

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 July 10, 2013

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, July 10, 2013 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

President Sullivan called the meeting to order at 5:03 p.m.

2. Roll Call

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Engineer Jeff Meyer with Dudek, CPA Richard Duffey with Brownell & Duffey, and Jamie Fagnant with Infrastructure Engineering Corp.

3. Pledge of Allegiance

4. General Public Comment Period

None.

5. Approval of Agenda

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

6. Presentations and Awards

GM Bushee stated the District did not receive any awards; however, yesterday he attended a Scripps event that honored Vice-President Kulchin and Ann Kulchin. He noted that the District received a poster Board that was left at the event. GM Bushee presented Vice-President Kulchin with the Board.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

June 12, 2013 Regular Board Meeting

June 26, 2013 Engineering Committee Meeting

8. Approval of Demands for June/July 2013

Payroll Checks numbered 16763-16811; General Checking – Checks numbered 44007-44139

9. Operations Report (A copy was included in the original July 10, 2013 Agenda)

10. Finance Report (A copy was included in the original July 10, 2013 Agenda)

11. Disclosure of Reimbursements Report for January through June 2013 (A copy was included in the original July 10, 2013 Agenda)

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

EWA and COMMITTEE REPORTS

12. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on June 26, 2013.

Director Juliussen reported on the June 26, 2013 EWA Board of Directors meeting.

B. Encina Member Agencies Manager's (MAM) Meeting was held on July 2, 2013.

GM Bushee reported that the MAM meeting was cancelled.

13. Committee Reports

A. Engineering Committee meeting was held on June 26, 2013.

Director Juliussen reported that the EC reviewed an agreement with Infrastructure Engineering Corporation for engineering design services for the Batiquitos Force Main (B2) Replacement Project in an amount not to exceed \$104,485.

He also reported that the EC reviewed Resolution No. 2237 – The Young Annexation.

He stated that the EC concurred with staff's recommendation on these items and they will be presented later in the agenda.

He also stated that the EC received an update on the Abedul and Persa Streets gravity line repair project.

ACTION ITEMS

14. Batiquitos Force Main (B2) Replacement Project Design Services.

Authorize the General Manager to execute an agreement with Infrastructure Engineering Corporation for engineering design services for the Batiquitos Force Main (B) Replacement Project in an amount not to exceed \$104,485.

TSM Morishita presented the item stating that it was reviewed by the EC on June 26th. TSM Morishita provided background information on the project and a brief summary of the previous pipeline condition assessment conducted in April 2011. He stated that based on the B2 force main failure on February 1, 2013, the evaluation of the force main sections did not provide an accurate condition assessment of the entire pipeline. He also noted that the B2 Force Main was installed in 1980 and that the District's AMP uses an estimated useful life of 25 years for metallic-based force mains. He indicated that the replacement of the B2 Force Main is a priority and that staff

determined that IEC's proposal was fair and reasonable. In addition, he stated that the FY 14 Budget includes funds to cover the design costs of the project.

Following discussion, and upon a motion duly made by Vice President Kulchin, seconded by Director Omsted and carried, the Board of Directors authorized the General Manager to execute an agreement with Infrastructure Engineering Corporation for engineering design services for the Batiquitos Force Main (B2) Replacement Project in an amount not to exceed \$104,485.

15. Resolution No. 2237 – Requesting LAFCO to Take Proceedings for the Young Change of Organization.

Adopt Resolution No. 2237- Requesting LAFCO to Take Proceeding for the Young Change of Organization.

Jeff Meyer with Dudek presented the item stating that the annexation includes four parcels totaling 1.34 acres. He noted the location of the properties and stated that an existing manhole for the homeowners to connect is nearby. He indicated that a private-sewer agreement amongst the four parcels will be required and filed with the District.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Juliussen, and carried, the Board of Directors adopted Resolution No. 2237 – Requesting LAFCO to Take Proceedings for the Young Change of Organization by the following vote:

AYES: Directors: Sullivan, Kulchin, Hanson, Juliussen, and Omsted
NOES: None
ABSENT: None
ABSTAIN: None

16. Resolution No. 2236 – Changing Employer Paid Member Contributions.

Adopt Resolution No. 2236 – Changing the Employer Paid Member Contributions to CalPERS.

ASM LeMay presented the item stating that CalPERS requires that the District file the Employer Paid Member Contributions (EPMC) amounts with them. He stated that in 2011, the Board approved Resolution No. 2219 that approved the EPMC percentage amounts. He indicated that at that time the District was paying 5% of the 8% employee contribution with the employees paying remaining 3%.

He stated that as of July 1st, the Board approved that the District would pay 3% of the 8% employee contribution and the employees would pay the remaining 5%. ASM LeMay indicated that this resolution will notify CalPERS that the District's share of the EPMC will be reduced from 5% to 3%.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Omsted and carried, the Board of Directors adopted Resolution No. 2236 – Changing the Employer Paid Member Contribution to CalPERS by the following vote:

AYES: Directors: Sullivan, Kulchin, Hanson, Juliussen, and Omsted
NOES: None
ABSENT: None
ABSTAIN: None

17. LWD Second Tier Post-Employment Benefit.

Adopt the California Public Employees' Pension Reform Act of 2013, as amended, as LWD's Second Tier (Tier II) CalPERS post-employment benefit.

ASM LeMay presented the item stating that it is an administrative item. He stated that CalPERS Pension Reform Act of 2013 (PEPRA) is requiring that Districts adopt the standard Second Tier benefit level authorized by the State or negotiate a new CalPERS contract with a custom Second Tier rate.

ASM LeMay provided a summary of the Tier II program. He noted that employees that are hired after January 1, 2013 are considered "new" members, if they have no prior PERS service within six months. He stated that the new members would be in the Tier II program.

Directors Omsted asked what if the Board does not adopt this program. ASM LeMay stated that the District would still have to follow the State's mandated program.

Director Juliussen asked if the District could change the retirement age requirement. GM Bushee stated that the District can customize a lesser benefit program, if the Board directed staff to do so.

Director Hanson inquired about hiring employees that were members of PERS. ASM LeMay provided answers to her questions.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Vice President Kulchin and carried, the Board of Directors adopted the California Public Employees' Pension Reform Act of 2013, as amended, as LWD's Second Tier (Tier II) CalPERS post-employment benefit.

18. Agreement with the City of Carlsbad for the Sale of Recycled Water.

Authorize the General Manager to execute Amendment No. 1 to the Agreement for the Sale of Recycled Water to the City of Carlsbad by the Leucadia Wastewater District.

GM Bushee presented this item stating that the recycled water agreement was provided as a handout. GM Bushee noted that subsequent to the posting of the agenda that a stand-alone agreement was preferable; therefore, the recommendation should be amended to reflect this. He stated that last month the Board approved a month-to-month recycled water agreement with La Costa Resort & Spa. However, he stated that the District was recently informed that the city of Carlsbad agreed to the terms of the proposed recycled water agreement.

GM Bushee provided a summary of the key terms of the agreement. He stated the term of the agreement is five years starting on August 1, 2013. He stated that the pricing is on a sliding scale basis, based on the actual quantity delivered. He also stated that Carlsbad and the District will split future rebates evenly for water that is delivered to the South course.

Director Kulchin inquired about the rebates that the city owes the District based on the previous agreement. GM Bushee stated the staff and the city agreed to split the rebates going back the statutory limit of four years. General Counsel Brechtel stated that the rebates were not expressly for the District. He noted that the structure of the rebate program is complicated. He also indicated that the District could have executed an agreement with La Costa, but the District would not receive any rebates.

Director Juliussen stated that he disagrees that the city of Carlsbad will receive half of the rebates. GM Bushee stated the agreement with the city is the preferred outcome when compared to the risks and costs associated with litigation. The Directors asked several questions relating to the terms of the agreement. GM Bushee and General Counsel Brechtel provided answers to their questions.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Vice President Kulchin and carried, the Board of Directors authorized the General Manager to execute an Agreement for the Sale of Recycled Water to the City of Carlsbad by the Leucadia Wastewater District.

19. CSDA Board of Directors 2013 Elections – Region 6 Seat B.

Review CSDA Board of Directors candidate statements, discuss and provide direction as appropriate.

EA Hill stated that the District received the CSDA Board of Directors 2013 Elections for Region 6. She noted the candidates' names and stated that their statements were included in the agenda. She indicated that staff has no recommendation.

President Sullivan stated that she is supporting William Nelson of Orange County Cemetery District, noting that he very active with Special Districts.

Upon a motion duly made by Director Omsted, seconded by Director Hanson and carried the Board of Directors cast their vote for William Nelson with the Orange County Cemetery District and directed staff to submit the ballot by the deadline.

20. Receive and file the Fiscal Year 2013 (FY 13) Tactics and Action Plan.

GM Bushee provided a brief summary of the completed tactics noting the highlights were updating the District's major planning documents and continuing the District's CCTV inspection program. He added that the District televised over 95 miles of the collection system, noting that this is a significant increase over past years.

Upon a motion duly made by Director Juliussen, seconded by Director Hanson and carried the Board of Directors received and filed the Fiscal Year 2013 (FY 13) Tactics and Action Plan.

21. Adopt the Fiscal Year 2014 (FY 14) Tactics and Action Plan.

GM Bushee presented this item noting the new format of the document that reflects the revised four Strategic initiatives. He provided a brief summary of the goals, noting some of the major tactics. He stated that this year staff will be revising the District's major policies, such as, the Human Resources Manual. In addition, one of the major projects include the replacement of B2 Force Main, along with replacing two of the District's major software programs; the financial software and the work management system software.

The Board of Directors reached a consensus to adopt the FY 14 Tactics and Action Plan.

INFORMATION ITEMS

22. Project Status Updates and Other Informational Reports

A. Update on upcoming conferences.

EA Hill stated that a summary of upcoming conferences was included in the agenda. She stated that the summary names the Board members and staff that will be attending the conferences. She asked the Board members to notify her of any changes.

Director Hanson asked about the seminar on direct potable reuse. GM Bushee stated that that seminar is an extension of the North County Recycled Water Project and the group is still coordinating the date of the seminar. He noted that staff will contact the Board members once a date is set.

B. Thank you letter from Timothy Baird, Superintendent of the Encinitas Union School District.

EA Hill announced that the District received a thank you letter from the Superintendent of the Encinitas Union School District for the Teacher Grants.

23. Directors' Meetings and Conference Reports

None.

24. General Manager's Report

General Manager Bushee reported on the following items:

- A handout titled "The Layperson's Guide to California Wastewater" was provided for the Board's information. It was prepared by the Water Education Foundation, sponsored by CASA.
- There will be a CSRMA seminar at the upcoming CASA conferences. He noted that Jeff Bills will be presenting at the seminar and that staff will RSVP for the Board members attending this event.
- A handout was provided which summarizes the Board's compensation and benefits.
- EA Hill prepared the Board's FFPC Form 470 for their review and signature. He asked the Board to provide their forms to EA Hill before they leave tonight.
- EA Hill announced that the Employee Luncheon is tomorrow at noon located at the Stagecoach Park in Carlsbad.
- He will be out of office from July 15th – July 22nd and TSM Morishita will be the Acting General Manager.

25. General Counsel's Report

General Counsel Brechtel reported the following:

- He is waiting on the revised Mitigation and Monitoring Program for the Statewide Collection System WDR from the Regional Board, noting that the Regional Board stated that the changes would be available in May.
- He provided a brief update on the CEQA Reform bill, which includes among other things, prohibiting late public comments on environmental documents and allows more flexibility to amend environmental documents without a complete resubmittal. He reported that CASA and CSDA have been providing their comments on these updates.

26. Board of Director's Comments

Director Juliussen complimented and thanked staff for the tour of the Batiquitos Pump Station that took place this afternoon.

27. Closed Session.


A. Personnel matters as authorized by Government Code Section 54957 to review General Manager Performance.

President Sullivan stated that the Board will meet in closed session per government code section 54957): to review the General Manager's performance.

Following closed session, General Counsel reported that the Board of Directors met in closed session and conducted the General Manager's performance review. The Board of Directors rated the General Manager's performance as excellent and approved a 3% salary increase and a \$3,000 bonus.

28. Adjournment

President Sullivan adjourned the meeting at 7:20 p.m.


Elaine Sullivan, President
Paul J. Bushee
Secretary/General Manager
(SEAL)