time as existing Badger CE units fail; no monthly fees.	Installation takes about an hour per location; <u>only provides monthly drive-by radio readings like we currently receive</u> ; would require new handheld and development of an additional billing interface; proprietary system.	\$20,000 in initial costs; continuing cost \$120 per unit for an additional cost of \$72,000 at current prices plus about \$50,000 in labor cost for installation over the transition period; No monthly fees; total cost approximately \$142,000.
Upgrade to Badger LTE	Familiar installation procedure; provides meeting readings and leak indications daily; utility and customer dashboard provided.	Field test showed that communication is not reliable throughout District; proprietary system; <u>not a real-time system; data transmitted only 2 to 4 times a day</u> ; requires development of a new billing system interface; <u>field and customer support was not satisfactory during pilot</u> .	\$20,000 in initial costs; continuing cost \$120 per unit for an additional cost of \$72,000 at current prices plus about \$50,000 in labor cost for installation over the transition period; Fixed radio gateways are needed to provide reliable communication in all areas of the system at a cost of \$100,000; continuing annual fees are \$10.68 per meter for communications and customer and utility dashboard; total cost approximately \$242,000 plus annual fees.
Convert to Subeca AMI	Reliable open-standard communication system; <u>provides real-time data; works on all brands of meters; 5-minute installation</u> ; provides both customer and utility dashboard to computers and mobile phone; <u>no meter replacement required</u> ; <u>field and customer support has been excellent throughout field test and pilot installation</u> .	Communications gateways need to be installed at start of project to allow installation in all parts of the District; requires development of a new billing system interface; relatively small customer base because company has only recently reached out to water agencies.	\$20,700 in initial cost to install communications gateways; \$5,000 investment to integrate into billing system; labor for installation \$10,000 over entire transition period; continuing annual fees of \$10.80 per meter for communications and customer and utility dashboard; Approximately \$250,000 total investment spread over 3 years or another negotiated period.

Current Base Rates Driveby Reads

	Man hours worked reading meters(Radio driveby)	Pay rate per meter reader (Base rate)	Total cost per meter reader
Brian	7	\$ 30.00	\$ 210.00
Michele	7	\$ 33.68	\$ 235.76
Totals	14	\$ 63.68	\$ 445.76
Annual Figures	168	\$ 764.16	\$ 5,349.12

Pay rate calculations are straight hourly rate only, no other costs

Invoice Rate Radio Driveby Reads

	Man hours worked reading meters(Radio driveby)	Pay rate per meter reader (invoice rate)	Total cost per meter reader
Brian	7	\$ 41.13	\$ 287.91
Michele	7	\$ 45.57	\$ 318.99
Totals	14	\$ 86.70	\$ 606.90
Annual Figures	168	\$ 1,040.40	\$ 7,282.80

Pay rate calculations includes KID portion of: S.S./medicare; Worker's comp; retirement plan contributions; health insurance

Invoice Rate Manual Walking Reads

	Man hours worked reading meters(Manual reading)	Pay rate per meter reader (invoice rate)	Total cost per meter reader
Brian	24	\$ 41.13	\$ 987.12
Michele	24	\$ 45.57	\$ 1,093.68
Totals	48	\$ 86.70	\$ 2,080.80
Annual Figures	576	\$ 1,040.40	\$ 24,969.60

Pay rate calculations includes KID portion of: S.S./medicare; Worker's comp; retirement plan contributions; health insurance

Liability, safety, vehicle wear, and away from system maintenance not included in calculations.

Quotation

Subeca, Inc.
P.O. Box 6569
McKinney, TX 75071



Date	Quote #
11/12/2020	20224

Name / Address
Kinneloa Irrigation District Melvin L Matthew 1999 Kinclair Drive Pasadena, CA 91107

Line	Spec No.	Description	Qty	Price	Total
1	12007	Subeca PIN with Neptune adaptor	448	120.00	53,760.00T
2	12008	Subeca Pin with Badger adaptor	157	120.00	18,840.00T
3	22002	Subeca LINK	605	195.00	117,975.00T
4	40001	Meter box lid replacement	605	30.00	18,150.00T
5	SubFee	Subeca Engage platform per connection point annual fee. Includes Agency Engage platform for multi-users.	605	8.40	5,082.00
6	70001	Gateway, 16 channel	3	1,900.00	5,700.00T
7	70004	Sennet License 16 channel Annual KID assumes payment after 12 months	605	2.40	1,452.00
8	90002	Installation of 3 gateways	3	5,000.00	15,000.00
9	60013	ACT 3/4" wireless valve	1	0.00	0.00T
		Note 1: This quotation is a Blanket Order Quotation. A single PO will be issued by KID for the entire order as quoted. KID will then issue a maximum of three releases, each release for immediate delivery, during a two year period from the PO issue date. The last release cannot exceed 24 months from the issue date of the PO. All gateways are shipped and installed with the initial release.			
		Note 2: Subeca will perform a site evaluation to determine the final mix of Pins and Links. In some areas a single Link may support multiple Pins.			
		Sales Tax		9.50%	20,370.38
TERMS-NET 30 DAYS FOB-DALLAS, TEXAS			Total		\$256,329.38