

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON JUNE 3, 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 May 6, 2014 were approved.

Motion: Johnson Second: Jenkins

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

- 4) The Treasurer's Report for the April 2014 was noted and filed for audit.
- 5) Opportunity for Public Comment;
- 6) Approve Engagement Letter with Leaf & Cole for Annual Audit of Financial Statements ending June 30, 2014. Motion by Director Neumeister to approve Leaf & Cole to prepare the annual audit report.

Motion: Nuemeister Second: Johnson

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

- 7) Approve Engagement Letter with Greg Sheets CPA for Annual Audit of Financial Statements ending June 30, 2014. Motion by Director Robertson to approve Greg Sheets to provide accounting services to prepare District financial records for the annual audit.

Motion: Robertson Second: Hilliker

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

8) Consider Administrative Code Additions and changes;

A. 8.1-10 (F) – Time off to Vote

B 1.4-2 (B) 5 – Cellular Phone Safety

C. 8.1-5 (J) – Workplace Violence

D. 8.1-5 (H) – Prohibition of Discrimination/Harassment

Motion by Director Johnson to approve additions and changes as presented.

Motion: Johnson Second: Robertson

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

9) CWA Report; Director Hilliker reported on the TWAP rate structure for Agricultural rates. The A & F committee recommended that the subsidy be continued. The WA will offset the lower cost to agriculture customers from the WA reserve fund. The San Vicente Dam Raise project will have a ribbon cutting on July 17 at the Marina.

10) Director's Report and Ad Hoc Sub-Committee Report: Director Robertson submitted a letter in appreciation of System Operator Robert McFadden and his safety innovation award from ACWA JPIA.

10) Operations Report. The Superintendent reported that:

a. Capital Projects: Contractor for the Eucalyptus Hills Pipeline Replacement project is now working on phase six within Valle Vista Road, close to schedule.

b. Developer Projects: High Meadow Ranch project is proceeding slowing, we are awaiting final punch list items to be completed.

c. District Projects: District has continued meter change outs, participated in three electrical load shed events in the last month. District crews have cleaned and prepared the Quarry Reservoir and pump station to be put into summer service.

d. County of San Diego Projects: The Woodside Ave. Drainage project is progressing slowly.

e. District Emergencies: There was one main break on Eucalyptus Hills Drive, and no service leaks or fire hydrants hit in the last month.

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

1) Vine Street Well #8 Bacteriological Problems: We have had problems passing bacteriological tests after our pump replacement in February. We have completed the acid descaler treatment as recommended, and are continuing to flush and surge to clear well. Lower bacteria counts indicate improvement in water quality, will report directly to Board when cleared by Health Dept. to put into service.

2) Proposition 42 June ballot measure; Allows that public agencies will not be reimbursed by the State of California for responding to public record requests

and complying to Brown Act requirements. Means that the State of California will not be responsible for 10's of millions of dollars in reimbursements and that the cost will be absorbed by all public agencies.

- 3) Water Supply Conditions; Entire state is in a wide range of drought conditions from voluntary restrictions in Southern California to mandatory cutbacks in costal central California. The State Water Project will only guarantee 5% of normal deliveries to MWD. MWD storage is at 2.5 million acre feet.
- 4) News articles of four current issues were summarized:
 - Water Authority Proposes 2015 Rates to Maintain Reliable Water Supply.
 - Federal Appeals court Upholds 2003 Quantification Settlement Agreement, most appeals are regarding environmental lawsuits. One lawsuit remaining.
 - California Drought: el Nino Probability Raised to 78 percent for next winter.
 - CWA Hydrology Report.

12) Demands of the Treasurer for May 2014.

Motion: Hilliker, Second, Robertson

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 Board accepted the three Incentive Compensation goals proposed by the General Manager.

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

PRESIDENT
Director Robertson

SECRETARY
Brett Sanders