

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON January 6, 2026**

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.

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| Directors: | Frank Hilliker Pete Jenkins Steve Johnson Eileen Neumeister Steve Robak |
| Secretary: | Brett Sanders |

- 1) Call to Order by Board President Neumeister
- 2) Prayer/Invocation – Robert Churchman provided the prayer for the night’s meeting.
- 3) Pledge of Allegiance was led by Director Hilliker
- 4) Approval of Revised Agenda. A Revised Agenda was posted on Monday January 5, 2026, 24 hours in advance to add item #13. Motion by Director Robak to accept the revised agenda as submitted.

Motion: Robak

Second: Hilliker

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

- 5) Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2). Lafco member Barry Willis spoke to the Board to request any questions the Board may have about Lafco issues.
- 6) Approve Minutes of a Special Meeting held on December 9, 2025. Motion by Director Robak to approve the minutes as presented.

Motion: Robak

Second: Jenkins

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

- 7) Review the November 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation. Approved to Note and File.

- 8) 2025 Annual Financial Audit Presentation by Mike Zizzi with Leaf & Cole, LLP. Mr. Zizzi provided the Board a presentation about the 2025 audit and highlighted the important elements of our audit, the legal responsibilities and the key issues they focus on. This will be the last year for Leaf & Cole, as they are phasing out of public agency work. The Board thanked Mr. Zizzi for the many years of professional service for the District. Motion by Director Johnson to approve draft audit submittal for review with full complete approval at the February meeting.

Motion: Johnson

Second: Robak

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

- 9) Operations Report. Superintendent Johnze reported that:
- SCADA upgrades; Completed the transition from the 35 year Bristol Babcock system to a system called Ignition to operation our pump stations and tank sites. Still need to upgrade the Riverview system.
 - EOS Building Updates; District crews have completed the footings and forms in preparation for the concrete tomorrow. The building is scheduled to be delivered in two halves on January 15th.
 - Well #8 Rehabilitation; Inspection was conducted in early December. Contractor scheduled to start the rehabilitation.
 - Facilities lighting maintenance; All lighting was checked and repaired if necessary.
 - River Run East Update; Three points of connection completed with 1,000 LF on site. Main break 0, Service leaks 2, Fire hydrants damaged 0

- 10) Consider Notice of Exemption from the California Environmental Quality Act (CEQA) for the Yerba Valley Annexation Private Customer Lines Project. General Manager Sanders provided a summary of the CEQA rules guidelines for determination of projects. Motion by Director Hilliker to approve the Notice of Exemption as presented and record with the California Fish and Wildlife.

Motion: Hilliker

Second: Robak

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

- 11) Consider Notice of Exemption from the California Environmental Quality Act (CEQA) for the Yerba Valley Annexation Pipeline. General Manager Sanders provided a summary of the CEQA rules and guidelines for determination of projects. Motion by Director Hilliker to approve the Notice of Exemption as presented and to record with the California Department of Fish and Game.

Motion: Hilliker

Second: Robak

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

- 12) Review Administrative Code Section 2.13-6(C) Fire Sprinkler Lateral Bimonthly Billing and Temporary Fire Hydrant Meter Monthly Billing Costs. The General Manager provided a summary of the new fees being considered for the Fire Service Accounts and Temporary Construction Meters and proposed to freeze the Fire Service charges at current rates until a new Cost of Service Study is completed to verify the rates. Motion by Director Robak to approve the request as presented.

Motion: Robak

Second: Jenkins

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

- 13) Consider Urgent Need to Repair Vine St. Well #8. General Manager Sanders provided information concerning maintenance and the urgent need to replace pump shafts and a request to add an additional acid swabbing step to complete the installation to get the well back in service as fast as possible. Motion by Director Jenkins to approve the work as presented with the additional step acid descaler included in the amount of \$62,528.

Motion: Jenkins

Second: Robak

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

- 14) Approve Demands of the Treasurer for December 2025. Motion by Director Robak approve the demands as presented.

Motion: Robak

Second: Jenkins

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

- 15) CWA Report – CWA Representative Hilliker reported that there was not a meeting in December.

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

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

- 1) New Year Issues for Board – Need to go out for proposals for a new audit firm. The New Engineering, Operations and Security Building will be completed. New organization structure will be implemented for our Engineering, Operations and Security job functions, Yerba Valley Annexation Pipelines will be installed and Loan Agreement will be finalized.
- 2) Rates and Charges in Effect; New Meter Service Charge for LWD, New Fixed Charge for CWA, New Variable Water Charge for CWA, Updated Capacity Charge for LWD, Updated Annexation Charge for LWD, Charges for Credit Card and ACH payments now in effect.

18) Closed Session – Closed to the Public:

Personnel Exception per Government Code Section 54967: Public Employment; Employee Review – General Manager. Board President Neumeister reported out of closed session the General Manager has fulfilled the goals set forth for Incentive Compensation as per the General Manager Contract by Unanimous Vote.

19) Adjourn; There being no further business the meeting adjourned to the next Regular Meeting scheduled for February 3, 2026.

Attest:

Brett Sanders, Board Secretary
Lakeside Water District

Eileen Neumeister
Board President