

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
January 13, 2021

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, January 13, 2021 at 5:00 p.m. via teleconference.

1. Call to Order

President Omsted called the meeting to order at 5:01 p.m.

2. Roll Call

DIRECTORS PRESENT: Omsted, Hanson, Sullivan, Brown, and Juliussen

DIRECTORS ABSENT:

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 District Engineer Dexter Wilson, Field Services Specialist Ian Riffel, Field Services Technician II Steve Krason, and Paul Ecke III a District resident

3. Pledge of Allegiance

President Omsted 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 Hanson, and unanimously carried, the Board of Directors approved the agenda by the following vote:

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

6. Presentations and Awards**A. 20 Year Service Award – Steve Krason**

GM Bushee introduced Field Services Technician II Steve Krason, stating that he recently passed his 20th year anniversary at the District. He provided background information about Steve and noted that under LWD's incentive program Steve is eligible for a \$400 incentive award.

The Board congratulated Steve for his efforts.

B. 15 Year Service Award – Tianne Baity

GM Bushee introduced Executive Assistant Tianne Baity, stating that she recently passed her 15th year anniversary at the District. He provided background information about Tianne and noted that under LWD's incentive program Tianne is eligible for a \$300 incentive award.

The Board congratulated Tianne for her efforts.

CONSENT CALENDAR

Director Brown requested that Board Agenda item number 12, Board-General Manager/Staff Relations Policy, be pulled from the Consent Calendar.

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

December 8, 2020 Human Resources Committee Meeting

December 9, 2020 Regular Board Meeting

January 5, 2021 Investment and Finance Committee Meeting

January 6, 2021 Engineering Committee Meeting

8. Approval of Demands for December 2020/January 2021

Payroll Checks numbered 22427-22485; General Checking Checks numbered 54963-55070

9. Operations Report (A copy was included in the original January 13, 2021 Agenda)

10. Finance Report (A copy was included in the original January 13, 2021 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of December 2020.

13. Status Update on the Fiscal Year 2021 (FY21) LWD Tactics and Action Plan

Upon a motion duly made by Director Brown, seconded by Vice President Hanson, and unanimously carried, the Board of Directors approved items 7 through 11 and item 13 of the Consent Calendar by the following vote:

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

12. Board-General Manager/Staff Relations Policy

Receive and file the annual review of the Board-General Manager/Staff Relations Policy.

Director Brown requested that the policy language in Section VII, Emergency Situations be changed from "written reports to the Board within a reasonable time" to "a written report to the Board at the next scheduled Board meeting."

GM Bushee noted that, in practice, staff reports on emergencies at the next Board meeting and staff can update the policy to reflect the updated language.

Upon a motion duly made by Director Brown, seconded by Director Sullivan, and unanimously carried, the Board of Directors agreed to adopt the Board-General Manager/Staff Relations Policy with the amended policy change suggested by Director Brown by the following vote:

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

EWA and COMMITTEE REPORTS

14. Encina Wastewater Authority (EWA) Reports

A. A regular EWA Board Meeting was held on December 9, 2020.

Director Sullivan reported on EWA's December 9, 2020 Board Meeting.

15. Committee Reports

A. Human Resources Committee (HRC) Meeting was held on December 8, 2020.

Vice President Hanson reported that the HRC reviewed the following recommendation:

- Annual Review of the Board-General Manager/Staff Relations Policy.

There were no changes to this policy and the HRC concurred with staff to place this item on the January Board Agenda Consent Calendar.

B. Investment and Finance Committee (IFC) Meeting was held on January 5, 2021.

Vice President Hanson reported that the IFC received an update on the Comprehensive Financial Plan Tracking.

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

C. Engineering Committee (EC) Meeting was held on January 6, 2021.

President Omsted reported that EC reviewed the following recommendation:

- Adopt Resolution No. 2343 – Lagasse Annexation

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 following projects:

- Orchard Wood Road Sewer Rehabilitation Project;
- Leucadia Pump Station Rehabilitation Project; and
- FY20 Gravity Sewer Repair / Quebrada Realignment Project

These items were for information purposes and no action was taken. The Orchard Wood Road Sewer Rehabilitation Project Update will be discussed later in the agenda.

ACTION ITEMS

16. Adopt Resolution No. 2343 – Lagasse Annexation

FSSpec Riffel presented the item stating that the Lagasse Property is located in the District’s “Island Area” at 395 Sunset Drive in Encinitas, between Interstate 5 and Vulcan Avenue. He noted the annexation is within the District’s sphere of influence and includes one parcel with an existing single-family residence that is currently connected to a septic tank system.

FSSpec Riffel stated that per the City of Encinitas, the parcel is required to connect to the public sanitary sewer system to satisfy a permit condition for a proposed lot split along with a new single-family residence. He also stated the connection of the existing single-family residence and the proposed lot split to the collection system requires the construction of approximately 800 feet of public sewer extension before two (2) private lateral connections can be attained. The annexation is necessary to provide sewer service to these properties.

FSSpec Riffel noted that the property owner has requested a Reimbursement Agreement for the privately funded public sewer extension. He then provided details of the Reimbursement Agreement and noted that the Reimbursement Agreement will be executed once construction is complete.

Director Sullivan stated she hoped that more residents in the island area would consider connecting to sewer if possible and she asked if the District reaches out to residents encouraging this. FSSpec Riffel stated that he does encourage the property owner and the engineer he works with to reach out to surrounding neighbors.

Director Juliussen stated this item was presented to the Engineering Committee and he thanked staff for a great job on the presentation of the annexation.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Hanson, and unanimously carried, the Board of Directors adopted Resolution No. 2343 – Requesting LAFCO to take proceedings for the Lagasse Change of Organization by the following vote:

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

17. Comprehensive Financial Tracking

ASM Duffey presented the item noting it was reviewed by the Investment and Finance Committee at its January 5th meeting. ASM Duffey reviewed the purpose of the Comprehensive Financial Plan. He noted that the most recent update was completed in 2018 by Rafetelis. He stated that the District

updates the Financial Plan about every 5 years, since conditions and assumptions change.

ASM Duffey stated the financial plan model looks out over 20 years. He noted that information from the FY 2018, FY 2019 and FY 2020 CAFRs and the FY 2021 Budget was used to update the model. ASM Duffey 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

Director Brown asked what year the District is in to payback the unfunded accrued liability if the District's goal is to pay it down in ten years. ASM Duffey answered that the District is in year two of ten.

ASM Duffey concluded that the District's finances remain strong, while maintaining low rates, and the District is tracking well with the Comprehensive Financial Plan. ASM Duffey also noted that staff will continue to monitor the Financial Plan closely. He stated that for FY 2022, staff is recommending the District implement the 3-year, 10% rate increase which was delayed due to COVID-19.

GM Bushee stated that staff plans to present a recommended rate increase with an associated Proposition 218 Notice to the full Board in either February or March 2021.

Director Brown asked how are the reserve balances recovered when they go under the minimum reserve target line. GM Bushee stated they are recovered with future rate increases.

The Board thanked ASM Duffey for his presentation.

There was no action taken.

18. 2021 Board of Directors Committee Assignments

President Omsted stated that he would like to see a rotation to the committee assignments. He stated that he would like each Board member to be on two committees. He explained that each board member will keep one of their current committees and will assume a new committee.

President Omsted then made the following committee appointments:

- Engineering Committee:
Director Juliussen (chair), President Omsted
- Community Affairs Committee:
Director Brown (chair), Director Juliussen
- Investment & Finance Committee:
Vice President Hanson (chair), Director Sullivan
- Human Resources Committee:
President Omsted (chair), Director Brown

- Encina Wastewater Authority (EWA):
Vice President Hanson, Director Sullivan
Director Juliussen (alternate)

President Omsted stated that he would like the appointments to rotate automatically every two years. GM Bushee noted that this would require a change to the current policy.

GC Brechtel clarified that each year the Board President can make committee appointments based on the current policy but should the Board want a rotation, the policy would need to be brought back to the Board for review. President Omsted asked if the Board Committee policy could be referred to the Human Resources Committee (HRC). GM Bushee replied that the policy could be referred to committee.

Director Brown asked how long is a committee term. GM Bushee answered that under the current policy the term is for one year or until a future Board President makes a change. GM Bushee stated that the current policy calls for the Board President to appoint committee members at the January Board meeting each year. However, if requested by two Directors at that meeting, the Board can call for a vote and potentially overrule an appointment.

Director Sullivan stated she would have liked to have seen the proposed committee changes in the agenda for review prior to the meeting.

There was no action taken.

INFORMATION ITEMS

19. Project Status Updates and Other Informational Reports

A. Orchard Wood Road Sewer Rehabilitation Project Update.

TSM Morishita gave an update on the Orchard Wood Road Sewer Rehabilitation Project. He noted that due to the high projected construction cost the project was cancelled.

TSM Morishita added that the area is difficult to maintain but this can be done much easier if the District were to purchase a piece of equipment called an easement crawler. With the Board's permission, staff would like to recommend the purchase of this equipment along with a transfer of funds to cover the expense at the February 2021 Board meeting. The estimated cost of the easement crawler is \$60,000.

Director Brown asked where is the 250 feet of line located. GM Bushee answered on the eastern and southern sides of the park and through the wooded area. Director Brown asked if it will cross the creek. GM Bushee stated that the existing line crosses the creek but not in the area previously referenced. Director Brown asked how often will the work be done and what is the impact to the residents. TSM Morishita replied that maintenance is done once every three months and so far there have been no complaints from the residents.

20. Directors' Meetings and Conference Reports

None.

21. General Manager's Report

GM Bushee reported on the following items:

- Field Services Technician III, James Hoyett, will retire on February 5, 2021; and
- Tours of the District are always available for the Board of Directors and to contact him if you would like a tour.

22. General Counsel's Report

None.

23. Board of Directors' Comments

President Omsted asked if the Brown Act applies to Committee Assignments. GC Brechtel answered affirmatively.

Director Juliussen thanked everyone for a great year last year.

Director Brown stated he would like to know more about the Quail Gardens development as the project progresses. GM Bushee stated that as of now, the development is not within the District boundaries but should that change he would keep the Board updated.

Director Sullivan stated she hopes everyone stays safe during the pandemic.

Vice President Hanson concurred with Director Sullivan's statement.

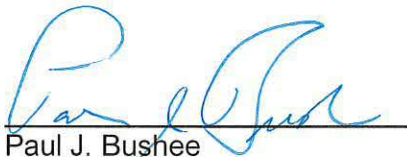
24. Closed Session

Meet with District Representative General Manager Bushee to discuss and provide direction regarding salaries, salary schedules and employee benefits, as authorized under Government Code Section 54957.6

The Board of Directors met in Closed Session. There was no reportable action.

25. Adjournment

President Omsted adjourned the meeting at approximately 6:20 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)


Donald F. Omsted, President