

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting  
 January 14, 2015

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, January 14, 2015 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

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

**2. Roll Call**

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Engineer Steve Deering with Dudek, CPA Richard Duffey, Randy Pickering and Polly Jones with Pickering Insurances, Inc., and Richard Babbe with PFM

**3. Pledge of Allegiance**

President Juliussen led the pledge of allegiance.

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

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

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

**6. Presentations and Awards**

None.

**CONSENT CALENDAR**

**7. Approval of Board and Committee Minutes**

Minutes of the following meetings:

December 9, 2014 Investment & Finance Committee Meeting

December 10, 2014 Regular Board Meeting

January 6, 2015 Human Resources Committee Meeting

**8. Approval of Demands for December 2014/January 2015**

Payroll Checks numbered 17678-17732; General Checking – Checks numbered 46167-46289; Manager's Check no. 359

**9. Operations Report** (A copy was included in the original January 14, 2015 Agenda)

**10. Finance Report** (A copy was included in the original January 14, 2015 Agenda)

**11. Disclosure of Reimbursements**

This report discloses travel expense reimbursements for the month of December 2014. (A copy was included in the original January 14, 2015 Agenda)

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

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	<b>Aye</b>
<b>Vice President Omsted</b>	<b>Aye</b>
<b>Director Hanson</b>	<b>Aye</b>
<b>Director Sullivan</b>	<b>Aye</b>
<b>Director Kulchin</b>	<b>Aye</b>

**EWA and COMMITTEE REPORTS**

**12. Encina Wastewater Authority (EWA) Reports**

A. EWA Board Report – Meeting was held on December 17, 2014.

Director Sullivan reported on EWA's December 17, 2014 Board meeting.

Vice President Omsted congratulated Director Sullivan as being elected as EWA's Chair.

**13. Committee Reports**

A. Human Resources Committee (HRC) meeting was held on January 6, 2015.

Director Kulchin reported that the HRC reviewed staff's recommendation that the Board approve Resolution No. 2256 - Revised Human Resources Policy Manual. The HRC made a few revisions to the policy and staff agreed to make the suggested changes. The HRC agreed with staff's recommendation and this item will be discussed later in the agenda.

**ACTION ITEMS**

**14. Board of Directors' Voting Protocol**

General Counsel Brechtel presented the item stating that during the last Board meeting, Vice President Omsted mentioned a parliamentary procedure that may expedite Board meetings. He stated that the Robert's Rules of Order procedure is acceptable with non-controversial items such as the consent calendar; however, there are two other laws that the Board must follow on actions items, such as approval of Resolutions and Ordinances. He provided a summary of Senate Bill 371 and Water Code 30525, which require an affirmative vote on Resolutions, Ordinances and items of substantial meaning.

Vice President Omsted asked if there are no objections, then it's assumed that the minutes would reflect that all Board members voted "yes". GC Brechtel clarified that in order to comply with the current law the minutes need to reflect the Board member's votes.

President Juliussen stated that he will follow the protocol for voting on action items that calls for a motion and second prior to voting on an item.

**15. California Asset Management Program (CAMP) Individual Portfolio Program Status Report.**

ASM LeMay presented the item introducing Mr. Richard Babbe with PFM to provide the Board with LWD's CAMP Individual Portfolio Program Status Report. He noted this report is for information only and no action is required.

Mr. Babbe presented an overview of the economy, market trends and status of the CAMP Individual Portfolio. He indicated that the economy is recovering and there has been improvement compared to previous years. He also indicated that the interest rate drivers and longer-term investments have the higher yields. He noted that the rates are still below the 10 year average; however, he anticipates that the rates will continue to improve.

In addition, he provided a brief summary of the LWD's CAMP portfolio indicating that small modifications have been made in the CAMP portfolio.

Vice President Omsted asked a few questions relating to the Euro exchange and if PERS and STRS invest into LAIF. Mr. Babbe answered his questions.

President Juliussen asked why LAIF was not rated. Mr. Babbe stated the reasons why LAIF is not rated noting that LAIF is a safe and conservative pool and that a financial rating is not required.

This item was informational and no action was taken.

**16. Pickering Insurance Services Contract Extension for Benefit Brokerage Services**

Authorize the General Manager to execute a two-year extension to the Pickering Insurance Services Professional Services Agreement for as needed benefit brokerage services.

ASM LeMay presented the item stating that Pickering Insurance Services Professional Services Agreement will expire next month. He stated that this agreement is a no cost contract and that they have provided excellent service to staff. He noted that they had recently provided an overview of the Affordable Care Act to staff and at the Board's discretion; they are ready to provide the same presentation.

Director Kulchin thanked Polly for their services.

Upon a motion duly made by Director Sullivan, seconded by Vice President Omsted and unanimously carried, the Board of Directors authorized the General Manager to execute a two-year extension to the Pickering Insurance Services Professional Services Agreement for as needed benefit brokerage services by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	Aye
<b>Vice President Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye
<b>Director Kulchin</b>	Aye

**17. 2015 Board of Directors Committee Assignments.**

President Juliussen asked the Board members if they are satisfied with their committee assignments. There were no requests to change the committee assignments. President Juliussen stated that there are no changes to the committee assignments.

**18. Agenda Preparation**

President Juliussen stated that he had requested this item be added to the agenda for discussion. He stated that he believes that the Board President should be responsible for reviewing the agenda prior to the distribution of the agenda and that the District should have a formal policy regarding this matter.

The Board discussed the need for a written agenda preparation policy at length.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Omsted and carried, the Board directed staff to draft a written Agenda Preparation Policy for the Board's review during its February 2015 meeting by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	Aye
<b>Vice President Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye
<b>Director Kulchin</b>	No

**19. CA Public Employees Retirement System (CalPERS) Agency Review**

ASM LeMay presented the item indicating that the Board has previously reviewed this issue at a past meeting. He provided background information on the CalPERS Agency Review and their requirement that the pay scales must include the General Manager's salary.

Upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and carried, the Board of Directors adopted Resolution No. 2255 retroactively approving the pay schedules for all employee classifications for Fiscal Year 2013, Fiscal Year 2014, and Fiscal Year 2015 by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	Aye
<b>Vice President Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye
<b>Director Kulchin</b>	Aye

## 20. Board of Director's Compensation Adjustment.

ASM LeMay presented the item indicating that Director Kulchin requested this item be included in the agenda for discussion. He stated the date of the last Board stipend increase and that Water Code Section 20202 allows for a 5% adjustment per calendar year following the last adjustment. He noted that the Board is eligible for a 10% adjustment.

He stated that this item is for the Board to consider whether to direct staff to prepare and notice a public hearing to consider a Board adjustment.

Director Kulchin stated that the Board declined a stipend increase the last two years, and he motioned that the Board consider a 5% stipend increase. There was no second; therefore, the motion did not pass. Director Sullivan motioned that the Board consider a 10% stipend increase. There was no second and the motion did not pass.

Director Kulchin motioned that the Board consider a \$10 increase in the Board's stipend and was seconded by Director Sullivan.

The Board discussed this at length.

Following discussion, President Juliussen called for a vote that the Board consider a \$10 stipend increase and direct staff to prepare and notice for a public hearing. The Board members voted as follows:

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

Therefore, the motion did not pass and no public hearing will be noticed.

## 21. Amending the Human Resources Policy Manual

Adopt Resolution No. 2256 amending the Human Resources Policy Manual.

ASM LeMay presented the item stating the purpose and background of the HRPM. He provided a summary of the major revisions to the HRPM indicating that the changes will meet current federal and state laws. He noted that the Human Resources Committee (HRC) discussed the revised probationary period at its January 6<sup>th</sup> meeting.

Director Kulchin stated that the HRC agreed with the revised HRPM; however, he indicated that a one year probationary period seemed to be a long timeframe, noting that California is an "at will" state. He asked if an employee passed the probationary date, are they considered a permanent employee.

General Counsel Brechtel briefly explained the law indicating that even though we live in a "at will" state, employees who pass probation have due process rights. He explained the process the District should follow if an employee passes the probationary period versus not passing the probationary period. He also noted that the length of probation is a policy decision.

Vice President Omsted asked if the No Harassment language in the policy meets the current law. GC Brechtel confirmed that the policy was revised to meet the new law. Vice President Omsted commented on the sick leave donation section of the policy, indicating that an employee should be required to keep more than forty hours of their sick leave hours on the books. He suggested that an employee should donate to a pool.

ASM LeMay stated that no employee has used this program at LWD. GM Bushee also provided additional information about the program and provided an example of how the program would work.

Director Sullivan asked for clarification on the reason for the extended probationary period. ASM LeMay explained that the Field Services In-Training job requires that the employee pass certain certifications within one year and staff believes that it would be in the District's best interest to allow employees to obtain certifications before the end of the probationary period.

Upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and carried, the Board of Directors adopted Resolution No. 2256 amending the Human Resources Policy Manual by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	<b>Aye</b>
<b>Vice President Omsted</b>	<b>Aye</b>
<b>Director Hanson</b>	<b>Aye</b>
<b>Director Sullivan</b>	<b>Aye</b>
<b>Director Kulchin</b>	<b>Aye</b>

## **INFORMATION ITEMS**

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

None.

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

A. LAFCO Special District Advisory Committee Meeting was held on December 19, 2014.

Director Hanson reported that she attended the meeting and was appointed as LAFCO Special Advisory Committee's Vice Chair. GM Bushee noted that he attended the meeting as well and the committee reviewed and discussed the potential Fallbrook PUD and Rainbow Municipal Water District merge.

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

GM Bushee reported on the following items:

- The District has hired two new Field Services In-Training employees, named Ryan Rodriguez and Josh Flanders. He noted that they will attend the February Board meeting.
- The CWEA Annual Awards Banquet is scheduled for this Saturday and he will carpool from the District office at 4:30PM.

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

GC Brechtel reported on the Behested Payment Report of the Fair Political Practices Commission

(FPPC) requirement. He provided an example of what to report if an elected official solicited or requested payments for legislative, governmental or charitable purposes.

**26. Board of Director's Comments**

Director Kulchin stated that his meeting with Brent Ives went well and he is looking forward to the Strategic Planning Session.


Director Sullivan wished everyone a happy new year.

Vice President Omsted stated that his neighbor complimented Ian Riffel for his excellent work and customer service.

President Juliussen noted that he has received positive comments from residents about LWD's employees, indicating that LWD's staff is pleasant to work with. He noted that he is proud of the work that they provide to our customers.

**27. Adjournment**

President Juliussen adjourned the meeting at 6:13 p.m.



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Paul J. Bushee  
Secretary/General Manager  
(SEAL)



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Allan Juliussen, President