

**MINUTES OF AN ADJOURNED MEETING OF THE BOARD OF DIRECTORS OF THE  
LAKESIDE WATER DISTRICT  
HELD ON MARCH, 11 2014**

At the time and place provided by law for the holding of the Regular Meeting of the Board of Directors of the Lakeside Water District; to-wit at the meeting place of said Board at 10375 Vine Street, Lakeside, California, at 5:30 p.m. the Board duly convened, the following members present.

|            |   |
|------------|---|
| Directors: | Frank Hilliker<br>Pete Jenkins<br>Steve Johnson<br>Eileen Neumeister<br>Bruce Robertson |
| Secretary: | Brett Sanders   |

- 1) The meeting was called to order by Board President Robertson.
- 2) Pledge of Allegiance was led by Director Jenkins
- 3) The Minutes of the Regular Meeting on February 4, 2014 were approved.

Motion: Johnson,                      Second: Hilliker

|       |         |   |   |
|-------|---------|---|---|
| Vote: | Ayes    | 5 | Robertson, Hilliker, Neumeister, Johnson, Jenkins |
|       | Noes    | 0 |   |
|       | Abstain | 0 |   |

- 4) The Treasurer's Report for the January 2014 was noted and filed for audit.
- 5) Opportunity for Public Comment;
- 6) Declare Drought Response Level 1 – (Drought Watch Condition) per Lakeside Water District Administrative Code 10.1-4. The General Manager submitted a Board Report outlining the requirements to enter a Drought Response Level 1 and why it is necessary. Our declaration matches Declarations by the State of California, Metropolitan Water District and the San Diego County Water Authority. Motion by Director Hilliker to accept the General Manager's recommendation to declare a Drought Response Level 1.

Motion: Hilliker                      Second: Neumeister

|       |         |   |   |
|-------|---------|---|---|
| Vote: | Ayes:   | 5 | Robertson, Hilliker, Neumeister, Johnson, Jenkins |
|       | Noes    | 0 |   |
|       | Abstain | 0 |   |

- 7) Approve the General Manager to Sign an Agreement with Constellation New Energy Inc. to Participate in the Electricity Demand Response Program. Motion by Director Jenkins to approve the General Manager to sign the agreement.

Motion: Jenkins, Second: Robertson

Vote: Ayes 5 Robertson, Hilliker, Neumeister, Johnson, Jenkins  
Noes 0  
Abstain 0

- 8) Consider Supporting ACWA/JPIA's Commitment to Excellence Safety Program. Motion by Director Robertson to Support the Program.

Motion: Robertson Second: Hilliker

Vote: Ayes: 5 Robertson, Hilliker, Neumeister, Johnson, Jenkins  
Noes 0  
Abstain 0

- 9) CWA Report. Director Hilliker reported that Water Authority won the first phase of their lawsuit with Metropolitan Water District. There will be a 15 day period to file objections and then the Court will issue a final ruling. Phase 2 will be scheduled at a later date. Lakeside WD has approximately \$400,000 in the contested overcharge fund. Normal information about laws being supported or opposed by the Water Authority. Approval of pipeline work for the Carlsbad Desalination Plant to the Twin Oaks Water Treatment Plant.
- 10) Director's Report and Ad Hoc Sub-Committees Reports. No Reports.
- 11) Operations Report. The Superintendent reported that:
- a. The contractor for the Eucalyptus Hills Pipeline Replacement Project has started the first phase.
  - b. Punch List work has begun at the storage reservoir and the pump station at High Meadow Ranch. AKA the "Vineyards".
  - c. Greenhills Ranch located on Sohail Rd. is nearing final inspection and are 50% built out.
  - d. Riverview Ave. Condo's, Street improvements close to final inspection.
  - e. Filtration Plant running with well #8 in service.
  - f. Work around yard to secure from break-in problems.
  - g. District crews have upgraded the power supplies for the remote computers.
  - h. District operations continue on-line safety training through Target Solutions.
  - i. District crews are taking the Valle Vista Reservoir #2 out of service for routine inspection.
  - j. Flushing, Valve Maint. and Meter Change Out program's continue.
  - k. SDG&E undergrounding project in Maine Ave. continues. Contractor doing very good job avoiding water lines.
  - l. Three main breaks, North Oak Creek Dr., Almond Rd. and Johnson Lake Rd.
  - m. One service line leak no fire hydrants hit.

- 12) Manager's Quarterly Report. The General Manager reported on:
- 1) CWA Carlsbad Desalination Cost of Service Meetings: Five meetings held so far. Discussions center around how to incorporate fixed charges and variable charges. Board appointed "Task Force" recommends adding a "Supply Reliability Charge". The challenge is how to equitably distribute the costs through the existing five service functions and the proposed new fixed SRC charge. The agencies who treat raw water feel that they won't receive a significant benefit from the new Desalination supply and don't want to have another significant fixed charge attached to the project such as we have with the Infrastructure Access Charge (IAC).
  - 2) Current Water Storage conditions have improved, but still historically low. Graphs were distributed that show current storage status in California and the Colorado River Basin States. The Colorado River Basin with above average precipitation and snowfall still have reservoirs with below average storage levels.
  - 3) Current yields continue to be stagnant. Federal Reserve continues to reduce their monthly Treasury purchases by \$10 billion per month. The District yearly investment laddering allocation goal has been met. The goal will now be to now target 2019 within our allocation model.

Current Capital Outlays for fiscal year 13/14 have been completed except the Eucalyptus Hills Drive Pipeline Replacement Project. Now in progress. Total contract amount \$493,688.

Largest expense was our San Diego County Water Authority payment of \$428,602 for 301.4 acre feet of water.

Items of Note:

Utility Worker Anthony Poyner was promoted to Utility Worker 1 after passing his probationary period.

6 – ¾" meter sold to Greenhills Ranch.

Countywide Rate Survey Included and showed Lakeside WD lowest in the County.

Well Production and District demand summary from 2003 to 2013.

Water Authority has maintained a website [www.mwdfacts.com](http://www.mwdfacts.com) as a clearing house summarizing the lawsuit status against MWD and now with a real time rate over-charge calculator for all MWD member agencies.

- 4) News articles of four current issues were summarized:
  - News Release by the Water Authority and the MWD Rate Ruling
  - Region's Water Supply Stands Out.
  - Twice the Water for Half the Price Water Bond. AB 1445
  - Drought Wars: Where Did the Farm Water Go?
  - CWA Hydrology Report.

13) Demands of the Treasurer for February 2014.

Motion: Robertson, Second, Hilliker

Vote: Ayes: 5 Robertson, Hilliker, Neumeister, Johnson, Jenkins  
 Noes: 0  
 Abstain: 0

14) Adjourn; There being no further business the meeting adjourned to  
April 1, 2014 at 5:30 p.m.

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PRESIDENT  
Director Robertson

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SECRETARY  
Brett Sanders