

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting  
 April 14, 2021

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A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, April 14, 2021 at 5:00 p.m. via teleconference.

**1. Call to Order**

President Omsted called the meeting to order at 5:00 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, Field Services Technician II Curney Russell, District Engineer Dexter Wilson, and District Resident Paul Ecke III

**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 Sullivan, seconded by Director Juliussen, 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. 5 Year Service Award – Curney Russell**

GM Bushee introduced Field Services Technician II Curney Russell stating that he recently passed his 5<sup>th</sup> year anniversary at the District. He provided background information about Curney and noted that under LWD's incentive program Curney is eligible for a \$100 incentive award.

The Board congratulated Curney for his efforts.

## CONSENT CALENDAR

### 7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- March 10, 2021 Regular Board Meeting
- April 5, 2021 Human Resources Committee Meeting
- April 6, 2021 Community Affairs Committee Meeting
- April 7, 2021 Engineering Committee Meeting
- April 7, 2021 Investment and Finance Committee Meeting

### 8. Approval of Demands for March/April 2021

Payroll Checks numbered 22586-22663; General Checking Checks numbered 55267-55386

### 9. Operations Report (A copy was included in the original April 14, 2021 Agenda)

### 10. Finance Report (A copy was included in the original April 14, 2021 Agenda)

### 11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of March 2021.

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

Upon a motion duly made by Director Sullivan, seconded by Director Brown, and unanimously carried, the Board of Directors approved 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

## EWA and COMMITTEE REPORTS

### 13. Encina Wastewater Authority (EWA) Reports

A. A regular EWA Board Meeting was held on March 24, 2021.

Director Sullivan reported on EWA's March 24, 2021 Board Meeting.

B. An Encina Member Agency Manager's (MAM) Meeting was held on April 6, 2021.

GM Bushee reported on EWA's MAM April 6, 2021 meeting.

### 14. Committee Reports

A. Human Resources Committee (HRC) Meeting was held on April 5, 2021.

President Omsted stated the HRC reviewed the Board of Directors Election of Officers, Establishment of Committees, and Selection of Committee Members Policy. The HRC discussed the pros and cons of each option as well as the timing.

The HRC agreed to refer further discussion of the committee assignments to the Board of Directors at the Strategic Planning session.

President Omsted also stated that the HRC reviewed the recommendation to Adopt Resolution No. 2345 – Amending the Human Resources Policy Manual (HRPM). The HRC concurred with staff to present this recommendation to the Board of Directors and it will be discussed later in the agenda.

**B. Community Affairs Committee (CAC) Meeting was held on April 6, 2021.**

Director Brown reported that the CAC reviewed the 2021 Spring Newsletter Draft Text. He noted that the CAC reviewed and commented on the draft text and directed staff to move forward with final text and layout of the newsletter.

**C. Engineering Committee (EC) Meeting was held on April 7, 2021.**

President Omsted reported that the EC received updates on the Development Projects Summary, the Leucadia Pump Station Rehabilitation Project, and the FY20 Gravity Sewer Repair / Quebrada Realignment Project. These items were for information purposes and there was no action taken.

**D. Investment and Finance Committee (IFC) Meeting was held on April 7, 2021.**

Vice President Hanson reported that the IFC reviewed the following recommendations:

- Authorize the General Manager to execute an agreement with Time Value Investments, Inc., (TVI) to add them as an additional authorized financial broker-dealer and provide fixed-income securities broker-dealer services;
- Authorize the General Manager to execute a Professional Services Agreement with Clifton Larsen Allen LLP (CLA) for Financial Management & Accounting Support Services for an amount not to exceed \$120,000; and
- Authorize the General Manager 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 2022, 2023, and 2024.

The IFC concurred with staff to present these recommendations to the Board of Directors and they will be discussed later in the agenda.

## **ACTION ITEMS**

**15. Professional Services Agreement for Financial Management and Accounting Services**

Authorize the General Manager to execute a sole source Professional Services Agreement with Clifton Larsen Allen LLP (CLA) for Financial Management & Accounting Support Services for an amount not to exceed \$120,000.

ASM Duffey presented background information on the item noting that he will be retiring in the near future and that staff has reviewed options for his replacement. ASM Duffey stated that staff believes LWD's best option is to return to outsourcing the financial and accounting services and that staff has identified CLA (formerly White Nelson Diehl Evans LLP) as the most viable option.

ASM Duffey explained that CLA's principal in charge of the LWD work would be Mr. David Foreman, CPA. He then provided background information on Mr. Foreman.

Director Juliussen asked if there is an option to extend the contract. ASM answered affirmatively. GM Bushee clarified that the District wanted to start with a one-year contract to more accurately gauge the costs prior to signing a multi-year contract.

Director Brown suggested that the recommendation specify a one-year contract.

Upon a motion duly made by Vice President Hanson, seconded by Director Brown, and unanimously carried, the Board of Directors authorized the General Manager to execute a one-year sole source Professional Services Agreement with Clifton Larsen Allen LLP (CLA) for Financial Management & Accounting Support Services in an amount not to exceed \$120,000 by the following vote:

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

**16. Execute an Agreement with Time Value Investments, Inc. (TVI) as an Authorized Financial Broker-Dealer**

Authorize the General Manager to execute an agreement with Time Value Investments, Inc., (TVI) to add them as an additional authorized financial broker-dealer and provide fixed-income securities broker-dealer services.

ASM Duffey presented the item noting that the District currently utilizes three options to manage its investments. He then provided background information on the current options and stated that staff would like to diversify and enlarge the pool of available authorized investment options. He stated that staff is recommending adding Time Value Investments (TVI) as an additional broker/dealer. ASM Duffey then provided background information on TVI.

President Omsted asked how does the broker-dealer make investments. ASM Duffey answered that the broker-dealer makes recommendations and the recommendations are discussed amongst GM Bushee, the broker-dealer, and himself prior to making any investments. GM Bushee clarified that there is no minimum allocation on the amount that can be invested and investments are made at staff's discretion.

Director Brown asked how long is the agreement term with TVI. ASM Duffey answered there is no term, TVI just provides the investments and they make their money on the spread. Director Brown asked how often investments are made. ASM Duffey answered that it varies but it can be from 1 to 5 times per month depending on what investments are available.

President Omsted asked if Clifton Larsen Allen (CLA) would assist with the investments once ASM Duffey retires. GM Bushee stated that it is a possibility that David Foreman, with CLA, would assist.

Upon a motion duly made by Director Sullivan, seconded by Director Brown, and unanimously carried, the Board of Directors authorized the General Manager to execute an agreement with Time Value Investments, Inc., (TVI) to add them as an additional authorized financial broker-dealer and provide fixed-income securities broker-dealer services by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Omsted</b>	Yes
<b>Vice President Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Brown</b>	Yes
<b>Director Juliussen</b>	Yes

**17. Proposition 218 Process and Schedule a Public Hearing to Consider Adoption of an Ordinance increasing the Sewer Service Charges for Fiscal Years 2022, 2023, and 2024.**

ASM Duffey presented background information on the item. ASM Duffey noted that the Financial Plan indicated that in order for the District to meet projected future expenditures and to maintain the integrity of its collection system, a three-year sewer rate increase would be needed beginning fiscal year 2021. However, due to the COVID-19 pandemic the sewer rate increase was postponed last year.

ASM Duffey stated that based on the Financial Plan Update which was presented to the Board this past January and previous proposed sewer rate increase discussions, the Board directed staff to move forward with the planned sewer rate increase for fiscal year 2022 and proceed with the Proposition 218 Notice process.

Upon a motion duly made by Director Juliussen, seconded by Vice President Hanson, and unanimously carried, the Board of Directors agreed to move forward with the Proposition 218 Process and Schedule a Public Hearing to Consider Adoption of an Ordinance increasing the Sewer Service Charges for Fiscal Years 2022, 2023, and 2024 by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Omsted</b>	Yes
<b>Vice President Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Brown</b>	Yes
<b>Director Juliussen</b>	Yes

**18. Amending the Human Resources Policy Manual**

Adopt Resolution No. 2345 - Amending the Human Resources Policy Manual (HRPM)

ASM Duffey presented background information on the item stating that the proposed changes to the HRPM are related to several California employment laws that became effective on January 1, 2021. He stated that GC Brechtel recommended and reviewed the changes.

Upon a motion duly made by Director Brown, seconded by Director Juliussen, and unanimously carried, the Board of Directors adopted Resolution No. 2345 amending the Human Resources Policy Manual by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Omsted</b>	Yes
<b>Vice President Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Brown</b>	Yes
<b>Director Juliussen</b>	Yes

## **19. Board of Directors Compensation Adjustment**

ASM Duffey presented the item indicating the date of the last Board stipend increase was August 2019 and at that time the stipend was increased from \$190 to \$200 per day. He stated that government code allows for a 5% adjustment per calendar year following the last adjustment and the Board is eligible to receive an increase between \$0 and \$20. ASM Duffey explained that this item is for the Board to consider whether to direct staff to prepare and notice for a public hearing at the May Board Meeting, after which it could take action on a proposed a Board compensation adjustment.

He then provided some board per diem analytics on 24 local wastewater and water agencies.

Director Juliussen stated this is not a good time for a compensation increase since the District will be increasing the sewer rates and he also believes the Board is well compensated.

Director Sullivan stated that the District has the lowest sewer rates in the County and sewer rates haven't been increased in 4 years so she would like to see a 5% increase.

Vice President Hanson stated she thinks the Board compensation is fine where it is and the Board is compensated above the average and the median based on the per diem analytics.

Director Brown and President Omsted agreed with Director Juliussen and Vice President Hanson.

Following discussion, the Board of Directors reached consensus to not increase the Board stipend.

There was no action taken.

## **INFORMATION ITEMS**

### **20. Project Status Updates and Other Informational Reports**

A. 2021 CSDA Virtual Legislative Days is scheduled for May 18-19, 2021.

EA Baity announced the date and the time of the 2021 CSDA Virtual Legislative Days Conference.

B. CSDA San Diego Chapter Quarterly Virtual Meeting is scheduled for May 20, 2021 at 6:00pm via Zoom.

EA Baity announced the date and time of the CSDA San Diego Chapter Quarterly Virtual Meeting.

C. Support Letter for John Skerbelis for CSDA Southern Network Seat A.

EA Baity stated a support letter was received for John Skerbelis for CSDA Southern Network Seat A.

### **21. Directors' Meetings and Conference Reports**

None.

### **22. General Manager's Report**

GM Bushee reported on the following items:

- Board Budget Workshop is scheduled for May 10, 2021 at 1:00 p.m.;
- Strategic Planning Workshop is scheduled for August 4, 2021 at 8:00 a.m.; and

- Staff is evaluating an alternate energy provider known as the Clean Energy Alliance.

**23. General Counsel's Report**

None.

**24. Board of Directors' Comments**

Director Juliussen thanked staff for a great job.

Director Brown stated that he completed the CSDA Special District Leadership Academy Module 2 Virtual Workshop this week. Director Sullivan thanked Director Brown for completing the training.

Director Brown asked what was the impact of the last major drought on the District and the sewer flows. GM Bushee provided a brief summary of the impact of the last drought.

Vice President Hanson stated she would like to discuss the demands with GM Bushee. GM Bushee stated he would call her tomorrow to discuss the demands.

**25. Adjournment**

President Omsted adjourned the meeting at approximately 5:46 p.m.



Paul J. Bushee  
Secretary/General Manager  
(SEAL)

Judy Hanson for  
Donald F. Omsted, President