MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT HELD ON December 7, 2021

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 Robak
- 2) Pledge of Allegiance The pledge was led by Board President Robak
- 3) Approval of Agenda. Motion by Director Hilliker to accept the agenda as presented.

Motion: Hilliker Second: Jenkins

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

- 4) Opportunity for Public Comment Pertaining to Items <u>Not</u> on the Agenda (Items must meet the requirements of Government Code Section 54954.2).
- 5) Approve Minutes of a Regular Meeting held on November 2, 2021. Motion by Director Hilliker to approve the minutes as submitted.

Motion: Hilliker Second: Jenkins

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

- 6) Review the October 2021 Treasurers Report for the annual audit. Approved to note and file for annual audit.
- 7) 2021 Annual Financial Audit Presentation by Mike Zizzi with Leaf and Cole LLP Certified Public Accountants. Mr. Zizzi provided the Board with a PowerPoint Presentation summarizing the 2021 Audit and highlighting the financial statement, and that Mr. Zizzi has received adequate information to make his determination, and then followed by answering Board members questions. General Manager Sanders stated that the Board will review the Audit Report through December and then will vote to approve the audit at the January 4, 2022 regular board meeting.

- 8) Operations Report. Superintendent Johnze reported the following.
 - Johnson Lake Reservoir Re-Coating Project Floor corrosion repairs are
 continuing along with vacuum testing of the welds. The exterior shell has been
 encapsulated in preparation of the sand blasting and painting. Noted that SDG&E
 had notified the District of potential power shut-offs due to the "Red Flag" warning.
 A 250kw generator was on site to make sure water was able to be pumped to Valle
 Vista Reservoir. Power remained on for the three-day period.
 - Vacuum Excavator Truck Rebuild District crews just about complete with the retrofit. Adding some modifications to help with safety and ergonomics.
 - Trainee Replacement: Currently reviewing the 500+ applications submitted.
 - Casa Grande main upgrade and new service. District crews found and added an blow-off that had been buried for main years. Job was done in tandem with a new water service installation.
 - County of San Diego Ashwood and Mapleview: District work to lower an 8" water main to make way for upsized storm drain pipe schedule for late December
 - Ashwood Improvement to Willow Road close to start date in February 2022. District work about 50% complete.

Main break – 0, Service leak – 1 poly service leak (Lemoncrest), Fire hydrant damage - 0

9) Consider Allocation of the Metropolitan Water District of Southern California Litigation Damage Award Payment in the amount of \$237,869 to the District's Rate Stabilization Reserve Fund. Sanders. Motion by Director Hilliker to approve directing the payment to the District's Rate Stabilization Fund as presented.

Motion: Hilliker Second: Neumeister

Vote: Ayes 5 Hilliker, Neumeister, Jenkins, Johnson, Robak

Noes 0 Abstain 0 Absent 0

10) Update for Approval of Change Orders for the Johnson Lake Reservoir Coating and Paint Repair Project. The General Manager provided an update overview of the recoating project and three change orders proposed and in progress as needed to maintain progress in the floor repair, dehumidification and reservoir encapsulation during exterior blasting and coating. Motion by Neumeister to approve the change orders in the total of \$60,733 as presented.

Motion: Neumeister Second: Johnson

Vote: Ayes 5 Hilliker, Neumeister, Jenkins, Johnson, Robak

Noes 0 Abstain 0 Absent 0

11) Consider District Board Division Boundary Adjustments Based on 2020 Census. The General Manager provided an update on the opportunity to adjust the District's Board Member Division Boundary as required by State law. If changes are required the boundary adjustments must be submitted to the County by April 17, 2022. After of district's population and growth since 2010 it was determined that no changes are

necessary at this time. Motion by Director Hilliker to keep current division boundaries based on the growth and population calculations as described.

Motion: Hilliker Second: Jenkins

Vote: Ayes 5 Hilliker, Neumeister, Jenkins, Johnson, Robak

Noes 0 Abstain 0 Absent 0

12) Consider and Approve Board Meeting Calendar for 2022. The General Manager provided a proposed Board meeting calendar for 2022 and summarized the regular meeting dates proposed. Motion by Director Hilliker to approve the 2022 Board Meeting Calendar as presented.

Motion: Hilliker Second: Jenkins

Vote: Ayes 5 Hilliker, Neumeister, Jenkins, Johnson, Robak

Noes 0 Abstain 0 Absent 0

Director Johnson and Director Jenkins left the meeting at 6:30 p.m.

13) Approve Demands of the Treasurer for November 2021. Motion by Director Hilliker to approve the Demands of the Treasurer as submitted.

Motion: Hilliker Second: Hilliker

Vote: Ayes 3 Hilliker, Neumeister, Robak

Noes 0 Abstain 0

Absent 2 Jenkins, Johnson

- 14) CWA Report. Director Hilliker summarized the WA Board approved the \$35 mil judgement award from MWD and that the judgement will be disbursed to member agencies based on the amount of usage and fees paid. Lakeside WD will receive \$237,868. This is the second award this year based on litigation over the "Water Stewardship Rate and accounts for the years 2015-2017. Summarized the vote percentage for Lakeside Water District at 0.741% of the vote for the Board vote. Indications of better working relationship with MWD which may help with pending litigation. DWR issued a 0% delivery to State Water Project customers/contractors. CWA staff working to avoid any mandatory use restrictions from the SWRCB.
- 15) Director's Report and Ad Hoc Sub-Committees Reports. Director Neumeister reported on the ACWA Fall Conference and that she was able to vote for the President and Vice President as requested at the November 2021 meeting, but that the virtual attendance for the conference was plagued by poor video production and network connectivity. Not able to attend any seminar or presentation for 100%. ACWA was going to try to send out video recordings of the conference seminars.

- 16) Manager's Quarterly Report. The General Manager reported on:
 - 1) Water Supply Outlook/Drought Conditions: DWR issued a 0 percent water allocation from the State Water Project. They will announce another delivery allocation in March 2022. If conditions remain dry likely mandatory cutbacks likely. Listed the large California reservoirs averaging 30% of capacity.
 - 2) Regulatory Update The most concerning law is from California Air Resources Board and the development of a medium and heavy-duty zero emission fleet regulations, with conversion mandates required by 2027 for public agencies.
 - 3) Capital Improvement Schedule. Described timeline for capital replacement projects in 2022. Emerald Grove pipeline replacement is scheduled for Board approval on Feb. 1.

Current Capital Outlays for fiscal year 2021-2021 are for the following;

- a. Admin Office Roof Replacement & Solar Installation
- b. Sherman Reservoir and Wall Improvement
- c. Johnson Lake Tank Recoating & Painting
- d. Emerald Grove & Riverview Ave. Pipeline Repl.
- e. Utility Vehicle Replacement and Backhoe Replacement
- f. Current payment to the SDCWA for October 2021. 262.7 AF for \$479,576 total demand was 287.10 = Well production was 24.4 AF = 8.5%

Articles Included:

Can Lithium Cure What Ails the Salton Sea How Dry will 2022 Be?

17) Closed Session:

Personnel Exception Per Government Code Section 54967; Employee Performance Evaluation – General Manager – Out of closed session, Board President Robak stated that the Board unanimously agreed that the General Manager has met the goals approved in June 2021, and is approved for the "Incentive Compensation" of \$2,500 as outlined in the General Managers Employment Contract.

18) Adjourn; There being no further business the next Regular Meeting is scheduled for January 4th, 2022, at 5:30 p.m.

Attest:	
Brett Sanders, Board Secretary Lakeside Water District	Steve Robak Board President