

A G E N D A

REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT

July 8, 2025

Meeting Place: Lakeside Water District; 10375 Vine Street
Lakeside CA 92040; **5:30 p.m.**

Assistance for those with disabilities: If you have a disability and need accommodation to participate in the meeting, please call Brett Sanders, General Manager, at (619) 443-3805 for assistance so the necessary arrangements can be made.

1. Call to Order
2. Prayer/Invocation
3. Pledge of Allegiance
4. Approval of the Agenda
5. Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2)
6. Approve Minutes of a Regular Meeting held on June 3, 2025.
7. Review the May 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation.
8. Operations Report. Johnze
9. Consider Construction Agreement and Material, Labor and Performance Bonds for the Riverrun East 2 Development Water System Improvement. Sanders
10. Consider Resolution 25-07 to Approve the District's Updated 5-Year Capital Improvement Plan. Sanders
11. Presentation and Consideration of Resolution 25-08 Approving the District's 2025-2026 Operating Budget. Sanders
12. Consider Resolution 25-09 Updating Classifications and Monthly Rates Pay Schedule for District Employees, to Comply with California Code of Regulations 570.5 "Publicly Available Pay Schedule". Sanders
13. Consider Services by Leaf & Cole, LLP to conduct the 2025 Financial Audit. Sanders

14. Approve Demands of the Treasurer for June 2025.
15. CWA Report
16. Director's Reports and/or Ad Hoc Sub-Committees Reports.
17. General Managers' Report.
18. Closed Session – Closed to the Public:

Personnel Exception per Government Code Section 54967; Public Employment;
Employee Review – General Manager

19. Adjourn; Next Regular Meeting Date August 5, 2025.

PUBLIC COMMENT PROCEDURES

Members of the public will be allowed to address the Board on any agenda item prior to the Board's decision on the item. They will also be allowed to comment on matters not on the posted agenda, which are under the subject matter jurisdiction of the district. No action may be taken by the board except to set the matter presented for the next regular board meeting if proposed by the board. State your name, topic and provide the secretary with a request to speak form, so you can be properly included in the comment period. Comments are limited to 3 minutes and the board is not required to comment on the topic.

CERTIFICATE OF POSTING

I certify that on July 3, 2025, I posted a copy of the meeting agenda and any public records relating to items on the agenda and that they are available for public inspection at the time the record is distributed to all, or a majority of all members of the board. Such records shall be available at the district office located at 10375 Vine Street, Lakeside, California, or on the district's website at LakesideWater.org.

Agendas are posted at least 72 hours in advance of a regular meeting, or 24 hours in advance of a special meeting of the Board of Directors, near their regular meeting place, and as per Government Code Section 54954.2(a)(1) and 54956(a).

Brett Sanders, General Manager / Board Secretary

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON June 3, 2025**

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:

Frank Hilliker
Pete Jenkins
Steve Johnson
Eileen Neumeister
Steve Robak

Secretary:

Brett Sanders

- 1) Call to Order by Board President Neumeister
- 2) Prayer/Invocation – Director Johnson introduced Marshall Master to provide the prayer for the night’s meeting.
- 3) Pledge of Allegiance was led by Director Jenkins
- 4) Approval of Agenda. Motion by Director Hilliker to accept the agenda as submitted.

Motion: Hilliker

Second: Robak

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

- 5) Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2). No Comments.
- 6) Approve Minutes of a Regular Meeting held on April 29, 2025. Motion by Director Jenkins to approve the minutes as presented.

Motion: Jenkins

Second: Robak

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

- 7) Review the April 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation. Approved to Note and File.
- 8) Public Hearing to Consider Filing an Application with U.S. Department of Agriculture, Rural Development, Rural Utilities for the Yerba Valley Annexation Area. Board President Neumeister opened the hearing at 5:38 p.m. General Manager Sanders

provided a brief report about the proposed USDA Filing, and that this is the second public hearing concerning the USDA loan application. Public Comment. Resident T. Fuller commented that the residents are hoping for a prompt approval, groundbreaking and continued timely communication. The hearing was closed at 5:49.

- 9) Consider Resolution 2025-05 Authorizing the Filing of a Loan Application with the USDA Rural Development, Rural Utilities Service for Financial Assistance within the Boundaries of Lakeside Water District Community Facilities District No. 2022-1 (Yerba Valley Annexation Area). Motion by Director Hilliker to approve the resolution as presented.

Motion: Hilliker

Second: Jenkins

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

- 10) Adopt Resolution 25-06 Establishing a Tax Appropriations Limit for the District for the Fiscal Year 2025-2026. General Manager Sanders provided the Board a brief history of the appropriations limit over the past three years and what assessments are sent to the SD County Tax Assessors office and that this action is required every year. . Motion by Director Robak to approve the increase in the appropriations limit in the amount of \$874,822 as presented.

Motion: Robak

Second: Hilliker

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

- 11) Summarize Proposed Changes to the District's Organization Structure. General Manager Sanders provided the Board with a presentation of proposed changes in the organizational structure of the Operations staff and the addition of an Engineering and Operations Manager and the proposed salary schedule to support the addition of the position. Motion by Director Johnson to approve the proposals as presented.

Motion: Johnson

Second: Jenkins

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

- 12) Review Draft Capital Improvement Plan Revisions for the Annual 5-Year CIP Update. General Manager Sanders provided the Board with a detailed year by year summary of the projects proposed to move forward and those that will be pushed off for a future date. District customer J. Swaringen suggested the Board look at increased groundwater production as a way to reduce future rate increases. The Board discussed the suggestion and will look for future opportunities. The plan with minor modifications will be submitted to the Board for approval at the July meeting.

- 13) Approve Demands of the Treasurer for May 2025. Motion by Director Johnson to approve the demands as presented.

Motion: Johnson

Second: Robak

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

- 14) CWA Report – CWA Representative Hilliker reported extensive discussion of rates and charges with potential increase ranges in the 9% to 10% range. Set date for Rates and Charges Public Hearing. The WA and MWD announced that they have agreed to end the existing litigation as soon as the agreements can be signed, ending 15 years of expensive litigation. Gains have been made by the WA to secure stable transportation charges, and the ability to potentially exchange water within Southern California to help with the WA excess supply.
- 15) Director's Report and Ad Hoc Sub-Committees Reports. Ad hoc committee of Director Hilliker and Director Johnson reviewed minor changes to the General Manager contract that will be presented to the full board in tonight's closed session.
- 16) Operations Report. Superintendent Johnze provided a summary of the following:
- Work with Solar Installation crew completed final inspection and now pending SDGE to release the project for activation. District crews will secure and protect the support columns.
 - Reservoir Dive Inspection and Cleaning at the Gay Res. and the Poteet Res.
 - Preparation for SCADA upgrades to the Riverview Service Area. Continue to prepare for the installation of the hardware components.
 - Coping Place grading of the District's pipeline easement for District egress and pipe safety.
 - AWP Pipeline Crossings and Inspections. Orion continues working on the Riverside Dr. 10" ACP. Final tie-in is this week, and then the final steps are hydrostatic, flushing and bacteriological sampling.
District Emergency Repairs
1 Mainbreak, 0 Service Leak, 0 Fire Hydrants
- 17) Manager's Quarterly Report. The General Manager reported.

- 1) Yerba Valley Annexation Update:
 - Application was accepted on April 15th.
 - Registered with the USDA – System for Award Management for payments.
 - Discussion within the USDA about how much of the project to fund. Potentially a rule excluding private property work.
- 2) Administration Building Solar;
 - System passed County of SD inspection on May 20
 - SDGE is next to accept the project and approve the "Permission to Operate"

The current Capital Outlays for fiscal year 2024/25 are \$363,390 out of a total budget amount of \$668,000. 41%

18) Closed Session – Closed to the Public:

Personnel Exception Per Government Code Section 54957; Public Employment; Employee Contract Review – General Manager – Out of closed session the Board President announced that the contract approved at the April 29, 2025 meeting was revised with a one-month extension to 19 months, and unanimously approved by the Board for signature by the Board President.

19) Adjourn; There being no further business the meeting adjourned to the next Regular Meeting to be held on July 8, 2025 at 5:30 p.m.

Attest:

Brett Sanders, Board Secretary
Lakeside Water District

Eileen Neumeister
Board President

Lakeside Water District
Statement of Revenues and Expenses
July 2024 through May 2025

	May 25	Jul '24 - May 25	Budget	% of Budget
Operating Revenue				
Water Sales				
4000 · Water Sales on Account	\$ 740,916.00	\$ 8,006,075.00	\$ 7,674,792.00	104%
4010 · System meter charge	\$ 112,234.00	\$ 1,136,156.00	\$ 1,168,943.00	97%
4020 · CWA/IAC	\$ 37,702.00	\$ 408,898.00	\$ 443,760.00	92%
4040 · Penalties / other	\$ 12,100.00	\$ 131,787.00	\$ -	0%
Total Water Sales	\$ 902,952.00	\$ 9,682,916.00	\$ 9,287,495.00	104%
4100 · Capacity Fees LWD	\$ -	\$ 68,875.00	\$ 237,773.00	29%
4101 · SDCWA Capacity & Treatment	\$ -	\$ 92,549.00	\$ 314,039.00	29%
4200 · Meter Services	\$ 9,844.00	\$ 42,909.00	\$ 35,000.00	123%
4210 · Engineering & Inspection Fees	\$ -	\$ 950.00	\$ 7,500.00	13%
4220 · Fire Hydrants	\$ -	\$ -	\$ 30,000.00	0%
4230 · Tapping	\$ -	\$ -	\$ 15,000.00	0%
4300 · Miscellaneous Income	\$ 25.00	\$ 4,636.00	\$ 20,000.00	23%
4310 · Water Letters	\$ 475.00	\$ 3,529.00	\$ 250.00	1,412%
4400 · Rent - Land Lease	\$ 8,582.00	\$ 260,413.00	\$ 279,976.00	93%
4600 · Interest Income	\$ 38,777.00	\$ 251,513.00	\$ 227,645.00	110%
4700 · Taxes Revenue	\$ 38,794.00	\$ 796,920.00	\$ 720,000.00	111%
4951 · High Meadow Ranch	\$ -	\$ 13,980.00	\$ 9,200.00	152%
Total Operating Revenue	\$ 999,449.00	\$ 11,219,190.00	\$ 11,183,878.00	100%
Expense				
Administrative and General				
7000 · General Manager/Secretary	\$ 18,787.00	\$ 215,059.00	\$ 233,446.00	92%
7001 · Incentive Compensation	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	100%
7020 · Director's Fees	\$ 625.00	\$ 7,375.00	\$ 10,750.00	69%
7100 · General Insurance	\$ -	\$ 75,214.00	\$ 66,575.00	113%
7200 · Annual Audit	\$ 425.00	\$ 31,025.00	\$ 29,000.00	107%
7210 · Attorney Fees	\$ 507.00	\$ 9,942.00	\$ 30,000.00	33%
7230 · Consultants	\$ 850.00	\$ 31,991.00	\$ 2,000.00	1,600%
7300 · Elections/Registrar	\$ 2,164.00	\$ 2,164.00	\$ 2,000.00	108%
7320 · Lafco Operating Costs	\$ -	\$ 5,607.00	\$ 5,634.00	100%
7401 · Administrative Expense	\$ -	\$ 1,121.00	\$ 7,000.00	16%
7450 · Public Info/Public Relat	\$ -	\$ 1,584.00	\$ 11,350.00	14%
7500 · State Health Dept./ SWRCB	\$ -	\$ 45,162.00	\$ 49,064.00	92%
7800 · Bad Debt Expense	\$ -	\$ -	\$ 2,000.00	0%
7900 · Water Dev./Conservation Program	\$ -	\$ -	\$ 9,500.00	0%
Total Administrative and General	\$ 25,858.00	\$ 431,244.00	\$ 463,319.00	93%

	May 25	Jul '24 - May 25	Budget	% of Budget
Operations and Maintenance				
5000 · Water Purchases	\$ 664,152.00	\$ 6,676,992.00	\$ 6,762,714.00	99%
5075 · Padre Dam Deliver Charge	\$ -	\$ -	\$ 2,600.00	0%
5080 · Water Treatment & Testing	\$ 1,766.00	\$ 29,676.00	\$ 20,040.00	148%
5090 · Infrastructure Access Charge	\$ 37,420.00	\$ 405,848.00	\$ 443,760.00	91%
5091 · SDCWA Capacity & Treatment Fees	\$ -	\$ 92,549.00	\$ 314,039.00	29%
5100 · Electric Power	\$ 22,395.00	\$ 373,209.00	\$ 395,566.00	94%
5200 · Water Treatment -Maint/Supplie	\$ 4,293.00	\$ 70,915.00	\$ 90,000.00	79%
5620 · Yerba Valley Annexation	\$ 1,495.00	\$ 5,780.00	\$ 30,000.00	19%
5627 · County - Road Improvements	\$ -	\$ -	\$ 15,000.00	0%
5628 · Telemetry Repair	\$ -	\$ 10,751.00	\$ 3,000.00	358%
6000 · Wages, Field	\$ 63,927.00	\$ 710,993.00	\$ 783,592.00	91%
6100 · Distribution - Maint/Supplies	\$ 7,726.00	\$ 128,899.00	\$ 130,000.00	99%
6102 · Dist. Pump & Maint	\$ -	\$ 35,972.00	\$ 60,000.00	60%
6110 · Emergency Repairs & Service	\$ -	\$ 9,256.00	\$ 45,000.00	21%
6200 · Trucks-Fuel,Maintenance,Repair	\$ 5,548.00	\$ 75,809.00	\$ 70,000.00	108%
6400 · Outside Labor	\$ 1,250.00	\$ 50,549.00	\$ 42,000.00	120%
6410 · Engineering	\$ 4,960.00	\$ 13,111.00	\$ 20,000.00	66%
7010 · Wages, Office	\$ 26,473.00	\$ 302,100.00	\$ 328,315.00	92%
7030 · Payroll Taxes	\$ 8,592.00	\$ 87,383.00	\$ 102,508.00	85%
7040 · Group Insurance	\$ 32,765.00	\$ 363,883.00	\$ 326,740.00	111%
7050 · CalPers Retirement	\$ 13,967.00	\$ 175,725.00	\$ 216,831.00	81%
7070 · Unemployment Insurance	\$ -	\$ -	\$ 5,000.00	0%
7400 · Office Expense	\$ 14,272.00	\$ 161,098.00	\$ 157,714.00	102%
7440 · Dues & Subscriptions	\$ 808.00	\$ 41,423.00	\$ 29,225.00	142%
7920 · Miscellaneous Expense	\$ 215.00	\$ 8,743.00	\$ 5,000.00	175%
Total Operations and Maintenance	\$ 912,024.00	\$ 9,830,664.00	\$ 10,398,644.00	95%
Total Expense	\$ 937,882.00	\$ 10,261,908.00	\$ 10,861,963.00	94%
Net Ordinary Income	\$ 61,567.00	\$ 957,282.00	\$ 321,915.00	297%

Capital Requirements				
1510 · Buildings & Land Improvements	\$ -	\$ 13,684	\$ 4,000	342%
1520 · O & M Equipment	\$ -	\$ -	\$ 10,000	0%
1530 · Office Furniture & Equipment	\$ -	\$ -	\$ 4,000	0%
1548 · Office Solar	\$ 17,750	\$ 266,215	\$ 275,000	97%
1547 · CIP Design/Engineering	\$ 484	\$ 44,457	\$ 40,000	111%
1581 · Yerba Valley Annexation Pipeline	\$ -	\$ -	\$ 300,000	0%
1550 · Pumping Plant & Distribution	\$ 2,852	\$ 38,834	\$ 25,000	155%
1551 · New Service/Meters	\$ -	\$ 21,286	\$ 10,000	213%
1750 · Cellular Transmit Meters (42)	\$ -	\$ -	\$ -	0%
Total Capital Expense	\$ 21,086	\$ 384,476	\$ 668,000	58%

**Lakeside Water District
Investment Report
As of May 31, 2025**

		<u>May 31, 25</u>
Current Assets		
Checking/Savings		
1020 · UBS Cash Fund		116,531.13
1030 · King Cash Fund		8,119.21
1050 · Multi-Bank Securities, Inc.		697,679.63
1070 · Investment - LAIF		986.10
Total Checking/Savings		<u>823,316.07</u>
Other Current Assets		
Investments		
1321.66 · FHLMC 0.6% 8/12/25		200,000.00
1321.67 · FFCB 0.61% 8/25/25		240,000.00
1321.69 · BkUnited 0.55% 1/22/26 58979		242,000.00
1351.29 · Chippewa 0.5% 7/29/25 12322		151,000.00
1351.30 · FNMA 0.65% 8/14/25		270,000.00
1351.31 · FNMA 0.55% 9/30/25		512,000.00
1351.32 · FMCC 0.60% 11/24/25		500,000.00
1351.33 · FHLB 0.875% 3/10/26		245,000.00
1351.34 · Greenstate 0.7% 3/12/26 60269		249,000.00
1351.38 · Toyota 0.95% 7/22/26 57542		140,000.00
1351.39 · Synchrony 0.9% 8/20/26 27314		119,000.00
1351.40 · FHLN 0.9% 8/26/26		640,000.00
1351.41 · ConnectOneBk 0.8% 9/24/26 5		136,000.00
1351.42 · PentagonFed 0.9% 9/29/26 227		249,000.00
1351.43 · FHLN 1.1% 10/13/26		350,000.00
1351.44 · FHLN 1.375% 11/16/26		270,000.00
1351.45 · FHLB 1.65% 12/30/26		270,000.00
1351.46 · FHLN 2.5% 3/29/27		270,000.00
1351.47 · FHLN 3.75% 5/26/27 no call 12		1,000,000.00
1351.48 · StBk India 3.3% 6/1/27 33682		100,000.00
1351.49 · TSRY 2.375% 5/15/27		342,826.69
1351.51 · Morgan S Privt Bk 3.7% 9/26/29		245,000.00
1351.52 · Morgan S Bk 3.7% 9/26/29		105,000.00
1351.53 · Fed Agric Mtg 4.64% 12/23/27		399,672.00
1351.54 · Cross Riv Bk Teaneck 4% 1/3/28		245,000.00
1351.55 · AMEX NATL BK 4.15% 03/26/30		244,000.00
1351.56 · EAGLEBK BETH 4.05% 4/17/28		249,000.00
1351.57 · MILESTONE BANK 3.95% 4/28		245,000.00
1351.58 · FNBA 3.85% 4/30/29		249,000.00
1351.59 · Medallion BK 4.050% 5/19/28		249,000.00
1351.60 · UBS BK USA 4.10% 5/22/28		249,000.00

	May 31, 25
1383.20 · Bk Baroda 0.70% 7/22/25 3368	249,000.00
1383.21 · 1st Carolina 0.6% 6/26/25 3553	175,850.50
1383.23 · JP MorganC 0.55% 7/31/25 628	249,000.00
1383.24 · FHLM 0.6% 8/12/25	260,000.00
1383.25 · FNMA 0.5% 8/14/25	375,000.00
1383.26 · FNMA 0.64% 12/30/25	270,000.00
1383.27 · FHLB 2.5% 2/25/27	670,000.00
1383.28 · BealBk 2.05% 3/3/27 57833	247,000.00
1383.29 · FHLB 2.5% 3/30/27	200,000.00
1383.30 · FHLB 3.25% 4/21/27	255,000.00
1383.31 · FHLB 3% 4/29/27 no call 24mo	250,000.00
1383.32 · FHLB 3.375% 5/28/27 no call24	255,000.00
1383.33 · AllyBk 3% 6/9/26 57803	139,000.00
1383.34 · SALLMA 4.3% 07/27/29	244,000.00
1383.35 · UBS 4.2% 07/24/29	248,000.00
1383.36 · FNMA 4.375% 8/6/29	179,184.50
1383.37 · Valley Natl 4.15% 1/27/28	244,000.00
1383.38 · American Exp 4.2% 1/31/28	244,000.00
1383.39 · BMW Bank of NA 3.95% 4/25/2	245,000.00
1383.40 · FHLB 4.125% 10/5/29	204,692.50
Total Investments	14,179,226.19
Total Current Assets	15,002,542.26

Investment Changes in May 2025

Matured 1321.65	StBkIndia 1.1 % 5/28/25	104,000.00
Matured 1351.24	M1 Bk 1% 5/8/25	249,000.00
Matured 1351.25	EnterpriseB 0.85% 5/14/25	249,000.00
Matured 1351.26	Summit 0.85% 5/15/25	249,000.00
Matured 1383.19	TexasEx 1.1% 5/13/25	125,000.00
Purchased 1383.40	FHLB 4.125% 10/5/29	204,692.50
Purchased 1351.59	Medallion BK 4.050% 5/19/28	249,000.00
Purchased 1351.60	UBS BK USA 4.10% 5/22/28	249,000.00

Investments by Maturity

May 2025

<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
King Fidelity Treasury MM	FZFX		4.11%	\$ 2,739	\$ 112.58	
FIRST CAROLINA BANK	31944MAY1	6/26/2025	0.60%	\$ 175,851	\$ 1,055.10	
Bank of Baroda	06063HMS9	7/22/2025	0.70%	\$ 249,000	\$ 1,743.00	
CHIPPEWA VY BK	169894AT9	7/29/2025	0.50%	\$ 151,000	\$ 755.00	
JPMORGAN CHASE BANK NA	48128UHS1	7/31/2025	0.55%	\$ 249,000	\$ 1,369.50	
FHLMC	3134GWND4	8/12/2025	0.60%	\$ 260,000	\$ 1,560.00	
FHLMC	3134GWND4	8/12/2025	0.60%	\$ 200,000	\$ 1,200.00	
FNMA	3135G05S8	8/14/2025	0.50%	\$ 375,000	\$ 1,875.00	
FNMA	3136G4C43	8/14/2025	0.65%	\$ 270,000	\$ 1,755.00	
FFCB	313EL4W1	8/25/2025	0.61%	\$ 240,000	\$ 1,464.00	
FNMA	3136G44F7	9/30/2025	0.55%	\$ 512,000	\$ 2,816.00	
FHLMC	FMCC5080214	11/24/2025	0.60%	\$ 500,000	\$ 3,000.00	
FNMA	3135G06Q1	12/30/2025	0.57%	\$ 270,000	\$ 1,541.70	
Maturity in 2025		\$ 3,454,590	24%			0.59%
Bank United	066519QC6	1/22/2026	0.55%	\$ 242,000	\$ 1,331.00	
FHLB	3130ALLS1	3/10/2026	0.88%	\$ 245,000	\$ 2,143.75	
Greenstate	39573LAY4	3/12/2026	0.70%	\$ 249,000	\$ 1,743.00	
Ally Bank	02007GSU8	6/9/2026	3.00%	\$ 139,000	\$ 4,170.00	
Toyota Fin	89235MLD1	7/22/2026	0.95%	\$ 140,000	\$ 1,330.00	
Synchrony	87165GD74	8/20/2026	0.90%	\$ 119,000	\$ 1,071.00	
FHLB	3130ANJT8	8/26/2026	0.90%	\$ 640,000	\$ 5,760.00	
ConnectOneBk	20786ADL6	9/24/2026	0.80%	\$ 136,000	\$ 1,088.00	
PentagonFed	70962LAS1	9/29/2026	0.90%	\$ 249,000	\$ 2,241.00	
FHLN	3130APB87	10/13/2026	1.10%	\$ 350,000	\$ 3,850.00	
FHLN	3130APLP8	11/16/2026	1.38%	\$ 270,000	\$ 3,712.50	
FHLB	3130AQBE2	12/30/2026	1.65%	\$ 270,000	\$ 4,455.00	
Maturity in 2026		\$ 3,049,000	21%			1.08%
FHLB	3130AQYG2	2/25/2027	2.50%	\$ 670,000	\$ 16,750.00	
Beal Bk	07371CK81	3/3/2027	2.05%	\$ 247,000	\$ 5,063.50	
FHLB	3130ARDY4	3/29/2027	2.50%	\$ 270,000	\$ 6,750.00	
FHLB	3130ARCL3	3/30/2027	2.50%	\$ 200,000	\$ 5,000.00	
FHLB	3130ARKD2	4/21/2027	3.25%	\$ 255,000	\$ 8,287.50	
FHLB	3130ARMS7	4/29/2027	3.00%	\$ 250,000	\$ 7,500.00	
US Treasury	912828X88	5/15/2027	3.54%	\$ 342,827	\$ 12,136.08	
FHLB	3130ARMS7	5/26/2027	3.75%	\$ 1,000,000	\$ 37,500.00	
FHLB	3130ARYQ8	5/28/2027	3.37%	\$ 255,000	\$ 8,593.50	
State Bank India N	856285N64	6/1/2027	3.30%	\$ 100,000	\$ 3,300.00	
Fed Agric Mtg		12/23/2027	4.64%	\$ 399,672	\$ 18,544.78	
Maturity in 2027		\$ 3,989,499	28%			3.24%
Cross Riv BK Teaneck	227563LU5	1/3/2028	4.00%	\$ 245,000	\$ 9,800.00	

Investments by Maturity

May 2025

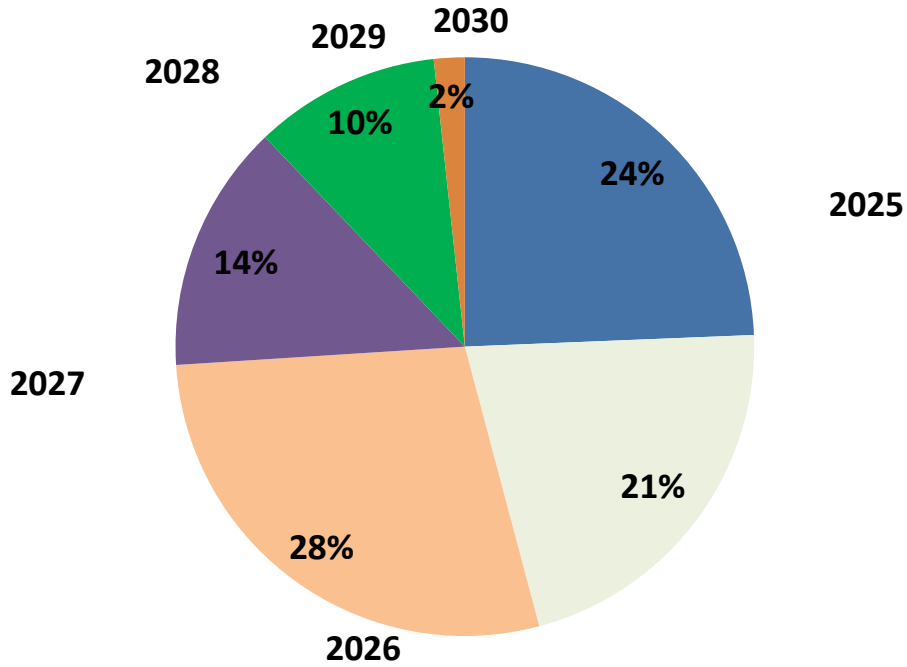
<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
Valley National Bk	919853PX4	1/28/2028	4.15%	\$ 244,000	\$ 10,126.00	
American Express Natl Bk	02589AGC0	1/31/2028	4.20%	\$ 244,000	\$ 10,248.00	
EAGLEBANK Bethesda	27002Y-HN-9	4/17/2028	4.05%	\$ 249,000	\$ 10,084.50	
BMW Bank NA	05612LEQ1	4/25/2028	3.95%	\$ 245,000	\$ 9,677.50	
Milestone BK SALT	59934M-DC-9	4/28/2028	3.95%	\$ 245,000	\$ 9,677.50	
Medallion BK Salt	58404D-XT-3	5/19/2028	4.05%	\$ 249,000	\$ 10,084.50	
UBS BK USA	90355G-WG-7	5/22/2028	4.10%	\$ 249,000	\$ 10,209.00	
Maturity in 2028 \$ 1,970,000 14%						4.06%
FNBA	32110Y-T7-0	4/30/2029	3.85%	\$ 249,000	\$ 9,586.50	
UBS	90355GPU4	7/24/2029	4.20%	\$ 248,000	\$ 10,416.00	
SALLMA	795451DM2	7/24/2029	4.30%	\$ 244,000	\$ 10,492.00	
FNMA	3135GAU25	8/6/2029	4.38%	\$ 179,185	\$ 7,839.32	
Morgan S Privt Bk	61768UPS0	9/26/2029	3.70%	\$ 245,000	\$ 9,065.00	
Morgan S Bk	61776CBR7	9/26/2029	3.70%	\$ 105,000	\$ 3,885.00	
FHLB	3130B34U4	10/5/2029	4.13%	\$ 204,693	\$ 8,443.57	
Maturity in 2029 \$ 1,474,877 10%						4.05%
American Express Nat'l Bk	02589AGX4	3/26/2030	4.15%	\$ 244,000	\$ 10,126.00	
Maturity in 2030 \$ 244,000 2%						4.15%
				<u>Investments</u>	<u>Annual Interest</u>	<u>Avg</u>
Total				\$ 14,181,966	\$ 332,328	2.34%

Investments by Maturity

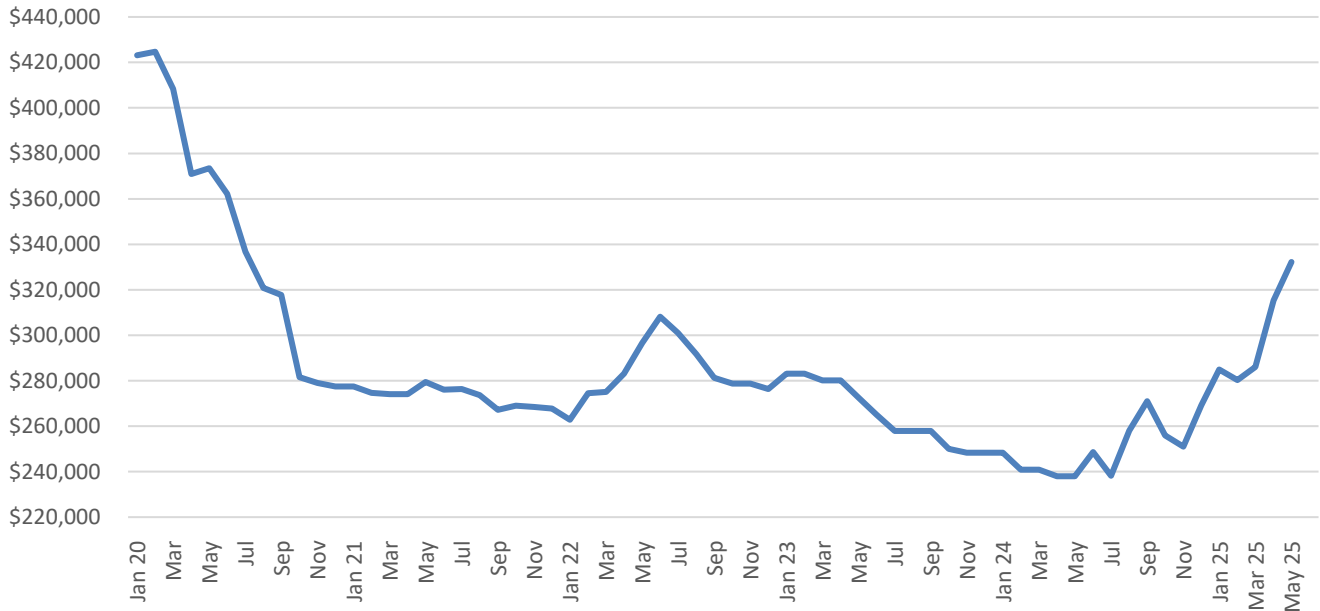
May 2025

Description	Cusip	Maturity	Rate	Amount	Est. Yr Interest	Avg Rate
-------------	-------	----------	------	--------	------------------	----------

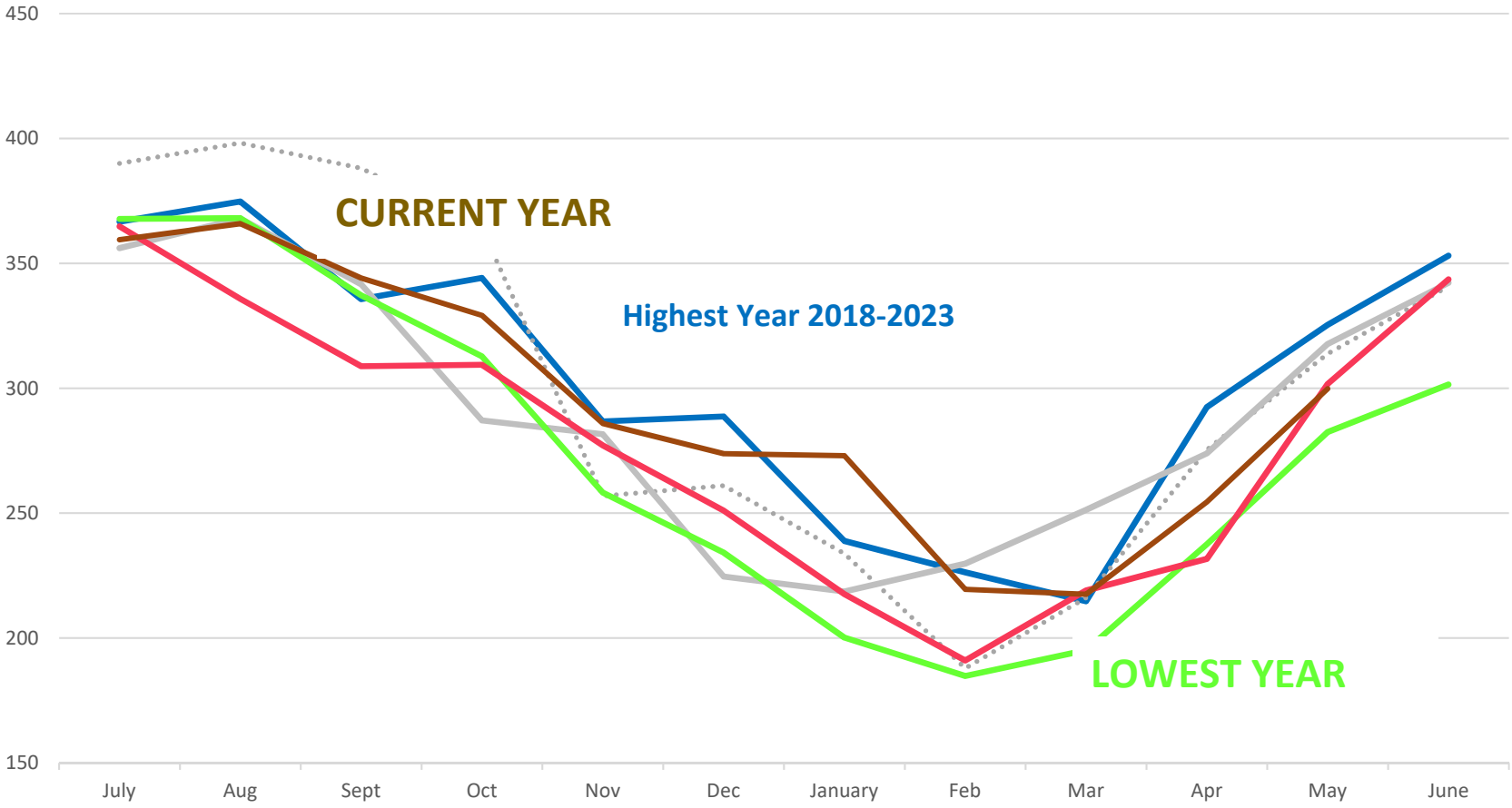
Investments by Maturity Year



Annual Projected Interest *On a monthly basis*



Water Demand



— FYE 18 FYE 21 — FYE 22 — FYE 23 — FYE 24 — FYE 25

OPERATIONS REPORT
July 2025
BOARD OF DIRECTORS MEETING

General Operation:

- *Work with City of San Diego on River Street*
- *Preparation for new point of connection for Yerba Valley*
- *Preparation for SCADA upgrades*
- *Preparation for protective barriers around solar pedestals*
- *Hiring process for new full time and part time employees*

Contractor/ Developer/ County Projects:

- *AWP pipeline crossings and inspections*


District Emergencies Repairs:

- *Main breaks 1 Creekford*
- *Service leaks 2*
- *Fire hydrants 1*

RiverRun East 2

Industrial Park Development

Legend

 Willowbrook Golf Course

Riverside Dr.

Tie-in location 2

Tie-in location 3

Palm Row Dr. Ext.

RiverRun East 1

Tie-in location 1

RiverRun East 2

Google Earth

Image © 2025 Vexcel Imaging US, Inc.

1000 ft



AGREEMENT TO IMPROVE DEVELOPMENT - WATER FACILITIES

THIS AGREEMENT is made and entered to this 8th day of July, 2025, by and between Lakeside Water District (organized and existing under Division 11 of the Water Code), hereinafter called District, and River Run East 2021, L.P., 1000 Pioneer Avenue, El Cajon, CA 92020, hereinafter called Owner.

- A. In the near future, Owner desires to install a water main or mains and appurtenances to service his property.
- B. District will own and operate such facilities if constructed in the manner set forth herein.
- C. The parties desire by this Agreement to provide for the construction and completion of such facilities.

NOW THEREFORE, it is agreed:

1. Owner hereby agrees at his own cost and expense, to furnish all labor, equipment, and material to perform and complete and within 60 days from the date of execution of this Agreement by District, to perform and complete in a good, workmanlike manner, according to the plans attached hereto and made a part of this Agreement, and in accordance with other special conditions noted in District Work Order No. 2025-01 on file at the office of District and any other plans or specifications referred to in this Agreement, the following subdivision improvements: Water facilities as shown on the attached plans and in accordance with the Water Agency Standards and any other plans or specifications referred to by this Agreement or referred to in the attachments.
2. Owner agrees that the work shall be done by a Class "A" or "C-34" licensed contractor, and that the work shall be subject to inspection by and to the satisfaction of District and the improvement shall not be deemed complete until approved and accepted by District. The estimated cost of said water facilities is the sum of \$560,181.05. Owner's obligation under this Agreement extends to the completion of the improvements as hereinbefore set forth and is not limited by the amount of the cost estimate. Owner further agrees that the cost estimate is an estimate only not intended to constitute liquidated damages or a limitation on the obligations of Owner. District shall be allowed to inspect the facilities during all stages of the construction. District shall be notified a minimum of forty-eight (48) hours prior to the commencement of construction.

3. Permanent monuments previously installed which are removed, altered, or destroyed prior to the completion of the improvements and their acceptance by the District, shall be reinstalled by Owner prior to acceptance by the District.

4. Owner shall convey to District easements covering the property in which the water facilities are located at all instances where the facilities are not located in a dedicated street. Owner shall have his engineer provide District with a legal description and an 8½" X 13" plat of easements. The plat shall be a reproducible transparency with District title block and shall fully locate and describe the easement.

5. Owner shall pay to District upon execution of this Agreement the amount of the cash deposit set forth in the District Work Order for inspection and purification fees, compaction test costs, and for District work and other special charges.

6. Owner shall obtain, at its expense, all necessary permits required by County, State, or other public agencies in connection with the construction of water facilities.

7. The water facilities constructed by Owner shall be connected by Owner to the existing water lines of District in a manner approved by District. If water facilities are constructed in private streets, the streets shall be curbed and/or constructed such that no damage to paving, structures, or landscaping will result from full-flow fire hydrant testing or from failure of District water facilities. Acceptance of facilities shall not be made until all work has been completed in accordance with the plans and specifications, all gate wells have been set flush with the street surface, and meter boxes set to finish grade.

8. The water facilities shall be operated by District in accordance with the rules and regulations of District. Meter costs are not included in the estimated cost of water facilities and shall be paid by Owner in accordance with District's rate schedule. Water for construction purposes will be provided in accordance with District's Rates and Rules and Policies and Procedures Manual.

9. District shall not, nor shall any officer or employee of District, be liable or responsible for any accident, loss or damage happening or occurring to the work or improvements specified in this Agreement prior to the completion and acceptance of the same, nor shall District, nor any officer or employee of District, be liable for any persons or property injured by reason of said work or improvements, but all of said liabilities shall be assumed by Owner, who agrees to indemnify and save harmless District and the officers and employees of District from and against any and all claims, demands, losses, costs and causes of action of any nature, and any expense incident to defense thereof (including attorney's fees), for injury to or death of persons or damage to property arising out of the construction of the water facilities. Owner further agrees to protect District and the officers and employees of District from all liability or claims because of, or arising out of, the use of any patent or patented article in the construction of said improvements.

10. District shall not, nor shall any officer or employee of District be liable for any portion of the expense of the aforesaid work or for the payment for any labor or materials furnished in connection therewith.

11. Owner shall comply with either paragraph (a) or (b) of this section at the time of submitting this Agreement for approval by District:

(a) Owner shall file the following bonds:

(i) A good and sufficient bond in the amount of not less than the estimated cost of said work and improvements as above specified for the faithful performance of the terms and conditions of this Agreement.

(ii) If the estimated cost of the water facilities is in excess of \$25,000.00, a good and sufficient bond in an amount not less than one hundred percent (100%) of the estimated cost of said work and improvements as above specified securing payment to all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of this Agreement, which shall contain provisions set forth in Section 3248 of the California Civil Code and shall inure to the benefit of those persons referred to therein. The form of the foregoing bonds shall be as specified by District. Should the sureties on either of said bonds become insufficient, owner agrees to renew said bond or bonds with good and sufficient sureties within ten(10) days after receiving notice that said sureties are insufficient.

(b) In lieu of filing of the Faithful Performance Bond described in paragraph (a) (i), Owner may furnish a cash deposit or other security in a form satisfactory to District. The cash deposit or other security shall be in the same amount and for the same purpose as the Faithful Performance Bond. Cash deposits or other security shall not be substituted for the payment bond described in paragraph 11 (a) (ii).

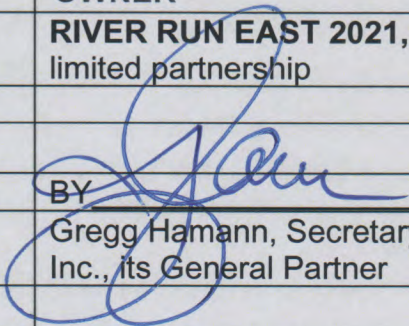
12. District may make such changes, alterations or additions to the plans and specifications attached hereto which do not exceed ten percent (10%) of the original estimated cost of the improvement as may be determined necessary and desirable by District for the proper completion of the said work and improvements and no such changes, alterations or additions shall relieve the surety or sureties on any bond given for the faithful performance of this Agreement.

13. In the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, said extension may be granted by District and shall in no way affect the validity of this Agreement or release the surety or sureties on any bond given for the faithful performance of this Agreement.

14. After completion of the facilities in accordance with the approved plans and specifications and upon acceptance by the Board of Directors of the District, the facilities shall be considered as donated to District and shall be owned and operated by District. Owner hereby authorizes District to file for recordation with the San Diego County Recorder on behalf of Owner and District, a Notice of Completion upon completing the work in accordance with this Agreement and acceptance of the facilities by the Board of Directors of the District.

15. Owner shall and hereby does, guarantee all work for a period of one-year after date of acceptance of work by District and shall repair or replace any and all such work, together with any other work which may be displaced in so doing, that may prove defective in workmanship and/or materials within a one-year period from date of acceptance of the work by District without expense whatsoever to District, ordinary wear and tear, unusual abuse or neglect excepted. District will give notice of and request correction of observed defects with reasonable promptness. Owner shall notify District upon completion of repairs. In the event of an emergency, if Owner fails to promptly undertake appropriate action to mitigate the emergency and make the required repairs, District may make the required repairs. In any event which is not an emergency, if Owner fails to respond to District's request for correction within one week after being notified in writing by District, and fails to commence the required repairs within a schedule approved by District, District is hereby authorized to proceed to have the defects repaired and make good at the expense of Owner who hereby agrees to pay the cost and charges therefore immediately upon demand. In the event District elects to repair the defective work, such action by District will not relieve Owner of the guarantees provided in this paragraph.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day first above written.

LAKESIDE WATER DISTRICT	OWNER
	RIVER RUN EAST 2021, L.P. , a California limited partnership
BY _____	BY 
	Gregg Hamann, Secretary of River Run East, Inc., its General Partner

All signatures must be notarized and corporate seals applied, if applicable.

NOTE: Plans to be attached to Agreement. Agreement to be attached to bond.

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

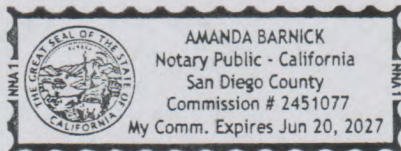
On 06/23/2025
Date

before me, Amanda Barnick, notary public
Here Insert Name and Title of the Officer

personally appeared

Gregg Hamann
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

[Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Agreement to improve development

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

**BOND FOR FAITHFUL PERFORMANCE OF AGREEMENT TO IMPROVE
DEVELOPMENT WATER FACILITIES**

WHEREAS, Lakeside Water District, and River Run East 2021, L.P., 1000 Pioneer Avenue, El Cajon, CA 92020, (hereinafter designated as "Principal") have entered into an Agreement whereby Principal agrees to install and complete certain designated water facilities, which said Agreement, dated July 8, 2025, and identified as project District Work Order No. 2025-01 is hereby referred to and made a part hereof; and

WHEREAS, said Principal is required under the terms of said Agreement to furnish a bond for the faithful performance of said Agreement.

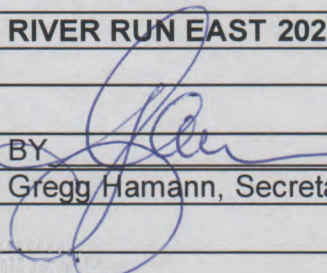
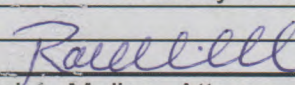
NOW THEREFORE, we the Principal and United Fire & Casualty Company, as surety, are held and firmly bound unto Lakeside Water District, in the penal sum of FIVE HUNDRED SIXTY THOUSAND ONE HUNDRED EIGHTY ONE AND 05/100-- (\$560,181.05) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents. The condition of this obligation is such that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said Agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified (including but not limited to, the guarantee of all work and materials for a period of one year after acceptance), and in all respects according to their true intent and meaning, and shall indemnify and save harmless Lakeside Water District, and its respective officers, agents, and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by said District in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. **THE SURETY HEREBY** stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder, or the specifications accompanying the same shall in anyway affect its obligation on this bond, and it does hereby waive notice of such changes in the Agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and surety above named on June 25th, 2025

APPROVED AS TO FORM

Lakeside Water District

Dated _____

PRINCIPAL
RIVER RUN EAST 2021, L.P. , a California limited partnership
BY 
Gregg Hamann, Secretary of River Run East, Inc., its General Partner
SURETY
United Fire & Casualty Company
BY 
Rachel A. Mullen, Attorney-in-Fact
Local address and telephone
925 Highland Pointe Dr #450 319-247-6470
Roseville, CA 95765

All signatures must be notarized and corporate seals applied, if applicable.

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

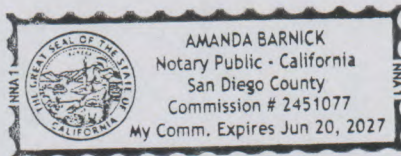
State of California

County of San Diego

On 06/25/2025 before me, Amanda Barnick, notary public
Date Here Insert Name and Title of the Officer

personally appeared Gregg Hamann
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Performance Bond

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
<input type="checkbox"/> Corporate Officer – Title(s): _____	<input type="checkbox"/> Corporate Officer – Title(s): _____
<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
Signer is Representing: _____	Signer is Representing: _____



UNITED FIRE & CASUALTY COMPANY, CEDAR RAPIDS, IA
 UNITED FIRE & INDEMNITY COMPANY, WEBSTER, TX
 FINANCIAL PACIFIC INSURANCE COMPANY, LOS ANGELES, CA
 CERTIFIED COPY OF POWER OF ATTORNEY
 (original on file at Home Office of Company – See Certification)

Inquiries: Surety Department
 118 Second Ave SE
 Cedar Rapids, IA 52401

KNOW ALL PERSONS BY THESE PRESENTS, That United Fire & Casualty Company, a corporation duly organized and existing under the laws of the State of Iowa; United Fire & Indemnity Company, a corporation duly organized and existing under the laws of the State of Texas; and Financial Pacific Insurance Company, a corporation duly organized and existing under the laws of the State of California (herein collectively called the Companies), and having their corporate headquarters in Cedar Rapids, State of Iowa, does make, constitute and appoint

TIMOTHY NOONAN, CHARLES R. TETER, III, JANINA MONROE, JENNIFER OCHS, SARAH CAMPBELL, MARTHA BARRERAS, MICHELLE HAASE, RACHEL A MULLEN, SANDRA CORONA, JAREN A MARX, KD WAPATO, MARINA TAPIA, EDWARD C SPECTOR, ETHAN SPECTOR, B ALEMAN, SIMONE GERHARD, ERIN BROWN, D GARCIA, EACH INDIVIDUALLY

their true and lawful Attorney(s)-in-Fact with power and authority hereby conferred to sign, seal and execute in its behalf all lawful bonds, undertakings and other obligatory instruments of similar nature provided that no single obligation shall exceed \$50,000,000.00 and to bind the Companies thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Companies and all of the acts of said Attorney, pursuant to the authority hereby given and hereby ratified and confirmed.

The Authority hereby granted is continuous and shall remain in full force and effect until revoked by United Fire & Casualty Company, United Fire & Indemnity Company, and Financial Pacific Insurance Company.

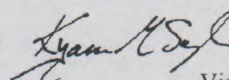
This Power of Attorney is made and executed pursuant to and by authority of the following bylaw duly adopted by the Boards of Directors of United Fire & Casualty Company, United Fire & Indemnity Company, and Financial Pacific Insurance Company.

"Article VI – Surety Bonds and Undertakings"

Section 2, Appointment of Attorney-in-Fact. "The President or any Vice President, or any other officer of the Companies may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Companies in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. The signature of any officer authorized hereby, and the Corporate seal, may be affixed by facsimile to any power of attorney or special power of attorney or certification of either authorized hereby; such signature and seal, when so used, being adopted by the Companies as the original signature of such officer and the original seal of the Companies, to be valid and binding upon the Companies with the same force and effect as though manually affixed. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority shall have full power to bind the Companies by their signature and execution of any such instruments and to attach the seal the Companies thereto. The President or any Vice President, the Board of Directors or any other officer of the Companies may at any time revoke all power and authority previously given to any attorney-in-fact.

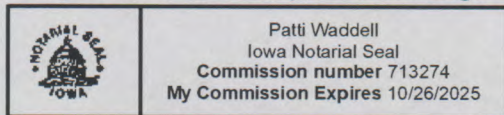
IN WITNESS WHEREOF, the COMPANIES have each caused these presents to be signed by its vice president and its corporate seal to be hereto affixed this 26th day of July, 2021

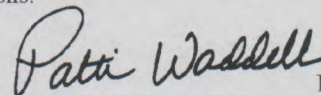
UNITED FIRE & CASUALTY COMPANY
 UNITED FIRE & INDEMNITY COMPANY
 FINANCIAL PACIFIC INSURANCE COMPANY

By: 
 Vice President

State of Iowa, County of Linn, ss:

On 26th day of July, 2021, before me personally came Kyanna M. Saylor to me known, who being by me duly sworn, did depose and say; that she resides in Cedar Rapids, State of Iowa; that she is a Vice President of United Fire & Casualty Company, a Vice President of United Fire & Indemnity Company, and a Vice President of Financial Pacific Insurance Company the corporations described in and which executed the above instrument; that she knows the seal of said corporations; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporations and that she signed her name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.

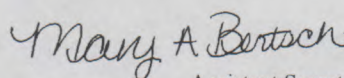



 Notary Public
 My commission expires: 10/26/2025

I, Mary A. Bertsch, Assistant Secretary of United Fire & Casualty Company and Assistant Secretary of United Fire & Indemnity Company, and Assistant Secretary of Financial Pacific Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the bylaws and resolutions of said Corporations as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID CORPORATIONS, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

In testimony whereof I have hereunto subscribed my name and affixed the corporate seal of the said Corporations
 this 25th day of June, 2025



By: 
 Assistant Secretary,
 UF&C & UF&I & FPIC

BOND FOR SECURITY OF LABORERS AND MATERIALMEN

WHEREAS, Lakeside Water District and River Run East 2021, L.P., 1000 Pioneer Avenue, El Cajon, CA 92020 (hereinafter designated as "Principal") have entered into an Agreement whereby Principal agrees to install and complete certain designated water facilities, which said Agreement, dated July 8, 2025, and identified as project District Work Order No. 2025-01 is hereby referred to and made a part hereof; and

WHEREAS, under the terms of said Agreement, Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with Lakeside Water District to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

NOW, THEREFORE, said Principal and the undersigned as corporate surety, are held firmly bound unto Lakeside Water District, and all contractors, subcontractors, laborers, material men and other persons employed in the performance of the aforesaid Agreement and referred to in the aforesaid Civil Code in the sum of FIVE HUNDRED SIXTY THOUSAND ONE HUNDRED EIGHTY ONE AND 05/100-- (\$560,181.05), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor that said surety will pay the same in an amount not exceeding the amount herein above set forth, and also in case suit is brought upon this bond, will pay in addition to the face amount thereof, costs and reasonable expenses and fees including reasonable attorney's fees, incurred by District in successfully enforcing such obligations to be awarded and fixed by the courts, and to be taxed as costs and to be included in the judgment therein rendered.

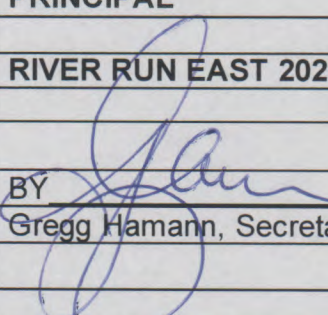
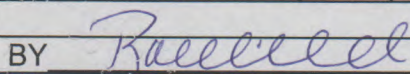
IT IS HEREBY expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled, named in Section 3181 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond. Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise, it shall be and remain in full force and effect. The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement, or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

IN WITNESS WHEREOF, the above-bounded parties have executed this instrument under their seals this 6TH day of June, 2025, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to the authority of its governing body.

APPROVED AS TO FORM

Lakeside Water District

Dated _____

PRINCIPAL
RIVER RUN EAST 2021, L.P. , a California limited partnership
BY 
Gregg Hamann, Secretary of River Run East, Inc., its General Partner
SURETY
United Fire & Casualty Company
BY 
Rachel A. Mullen, Attorney-in-Fact
Local address and telephone
925 Highland Pointe Dr #450 319-247-6470
Roseville, CA 9576

All signatures must be notarized and corporate seals applied, if applicable.

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

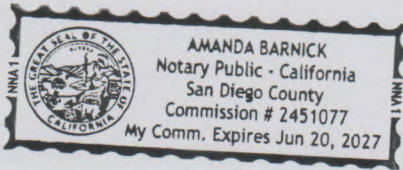
State of California

County of San Diego

On 06/25/2025 before me, Amanda Barnick, notary public
Date Here Insert Name and Title of the Officer

personally appeared Gregg Hamann
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Amanda Barnick
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Performance bond

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

☐ Corporate Officer – Title(s): _____ ☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General ☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact ☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator ☐ Trustee ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer is Representing: _____ Signer is Representing: _____



UNITED FIRE & CASUALTY COMPANY, CEDAR RAPIDS, IA
UNITED FIRE & INDEMNITY COMPANY, WEBSTER, TX
FINANCIAL PACIFIC INSURANCE COMPANY, LOS ANGELES, CA
CERTIFIED COPY OF POWER OF ATTORNEY

Inquiries: Surety Department
118 Second Ave SE
Cedar Rapids, IA 52401

(original on file at Home Office of Company – See Certification)

KNOW ALL PERSONS BY THESE PRESENTS, That United Fire & Casualty Company, a corporation duly organized and existing under the laws of the State of Iowa; United Fire & Indemnity Company, a corporation duly organized and existing under the laws of the State of Texas; and Financial Pacific Insurance Company, a corporation duly organized and existing under the laws of the State of California (herein collectively called the Companies), and having their corporate headquarters in Cedar Rapids, State of Iowa, does make, constitute and appoint

TIMOTHY NOONAN, CHARLES R. TETER, III, JANINA MONROE, JENNIFER OCHS, SARAH CAMPBELL, MARTHA BARRERAS, MICHELLE HAASE, RACHEL A MULLEN, SANDRA CORONA, JAREN A MARX, KD WAPATO, MARINA TAPIA, EDWARD C SPECTOR, ETHAN SPECTOR, B ALEMAN, SIMONE GERHARD, ERIN BROWN, D GARCIA, EACH INDIVIDUALLY

their true and lawful Attorney(s)-in-Fact with power and authority hereby conferred to sign, seal and execute in its behalf all lawful bonds, undertakings and other obligatory instruments of similar nature provided that no single obligation shall exceed \$50,000,000.00 and to bind the Companies thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Companies and all of the acts of said Attorney, pursuant to the authority hereby given and hereby ratified and confirmed.

The Authority hereby granted is continuous and shall remain in full force and effect until revoked by United Fire & Casualty Company, United Fire & Indemnity Company, and Financial Pacific Insurance Company.

This Power of Attorney is made and executed pursuant to and by authority of the following bylaw duly adopted by the Boards of Directors of United Fire & Casualty Company, United Fire & Indemnity Company, and Financial Pacific Insurance Company.

“Article VI – Surety Bonds and Undertakings”

Section 2, Appointment of Attorney-in-Fact. “The President or any Vice President, or any other officer of the Companies may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Companies in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. The signature of any officer authorized hereby, and the Corporate seal, may be affixed by facsimile to any power of attorney or special power of attorney or certification of either authorized hereby; such signature and seal, when so used, being adopted by the Companies as the original signature of such officer and the original seal of the Companies, to be valid and binding upon the Companies with the same force and effect as though manually affixed. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority shall have full power to bind the Companies by their signature and execution of any such instruments and to attach the seal the Companies thereto. The President or any Vice President, the Board of Directors or any other officer of the Companies may at any time revoke all power and authority previously given to any attorney-in-fact.

IN WITNESS WHEREOF, the COMPANIES have each caused these presents to be signed by its vice president and its corporate seal to be hereto affixed this 26th day of July, 2021

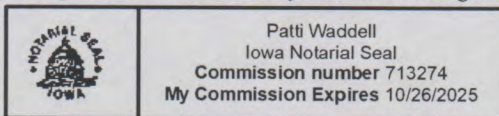


UNITED FIRE & CASUALTY COMPANY
UNITED FIRE & INDEMNITY COMPANY
FINANCIAL PACIFIC INSURANCE COMPANY

By: *Kyanna M. Saylor*
Vice President

State of Iowa, County of Linn, ss:

On 26th day of July, 2021, before me personally came Kyanna M. Saylor to me known, who being by me duly sworn, did depose and say; that she resides in Cedar Rapids, State of Iowa, that she is a Vice President of United Fire & Casualty Company, a Vice President of United Fire & Indemnity Company, and a Vice President of Financial Pacific Insurance Company the corporations described in and which executed the above instrument; that she knows the seal of said corporations; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporations and that she signed her name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



Patti Waddell
Notary Public
My commission expires: 10/26/2025

I, Mary A. Bertsch, Assistant Secretary of United Fire & Casualty Company and Assistant Secretary of United Fire & Indemnity Company, and Assistant Secretary of Financial Pacific Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the bylaws and resolutions of said Corporations as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID CORPORATIONS, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

In testimony whereof I have hereunto subscribed my name and affixed the corporate seal of the said Corporations
this 25th day of June, 2025



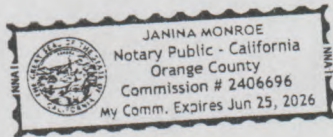
By: *Mary A. Bertsch*
Assistant Secretary,
UF&C & UF&I & FPIC

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

County of OrangeOn 6/25/25 before me, Janina Monroe, Notary Public,
Date Insert Name of Notary exactly as it appears on the official sealpersonally appeared Rachel A. Mullen
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Janina Monroe
Signature of Notary Public Janina Monroe

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

_____**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

_____**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

RESOLUTION 2025-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT ADOPTING FIVE YEAR CAPITAL IMPROVEMENT PLAN

WHEREAS, the Lakeside Water District has completed a five-year capital improvement updated plan ending in fiscal year 2029/2030; and

WHEREAS, the district has identified capital improvement projects and expenditures which may be constructed in the next five-year period beginning in fiscal year 2025/2026 and ending 2029/2030; and

WHEREAS, the district has identified sources of funding which include water rate revenue, capacity fees and capital improvement and rate stabilization reserves to complete the five-year capital improvement projects and expenditures; and

WHEREAS, the projects and expenditures identified are necessary for the efficient operation of the distribution, transmission and treatment systems;

NOW, THEREFORE, IT IS HERE RESOLVED DETERMINED AND ORDERED, by the Board of Directors of the Lakeside Water District as follows:

The attached Exhibit "A" lists the capital improvement projects and expenditures, which are approved for completion.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Lakeside Water District held on the 8th day of July 2025, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

Brett Sanders, Secretary
Lakeside Water District

Eileen Neumeister, President
Board of Directors

LAKESIDE WATER DISTRICT
5 YEAR CAPITAL IMPROVEMENT PLAN
2025/26 through 2029/30
July 2025
Exhibit A

C=Complete IP=In Progress AC=Annual Capital MT=Moved To MF=Moved From A=Annual
Moved From Bring In New Engineering Only

2024/2025 (Current FY for Reference) Total \$ 668,000

Vine St. Operations Center Solar Energy System (Carryover) \$ 275,000

Yerba Valley Annexation Pipeline Installation \$ 300,000

Buildings & Land Improvements \$ 4,000

O & M Equipment (Replacement Construction Equipment) \$ 10,000

Office Furniture & Equipment \$ 4,000

Plant & Distribution (Miscellaneous System Upgrades) \$ 25,000

New Service & Meters \$ 10,000

CIP Design and Engineering (Miscellaneous System Upgrades) \$ 40,000

2025/2026 Total \$ 789,000

Operations, Engineering and Security Management Bldg. (NEW) \$ 195,000N

Yerba Valley Annexation Pipeline Installation (Carryover) \$ 450,000

Julian Ave. Multiple Pipe Replacement (Los Coches Rd. to Lakeview Rd.) \$ 20,000
(Engineering)

Rocoso Rd. North Pipeline Replacement Project Engineering (New) \$ 20,000N

SCADA Telemetry Upgrade (Riverview Service Area) \$ 30,000

Buildings & Land Improvements \$ 4,000

O & M Equipment (Replacement Construction Equipment) \$ 10,000

Office Furniture & Equipment \$ 15,000

Plant & Distribution (Miscellaneous System Upgrades) \$ 30,000

New Service & Meters \$ 10,000

CIP Design and Engineering	\$ 5,000
2026/2027	Total \$1,319,000
Operations, Engineering and Security Management Bldg. (NEW)	\$ 50,000N
Single Oak Pump Station Rehabilitation (Built 1972) (Engineering)	\$ 20,000
Julian Ave. Multiple Pipe Replacement (Los Coches Rd. to Lakeview Rd.) (Two-year project, first year)	\$1,100,000
Vehicle Replacement (Truck 4 – ¼ tn. Service Truck) (Sport Trac) (one of two vehicle purchases to be electric)	\$ 75,000
Buildings & Land Improvements	\$ 4,000
O & M Equipment (Replacement Construction Equipment)	\$ 10,000
Office Furniture & Equipment	\$ 15,000
Plant & Distribution (Miscellaneous System Upgrades)	\$ 30,000
New Service & Meters	\$ 10,000
CIP Design and Engineering	\$ 5,000
2027/2028	Total \$1,519,000
Vine Street Well 9 (Engineering) (New)	\$ 45,000
Julian Ave. (Los Coches to Lakeview) (Multiple Pipe Consolidation) (Two year project, second year)	\$1,100,000
Single Oak Pump Station Piping and Pump Upgrade (Built 1972)	\$ 225,000
Vehicle Replacement (Service Truck)	\$ 40,000
Buildings & Land Improvements	\$ 4,000
Vehicle Replacement	\$ 35,000
O & M Equipment (Replacement Construction Equipment)	\$ 10,000
Office Furniture & Equipment	\$ 15,000
Plant & Distribution (Miscellaneous System Upgrades)	\$ 30,000
New Service & Meters	\$ 10,000
CIP Design and Engineering	\$ 5,000

2028/2029	Total	\$ 2,224,000
Vine Street Well 9 Construction Project (New)		\$1,100,000N
El Monte Reservoir Tank Rehabilitation Built in 1960		\$ 950,000
Single Oak Reservoir Rehabilitation 1996 (Rehab) (Engineering)		\$ 20,000
Johnson Lake Pump Station Rehab. (Built in 1972) (Engineering)		\$ 20,000
Wintergardens Pump Station Rehabilitation (Built 1981) (Engineering) (NEW)		\$ 20,000N
Buildings & Land Improvements		\$ 4,000
Vehicle Replacement (Service Truck)		\$ 40,000
O & M Equipment (Replacement Construction Equipment)		\$ 10,000
Office Furniture & Equipment		\$ 15,000
Plant & Distribution (Miscellaneous System Upgrades)		\$ 30,000
New Service & Meters		\$ 10,000
CIP Design and Engineering		\$ 5,000
2029/2030	Total	\$ 1,510,000
Wintergardens Pump Station Rehabilitation (Built 1981) (Rehab) (NEW)		\$ 450,000N
Johnson Lake Pump Station Rehab. (Built in 1972) (Rehab)		\$ 476,000
Single Oak Reservoir Rehabilitation Last Rehab 1998		\$ 450,000
Lakeshore Drive Pipeline Repl. (Vine St. to Lakeview Rd.) (Engineering) (NEW)		\$ 20,000N
Buildings & Land Improvements		\$ 4,000
Vehicle Replacement (Service Truck)		\$ 40,000
O & M Equipment (Replacement Construction Equipment)		\$ 10,000
Office Furniture & Equipment		\$ 15,000
Plant & Distribution (Miscellaneous System Upgrades)		\$ 30,000
New Service & Meters		\$ 10,000
CIP Design and Engineering		\$ 5,000

RESOLUTION 2025-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT ADOPTING BUDGET FOR THE FISCAL YEAR 2025/2026

IT IS HEREBY RESOLVED, by the Directors of the Lakeside Water District as follows:

That the budget for the Lakeside Water District attached hereto as Exhibit "A" is hereby adopted as the budget of this District for the period commencing July 1, 2025 ending June 30, 2026.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Lakeside Water District held on the 8th day of July 2025, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

Brett Sanders, Secretary
Lakeside Water District

Eileen Neumeister, President
Board of Directors

Lakeside Water District Budget Summary 2025/2026

SUMMARY - ADMINISTRATION

1 Director's Fees • 7020	\$	10,750
2 Annual Audit • 7200	\$	31,000
3 General Manager/Secretary • 7000	\$	234,000
4 Attorney's Fees • 7210	\$	30,000
5 Insurance and Bonds • 7100	\$	66,575
6 Elections/Registrar • 7300	\$	2,000
7 Administrative Expense • 7401	\$	7,000
8 Public Relations • 7450	\$	11,350
9 Consulting • 7230	\$	8,000
10 Bad Debt Expense • 7800	\$	2,000
11 State Health Dept. & Water Resources • 7500	\$	49,064
12 Water Dev./Conservation • 7900	\$	9,500
13 Lafco Operating Costs • 7320	\$	5,634
14 Incentive Compensation • 7001	\$	14,000
TOTAL	\$	480,873

SUMMARY - OPERATIONS & MAINTENANCE

1 Office Expense • 7400	\$	157,714
2 Electrical Power • 5100	\$	327,000
3 Payroll, Office • 7010	\$	340,000
4 Payroll, Field • 6000	\$	866,513
5 Outside Labor • 6400	\$	42,000
6 Dues & Subscriptions • 7440	\$	32,000
7 Distribution (Maintenance/Supplies) • 6100	\$	130,000
8 Distribution Pump & Motor Maintenance • 6102	\$	60,000
9 Emergency Repairs & Services • 6110	\$	45,000
10 Water Treatment (Maintenance/Supplies) • 5200	\$	80,000
11 Telemetry Repair • 5628	\$	15,000
12 Water Purchases • 5000	\$	7,994,040
13 Infrastructure Access Charge • 5090	\$	443,760
14 Padre Dam Delivery (Wheeling) • 5075	\$	2,600
15 County of S.D. Road Improvements • 5627	\$	15,000
16 Trucks ~ Fuel, Maintenance, Repairs • 6200	\$	70,000
17 Miscellaneous Expense • 7920	\$	6,000
18 Water Treatment & Testing • 5080	\$	24,000
19 Engineering, Architectural, Surveying • 6410	\$	20,000
20 Payroll Tax • 7030	\$	102,508
21 Group Insurance • 7040	\$	326,740

Lakeside Water District Budget Summary 2025/2026

22 Retirement • 7050	\$ 253,503
23 Unemployment Insurance • 7070	\$ 5,000
24 SDCWA Capacity & Treatment • 5091	\$ 111,353
25 Yerba Valley Annexation • 5620	\$ -
TOTAL	<u>\$ 11,469,731</u>

TOTAL OPERATING EXPENSES

Administraton	\$ 480,873
Operations & Maintenance	<u>\$ 11,469,731</u>
TOTAL	\$ 11,950,604

CAPITAL REQUIREMENTS - SUMMARY

1 Plant & Distribution • 1550	\$ 30,000
2 New Services/Meters • 1551	\$ 10,000
3 O&M Equipment (Hand Tools/Misc) • 1520	\$ 10,000
4 SCADA Telemetry Upgrade • 1580	\$ 30,000
5 Buildings & Land Improvements • 1510	\$ 4,000
6 Office Equipment & Furnishings • 1530	\$ 15,000
7 Capital Improvement Design/Engineering • 1547	\$ 5,000
8 Yerba Valley Annexation Pipeline • 1581	\$ 450,000
9 Operations, Engineering & Security Bldg. • 1582	\$ 195,000
10 Julian Ave. Multiple Pipe Replacement • 1583	\$ 20,000
11 Rocoso Rd.Pipe Replacement Engineering • 1584	<u>\$ 20,000</u>
TOTAL	\$ 789,000

EXPENSE SUMMARY

Total Administration Expenses:	\$ 480,873
Total Operating Expenses:	\$ 11,469,731
Total Capital Requirements:	<u>\$ 789,000</u>
TOTAL	\$ 12,739,604

Lakeside Water District Budget Summary 2025/2026

REVENUES

1 Water Sales • 4000	\$ 11,061,540
2 Infrastructure Access Charge • 4020	\$ 457,906
3 Service/Meter Installations • 4200	\$ 35,000
6 Taxes Revenue • 4700	\$ 740,000
8 Miscellaneous Income • 4300	\$ 20,000
9 Interest • 4600	\$ 315,000
10 Tapping/Tie-In • 4230	\$ 15,000
11 Property Leases • 4400	\$ 291,770
12 Engineering and Inspection • 4210	\$ 7,500
13 Fire Hydrants & Valve Installations • 4220	\$ 30,000
14 Capacity Fees LWD • 4100	\$ 57,030
15 SDCWA Capacity & Treatment • 4101	\$ 85,186
16 Water Letters • 4310	\$ 250
TOTAL	<u>\$ 13,346,182</u>

ESTIMATED OPERATING INCOME STATEMENT

REVENUES:

Water Sales	\$ 11,061,540
Other Income	<u>\$ 2,284,642</u>
Total Operating Revenues	\$ 13,346,182

EXPENSES:

Water Purchases	\$ 7,994,040
Administration	\$ 480,873
Operations & Maintenance	<u>\$ 3,475,691</u>
Total Operating Expenses	\$ 11,950,604
Capital Requirements	\$ 789,000
Total Budget Requirements	\$ 12,739,604
Income/(Loss)	\$ 606,578
(From) Rate Stabilization Reserve & Capital Improvement Reserve Fund	\$ -
Less: Depreciation Expense	\$ 739,677
Net Income/(Loss)	(133,099)

RESOLUTION 2025-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT UPDATING CLASSIFICATIONS AND MONTHLY RATES OF PAY SCHEDULE FOR LAKESIDE WATER DISTRICT EMPLOYEES EFFECTIVE JULY 1, 2025

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Lakeside Water District, that from the period of July 1, 2025 through June 30, 2026 and continuing thereafter at the pleasure of the Board of Directors of this water district, the employment classification required for the operation of the district, and the standard monthly rates of compensation therefore, be and they established as follows, to wit:

2025-26												
PAY GRADES												
LAKESIDE WATER DISTRICT												
Pay Grade	Pay Type	Class Code	Position	Min	Mid	Max	Annual Minimum	Annual Midpoint	Annual Maximum	MIN HRLY AVERAGE	MID HRLY AVERAGE	MAX HRLY AVERAGE
SAL / EXEMPT												
50	MTHY	SAL/EX	General Manager	15,400.00	17,710.00	20,020.00	184,800.00	212,520.00	240,240.00	88.85	102.17	115.50
SAL / NE												
41	MTHY	SAL/NE	Engineering & Ops Manager	10,500.00	12,500.00	14,500.00	126,000.00	150,000.00	174,000.00	60.58	72.12	83.65
40	MTHY	SAL/NE	Operations Superintendent	8,000.00	10,464.25	12,928.50	96,000.00	125,571.00	155,142.00	46.15	60.37	74.59
39					0.00							
38					0.00							
37	MTHY	SAL/NE		10,001.00	11,501.15	13,001.30	120,012.00	138,013.80	156,015.60	57.70	66.35	75.01
36	MTHY	SAL/NE	Finance and Accounting Spec.	7,000.00	8,500.00	10,000.00	84,000.00	102,000.00	120,000.00	40.38	49.04	57.69
35	MTHY	SAL/NE	Cust. Serv. & Billing Manager	7,000.00	8,500.00	10,000.00	84,000.00	102,000.00	120,000.00	40.38	49.04	57.69
34	MTHY	SAL/NE		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	MTHY	SAL/NE	System Operator 3	7,044.00	8,100.60	9,157.20	84,528.00	97,207.20	109,886.40	40.64	46.73	52.83
32	MTHY	SAL/NE	Utility Worker 3	6,491.00	7,464.65	8,438.30	77,892.00	89,575.80	101,259.60	37.45	43.07	48.68
31	MTHY	SAL/NE	System Operator 2	6,078.00	6,989.70	7,901.40	72,936.00	83,876.40	94,816.80	35.07	40.33	45.59
30	MTHY	SAL/NE		5,700.00	6,555.00	7,410.00	68,400.00	78,660.00	88,920.00	32.88	37.82	42.75
29	MTHY	SAL/NE	Utility Worker 2	5,594.00	6,433.10	7,272.20	67,128.00	77,197.20	87,266.40	32.27	37.11	41.96
28	MTHY	SAL/NE	System Operator 1	5,550.00	6,382.50	7,215.00	66,600.00	76,590.00	86,580.00	32.02	36.82	41.63
27	MTHY	SAL/NE	Customer Service Rep. 2	5,275.00	6,066.25	6,857.50	63,300.00	72,795.00	82,290.00	30.43	35.00	39.56
26	MTHY	SAL/NE	Utility Worker 1	4,903.00	5,638.45	6,373.90	58,836.00	67,661.40	76,486.80	28.29	32.53	36.77
25	MTHY	SAL/NE	Customer Service Rep. 1	4,558.00	5,241.70	5,925.40	54,696.00	62,900.40	71,104.80	26.30	30.24	34.19
24	MTHY	SAL/NE	Utility Worker Trainee	4,074.00	4,685.10	5,296.20	48,888.00	56,221.20	63,554.40	23.50	27.03	30.56
23	MTHY	SAL/NE		3,384.00	3,891.60	4,399.20	40,608.00	46,699.20	52,790.40	19.52	22.45	25.38

7/8/2025

Ranges Revised - Salary Schedule

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Lakeside Water District at a regular meeting thereof held on July 8th, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Attest:

Brett Sanders, Secretary
Lakeside Water District

Eileen Neumeister, President
Board of Directors



Leaf & Cole, LLP

Certified Public Accountants

A Partnership of Professional Corporations

June 20, 2025

To the Board of Directors
Lakeside Water District
10375 Vine Street
Lakeside, California 92040

We are pleased to confirm our understanding of the services we are to provide Lakeside Water District for the year ended June 30, 2025.

Audit Scope and Objectives

We will audit the statement of net position as of June 30, 2025, and the related statements of revenues, expenses and changes in net position, and the statement of cash flows for the year then ended, and the disclosures, which collectively comprise the basic financial statements of Lakeside Water District as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Lakeside Water District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Lakeside Water District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Plan's Proportionate Share of the Net Pension Liability
3. Schedule of Contributions to the Pension Plan
4. Schedule of Changes in the District's Net OPEB Liability and Related Ratios
5. Schedule of Contributions to the OPEB Plan

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that rise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatements as part of our audit planning:

- Investments
- Accounts receivable and revenue recognition
- Capital assets
- Accounts payable
- Net pension liability
- Management override

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Lakeside Water District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidy ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Other Services

We will also assist in preparing the financial statements of Lakeside Water District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Leaf & Cole, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner when required. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Leaf & Cole, LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation when required. The requiring agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Michael J. Zizzi is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses will not exceed \$27,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account become 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit, of Lakeside Water District's financial statements. Our report will be addressed to the Board of Directors of Lakeside Water District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Lakeside Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the original of this letter and return it to us.

Very truly yours,

LEAF & COLE, LLP



Michael J. Zizzi

RESPONSE:

This letter correctly sets forth the understanding of Lakeside Water District.

Management Signature and Title

Date

Governance Signature and Title

Date

**Lakeside Water District
Disbursements List
June 2025**

Num	Name	Account	Original Amount
16976	New West Investments	2131 · Construction/Meter Deposits	3,542.00
16977	***included in payroll below	Payroll Check	0.00
16978	FedEx	5080 · Water Treatment & Testing	163.85
16979	ALDANA, AMELIA	4000 · Water Sales on Account	69.52
16980	BRATLIEN, RYAN	4000 · Water Sales on Account	128.70
16981	CHAPMAN, JAYME	4000 · Water Sales on Account	29.67
16982	DECAMP, ALEXANDER	4000 · Water Sales on Account	50.03
16983	ELLIOTT, KYLE	4000 · Water Sales on Account	95.06
16984	FULLER, WARDELL	4000 · Water Sales on Account	100.38
16985	GARBUTT, KAYRL	4000 · Water Sales on Account	107.26
16986	GILLESPIE, KATE	4000 · Water Sales on Account	116.68
16987	GOFF, MATT & DOOLEY, AMBER	4000 · Water Sales on Account	158.50
16988	Hallman, Daniel	4000 · Water Sales on Account	50.03
16989	JIRSA, FAITH	4000 · Water Sales on Account	167.36
16990	JOHANSEN, MORGAN	4000 · Water Sales on Account	167.36
16991	JUSTICE, COLLIN & SEVILLA, JACQUELINE	4000 · Water Sales on Account	161.35
16992	LIRA, CARLOS	4000 · Water Sales on Account	168.84
16993	MALDONADO-TORES, JENNYFER	4000 · Water Sales on Account	34.06
16994	MEEKS, KEVIN	4000 · Water Sales on Account	80.53
16995	MILLER, ANDREW	4000 · Water Sales on Account	297.17
16996	OPALA, JOSEPH	4000 · Water Sales on Account	167.36
16997	PRECIADO, FRANCISCO	4000 · Water Sales on Account	86.97
16998	STOCKTON, TERRY & LORI	4000 · Water Sales on Account	104.66
16999	SWANSON, WANDA	4000 · Water Sales on Account	66.01
17000	VADER, BEVERLY	4000 · Water Sales on Account	61.08
17001	WATTE, BRENT & BROOKE	4000 · Water Sales on Account	173.37
17002	A & B Saw & Lawnmower Shop	6100 · Distribution - Maint/Supplies	29.04
17003	ACWA - Group Ins	7040 · Group Insurance	28,990.88
17004	Alpha Analytical Laboratories, Inc	5080 · Water Treatment & Testing	508.00
17005	Core & Main, LP	6100 · Distribution - Maint/Supplies	233.66
17006	Crisplmaging Inc.	1547 · CIP Design/Engineer	103.68
17007	Dexter Wilson Engineering, Inc.	Split	5,795.00
17008	East County Californian	5620 · Yerba Valley Annexation	210.00
17009	Excel Telemessaging	7400 · Office Expense	219.92
17010	Ferguson Waterworks	6100 · Distribution - Maint/Supplies	2,175.88
17011	Fire Etc	6100 · Distribution - Maint/Supplies	214.00
17012	Gregory Sheets, CPA	Split	1,225.00
17013	HASA	5200 · Water Treatment -Maint/Supplie	2,301.86
17014	Helix Water District	5080 · Water Treatment & Testing	759.00
17015	Hose & Rubber Products	6200 · Trucks-Fuel,Maintenance,Repa	309.71
17016	Jan-Pro	7400 · Office Expense	350.00
17017	Lakeside Equipment	6100 · Distribution - Maint/Supplies	225.89
17018	Municipal Diving Services Inc.	6410 · Engineering	6,046.00
17019	Northern Safety Co., Inc.	6100 · Distribution - Maint/Supplies	230.54
17020	Payton's Ace Hardware, Inc.	1001 · US Bank Checking	208.41
17021	Pollardwater.com	Split	1,372.37
17022	Quadient - Maint	7400 · Office Expense	1,269.21
17023	Quadient - Postage	7400 · Office Expense	1,000.00
17024	Republic Services	6100 · Distribution - Maint/Supplies	741.26
17025	S.D. Heavy Truck Equipment Repair, Inc	6200 · Trucks-Fuel,Maintenance,Repa	1,569.90

17026	Target River	7400 · Office Expense	110.00
17027	TurnKey Energy	1548 · Admin Roof & Solar	17,750.00
17028	Underground Service Alert	7440 · Dues & Subscriptions	104.35
17029	UniFirst Corp	6100 · Distribution - Maint/Supplies	658.26
17030	Wave.Band	7400 · Office Expense	945.98
17031	San Diego County Water Authority	5091 · SDCWA Capacity & Treatment	10,467.00
17032	Enniss, Inc.	6100 · Distribution - Maint/Supplies	1,245.31
17033	West & Associates Engineering, Inc.	7230 · Consultants	1,250.00
17034	A & B Saw & Lawnmower Shop	6100 · Distribution - Maint/Supplies	33.40
17035	AWWA	7440 · Dues & Subscriptions	525.00
17036	Border Tire	6200 · Trucks-Fuel,Maintenance,Repa	38.78
17037	Cintas First Aid & Safety	6100 · Distribution - Maint/Supplies	460.45
17038	County of San Diego-Registrar of Voters	7300 · Elections/Registrar	2,164.00
17039	Dexter Wilson Engineering, Inc.	1547 · CIP Design/Engineer	380.00
17040	Form An Impression	7400 · Office Expense	2,668.97
17041	HASA	5200 · Water Treatment -Maint/Supplie	1,072.59
17042	Lakeside Petroleum, Inc.	6200 · Trucks-Fuel,Maintenance,Repa	3,086.69
17043	Napa Auto Parts Inc	6200 · Trucks-Fuel,Maintenance,Repa	22.32
17044	Procopio Cory Hargreaves & Savitch	5620 · Yerba Valley Annexation	1,595.00
17045	UniFirst Corp	6100 · Distribution - Maint/Supplies	397.82
17046	United Site Service, Inc.	6100 · Distribution - Maint/Supplies	96.48
17047	Wintergardens Smog & Tune	6200 · Trucks-Fuel,Maintenance,Repa	1,631.22
17048	***included in payroll below	Payroll Check	0.00
17049	Variable Annuity Life Insurance	2100 · Payroll Liabilities	4,916.13
17050	Standard Insurance	7040 · Group Insurance	511.18
eft	First Bankcard - Visa	First Bankcard	881.87
eft	First Bankcard - Visa	First Bankcard	2,459.16
eft	Bankcard CC Fee	7400 · Office Expense	3,430.07
eft	US Bank-Register	7400 · Office Expense	94.28
eft	Paya ACH Fee	7400 · Office Expense	888.15
eft	Paya ACH Fee	7400 · Office Expense	10.00
eft	Paya ACH Fee	7400 · Office Expense	15.00
eft	Paya ACH Fee	7400 · Office Expense	92.34
eft	Paya ACH Fee	7400 · Office Expense	134.41
eft	Paya ACH Fee	7400 · Office Expense	186.00
eft	San Diego County Water Authority	5000 · Water Purchases	622,466.56
eft	InvoiceCloud Fee	7400 · Office Expense	2,205.30
eft	US Bank-NSF	7400 · Office Expense	275.00
eft	US Bank-Fees	7400 · Office Expense	821.21
eft	Retail Customers	1200 · Accounts Receivable	11,403.20
eft	Verizon	7400 · Office Expense	143.73
eft	Cal Pers	2100 · Payroll Liabilities	6,391.74
eft	Cal Pers	7050 · CalPers Retirement	11,844.35
eft	SDGE	5100 · Electric Power	20,486.08
eft	SDGE	5100 · Electric Power	1,195.86
eft	SDGE	5100 · Electric Power	639.11
eft	SDGE	5100 · Electric Power	17.97
eft	SDGE	5100 · Electric Power	55.64
eft	Union Bank InstaTax State	2100 · Payroll Liabilities	4,967.05
E-pay	Union Bank InstaTax Federal	2100 · Payroll Liabilities	27,973.83
payroll	Payroll	Split	68,848.15
			902,831.68



SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING JUNE 26, 2025

1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the monthly Treasurer's Report.
2. Approve Carlsbad Municipal Water District Refund for Overpayment of Costs Related to the Fiscal Year 2024 Reconciled Settlement Statement for Desalinated Water Purchases.
The Board authorized the General Manager to refund Carlsbad Municipal Water District (CMWD) \$179,769.51 for over collected charges related to the Carlsbad Desalination Plant operations for fiscal year 2024.
3. Recommended Budget Reductions for Fiscal Years 2026 and 2027.
The Board authorized recommended reductions of \$122,855 to the Board of Directors Recommended Budget for Fiscal Years 2026 and 2027.
4. Capital Improvement Program (CIP) Prioritization Planning Funding. Option 2.
The Board directed staff to maintain existing CIP practices and hold a special Board workshop to engage the Board on current practices.
5. General Manager's Recommended Budget for Fiscal Years 2026 and 2027.
 - a. The Board adopted the General Manager's Recommended Budget for Fiscal Years 2026 and 2027.
 - b. The Board approved adoption of Resolution No. 2025-14, a Resolution of the Board of Directors of the San Diego County Water Authority approving the General Manager's Recommended Budget for Fiscal Years 2026 and 2027, for operations and capital improvements and appropriating \$1,897,402,674 consistent with the approved budget.
 - c. The Board approved the amended Classification and Salary Schedule for Fiscal Year 2025, consistent with the approved increases in the approved Memorandum of Understanding (MOU) Between San Diego County Water Authority and Teamsters Local 911, to be publicly available and on file with the California Public Employees Retirement System.
 - d. The Board approved the Classification and Salary Schedule for Fiscal Year 2026, consistent with the approved increases in the approved Memorandum of Understanding (MOU) Between San Diego County Water Authority and Teamsters Local 911, to be publicly available and on file with the California Public Employees Retirement System.
 - e. Upon final year-end closing financials, directed staff to use any excess revenue or undesignated revenue to defeasing Water Authority's debt or maximize the contribution into the Rate Stabilization Fund (down to the 1.5x coverage target).
 - f. Starting July 1, 2025, the Board directed Water Authority staff to return to the Board of Directors quarterly to provide Quarterly Budget Monitoring Reports for action and discussion; and,



- g. Directed the General Manager to work with the Chair and Member Agency Managers Work Group on a proposed Board Policy setting the Board's financial metrics and priorities for direction, including discussion of any excess or undesignated revenues collected, which shall be brought to the Board for consideration at the adoption of the LRFP.

6.

Adopt the Water Authority's Rates and Charges for Calendar Year (CY) 2026.

Option 3 – Utilize Future Savings and Defer FY26 New Debt Issuance for Approximate 8.3% Effective CY26 Rate Increase:

- a. The Board adopted Ordinance No. 2025-01 an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities, and provision of services. (Attachment 3)
- b. The Board adopted Resolution No. 2025-15 a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge.
- c. The Board adopted Ordinance No. 2025-02 an ordinance of the Board of Directors of the San Diego County Water Authority amending and restating the System Capacity and Water Treatment Capacity Charges imposed by the Water Authority pursuant to Section 5.9 of the County Water Authority Act.
- d. The Board adopted Ordinance No. 2025-03 an ordinance of the Board of Directors of the San Diego County Water Authority amending and restating the Permanent Special Agricultural Water Rate Program.
- e. The Board directed staff to explore future Permanent Special Agriculture Water Rate Program funding alternatives for implementation no sooner than January 1, 2027 (CY 2027).
- f. The Board directed staff to update the adopted Fiscal Year 2026 and 2027 budget to reflect the Option 3 rates and charges.
- g. Found the actions exempt from CEQA pursuant to Public Resources Code § 21080(b)(8) and authorized the General Manager to file a notice of exemption.

7. Purchase of Water Authority Business Insurance for Fiscal Year 2026.

The Board authorized the General Manager to purchase \$41 million in liability insurance for fiscal year 2026 from CalMutuals JPRIMA in the amount of \$734,000, property insurance for fiscal year 2026 from Swiss Reinsurance Company in the amount of \$306,488, and workers' compensation insurance from CalMutuals JPRIMA in the amount of \$460,206, for a total amount of \$1,500,694. Property insurance deductible will increase from \$50,000 to \$75,000 per occurrence.

8. Adopt position on Assembly Bill 523.

The Board adopted a position of Support on AB 523 (Irwin), Metropolitan Water District agencies: proxy vote authorizations.

9. Amendment to the cost-sharing agreement for Colorado River Board of California funding.

The Board authorized the General Manager to execute an amendment to the joint powers agreement to extend the existing proportional funding shares of the six member agencies of the Colorado River Board of California (CRB) for one year (from July 1, 2025, to June 30, 2026).



10. The Board approved the minutes of the Formal Board of Directors' meeting of May 22, 2025.
11. Legal Services Agreement with Brownstein Hyatt Farber Schreck, LLP.
The Board authorized the General Counsel to execute a Legal Services Agreement with Brownstein Hyatt Farber Schreck, LLP for a period of two years relating to QSA and Colorado River water use and delivery issues for a not-to-exceed amount of \$594,500.

**General Managers
Monthly Report**

July 8, 2025

Board of Directors Meeting

- 1) North Yard Lease; Update**
- 2) Yerba Valley Annexation Update**

News Articles/Editorials Enclosed:

CWA News Release Board Approves 8.3% Increase for 2026

Water Officials Settle Years Long Dispute

SB 394 Support Coalition Letter



4677 Overland Avenue, San Diego, CA 92123

News Release

FOR IMMEDIATE RELEASE

Jordan Beane

(858) 221-3975 | jbeane@sdewa.org

Water Authority Board Approves 2026 Wholesale Rates

Board also approves budget for fiscal years 2026 and 2027

June 26, 2025 – The San Diego County Water Authority’s Board of Directors today approved wholesale water rates for 2026 following a public hearing and approved the recommended budget for the next two fiscal years. Despite ongoing inflationary pressures and the continued impacts of climate change on the Southwest, the Water Authority minimized impacts on ratepayers through a number of cost-saving actions.

Water Authority staff and Board members collectively reduced the final 2026 wholesale water rate increase to 8.3%, less than half of what was forecasted in early 2025. The reductions were achieved by cutting budgets across the agency, including capital improvement projects, operating departments, the Board of Directors, and equipment replacement. In addition, the adopted rate was lowered by third-party water exchanges and financial benefits from the conclusion of litigation between the Water Authority and the Metropolitan Water District of Southern California.

“Since I became chair in 2024, I have been laser focused on affordability for ratepayers,” Board Chair Nick Serrano said. “While I recognize the impact of this increase on working families around the region, the Water Authority is now on a path for smoother and smaller rate increases in the future that will provide the financial stability our region needs while still ensuring safe and reliable water supplies.”

Homes and businesses will feel the impact of the newly adopted rates differently, based on their water use and how local retail water agencies handle costs.

As the region’s wholesale water agency, 91% of the Water Authority’s costs are driven by just three things: water purchases and treatment, debt service, and infrastructure projects to ensure the reliability and safety of water delivery. During the rate and budget cycle, the Water Authority faced increasing costs related to its main water supplies, along with the need for continued investments in the region’s decades-old water supply and delivery system.

Despite those pressures, the agency’s early investments in climate adaptation mean San Diego County has secure water supplies even though it’s at the end of the pipeline and has few natural water resources. Those investments in reliability, combined with the legal settlement, create the potential for the Water Authority to transfer or exchange some of its water with other agencies to help reduce costs for San Diegans.

“While there’s still work to be done, a future where San Diego County can help other communities improve their water security will be a win for our ratepayers for years to come,” said Water Authority General Manager Dan Denham.

###

The San Diego County Water Authority sustains a \$262 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 22 retail water providers, including cities, special districts and a military base.

[INSTAGRAM](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#) | [X](#)

Water officials settle yearslong dispute

S.D., regional agencies strike price deal, aim to smooth rate hikes

BY LUCAS ROBINSON

UNION-TRIBUNE

The San Diego County Water Authority has settled long-running litigation with Southern California's biggest water district, a legal dispute that's cost taxpayers tens of millions of dollars but could pave the way for more predictable rate hikes in the years ahead.

The heart of the 15-year lawsuit was how the Metropolitan Water District of Southern California charged the San Diego County agency for water coming from the Colorado River, with prices based on the district's rates rather than a fixed one. The district is made up of 26 member agencies across six counties.

Under the deal, San Diego's water authority will pay \$152.3 million a year to secure 227,000 acre-feet — roughly 90 billion gallons — of Colorado River water. That's a fixed price, which will be pegged to inflation over time.

The terms of the settlement allow San Diego County water officials to sell any excess water from the arrangement back to the district or other member agencies in Southern California. The deal also lays the groundwork for potential sales to other states in the future — a key plank of the water authority's long-term plans to bring in more revenue.

The legal fight between the two water agencies has not only defined their relationship for over a decade but also created uncertainty for their budgets, since the cost of purchasing and selling the water fluctuated over time.

That's been passed on to taxpayers and water consumers, who footed tens of millions of dollars for the legal battle and have seen how much they have to pay for water steadily rise.

But that chapter for the bureaucracy overseeing the region's water appears to be closed, and on Monday, officials from both agencies formally signed the settlement outside the water authority's headquarters in Kearny Mesa.

"This is the end of an era of costly, divisive litigation, and the beginning of a new chapter of cooperation, shared strategy and a new era of regionalism in

Southern California,” said Nick Serrano, who is deputy chief of staff for San Diego Mayor Todd Gloria and is also chair of the water authority’s board.

For water consumers, officials portrayed the deal as a way to keep rate hikes more modest and stable in the years ahead. The water authority has proposed a 12% rate hike for the coming year, which its board will vote on this month. Last year, rates rose 14%.

“Our ultimate goal is to keep rates smooth and predictable,” said Dan Denham, the water authority’s general manager. “Getting to a point where we don’t have to raise rates by double digits consistently, getting to something that’s lower and more predictable, perhaps at the rate of inflation, I think is what we strive for.”

How the deal impacts water sales could be a particular boon for the authority, which has long been vexed by the need to sell its excess water.

Its contracts require it to buy more water than member agencies actually need. Those built-in costs then get passed down to water consumers in higher rates.

The authority currently does not have projections for how much revenue it will be able to bring in as a result of the settlement, Denham said.

The lawsuit had long prevented the district and the authority from cooperating in a typical way, said Deven Upadhyay, general manager of the Metropolitan Water District.

“It’s been very tough, where in a normal relationship you’d be doing water deals, trying to figure out how to capture supplies, how to better manage supplies,” Upadhyay said. “I’m seeing in the next 15 years, we’re able to move water around Southern California in ways that we haven’t really been able to do the last 15 years.”

After years of a legal battle where both sides won key judgments, officials chalked up the apparently amiable end to new personalities at the top of each agency.

Denham was appointed to the top job at the water authority in 2023, with Upadhyay, his counterpart at the water district, moving into his position earlier this year.



June 10, 2025

The Honorable Juan Carrillo
Chair, Assembly Local Government Committee
1020 N Street, Room 157
Sacramento, CA 95814

RE: SB 394 (Allen) – Support

Dear Assemblymember Carrillo:

On behalf of the undersigned organizations, we are writing to express our strong support for SB 394, which would enhance penalties for water theft from fire hydrants. Water agencies are responsible for delivering safe, clean, and affordable drinking water throughout California. However, in recent years, water theft has posed a serious threat to water agencies' ability to fulfill that responsibility.

Water theft takes many forms, the most egregious being water theft from fire hydrants for commercial uses. Illegal actors have been documented connecting to and filling water trucks from fire hydrants without the proper use of hydrant meters to avoid paying for water. These water trucks can hold up to 6,000 gallons of water, resulting in significant loss for water agencies. The stolen water is typically used

or sold for profit for commercial purposes, such as by construction companies, landscaping companies, and water trucks selling the water to other users. **Current fine amounts are not strong enough to deter this theft** and may instead be seen as the cost of doing business for some bad actors.

SB 427 of 2021 carried by Senator Eggman established authority for public water agencies to adopt an ordinance that prohibits water theft and makes a violation of that ordinance subject to an administrative fine or penalty. The existing authority breaks theft into two categories: meter tampering and all other forms of water theft. Fines for meter tampering range from \$130 for the first violation up to \$1,300 for the third and additional violations within one year. All other forms of water theft, which currently includes theft from a fire hydrant, can be fined up to \$1,000 for the first violation, up to \$3,000 for the third and additional violations within a year.

At the time these fines were established, the impact to residential customers was a strong consideration that led to the final fine amounts. SB 394 is targeting commercial operators that are illegally diverting water from hydrants for profit.

Water theft from fire hydrants poses serious risks to public health and safety, water affordability, and water efficiency. During water theft from hydrants, contamination can occur when non-potable sources are illegally connected to a drinking water system and anti-backflow devices are not used. This cross-contamination between the water system and non-potable source connections poses a serious health risk to everyone in the system.

Further, unauthorized use of a hydrant can lead to water pressure in the system dropping which can jeopardize response to emergency situations such as fires. This potential issue is especially timely given the devastating fires in Southern California.

Illegal connections also often result in costly damage to the fire hydrant and system infrastructure that can impair the hydrant's function. The revenue lost from water theft and the cost of damage to infrastructure as a result of theft is ultimately borne by law-abiding paying customers, having a negative impact on water affordability. Water theft also works against efforts by water districts to comply with State water use efficiency goals under the State's newly adopted Making Conservation a California Way of Life framework.

The current penalties for water theft are an insufficient deterrent and fail to prevent this criminal activity from occurring. SB 394 recognizes and addresses these inefficiencies in existing penalties by authorizing local agencies that provide water services to adopt an ordinance with enhanced penalties specifically for water theft from a fire hydrant. The intent of this bill is to specifically deter commercial water theft, rather than residential water theft. Under SB 394, local agencies could adopt an ordinance allowing them to set fines not to exceed \$2,500 for the first violation and up to \$10,000 for the third and any additional violations.

This bill would also remove the one-year reset on existing penalties for the third and additional violations for water theft committed via meter tampering and other forms of water theft. This bill would also help agencies recover damages as a result of water theft from a fire hydrant by authorizing a utility to bring a civil action for damages against any person who, without authorization, tampers with or diverts water from a fire hydrant. These provisions on civil action would be available to both public agencies and other types of retail water agencies that face these same challenges.

For the reasons above, ACWA and the undersigned organizations strongly support SB 394 and respectfully request your “AYE” vote when the bill is heard in the Assembly Local Government Committee. If you have any questions about our position, please contact Julia Hall at JuliaH@acwa.com.

Sincerely,

Julia Bishop Hall
State Legislative Director
Association of California Water Agencies

Krista Bernasconi
Mayor
City of Roseville

David Pedersen
General Manager
Las Virgenes Municipal Water District

Albert C Lau, P.E.
General Manager
Santa Fe Irrigation District

Jennifer M. Capitolo
Executive Director
California Water Association

Kristine McCaffrey, P.E.
General Manager
Calleguas Municipal Water District

Melissa Sparks-Kranz
Legislative Advocate
League of California Cities

Steve Johnson
General Manager
Desert Water Agency

Andrea Abergel
Director of Water
California Municipal Utilities Association

Anthony L. Firenzi
Director of Strategic Affairs
Placer County Water Agency

Eric Will
Policy Advocate
Rural County Representatives of California

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Aaron Avery
Director of State Legislative Affairs
California Special Districts Association

Matt Stone
General Manager
Santa Clarita Valley Water Agency

Kristopher Anderson
Policy Advocate
California Chamber of Commerce

Justin Scott-Coe
General Manager
Monte Vista Water District

Deven Upadhyay
General Manager
Metropolitan Water District of Southern California

Jennifer A. Spindler
General Manager
Crestline-Lake Arrowhead Water Agency

Kyle Swanson
CEO/General Manager
Padre Dam Municipal Water District

David Coxey
General Manager
Bella Vista Water District

Kat Wuelfing
General Manager
Mid-Peninsula Water District

Emily Long
Administrative and External Affairs Specialist
Tuolumne Utilities District

Bruce Kamilos
General Manager
Elk Grove Water District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Brian Olney
General Manager
Helix Water District

Kevin Phillips
District Manager
Paradise Irrigation District

Jason Martin
General Manager
Rancho California Water District

Michael J. Hether, P.E.
Assistant Public Works Director-Utilities
City of Fairfield

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Tom Majich
General Manager
Kinneloa Irrigation District

Brett Sanders
General Manager
Lakeside Water District

James Lee
General Manager
Crescenta Valley Water District

Elizabeth Salomone
General Manager
Mendocino County Russian River Flood Control
& Water Conservation Improvement

Kim Domingo
General Manager
Rosamond Community Services District

Paul Helliker
General Manager
San Juan Water District

Edward A. Castaneda
General Manager
Orchard Dale Water District

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Craig D. Miller, P.E.
General Manager
Western Municipal Water District