

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON JULY 1, 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
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 Johnson
- 3) Approve Minutes of the Regular Meeting on June 3, 2014. Motion by Director Johnson to approve the minutes as presented.

Motion: Johnson Second: Hilliker

Vote:	Ayes	4	Robertson, Hilliker, Neumeister, Johnson
	Noes	0	
	Abstain	0	

- 4) The Treasurer's Report for the May 2014 was noted and filed for audit.
- 5) Opportunity for Public Comment;
- 6) 20 Year Service Award for Operations Superintendent Quinn Johnze. Motion by Director Robertson in appreciation of Mr. Johnze's 20 years of service to the District.

Motion: Robertson Second: Johnson

Vote:	Ayes:	4	Robertson, Hilliker, Neumeister, Johnson
	Noes	0	
	Abstain	0	

- 7) Consider Declaration of Termination to the High Meadow Ranch Temporary Operating Agreement Providing for Payment of Interim Additional Operation and Maintenance Costs as a Condition of Development of High Meadow Ranch. The General Manager outlined the status of the Operating Agreement and the required Letter of Credit as presented by the HMR LP. Motion by Director Robertson to direct the General Manager to issue a Declaration of Termination if an acceptable Letter of Credit is not received by the District by 12:00 p.m. on July 8, 2014 with the language that the District specified at the May 6th, 2014 Board of Directors meeting.

Motion: Robertson Second: Hilliker

Vote: Ayes: 4 Robertson, Hilliker, Neumeister, Johnson
 Noes 0
 Abstain 0

- 8) Approve Resolution 14-01 Adopting 2014-2015 District Operating Budget. The General Manager provided a presentation of the 2014-15 District Operating Budget. Motion by Director Johnson to approve the 2014-15 Budget as presented.

Motion: Johnson Second: Robertson

Vote: Ayes: 4 Robertson, Hilliker, Neumeister, Johnson
 Noes 0
 Abstain 0

- 9) Approve Resolution 14-02 to Increase Employee Paid Retirement Contribution to CalPERS to 8%. Motion by Director Robertson to approve increase in the employee contribution as presented.

Motion: Robertson Second: Neumeister

Vote: Ayes 4 Robertson, Hilliker, Neumeister, Johnson
 Noes 0
 Abstain 0

- 10) Approve Vine St. Well #7 Pump and Well Rehabilitation. Motion by Director Robertson to approve the proposal by Fain Drilling & Pump Co. Inc. in the amount of \$61,393.

Motion: Hilliker Second: Robertson

Vote: Ayes 4 Robertson, Hilliker, Neumeister, Johnson
 Noes 0
 Abstain 0

- 11) Approve Change Orders for Asphalt Repair for the Eucalyptus Hills Pipeline Replacement Project in the Amount of \$25,500. Motion by Director Robertson to approve the change order as presented.

Motion: Robertson Second: Johnson

Vote: Ayes 4 Robertson, Hilliker, Neumeister, Johnson
 Noes 0
 Abstain 0

12) Approve Proposal for Asphalt Slurry Seal for Eucalyptus Hills Drive. Motion by Director Hilliker to approve a proposal by G Scott Asphalt in the amount of \$10,716.

Motion: Hilliker Second: Robertson

Vote:	Ayes	4	Robertson, Hilliker, Neumeister, Johnson
	Noes	0	
	Abstain	0	

13) CWA Report. Director Hilliker reported that the Board adopted the rates and charges for calendar year 2015. The rate increase to the District will be 3.4%. They also voted to use investment reserves to offset the continuation of the Agriculture Rate subsidy. Closed sessions continue regarding Metropolitan WD Litigation. There will be a San Vicente Dam Raise Dedication ceremony on July 16 at 10:00 a.m.

Director Robertson reported that the CERBT investment fund has increased 34% since its 2011 inception, and requested information about which CERBT fund strategy the District might be able to direct funds to.

14) Operations Report. The Superintendent reported that:

- a. Capital Projects: Contractor for the Eucalyptus Hills Pipeline Replacement project is now nearing completion, final asphalt repair is next.
- b. Developer Projects: High Meadow Ranch project is ready to activate pending submittal of Operating Agreement.
- 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 but still anticipated to move forward.
- e. District Emergencies: There was one main break on Valle Vista Road within the new replacement area. Three polyethylene service leaks but no fire hydrants hit in the last month.

15) Manager's Report. The General Manager reported on:

- 1) Vine Street Wells #5 & #8 Bacteriological Problems: Well #5 was cleared to put into service after just two bacteriological tests. Well #8 is on-line without any additional problems. For our well #7 rehabilitation, we will have a better process in place to clear and flush the well. The main reason will be the use of a test pump to develop and clean the well.
- 2) Investment Summary. Investment yields are still stagnant, but our returns are improving because we continue to purchase five year terms with better interest rates. We continue to stay within our allocation strategy which allows for a more predictable pace of investment maturities.
- 3) Annual Filing Requirement to the County Registrar of Voters. I submitted our annual summary of Board per diem rates to the Registrar. We are below the

threshold for additional Director filing. Also, we received a notice announcing that this year's election candidate filings are open.

- 4) News articles of four current issues were summarized:
- California could save enough water to supply all the state's cities
 - Economist: Twin tunnels would spell disaster for California Agriculture
 - California Drought: Voluntary conservation is lagging in Southern California. The State Water Resources Control Board will consider increasing the conservation level to mandatory restrictions.
 - CWA Hydrology Report. Colorado River System Reservoirs are at approximately 49% of capacity.

16) Demands of the Treasurer for June 2014.

Motion: Hilliker, Second, Robertson

Vote: Ayes: 4 Robertson, Hilliker, Neumeister, Johnson
Noes: 0
Abstain: 0

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

PRESIDENT
Director Robertson

SECRETARY
Brett Sanders