

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON DECEMBER 8, 2015**

At the time and place provided by law for the holding of a 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:	President	Frank Hilliker
	Vice-President	Pete Jenkins
		Brooks Boulter
		Steve Johnson (Absent)
		Eileen Neumeister
Secretary:		Brett Sanders

- 1) The meeting was called to order by President Hilliker.
- 2) Pledge of Allegiance was led by Administrative Services Manager Swaringen.
- 3) Approve Minutes of the Regular Meeting on November 3, 2015. Motion by Director Neumeister to approve the minutes as submitted.

Motion: Neumeister Second: Boulter

Vote:	Ayes	4	Hilliker, Neumeister, Jenkins, Boulter
	Noes	0	
	Abstain	0	
	Absent	0	

- 4) The Treasurer's Report for the October 2015 was noted filed for audit.
- 5) Opportunity for Public Comment; None
- 6) Consider and Accept Fiscal Year 2014/2015 Financial Audit Report presented by Leaf & Cole. Mike Zizzi with Leaf & Cole provided a presentation outlining the annual audit report. Motion by Director Jenkins to accept the 2014/2015 Audit as presented

Motion: Jenkins Second: Neumeister

Vote:	Ayes:	4	Hilliker, Neumeister, Jenkins, Boulter
	Noes	0	
	Abstain	0	
	Absent	0	

- 7) Presentation of New District Billing System by Administrative Services Manager Jeanne Swaringen. Jeanne provided an overview of our new billing system that went live on July 1. New features include the ability of our customers to access their accounts and see usage and payment history. The program saves time in a number of billing functions and payments. Work orders are also more streamlined and accessible than the old system and maintains a log of contacts and actions.
- 8) Revise Administrative Code Section 9.1 Annexation of Land to the District. Sections 9.1-5 C, and 9.1-6. Motion by Director Jenkins to approve the revision to the referenced Administrative Code as presented.

Motion: Jenkins Second: Boulter

Vote: Ayes 4 Hilliker, Neumeister, Jenkins, Boulter
 Noes 0
 Abstain 0
 Absent 0

- 9) Approve Resolution 15-11 for the Annexation of 34.66 Acres of land along Riverside Drive, as requested by Lakeside Land Company. Motion by Director Hilliker to approve the resolution as presented.

Motion: Hilliker Second: Jenkins

Vote: Ayes: 4 Hilliker, Neumeister, Jenkins, Boulter
 Noes 0
 Abstain 0
 Absent 0

- 10) Presentation of Conversion of Improvement Drawings to Digital Format. The General Manager provided a presentation on the conversion of approximately 1,300 improvement drawings into a scanned electronic filed format. The project took over 2 years to fully scan all mylar, sepia and vellum drawings and audit all paper drawings to verify that all paper drawings were archived.
- 11) San Diego County Water Authority Report by Director Hilliker. No November Meeting. Next meeting is December 10.
- 12) Director's Report and Ad Hoc sub-Committees Report. None
- 13) Operations Report. The Superintendent reported that:
 - 1) Two projects are out to bid. Preparing to get started.
 - 2) No developer projects going at this time.
 - 3) District crews replaced 2 polyethylene services.
 - 4) District crews replacing meter boxes in the Appaloosa area.
 - 5) Sold the F150 surplus vehicle.
 - 6) District SCADA Upgrade; initial testing has begun at two sites starting to add sites.

- 7) Woodside Ave. Drainage. Project moving along well. District 8" main is out of service and starting to be lowered along with the Padre Dam MWD 36".
- 8) One water main break, two service leaks, and zero fire hydrants hit.

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

- 1) Drought Conservation Update; 20% Conservation. October conservation levels came in at 24% 4% greater than required. Preliminary reduction for November is 21%, 1% greater than required. Statewide use fell to 22.2%. Winter conservation levels are likely to be closer to 20% as most use is indoor use. Groundwater production for November was 71.04 AF, 30% of demand. Water sales were \$2,516 lower than expected. Cumulative sales shortfall is \$46,490.
- 2) Yerba Valle Annexation; Muth Valley Mutual Water Company submitted annexation deposit of \$1,500. A more current letter will be written to the Company to confirm the steps to follow and additional deposit required.
- 3) MWD Rate Litigation; Judge Karnow issued the "Final Judgement" on November 19 and confirmed that MWD rates and wheeling for years 2011, 12, 13, 14 are unlawful, unconstitutional. Additionally rates for 2013 and 14 are invalid. Damages and interest for the breach of contract is 235 million and will 7% interest per year until paid. Also ordered the Water Authority preferential rights be increased due to incorrect MWD methodology. Also, the Water Authority is entitled to the recovery of its costs and attorney fees.

Summarized current Capital Outlays for fiscal year 2015/16.

Noted that a comment letter was submitted to the State Water Resources Control Board prior to a December 7, 2015 workshop to determine future conservation criteria for San Diego County and Lakeside Water District.

News Articles Enclosed:

County Deserves Adjustments to State Water Restrictions
 Marine Environmental Damage Will be a Minimal Trade-off.
 Australia's Desal Experience Bodes Well for California.

- 15) Demands of the Treasurer for November 2015. Motion by Director Neumeister to approve demands as presented.

Motion: Neumeister

Second: Jenkins

Vote:	Ayes:	4	Hilliker, Neumeister, Jenkins, Boulter
	Noes	0	
	Abstain	0	
	Absent	0	

16) Closed Session: Personnel Exception; General Manager, Government Code Section 54957. The Board reviewed the progress of the General Manager's goals and awarded the Manager's December installment of incentive compensation per the Manager's performance goal contract.

17) Adjourn; There being no further business the meeting adjourned to:

Next Regular Meeting scheduled for January 5, 2015 at 5:30 p.m.

PRESIDENT
Director Hilliker

SECRETARY
Brett Sanders