

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
February 14, 2024

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, February 14, 2024 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

President Roesink called the meeting to order at 5:00 p.m.

2. Roll Call

DIRECTORS PRESENT: Roesink, Saldana, Omsted, Pacilio, Sullivan

DIRECTORS ABSENT:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Director of Finance and Administration Ryan Green, Director of Technical Services Robin Morishita, Field Services Superintendent Marvin Gonzalez, Administrative Services Supervisor Trisha Hill, Project Coordinator Ian Riffel, Field Services Technician Hugo Gonzalez, District Engineer Dexter Wilson, Jeff Bills of Confidence Consulting, and District resident Dawn Kubik

3. Pledge of Allegiance

Director Omsted led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

Upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors approved the agenda by the following vote:

Director	Vote
President Roesink	Yes
Vice President Saldana	Yes
Director Omsted	Yes
Director Pacilio	Yes
Director Sullivan	Yes

6. Presentations and Awards**A. 15 Year Service Award for Ian Riffel.**

GM Bushee introduced PC Ian Riffel, stating that he recently passed his 15th year anniversary at the District. He provided background information about Ian and noted that under LWD's incentive program that Ian is eligible for a \$300 incentive award.

The Board of Directors congratulated Ian for his efforts.

B. 2023 CWEA San Diego Section Awards.

GM Bushee stated that the District received two awards at the CWEA San Diego Section Awards Banquet on Saturday, February 3rd. He noted that the awards were for: Collection System of the Year (0-249 miles) and Collection System Person of the Year – Hugo Gonzalez. GM Bushee stated that the local section winners will move on to the State level.

GM Bushee stated the District received the San Diego Section Collection System of the Year Award (0-249 miles). GM Bushee stated that The Collection System of the Year Award qualifies as a local award under the organization objectives of the LWD's Incentive Program; therefore, staff is eligible for a \$100 incentive award. The Board congratulated staff for their efforts.

GM Bushee also stated that Hugo Gonzalez, Field Services Technician III, received the Collection System Person of the Year Award. He provided background information on Hugo and a brief summary of Hugo's accomplishments. The Board congratulated Hugo for his efforts and wished him luck on the State level.

The Board reached consensus to move item number 13, Employee Satisfaction Survey Results, before the Consent Calendar.

13. Employee Satisfaction Survey Results

Mr. Jeff Bills of Confidence Consulting provided background information on the survey noting that that in 2023 he had 22 firms participate in the survey. He stated that the survey consists of 12 core questions based on a 1-10 scale with 10 being the best. Mr. Bills then reviewed the results of the Employee Satisfaction Survey.

Mr. Bills pointed out that the "Trust" score for the District was a perfect 10 which means staff has a high trust level in leadership's ability to make the right decisions for the organization. He stated that the last time Confidence Consulting reported a "Trust" level of 10 for any organization was back in 2019 and added that the District's overall employee satisfaction score was the highest of the 22 firms that took the survey this year.

The Board asked various questions regarding the results of the survey. Mr. Bills answered their questions.

The Board was impressed with the results of the survey and thanked Mr. Bills for his presentation.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

January 10, 2024 Board Meeting
February 6, 2024 Investment and Finance Committee Meeting
February 7, 2024 Community Affairs Committee Meeting

8. Approval of Demands for January/February 2024

Payroll Checks numbered 240110-1 – 240207-19; General Checking Checks numbered 25210 - 25341

9. Operations Report (A copy was included in the original February 14, 2024 Agenda)

10. Finance Report (A copy was included in the original February 14, 2024 Agenda)

11. Quarterly Treasurer's Report

This report discloses investments for the quarter ending December 31, 2023.

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of January 2024.

Upon a motion duly made by Director Omsted, seconded by Vice President Saldana, and unanimously carried, the Board of Directors approved the Consent Calendar by the following vote:

Director	Vote
President Roesink	Yes
Vice President Saldana	Yes
Director Omsted	Yes
Director Pacilio	Yes
Director Sullivan	Yes

EWA and COMMITTEE REPORTS

14. Encina Wastewater Authority (EWA) Reports

A. A regular EWA Board Meeting was held on January 24, 2024.

Vice President Saldana reported on EWA's Board meeting.

B. An Encina Member Agency Manager's (MAM) Meeting was held on February 6, 2024.

GM Bushee reported on EWA's MAM meeting.

15. Committee Reports

A. An Investment and Finance Committee (IFC) Meeting was held on February 6, 2024.

Director Pacilio reported that the IFC reviewed the following recommendations:

- Revisions to the LWD Reserve Fund Policy;
- Financial Plan Tracking Update; and
- Proposition 218 Process and Schedule for a Public Hearing to Consider Adoption of an Ordinance Increasing the Sewer Service Charges for Fiscal Years 2025, 2026, and 2027.

Director Pacilio stated that these recommendations will be discussed later in the agenda.

B. A. Community Affairs Committee Meeting was held on February 7, 2024.

Vice President Saldana reported that the CAC reviewed the proposed newsletter topics, along with the production schedule. The CAC made some suggested edits and staff stated they would make those edits. He stated that the CAC then directed staff to move forward with the newsletter and proposed production schedule.

ACTION ITEMS

16. Annual Review of LWD Reserve Fund Policy

Adopt Resolution No. 2410 approving the revised Reserve Fund Policy and File the Annual Review of the LWD Reserve Fund Review Report.

DFA Green introduced the item noting that the IFC reviewed this item at its February 6th meeting. He reviewed the purpose of the policy and indicated that it was last revised in February 2023. He noted that the policy calls for annual review by the Board of Directors.

DFA Green stated that staff and the IFC have reviewed the Reserve Policy and are recommending an update to the Wastewater Replacement Reserve target. He then reviewed the recommended change which would adjust the Wastewater Capital Replacement reserve targets from a minimum requirement of the twenty-year average CIP to one year of the 5-year average of capital funding and a target of two years of the five-year average of capital funding. He also provided an overview of the FY 2023 reserve balances.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Pacilio, and unanimously carried, the Board of Directors adopted Resolution No. 2410 approving the revised Reserve Fund Policy and Filed the Annual Review of the LWD Reserve Fund Review Report by the following vote:

Director	Vote
President Roesink	Yes
Vice President Saldana	Yes
Director Omsted	Yes
Director Pacilio	Yes
Director Sullivan	Yes

17. Financial Plan Tracking Update

DFA Green presented the item noting it was reviewed by the Investment and Finance Committee at its January 6th meeting. DFA Green explained the purpose of the Financial Plan. He stated that LWD updates its Financial Plan every 5 years because financial conditions and assumptions change over time. He noted that the most recent Financial Plan Update was completed in 2023 and staff does an internal update of the Financial Plan on an annual basis to see how actual results are tracking with the original projections.

DFA Green stated the financial plan model looks out over 20 years. He noted that information from the Fiscal Year 2023 (FY23) Audit and FY24 budgeted amounts were used to update revenues, expenses, and capital projections in the financial plan model. He then provided an overview on the following topics.

- Comparison of projected and actual revenues and expenditures;
- Comparison of projected and updated reserve balances; and
- Monthly Sewer Service Rate Comparison

Vice President Saldana asked questions about lost opportunity costs when there isn't enough funding for projects. GM Bushee, DFA Green, and DTS Morishita answered his questions.

DFA Green concluded that the District's finances remain strong, while maintaining low rates, and the District is tracking well with the Financial Plan. DFA Green also noted that the largest concern is the Encina Wastewater Authority's future capital plan and staff will continue to monitor LWD's finances closely.

The Board thanked DFA Green for his presentation.

There was no action taken.

18. Proposition 218 Process and Schedule Review

DFA Green presented the item noting it was reviewed by the Investment and Finance Committee at its January 6th meeting. DFA Green stated the LWD Board of Directors adopted an updated Financial Plan Study on June 14, 2023. This plan provides critical information regarding required operating and capital expenditures for the next 20 years. The Financial Plan Study indicated that a sewer service charge increase was required beginning fiscal year 2025 in order for the District to meet the projected future operating and capital expenditures necessary to maintain the integrity of its collection system.

DFA Green noted that based on the Financial Plan Update tracking and previous proposed sewer rate increase discussions, staff recommends moving forward with the planned sewer service rate increase for fiscal year 2025 and proceed with the Proposition 218 Notice process for fiscal years 2025, 2026 and 2027.

DFA Green then reviewed the draft Proposition 218 Notice and timeline.

President Roesink asked various questions regarding the notice and timeline. Staff answered his questions.

Following discussion, upon a motion duly made by Director Omsted, and seconded by Director Pacilio, and unanimously carried, the Board of Director's authorized staff to proceed with the Proposition 218 process and schedule a public hearing to consider adoption of an Ordinance increasing the sewer service charges for fiscal years 2025, 2026, and 2027 by the following vote:

Director	Vote
President Roesink	Yes
Vice President Saldana	Yes
Director Omsted	Yes
Director Pacilio	Yes
Director Sullivan	Yes

19. Call for Nominations to the San Diego Local Agency Formation Commission (LAFCO) Regular Member Election

GM Bushee presented the item stating that LAFCO is requesting nominations for one regular special district member to serve on San Diego LAFCO. He stated it is a four-year term and the incumbent, Jo MacKenzie, is expected to seek a new term.

The Board of Directors chose not to submit a nomination.

20. Call for Nominations to the California Special District Association (CSDA) Seat A

GM Bushee presented the item stating that CSDA is seeking nominations for its Board of Directors for Seat A. He provided information regarding the nomination process and noted that the incumbent, Jo MacKenzie, is running for re-election and that staff has no recommendation on this matter.

The Board of Directors chose not to submit a nomination.

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

A. January / February Storm Events Report

DE Dexter Wilson reported on the LWD collection system recent storm flows noting that the collection system had no issues during the storms.

The Board thanked DE Wilson for his presentation.

B. CSDA Quarterly Meeting is scheduled for February 15, 2024 at The Butcher Shop in San Diego, CA.

GM Bushee announced the date and the time of the CSDA Quarterly Meeting.

C. 2024 CWEA Annual Conference is scheduled for April 9-12, 2024 at the Sacramento Convention Center in Sacramento, CA.

GM Bushee announced the date and the location of the 2024 CWEA Annual Conference.

Director Sullivan stated she attended the CWEA Awards Banquet. President Roesink thanked her for representing LWD and EWA at the Awards Banquet.

22. Directors' Meetings and Conference Reports

2024 CASA Annual Conference was held January 24-26, 2024 at the Hilton Palm Springs in Palm Springs, CA.

Director Sullivan stated it was a great and informative conference.

Director Pacilio stated he enjoyed the roundtable discussions and it was a very good conference.

Director Omsted reported on what happened to the City of Ojai with the recent rain events.

23. General Manager's Report

GM Bushee reported on the following:

- The Board Strategic Planning Workshop is on March 7, 2024 and EA Baity will follow up with the Board to schedule the interviews with Mr. Bills.

24. General Counsel's Report

None.

25. Board of Directors' Comments

Vice President Saldana stated the results of the Employee Satisfaction Survey were outstanding. He congratulated staff and stated he was proud to be part of this organization.

Director Pacilio concurred with Vice President Saldana.

GM Bushee acknowledged the Board and thanked them for their support.

President Roesink thanked staff for having great communication and a transparent environment with the Board.

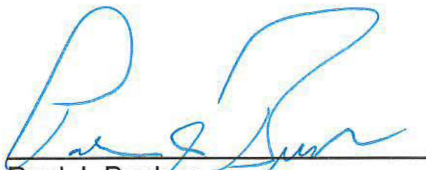
26. Closed Session

Meet in Closed Session pursuant to California Government Code Sec. 54956. regarding acquisition of the Beachwalk Condominium utility easement: Property Location – Diana Street, Leucadia, California

There was no reportable action.

27. Adjournment

President Roesink adjourned the meeting at approximately 7:26 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Chris Roesink, President