

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 June 14, 2017

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, June 14, 2017 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Hanson, Sullivan, Kulchin, Juliussen, Omsted

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Richard Duffey, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Tianne Baity, Administrative Services Supervisor Trisha Hill, Field Services Specialist Ian Riffel, District Engineer Steve Deering, Cher Deering, Chris Deering, Sean Deering, Sophie Deering, Terese Deering, and Dexter Wilson with Dexter Wilson Engineering

3. Pledge of Allegiance

President Hanson led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

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

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes
Director Omsted	Yes

6. Presentations and Awards

Adopt Resolution No. 2287 – In Appreciation of Stephen L. Deering For His Outstanding Service and Commitment to Leucadia Wastewater District.

The Board of Directors presented DE Steve Deering with the Resolution of Appreciation, noting DE Deering's accomplishments throughout his career at the District.

DE Deering provided background information on why he chose to become an environmental engineer. He also provided a brief history of his engineering career noting his 12 years with Engineering Science, 10 years as a Board member, and 21 years as LWD's District Engineer. DE Deering thanked the

Board of Directors and staff for letting him be part of the organization. The Board and staff congratulated Steve on his upcoming retirement.

Upon a motion duly made by Director Juliussen, seconded by Vice President Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2287 - In Appreciation of Stephen L. Deering For His Outstanding Service and Commitment to Leucadia Wastewater District by the following vote:

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes
Director Omsted	Yes

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- May 10, 2017 Regular Board Meeting
- May 30, 2017 Special Board Meeting
- June 7, 2017 Engineering Committee Meeting

8. Approval of Demands for May/June 2017

Payroll Checks numbered 19239-19300; General Checking – Checks numbered 49681-49838

9. Operations Report (A copy was included in the original June 14, 2017 Agenda)

10. Finance Report (A copy was included in the original June 14, 2017 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of May 2017.

12. Establishing an Appropriations Limit of the LWD for Fiscal Year 2018 (FY18)

Adopt Resolution No. 2286 Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2018 (July 1, 2017 to June 30, 2018) Pursuant to Article XIII (B) of the California Constitution.

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

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes
Director Omsted	Yes

Director Omsted asked staff a question in regards to the purchase of tiger tails from West Coast Safety Supplies. FSS Stecker answered his question.

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

- A. EWA Board Report – Meeting held on May 24, 2017.

Director Sullivan reported on EWA's May 24, 2017 Board meeting.

- B. EWA Member Agency Manager's (MAM) - Meeting held on June 6, 2017.

GM Bushee reported on MAM's June 6, 2017 meeting.

14. Committee Reports

- A. Engineering Committee (EC) Meeting was held on June 7, 2017.

Director Juliussen reported that the EC reviewed the following recommendation:

- Ordinance No. 135 Establishing the District's Capacity Fee and Amending the Equivalent Dwelling Unit Factors Capacity Fee Schedule.

The EC concurred with staff to present this recommendation to the Board of Directors and it will be discussed later in the agenda.

The EC also received updates on the Leucadia (L1) Force Main Replacement Project and Village Park No. 5 (VP5) Pump Station Replacement Project. These items were for informational purposes and no action was taken.

OLD BUSINESS

15. Adopt the Fiscal Year 2018 (FY18) Budget.

ASM Duffey presented the item stating that the Board reviewed the recommended FY18 Budget at their Special Board meeting on May 30, 2017. He stated that during the meeting, the Board directed staff to finalize the budget. He stated that staff recommends that the Board adopt the FY18 Budget.

Upon a motion duly made by Director Kulchin, seconded by Vice President Sullivan, and unanimously carried, the Board of Directors adopted the FY18 Budget by the following vote:

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes
Director Omsted	Yes

PUBLIC HEARING

16. A proposal to consider adopting a new wastewater capacity fee ordinance establishing the District's capacity fee and amending the equivalent dwelling unit factors capacity fee schedule.

President Hanson opened the public hearing for comments. There were no public comments. President

Hanson closed the public hearing.

17. A proposal to consider collecting the District's Wastewater Service Charge for Fiscal Year 2018 (FY18) on the San Diego County Tax Roll.

President Hanson opened the public hearing for comments. There were no public comments. President Hanson closed the public hearing.

ACTION ITEMS

18. Wastewater Capacity Fee Ordinance with an Updated Fee Schedule

Adopt Ordinance No. 135 establishing the District's capacity fee and amending the Equivalent Dwelling Unit Factors Capacity Fee Schedule.

FSSpec Riffel presented the staff recommendation. He provided background information on Senate Bill 1069 (SB 1069) and the recent legal challenges to Equivalent Dwelling Unit (EDU) factors. FSSpec Riffel stated that SB 1069 defines how sewer fees are charged for Accessory Dwelling Units (ADU). He noted that staff recommends that ADUs be assessed relative to their size in square feet. He stated that this is consistent with how the District has assessed ADU's in the past.

FSSpec Riffel said that the ADU changes are relatively minor both in administrative and financial impact.

FSSpec Riffel reviewed the adjustment of the EDU Factors for food and commercial establishments. He stated that the District's fee structure for food and commercial establishments is in conformance with state guidelines. He noted that staff is recommending several changes to further clarify the language and eliminate the potential for any inconsistencies in the assessment of fees.

FSSpec Riffel stated that the recommended changes to ADUs and food and commercial establishments will result in a reduction of approximately \$35,000 per year in service fees.

Director Omsted asked why high schools are assessed more EDUs than elementary schools. FSSpec Riffel answered that a high school student uses more water than an elementary school student due to full cafeterias and showers associated with physical education and sports teams.

Director Juliussen and Director Kulchin thanked FSSpec Riffel for his presentation and the time and effort it took to do the analysis.

Director Kulchin asked FSSpec Riffel how long it took for the EDU analysis. FSSpec Riffel answered that the analysis took 7 months.

President Hanson asked if there were any EDU increases for existing customers based on the amended EDU schedule. FSSpec Riffel answered there were no EDU increases.

Following discussion, upon a motion duly made by Director Omsted, seconded by Vice President Sullivan, and unanimously carried, the Board of Directors adopted Ordinance No. 135 – Establishing the District's capacity fee and amending the Equivalent Dwelling Unit Factors Capacity Fee Schedule by the following vote:

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

Director Omsted	Yes
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19. Collection of Wastewater Service Charges on the County Tax Roll for Fiscal Year 2018 (FY18)
Adopt Resolution No. 2283 Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2017 – June 30, 2018.

ASsup Hill presented this item noting that there were no public comments received. She stated that the District has been collecting wastewater service charges on the tax roll since 1979. She noted that the FY18 sewer service rate will be \$343.68 per year per equivalent dwelling unit (EDU) and is unchanged from FY17. She stated that staff recommends that the Board adopt Resolution No. 2283 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2017 – June 30, 2018.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Vice President Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2283 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2017 – June 30, 2018 by the following vote:

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes
Director Omsted	Yes

20. Unrepresented Employees Salary and Benefits Resolution

Adopt Resolution No. 2284 setting forth salaries, benefits and other working conditions for unrepresented employees for the period July 1, 2017 to June 30, 2018.

ASM Duffey presented the recommendation noting that LWD employees are not formally organized and are considered unrepresented. ASM Duffey stated that staff the Salaries and Benefits Resolution was developed consistent with the Board's direction at the May 30th Special Board Meeting.

Director Omsted asked where the merit pay percentages are located. GM Bushee answered stating that merit pay is incorporated into the overall budget document for the personnel budget and is not included in the resolution as it is discretionary.

Following discussion, upon a motion duly made by President Hanson, seconded by Director Omsted, and carried, the Board of Directors adopted Resolution No. 2284 - Setting Forth Salaries, Benefits and other Working Conditions for Unrepresented Employees for the Period July 1, 2017 to June 30, 2018 by the following vote:

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes
Director Omsted	Yes

21. Approving the Recommended Encina Wastewater Authority Fiscal Year 2018 (FY18) Budget
Adopt Resolution No. 2285 Approving the Recommended Encina Wastewater Authority (EWA) FY18 Operating and Capital Budgets.

ASM Duffey presented the recommendation to approve the EWA FY18 Budget. He noted the Operating Budget is approximately \$15.2M and the Capital Budget is approximately \$14.9M. He noted the District's share is approximately \$1.9M for operating costs and \$2.4M for capital costs.

Director Kulchin asked what is LWD's ownership percentage. ASM Duffey answered 16.8% for the overall plant and 16.42% for the outfall.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Vice President Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2285 – Approving the Recommended Encina Wastewater Authority (EWA) FY18 Operating and Capital Budgets by the following vote:

Director	Vote
President Hanson	Yes
Vice President Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes
Director Omsted	Yes

INFORMATION ITEMS

22. Project Status Updates and Other Informational Reports

A. 2017 Annual Employee Luncheon is scheduled for Thursday, July 13, 2017

EA Baity announced the date, time, and location of the Annual Employee Luncheon.

23. Directors' Meetings and Conference Reports

A. The 2017 CSDA Legislative Days Conference was held at The Grand Events Center in Sacramento, CA on May 16-17, 2017.

Vice President Sullivan stated the conference is well organized and she liked the schedule. She also stated that they were able to meet with Assemblyman Rocky Chavez.

Director Kulchin stated that Assemblyman Chavez makes time for his district constituents to meet in his office.

Director Omsted stated he was impressed with Assemblyman Chavez's questions and he enjoyed the Hoover Commission speaker.

Vice President Sullivan stated the speakers were excellent and she was impressed with Senator Ed Hernandez. She also stated that they were able to go to the Capitol on their first day of the conference.

24. General Manager's Report

GM Bushee reported on the following items:

- Customer complaints concerning the timing of the Leucadia Force Main No. 1 Replacement Project;
- CASA Annual Conference; and
- LWD customer thank you email regarding great customer service provided by FSSpec Riffel.

25. General Counsel's Report

General Counsel Brechtel reported on the following items:

- CASA Attorney's Meeting and discussion of SB 1069;
- San Diego Union Tribune article "Water panel says its long-held private meetings are necessary, legal"; and
- SB 496 – Idemnity: Design Professionals was passed by the legislature.

26. Board of Directors' Comments

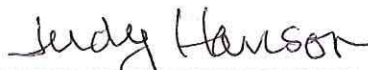
Director Juliussen stated he will miss DE Deering but is happy to welcome Dexter Wilson as the new District Engineer.

President Hanson stated the Board appreciates all DE Deering has done for the District and will miss him.

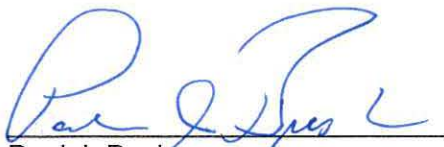
Vice President Sullivan stated she will miss the July Board Meeting and the Annual Employee Luncheon since she will be on vacation.

27. Adjournment

President Hanson adjourned the meeting at approximately 6:01 p.m.



Judy Hanson, President



Paul J. Bushee
Secretary/General Manager
(SEAL)