

**KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS**

1999 KINCLAIR DRIVE, PASADENA, CA 91107

TUESDAY – MAY 17, 2016

6:30 P.M. – Closed Meeting

7:30 P.M. – Open Meeting

AGENDA

A. EXECUTIVE SESSION – CLOSED MEETING

- 1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - 54957(b)(1) – Title: General Manager**

B. REGULAR SESSION – OPEN MEETING

1. CALL TO ORDER

- a. Declaration of a quorum
- b. Review of agenda

2. REPORT ON CLOSED MEETING

- 3. PUBLIC COMMENT** – Comments from the public regarding items on the Agenda or other items within the jurisdiction of the District

- 4. 2015 AUDIT** – Review of the draft audit and approval to publish subject to any needed corrections determined during the discussion with the Board and the Auditor

- 5. VENDOR PAYMENT PROCEDURES** – Discussion of staff recommendation for new procedures

- 6. EAST-WEST PIPELINE PROJECT** – Continuation of discussion and action regarding award of contract

- 7. VOSBURG PUMP STATION PROJECT** – Status report and discussion of remaining items

8. GENERAL MANAGER’S REPORT

- 9. REVIEW OF MINUTES** – April 19, 2016
May 10, 2016

- 10. REVIEW OF FINANCIAL REPORTS** – April 30, 2016

- 11. CALENDAR** – June 21, 2016
July 19, 2016
August 16, 2016

12. ADJOURNMENT

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 www.KinneloalrrigationDistrict.info.

**KINNELOA IRRIGATION DISTRICT
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

AND INDEPENDENT AUDITORS' REPORT

DRAFT

**KINNELOA IRRIGATION DISTRICT
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DECEMBER 31, 2015 AND 2014**

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**KINNELOA IRRIGATION DISTRICT
BOARD OF DIRECTORS AND DISTRICT PERSONNEL
DECEMBER 31, 2015 AND 2014**

BOARD OF DIRECTORS

| <u>NAME</u> | <u>OFFICE</u> | <u>TERM EXPIRES</u> |
|-------------------|---------------|---------------------|
| Steven G. Sorell | Chairman | 2015 |
| Gordon Johnson | Treasurer | 2017 |
| Timothy Eldridge | Secretary | 2015 |
| Frank J. Griffith | Director | 2017 |
| Gerrie Kilburn | Director | 2017 |

MANAGEMENT PERSONNEL

Melvin L. Matthews General Manager

OFFICE PERSONNEL

Shirley Burt Administrative Assistant

Bernadette Allen Accounting Assistant

FIELD PERSONNEL

Chris Burt Facilities Supervisor

Brian Fry Facilities Operator

Chris Mellinger Facilities Operator

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015 AND 2014**

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, 2015. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The District's operating revenues, consisting primarily of water sales, decreased by 14% to \$1,248,223 as compared to 2014 operating revenues of \$1,454,379. The decrease is primarily the result of the successful conservation effort by our retail customers due to the mandated drought-related legislation and the resulting regulations. Due to the decline in water usage, the rate increase in 2015 was not sufficient to maintain the water sales revenue.

Total operating, maintenance, administrative and general expenses including depreciation decreased by 5.3% to \$1,308,746 as compared to the 2014 operating expenses of \$1,382,330. The net decrease is primarily due to lower expenses for power, system maintenance and for the contractors who do leak repair and other projects for the District as offset by a slight increase in administrative and general expenses including a greater use of contracted services and an adjustment in salaries to reflect the rate of inflation. A schedule of expenses is presented on page 24.

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 584 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 other 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 <http://www.kinneloairrigationdistrict.info>.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015 AND 2014**

CONDENSED FINANCIAL INFORMATION

The following condensed financial information provides an overview of the District's financial activities for the year ended December 31, 2015 and 2014.

NET POSITION

| | <u>2015</u> | <u>2014</u> |
|---|---------------------------|---------------------------|
| Capital assets, net | \$4,969,744 | \$3,959,033 |
| Other assets, net | <u>2,826,001</u> | <u>1,585,915</u> |
| Total assets | <u>7,795,745</u> | <u>5,544,948</u> |
| Long-term liabilities | 2,299,911 | - |
| Other liabilities | <u>274,550</u> | <u>74,945</u> |
| Total liabilities | <u>2,574,461</u> | <u>74,945</u> |
| Invested in capital assets, net of debt | 4,969,744 | 3,959,033 |
| Unrestricted | <u>181,755</u> | <u>1,510,970</u> |
| Total net position | <u><u>\$5,151,499</u></u> | <u><u>\$5,470,003</u></u> |

Capital and other assets – The change in capital and other assets is net of an increase in capital and other assets less current year's depreciation of \$283,159.

Net position – The net position decreased from the prior year due to the current year's excess of expenses over revenues. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt". The District is required to apply the Government Accounting Standards Board (GASB) Statement No. 34. GASB 34 requires, among other things, that the difference between assets and liabilities be reported as net position, not equity.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015 AND 2014**

CHANGES IN NET POSITION

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|---------------------|------------------|
| Total operating revenues | \$ 1,248,223 | 1,454,379 |
| Total non-operating revenues | <u>10,697</u> | <u>9,236</u> |
| Total revenues | 1,258,920 | 1,463,615 |
| | | |
| Total operating expenses | 1,308,746 | 1,382,330 |
| Total non-operating expenses | <u>41,745</u> | <u>-</u> |
| Total expenses | <u>1,350,491</u> | <u>1,382,330</u> |
| | | |
| Change in net assets | (91,571) | 81,285 |
| | | |
| Net position, beginning of year | <u>5,470,003</u> | <u>5,388,718</u> |
| Restatement for pension liabilities | <u>(226,933)</u> | <u>0</u> |
| Net position, end of year | <u>\$ 5,151,499</u> | <u>5,470,003</u> |

Revenues – Retail water sales by volume decreased to 553 acre-feet as compared to 725 acre-feet in 2014 and total operating revenue decreased to \$1,248,223 from \$1,454,379.

The District also received \$10,697 in non-operating revenue primarily from interest on its temporary investments. The District's temporary investments at year end were \$2,615,751 and \$1,428,116 in 2015 and 2014, respectively. The increase in 2015 as compared to 2014 is attributed to the planned major capital improvement projects in 2015 and 2016 that are to be financed using an installment purchase agreement negotiated in 2015 rather than using cash reserves. The District has identified \$3,947,000 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 decreased by \$111,113 in 2015 as compared to 2014. The decrease is due primarily to lower expenses for system maintenance and for the contractors who do leak repair and other projects. These expenses are not predictable. The District's administrative and general expenses increased by \$20,024 due primarily to a greater use of contract services and due to a slight increase in salaries to reflect the cost of living adjustment.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015 AND 2014**

BUDGET ANALYSIS AND VARIANCES

Revenue from water sales for 2015 was \$1,248,223 as compared to the budgeted amount of \$1,400,000 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. Although there were rate increases in 2015, the significant reduction in water usage caused a revenue shortage that was not offset with the unbudgeted wholesale water sales in 2015. Wholesale water sales are not predictable since only the water not needed to meet the demand of our retail customers is available for sale to our wholesale customer. Total revenue for 2015 was \$1,258,920 as compared to the budgeted amount of \$1,414,000.

Overall, for 2015, the net income before depreciation was \$191,588, as compared to the budgeted amount of \$277,955. Capital and planned maintenance projects in the amount of \$55,885 were completed as compared to the budgeted amount of \$268,800. This amount does not include the major projects that were financed through an installment purchase agreement negotiated in 2015. The cash reserve at year end was \$2,615,751 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 2015, the major projects and equipment purchases included mainline valve replacements, SCADA equipment and water meters.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – At December 31, 2015 and 2014, the District had investments in land, water rights, buildings, wells and distribution systems, machinery and equipment as follows:

| | <u>2015</u> | <u>2014</u> |
|--|----------------------------|-------------------------|
| Land | \$ 96,700 | 96,700 |
| Water rights | 52,060 | 52,060 |
| Buildings, wells and distribution system | 6,769,204 | 6,739,591 |
| Machinery and equipment | 795,021 | 784,299 |
| Construction in progress | <u>1,253,535</u> | <u>-</u> |
| Totals | <u>\$ 8,966,520</u> | <u>7,672,650</u> |

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015 AND 2014**

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 0.9% for the 12 months ended December 2015 and the current average rate for 2016 is 2.75%.

The general economic picture in 2016 is expected to reflect a continued slow recovery from the multi-year recession. Although water service is still considered a basic 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. This will probably necessitate a rate increase in 2016 to maintain water sales revenue.

In 2016, the District plans to begin another major project included in the District's Master Plan, the East-West Tank Connector Pipeline, at a cost of approximately \$673,000. In order to maintain adequate cash reserves for other future capital improvement and scheduled maintenance projects, the pipeline project will use funds already obtained in 2015 through a 15-year installment purchase agreement.

In order to continue our high-priority time-critical capital improvement and planned maintenance projects in addition to the major projects described in the preceding paragraph, the Board of Directors approved a budget for 2016 that produces a net operating surplus at approximately the same level as 2015.

The Board approved a 15% rate increase for 2016 to maintain the current level of water sales revenue with the expected decline in volumetric sales. No wholesale water sales were budgeted due to water supply limitations and the projected demand by our retail customers.

Although weather will continue to play a significant role in determining retail water sales for 2016, 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 2016 and/or if there is a decline in retail sales due to higher than normal rainfall or greater conservation efforts. These factors when combined make it difficult to know the effect on the District's operations in 2016. Fortunately, the District has the flexibility to adjust expenditures for capital improvements and planned maintenance to meet the overall budget objectives for 2016.

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>.

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GLENDALE, CA 91202
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Kinneloa Irrigation District
Pasadena, California

We have audited the accompanying financial statements of Kinneloa Irrigation District (the "District") as of December 31, 2015 and 2014 and the related notes to the financial statements which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kinneloa Irrigation District as of December 31, 2015 and 2014, the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis supplementary information on pages 2 to 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules on page 24 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May __, 2016 in our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

May __, 2016

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2015 AND 2014**

| | <u>2015</u> | <u>2014</u> |
|--|----------------------------|-----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 237,265 | 1,178,116 |
| Cash, restricted as to use | 2,378,486 | 250,000 |
| Customer receivables | 127,776 | 112,439 |
| Prepaid expenses | 29,723 | 25,360 |
| Materials and supplies | <u>20,000</u> | <u>20,000</u> |
| Total current assets | 2,793,250 | 1,585,915 |
| Capital assets, net of accumulated depreciation | 4,969,744 | 3,959,033 |
| Deferred outflows of resources | | |
| Deferred amounts from pension plan | <u>32,751</u> | <u> </u> |
| TOTAL ASSETS | \$ <u>7,795,745</u> | <u>5,544,948</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Current portion of installment purchase contract | \$ 119,909 | |
| Accounts payable and accrued expenses | 79,744 | 39,941 |
| Accrued payroll and payroll taxes | 18,237 | 14,769 |
| Customer deposits | <u>56,660</u> | <u>20,235</u> |
| Total current liabilities | 274,550 | 74,945 |
| Installment purchase contract, net of current portion | 2,121,735 | |
| Net pension liability | <u>178,176</u> | <u> </u> |
| Total liabilities | 2,574,461 | 74,945 |
| Deferred inflows of resources | | |
| Deferred amounts from pension plan | 69,785 | |
| Net position | | |
| Invested in capital assets, net of related debt | 4,969,744 | 3,959,033 |
| Unrestricted | <u>181,755</u> | <u>1,510,970</u> |
| Total net position | <u>5,151,499</u> | <u>5,470,003</u> |
| TOTAL LIABILITIES AND NET POSITION | \$ <u>7,795,745</u> | <u>5,544,948</u> |

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

| | <u>2015</u> | <u>2014</u> |
|--|----------------------------|-------------------------|
| Operating revenues | | |
| Water sales and service fees | \$ <u>1,248,223</u> | <u>1,454,379</u> |
| Operating expenses | | |
| Operating and maintenance | 659,288 | 770,401 |
| Administration and general | 366,299 | 346,275 |
| Depreciation | <u>283,159</u> | <u>265,654</u> |
| Total operating expenses | <u>1,308,746</u> | <u>1,382,330</u> |
| Operating (loss) income | <u>(60,523)</u> | <u>72,049</u> |
| Non-operating revenue | | |
| Interest | 10,697 | 9,236 |
| Interest expense | <u>(41,745)</u> | <u>-</u> |
| Total non-operating revenue | <u>(31,048)</u> | <u>9,236</u> |
| Change in net position | (91,571) | 81,285 |
| Net position, beginning of year | <u>5,470,003</u> | <u>5,388,718</u> |
| Restatement of beginning net position for pension related debt | <u>(226,933)</u> | <u> </u> |
| Net position, end of year | <u>\$ <u>5,151,499</u></u> | <u><u>5,470,003</u></u> |

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

| Cash flows from operating activities: | <u>2015</u> | <u>2014</u> |
|--|---------------------|--------------------|
| Cash received from customers | \$ 1,232,886 | 1,461,485 |
| Cash payments to employees for services | (401,432) | (387,294) |
| Cash payments for services and goods | <u>(585,247)</u> | <u>(779,099)</u> |
| Net cash provided by operating activities | <u>246,207</u> | <u>295,092</u> |
| Cash flows from capital and related financing activities: | | |
| Cash paid for construction and acquisition of capital assets | (1,293,870) | (132,607) |
| Net cash provided used for pension liabilities | (11,723) | |
| Principal paid on installment purchase agreement | (58,356) | |
| Proceeds from installment purchase agreement | 2,300,000 | |
| Customer deposits | 36,425 | 19,852 |
| Interest expense paid | <u>(41,745)</u> | |
| Cash provided (used) by capital and related financing activities | <u>930,731</u> | <u>(112,755)</u> |
| Cash flows from investing activities: | | |
| Interest received | <u>10,697</u> | <u>9,236</u> |
| Net increase in cash and cash equivalents | 1,187,635 | 191,573 |
| Cash and temporary investments, beginning of the year | <u>1,428,116</u> | <u>1,236,543</u> |
| Cash and temporary investments, end of the year | <u>\$ 2,615,751</u> | <u>1,428,116</u> |
| SUMMARY OF BALANCE SHEET CASH and CASH EQUIVALENTS | | |
| Cash | \$ 237,265 | 1,178,116 |
| Temporary investments, restricted as to use | <u>2,378,486</u> | <u>250,000</u> |
| Total cash | <u>\$ 2,615,751</u> | <u>1,428,116</u> |

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

| Reconciliation of operating income to net cash operating activities: | <u>2015</u> | <u>2014</u> |
|--|--------------------|--------------------|
| Operating income | \$ (60,523) | 72,049 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 283,159 | 265,654 |
| Decrease (increase) in receivables | (15,337) | 7,106 |
| Increase in prepaid expenses | (4,363) | (492) |
| (Decrease) increase in accounts payable and accrued expenses | <u>43,271</u> | <u>(49,225)</u> |
| Net cash provided by operating activities | <u>\$ 246,207</u> | <u>295,092</u> |

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The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kinneloa Irrigation District (the "District") is a special district organized in 1953 under the provisions of Division 11 of the Water Code of the State of California. The District delivers water to the residents in a specific area of Los Angeles County, northeast of the City of Pasadena. This District is not a subdivision of a larger governmental organization.

The District is governed by an elected Board of Directors. At December 31, 2015, the Board of Directors were as follows:

| <u>Name</u> | <u>Title</u> |
|-------------------|--------------|
| Steven G. Sorell | Chair |
| Gordon Johnson | Treasurer |
| Gerrie Kilburn | Secretary |
| Frank J. Griffith | Director |
| Timothy Eldridge | Director |

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental enterprise funds. The more significant policies reflected in the financial statements are summarized as follows:

a. Basis of Presentation

The District uses the accrual method of accounting for an enterprise fund. An enterprise fund in a proprietary fund type used to account for operations similar to a business enterprise. Revenues are recorded when earned and expenses are recorded when the related liability is incurred. Unbilled receivables are not reflected in the accompanying financial statements because the amounts are not material.

b. New Accounting Principles

Government Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the District implemented Government Accounting Standards Board Statement No. 68 and No. 71 ("GASB 68 and 71"), *Accounting and Financial Reporting for Pensions*. The requirements of this statement are effective for the financial statement periods beginning after June 15, 2014. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses for defined benefit.

c. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.

Unrestricted – This component of net position consists of net assets that do not meet the definition of restricted or net investment in capital assets.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

d. Utility Plant

Utility plant is stated at cost. The District capitalizes applicable overhead costs in connection with self-constructed assets. Depreciation of all exhaustible utility plant is charged as an expense in the accompanying statements of income. Depreciation is provided over the estimated useful lives of the asset using the straight-line method. Estimated useful lives are as follows:

| | <u>Number of Years</u> |
|----------------------------------|------------------------|
| Water system | 5 to 50 |
| Autos and trucks | 3 to 5 |
| Office equipment | 5 to 10 |
| Office and production facilities | 10 to 40 |

e. Restricted Assets

The Board of Directors has designated a portion of the District's cash and cash equivalents to be maintained for future capital improvements.

f. Uncollectible Accounts

The District's management estimates that accounts receivable are collectible. Unpaid water accounts receivable become a lien on the property and must be paid upon the sale of the property.

g. Cash and Cash Equivalents

The District defines cash and cash equivalents as demand account balances, cash on hand and money market accounts.

The District invests cash in excess of its operating requirements primarily with the State Treasurer's Local Agency Investment Fund (LAIF) and CalTrust, a money market account.

h. Materials and Supplies

Materials and supplies are stated at cost and consist of expendable supplies held for consumption or future additions to Utility Plant.

i. Concentration of Credit Risk

The District's receivables are from consumers within a specific geographic area.

j. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

k. Budgetary Process

Each year, the District adopts a budget which provides for its general operations. Budgets are prepared on the accrual basis of accounting. The District follows these procedures in establishing the budget for the fiscal year:

- i. Formal budgetary integration is employed as a management control device during the year for the operations.
- ii. The Board approves the total budget for the year for the District. The Board is authorized to make any budget adjustments during the year.
- iii. Unused appropriations lapse at the end of the year unless extended into the subsequent year by a vote of the Board of Directors.

l. Income Taxes

The District is exempt from income taxes under provisions of the Internal Revenue Code and related California statutes; accordingly, no provision for income taxes is required.

m. Compensated Absences

It is the District's policy to permit employees to accumulated paid time off for either vacation or illness in accordance with the limits expressed in its employee handbook. Upon termination, retirement or death of an employee, the District pays eligible accrued time in a lump-sum payment to the employee or beneficiary. Accumulated paid time off is recorded as an expense and a liability at the time the benefit is earned.

n. Operating Revenues and Expenses

Operating revenues, principally water sales, are charges for services resulting from exchange transactions associated with the principal activity of the District and billed monthly. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues result from non-exchange transactions or ancillary activities in which the District gives or receives value without directly receiving or giving equal value in exchange.

o. Property taxes

The Constitution of the State of California, Article 13A, limits the District's ability to levy taxes on property within the District. Taxes may be imposed upon the vote of a two-thirds vote of the qualified electors of the District. Such taxes would be limited for a specific purpose such as bond indebtedness or improvements to the water system.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

p. Subsequent Events

The District has evaluated subsequent events through the date at which the financial statements were available to be issued. No material subsequent events required disclosure.

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2015 and 2014 cash and cash equivalents consist of:

| | <u>2015</u> | <u>2014</u> |
|---------------------------------------|---------------------|------------------|
| Insured with financial institutions | \$ 237,265 | 338,155 |
| Local Agency Investment Fund ("LAIF") | 118,870 | 118,538 |
| Uninsured and uncollateralized | <u>2,259,616</u> | <u>971,423</u> |
| | <u>\$ 2,615,751</u> | <u>1,428,116</u> |

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The District is a voluntary participant in LAIF, which is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 2. CASH AND CASH EQUIVALENTS, continued

The District invests in CalTrust, a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees, comprised of experienced investment officers and policy-makers of the members, supervises and administers the investment program of the Trust. CalTrust invests in fixed income securities eligible for investment pursuant to California Government Code. Investment in CalTrust accounts are uninsured and uncollateralized.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by participating in LAIF.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District does not believe a credit risk exists from its deposits with LAIF.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2015 and 2014 was as follows:

| 2015 | | | | | |
|---|----|----------------------|-----------|-----------|------------------------|
| | | Balance January 1 | Additions | Transfers | Balance December 31 |
| | | | | | |
| Land | \$ | 96,700 | | | 96,700 |
| Water rights | | 52,060 | | | 52,060 |
| Buildings, wells and distribution system | | 6,739,591 | 29,613 | | 6,769,204 |
| Machinery and equipment | | 784,299 | 10,722 | | 795,021 |
| Construction in progress | | | 1,253,535 | | 1,253,535 |
| | | 7,672,650 | 1,293,870 | | 8,966,520 |
| Less accumulated | | (3,713,617) | (283,159) | | (3,996,776) |
| Total capital assets | \$ | 3,959,033 | 1,010,711 | | 4,969,744 |

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 3. CAPITAL ASSETS, continued

| 2014 | | | | |
|---|----------------------|-----------|-----------|------------------------|
| | Balance January 1 | Additions | Transfers | Balance December 31 |
| Land | \$ 96,700 | | | 96,700 |
| Water rights | 52,060 | | | 52,060 |
| Buildings, wells and distribution system | 6,631,528 | 108,063 | | 6,739,591 |
| Machinery and equipment | 759,755 | 24,544 | | 784,299 |
| | 7,540,043 | 132,607 | | 7,672,650 |
| Less accumulated | (3,447,963) | (265,654) | | (3,713,617) |
| Total capital assets | \$ 4,092,080 | (133,047) | | 3,959,033 |

NOTE 4. INSTALLMENT PURCHASE AGREEMENT

During the year ended December 31, 2015, the District entered into a \$2,300,000 installment purchase agreement ("the Agreement") to provide funds for the construction and acquisition of a booster pump station and connector pipelines. The Agreement requires semi-annual payments of principal and interest of \$100,101. Future annual debt service is as follows:

| Year ended December 31, | Installment Payments | Interest | Total Debt Service |
|----------------------------|-------------------------|----------|-----------------------|
| 2016 | \$ 119,909 | 80,293 | 200,202 |
| 2017 | 124,301 | 75,901 | 200,202 |
| 2018 | 128,854 | 71,348 | 200,202 |
| 2019 | 133,574 | 66,628 | 200,202 |
| 2020 | 138,467 | 61,735 | 200,202 |
| Thereafter | 1,596,539 | 305,379 | 1,901,918 |
| | \$ 2,241,644 | 661,284 | 2,902,928 |

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 5. PENSION PLAN

Plan Description

The District contributes to the State of California Public Employees Retirement System ("PERS"), an agent multi-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute and city ordinance. Copies of PERS' annual financial report may be obtained from their offices or through their web site.

All full time employees are eligible to participate as members of PERS. Benefits vest after five years of service. District employees are eligible to retire upon attaining age 60. Annual retirement benefits are determined based upon the age at retirement, the length of membership service and the amount of earnings based upon the highest twelve consecutive months' average.

Benefits Provided

Active participants are required to contribute 7% of their annual covered salary. The District is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the District are established and may be amended by PERS.

| | <u>Prior to January 1, 2013</u> | <u>On or after January 1, 2013</u> |
|---|-------------------------------------|--|
| Hire Date | 12/31/12 | 01/01/13 |
| Benefit formula | 2 @ age 60 | 2% @ age 62 |
| Benefit vesting schedule | 50 | 52 |
| Benefit payments | Monthly for life | Monthly for life |
| Retirement age | 50 | 52 |
| Monthly benefits, as a % of eligible comp | 2% | 2% |
| Required employee contribution rates | 7% | 6.25% |
| Required employer contribution rates | 11.99% | 6.73% |

Contributions

California Public Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarial determined rate and the contribution rate of employees.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 5. PENSION PLAN, continued

Net Pension Liability

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures as actuarially determined.

As of January 1, 2015, the District recorded its proportionate share of the net pension liability of \$226,933. The District's Statement of Net Position reflects the pension related debt as a restatement of the beginning of the year. At December 31, 2015, the net pension liability is \$178,176.

Actuarial Assumptions and Methods

The actuarial valuation is computed using the entry age normal actuarial cost method. The actuarial assumptions include: (a) an investment rate of return of 7.50% compounded annually, after June 30, 2015, the rate was 7% (b) projected annual salary increases that vary by duration of service, and (c) payroll cost-of-living adjustments of 3.30%. The rates used in (a) and (b) are compounded annually at 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a specific period that depends upon the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of projected payroll over a closed 20-year period. The District does not have an unfunded liability.

Discount Rate

CalPERS used a 7.5% discount rate to determine the total pension liability. The District relies upon the actuarial analysis performed by CalPERS actuaries for the reasonableness of this discount rate. CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is schedule to be completed in February 2018.

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 5. PENSION PLAN, continued

The table below reflects the long-term expected real rate of return by asset class. the rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1 - 10</u> | <u>Real Return Years 11+</u> |
|-------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| | % | % | % |
| Global Equity | 47.0 | 5.25 | 5.71 |
| Global Fixed Income | 19.0 | 0.99 | 2.43 |
| Inflation Sensitive | 6.0 | 0.45 | 3.36 |
| Private Equity | 12.0 | 6.83 | 6.95 |
| Real Estate | 11.0 | 4.50 | 5.13 |
| Infrastructure and Forestland | 3.0 | 4.50 | 5.09 |
| Liquidity | 2.0 | -0.55 | -1.05 |

Changes in the Net Pension Liability

The changes in the Plan's net pension liability recognized over the measurement period is as follows:

| | |
|--|-------------------|
| Balance at valuation date, June 30, 2013 | \$ <u>245,678</u> |
| Service cost | 40,098 |
| Interest on total pension liability | 75,573 |
| Changes in benefit terms | - |
| Recognized differences between expected and actual experience | - |
| Recognized changes of assumptions | - |
| Employer contributions | (24,269) |
| Employee contributions | (18,964) |
| Net investment income | <u>(139,940)</u> |
| | <u>(67,502)</u> |
| Balance at valuation date, June 30, 2014 | <u>\$ 178,176</u> |

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 5. PENSION PLAN, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The District relies upon CalPERS to compute the liability using an expected long-term rate of return. The following presents the District's proportionate share of the net pension liability calculated using the discount rate for the Plan and what the District's proportionate share would be if it was calculated using a discount rate that is one percent lower and one percent higher:

| | Discount Rate | | |
|--|----------------|----------------|----------------|
| | Less 1% - 6.5% | Current - 7.5% | Plus 1% - 8.5% |
| Proportionate Net Pension Liability \$ | 320,873 | 178,176 | 59,752 |

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the District recognized pension expense of \$13,580. At December 31, 2015, deferred outflow of resources and deferred inflows of resources related to the Plan were as follows

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions after the measurement date | \$ 32,751 | |
| Change in employer's proportion and differences between the District's contributions and the District's proportionate share of contributions | | 65,715 |
| Net differences between projected and actual earnings on Plan investments | | 4,070 |
| | \$ 32,751 | 69,785 |

The \$181,018 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended December 31, | Deferred Inflow of Resources |
|----------------------------|---------------------------------|
| 2016 | \$ 1,454 |
| 2017 | 1,454 |
| 2018 | 1,162 |
| | \$ 4,070 |

**KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 6. INSURANCE POOLS

The District is a member of the Joint Powers Insurance Authority (“JPIA”), which pools together members of the Association of California Water Agencies for the purpose of paying group property, general liability and workers' compensation claims. Premiums are remitted directly to the JPIA by its members. The property portion is entirely self-funded, and the general liability self-funded portion is capped at \$500,000. Excess liability insurance in the amount of \$29,500,000 has been purchased by the Authority, bringing the total liability coverage to \$30,000,000.

To date, the District and its counsel are not aware of any material claims incurred through the period ended December 31, 2015, regarding these insurance plans. The District does not anticipate the need for a reserve for IBNR.

NOTE 7. CONTINGENCIES

The District is the subject of certain claims and assessment arising in the normal course of its operations. Management of the District does not believe that the resolution of these matters will have a material adverse effect on the District's financial condition.

The District is subject to water curtailment requirements of the State of California due to the current drought. The District's primary source of water is from groundwater wells and its water rights are sufficient to meet customer demand under normal conditions. Interconnections with the City of Pasadena are used for supplemental water in the event of an operational emergency. The District is also a member agency of the Foothill Municipal Water District which is a wholesale supplier of imported water from the Metropolitan Water District of Southern California.

The accompanying financial statements do not include the effects, if any, should the District be required to import water to meet demand.

SUPPLEMENTARY INFORMATION

DRAFT

**KINNELOA IRRIGATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

| | <u>2015</u> | <u>2014</u> |
|---------------------------------------|-------------------|----------------|
| Operating & Maintenance | | |
| Power | \$ 108,380 | 118,301 |
| Leased water rights | 63,135 | 63,135 |
| Labor | 179,731 | 175,896 |
| Engineering | 41,981 | 33,768 |
| Maintenance and repairs | 30,754 | 37,637 |
| Water analysis | 15,127 | 17,667 |
| Outside contractors | 82,752 | 173,354 |
| Truck maintenance and fuel | 14,433 | 20,958 |
| Insurance | 101,918 | 93,373 |
| Safety equipment | - | 260 |
| Watermaster | 10,969 | 10,680 |
| Other | 10,108 | 25,372 |
| | <u>\$ 659,288</u> | <u>770,401</u> |
| Administrative and General | | |
| Administrative salaries | \$ 130,064 | 125,244 |
| Office labor | 91,905 | 79,668 |
| Payroll taxes | 30,003 | 29,129 |
| CalPERS retirement | 13,580 | 20,796 |
| Outside services | 20,650 | 10,703 |
| Legal fees | 9,775 | 5,543 |
| Professional dues | 9,490 | 9,226 |
| Board meetings | 3,200 | 3,400 |
| Office expense | 26,485 | 24,000 |
| Telephone, internet | 5,827 | 6,227 |
| Accounting fees | 6,200 | 6,200 |
| Permits and operational fees | 12,112 | 9,572 |
| Information systems | 7,008 | 4,777 |
| Election | - | 11,790 |
| | <u>\$ 366,299</u> | <u>346,275</u> |



Memo

Date: May 10, 2016
 To: Board of Directors
 From: Mel Matthews
 Subject: Vendor Payment Procedures
 Recommended Action: Discuss and approve new procedures

Background

Director Eldridge requested a discussion of the current check approval and signing procedure in light of the changes in the banking system where signatures on paper checks are rarely verified and electronic transactions are becoming the norm. This discussion is timely in that I had already planned to review our current procedures to streamline the process and provide the Board with greater oversight.

Current Procedures

Although there are no written procedures for this function, it has been our practice in recent years to have two directors come to the office to review the transactions and sign the checks. All directors see the transactions on the check register prepared for the Board meetings after payment has been made. The Board has also previously authorized the staff to make electronic payment on recurring budgeted expenses, including payroll submitted to ADP and to use the CSDA purchasing card for online transactions. Electronic payments are reviewed after completion of the transactions.

Recommended Procedures

In an effort to streamline the process and provide even greater oversight by involving all directors, I suggest the following revised accounts payable procedures:

1. Post invoices in accounting system upon receipt as we are currently doing.
2. Provide list of payables to all directors via email one week prior to a payment date regardless of the payment method. The Purchase Journal report included with this memo is a sample of the information that will be provided for the list of payables.
3. Directors can request additional information on any transaction during the one-week review period.

4. Make the payment by electronic or paper check after the review period unless a request is made to hold payment until further review or discussion. Directors would not need to come to the office to sign paper checks.
5. Continue to provide the check register as part of the financial report for Board meetings.
6. Continue to provide the detail on credit card purchases and payments as part of the financial report for Board meetings.

Summary and Conclusion

Adoption of the above procedures will provide even greater flexibility to the staff for this function and increase oversight by the Board as well giving us the ability to take better advantage of prompt payment discounts offered by some of our vendors.

Kinneloa Irrigation District
Purchase Journal

For the Period From Apr 1, 2016 to Apr 30, 2016

Filter Criteria includes: 1) Includes Drop Shipments; 2) Past Due Invoices/Credit Memos. Report order is by Date. Report is printed in Detail Format.

| Date | Account Description | Invoice/CM # | Line Description | Trans Amount |
|-------------|---|---------------------|--|-------------------------------------|
| 4/1/16 | Professional/Contract Services Accounts Payable | 320160349 | digalert Underground Service Alert | 10.50 -10.50 |
| 4/16/16 | Mobile Telephone Accounts Payable | 9763878612 | mobile phone Verizon Wireless | 38.00 -38.00 |
| 4/28/16 | Maintenance/Repair Supplies Postage/Delivery Computer Software Maintenanc Accounts Payable | 20160428 | painting supplies priority mail next day delivery splashtop annual subscription, 5TB expansion Bank of the West Business Card | 99.63 22.95 179.89 -302.47 |
| 4/30/16 | PERS Withholding-Employee PERS - KID Accounts Payable | 20160430 | employee withholding KID portion CA Public Employees Ret. Sys. | 1,643.74 1,611.19 -3,254.93 |
| | | | | |

**Bid Results
East-West Tank Connector Pipeline**

| BID SCHEDULE | | | | 1 Engineers Estimate | | 2 Perry Thomas | | 3 Brkich | | 4 Dominguez | | 5 Roberts | | 6 Doreck | |
|------------------|---|------|------|-------------------------|---------------------|-------------------|---------------------|-------------|---------------------|----------------|-----------------------|--------------|-----------------------|-------------|-----------------------|
| ITEM | DESCRIPTION | QTY | UNIT | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL |
| 1 | Mobilization/Demobilization | 1 | LS | \$30,000.00 | \$30,000.00 | \$12,000.00 | \$12,000.00 | \$42,000.00 | \$42,000.00 | \$20,000.00 | \$20,000.00 | \$5,500.00 | \$5,500.00 | \$61,870.00 | \$61,870.00 |
| 2 | Traffic Control | 1 | LS | \$3,000.00 | \$3,000.00 | \$2,500.00 | \$2,500.00 | \$5,000.00 | \$5,000.00 | \$20,000.00 | \$20,000.00 | \$9,000.00 | \$9,000.00 | \$1,150.00 | \$1,150.00 |
| 3 | Trenching & Excavation Safety Measures | 1 | LS | \$5,000.00 | \$5,000.00 | \$3,000.00 | \$3,000.00 | \$10,000.00 | \$10,000.00 | \$50,000.00 | \$50,000.00 | \$6,100.00 | \$6,100.00 | \$8,625.00 | \$8,625.00 |
| 4 | Furnish & Install 12" DIP CL 350 | 2750 | LF | \$125.00 | \$343,750.00 | \$175.00 | \$481,250.00 | \$213.00 | \$585,750.00 | \$180.00 | \$495,000.00 | \$204.00 | \$561,000.00 | \$264.00 | \$726,000.00 |
| 5 | Furnish & Install 4" DIP CL 350 | 1380 | LF | \$95.00 | \$131,100.00 | \$84.00 | \$115,920.00 | \$50.00 | \$69,000.00 | \$140.00 | \$193,200.00 | \$104.00 | \$143,520.00 | \$215.00 | \$296,700.00 |
| 6 | Furnish & Install 12" Butterfly Valve | 8 | EA | \$3,750.00 | \$30,000.00 | \$2,408.00 | \$19,264.00 | \$1,700.00 | \$13,600.00 | \$3,000.00 | \$24,000.00 | \$3,000.00 | \$24,000.00 | \$1,965.00 | \$15,720.00 |
| 7 | Furnish & Install 8" Gate Valve | 1 | EA | \$3,500.00 | \$3,500.00 | \$2,782.00 | \$2,782.00 | \$1,500.00 | \$1,500.00 | \$2,500.00 | \$2,500.00 | \$3,000.00 | \$3,000.00 | \$1,740.00 | \$1,740.00 |
| 8 | Furnish & Install 4" Gate Valve | 5 | EA | \$1,750.00 | \$8,750.00 | \$1,413.00 | \$7,065.00 | \$900.00 | \$4,500.00 | \$2,000.00 | \$10,000.00 | \$2,000.00 | \$10,000.00 | \$900.00 | \$4,500.00 |
| 9 | Furnish & Install Imported Backfill & Dispose of Existing Native, Including Boulders & Debris | 250 | CY | \$30.00 | \$7,500.00 | \$115.00 | \$28,750.00 | \$50.00 | \$12,500.00 | \$100.00 | \$25,000.00 | \$870.00 | \$217,500.00 | \$120.00 | \$30,000.00 |
| 10 | Remove Slough (Shrubs, Dirt, Roots, Etc.) Along Fire Road Easement | 150 | LF | \$25.00 | \$3,750.00 | \$44.00 | \$6,600.00 | \$40.00 | \$6,000.00 | \$50.00 | \$7,500.00 | \$23.00 | \$3,450.00 | \$195.00 | \$29,250.00 |
| 11 | Construct Asphalt Concrete Berm At Slough Line Along Fire Road Easement on East and West Sides | 220 | LF | \$12.00 | \$2,640.00 | \$23.00 | \$5,060.00 | \$25.00 | \$5,500.00 | \$50.00 | \$11,000.00 | \$81.00 | \$17,820.00 | \$19.00 | \$4,180.00 |
| 12 | Repair existing asphalt berms & gunite slopes along Fire Road Easement | 200 | LF | \$8.00 | \$1,600.00 | \$23.00 | \$4,600.00 | \$70.00 | \$14,000.00 | \$100.00 | \$20,000.00 | \$35.00 | \$7,000.00 | \$51.00 | \$10,200.00 |
| 13 | Abandon/Remove existing fire hydrant. Furnish & Install new fire hydrant assembly (including branch lateral gate valve) | 1 | EA | \$7,000.00 | \$7,000.00 | \$10,108.00 | \$10,108.00 | \$11,500.00 | \$11,500.00 | \$12,000.00 | \$12,000.00 | \$10,000.00 | \$10,000.00 | \$9,780.00 | \$9,780.00 |
| 14 | Construct LACFCD channel crossing per Detail "B" on Sheet 3 of the plans including fittings & appurtenances | 1 | EA | \$5,000.00 | \$5,000.00 | \$11,342.00 | \$11,342.00 | \$14,000.00 | \$14,000.00 | \$60,000.00 | \$60,000.00 | \$19,500.00 | \$19,500.00 | \$12,960.00 | \$12,960.00 |
| 15 | Construct LACFCD channel crossing per Detail "C" on Sheet 4 of the plans including fittings & appurtenances | 1 | EA | \$10,000.00 | \$10,000.00 | \$34,089.00 | \$34,089.00 | \$23,000.00 | \$23,000.00 | \$40,000.00 | \$40,000.00 | \$33,700.00 | \$33,700.00 | \$24,235.00 | \$24,235.00 |
| 16 | Connection to existing 12" PVC C900 water main in Crystal Lane including fittings and appurtenances (excluding valves) per Detail "A" on Sheet 3 of the plans | 1 | EA | \$1,500.00 | \$1,500.00 | \$1,322.00 | \$1,322.00 | \$3,000.00 | \$3,000.00 | \$10,000.00 | \$10,000.00 | \$4,100.00 | \$4,100.00 | \$5,425.00 | \$5,425.00 |
| 17 | Connection to existing 6" ACP water main in Villa Heights Rd. including fittings and appurtenances (excluding valves) per Detail "F" on Sheet 7 of the plans | 1 | EA | \$4,300.00 | \$4,300.00 | \$17,885.00 | \$17,885.00 | \$8,000.00 | \$8,000.00 | \$6,000.00 | \$6,000.00 | \$8,500.00 | \$8,500.00 | \$9,695.00 | \$9,695.00 |
| 18 | Connection to existing 4" steel & AC mains (excluding valves) as shown on Sheet 3 and Sheet 4 of the plans | 2 | EA | \$1,000.00 | \$2,000.00 | \$1,927.00 | \$3,854.00 | \$4,500.00 | \$9,000.00 | \$5,000.00 | \$10,000.00 | \$3,750.00 | \$7,500.00 | \$6,100.00 | \$12,200.00 |
| 19 | Furnish & Install 2" Air/Vacuum Release Valves | 4 | EA | \$4,000.00 | \$16,000.00 | \$6,296.00 | \$25,184.00 | \$4,000.00 | \$16,000.00 | \$7,500.00 | \$30,000.00 | \$6,400.00 | \$25,600.00 | \$7,320.00 | \$29,280.00 |
| 20 | Furnish & Install 1" new service lines including corporation stop and connection to existing meter | 1 | EA | \$2,000.00 | \$2,000.00 | \$2,114.00 | \$2,114.00 | \$1,200.00 | \$1,200.00 | \$5,000.00 | \$5,000.00 | \$2,100.00 | \$2,100.00 | \$1,820.00 | \$1,820.00 |
| 21 | Furnish & Install 2" new service lines including corporation stop and connection to existing meter | 1 | EA | \$2,500.00 | \$2,500.00 | \$3,834.00 | \$3,834.00 | \$2,100.00 | \$2,100.00 | \$10,000.00 | \$10,000.00 | \$3,100.00 | \$3,100.00 | \$5,885.00 | \$5,885.00 |
| 23 | Abandon Exist. 4" Steel Main | 1 | EA | \$2,500.00 | \$2,500.00 | \$100.00 | \$100.00 | \$5,000.00 | \$5,000.00 | \$10,000.00 | \$10,000.00 | \$7,100.00 | \$7,100.00 | \$2,520.00 | \$2,520.00 |
| TOTAL BID | | | | (Includes Contingency) | \$685,729.00 | | \$798,623.00 | | \$862,150.00 | | \$1,071,200.00 | | \$1,129,090.00 | | \$1,303,735.00 |



May 6, 2016

Melvin Matthews, P.E.
General Manager
Kinneloa Irrigation District
1999 Kinclair Drive
Pasadena, CA 90807

Subject: Recommendation of Perry Thomas for East-West Tank Connector Pipeline Project

Dear Mr. Matthews:

I completed my review of Perry Thomas' bid package and double checked his license, registration with the dept. of Industrial Relations, and called a couple references. Based on my review, it appears that Perry Thomas is the lowest responsible bidder based on the following:

- ✓ Bid package is complete (forms filled-out; nothing appears to be missing)
- ✓ No math errors in his own bid or in competitors bids (still the lowest bid)
- ✓ License is Current and Active Based on CSLB website (Class A General Eng.)
- ✓ Registered with Dept. of Industrial Relations (Number 1000003387)
- ✓ Site Visit was conducted
- ✓ References gave positive reviews (called about two of the most recent/expensive projects)

I know that we also mentioned on page N-5 of the Specs that we need a C-4 or SC-34 license on top of the Class A license. However, I was not able to find the C-34 on the CSLB site. I think they only list the primary licenses (I wasn't able to find the C-34 for Brkich or for Doreck either) so this should not be an issue.

Based on the above, I think we are all set to go with Perry Thomas.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Phillip West', with a stylized flourish at the end.

Phillip West, P.E.
Project Manager

General Manager's Report for the Board of Directors Meeting on May 17, 2016

I. Customer Account Information and Internet Usage

A. Delinquent Accounts –

- 17 accounts received past-due notice
- 17 accounts received late charges in the total amount of \$281.62
- 0 accounts received door hanger shut off notice, instead phone calls were made to 4 customers
- 0 accounts were shut off for non-payment
- 2 accounts remain shut off for non-payment

B. Aged Receivables –

| Month | Current | 30 days | 60 days | 90 days or greater | Total |
|-----------|-------------|------------|----------|--------------------|-------------|
| January | \$22,255.81 | \$1,007.70 | \$153.64 | \$111.49 | \$23,528.64 |
| February | \$23,476.31 | \$1,922.01 | \$81.93 | \$165.13 | \$26,645.38 |
| March | \$24,637.67 | \$874.75 | \$91.13 | \$47.06 | \$25,650.61 |
| April | \$24,905.72 | \$1,507.67 | \$94.90 | \$138.19 | \$26,646.48 |
| May | | | | | |
| June | | | | | |
| July | | | | | |
| August | | | | | |
| September | | | | | |
| October | | | | | |
| November | | | | | |
| December | | | | | |

C. Internet Usage –

| Month | Visitors | Page Views | Online Payments | Online Amount |
|---------------------|------------|-------------|-----------------|--------------------|
| January | 277 | 599 | 52 | \$9,147.90 |
| February | 144 | 364 | 49 | \$6,010.43 |
| March | 164 | 403 | 53 | \$7,150.27 |
| April | 226 | 424 | 55 | \$7,852.49 |
| May | | | | |
| June | | | | |
| July | | | | |
| August | | | | |
| September | | | | |
| October | | | | |
| November | | | | |
| December | | | | |
| Year to Date | 811 | 1790 | 209 | \$30,161.09 |

II. General Manager's Projects and Activities

- A. **Audit** – I completed a review of the audit and the final draft is being presented at this meeting.
- B. **Website** – A *Notice to Contractors and Vendors Inviting Bids and Proposals* section was added to home page of the website and will include a list of current projects and links to the specifications.
- C. **Activities/Meetings/Webinars/Conferences**

| Subject | Location | Start | End | Purpose/Notes/Action Items |
|--|------------|------------------------------|------------------------------|---|
| RBMB Finance and Administration Committee | Azusa | Tue 4/5/2016 1:30 PM | Tue 4/5/2016 2:30 PM | To review the proposed budget and make recommendation to the Board |
| Special FMWD Managers Meeting | La Cañada | Wed 4/6/2016 10:00 AM | Wed 4/6/2016 12:00 PM | To review proposed budget |
| RBMB Pumping and Storage | Azusa | Thu 4/7/2016 2:30 PM | Thu 4/7/2016 4:00 PM | To discuss Pasadena Subarea management plan and review salt management plan |
| Long Term Water Use Efficiency | Webinar | Thu 4/14/2016 10:00 AM | Thu 4/14/2016 11:00 AM | Webinar on Long Term Water Use Efficiency Proposal |
| FMWD Finance Committee | La Cañada | Thu 4/14/2016 3:00 PM | Thu 4/14/2016 4:00 PM | To review budget and make recommendation to the Board |
| FMWD Board Meeting | La Cañada | Mon 4/18/2016 3:00 PM | Mon 4/18/2016 5:00 PM | Regular Board Meeting – <ul style="list-style-type: none"> Discussion and action regarding authorization to hire a Water Resources Intern for summer 2016 |
| KID Board Meeting | KID Office | Tue 4/19/2016 7:30 PM | Tue 4/19/2016 9:00 PM | Regular Board Meeting |
| RBMB | Azusa | Wed 4/20/2016 2:30 PM | Wed 4/20/2016 5:00 PM | <ul style="list-style-type: none"> Approve Budget Approve Preparation of Scoping Report to Develop Pasadena Subarea Management Plan Election of Officers |
| ACWA/JPIA Health Benefits | La Cañada | Thu 4/21/2016 9:00 AM | Thu 4/21/2016 10:00 AM | Presentation on consumer driven Health Plans vs. current plans |

III. System and Facility Activities and Incidents

A. Water Leaks/Water Waste

| Location | Type | Date | Description |
|-----------------------|--------------------------------------|----------|--|
| Kinclair Drive | Leak on customer's irrigation system | 4/6/2016 | water turned off at meter and customer called plumber to repair leak |

B. Facility and Equipment Failures, Maintenance and Repairs

1. West Tank interior recoating and installation of mixer.
2. Valve maintenance at several facilities.
3. Semi-annual well level measurements.
4. Generator testing.
5. SCADA reprogrammed for automatic reset of East Tank radio communications.
6. K-3 chlorine leak repaired.

IV. Projects

- A. West Tank** – The interior sandblasting and recoating was completed and the mixer was installed. Tank was put back in service.
- B. East-West Pipeline Project** – The notice inviting bids and the plans and specifications bid package was sent to 13 bidders. Five companies submitted bids and bids were opened on April 29, 2016. Award of the contract is to be considered at a special meeting on May 10, 2016.
- C. Barhite Pipeline Project** – The notice inviting bids is scheduled to be released on May 2, 2016, with a bid opening on May 27, 2016. This project includes improvements for the benefit of a customer and benefits for the District. The cost will be shared on an equitable basis.
- D. Kinneloa Canyon Road Pipeline Project** – This project, currently in the design phase, will increase fire flow for the benefit of a customer who is building a new home.
- E. Sale of Portable Pump** – One of the pumps was sold at the auction on April 23, 2016, for \$7,000. The other pump will be sold when a generator is purchased for the Sage Tank site.

V. Water Supply Summary (Watermaster Year July through June)

| Raymond Basin Groundwater (Acre Feet) | | Kinneloa Irrigation District Water Tunnels (Acre Feet) | |
|---|------|---|-----|
| Water Rights | 516 | Eucalyptus | 3.0 |
| Prior Year Carryover | 52 | Far Mesa | 2.5 |
| Less Temporary 30% Reduction in Water Rights | -155 | Delores | 0.5 |
| Leases/Exchanges | 207 | House | 0.0 |
| Prior Year Spreading | 93 | Holly High/Low | 3.0 |
| Short Term Storage | 33 | | |
| Current Year Spreading | 0 | | |
| Total Allowable Extractions | 746 | | |
| Less Extracted through Current Month | -359 | Current Tunnel Monthly Production | 9 |
| Remaining Allowable Groundwater Extractions through June | 387 | Remaining Estimated Tunnel Production through June | 18 |
| Total Available Water Supply through June | | 405 Acre Feet | |
| Less Forecasted Retail Water Sales through June | | -216 Acre Feet | |
| Forecasted Surplus Water through June* | | 189 Acre Feet | |
| Long-Term Storage** | | 790 Acre Feet | |
| Total Available Water through June | | 979 Acre Feet | |

* Forecasted surplus water is available for sale this year and/or carryover to next year subject to carryover limits established by the Raymond Basin Management Board.

** Long-term storage is considered by KID staff to be an emergency supply and there is no plan to use or sell this water in the current Watermaster year. Additions to long-term storage are no longer permitted by the Raymond Basin Management Board.

With regard to the available surplus water, we will be maximizing the carryover to next year subject to the limits of the RBMB and delivering the balance of the surplus water to the City of Pasadena.

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
APRIL 19, 2016**

MEMBERS PRESENT: Directors Eldridge, Johnson, Kilburn, Opel
Director Griffith was out of town.

STAFF PRESENT: Melvin Matthews, General Manager
Chris Burt, Facilities Supervisor
Shirley Burt, Administrative Assistant & Secretary to the Board

CALL TO ORDER: The meeting was called to order by the Chair, Director Kilburn, at 1928 hours. A quorum of Board Members was present and the Agenda was approved as presented.

PUBLIC COMMENT: No members of the public wished to speak.

GENERAL MANAGER'S REPORT:

The General Manager presented his report and the following items were reviewed in detail.

Audit: The Audit review was delayed due to the new requirements of GASB 68. The preparation of the Audit involved obtaining a report from CalPERS for the sum of \$850 which will be an annual expense.

Vosburg Booster Replacement Project: The project is completed and the retention fee of around \$50,000 has not yet been invoiced.

East-West Pipeline Project: Fourteen contractors have received the bid packages and two contractors have notified this office that they will not be bidding.

Pasadena Glen Fire Safe Council: The work has been completed and the bank account is being closed. The remainder of the funds was used to buy evacuation supplies and 18 radios to be distributed throughout the area for emergency use.

Revised Total Coliform Rule: All of the exact changes are not known, but it is understood that the new rules will require more testing and include new items to be tested. **Director Opel** requested more information on the new requirements.

One Call Now: The system has been tested and is ready to be implemented. **Director Eldridge** requested that a subgroup be developed for the Board Members and that they be sent reminders of the Board Meetings close to the time of the meeting.

ACONA MEETING: The **General Manager** stated that the presenters reviewed the projects under consideration to produce new water. There is grant money for one of them. He noted, however, that within the audience a large number of people expressed their disapproval of the projects, even though these are very worthwhile projects.

East-West Pipeline Project: The bids were sent out and the bid opening is on April 29, 2016.

Director Opel stated that he thought the Board had agreed to post the Request for Bids on the Kinneloa Irrigation District website. The **General Manager** replied that the suggestion was considered, but the request had not been posted because of a concern that a large company might bid without having the expertise required for a small project. After further discussion, there was a unanimous decision to have the General Manager post the Request for Bids on the Kinneloa Irrigation District website.

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
APRIL 19, 2016**

Page 2

REVIEW OF MINUTES:

The minutes of March 15, 2016, were reviewed and approved for filing as submitted with the following addition to the end of the General Manager's Report.

"Director Opel suggested that the request for bids for all projects be posted on the Kinneloa Irrigation District website as a way to attract more bidders."

REVIEW OF FINANCIAL REPORT:

The Financial Reports for March 31, 2016, were reviewed by Director Johnson. He requested information regarding the \$3,017.05 paid to the County and the \$2,424.63 paid to the AQMD. The General Manager explained that the payment to the County was for the Barhite project permit and the AQMD payment was for a permit for the new generator.

ITEMS FOR THE NEXT AGENDA:

Public Employee Performance Review
Presentation of Year 2015 Audit

ADJOURNMENT:

The meeting was adjourned at 2050 hours. The next meeting will be a Special Meeting to be held on May 10, 2016, at 4:00 P.M. for a walking tour of the East-West Pipeline Project site. The meeting will then be adjourned until 7:30 P.M. and at that time the Engineer will review the bids and make his recommendation.

The Regular Meeting will be held on May 17, 2016, at 7:30 P.M. but will be preceded by a closed session to be held at 6:30 P.M. for the review of the General Manager's Performance.

Respectfully submitted,

Shirley Burt
Secretary to the Board

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MAY 10, 2016**

MEMBERS PRESENT: Directors Griffith, Johnson, Opel
Director Kilburn joined the meeting at 1930 hours.

STAFF PRESENT: Melvin Matthews, General Manager
Shirley Burt, Administrative Assistant & Secretary to the Board
Chris Burt, Facilities Supervisor, joined the meeting at 1930 hours.

CALL TO ORDER: The meeting was called to order by Director Johnson, Treasurer, at 1605 hours. The Board Members present elected Director Johnson to the position of Chairman pro tem for the current meeting. A quorum of Board Members was present and the Agenda was approved as presented.

PUBLIC COMMENT: No members of the public were present.

EAST-WEST PIPELINE PROJECT TOUR: The General Manager reviewed the plans and answered questions from the Board Members. The General Manager then took the Board Members on a tour of the project site.

ADJOURNMENT: The meeting was adjourned at 1745 hours to be resumed at 1930 hours.

CALL TO ORDER: Gerrie Kilburn, Chairman, and Chris Burt, Facilities Supervisor joined the meeting at this time. The Chairman called the meeting to order at 1930 hours.

PUBLIC COMMENT: Kathy Dancel from SA Associates, Consulting Engineers, was present but did not wish to speak at this time.

EAST-WEST PIPELINE PROJECT BIDS: The Board reviewed the bids and considered the recommendation from the Engineer as presented in the Board Packet. Members of the Board commented on the large range of bids between the bidders especially for Items 4, 17 and 23. Concern was expressed about the need for an agreement with one of the property owners whose property is involved in the project. There was unanimous agreement that the project should not proceed further until a written agreement was obtained from the owner of the property.

A motion was made by Director Opel and seconded by Director Griffith

“That the project be tabled for further discussion pending assurance that there is a clear right of way for the project.”

Following further discussion among the Members of the Board the motion was amended by Director Opel and seconded by Director Griffith to read:

“That the project be tabled for further discussion until a written agreement is obtained from the property owner that there is a clear right of way for the project.”

It was M/S/C-(Opel/Griffith-4/0)

“That the project be tabled for further discussion until a written agreement is obtained from the property owner that there is a clear right of way for the project.”

(Aye-Griffith, Johnson, Kilburn, Opel/Nay-0/Abstain-0)

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MAY 10, 2016**

Page 2

Director Griffith questioned whether letters had been sent to the property owners involved and the General Manager stated that he had sent letters to those property owners involved in the project. **Director Griffith** stated that he thought the property owner should be contacted regarding the change of the position of the Fire Hydrant on his property.

ADJOURNMENT: The meeting was adjourned at 2012 hours. The next meeting will be held on May 17, 2016, at 1830 hours. There will be a closed session at the beginning of the meeting.

Respectfully submitted,

Shirley Burt
Secretary to the Board

DRAFT

Kinneloa Irrigation District 2016 Financial Summary (Forecasted)

| Account | Account Description | 2016 Budget | 2016 FYE Forecasted | Deviation from Budget | |
|---------|------------------------------------|------------------|---------------------|-----------------------|------------|
| | | | | Amount | Percent |
| 4000 | Water Sales | 1,379,616 | 1,307,832 | -71,783 | -5% |
| 4015 | Wholesale Water Sales-Pasadena | 0 | 27,263 | 27,263 | |
| 4020 | Service/Installation Charges | 10,000 | 14,034 | 4,034 | 40% |
| 4025 | Asset Sale/Miscellaneous | 0 | 125 | 125 | |
| 4035 | Interest-Reserve Fund | 8,000 | 9,186 | 1,186 | 15% |
| 4050 | Capacity Charge | 0 | 0 | 0 | |
| 4070 | Misc. Income | 0 | 1,222 | 1,222 | |
| | Total Income | 1,397,616 | 1,359,663 | -37,953 | -3% |
| | Expenditures | | | | |
| 5000 | Leased Water Rights. | 63,135 | 63,135 | 0 | 0% |
| 5005 | Electricity | 120,000 | 114,914 | -5,086 | -4% |
| 5010 | Maintenance/Repair Supplies | 25,000 | 21,032 | -3,968 | -16% |
| 5011 | Material & Labor for Installations | 10,000 | 6,667 | -3,333 | -33% |
| 5012 | Safety Equipment | 1,600 | 2,766 | 1,166 | 73% |
| 5015 | Operations & Maintenance Labor | 145,000 | 142,803 | -2,197 | -2% |
| 5016 | Operations & Maintenance OT | 15,500 | 23,927 | 8,427 | 54% |
| 5017 | Operations Bonus | 0 | 0 | 0 | |
| 5020 | Stand-by Compensation | 7,500 | 7,370 | -130 | -2% |
| 5022 | Training/Certification | 1,600 | 1,067 | -533 | -33% |
| 5025 | Water Treatment/Analysis | 22,000 | 20,564 | -1,436 | -7% |
| 5030 | Maintenance/Repair Contractors | 125,000 | 125,473 | 473 | 0% |
| 5034 | Equipment Maintenance | 10,000 | 12,446 | 2,446 | 24% |
| 5035 | Vehicle Maintenance | 6,000 | 7,085 | 1,085 | 18% |
| 5036 | Fuel | 15,000 | 12,253 | -2,747 | -18% |
| 5040 | Equipment Rental | 500 | 500 | 0 | 0% |
| 5045 | Insurance-Workers Comp. | 12,000 | 11,815 | -185 | -2% |
| 5046 | Insurance-Liability | 16,000 | 15,369 | -631 | -4% |
| 5048 | Insurance-Property | 2,500 | 2,342 | -158 | -6% |
| 5049 | Insurance-Medical | 76,500 | 76,439 | -61 | -0% |
| 6000 | Engineering Services | 45,000 | 48,920 | 3,920 | 9% |
| 6005 | Watermaster Services | 12,000 | 11,710 | -290 | -2% |
| 6015 | Administrative Salary | 132,000 | 131,355 | -645 | -0% |
| 6016 | Administrative Bonus | 0 | 0 | 0 | |
| 6017 | Administrative Travel | 3,000 | 2,316 | -684 | -23% |
| 6020 | BofD Compensation | 4,200 | 4,000 | -200 | -5% |
| 6021 | Administrative & Board Exp. | 1,000 | 667 | -333 | -33% |
| 6022 | B of D Election | 12,500 | 115 | -12,385 | -99% |
| 6024 | Customer/Public Info. Prog. | 1,000 | 1,292 | 292 | 29% |
| 6025 | PERS - KID | 24,000 | 24,254 | 254 | 1% |
| 6030 | Social Security - KID | 25,000 | 25,085 | 85 | 0% |
| 6031 | Medicare - KID | 6,000 | 5,969 | -31 | -1% |
| 6035 | Office/Computer Supplies | 7,000 | 6,662 | -338 | -5% |

| Account | Account Description | 2016 Budget | 2016 FYE Forecasted | Deviation from Budget | |
|---------|---|------------------|------------------------|-----------------------|-------------|
| | | | | Amount | Percent |
| 6036 | Postage/Delivery | 5,000 | 4,289 | -711 | -14% |
| 6040 | Professional Dues | 11,000 | 11,014 | 14 | 0% |
| 6045 | Legal Services | 15,000 | 12,444 | -2,556 | -17% |
| 6050 | Telephone | 4,500 | 4,256 | -244 | -5% |
| 6051 | Mobile Telephone | 1,500 | 1,152 | -348 | -23% |
| 6052 | Pagers | 240 | 248 | 8 | 4% |
| 6053 | Internet Service | 1,000 | 907 | -93 | -9% |
| 6059 | Computer/Software Maintenance | 9,000 | 7,779 | -1,221 | -14% |
| 6061 | Office Equipment Maintenance | 1,000 | 923 | -77 | -8% |
| 6065 | Accounting Services | 7,000 | 850 | -6,150 | -88% |
| 6070 | Office & Accounting Labor | 91,000 | 89,793 | -1,207 | -1% |
| 6071 | Office & Accounting Bonus | 0 | 0 | 0 | |
| 6075 | Professional/Contract Services | 20,000 | 21,061 | 1,061 | 5% |
| 6080 | Administrative Fees | 8,900 | 8,751 | -149 | -2% |
| 6081 | Permits/Fees | 10,000 | 13,278 | 3,278 | 33% |
| 6086 | Taxes - Sales | 0 | 352 | 352 | |
| 6088 | Interest Expense | 80,293 | 80,293 | 0 | 0% |
| 6120 | Bank Service Charges | 5,000 | 5,178 | 178 | 4% |
| | Total Expenses | 1,217,968 | 1,192,882 | -25,086 | -2% |
| | NET REVENUES | 179,648 | 166,781 | -12,867 | -7% |
| | Other Expenditures and Adjustments | | | | |
| 1504 | Water Mains | 0 | 0 | 0 | |
| 1505 | Water Tunnels | 7,000 | 7,000 | 0 | 0% |
| 1511 | Water Treatment Plant | 6,000 | 6,000 | 0 | 0% |
| 1512 | Water Meters | 12,900 | 12,900 | 0 | 0% |
| 1513 | Electrical/Electronic Equipment | 10,000 | 10,000 | 0 | 0% |
| 1514 | Computer/Office Equipment | 5,000 | 5,000 | 0 | 0% |
| 1515 | Vehicles/Portable Equipment | 20,000 | 20,000 | 0 | 0% |
| 1516 | Water Company Facilities | 25,000 | 25,000 | 0 | 0% |
| 1526 | Vosburg Booster Station | 0 | 0 | 0 | |
| 1527 | SCADA | 12,000 | 12,000 | 0 | 0% |
| 1528 | Tanks and Reservoirs | 25,500 | 25,500 | 0 | 0% |
| 1530 | Tools | 3,000 | 3,000 | 0 | 0% |
| 2400 | Installment Purchase Agreement | 119,909 | 119,909 | 0 | 0% |
| | Total Other Expenditures | 246,309 | 246,309 | 0 | 0% |
| | NET CASH FLOW | -66,661 | -79,528 | -12,867 | -19% |

Kinneloa Irrigation District
Income Statement for the Four Months Ending April 30, 2016

| | Current Month Actual | Current Month Budget | Current Month Variance | Year to Date Actual | Year to Date Budget | Year to Date Variance | Comments |
|-----------------|-------------------------------------|-------------------------------------|---------------------------------------|------------------------------------|------------------------------------|--------------------------------------|---|
| Revenues | | | | | | | |
| 4000 | Water Sales | 110,110.18 | 118,000.00 | (7,889.82) | 355,216.44 | 427,000.00 | (71,783.56) Total accrued water sales for April is \$135,087.83 |
| 4015 | Wholesale Water Sales | 24,977.65 | 0.00 | 24,977.65 | 27,262.81 | 0.00 | 27,262.81 |
| 4020 | Service/Installation Charges | 1,448.67 | 833.33 | 615.34 | 7,367.50 | 3,333.32 | 4,034.18 |
| 4025 | Asset Sale/Miscellaneous | 0.00 | 0.00 | 0.00 | 125.00 | 0.00 | 125.00 |
| 4035 | Interest-Reserve Fund | 997.16 | 666.67 | 330.49 | 3,852.52 | 2,666.68 | 1,185.84 |
| 4070 | Misc. Income | 0.00 | 0.00 | 0.00 | 1,222.45 | 0.00 | 1,222.45 |
| | Total Revenues | 137,533.66 | 119,500.00 | 18,033.66 | 395,046.72 | 433,000.00 | (37,953.28) |
| Expenses | | | | | | | |
| 5005 | Electricity | 9,412.53 | 11,000.00 | (1,587.47) | 32,914.26 | 38,000.00 | (5,085.74) |
| 5010 | Maintenance/Repair Supplies | 536.86 | 2,083.33 | (1,546.47) | 4,365.42 | 8,333.32 | (3,967.90) |
| 5011 | Material and Labor for Install | 0.00 | 833.33 | (833.33) | 0.00 | 3,333.32 | (3,333.32) |
| 5012 | Safety Equipment | 0.00 | 133.33 | (133.33) | 1,699.00 | 533.32 | 1,165.68 |
| 5015 | Operations Labor | 11,189.04 | 12,083.33 | (894.29) | 46,136.20 | 48,333.32 | (2,197.12) |
| 5016 | Operations OT | 3,901.50 | 1,291.67 | 2,609.83 | 13,593.93 | 5,166.68 | 8,427.25 * OT for projects was not budgeted |
| 5020 | Stand-by Compensation | 690.00 | 625.00 | 65.00 | 2,370.00 | 2,500.00 | (130.00) |
| 5022 | Training/Certification | 0.00 | 133.33 | (133.33) | 0.00 | 533.32 | (533.32) |
| 5025 | Water Treatment/Analysis | 2,275.66 | 1,833.33 | 442.33 | 5,897.81 | 7,333.32 | (1,435.51) * Title 22 monitoring, sampling, admin. and lab fees Oct. 2015 - Jan. 2016 \$1,856 |
| 5030 | Maintenance/Repair Contractors | 7,874.35 | 10,416.67 | (2,542.32) | 42,140.06 | 41,666.68 | 473.38 |
| 5034 | Equipment Maintenance | 0.00 | 833.33 | (833.33) | 5,778.86 | 3,333.32 | 2,445.54 |
| 5035 | Vehicle Maintenance | 0.00 | 500.00 | (500.00) | 3,085.45 | 2,000.00 | 1,085.45 |
| 5036 | Fuel | 579.40 | 1,250.00 | (670.60) | 2,252.69 | 5,000.00 | (2,747.31) |
| 5045 | Insurance-Workers Compensation | 0.00 | 0.00 | 0.00 | 2,815.00 | 3,000.00 | (185.00) |
| 5046 | Insurance-Liability | 1,175.58 | 1,333.33 | (157.75) | 4,702.32 | 5,333.32 | (631.00) |
| 5048 | Insurance-Property | 175.75 | 208.33 | (32.58) | 675.25 | 833.32 | (158.07) |
| 5049 | Insurance-Medical | 6,359.74 | 6,375.00 | (15.26) | 25,438.96 | 25,500.00 | (61.04) |
| 6000 | Engineering Services | 6,020.00 | 3,750.00 | 2,270.00 | 18,920.00 | 15,000.00 | 3,920.00 * Barhite project \$1,400; Kinneloa Canyon Rd. project \$4,620 |
| 6005 | Watermaster Services | 927.58 | 1,000.00 | (72.42) | 3,710.32 | 4,000.00 | (289.68) |
| 6015 | Administrative Salary | 10,838.70 | 11,000.00 | (161.30) | 43,354.80 | 44,000.00 | (645.20) |
| 6017 | Administrative Travel | 49.25 | 250.00 | (200.75) | 316.05 | 1,000.00 | (683.95) |
| 6020 | Board Compensation | 200.00 | 350.00 | (150.00) | 1,200.00 | 1,400.00 | (200.00) |
| 6021 | Administrative & Board Expense | 0.00 | 83.33 | (83.33) | 0.00 | 333.32 | (333.32) |
| 6022 | Board of Directors Election | 0.00 | 0.00 | 0.00 | 115.45 | 12,500.00 | (12,384.55) |
| 6024 | Customer/Public Info. Prog. | 125.00 | 83.33 | 41.67 | 625.00 | 333.32 | 291.68 |
| 6025 | PERS - KID | 2,042.35 | 2,000.00 | 42.35 | 8,253.59 | 8,000.00 | 253.59 |
| 6030 | Social Security - KID | 2,103.10 | 2,083.33 | 19.77 | 8,418.44 | 8,333.32 | 85.12 |
| 6031 | Medicare - KID | 491.84 | 500.00 | (8.16) | 1,968.80 | 2,000.00 | (31.20) |

Kinneloa Irrigation District
Income Statement for the Four Months Ending April 30, 2016

| | Current Month Actual | Current Month Budget | Current Month Variance | Year to Date Actual | Year to Date Budget | Year to Date Variance | Comments |
|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|------------------------------------|------------------------------------|--------------------------------------|-----------------|
| 6035 Office/Computer Supplies | 781.99 | 583.33 | 198.66 | 1,995.79 | 2,333.32 | (337.53) | |
| 6036 Postage/Delivery | 22.95 | 416.67 | (393.72) | 956.15 | 1,666.68 | (710.53) | |
| 6040 Professional Dues | 920.23 | 916.67 | 3.56 | 3,680.92 | 3,666.68 | 14.24 | |
| 6045 Legal Services | 0.00 | 1,250.00 | (1,250.00) | 2,444.25 | 5,000.00 | (2,555.75) | |
| 6050 Telephone | 273.58 | 375.00 | (101.42) | 1,256.14 | 1,500.00 | (243.86) | |
| 6051 Mobile Telephone | 38.00 | 125.00 | (87.00) | 152.03 | 500.00 | (347.97) | |
| 6052 Pagers | 22.11 | 20.00 | 2.11 | 88.47 | 80.00 | 8.47 | |
| 6053 Internet Service | 59.99 | 83.33 | (23.34) | 239.96 | 333.32 | (93.36) | |
| 6059 Computer Software Maintenance | 493.22 | 750.00 | (256.78) | 1,778.84 | 3,000.00 | (1,221.16) | |
| 6061 Office Equipment Maintenance | 0.00 | 83.33 | (83.33) | 256.03 | 333.32 | (77.29) | |
| 6065 Accounting Services | 0.00 | 7,000.00 | (7,000.00) | 850.00 | 7,000.00 | (6,150.00) | |
| 6070 Office & Accounting Labor | 7,101.78 | 7,583.33 | (481.55) | 29,126.48 | 30,333.32 | (1,206.84) | |
| 6075 Professional/Contract Services | 1,854.84 | 1,666.67 | 188.17 | 7,727.67 | 6,666.68 | 1,060.99 | |
| 6080 Administrative Fees | 693.73 | 741.67 | (47.94) | 2,817.92 | 2,966.68 | (148.76) | |
| 6081 Permits/Fees | 292.50 | 833.33 | (540.83) | 6,611.68 | 3,333.32 | 3,278.36 | |
| 6086 Taxes - Sales | 177.00 | 0.00 | 177.00 | 352.23 | 0.00 | 352.23 | |
| 6120 Bank Service Charges | 445.94 | 416.67 | 29.27 | 1,844.84 | 1,666.68 | 178.16 | |
| Total Expenses | 80,146.09 | 94,878.30 | (14,732.21) | 342,927.06 | 368,013.20 | (25,086.14) | |
| Net Income | 57,387.57 | 24,621.70 | 32,765.87 | 52,119.66 | 64,986.80 | (12,867.14) | |

Favorable variances are shown in GREEN and unfavorable variances are shown in RED.

* Budgeted evenly in 2016.

Kinneloa Irrigation District
Balance Sheet
April 30, 2016

ASSETS

Current Assets

| | | |
|------|--------------------------------|---------------|
| 1010 | Checking-Wells Fargo Bank | \$ 209,788.44 |
| 1012 | Reserve Fund-LAIF | 119,117.26 |
| 1014 | Reserve Fund-CalTRUST | 1,134,783.75 |
| 1015 | Accr. Int./Price Adj.-CalTRUST | (1,011.66) |
| 1016 | Accrued Interest-LAIF | 60.53 |
| 1050 | Project Escrow Account | 1,006,117.36 |
| 1100 | Accts. Receivable-Water Sales | 26,646.48 |
| 1190 | Allowance for Bad Debts | (771.48) |
| 1200 | Inventory | 20,000.00 |
| 1340 | Accrued Water Sales | 134,573.22 |
| 1350 | Prepaid Insurance | 6,197.68 |
| 1360 | Prepaid Expenses | 21,258.86 |

Total Current Assets

2,676,760.44

Property and Equipment

| | | |
|------|-------------------------------|----------------|
| 1501 | Water Rights | 52,060.41 |
| 1503 | Land Sites | 96,700.08 |
| 1504 | Water Mains | 2,484,918.24 |
| 1505 | Water Tunnels | 705,985.75 |
| 1506 | K-3 Well | 82,848.37 |
| 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 | 185,398.06 |
| 1512 | Water Meters | 81,358.21 |
| 1513 | Electrical/Electronic Equip. | 256,918.72 |
| 1514 | Computer/Office Equipment | 63,541.77 |
| 1515 | Vehicles & Portable Equipment | 222,084.16 |
| 1516 | Water Company Facilities | 70,422.20 |
| 1517 | KID Office | 54,202.92 |
| 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 |
| 1523 | Constr. in Progress-Vosburg | 1,298,711.11 |
| 1524 | Constr. in Progress-East/West | 19,461.63 |
| 1526 | Vosburg Booster | 92,180.56 |
| 1527 | SCADA Equipment | 253,021.81 |
| 1528 | Tanks and Reservoirs | 97,944.39 |
| 1529 | Holly Tanks | 181,113.76 |
| 1530 | Tools | 6,811.57 |
| 1600 | Accum. Depreciation | (3,996,775.64) |

Total Property and Equipment

5,041,740.11

Other Assets

| | | |
|------|------------------------|-----------|
| 1901 | PERS-Deferred Outflows | 32,751.00 |
|------|------------------------|-----------|

Total Assets

\$ 7,751,251.55

Kinneloa Irrigation District
Balance Sheet
April 30, 2016

LIABILITIES AND CAPITAL

Current Liabilities

| | | | |
|------|---------------------------|--------------|-----------|
| 2000 | Accounts Payable | \$ 36,790.02 | |
| 2272 | Job Deposits | 3,000.00 | |
| 2290 | Accrued Vacation | 18,237.60 | |
| | | | |
| | Total Current Liabilities | | 58,027.62 |

Long-Term Liabilities

| | | | |
|------|--------------------------------|--------------|--------------|
| 2400 | Installment Purchase Agreement | 2,241,644.02 | |
| 2801 | PERS- Net Liability | 178,176.00 | |
| 2901 | PERS- Deferred Inflows | 69,785.00 | |
| | | | |
| | Total Long-Term Liabilities | | 2,489,605.02 |
| | Total Liabilities | | 2,547,632.64 |

Capital

| | | | |
|------|-----------------------------|--------------|-----------------|
| 3040 | Fund Balance | 5,151,499.25 | |
| | Net Income | 52,119.66 | |
| | | | |
| | Total Capital | | 5,203,618.91 |
| | Total Liabilities & Capital | | \$ 7,751,251.55 |
| | | | |

Kinneloa Irrigation District
Statement of Cash Flow
For the Four Months Ended April 30, 2016

| | Current Month | Year to Date |
|---|---------------------|------------------------|
| Cash Flows from Operating Activities | | |
| Net Income | \$ 57,387.57 | \$ 52,119.66 |
| <i>Adjustments to reconcile net income to net cash provided by operating activities</i> | | |
| 1100 Accts. Receivable-Water Sales | (1,265.75) | 3,016.23 |
| 1101 Accts. Receiv.-Service Charges | 801.51 | 719.88 |
| 1350 Prepaid Insurance | 1,351.33 | 3,268.57 |
| 1360 Prepaid Expenses | (8,656.20) | (1,001.80) |
| 2000 Accounts Payable | 16,559.24 | (42,954.10) |
| 2271 Deposits-Construction Meters | 0.00 | (850.00) |
| 2272 Job Deposits | 0.00 | (4,300.00) |
| 2274 PGFSC Grant | (12.00) | (48,509.72) |
| | 8,778.13 | (90,610.94) |
| Net Cash Provided by Operations | 66,165.70 | (38,491.28) |
| Cash Flows from Investing Activities | | |
| <i>Used for</i> | | |
| 1514 Computer/Office Equipment | 0.00 | (1,652.05) |
| 1523 Constr. in Progress-Vosburg | 0.00 | (60,724.98) |
| 1524 Constr. in Progress-East/West | (3,912.57) | (3,912.57) |
| 1527 SCADA Equipment | (3,758.85) | (5,705.85) |
| | (7,671.42) | (71,995.45) |
| Net Cash Used in Investing | (7,671.42) | (71,995.45) |
| Cash Flows from Financing Activities | | |
| <i>Proceeds from</i> | | |
| <i>Used for</i> | | |
| | 0.00 | 0.00 |
| Net Increase (Decrease) in Cash | \$ 58,494.28 | \$ (110,486.73) |
| Summary | | |
| Cash Balance at End of Period | \$ 2,603,428.90 | \$ 2,603,428.90 |
| Cash Balance at Beg. of Period | (2,544,934.62) | (2,713,915.63) |
| | \$ 58,494.28 | \$ (110,486.73) |
| Net Increase (Decrease) in Cash | \$ 58,494.28 | \$ (110,486.73) |

Kinneloa Irrigation District
Check Register
For the Period from April 1, 2016 to April 30, 2016

| Date | Check # | Payee | Amount | Description |
|-------------|----------------|--------------------------------------|---------------|---|
| 4/12/16 | EFT2717 | Arco Gaspro Plus | 579.40 | truck gas |
| 4/12/16 | EFT2718 | CA Public Employees Ret. Sys. | 3,426.97 | calPERS March KID & employee contributions |
| 4/12/16 | EFT2719 | Century Business Solutions | 138.45 | banking service fee |
| 4/12/16 | EFT2720 | Century Business Solutions | 15.00 | monthly service fee |
| 4/12/16 | EFT2721 | Southern California Edison Co. | 7,843.74 | electricity |
| 4/12/16 | EFT2722 | Board of Equalization | 177.00 | Jan. - Dec. 2015 use tax |
| 4/12/16 | 8212 | ACWA/JPIA | 2,815.00 | 1st Q 2016 workers' compensation |
| 4/12/16 | 8213 | Shirley Burt | 53.68 | mileage reimbursement |
| 4/12/16 | 8214 | Byrd Industrial Electronics | 165.00 | service 20160314 - reloaded RTU at Holly Res. |
| 4/12/16 | 8215 | Denram Products | 141.05 | 500 #10 regular envelopes |
| 4/12/16 | 8216 | Eurofins Eaton Analytical, Inc. | 132.00 | water sample analysis |
| 4/12/16 | 8217 | Foothill Municipal Water District | 693.73 | administrative fee |
| 4/12/16 | 8218 | Huasha Liu | 2,862.70 | Vosburg slope landscaping reimbursement |
| 4/12/16 | 8219 | Raymond Basin Management Board | 1,855.66 | Title 22 monitoring: lab fees Oct 2015, sampling & admin. Nov. 2015 - Jan. 2016 |
| 4/12/16 | 8220 | Utility Service Co., Inc. | 4,177.85 | tank maintenance agreement |
| 4/12/16 | 8221 | ValleyCrest Landscape Maintenance | 1,490.00 | landscape maintenance |
| 4/15/16 | EFT2723 | Automatic Data Processing, Inc. | 72.23 | payroll processing |
| 4/15/16 | EFT2724 | Bernadette C. Allen | 992.02 | salary |
| 4/15/16 | EFT2725 | Christopher A. Burt | 3,265.15 | salary |
| 4/15/16 | EFT2726 | Shirley L. Burt | 1,508.17 | salary |
| 4/15/16 | EFT2727 | Melvin L. Matthews | 3,379.76 | salary |
| 4/15/16 | 30583631 | Brian L. Fry | 1,614.13 | salary |
| 4/15/16 | 30583632 | Chris J. Mellinger | 264.53 | salary |
| 4/15/16 | EFT2728 | Christopher A. Burt | 150.00 | salary |
| 4/15/16 | EFT2729 | Automatic Data Processing, Inc. | 5,869.50 | withholding and taxes |
| 4/19/16 | EFT2730 | American Messaging Services, LLC | 22.11 | paggers |
| 4/19/16 | EFT2731 | Athens Services | 134.88 | trash pick up |
| 4/19/16 | EFT2732 | Pasadena Municipal Services | 1,382.44 | electricity |
| 4/19/16 | EFT2733 | Verizon Wireless | 38.01 | mobile phone |
| 4/19/16 | 8222 | AmeriPride Services | 48.00 | shop towel service |
| 4/19/16 | 8223 | Clinical Laboratory, SB | 24.00 | water sample analysis |
| 4/19/16 | 8224 | Calif. Utility Emergency Association | 500.00 | CUEA annual membership dues 7/1/16-6/30/17 |
| 4/19/16 | 8225 | McMaster Carr | 389.23 | facility, cla-val, equipment maintenance supplies |
| 4/19/16 | 8226 | Pump Check | 1,940.00 | pump efficiency tests (5), water meter testing (3) |
| 4/19/16 | 8227 | Ultimate Cleaning Solutions, Inc. | 75.00 | janitorial service |
| 4/19/16 | 8228 | ACWA/JPIA | 7,499.02 | May health insurance - KID/employee |
| 4/29/16 | EFT2734 | Automatic Data Processing, Inc. | 72.23 | payroll processing |
| 4/30/16 | EFT2735 | Bernadette C. Allen | 886.45 | salary |
| 4/30/16 | EFT2736 | Christopher A. Burt | 3,279.22 | salary |

Kinneloa Irrigation District
Check Register
For the Period from April 1, 2016 to April 30, 2016

| Date | Check # | Payee | Amount | Description |
|--------------|----------------|---------------------------------|--------------------------------|---|
| 4/30/16 | EFT2737 | Shirley L. Burt | 1,398.30 | salary |
| 4/30/16 | EFT2738 | Gerrie G. Kilburn | 92.35 | salary |
| 4/30/16 | EFT2739 | Melvin L. Matthews | 3,379.75 | salary |
| 4/30/16 | EFT2740 | Arthur W. Opel | 92.35 | salary |
| 4/30/16 | 30617669 | Brian L. Fry | 1,405.62 | salary |
| 4/30/16 | 30617670 | Chris J. Mellinger | 374.22 | salary |
| 4/30/16 | EFT2741 | Christopher A. Burt | 150.00 | salary |
| 4/30/16 | EFT2742 | Automatic Data Processing, Inc. | 5,631.42 | withholding and taxes |
| 4/30/16 | EFT2743 | Bank of the West Business Card | 1,527.19 | see attached schedule March |
| 4/30/16 | EFT2744 | Charter Communications | 337.57 | internet and telephone |
| 4/30/16 | EFT2744V | Charter Communications | -337.57 | Voided check, incorrect telephone charges |
| 4/30/16 | EFT2745 | Charter Communications | <u>333.57</u> | internet and telephone |
| Total | | | <u><u>74,358.08</u></u> | |

Credit Card Detail Bank of the West

March 2016

(Expenses incurred/billed in March and due/paid in April.)

| Acct. No. | Account Description | Additional Description | BCA | CAB | SLB | BLF | MLM | CJM | TOTAL |
|------------------|----------------------------|----------------------------------|------------|------------|------------|------------|------------|------------|-------------------|
| 5010 | Maintenance Supplies | batteries, timer switch | | \$341.22 | | | | | \$341.22 |
| 5012 | Safety Equipment | | | | | | | | \$0.00 |
| 5022 | Training/Certification | | | | | | | | \$0.00 |
| 5025 | Water Treatment/Analysis | | | | | | | | \$0.00 |
| 5035 | Vehicle Maintenance | | | | | | | | \$0.00 |
| 5036 | Fuel | | | | | | | | \$0.00 |
| 6017 | Adm. Travel | | | | | | | | \$0.00 |
| 6021 | Adm. & Bd. Exp. | | | | | | | | \$0.00 |
| 6035 | Office/Computer Supplies | copy paper; business cards | | | \$56.66 | | \$22.62 | | \$79.28 |
| 6036 | Postage/Delivery | 15 rolls of stamps | | | \$735.00 | | | | \$735.00 |
| 6040 | Professional Dues | | | | | | | | \$0.00 |
| 6050 | Telephone | | | | | | | | \$0.00 |
| 6051 | Mobile Phone | | | | | | | | \$0.00 |
| 6053 | Internet Service | | | | | | | | \$0.00 |
| 6059 | Computer/Software Maint. | domain renewal | | | | | \$115.66 | | \$115.66 |
| 6061 | Office Equipment Maint. | computer monitor, monitor cables | | | | | \$256.03 | | \$256.03 |
| 6075 | Outside Services | | | | | | | | \$0.00 |
| 6081 | Permits/Fees | | | | | | | | \$0.00 |
| TOTAL | | | \$0.00 | \$341.22 | \$791.66 | \$0.00 | \$394.31 | \$0.00 | \$1,527.19 |

Kinneloa Irrigation District - Project Escrow Account

Check Register

For the Period from April 1, 2016 to April 30, 2016

| Date | Check #* | Payee | Amount | Description |
|--------------|-----------------|---------------|------------------------|---|
| 4/19/16 | 3885 | SA Associates | 3,912.57 | East-West Connector Pipeline Engineering Services: 4/6/15-1/31/16 design phase \$645.72; 2/1/16-4/3/16 bid phase \$3,266.85 |
| Total | | | <u>3,912.57</u> | |

* Check numbers assigned by the banking institution and may not be consecutive.