

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF
THE
LAKESIDE WATER DISTRICT
HELD ON DECEMBER 3, 2019**

At the time and place provided by law for the holding of a Regular Meeting of the Board of Directors of the Lakeside Water District; to-wit at the meeting place of said Board at 10375 Vine Street, Lakeside, California, at 5:30 p.m. the Board duly convened, the following members present.

Directors: Frank Hilliker
Pete Jenkins
Steve Johnson
Eileen Neumeister
Steve Robak

Secretary: Brett Sanders

- 1) Call to Order by Board President Johnson.
- 2) Pledge of Allegiance was led by Operations Superintendent Johnze
- 3) Approval of Agenda. Motion by Director Robak to accept the agenda as presented.

Motion: Robak Second: Jenkins

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

- 4) Opportunity for Public Comment; None
- 5) Approve Minutes of the Regular Meeting on November 5, 2019. Minor revision noted by General Manager Sanders regarding adjourned date change to December 3, 2019. Motion by Director Robak to approve the minutes as corrected.

Motion: Robak Second: Hilliker

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

6) Review to Note and File the October 2019 Treasurer's Report for the District's annual audit. Reviewed and approved to file for audit.

7) 2019 Annual Financial Audit Presentation by Mike Zizzi of Leaf & Cole, LLP – Certified Public Accounts. Mr. Zizzi provided the Board with a presentation reviewing the requirements of the audit and how the audit was prepared and submitted. The Board will review the audit report and will consider approval at the January 7, 2020 meeting.

8) Consider Revisions to the District's Administrative Code for Comply with SB998. Sections 2.6-1 and 2.6-4 (A-G). Administrative Services Manager Swaringen provided a summary of the revisions required to comply with the new state law SB998. Generally consistent with neighboring water agencies. Motion by Director Hilliker to approve the Administrative Code changes as presented.

Motion: Hilliker

Second: Robak

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

9) Consider approval of Resolution 19-15 accepting a bid by J. Colon Coatings, Inc. for the Coating & Painting Repairs for the Valle Vista Reservoir No. 1 & Lakeside Reservoir in the amount of \$174,700. General Manager Sanders provided an overview of the scope and timeline of the project. Motion by Director Robak to approve the bid by J. Colon Coatings in the amount of \$174,700 as presented.

Motion: Robak

Second: Neumeister

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

10) Consider Resolutions 2019-15, 2019-16 and 2019-17 in appreciation of local water agencies Helix WD, Otay WD and Padre Dam MWD respectively for the unique assistance, services and cooperation provided under various agreements and projects. The General Manager provided an overview of the resolutions and assistance provided by each agency over the years. Motion by Director Neumeister to accept the resolutions as presented.

Motion: Neumeister

Second: Robak

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

- 11) Approve Demands of the Treasurer for November 2019. Motion by Director Robak to approve the demands as presented.

Motion: Robak Second: Jenkins

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

- 12) CWA Report. Director Hilliker reported that the WA considered a new settlement agreement from MWD and will be in discussions though December. Also, reported that the “Transitional Special Agricultural Water Rate” (TSAWR) will now be now permanent as the “Special Agricultural Water Rate” (SAWR). The leak in Moosa Canyon has been repaired. Appointed Sandra Kerl as the General Manager. Has been in the interim acting role for nine months.

- 13) Director’s Report and Ad Hoc Sub-Committees Reports. Director Neumeister reported that she attended the JPIA Committee Workshops at the Fall ACWA Conference and attended a number of interesting discussions. Special interest in the PFAS contaminants. Director Hilliker reported that the Adhoc committee formed with Director Robak to analyze the District’s property leases have met and are still analyzing the lease end dates for each tenant at the Vine Street property and if any changes should be recommended. The committee will meet again in December, and will report back at the January 2020 board meeting.

- 14) Operations Report. The Superintendent reported that:
- 1) Valle Vista, Vista Camino and Serena Rd. PL RPL. Contractor progress is slow but proceeding. Completed phase 2 at Johnson Lake Rd going south to Manzanita Rd. Asphalt will follow quickly after.
 - 2) District crews completed concrete at the shop area for better access to the pipe and fitting storage area.
 - 3) Eucalyptus Hills Drive service relocations. Completed last one needed to isolate the west end of the 4” main.
 - 4) County of San Diego issued new asphalt overlay list. District works with the contractor to raise gate valve well caps to new grade.

- 5) 1 water main break (Eucalyptus Hills Dr.), 1 service leak, 1 service saddle failure (Julian Ave.), and 0 fire hydrants hit.

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

- 1) Investment Yields into 2020; Update on current yields currently at 1.85% for a 5-year term. Negative interest rates not likely in the U.S. If the rates did go to near zero, the district would remove funds as necessary to maintain total equity with zero risk.
- 2) Ransomware Recovery; All program recovery is complete. A few final revisions needed by our filling vendor. Some customer registrations were lost and needed to be restored. Some customer data entry corrections will need to go on for the next couple of months or so.
- 3) Castle Court Drive Pipeline Replacement; Required due to an asphalt overlay project by the County. Goal to be done by May 1, 2020. Bid opening scheduled for January 16, 2020 and board approval on February 4, 2020.
- 4) Yerba Valley Annexation; The annexation process will carry on into 2020.. Likely the project will have to be resubmitted because of the loss of the 19.4 parcel. We are holding currently to see if any change will occur over the next couple of months.

News Articles Enclosed:

Letter from San Diego County Water Authority concerning detachment of two agencies.

WA News Release – Board Supports Countywide Vote on Potential Member Agency Detachment

Joint Powers Authority formed to oversee East County Water Purification Project.

WA News Release – Sandra L. Kerl appointed General Manager of the WA.

- 16) Closed Session: NOT OPEN TO THE PUBLIC – Personnel Exception Per Government Code Section 54957; Employee Performance Evaluation – General Manager. Out of closed session Board President Johnson announced that the Board unanimously agreed that the General Manager has met performance goals as set in the June 2019 goal review, and per the Manager's employment agreement for incentive compensation approved the 1st of 2 payments.

17) Adjourn; There being no further business the Board adjourned to January 7, 2020 at 5:30 p.m.

Attest:

Brett Sanders, Board Secretary
Lakeside Water District

Steve Johnson
Board President