

A G E N D A

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

April 29, 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 April 1, 2025.
7. Review the March 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation.
8. Operations Report. Johnze
9. Consider Claim from Pendarvis for Injury. Sanders
10. Review Strategic Plan Report for 2025. Sanders
11. Review Capacity and Annexation Fee Report for 2025. Sanders
12. Summarize Proposed Changes to the District Organizational Structure. Sanders
13. Approve Demands of the Treasurer for April 2025.
14. CWA Report
15. Director's Reports and/or Ad Hoc Sub-Committees Reports.
16. General Managers' Report.

17. **Closed Session – Closed to the Public:**

Personnel Exception Per Government Code Section 54957; Employee Evaluation – General Manager

18. Adjourn; Next Regular Meeting Date June 3, 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 April 25, 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 April 1, 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 Dave Hoffman to provide the prayer for the night's meeting.
- 3) Pledge of Allegiance – The pledge was led Director Johnson
- 4) Approval of Agenda. Motion by Director Johnson to accept the agenda as submitted.

Motion: Johnson

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 March 4, 2025. Motion by Director Hilliker to approve minutes as presented.

Motion: Hilliker

Second: Robak

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

- 7) Review the January 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation. Approved to Note and File.
- 8) Operations Report. The General Manager provided a summary of the following:
 - a. Work with Solar Installation crew to complete punch list items.

- b. Wintergardens Pump Station. Review of the pump base is salvageable and will be recoated and reused during the re-installation.
- c. Preparation for SCADA upgrades to the Riverview Service Area, purchasing parts and preparation of complete lists for 2025/26 budget.
- d. Fire Hydrant maintenance found a few hydrants in private property with faulty valves. Will schedule to replace.
- e. Highway 67 Pump Station had motor control fuses fail due to an accident at a nearby pole causing an outage with a high voltage spike. Will look into making a claim for the damages.
- f. AWP Pipeline Crossings and Inspections. Orion continues working on Channel Road at Maplevue and Riverside Dr. Currently boring under Highway 67 on Maplevue.
District Emergency Repairs
1 Mainbreak, 2 Service Leak, 0 Fire Hydrants

- 9) Consider fence proposals for the Vine St. Lease Property and Well Field. The General Manager summarized the reasons behind the request primarily to keep transients away from the open area where problem arise. Motion by Director Jenkins to approve the proposal by American Fence in the amount of \$14,264.

Motion: Jenkins

Second: Johnson

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

- 10) Review Strategic Plan Update for 2025. General Manager Sanders provided the board a presentation outlining the seven points of the updated Strategic Plan and how the District can set goals and look forward to the future responsibilities.

- 11) Consider Review Capacity and Annexation Fee Update for 2025. General Manager Sanders handed out a draft Capacity and Annexation Fee Report and provided a summary of how the fees were determined and also included a review a survey of other County water agencies. The District is currently well below the 50th percentile of 19 agencies in capacity fees (\$7,057) with a current fee of \$4,387 for a ¾" meter.

- 12) Approve Demands of the Treasurer for March 2025. Motion by Director Robak to approve the demands as presented.

Motion: Robak

Second: Jenkins

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

- 13) CWA Report – CWA Representative Hilliker reported that it was a short meeting with all committees approving the CWA Work Plan for Calendar Year 2025 and 2026 presented in the Admin. and Finance Committee. Working on water transfer deals to offload some the WA excess water supply.

- 14) Director's Report and Ad Hoc Sub-Committees Reports. No reports.

- 15) Manager's Quarterly Report. The General Manager reported.

- 1) UCM Rate Reduction Update; Some meter locations under review by SDGE have had the rate schedule revised per the review by UCM.
 - 2) Yerba Valley Annexation Update:
 - Now working with USDA to submit the loan application.
 - One of the next steps is for the Board to approve a Notice of Intent to Apply for a USDA Loan at a public hearing within 60 days of submittal of the application. Likely at the May meeting.
 - Sent an update letter to the Yerba Valley Group three weeks ago describing the progress
- 17) Closed Session – Closed to the Public:
- Personnel Exception Per Government Code Section 54957; Employee Evaluation – General Manager – Out of closed session the Board President announced that an Ad hoc committee will be formed and appointed Director Hilliker and Director Johnson to meet and work on a new contract for the General Manager.
- 18) Adjourn; There being no further business the meeting adjourned to the next Regular Meeting to be held on April 29, 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 March 2025

	Mar 25	Jul '24 - Mar 25	Budget	% of Budget
Ordinary Income/Expense				
Water Sales				
4000 · Water Sales on Account	\$ 708,152.00	\$ 6,720,351.00	\$ 7,674,792.00	88%
4010 · System meter charge	\$ 112,589.00	\$ 911,330.00	\$ 1,168,943.00	78%
4020 · CWA/IAC	\$ 37,842.00	\$ 331,981.00	\$ 443,760.00	75%
4040 · Penalties / other	\$ 10,782.00	\$ 107,487.00	\$ -	0%
Total Water Sales	\$ 869,365.00	\$ 8,071,149.00	\$ 9,287,495.00	87%
4100 · Capacity Fees LWD	\$ -	\$ 57,030.00	\$ 237,773.00	24%
4101 · SDCWA Capacity & Treatment	\$ -	\$ 76,848.00	\$ 314,039.00	24%
4200 · Meter Services	\$ -	\$ 27,255.00	\$ 35,000.00	78%
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	\$ 118.00	\$ 4,675.00	\$ 20,000.00	23%
4310 · Water Letters	\$ 475.00	\$ 2,954.00	\$ 250.00	1,182%
4400 · Rent - Land Lease	\$ 26,867.00	\$ 227,853.00	\$ 279,976.00	81%
4600 · Interest Income	\$ 21,953.00	\$ 197,174.00	\$ 227,645.00	87%
4700 · Taxes Revenue	\$ 28,040.00	\$ 510,285.00	\$ 720,000.00	71%
4951 · High Meadow Ranch	\$ -	\$ 13,980.00	\$ 9,200.00	152%
Total Operating Revenue	\$ 946,818.00	\$ 9,190,153.00	\$ 11,183,878.00	82%
Expense				
Administrative and General				
7000 · General Manager/Secretary	\$ 18,787.00	\$ 177,485.00	\$ 233,446.00	76%
7001 · Incentive Compensation	\$ -	\$ 2,500.00	\$ 5,000.00	50%
7020 · Director's Fees	\$ 625.00	\$ 6,125.00	\$ 10,750.00	57%
7100 · General Insurance	\$ -	\$ 69,875.00	\$ 66,575.00	105%
7200 · Annual Audit	\$ -	\$ 30,600.00	\$ 29,000.00	106%
7210 · Attorney Fees	\$ 1,125.00	\$ 9,435.00	\$ 30,000.00	31%
7230 · Consultants	\$ -	\$ 30,916.00	\$ 2,000.00	1,546%
7300 · Elections/Registrar	\$ -	\$ -	\$ 2,000.00	0%
7320 · Lafco Operating Costs	\$ -	\$ 5,607.00	\$ 5,634.00	100%
7401 · Administrative Expense	\$ -	\$ 545.00	\$ 7,000.00	8%
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	\$ 20,537.00	\$ 379,834.00	\$ 463,319.00	82%

	Mar 25	Jul '24 - Mar 25	Budget	% of Budget
Operations and Maintenance				
5000 · Water Purchases	\$ 512,592.00	\$ 5,427,458.00	\$ 6,762,714.00	80%
5075 · Padre Dam Deliver Charge	\$ -	\$ -	\$ 2,600.00	0%
5080 · Water Treatment & Testing	\$ 2,372.00	\$ 26,404.00	\$ 20,040.00	132%
5090 · Infrastructure Access Charge	\$ 37,420.00	\$ 331,008.00	\$ 443,760.00	75%
5091 · SDCWA Capacity & Treatment Fees	\$ -	\$ 76,848.00	\$ 314,039.00	24%
5100 · Electric Power	\$ 25,722.00	\$ 350,472.00	\$ 395,566.00	89%
5200 · Water Treatment -Maint/Supplie	\$ 8,003.00	\$ 63,636.00	\$ 90,000.00	71%
5620 · Yerba Valley Annexation	\$ -	\$ 4,285.00	\$ 30,000.00	14%
5627 · County - Road Improvements	\$ -	\$ -	\$ 15,000.00	0%
5628 · Telemetry Repair	\$ 1,183.00	\$ 9,679.00	\$ 3,000.00	323%
6000 · Wages, Field	\$ 63,231.00	\$ 582,798.00	\$ 783,592.00	74%
6100 · Distribution - Maint/Supplies	\$ 16,114.00	\$ 112,339.00	\$ 130,000.00	86%
6102 · Dist. Pump & Maint	\$ 15,453.00	\$ 35,972.00	\$ 60,000.00	60%
6110 · Emergency Repairs & Service	\$ -	\$ 9,256.00	\$ 45,000.00	21%
6200 · Trucks-Fuel,Maintenance,Repair	\$ 16,878.00	\$ 61,963.00	\$ 70,000.00	89%
6400 · Outside Labor	\$ 100.00	\$ 39,066.00	\$ 42,000.00	93%
6410 · Engineering	\$ 65.00	\$ 7,486.00	\$ 20,000.00	37%
7010 · Wages, Office	\$ 26,300.00	\$ 249,327.00	\$ 328,315.00	76%
7030 · Payroll Taxes	\$ 8,334.00	\$ 70,378.00	\$ 102,508.00	69%
7040 · Group Insurance	\$ 35,975.00	\$ 298,333.00	\$ 326,740.00	91%
7050 · CalPers Retirement	\$ 13,624.00	\$ 148,124.00	\$ 216,831.00	68%
7070 · Unemployment Insurance	\$ -	\$ -	\$ 5,000.00	0%
7400 · Office Expense	\$ 15,334.00	\$ 135,347.00	\$ 157,714.00	86%
7440 · Dues & Subscriptions	\$ 253.00	\$ 28,919.00	\$ 29,225.00	99%
7920 · Miscellaneous Expense	\$ 252.00	\$ 8,408.00	\$ 5,000.00	168%
Total Operations and Maintenance	\$ 799,205.00	\$ 8,077,506.00	\$ 10,398,644.00	78%
Total Expense	\$ 819,742.00	\$ 8,457,340.00	\$ 10,861,963.00	78%
Net Ordinary Income	\$ 127,076.00	\$ 732,813.00	\$ 321,915.00	228%
Capital Requirements				
1510 · Buildings & Land Improvements	\$ -	\$ -	\$ 4,000	0%
1520 · O & M Equipment	\$ -	\$ -	\$ 10,000	0%
1530 · Office Furniture & Equipment	\$ -	\$ -	\$ 4,000	0%
1548 · Office Solar	\$ -	\$ 248,465	\$ 275,000	90%
1547 · CIP Design/Engineering	\$ -	\$ 43,973	\$ 40,000	110%
xxxx · Yerba Valley Annexation Pipeline	\$ -	\$ -	\$ 300,000	0%
1550 · Pumping Plant & Distribution	\$ 4,037	\$ 33,550	\$ 25,000	134%
1551 · New Service/Meters	\$ -	\$ 21,286	\$ 10,000	213%
1750 · Cellular Transmit Meters (42)	\$ -	\$ -	\$ -	0%
Total Capital Expense	\$ 4,037	\$ 347,274	\$ 668,000	52%

Lakeside Water District
Investment Report
As of March 31, 2025

Mar 31, 25

ASSETS

Current Assets

Checking/Savings

1020 - UBS Cash Fund	11,586.66
1030 - King Cash Fund	69,750.23
1050 - Multi-Bank Securities, Inc.	654,355.12
1070 - Investment - LAIF	986.10

Total Checking/Savings	736,678.11
-------------------------------	------------

Other Current Assets

Investments

1321.65 - StBkIndia 1.1% 5/28/25 33682	104,000.00
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
1351.20 - Evergreen 1.15% 4/28/25 35230	249,000.00
1351.21 - PacifWestrn 1.25% 4/30/25 24045	249,000.00
1351.24 - M1 Bk 1% 5/8/25 9797	249,000.00
1351.25 - EnterpriseB 0.85% 5/14/25 34786	249,000.00
1351.26 - Summit 0.85% 5/15/25 32203	249,000.00
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 57919	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 12mo	1,000,000.00
1351.48 - StBk India 3.3% 6/1/27 33682	100,000.00
1351.49 - TSRY 3.54% 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

	Mar 31, 25
1383.15 · Celtic 1.45% 4/17/25 57056	249,000.00
1383.19 · TexasEx 1.1% 5/13/25 20099	125,000.00
1383.20 · Bk Baroda 0.70% 7/22/25 33681	249,000.00
1383.21 · 1st Carolina 0.6% 6/26/25 35530	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 call24mo	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
Total Investments	14,211,533.69
Total Other Current Assets	14,211,533.69
Total Current Assets	14,948,211.80
TOTAL ASSETS	14,948,211.80
LIABILITIES & EQUITY	0.00

Investments by Maturity

March 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%	\$ 67,080	\$ 2,757.00	
CELTIC BANK	15118RUW5	4/17/2025	1.45%	\$ 249,000	\$ 3,610.50	
EVERGREEN BK GROUP	300185JM8	4/28/2025	1.15%	\$ 249,000	\$ 2,863.50	
PACIFIC WESTN BK	69506YRL5	4/30/2025	1.25%	\$ 249,000	\$ 3,112.50	
M1 BK MACKS CREEK MO	55316CAY2	5/8/2025	1.00%	\$ 249,000	\$ 2,490.00	
TEXAS EXCHANGE BANK SSB	88241THD5	5/13/2025	1.10%	\$ 125,000	\$ 1,375.00	
ENTERPRISE BK	29367RLM6	5/14/2025	0.85%	\$ 249,000	\$ 2,116.50	
SUMMIT ST BK SANTA	866264DP6	5/15/2025	0.85%	\$ 249,000	\$ 2,116.50	
State Bank of India	856285TQ4	5/28/2025	1.10%	\$ 104,000	\$ 1,144.00	
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		\$ 5,241,931	37%			0.80%
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	

Investments by Maturity

March 2025

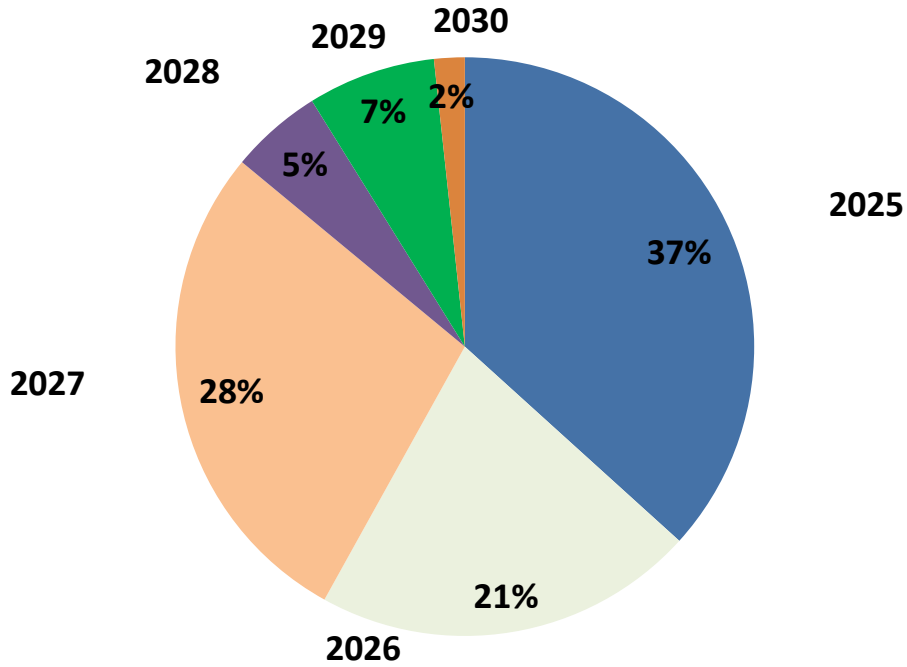
<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
FHLB	3130ARMS7	4/29/2027	3.00%	\$ 250,000	\$ 7,500.00	
US Treasury	912828X88	5/15/2027	3.54%	\$ 342,827	\$ 12,136.08	
FHLB	3130ARMS7	5/26/2027	3.75%	\$ 1,000,000	\$ 37,500.00	
FHLB	3130ARYQ8	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	
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	
Maturity in 2028 \$ 733,000 5%						4.12%
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	
Maturity in 2029 \$ 1,021,185 7%						4.08%
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				\$ 14,278,614	\$ 286,038	2.00%

Investments by Maturity

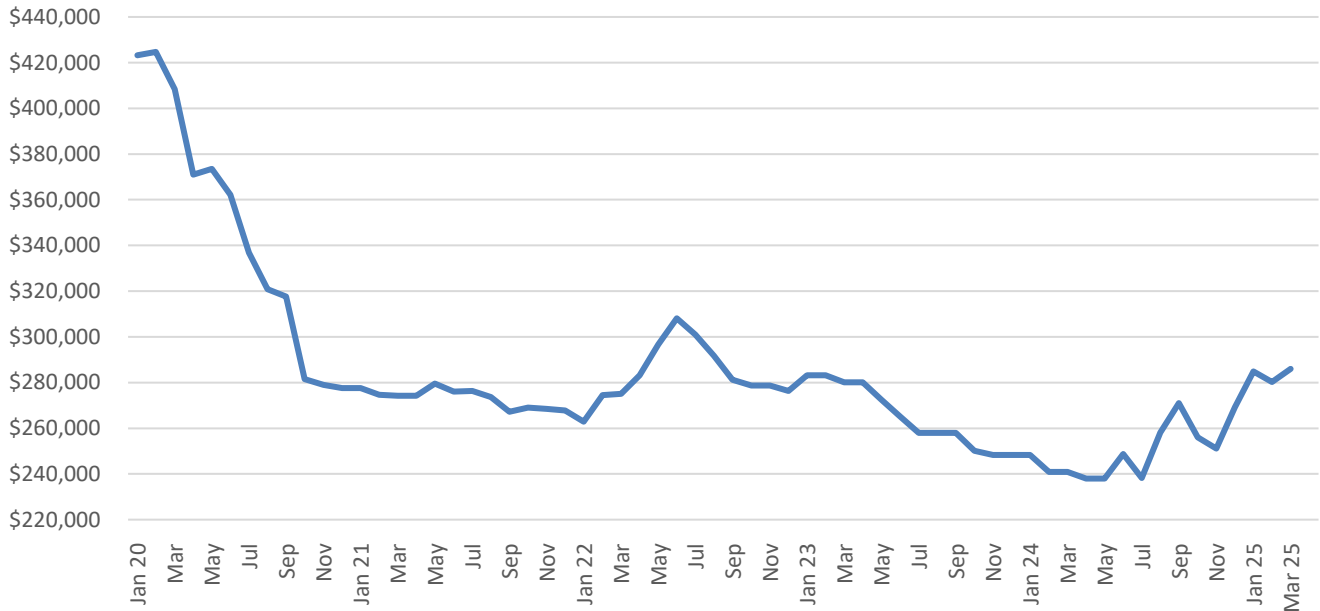
March 2025

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

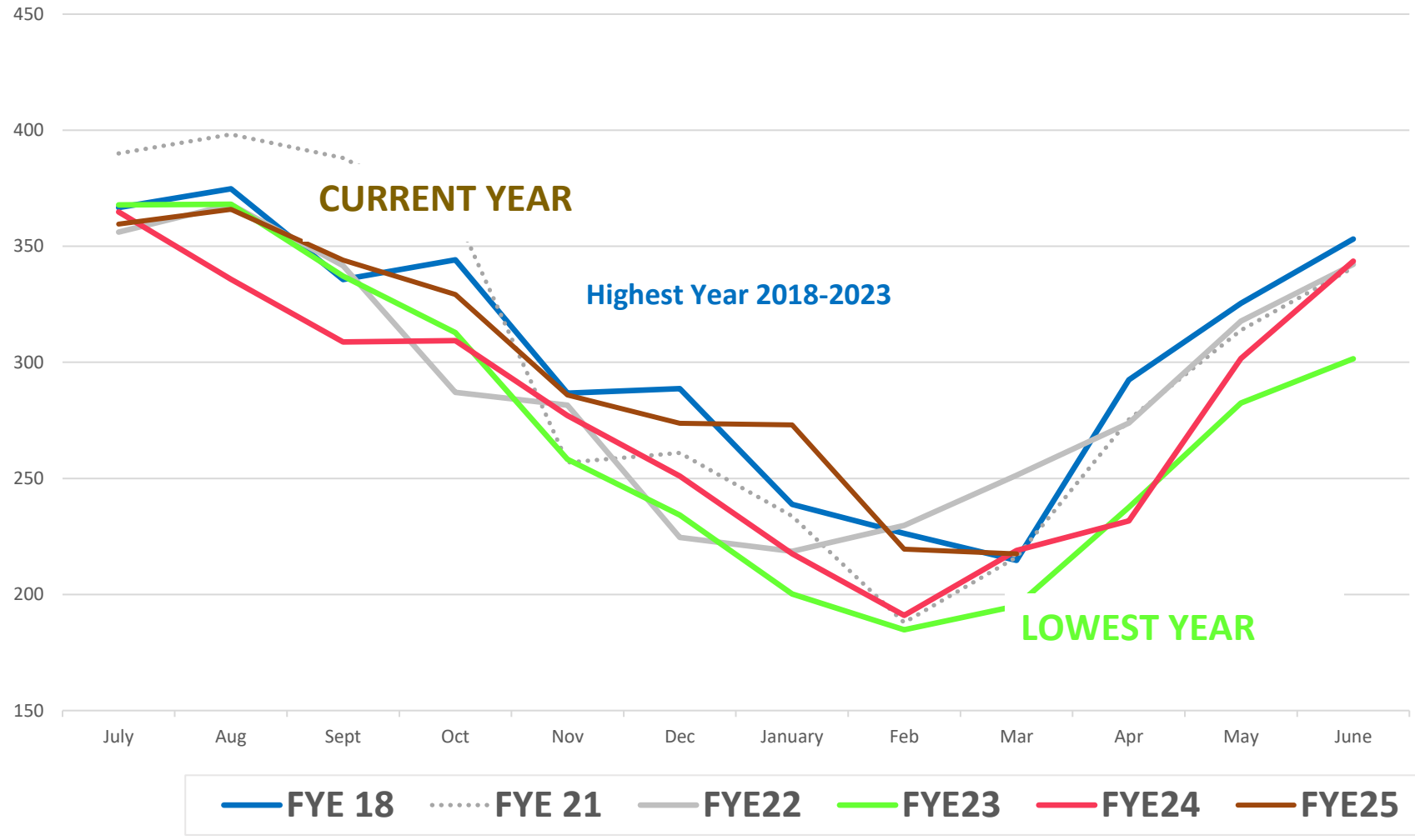
Investments by Maturity Year



Annual Projected Interest *On a monthly basis*



Water Demand



OPERATIONS REPORT
May 2025
BOARD OF DIRECTORS MEETING

General Operation:

- *Work with Solar Company installers*
- *Treatment Plant infrastructure improvements*
- *Preparation for SCADA upgrades to South end of district*
- *Fencing at Northern property*

Contractor/ Developer/ County Projects:

- *AWP pipeline crossings and inspections.*

District Emergencies Repairs:

- *Main breaks 0*
- *Service leaks 0*
- *Fire hydrants 0*

April 4, 2025

Lakeside Water District
Board of Directors
10375 Vine Street
Lakeside, CA 92040

Dear Sirs-

I am writing to you in response to the RETURN OF UNTIMELY CLAIM (Attachment 1) we received from Brett Sanders. Mr. Sanders states that the claim had to be received within six months of the incident. At no time were we informed that there was a time frame in place. I contacted Deborah Fetty the day after the incident happened. The water district was very prompt in taking care of the issue that resulted in my husband's injury. Deborah sent us a claim form (Attachment 2) on August 28th. It was my mistaken belief that the claim form was only for medical expense reimbursement. On September 28th I sent Deborah an email (Attachment 3) stating that our insurance company would be covering all of the medical expenses. At no time were we told that the claim form needed to be filled out for reimbursement of additional expenses. On September 30th we received an email (Attachment 4) from Deborah stating to list the expenses. Again, no mention was made of a time frame.

My husband's last doctor appointment was in December. We waited for the three months to make sure that there was no severe recurring pain that the doctor cautioned about. As mentioned in the Compensation Claim (Attachment 5) my husband still experiences sensitivity in his wrist if he overuses it.

We had no desire to contact an attorney when the injury happened as we felt that the water district was working with us. We still do not want to involve an attorney but we do request compensation as listed in Attachment 5.

Had we been informed of the six month time frame and the necessity to fill out the form we would have done so.

We respectfully request consideration of our claim.

Regards-


Beverly Pendarvis

CC: Brett Sanders

March 13, 2025

Reference: Tom Pendarvis – Compensation Claim for Injuries Sustained on August 27, 2024

Dear Sirs-

My husband, Tom, was injured on August 27, 2024, while he was walking and stepped in a water meter box that was missing the cover. The subsequent visit to Urgent Care, see attachments A, diagnosed Tom with a left scaphoid fracture of the wrist. Because of the type of break that Tom sustained he was referred to an orthopedic surgeon.

Tom had an appointment on August 28, 2024, with the orthopedic surgeon, Dr. Gregory Alberton, see attachment B. After reviewing Tom's x-ray Dr. Alberton informed Tom that although surgery was not warranted at that time a break of the scaphoid bone would heal slowly and could take three months or longer to heal. Depending on how the bone healed surgery could also be required at a later date.

Tom was placed in a soft cast because of the swelling and was instructed to not use the hand/arm at all.

On September 4, 2024, Tom had the soft cast removed and a hard cast put on. Tom was again instructed to not use the hand/arm at all.

On September 24, 2024, the hard cast was removed so that x-rays could be taken to determine if the break was healing. A new hard cast was put on. Tom was again instructed not to use the hand/arm. Tom had previously paid to participate in the Susan G. Komen Charity Golf Tournament, see attachment C, on September 28, 2024, but was unable to do so because of his broken wrist.

On October 9, 2024, the hard cast was removed so additional x-rays could be taken. Tom was fitted with a brace and instructed to pick up no more than one to two pounds as the wrist was not fully healed. Because of the restriction the doctor informed Tom that he would not be able to golf if we went to Myrtle Beach. We had booked our Time Share earlier in the year and it was non-refundable, (see attachment D). The cost to rent a week is \$1,228.11. The airline tickets were purchased earlier and were also non-refundable, (see attachments E). The rental car was cancellable.

Tom had to pay someone to hang our Halloween lights as he was restricted on how much he could use his wrist.

On November 5, 2024, the wrist was x-rayed, and Tom was instructed that he could now pick up no more than five pounds.

On December 9, 2024, the wrist was x-rayed and Tom was instructed to gradually start to increase the usage of his wrist. The doctor cautioned Tom that because of the type of break he could have continued pain in his wrist in the future.

Today, Tom still wears a wrist brace but if he overuses his wrist by lifting heavy items or golfing, he will experience sensitivity.

The total expenses we incurred are as follows:

306 miles to doctor appointments .21 per mile =	64.26
Cast cover for showers	= 10.76
Labor to install lights	= 50.00
Susan G. Komen Golf Tournament	= 190.00
Tickets to Myrtle Beach	= 377.96
Tickets from Myrtle Beach	= 342.82
Cost for Time Share	= 1,228.11
Total	= \$2,263.91

Although we can be reimbursed for the costs we incurred money does not take into account the pain that was incurred, the events that were missed or the continued sensitivity that Tom experiences.

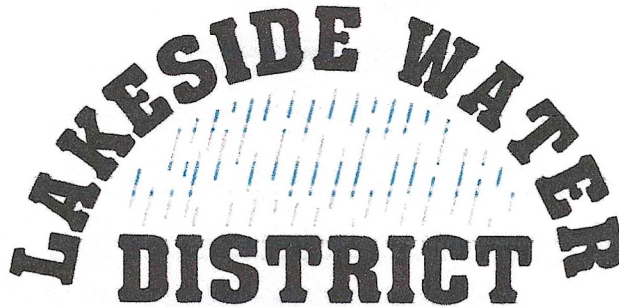
Regards-

Beverly Pendarvis

ATTACH MENT 1

BOARD OF DIRECTORS:

FRANK I. HILLIKER
PETE JENKINS
STEVE JOHNSON
EILEEN NEUMEISTER
STEVE ROBAK



BRETT SANDERS
GENERAL MANAGER

ADRIANA OCHOA
ATTORNEY

DEXTER WILSON
ENGINEER

March 29, 2025

Bev Pendarvis
13155 Shenandoah Dr.
Lakeside, CA 92040

Rec'd April 3, 2025

Dear Mrs. Pendarvis

RE: RETURN OF UNTIMELY CLAIM

The incident information which you presented to the District via email on March 17, 2025 is being returned to you without any action having been taken by the Board of Director's. The claim is being returned because it was not presented within the time required by law. You had six (6) months from the time you were sent the District's claim form via email on August 28, 2024. Additionally, you did not include the claim form provided to you by the District.

WARNING

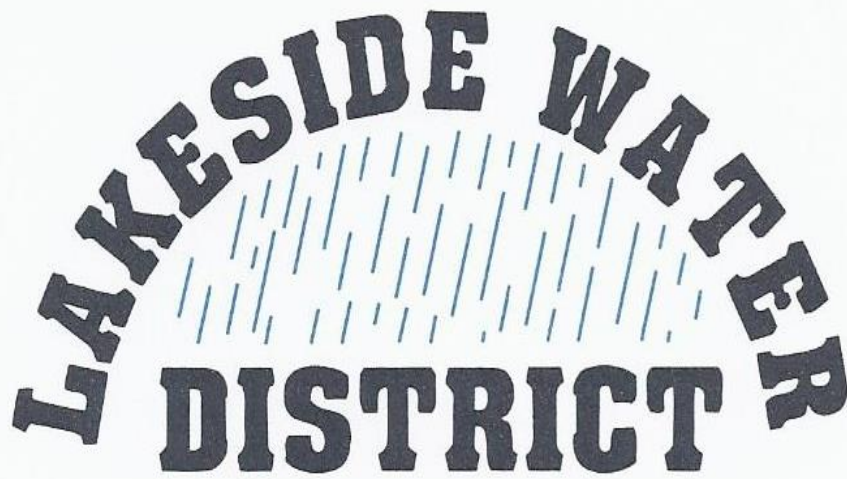
See California Government Code §911.2 to §912.2 and §946.6. Your only recourse at this time is to apply to Board of Director's a written Application for Leave to Present a Late Claim as required by the Government Code. After this Application has been received by the President of the Board of Director's, it will be reviewed and considered.

Due to legal time requirements, this should be done without delay. To determine if you have a further remedy, or whether further procedures are open to you, you may wish to consult with an attorney of your choice. If you desire to consult with an attorney, you should do so immediately.

Sincerely,

A handwritten signature in blue ink that reads "Brett Sanders".

Brett Sanders
General Manager
Lakeside Water District



Long Range Planning Report

2025 Strategic Plan

PREPARED BY
BRETT SANDERS
GENERAL MANAGER

Mission Statement

“Lakeside Water District is committed to providing its customers with high quality water, fairly priced, and serviced through an efficient and reliable water system”

Vision

COMMITMENTS TO OUR CUSTOMERS AND COMMUNITY

To provide a reliable water supply through the orderly maintenance and construction of District facilities.

To provide high quality water meeting all appropriate standards.

To operate the District on a sound financial basis and provide service at the least cost.

To provide service in a courteous, efficient and professional manner.

To develop a staff of employees committed to the efficient operation of District facilities.

To recognize our responsibility to the public and the need for a positive public image.

To consider the environmental impact of any District action.

To keep the community informed on issues affecting its water supply and its responsible use.

COMMITMENTS TO OUR EMPLOYEES:

To hire and promote without regard to age, sex, race religious belief, national origin, marital status or physical handicaps.

To value the safety of all employees.

To promote qualified personnel from within the organization whenever possible.

To provide employment stability in a pleasant working environment.

To foster an atmosphere of team spirit and open communication.

To provide a compensation program that is fair and equitable.

To take pride in our standards of excellence regarding quality and service to be a top performing public water agency

Strategic Goals

1. Provide a safe, abundant, and reliable water supply.
2. Practice perpetual infrastructure renewal and improvement.
3. Be financially responsible and transparent.
4. Increase public awareness about Lakeside Water District and about water.
5. Attract and retain skilled employees.
6. Provide outstanding customer service.
7. Actively participate in regional and statewide water issues.

WATER SUPPLY AND RELIABILITY

Strategic Goal #1

Provide a safe, abundant, and reliable water supply.

Objective A: Continue to meet and surpass water quality standards.

- Meet and surpass primary water quality standards
- Meet and surpass secondary water quality standards
- Perform required water quality tests as required by regulating agencies
- Perform routine field analysis of the distribution system to maintain water quality

Objective B: Maintain and protect a high quality water supply.

- Efficiently maintain backflow, cross-connection, to protect the water system from contamination

Objective C: Continue to ensure a reliable and abundant supply of water.

- Provide a 100% reliable water supply portfolio including local groundwater.
- Report on our ability to supply local water amid changing basin conditions.
- Initiate construction of new wells to supplement supply when economically viable.

Objective D: Ensure emergency operations.

- Conduct regular testing of all backup power and communications systems
- Implement emergency power plan needs at Operations and Administrative facilities as recommended per Capital Improvement Program Renewal
- Develop capability for EOC equipment and facilities
- Participate in Regional Emergency Response exercises

Outcome 1: Meet all water quality standards – in both health and aesthetics

Outcome 2: Drought-proof local water supply in all conditions

Outcome 3: Maintain the ability to serve 100% of the Districts demand from all available sources

Outcome 4: Construct and maintain building capacity for secure operational and emergency operations

WATER INFRASTRUCTURE

Strategic Goal #2

Practice perpetual infrastructure renewal and improvement.

Objective A: Manage water infrastructure assets to assure reliability.

- Continue to use the Asset Management Plan for guidance
- Continue to update the Asset Management Plan at least bi-annually
- Continue actively maintaining assets via preventative maintenance programs
- Annually analyze operational functionality as it relates staffing and facilities

Objective B: Efficiently manage our water system.

- Annually analyze the Capital Improvement Program effectiveness to lower costs
- Initiate construction of the Capital Replacement Plan and update annually
- Routinely evaluate energy and chemical consumption
- Provide field support services to achieve efficient water audit goal
- Evaluate routine performance and maintenance metrics to match budget goals

Objective C: Manage Lakeside Water District's information technology infrastructure assets to assure reliability.

- Implement Information Technology Capital Improvement Program Renewal Program
- Implement multi-faceted Information Technology Data security and safety plan with redundant secure backup systems
- Develop Key Metrics for all areas of the District computer and program use

Outcome 1: Perform infrastructure refurbishment and replacement.

Outcome 2: Fund and execute the District's five-year Capital Improvement Program Renewal Program.

Outcome 3: Maintain efficient real water loss status (e.g. <5%).

Outcome 4: Assets maintained to extend useful life a primary goal of budgeting.

Outcome 5: Bi-Annual review of Information Technology safety and security procedures

FINANCIAL RESPONSIBILITY AND TRANSPARENCY

Strategic Goal #3

Be financially responsible and transparent.

Objective A: Maintain Financial Reserves per the District's Reserve Policy.

- Report annually on status of OPEB and Pension Liability
- Annually update the District's Reserves and Reserve Policy and report to the Board

Objective B: Maintain competitive rates and efficiency in per capita expenditures.

- Evaluate true cost of water to the customer compared to benchmark agencies
- Administer investment portfolio consistent with policies
- Support rates that are fair, understandable, and prudent for the District's financial stability and sustainability as a perpetual agency

Objective C: Fund the Board's and District's priorities.

- Prepare a balanced budget that funds Board and District priorities
- Produce timely and accurate financial reports including Comprehensive Annual Financial Report and State Controller's Report
- Prepare monthly financial reports and accurately projected year end results
- Conduct accurate and timely monthly close accounting

Objective D: Encompass Financial Responsibility and Transparency.

- Provide key financial documents on the website
- Provide Board and staff total compensation, salary, and benefits structure on the website
- Provide Board meeting agendas, meeting packets, and meeting minutes on the website
- Establish a Financial Emergency Plan

Outcome 1: Meet Board's Reserve Policy Guidelines

Outcome 2: Develop fair rates that support the Districts critical functions and service to the community

Outcome 3: Comprehensive organizational transparency

Outcome 4: Deliberate budget analysis and proposal for the most responsible outcome

WATER AWARENESS

Strategic Goal #4

Increase public awareness about Lakeside Water District and about water issues in the Region.

Objective A: Enhance Lakeside Water District's visibility and positive recognition.

- ◆ Facilitate accolades/awards for and from Lakeside Water District
- ◆ Improve Lakeside Water District's news releases
- ◆ Improve LakesideWater.org Information Management processes

Objective B: Increase awareness of Lakeside Water District and water among key audiences.

- ◆ Manage Lakeside Water District's community relations campaign
- ◆ Promote Lakeside Water District's water education programs
- ◆ Improve community awareness through community asset branding and customer welcome kits

Objective C: Unify Lakeside Water District messaging and publications.

- ◆ Continue industry relations to promote awareness of District's name
- ◆ Strengthen Lakeside Water District's communications by using consistent look and voice
- ◆ Provide Lakeside Water District Board and staff with updated strategic messages framework

Outcome 1: Participate in opportunities to grow local engagement

Outcome 2: Finalize Crisis Communication Plan and conduct training

Outcome 3: Participate in community and industry meetings

HUMAN RESOURCES

Strategic Goal #5

Attract and retain skilled employees.

Objective A: Attract and retain a qualified, skilled, and capable workforce.

- Prepare Annual Employee Turnover Report
- Prepare Annual Employee Projection of Needs Report.
- Update Employee Policies, Rules and Regulations

Objective B: Build employee skills.

- Fully train a minimum of two employees in key processes to ensure accountability and sustainability in Operations, Customer Service and Finance
- Develop and implement an operational and institutional knowledge transfer plan
- Consider out-sourcing or new employee positions when demands on the District either operationally or administratively require additional support.
- Provide employee training

Objective C: Enhance employee relations.

- Keep employees updated about current issues affecting the District. Offer information about the industry and trends effecting employment
- Evaluate long term staffing needs and develop plans to ensure adequate coverage.
- Evaluate the time and skill requirements necessary to respond to the District's responsibilities

Objective D: Provide annual safety program audit.

- Ensure that the District fulfills all the requirements of the District insurer ACWA JPIA and the Commitment to Excellence in Safety.
- Keep all employees involved and responsible for the District's safety and liability goals

Outcome 1: Fully staffed organization, with the ability to expand skills with additional training

Outcome 2: Minimize turnover.

Outcome 3: Provide annual training report.

Outcome 4: Ensure that the safe operation and training of the District's employees is a primary focus to a successful outcome on a daily basis.

CUSTOMER SERVICE

Strategic Goal #6

Provide outstanding customer service.

Objective A: Provide outstanding internal and external customer service in a timely, courteous, and effective manner.

- Encourage and support colleagues and help others find solutions to problems
- Speak professionally with a positive tone of voice
- Resolve issue on first point of contact

Objective B: Enhance the customer experience.

- Listen carefully to understand the real need of the customer
- Be empathetic to the customer's situation
- Respond to all requests promptly and, when information isn't immediately available, provide a timeframe for the resolution
- Continue to implement an efficient new water service set up process

Objective C: Measure success.

- Continue to measure success to ensure Elite Customer Service Standards are met
- Survey customer satisfaction for walk-in and telephone service

Objective D: Continuous improvement and reinforcement.

- Continue reinforcement system for customer service skills and behaviors through one-on-one coaching and additional training

Outcome 1: Answer telephone calls promptly

Outcome 2: Ensure timely follow up of customer requests and emails

Outcome 3: Ensure new account set-ups occur within 24-hours of customer request

Outcome 4: Achieve overall gold standard for customer service ie; outstanding accuracy, speed and empathy

Outcome 5: Recognize and celebrate the good work of employees

REGIONAL COMMITMENT

Strategic Goal #7

Actively participate in regional and statewide water issues.

Objective A: Actively engage in regional and statewide water issues.

- Attend SDCWA meetings and engage in regional water issues
- Update the Board's policy positions and legislative platforms for statewide issues that impact Lakeside Water District

Objective B: Facilitate Board and staff participation in water, governance, utility, community and environmental organizations.

- Support current Board and staff participation in organizations such as ACWA, ACWA/JPIA, proactively seek opportunities for additional participation
- Support Board and staff participation in non-governmental associations, as appropriate
- Continue legislative and regulatory affairs, and governmental relations, to promote awareness of Lakeside Water District issues and goals

Objective C: Accomplish the Board's Policy Priorities.

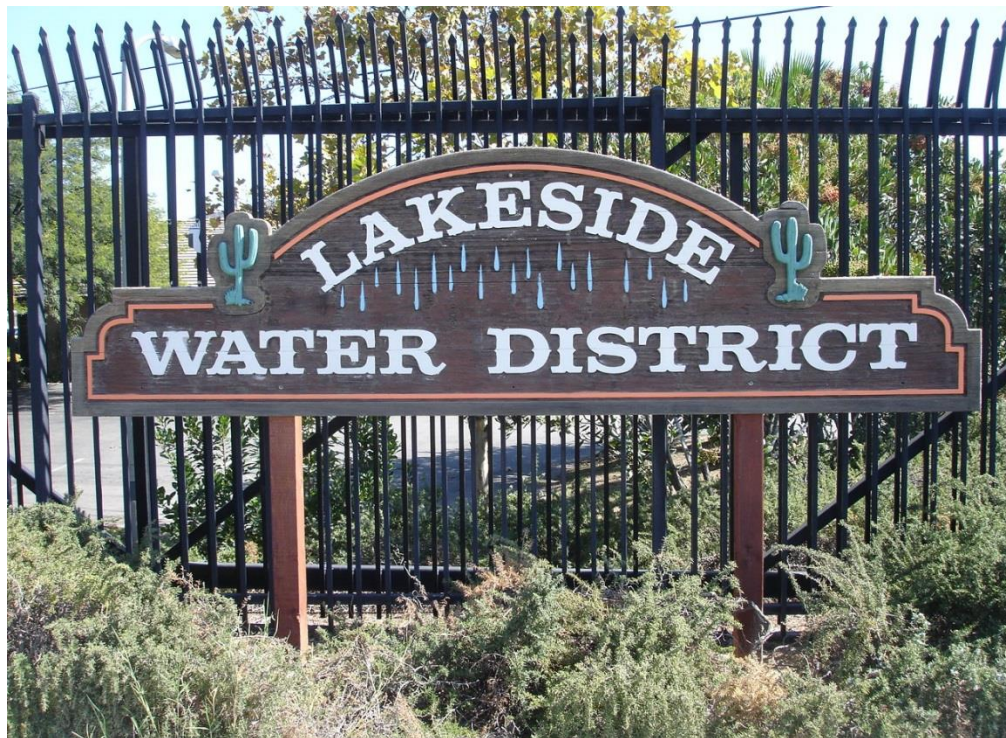
- Develop the Board's local and regional water policy priorities
- Work to achieve the Board's local and regional water policy priorities

Outcome 1: Engage and be aware of Legislative Platforms and Policy Positions by ACWA and CWA

Outcome 2: Positively influence and be a leader of water issues important to Lakeside Water District

Outcome 3: Increase awareness of Lakeside Water District in the water industry and community

2025 REPORT OF ANNEXATION & CAPACITY FEES



PREPARED BY

BRETT SANDERS

GENERAL MANAGER

Table of Contents

1	Introduction
1.1	Objective
2	Overview of Capacity Fees
2.1	Defining Capacity Fees
2.2	Capacity Fee Criteria
3	Legal Considerations in Establishing Capacity Fees
3.1	Requirements under California Law
3.2	Proposition 218 and 26 and Capacity Fees
4	Determination of District's Water Capacity Fees
4.1	Overview of the District's Water system
4.2	Current Water Capacity Fees and Comparison
4.3	Calculation of Water Capacity Fees
4.4	Recommendations
4.5	Summary
5	Annexations Fees
5.1	Defining Annexation Fees
5.2	Policy
5.3	Specific Issues for Consideration
5.4	Terms and Conditions
5.5	Facilities Needed for Service
5.6	Payment of Fees for Annexation
6.	Determination of District's Annexation Fees
6.1	Annexation Fee Criteria
6.2	Overview of the District's Water System
6.3	Current Annexation Fee and Comparison
6.4	Calculation of Annexation Fee
6.5	Summary
6.6	Recommendation

1 Introduction

1.1 Objective

The objective of this report is to calculate a buy-in based annexation and capacity fee that follows the District's Administrative Code to provide adequate infrastructure to meet capacity, reliability and growth-related needs. More importantly, provide this required infrastructure to new customers in a cost-based, fair and equitable manner. These fees provide the means of balancing the cost requirements for utility infrastructure between existing customers and new customers.

2 Overview of Capacity Fees

2.1 Defining Capacity Fees

New customers are allowed to connect to a utility system because the system includes reserve capacity. If there were no capacity available, new connections would not be permitted. For the utility to continue to sustain new development and support an increasing customer base, the utility must continue to provide reserve capacity in its system. Capacity fees are a contribution of capital to either reimburse existing customers for the available capacity in the existing system or provide new capacity.

2.2 Capacity Fee Criteria

Capacity fees are determined by the specific requirements of an agency and whether a district may be growing or built out, or somewhere in between. A Buy-in approach is an appropriate application for Lakeside WD, because the District is mostly built out and its infrastructure assets have capacity available to accommodate near-term growth. The District has a primary concern in asset management and service reliability. Water district's that have high growth area's need to be focused on supply capability, districts that are mostly built out are concerned with replacement and reliability. Both operational demands support the need for a capacity fee or charge to ensure that the water system maintains a reliable supply to existing customers and new customers alike.

3 Legal Considerations in Establishing Capacity Fees

3.1 Requirements under California Law

The basic legal standards governing water are found in Government Code Sections 66000, et.seq., known as the Mitigation Fee Act and sometimes called “AB 1600” which was the name of the initial enabling legislation. The Mitigation Fee Act includes five chapters of the California Government code, Title 7 Planning and Land Use, Division 1 Planning and Zoning: chapters 5, 6, 7, 8 and 9.

Chapter 5 (commencing with Section 66000) is entitled “Charges for Development Projects”. Some of the provisions of chapter 5 include the following.

66000.(b) “Fee” means a monetary exaction other than a tax or special assessment, that is charged in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities existing or proposed, related to the development project.

66001.(a) In any action establishing, increasing, or imposing a fee as a condition of approval of a development project...the local agency shall do all of the following:

- (1) Identify the purpose of the fee.
- (2) Identify the use to which the fee is to be put. If the use is financing public facilities, existing or proposed, the facilities shall be identified.
- (3) Determine how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed.
- (4) Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

66001.(b) Determine how there is reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Chapter 7 (commencing with Section 66012) is entitled “Charges for Specific Purposes.” Some the provisions of chapter 7 include the following.

660013.(a) Notwithstanding any other provisions of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed .

66013.(b) As used in this section:

- (1) “Water connection” means the connection of a structure or project to a public water system as defined in subdivision (f) of Section 116275 of the Health and Safety Code.

(3) “Capacity charge” means a charge for facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights for the local agency involving capital expense relating to its use of existing or new public facilities. A “capacity charge” does not include a commodity charge.

The statute indicates that a local agency may charge new customers for the utilization of system capacity, existing or proposed, provided that certain procedures are followed.

3.2 Proposition 218 and 26 and Capacity Fees

In 1996, Proposition 218 was approved, which required that the imposition of certain fees and assessments by municipal governments require a vote of the people to change or increase the fee or assessment.

In *Richmond v. Shasta Community Services District*, 32 Cal.4th 409 (2004), the California Supreme Court held that water capacity fees are not “assessments” under Proposition 218 because they are imposed only on those who are voluntarily seeking water service, rather than being charged to particular identified parcels, and therefore such fees are not subject to the procedural or substantive requirements of Proposition 218. Additionally, the court held that a capacity fee is not a development fee. The court also held that such fees can properly be enacted by either ordinance or resolution.

In November 2010 the voters of California passed Proposition 26, an initiative based state constitutional amendment, which provided a new definition of the term “tax” in the California constitution. Under Proposition 26 a fee or charge imposed by a public agency is a tax unless it meets one of seven conditions. Capacity fees fall within exception 2 – i.e., it is a charge imposed for a specific government service provided that a capacity fee does not charge one fee payer more in order to charge another fee payer less (i.e., a cross-subsidy), and it does not exceed the reasonable costs to the local government of providing the service, then the fee is not a tax within the meaning of Proposition 26. Under Proposition 26, the local government bears the burden of proving, by a preponderance of the evidence, that a levy, charge or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer’s burdens on or benefits received from, the governmental activity.

4 Determination of District's Water Capacity Fees

4.1 Overview of the District's Water System

Lakeside Irrigation District was formed in 1924 to supply water to 320 acres including what is now the central part of the town of Lakeside. Water was supplied by a well in the San Diego River bed and by the Cuyamaca Water Company. The latter connection was the source of supply for several lemon and orange groves which were a part of Lakeside Irrigation District.

Until the San Diego County Water Authority was formed in 1944, Lakeside Irrigation District, which was a founding member of the Authority, remained a district of 320 acres. With a firm water entitlement of imported water, Lakeside expanded rapidly.

The first large annexation came November 5, 1951, when water was delivered to Eucalyptus Hills. In 1973, Lakeside Farms Water District consolidated with Lakeside Irrigation District. The district is now primarily residential with a very small agricultural area. For that reason, in 1979 Lakeside has dropped the word "Irrigation" in its name and is now known as "Lakeside Water District". In 2006 Riverview Water District consolidated with Lakeside Water District.

The District provides fully treated water to its customers through a system of transmission and distribution lines that have been expanded and kept up to date to provide service to an active thriving community. In 2006 a series of changes were implemented in the "Upper San Diego River Reorganization" to allow Lakeside Water District to rejoin the San Diego County Water Authority. Conditions to rejoin the Water Authority required Lakeside WD to consolidate with neighboring Riverview Water District and detach from its water wholesaler, the Padre Dam MWD (formerly Rio San Diego MWD). Coming full circle, we now receive water through the Water Authority, directly from the Helix Water District's, R.M. Levy Treatment and Filtration Plant. This arrangement is very advantageous to Lakeside Water District in that it is assured of a consistent supply of high quality water. A small percentage of groundwater is also pumped, treated and delivered into the Lakeside system by Lakeside Water District.

4.2 Capacity Fee Methodology

Common Capacity Fee Methodologies:

- Growth Related Cost Allocation Method
- Marginal-Incremental Cost Approach
- System Buy-in Methodology
- Value of Service Methodology

Growth Related Cost Allocation Method

- This method requires capital recovery charges should relate to a specific project that will be built for a specific area.
- Projected developments are in the 5 to 10 year range.
- The number of total units shall be estimated for the calculation
- The unit charge is derived by dividing the costs of growth related improvements by the number of projected units.
- Excess capacity in existing facilities may be considered in calculating the fee.

Marginal Incremental Cost Approach

- This method is based on the principle that new system users should be responsible for the next increment of capital cost which they cause.
- Capital recovery charges would be designed to recover the cost of this expansion using the actual cost or an estimated cost of future facilities.
- Capital recovery charge would be designed so that existing customer rates would not have to be increased.

System Buy-in Methodology

- Under this approach capital recovery charges are based upon the “Buy-in Concept”
- This concept is that existing users, through service charges, tax contributions, and other up-front charges, have developed a valuable public capital facility.
- The charge to users is designed to recognize the current value of providing the capacity necessary to serve additional users.
- This charge is computed by establishing fixed asset value under a historical or reproduction cost basis plus unrestricted reserves including any debt financing less depreciated asset value.
- The number of total equivalent meters are divided into the equity calculation to establish the capital recovery charge.

Value of Service Methodology

- Under this approach, capital recovery charges are based on the practices of similar communities with similar improvements
- The fees are adjusted by the perceived ability of new users to pay – fair value.
- The price structure is tied to the concept of “What the market will be”.
- This method should be used with caution.
- The fee is not directly related to cost of service, and litigation could result from excessive fees.

4.3 Calculation of Water Capacity Fees

- Lakeside WD uses buy-in method, using the simple calculation as described.
- The 2024 Lakeside Water District annual audit placed our “net” financial equity position at \$38,343,605.
- The calculation for a capacity fee using the “buy-in” method is determined by dividing the “net value of water system equity” by the quantity of equivalent system users or equivalent meters (EM’S)
- EM’S are based on the total amount of meters and then adjusted by the size of the meter, similar to that of capacity demand.

Equivalents Meter Scale:

¾ “	meter is equal to	1.0 EM’S
1”	meter is equal to	1.6 EM’S
1.5”	meter is equal to	3.3 EM’S
2”	meter is equal to	5.3 EM’S
3”	meter is equal to	9.6 EM’S
4”	meter is equal to	16.6 EM’S
6”	meter is equal to	33.3 EM’S

CALCULATION FOR EQUIVALENT METER CONVERSION

* TOTAL METERS FOR 2024		EM RATIO	TOTAL EM’S
SIZE	TOTAL		
5/8”	4,579	* 1	4,579
3/4”	1,618	* 1	1,618
1”	621	* 1.6	994
1.5”	105	* 3.3	347
2.0”	138	* 5.3	731
3.0”	1	* 9.6	10
4.0”	3	* 16.6	50
6.0”	3	* 33.3	100
TOTAL METERS = 7,068		EQUIVALENT METERS = 8,429	

Calculation Method:

Based on our 2024 audit report the “net position” of the District was \$38,343,605

Equivalent Meter Calculation = 8,429

Calculation = \$38,343,605 / 8,429 = \$4,549

\$4,549 IS THE TOTAL CAPACITY CHARGE FOR A ¾” METER USING THE UPDATED FACTORS AND RESULTS IN OUR BASE METER CALCULATION. AN UPDATED CAPACITY FEE SURVEY FOLLOWS.

CAPACITY FEE SURVEY SUMMARY ¾” METER

OTAY WD	\$11,129	
VISTA IRRIGATION	\$10,514	
RAINBOW MWD	\$10,401	
OLIVENHAIN MWD	\$10,399	
CITY OF OCEANSIDE	\$ 9,138	
PADRE DAM	\$ 9,002	
RAMONA MWD	\$ 8,740	
VALLECITOS WD	\$ 7,935	
ESCONDIDO UWD	\$ 7,930	
SANTA FE IRRIGATION	\$ 7,057	50 TH PERCENTILE
HELIX WD	\$ 6,953	
RINCON DEL DIABLO	\$ 5,992	
SWEETWATER AUTHORITY	\$ 5,778	
CARLSBAD MWD	\$ 4,455	
FALLBROOK PUD	\$ 5,778	
VALLEY CENTER MWD	\$ 4,950	
LAKESIDE WD (PROPOSED)	\$ 4,549	
LAKESIDE WD (CURRENT)	\$ 4,387	
SAN DIEGUITO WD	\$ 3,300	
CITY OF SAN DIEGO	\$ 3,047	

4.4 Recommendations

The goal of a capacity fee is to more fairly apportion the future costs of the district's infrastructure. The concept is based on the premise that new customers are entitled to water service at the same price as existing customers. Our existing capacity fee was approved in 2017 and resulted in a drop in our capacity fee costs. Previous to 2017, there was an increase in 2006 prior to the consolidation with Riverview Water District. The calculation used, took the infrastructure value from the consolidation study and factored in a 50% depreciation for a total equity position. This value was divided by the meter count of the Lakeside system for a total capacity fee of \$4,593 in 2006. The timing of the fee adjustment coincided with the detachment of the Padre Dam MWD system and the significant improvements necessary to complete the consolidation with Riverview Water District and the flow control facility requirements to rejoin the San Diego County Water Authority. The \$3.5 million cost to provide the infrastructure to rejoin the WA was a one-time expense and when complete was donated to the WA.

The 2017 calculation and capacity fee amount took into account the new consolidated Lakeside Water District equity value and a revised equivalent meter total as summarized previously. The result of the new methodology is to determine a fair and current value for developers to connect to the Lakeside Water District system.

Exiting customers, however, have already provided the facilities that will serve the new customers, include any costs of financing those facilities. Under this method, new customers pay an amount equal to the net investment already made by existing customers in the facilities (cost less depreciation less outstanding debt obligations). As described, net investment is based on cost less depreciation. This net equity investment is then divided by the number of customers (or meter equivalents) to determine the amount of payment required from the new customer to buy in to the utility at parity with existing customers.

Once new customers have paid their fee, they become equivalent to existing customers and share the responsibility for existing facilities. When additional costs are incurred for system improvements, replacement, or expansion, all customers share the costs of such improvements.

4.5 Summary

The new calculation is greater than the current capacity fee because our current calculation approved in 2017 used a lower "net equity position". The current calculation includes the new system equity carried over from the consolidation and the equivalent meter calculation added to the Lakeside Service Area in the equivalent meter total 2017. The new factors along with the current net equity investment is the most easily verifiable and equitable way to determine a system buy-in value. The Board should consider annual or other regular adjustments to the capacity fee as the calculation factors change.

Proposed Capacity Fees:

Meter Size	Meter Equivalent Factor	Current Fee	Proposed Fee
5/8"	.66	\$ 2,895	\$ 3,002
3/4"	1.0	\$ 4,387	\$ 4,549
1"	1.6	\$ 7,019	\$ 7,278
1.5"	3.3	\$ 14,477	\$ 15,111
2"	5.3	\$ 23,251	\$ 24,110
3"	9.6	\$ 42,115	\$ 43,670
4"	16.6	\$ 72,824	\$ 75,513
6"	33.3	\$146,087	\$151,482

5 Annexations Fees

5.1 Defining Annexation Fees

The goal of an annexation fee is to more fairly apportion the future costs of the district's infrastructure. The District has a policy for "Payment of Fees for Annexation" in Administrative Code Section 9.1.5. described in the following:

5.2 Policy

Land not previously included within the boundaries of the District will be considered for annexation to the District for retail water service by the Board of Directors if it is determined that there is a need for service, and that the District will not be harmed by the provision of service to the land.

5.3 Specific Issues to Consider

- A. Compliance with the California Environmental Quality Act and the District's guidelines adopted pursuant thereto;
- B. The District's ability to provide service to the land requesting annexation;
- C. Compliance with the applicable sections of the California Government Code and approval by the San Diego County Local Agency Formation Commission;
- D. Inclusion within the Metropolitan Water District of Southern California, and the San Diego County Water Authority.
- E. Inclusion within the District's adopted sphere of influence boundary.

5.4 Terms and Conditions

Prior to the annexation of any territory to the District, the Board shall fix and determine such terms and conditions, including payment fees, costs and other charges as it may deem appropriate. The District will require a processing fee for administrative services including staff time, legal, engineering, and other professional services, publishing, etc. The Local Agency Formation Commission processing fee will be required in addition to the District processing fee. Extra and unforeseen costs incurred in the processing of annexations will be paid by the owners requesting annexation.

5.5 Facilities Needed for Service

All facilities and system improvements necessary to deliver water to the property will be paid for by the owner of the annexing property.

5.6 Payment of Fees for Annexation

- A. Payment of fees will be determined based on a buy-in equity concept. Based on this concept, annexation fees of the District are determined by requiring territory being annexed to pay an amount equal to its proportionate share of the net assets of the District, which is determined on an acreage basis. The formula for calculating the acreage charge is determined by dividing the Total Fund Balance of the District, or the Fund Equity, by the total number of acres in the General Service Area of the District. The computed theoretical interest for each acre is then multiplied by the total number of acres of parts thereof to be annexed for the total acreage annexation fee.
- B. The acreage fees may be revised annually by the Board based upon the completion of the annual audited financial statements of the District.
- C. The District will require a processing fee for administrative services including staff time, legal, engineering, and other professional services, publishing, etc. The Local Agency Formation Commission processing fee will be required in addition to the District processing fee. Extra and unforeseen costs incurred in the processing of annexations will be paid by the owners requesting annexation.
- D. The acreage fee, District processing fee and LAFCO processing fee combined equal the total annexation fee of the District. For properties outside of the San Diego County Water Authority and the Metropolitan Water District additional fees will be due and payable upon formal application for annexation.
- E. The Fees will be established by Policy of the District

6.0 Determination of the District's Annexation Fees

6.1 Annexation Fee Criteria

- Annexation fees for each acre is determined by the “net assets (position) of the District divided by the total acres in the District. It is a buy in fee to the total asset infrastructure that the District has.
- The Net assets are determined by adding the net investment in capital assets with the unrestricted reserves (cash equivalents) less depreciation.
- The District last increased its annexation fee in 2017 December 2007.
- Prior to 2007, the last was in 1989.

6.2 Overview of the District's Water System

The District encompasses just over 17 square miles with a land mass of 10,990 acres. The district has over 125 miles of pipelines ranging in size from 4” to 20”, 12 water reservoirs and 11 pumping stations. In addition, the District has one hydro pneumatic pump station. The district also has one active well field and one in-active well field. Both have water treatment capabilities.

The value of all the District's assets less depreciation is \$38,343,605, as of June 30, 2024 as stated in the District's annual audit.

6.3 Current Annexation Fee for Comparison

Currently the Districts annexation fee is \$3,279 as approved by the Board in December 2017. This calculation took into account the most current equity value of the District as determined in the auditor's report of June 30, 2016 and the District's current acreage.

6.4 Calculation of Annexation Fee

A new updated annexation fee is calculated as follows. The District's June 30, 2024 annual audit showed net assets totaling \$38,343,605. This amount is divided by the district's current general service area which currently totals 10,990 acres, for a new current annexation fee of \$3,489.

Calculation Method:

Based on our 2024 audit report the “net position” of the District was \$38,343,605

Total District Acres = 10,990

Calculation + $\$38,343,605 / 10,990 = \$3,489$

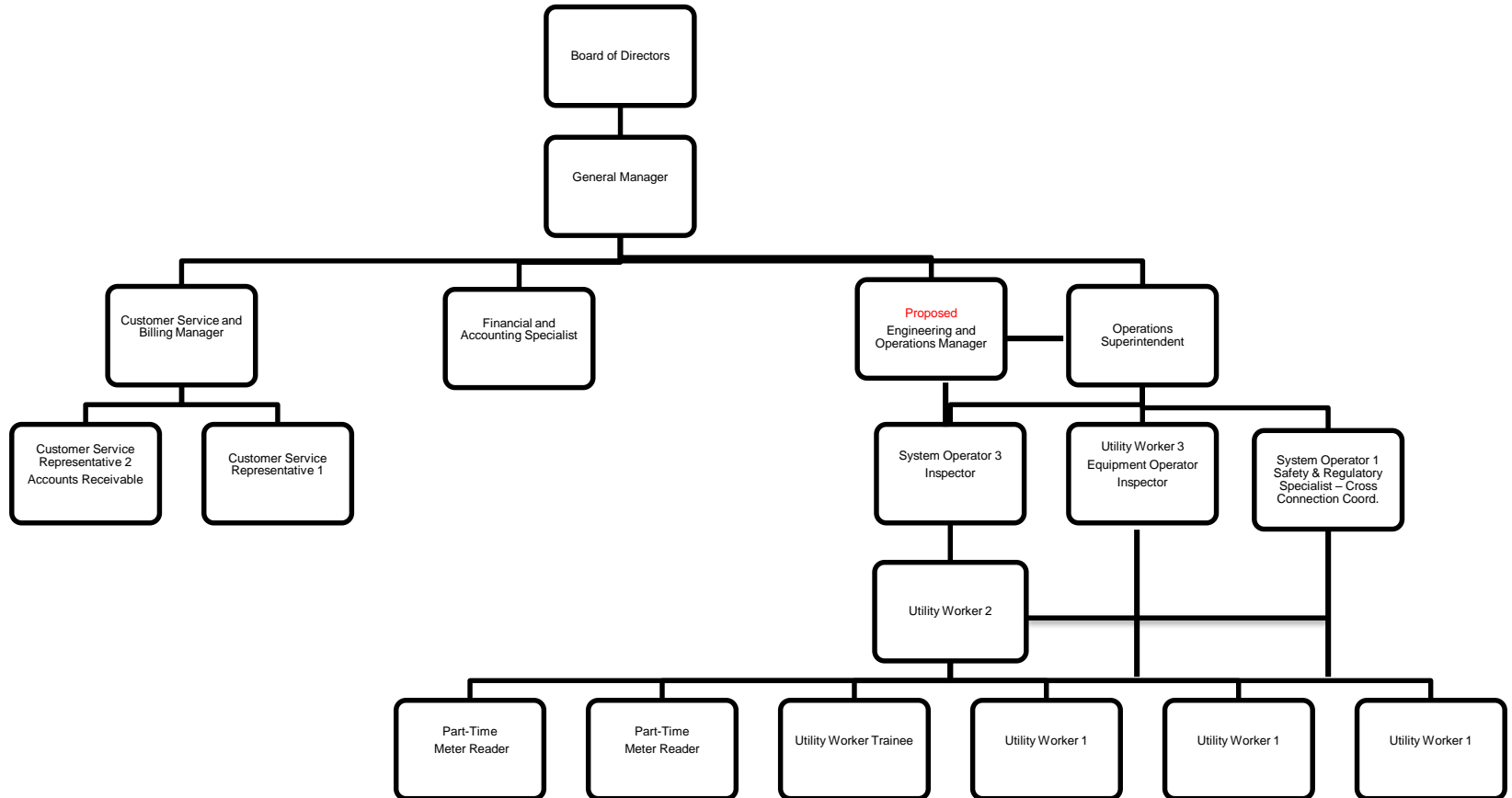
The following are a few reasons why the annexation charge increased.

- Increase in Net Financial Position as compared to 2016 of \$2,571,863.
- Changes in net asset valuation increase depreciation expense.
- Increase in the District's service boundary due to the Yerba Valley Annexation.
- Projected revenue from annexation fees is very low because of the consolidation in 2006. All parcels have been brought into the district sphere of influence boundary. Only a small number of parcels within our sphere of influence would be required to pay an annexation fee in future development.

6.5 Summary

As District policy permits in Section 9.1-5(B), the annexation charge, "acreage fees may be updated annually by the Board based upon the completion of the annual audited financial statements of the District". Per this policy, the District should consider using the most current "net asset" value and any change in the District's acreage on an annual basis to have the most current acreage value. With the new calculation factors, our annexation would increase from \$3,279 to \$3,489.

Lakeside Water District Organizational Chart 2025 Proposed



Operations and Maintenance Distribution of Tasks Summary

	New Proposed			
Transferred/Shared Tasks	New Tasks of Position		Transferred Tasks	
General Manager Board Secretary Treasurer Engineering Tasks O & M Coordination: Damage & Theft Billings Private Developer CIP: Developer Meter Sales Developer Contact Developer Estimates Developer Plan Checks Developer Improvement Agreement and project bonds for Board Approval Developer Estimates-multi units Developer Estimates-single service District CIP: Planning CEQA Budgeting Scheduling Develop Plans Develop Specifications Advertise for Bidding Conduct Bid	Engineering & Ops Man. O&M Coordination & Optimization Emergency Response (as-needed) Record Management District Mapping Backflow and Safety Private Developer CIP: Developer Meter Sales Developer Contact Developer Plan Checks Developer Estimates multi units Developer Estimates-Single Service Review and Process County of San Diego Forms; Required Agency Clearance Project Availability Fire Flow Analysis/Letters District CIP: Planning	Operations Superintendent Emergency Response After hours coverage O&M Scheduling Meter Reading Quality Assurance Meter Repair & Maint Service Repair & Maint Main Repair & Maint Pump Station Maint Reservoir Maint GW Treatment Plant Maint District Property Maint Vehicle Maint Backflow and Safety SWRCB Electronic Annual Report – Multi Section District report	Cust. Serv. & Billing Man Meter Reading Loading/Download Process Bills Activation of new meters Sales Reports Monthly usage/units Meter Totals Breakdown of; Size and total count Customer Mailing List Lease Property Rent Process & track SWRCB Electronic Annual Report – Multi Section District report CWA Reporting: Monthly; San Vicente Exchange Water Use Report	Finance & Acc. Spec. Project Cost Tracking Developer District CIP Electrical Usage Water Usage ACWA JPIA Insurance program Monitoring/Payments

Operations and Maintenance Distribution of Tasks Summary

<p>Notify of Award Project Management</p> <p>Monthly Reporting: SWRCB DDW Reporting Total Coliform Rule (BacTs) G.W. Wells (BacTs) RAWB Surface Water Treatment Rule GW Treatment Plant O&M Filter Infl&Effl Fe&Mn and TDS Nitrite Monitoring Monthly Drought Reporting</p> <p>Quarterly Reporting: Maximum Reportable Detection Limits – MRDL Disinfection By-Products TTHM and HAA5</p> <p>CWA Reporting: Monthly; San Vicente Exchange Water Use Report Annual; Demand & Use projections Supply & Demand Assessment Water Use & Delivers Report Meter Equivalent Unit Meter Count</p>	<p>CEQA Budgeting Scheduling Develop Plans Develop Specifications Advertise for Bidding Conduct Bid Notify of Award Project Management</p> <p>Monthly Reporting: SWRCB DDW Reporting Total Coliform Rule (BacTs) G.W. Wells (BacTs) RAWB Surface Water Treatment Rule GW Treatment Plant O&M Filter Infl&Effl Fe&Mn and TDS Nitrite Monitoring Monthly Drought Reporting</p> <p>Quarterly Reporting: Maximum Reportable Detection Limits – MRDL Disinfection By-Products TTHM and HAA5</p> <p>Annual: GW Well Title 22 Sampling CCR Water Quality Report</p>			
---	---	--	--	--

Operations and Maintenance Distribution of Tasks Summary

<p>Update San Vicente Exchange water costs</p> <p>Secretary Board of Directors:</p> <p>Monthly Meeting Agenda Monthly Meeting Minutes Schedule Special Meetings Annual Form 700 Election Info to Registrar of Voters (every 2 years)</p> <p>General Manager Board of Directors:</p> <p>Monthly Meeting Monthly Manager Report Provide Item Presentation Board Updates as needed Annual Conflict of Interest Update Website Updates</p> <p>Annual Reports:</p> <p>SWRCB Electronic Annual Report – Multi Section District report</p> <p>Newsletter</p> <p>Financial Audit</p>	<p>SWRCB Electronic Annual Report – Multi Section District report</p> <p>Tri-annual:</p> <p>EPA Lead & Copper Testing</p>			
---	--	--	--	--

Operations and Maintenance Distribution of Tasks Summary

<p>CalPERS Plan Report (Audit) DWR Annual Supply and Demand Assessment</p> <p>County of SD; Annual Tax Appropriations Limit Adj.</p> <p>Dist. Budget – Rates Administrative Operations and Maint. Revenue</p> <p>Capital Improvement Dist. 5 Year CIP Update</p> <p>Yerba Valley CFD Report</p> <p>Reports to Maintain: (2 yr. Updates)</p> <p>100 Year Asset Management Plan District Reserve Policy Capacity & Annexation Fee Report Strategic Plan</p>				
--	--	--	--	--

Lakeside Water District
Disbursements List
April 2025

Num	Name	Account	Original Amount
16826	FedEx	5080 · Water Treatment & Testing	920.96
16827	Variable Annuity Life Insurance	Split	5884.93
16828	Standard Insurance	7040 · Group Insurance	532.62
16829	BROWNING/LOPEZ PROPERTY MANA	4000 · Water Sales on Account	116.68
16830	AKENSON, TIMOTHY	4000 · Water Sales on Account	9.42
16831	ALCALA, MARGARITA	4000 · Water Sales on Account	138.75
16832	BLUMAN, KATLYN	4000 · Water Sales on Account	24.90
16833	BOWEN, JOHN	4000 · Water Sales on Account	153.08
16834	BRAUN, RYAN & ASHLEY	4000 · Water Sales on Account	19.53
16835	DELGADILLO, KRISTEN	4000 · Water Sales on Account	68.76
16836	DIELLI, MELODIE	4000 · Water Sales on Account	158.75
16837	GILSTRAP, LINDA	4000 · Water Sales on Account	43.90
16838	GOLDEN RIDGE, LLC	4000 · Water Sales on Account	428.69
16839	HICKS, TYLENE	4000 · Water Sales on Account	134.71
16840	JADAN, TONY	4000 · Water Sales on Account	69.16
16841	KATHOL, BRYAN ROBERT	4000 · Water Sales on Account	25.63
16842	LASCOLA, ANTHONY	4000 · Water Sales on Account	84.03
16843	LLOYDS OF SANTEE LLC	4000 · Water Sales on Account	200.00
16844	MARTINEZ, JUAN	4000 · Water Sales on Account	55.56
16845	Miller Paving Corporation	4000 · Water Sales on Account	683.84
16846	OPENDOOR LABS INC	4000 · Water Sales on Account	179.37
16847	PEET, CAMILLE	4000 · Water Sales on Account	134.71
16848	PHILLIPS, HANNAH	4000 · Water Sales on Account	128.70
16849	QARI ALI JAN MIRZAIE	4000 · Water Sales on Account	80.53
16850	SLOVATIZKI, ELIZABETH	4000 · Water Sales on Account	101.15
16851	THORMAN, CHARLENE	4000 · Water Sales on Account	176.55
16852	WILKINSON, DANIEL	4000 · Water Sales on Account	143.32
16853	YATES, CHARISSE	4000 · Water Sales on Account	89.73
16854	ZALDIVAR, JARROD	4000 · Water Sales on Account	92.39
16855	A & B Saw & Lawnmower Shop	6100 · Distribution - Maint/Supplies	165.51
16856	ACWA - Group Ins	7040 · Group Insurance	32,251.46
16857	ACWA JPIA W/C	7100 · General Insurance	5,339.83
16858	Alpha Analytical Laboratories, Inc	5080 · Water Treatment & Testing	508.00
16859	Border Tire	6200 · Trucks-Fuel,Maintenance,Repa	5,009.12
16860	Crisplmaging Inc.	6410 · Engineering	65.49
16861	Enniss, Inc.	6100 · Distribution - Maint/Supplies	1,276.93
16862	ESRI	6410 · Engineering	460.00
16863	Excel Telemessaging	7400 · Office Expense	320.85
16864	FedEx	Split	440.47
16865	Ferguson Waterworks	6100 · Distribution - Maint/Supplies	6,683.61
16866	Gallade Chemical	5200 · Water Treatment -Maint/Suppli	2,697.92
16867	Hach Company	5200 · Water Treatment -Maint/Suppli	1,358.40
16868	HASA	5200 · Water Treatment -Maint/Suppli	1,289.52
16869	Helix Water District	5080 · Water Treatment & Testing	909.00
16870	Jack Henry - Remit	7400 · Office Expense	1,951.72
16871	Jan-Pro	7400 · Office Expense	340.00
16872	Lakeside Petroleum, Inc.	6200 · Trucks-Fuel,Maintenance,Repa	2,471.01
16873	Lynn's Locksmith Service	5200 · Water Treatment -Maint/Suppli	527.96
16874	Napa Auto Parts Inc	6200 · Trucks-Fuel,Maintenance,Repa	57.97
16875	Northern Safety Co., Inc.	6100 · Distribution - Maint/Supplies	212.20
16876	Pacific Pipeline Supply, Inc.	6102 · Dist. Pump & Maint	15,655.82
16877	Payton's Hardware, Inc.	Split	301.05
16878	Quadient - Postage	7400 · Office Expense	1,000.00
16879	Republic Services	6100 · Distribution - Maint/Supplies	741.26
16880	Rexel	6100 · Distribution - Maint/Supplies	509.83
16881	Safe & Sound	7400 · Office Expense	122.85
16882	San Diego County Water Authority	5091 · SDCWA Capacity & Treatment	9,159.00
16883	SDGE	6100 · Distribution - Maint/Supplies	115.33

16832	BLUMAN, KATLYN	4000 · Water Sales on Account	24.90
16884	Sloan Electric Company	6102 · Dist. Pump & Maint	3,261.87
16885	SouthWest HydroTech	Split	16,228.31
16886	Sparkletts	7400 · Office Expense	78.94
16887	Target River	7400 · Office Expense	110.00
16888	Techniclean Inc.	7400 · Office Expense	575.00
16889	Underground Service Alert	Voided Check	0.00
16890	UniFirst Corp	6100 · Distribution - Maint/Supplies	676.26
16891	United Site Service	6100 · Distribution - Maint/Supplies	96.48
16892	Wave.Band	7400 · Office Expense	947.24
16893	Weck Laboratories, Inc.	5080 · Water Treatment & Testing	5,390.00
16894	Underground Service Alert	7440 · Dues & Subscriptions	98.80
16895	East County Urgent Care	6100 · Distribution - Maint/Supplies	366.00
16896	***included in payroll below	Payroll Check	0.00
eft	First Bankcard - Visa	First Bankcard	732.79
eft	First Bankcard - Visa	First Bankcard	2,623.77
eft	Paya ACH Fee	7400 · Office Expense	10.00
eft	Paya ACH Fee	7400 · Office Expense	90.00
eft	Paya ACH Fee	7400 · Office Expense	108.57
eft	Paya ACH Fee	7400 · Office Expense	142.87
eft	Paya ACH Fee	7400 · Office Expense	196.85
eft	Paya ACH Fee	7400 · Office Expense	925.35
eft	Bankcard CC Fee	7400 · Office Expense	3,646.01
eft	San Diego County Water Authority	5000 · Water Purchases	552,606.56
eft	InvoiceCloud Fee	7400 · Office Expense	2,312.90
eft	US Bank Fees	7400 · Office Expense	943.88
eft	Verizon	7400 · Office Expense	144.17
payroll	Payroll	Split	69,543.97
			763,758.09

**General Managers
Monthly Report**

April 29, 2025

Board of Directors Meeting

- 1) UCM Rate Reductions Update.**
- 2) Yerba Valley Annexation Update**
- 3) Summarize Bill Payments to the District**

News Articles/Editorials Enclosed:

How High Will Water Rates Get

CWA News Release – The Value of Water in San Diego

Water Authority reports more than enough supply

How expensive will cost of water get?

County officials say no final decision until June on rate increases

BY DAVID GARRICK

UNION-TRIBUNE

County water officials said Thursday that financial challenges they face may force them to substantially raise rates for wholesale water next year, a move that would lead to higher water bills across much of the county.

Officials stressed that their discussions were preliminary and that no decision is scheduled until June.

“What you will be presented with today is a draft, preliminary, early, initial, could-be, might-be, unfinalized, beginning-stage budget,” said Nick Serrano, chair of the San Diego County Water Authority board. “This is not a final product, nor is it a proposal that this board is supporting at this point.”

Serrano and other board members said many variables could change before June, including new deals to sell the authority’s extra water supply and new statistics on customer demand.

But water authority officials said they have “little leeway” to avoid what is now projected to be a double-digit percentage rate increase next year.

The authority’s rate stabilization fund has been substantially depleted to soften rate increases earlier in the pandemic and during the last two years.

The Metropolitan Water District of Southern California has already approved an 8% rate increase for calendar year 2026, which will raise the county water authority’s costs.

While the authority has made water sale deals in recent years that have yielded \$40 million, those have left fewer opportunities for potential additional deals to pursue.

The Trump administration could try to cancel a \$19.4 million grant the authority was awarded last spring by the U.S. Department of the Interior for an intake pipe at the Carlsbad desalination plant.

And while demand can fluctuate, the largest variable appears to be how sharply March rains cut back on customers' March irrigation usage. Drops in usage make the authority's finances worse, not better.

A jump in wholesale rates would force nearly every local water agency to pass on the extra costs to its customers, but just how much gets passed on could vary widely.

Some agencies buy less wholesale water than others, especially those with groundwater basin storage or other local water supplies. And some agencies have already built projected water authority increases into their rates.

Water authority officials say the fundamental problem they face is that they borrowed money to build and maintain a significantly larger water storage and delivery system than is now needed.

Officials expected demand to continually grow as population rose and development expanded, but member agencies have been buying steadily less wholesale water during the last two decades.

General Manager Dan Denham said the authority is in the middle of a three-year plan to stabilize its finances and smooth rates so they rise more slowly and predictably.

Making the authority more nimble when it comes to making deals with other water agencies in Southern California is a key goal, he said. Settling ongoing litigation with the Metropolitan Water District over rates and other issues could help with that.

"It put us in a box in terms of operations and not having the flexibility to move water around," Denham said of the multiyear litigation. "I really look forward to getting this settlement agreement done."

Denham and other general managers have also formed a working group that will begin meeting soon to discuss strategies for cooperation among water agencies, including deals for excess supplies.

The working group meetings will be held behind closed doors with no board members or other participants or observers.

"We need to have a very candid discussion amongst the GMs in this region as to what kind of road map we're on," he said.

The water authority will also soon begin analyzing whether it should buy the privately owned Carlsbad Desalination Plant. Denham said assessing the financial risks and the condition of the plant would be key precursors to such a move.

“All of that is going to have to start occurring in the next two years,” he said.

Losing the \$19.4 million federal grant would be a major blow.

“We still expect those funds, but until it’s in our checking account, I don’t think we’re going to be very comfortable,” said Pierce Rossum, the authority’s rate and debt manager.

Officials are slated to propose a range of possible rate increases for 2026 in April and then narrow that down to a specific proposed hike in May. A final board vote is scheduled for June.

The city of San Diego, which controls 10 of the board’s 36 seats, has had a history of successfully lobbying to lower rate increases.

Officials last year proposed a hike between 16% and 22% in April, but the board ended up approving a 14% increase.

The Colorado River Aqueduct, one of the main sources of imported water for the region. Photo: San Diego County Water Authority

Value of Water, Explained

March 17, 2025

For more than 80 years, the Water Authority and its 22 member agencies have worked together to [deliver safe and reliable water](#) to our community. Thanks to our coordinated efforts and investments, the 3 million people who call San Diego County home have the water they need for generations to come.

Where does San Diego's Water Come From?

San Diego County has three main sources of water: The Colorado River (61%), local supplies (33%) and the State Water Project (6%). Together these three categories provide a diversified water supply to ensure we've got abundant options to keep the water flowing.

Local supplies – Seawater desalination, recycled water, water purification, and brackish groundwater, are sources of local water supplies in the San Diego region. Local water agencies have worked to maintain and create these supply sources, with support from the Water Authority. The Water Authority also invested in the Carlsbad Seawater Desalination Plant, brought online in 2015.

Colorado River – Most of the region's water from the Colorado River is generated through increased conservation measures on farms and canals in the Imperial Valley.

State Water Project – The Bay-Delta is the hub of the State Water Project, a water storage and delivery system that is owned by the State of California and operated by the California Department of Water Resources. The Water Authority purchases State Water Project supplies through the Metropolitan Water District.



The Colorado River Basin provides essential water supplies to approximately 40 million people and 30 Tribal Nations, nearly 5.5 million acres of agricultural lands, and habitat for ecological resources across parts of several Western states (including Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming) and Mexico.

How far does water travel to reach San Diego?

Water can travel up to a thousand miles before coming out of your tap. Snow and rain falls in the Rocky Mountains and travels to the region through the Colorado River. For the State Water Project, rain falls in northern California over 500 miles from San Diego and travels to the region through water infrastructure. In addition, the region has a growing array of local water supplies, including desalinated seawater and recycled water.

What does San Diego's water infrastructure look like?

The Water Authority takes ownership of pipelines just south of the Riverside-San Diego county borderline and maintains more than 300 miles of pipelines in San Diego County that transport water throughout the region. Local water agencies operate thousands of miles of smaller pipelines that deliver water to homes and businesses.

Water Authority Senior Engineering Technician Karla Sanchez. Photo: San Diego County Water Authority

How many facilities does the Water Authority operate to keep our system running?

With 1,600 structures and over 100 flow control facilities, the Water Authority's countywide infrastructure is vital to provide San Diego with a safe and reliable source of water.

What is leading to rate increases?

Water rates are rising across the state for a variety of reasons, including inflation that is driving up the cost of items like electricity, steel and chemicals needed for water delivery and treatment.

The Water Authority and its member agencies are not immune from those impacts. In fact, San Diego County's strategic investments in supply reliability, coupled with the work to maintain the aqueduct system, means that residents and businesses will pay more for water in future years.

The good news is that even during long dry spells, the Water Authority can meet the regional demand for water that sustains our economy and quality of life.

WATER AUTHORITY BUDGET BREAKDOWN

64%

**WATER PURCHASES &
TREATMENT**

16%

DEBT SERVICE

10%

**CAPITAL IMPROVEMENT
PROGRAM
EXPENDITURES**

7%

**OPERATING
DEPARTMENTS**

2%

OTHER AND GRANTS

1%

**EQUIPMENT
REPLACEMENT**

What else is the Water Authority doing to help the region understand its role?

The world of water is a complex one that needs color and context. That's why, over the past few months, the Water Authority has developed a bilingual (English/Spanish) outreach strategy to tell residents across the region who we are and what we do. This program delivers targeted messaging across multiple channels, focusing on the value of water, infrastructure investments, climate adaptation and the people who make the water systems work. We hope that this effort will provide a deeper appreciation of the Water Authority and a better understanding of everything we do.

BUSINESS

Water Authority reports 'more than enough' supply to meet regional demands despite little rain



by Kira Caspers • Times of San Diego

April 1, 2025, 11:55 p.m.



The San Vicente Reservoir in East County. (photo courtesy of the San Diego County Water Authority)

San Diego County's water supplier announced it has more than enough water to meet the region's needs through the summer and fall, despite the county receiving around half of normal rainfall this year.

The San Diego County Water Authority said there is "plenty of water" to meet demands for the foreseeable future, and it is trying to transfer some water supply to areas in the West with greater water scarcity.

Officials said selling or leasing water to other agencies will help offset the cost of the region's longstanding water investments and address statewide affordability challenges.

By offering agencies a limited amount of highly reliable water, officials said, they can retain water security for the county and lessen rate increases.

"The San Diego region's investments in water supply reliability have given us an unusual opportunity to both help ratepayers and support other regions that have fewer water supply options," said Water Authority General Manager Dan Denham. "We are talking with potential partners in Southern California and beyond."

The **California Department of Water Resources**' fourth snowpack survey of the year showed "plenty of water" in the Sierra to stretch through the summer and fall.

On Friday, the agency reported the **statewide snowpack** is 90% of average.

While the San Diego region typically gets a small fraction of its water from Northern California, the health of the snowpack is important for the statewide economy, officials said.

The Colorado River Basin — which supplies about two-thirds of San Diego County's water — also showed a healthy snowpack, officials said.

However, over the past two decades, a series of mostly dry years has strained the **Colorado River**.

Most of the Water Authority's water from the river is available through conservation agreements in the Imperial Valley.

County water officials said a series of water transfers in 2023 and 2024 that raised water levels in Lake Mead, a key reservoir in the Colorado River System, saved San Diego ratepayers nearly \$40 million.

While another similar deal is possible, officials said they are negotiating with water-scarce areas about transferring drought-proof desalinated seawater over multiple years.

These deals could take months or years to finalize, a Water Authority spokesperson said.

“While we can’t discuss the details of negotiations, it’s fair to say there is significant interest in buying some of our drought-resilient water — and that’s welcome news for San Diego County ratepayers,” Denham said. “Our goals are to maintain our water reliability for generations to come while at the same time controlling costs.”

© 2025 NEWSWELL

Powered by Newspack

Do Not Sell or Share My Personal Information