

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
LAKESIDE WATER DISTRICT  
HELD ON MAY 6, 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 Pete Jenkins Steve Johnson Eileen Neumeister 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 April 1, 2014 were approved.

Motion: Johnson                      Second: Neumeister

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

- 4) The Treasurer's Report for the March 2014 was noted and filed for audit.
- 5) Opportunity for Public Comment;
- 6) Consider Financial Security Agreement for the High Meadow Ranch Development. David Thorne Project Manager for High Meadow Ranch LP, made a presentation asking the Board to reconsider the requirement for a "Letter of Credit" as a condition to continue the "Temporary Operating Agreement for High Meadow Ranch", and accept a pledged deposit in the District's name with the District having all rights to withdraw from the designated account. Additionally, Mr. Thorne requested the District consider a lesser amount of deposit than the \$524,400 as stated in the current agreement, primarily because of the phased approach of the development

Motion by Director Robertson to require HMR LP to submit the required security deposit in the form of a "Letter of Credit". Director Robertson also added a second motion to reduce the amount of the "Letter of Credit" from \$524,400 to \$434,504 based on a summary by the General Manager that a lesser amount of water and labor as stated in the "Temporary Operating Agreement" will be needed to keep the system in a potable condition.

1<sup>st</sup> Motion: Robertson                      Second: Hilliker

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

2<sup>nd</sup> Motion: Robertson                      Second: Hilliker

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

- 7) Well #8 Emergency Well maintenance Approval for Hidden Valley Pump Systems. Motion by Director Jenkins to approve the payment to Hidden Valley Pump Systems in an amount \$19,800 for the emergency well cleaning and treatment.

Motion: Jenkins                              Second: Johnson

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

- 8) Asset Management Plan Presentation. The General Manager presented the Board with an Asset Management Plan Report that outlined the District's major facility replacement plan and the potential costs involved from 2014 to 2114.

- 9) CWA Report. Director Hilliker reported that the Water Authority continues extensive closed sessions regarding MWD litigation. Current charges for 2015 will be applied to the supply rate until a comprehensive plan is decided.

- 10) Operations Report. The Superintendent reported that:
- a. Capital Projects: Contractor for the Eucalyptus Hills Pipeline Replacement project is now working on phase three within Valle Vista Road.
  - b. Developer Projects: new meters installed at the Riverview Condominiums.
  - c. District Projects: The inspection and coating repair was complete at the Valle Vista Reservoir #2.
  - d. County of San Diego Projects: The county is starting back up with the Woodside Ave. Storm Drain Project.
  - e. District Emergencies: There was one main break on Oak Creek Drive, and no service leaks or fire hydrants hit in the last month.

- 11) Manager's Report. The General Manager reported on:

- 1) Groundwater Legislation: Senate Bill 1168 (Pauley) would enact the sustainable "Groundwater Management Act". Intent that all groundwater basins be managed sustainably by local agencies.

- 2) Treasury bond yields near multi month low after surge in late 2013. Economic news continues to be mixed, with continued abnormal signals; stock market rising with bond yields falling.
- 3) News articles of four current issues were summarized:
  - Brown Issues Sweeping Drought Proclamation
  - California Drought: El Nino could bring big storms next winter.
  - Report names water districts using most, least water in county. Lakeside WD among the lowest
  - CWA Hydrology Report. 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.

12) Demands of the Treasurer for April 2014.

Motion: Hilliker, Second, Johnson

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

13) Closed Session: Personnel Exception Per Government Code Section 54957. Performance Evaluation – General Manager. The Board President reported that the General Manager was awarded the second installment of incentive compensation per the Manager’s performance goals.

14) Adjourn; There being no further business the meeting adjourned to June 3, 2014 at 5:30 p.m.

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PRESIDENT  
Director Robertson

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SECRETARY  
Brett Sanders