

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 June 14, 2023

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, June 14, 2023 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Sullivan, Roesink, Saldana, Omsted
 DIRECTORS ABSENT: Hanson
 OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Director of Finance and Administration Ryan Green, Director of Technical Services Robin Morishita, Administrative Services Supervisor Trisha Hill, Field Services Superintendent Marvin Gonzalez, Executive Assistant Tianne Baity, District Engineer Dexter Wilson

3. Pledge of Allegiance

Director Saldana led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

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

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

6. Presentations and Awards

None.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- May 10, 2023 Regular Board Meeting
- May 11, 2023 Special Board Meeting

8. Approval of Demands for May/June 2023

Payroll Checks numbered 230517-1 – 230601-5; General Checking Checks numbered 24355-24478

9. Operations Report (A copy was included in the original June 14, 2023 Agenda)

10. Finance Report (A copy was included in the original June 14, 2023 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of May 2023.

12. Establishing an Appropriations Limit of the LWD for Fiscal Year 2024 (FY24)

Adopt Resolution No. 2397 Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2024 (July 1, 2023 to June 30, 2024) Pursuant to Article XIII (B) of the California Constitution.

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

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on May 24, 2023.

President Sullivan reported on EWA’s May 24, 2023 Board meeting.

B. An Encina Member Agency Manager’s (MAM) Meeting was held on June 6, 2023.

GM Bushee reported on EWA’s MAM June 6, 2023 meeting.

14. Committee Reports

None.

PUBLIC HEARING

15. Public Hearings to consider the following:

A. A Proposal to Consider Collecting the District’s Wastewater Service Charge for Fiscal Year 2024 (FY24) on the San Diego County Tax Roll.

President Sullivan opened the public hearing for comments. No public comments were provided. President Sullivan closed the public hearing.

B. A Proposal to Adopt an Ordinance Updating the Leucadia Wastewater District Capacity Fee Ordinance.

President Sullivan opened the public hearing for comments. No public comments were provided. President Sullivan closed the public hearing.

ACTION ITEMS

16. Collection of Wastewater Service Charges on the County Tax Roll for Fiscal Year 2024 (FY24)

Adopt Resolution No. 2399 Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2023 – June 30, 2024.

ADS Hill presented the item and provided background information on the item.

Upon a motion duly made by Director Omsted, seconded by Vice President Roesink, and unanimously carried, the Board of Directors adopted Resolution No. 2399 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2023 – June 30, 2024 by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

17. Approve the 2023 Wastewater Financial Plan Study

DFA Green presented the item and provided background information on the item. He noted that at the April 6, 2023 Special Board Meeting, Ms. Andrea Boehling, from IB Consulting Inc., presented four financial scenarios for LWD's Wastewater Enterprise for meeting LWD's future financial obligations. Following discussion of the various models, the Board directed staff to proceed with finalizing the 2023 Wastewater Financial Plan Study incorporating Scenario 4.

DFA Green then stated that Scenario 4 requires service rate increases in FY 2025, FY 2026, and FY 2027 of 13%, 12%, and 10%, respectively, followed in FY 2028 with no rate increase. Beginning in FY 2029, rate increases continue on a pattern of 3-years of 6% increases and one year of no increase.

DFA Green said that staff recommends that the Board of Directors approve the 2023 Wastewater Financial Plan Study and authorize staff to proceed with the implementation of the 2023 Wastewater Financial Plan Study's recommendations.

Upon a motion duly made by Director Saldana, seconded by Director Omsted, and unanimously carried, the Board of Directors approved the 2023 Wastewater Financial Plan Study and authorized staff to proceed with the implementation of the 2023 Wastewater Financial Plan Study recommendations by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

18. Approve the 2023 Capacity Fee Study

DFA Green presented the item and provided background information on the item. He noted that at the April 6, 2023 Special Board Meeting, Ms. Andrea Boehling, from IB Consulting, presented an update to the capacity fee calculation to ensure new system users or existing users requiring increased system capacity pay their fair share of the costs associated with the wastewater facilities necessary to serve them. DFA Green noted that the Capacity Fee Study's key recommendation is to increase the Capacity Fee from \$5,089 to \$6,240 per EDU.

DFA Green stated that staff recommends that the Board of Directors approve LWD's 2023 Wastewater Capacity Fee Study and authorize staff to implement the Study's recommendations.

Upon a motion duly made by Director Saldana, seconded by Director Omsted, and unanimously carried, the Board of Directors approved the 2023 Capacity Fee Study and authorized staff to implement the 2023 Capacity Fee Study recommendations by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

19. Capacity Fee Adjustment

Adopt Ordinance No. 146 – Adjusting the Leucadia Wastewater District Capacity Fee Ordinance

DFA Green presented the item and provided background information. He stated that prior to this item, the Board of Directors will have conducted a public hearing regarding the adjustment of LWD's Wastewater Capacity Fee and authorized staff to implement the recommendations from LWD's 2023 Wastewater Capacity Fee Study. DFA Green stated the key recommendation being to increase the District's Capacity Fee from \$5,089 to \$6,240 per EDU.

Vice President Roesink stated that although he was in agreement with the Capacity Fee Study recommendations, he did not think the District had enough remaining connections to make the capacity fee increase a necessary source of revenue for the District.

Upon a motion duly made by Director Omsted, seconded by Director Saldana, and carried, the Board of Directors Adopted Ordinance No. 146 – Adjusting the Leucadia Wastewater District Capacity Fee Ordinance by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	No
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

20. Unrepresented Employees Salary and Benefits Resolution

Adopt Resolution No. 2395 setting forth salaries, benefits and other working conditions for unrepresented employees for the period July 1, 2023 to June 30, 2024.

ADS Hill presented the recommendation and provided background information on the item. She stated that the Salary and Benefits Resolution was developed consistent with the Board's direction at the May 11th Special Board Meeting and has been reviewed by GC Brechtel.

Following discussion, upon a motion duly made by Vice President Roesink, seconded by Director Saldana, and unanimously carried, the Board of Directors adopted Resolution No. 2395 setting forth salaries, benefits and other working conditions for unrepresented employees for the period July 1, 2023 to June 30, 2024 by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

21. Approve the Fiscal Year 2024 (FY24) Budget

DFA Green presented the item and provided background information. He stated that at the May 11th Special Board Meeting, staff presented highlights of the proposed operating and capital budgets and also conducted a closed session meeting to review the proposed personnel budget. Following the meeting, the Board of Directors directed staff to prepare the final FY24 operating and capital budgets after updating the operating budget. DFA Green then reviewed a few of the operating budget items that were updated following the May 11th meeting.

Director Saldana asked various questions regarding the energy/electricity costs and the replacement of the chlorine tank. Staff answered his questions.

Upon a motion duly made by Director Saldana, seconded by Vice President Roesink, and unanimously carried, the Board of Directors adopted the FY 24 Budget by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

22. Encina Wastewater Authority (EWA) Fiscal Year 2023 Operating Budget Amendment

Adopt Resolution No. 2400 – A Resolution of the Board of Directors of the Leucadia Wastewater District (LWD) Approving an Increase to the Amended Encina Wastewater Authority (EWA) Fiscal Year 2023 (FY23) Operating Budget.

DFA Green presented the item and provided background information. He stated that a recommended increase of \$1,356,500 to EWA's FY23 Operating budget was approved by the EWA Board of Directors and the Joint Advisory Committee on May 24, 2023 and has been forwarded to LWD for consideration. He noted that the budget adjustment is driven by increases in energy, chemical, and insurance costs.

DFA Green stated LWD's share of the proposed FY23 EWA operating budget adjustment is estimated to be \$158,336 over the adopted FY23 LWD operating budget. Due to cost savings in other areas throughout the year, LWD staff believe the increase can be absorbed without a LWD budget increase.

Directors Saldana and Omsted asked various questions regarding the EWA amended Budget. Staff answered their questions.

Following discussion, upon a motion duly made by Director Saldana, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2400 - Approving an Increase to the Amended Encina Wastewater Authority (EWA) Fiscal Year 2023 (FY23) Operating Budget by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

23. Additional Appropriation for the Secondary Effluent (B1) Force Main Emergency Repair

TSM Morishita presented the item and provided background information. TSM Morishita stated that in November 2022, the Secondary Effluent (B1) Force Main experienced two ruptures that were adjacent to each other on the Encina Wastewater Authority campus. The first break was spot repaired prior to the occurrence of the second break. As a result of the second break, staff decided it was prudent, efficient and reliable to realign B1 into Avenida Encinas instead of continuing to spot repair the compromised line.

TSM Morishita said that the B1 Realignment Project was done on an emergency basis to enable the District to continue to provide recycled water to the La Costa Resort and Spa for their south golf course. The Project was executed as a change order to the Fiscal Year 2022 Gravity Sewer Repairs Project on a time and materials basis. TSM Morishita noted that the change order was issued to Burtech Pipeline Incorporated and due the impact of inflation on the cost of equipment, materials and supplies and the added pipe length, an additional appropriation of \$140,000 is needed to cover the actual \$758,000 cost of construction.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Saldana, and unanimously carried, the Board of Directors the Board authorized the additional appropriation of \$140,000 from the Recycled Water Reserve by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

24. Santa Fe Irrigation District 100 Years of Service

Adopt Resolution No. 2403 Congratulating Santa Fe Irrigation District on its 100th Anniversary.

GM Bushee presented the item and provided background information.

Following discussion, upon a motion duly made by Director Saldana, seconded by Vice President Roesink, and unanimously carried, the Board of Directors adopted Resolution No. 2403 Congratulating Santa Fe Irrigation District on its 100th Anniversary by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes
Director Hanson	Absent

INFORMATION ITEMS

25. Project Status Updates and Other Informational Reports

A. Support Letter for Al Nederhood, Director, Municipal Water District of Orange County (MWDOC), for CSDA Board of Directors – Seat C.

EA Baity stated that the District received a support letter for Al Nederhood for CSDA Board of Directors – Seat C.

B. The 2023 Annual Employee Luncheon is scheduled for July 13, 2023 at 12noon at the District office.

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

C. The 2023 CASA 68th Annual Conference is scheduled for August 9 - 11, 2023 in San Diego, CA.

EA Baity announced the dates of the 2023 CASA 68th Annual Conference.

D. The 2023 CSDA Annual Conference is scheduled for August 28 – 31, 2023 in Monterey, CA.

EA Baity announced the dates of the 2023 CSDA Annual Conference.

26. Directors’ Meetings and Conference Reports

2023 CSDA Legislative Days Conference was held May 16 -17, 2023 in Sacramento, CA.

Director Omsted stated the conference was different than it has been in the past. He stated that he enjoyed the discussion on the National Special District Coalition.

27. General Manager's Report

GM Bushee reported on the following:

- DFA Green is quoted in the most recent issue of the CSDA Magazine on an article about the Owl Labs video technology.

28. General Counsel's Report

None.

29. Board of Directors' Comments

Director Omsted stated he attended Senator Blakespear's Open House.

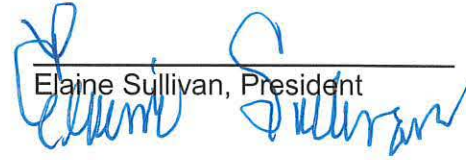
Vice President Roesink thanked staff for preparing a great FY24 Budget. Directors Saldana and Sullivan agreed with Vice President Roesink.

30. Adjournment

President Sullivan adjourned the meeting at approximately 5:55 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Elaine Sullivan, President