

## LEUCADIA WASTEWATER DISTRICT

### Minutes of a Regular Board Meeting

May 20, 2009

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A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, May 20, 2009 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

#### 1. Call to Order

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

#### 2. Roll Call

DIRECTORS PRESENT: Kulchin, Juliussen, Hanson, Sullivan, and Orsted

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Field Services Manager Leo Schempp, Administrative Services Manager Chuck LeMay, Project Manager Robin Morishita, Executive Assistant Trisha Hill, Richard Duffey with Brownell and Duffey, District Engineer Steve Deering, June Honsberger with La Costa Canyon High School, Cindy Pacino and Jennifer Carter with La Costa Meadows Elementary School, Jan Patterson and Leighangela Brady with La Costa Heights Elementary School.

#### 3. Pledge of Allegiance

#### 4. Approval of Agenda

Upon a motion duly made by Director Juliussen, seconded by Director Sullivan, and carried, the Board of Directors approved the agenda.

#### 5. Public Comment

There was no public comment.

#### 6. Presentations and Awards

President Kulchin moved item 6B forward for discussion.

#### B. Recognition of LWD's Teacher Grant Recipients.

GM Bushee stated that last month the Board of Directors approved three \$1,000 grants to three teachers, which all are present tonight. GM Bushee introduced President Kulchin to recognize each teacher for submitting the grant applications.

President Kulchin provided a brief background on how each teacher spent their grant money to educate the students. President Kulchin noted that two teachers have a PowerPoint presentation of their projects. President Kulchin introduced Mrs. Patterson to present her project. Mrs. Patterson thanked the Board of Directors for the grant.

Mrs. Patterson stated that with the funds, La Costa Heights Elementary purchased a digital microscope. Mrs. Patterson provided a brief demonstration on how the microscope works.

Ms. June Honsberger introduced herself as a science teacher at La Costa Canyon High School and presented a PowerPoint presentation of the drought tolerant garden beds that the students planted.

Ms. Cindy Pacino with La Costa Meadows Elementary thanked the Board for the grant and stated the school will use the funds to teach approximately 750 students one month's worth of lessons on geography of water, water management, and recycled water.

Director Sullivan provided a brief history on why LWD replaced the High School Scholarship Program with the Teacher Grant Program. Director Sullivan stated that this program will help educate many more students. Director Sullivan thanked the teachers for their efforts.

A. CWEA's 2008 Collections System of the Year Award.

GM Bushee stated that the California Water Environment Association (CWEA) presented LWD with the 2008 Collection System of the Year Award at its Annual Conference on May 1, 2009. GM Bushee stated that this award recognizes LWD as California's top small collection system and that is a tribute to staff and the Board's hard work for this past year. GM Bushee thanked staff and the Board for their work.

GM Bushee also acknowledged FST III Marvin Gonzalez for receiving CWEA's statewide third place award for Collections Person of Year.

The Board of Directors congratulated staff for their efforts.

**7. Consent Calendar**

- A. Minutes for the following meetings:
  - March 4, 2009 Regular Board meeting
  - March 31, 2009 Engineering Committee meeting
  - April 1, 2009 Community Affairs Committee meeting
- B. Demands for April/May 2009
  - Payroll Checks Numbered 14214 – 14275; General Checking – Checks numbered 37691 – 37859; Manager's Check no. 346; Voided check no. 37761.
- C. Operations Report. (A copy was included in the original May 20, 2009 Agenda)
- D. Finance Report. (A copy was included in the original May 20, 2009 Agenda)
- E. Quarterly Treasurer's Investment Report. (A copy was included in the original May 20, 2009 Agenda)

Upon a motion duly made by Director Juliussen, seconded by Director Sullivan, and carried, the Board of Directors approved the consent calendar.

## **8. Encina Wastewater Authority (EWA) Reports**

### **A. Encina Wastewater Authority Report – March 25, 2009 Board meeting.**

Director Sullivan reported on EWA's May 20, 2009 Board meeting.

### **Member Agency Manager Meeting – May 13, 2009.**

GM Bushee reported on the May 13, 2009 Member Agency Manager meeting.

## **9. Committee Reports**

### **A. Community Affairs Committee meeting was held May 12, 2009.**

Director Omsted reported that the CAC reviewed the final draft text of the summer newsletter. Director Omsted and Sullivan provided a brief description of the newsletter.

### **B. Human Resources Committee meeting was held May 12, 2009.**

Director Hanson stated the committee met in closed session and the Board will meet in closed session tonight to review the FY 2010 Personnel Budget.

### **C. Engineering Committee meeting was held May 14, 2009 - report by Vice President Juliussen.**

Vice President Juliussen reported that the EC reviewed the final FY 2010 Capital Acquisition Program and Capital Improvement Program budgets. This item will be reviewed by the Board of Directors later in the agenda.

In addition, the EC received a status report and PowerPoint slideshow on the Site Improvement Project. PM Morishita will provide a status report on the project later in tonight's agenda.

## **10. Old Business**

None.

## **11. Public Hearing**

### **A. Public Hearing to consider a proposal increasing compensation for LWD Board of Directors from \$165 to \$173.25 and confirming meetings that qualify for director compensation.**

GM Bushee stated last month the Board directed staff to hold a Public Hearing for the recommended subject. The purpose of this Public Hearing is to receive comments.

No public input was received at the Public Hearing. President Kulchin closed the Public Hearing.

## 12. New Business

### A. Adopt Ordinance No. 123 Increasing Compensation of Directors and Confirming meetings that Qualify for Director Compensation.

ASM LeMay stated on April 8, 2009, the Board of Directors directed staff to prepare, notice, and schedule a public hearing for the purpose of considering an increase in the Board of Director's compensation. The California water code §20202 allows the Board of Directors to receive a 5% adjustment per calendar year following the operative date of the last adjustment. ASM LeMay stated that this item was placed on the agenda for the Board's consideration. Staff has no recommendation on this matter.

President Kulchin inquired about the increase amount from \$165 to \$173.25. ASM LeMay stated the amount is a 5% increase, but the Board can approve a different amount that is no more than 5%. President Kulchin commented that he is in favor of the stipend increase because the District is financially strong and if the District wasn't in a strong financial position, he would not be in favor of a stipend increase.

Director Omsted also stated that he is in favor of the stipend increase because the District is not laying off staff members due to the economy and the District is in a strong financial position.

Director Hanson stated that she is not in favor of the stipend increase because the economy is in a financially deficient year, and the District may not receive its property taxes. Vice President Juliussen concurred with Director Hanson.

Following discussion, and upon a motion duly made by Director Sullivan, seconded by Director Omsted, then carried by President Kulchin, and opposed by Directors Hanson and Juliussen, the Board of Directors adopted the amended Ordinance No. 123 Increasing Compensation of Directors from \$165 to \$173 and Confirming Meetings that Qualify for Director Compensation for FY 2010.

President Kulchin commented on the conferences that are located outside of California. President Kulchin stated based on his experience that the CASA Washington D.C. conference is an expensive trip to meet local legislative members, while Board members can meet with them here.

Directors Juliussen, Hanson, and Sullivan agreed that the conference is important because it allows for Board members to hear the issues on the legislative bills and networking with other Directors.

Director Hanson requested that all out-of-state conferences be included on the agenda for approval. GM Bushee concurred and stated staff historically includes out-of-state conferences on the agenda for the Board's discussion.

Director Sullivan requested the Watereuse Symposium scheduled for September be added to the next Board meeting for discussion. GM Bushee indicated that that the Watereuse Symposium is on tonight's agenda. GM Bushee stated staff will add the Watereuse Symposium for discussion on the August/September Board meeting.

B. Overview of the Proposed Fiscal Year 2010 (FY 2010) Budget.

ASM LeMay stated that the FY 10 Personnel Budget has been reviewed by Human Resources Committee, and the Engineering Committee reviewed the Capital Budget. In addition, the Personnel Budget was reviewed by the Board of Directors at a Special meeting. ASM LeMay thanked the Committees and Board for their input and comments on the FY 10 Budget.

ASM LeMay presented an overview of the FY 10 Operating and Capital Budgets. Included in the presentation were the following:

- Main objectives of the FY 10 Budget
- FY 10 Budget revenue projections included a wastewater service increase from \$213.40 per year to \$234.74 per year
- Projected Wastewater, Batiquitos Pump Station, and Recycled Water Expenses
- Projected Administrative Services and Development Expenses
- Projected Capital Program Expenses

ASM LeMay noted that the Administration service costs have been allocated to the four programs and the Development Expenses have been included as a separate program because development pays for itself.

Throughout the presentation, staff answered the Board's questions relating to the FY 10 Budget.

GM Bushee stated that this item was presented for informational purposes and staff will include the FY 10 Budget on the June Board of Director's agenda for approval.

C. California Association Sanitation Agencies (CASA) Private Lateral Legislation Issue.

GM Bushee stated this item was included in the agenda for informational purposes. GM Bushee introduced Counsel Brechtel to present the subject. Counsel Brechtel stated that he served on CASA's Private Lateral Task Force and he provided background history for the purpose the Task Force and CASA's proposed Private Lateral legislation.

Counsel Brechtel stated staff is not in favor of CASA's sponsored legislation relating to private sewer laterals. Counsel Brechtel noted that attached to staff's memo is a sample letter from Central Contra Costa Sanitation District opposing the development of additional private lateral legislation. Counsel Brechtel stated that he and staff agree with the agency's view on this issue, and believe a similar letter to CASA from LWD is warranted.

GM Bushee stated that staff will draft a letter opposing the legislation and include a copy of the letter in the next Board meeting agenda packet.

This item was presented for informational purposes. No action was taken.

D. Site Improvement Project Status.

PM Morishita provided a PowerPoint presentation of the status for the Site Improvement Project. PM Morishita described the April change orders and noted that the change order percentage of the original contract cost will be 3.18%. PM Morishita also stated that the projected move in date is July 18, 2009.

E. Potential conflict between LWD Board meeting date and CASA Annual Conference on August 12-15, 2009.

GM Bushee presented the subject recommendation. GM Bushee stated that the CASA Annual Conference is scheduled for August 12 – 15, 2009, which is during same day and time of the District's regular Board meeting.

Following discussion, the Board of Directors moved the August 12, 2009 Regular Board meeting to Monday, August 10, 2009 at 5:00 p.m.

**13. Information Items**

A. NBC San Diego local news article "New Wastewater Facilities Near Completion."

GM Bushee briefly reviewed the article and showed the video that aired on NBC-7/39 at 4:30 pm on April 21, 2009.

B. North County Times news article "Leucadia Wastewater District marks 50<sup>th</sup> Anniversary."

C. Thank you letter from resident Brian Nixon to General Manager Paul Bushee.

GM Bushee stated he received a thank you letter from a resident relating to the lateral grant program. The letter specifically names staff members Tianne Baity and Frank Reynaga, but Frank indicated that Field Services staff members Keon Nelson and Jeff Stecker also helped Mr. Nixon with his lateral issue.

D. CSDA Media Advisory "\$15,000 in Scholarships Awarded."

GM Bushee noted staff wanted to share CSDA's scholarship press release.

E. CASA Annual Conference is scheduled for August 12 – 15, 2009 at the Hilton on Mission Bay San Diego.

Directors Hanson and Sullivan stated they would like to attend the conference.

F. 24<sup>th</sup> WateReuse Annual Symposium is scheduled for September 13 – 16, 2009 in Seattle, WA.

G. LWD Employee Luncheon is scheduled for Thursday, July 9, 2009 at 12:00 pm.

#### **14. Directors' Meetings**

- A. CWEA Conference was held at the Wyndham Palm Springs Hotel in Palm Springs from April 28 – May 1, 2009.

Directors Kulchin, Juliussen and Omsted attended the CWEA Conference. Vice President Juliussen stated that the District received the 2008 Statewide Collections System of Year award and Encina staff had a great presentation on the Asset Management Plan.

- B. CASA Spring Conference was held at the Marriott Napa Valley Hotel in Napa, CA from April 29 – May 2, 2009.

Directors Sullivan and Hanson attended the CASA Spring Conference.

- C. CSDA Legislative Days was held at the Sheraton Grand Hotel in Sacramento, CA from May 4 – 6, 2009.

Directors Sullivan and Hanson attended the CSDA Legislative Days Conference. Director Sullivan stated she appreciates going to this conference because Board members can meet with legislators to discuss upcoming legislative bills and updates. Director Sullivan stated the conference was a good conference this year. Director Hanson concurred.

- D. Watereuse Conference was held at the Hilton Waterfront Beach Hotel in Huntington Beach, CA from May 18 – 19, 2009.

Directors Sullivan, Omsted, and Juliussen attended the Watereuse Conference. Director Juliussen stated that this conference was technical. The Board members attended presentations by speakers from Singapore and Australia. Director Omsted stated the speaker from Australia indicated that Australia eliminated gray water. The Board members discussed the comparisons between other cities and states that are reusing wastewater and/or gray water.

#### **15. Comments, Questions or Requests by Directors**

Director Sullivan stated that the Community Affairs Committee (CAC) should be more involved in preparing for the Open House of the new building. Director Sullivan stated that a program should be developed and we should start developing the program soon. Director Hanson and President Kulchin stated that all Board members should be involved in developing the program for the Open House. Director Omsted suggested that the CAC meet first, and then staff will schedule a Special Board meeting to discuss the Open House.

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

The following items were reported:

- ❖ GM Bushee acknowledged Director Hanson for coordinating Red Flag training in which staff members Chuck LeMay, Maggie McEniry, Trisha Hill, and Tianne Baity attended.

- ❖ Keon Nelson and his wife had a healthy baby boy named Keon Jr. on April 26, 2009.
- ❖ Governor Schwarzenegger has indicated that the state may pass a proposition taking property taxes from Special Districts.

#### **17. General Counsel's Report**

Counsel Brechtel provided details on the proposition that may take property taxes from Special Districts.

#### **18. Closed Session**

- A. Meet with General Manager Bushee and Administrative Services Manager LeMay to discuss the FY 2010 Informal Input Process regarding employee compensation, as authorized under Government Code Section 54957.6

Counsel Brechtel stated that the Board of Directors met in closed session and took the following four actions:

1. Increased the employee salary ranges 3%
2. Approved the FY 10 employee salary ranges
3. Approved the merit pool for the individual incentive program at 8% (\$96,742)
4. Approved the merit pool for the organization incentive program at 3% (\$36,278)

No other actions were taken.

#### **19. Adjournment**

President Kulchin adjourned the meeting at 7:25 p.m.

  
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David Kulchin, President

  
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Paul J. Bushee  
Secretary/General Manager  
(SEAL)