A G E N D A

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

November 4, 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 October 7, 2025.

7. Review the September 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation.

8. Operations Report. Johnze

9. Consider Approval of a County of San Diego Joint Agreement and Amendment to Improve a Major Subdivision, along with the Joint Labor, Material and Performance Bonds for the Westhill Road TM 5520 Improvement. Sanders

10. Consider Amending 8.1-11(C) Post-Retirement Health Insurance Benefits. Sanders

11. Consider Notice of Exemption Determination of the California Environmental Quality Act for the Engineering, Operations and Security Building Project. Sanders

12. Approve Demands of the Treasurer for October 2025.

13. CWA Report

14. Director's Reports and/or Ad Hoc Sub-Committees Reports.

15. General Managers' Report.

16. Adjourn; Next Regular Meeting to be held on December 2, 2025 will be canceled and a Special Meeting will held on December 9, 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 October 31, 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 October 7, 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
	Absent	Steve Johnson
		Eileen Neumeister
		Steve Robak
Secretary:		Brett Sanders

1) Call to Order by Board President Neumeister

2) Prayer/Invocation – Eric King provided the prayer for the night's meeting.

3) Pledge of Allegiance was led by Pastor King

4) Approval of Agenda. Motion by Director Jenkins to accept the agenda as submitted.

Motion: Jenkins Second: Hilliker

Vote:	Ayes	4	Hilliker, Jenkins, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	1	Johnson

5) Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2). Comment submitted by email by J. Swaringen. Requested that the Board not approve to build a new building, funds are better off developing new water wells.

6) Approve Minutes of a Regular Meeting held on September 9, 2025. Motion by Director Hilliker to approve the minutes as presented.

Motion: Hilliker Second: Robak

Vote:	Ayes	4	Hilliker, Jenkins, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	1	Johnson

7) Review the August 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 reported that:

- River Street; District work to install 3 valve tee assembly at night from 7:30 pm to 7:00am. Valves improve the ability to perform shutdowns towards Julian Ave.
- Grade and clear area of District yard to proposed new building layout.
- Lead and Copper sampling has been completed. All 33 samples taken were well under the Action Levels and all customers have been notified of the results.
- District crews cleared District land to provide fire breaks and landscape cleanup.
- New Industrial Park – Rive Run East 2 has completed two of the three points of connection and are off and out of Riverside Dr.
  Main break 1 (Sunset), Service leaks 3, Fire hydrants damaged 0

9) Consider Resolution 25-13 for the Pass-Through Adjustment to offset the wholesale rate increase from the San Diego County Water Authority and to declare the action exempt from the California Environmental Quality Act. Lakeside Administrative Code 2.13-2(B)(2)(a). General Manager provided a summary of the process to calculate the rates and that the District has utilized an outside consultant to verify the increases from the Water Authority and the methodology to calculate the fixed and variable (water charge) pass-through amounts. Motion by Director Jenkins to increase both the fixed and variable wholesale increases as provided in the Supplemental and Revised Resolution.

Motion: Jenkins | Second: Hilliker

Vote:	Ayes	4	Hilliker, Jenkins, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	1	Johnson

10) Consider Building Plan Proposals for the new Engineering, Operations & Security Building. General Manager Sanders provided a review of the three proposals and process to construct the new building and provided a tour of the proposed site of the building. Motion by Director Jenkins to approve the selection #2 proposal by Hawk Materials and site preparation work in an amount of $235,000.

Motion: Jenkins | Second: Robak

Vote:	Ayes	4	Hilliker, Jenkins, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	1	Johnson

11) Approve Demands of the Treasurer for September 2025. Motion by Director Hilliker to approve the demands as presented.

Motion: Hilliker | Second: Robak

Vote:	Ayes	4	Hilliker, Jenkins, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	1	Johnson

12) CWA Report – CWA Representative Hilliker reported that Board voted to spend remaining grant money on a contract amendment for professional services on the San Vicente Energy Storage Project. Extensive discussion about the San Luis Rey Wetland Habitat Restoration project. The Board awarded the project after two

previous discussion by the Board due to a significant increase cost. . Other professional service contracts approved for other various services.

13) Director's Report and Ad Hoc Sub-Committees Reports. No comments

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

1) Regulatory Update
   - Annual water use objective report and water loss audit are due by January 1,
   - Cross-Connection Control Policy Handbook Fire Sprinkler Requirements was Due 7-1-25. The new handbook was completed and submitted.
   - CARB and the Advanced Clean Fleets regulation revised to postpone the 100% ZEV purchase requirements to 2030, after significant pushback by many groups.

2) Development Update:
   - RiverRun East 2; two of three points of connection completed.
   - Marilla Apts; Single service and fire service and fire hydrant. Complete
   - 10780 Oak Creek; Working on detachment from Padre Dam MWD and Annexation to the Lakeside WD.
   - Yerba Valley Annexation; continuing to work with group and the USDA
   - Westhill Rd. Single Family Homes; plans for 12 homes
   - Woodside Storage; new meter and fire service and fire hydrant.

15) Closed Session – Closed to the Public:

Real Property Negotiation – Section 54956.9 Porter Rents. Out of closed session the Board President announced a 3 year lease agreement has been approved with Porter Rents at $0.21/sq. ft. with a 3-year option at future market considerations.

16) Adjourn; There being no further business the meeting adjourned to the next Regular Meeting to be held on November 4, 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 through September 2025

	Sep 25	Jul - Sep 25	Budget	% of Budget
Operating Revenue				
Water Sales				
4000 · Water Sales on Account	1,011,593	2,721,424	9,602,575	28%
4010 · System meter charge	112,332	338,612	1,458,965	23%
4020 · CWA/IAC	37,693	114,875	457,906	25%
4040 · Penalties / other	14,475	43,331	130,000	33%
Total Water Sales	1,176,093	3,218,242	11,649,446	28%
4100 · Capacity Fees LWD	1,492	14,655	57,030	26%
4101 · SDCWA Capacity & Treatment	0	7,851	85,186	9%
4200 · Meter Services	6,385	8,679	35,000	25%
4210 · Engineering & Inspection Fees	0	14,916	7,500	199%
4220 · Fire Hydrants	0	0	30,000	0%
4230 · Tapping	0	15,000	15,000	100%
4300 · Miscellaneous Income	49,897	55,532	20,000	278%
4310 · Water Letters	275	575	250	230%
4400 · Rent - Land Lease	29,070	91,860	291,770	31%
4600 · Interest Income	30,729	81,664	315,000	26%
4700 · Taxes Revenue	9,010	22,729	740,000	3%
Total Operating Revenue	1,302,951	3,531,703	13,246,182	27%
Total Income	1,302,951	3,531,703	13,246,182	27%
Expense				
Administrative and General				
7000 · General Manager/Secretary	18,833	56,499	234,000	24%
7001 · Incentive Compensation	0	7,000	7,000	100%
7020 · Director's Fees	625	1,875	10,750	17%
7100 · General Insurance	0	9,875	66,575	15%
7200 · Annual Audit	600	32,455	31,000	105%
7210 · Attorney Fees	4,359	5,173	30,000	17%
7230 · Consultants	0	0	8,000	0%
7300 · Elections/Registrar	0	0	2,000	0%
7320 · Lafco Operating Costs	0	3,994	5,634	71%
7401 · Administrative Expense	0	470	7,000	7%
7450 · Public Info/Public Relat	0	11,182	11,350	99%
7500 · State Health Dept./ SWRCB	0	0	49,064	0%
7800 · Bad Debt Expense	0	0	2,000	0%
7900 · Water Dev./Conservation Program	0	0	9,500	0%
Total Administrative and General	24,417	128,523	473,873	27%

	Sep 25	Jul - Sep 25	Budget	% of Budget
Operations and Maintenance				
5000 · Water Purchases	741,260	2,316,594	7,994,040	29%
5075 · Padre Dam Deliver Charge	0	0	2,600	0%
5080 · Water Treatment & Testing	1,567	5,659	24,000	24%
5090 · Infrastructure Access Charge	37,420	112,260	443,760	25%
5091 · SDCWA Capacity & Treatment Fees	7,851	7,851	111,353	7%
5100 · Electric Power	26,100	80,920	327,000	25%
5200 · Water Treatment -Maint/Supplie	3,482	16,829	80,000	21%
5627 · County - Road Improvements	0	0	15,000	0%
5628 · Telemetry Repair	0	5,419	15,000	36%
6000 · Wages, Field	62,568	188,759	866,513	22%
6100 · Distribution - Maint/Supplies	10,732	70,299	130,000	54%
6102 · Dist. Pump & Maint	227	2,648	60,000	4%
6110 · Emergency Repairs & Service	0	0	45,000	0%
6200 · Trucks-Fuel,Maintenance,Repair	4,662	15,702	70,000	22%
6400 · Outside Labor	1,505	1,810	42,000	4%
6410 · Engineering	0	372	20,000	2%
7010 · Wages, Office	29,778	85,410	340,000	25%
7030 · Payroll Taxes	8,136	25,558	102,508	25%
7040 · Group Insurance	31,957	92,656	326,740	28%
7050 · CalPers Retirement	13,681	101,795	253,503	40%
7070 · Unemployment Insurance	0	0	5,000	0%
7400 · Office Expense	12,802	47,532	157,714	30%
7440 · Dues & Subscriptions	20,163	21,581	32,000	67%
7920 · Miscellaneous Expense	53	1,258	6,000	21%
Total Operations and Maintenance	1,013,944	3,200,912	11,469,731	28%
Total Expense	1,038,361	3,329,435	11,943,604	28%
Net Ordinary Income	264,590	202,268	1,302,578	16%

Capital Requirements				
1510 · Buildings & Land Improvements	$ -	$ -	$ 4,000	0%
1520 · O & M Equipment	$ -	$ -	$ 10,000	0%
1530 · Office Furniture & Equipment	$ -	$ -	$ 15,000	0%
1547 · CIP Design/Engineering	$ -	$ -	$ 5,000	0%
1550 · Pumping Plant & Distribution	$ -	$ 49,308	$ 30,000	164%
1551 · New Service/Meters	$ -	$ 2,004	$ 10,000	20%
1580 · SCADA Telemetry Upgrade	$ -	$ -	$ 30,000	0%
1581 ·Yerba Valley Annexation Pipeline	$ 6,578	$ 6,578	$ 450,000	1%
1582 ·Operations, Engineering & Security Bldg.	$ 50,000	$ 50,000	$ 195,000	26%
1583 ·Julian Ave. Multiple Pipe Replacement	$ -	$ -	$ 20,000	0%
1584 ·Rocoso Rd. Pipe Replacement Engineering	$ -	$ -	$ 20,000	0%
Total Capital Expense	$ 56,578	$ 107,890	$ 789,000	14%

Lakeside Water District
Investment Report
As of September 30, 2025

				Sep 30, 25
Current Assets				
	Checking/Savings			
		1020 · UBS Cash Fund		486.95
		1030 · King Cash Fund		19,552.67
		1050 · Multi-Bank Securities, Inc.		451,192.56
		1070 · Investment - LAIF		1,032.05
	Total Checking/Savings			472,264.23
	Other Current Assets			
		Investments		
			1321.69 · BkUnited 0.55% 1/22/26 58979	242,000.00
			1321.70 · Mrgn Stanley BK 4.45% 6/6/29	115,000.00
			1321.71 · First Gty Bk Hamm 4.35% 11/6/28	199,900.00
			1321.72 · Fed Farm Cr Bk 4.62% 2/12/30	240,101.25
			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 2.375% 5/15/27	346,489.66
			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% 3/26/30	244,000.00
			1351.56 · EAGLEBK BETH 4.05% 4/17/28	249,000.00
			1351.57 · MILESTONE BANK 3.95% 4/28/28	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
			1351.61 · USF FCU 4.00% 7/30/30	249,000.00
			1351.62 · Valley Nat'l Bk 3.95% 07/31/28	245,000.00
			1351.63 · Connexus 3.75% 9/18/28	249,306.99
			1351.64 · Royal BK CDA 4.10% 9/30/30	500,000.00

	Sep 30, 25
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
1383.39 · BMW Bank of NA 3.95% 4/25/28	245,000.00
1383.40 · FHLB 4.125% 10/5/29	204,692.50
1383.41 · FHLB 4.375% 6/24/2030	185,878.75
1383.42 · Farmer MAC 4.26% 7/16/30	496,980.00
1383.44 · FNMA 4.00% 8/20/30	899,550.00
Total Investments	14,637,755.65
Total Current Assets	15,110,019.88

Investment Changes in September 2025

Matured 1351.31	**FNMA .55% 9/30/25**	512,000.00
Purchased 1351.63	**Connexus 3.75% 9/18/28**	249,206.99
Purchased 1351.64	**Royal Bank CDA 4.10% 9/30/30**	500,000.00

Investments by Maturity

September 2025

Description	Cusip	Maturity	Rate	Amount	Est. Yr Interest	Avg Rate
King Fidelity Treasury MM	FZFXX		4.11%	$ 973	$ 39.99	
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	$ 770,973	5%				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 Treasurery	912828X88	5/15/2027	3.54%	$ 346,490	$ 12,265.75	
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	$ 3,993,162	27%				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	
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	
Valley Nat'l Bk	919853QZ7	7/31/2028	3.95%	$ 245,000	$ 9,677.50	
Connexus	20825WES5	9/18/2028	3.75%	$ 249,307	$ 9,349.01	
1st Gty Bk Hammond	320437AT3	11/6/2028	4.35%	$ 199,900	$ 8,695.65	

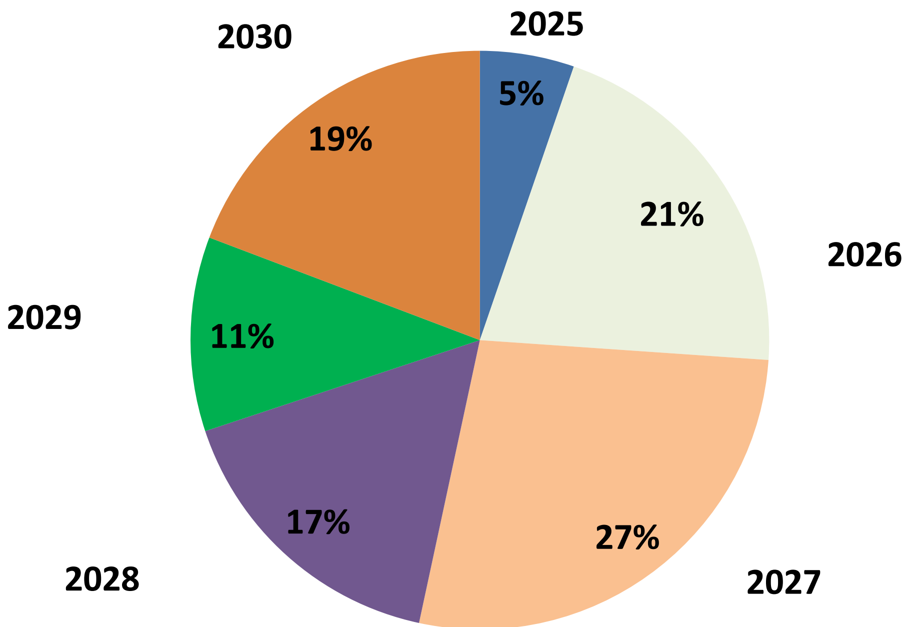
Investments by Maturity

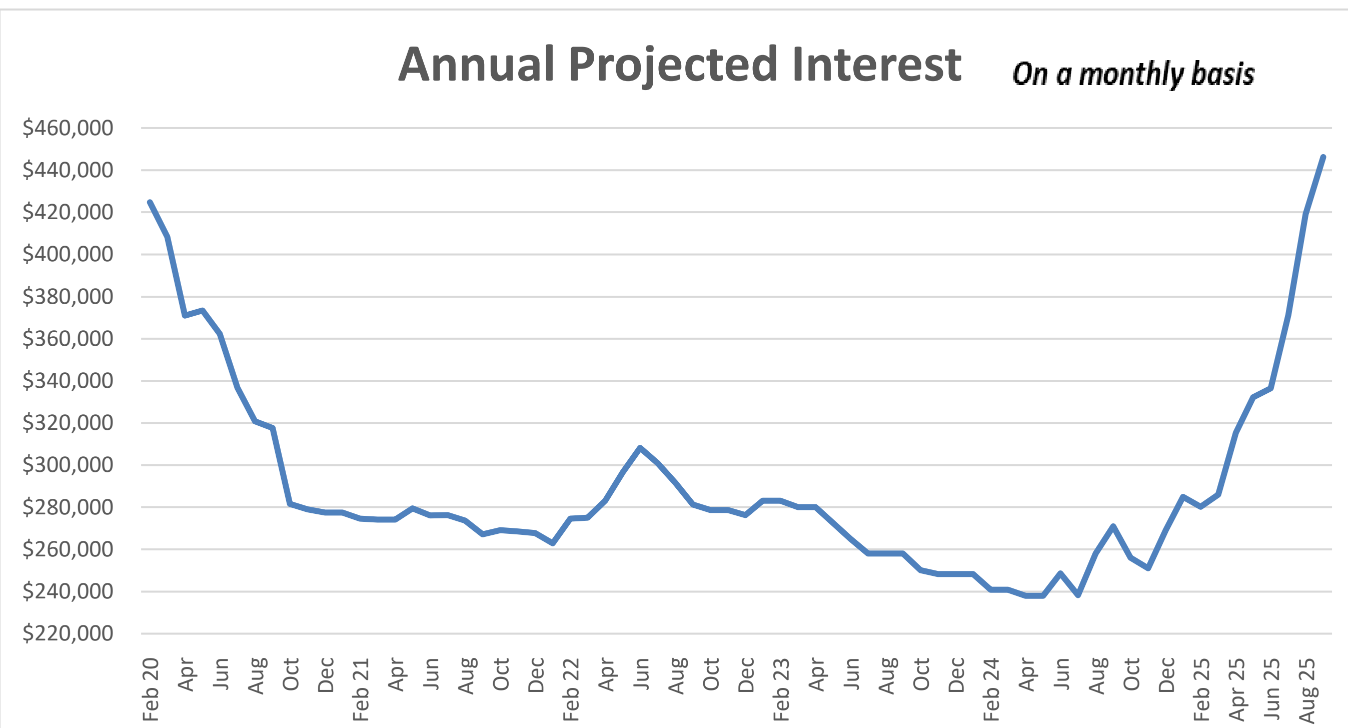
Description	Cusip	Maturity	Rate	Amount	Est. Yr Interest	Avg Rate
Maturity in 2028	$ 2,420,207	17%				4.02%
FNBA	32110Y-T7-0	4/30/2029	3.85%	$ 249,000	$ 9,586.50	
Mrgn Stanley BK	61776CPV3	6/6/2029	4.45%	$ 115,000	$ 5,117.50	
UBS	90355GPU4	7/24/2029	4.20%	$ 248,000	$ 10,416.00	
SALLMA	795451DM2	7/24/2029	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	$ 1,589,877	11%				4.08%
Federal Farm Cr Bks	3133ETSW8	2/12/2030	4.62%	$ 240,101	$ 11,092.68	
American Express Nat'l Bk	02589AGX4	3/26/2030	4.15%	$ 244,000	$ 10,126.00	
FHLB	3130B6T22	6/24/2030	4.38%	$ 185,879	$ 8,132.20	
Farmer MAC	31424WK43	7/16/2030	4.26%	$ 496,980	$ 21,171.35	
USF FCU	90353ECE1	7/30/2030	4.00%	$ 249,000	$ 9,960.00	
Fedl Natl MTG Assn	3136GANN5	8/20/2030	4.00%	$ 899,550	$ 35,982.00	
Royal BK CDA	RY6190844	9/30/2030	4.10%	$ 500,000	$ 20,500.00	
Maturity in 2030	$ 2,815,510	19%				0.73%

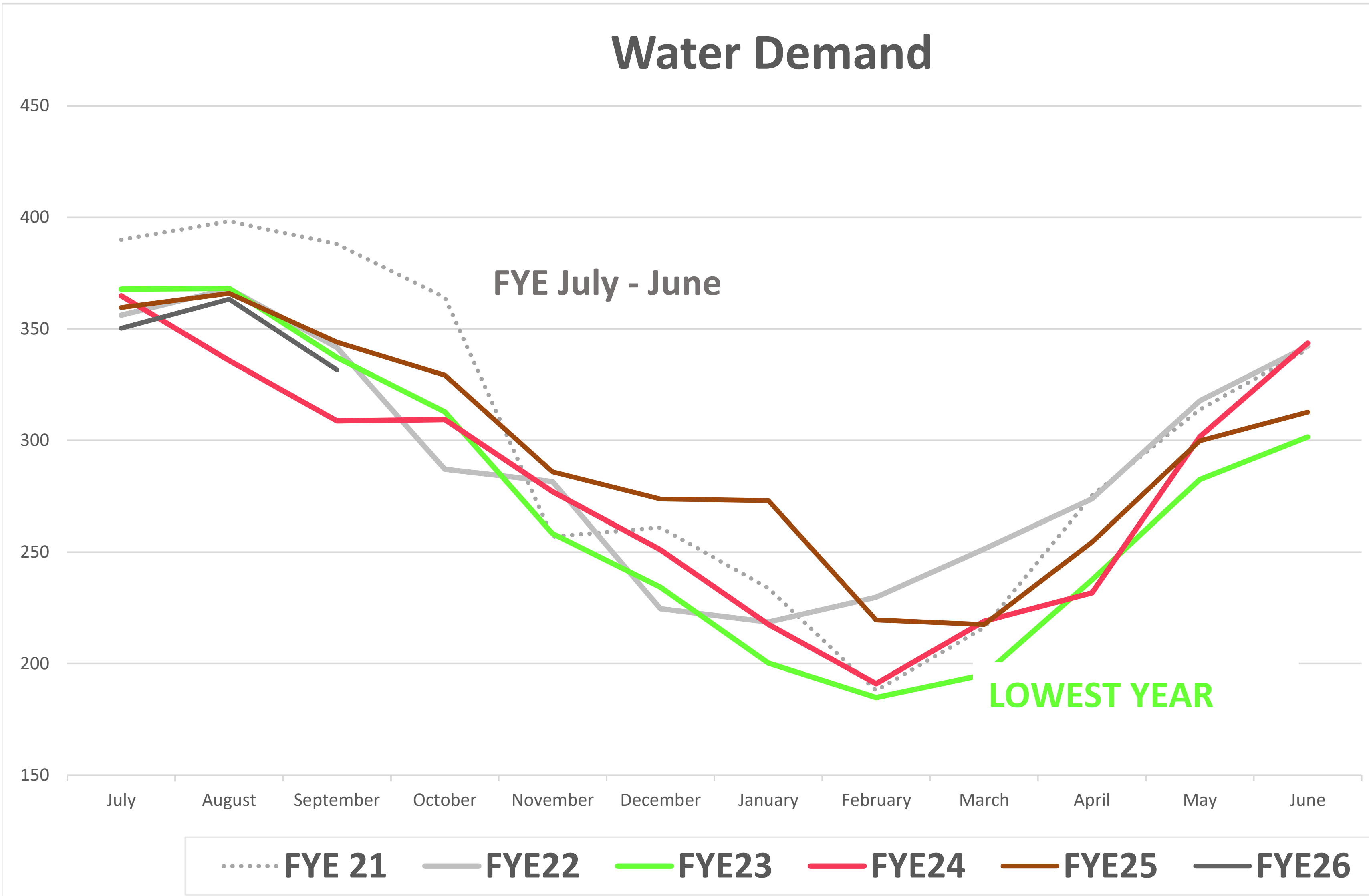
	Investments	Annual Interest	Avg
Total	$ 14,638,729	$ 446,222	3.05%

Description	Cusip	Maturity	Rate	Amount	Est. Yr Interest	Avg Rate

Investments by Maturity Year






Water Demand
450
400
350
300
250
200
150
FYE July - June
LOWEST YEAR
July
August
September
October
November
December
January
February
March
April
May
June
FYE 21
FYE22
FYE23
FYE24
FYE25
FYE26

OPERATIONS REPORT
November 2025
BOARD OF DIRECTORS MEETING

General Operation:

- *Work with City of San Diego on River Street*
- *Water Quality improvements*
- *Winterizing sites*
- *Sanitary Survey preparations*
- *Treatment plant chemical injection systems upgrades*

Contractor/ Developer/ County Projects:

- *River Run East update*

District Emergencies Repairs:

- *Main breaks 0*
- *Service leaks 2 Julian, WG*
- *Fire hydrants 0*


Westhill Road Imp
12 lot SFH Subdivision
Legend
Westhill Road
Westhill Rd.
Homes 12 lots
Existing Homes
Remain 2 lots
Google Earth
Image © 2025 Vexcel Imaging US, Inc.
300 ft
N

JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION
COUNTY OF SAN DIEGO
TRACT NO. 5520-1

(PDS2024-LDMJIP-50110)
(Multiple Districts)

This Joint Agreement is made and entered into this _____day of _____________________, 20_, between the County of San Diego, State of California ("County"), the Lakeside Water District ("Water District"), the San Diego County Sanitation District ("Sanitation District"), and ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17-80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN ("Owner").

WITNESSETH:

WHEREAS, in the near future, Owner will file with the Board of Supervisors of the County ("Board") a Final Map of Subdivision of County of San Diego Tract No. 5520- 1 ("Final Map"), for the Board's approval and for recording; and

WHEREAS, pursuant to Section 66462 of the Subdivision Map Act and Section 81.407 of the San Diego County Code, the Board requires Owner to make or agree to make certain subdivision improvements; **NOW, THEREFORE,**

FIRST: IMPROVEMENTS. Owner agrees as its own cost and expense to furnish all the labor, equipment and material to perform and complete, and within 730 days from the date of the approval of the Final Map by the Board to perform and complete, in a good, workmanlike manner, according to the plans and specifications referred to below, the following improvements:

1. The improvement of the streets and/or easements within the subdivision as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Joint Agreement by reference, together with the improvement of any other streets and/or easements specifically designated by the plans and specifications to be improved.

2. The improvement of the sewer/or water facilities ("Facilities") as shown on the attached plans and specifications as Exhibit 1 and incorporated into the Joint Agreement by reference. These improvements shall be constructed subject to the following additional terms and conditions:

(a) Owner shall convey to the Water District and Sanitation District (individually, "District," or collectively, "Districts") easements covering the property in which the Facilities are located, in all instances where the Facilities are not located in a dedicated street. Owner's engineer shall provide a legal description and an 8½" X 14" plat of easement to each District for approval. The plat shall be a reproducible transparency with the appropriate District's title block and fully locate and describe the easement. The standard easement processing fee and costs of a policy of title insurance insuring title to the easement in each District shall be paid by Owner.

(b) Owner shall pay each District separately on demand the full amount of costs incurred by the District in connection with the work, including plan checking, inspection, materials furnished, and all other expenses of each District directly attributable to the work, plus a reasonable amount for overhead in connection therewith. Owner shall deposit with each District concurrently with the execution of this Joint Agreement the following sums being the estimated amounts of each District's expenses: Water District - $N/A; Sanitation District - $N/A. Should the expenses incurred by either District exceed said deposit, Owner shall pay the amount of such excess to that District on demand. Should either District's expenses be less than the amount deposited, the difference shall be refunded upon completion of the work and its acceptance by the appropriate District.

(c) Owner shall obtain at its expense, all necessary permits required by County, State or other public agency in connection with the construction of the Facilities.

(d) The Facilities shall be operated by the District to whom they are dedicated in accordance with the rules and regulation of that District. Service connection fees and meter costs are not included in the estimated cost of facilities set forth in the Second Paragraph, but shall be an additional sum paid by Owner in accordance with each District's rate schedule as it from time to time exists.

3. The setting by a licensed surveyor or engineer of all monuments and stakes not installed on the date of recording of the Final Map, and the setting of all previously installed monuments and stakes that were removed, altered or destroyed prior to completion of the improvements and their acceptance by the Board and the relevant District, within 30 days of acceptance. Owner hereby further agrees to pay the engineer or surveyor for setting the monuments, and to secure the obligation to pay the engineer or surveyor by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", subject to the following:

(a) Notice of Setting. Pursuant to Section 66497 of the Subdivision Map Act, within five days after the final setting of all monuments has been completed, the engineer or surveyor shall give written notice to Owner, and County's Director of Public Works ("Director") that final monuments have been set.

(b) Payment of Engineer. Upon payment to the engineer or surveyor for setting the final monuments, Owner shall present to Director evidence of such payment and receipt thereof by the engineer or surveyor. In this event, Owner's security obligations conditioned on payment to the engineer or surveyor, as required by this Paragraph, shall terminate. Where a cash deposit is given by Owner as security for faithful performance, the Clerk of the Board of County may pay the engineer or surveyor for setting the final monuments from the cash deposit if so directed by Director upon the request of Owner.

(c) Nonpayment. If Owner does not present evidence to Director that he or she has paid the engineer or surveyor for setting the final monuments, and if the engineer or surveyor notifies Director that he or she has not been paid by Owner for setting the final monuments, County may, within three months from the date of said notification, pay the engineer or surveyor the amount due from any deposit.

(d) Death or Disability of Engineer. Pursuant to Section 66498 of the Subdivision Map Act, in the event of death, disability or retirement from practice of the engineer or surveyor charged with the responsibility for setting monuments, or in the event of his or her refusal to set such monuments, County may direct Director, or such engineer or surveyor as it may select, to set the monuments. If the original engineer or surveyor is replaced by another, the former may, by letter to Director, release his or her right to set the final monuments to the substitute surveyor or engineer. When the monuments are so set, the substitute engineer shall amend any Final Map in accordance with the correction and amendment provisions of Sections 66469 through 66472 of the Subdivision Map Act. All provisions of this Joint Agreement relating to payment shall apply to the service performed by the substitute engineer or surveyor.

4. ( ) If preceding blank is checked, erosion control work as shown on the attached plans and specifications as Exhibit 1 and incorporated into this Joint Agreement by reference, is subject to the following:

(a) The tops of all slopes shall be diked to prevent water from flowing over the edge of the slope.

(b) All driveways shall be paved not later than October 1, where their slopes exceed two percent (2%).

(c) As soon as grading is completed, but not late than October 1, the entire area not to be paved immediately will be treated with two to four tons per acre straw mulch, 50 lbs. per acre annual rye grass seed or equivalent as determined by Director at the time of planting, and 100 lbs. per acre actual nitrogen and phosphate (ammonia phosphate 16-20-0).

The mulch shall be tacked in place with a sheepsfoot roller and lightly irrigated. On cut and fill slopes, jute mating shall be installed over the mulch to hold it in place and cutting from small leaf ice plants, or approved equivalent ground cover, shall be planted with spacing approved by Director prior to October 1.

(d) An irrigation system shall be installed in accordance with County's standard drawings for irrigation systems and approved by Director no later than May 15 following the planting of the slopes.

(e) Sandbags shall be placed in gutters as approved by Director.

(f) Catch basins, stilling basins and storm drain system as approved by Director shall be installed.

(g) Owner shall maintain the plantings and erosion control measures described herein until release from such obligation by Director. Owner shall pick up and replace on the slopes all sand intercepted by the sandbags, catch basins and stilling basins after each runoff-producing rainfall.

(h) For purposes of providing for the performance of emergency erosion control work that Director, in his or her sole discretion, deems necessary, Owner shall deposit with Director, in his or her sole discretion, deems necessary, Owner shall deposit with Director, the sum of $<u>N/A</u>, which sum is independent of any other improvement security required by the terms of this Joint Agreement.

5. <u>Incomplete Offsite Street and Utility Improvements.</u>

(a) In the event this unit or subsequent units of this project require access across streets that have not been improved and accepted into the public maintained road system, and to the extent additional sewer and water facilities to serve this unit or subsequent units are required, Owner agrees to complete said improvements to the satisfaction of Director and, where appropriate, each District prior to requesting acceptance of the improvements secured under this Joint Agreement.

(b) Owner agrees that its obligation under this Joint Agreement shall continue in the event of a transfer or sale of this unit or subsequent units to a person or persons who are not parties to this Joint Agreement.

SECOND: <u>INSPECTION, ACCEPTANCE AND COST ESTIMATE</u>. Owner agrees that the work and improvements required in the First Paragraph, subparagraph 2, above shall be done subject to inspection by and to the satisfaction of the District to whom the improvements will be dedicated, and the improvements shall not be deemed completed until approved and accepted as completed by the accepting District. Owner agrees that all other work and improvements required in the First Paragraph shall be done subject to inspection by and to satisfaction of Director and the improvements shall not be deemed completed until approved and accepted as completed by County. Each District and Director shall be allowed to inspect their respective facilities during all stages of the construction. Each District and Director shall be notified a minimum of forty-eight (48) hours prior to the commencement of construction of their respective facilities. The estimated costs of the work and improvements specified in the **FIRST** Paragraph are itemized as follows:

Improvements of the Streets and/or Easements	$ 1,017,000.00
Improvements of the Sewer Facilities	$ 142,200.00
Improvements of the Water Facilities	$ 190,700.00
Setting of Monuments	$ 20,000.00
Erosion Control Work, if any	$ N/A
Total Estimated Amount	$ 1,369,900.00

Owner agrees that its obligation under this Joint Agreement extends to the completion of the designated improvements, and that this obligation is not limited by the amount of these cost estimates. Owner further agrees that these cost estimates are estimates only and are not intended to constitute liquidated damages.

THIRD: PARK LAND AND FEES. ( ) If the preceding blank is checked, dedication of land or payment of fees for park or recreational purposes is required for this project. Section 66477 of the Subdivision Map Act and Section 810.103 of the San Diego County Code required the dedication of land, the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes. Owner hereby agrees to dedicate land and/or pay County the sum of $N/A in satisfaction of these requirements.

If land is to be dedicated, pursuant to Section 810.107(a) of the San Diego County Code, Owner agrees to offer the land for dedication prior to the approval of the Final Map by the Board.

If fees alone are to be paid, or fees are to be paid in combination with the dedication of land, pursuant to Section 810.107(b) of the San Diego County Code, Owner agrees to pay the full amount specified above prior to the issuance of any building permit or prior to the date upon which all subdivision improvements are to be completed, whichever occurs first. Owner further agrees to secure the obligation to pay the amount required by this Paragraph, by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Joint Agreement and Final Map for approval by the Board.

FOURTH: DRAINAGE FEES. (_) If the preceding blank is checked, drainage fees are required for this project. Government Code Section 66483 and Section 810.208 of the San Diego County Code require the payment of drainage fees. Owner agrees to pay drainage fees to County in the amount of $N/A in satisfaction of these requirements. Owner agrees to pay the full amount specified prior to approval of the Final Map if a reimbursement agreement exists for the Local Drainage Area. If no reimbursement agreement exists, Owner agrees to pay the fees prior to the earliest of the following:

(a) the date of issuance of any building permit except building permits for model houses;

(b) the date all subdivision improvements are completed and accepted by County;

(c) the date construction commences of any portion of a master planned flood control facility within the Local Drainage Area;

(d) the date of execution of a reimbursement agreement for facilities constructed within the Local Drainage Area.

Owner further agrees to secure the obligation to pay the amount required by this paragraph, by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security" below, at the time of submitting this Joint Agreement and Final Map for approval by the Board.

FIFTH: TAX AND ASSESSMENT LIENS. Section 66493 of the Subdivision Map Act requires Owner to post security whenever any part of the subdivision is subject to a lien for taxes or special assessments collected as taxes that are not yet payable. Owner hereby agrees to pay, or causes to be paid, when due, all State, County, municipal and local taxes, and the current installment of principal and interest of all special assessments collected as taxes which at the time the Final Map is recorded are a lien against such subdivision, or any part thereof, but which are not yet payable. Owner further agrees to secure the obligation to pay such taxes and assessment liens by providing security for faithful performance, as set forth in the section herein entitled "Amounts of Security", at the time of submitting this Joint Agreement and Final Map for approval by the Board.

In accordance with Section 81.104 of the San Diego County Code, whenever security pursuant to this Paragraph is filed with the Board, the Clerk of the Board, upon written notification by the Tax Collector that the total amount of such taxes or special assessments has been paid in full, may release the security.

In the event that the taxes or special assessments are allowed to become delinquent, pursuant to Section 66494 of the Subdivision Map Act, the Clerk of the Board shall apply the proceeds of the security required by this Paragraph to the payment of any such taxes or special assessments, including penalties and costs.

SIXTH: OWNER'S LIABILITY FOR DAMAGES. The County, Districts, and their respective officers or employees shall not be liable or responsible for any accident, loss, or damage happening or occurring to the work or improvements specified in this Joint Agreement prior to their completion and acceptance. Nor shall County, Districts, or their respective officers or employees be liable for any person or property injured by reason of the work or improvements. All of the aforesaid liability shall be assumed by Owner. Owner further agrees to protect County, Districts, and their respective officers and employees from all liability or claim because of, or arising out of, the use of any patent or patented article in conjunction with the construction of the improvements required by this Joint Agreement.

SEVENTH: OWNER'S LIABILITY FOR EXPENSES. The County, Districts, and their respective officers or employees shall not be liable for any portion of the expense of the work or improvements specified in this Joint Agreement, or for the payment for any labor or materials furnished in connection with such work or improvements.

EIGHTH: OWNER'S DUTY TO PROTECT PUBLIC. At all times from the acceptance by County and Districts of the streets and/or easements offered for dedication in this subdivision up to the completion and acceptance of the improvements by the District and the Board, Owner will give good and adequate warning to the public of each and every dangerous condition existing on the property being improved, and will protect the public from any and all such defective or dangerous conditions. It is understood and agreed that, until completion of all improvements to be performed under this Joint Agreement, those improvements to be located in the streets and/or easements not accepted as improved shall be under the charge of Owner for the purposes of this Joint Agreement, and Owner, upon receipt of a street closure permit issued by Director, may close all or any portion of any specified street whenever it is necessary to protect the traveling public during the construction of improvements required by this Joint Agreement. Owner further agrees to pay for the inspection of streets and/or easements as may be required by Director and Districts.

NINTH: TYPES OF IMPROVEMENT SECURITY. Pursuant to Sections 66462 and 66499 of the Subdivision Map Act, it is further agreed that Owner shall file a security with the District and the Clerk of the Board at the time of submitting this Joint Agreement and Final Map for approval by the Board. The security shall consist of one of the following types:

1. Bond or bonds by one or more duly authorized corporate sureties;

2. A deposit with the Districts and the Clerk of the Board of money or negotiable bonds of the kind approved for securing deposits of public moneys;

3. An instrument of credit from one or more financial institutions subject to regulation by the state or federal government and pledging that the funds necessary to carry out the obligations of this Joint Agreement are on deposit and guaranteed for payment; or

4. An irrevocable standby letter of credit from one or more financial institutions subject to regulation by the state or federal government.

TENTH: SECURITY. Security shall be in the following amounts and shall fulfill the following purposes:

1. Security for Faithful Performance. Security shall be provided to ensure the faithful performance of all acts and improvements required by this Joint Agreement in amounts not less than one-hundred percent (100%) of the total estimated costs of the improvements or of the acts to be performed as set forth in the **SECOND** Paragraph, more specifically described as follows:

Work and Improvements	$ 1,369,900.00
Park Land and/or Dedication Fees	$ N/A
Drainage Fees	$ N/A
Tax and Assessment Liens	$ by separate instrument
Total Estimated Amount	$ 1,369,900.00

(a) Owner's Failure to Perform. In the event Owner fails to complete the acts, improvements, or contractual obligations specified herein within the time and upon the terms and conditions of this Joint Agreement, County or Districts may jointly or severally and independently pursue any or all of the following remedies:

(1) Cause such portions of the work to be done and take such protective measures as are deemed necessary to complete the work. Accordingly, Owner agrees that County, Districts, or their agents, employees or representatives may enter upon Owner's property to effect the appropriate work and necessary measures.

(2) Apply the security for faithful performance, or any balance thereof, to the construction or completion of the work or installation of improvements or the satisfying of any contractual obligation remaining pursuant to this Joint Agreement.

(3) Pursue legal remedies in any court of competent jurisdiction for damages not covered by the security or to seek specific performance of the terms and conditions of this Joint Agreement.

(a) Release of Security.

(1) Completion of Work and Improvements Specified in the **FIRST** Paragraph. Pursuant to Section 81.408 of the San Diego County Code, in the event that the work and improvements specified in the **FIRST** Paragraph are completed within the time and upon the terms and conditions of this Joint Agreement, Owner is entitled to a release of the security in a sum equal to ninety-five percent (95%) of the value of such security originally pledged, less previous payments advanced.

(2) Partial Completion of Work and Improvements Specified in the **FIRST** Paragraph. Pursuant to Section 66499.7 of Subdivision Map Act and upon the partial performance of the work as it progresses, Owner may be entitled to partial releases of the security for work and improvements specified in the **FIRST** Paragraph. However, no reduction in such security will be authorized (1) where Director or either District determine that more than fifty percent (50%) of the amount of work remains to be completed; (2) where the reduction results in a remaining security of less than 5 percent (5%) of the original security; or (3) where there has twice previously processed partial releases of such security in conjunction with this Joint Agreement.

No reduction in security for the work and improvements specified in the **FIRST** Paragraph will apply to the required warranty period described below, to the five percent (5%) determined necessary for such warranty, or to costs, fees, and reasonable expenses, including attorney's fees

(3) Completion of Acts Not Involving Work and Improvements Specified in the **FIRST** Paragraph. Owner is entitled to a release of one-hundred percent (100%) of the security posted for performance of acts or contractual obligations that do not involve the performance of the work and improvements specified in the **FIRST** Paragraph upon completion of such acts and/or contractual obligations.

(c) Any release of security related to an improvement or obligation subject to the approval by an agency other than County shall be subject to Section 66499.8 of the Subdivision Map Act.

2. Security for Payment. Good and sufficient security in an amount not less than fifty percent (50%) of the estimated costs specified in the **SECOND** Paragraph of the work and improvements required in the **FIRST** Paragraph, securing payment to contractors, subcontractors, and persons renting equipment or furnishing labor or materials to the contractors or subcontractors for the improvements. This security shall inure to the benefit of any and all person, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this security.

This security shall, after passage of the time within which claims of lien are required to be recorded pursuant to Article 2 (commencing with Section 8410) of Chapter 4 of Title 2 of Part 6 of Division 4 of the Civil Code and after acceptance of the work by County and Districts, be reduced to an amount not less than the total claimed by all claimants for whom claims of lien have been recorded and notice thereof given in writing to County and Districts, and if no such claims have been recorded, the security may be released in full.

3. Warranty. A one (1) year warranty of the work and improvements specified in the **FIRST** Paragraph secured by continuing in effect for a period of one year five percent (5%) of the security for faithful performance for such work and improvements by County and Districts. Pursuant to this warranty, Owner, at its sole expense, agrees to repair or replace any and all work required under this Joint Agreement that may prove defective in workmanship and/or materials, together with any other work which may be affected by this repair, within a one-year period from the date of acceptance of the work and improvements by County or Districts. Work necessitated, however, by ordinary wear and tear, or unusual abuse or neglect, shall not be included in this warranty.

Director or Districts shall give Owner notice of the existence of such defects in their respective facilities with reasonable promptness. Owner shall notify Director or appropriate District upon completion of such repairs. Should Owner fail to comply with County or District request for repairs within one (1) week of receiving the written notification, County or the affected District is authorized to have the defects repaired and made good at the expense of Owner who hereby agrees to pay the cost for such work immediately upon demand. In an emergency, County or the affected District may repair any defect in their respective facilities without prior notification to Owner. A County or District decision to repair defects in no way relieves Owner of the warranties given in this provision.

ELEVENTH: CHANGES. Upon consent by Owner, County or District may made such changes, alterations, or additions to the plans and specifications for the work and improvements of their respective facilities specified in the **FIRST** Paragraph that do not exceed ten percent (10%) of the original estimated cost of the work and improvements and that Director or District determines to be necessary and desirable for the proper completion of their respective facilities. No changes, alterations, or additions shall relieve any security obligations given for the faithful performance of this Joint Agreement.

TWELFTH: EXTENSION OF TIME. It is further agreed by and between the parties that in the event it is deemed necessary to extend the time of completion of the work and improvements contemplated under this Joint Agreement, said extension may be granted by the Board or each District upon Owner's request, by the Board unilaterally, or by either District with the Board’s approval, and shall in no way affect the validity of this Joint Agreement or release any security obligations given for the faithful performance of this Joint Agreement.

THIRTEENTH: COSTS OF ENFORCING JUDGMENT. As part of the security given for the faithful performance of this Joint Agreement and in addition to the face amount specified therefor, there shall be included costs and reasonable fees, including reasonable attorney's fees, incurred by County or either District in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

FOURTEENTH: EXERCISE OF RIGHTS BY DISTRICT OR COUNTY. Whenever in this Joint Agreement reference are made to the rights of “County and/or Districts” or to “County or Districts” and the exercise of rights, the parties hereto agree that such rights may be exercised by County or the Districts (1), jointly, or (2) severally and individually with County or either District acting independently of one another.

FIFTEENTH: GOVERNING LAW, VENUE, AND JURISDICTION. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California without regard to choice of law principles. Venue for any disputes shall be brought only in the state or federal courts located in San Diego County, California. Owner consents to personal jurisdiction in such courts and hereby waives any defense of lack of personal jurisdiction.

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

COUNTY OF SAN DIEGO

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By:____________________________
Clerk, Board of Supervisors

By: Emily Helms
SENIOR DEPUTY

Lakeside Water District

By:____________________________
Name
Title

San Diego County Sanitation District

By:____________________________
Name
Title

OWNER

ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17-80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN

____
By: ROBERT EARNEST GERMANN

Notes: (1) Signatures must be acknowledged; and,
(2) Appropriate security must be attached.

AMENDMENT TO THE JOINT AGREEMENT TO IMPROVE MAJOR SUBDIVISION, SUBSTITUTION OF PARTIES AND SUBSTITUTE SECURITY (COUNTY OF SAN DIEGO TRACT NO. 5520-1, FINAL MAP______________)
(PDS2024-LDMJIP-50110)

This Amendment to the Joint Agreement to Improve Major Subdivision, is made and entered into this ______ day of____________________, 20___, between the County of San Diego, a political subdivision of the State of California ("County"), the Lakeside Water District ("Water District"), the San Diego County Sanitation District ("Sanitation District"), and ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17- 80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN, ("Former Owner"), and LAKESIDE NEW HOMES, LLC, A DELAWARE LIMITED LIABILITY COMPANY ("New Owner"), with respect to the following:

RECITALS

A. The Director of Planning and Development Services Department for the County ("Director") approved the Final Map for County of San Diego Tract No. 5520-1 (Final Map No.______________) consisting of fourteen single family residential lots and One HOA lot on a total of 5.28 acres.

B. As a condition of approval of the aforementioned Subdivision in compliance with the Subdivision Map Act, Gov. Code § 66410, et seq., and Section 81.404 of the San Diego County Code of Regulatory Ordinances ("County Code"), the original Owner of the Subdivision agreed to construct certain public improvements pursuant to the "Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5520-1", approved by the County Board of Supervisors on ___________________________("Joint Improvement Agreement").

C. New Owner has entered into an agreement to acquire ownership of the Subdivision and desires to fully assume all obligations of the Former Owner relating to the Joint Improvement Agreement.

AGREEMENT

WHEREFORE, it is agreed by and between the County, District, Former Owner, and New Owner as follows:

1. New Owner fully and unconditionally assumes all obligations of Former Owner as stated in the Joint Improvement Agreement, including but not limited to the obligations to furnish, at their own cost and expense, all labor, equipment, and material to complete the subdivision improvements specified in the Joint Improvement Agreement.
2. Former Owner is hereby released from all obligations stated in the Joint

TM 5520-1

Improvement Agreement.

3. The Joint Improvement Agreement is hereby amended by substituting New Owner in place of Former Owner in all places.

New Owner provides to County the attached "Joint Improvement Security Agreement Faithful Performance Bond" and "Joint Improvement Security Agreement Labor and Material Bond", as required by the Joint Improvement Agreement, to guarantee the performance of all acts, duties and obligations set forth in the Joint Improvement Agreement. County agrees that the "Joint Improvement Security Agreement Faithful Performance Bond" and "Joint Improvement Security Agreement Labor and Material Bond" previously delivered by Former Owner shall automatically terminate upon approval of this Amendment by the County.

4. Except as herein amended, the Joint Improvement Agreement and all provisions, terms and conditions thereof shall remain in full force and effect.

5. Whenever references are made in the Joint Improvement Agreement to County and/or District, the County and the District may act or exercise rights under the agreements either: (a) jointly, or (b) severally and individually acting independently of the other.

6. Notwithstanding any provisions in this Amendment to the Joint Improvement Agreement to the contrary, no release, termination or substitution of parties authorized herein (a "Released Party") shall relieve Released Party of liability for any loss, claim or damage sustained by another party as a result of any breach by such Released Party of the terms and conditions of the Joint Improvement Agreement.

7. This Amendment to the Joint Improvement Agreement may be executed in counterparts, each of which shall be fully effective as an original, and all of which together shall constitute one and the same instrument.

8. This Assumption Agreement and the Joint Improvement Agreement shall be governed by and construed according to the laws of the State of California without regard to choice of law principles. Venue for any litigation shall be brought only in the state courts of California or in the federal courts located in San Diego County, California. New Owner consents to personal jurisdiction in such courts and hereby waives any defense of lack of personal jurisdiction.

IN WITNESS WHEREOF, the parties have caused this Assumption Agreement to be executed as of the date first written above.

FORMER OWNER

ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17-80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN

____
By: ROBERT EARNEST GERMANN

NEW OWNER

LAKESIDE NEW HOMES, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By:RC2DEV, LLC, A DELAWARE LIMITED LIABILITY COMPANY, its Manager

By:___________________________
Rey Ross, Manager

TM 5520-1

COUNTY OF SAN DIEGO

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

By:______________________________
Clerk of the Board of Supervisors

By: Emily Helms
Senior Deputy

LAKESIDE WATER DISTRICT

By: ______________________________
Printed Name
Printed Title

San Diego County Sanitation District

By:____________________________
Clerk of the Board of Directors

Note: Notary acknowledgements required for signatures

TM 5520-1

JOINT IMPROVEMENT SECURITY AGREEMENT
LABOR AND MATERIAL BOND

(PDS2024-LDMJIP-50110)
(Multiple Districts)

WHEREAS, the Board of Supervisors of the County of San Diego, State of California ("County"), the Lakeside Water District ("Water District"), the San Diego County Sanitation District ("Sanitation District"), and ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17-80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN ("Owner") have entered into the attached agreement whereby Owner agrees to perform certain acts and construct certain designated public improvements in connection with the approval of the subdivision **COUNTY OF SAN DIEGO TRACT NO. 5520-1**, which said agreement, identified as "Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5520-1" ("Joint Agreement to Improve") is hereby incorporated into this surety bond by reference; and

WHEREAS, under the terms of the Joint Agreement to Improve, Owner is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County and the District to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, Owner and the undersigned, as corporate surety, are held firmly bound unto the County, Districts, and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the Joint Agreement to Improve and referred to in the aforesaid Civil Code in the sum of **Six Hundred Eighty Four Thousand Nine Hundred Fifty Dollars and No/100 ($684,950.00),** 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, that said surety will pay the same in an amount not exceeding the amount hereinabove 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 County or District in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed and 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 person, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 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, subject to the following:

1. Six months after completion and acceptance of the work by the Board of Supervisors and the Districts, when no claim of lien and no suit has been filed within the time for filing claims of liens to enforce a claim, the Clerk of the Board of Supervisors is authorized to return this surety bond to Owner, provided, however, the written consent of Owner, Director of Public Works of County, the District and the Contractor shall first be obtained. The Director of Public Works shall furnish written consent only upon certification from the title company that there are no claims of liens or suits filed to enforce a claim of lien or record.

2. The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Joint Agreement to Improve or to the work be performed thereunder or to the specifications accompanying the same shall in any manner affect its obligation on this bond, and it does hereby waive notice of any such change, extension, alteration or addition to the terms of the Joint Agreement to Improve or to the work or to the specification.

3. Surety hereby agrees to bind itself to, and to perform in strict accordance with, the provisions of this surety bond and the provisions of the Joint Agreement to Improve which pertain to security and security obligation.

4. The parties acknowledge that the Joint Agreement to Improve is appended to this surety bonds.

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named on,__________,201__.

OWNER

ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17-80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN

____
By: ROBERT EARNEST GERMANN

Surety name and address

AMERICAN CONTRACTORS INDEMNITY COMPANY
801 South Figueroa Street, Suite 700
Los Angeles, CA 90017

____
Attorney-in-Fact

Notes: (1) Acknowledgments of execution by Principals and Surety must be attached; and
(2) Bond must be attached to the Joint Agreement to Improve with its attached plans and specifications.

JOINT IMPROVEMENT SECURITY AGREEMENT
LABOR AND MATERIAL BOND

(PDS2024-LDMJIP-50110)
(Multiple Districts)

WHEREAS, the Board of Supervisors of the County of San Diego, State of California ("County"), the Lakeside Water District ("Water District"), the San Diego County Sanitation District ("Sanitation District"), and LAKESIDE NEW HOMES, LLC, A DELAWARE LIMITED LIABILITY COMPANY("Owner") have entered into the attached agreement whereby Owner agrees to perform certain acts and construct certain designated public improvements in connection with the approval of the subdivision **COUNTY OF SAN DIEGO TRACT NO. 5520-1**, which said agreement, identified as "Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5520-1" ("Joint Agreement to Improve") is hereby incorporated into this surety bond by reference; and

WHEREAS, under the terms of the Joint Agreement to Improve, Owner is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County and the District to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, Owner and the undersigned, as corporate surety, are held firmly bound unto the County, Districts, and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the Joint Agreement to Improve and referred to in the aforesaid Civil Code in the sum of **Six Hundred Eighty Four Thousand Nine Hundred Fifty Dollars and No/100 ($684,950.00),** 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, that said surety will pay the same in an amount not exceeding the amount hereinabove 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 County or District in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed and 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 person, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 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, subject to the following:

1. Six months after completion and acceptance of the work by the Board of Supervisors and the Districts, when no claim of lien and no suit has been filed within the time for filing claims of liens to enforce a claim, the Clerk of the Board of Supervisors is authorized to return this surety bond to Owner, provided, however, the written consent of Owner, Director of Public Works of County, the District and the Contractor shall first be obtained. The Director of Public Works shall furnish written consent only upon certification from the title company that there are no claims of liens or suits filed to enforce a claim of lien or record.

2. The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Joint Agreement to Improve or to the work be performed thereunder or to the specifications accompanying the same shall in any manner affect its obligation on this bond, and it does hereby waive notice of any such change, extension, alteration or addition to the terms of the Joint Agreement to Improve or to the work or to the specification.

3. Surety hereby agrees to bind itself to, and to perform in strict accordance with, the provisions of this surety bond and the provisions of the Joint Agreement to Improve which pertain to security and security obligation.

4. The parties acknowledge and agree this surety bond replaces in its entirety that certain Joint Improvement Security Agreement Labor and Material Bond between Robert Earnest Germann, Successor Trustee, U.D.T. Dated 3-17-80, F.B.O. Earnest O. Germann and Virgine M. Germann, the County, the Water District, and the Sanitation District.

5. The parties acknowledge that the Joint Agreement to Improve is appended to this surety bonds.

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named on,__________,202__.

OWNER

LAKESIDE NEW HOMES, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By:RC2DEV, LLC, A DELAWARE LIMITED LIABILITY COMPANY, its Manager

By:____________________________

Rey Ross, Manager

Surety name and address

AMERICAN CONTRACTORS INDEMNITY COMPANY
801 South Figueroa Street, Suite 700
Los Angeles, CA 90017

____
Attorney-in-Fact

Notes: (1) Acknowledgments of execution by Principals and Surety must be attached; and
(2) Bond must be attached to the Joint Agreement to Improve with its attached plans and specifications.

JOINT IMPROVEMENT SECURITY AGREEMENT
FAITHFUL PERFORMANCE BOND

(PDS2024-LDMJIP-50110)
(Multiple Districts)

WHEREAS, the Board of Supervisors of the County of San Diego, State of California ("County"), the Lakeside Water District ("Water District"), the San Diego County Sanitation District ("Sanitation District"), and ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17-80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN ("Owner") have entered into the attached agreement whereby Owner agrees to perform certain acts and construct certain designated public improvements in connection with the approval of the subdivision **COUNTY OF SAN DIEGO TRACT NO. 5520-1**, which said agreement, identified as "Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5520-1" ("Joint Agreement to Improve") is hereby incorporated into this surety bond by reference; and

WHEREAS, Owner is required under the terms of the Joint Agreement to Improve to furnish security in accordance with Section 66499 of the Subdivision Map Act.

NOW, THEREFORE, We, Owner and AMERICAN CONTRACTORS INDEMNITY COMPANY, organized and existing under the laws of the State of California, and authorized to act as surety in the State of California, as surety, are held and firmly bound unto the County, Water District and Sanitation District (individually, "District," or collectively, "Districts") in the penal sum of **One Million Three Hundred Sixty Nine Thousand Nine Hundred Dollars and No/100 ($1,369,900.00)** 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 administrator, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Owner, 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 Joint Agreement to Improve and any alteration thereof made as herein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless County, Districts, and their 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, subject to the following:

1. As the work required under the Joint Agreement to Improve proceeds, Owner may submit written requests to the County's Director of Public Works ("Director") and Districts for a reduction in the penal amount of this surety bond. If Director and Districts are satisfied that the amount of the surety bond may be reduced, then, upon inspecting the work performed and verifying the percentage and value of the work

remaining to be completed, the Director and the "Amounts of Security" of the Joint Agreement to Improve.

When Director and Districts approve a reduction in the surety bond, they shall notify Owner in writing of the acceptable amount of reduction. When substitute security in the reduced amount has been approved by the legal counsels for County and Districts, the Clerk of the Board of Supervisors and the Clerk for the Districts are authorized to return the original security to the surety.

2. In the event that performance is not completed with the time period specified in the Joint Agreement to Improve, or within any time extension granted pursuant to the terms of the Joint Agreement to Improve, then, upon receipt of notification and demand by the Director of the Districts, the surety may promptly remedy the default, or shall promptly:

a. Complete the Joint Agreement to Improve in accordance with its terms and conditions, or

b. Pay such portion of the proceeds of the surety bond to County and Districts as they jointly determine is necessary to complete the required performance and to reimburse each for reasonable costs incident thereto. Any proceeds of the surety bond remaining after completion of performance and reimbursement of actual County and Districts costs shall be refunded to the surety.

3. In the event that the performance required under the Joint Agreement to Improve is completed and accepted by the Board of Supervisors, pursuant to Section 81.408 of the San Diego County Code, and Districts, Owner is entitled to a ninety-five percent (95%) reduction in the penal amount of the original surety bond shall continue in effect for one year following completion and acceptance of the required performance in order to secure the warranty. Security for the remaining five percent (5%) of the original surety bond shall continue in effect for one year following completion and acceptance of the required performance in order to secure the warranty.

4. As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by County or Districts in successfully enforcing such obligation, all to be taxed as costs and included in any judgement rendered.

5. Surety hereby stipulates and agrees that no change, extension of time, alternation or addition to the terms of the Joint Agreement to Improve or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations under this surety bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Joint Agreement to Improve or to the work or to the specifications.

6. Surety hereby agrees to bind itself to, and to perform in strict accordance with, the provisions of this surety bond and the provisions of the Joint Agreement to Improve which pertain to security and security obligations.

7. The parties acknowledge that the Joint Agreement to Improve is appended to this surety bond.

IN WITNESS WHEREOF, this instrument has been duly executed by Owner and surety above named, on____________________, 201___.

OWNER

ROBERT EARNEST GERMANN, SUCCESSOR TRUSTEE, U.D.T. DATED 3-17-80, F.B.O. EARNEST O. GERMANN AND VIRGINE M. GERMANN

____
By: ROBERT EARNEST GERMANN

Surety Name and Address

AMERICAN CONTRACTORS INDEMNITY COMPANY
801 South Figueroa Street, Suite 700
Los Angeles, CA 90017
____

____
Attorney-in-Fact

Notes: (1) Acknowledgement of execution by Principals and surety must be attached.
(2) Bonds must be attached to the Joint Agreement to Improve with its attached plans and specifications.

JOINT IMPROVEMENT SECURITY AGREEMENT
FAITHFUL PERFORMANCE BOND

(PDS2024-LDMJIP-50110)
(Multiple Districts)

WHEREAS, the Board of Supervisors of the County of San Diego, State of California ("County"), the Lakeside Water District ("Water District"), the San Diego County Sanitation District ("Sanitation District"), and LAKESIDE NEW HOMES, LLC, A DELAWARE LIMITED LIABILITY COMPANY("Owner") have entered into the attached agreement whereby Owner agrees to perform certain acts and construct certain designated public improvements in connection with the approval of the subdivision **COUNTY OF SAN DIEGO TRACT NO. 5520-1**, which said agreement, identified as "Joint Agreement to Improve Major Subdivision County of San Diego Tract No. 5520-1" ("Joint Agreement to Improve") is hereby incorporated into this surety bond by reference; and

WHEREAS, Owner is required under the terms of the Joint Agreement to Improve to furnish security in accordance with Section 66499 of the Subdivision Map Act.

NOW, THEREFORE, We, Owner and AMERICAN CONTRACTORS INDEMNITY COMPANY, organized and existing under the laws of the State of California, and authorized to act as surety in the State of California, as surety, are held and firmly bound unto the County, Water District and Sanitation District (individually, "District," or collectively, "Districts") in the penal sum of **One Million Three Hundred Sixty Nine Thousand Nine Hundred Dollars and No/100 ($1,369,900.00)** 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 administrator, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Owner, 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 Joint Agreement to Improve and any alteration thereof made as herein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless County, Districts, and their 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, subject to the following:

1. As the work required under the Joint Agreement to Improve proceeds, Owner may submit written requests to the County's Director of Public Works ("Director") and Districts for a reduction in the penal amount of this surety bond. If Director and Districts are satisfied that the amount of the surety bond may be reduced, then, upon inspecting the work performed and verifying the percentage and value of the work

remaining to be completed, the Director and the "Amounts of Security" of the Joint Agreement to Improve.

When Director and Districts approve a reduction in the surety bond, they shall notify Owner in writing of the acceptable amount of reduction. When substitute security in the reduced amount has been approved by the legal counsels for County and Districts, the Clerk of the Board of Supervisors and the Clerk for the Districts are authorized to return the original security to the surety.

2. In the event that performance is not completed with the time period specified in the Joint Agreement to Improve, or within any time extension granted pursuant to the terms of the Joint Agreement to Improve, then, upon receipt of notification and demand by the Director of the Districts, the surety may promptly remedy the default, or shall promptly:

a. Complete the Joint Agreement to Improve in accordance with its terms and conditions, or

b. Pay such portion of the proceeds of the surety bond to County and Districts as they jointly determine is necessary to complete the required performance and to reimburse each for reasonable costs incident thereto. Any proceeds of the surety bond remaining after completion of performance and reimbursement of actual County and Districts costs shall be refunded to the surety.

3. In the event that the performance required under the Joint Agreement to Improve is completed and accepted by the Board of Supervisors, pursuant to Section 81.408 of the San Diego County Code, and Districts, Owner is entitled to a ninety-five percent (95%) reduction in the penal amount of the original surety bond shall continue in effect for one year following completion and acceptance of the required performance in order to secure the warranty. Security for the remaining five percent (5%) of the original surety bond shall continue in effect for one year following completion and acceptance of the required performance in order to secure the warranty.

4. As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by County or Districts in successfully enforcing such obligation, all to be taxed as costs and included in any judgement rendered.

5. Surety hereby stipulates and agrees that no change, extension of time, alternation or addition to the terms of the Joint Agreement to Improve or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations under this surety bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Joint Agreement to Improve or to the work or to the specifications.

6. Surety hereby agrees to bind itself to, and to perform in strict accordance with, the provisions of this surety bond and the provisions of the Joint Agreement to Improve which pertain to security and security obligations.

7. The parties acknowledge and agree this surety bond replaces in its entirety that certain Joint Improvement Security Agreement Faithful Performance Bond between Robert Earnest Germann, Successor Trustee, U.D.T. Dated 3-17-80, F.B.O. Earnest O. Germann and Virgine M. Germann, the County, the Water District, and the Sanitation District.

8. The parties acknowledge that the Joint Agreement to Improve is appended to this surety bond.

IN WITNESS WHEREOF, this instrument has been duly executed by Owner and surety above named, on____________________, 201___.

OWNER

LAKESIDE NEW HOMES, LLC, A DELAWARE LIMITED LIABILITY COMPANY

By:RC2DEV, LLC, A DELAWARE LIMITED LIABILITY COMPANY, its Manager

By:___________________________

Rey Ross, Manager

Surety Name and Address

AMERICAN CONTRACTORS INDEMNITY COMPANY
801 South Figueroa Street, Suite 700
Los Angeles, CA 90017
____

____
Attorney-in-Fact

Notes: (1) Acknowledgement of execution by Principals and surety must be attached.
(2) Bonds must be attached to the Joint Agreement to Improve with its attached plans and specifications.

Memorandum

To: Board of Directors

From: Brett Sanders

Date: 10/31/2025

Re: Consider Amending 8.1-11(C) (2) Post-Retirement Health Insurance Benefits

---

Directors,

I would like the Board to consider a revision to the reimbursement cap to our Medicare Supplemental and Part D, Post-Retirement Health Insurance Benefit. Currently, we cap the maximum payment at $5,200 per year.

The Post-Retirement Health policy was established April 27, 2010, per Board action with a cap of $3,000 ($250/mo.) per year and an initial fund balance of $287,436. We have one retiree who has been in the District's program since his retirement in 2012, and has been eligible for Supplemental and Part D insurance reimbursement since 2015. The premium reimbursement cost to the District started at $2,278 in 2015 and has been increased four times since. Starting in 2019 to $3,350, in 2022 to $4,200 in 2024 to $4,832 and earlier this year to our current level of $5,200. The current premium cost for Supplemental Medicare and Part D Insurance was $5,012 for this year's adjustment.

The District established the CalPERS CERBT investment fund to pay this benefit without any additional contribution by the District, which the District is comfortably able to do. Limited adjustments to the annual funding cap allow the actuarial projections to maintain realistic expectations. The current fund balance is $711,020.36.

In past adjustments we have increased the cap to match the current year's cost. We have discussed how we could project for a longer duration between increases by using a flat lump sum increase to meet last year's premium cost. This allows for a more narrow long-term cost projection and will more accurately reflect the District's controlled obligation in future actuarial funding estimates.

The increase earlier this year covered an 8.9% increase for the 2024 policy year.

Last year we had discussions with our audit firm about the District's intention to maintain caps as compared to automatic increase percentages. I have analyzed a spreadsheet by our CPA that shows if we set a $15,000 cap and allow for 7% annual premium increases that the plan will remain self-funded for current employees for over 65 years. I propose that the Board should discuss how high of a cap we should consider and if we should phase in a retiree contribution at some point. I will have a handout at our meeting that will show the District's funding level with a choice of alternative increase scenarios. Below is a historical summary of our payouts, premium increase percentages and the level of our cap.

Historical Payout, Premium Increases and Cap Amount

Premium Year	Payout	Premium Increase	Cap Amount	Notes
2015	2,277.50		3,000.00	First year of Program
2016	2,732.60	19.9%	3,000.00	
2017	3,000.00	9.8%	3,000.00	
2018	3,000.00	0%	3,000.00	
2019	3,241.60	8.1%	3,350.00	1st increase
2020	3,350.00	3.3%	3,350.00	
2021	3,818.60	13.9%	4,200.00	2nd increase
2022	4,078.80	6.8%	4,200.00	
2023	4,602.00	12.8%	4,832.00	3rd increase
2024	5,012.00	8.9%	5,012.00	4th increase

8.1-11 (C) (2)

C. Post-Retirement Health Insurance Benefits

The District is a member of the California Employers' Retiree Benefit Trust (CERBT) Fund with PERS. The District will fund limited reimbursement of health insurance through CERBT for employees and 1/2 of spouse benefits if employee retires with 25 or more years as a full time employee (greater than 1,768 compensated hours per year) with the District and has reached age 60 as follows:

1. District will provide coverage for retired employee under ACWA Group insurance to age 65,
2. After the employee's 65th birthday and at the age at which employee can obtain Medicare, District will reimburse annually thru CERBT in ~~January~~ July for the prior ~~calendar~~ July through June Fiscal Year in an amount not to exceed $5,200 for the cost of Medicare Supplement insurance and Medicare Part D insurance.
3. Annual reimbursement payments shall be approved each year and shall not increase more than a maximum of 7% per year.
4. The per retiree cap for the annual CERBT Supplemental Program is set at $15,000

- Annual reimbursement payments –
  - Annual Board review and approval of the yearly reimbursement
  - Increase shall be a maximum of 7% per year.

- Ceiling on retired employee reimbursement –
  - Set ceiling on reimbursement to retired employees at $15,000 to keep plan solvent. Employee would be responsible for all health insurance costs above $15,000.
  - This cap can be reevaluated in the future based on annual audit findings.

Highlighted areas will be added to the policy starting. New items will start with number 3 if approved.

Print Form

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk
County of: San Diego

From: (Public Agency): Lakeside Water District
10375 Vine Street
Lakeside, CA 92040
(Address)

Project Title: Engineering, Operations and Security Building

Project Applicant: Lakeside Water District

Project Location - Specific:

10375 Vine Street, Lakeside, CA -- APN 392-120-32-00

Project Location - City: Lakeside Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

Construction of a Operations, Engineering and Security building located on District property with existing operations, warehouse, water treatment and administration buildings on 4.6 acres. The community of Lakeside benefits from the project by improved efficiency, operations and security of the State Regulated Public Water System.

Name of Public Agency Approving Project: Lakeside Water District

Name of Person or Agency Carrying Out Project: Lakeside Water District

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: 15303 C New Construction or Conversion
- ☐ Statutory Exemptions. State code number:

Reasons why project is exempt:

This project is a new water operations and security building with a size of 1,152 sqft. and is located on District property with other operations, water treatment and administrative buildings.

Lead Agency
Contact Person: Brett Sanders Area Code/Telephone/Extension: 619-443-3805

If filed by applicant:
1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: ____________ Date: ________ Title: ____________

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: ________

Lakeside Water District

Disbursements List

October 2025

Num	Name	Account	Original Amount
17298	***included in payroll	Payroll Check	0.00
17299	San Diego Recorder/County Clerk	7400 · Office Expense	40.00
17300	ALKHAZRAJI, WESAM	4000 · Water Sales on Account	90.04
17301	Aqrawi, Mike	4000 · Water Sales on Account	107.26
17302	DEWITT, JESSICA	4000 · Water Sales on Account	122.69
17303	FAWCETT, LARRY	4000 · Water Sales on Account	125.28
17304	FRANKE, BRIAN	4000 · Water Sales on Account	161.34
17305	GUERRERO, IRMA	4000 · Water Sales on Account	128.46
17306	HESSELINK, TODD	4000 · Water Sales on Account	80.96
17307	JMS5 LLC	4000 · Water Sales on Account	131.80
17308	KARIM, REZAN	4000 · Water Sales on Account	173.27
17309	KELLEY, MARK	4000 · Water Sales on Account	122.69
17310	MAKIARIS, RHEA	4000 · Water Sales on Account	71.70
17311	MATUS, DOUGLAS	4000 · Water Sales on Account	138.75
17312	MEYER, MICHAEL	4000 · Water Sales on Account	179.37
17313	MONTANEZ, MONICA	4000 · Water Sales on Account	120.10
17314	PRIME ASSET MGMT	4000 · Water Sales on Account	161.55
17315	RUSTON, EVAN	4000 · Water Sales on Account	200.00
17316	SLATER, BRANDON	4000 · Water Sales on Account	92.64
17317	San Diego County Water Authority	5091 · SDCWA Capacity & Treatment Fees	7,851.00
17318	A & B Saw & Lawnmower Shop	6100 · Distribution - Maint/Supplies	246.47
17319	ACWA - Group Ins	7040 · Group Insurance	31,437.59
17320	ACWA JPIA W/C	7100 · General Insurance	5,193.60
17321	Boot World, Inc.	6100 · Distribution - Maint/Supplies	126.63
17322	Cintas First Aid & Safety	6100 · Distribution - Maint/Supplies	331.82
17323	Excel Telemessaging	7400 · Office Expense	262.37
17324	Ferguson Waterworks	6100 · Distribution - Maint/Supplies	4,273.48
17325	Gallade Chemical	5200 · Water Treatment -Maint/Supplie	575.38
17326	Gregory Sheets, CPA	7200 · Annual Audit	600.00
17327	Hach Company	5200 · Water Treatment -Maint/Supplie	169.49
17328	HASA	5200 · Water Treatment -Maint/Supplie	1,529.96
17329	Helix Water District	5080 · Water Treatment & Testing	1,059.00
17330	Home Depot Credit Services	6100 · Distribution - Maint/Supplies	1,152.69
17331	Hudson Safe-T-Lite Rentals	6100 · Distribution - Maint/Supplies	363.72
17332	Inland Pacific Resource Recovery, Inc	6100 · Distribution - Maint/Supplies	360.00
17333	Jan-Pro	7400 · Office Expense	350.00
17334	Lakeside Equipment	6100 · Distribution - Maint/Supplies	762.30
17335	Napa Auto Parts Inc	6200 · Trucks-Fuel,Maintenance,Repair	6.63
17336	Payton's Ace Hardware, Inc.	6100 · Distribution - Maint/Supplies	432.54
17337	Procopio Cory Hargreaves & Savitch	7210 · Attorney Fees	4,125.00
17338	Quadient - Postage	7400 · Office Expense	2,000.00
17339	Republic Services	6100 · Distribution - Maint/Supplies	742.23
17340	Safe & Sound	7400 · Office Expense	122.85
17341	SiteOne Landscape Supply	6100 · Distribution - Maint/Supplies	449.19
17342	Target River	7400 · Office Expense	110.00
17343	Underground Service Alert	7440 · Dues & Subscriptions	176.00
17344	UniFirst Corp	6100 · Distribution - Maint/Supplies	548.74
17345	United Site Service, Inc.	6100 · Distribution - Maint/Supplies	105.71

17346	**Wave.Band**	7400 · Office Expense	946.26
17347	**Wintergardens Smog & Tune**	6200 · Trucks-Fuel,Maintenance,Repair	1,118.39
17348	**Hawk Materials**	1582 · Oper, Eng. & Security Bldg.	50,000.00
17349	**Asphalt & Concrete Enterprises, Inc.**	6100 · Distribution - Maint/Supplies	8,187.00
17350	**A Cut Above Concrete Cutting, Inc.**	6400 · Outside Labor	305.00
17351	**ACWA/JPIA**	7100 · General Insurance	64,834.88
17352	**Alpha Analytical Laboratories, Inc**	5080 · Water Treatment & Testing	373.00
17353	**America's Finest City Backflow Servic**	6400 · Outside Labor	565.00
17354	**Fire & Ice Heating and Air Cond., Inc.**	7400 · Office Expense	393.00
17355	**Harper & Assoc. Eng. , Inc.**	6410 · Engineering	2,600.00
17356	**HASA**	5200 · Water Treatment -Maint/Supplie	603.93
17357	**IB Consulting, LLC**	7230 · Consultants	5,000.00
17358	**Lakeside Equipment**	6100 · Distribution - Maint/Supplies	577.50
17359	**Lakeside Petroleum, Inc.**	6200 · Trucks-Fuel,Maintenance,Repair	3,210.88
17360	**Snell & Wilmer**	7210 · Attorney Fees	780.00
17361	**Sunstate Equipment Co**	6100 · Distribution - Maint/Supplies	1,236.47
17362	**Target River**	7400 · Office Expense	1,444.00
17363	**UniFirst Corp**	6100 · Distribution - Maint/Supplies	478.11
17364	*****included in payroll**	Payroll Check	0.00
17365	**Standard Insurance**	7040 · Group Insurance	557.77
17366	**Variable Annuity Life Insurance**	2100 · Payroll Liabilities	4,723.54
eft	**First Bankcard - Visa**	First Bankcard	905.28
eft	**First Bankcard - Visa**	First Bankcard	668.16
eft	**US Bank-Register**	7400 · Office Expense	169.27
eft	**Paya ACH Fee**	7400 · Office Expense	10.00
eft	**Paya ACH Fee**	7400 · Office Expense	120.00
eft	**Paya ACH Fee**	7400 · Office Expense	224.75
eft	**Paya ACH Fee**	7400 · Office Expense	281.04
eft	**Paya ACH Fee**	7400 · Office Expense	418.99
eft	**Paya ACH Fee**	7400 · Office Expense	920.70
eft	**Bankcard CC Fee**	7400 · Office Expense	4,243.46
eft	**San Diego County Water Authority**	1001 · US Bank Checking	838,559.96
eft	**InvoiceCloud Fee**	7400 · Office Expense	2,342.50
eft	**Cal Pers**	7440 · Dues & Subscriptions	120.00
eft	**US Bank-Fees**	7400 · Office Expense	884.21
eft	**Verizon**	7400 · Office Expense	183.38
eft	**SDGE**	5100 · Electric Power	21,559.03
eft	**SDGE**	5100 · Electric Power	3,724.81
eft	**SDGE**	5100 · Electric Power	795.14
eft	**SDGE**	5100 · Electric Power	21.40
eft	**Cal Pers**	2100 · Payroll Liabilities	6,834.86
eft	**Cal Pers**	7050 · CalPers Retirement	12,534.54
eft	**US Bank-NSF**	1200 · Accounts Receivable	102.00
payroll	**Payroll**	Split	84,521.92
			1,195,792.42

SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
OCTOBER 23, 2025

1. Monthly Treasurer's Report on Investments and Cash Flow.
   The Board noted and filed the monthly Treasurer's Report

2. Establish 2026 Board meeting dates.
   The Board approved March regular Board meeting date of March 19, 2026, combined the November and December Board meeting dates to November 19, 2026, and approved the 2026 Board meeting dates calendar.

3. Amendment to extend the agreement with Industrial Scientific Corporation for Lease of Air Monitoring Equipment System.
   The Board amended the agreement with Industrial Scientific Corporation for continued services to the Water Authority through December 31, 2027 by $171,227.48 for a period of 24 additional months; increasing total contract funding to an amount not to exceed $246,820.58.

4. Professional Services Contract Amendments for pool of Financial Advisors for as-needed financial advisor services.
   The Board authorized the General Manager to execute amendments to the professional services contracts for Acacia Financial Group, Inc., in the amount of $38,651; Clean Energy Capital Securities, LLC, in the amount of $36,076; and Montague DeRose and Associates, LLC, in the amount of $114,123; and to extend the agreement term for each contract an additional two years, for continued as-needed financial advisor services.

5. Proposed 2026 Legislative Policy Guidelines.
   The Board approved the proposed 2026 Legislative Policy Guidelines.

6. Amendment with Trane U.S. Inc, dba Southern California Trane for heating, ventilation, and air conditioning maintenance, inspection, and monitoring services.
   The Board approved Amendment 3, with such non-material modifications as approved by the General Manager or General Counsel, to the services contract with Trane U.S. Inc, dba Southern California Trane (Trane) for heating, ventilation, and air conditioning (HVAC) maintenance and monitoring services for a not-to-exceed amount of $150,000, increasing the authorized cumulative amount from $150,000 to $300,000, extending the termination date through November 30, 2026, and authorized the General Manager, or designee, to execute the amendment.

7. Amendment with Rancho Santa Fe Security Systems, Inc. for mobile solar security surveillance trailers with 24/7 monitoring and dispatch services.
   The Board approved Amendment 2, with such non-material modifications as approved by the General Manager or General Counsel, to the services contract with Rancho Santa Fe Security Systems, Inc. for mobile solar security surveillance trailers with 24/7 monitoring and dispatch services for a not-to-exceed amount of $150,000, increasing the authorized cumulative amount

from $149,000 to $299,000, and authorized the General Manager, or designee, to execute the amendment.

8. Adopt position on various bills.
The Board adopted a position of Support on H.R. 4733 (Sorenson), Low-Income Household Water Assistance Program (LIHWAP) Establishment Act.

9. The Board approved the minutes of the Formal Board of Directors' meeting of July 24, 2025.

10. Director Retirement Resolution.
The Board adopted Resolution No. 2025-18, a Resolution of the Board of Directors of the San Diego County Water Authority, honoring Gary Croucher upon his retirement from the Board of Directors.

11. General Counsel Contract Amendment.
The Board approved a five percent COLA increase to salary for October 3, 2025 through October 2, 2026, and a one-time performance award equivalent to three percent of the base salary effective October 3, 2025.

General Managers
Monthly Report

November 4, 2025

Board of Directors Meeting

1) Regulatory Update

2) Yerba Valley Annexation Update

News Articles/Editorials Enclosed:

City Implements New Progressive Design Build in CIP

CWA News Release LIHWAP Final

San Diego County water costs could more than double over a decade

S.D. has plan for expediting projects

Method would allow contractors to design infrastructure jobs

BY DAVID GARRICK

UNION-TRIBUNE

SAN DIEGO — The city is stepping up its efforts to tackle billions in overdue infrastructure projects by shifting to a model where contractors help design projects, instead of just building ones already designed by city engineers.

Officials expect the new model, which the City Council approved last week, to reduce cost overruns, improve quality, boost transparency and help the city tackle its massive infrastructure backlog more quickly.

“These changes aim to help the city meet growing infrastructure needs by streamlining the capital improvement program, enhancing public works contracts and encouraging innovation,” said city engineer Rania Amen. “This diversified approach will enable the city to better manage costs, schedules, risks and quality.”

San Diego officials say the new method will be used for large and complex upcoming projects like the Hodges Dam replacement, convention center expansion and new drainage channels in parts of southeastern San Diego that flooded in January 2024.

They say early collaboration between a contractor and city officials boosts understanding of project goals and agreement on them, making projects easier to build and allowing innovations that improve quality.

San Diego faces nearly $12 billion in infrastructure projects over the next five years, and the city expects to have only about $5.5 billion to spend on infrastructure during that time.

That leaves a $6.5 billion gap, which is the largest ever. And the gap has more than tripled since early 2020, when city officials estimated it at $2.16 billion.

Officials say the new method could help them more quickly replace the city’s daunting amount of aging infrastructure — a result of so much of it having been built during the city’s population boom of the 1950s, 1960s and 1970s.

Because contractors will be chosen based on qualifications instead of submitting the lowest bid, costs for some projects may be higher, city officials said.But because the new model fosters earlier collaboration between the city and the contractor, cost overruns are much less likely and savings from mutually agreed-upon value engineering are more likely, they said.

Some projects might start more slowly because a contractor must be chosen before design begins, but the new model is likely to end up being faster overall because it will eliminate some tasks now handled sequentially, the city's independent budget analyst said.

A key element of the process is the contractor being required, partway through the design process, to propose a guaranteed maximum price. The city can either accept that price or reject it and find another contractor.

Councilmember Sean Elo-Rivera called the new model an important change in city policy.

"We've actually missed out by not having these tools in the city's toolbox," he said.

The new tools are called "progressive design-build" and "construction manager at risk." The key difference from the city's existing policy is that contractors will participate in design.

The city's existing process has design work being completed either by city engineers or outside architects before a contractor is chosen — a decision based on which contractor submits the lowest bid.

City officials said that method will still be used for smaller projects with clear scopes and fully developed plans.

They said the progressive design-build approach will be used for projects that require significant innovation and that face potential permitting and regulation headaches, such as sewer and water projects.

They said the "construction manager at risk" approach would likely be used for projects that require more design work, such as dams and large buildings.

Officials said other city projects that are candidates for the new method include Fire Station 49 in Otay Mesa, a proposed joint training facility for police and firefighters in Kearny Mesa and Phase Two of Pure Water — the city's sewage recycling system.

While San Diego hasn't previously used these construction methods, many other local agencies have since they first became common about a decade ago.

They were used to build the new Terminal 1 at San Diego International Airport, the sheriff's Ramona substation and the San Diego Trolley's Blue Line extension to University City.

"Early contractor involvement is critical," said Matthew Fleming, a local contractor.

Michael Daneshvar of Turner Construction said the new method is the right move.

"It's better value for the city of San Diego and better value for the taxpayers," he said.

Mike Guzzi of Clark Construction said shifting to the new method will encourage higher-quality contractors to pursue the city's projects.

"I think all of the major, competent and qualified general contractors in the area will lean more into San Diego projects," he said.

Councilmember Marni von Wilpert said it can't hurt for the city to have multiple possible ways to tackle projects.

"We need to broaden the options," she said.

San Diego County Water Authority

4677 Overland Avenue, San Diego, CA 92123

News Release

FOR IMMEDIATE RELEASE

Jordan Beane
(858) 221-3975| jbeane@sdcwa.org

Water Authority Board Votes to Support Federal Water Rate Assistance Program for Low-Income Households

National program would help low-income households with bill assistance

October 23, 2025 – The Water Authority Board of Directors today voted to support a federal program that would provide financial assistance for water and wastewater bills to low-income households. The Low-Income Household Water Assistance Program (LIHWAP) Establishment Act, reintroduced by U.S. Rep. Eric Sorensen of Illinois, would provide $500 million in annual funding through 2030.

"Water isn't a luxury – it's a basic necessity, and no family should have to choose between keeping the lights on, food on the table, or keeping the tap running," said Water Authority Board Chair Nick Serrano. "Whether it's a state or federal program, I've been clear that we will fully support any opportunity to provide real rate relief to working families across San Diego County. This legislation is a common-sense, needed investment now more than ever."

LIHWAP was authorized and appropriated during the COVID-19 pandemic in 2020 and allocated a total of $1.1 billion to provide water and wastewater bill assistance to U.S. states and territories, with $115 million going to California.

# # #

San Diego County water costs could more than double over a decade, officials warn. Here’s why.

A new fiscal plan from the San Diego County Water Authority shows how San Diego's Pure Water project might lead to higher wholesale rates for all its member agencies.

By **LUCAS ROBINSON** | lucas.robinson@sduniontribune.com | The San Diego Union-Tribune
PUBLISHED: October 23, 2025 at 6:23 PM PDT | UPDATED: October 24, 2025 at 3:12 AM PDT

San Diego County Water Authority officials expect wholesale water rates to soar by as much as 150% over the next decade, driven in part by the agency’s struggles to sell some of its supply — struggles it expects to get worse because of San Diego’s billion-dollar Pure Water project.

A grim reality of high water costs might persist for residents and businesses in much of the region if the authority doesn’t find new buyers for its water, according to a draft of the water authority’s long-term financial plan presented to water officials on Thursday.

If sales aren’t boosted, volumetric water rates could jump from about $2,000 per acre-foot next year to anywhere from $3,500 to $5,000 per acre-foot in 2035, according to the plan.

San Diego City Councilmember Stephen Whitburn, who sits on the water authority’s board of directors, asked officials to gather more options for blunting the impact of rate hikes.

Over the last six years, the water authority has done that by tapping $80 million from its rate stabilization fund, and the board has said it wants to use even more of the fund in the years ahead.

“I think it is critical that we also earn and maintain the confidence of our ratepayers,” Whitburn said.

There is hope that the sale of water to water-strapped Western states like Arizona and New Mexico — a longtime though elusive goal of the water authority — could soften future rate hikes.

Water Authority General Manager Dan Denham said on Thursday that by the spring, the agency expects to have a clearer picture on where it stands with securing out-of-state sales.

The agency's recent settlement of a long-running legal fight over water costs with the Metropolitan Water District of Southern California has also helped make out-of-state sales easier, he said.
"We're kind of all in this mode of hurry up and wait," Denham said.

Other factors could moderate rate increases, the draft financial plan said. Those include possible lower interest rates, securing more grants and the optimization of the agency's debt.

People protest water rate hikes at the San Diego County Water Authority headquarters on Thursday, June 26, 2025, in San Diego. (Michael Ho / The San Diego Union-Tribune)
High water costs in the San Diego region are driven by the water authority's outsized infrastructure, which was overbuilt to meet population growth and water demands that didn't pan out as conservation efforts improved.

That's meant that the costs of servicing the debt for that infrastructure get passed on to consumers.

The water authority's member agencies have also steadily been buying less wholesale water over the last 20 years, further contributing to its rate hikes.

Declining water sales will worsen once San Diego's Pure Water system comes online over the next decade, county water officials said on Thursday.

The massive project to recycle sewage into potable water is expected to account for half of the city system's drinking water once it's complete by 2035. The first phase of the project is expected to go online in 2027.

San Diego is currently the county water authority's biggest customer, and over the next decade, Pure Water will coincide with anywhere from roughly a 25 to 40% drop in water sales for the water authority, the financial plan said.

The city system buying less water means the water authority's other member agencies could get stuck passing along higher rates to ratepayers to compensate for the agency's falling revenues.

In anticipation of the second phase of Pure Water coming online in 2035, the water authority's financial plan calls for ramping up wholesale rates throughout the 2030s to make the hit on water affordability more gradual.

Lindsay Leahy, who represents Oceanside on the water authority's board, urged San Diego officials to be mindful of how Pure Water could saddle other communities with higher costs.

"Unless we do sell water to other organizations, we are going to continue to feel that impact, and we are going to continue to pay for water that we're not using," Leahy said.

The financial plan does come with good news for how predictable the inevitable rate hikes will be. The settlement with Metropolitan is a main driver of that.

The main crux of the legal dispute was whether the water authority should pay a fixed rate for Metropolitan's water as opposed to paying the water giant's regular rates, which fluctuate each year.

Nine percent of the water authority's supply comes from Metropolitan. The cost of that water is now set at about $186 million annually, rather than fluctuating each year with Metropolitan's rates.

The impact of those fixed costs is to make forecast year-to-year rate hikes more steady. For example, the water authority raised rates for next year by 8.3%. Previously, it raised rates by 14.8%.
But over the next decade, rates should only rise by between 5.5% and 9.5% percent annually, the water authority's financial report said.