

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

April 9, 2014

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, April 9, 2014 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, Omsted, Hanson and Sullivan

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, District Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey, Field Services Supervisor Marvin Gonzalez, Field Services Technician In-Training Hugo Gonzalez, and Mrs. Melissa Barbano with El Camino Creek Elementary School

3. Pledge of Allegiance

President Kulchin led the pledge of allegiance.

4. General Public Comment Period

No public comment was received.

5. Approval of Agenda

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

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

6. Presentations and Awards**A. Teacher Grant Award**

EA Hill introduced Melissa Barbano with El Camino Creek Elementary School. She thanked the Board for the Teacher Grant that their school received from the District to help fund their water conservation project. She provided a brief overview of the project and presented a short video completed by the students working on the project.

The Board of Directors congratulated Mrs. Barbano and thanked her for attending the

meeting.

B. Achievement of Individual Objectives.

GM Bushee introduced Supervisor Marvin Gonzalez stating that he recently received his Collection System Maintenance Grade 4 certification from the California Water Environment Association. He also noted that this certification is the highest certification for the Collection System Maintenance certification program. He added that Marvin was eligible for a \$500 incentive award.

GM Bushee introduced FST In-Training Hugo Gonzalez stating that he recently received his Collection System Maintenance Grade I certification from the California Water Environment Association. He also presented background information about Hugo noting that he was eligible for a \$500 incentive award.

The Board of Directors congratulated Marvin and Hugo for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- March 10, 2014 Community Affairs Committee Meeting
- March 12, 2014 Regular Board Meeting
- April 2, 2014 Engineering Committee Meeting

8. Approval of Demands for February/March 2014

Payroll Checks numbered 17225-17284; General Checking – Checks numbered 45064-45189

9. Operations Report (A copy was included in the original April 9, 2014 Agenda)

10. Finance Report (A copy was included in the original April 9, 2014 Agenda)

Upon a motion duly made by Director Sullivan, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors approved the consent calendar by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

EWA and COMMITTEE REPORTS

11. Encina Wastewater Authority (EWA) Reports

- A. EWA Board Report – Meeting was held on March 26, 2014.

Director Sullivan reported on EWA's March 26, 2014 Board meeting.

B. Encina Member Agency Manager's Meeting was held on April 1, 2014.

GM Bushee reported on the Member Agency Managers (MAM) April 1, 2014 Meeting.

12. Committee Reports

A. Engineering Committee meeting was held on March 4, 2014.

Vice President Juliussen reported that the EC reviewed staff's recommendation to receive and file the Recycled Water Effluent Line Creek Crossing Project Preliminary Design Report completed by Infrastructure Engineering Corporation. He noted that this item will be reviewed by the Board later in the agenda.

He also reported that the EC received updates on the following projects:

- La Costa Pump Station Rehabilitation Project;
- Leucadia Pump Station Generator Project;
- Gravity Line Rehabilitation Project, and
- B2 Force Main Replacement project.

ACTION ITEMS

13. Rate Increase for General Counsel Services

General Counsel Brechtel presented the item stating that he has been working for the District for over ten years and enjoys working for the District. He stated that it has been approximately four years since the last increase for legal fees and he explained that the firm's overhead costs have increased since that time.

Vice President Juliussen stated that the proposed rate is very competitive, noting that EWA's legal fees are much higher. He stated it's fair that the Board approve the increase. Director Hanson agreed.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized a rate increase for General Counsel Services.

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

14. Board of Directors Compensation Adjustment

ASM LeMay presented this item indicating the Board's current stipend is \$180 and that the last

increase was during May 2012. He stated that the California Water code allows for a 5% increase each year, noting that there was an error in the Board memo indicated that the Board is allowed a 5% increase instead of 10% increase. He stated that if the Board agreed to increase their stipend, staff would prepare, notice and schedule a public hearing for the May 2014 regular Board meeting.

Director Hanson stated that based on the Board's stipend survey, the Board's compensation is higher than the average and that she is not in favor of an increase. Director Hanson motioned, seconded by Director Omsted, that staff not prepare, notice and schedule a public hearing to consider an adjustment in the Board of Directors compensation.

Director Sullivan stated that she believes that the District has been doing well and that the Board of Directors should keep up with inflation, noting that the Board has not denied staff's pay increases. She proposed a 5% increase in the Board's stipend.

Director Juliussen said that he disagreed with an increase. He stated that the position is part-time, indicating that they were either appointed/elected by choice. He stated that between the Board's current stipend and other benefits the Board is compensated fairly.

Director Sullivan indicated that the employees are not expected to work for many years and never receive a pay increase. The same should apply to the Board of Directors. She noted that if the Board members feel that they are fairly compensated, then they should be able to individually opt out of the increase.

Director Omsted stated that he agreed with Directors Sullivan and Juliussen, noting that politicians are under paid and it should be increased. However, at this time, he believes that the Directors should not receive an increase. President Kulchin agreed that now is not a good time for an increase in the Board's stipend, since they received an increase during 2012.

President Kulchin called for a vote, on the motion made by Director Hanson, seconded by Director Omsted, to not prepare, notice and schedule a public hearing to consider an adjustment in the Board of Directors compensation. The motion carried by the following votes:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	No

15. Leucadia Wastewater District Name Change Cost Analysis.

ASM LeMay presented this item stating that during the March Board meeting the Board discussed the idea of changing the District's name. He stated that after the Board's discussion, the Board directed staff to prepare a name change cost analysis and propose at least two potential names for the District. He presented the potential names and the name change cost analysis, noting that staff had used information from the 2003 name change. He added that by comparison, the South Bayside System Authority recently changed its name and their staff indicated that the name change cost was approximately \$100,000.

Director Omsted indicated that name change seems be a good idea; however, he didn't believe there is another name that would better fit the District.

Director Sullivan thanked the staff for the analysis. She stated that the costs seemed reasonable to provide a new message, adding that she believes we are in the water resources business. She also stated that she believes the District could provide more recycled water and that she liked the suggestions that staff proposed.

Director Hanson stated that the District is still in the wastewater business and we are not moving forward with providing water services at this time. She noted that changing the name of the District is pre-mature.

Director Juliussen agreed with Director Hanson, noting that he is proactive for direct and indirect potable services; however, wastewater service is what the District currently provides to its customers.

President Kulchin stated that he appreciates Director Sullivan's strategic and forward thinking, noting that he is not in favor of changing the District's name. He stated, based on the discussion, the majority of the Board members do not feel the need to change the District's name right now. No action was taken.

16. Adopt Resolution No. 2245 – Implementing the Brown Act Provisions.

EA Hill presented the item stating that the District is currently recognized as a District of Distinction and that it is due for renewal during August 2014. She stated that in order to receive this recognition, the District is required to first submit an application for the District Transparency Certificate of Excellence. She added that the Board's approval of this resolution is the last requirement for this certification. She noted that the District currently has a resolution implementing amendments to the Brown Act, but it is outdated and doesn't address the Brown Act as a whole.

Following discussion, upon a motion duly made by Director Hanson, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors adopted Resolution No. 2245 – Implementing The Brown Act Provisions by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

17. Receive and file the Recycled Water Effluent Line Creek Crossing Project Preliminary Design Report completed by Infrastructure Engineering Corporation.

TSM Morishita presented the item stating that the EC reviewed this item on April 2nd and that it is a FY 14 tactical goal. He provided background information on the recycled water effluent line and its current condition. He added that the line was not repaired earlier because the District was negotiating with the city of Carlsbad and did not have a longer term contract to provide recycled water. Now, that the District has an agreement, staff recommends repairing the line. He stated

that IEC has completed a preliminary design report that indicates their preferred method to repair the line along with other alternatives.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Sullivan, and unanimously carried, the Board of Directors received and filed the Recycled Water Effluent Line Creek Crossing Project Preliminary Design Report completed by Infrastructure Engineering Corporation by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

INFORMATION ITEMS

18. Project Status Updates and Other Informational Reports

- A. News article dated April 1, 2014 from www.digitaljournal.com "Encina Wastewater Authority Announces the PureGreen Garden to Showcase Crops Grown with Organic Nitrogen Fertilizer".

GM Bushee noted the article regarding EWA's PureGreen Demonstration Garden.

- B. News article dated March 24, 2014 from the San Diego Union Tribune "Agencies Slow to Release Private Emails".

GM Bushee noted that this article and the subsequent article are the outcome of the Union Tribune's recent email request.

General Counsel Brechtel also provided additional information on a past trial court case ruling, indicating that private email accounts are subject to the public request act if the account is used to discuss public business. However, recently the Court of Appeals reversed that case indicating that private email accounts are not subject to the public request act and that emails are not considered public records due to privacy issues.

- C. News article dated March 19, 2014 from the San Diego Union Tribune "Emails Purged Quickly at Some Agencies".

There was no discussion.

19. Directors' Meetings and Conference Reports

- A. The 2014 Watereuse Annual Conference was held at the Newport Beach Marriot Hotel on March 16-18, 2014.

All Directors attended this conference and each Director stated that the conference was well done.

Director Hanson stated that she attended the sessions on indirect and direct potable reuse. She noted the process was well described during the sessions.

Director Omsted reported on the session that he attended concerning San Diego's cost analysis for indirect potable reuse.

20. General Manager's Report

President Kulchin requested that the May 8, 2014 Special Board meeting be rescheduled to Tuesday, May 6, 2014. GM Bushee confirmed the meeting's date change.

EA Hill reported on the following items:

- CSDA Quarterly Dinner Meeting is scheduled for Thursday, May 15, 2014 at the Butcher Shop. She noted that the program includes the Teacher Grant presentations and to please RSVP to her by May 1, 2014.
- She sent an email to schedule executive photos sessions with Jeff Kaussabaum photography studio for the website photos.
- The Board of Directors' are due for their AB 1234 Ethics Training and AB 1825 Harassment Prevention training. She noted that she will send an email with training options that will include dates and times.

General Manager Bushee reported on the following items:

- This morning the District hosted a CWEA event called Wake-Up to Wastewater. He noted that there were approximately 30 attendees and that Superintendent Stecker presented an overview of LWD's CCTV Program.
- Staff sent a letter on Monday to Congressman Issa requesting support for continued funding of the State Revolving Fund (SRF). This was a handout.
- Staff had a second meeting the city of Carlsbad to discuss extending the recycled water agreement. He indicated that no decision was made during the meeting.
- LWD's new website is live and staff presented a brief preview of the website.

24. General Counsel's Report

Director Omsted stated that he had asked GM Bushee about additional information on the employee compensation discussions under the Brown Act.

General Counsel Brechtel reported on the Brown Act's regulations, indicating that the topic of employee compensation can be discussed during closed session as long as GM Bushee and ASM LeMay are designated as the Board's representatives before going into closed session.

Director Omsted asked if the law recognizes that a General Manager can be the designated representative. General Counsel Brechtel stated that the law does not prohibit a specific designated representative, such as a General Manager. He stated that during the closed session, the Board will provide guidance to the GM and ASM and they will provide information to staff. He added that the final action will be taken in open session and that the Director's vote will be announced as well.

25. Board of Director's Comments

Vice President Juliussen thanked staff for the agenda hard copy and the handout provided by President Kulchin. President Kulchin thanked the staff for hosting the CWEA Event. He suggested

that staff host an informal event for the Batiquitos Lagoon Foundation, informing them on District services.

26. Adjournment

President Kulchin adjourned the meeting at 6:09 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)


David Kulchin, President