

GENERAL MANAGER'S ANNUAL REPORT FOR 2001

TO THE BOARD OF DIRECTORS:

In addition to the District's regular operation and maintenance program, we have completed both Capital and Planned Maintenance Projects during this year. The following information will provide you with a description of these projects and a financial review of the year.

Our metered sales income that had been estimated at \$600,560. was \$763,468.* for the year, and the operation and maintenance expenditure that had been estimated at \$647,452. was \$ 624,344. for the year. **This left a surplus of \$139,124.**

Our Planned Maintenance Program expenditures that had been estimated \$15,000. were \$26,228. for the year. The Planned Maintenance Projects completed this year were --

- 1) Replacement of Glen Reservoir Roof
- 2) Repair of Inlet and Outlet valves of the Glen Reservoir
- 3) Paving of the Office driveway and Parking Area
- 4) Paving of the Wilcox Well Driveway

Our Capital Project Expenditure that had been estimated at \$ 271,365. was \$225,473. for the year. The Capital Projects completed this year were --

- 1) Repair of Brown Reservoir CLAVAL
- 2) Purchase of a Caterpillar Generator
- 3) Construction of Phase I and II of the Delores Tunnel Project
- 4) Purchase of chlorination equipment for the Vosburg Reservoir.
- 5) Purchase of Paco Pump # 2 and related fittings and hoses
- 6) Cost sharing with Kinclair Development for the Eucalyptus Reservoir Upgrade

Our total income that had been estimated at \$933,817. was \$850,066.** for the year, and the total expenditure that had been estimated at \$933,817 was \$ 876,045. for the year. **This called for a draw down from the Reserve Fund of \$25,979.**

Water Quality is a top priority for the District and for this reason consistent testing is an ongoing requirement of operation. The District is currently testing the --

- 1) Five Distribution zones for Fluoride monthly
- 2) Eucalyptus Tunnel for nitrates monthly, Volatile Organic Compounds quarterly, and Inorganic Compounds, General Minerals, General Physicals, Synthetic Organic Compounds, Pesticides, Herbicides annually. (This provides the baseline for determining possible contamination from the Kinclair Project.)
- 3) All wells and tunnels for Fluoride quarterly, Volatile Organic Compounds, Inorganic Compounds, General Minerals, General physicals annually.

* The additional income was a result of the Board approved increase of 22% for commodity and \$10 for Standby which went into effect in March

** This total included leased/wholesale water sales and Reserve Fund Interest

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Our water production and sales dictates the manner in which the District operates. The money generated from the monthly water sales and standby charges pays for the routine operation and maintenance of the District. Additional income is derived from the sale of water to the City of Pasadena which this year totaled 80 Acre Feet. This income helps to fund our Planned Maintenance and Capital Projects.

The anticipated income for 2002 is --

1) Metered Water Sales -----	\$ 755,090.
2) Leased/Wholesale Water Sales -----	30,000.
3) Reserve fund Interest -----	<u>20,000.</u>
	\$ 805,090.

The Board approved expenditures for 2002 are ---

1) Operating and Administrative -----	\$ 690,100.
2) Planned Maintenance -----	104,500.
A) Coating and Painting of both Holly tanks	
B) Repairing leaks and painting the Eucalyptus Reservoir	
3) Capital Projects -----	<u>157,488.</u>
A) Installation of new SCADA System	\$ 952,088.
B) Replace water main of West Mesaloe Lane (Increase size)	
C) Cost share of Upgrading Eucalyptus Booster Station	

This will necessitate a draw down of \$146,998. from the Reserve Fund.

Water production from the two wells and nine tunnels totaled 873 acre feet and 780 acre feet were sold which would put our water loss at approximately 12% for the year.

This report is presented to the Board in an effort to outline the activities of the District from the beginning of the year 2001, and to reflect the changes that occurred to the financial and operational status during the year.

Respectfully submitted,

William Redcay
General Manager