

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, February 19, 2019
3:00 P.M.

AGENDA

1. **CALL TO ORDER** – 3:00 P.M.
 - a. Declaration of a quorum
 - b. Review of agenda

2. **PUBLIC COMMENT** – Comments from the Public regarding items on the Agenda or other items within the jurisdiction of the District
In compliance with the Brown Act, the Board cannot discuss or act on items not on the Agenda. However, Board Members or District Staff may acknowledge Public comments, briefly respond to statements or questions posed by the Public, ask a question for clarification, or request Staff to place item on a future Agenda (Government Code section §54954.2)

3. **REVIEW OF MINUTES** – January 15, 2019 minutes
Recommended Action: Review and approve motion to file

4. **REVIEW OF FINANCIAL REPORTS** – January 31, 2019 financial reports
Recommended Action: Review and approve motion to file

5. **PROPOSED DOYNE ROAD HOME CONSTRUCTION** – Draft letter of non-interference and parcel map to be presented for Board review
Recommended Action: Review documents and authorize General Manager to send the documents to our attorney for review

6. **PROPOSAL TO LOCATE EMERGENCY SUPPLY STORAGE UNIT ON DISTRICT PROPERTY** – Proposal from the Kinneloa Canyon Association to be presented for Board review
Recommended Action: Review document and authorize General Manager to prepare the agreement to contain our standard provisions and format, send the document to the Kinneloa Canyon Association for review and to send the final draft to our attorney for review

7. **GENERAL MANAGER’S REPORT** – Information item presented by General Manager
Recommended Action: General Manager to summarize the report and respond to questions

8. **INFORMATION ITEMS** –
 - a. District Employee Compensation and District-paid benefits from the California State Controller’s Government Compensation Report for 2017
 - b. ACWA JPIA – President’s Special Recognition Award Certificates
 - c. Capacity Charges – Memo to the Board from William F. Kruse summarizing the issues associated with the establishment and maintenance of capacity charges that was discussed at the November 20, 2018 Board meeting

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AGENDA

9. **CAPITAL IMPROVEMENT AND MAINTENANCE PROJECTS** – Presentation by General Manager of the proposed pipeline projects contained in the *Water Master Plan* and the rationale for the recommended priority order
Recommended Action: Provide feedback and direction to the staff regarding commencement of design on the recommended pipeline projects
10. **CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Government Code §54957(b)(1):** Title: General Manager
11. **OPEN SESSION – REPORT ON CLOSED SESSION**
12. **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.
13. **CALENDAR** – March 19, 2019
April 16, 2019
May 21, 2019
14. **ADJOURNMENT**

In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting, please contact the District office 48 hours prior to the meeting at 626-797-6295. Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the agenda packet is available for public review at the District office or online at the District's website <https://kinneloairrigationdistrict.info>.

KINNELOA IRRIGATION DISTRICT
Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, January 15, 2019
3:00 p.m.
Minutes

DIRECTORS PRESENT: Frank Griffith, Gordon Johnson, Gerrie Kilburn, Bill Opel

DIRECTORS ABSENT: Tim Eldridge

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

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

2. PUBLIC COMMENT: Present were Larry and Peggy Lachner. No one requested to speak at this time.

3. STATUS UPDATE ON PROPOSED DOYNE ROAD HOME CONSTRUCTION: Larry Lachner of Dynamo Constructors, Inc. spoke on behalf of the property owner. The original eight lots are being consolidated to two lots with plans for two homes with guest houses. The building plans have been submitted to Los Angeles County Building Department for approval and the revised parcel map may be recorded in the next 60 days. The request for water service will be submitted after escrow closes on each lot. The majority of the 13 acres will remain in a natural condition. The landscaped area is subject to the County's requirement for efficient irrigation with plants that require minimal watering. The house plans also feature low water usage fixtures.

A non-interference letter from the KID is required by the County of Los Angeles in conjunction with submittal of the parcel map for recording to protect the KID's easement for future pipeline construction and maintenance. A draft document will be presented for review at the next Board meeting.

4. REVIEW OF MINUTES: The minutes of December 18, 2018 were reviewed. Director Kilburn requested to **add the new water rates** under Item 4 Water Rates Resolution 2018-12-18 and change the word to "**following**" in Item 7 General Manager's Report. Motioned/seconded/carried-(Johnson/Kilburn) and approved by a vote of 4/0/0/1 Ayes-Griffith, Johnson, Kilburn, Opel/Noes-0/Abstain-0/Absent-Eldridge

5. REVIEW OF FINANCIAL REPORTS: Director/Treasurer Opel reviewed the financial reports for December 31, 2018, highlighting that the District had increased water sales as compared to the budget, that operations and maintenance expenses were lower than the budget this month and that the net increase in cash was higher than the budgeted amount. Motioned/seconded/carried-(Opel/Griffith) and approved by a vote of 4/0/0/1 Ayes-Griffith, Johnson, Kilburn, Opel/Noes-0/Abstain-0/Absent-Eldridge

KINNELOA IRRIGATION DISTRICT
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6. GENERAL MANAGER’S REPORT: The General Manager and Board reviewed the report and highlighted the following items and answered questions from the Directors:

Fire Hydrant Project – General Manager compiled the information for this agenda

Employee Benefits – General Manager prepared information for discussion on this agenda item.

III.B8. – Weed clearance and tree trimming at facilities – The Board asked for continuing Brown well landscape upkeep.

7. MANAGEMENT REPORT FOR 2017-2018: The General Manager reviewed the Management Report and highlighted the following:

Figure 3 2017-2018 Production Sources shows a reliance upon K-3 Well, but also shows the importance of low-cost tunnel water and maintaining these sources.

Figure 6 Water Usage per Customer graph shows constant and predictable water usage and the table shows the distribution range. Per month, a clear majority of District customers use 100 units or less and only about 6.4% of District customers use more than 100 units.

Figure 7 Total Monthly Water Sales shows the effect of conservation efforts and the dependence on the type of weather, temperature and winds.

There were no additional questions and the Board thanked the General Manager for the report, graphs and summary narrative.

8. CAPITAL IMPROVEMENT AND MAINTENANCE PROJECTS: The General Manager presented a revised list of projects on the planning horizon and completed projects. The Board discussed several projects. Director Kilburn requested a prioritized project list to be presented on a future agenda and eventually to be presented quarterly. The General Manager reviewed the projects list and requested approval for item 127 AMA Water Meter Test, 128 SCADA Radios, 129 Wilcox Reservoir, 131 Brown Reservoir, 136 Reservoir Inspection.

Motioned/seconded/carried-(Opel/Griffith) and approved by a vote of 4/0/0/1
Ayes-Griffith, Johnson, Kilburn, Opel/Noes-0/Abstain-0/Absent-Eldridge

9. REVIEW OF FIRE HYDRANT FLOW DATA: The General Manager presented a report on Fire Flow Data where Fire Flow Data can be obtained either through physical testing or hydraulic calculations or a combination of the two. The General Manager recommended to update the hydraulic model that was the basis of the original Water Master Plan.

Motioned/seconded/carried-(Kilburn/Opel) and approved by a vote of 4/0/0/1
Ayes-Griffith, Johnson, Kilburn, Opel/Noes-0/Abstain-0/Absent-Eldridge

10. REVIEW OF KINNELOA IRRIGATION DISTRICT RETIREMENT BENEFITS: The Board agreed to bring back this item for discussion at the next meeting.

11. CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Government Code §54957(b)(1): Title: General Manager. At 5:10 p.m., the Board adjourned to closed session for the General Manager’s performance evaluation.

KINNELOA IRRIGATION DISTRICT
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Tuesday, January 15, 2019
Minutes

12. OPEN SESSION – REPORT ON CLOSED SESSION: The Board reconvened to open session at 5:16 p.m. The Chair stated that no decisions and no actions were taken.

13. DIRECTOR REPORTS AND/OR COMMENTS: There were no reports and no comments.

14. CALENDAR: The next regular meeting will be at 3:00 p.m. on Tuesday, February 19, 2019.

15. ADJOURNMENT: The meeting was adjourned at 5:20 p.m.

Prepared by:

Donna Eggehorn, Administrative Assistant

Reviewed and submitted by:

Melvin L. Matthews

Melvin L Matthews
Acting Secretary to the Board

Kinneloa Irrigation District
Income Statement for the One Month Ending January 31, 2019

	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	110,215.95	112,000.00	(1,784.05)	110,215.95	112,000.00	(1,784.05)
4015 Wholesale Water Sales	4,245.92	0.00	4,245.92	4,245.92	0.00	4,245.92
4020 Service/Installation Charges	1,270.85	833.33	437.52	1,270.85	833.33	437.52
4035 Interest-Reserve Fund	3,036.61	1,250.00	1,786.61	3,036.61	1,250.00	1,786.61
Total Revenues	118,769.33	114,083.33	4,686.00	118,769.33	114,083.33	4,686.00
Expenses						
5005 Electricity	11,499.92	9,000.00	2,499.92	11,499.92	9,000.00	2,499.92
5010 Maintenance/Repair Supplies	5,212.68	2,083.33	3,129.35	5,212.68	2,083.33	3,129.35
5011 Material and Labor for Install	0.00	833.33	(833.33)	0.00	833.33	(833.33)
5012 Safety Equipment	0.00	133.33	(133.33)	0.00	133.33	(133.33)
5015 Operations Labor	16,977.60	16,533.33	444.27	16,977.60	16,533.33	444.27
5016 Operations OT	670.31	750.00	(79.69)	670.31	750.00	(79.69)
5020 Stand-by Compensation	630.00	912.50	(282.50)	630.00	912.50	(282.50)
5022 Training/Certification	0.00	133.33	(133.33)	0.00	133.33	(133.33)
5025 Water Treatment/Analysis	2,356.43	1,833.33	523.10	2,356.43	1,833.33	523.10
5030 Maintenance/Repair Contractors	12,135.21	10,416.67	1,718.54	12,135.21	10,416.67	1,718.54
5034 Equipment Maintenance	0.00	1,041.67	(1,041.67)	0.00	1,041.67	(1,041.67)
5035 Vehicle Maintenance	228.39	833.33	(604.94)	228.39	833.33	(604.94)
5036 Fuel	2,900.36	1,250.00	1,650.36	2,900.36	1,250.00	1,650.36
5045 Insurance-Workers Compensatio	4,755.40	0.00	4,755.40	4,755.40	0.00	4,755.40
5046 Insurance-Liability	1,211.17	1,333.33	(122.16)	1,211.17	1,333.33	(122.16)
5048 Insurance-Property	144.50	208.33	(63.83)	144.50	208.33	(63.83)
5049 Insurance-Medical	6,764.16	6,375.00	389.16	6,764.16	6,375.00	389.16
6000 Engineering Services	0.00	3,958.33	(3,958.33)	0.00	3,958.33	(3,958.33)
6005 Watermaster Services	880.83	1,000.00	(119.17)	880.83	1,000.00	(119.17)
6015 Administrative Salary	11,489.02	12,333.33	(844.31)	11,489.02	12,333.33	(844.31)
6017 Administrative Travel	23.90	250.00	(226.10)	23.90	250.00	(226.10)
6020 Board Compensation	300.00	466.67	(166.67)	300.00	466.67	(166.67)
6021 Administrative & Board Expens	0.00	83.33	(83.33)	0.00	83.33	(83.33)
6024 Customer/Public Info. Prog.	0.00	166.67	(166.67)	0.00	166.67	(166.67)
6025 PERS - KID	2,617.97	3,000.00	(382.03)	2,617.97	3,000.00	(382.03)
6030 Social Security - KID	2,304.32	2,416.67	(112.35)	2,304.32	2,416.67	(112.35)
6031 Medicare - KID	538.93	516.67	22.26	538.93	516.67	22.26
6035 Office/Computer Supplies	116.83	583.33	(466.50)	116.83	583.33	(466.50)
6036 Postage/Delivery	613.84	416.67	197.17	613.84	416.67	197.17
6040 Professional Dues	41.66	1,000.00	(958.34)	41.66	1,000.00	(958.34)
6045 Legal Services	0.00	1,250.00	(1,250.00)	0.00	1,250.00	(1,250.00)
6050 Telephone	362.28	375.00	(12.72)	362.28	375.00	(12.72)
6051 Mobile Telephone	76.14	125.00	(48.86)	76.14	125.00	(48.86)
6052 Pagers	93.49	41.67	51.82	93.49	41.67	51.82
6053 Internet Service	83.87	83.33	0.54	83.87	83.33	0.54
6059 Computer Software Maintenance	99.99	1,000.00	(900.01)	99.99	1,000.00	(900.01)
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	0.00	83.33	(83.33)

Kinneloa Irrigation District
Income Statement for the One Month Ending January 31, 2019

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
6070 Office & Accounting Labor	7,779.25	8,045.83	(266.58)	7,779.25	8,045.83	(266.58)
6075 Professional/Contract Services	2,118.49	2,333.33	(214.84)	2,118.49	2,333.33	(214.84)
6080 Administrative Fees	708.72	750.00	(41.28)	708.72	750.00	(41.28)
6081 Permits/Fees	293.00	1,250.00	(957.00)	293.00	1,250.00	(957.00)
6120 Bank Service Charges	555.58	541.67	13.91	555.58	541.67	13.91
Total Expenses	96,584.24	95,741.64	842.60	96,584.24	95,741.64	842.60
Net Income	22,185.09	18,341.69	3,843.40	22,185.09	18,341.69	3,843.40
Other Expenditures						
Total Other Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
Total Increase or (Drawdown)	22,185.09	18,341.69	3,843.40	22,185.09	18,341.69	3,843.40

Kinneloa Irrigation District
Balance Sheet as of January 31, 2019

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 343,945.15
1012	Reserve Fund-LAIF	123,288.20
1014	Reserve Fund-CalTRUST	1,669,055.46
1015	Unrealized Gain(Loss)-CalTRUST	10,163.92
1016	Accrued Interest-LAIF	602.56
1100	Accts. Receivable-Water Sales	23,068.08
1101	Accts. Receiv.-Service Charges	231.30
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	131,446.80
1350	Prepaid Insurance	8,364.81
1360	Prepaid Expenses	20,229.33

Total Current Assets

2,349,624.13

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	3,584,517.77
1505	Water Tunnels	729,074.60
1506	K-3 Well	89,543.06
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well/Wilcox Booster	94,030.98
1510	Interconnections	14,203.27
1511	Water Treatment Plant	187,388.28
1512	Water Meters	104,486.33
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	75,205.63
1515	Vehicles & Portable Equipment	242,548.91
1516	Water Company Facilities	70,422.20
1517	KID Office	54,741.36
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1520	Glen Reservoir/Booster	24,190.86
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	532,342.43
1526	Vosburg Booster	1,647,215.66
1527	SCADA Equipment	307,897.92
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	8,295.55
1600	Accum. Depreciation	(4,587,390.02)

Total Property and Equipment

5,953,064.15

Other Assets

1901	PERS-Deferred Outflows	21,181.00
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Total Assets

\$ 8,323,869.28

Kinneloa Irrigation District
Balance Sheet as of January 31, 2019

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 29,098.91	
2272	Job Deposits	1,800.00	
2275	Deposits-Water Customers	255.02	
2290	Accrued Vacation	14,380.60	
		<hr/>	
	Total Current Liabilities		45,534.53

Long-Term Liabilities

2400	Installment Purchase Agreement	1,868,477.35	
2801	PERS- Net Liability	319,368.36	
2901	PERS- Deferred Inflows	83,822.00	
		<hr/>	
	Total Long-Term Liabilities		<u>2,271,667.71</u>
	Total Liabilities		2,317,202.24

Capital

3040	Fund Balance	5,984,481.95	
	Net Income	22,185.09	
		<hr/>	
	Total Capital		<u>6,006,667.04</u>
	Total Liabilities & Capital		<u>\$ 8,323,869.28</u>

Kinneloa Irrigation District
Statement of Cash Flow
For the One Month Ended January 31, 2019

	Current Month	Year to Date
Cash Flows from Operating Activities		
Net Income	\$ 22,185.09	\$ 22,185.09
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	26,973.09	26,973.09
1101 Accts. Receiv.-Service Charges	32.54	32.54
1340 Accrued Water Sales	19,921.48	19,921.48
1350 Prepaid Insurance	1,355.67	1,355.67
1360 Prepaid Expenses	1,215.49	1,215.49
2000 Accounts Payable	(1,389.99)	(1,389.99)
2272 Job Deposits	900.00	900.00
	49,008.28	49,008.28
Total Adjustments	49,008.28	49,008.28
Net Cash Provided by Operations	71,193.37	71,193.37
 Cash Flows from Investing Activities		
<i>Used for</i>		
Net Cash Used in Investing	0.00	0.00
 Cash Flows from Financing Activities		
<i>Proceeds from</i>		
<i>Used for</i>		
2801 PERS- Net Liability	(1,132.38)	(1,132.38)
Net Cash Used in Financing	(1,132.38)	(1,132.38)
Net Increase (Decrease) in Cash	\$ 70,060.99	\$ 70,060.99
 Summary		
Cash Balance at End of Period	\$ 2,147,055.29	\$ 2,147,055.29
Cash Balance at Beg. of Period	(2,076,994.30)	(2,076,994.30)
Net Increase (Decrease) in Cash	\$ 70,060.99	\$ 70,060.99

Kinneloa Irrigation District
Check Register
For the Period from January 1, 2019 to January 31, 2019

Date	Check #	Payee	Amount	Description
1/15/19	EFT3739	American Messaging Services	93.49	pager service
1/15/19	EFT3740	Arco Gaspro Plus	854.37	fuel for trucks
1/15/19	EFT3741	Athens Services	196.07	trash pickup
1/15/19	EFT3742	CA Public Employees Ret. Sys.	4,698.09	CalPERS Dec. KID and employee contributions
1/15/19	EFT3743	Century Business Solutions	266.54	monthly fee
1/15/19	EFT3744	Pasadena Municipal Services	1,401.96	Wilcox Well power
1/15/19	EFT3745	Southern California Edison Co.	13,523.63	electricity for 12 sites
1/15/19	EFT3746	Charter Communications	347.27	phone and internet
1/15/19	EFT3747	Umpqua Bank	1,431.54	credit card payment - see attached detail
1/15/19	EFT3748	VeriCheck, Inc.	33.59	banking service fee
1/15/19	EFT3749	Verizon Wireless	76.12	mobile phone for C. Burt
1/15/19	EFT3750	CA Public Employees Ret. Sys.	1,132.38	Unfunded Liability - monthly payment
1/15/19	EFT3751	Century Business Solutions	15.00	banking service fee
1/15/19	8993	ACWA/JPIA	4,755.40	Workers' Comp 10/1/18-12/31/18
1/15/19	8994	AmeriPride Services	133.02	shop rag service
1/15/19	8995	BrightView Landscape Services	1,490.00	landscape service maintenance
1/15/19	8996	Joel Bundy	33.41	mileage reimbursement
1/15/19	8997	Byrd Industrial Electronics	1,611.87	Replace solar charger at East Tank
1/15/19	8998	Clinical Laboratory, SB	48.00	water sample analysis
1/15/19	8999	Eurofins Eaton Analytical, Inc.	343.20	water sample analysis
1/15/19	9000	Ferguson Waterworks	706.28	3 water meters
1/15/19	9001	Foothill Municipal Water District	708.72	administrative fee
1/15/19	9002	Hill Brothers Chemical Co.	236.52	sodium hypochlorite for water treatment
1/15/19	9003	Lagerlof, Senecal, Gosney & Kruse	3,105.00	general matters: public meeting agenda req.
1/15/19	9004	McMaster Carr	678.70	CL2 maintenance/repair equipment
1/15/19	9005	Perry Thomas Construction Co.	3,037.00	Hartwood Point Hydrant repair/bollard installation
1/15/19	9006	Red Supply	107.34	maintenance supplies
1/15/19	9007	SWRCB Accounting Office	3,522.00	small water system annual fees 7/1/18 -6/30/19
1/15/19	9008	Ultimate Cleaning Solutions	75.00	janitorial services
1/15/19	9009	Underground Service Alert	43.00	digalert
1/15/19	9010	Utility Service Co., Inc.	4,877.18	tank maintenance agreement
1/15/19	9011	Western Water Works	1,315.14	meter box covers
1/15/19	9012	ACWA/JPIA	7,443.98	employee health benefits
1/15/19	EFT3752	Joel D. Bundy	1,449.19	salary
1/15/19	EFT3753	Christopher A. Burt	3,059.56	salary
1/15/19	EFT3754	Donna V. Eggehorn	1,387.25	salary
1/15/19	EFT3755	Brian L. Fry	1,900.89	salary
1/15/19	EFT3756	Gerrie G. Kilburn	92.35	salary
1/15/19	EFT3757	Francis J. Griffith	92.35	salary
1/15/19	EFT3758	Melvin L. Matthews	3,851.79	salary

Kinneloa Irrigation District
Check Register
For the Period from January 1, 2019 to January 31, 2019

Date	Check #	Payee	Amount	Description
1/15/19	EFT3759	Arthur W. Opel	92.35	salary
1/15/19	EFT3760	Juan R. Tello	1,379.88	salary
1/15/19	EFT3761	Automatic Data Processing, Inc.	90.16	payroll processing fees
1/15/19	EFT3762	Christopher A. Burt	150.00	salary
1/15/19	EFT3763	Automatic Data Processing, Inc.	5,360.90	payroll taxes and employee withholdings
1/23/19	EFT3764	Automatic Data Processing, Inc.	131.85	payroll processing fees
1/31/19	EFT3765	Joel D. Bundy	1,522.43	salary
1/31/19	EFT3766	Christopher A. Burt	3,023.08	salary
1/31/19	EFT3767	Donna V. Eggehorn	1,487.88	salary
1/31/19	EFT3768	Brian L. Fry	1,852.26	salary
1/31/19	EFT3769	Melvin L. Matthews	3,851.78	salary
1/31/19	EFT3770	Juan R. Tello	1,487.88	salary
1/31/19	EFT3771	Automatic Data Processing, Inc.	92.41	payroll processing fees
1/31/19	EFT3772	Christopher A. Burt	150.00	salary
1/31/19	EFT3773	Automatic Data Processing, Inc.	<u>5,447.95</u>	payroll taxes and employee withholdings
Total			<u>96,295.00</u>	

**Credit Card Detail Umpqua Bank
DECEMBER 2018**

(Expenses incurred/billed in December and due/paid in January)

Acct. No.	Account Description	Additional Description	MLM	CAB	BLF	JDB	TOTAL
1514	Computer/Office Equip.						
1517	KID Office						
1530	Tools						
5010	Maintenance Supplies	tools, Cl2 twls,pipe dope,elect box gask; sprinkler parts, nitrogen gas		\$187.07	\$86.54		\$273.61
5012	Safety Equipment						
5022	Training/Certification						
5025	Water Treatment/Analysis						
5034	Equipment Maintenance						
5035	Vehicle Maintenance	Chris truck smog; Brian/Juan truck smog		\$70.00	\$158.39		\$228.39
5036	Fuel						
6017	Adm. Travel						
6021	Adm. & Bd. Exp.						
6035	Office/Computer Supplies	paper prod., tape,snacks, statement paper, pens				\$116.83	\$116.83
6036	Postage/Delivery	stamps, shipping charges				\$613.84	\$613.84
6040	Professional Dues						
6050	Telephone	answering service	\$75.00				\$75.00
6051	Mobile Phone						
6053	Internet Service	GoDaddy website renewal	\$23.88				\$23.88
6059	Computer/Software Maint.	MS Office 365 renewal	\$99.99				\$99.99
6061	Office Equipment Maint.						
6075	Outside Services						
6081	Permits/Fees						
TOTAL			\$198.87	\$257.07	\$244.93	\$730.67	\$1,431.54



January 29, 2019

Attn: Community Development Department, County of Los Angeles
Subject: Parcel Map No. 73001, Doyne Road, Pasadena, CA 91107

We have received notice of the proposed Final Map listed above. Pursuant to Government Code Section 66436(a)(3)(A)(i) of the Subdivision Map Act, this is to inform you that the division and development of the property in the manner set forth in the proposed Final Map listed above will not unreasonably interfere with the free and complete exercise of Kinneloa Irrigation District rights within the boundaries of said Map, provided we are able to maintain our easement as recorded. Kinneloa Irrigation District has no objection to the recordation of said Map without our signature provided the following conditions for construction over our easement are met:

1. No temporary or permanent structures are to be constructed within the easement: i.e. buildings, concrete pads, walls, vaults, etc. Should Kinneloa Irrigation District have to remove any temporary or permanent structures, the demolition would be at the property owners' expense.
2. No trees or other deep-rooted landscaping materials are to be planted within the easement. Should the Kinneloa Irrigation District have to remove any landscaping for construction or maintenance purposes, the removal and restoration would be at the property owners' expense.
3. No poles, signs or fence posts to be installed without the written approval of Kinneloa Irrigation District.
4. Ingress and egress rights to and from the easement must be maintained.

This letter should not be construed as a subordination of Kinneloa Irrigation District's right, title and interest in and to said easement nor should this letter be construed as a waiver or amendment of any of the provisions contained in said easement.

Should you have any questions or require additional information, please contact our office at (626) 797-6295.

Sincerely,

Melvin L Matthews
General Manager

PARCEL MAP NO. 73001

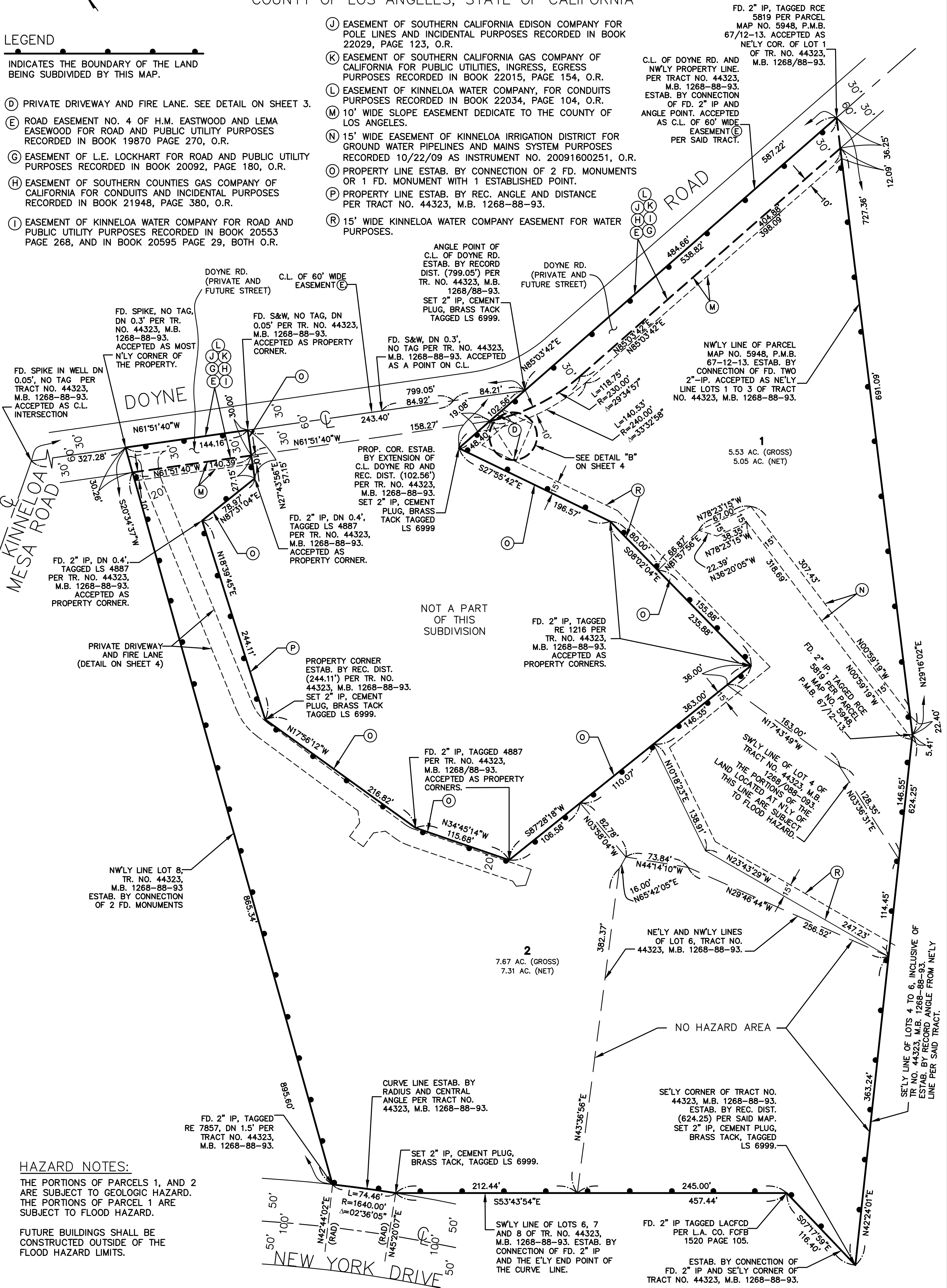
IN THE UNINCORPORATED TERRITORY OF
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

LEGEND

INDICATES THE BOUNDARY OF THE LAND
BEING SUBDIVIDED BY THIS MAP.

- (D) PRIVATE DRIVEWAY AND FIRE LANE. SEE DETAIL ON SHEET 3.
- (E) ROAD EASEMENT NO. 4 OF H.M. EASTWOOD AND LEMA EASEWOOD FOR ROAD AND PUBLIC UTILITY PURPOSES RECORDED IN BOOK 19870 PAGE 270, O.R.
- (G) EASEMENT OF L.E. LOCKHART FOR ROAD AND PUBLIC UTILITY PURPOSES RECORDED IN BOOK 20092, PAGE 180, O.R.
- (H) EASEMENT OF SOUTHERN CALIFORNIA GAS COMPANY OF CALIFORNIA FOR CONDUITS AND INCIDENTAL PURPOSES RECORDED IN BOOK 21948, PAGE 380, O.R.
- (I) EASEMENT OF KINNELOA WATER COMPANY FOR ROAD AND PUBLIC UTILITY PURPOSES RECORDED IN BOOK 20553 PAGE 268, AND IN BOOK 20595 PAGE 29, BOTH O.R.

- (J) EASEMENT OF SOUTHERN CALIFORNIA EDISON COMPANY FOR POLE LINES AND INCIDENTAL PURPOSES RECORDED IN BOOK 22029, PAGE 123, O.R.
- (K) EASEMENT OF SOUTHERN CALIFORNIA GAS COMPANY OF CALIFORNIA FOR PUBLIC UTILITIES, INGRESS, EGRESS PURPOSES RECORDED IN BOOK 22015, PAGE 154, O.R.
- (L) EASEMENT OF KINNELOA WATER COMPANY, FOR CONDUITS PURPOSES RECORDED IN BOOK 22034, PAGE 104, O.R.
- (M) 10' WIDE SLOPE EASEMENT DEDICATE TO THE COUNTY OF LOS ANGELES.
- (N) 15' WIDE EASEMENT OF KINNELOA IRRIGATION DISTRICT FOR GROUND WATER PIPELINES AND MAINS SYSTEM PURPOSES RECORDED 10/22/09 AS INSTRUMENT NO. 20091600251, O.R.
- (O) PROPERTY LINE ESTAB. BY CONNECTION OF 2 FD. MONUMENTS OR 1 FD. MONUMENT WITH 1 ESTABLISHED POINT.
- (P) PROPERTY LINE ESTAB. BY REC. ANGLE AND DISTANCE PER TRACT NO. 44323, M.B. 1268-88-93.
- (R) 15' WIDE KINNELOA WATER COMPANY EASEMENT FOR WATER PURPOSES.



HAZARD NOTES:
 THE PORTIONS OF PARCELS 1, AND 2
 ARE SUBJECT TO GEOLOGIC HAZARD.
 THE PORTIONS OF PARCEL 1 ARE
 SUBJECT TO FLOOD HAZARD.
 FUTURE BUILDINGS SHALL BE
 CONSTRUCTED OUTSIDE OF THE
 FLOOD HAZARD LIMITS.

Kinneloa Canyon Association

2000 Kinneloa Canyon Road

January 24, 2019

Mr, Mel Matthews
General Manager
Kinneloa Irrigation District

Dear Mel.


I am attaching a draft proposal for your consideration. Please review and agendize for your February Board meeting, if possible.

In the interim, if you have any commentary on the text that should be changed prior to that meeting, please call or email me.

Thank you for your help with this.

Regards,

Don


Don Murphy, President
Kinnelola Canyon Association

PROPOSAL TO LOCATE AN EMERGENCY SUPPLY STORAGE UNIT ON KINNELOA IRRIGATION DISTRICT PROPERTY

The Kinneloa Canyon Association (herein referred to as KCA) requests permission to locate a storage unit on Kinneloa Irrigation District (herein referred to as KID) property.

The use of the unit is for the storage of disaster supplies (an approximate list of such is attached hereto).

The unit will be located as shown on the attached plan.

Specifics

- The storage unit will not exceed 120 sq.ft. in floor area.
- The unit will be a prefinished manufactured lockable unit the specifications for which will be submitted to KID for approval prior to purchase.
- The unit will be secured to a concrete foundation.
- A walkable path from Kinneloa Canyon Road to the unit will be maintained by KCA.
- A 3 ft. landscaped area adjacent to the unit will be installed and maintained by KCA. *Note that the area the unit will occupy is currently landscaped and under sprinkler. The existing system will be modified to accommodate the unit installation and the cost for such borne by KCA.*
- The unit and associated improvements will be maintained by KCA.

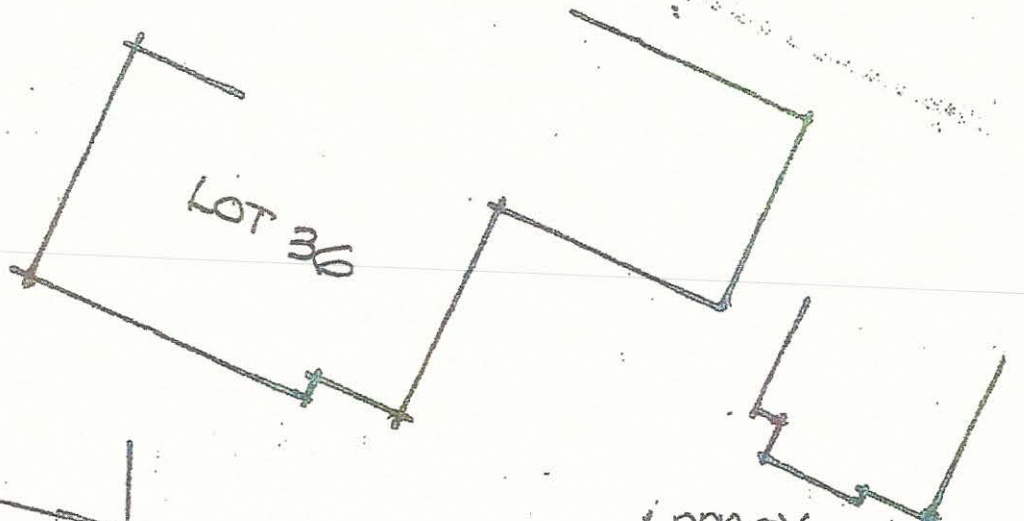
Duration

KCA views this facility as a long term solution to disaster preparedness for the Association and therefor requests a commitment to permit such use unless KID, in the future, needs the area for KID facility expansion. Should such occur, we would request a 6 month window to allow KCA to find a suitable relocation site., We would also request an initial 5 year commitment from KID for site use with optional 10 year extensions thereafter.

Insurance

The proposed improvements will be insured under our policies with KID named as an additional insured.

APPROXIMATE LOCATION OF SHED



APPROX. LOCATION OF 8x14 SHED



± 10'

± 45'



A... 18

Supply	quantity	cost each	cost	lifespan
DATREX food bars 2400 calories	20 cases	\$110.00	\$2,200.00	5
50yr. Shelf life canned water	200 cases	\$23.45	\$4,690.00	50
12 hour glow stick	100	\$0.89	\$89.00	4 – 5
folding evacuation stretcher	2	\$40.00	\$80.00	
pry bar with gas shut off	10	\$10.00	\$100.00	
emergency blanket	120	\$1.00	\$120.00	
tube tents	25	\$3.90	\$97.50	
Flashlights 3 LED – D size	20	\$1.20	\$24.00	
batteries for flashlights (2 x D-size)	20	\$0.85	\$17.00	1 – 2
55 gallon drums	8	\$56.20	\$449.60	
water preserver for 55 gal drums	8	\$12.55	\$100.40	5
water pump for 55 gal drums	1	\$15.27	\$15.27	
bung wrench to open drum plugs	1	\$9.38	\$9.38	
face masks – cony style 10 pc pack	120	\$0.70	\$84.00	
work gloves / pairs	40	\$1.80	\$72.00	
Matches – waterproof	50x40		\$49.50	
pocket knives	15	\$2.85	\$42.75	
delivery charge	on items being ordered		\$250.00	
Trauma kit	100 person		\$420.00	
solar LED lamps	40	\$12.99	\$519.60	
wheel barrow	1		\$96.80	
chainsaw	1		\$200.00	
duct tape	6		\$50.00	
crutches/canes	10	\$30.00	\$300.00	
shovels	2	\$25.00	\$50.00	
hand sanitizer	gallon			
toilet paper				
paper towels				
utensils, can opener				
plastic trash bags	100			
batteries				limited
gas can for chainsaw				limited
disposable gloves				
note pads & pencils				
tampons, pads, tooth paste, tooth brushes,				
soap, towels, general hygiene items				
The container				
20' shipping container			\$3,661.00	

TOTAL			\$13,787.80	
Other items not yet priced				
fire hoses			\$300.00	
hydrant adaptors to provide drinking water			\$30.00	
generators (propane based)			\$600.00	
propane for the generator				
solar batteries?			\$400.00	
water treatment to jacuzzi/pool water drinkable				
tarps to provide shelter in heat, cold, rain				
LEVELING GROUND BY CONTAINER				
digging & pouring footers for container				
bolting container to footers				
painting container for rust protection				
hedgerow to hide container				
adjust sprinklers so they don't spray container				
sledge hammers				
glasses				
towing chains				
big tupperwares for storing sensitive stuff				
Food alternatives				
MRE pallet		576	\$3,700.00	5 yrs.
canned food?				2yrs.

General Manager's Report for the Board of Directors Meeting on February 19, 2019

I. Customer Account Information and Internet Usage

A. Delinquent Accounts –

- 16 accounts received past-due notice
- 16 accounts received late charges in the total amount of \$275.39
- 3 accounts received door hanger shut off notice
- 1 account was shut off for non-payment
- 1 account remains shut off for non-payment

B. Aged Receivables –

Month	Current	30 days	60 days	90 days or greater	Total
January	\$19,576.69	\$3,491.39	\$0.00	\$0.00	\$23,068.08
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

C. Internet Usage –

Month	Users	Page Views	Online Payments	Online Amount
January	227	657	76	\$19,881.25
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
Year to Date	227	657	76	\$19,881.25

II. General Manager's Projects and Activities

- A. **Pipeline Projects** – I compiled the information for presentation and discussion of this agenda item.
- B. **Employee Benefits** – I prepared information for this agenda item.
- C. **Doyme Road Parcel** – I prepared a draft of requested non-interference letter.
- D. **Capital Improvement Plan** – I started preparation of this new document.
- E. **Activities/Meetings/Webinars/Conferences**

Subject or Organization	Location	Start	End	Purpose/Notes/Action/Benefit
Staff Meetings	Office	Mondays 9:00 AM	Mondays 10:00 AM	<ul style="list-style-type: none"> • Tasks for the week • Projects -- current and future • Safety topic • Customer service update • Operations update • GM update
FMWD	La Cañada	Fri 1/4/2019 4:00 PM	Fri 1/4/2019 4:30 PM	<ul style="list-style-type: none"> • FMWD Special Meeting
AT&T	Office	Tue 1/8/2019 1:30 PM	Tue 1/8/2019 2:30 PM	<ul style="list-style-type: none"> • Meet with David Ko, AT&T regarding FirstNet
KID	Office	Tue 1/15/2019 3:00 PM	Tue 1/15/2019 5:00 PM	<ul style="list-style-type: none"> • Regular board meeting
FMWD	La Cañada	Wed 1/16/2019 10:00 AM	Wed 1/16/2019 11:00 AM	<ul style="list-style-type: none"> • FMWD Manager's Meeting
RBMB	Azusa	Wed 1/16/2019 2:30 PM	Wed 1/16/2019 5:00 PM	<ul style="list-style-type: none"> • RBMB Quarterly Board Meeting
FMWD	La Cañada	Tue 1/22/2019 3:00 PM	Tue 1/22/2019 5:00 PM	<ul style="list-style-type: none"> • Regular board meeting
ACWA	MWD	Mon 1/28/2019 10:00 AM	Mon 1/28/2019 12:00 PM	<ul style="list-style-type: none"> • ACWA Region 8 Board Meeting
PWAG	RWD	Wed 1/30/2019 10:00 AM	Wed 1/30/2019 12:00 PM	<ul style="list-style-type: none"> • PWAG quarterly meeting
ACONA	Altadena Community Center	Wed 1/30/2019 7:00 PM	Wed 1/30/2019 8:30 PM	<ul style="list-style-type: none"> • ACONA meeting regarding ADU's and other subjects with LA County representatives

III. System and Facility Activities and Incident Reports

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

Location	Type	Date	Description
Barhite Street	Water Leak	1/19/2019	Neighbor reported leak. Leak was observed and water turned off at meter since customer was out of town.
Larmona Drive	Customer Contact	1/25/2019	Customer requested water shut off at meter to facilitate plumbing repair. Our valve broke in doing this so a shutoff of the main was scheduled to replace the valve the next day.
Mesaloo Lane	Water Leak	1/25/2019	Customer reported water in meter box. We determined that the leak was on the customer's side of meter.
Villa Knolls Drive	Water Leak	1/28/2019	Customer requested leak check. No leak found but water was coming from septic system.

B. Facilities Improvement, Maintenance and Repair Projects

1. Glen Reservoir chlorinator system replacement project
2. Generator testing and maintenance
3. Operator training
4. Meter and transmitter maintenance and replacement
5. Water samples
6. Fuel generators and add storage preservative to drums
7. Lubricate all locks, door hinges
8. Weed clearance and tree trimming at facilities
9. Vehicle and equipment maintenance and testing
10. SCADA radio upgrade

C. Water Samples and Test Results

Sample Date	Source or Distribution	Lab	Description	# of tests	Results*	Maximum Contaminant Level* (MCL)
01/08/19	Distribution	Clinical	color, odor, turbidity	18	<MCL	15 units, 3 units, 5 units
01/08/19	Distribution	Clinical	fluoride	6	1.0 - 1.4 ppm	3ppm
01/08/19	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
01/22/19	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
01/22/19	Source	Eurofins	coliform, e. coli	8	ND or A	1 positive sample

Total Tests

168

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

IV. Water Supply Summary as of December 2018 for the Watermaster Year July 2018 through June 2019

Raymond Basin Groundwater (Acre Feet)		Kinneloa Irrigation District Water Tunnels (Acre Feet)	
Water Rights	516	Eucalyptus	4
Prior Year Carryover	52	Far Mesa	3
Less Temporary 30% Reduction in Water Rights	-155	Delores	0
Leases/Exchanges	207	House	0
Prior Year Spreading	65	Holly High/Low	3
Short Term Storage	145		
Current Year Spreading	0		
Total Allowable Extractions	830		
Less Water Extracted YTD This Watermaster Year	-478	Current Tunnel Monthly Production	10
Remaining Allowable Groundwater Extractions through June 2019	352	Remaining Estimated Tunnel Production through June 2019	60
Total Available Water Supply (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2019)		412 Acre Feet	
Less Remaining Forecasted Retail Water Sales through June 2019		259 Acre Feet	
Surplus Water through June 2019*		-153 Acre Feet	

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

Government Compensation in California

Betty T. Yee, California State Controller

Special District Detail

Kinneloa Irrigation District

Year:

County: Los Angeles County

(<https://publicpay.ca.gov/Reports/Counties/County.aspx?entityid=19&year=2017>)

Special District Type: Irrigation

(<https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrictType.aspx?year=2017&sdtype=52>)

Activity performed by this Special District:

Water Enterprise

(<https://publicpay.ca.gov/Reports/SpecialDistricts/SpecialDistrictActivity.aspx?activityid=32&year=2017>)

Employees 13	Total Wages \$351,179
	Total Retirement & Health Contribution \$89,760

This special district **does not** include payments toward the unfunded liability of the employer sponsored retirement plan.

For more information visit <http://kinneloa Irrigation District info/about/about.html> (<http://kinneloa Irrigation District info/about/about.html>) Last Updated: 8/28/2018

Report: Employees

Filter by: Min: Max:

Show entries

Search:

Position	Special District	Department	Total Wages	Total Retirement & Health Contribution
General Manager (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759278)	Kinneloa Irrigation District	Administration (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16818&year=2017)	\$128,149	\$23,819
Facilities Supervisor (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759282)	Kinneloa Irrigation District	Operations (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16819&year=2017)	\$98,828	\$26,969
Facilities Operator (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759283)	Kinneloa Irrigation District	Operations (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16819&year=2017)	\$55,824	\$13,631
Office Manager (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759279)	Kinneloa Irrigation District	Administration (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16818&year=2017)	\$49,133	\$24,289
Facilities Operator - Pt (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759284)	Kinneloa Irrigation District	Operations (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16819&year=2017)	\$6,160	\$0
Administrative Assistant (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759280)	Kinneloa Irrigation District	Administration (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16818&year=2017)	\$5,290	\$230
Administrative Assistant (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759281)	Kinneloa Irrigation District	Administration (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16818&year=2017)	\$2,157	\$822

Position	Special District	Department	Total Wages	Total Retirement & Health Contribution
Director (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759289)	Kinneloa Irrigation District	Board of Directors (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=27708&year=2017)	\$1,600	\$0
Director (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759287)	Kinneloa Irrigation District	Board of Directors (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=27708&year=2017)	\$1,400	\$0
Director (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759288)	Kinneloa Irrigation District	Board of Directors (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=27708&year=2017)	\$1,300	\$0
Director (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759286)	Kinneloa Irrigation District	Board of Directors (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=27708&year=2017)	\$800	\$0
Office Assistant - Pt (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759285)	Kinneloa Irrigation District	Administration (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=16818&year=2017)	\$538	\$0
Director (https://publicpay.ca.gov/Reports/PositionDetail.aspx?employeeid=18759290)	Kinneloa Irrigation District	Board of Directors (https://publicpay.ca.gov/Reports/Department.aspx?departmentid=27708&year=2017)	\$0	\$0

Showing 1 to 13 of 13 entries

The information presented is posted as submitted by each reporting public employer. The State Controller's Office is not responsible for the accuracy of this information. If you have any questions, please contact that public employer.

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January 10, 2019

Kinneloa Irrigation District (K011)
Melvin Matthews
1999 Kinclair Drive
Pasadena, CA 91107-1107

ACWA JPIA

P. O. Box 619082
Roseville, CA 95661-9082

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916.786.5742
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916.774.7050
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www.acwajpia.com

President
E.G. "Jerry" Gladbach

Vice President
Tom Cuquet

Chief Executive Officer
Walter "Andy" Sells

Executive Committee
Tom Cuquet
David Drake
E.G. "Jerry" Gladbach
David T. Hodgin
W.D. "Bill" Knutson
Steven LaMar
Melody A. McDonald
J. Bruce Rupp
Kathleen Tiegs

Dear Melvin:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Kinneloa Irrigation District (K011) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2019.

Sincerely,

E.G. "Jerry" Gladbach
President

Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Kinneloa Irrigation District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2014 - 09/30/2017
announced at the Board of Directors' Meeting in San Diego.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



November 26, 2018

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Kinneloa Irrigation District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/2014 - 03/31/2017
announced at the Board of Directors' Meeting in San Diego.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



November 26, 2018

**Privileged & Confidential
Attorney/Client Work Product**

MEMORANDUM

TO: Board of Directors – Kinneloa Irrigation District
FROM: William F. Kruse
DATE: November 29, 2018
RE: Capacity Charges

At the meeting on November 20, 2018 the Board asked that we summarize the issues associated with the establishment and maintenance of capacity charges.

The imposition of capacity charges is governed by Government Code §66013. A capacity charge is defined as a charge for facilities in existence at the time the charge is imposed *or* charges for new facilities to be constructed in the future that are of benefit to the person or property being charged. A capacity charge cannot exceed the estimated reasonable cost of providing the service for which the charge is being imposed, unless the question regarding the amount of the charge in excess of the estimated reasonable cost of providing the services or materials is submitted to and approved by a two-thirds vote of the electors voting on the issue. Thus, it is important to document the fact that, in establishing a capacity charge, the District has done so based upon the estimated reasonable cost of constructing water system components. In this regard, it would be appropriate for the District to engage an engineering firm to determine the estimated cost of the proposed enhancements, and to determine the appropriate allocation of the cost in determining the amount of the capacity charge and how it can best be implemented.

Capacity charges that are used to pay for new facilities or improvements are subject to strict accounting requirements set forth in subdivisions (c) and (d) of §66013. Those accounting requirements include that the funds must be held in a separate capital facilities fee fund and cannot be commingled with other District funds. In addition, §66013(d) requires that within 180 days after the end of each fiscal year, the District must provide an accounting to the public setting forth certain information regarding the capital facilities fund, including the amount of the

charge collected each year, the improvements on which the monies were expended during the prior year and any improvements planned for the following fiscal year. Any monies left in the capital facilities fund after completion of all of the planned projects must then be used to reduce the capacity charge.

There are specific procedural requirements that must be met in connection with adopting or modifying capacity charges. The District must hold at least one public meeting to consider adopting the charge. That meeting can be part of a regular Board meeting. At least ten days prior to the meeting at which the Board will consider adopting the charge, the District must make available to the public data indicating the amount of the cost, or estimated cost, required to provide the service for which the capacity charge is being levied, and the revenue sources anticipated to provide the service. The action to levy the new charge must be taken by ordinance or resolution.

When properly implemented, capacity charges are not subject to the provisions of Proposition 218, because they are not being imposed as an incident of property ownership, but rather as a condition to receive water service. To fully support this conclusion, we recommend that any Resolution the Board of Directors adopts include the following two findings:

1. That the adoption of the capacity charge is applicable only as a condition of extending or initiating service on a customer's request and not as an incident of property ownership; and
2. That the capacity charge structure being adopted implements charges which estimate the reasonable cost of providing the labor and materials to install the facilities necessary to enhance the delivery of water service through the District's facilities, a function which will benefit the entire District.

Of course, the District already has in place a capacity charge, which was established in 1990 under Resolution 90-8-21-6. That Resolution specifically refers to past development, the cost of which was to be repaid out of funds to be collected through imposition of the charge. Because greater than the estimated amount has already been collected under the capacity charge as it exists, there may be an issue concerning its future applicability. A new engineering survey, combined with an analysis and Board Resolution as described in this Memo will make a successful challenge based on that issue less likely.

WFK:lj

G:\KINNELOA IRRIGATION DISTRICT\MEMO RE CAPACITY CHARGES 112918.DOC

KINNELOA IRRIGATION DISTRICT
WATER MASTER PLAN

10.0 COST ESTIMATES FOR REQUIRED IMPROVEMENTS

10.1 *Pipelines*

Cost estimates for pipeline replacements as described in Section 7.1, are taken from a study prepared by ASL Consulting Engineers for the KID in April 1996. Cost estimates were updated in July 2002 and adjusted for inflation and current construction costs in by the General Manager in 2018. Most of the replacement pipelines are needed to meet 1,250 gpm fire flow and 450 feet vehicular distance requirements. Category definitions are as follows: EP-Emergency Preparedness; PM-Preventive Maintenance; OPS- Operational Improvement. The estimated costs are shown in Table 10.1. The smaller projects should be bundled in dollar amounts not less than \$150,000 for the district to get the best prices on these projects

TABLE 10.1
PIPING IMPROVEMENTS COST ESTIMATES

Priority	Main Size	Description		Category	Cost
		From	To		
1	8"	Sierra Madre Villa at Windover Rd.	Corner of 2090 and 2060 Villa Heights Road	EP 1840 ft.	\$200,000
2	8"	Fairpoint Street and Sierra Madre Villa	Sierra Madre Villa and Barhite Street	OPS/PM 450 ft.	\$50,000
3	4"	Eastern portion of Fairpoint St.	Last service on Fairpoint St.	EP/PM 950 ft.	\$100,000
4	8"	Country Lane	Southeast Corner of 1747 Country Lane	EP 270 ft.	\$30,000
5	8"	Kinclair Dr.	Rear of 2150 Kinclair Dr.	EP 250 ft.	\$40,000
6	8"	Kinclair Dr.	#4 Cricklewood Path	EP 400 ft.	\$60,000
7	8"	Kinneloa Canyon Rd.	Rear of 2044 Piccadilly Ln.	EP 250 ft.	\$40,000
8	8"	Intersection of Vosburg St. & Lower Pasadena Glen Rd.	Front of 1658 Pasadena Glen Rd.	EP/PM 350 ft.	\$50,000
9	8"	Edgecliff Lane from Villa Knolls	End of Cul-de-sac	EP/PM 700 ft.	\$90,000
10	8"	Larmona Drive & Kinneloa Mesa Road	1908 N. Kinneloa Canyon Rd. (Doyne Rd. Project)	EP 2000 ft.	\$575,000
11	8"	Villa Knolls Drive	End of Harwood Point	EP/PM 1960 ft.	\$300,000
12	8"	Sierra Madre Villa	3336 Villa Mesa	EP/PM 300 ft.	\$50,000

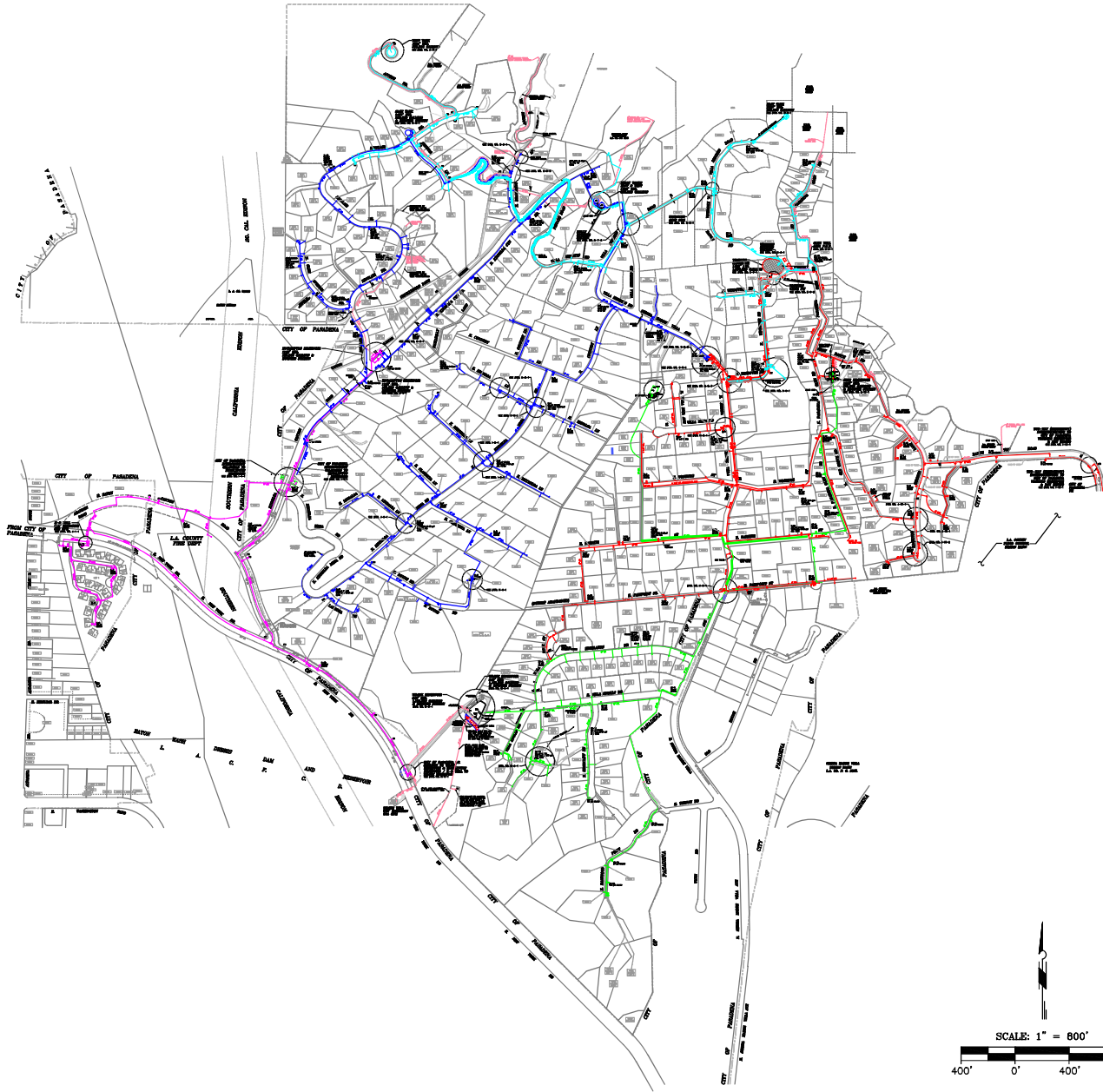
Priority	Main Size	Description		Category	Cost
		From	To		
13	12"	Glen Reservoir	Intersection Villa Highlands & Sierra Madre Villa Includes Slope from Pasadena Glen to Barhite	EP/OPS 3100 ft.	\$600,000
14	10"	Wilcox Well	Wilcox Reservoir Line	EP/OPS/PM 500 ft.	\$70,000
SUBTOTAL					\$2,250,000
Engineering, Design, and Planning					\$500,000
Construction Management and Inspection					\$200,000
SUBTOTAL					\$700,000
TOTAL PIPELINE PROJECTS					\$2,955,000

10.2 *Booster Pump Station Improvements*

Cost estimates for installation of some of the booster pump improvements at the Wilcox Reservoir that were required for the Doyme Road Development (Tract 44323) were developed in a report prepared by ASL Consulting Engineers for the KID and dated June 3, 1996. Cost estimates were up-dated in February 2002 but were not included in the KID capital project budget because it was expected that these improvements would be constructed at the developer's expense. However, since the development as originally planned has been abandoned by a new owner of the property, the cost of an additional booster at the Wilcox Reservoir is not included.

Cost estimates for installation of other booster pump improvements were developed in a report prepared by ASL Consulting Engineers for the KID and dated November 3, 1995. Cost estimates were up-dated in February 2002 and have been adjusted by the General Manager in 2018 for current construction costs and inflation.

Costs for improvements to the booster pumps at the Wilcox Reservoir and Glen Reservoir are included in the KID capital project budget. Costs include engineering, inspection, management and contingency



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SYSTEM DISTRIBUTION MASTER ATLAS MAPS

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