

KINNELOA IRRIGATION DISTRICT

Regular Meeting – Board of Directors
1999 Kinclair Drive, Pasadena, CA 91107
Tuesday, September 17, 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** – August 20, 2019 minutes
Recommended Action: Review and approve motion to file
4. **REVIEW OF FINANCIAL REPORTS** – August 31, 2019 financial reports
Recommended Action: Review and approve motion to file
5. **GENERAL MANAGER’S REPORT** – Information item presented by General Manager
Recommended Action: General Manager to summarize the report and respond to questions
6. **BUDGET FOR 2020** – General Manager to present second draft of 2020 budget
Recommended Action: Review and approve motion to adopt 2020 budget subject to public hearing and approval of proposed water rates
7. **INFORMATION ITEMS** –
 - a. Board of Directors Compensation – Memo from General Manager
 - b. Privileged Information: California Public Records Act Compliance – CSDA Publication
 - c. Password Backup: Computer and Security Procedures – Memo from General Manager
 - d. Management Report for 2018-2019 – Presented by the General Manager*Recommended Action: General Manager to respond to questions*
8. **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.
9. **CALENDAR** – October 22, 2019 (Special Meeting instead of Regular Meeting)
November 19, 2019
December 17, 2019

10. 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, August 20, 2019, 3:00 pm
Minutes

DIRECTORS PRESENT: Frank Griffith, Gordon Johnson, Gerrie Kilburn, and Bill Opel
Tim Eldridge (arrived at 3:24 pm)

DIRECTORS ABSENT: None

STAFF PRESENT: General Manager Melvin Matthews, Office Manager/Board Secretary
Bernadette Allen

1. CALL TO ORDER: Director/Chair Gordon Johnson called the meeting to order at 3:03 pm. A quorum of Board Members was present. The Agenda was reviewed. No changes were requested.

2. PUBLIC COMMENT: District resident Dr. Dave Moritz was present. He stated that he went to Norwalk and filed for candidacy and the people at the office were very helpful.

3. REVIEW OF MINUTES: It was motioned/seconded/carried-(Kilburn/Opel-3/0/1/1).
“That the Board approve the July 16, 2019, minutes for filing and posting on the website.”
(Aye-Griffith, Kilburn, Opel/Nay-0/Abstain-Johnson/Absent-Eldridge)

4. REVIEW OF FINANCIAL REPORTS: Director/Treasurer Bill Opel reviewed the July 31, 2019, financial reports. He highlighted water sales and total revenue were ahead of budget for the month, and expenses were \$5,700 to the good. The Balance Sheet bank account balances for Wells Fargo, LAIF, and CalTRUST match their monthly statements. The General Manager responded to a question about the new line item 1113 Employee Loans, stating that the account is for phone expense to facilitate conversion to FirstNet cell service. Director Opel concluded that Cash Flow shows \$11,000 to the good for the month and the District is positive for the year to date. It was motioned/seconded/carried -(Kilburn/Opel-4/0/0/1).
“That the Board approve the financial reports for filing as presented.”
(Aye-Griffith, Johnson, Kilburn, Opel/Nay-0/Abstain-0/Absent-Eldridge)

5. GENERAL MANAGER’S REPORT: The General Manager and Board reviewed the report.

II.D. Website Redesign: Director Johnson asked how ADA legislation affects the website. The General Manager replied that the website must provide easier access for anyone with disabilities. For example, the site needs to accommodate screen readers, and pictures require text descriptions. The current website does not meet all the ADA compliance requirements and current software is no longer supported.

II.F. Activities/Meetings/Webinars/Conferences: The annual ACWA JPIA inspection was in July. The onsite safety check and review resulted in a good report.
(Director Eldridge arrived)

III.C.1: Future Capital Improvement Projects...: Director Kilburn remarked that adding anti-slip covers to the stairs is a small item that takes care of a safety issue. The General Manager agreed that the anti-slip covers could be reprioritized and the request will be shared with the Sr. Facilities Operator.

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III.C.2: Future Capital Improvement Projects...: Director Johnson asked if the replacement of chlorination equipment at Eucalyptus Reservoir will be similar in scope to the one that was just completed. The General Manager said that it will be an identical installation to what was done at Glen Reservoir. The budget planned for two replacements.

Agenda Item 8 **DIRECTOR REPORTS AND/OR COMMENTS** out of order: Director Griffith commented about a past project involving a wall built by a homeowner adjacent to KID property in the Glen. He stated that staff said no to his request to see documents related to the wall. He asked what the policy is for Board Members to see documents. The Board Secretary stated that Director Griffith's recollection was incorrect, and all related documents requested were given to Director Griffith for his review in the office at the time of his request and he read them, but copies were not provided. The Chair directed the staff to add the topic of Privileged Information to the next meeting agenda.

IV. Water Supply Summary as of June...: The General Manager emphasized that the summary is complete for the Watermaster Year.

V.A. Water Samples and Test Results: The General Manager pointed out that the request by the Board to add result numbers to the table was done. A number range indicates multiple sites were tested. Director Opel asked for more information about the lead and copper test. The General Manager stated that the District does not have any lead in our sources and no lead in our system. Any lead in the system is contributed by customer plumbing.

6. BUDGET FOR 2020: The General Manager stated that the documents are the first presentation of the budget, reflecting the trend and past year for budget categories and anticipating capital expenditures. Some increases for expenses are inflationary increases and some reflect actual increases in rates. The draft will be presented again at the next meeting and questions and comments from the Directors are welcomed.

Director Opel suggested that account 6020, Board Member Compensation, be increased by some amount that reflects the amount of inflation.

7. INFORMATION ITEM: The General Manager presented a sample water meter and Flume device kit and explained the components and the system. He presented the Flume, intelligent water usage platform, PowerPoint, and he demonstrated the Flume App. He stated that the District has no real time water usage data for the customer. This kind of device enables a customer to be alerted immediately, which helps to prevent a large water bill due to a leak and reduces water waste. He added that MWD and FMWD have worked to approve a rebate for these kinds of devices. Installation takes about 45 minutes to physically install the device, download the app, program it and start to use it. It is meant to be self-installed. The meter box may or may not be easily accessible. This type of device is the least expensive way of getting real time water usage data and notification of leaks. There is no plumbing required. There are various optional programs, where this company works with water companies as partners to roll out the devices and offer a utility portal, where the utility can keep track of all the Flume devices in the system.

Director Johnson asked if there is a discounted rate for purchase if the District buys the units in bulk, and the General Manager said there is a discounted rate, but he will have to investigate if the discounted rate can also be used in conjunction with the customer applying for a rebate.

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Minutes

Director Opel stated that the big question in the memo was whether to transition from the current integrated AMR [Automated Meter Reading] radio to an AMI [Advanced Meter Infrastructure] system, and this kind of device is more of an interim solution.

The General Manager stated that the Flume device is not AMI, so the District still needs to decide about the meter infrastructure. If the District wants to go to AMI and get similar real time data, the investment would be about \$90,000 and uses a cellular network.

Director Opel suggested that the District allow people to put in Flume devices, and at the same time, offer at its own expense, to install the device and offer demonstration of the app or desktop, and the District get the optional monitor system. He also recommended that the District get the AMI system, realizing that there may be some dead spots.

The General Manager said that he is looking for this kind of feedback. He stated that the Board has already approved the purchase of a test kit of ten AMI cellular transmitters and the necessary software. There would be a continuing cost per month per customer.

The General Manager recommended that the District promote the Flume device, and the extent the District wants to be involved to help the customer can be worked out.

The General Manager stated that if the District goes to the AMI system, there will be two parallel systems, radio reads and data from cellular units. He stated that unless anyone had an objection, he would order the test kit and at the same time organize a roll out of the flume devices.

There were no objections.

8. DIRECTOR REPORTS AND/OR COMMENTS: Director Eldridge asked for an update on the upcoming election in November. The Board Secretary stated that there are three candidates, Director Eldridge, Director Kilburn and Dr. Moritz and the filing period is closed.

9. CALENDAR: The next regular meeting will be at 3:00 pm on Tuesday, September 17, 2019. Director Opel stated he will be unable to attend the October 15, 2019 meeting, and asked that it be rescheduled to October 22, 2019.

Agenda Item 8 **DIRECTOR REPORTS AND/OR COMMENTS** out of order: Director Griffith asked how many Directors have passwords and expressed that he thought that if the General Manager was absent, and if people are not here, at least one of the Directors be able to sign in. The Chair stated that it is a good suggestion that the District have a policy that there should be multiple people who have full access to programs with passwords. The Directors agreed to add the topic of Password Backup to the next agenda.

Director Opel suggested that the District may want to consider changing the regular meeting from the third Tuesday of the month, to the next to last Tuesday of the month.

10. ADJOURNMENT: The meeting was adjourned at 4:32 pm.

Respectfully submitted by,



Bernadette C. Allen
Board Secretary

Kinneloa Irrigation District
Income Statement for the Eight Months Ending August 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	152,120.34	150,000.00	2,120.34	943,858.60	1,011,000.00	(67,141.40)
4015 Wholesale Water Sales	0.00	0.00	0.00	27,003.03	0.00	27,003.03
4020 Service/Installation Charges	861.61	833.33	28.28	7,404.73	6,666.64	738.09
4035 Interest-Reserve Fund	3,235.90	1,250.00	1,985.90	33,002.29	10,000.00	23,002.29
4070 Misc. Income	0.00	0.00	0.00	5,969.27	0.00	5,969.27
Total Revenues	156,217.85	152,083.33	4,134.52	1,017,237.92	1,027,666.64	(10,428.72)
Expenses						
5005 Electricity	17,954.08	10,000.00	7,954.08	73,272.71	78,000.00	(4,727.29)
5010 Maintenance/Repair Supplies	1,280.95	2,083.33	(802.38)	25,925.83	16,666.64	9,259.19
5011 Material and Labor for Install	0.00	833.33	(833.33)	0.00	6,666.64	(6,666.64)
5012 Safety Equipment	0.00	133.33	(133.33)	1,494.48	1,066.64	427.84
5015 Operations Labor	16,241.08	16,533.33	(292.25)	127,067.91	132,266.64	(5,198.73)
5016 Operations OT	1,098.54	750.00	348.54	9,956.56	6,000.00	3,956.56
5020 Stand-by Compensation	900.00	912.50	(12.50)	6,930.00	7,300.00	(370.00)
5022 Training/Certification	685.00	133.33	551.67	915.00	1,066.64	(151.64)
5025 Water Treatment/Analysis	4,069.54	1,833.33	2,236.21	16,330.75	14,666.64	1,664.11
5030 Maintenance/Repair Contractors	13,532.14	10,416.67	3,115.47	109,512.56	83,333.36	26,179.20
5034 Equipment Maintenance	261.58	1,041.67	(780.09)	11,285.61	8,333.36	2,952.25
5035 Vehicle Maintenance	0.00	833.33	(833.33)	6,449.31	6,666.64	(217.33)
5036 Fuel	984.12	1,250.00	(265.88)	9,814.10	10,000.00	(185.90)
5045 Insurance-Workers Compensatio	0.00	0.00	0.00	14,363.70	6,670.00	7,693.70
5046 Insurance-Liability	1,211.17	1,333.33	(122.16)	9,689.36	10,666.64	(977.28)
5048 Insurance-Property	171.83	208.33	(36.50)	777.16	1,666.64	(889.48)
5049 Insurance-Medical	7,374.80	6,375.00	999.80	54,577.54	51,000.00	3,577.54
6000 Engineering Services	4,392.50	3,958.33	434.17	15,304.00	31,666.64	(16,362.64)
6005 Watermaster Services	880.33	1,000.00	(119.67)	7,045.68	8,000.00	(954.32)
6015 Administrative Salary	11,489.02	12,333.33	(844.31)	91,912.16	98,666.64	(6,754.48)
6017 Administrative Travel	66.06	250.00	(183.94)	677.04	2,000.00	(1,322.96)
6020 Board Compensation	400.00	466.67	(66.67)	3,300.00	3,733.36	(433.36)
6021 Administrative & Board Expens	0.00	83.33	(83.33)	0.00	666.64	(666.64)
6024 Customer/Public Info. Prog.	0.00	166.67	(166.67)	33.07	1,333.36	(1,300.29)
6025 PERS - KID	2,831.17	3,000.00	(168.83)	20,597.45	24,000.00	(3,402.55)
6030 Social Security - KID	2,357.78	2,416.67	(58.89)	17,972.57	19,333.36	(1,360.79)
6031 Medicare - KID	551.42	516.67	34.75	4,203.34	4,133.36	69.98
6035 Office/Computer Supplies	55.05	583.33	(528.28)	4,797.70	4,666.64	131.06
6036 Postage/Delivery	493.74	416.67	77.07	2,924.38	3,333.36	(408.98)
6040 Professional Dues	1,153.33	1,000.00	153.33	9,366.66	8,000.00	1,366.66
6045 Legal Services	1,535.01	1,250.00	285.01	7,168.98	10,000.00	(2,831.02)
6050 Telephone	361.42	375.00	(13.58)	2,894.78	3,000.00	(105.22)
6051 Mobile Telephone	27.97	125.00	(97.03)	683.46	1,000.00	(316.54)
6052 Pagers	34.71	41.67	(6.96)	312.77	333.36	(20.59)
6053 Internet Service	59.99	83.33	(23.34)	503.80	666.64	(162.84)
6059 Computer Software Maintenance	915.52	1,000.00	(84.48)	5,105.49	8,000.00	(2,894.51)

Kinneloa Irrigation District
Income Statement for the Eight Months Ending August 31, 2019

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
6061 Office Equipment Maintenance	0.00	83.33	(83.33)	361.34	666.64	(305.30)
6065 Accounting Services	700.00	0.00	700.00	7,100.00	7,000.00	100.00
6070 Office & Accounting Labor	8,841.50	8,045.83	795.67	57,459.25	64,366.64	(6,907.39)
6075 Professional/Contract Services	2,233.29	2,333.33	(100.04)	22,175.17	18,666.64	3,508.53
6080 Administrative Fees	795.83	750.00	45.83	6,279.53	6,000.00	279.53
6081 Permits/Fees	1,982.57	1,250.00	732.57	6,490.16	10,000.00	(3,509.84)
6086 Taxes - Sales	0.00	0.00	0.00	38.90	500.00	(461.10)
6088 Interest Expense	0.00	0.00	0.00	33,914.74	33,915.00	(0.26)
6120 Bank Service Charges	614.72	541.67	73.05	4,685.79	4,333.36	352.43
Total Expenses	108,537.76	96,741.64	11,796.12	811,670.79	820,018.12	(8,347.33)
Net Income	47,680.09	55,341.69	(7,661.60)	205,567.13	207,648.52	(2,081.39)
Other Expenditures						
1511 Water/Treatment Plant	0.00	0.00	0.00	1,750.80	2,000.00	(249.20)
1514 Computer/Office Equipment	0.00	0.00	0.00	716.49	1,000.00	(283.51)
1527 SCADA Equipment	0.00	0.00	0.00	42,260.42	51,000.00	(8,739.58)
2400 Installment Purchase Agreement	0.00	0.00	0.00	66,186.24	66,186.00	0.24
Total Other Expenditures	0.00	0.00	0.00	110,913.95	120,186.00	(9,272.05)
Total Increase or (Drawdown)	47,680.09	55,341.69	(7,661.60)	94,653.18	87,462.52	7,190.66

Kinneloa Irrigation District Balance Sheet as of August 31, 2019

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 318,125.47
1012	Reserve Fund-LAIF	124,854.33
1014	Reserve Fund-CalTRUST	1,711,975.78
1015	Unrealized Gain(Loss)-CalTRUST	(16,741.81)
1016	Accrued Interest-LAIF	379.52
1100	Accts. Receivable-Water Sales	43,443.61
1101	Accts. Receiv.-Service Charges	412.01
1113	Employee Loans	1,226.93
1190	Allowance for Bad Debts	(771.48)
1200	Inventory	20,000.00
1340	Accrued Water Sales	153,368.75
1350	Prepaid Insurance	1,315.97
1360	Prepaid Expenses	25,003.48

Total Current Assets	2,382,592.56
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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	189,139.08
1512	Water Meters	104,486.33
1513	Electrical/Electronic Equip.	256,918.72
1514	Computer/Office Equipment	75,922.12
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	350,158.34
1528	Tanks and Reservoirs	119,491.90
1529	Holly Tanks	181,113.76
1530	Tools	6,273.13
1600	Accum. Depreciation	(4,926,201.76)

Total Property and Equipment	5,656,957.70
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Other Assets

1901	PERS-Deferred Outflows	99,141.00
	Total Assets	\$ 8,138,691.26

Kinneloa Irrigation District
Balance Sheet as of August 31, 2019

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 32,203.05	
2272	Job Deposits	1,800.00	
2275	Deposits-Water Customers	255.02	
2290	Accrued Vacation	19,935.60	
	Total Current Liabilities		54,193.67

Long-Term Liabilities

2400	Installment Purchase Agreement	1,802,291.11	
2801	PERS- Net Liability	261,661.96	
2901	PERS- Deferred Inflows	36,648.00	
	Total Long-Term Liabilities		2,100,601.07
	Total Liabilities		2,154,794.74

Capital

3040	Fund Balance	5,778,329.39	
	Net Income	205,567.13	
	Total Capital		5,983,896.52
	Total Liabilities & Capital		\$ 8,138,691.26

Kinneloa Irrigation District
Statement of Cash Flow
For the Eight Months Ended August 31, 2019

	Current Month	Year to Date
Cash Flows from Operating Activities		
Net Income	\$ 47,680.09	\$ 205,567.13
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(4,023.60)	6,597.56
1101 Accts. Receiv.-Service Charges	(412.01)	(148.17)
1113 Employee Loans	780.55	(1,226.93)
1340 Accrued Water Sales	(814.26)	(18,706.47)
1350 Prepaid Insurance	1,383.00	8,404.51
1360 Prepaid Expenses	4,117.16	(3,558.66)
2000 Accounts Payable	9,736.45	(3,041.25)
2250 PERS Withholding-Employee	40.48	0.00
2272 Job Deposits	900.00	900.00
	11,707.77	(10,779.41)
Total Adjustments	11,707.77	(10,779.41)
Net Cash Provided by Operations	59,387.86	194,787.72
 Cash Flows from Investing Activities		
<i>Used for</i>		
1511 WaterTreatment Plant	0.00	(1,750.80)
1514 Computer/Office Equipment	0.00	(716.49)
1527 SCADA Equipment	0.00	(42,265.68)
	0.00	(44,732.97)
Net Cash Used in Investing	0.00	(44,732.97)
 Cash Flows from Financing Activities		
<i>Proceeds from</i>		
<i>Used for</i>		
2400 Installment Purchase Agreement	0.00	(66,186.24)
2801 PERS- Net Liability	(1,436.25)	(9,666.78)
	(1,436.25)	(75,853.02)
Net Cash Used in Financing	(1,436.25)	(75,853.02)
Net Increase (Decrease) in Cash	\$ 57,951.61	\$ 74,201.73
 Summary		
Cash Balance at End of Period	\$ 2,138,593.29	\$ 2,138,593.29
Cash Balance at Beg. of Period	(2,080,641.68)	(2,064,386.30)
	\$ 57,951.61	\$ 74,206.99
Net Increase (Decrease) in Cash	\$ 57,951.61	\$ 74,206.99

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

Date	Check #	Payee	Amount	Description
8/1/19	9176	Bernadette Allen	28.20	mileage reimbursement
8/1/19	9177	BrightView Landscape Services	1,490.00	landscape maintenance
8/1/19	9178	Dig Safe Board	16.81	California state fee for regulatory costs
8/1/19	9179	Generator Services Co.	261.58	Generator fuel leak repair, Vosburg
8/1/19	9180	Perry Thomas Construction Co.	1,146.00	Remove/replace butterfly valve, Holly Tank
8/1/19	9181	SWRCB-DWOCP	60.00	SWRCB-DWOCP treatment certification renewal
8/1/19	9182	Ultimate Cleaning Solutions, Inc.	75.00	janitorial service
8/1/19	9183	Underground Service Alert	43.00	digalert
8/1/19	9184	Perry Thomas Construction Co.	8,654.96	Repair leak Vosburg St
8/15/19	EFT3981	Bernadette C. Allen	1,519.73	salary
8/15/19	EFT3982	Joel D. Bundy	1,504.57	salary
8/15/19	EFT3983	Christopher A. Burt	2,792.74	salary
8/15/19	EFT3984	Brian L. Fry	1,877.60	salary
8/15/19	EFT3985	Melvin L. Matthews	2,936.62	salary
8/15/19	EFT3986	Juan R. Tello	1,286.87	salary
8/15/19	EFT3987	Christopher A. Burt	150.00	salary
8/15/19	EFT3988	Automatic Data Processing, Inc.	5,586.64	payroll taxes and withholdings
8/20/19	EFT3989	Automatic Data Processing, Inc.	97.02	payroll processing fee
8/20/19	EFT3990	Arco Gaspro Plus	984.12	fuel for trucks
8/20/19	EFT3991	Athens Services	215.69	trash pickup
8/20/19	EFT3992	CA Public Employees Ret. Sys.	5,464.30	CalPERS July KID & employee contributions
8/20/19	EFT3993	Century Business Solutions	214.08	credit card processing fee
8/20/19	EFT3994	Century Business Solutions	15.00	banking service fee
8/20/19	EFT3995	Pasadena Municipal Services	1,722.19	electricity for Wilcox Well
8/20/19	EFT3996	Southern California Edison Co.	4,870.72	electricity for K3 May, PCIC June, 10 sites July
8/20/19	EFT3997	Charter Communications	346.41	phone and internet
8/20/19	EFT3998	Umpqua Bank	3,813.55	credit card - see attached detail July 2019
8/20/19	EFT3999	VeriCheck, Inc.	83.39	echeck processing fee
8/20/19	9185	South Coast AQMD	421.02	annual renewal fees Office
8/20/19	9186	South Coast AQMD	136.40	emissions fees Vosburg Resv
8/20/19	9187	South Coast AQMD	421.02	annual renewal fees Vosburg Resv
8/20/19	9188	South Coast AQMD	136.40	emissions fees Glen Resv
8/20/19	9189	South Coast AQMD	421.02	annual renewal fees Glen Resv
8/20/19	9190	South Coast AQMD	136.40	emissions fees Office
8/20/19	9191	ACWA/JPIA	8,316.32	employee health benefits
8/20/19	9192	Civiltec Engineering, Inc.	4,392.50	Brown/Glen Replacement Pipeline Project
8/20/19	9193	Eurofins Eaton Analytical, Inc.	145.20	water sample analysis
8/20/19	9194	Foothill Municipal Water District	795.83	administrative fee
8/20/19	9195	Interstate Battery Systems	136.19	generator battery replacement
8/20/19	9196	Lagerlof, Senecal, Gosney & Kruse	299.70	general matters

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

Date	Check #	Payee	Amount	Description
8/20/19	9197	Lagerlof,Senecal,Gosney & Kruse	65.41	PWAG general matters
8/20/19	9198	Lagerlof,Senecal,Gosney&Kruse	589.22	PWAG Mar/Apr 2019 costs
8/20/19	9199	RBMB	3,547.94	water sample analysis
8/20/19	9200	Red Supply	319.83	meter maintenance supplies
8/20/19	9201	Utility Service Co., Inc.	4,877.18	tank maintenance agreement
8/30/19	EFT4000	Automatic Data Processing, Inc.	87.58	payroll processing fee
8/30/19	EFT4001	American Messaging Services	34.71	pager service
8/30/19	EFT4002	AT&T Mobility	376.91	FirstNet wireless service
8/30/19	9202	AmeriPride Services	78.40	shop rag service
8/30/19	9203	Joel Bundy	43.15	mileage reimbursement
8/30/19	9204	Clinical Laboratory, SB	284.00	water sample analysis
8/30/19	9205	Eurofins Eaton Analytical, Inc.	92.40	water sample analysis
8/30/19	9206	Lagerlof,Senecal,Gosney&Kruse	580.68	PWAG May/Jun 2019 costs
8/30/19	9207	Melvin L. Matthews	647.91	July and Aug reimbursement
8/30/19	9207V	Melvin L. Matthews	-647.91	incorrect dollar amount - check voided
8/31/19	EFT4003	Bernadette C. Allen	1,544.10	salary
8/31/19	EFT4004	Joel D. Bundy	1,502.66	salary
8/31/19	EFT4005	Christopher A. Burt	2,895.37	salary
8/31/19	EFT4006	Timothy J. Eldridge	92.35	salary
8/31/19	EFT4007	Brian L. Fry	1,759.08	salary
8/31/19	EFT4008	Francis J. Griffith	92.35	salary
8/31/19	EFT4009	Gerrie G. Kilburn	92.35	salary
8/31/19	EFT4010	Melvin L. Matthews	3,851.79	salary
8/31/19	EFT4011	Arthur W. Opel	92.35	salary
8/31/19	EFT4012	Juan R. Tello	1,833.20	salary
8/31/19	EFT4013	Christopher A. Burt	150.00	salary
8/31/19	EFT4014	Automatic Data Processing, Inc.	<u>5,716.32</u>	payroll taxes and withholdings
Total			<u>93,614.12</u>	

Credit Card Detail Umpqua Bank
July 2019
(Expenses incurred/billed in July and due/paid in August)

Acct. No.	Account Description	Additional Description	MLM	CAB	BLF	JDB	BCA	JRT	TOTAL
1514	Computer/Office Equip.								\$0.00
5010	Maintenance Supplies	meter adapters for Euc & Wilcox Res; maintenance supplies; multi-function tool, landscape maint. tools, stakes		\$234.04	\$48.05			\$129.29	\$411.38
5012	Safety Equipment	high visibility KID shirts				\$191.57			\$191.57
5022	Training/Certification								\$0.00
5025	Water Treatment/Analysis	40 lb. solar salt				\$897.25			\$897.25
5035	Vehicle Maintenance	2008-1 lube/oil, radiator replaced; 2 sun shades		\$1,387.38				\$33.05	\$1,420.43
5036	Fuel								\$0.00
6017	Adm. Travel								\$0.00
6021	Adm. & Bd. Exp.								\$0.00
6035	Office/Computer Supplies	bottled water, ice; paper cutter, circle punch, card stock, office supplies, cell phone case, ink cartridges			\$7.81	\$290.31			\$298.12
6036	Postage/Delivery	stamps					\$496.80		\$496.80
6040	Professional Dues								\$0.00
6050	Telephone	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	tool sharpening						\$23.00	\$23.00
6081	Permits/Fees								\$0.00
TOTAL			\$75.00	\$1,621.42	\$55.86	\$1,379.13	\$496.80	\$185.34	\$3,813.55

General Manager's Report for the Board of Directors Meeting on September 17, 2019

I. Customer Account Information and Internet Usage

A. Delinquent Accounts –

- 13 accounts received past-due notice
- 13 accounts received late charges in the total amount of \$219.60
- 3 accounts received door hanger shut off notice
- 0 account was shut off for non-payment
- 0 account remain 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	\$32,588.72	\$4,502.38	\$381.98	\$0.00	\$37,473.08
March	\$18,623.41	\$2,023.53	\$64.12	\$59.92	\$20,770.98
April	\$35,258.88	\$1,661.07	\$247.83	\$124.04	\$37,291.82
May	\$29,629.02	\$1,897.19	\$98.82	\$216.54	\$31,841.57
June	\$30,403.95	\$3,358.89	\$0.00	\$0.00	\$33,762.84
July	\$36,644.36	\$2,775.65	\$0.00	\$0.00	\$39,420.01
August	\$42,059.76	\$1,383.85	\$0.00	\$0.00	\$43,443.61
September					
October					
November					
December					

C. Internet Usage –

Month	Users	Page Views	Online Payments	Online Amount
January	227	657	76	\$19,881.25
February	171	414	58	\$10,629.13
March	226	457	77	\$12,350.13
April	196	483	61	\$9,696.11
May	223	517	66	\$14,734.69
June	231	465	64	\$12,255.22
July	183	397	71	\$17,881.28
August	224	621	82	\$22,512.60
September				
October				
November				
December				
Year to Date	1,681	4,011	555	\$119,940.41

II. General Manager's Projects and Activities

- A. Water Main Improvement Projects** – Design work is in progress.
- B. 2020 Budget** – Budget documents were prepared, and the second draft is being presented at this meeting.
- C. Truck Replacement** – I am working on specifications for the two replacement pickup trucks
- D. Website Redesign** – I have selected the CSDA preferred provider Streamline to update the design of our website in order to comply with the transparency requirements and new Accessibility/ADA legislation which goes into effect on January 1, 2020.
- E. Management Report for 2018-2019** – The annual report for the Watermaster year 2018-2019 will be presented at this meeting.
- F. 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 • Operations update • Customer service update • Operations update • GM update • Safety topic
Streamline	Telephone conference	Tue 8/8/2019 2:30 PM	Tue 8/8/2019 3:30 PM	<ul style="list-style-type: none"> • Discuss website design services
FMWD	Various	Tue 8/13/2019 8:00 PM	Tue 8/13/2019 12:00 PM	<ul style="list-style-type: none"> • Tour of FMWD facilities in Pasadena, La Canada and La Crescenta
FMWD	La Cañada	Mon 8/19/2019 3:00 PM	Mon 8/19/2019 5:00 PM	<ul style="list-style-type: none"> • Regular board meeting
KID	Office	Tue 8/20/2019 3:00 PM	Tue 8/20/2019 4:30 PM	<ul style="list-style-type: none"> • Regular board meeting
Streamline	Webinar	Tue 8/21/2019 9:00 AM	Tue 8/20/2019 10:00 AM	<ul style="list-style-type: none"> • Demonstration of Streamline Web Platform
Ampstun	Webinar	Tue 8/23/2019 9:00 AM	Tue 8/23/2019 10:00 AM	<ul style="list-style-type: none"> • Demonstration of web-based billing system
Customer Service	Customer's home	Tue 8/23/2019 2:30 PM	Tue 8/23/2019 4:00 AM	<ul style="list-style-type: none"> • Perform leak check • Verify accuracy of meter • Review usage graphs to help customer determine the period of high usage
Flumetech	Telephone conference	Tue 8/23/2019 10:00 AM	Tue 8/23/2019 11:00 AM	<ul style="list-style-type: none"> • Discuss marketing strategies for Flume devices to our customers

III. System and Facility Activities and Incident Reports

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

Location	Type	Date	Description
Kinclair	Customer Contact	8/1/2019	Customer reported that neighbor's contractor had damaged his meter box. Field staff replaced the box and the neighbor was billed for the replacement cost.
Villa Heights Road	Customer Contact	8/10/2019	Customer called concerning high water bill. Chris performed leak check. No leak was observed. Meter was read for five days to determine current usage and the information was given to customer.
Kinneloa Mesa Road	Customer Contact	8/12/2019	Customer called concerning high water bill and asked us to verify that it was correct.
Fairpoint Street	Water Leak	8/15/2019	Customer reported that his meter box was full of water. Chris determined that the leak was at the meter gasket on our side of the meter. Chris and Juan repaired the leak.
Villa Knolls at Edgecliff Lane	Water Leak	8/18/2019 and 8/19/2019	Customer reported leak in the street. Contractor excavated the area and replaced end-of-main valve and re-paved the area.
Sierra Madre Villa and Windover Road	Customer Contact	8/19/2019	Customer was concerned that construction of a new residence would influence his water service. Mel called customer and assured him that it would not cause a problem.
Edgecliff Lane	Customer Contact	8/20/2019 through 8/29/2019	Customer called and wrote a letter concerning high water bill. After numerous telephone conversations and a written response to his letter, Mel met with the customer on the premises and verified the accuracy of the meter and presented the customer with the water usage history as recorded in the endpoint. The usage history showed that water flowed constantly for 20 days at 12 units per day.
Glen Springs Road	Water Leak	8/20/2019	Mel observed water coming out of neighbor's meter box. Field staff determined that the leak was at the meter gaskets and that it was our responsibility to repair. Chris and Juan made the repair.
Shaw Ranch Road	Water Leak	8/29/2019	Customer request leak check due to high water bill. Juan found no leak and advised customer that the usage was probably due to outside irrigation.
Barhite Street	Customer Contact	8/29/2019	Customer requested water shut off due to demolition of house. After discussion, water was left on.

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
 - 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 August
 - a. Repair leak in water main on Villa Knolls Drive
 - b. Brush clearance at Office
 - c. K-3 vault fan motor replaced with new motor
 - d. Holly Cl2 maintenance
 - e. K-3 Cl2 analyzer maintenance
 - f. Office generator battery replacement
 - g. K-3 VFD cabinet air conditioner condenser fan replacement
3. Completed Capital Improvement and Maintenance Projects
 - a. Inspection and cleanout of Eucalyptus and Wilcox Reservoirs
 - b. Repair leaks in Brown Reservoir
 - c. Replace 17 obsolete SCADA radios at all sites and install radio diagnostic program
 - d. Replace Glen Reservoir chlorination equipment

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

1. Install additional shelving, add anti-slip treads to stairs and other safety items at Vosburg Warehouse
2. Replace chlorination equipment at Eucalyptus Reservoir
3. Install solar panel, battery and charger for utility power backup at Transfer Valve
4. Remove, replace and widen Office driveway and expand parking area
5. Replace 1996 Chevrolet and 1999 Ford pickups with new pickups and accessory equipment
6. Replace 50 hp booster (motor and pump) and sandblast and paint pump stand at Wilcox Reservoir
7. Test Advanced Water Meter Analytics (Hardware/software for cellular data collection test)
8. Sierra Madre Villa and Villa Heights Pipeline Improvement Project (Design phase in progress)
9. Brown/Glen Pipeline Improvement Project (Design phase in progress)

IV. Water Supply Summary as of July for the Watermaster Year July 2019 through June 2020

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	3
Leases/Exchanges	0	House	0
Prior Year Spreading	88	Holly High/Low	6
Short Term Storage	128		
Current Year Spreading	0		
Total Allowable Extractions	629		
Less Water Extracted YTD This Watermaster Year	-57	Current Tunnel Monthly Production	16
Remaining Allowable Groundwater Extractions through June 2020	572	Remaining Estimated Tunnel Production through June 2020	176
Total Available Water Supply (Remaining Allowable Groundwater + Remaining Estimated Tunnel Production through June 2020)		748 Acre Feet	
Less Remaining Forecasted Retail Water Sales through June 2020		-468 Acre Feet	
Surplus Water through June 2020*		280 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 2018-2019 year, 134 Acre-Feet were sold to the City, 52 Acre-Feet were carried over to 2019-2020 and 128 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 782 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. Information Items

A. 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)
01/04/19	Source	Weck	Title 22 DEHP	5	ND or A	4 ppb
01/04/19	Source	Weck	Title 22 nitrate	2	4.4 ppm	10 ppm
01/04/19	Source	Weck	Title 22 fluoride	5	1.1 - 2.7 ppm	3 ppm
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	3 ppm
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
02/04/19	Source	Weck	Title 22 VOC	67	ND or A	1 positive sample
02/04/19	Source	Weck	Title 22 1,2,3 TCP	1	ND or A	0.005ppb
02/04/19	Source	Weck	Title 22 DEHP	1	ND or A	4ppb
02/04/19	Source	Weck	Title 22 nitrate	1	2.7ppm	10ppm
02/04/19	Source	Weck	Title 22 fluoride	1	2.3ppm	2ppm
02/04/19	Source	Weck	Title 22 Uranium	1	2.7pCi/L	20pCi/L
02/06/19	Both	Eurofins	coliform, e. coli	72	ND or A	1 positive sample
02/06/19	Both	Eurofins	coliform, e. coli	8	ND or A	1 positive sample
02/07/19	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
02/07/19	Both	Eurofins	coliform, e. coli	8	ND or A	1 positive sample
02/07/19	Both	Eurofins	coliform, e. coli	8	ND or A	1 positive sample
02/19/19	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
03/04/19	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
03/05/19	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
03/06/19	Both	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
03/07/19	Both	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
03/19/19	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
04/02/19	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
04/02/19	Distribution	Clinical	fluoride	6	1.2 - 1.6 ppm	3 ppm
04/02/19	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
04/04/19	Source	Weck	Title 22 fluoride	3	1.1 - 2.6 ppm	3 ppm
04/04/19	Source	Weck	Title 22 nitrate	2	0.8 - 4.4 ppm	10 ppm
04/04/19	Source	Weck	Title 22 1,2,3 TCP	4	ND	80 ppb
04/15/19	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
05/08/19	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
05/08/19	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
05/08/19	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
05/09/19	Distribution	Eurofins	coliform, e. coli	16	ND or A	1 positive sample
05/21/19	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
06/04/19	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
06/04/19	Both	Eurofins	coliform, e. coli	80	ND or A	1 positive sample
06/18/19	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
07/08/19	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
07/08/19	Both	Eurofins	coliform, e. coli	80	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)
07/23/19	Both	Eurofins	coliform, e. coli	64	ND or A	1 positive sample
07/25/19	Residences	Clinical	lead & copper***	20	ND-100ppb, ND-1.4ppm	15 ppb, 1.3 ppm
08/06/19	Both	Eurofins	coliform, e. coli	88	ND or A	1 positive sample
08/09/19	Distribution	Clinical	color, odor, turbidity*	18	<MCL	15 units, 3 units, 5 units
08/20/19	Both	Eurofins	coliform, e. coli	56	ND or A	1 positive sample
08/20/19	Residence	Clinical	lead & copper***	2	ND, 0.10ppm	15 ppb, 1.3 ppm

Total samples as of 8/31/19: 1503

* 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

*** In July 2019, 10 residences were tested for lead and copper at the tap. Copper was detected in 7 samples. lead was detected in 2 samples. The 90th percentile values for the District were below the lead action level of 15 ppb and below the copper action level of 1.3 ppm. One residence exceeded both the lead and copper action level. Inquiry revealed sample was taken at a new faucet bathroom tap that was used infrequently. Resample of residence at kitchen tap in August 2019 resulted in ND for lead and 0.10 ppm for copper.



Memo

Date: September 12, 2019
 To: Board of Directors
 From: Mel Matthews, General Manager
 Subject: Proposed 2020 Budget – Second Draft

Attached for your review are three documents to aid in our discussion of the second draft of the proposed 2020 budget:

- **10-year Actual and Forecasted Income and Expenses**
- **2020 Budget Worksheet**
- **Proposed 2020 Budget**

The **10-year Actual and Forecasted Income and Expense** document shows the actual income and expenses for the past five years and the forecasted income and expenses for the next five years including the proposed budget for 2020.

The **2020 Budget Worksheet** provides a comparison of the 2019 budget, the 2019 yearend forecast and the proposed 2020 budget with explanatory notes.

The **Proposed 2020 Budget – Second Draft** provides a summary of the budget, a breakdown of the revenues, expenses, capital expenditures and the reserve balances as well as a rate history. This becomes the official budget of the District when approved and when the proposed water rates or modified rates are approved after the public hearing.

On the Proposed 2020 Budget – Second Draft, the following accounts/totals were revised:

Account	Account Description	1st Draft	2nd Draft
6020	Board of Directors Compensation	5,600	8,400
6031	Medicare – KID	6,200	6,800
	Total Expenses	1,387,250	1,390,650
	NET REVENUE	242,750	239,350
	NET CASH FLOW	-612,717	-616,117

Revenue

The projected 2020 revenue is based on the current rates which were effective on January 1, 2019, the forecasted water sales for 2019 and a proposed 3% rate increase effective on January 1, 2020. This recommended increase is

necessary primarily due to the increase in general operating and administrative expenses and general inflationary increases in most expenses including construction costs. If conservation by our customers and/or weather conditions reduces water sales in 2020, we would have water available for sale to Pasadena. Therefore, I have included \$90,000 in the wholesale water sales in the budget for 2020. If customer demand increases over my projection, the revenue generated by our customers will make up for any revenue shortfall in wholesale water sales.

Expenses

The proposed 2020 expenses are mostly the same as those approved for the 2019 budget. The difference (if any) and an explanation is provided on expenses that are changed from the 2019 budget. The forecasted year end expenses have been revised to include the actual expenses for the month of August.

The proposed improvement and maintenance expenditures for 2020 include \$500,000 for the construction of pipeline projects. However, the engineering of the two major projects will not be completed until later in the year and bidding to determine actual costs will be in the later portion on the 1st quarter of 2020. So, consider this expense to be an estimate based on prior projects. As in past years, some projects can be deferred if necessary to maintain the desired net cash flow and all projects will be evaluated and prioritized as the year progresses. Additional projects may be presented during the year for approval if the actual cash flow exceeds the budgeted amount.

The current recommendation is to not use financing for any additional projects. However, to maintain our reserve funds at current levels and accomplish the capital and preventative maintenance projects, it will be necessary to increase rates about 3% a year to maintain our reserve fund and cover our existing debt service payments. I used a 2.5% annual increase in most expense categories in the **10-year Actual and Forecasted Income and Expense** document. This is consistent with the average annual inflation rate as measured by the Consumer Price Index in our area over the past few years.

10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2024 Forecast	2023 Forecast	2022 Forecast	2021 Forecast	2020 Budget	2019 Forecast	2018 Actual	2017 Actual	2016 Actual	2015 Actual	10-Year Total	5-Year Average
4000	Water Sales	1,688,263	1,639,091	1,591,350	1,545,000	1,500,000	1,432,859	1,579,233	1,521,355	1,426,516	1,220,253	15,143,920	1,436,839
4015	Wholesale Water Sales	92,882	90,177	87,550	85,000	90,000	112,003	92,049	88,347	68,126	6,947	813,080	63,867
4020	Service/Installation Charges	11,255	10,927	10,609	10,300	10,000	10,738	19,449	26,959	22,542	21,023	153,803	22,493
4025	Asset Sale	0	0	0	1,000	0	0	0	0	10,675	0	11,675	2,669
4035	Interest-Reserve Fund	33,765	32,782	31,827	30,900	30,000	38,002	13,250	13,010	12,108	9,049	244,693	11,854
4050	Capacity Charge	0	0	0	0	0	0	0	0	0	0	0	0
4070	Misc. Income	0	0	0	0	0	5,969	10,845	3,943	1,222	1,648	23,627	4,414
	Total Income	1,826,165	1,772,976	1,721,336	1,672,200	1,630,000	1,599,571	1,714,826	1,653,613	1,541,189	1,258,920	16,390,798	1,542,137
5000	Leased Water Rights	0	0	0	0	63,135	63,135	63,135	0	63,135	63,135	315,675	47,351
5005	Electricity	120,000	120,000	120,000	120,000	125,000	120,273	127,199	122,814	110,282	108,380	1,193,947	117,169
5010	Maintenance Supplies	27,595	26,922	26,266	25,625	25,000	34,259	35,425	28,159	24,710	29,074	283,037	29,342
5011	Material and Labor for Install	11,038	10,769	10,506	10,250	10,000	3,333	1,481	10,703	8,281	0	76,361	5,116
5012	Safety Equipment	1,766	1,723	1,681	1,640	1,600	2,028	362	452	1,753	476	13,481	761
5015	Operations & Maintenance Labor	227,827	222,270	216,849	211,560	206,400	193,201	168,869	133,728	142,253	139,218	1,862,175	146,017
5016	Operations & Maintenance OT	14,901	14,538	14,183	13,838	13,500	12,957	8,123	22,983	34,413	30,844	180,281	24,091
5017	Operations Bonus	0	0	0	0	0	0	0	0	0	2,469	2,469	617
5020	Stand-by Compensation	10,950	10,950	10,950	10,950	10,980	10,580	7,350	7,410	7,170	7,200	94,490	7,283
5022	Training/Certification	1,766	1,723	1,681	1,640	1,600	1,448	850	725	470	0	11,903	511
5025	Water Treatment/Analysis	24,284	23,692	23,114	22,550	22,000	23,664	22,540	15,108	17,146	15,127	209,225	17,480
5030	Maintenance Contractors	143,496	139,996	136,581	133,250	130,000	151,179	114,816	129,294	102,259	82,752	1,263,623	107,280
5034	Equipment Maintenance	16,557	16,153	15,759	15,375	15,000	15,452	9,002	10,140	7,101	9,632	130,172	8,969
5035	Vehicle Maintenance	16,557	16,153	15,759	15,375	15,000	9,783	8,219	5,040	6,644	5,170	113,700	6,268
5036	Fuel - All Equipment	16,557	16,153	15,759	15,375	15,000	14,814	11,712	7,849	7,862	9,263	130,344	9,171
5040	Equipment Rental	500	500	500	500	500	500	0	0	0	0	3,000	0
5045	Insurance-Workers Comp.	22,076	21,538	21,013	20,500	20,000	19,694	14,300	9,434	10,710	11,090	170,355	11,384
5046	Insurance-Liability	17,661	17,230	16,810	16,400	16,000	14,534	14,285	14,264	14,151	14,155	155,490	14,214
5048	Insurance-Property	2,760	2,692	2,627	2,563	2,500	1,464	1,767	1,925	2,081	2,041	22,419	1,954
5049	Insurance-Medical	97,687	95,305	92,980	90,713	88,500	84,077	77,370	68,322	74,938	74,632	844,524	73,816
6000	Engineering Services	52,431	51,152	49,905	48,688	47,500	31,137	4,770	10,955	24,456	41,981	362,974	20,540
6005	Watermaster Services	12,000	12,000	12,000	12,000	12,000	10,567	10,740	11,039	11,149	10,969	114,463	10,974
6015	Administrative Salary	169,987	165,841	161,796	157,850	154,000	137,868	134,291	130,064	130,064	128,170	1,469,933	130,648
6016	Administrative Bonus	0	0	0	0	0	0	0	0	0	1,894	1,894	474
6017	Administrative Travel	3,311	3,231	3,152	3,075	3,000	1,677	1,399	2,933	1,848	2,281	25,907	2,115
6020	BofD Compensation	5,600	5,600	5,600	5,600	8,400	5,167	5,000	5,200	4,000	3,200	53,367	4,350
6021	Administrative & Board Exp.	1,104	1,077	1,051	1,025	1,000	333	0	953	242	725	7,510	480
6022	B of D Election	12,500	0	12,500	0	12,500	12,500	81	0	115	0	50,197	49
6024	Customer/Public Information	2,208	2,154	2,101	2,050	2,000	700	1,688	1,533	1,775	601	16,810	1,399
6025	PERS - KID	39,737	38,768	37,823	36,900	36,000	32,597	32,381	225,918	25,206	23,849	529,180	76,839
6030	Social Security - KID	32,011	31,230	30,468	29,725	29,000	27,639	24,807	21,569	24,520	24,182	275,151	23,770
6031	Medicare - KID	7,506	7,323	7,144	6,970	6,800	6,270	5,837	5,058	5,902	5,821	64,631	5,655
6035	Office/Computer Supplies	7,727	7,538	7,354	7,175	7,000	7,131	6,406	7,296	4,537	4,901	67,066	5,785
6036	Postage/Delivery	5,519	5,384	5,253	5,125	5,000	4,591	2,883	3,803	3,706	4,763	46,029	3,789
6040	Professional Dues	13,246	12,923	12,608	12,300	12,000	13,367	10,644	10,608	11,045	9,490	118,230	10,447
6045	Legal	16,557	16,153	15,759	15,375	15,000	12,169	8,425	2,205	11,573	9,775	122,992	7,995
6050	Telephone	4,967	4,846	4,728	4,613	4,500	4,395	4,276	3,995	4,132	4,273	44,724	4,169
6051	Mobile Telephone	1,656	1,615	1,576	1,538	1,500	1,183	920	804	456	567	11,814	687

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10-Year Actual and Forecasted Income and Expenses

Account	Account Description	2024 Forecast	2023 Forecast	2022 Forecast	2021 Forecast	2020 Budget	2019 Forecast	2018 Actual	2017 Actual	2016 Actual	2015 Actual	10-Year Total	5-Year Average
6052	Pagers	552	538	525	513	500	479	340	431	336	267	4,482	344
6053	Internet Service	1,104	1,077	1,051	1,025	1,000	744	1,205	1,006	720	720	9,651	913
6059	Computer/Software Maintenance	13,246	12,923	12,608	12,300	12,000	9,105	14,832	5,544	6,933	7,008	106,499	8,579
6061	Office Equipment Maintenance	1,104	1,077	1,051	1,025	1,000	695	0	129	256	619	6,955	251
6065	Accounting Services	7,727	7,538	7,354	7,175	7,000	7,100	6,750	6,750	8,550	6,200	72,144	7,063
6070	Office & Accounting Labor	120,868	117,920	115,043	112,238	109,500	89,643	93,934	61,425	85,794	87,162	993,526	82,079
6071	Office & Accounting Bonus	0	0	0	0	0	0	0	0	0	1,275	1,275	319
6075	Professional/Contract Services	30,907	30,153	29,418	28,700	28,000	31,509	28,996	27,980	23,349	20,650	279,660	25,244
6080	Capital and Administrative Fee	9,934	9,692	9,456	9,225	9,000	9,280	8,470	8,109	8,368	8,705	90,239	8,413
6081	Permits/Fees	16,557	16,153	15,759	15,375	15,000	11,490	7,308	7,333	14,318	12,112	131,406	10,268
6086	Taxes - Sales	552	538	525	513	500	39	84	276	352	342	3,721	264
6088	Interest Expense	40,306	45,955	52,006	56,664	61,735	66,628	71,290	75,916	80,233	41,745	592,477	67,296
6120	Bank Service Charges	7,175	7,000	6,829	6,663	6,500	6,852	6,546	6,646	6,136	5,002	65,349	6,083
	Total Expenses	1,412,076	1,375,708	1,365,461	1,329,524	1,390,650	1,319,231	1,181,111	1,233,830	1,135,430	1,073,907	12,816,928	1,156,070
	NET REVENUES	414,089	397,268	355,875	342,676	239,350	280,340	533,715	419,783	405,759	185,014	3,573,870	386,068
	Capital and Planned Maintenance Expenditures												
1504	Water Mains	20,000	100,000	20,000	20,000	500,000	0	0	1,099,600	0	21,496	1,781,096	280,274
1505	Water Tunnels	0	0	0	0	10,000	0	0	23,089	0	0	33,089	5,772
1506	K-3 Well	50,000	0	0	0	0	0	0	6,695	0	0	56,695	1,674
1509	Wilcox Well/Wilcox Booster	0	0	0	0	52,000	0	0	0	0	0	52,000	0
1511	Water Treatment Plant	1,000	1,000	1,000	1,000	6,000	5,751	1,990	0	0	0	17,741	498
1512	Water Meters	5,000	5,000	5,000	5,000	9,000	9,000	16,158	5,509	1,461	0	61,128	5,782
1513	Electrical/Electronic Equipment	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	0	30,000	0
1514	Computer/Office Equipment	5,000	5,000	5,000	5,000	5,000	4,716	8,035	3,629	1,652	1,652	44,684	3,742
1515	Vehicles & Portable Equipment	40,000	0	40,000	0	90,000	0	0	0	20,465	0	190,465	5,116
1516	Water Company Facilities	10,000	10,000	10,000	10,000	30,000	20,000	0	0	0	4,671	94,671	1,168
1517	KID Office							538					
1522	Eucalyptus Booster	0	0	0	0	0	0	0	0	0	0	0	0
1523	Construction in Progress - Vosburg	0	0	0	0	0	0	0	-1,555,035	317,049	1,237,986	0	0
1524	Construction in Progress - East/W	0	0	0	0	0	0	0	-713,677	698,128	15,549	0	0
1526	Vosburg Booster	0	0	0	0	0	0	0	1,555,035	0	0	1,555,035	388,759
1527	SCADA	10,000	10,000	10,000	40,000	10,000	42,260	29,853	23,318	7,411	10,722	193,564	17,826
1528	Tank and Reservoir Maintenance	0	0	0	0	0	0	0	0	21,548	0	21,548	5,387
1530	Tools	1,500	1,500	1,500	1,500	0	0	0	0	0	0	6,000	0
2400	Installment Purchase Agreement	159,896	154,546	148,796	143,538	138,467	133,574	128,912	124,286	119,969	-2,241,644	-989,659	-467,119
	Total Other Expenditures	307,396	292,046	246,296	231,038	855,467	220,301	185,486	572,448	1,187,682	-949,567	4,137,715	249,012
	NET CASH FLOW	106,693	105,221	109,579	111,638	-616,117	60,039	348,229	-152,665	-781,923	1,134,581	-563,845	35,398

Kinneloa Irrigation District 2020 Budget Worksheet (Proposed Rates)

Account	Account Description	2019 Budget	2019 FYE Forecast as of 8/31/2019	Variance of 2019 FYE Forecast to 2019 Budget	Proposed 2020 Budget	Variance of Proposed 2020 Budget to 2019 Budget	Notes
4000	Water Sales	1,500,000	1,432,859	-67,141	1,500,000	0	Projection based on 3% rate increase and current usage
4015	Wholesale Water Sales	85,000	112,003	27,003	90,000	5,000	Projection based on wholesale rate increase and estimated delivery
4020	Service Charges	10,000	10,738	738	10,000	0	
4025	Asset Sale/Miscellaneous	0	0	0	0	0	
4035	Interest-Reserve Fund	15,000	38,002	23,002	30,000	15,000	Reserve balance and interest rates have increased
4050	Capacity Charge	0	0	0	0	0	
4070	Misc. Income	0	5,969	5,969	0	0	
	Total Income	1,610,000	1,599,571	-10,429	1,630,000	20,000	
5000	Leased Water Rights	63,135	63,135	0	63,135	0	
5005	Electricity	125,000	120,273	-4,727	125,000	0	
5010	Maintenance Supplies	25,000	34,259	9,259	25,000	0	
5011	Material and Labor for Install	10,000	3,333	-6,667	10,000	0	
5012	Safety Equipment	1,600	2,028	428	1,600	0	
5015	Operations & Maintenance Labor	198,400	193,201	-5,199	206,400	8,000	Merit and cost of living increases
5016	Non-Emergency Operations OT	9,000	12,957	3,957	13,500	4,500	Merit and cost of living increases
5017	Operations Bonus	0	0	0	0	0	
5020	Stand-by Compensation	10,950	10,580	-370	10,980	30	
5022	Training/Certification	1,600	1,448	-152	1,600	0	
5025	Water Treatment/Analysis	22,000	23,664	1,664	22,000	0	
5030	Maintenance Contractors	125,000	151,179	26,179	130,000	5,000	Contractor labor rate has increased
5034	Equipment Maintenance	12,500	15,452	2,952	15,000	2,500	Service providers labor and parts have increased
5035	Vehicle Maintenance	10,000	9,783	-217	15,000	5,000	Vehicles are older and require more maintenance
5036	Fuel - All Equipment	15,000	14,814	-186	15,000	0	
5040	Equipment Rental	500	500	0	500	0	
5045	Insurance-Workers Comp.	12,000	19,694	7,694	20,000	8,000	Rate increase
5046	Insurance-Liability	16,000	14,534	-1,466	16,000	0	
5048	Insurance-Property	2,500	1,464	-1,036	2,500	0	
5049	Insurance-Medical	76,500	84,077	7,577	88,500	12,000	Fully staffed this year
6000	Engineering Services	47,500	31,137	-16,363	47,500	0	
6005	Watermaster Services	12,000	10,567	-1,433	12,000	0	
6015	Administrative Salary	148,000	137,868	-10,132	154,000	6,000	Merit and cost of living increases
6016	Administrative Bonus	0	0	0	0	0	
6017	Administrative Travel	3,000	1,677	-1,323	3,000	0	
6020	BofD Compensation	5,600	5,167	-433	8,400	2,800	To allow for possible increase in Board compensation
6021	Administrative & Board Expense	1,000	333	-667	1,000	0	

Kinneloa Irrigation District 2020 Budget Worksheet (Proposed Rates)

Account	Account Description	2019 Budget	2019 FYE Forecast as of 8/31/2019	Variance of 2019 FYE Forecast to 2019 Budget	Proposed 2020 Budget	Variance of Proposed 2020 Budget to 2019 Budget	Notes
6022	Board of Directors Election	12,500	12,500	0	12,500	0	
6024	Customer/Public Information	2,000	700	-1,300	2,000	0	
6025	PERS - KID	36,000	32,597	-3,403	36,000	0	
6030	Social Security - KID	29,000	27,639	-1,361	29,000	0	
6031	Medicare - KID	6,200	6,270	70	6,800	600	
6035	Office/Computer Supplies	7,000	7,131	131	7,000	0	
6036	Postage/Delivery	5,000	4,591	-409	5,000	0	
6040	Professional Dues	12,000	13,367	1,367	12,000	0	
6045	Legal Services	15,000	12,169	-2,831	15,000	0	
6050	Telephone	4,500	4,395	-105	4,500	0	
6051	Mobile Telephone	1,500	1,183	-317	1,500	0	
6052	Pagers	500	479	-21	500	0	
6053	Internet Service	1,000	744	-256	1,000	0	
6059	Computer/Software Maintenance	12,000	9,105	-2,895	12,000	0	
6061	Office Equipment Maintenance	1,000	695	-305	1,000	0	
6065	Accounting Services	7,000	7,100	100	7,000	0	
6070	Office & Accounting Labor	96,550	89,643	-6,907	109,500	12,950	Fully staffed this year with merit and cost of living increases
6071	Office & Accounting Bonus	0	0	0	0	0	
6075	Professional/Contract Services	28,000	31,509	3,509	28,000	0	
6080	Administrative Fees	9,000	9,280	280	9,000	0	
6081	Permits/Fees	15,000	11,490	-3,510	15,000	0	
6086	Taxes - Sales	500	39	-461	500	0	
6088	Interest Expense	66,628	66,628	0	61,735	-4,893	Interest declines as installment payments are made
6120	Bank Service Charges	6,500	6,852	352	6,500	0	
Total Expenses		1,328,163	1,319,231	-8,932	1,390,650	62,487	
NET REVENUES		281,837	280,340	-1,497	239,350	-42,487	
Other Expenditures							
1504	Water Mains	0	0	0	500,000	500,000	East Tank Loop and Brown/Glen replacement pipeline
1505	Water Tunnels	0	0	0	10,000	10,000	House Tunnel Pipeline repair
1506	K-3 Well	0	0	0	0	0	
1509	Wilcox Well/Wilcox Booster	52,000	0	-52,000	52,000	0	Carryover funds not spent last year for 50 hp booster repair
1511	Water Treatment Plant	6,000	5,751	-249	6,000	0	
1512	Water Meters	9,000	9,000	0	9,000	0	
1513	Electrical/Electronic Equipment	5,000	5,000	0	5,000	0	
1514	Computer/Office Equipment	5,000	4,716	-284	5,000	0	

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Kinneloa Irrigation District 2020 Budget Worksheet (Proposed Rates)

Account	Account Description	2019 Budget	2019 FYE Forecast as of 8/31/2019	Variance of 2019 FYE Forecast to 2019 Budget	Proposed 2020 Budget	Variance of Proposed 2020 Budget to 2019 Budget	Notes
1515	Vehicles/Portable Equipment	0	0	0	90,000	90,000	Replace two pickup trucks
1516	Water Company Facilities	20,000	20,000	0	30,000	10,000	Carryover funds not spent last year for office driveway repair
1527	SCADA	51,000	42,260	-8,740	10,000	-41,000	Routine expenses this year
1528	Tanks and Reservoirs	0	0	0	0	0	
1530	Tools	0	0	0	0	0	
2400	Installment Purchase Agreement	133,574	133,574	0	138,467	4,893	Principle increases as installment payments are made
Total Other Expenditures		281,574	220,301	-61,273	855,467	573,893	
NET CASH FLOW		263	60,039	59,776	-616,117	-616,380	Planned use of reserve funds for capital improvement and replacement projects

Proposed Kinneloa Irrigation District 2020 Budget – Second Draft

Account	Account Description	2020 Budget
4000	Water Sales	1,500,000
4015	Wholesale Water Sales	90,000
4020	Service Charges	10,000
4035	Interest-Reserve Fund	30,000
Total Income		1,630,000
5000	Leased Water Rights*	63,135
5005	Electricity	125,000
5010	Maintenance Supplies	25,000
5011	Material and Labor for Installs	10,000
5012	Safety Equipment	1,600
5015	Operations & Maintenance Labor	206,400
5016	Operations & Maintenance OT	13,500
5020	Stand-by Compensation	10,980
5022	Training/Certification	1,600
5025	Water Treatment/Analysis	22,000
5030	Maintenance Contractors	130,000
5034	Equipment Maintenance	15,000
5035	Vehicle Maintenance	15,000
5036	Fuel - All Equipment	15,000
5040	Equipment Rental	500
5045	Insurance-Workers Compensation	20,000
5046	Insurance-Liability	16,000
5048	Insurance-Property	2,500
5049	Insurance-Medical	88,500
6000	Engineering Services	47,500
6005	Watermaster Services	12,000
6015	Administrative Salary	154,000
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	36,000
6030	Social Security - KID	29,000
6031	Medicare - KID	6,800
6035	Office/Computer Supplies	7,000
6036	Postage/Delivery	5,000
6040	Professional Dues	12,000
6045	Legal Services	15,000
6050	Telephone	4,500
6051	Mobile Telephone	1,500
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	109,500
6075	Professional/Contract Services	28,000
6080	Administrative Fees	9,000
6081	Permits/Fees	15,000
6086	Sales Tax	500
6088	Interest Expense	61,735
6120	Bank Service Charges	6,500
Total Expenses		1,390,650
NET REVENUES		239,350

Water Sales, Units	222,290
Usage Charge Per Unit	\$4.56
Annual Usage (Commodity) Revenue	\$1,013,641
Daily Service Charge	\$2.27
Annual Daily Service Charge Revenue	\$486,359
Annual Water Sales	\$1,500,000
Wholesale Water Sales	\$90,000
Other Annual Revenue	\$40,000
Total Revenue	\$1,630,000
Total Expenses	\$1,390,650
Net Revenues	\$239,350
Improvement Projects and Debt Service	\$855,467
Annual Net Cash Flow	-\$616,117
Average Monthly Charge for Low Usage (10 units)	\$112
Average Monthly Charge for Medium Usage (50 units)	\$289
Average Monthly Charge for High Usage (100 units)	\$511
Reserve Fund Balance (Beginning)*	\$2,088,880
Reserve Fund Balance (Year End)*	\$1,472,763

*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.

Rate History		
Effective Date	Daily Service Charge (Charge Per Average Month)	Usage Charge
12/15/1955	No daily service charge - Monthly minimum charge based on meter size: \$2.50 for 3/4" \$3.50 of 1" \$5.50 for 1.5" \$6.50 for 2"	3/4" \$2.50 1st 400 Cu. Ft. (4 units) 1" \$3.50 1st 600 Cu. Ft. (6 units) 1 1/2" \$5.00 1st 800 Cu. Ft. (8 units) 2" \$6.50 1st 1000 Cu. Ft. (10 units) \$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
5/1/1958	No daily service charge - Monthly minimum charge \$5.00 for all meters for 1st 800 Cu. Ft. (8 units)	\$0.18 per 100 Cu. Ft. (1 unit) up to 10,000 Cu. Ft. (100 units) \$0.15 per 100 Cu. Ft. over 10,000 Cu. Ft. (100 units)
4/1/1976	0.1810 (\$ 5.50)	\$0.20
4/1/1977	0.2140 (\$ 6.50)	\$0.27
1/1/1989	0.6575 (\$20.00)	\$0.85
1/1/1991	0.6575 (\$20.00)	\$1.10
5/5/1993	0.6575 (\$20.00)	\$1.60
4/5/2001	0.9863 (\$30.00)	\$1.90
1/6/2003	0.9863 (\$30.00)	\$1.95
1/1/2005	0.9863 (\$30.00)	\$2.05
1/1/2006	1.1178 (\$34.00)	\$2.30
1/1/2007	1.1836 (\$36.00)	\$2.42
1/1/2009	1.3479 (\$41.00)	\$2.55
1/1/2010	1.6110 (\$49.00)	\$2.75
1/1/2011	1.6110 (\$49.00)	\$2.95
1/1/2013	1.6800 (\$51.10)	\$3.35
1/1/2015	1.7600 (\$53.53)	\$3.52
1/1/2016	2.0200 (\$61.44)	\$4.05
1/1/2017	2.0800 (\$63.27)	\$4.17
1/1/2018	2.1400 (\$65.09)	\$4.30
1/1/2019	2.2000 (\$66.92)	\$4.43
1/1/2020 (Proposed)	2.2700 (\$69.05)	\$4.56

Recommended Expenditures for Projects**

1504	Water Mains	500,000
1505	Water Tunnels	10,000
1509	Wilcox Well/Wilcox Booster	52,000
1511	Water Treatment Plant	6,000
1512	Water Meters	9,000
1513	Electrical/Electronic Equipment	5,000
1514	Computer/Office Equipment	5,000
1515	Vehicles/Portable Equipment	90,000
1516	Water Company Facilities	30,000
1527	SCADA	10,000
2400	Installment Purchase Agreement	138,467
Total Other Expenditures		855,467
NET CASH FLOW		-616,117

Estimate based on prior projects. Competitive bidding will determine actual cost.
House Tunnel pipeline repair
Replace 50 hp booster pump and motor and sandblast and paint pump stand
Eucalyptus Cl2 generator replacement
Based on meter replacement rate and transmitters reaching end of 10-year life cycle
Normal replacements
Normal replacements
Replace two pickup trucks
Removal, replacement and widening of office driveway
Minor upgrades in equipment and software
Annual principle payment on project loan

Planned use of reserve funds for capital improvement and replacement projects

* Optional expense based on need for supplemental water and negotiation for leased water rights

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



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Memo

Date: September 11, 2019
To: Board of Directors
From: Mel Matthews
Subject: Board of Directors Compensation
Recommended Action: Discuss and provide direction to staff

Background

The compensation for Directors was originally established at \$100 per meeting for up to 10 meetings a month as permitted by the water code. There have been no subsequent requests to increase the compensation. Director Opel requested that we consider an increase to reflect inflation over many years and to provide an adequate incentive for participation on the Board by the property owners of the District. Many districts have increase compensation over the years. For example, Foothill Municipal Water District has an ordinance that allows for an optional annual increase based on the CPI.

Requirements to Increase Compensation

The requirements to increase Board member compensation are set forth in Water Code Sections 20200-20204. The applicable statutes require that a water district adopt an ordinance to provide for the directors' compensation (Section 20201). Section 20201 also requires that any future increase in compensation also be adopted by ordinance.

Section 20202 specifically addresses increases in compensation. Increases in compensation are limited to not more than 5% for each calendar year following the operative date of the last adjustment of the compensation received when the ordinance is adopted. Thus, if there had been an increase 10 years ago, the Board could increase the compensation by 50% (i.e., 5% multiplied by 10 years since the last increase). Any ordinance must be adopted after a public hearing, with notice provided in a newspaper of general circulation, to be published once a week for two successive weeks (Section 20203). The ordinance becomes effective 60 days from its date of passage (Section 20204).

Summary and Conclusion

Increases to compensation require that the above requirements be followed. If the Board desires to increase compensation our attorney will draft the ordinance for your consideration at a future meeting.



**California Special
Districts Association**

Districts Stronger Together

California Public Records Act Compliance Manual

for Special Districts



Introduction

The California Public Records Act (CPRA) was originally enacted in 1968, and requires that governmental records be made accessible to the public upon request, unless otherwise exempted by law. This manual provides special districts with guidelines to fulfilling CPRA requests, including compliance tips for easy reference and a special section on disclosure of electronic records.

Access to information concerning the conduct of the people's business by state and local agencies is a fundamental right of every person in California.

This manual is a general summary of the CPRA as it applies to special districts and is not intended to provide legal advice on any specific CPRA request or issue. In addition, the statutory and case law summarized in this manual is subject to change. District staff should always seek the advice of agency legal counsel as to the application of the CPRA in a particular situation and to ascertain whether there have been recent changes to the CPRA by the Legislature or its interpretation by the courts.

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 *Printed on recycled paper.*





Summary of the California Public Records Act

Access to information concerning the conduct of the people's business by state and local agencies is a fundamental right of every person in California.¹ To ensure this right, the California Public Records Act ("CPRA")² gives every person the right to inspect any public record during a state or local agency's office hours.³ If an agency receives a request to inspect an identifiable, disclosable record, the agency must promptly make the record available.⁴ Requests for copies of identifiable, disclosable records must be responded to within prescribed periods and must also be promptly made available for anyone who pays the applicable agency duplication costs or the applicable statutory fee.⁵ The agency must provide an exact copy unless it is impracticable to do so, although the agency must also redact any confidential or exempt information from the copy.⁶ The CPRA covers requests for electronic and computer data; and public records that are stored in an electronic format must generally be made available in such electronic format if so requested.⁷

Although the fundamental precept of the CPRA is access to records, the CPRA exempts certain records from disclosure and requires agencies to keep certain other records confidential.⁸

If an agency receives a request to inspect an identifiable, disclosable record, the agency must promptly make the record available.

If an agency improperly withholds records, a member of the public may seek a court order to enforce the right to inspect or copy the records sought and may receive payment for court costs and attorney fees if such person prevails in the lawsuit.⁹

An agency may adopt regulations establishing procedures for requesting public records that allow for faster, more efficient, or greater access to records.¹⁰



Although the fundamental precept of the CPRA is access to records, the CPRA exempts certain records from disclosure and requires agencies to keep certain other records confidential.

Application of CPRA to Special Districts

All special districts are subject to the CPRA, which refers to them as a “local agency.”¹¹ This includes all boards and commissions of a special district, including advisory boards. Private non-profit entities delegated legal authority by a district to carry out public functions are also subject to the CPRA if they are funded with public money.¹²

Is a district required to adopt its own procedures or guidelines for complying with the CPRA?

No, however, the adoption of local procedures consistent with the CPRA can be helpful in educating the public about the process.

Can a district adopt guidelines or requirements that differ from the CPRA?

Yes. The provisions of the CPRA are **minimum standards**. Districts are free to adopt procedures that allow for faster or greater access to records than those prescribed in the CPRA.¹³



Public Record Defined

The CPRA defines a “public record” as “any writing containing information relating to the conduct of the public’s business prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics.”¹⁴

What constitutes a writing?

A writing is defined as “any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any form of communication or representation...and any record thereby created, regardless of the manner in which the record has been stored.”¹⁵

This definition is intended to cover every conceivable kind of record that is involved in the governmental process and pertains to any new form of record keeping instrument as it is developed. For example, information stored in an agency computer (e.g., email, spreadsheets, digital maps, etc.) is clearly included within the purview of a public record.¹⁶ Furthermore, electronic information related to district business stored on a personal device or account is also considered a public record.¹⁷

What constitutes retention of a writing?

In order to be a public record, the agency must have the writing in its “possession,” which is generally understood to mean in the physical custody or constructive possession of the agency.¹⁸ Responsive records are considered to be in the

constructive possession of the agency if the agency can contractually compel a district contractor or has indirect access to the record by virtue of the electronic record being maintained on a personal device or account of an employee or official.¹⁹ A reasonable search for requested records may require communication to employees, officials, or contractors to determine whether they are possession of the requested records, even if the records are located in non-agency accounts or devices.²⁰

Is every writing in the custody of a public agency a public record under the CPRA?

No. The mere custody or retention of a writing does not automatically make it a public record for the purposes of the CPRA. The key element is whether the writing is kept because it is necessary or convenient to the discharge of official duties.²¹ The following factors are used to determine whether a writing relates in some substantive way to the conduct of the public’s business or whether it is primarily personal: (1) content; (2) context; (3) purpose; (4) audience; and (5) whether the individual was acting within the scope of their employment or office in sending or receiving the information in question.²² Under this test, items such as a shopping list, a letter from a friend which is totally devoid of reference to governmental activities, or musings about a colleague’s personal shortcomings would not be considered public records.²³

Persons Who May Obtain Records

Any person or entity, including the media, for-profit businesses and other public entities, has the right to access public records.²⁴ The right to access records is not limited to persons who are constituents of a district. A person who lives in a different city, county or state can access district records under the CPRA.²⁵

Why does the CPRA make a distinction between “person” and “member of the public” in Section 6252?

Under Section 6252(b) the definition of “member of the public” excludes “a member, agent, officer, or employee of a federal, state, or local agency acting within the scope of his or her membership, agency, office, or employment.” The distinction simply clarifies that a waiver will not occur if the record is shown to a government official acting in his or her official capacity. This distinction is necessary because Section 6254.5 provides that an agency’s ability to consider a record confidential may be waived if that same record has already been intentionally disclosed to a “member of the public.” However, a record which is inadvertently disclosed in response to a CPRA request does not waive the underlying exemption.²⁶

Do public officials have any special status in making CPRA requests?

Generally, no. An elected member or officer of an agency is entitled to access to public records on the same basis as any other person. This means that the official must make a request under the CPRA and will only be given access to disclosable public records.²⁷ One exception to this rule is for the District Attorney, who may not be denied access to certain investigative records that would otherwise be exempt. Also, officials may access public records of their own agency that are otherwise exempt when authorized to do so as a part of their official duties.²⁸

Does the media or a person who is the subject of a public record have any special status in making CPRA requests?

No. Neither the media nor a person who is the subject of a public record has any greater right of access to public records than a person with simply an “idle curiosity.”²⁹



Compliance Tip

A best practice is to inform incoming officials that they will only have special access to records to the extent necessary to carry out direction from the district’s board. For example, if they are appointed to the finance committee to review existing agreements, they will have access to those particular files. For all other records, the official must gain access in the same manner any member of the public would under the CPRA. Educating officials upfront helps manage their expectations and avoids issues down the road.



Initial Agency Receipt and Review of Public Records Requests

Types of requests.

Members of the public may gain access to public records by (a) requesting to inspect records or (b) receiving a copy of identifiable records.³⁰

Manner of making requests.

Public records requests may be made in writing (paper or electronic), and may be mailed, emailed, faxed, or personally delivered. Records requests may also be made orally, in person or by phone.

Content of requests.

A request need only indicate that a public record is sought and be focused enough to describe an existing, identifiable record. There is no duty under the CPRA to comply with requests that prospectively seek records (i.e., records that do not currently exist). Requests may describe writings by their content and do not require precise identification of the documents themselves.³²



Compliance Tip

The CPRA pertains to records and not “questions” that members of the public may have. The CPRA does not impose a duty to respond to questions, although if an identifiable record would answer a question or the information can readily be provided, the best transparency practice is to provide the record or answer the question.



Compliance Tip

Although the CPRA does not require that request be in writing,³¹ districts should to the extent possible insist that requests be in writing or provided on a district developed form in order to identify the information sought, the date of the request, and to obtain contact information on the requester if necessary to seek clarification or to provide follow up assistance. If a requester refuses, a member of the district should fill out a form on behalf of the requesting party to maintain consistent recordkeeping practices.

Initial Agency Receipt and Review of Public Records Requests (continued)

What happens if a records request is vague?

If there is a question about the clarity of the request, the district must assist the member of the public to make a focused and effective request by doing all of the following, to the extent reasonable under the circumstances:

1. Assist the member of the public to identify records and information that are responsive to the request or to the purpose of the request;
2. Describe the information technology and physical location in which the records exist; and
3. Provide suggestions for overcoming any practical basis for denying access to the records or information sought.³³

When has a district helped enough in clarifying a request?

A district has met its obligation to assist a requester if:

1. It is unable to identify the requested information after making a reasonable effort

to elicit additional clarifying information from the requester to help identify the records;

2. The records are made available;
3. The district determines an exemption applies; or
4. The district makes available an index of its records.³⁴

Does the purpose of the request make a difference?

Generally, no. The purpose of the request is largely irrelevant.³⁵ Thus, a request by a commercial entity solely for commercial purposes does not diminish the public interest inherent in the material requested.³⁶ As such, a district cannot condition disclosure on the requester providing a purpose for the records. However, courts have cautioned the public that the purpose of the CPRA is not primarily for facilitating research.³⁷ Moreover, understanding the purpose of the request can often facilitate retrieval of the records by narrowing or expanding the list of potential responsive records.



Compliance Tip

It is permissible and can be helpful where a request is vague to inquire as to the purpose of the request, which may help narrow the focus of the request.



Compliance Tip

Many members of the public are not adept at making a records request. If there is any uncertainty as what records the requester wants, seek clarification immediately by calling or writing the requester as it could save considerable time in identifying the responsive records actually desired.

District Obligations to Search for Public Records

Reasonable effort to search for records.

A district must make a reasonable effort to search for requested records.³⁸ The CPRA does not establish a specific test, but in general, a request should be referred for review and a response to the department, office, or person(s) most likely to be in possession of a record based on the general subject matter of the request. This search may include a request to search the personal electronic accounts and devices of employees and officials if they use such accounts and devices to conduct public business.³⁹

Does it make a difference if a request involves searching for or the production of a huge volume of data?

Generally, no. The cost of complying with a request is generally not a sufficient ground for refusing to respond to a request.⁴⁰ On the other hand, a voluminous request or a search

that requires looking for the proverbial “needle in the haystack” may constitute an undue burden under the balancing test of Section 6255, if the public interest served by the request is minimal compared to the scarce public resources necessary to comply with the request.⁴¹

Is a district required to create a document or compile a list in response to a CPRA request?

Generally, no. A district’s obligation is to make records available that are responsive to a request, not to create documents or to compile lists that otherwise do not exist. One exception to this rule is with respect to the extraction of information from electronic records provided that the requester pays the reasonable cost of the necessary programming and computer services.⁴²



Compliance Tip

Where a request may be onerous or voluminous, consider asking the requester to modify the request (e.g., by reducing the time frame or scope of the request). While a requester is under no obligation to do so, many requesters are amenable to suggestions, particularly if they understand that producing a smaller sampling of records may help them refine subsequent requests. Be sure to note in writing when a request has been voluntarily modified.



Compliance Tip

Although the CPRA creates no duty to answer specific questions or compile lists, if the information can readily be compiled, sometimes it may save a district time and money to simply create a document with the responsive information instead of monitoring the inspection or providing copies of responsive records. When a district creates a record or responds to a question rather than producing existing records, consider noting that this was done as a reasonable accommodation under unique circumstances and clarifying that the district was under no obligation to do so. This should help manage a requester’s expectations should they make additional requests.



Time Periods to Respond to Requests

10-day initial response to requests for copies of records.

A district must determine within 10 calendar days starting after the date of receipt of a request whether the request seeks copies of identifiable public records that may be disclosed and must promptly notify the requester of this determination. If the request is received after business hours or on a weekend or holiday, the next business day may be considered the date of receipt. Similarly, if the tenth day falls on a weekend or holiday, the next business day is considered the deadline for responding to the request. If there are identifiable public records, then the determination must state the estimated time and date when records may be available for inspection or copying.⁴³

Extension of initial response time for copy requests.

In unusual circumstances, the time limit to initially respond may be extended by written notice from the head of an district or his or her designee to the person making the request setting forth the reasons for the extension and the date on which a determination is expected to be made. No such notice may specify a date that would result in an extension of more than 14 days. "Unusual circumstances" includes (a) the need to search for records in field or separate offices, (b) the need to search through a voluminous amount of records, (c) the need to consult with another district with a substantial interest in the record, and (d) the need to compile data or to create a computer program to extract the data.⁴⁴

A district must determine within 10 calendar days starting after the date of receipt of a request whether the request seeks copies of identifiable public records that may be disclosed and must promptly notify the requester of this determination.



Timing of response to requests to inspect records.

The CPRA does not establish any time frame for responding to requests to simply inspect records. It is generally assumed, however, that a district may either utilize the same time periods for requests for copies to respond to inspection requests or is afforded at least a reasonable period of time to identify, retrieve and review requested records prior to disclosing them for inspection.

Time period for disclosing a record.

The 10-day initial response and 14-day extension are the time periods for notifying a requester as to whether the district has public records in its possession that are responsive to a request. The CPRA does not require

that records actually be produced within these time periods. However, the CPRA does require that records be made available “promptly” once a determination has been made that the district retains records that are responsive to a request.⁴⁵

When may records be inspected at the district?

Once an district has had a reasonable period of time to identify, retrieve and review requested records, the responsive records so identified should be made available for inspection “at all times during the office hours” of the district.⁴⁶



Compliance Tip

If there are legitimate, extenuating circumstances other than the three “unusual circumstances” described in Section 6253(c) that preclude a district from fully responding to a request within these time periods (e.g., a computer shut down, or a key employee is absent during the response time), the district should attempt to obtain an extension from the requester after describing the circumstances and offering to provide the records that have been identified up to that point, if any.



Permissible Responses to Requests

After conducting a reasonable search for requested records, a district has a limited number of potential responses. If the search yields no responsive records, the district must inform the requester. If the district locates a responsive record, it must determine whether to: (a) disclose the record; (b) disclose the record in redacted form; or (c) withhold the record.

If the district does not have the record, or has decided to disclose it in redacted form or withhold the record, the district must respond in writing and identify the name and title of each official responsible for the decision. If access to a record is denied in whole or in part, the denial notification must cite the specific exemption under the CPRA or other state or federal law, and, if applicable, demonstrate that on balance, there is a predominant public interest in non-disclosure under Section 6255.⁴⁷



Compliance Tip

Just because a requester may already have copies of the records requested, a district is not excused from responding to the requester and providing all non-exempt, responsive records.⁴⁸



Writings subject to inspection include electronically stored information (e.g., email); however, the CPRA is silent on how the inspection of such information must be accommodated.

Rules Regarding the Inspection of Records

May a district impose reasonable restrictions on the time and manner of inspection?

Yes. The right of inspection is not an inflexible demand on the district irrespective of the consequences. There is an implied rule of reason that enables a district to formulate regulations necessary to protect the safety of the records against theft, mutilation, or accidental damage, to prevent inspection from interfering with the orderly function of the district's office and its employees, and generally to avoid chaos in record archives.⁴⁹

Reasonable inspection regulations may include:

1. A mutually agreeable time for the inspection during district office hours to minimize impacts on and interference with staff and their duties or the use of the records requested.
2. Requiring proof of the identity of the requester.
3. Staff monitoring of the inspection.



How can the public inspect computer/electronic records?

Writings subject to inspection include electronically stored information (e.g., email); however, the CPRA is silent on how the inspection of such information must be accommodated. Transferring such electronic records to a standalone computer at the offices of the district for viewing is one possible response.



Special Rules for the Disclosure of Electronic Records

What special rules apply to electronic records?

1. In general, an electronic record must be provided to a requester in an electronic format when so requested if the requested format is one that has been used by the district to make a copy for its own use.⁵⁰
2. The cost of duplication is limited to the direct cost of producing a copy of a record in an electronic format (e.g., the cost of the disk, thumb drive or other electronic storage device).⁵¹
3. A requester bears the cost of producing a copy of the record, including cost to construct a record, and the cost of programming and computer services whenever:
 - a. The record is produced only at otherwise regularly scheduled intervals.
 - b. The request requires data compilation, extraction, or programming to produce the record.⁵²
4. If a record does not exist in electronic format, a district is not required to produce an electronic version of the record.⁵³
5. If a requester requests a paper copy of an electronic record, a district cannot insist on making records available only in an electronic format.⁵⁴



Metadata generally does not appear in the text but is still embedded in the document. Such metadata may include information that a district may have a right, and, in some cases, a duty to withhold.

In what format must a copy of an electronic record be provided? (The issue of hidden data: Word vs. PDF.)

At first glance, Section 6253.9(a) appears to be straightforward in its requirements:

- (1) The agency shall make the information available in any electronic format in which it holds the information.*
- (2) Each agency shall provide a copy of an electronic record in the format requested if the requested format is one that has been used by the agency to create copies for its own use or for provision to other agencies.*

As such, if a district has a document in Word format, there appears to be a presumption in the CPRA that the record must be provided to the requester in Word. However, a district should consider what other information might be embedded in such a Word document. Word documents contain “metadata” – data about data. In this context, it is information that is generated by the software program when the document is created, viewed, copied, edited, printed, stored, or transmitted. Metadata generally does not appear in the text but is still embedded in the document. Such metadata may include information that a district may have a right, and, in some cases, a duty to withhold.

Some examples are:

Preliminary drafts or deliberative information. Many records undergo editing by the drafter or other colleagues and supervisors, and thus reflect the author’s and district’s thought process. Such information could be exempt from disclosure under Section 6254(a) [preliminary drafts, memos] or under Section 6255(a) [deliberative process privilege].

Privacy rights. Earlier versions of a document may include sensitive personal information such as home addresses, Social Security numbers, medical or financial information, etc. Such information could be exempt from disclosure under Article I, Section 1 of the California Constitution, Section 6254(c) [personnel, medical and other files], and under Section 6254(f) [investigatory files].

Attorney-client privilege. A record may contain communications, edits, or changes made based on confidential communication between district staff and its attorneys. Such information could be exempt from disclosure under Section 6254(k).

There is no requirement to release an electronic record if its release would jeopardize or compromise the security or integrity of the original record or of any proprietary software. Examples of this include records created with proprietary software – the code of which could be revealed through disclosure, or even the possibility that the records could be manipulated or altered from the original text.⁵⁵

Special Rules for the Disclosure of Electronic Records (continued)

In what format must a copy of a public record be posted on a district Web site or other Internet resource.

Under Section 6253.10, if a district maintains an “Internet Resource,” (e.g., an Internet Web site, Internet Web page, or Internet Web portal), which the district describes or titles as “open data,” and the district voluntarily posts a public record on that Internet Resource, the district must post the public record in an open format that meets all of the following requirements: (a) retrievable, downloadable, indexable,

and electronically searchable by commonly used Internet search applications; (b) platform independent and machine readable; (c) available to the public free of charge and without any restriction that would impede the reuse or redistribution of the public record; and (d) retains the data definitions and structure present when the data was compiled, if applicable.⁵⁸



Compliance Tip

The format in which an electronic record is maintained should be carefully reviewed and considered before such record is released in an electronic format. In light of concerns and potential inadvertent disclosures arising from metadata, agencies should consider providing electronic records in PDF format. PDF, which stands for “Portable Document Format,” is essentially a picture of a document that contains no embedded metadata. Arguments in support of providing electronic records in PDF format include: (1) the ability to segregate exempt portions of records under § 6253(a); (2) the burden that would be imposed on a district if it also had to review all metadata in an electronic record under Section 6255; and (3) the judicially created implied rule of reason. Nevertheless, whether such a response is appropriate under the CPRA remains an open issue.



Compliance Tip

District developed “computer software” (including computer mapping systems, programs, and graphic systems) are not considered public records and are therefore exempt from disclosure.⁵⁶ However, the computer software exemption cannot be used expansively to exempt base maps and GIS-formatted databases created by the computer software.⁵⁷

Charges For Copies of Records

Except with respect to the costs of copying records or compiling and programming electronic records, the public records process is largely cost-free to the requester. No fees may be charged to reimburse district costs incurred to search, review, redact, or respond to a request, including staff time to monitor the inspection of records.

Permissible copying charges.

A district may charge a requester the direct costs of duplication or a statutory fee, if applicable, for copies of public records.⁵⁹

1. Direct costs of duplication means the cost of running the copying machine or scanner and conceivably also the expense of the person operating it. It does not include staff time associated with the ancillary tasks of retrieval (including from off-site storage), inspection, or redacting the record.⁶⁰
2. A statutory fee is one expressly established pursuant to a federal or state statute and not a district ordinance or resolution. For example, the Government Code establishes a retrieval fee of no more than \$5.00 and a copy fee of no more than \$.10 per page for copies of official's or employee's FPPC Form 700 Statement of Economic Interests.⁶¹



Compliance Tips

Under Proposition 26,⁶² a district must be able to justify that the cost of its copying fees reflect the actual duplication costs. As a result, a district should consider preparing a cost study to identify the appropriate fee. Alternatively, the district can set the fee to a value that is below the actual duplication cost.

A district may delay copying records until the requester pays the district's approved copying charge or any applicable statutory fee. To that end, a district should provide the requester with an estimate of the cost of copying the records and ask for a deposit of that amount before proceeding with any copying, particularly with respect to voluminous requests. An alternative procedure for large copying jobs is to require the requester to use a mobile copying service.⁶³

The CPRA does not address whether a district may charge a requester for mailing or delivering copies of records to a location other than the district's office. Presumably it can because the district's duty only extends to making copies "available" (i.e., at the district's office) to the requester under Section 6253(b).⁶⁴

Exemptions From Disclosure

How should the district respond if there is an applicable exemption?

If a record falls within one of the exemptions listed in the CPRA, or is withheld because the public interest in nondisclosure clearly outweighs the public interest in disclosure, the district must notify the requester of the reasons for withholding the record, but is not required to provide a list or “privilege log” of each record withheld.⁶⁵

What if only part of a record is exempt from disclosure?

If only part of a record is exempt from disclosure, the district must redact (line out) the document to allow disclosure of the non-exempt portions of the record.⁶⁶

What are the general categories of exemptions?

There are three general categories of exemptions:

1. Express exemptions. These exemptions are specifically identified in the CPRA.
2. Information that is confidential or

privileged under other law. Pre-existing privileges or protections recognized in other law (e.g., the attorney-client privilege and attorney work product privilege) are incorporated by reference into the CPRA as an express exemption.⁶⁷

3. Balancing test. The CPRA contains a catch-all provision that weighs whether the public interest served by not disclosing a record clearly outweighs the public interest served by disclosure of the record.⁶⁸

May a district disclose a record listed as exempt in the CPRA?

Generally, yes. Most exemptions are discretionary. Unless there is a clear statutory prohibition in the CPRA or under other law, a district is allowed to give more extensive access even though an exemption may be asserted.



Compliance Tip

A district should keep copies of records that are not disclosed because in the event of a legal challenge, the district will need to show the court that the records withheld actually fell within the exemption relied upon.



Compliance Tip

The fact that it is time-consuming to redact a record does not eliminate the need to do so, unless the resulting redacted record would be of little value to the requester.



The draft/memo exemption is based on the policy of protecting the decision making process, particularly legal and policy matters that might otherwise be inhibited.

Can there be selective disclosure?

No. If a record is disclosed to a “member of the public” – a person with no particular official role or special legal entitlement to it – that record cannot be withheld from other members of the public unless the record was previously inadvertently disclosed.⁶⁹

There are some exemptions from the selective disclosure prohibition, however, such as disclosures made pursuant to the Information Practices Act⁷⁰, and disclosures made to another governmental agency that agrees to treat the records as confidential.⁷¹

What exemptions are most relevant to special districts?⁷²

1. Preliminary and temporary drafts, notes and memoranda.
2. Pending litigation documents.
3. Private personal information.
4. Investigative, security, and intelligence information.
5. Privileged and otherwise confidential information.
6. The public interest balancing test.

Preliminary drafts and memoranda.⁷⁴

The draft/memo exemption is based on the policy of protecting the decision making process, particularly legal and policy matters that might otherwise be inhibited. In general, it applies to documents that are “pre-decisional” or “deliberative” (i.e., the contents contribute to the reaching of some administrative or executive determination). The key question is whether the disclosure of the materials would expose a district’s decision-making process in such a way as to discourage candid discussion within the district and thereby undermine the district’s ability to perform its functions.⁷⁵ Documents that only contain factual information such as preliminary grading plans do not fall under this exemption.⁷⁶

Records that qualify for the “draft” exception must:

1. be a preliminary draft, note, or memorandum;
2. not be customarily retained “in the ordinary course of business;” and
3. the public interest in withholding the record must clearly outweigh the public interest in disclosure.⁷⁷



Compliance Tip

CPRA exemptions are narrowly construed, and a district opposing disclosure bears the burden of proving that one or more exemptions apply in a particular case.⁷³



Compliance Tip

Not all drafts are exempt. If a district retains drafts of a document even after the final version is prepared, approved, and filed, then those drafts are being retained by the public agency in the ordinary course of business and therefore are not true preliminary drafts under this exemption. These drafts may be exempt on another basis, however, such as the balancing test or deliberative process privilege.

Exemptions From Disclosure (continued)

Pending litigation records.⁷⁸

In general, this exemption only applies to documents (1) created by the district, (2) after the commencement of the litigation, (3) for the district's use in the litigation. It does not apply to records that were created in the ordinary course of the district's business or for other purposes prior to the litigation. Records that would not be exempt under this definition include:

- A claim form filed under the Government Claims Act.
- A deposition transcript ordered by the agency, unless there are some other applicable confidential or privilege exemption.⁷⁹

This exemption has been extended to litigation documents sought by persons not party to the litigation, which documents the parties to the litigation did not intend to be revealed outside of the litigation (e.g., letters from the litigant's attorney to the agency's attorney).⁸¹

Once the litigation is concluded, the exemption no longer applies. However, the attorney-client privilege may be ongoing and provide an alternative basis for nondisclosure.

Personnel, medical or similar records.⁸²

1. What records are exempt?

- a. The personnel files of a public agency's own employees.
- b. Records of other persons for whom an agency maintains personally significant information.

2. Are all records in a personnel file exempt?

No. The fact that information is in a personnel file does not necessarily make it exempt information. For example, the kind of information that would be included in a resume, curriculum vitae or job application which demonstrate a person's fitness for his or her job in terms of education, training or work experience ordinarily are not exempt from disclosure.⁸³



Compliance Tip

In order for this exemption to apply, a district must be able to prove that the primary purpose of the record was for use in the defense of litigation.⁸⁰



Compliance Tip

Settlement agreements must be disclosed if requested, including all monetary and other terms of the settlement.

The personnel exemption was developed to protect intimate details of personal and family life, not business judgments and relationships.⁸⁴ With some exceptions, employees may request and obtain their own personnel file.⁸⁵ Employee performance evaluations and personal performance goals are considered exempt.⁸⁶

3. *What kind of information about government job applicants is public?*

No court has yet directly addressed this question; however, the privacy interests of an applicant against disclosure, especially if the applicant has not been hired and has asked for, or applied upon assurances of, the confidential treatment normally accorded such processes, probably outweigh the public interest in disclosure.

4. *What kind of information about a current employee's job status is public?*

Letters or memoranda of a public employee's appointment to a position, rescission, reclassification, etc., are not exempt. They contain no personal information, regard business transactions and are manifested in the public employee's employment terms.

Employment contracts for public officials and employees are public records and are not exempt under the provisions of Sections 6254 and 6255.⁸⁷

In general, public employees do not have a reasonable expectation of privacy in

their names, salary information, and dates of employment.⁸⁸ The public has a strong interest in knowing how the government spends its money, and as such, public employees (including retirees) should have reduced expectations of privacy with respect to their public salary and compensation.⁸⁹

5. *What information about a government employee's misconduct or discipline is public?*

Complaints against the conduct of public employees, if they are submitted in confidence are probably protected from disclosure by the official information privilege under Evidence Code section 1040 in order to protect the interests of the complaining party. The public interest dictates disclosure of complaints against non-law enforcement personnel, however, if the complaint deals with serious matters, and (a) is confirmed by the district's investigation, or (b) there is reasonable cause to believe the complaint is well founded.⁹⁰



Compliance Tip

Elected and appointed officials' home addresses and telephone numbers are considered private and may not be posted on the district's Website without the official's express written permission.⁹¹

Exemptions From Disclosure (continued)

Law enforcement investigation and intelligence records.⁹²

This exemption generally protects crime reports, investigative files, intelligence files and security procedures, including records of code enforcement cases for which criminal sanctions are sought. However, generalized data collection, such as the use of license plate readers, that does not involve any investigation of a crime, is not exempt.⁹³ Once the investigatory exemption applies, it applies indefinitely, even after the investigation is closed.⁹⁴

Privileged, confidential or otherwise exempt records.⁹⁵ Mini-catchall exemption.

Subsection 6254(k) is sort of a mini-catchall exemption in that it exempts from disclosure records that are prohibited or otherwise exempt from disclosure under federal or state law. This includes records that are privileged under the California Evidence Code, the attorney-client privilege, attorney work product privilege, and the extensive list of exempt records

set forth in Sections 6275 – 6276.48. It also includes the copying of architectural plans and drawings protected by federal copyright law and state law without permission of the professional who signed the plans or the owner of the documents and the owner of the building.⁹⁶

The attorney-client privilege.

The attorney-client privilege preserves the confidential relationship between attorney and client. Unlike other exemptions which are narrowly construed, the attorney-client privilege protects from disclosure the entirety of confidential communications between attorney and client, as well as among the attorneys within a firm representing such client, including factual information and other information not in itself privileged outside of attorney-client communications.⁹⁷ Attorney-client privileged information remains protected from disclosure after litigation is concluded, unlike the pending litigation exemption.

The public interest exemption.⁹⁹

Public agencies and officials also have some rights of privacy. Based on the



Compliance Tip

Attorney invoices, including fee amounts, are protected by the attorney-client privilege if the invoice has information conveyed for the purpose of legal representation. When a legal matter remains pending and active, the attorney-client privilege encompasses everything in an attorney's invoice to a client, including the amount of aggregate fees. However, disclosure of the fee amounts is required if the underlying matter was concluded "long ago."⁹⁸

facts of a particular situation, a district may withhold a record if it can demonstrate the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.

The deliberative process exemption.

Over the years, a judicially created exemption has been developed that protects certain contacts or communications between public officials and with the public. This privilege is based on the policy of protecting the decision-making process, and the recognition that public officials need to have access to a range of opinions and points of view and to discuss matters in confidence before making a decision or taking action. The key question is whether disclosure of the records would discourage candid discussion and ultimately undermine an agency's ability to perform its functions. Examples include:

1. A request for five years' worth of information from the governor's appointment calendars was barred by Section 6255, because such scrutiny would interfere with the governor's deliberative processes and deter members of the public from conferring with him without bestowing any overriding benefit on the public.¹⁰⁰
2. The phone numbers dialed by city council members on official business over a year's time was found exempt.¹⁰¹
3. The names and qualifications of applicants for appointment to a vacant county supervisor seat were found exempt.¹⁰²

4. Communications between state agency officials and a union regarding issues proposed to be addressed by new legislation.¹⁰³

In what other situations has the public interest favored nondisclosure?

1. Public interest in an agency obtaining the most favorable result in contract negotiations outweighs disclosure of proposals before contract negotiations are completed, but before final approval of contract, in order to ensure compliance with contracting procedures.¹⁰⁴
2. Public interest in preventing chilling effect on complaints and protecting privacy outweighs disclosure of identities of complainants regarding airport noise.¹⁰⁵
3. Public interest in preventing regulated businesses from circumventing effective compliance investigations by obtaining auditors' procedural manuals outweighs any public interest in disclosure of the manuals.¹⁰⁶

In what situations has the public interest in disclosure outweighed government or privacy interests?

1. Disclosure of the names of officers involved in shootings outweighs concerns of potential retaliation or harassment of the officers and their families, unless there is a showing of a specific safety concern such as revealing an officer's undercover identity.¹⁰⁷

Exemptions From Disclosure (continued)

2. Disclosure of gross salaries of public agency employees who earned at least \$100,000 that would contribute to the public's understanding and oversight of government operations outweighs potential privacy concerns of individuals, including potential commercial exploitation of list.¹⁰⁸
3. Disclosure of personnel records where grounds for complaint against employee are well-founded. A finding of the truth of the complaint contained in the personnel records or the imposition of employee discipline is not a prerequisite to disclosure.¹⁰⁹
4. Disclosure of license agreements (including names and addresses) of persons purchasing luxury suites at sports arena outweighs privacy concerns of persons who purchased the suites.¹¹⁰
5. Disclosure of a list of convicted criminals who received an exemption from the Department of Social Services to work in licensed day care facilities outweighs potential privacy concerns of those individuals because the public has a right to review how a government conducts business, and whether such licenses are issued properly.¹¹¹
6. Monitoring effectiveness of water rationing program outweighs water district's interest in protecting reputations of those given citations for exceeding water allocation.¹¹²
7. Monitoring how public funds are spent outweighs county's interest in keeping settlements confidential to discourage unmeritorious claims.¹¹³
8. Confirming facts surrounding questioned personnel practices outweighs city's interest in encouraging individuals to apply for municipal employment, where requested information is not a matter of personal privacy.¹¹⁴
9. Monitoring city's contracting for services and regulation of contractor's fees charged to residents outweighs city's interest in encouraging contractors to submit proprietary information justifying the need for rate increases.¹¹⁵
10. Monitoring regulation of the application of dangerous pesticides outweighs applicators' proprietary interests in spray report data and county concerns that reports would not be candid if disclosed.¹¹⁶



Compliance Tip

These post 9/11 amendments did not clearly address the extent to which public records pertaining to the planning and implementation of a vulnerability assessment are exempt, but given the strong government interest in implementing such assessments, it is fair to assume that many such details may remain confidential other than the costs of such work.



Homeland security exemptions.¹¹⁷

These exemptions apply to agency assessments of vulnerability to a terrorist attack or other criminal acts, as well as critical infrastructure information associated with such assessments.

More exemptions.

Other CPRA exemptions relevant to special districts include:

- voter registration information;¹¹⁸
- signatures on petitions for initiatives, referenda and recall;¹¹⁹
- real estate appraisals prior to conclusion of property acquisition;¹²⁰
- income tax information on most individuals and businesses;¹²¹
- trade secrets and proprietary information;¹²² and
- utility customer information.¹²³

Waiver of exemptions.

Under Section 6254.5, if a public agency member, agent, officer or employee acting within the scope of his or her responsibilities discloses a public record,

such disclosure waives the exemption of Sections 6254, 6254.7 or similar provisions of law.

However, Section 6254.5 sets forth a number of circumstances where disclosure will not result in a waiver. These include disclosures made: (a) under the Information Practices Act or through discovery; (b) in legal proceedings or as otherwise required by law; (c) within the scope of disclosure under other statutory schemes; (d) contrary to formal action of the legislative body that retains the record and the disclosure is not otherwise required by law; and (e) to any governmental agency that agrees to treat the disclosed material as confidential.

If a disclosure occurs by mistake or through inadvertence, an agency may take the position that the disclosure of an otherwise exempt public record does not constitute a waiver under Section 6254.5.¹²⁴

Enforcing the CPRA

What happens if a district fails to properly respond to a CPRA request?

The ultimate legal leverage for obtaining records under the CPRA is a civil action to obtain a court order for their release, which may be costly, especially if the court permits civil discovery.¹²⁵ There is no criminal sanction for simply refusing to provide records to a requester, although it is a felony to destroy public records.¹²⁶

Can a district preemptively go to court and have a record declared nondisclosable?

No. The litigation initiative is always with the requester. A public agency may not go to court on its own to obtain a declaratory judgment that a record is not subject to disclosure because such litigation would be a burden on the public seeking the information.¹²⁷

If a district denies access to records, must the requester appeal to some higher authority in the district before taking legal action?

No. Once a requester has been denied access to records it is not necessary to seek administrative review prior to going to court.

Can a third-party who wishes to prevent the disclosure of certain public records bring a legal action?

Yes. Although the CPRA does not provide a mechanism for a third-party to prevent any agency from disclosing records, courts have permitted such legal challenges, which are known as a “reverse CPRA” action.¹²⁸

What is the legal process for a requester seeking to enforce the CPRA?¹²⁹

1. The requester must file a verified petition in the superior court of the county where the records are situated and are being withheld.
2. The court will establish an expedited trial schedule with the object of securing a decision as the earliest possible time.
3. The court may order the officer or person charged with withholding the records to disclose the public record or show cause why he or she should not do so.
4. The withheld record(s) may be disclosed “in camera” (i.e., in the judge’s chambers) to preserve confidentiality until a final decision is made.
5. The judge will decide the case after examining the record(s), reviewing all papers filed by the parties, and listening to any oral argument or additional evidence as the judge may allow.
6. If the judge finds the decision to refuse disclosure is not justified under the applicable exemption, the judge will order the public official to make the record public.
7. If the judge determines that the public official was justified in refusing to make the record public, the judge will return the item to the public official without disclosing its contents with an order supporting the decision refusing disclosure.

8. The review of the decision of a superior court judge is by petition to the court of appeal for the issuance of an extraordinary writ against the superior court. (This is why the “Superior Court” is always named as the respondent in appellate decisions.) Such an appeal must be sought within 20 days of the trial judge’s order or such further time not to exceed 20 more days.
9. If a party wishes to prevent the disclosure of public records pending appellate review, that party must ask for a stay of the order or judgment.

Costs and attorney fees.

The CPRA mandates that a court award costs and reasonable attorney fees to the plaintiff should the plaintiff prevail in the litigation.¹³⁰ A plaintiff prevails when he or she files an action which results in defendant agency releasing a copy of a previously withheld document.¹³¹ Prevailing on access to just one disputed record may be sufficient to justify an award of attorney fees.¹³² On the other hand, when a plaintiff prevails in a reverse-CPRA lawsuit where the agency intended to disclose public records, the agency is not liable for attorney fees.¹³³

A court may award court costs and reasonable attorney fees to the public agency only if the court finds that the plaintiff’s case is clearly frivolous.¹³⁶ However, obtaining such fees against the plaintiff is difficult unless the court finds that the case is “utterly devoid of merit or [caused] by an improper motive” such as an intent to harass the agency.¹³⁷ In other words, a court must determine that “any reasonable attorney” would agree that the request is “totally without merit.”¹³⁸



Compliance Tip

An award of attorney fees may depend on a court’s determination of whether the litigation caused the agency to disclose documents. Courts may consider a timely effort to respond to a vague document request as proof that litigation did not cause any disclosure.¹³⁴ In contrast, courts may also consider an agency’s lack of diligence in determining whether the litigation caused the agency’s compliance with the CPRA.¹³⁵



Conclusion

While the general precept of the CPRA – access to public records – appears straightforward, as demonstrated in the prior sections, compliance is not always that simple. The following are some general tips to help district staff negotiate the intricacies of the law:

1. Adopt a local CPRA policy and guidelines to ensure consistent procedures.
2. Document the date of receipt of requests.
3. Route the request to the district's designated employee for CPRA compliance, who in turn should notify all affected departments and employees.
4. Early retrieval and review of records allows time for an appropriate response.
5. If the purpose or scope of the request is unclear, contact the requester to find out what information is really needed.
6. The fact that a request is burdensome and requires a lot of staff time and effort is not a valid basis for denial.
7. If the request is for a record in an electronic format, ensure that the disclosure will not compromise the security of any proprietary software or contain metadata that may be exempt or privileged from disclosure.
8. Refer questioned items to the district's legal counsel.
9. Respond to requests in a timely fashion.
10. If a denial is made, identify in writing the appropriate exemption or privilege.
11. Do not overcharge for copies.
12. Treat difficult and repetitive requests professionally.



Special thanks to our contributor and Burke, Williams & Sorensen, LLP

Donald M. Davis, Esq.

The author would like to thank Burke, Williams and Sorensen attorneys Kane Thuyen and Christina Burrows for their assistance with this manual.

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Endnotes

1. Cal. Const., art. I, §3(b).
2. Gov. Code §§6250-6276.48. Unless otherwise noted, all subsequent references are to the Government Code.
3. §6253(a).
4. §6253(b).
5. §6253(c).
6. §§6253(a) and (b).
7. §§6252(g), 6254.9(d), 6253.9.
8. See §6254 and following.
9. §§6258 and 6259.
10. §§6253(e), 6253.4.
11. §6252(a).
12. See Op. Cal. Atty. Gen. No. 01-401 (2002). The Attorney General Opinions referred to in this manual may be obtained online at: <https://oag.ca.gov/opinions/search>.
13. §6253(e).
14. §6252(e).
15. §6252(g).
16. §6254.9(d); see *California State University v. Superior Court* (2001) 90 Cal. App. 4th 810.
17. See *City of San Jose v. Superior Court* (2017) 2 Cal. 5th 608, 625-627.
18. §6253(c).
19. *City of San Jose v. Superior Court* (2017) 2 Cal. 5th 608, 623.
20. §6253.3; See *Community Youth Athletic Center v. City of National City* (2013) 220 Cal. App. 4th 1385; see *City of San Jose v. Superior Court* (2017) 2 Cal. 5th 608, 623.
21. *California State University v. Superior Court* (2001) 90 Cal. App. 4th 810.
22. *City of San Jose v. Superior Court* (2017) 2 Cal. 5th 608, 618; *League of California Cities v. Superior Court (San Diegans for Open Government)* (2015) 241 Cal. App. 4th 976, 988.
23. *City of San Jose v. Superior Court* (2017) 2 Cal. 5th 608, 618; *California State University v. Superior Court* (2001) 90 Cal. App. 4th 810; *San Gabriel Tribune v. Superior Court* (1983) 143 Cal. App. 3d 762.
24. §6253; *Los Angeles Unified School District v. Superior Court* (2007) 151 Cal. App. 4th 759 [public agencies are considered “persons” under the CPRA].
25. *San Gabriel Tribune v. Superior Court* (1983) 143 Cal. App. 3d 762.
26. See *Ardon v. City of Los Angeles* (2016) 62 Cal. 4th 1176, 1190 [inadvertent disclosure of attorney-client privileged records did not waive the CPRA exemption for such records].
27. See §§6262, 6264, and 6265.
28. *Dixon v. Superior Court* (2009) 170 Cal. App. 4th 1271; *Los Angeles Police Dept. v. Superior Court* (1977) 65 Cal. App. 661.

29. *Marylander v. Superior Court (2002)* 81 Cal. App. 4th 1119.
30. §6253.
31. *Los Angeles Times v. Alameda Corridor Transportation Authority (2001)* 88 Cal. App. 4th 1381.
32. *California First Amendment Coalition v. Superior Court (1998)* 67 Cal. App. 4th 159.
33. §6253.1.
34. §6253.1, but see *Labor and Workforce Development Agency v. Superior Court (2018)* 19 Cal. App. 5th 12 [discussing how an index may help identify records, but does not require the agency to include information that would otherwise be exempt under the CPRA].
35. §6257.5; *Caldecott v. Superior Court (2015)* 243 Cal. App. 4th 212, 219; *California State University v. Superior Court (2001)* 90 Cal. App. 4th 810, 831.
36. *Connell v. Superior Court (1999)* 56 Cal. App. 4th 601.
37. *City of San Jose v. Superior Court (1999)* 74 Cal. App. 4th 1008.
38. *State Bd. of Equalization v. Superior Court (1992)* 10 Cal. App. 4th 1177.
39. *City of San Jose v. Superior Court (2017)* 2 Cal. 5th 608, 627.
40. See *CBS Broadcasting, Inc. v. Superior Court (2001)* 91 Cal. App. 4th 892 [estimated cost of over \$43,000 to respond to request did not justify refusal to provide identifiable records].
41. See *American Civil Liberties Union Foundation of Northern Cal. v. Deukmejian (1982)* 32 Cal. 3d 440.) [where redaction of 100 crime-related index cards would be onerous and the value of the redacted records would be minimal, nondisclosure was justified].
42. §6253.9(b).
43. §6253(c).
44. §6253(c).
45. §6253(b).
46. §6253.
47. §6253(d).
48. *Caldecott v. Superior Court (2015)* 243 Cal. App. 4th 212, 219-220.
49. *Bruce v. Gregory (1967)* 65 Cal. 2d 666.
50. §6253.9(a).
51. §6253.9(a)(2).
52. §6253.9(b).
53. §6253.9(c).
54. §6253.9(e).
55. §6253.9(f).
56. §6254.9.
57. *Sierra Club v. Superior Court (2013)* 57 Cal. 4th 157.
58. See Assembly Bill (AB) 169 approved by the Governor on October 10, 2015.
59. §6253(b). By contrast, counties are authorized to recover indirect costs. See §27366; *California Public Records Research, Inc. v. County of Yolo (2016)* 4 Cal. App. 5th 150.
60. *County of Santa Clara v. Superior Court (2009)* 170 Cal. App. 4th 1301; *North County Parents Organization v. Department of Education (1994)* 23 Cal. App. 4th 144.
61. §81008.
62. See Cal. Const., arts. XIII C, XIII D.
63. §6253(b).

ENDNOTES (CONTINUED)

64. See § 54954.1 of the Brown Act authorizing payment of a fee for mailing a copy of an agenda or agenda packet not to exceed the cost of the service.
65. *Labor and Workforce Development Agency v. Superior Court (2018)* 19 Cal. App. 5th 12; *Haynie v. Superior Court (2001)* 26 Cal. 4th 1061.
66. §6253(a).
67. §6254(k).
68. §6255.
69. *Ardon v. City of Los Angeles (2016)* 62 Cal. 4th 1176.
70. See Civil Code §1798 and following.
71. §6254.5.
72. See §6254 for a list of the most common exemptions.
73. *Sierra Club v. Superior Court (2013)* 57 Cal. 4th 157.
74. §6254(a).
75. *Times Mirror Co. v. Superior Court (1991)* 53 Cal. 3d 1325.
76. See Op. Cal. Atty. Gen. No. 05-1004 (2006).
77. *Citizens for a Better Environment v. Dept. of Food and Agriculture (1985)* 171 Cal. App. 3d 704.
78. §6254(b).
79. *City of Los Angeles v. Superior Court (1996)* 41 Cal. App. 4th 1083.
80. *Fairley v. Superior Court (1998)* 66 Cal. App. 4th 1414.
81. *Board of Trustees of Cal. St. Univ. v. Superior Court (2005)* 132 Cal. App. 4th 889.
82. §6254(c).
83. *Eskaton Monterey Hospital v. Myers (1982)* 134 Cal. App. 3d 788.
84. *Braun v. City of Taft (1984)* 154 Cal. App. 3d 332.
85. §6254(c) and Labor Code § 1198.5.
86. *Versaci v. Superior Court (2005)* 127 Cal. App. 4th 805.
87. §6254.8.
88. *Int'l Federation of Professional and Technical Engineers, Local 21 v. Superior Court (2007)* 42 Cal. 4th 319.
89. See *Sonoma County Employees' Retirement Assn v. Superior Court (2011)* 198 Cal. App. 4th 986; *Sacramento County Employees' Retirement System v. Superior Court (2011)* 195 Cal. App. 4th 440; *San Diego County Employees Retirement Assn. v. Superior Court (2011)* 196 Cal. App. 4th 1228.
90. *Caldecott v. Superior Court (2015)* 243 Cal. App. 4th 212 [request for disclosure of employee's personnel complaint against a district superintendent was not exempt]; *Marken v. Santa Monica-Malibu Unified School Dist. (2012)* 202 Cal. App. 4th 1250; *Bakersfield City School Dist. V. Superior Court (2004)* 118 Cal. App. 4th 1041.
91. §6254.21.
92. §6254(f).
93. See *American Civil Liberties Union Foundation of Southern California v. Superior Court (2017)* 3 Cal. 5th 1032, 1042.
94. *Rivero v. Superior Court (1997)* 54 Cal. App. 4th 1048.
95. §6254(k).
96. See Health & Safety Code § 19851.
97. *Costco Wholesale Corporation v. Superior Court (2009)* 47 Cal. 4th 725; *Clark v. Superior Court (2011)* 196 Cal. App. 4th 37.
98. *Los Angeles County Board of Supervisors v. Superior Court (2016)* 2 Cal. 5th 282, 297-298. The court provided no specific examples of what is considered "long ago" and left that issue to be determined on a case by case basis as to when aggregate fee information no longer provides potential insight into litigation strategy or legal consultation.
99. §6255.
100. *Times Mirror Co. v. Superior Court (1991)* 53 Cal. 3d 1325.
101. *Rogers v. Superior Court (1993)* 19 Cal. App. 4th 469.
102. *California First Amend. Coalition v. Superior Court (1998)* 67 Cal. App. 4th 159.
103. *Labor and Workforce Development Agency v. Superior Court (2018)* 19 Cal. App. 5th 12.

104. *Michealis, Montanari & Johnson v. Superior Court* (2006) 38 Cal. 4th 1065.
105. *City of San Jose v. Superior Court* (1999) 74 Cal. App. 4th 1008.
106. *Eskaton Monterey Hospital v. Myers* (1982) 134 Cal. App. 3d 788.
107. *Long Beach Police Officers Assn. v. City of Long Beach* (2014) 59 Cal. 4th 59.
108. *Int'l Federation of Professional and Technical Engineers, Local 21 v. Superior Court* (2007) 42 Cal. 4th 319.
109. *Bakersfield City School Dist. v. Superior Court* (2004) 118 Cal. App. 4th 1041.
110. *California State University v. Superior Court* (2001) 90 Cal. App. 4th 810.
111. *CBS Broadcasting Inc. v. Superior Court* (2001) 91 Cal. App. 4th 892.
112. *New York Times Co. v. Superior Court* (1990) 218 Cal. App. 3d 1579.
113. *Register Division of Freedom Newspapers v. County of Orange* (1984) 158 Cal. App. 3d 893.
114. *Braun v. City of Taft* (1984) 154 Cal. App. 3d 332.
115. *San Gabriel Tribune v. Superior Court* (1983) 143 Cal. App. 3d 762.
116. *Uribe v. Howie* (1971) 19 Cal. App. 3d 194.
117. §6254(aa) and (ab).
118. §6254.4.
119. §6253.5.
120. §§6254(h); 7267.2(b).
121. §6254(i).
122. §§6254(k), 6255; Evid. Code, §§1040 & 1060; and Civ. Code §3426 and following.
123. §6254.16.
124. See *Masonite Corp. v. County of Mendocino Air Quality Management Dist.* (1996) 42 Cal. App. 4th 436 [finding that the employee must have acted “within the scope of his or her...employment” for there to be a “waiver,” and that the inadvertent release of information was outside the proper scope of the employee’s duties].
125. *City of Los Angeles v. Superior Court* (2017) 9 Cal. App. 5th 272, 291 [the Civil Discovery Act applies to CPRA requests, but the trial court may limit the scope of such discovery].
126. §6258.
127. *Filarsky v. Superior Court (City of Manhattan Beach)* (2002) 28 Cal. 4th 419.
128. *Marken v. Santa Monica-Malibu Unified School District* (2012) 202 Cal. App. 4th 1250.
129. §§6258 and 6259.
130. §6259(d); However, courts have denied attorney fees to a self-represented attorney plaintiff. See *Perroni v. Fajardo* (2017) 2017 WL 6350527.
131. *Sukumar v. City of San Diego* (2017) 14 Cal. App. 5th 451 [The key (to determining whether a party is entitled to costs and fees) is whether there is a substantial causal relationship between the lawsuit and the delivery of the information.”]; *Belth v. Garamendi* (1991) 232 Cal. App. 3d 896, 901 [plaintiff is considered “prevailing party” if his suit motivated defendants to provide primary relief sought or activated them to modify their behavior, or if litigation substantially contributed to or was demonstrably influential in setting in motion the process which eventually achieved desired result].
132. *Los Angeles Times v. Alameda Corridor Transportation Authority* (2001) 88 Cal. App. 4th 1381.
133. *National Conference of Black Mayors v. Chico Community Publishing, Inc.* (2018) 25 Cal. App. 5th 570, 582.
134. *Motorola Communications and Electronics v. Department of General Services* (1997) 55 Cal. App. 4th 1340.
135. *Community Youth Athletic Center v. City of National City* (2013) 220 Cal. App. 4th 1385.
136. §6259.4.
137. *San Diegans for Open Government v. City of San Diego* (2016) Cal. App. 4th 1306; *Crews v. Willows Unified School District* (2013) 217 Cal. App. 4th 1368.
138. *Bertoli v. City of Sebastopol* (2015) 233 Cal. App. 4th 353.



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Memo

Date: September 6, 2019
To: Board of Directors
From: Mel Matthews
Subject: Computer and Security Procedures
Recommended Action: Information Only

Background

I prepared the ***Computer and Security Procedures*** document in 2017 as a part of my effort to provide continuity in computer access and disaster preparedness for the District. I have updated the document periodically to reflect changes in our computer system and operating procedures. For obvious reasons, this is a confidential internal document and is not for public inspection.

Summary

The document is available for review by Directors and Staff at the office and contains the following information:

- Internal KID File Synchronization and Redundancy
- External KID File Backup and Redundancy
- Customer Files
- Accounting Files
- Supervisory Control and Data Acquisition (SCADA) System
- Email
- KID Network, Workstations and Servers
- System Security
- Computer Software
- Computer Hardware and Peripheral Equipment
- Telephone System
- Information Technology (IT) Management, Service and Repairs
- Usernames and Passwords

9/12/2019

MANAGEMENT REPORT FOR 2018-2019



9/17/2019

Kinneloa Irrigation District

Prepared by Melvin L. Matthews, General Manager

MANAGEMENT REPORT FOR 2018-2019

SUMMARY OF PRODUCTION SOURCES, CUSTOMER SALES, RAINFALL, POWER COSTS, LONG AND SHORT-TERM STORAGE AND ACTIVITIES AND INITIATIVES FOR THE WATERMASTER YEAR OF 2018-2019, JULY THROUGH JUNE

Production

The Kinneloa Irrigation District (KID) produced 792.2 acre-feet from our wells and tunnels for the year of 2018-2019, July through June, as shown in Figure 1B. 658.6 acre-feet were produced for our retail customers and other uses, and 133.6 acre-feet were produced for delivery to the City of Pasadena. Water production for our retail customers and system use was 10% less than the 734.9 acre-feet produced last year. Figures 1A & 1B include data from 1994-1995 through 2018-2019 for all production sources as well as for surface water and ground water, which is diverted from our system for spreading credits. Spreading credits are added to our available extraction rights. Figure 2 shows total production from the KID wells and tunnels. Tunnel production level is dependent on rainfall and has ranged from a high of 530.1 acre-feet in 2005-2006 to a low of 112.4 acre-feet in 2015-2016. The tunnel production for 2018-2019 was 142.2 acre-feet which is significantly below the 25-year average of 242.3 acre-feet. Figure 3 is a pie chart showing the percentage of total production by source. This year our wells produced approximately 82% of the water and the tunnels produced 18% of the water.

Sales

Total sales to retail customers were 562.1 acre-feet as shown in Figure 4. The average monthly sales of water during the year from 1994-1995 to 2018-2019 are shown in Figure 5. Peak sales are usually in the July through October period and minimum sales usually occur in December through March period. Weather conditions in a year can cause these periods to shift and can drastically affect the total sales for the year. Although the rainfall this year was slightly above the average rainfall, it is uncertain whether the six-year drought has ended. Figure 6 shows an analysis of the distribution of monthly water usage per customer for the month of June in the eight years from 2012 to 2019. June was chosen for this analysis because it represents average monthly water usage for the year. The data shows the percentage of our customers with usage of 10 units or less per month in June 2019 was 25.8% as compared to 23.4% in June 2018; usage between 11 and 50 units per month in June 2019 was 48.2% as compared to 46.9% in June 2018; usage between 51 and 100 units per month in June 2019 was 19.0% as compared to 23.2% in June 2018; usage more than 100 units per month in June 2019 was 7.0% as compared to 6.4% in June 2018. Each unit is equivalent to one hundred cubic feet (CCF) or 748 gallons. This usage pattern has been relatively constant over the past eight years, but this year there was a greater percentage of customers in the two lower ranges of usage.

Water Use Efficiency

The KID has extensively promoted measures to increase water use efficiency over the past thirteen years and has participated in rebate programs to provide incentives to our customers to reduce

water usage. The usage was down in 2018-2019 as compared to 2017-2018, and the data indicates a 26% decrease in usage as compared to the base year of 2006-2007 when water use efficiency became a mandate from the State and a priority for the KID. The 2018-2019 usage is 9% lower than the 25-year average of 691.2 acre-feet. However, it is too soon to know whether there has been permanent reduction in water usage due to state regulations, our water conservation program or the extensive media coverage during the drought and the current media encouraging water use efficiency. A comparison of total water sales for January 2013 through June 2019 is shown in Figure 7. The percentage reduction for the calendar year of 2018 as compared to 2013 was 13%.

Non-Revenue Water Use and Water Loss

The difference between the water produced and water sold and used for system purposes (which is the water loss for the system) was 29.7 acre-feet or 4.5% as shown in Figure 1B. The loss is attributed to system leaks, main flushing for water quality purposes, fire flow tests, unmetered water used for various other purposes, normal operational procedures at KID facilities and water meter inaccuracies. This loss is less than the 25-year average of 72.6 acre-feet or 9.5%. A water loss of less than 10% is excellent by industry standards. The principle reasons for the decrease as compared to 2017-2018 was that water for main flushing was metered and fewer fire flow tests were performed during the year.

Rainfall

Rainfall for 2018-2019 was 27.8 inches as shown in Figures 1B and Figure 8 as compared to 10.3 inches in the previous year and the 25-year average of 21.1 inches. Whether this is an indication of the end of the seven-year drought is uncertain. Nevertheless, it will take multiple years of above-average rainfall before there is a significant recovery of tunnel production and spreading credits. The KID continues to lease additional pumping rights from other agencies to offset the decline in tunnel production and spreading credits, but these supplemental production sources are not guaranteed and an increase in water-use efficiency may be needed to offset the loss of available water for production.

Power Cost

Figure 9 shows the total cost and the power cost per acre-foot of total production for 2018-2019. Since most of our power consumption is for pumping, it is also an approximate indirect measure of production efficiency. However, it should be noted that this indicator does not consider the percentage of well production vs. tunnel production nor does it consider rising electricity rates. In years of high tunnel production, less water is pumped from our wells saving us considerable power cost.

Although electricity rates have increased over the years, we have been able to mitigate most of the increases by participating in various time-of-use and interruptible power programs that restrict our use of power to non-peak hours in exchange for lower rates. We have also installed higher-efficiency motors when equipment has been replaced. The net effect has been to stabilize our power costs. The 2018-2019 cost was \$147 per acre-foot of total production as compared to \$155 per acre-foot for the previous year and the 25-year average of \$113.8 per acre-foot. Even though we will continue to take advantage of cost-reduction programs, it will be more difficult to maintain our current cost especially considering the announced rate increases and the mandated switch to more “green” power in the years ahead.

Long-Term Storage

The Raymond Basin Management Board (RBMB) established a long-term storage program to cover situations such as prolonged drought or unusually high demand that might lead to over pumping of our water rights in the current year. This program is the equivalent of a savings account for surplus water. The KID activated our long-term storage account for the first time in 2004-2005 by adding 327 acre-feet of surplus water as shown in Figure 1A. The following year we added additional storage to bring the account to 848 acre-feet. Some of this storage was used in 2006-2007 to support our water sales to the City of Pasadena so the remaining storage at the end of 2006-2007 was 729 acre-feet. The net addition to our long-term storage in 2007-2008 was 69 acre-feet and the total was 798 acre-feet at the end of that year. Due to declining water levels in the Raymond Basin, the RBMB voted to suspend the program and freeze the total at the end of the 2008-2009 year.

The result of the additions and withdrawals, as shown in Figure 10, is that we still have 790 acre-feet in the account that may be used to offset any shortages in the future. We will not be able to add any surplus to the account unless the RBMB changes the policy. Our current plan is to use this water only if we are unable to lease temporary pumping rights at a reasonable cost or unable to acquire additional pumping rights from another Raymond Basin member. This additional water in storage is especially important to the KID considering that the RBMB has implemented a 30% reduction of our adjudicated pumping rights to address declining water levels in the basin. The RBMB will continue to monitor basin pumping levels to see if stabilization can be achieved without the injection of imported water or other recovery efforts. RBMB could approve elimination of the long-term storage program and KID could lose the ability to pump the 790 acre-feet in the account.

Short-Term Storage

The RBMB established a short-term storage program in 2016 for the Pasadena subarea for agencies with carryover rights of less than 300 acre-feet to allow operational flexibility and allow for better planning and utilization of leases, management of decreed rights and maximize beneficial use of spreading credits. The maximum amount of water is limited to 300 acre-feet and must be used within the time specified by the RBMB rules. The KID had 145 acre-feet in our account in 2018-2019. If the combined balance of the 10% carryover rights and short-term storage exceeds 300 acre-feet on June 30th, the excess amount is deducted from short-term storage and lost for future pumping.

Production Issues

Figure 1B shows that the Wilcox Well only produced one acre-feet of water in 2018-2019 as compared with 272.4 acre-feet in the peak year of 1999-2000. The level in the Raymond Basin aquifer at this facility has caused a 50% reduction in the available operational flow rate because the output from this well needs to be restricted to prevent entrainment of air and damage to the pump. This operational necessity is inefficient from a power standpoint and relegates this well to emergency and supplemental supply uses only. The lost production from Wilcox Well was shifted to the K-3 Well which accounted for 82% of our total annual production in 2018-2019. A continued decline in basin levels could also affect the K-3 Well in future years, and our increased dependence on a single production source diminishes production reliability.

The declining production from the KID's tunnels has also become a significant issue. Tunnel water is not counted in our adjudicated pumping rights and is our only source of low-cost supplemental water. Multiple years of above-average rainfall will be needed to increase the contribution to

our total production from the current 18% to the more typical 25-50%. Thus, continued maintenance of our tunnel sources is a high priority.

Supply Issues

The court-ordered adjudication of pumping rights in the Raymond Basin no longer matches the natural replenishment rate. The voluntary 30% pumping reduction in the Pasadena subarea has helped to reduce the rate of decline in the basin level, but the RBMB has not yet developed an external replenishment source. Therefore, additional water resources, conservation measures and reduced pumping are being considered to stabilize the basin level.

With the exception of the KID, all water agencies in the area purchase imported supplemental water from the Metropolitan Water District of Southern California (MWD) or through its wholesale distributor, Foothill Municipal Water District (FMWD). The KID has not needed to purchase imported water because our local tunnel water, adjudicated pumping rights, spreading credits and available leases have been enough to meet customer demand. However, our independence from imported water is not assured unless we are able to continue to lease or purchase unused pumping rights from other water agencies in the area. We will also continue to rely on our interconnections with the City of Pasadena for a water supply during system emergencies or for planned facility maintenance purposes, but that water must be returned to Pasadena as soon as possible after an event or purchased at the retail rate. The KID will continue to work with the FMWD to develop a long-term plan for supplemental water in case our ground water pumping rights are permanently reduced and/or leased or purchased pumping rights are no longer available. Since there is no pipeline from MWD or FMWD to the KID, a new connection would be needed, or an arrangement made with an adjacent water agency to wheel FMWD/MWD water through its pipelines to the KID. FMWD is the only source of supplemental water currently available to the KID.

Capital Improvement and Maintenance Projects

The KID continues to perform projects identified in the ***Water Master Plan for the Kinneloa Irrigation District*** and other planning documents to improve the District's emergency preparedness and operational performance. One pipeline project was completed in the 2018-2019 year. Thirteen major pipeline projects remain to be completed at the estimated cost of \$3,000,000. Although increased fire-flow capacity is the primary objective of these projects, other benefits include replacement of older portions of the distribution system that have reached the end of their useful life cycles. Two pipeline projects are in the design phase. In addition, approximately \$1,000,000 in facility improvements and equipment replacement are on the planning horizon.

Major maintenance and upgrade projects include repairs and improvements to our Supervisory Control and Data Acquisition (SCADA) System, upgrades to our automated meter reading equipment and software and replacement of two of the District's vehicles.

Administrative Activities

The primary objectives of the General Manager beyond the general and financial management of the KID were to fill two vacant positions and to develop a staff management plan and to prepare an organizational structure to effectively manage and provide continuity in future years. The office and system operation functions are now fully staffed. Written procedures have been prepared for major office and customer service functions and procedures for system operations are being prepared.

Financial Summary

The District's financial statements and independent auditors' report for the calendar years of 2018 and 2017, January through December were completed and presented to the Board of Directors in June 2019. The auditors' opinion was that the financial statements presented fairly in all material respects the financial position of the Kinneloa Irrigation District as of December 31, 2018 and 2017, and were in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis from that report are presented below. The complete report is published on the District's website at <https://kinneloirrigationdistrict.info>. **Because the Management's Discussion and Analysis was prepared for the calendar year January 1 - December 31, which is the fiscal year for the District, the information for the years and the comparisons between the years regarding production and usage are different than the information and figures on pages 1-4 and 10-21, which were based upon the watermaster year July 1, 2018 - June 30, 2019.**

KINNELOA IRRIGATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018 AND 2017

Management's discussion and analysis of the financial performance of Kinneloa Irrigation District (the "District") provides an overview of the District's financial activities for the fiscal year ended December 31, 2018.

FINANCIAL HIGHLIGHTS

The District's operating revenues, consisting primarily of water sales, increased by 3.3% to \$1,690,731 as compared to 2017 operating revenues of \$1,636,661. The increase is primarily the result of the rate increase in January 2018.

Total operating, maintenance, administrative and general expenses including depreciation decreased by 16% to \$1,263,701 as compared to \$1,505,483 in 2017. The net decrease is primarily due to the change of estimate due to GASB 68. A schedule of expenses is presented on page 9.

DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The District operates as a utility enterprise and its annual report consists of a series of financial statements presented on the full accrual basis of accounting. The Balance Sheets and the Statements of Revenues, Expenses and Changes in Net Position provide information about the District as a whole and present a longer-term view of the District's finances.

DESCRIPTION OF OPERATIONS

The District provides water to 587 retail customers in a service area that includes a portion of the unincorporated Los Angeles County that is east of Altadena and an adjacent portion of the City of Pasadena. The District also sells excess groundwater when available to the City of Pasadena on a wholesale basis.

The District obtains its water from two vertical wells and five horizontal wells. These sources are sufficient to meet customer demand except in periods of extreme drought or another

emergency. The District has five interconnections with the City of Pasadena municipal water system which allow either agency to supply water to the other agency under emergency conditions. More information about the Kinneloa Irrigation District can be found on our Internet site at <https://kinneloa Irrigation District.info>.

CONDENSED FINANCIAL INFORMATION

The following condensed financial information provides an overview of the District's financial activities for the year ended December 31, 2018 and 2017.

ASSETS AND DEFERRED OUTFLOWS	2018	2017
Current assets	\$ 2,299,748	1,941,999
Capital assets, net	5,612,230	5,889,007
Deferred outflows of resources	<u>99,141</u>	<u>21,181</u>
Total assets and deferred outflows of resources	<u>8,011,119</u>	<u>7,852,187</u>
LIABILITIES AND DEFERRED INFLOWS		
Current liabilities	\$ 189,909	169,414
Noncurrent liabilities	2,006,232	2,200,456
Deferred inflows of resources	<u>36,648</u>	<u>83,822</u>
Total liabilities and deferred inflows of resources	<u>2,232,789</u>	<u>2,453,692</u>
NET POSITION		
Investment in capital assets	5,612,230	5,889,007
Unrestricted	<u>166,100</u>	<u>(490,512)</u>
Total net position	<u>5,778,330</u>	<u>5,398,495</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>8,011,119</u>	<u>7,852,187</u>

Capital and other assets – The change in capital and other assets is net of a decrease in capital and other assets less current year's depreciation of \$332,812.

Net position – The net position increased from the prior year due to the current year's excess of revenues over expenses. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

CHANGES IN NET POSITION

	2018	2017
Total operating revenues	\$ 1,690,731	1,636,661
Total non-operating revenues	<u>24,095</u>	<u>16,953</u>
Total revenues	1,714,826	1,653,614
Total operating expenses	1,263,701	1,505,483
Total non-operating expenses	<u>71,290</u>	<u>75,916</u>
Total expenses	1,334,991	1,581,399
Change in net position	379,835	72,215
Net position, beginning of year	<u>5,398,495</u>	<u>5,326,280</u>
Net position, end of year	\$ <u>5,778,330</u>	<u>5,398,495</u>

Revenues – Retail water sales by volume increased to 615 acre-feet as compared to 594 acre-feet in 2017 and the total operating revenue increased to \$1,690,731 from \$1,636,661 due to an increase of rates in January 2018 and the increased water sales.

The District also received \$36,703 in non-operating revenue from interest on its temporary investments and a refund from JPIA. The District’s temporary investments at year end were \$2,063,236 and \$1,667,327 in 2018 and 2017, respectively. The District has identified \$4,212,000 in future projects in its Water Master Plan. The temporary investments will be used for some of these projects and also provide an operating reserve in accordance with the District’s reserve policy.

Expenses – The District’s operating and maintenance expenses increased by \$89,949 in 2018 as compared to 2017. This increase is due primarily to increases in operating payroll expenses. The District’s administrative and general expenses decreased by \$316,975 due primarily to changes in estimate relating to GASB 68.

BUDGET ANALYSIS AND VARIANCES

Revenue from water sales for 2018 was \$1,690,731 as compared to the budgeted amount of \$1,485,000 for retail and wholesale water sales. The budgeted revenue was based on the actual amount from the previous year, adjusted for rate changes and/or expected new service connections for the year. However, water usage by volume increased for 2018 despite a significant educational campaign on conservation measures. Therefore, the District’s revenue was significantly higher in 2018. Total revenue for 2018 was \$1,714,826 as compared to the budgeted amount of \$1,495,000.

Overall, for 2018, the net operating income before depreciation was \$712,647, as compared to the budgeted amount of \$212,217. Capital and planned maintenance projects in the amount of \$56,035 were completed as compared to the budgeted amount of \$81,500. The cash reserve at year end was \$2,063,236 which is in the target range of \$1,000,000 to \$5,500,000 established by the Board in the Reserve Policy Funding Guidelines in the District’s Rules and Regulations. Each year the District budgets amounts for capital projects and planned maintenance projects based on its expected operations and available reserves. In 2018, the major projects and equipment purchases included water main and valve replacements, SCADA equipment and water meters.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – At December 31, 2018 and 2017, the District had investments in land, water rights, buildings, wells and distribution systems, machinery and equipment as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 96,700	96,700
Water rights	52,060	52,060
Buildings, wells and distribution system	9,500,288	9,482,141
Machinery and equipment	889,384	851,496
Totals	\$ <u>10,538,432</u>	<u>10,482,397</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Average inflation as measured by the consumer price index for all urban consumers in the Los Angeles area was 3.1% for the 12 months ended December 2018 and the current average rate for 2019 is 2.7%.

General economic conditions improved in 2018 and is expected to improve at a moderate pace in 2019. Although water service is considered a necessity, the continued efforts of our customers to increase water use efficiency consistent with the restrictions and regulations imposed by the State of California and the County of Los Angeles may cause a further reduction in volumetric sales. The increase in sales in 2018 was attributed to the drought in the first part of the year and the hot weather during the summer; however, normal rainfall returned in the last three months of the year and the annual rainfall in the 2018-2019 season was above average. The District anticipates that an increase in rates will probably be needed in future years to maintain water sales revenue.

In 2019, the District plans to continue capital improvement projects included in the District's Water Master Plan and planned maintenance projects using available cash reserves rather than using an installment purchase agreement or other financing.

To continue our high-priority time-critical capital improvement and planned maintenance projects, the Board of Directors approved a budget for 2019 that produces a net operating surplus near zero. However, favorable results to budget will allow additional projects to be completed.

The Board approved a 3% rate increase for 2019 to maintain the current level of water sales revenue in case there is a decline in volumetric sales or an inflationary increase in expenses. Wholesale water sales are budgeted in 2019 to offset any possible reduction in retail water sales.

Although weather will continue to play a significant role in determining retail water sales for 2019, other factors such as drought regulations make it increasingly difficult to forecast volumetric sales. However, we will continue to have the option of selling surplus water to the City of Pasadena if there is significant rainfall in 2019 and/or if there is a decline in retail sales due to greater conservation efforts. These factors when combined make it difficult to know the effect on the District's operations in 2019. Fortunately, the District has the flexibility to adjust expenditures for capital improvements and planned maintenance to meet the overall budget objectives for 2019.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our purveyors, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the District's finance office at 1999 Kinclair Drive, Pasadena, CA 91107. Current and archived documents of the Kinneloa Irrigation District can also be found on our Internet site at <http://www.kinneloa Irrigation District.info>.

SCHEDULE OF EXPENSES

	<u>2018</u>	<u>2017</u>
Operating & Maintenance		
Power	\$ 127,199	122,814
Purchased water	63,135	-
Labor	184,342	164,121
Engineering	4,770	10,955
Maintenance and repairs	33,403	28,159
Water analysis	22,540	15,108
Outside contractors	114,816	129,294
Truck maintenance and fuel	19,931	12,889
Insurance	107,722	93,945
Watermaster	10,740	11,039
Other	11,695	22,020
	<u>\$ 700,293</u>	<u>610,344</u>
Administrative and General		
Administrative salaries	\$ 134,291	130,064
Office labor	93,934	61,425
Payroll taxes	30,644	26,627
CalPERS retirement	27,756	28,499
CalPERS change in estimates	(174,306)	197,419
Outside services	28,996	27,980
Legal fees	8,425	2,205
Professional dues	10,644	10,608
Board meetings	5,000	5,200
Office expense	27,035	29,440
Telephone, internet	9,206	8,477
Accounting fees	6,750	6,750
Permits and operational fees	7,308	7,333
Information systems	14,832	5,544
Election	81	-
	<u>\$ 230,596</u>	<u>547,571</u>

Respectfully submitted to the Board of Directors,

Melvin L. Matthews, General Manager

Figure 1A

Data for Watermaster Year (July through June) 1994-1995 to 2008-2009

Production in Acre-Feet																
Source	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	
Wilcox Well	93.2	119.6	170.2	165.4	209.6	272.4	216.9	203.7	213.7	148.9	60.2	37.2	70.2	5.6	5.6	
K-3 Well	285.3	238.3	263.8	330.9	567.3	562.5	425.2	514.3	457.1	551.0	319.3	423.5	860.1	543.9	611.2	
Total Well	378.5	357.9	434.0	496.3	776.9	834.9	642.1	718.0	670.8	699.9	379.5	460.7	930.3	549.5	616.7	
Hi-Low Tunnel	71.3	217.0	177.2	146.6	143.1	132.6	111.1	86.0	57.6	59.8	125.6	171.9	131.0	107.6	89.2	
House Tunnel	37.8	43.9	35.4	33.1	41.1	31.5	26.2	21.5	16.7	12.7	12.6	44.9	26.5	20.6	12.8	
Eucalyptus Tunnel	56.5	64.9	62.6	58.7	62.4	54.0	44.3	38.6	29.5	41.5	50.0	50.4	44.6	43.2	39.1	
Delores Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	126.5	223.3	83.6	63.7	40.2	
Far Mesa Tunnel	73.6	69.1	67.7	68.3	78.9	74.1	56.7	52.0	47.7	45.6	68.2	39.6	13.1	48.6	42.9	
Total Tunnel	239.2	394.9	342.9	306.7	325.5	292.2	238.3	198.1	151.5	162.0	382.9	530.1	298.8	283.7	224.2	
Total Production	617.7	752.8	776.9	803.0	1102.4	1127.1	880.4	916.1	822.3	861.9	762.5	990.8	1229.0	833.2	840.9	
Deliveries from Pasadena	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.5	0.0	0.0	18.8	0.0	0.0	1.5	
Deliveries to Pasadena	0.0	0.0	0.0	-139.5	-325.8	-222.9	-64.1	-87.3	-61.7	0.0	0.0	-160.6	-321.8	0.0	-42.4	
Net Import/Export	0.0	0.0	0.0	-139.5	-325.8	-222.9	-64.1	-87.3	-30.2	0.0	0.0	-141.8	-321.8	0.0	-40.9	
Total Production for Retail Custom	617.7	752.8	776.9	663.5	776.6	904.2	816.3	828.8	792.1	861.9	762.5	849.0	907.2	833.2	800.0	
Diversions in Acre-Feet																
Source	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	
Hi-Low Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.3	0.0	0.0	0.0	0.0	0.0	0.0	
House Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.0	25.6	0.0	0.0	0.0	4.2	
Kinneloa Canyon	140.7	50.2	54.3	56.8	48.6	52.1	33.4	28.9	12.2	9.5	31.2	40.4	45.4	27.2	21.4	
Eucalyptus Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.9	0.0	0.0	0.0	0.0	0.0	0.0	
Brown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.9	16.7	0.0	0.0	0.0	
Eaton Wash Sub Total	140.7	50.2	54.3	56.8	48.6	52.1	33.4	28.9	38.0	9.5	81.7	57.2	45.4	27.2	25.6	
Delores Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.4	31.1	21.5	44.5	0.0	0.0	0.0	0.0	
Long Tunnel	35.8	37.2	39.2	39.2	38.9	37.7	38.1	38.0	36.0	35.3	46.8	44.7	37.4	36.0	34.3	
Far Mesa Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	4.6	0.0	0.0	0.0	0.0	30.2	42.5	0.0	0.0	
Glen Wash	429.3	396.3	262.5	321.3	359.1	174.8	156.7	52.7	26.7	28.1	933.9	161.4	74.0	56.7	59.0	
Tent Tunnel	5.1	5.5	5.4	5.3	5.8	3.4	2.4	2.3	2.1	2.0	3.2	3.5	2.9	2.5	2.1	
Pasadena Glen Sub Total	470.2	439.0	307.1	365.8	403.8	215.9	201.8	134.4	95.9	86.9	1028.5	239.8	156.7	95.2	95.4	
Sierra Madre Villa DB Outflow	-256.7	-32.8	-7.2	-33.7	0.0	0.0	0.0	0.0	0.0	0.0	-459.7	0.0	0.0	0.0	0.0	
Net Pasadena Glen Sub Total	213.5	406.2	299.9	332.1	403.8	215.9	201.8	134.4	95.9	86.9	568.8	239.8	156.7	95.2	95.4	
Total Diverted	354.2	456.4	354.2	388.9	452.4	268.0	235.2	163.3	133.9	96.4	650.5	297.0	202.1	122.4	121.0	
Other Data																
1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009		
Rainfall (inches)	43.6	22.6	22.8	52.3	14.5	18.8	20.0	7.9	24.5	10.1	58.0	21.8	5.8	24.6	16.1	
Metered Water Usage (Acre-Feet)	584.3	668.8	679.9	600.4	666.3	782.9	710.9	739.1	717.7	772.6	672.6	785.8	847.3	754.1	729.7	
Water Loss (Acre-Feet)	33.4	84.0	97.0	63.1	110.3	121.3	105.4	89.7	74.4	89.3	89.8	63.2	59.9	79.0	70.3	
Water Loss (%)	5.4	11.2	12.5	9.5	14.2	13.4	12.9	10.8	9.4	10.4	11.8	7.4	6.6	9.5	8.8	
RBMB Storage Account (Acre-Feet)											326.9	847.9	728.6	797.9	790.0	
Power (\$)	71,086	55,137	68,132	57,193	86,488	97,064	77,780	111,676	111,062	100,410	87,537	82,476	112,924	89,011	92,204	
Power (\$ per AF of Total Production)	115	73	88	71	78	86	88	122	135	116	115	83	92	107	110	

Figure 1B

Data for Watermaster Year (July through June) 2009-2010 to 2018-2019

Production in Acre-Feet											25-Year
Source	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average
Wilcox Well	7.3	7.1	9.5	57.6	11.5	8.7	8.3	5.1	2.7	1.0	84.4
K-3 Well	610.6	580.2	708.0	584.2	676.6	574.2	574.4	556.9	706.7	649.0	527.0
Total Well	617.8	587.3	717.5	641.9	688.0	582.9	582.7	562.0	709.4	650.1	611.4
Hi-Low Tunnel	80.1	98.8	94.3	53.5	36.2	40.2	36.7	40.9	33.5	44.0	95.4
House Tunnel	13.8	14.5	15.7	14.3	10.2	0.6	0.0	0.0	0.0	0.0	19.5
Eucalyptus Tunnel	37.4	39.8	40.5	40.7	41.5	40.0	39.4	39.0	48.1	44.0	46.0
Delores Tunnel	44.8	98.5	57.7	17.4	22.9	11.0	5.1	11.7	2.3	21.0	33.3
Far Mesa Tunnel	38.9	41.2	41.2	39.3	38.6	35.9	31.3	28.5	28.8	33.2	48.1
Total Tunnel	215.0	292.8	249.3	165.2	149.4	127.6	112.4	120.0	112.7	142.2	242.3
Total Production	832.9	880.0	966.8	807.0	837.4	710.5	695.2	682.0	822.1	792.2	853.7
Deliveries from Pasadena	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1
Deliveries to Pasadena	-105.1	-217.4	-239.0	-47.8	0.0	-9.0	-86.4	-55.5	-87.2	-133.6	-96.3
Net Import/Export	-105.1	-217.4	-237.8	-47.8	0.0	-9.0	-86.4	-55.5	-87.2	-133.6	-94.2
Total Production for Retail Customers	727.8	662.7	729.1	759.3	837.4	701.5	608.8	626.5	734.9	658.6	759.6
Diversions in Acre-Feet											25-Year
Source	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average
Hi-Low Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
House Tunnel	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	1.3
Kinneloa Canyon	21.2	37.8	37.8	35.6	27.7	30.4	30.6	33.0	16.8	20.4	37.7
Eucalyptus Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Brown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	1.7
Eaton Wash Sub Total	21.2	37.8	37.8	35.6	27.7	30.7	30.6	33.0	16.8	20.8	41.7
Delores Tunnel	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	0.0	1.2	5.7
Long Tunnel	33.8	39.8	38.4	34.4	29.9	28.5	27.7	33.9	32.7	38.7	36.5
Far Mesa Tunnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1
Glen Wash	45.1	188.0	88.7	89.2	73.1	55.6	52.5	60.5	30.0	52.0	169.1
Tent Tunnel	2.0	1.8	2.8	2.3	2.3	2.3	2.3	2.3	2.3	2.3	3.0
Pasadena Glen Sub Total	80.8	229.6	129.9	125.9	105.3	88.1	82.4	96.8	65.0	94.1	217.4
Sierra Madre Villa DB Outflow	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-31.6
Net Pasadena Glen Sub Total	80.8	229.6	129.9	125.9	105.3	88.1	82.4	96.8	65.0	94.1	185.8
Total Diverted	102.1	267.4	167.7	161.4	133.0	118.8	113.0	129.7	81.8	114.9	227.4
Other Data											25-Year
Source	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	Average
Rainfall (inches)	23.6	31.3	11.8	8.3	5.2	8.2	12.3	24.1	10.3	27.8	21.1
Metered Water Usage (Acre-Feet)	771.0	590.8	654.9	696.2	805.1	642.7	522.9	568.8	685.3	628.9	691.2
Water Loss (Acre-Feet)	61.9	71.8	74.2	63.1	32.4	58.8	85.8	57.7	49.6	29.7	72.6
Water Loss (%)	8.5	10.8	10.2	8.3	3.9	8.4	14.1	9.2	6.8	4.5	9.5
RMBM Storage Account (Acre-Feet)	790.0	790.0	790.0	790.0	790.0	790.0	790.0	790.0	790.0	790.0	759.4
Power (\$)	92,700	92,700	93,964	105,248	113,611	114,917	103,595	117,767	127,709	116,189	95,143
Power (\$ per AF of Total Production)	111	105	97	130	136	162	149	173	155	147	113.8

Figure 2
Total Production
July through June

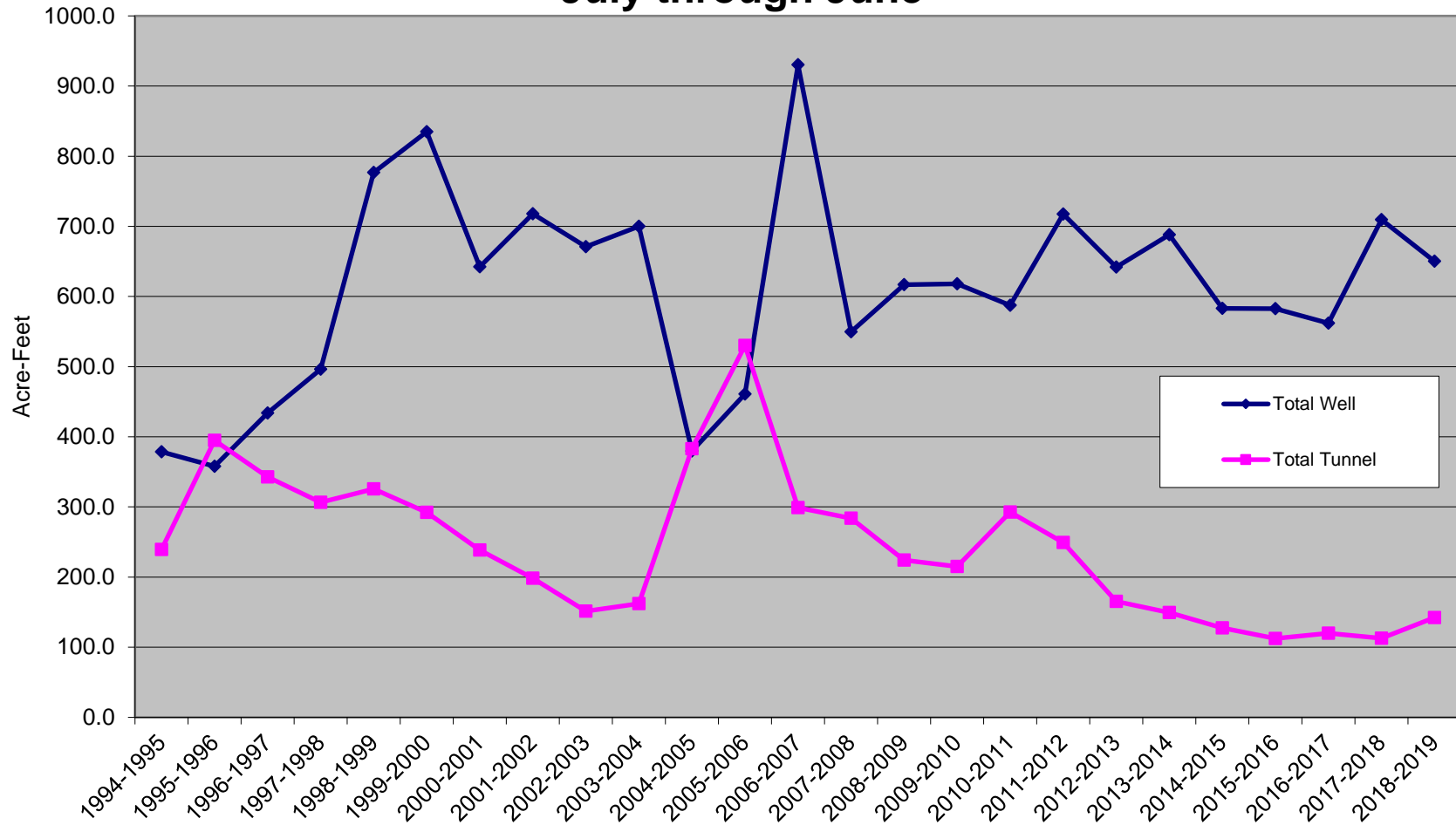


Figure 3
2018-2019 Production Sources
July through June

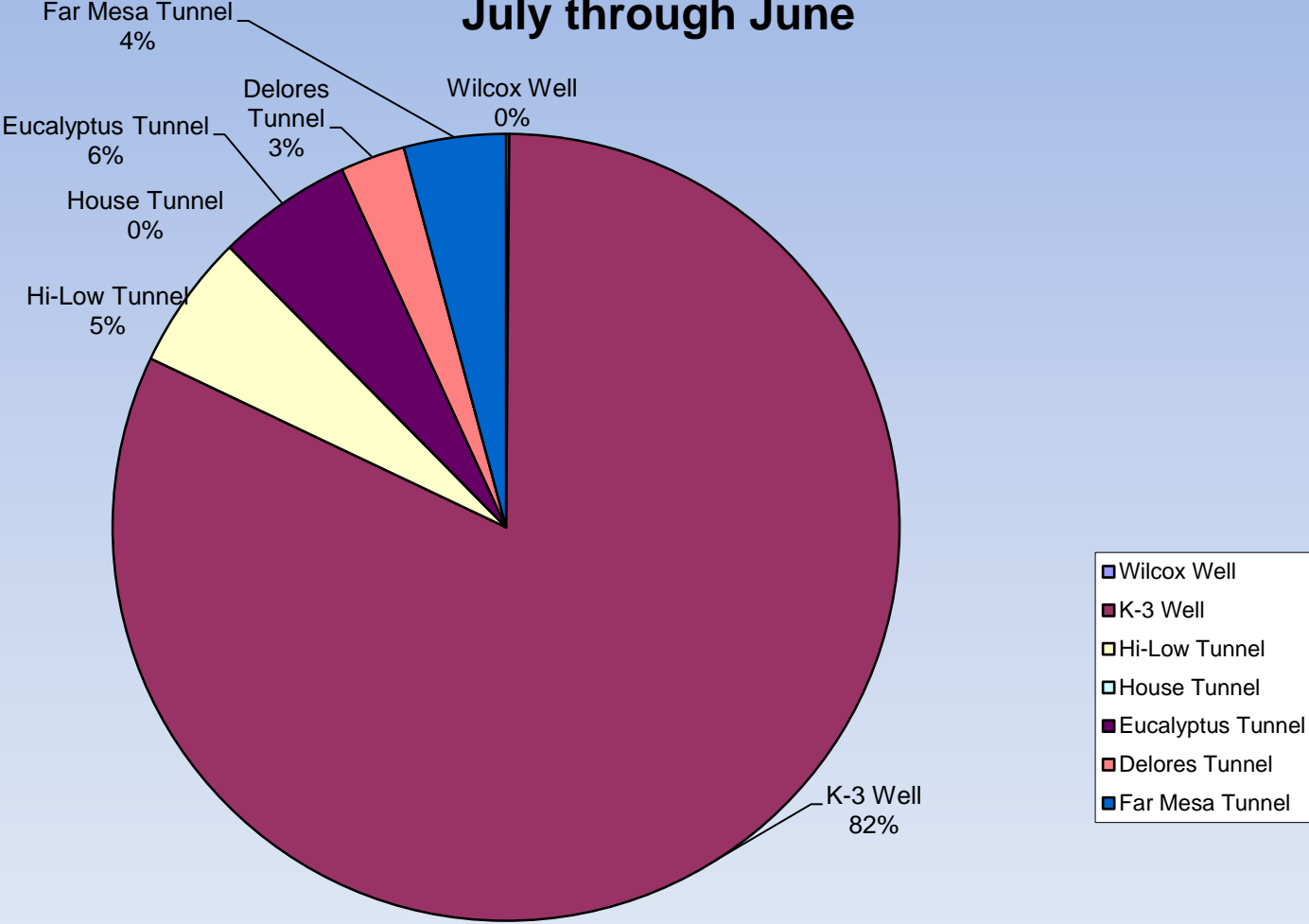
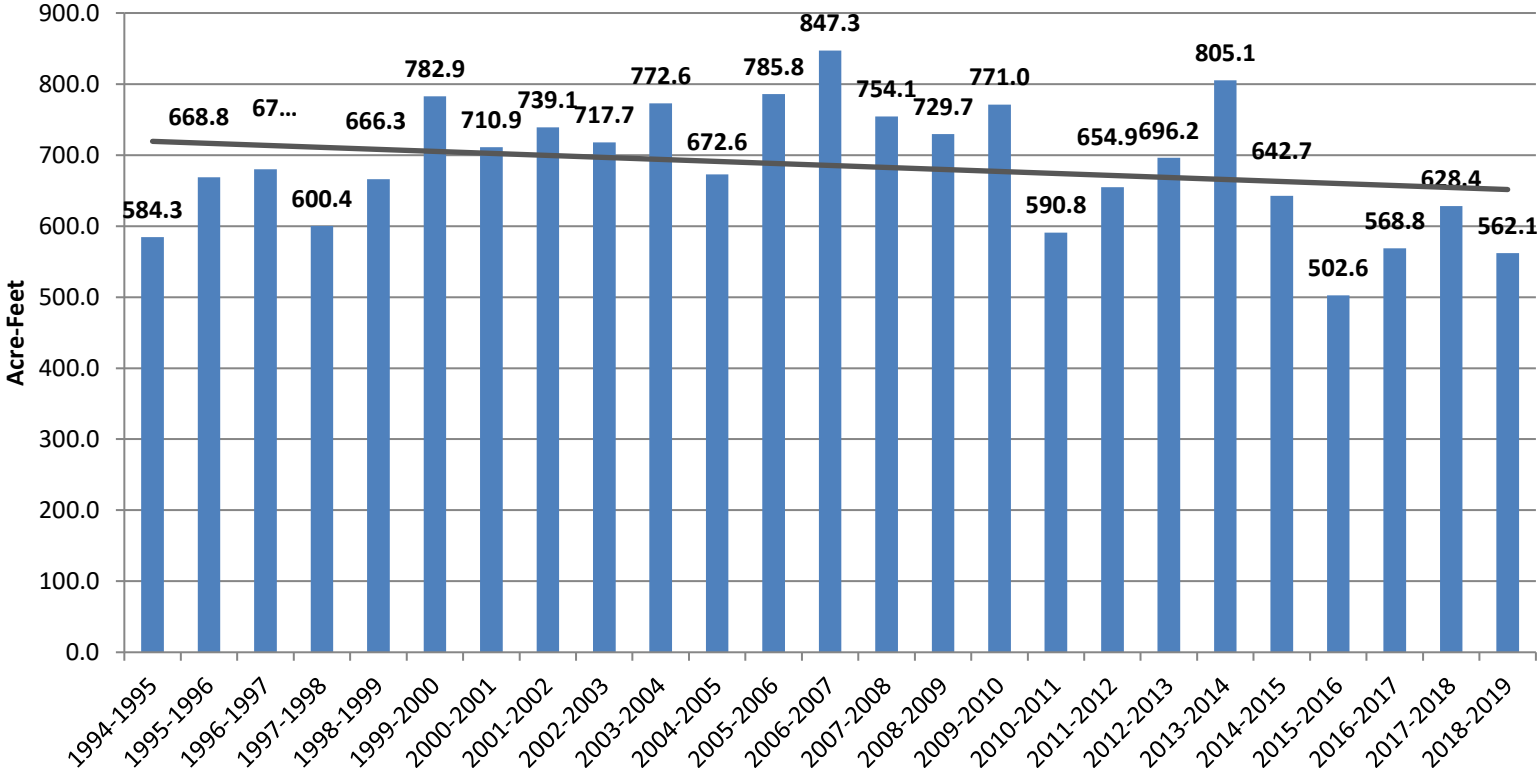
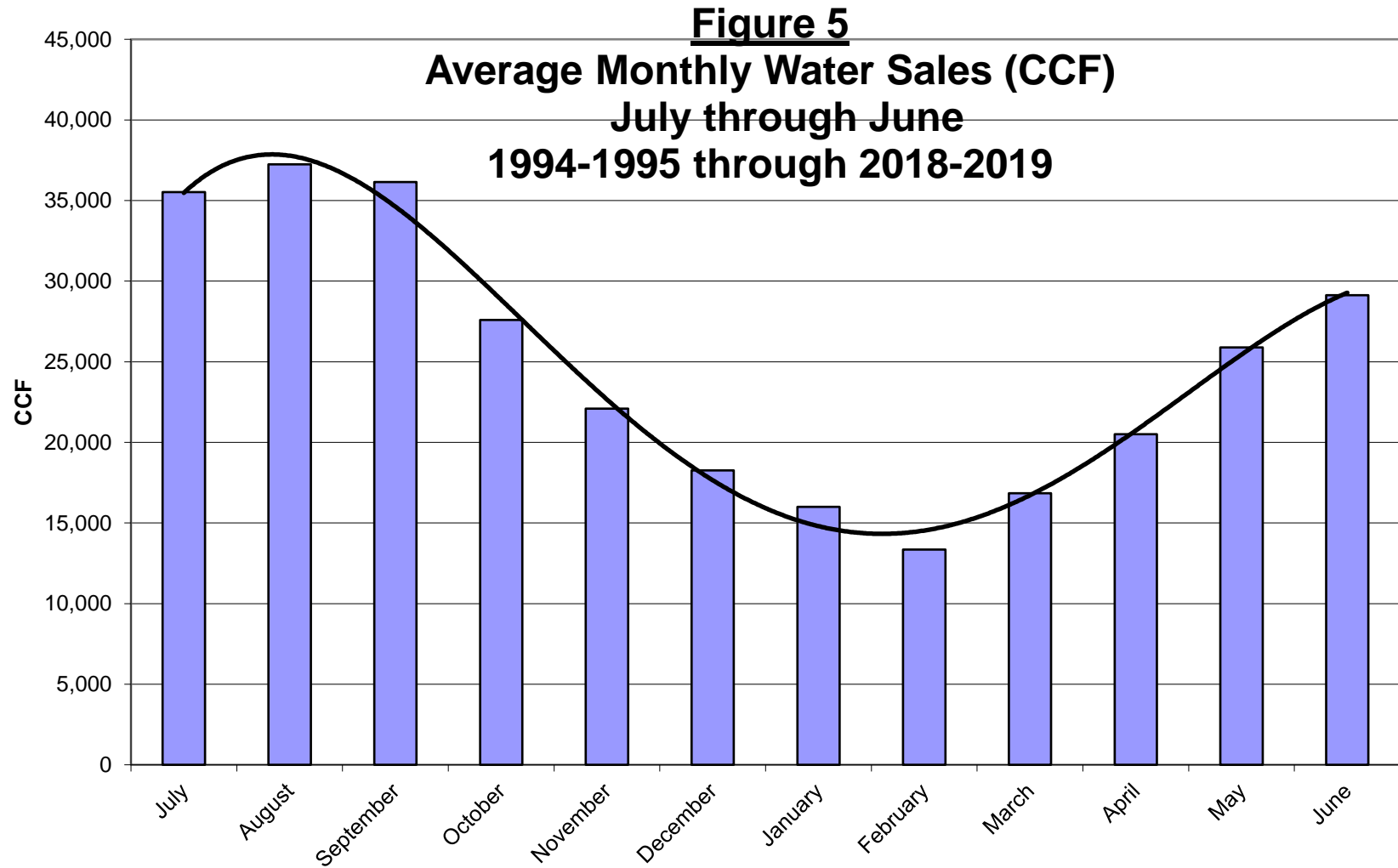


Figure 4 Annual Water Sales July through June





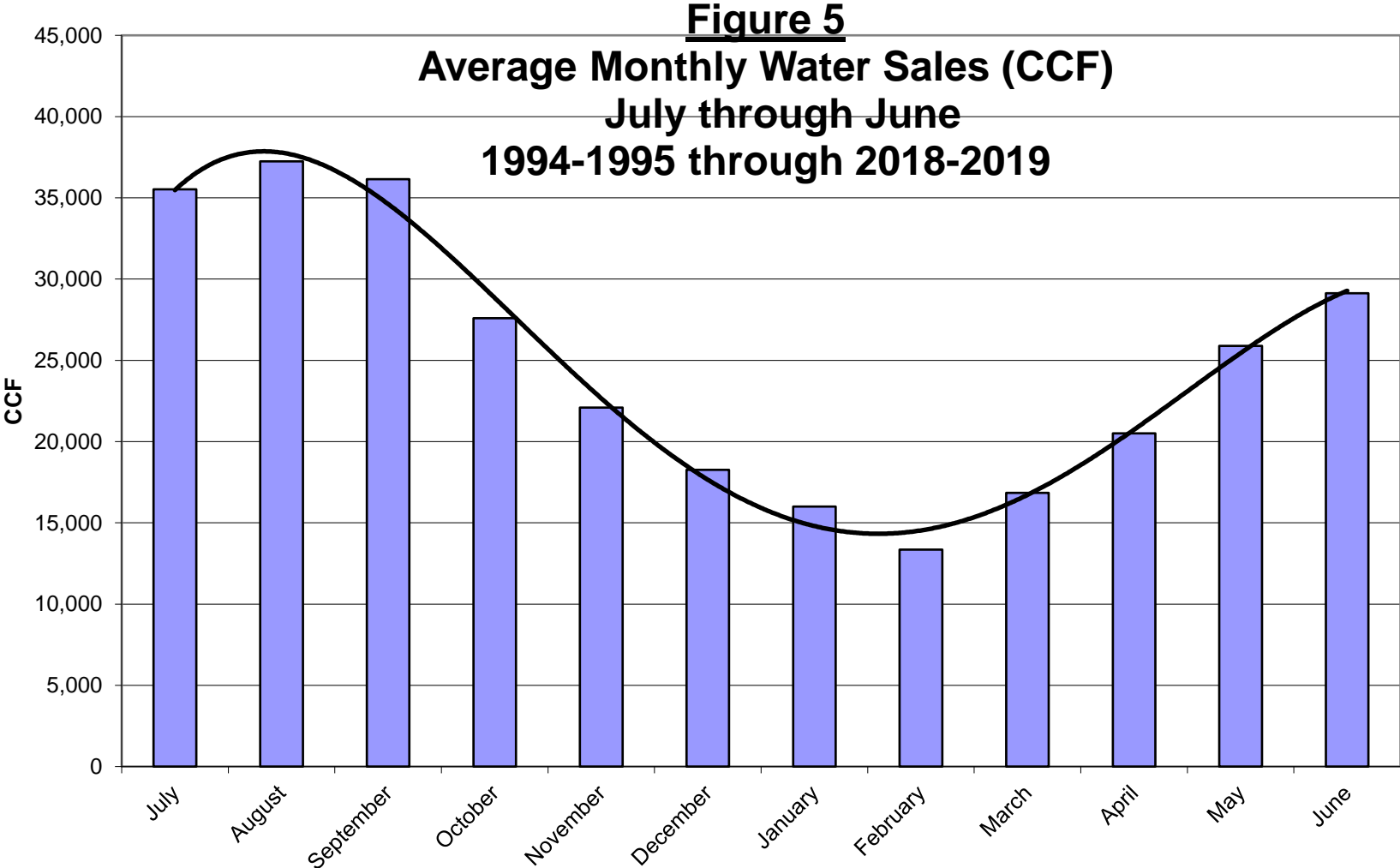


Figure 6
Water Usage per Customer

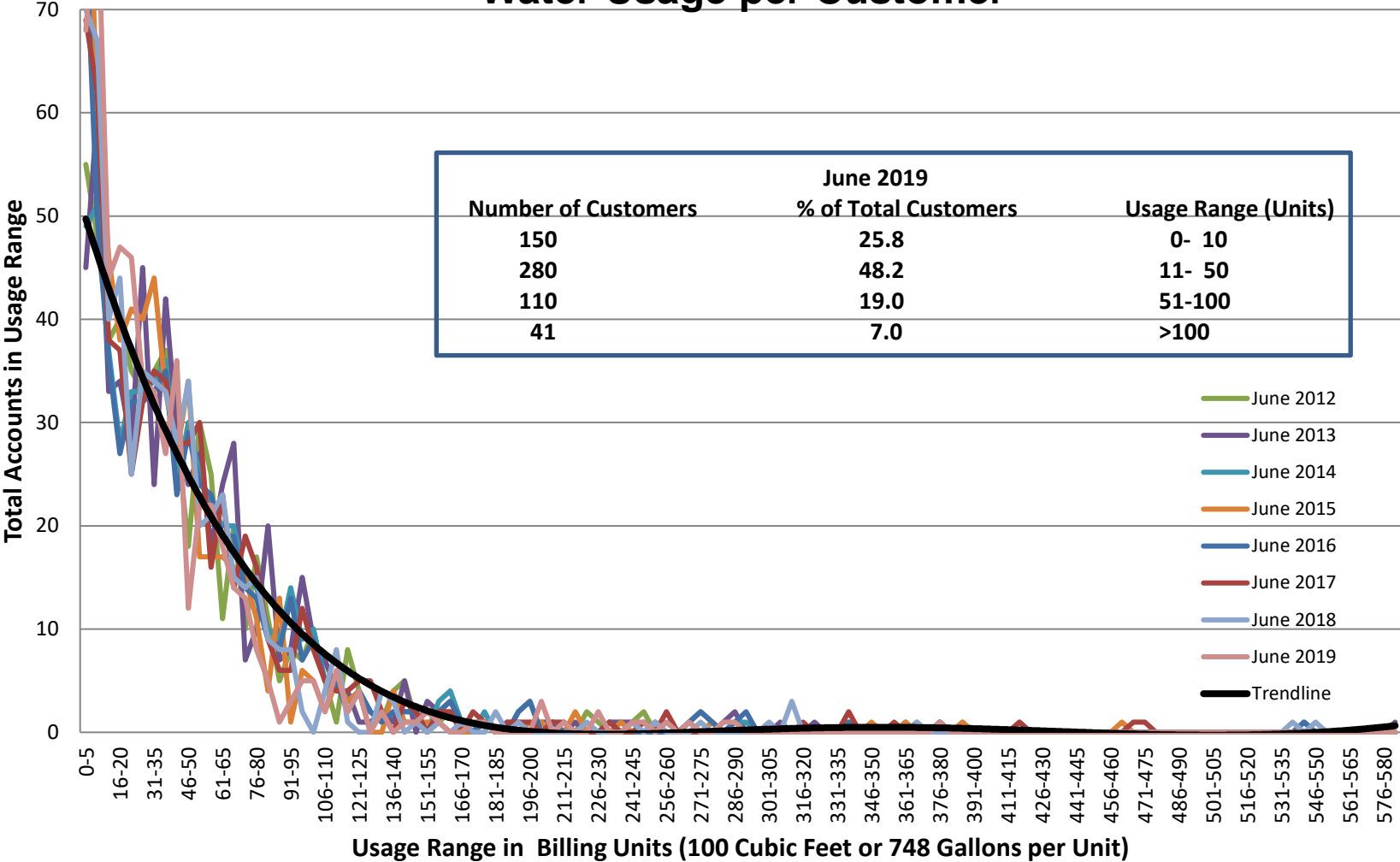
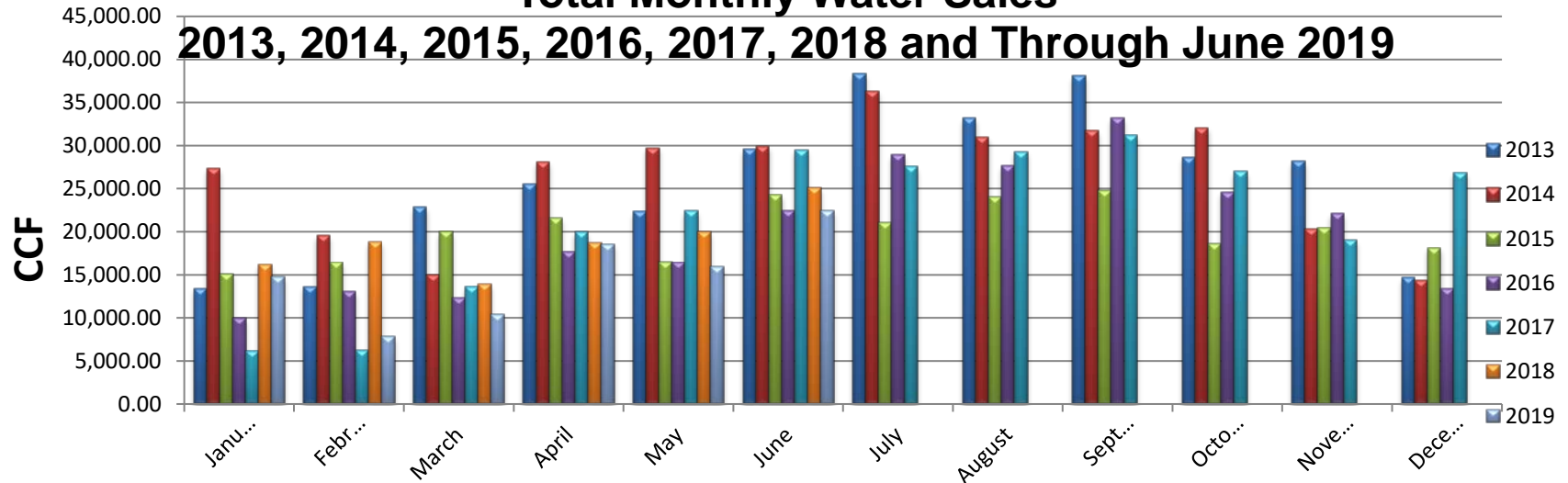


Figure 7
Total Monthly Water Sales



Monthly Unit Sales and Conservation Percentage as Compared to the Previous Year

	2013	2014	%	2015	%	2016	%	2017	%	2018	%	2019	%	2019 to 2013 Percentage
January	13,433.84	27,346.09	103.6%	15,139.14	-44.6%	9,976.03	-34.1%	6,087.44	-39.0%	16,209.81	166.3%	14,799.07	-8.7%	10.2%
February	13,647.60	19,531.19	43.1%	16,426.97	-15.9%	13,087.06	-20.3%	6,260.89	-52.2%	18,825.09	200.7%	7,814.78	-58.5%	-42.7%
March	22,864.75	14,992.66	-34.4%	20,017.80	33.5%	12,329.17	-38.4%	13,607.67	10.4%	13,905.15	2.2%	10,428.68	-25.0%	-54.4%
April	25,580.22	28,144.68	10.0%	21,618.07	-23.2%	17,691.97	-18.2%	19,985.39	13.0%	18,676.28	-6.6%	18,528.34	-0.8%	-27.6%
May	22,344.18	29,731.87	33.1%	16,540.07	-44.4%	16,451.27	-0.5%	22,399.45	36.2%	20,065.74	-10.4%	15,942.43	-20.5%	-28.7%
June	29,605.73	29,878.35	0.9%	24,248.07	-18.8%	22,444.33	-7.4%	29,548.21	31.7%	25,095.13	-15.1%	22,403.98	-10.7%	-24.3%
July	38,314.11	36,366.62	-5.1%	21,045.33	-42.1%	28,938.82	37.5%	27,507.42	-4.9%	29,171.12	6.0%			
August	33,199.17	31,022.84	-6.6%	24,001.09	-22.6%	27,685.37	15.4%	29,322.57	5.9%	31,398.23	7.1%			
September	38,084.37	31,754.34	-16.6%	24,753.39	-22.0%	33,175.96	34.0%	31,192.59	-6.0%	33,153.90	6.3%			
October	28,679.52	32,084.57	11.9%	18,597.68	-42.0%	24,632.13	32.4%	27,026.88	9.7%	23,936.21	-11.4%			
November	28,223.52	20,371.82	-27.8%	20,412.15	0.2%	22,153.05	8.5%	19,043.64	-14.0%	23,302.79	22.4%			
December	14,695.84	14,383.35	-2.1%	18,124.47	26.0%	13,392.46	-26.1%	26,845.02	100.4%	13,968.63	-48.0%			
Total	308,672.85	315,608.38	2.2%	240,924.23	-23.7%	241,957.62	0.4%	258,827.17	7.0%	267,708.08	3.4%	89,917.28		

Figure 8 Rainfall July through June

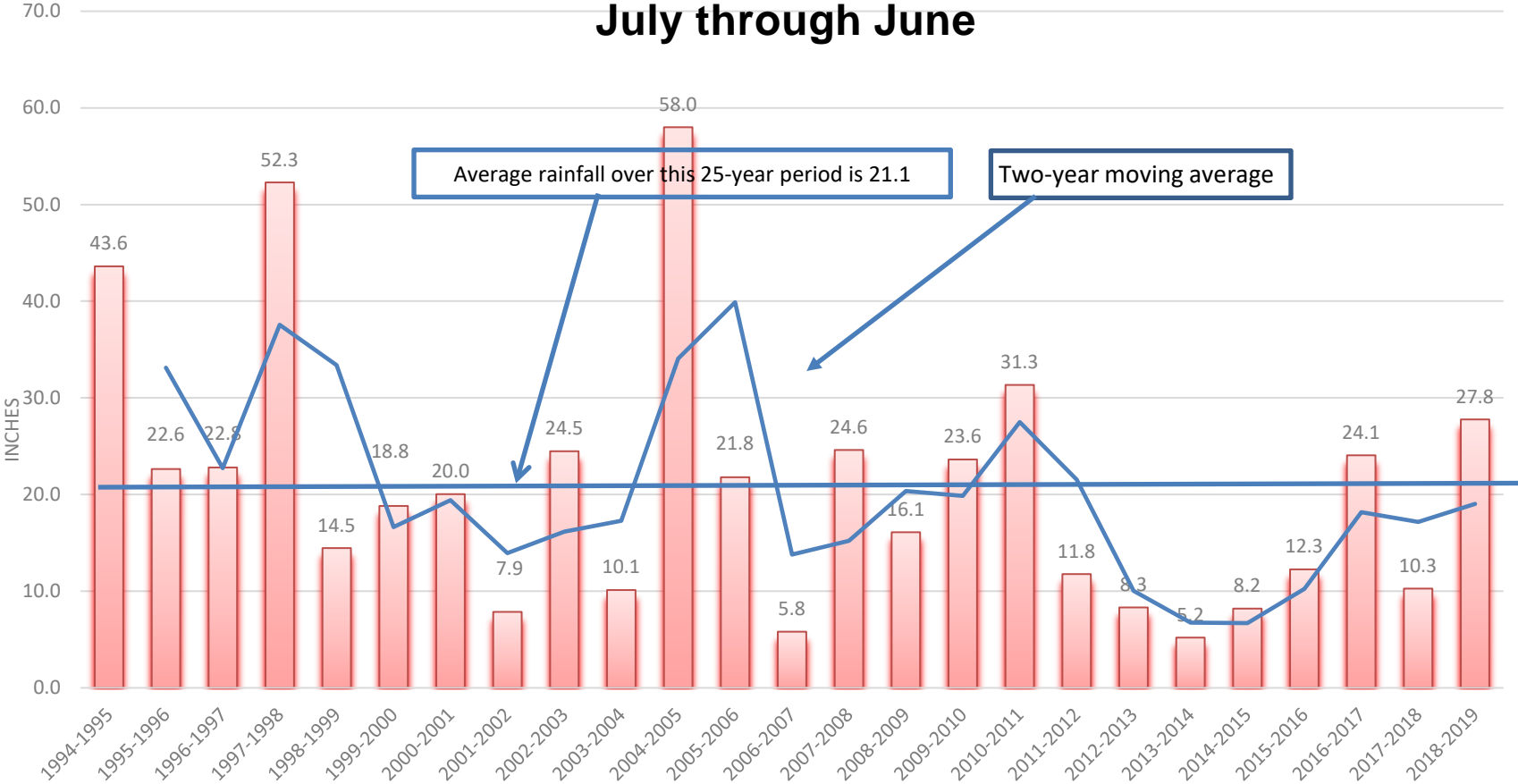


Figure 9
Power Cost in Dollars per Acre-Foot of
Total Production

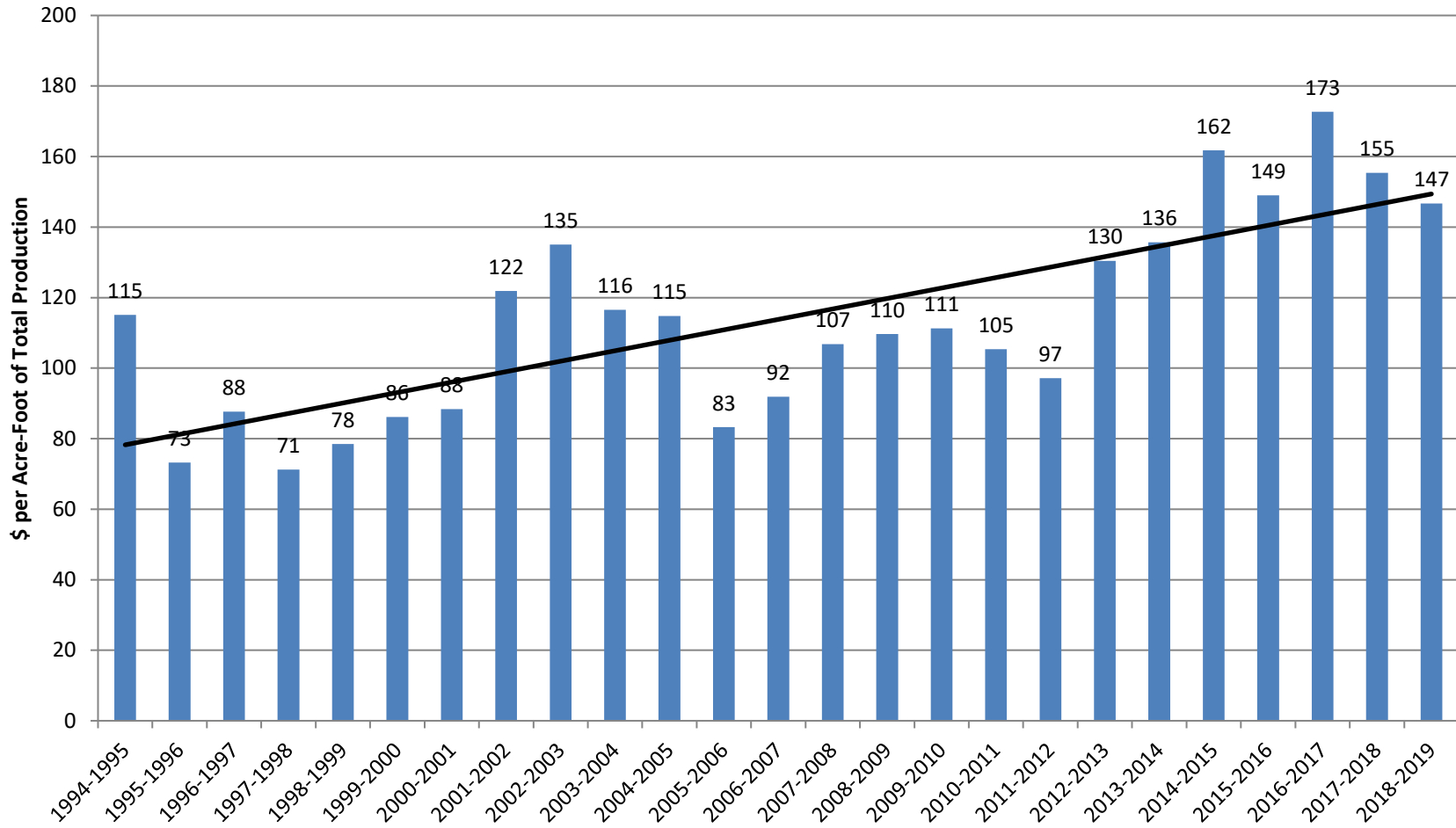


Figure 10
Long Term Storage

