

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting and Public Hearing
 July 9, 2014

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, July 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, Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Engineer Mike Metts with Dudek, Rob Weber with IEC, and Bill Canepa with Wave Crest Oceanfront, LLC.

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 Sullivan, 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

None.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

June 11, 2014 Regular Board Meeting
 June 16, 2014 Investment & Finance Committee Meeting
 July 2, 2014 Engineering Committee Meeting

8. Approval of Demands for June/July 2014

Payroll Checks numbered 17371-17406; General Checking – Checks numbered 45444-45586; Voided

check 45579 (reissued)

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

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

11. Disclosure of Reimbursement Report for January through June 2014

Receive and file the Disclosure of Reimbursement Report for January through June 2014.

Upon a motion duly made by Director Sullivan, seconded by Director Omsted, 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

12. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on June 25, 2014.

Director Sullivan reported on EWA's June 25, 2014 Board meeting.

13. Committee Reports

A. Investment & Finance Committee was held on June 16, 2014.

Director Hanson reported that the IFC reviewed LWD's Integrated Travel Authorization and Expense Reimbursement Policy. She stated that the IFC directed staff as follows:

- Not to add the California Women's Lead Organization to the pre-approved list;
- Remove Special District Institute from the pre-approved list, as it is no longer in existence;
- Revise language that describes telephone calls and the use of personal cell phones; and
- Include the reimbursement of Wi-Fi under the miscellaneous reimbursement items.

In addition, the IFC directed staff to forward these sections of policy for further discussion and direction:

- Policy language that addresses overnight accommodations within a 50-mile radius;
- Policy language that addresses detailed reimbursement report be included in the monthly Board agenda packet; and
- Discuss Board's compensation on travel days.

This item will be reviewed by the Board of Directors later in the agenda.

B. Engineering Committee meeting was held on June 5, 2014.

Director Juliussen reported that the EC reviewed staff's recommendation to authorize the General Manager to execute an agreement with Infrastructure Engineering for the Gravity Pipeline Rehabilitation Project in an amount not to exceed \$48,841. He stated that the EC agreed with staff's recommendation and it will be reviewed by the Board later in the agenda.

The EC also reviewed the recommendation for the Batiquitos (B2) Force Main Replacement Project Mitigated Negative Declaration (MND) and Mitigation, Monitoring and Reporting Plan (MMRP) and to proceed with the Force Main alignment Option C. He stated that the EC agreed with staff's recommendations to adopt the MMRP and to proceed with alignment Option C installation of the B2 Force Main using the abandoned portion of southbound Carlsbad Blvd.

In addition, he stated that the EC received information and updates on the following:

- Potential amendment to the Wave Crest (Hilton) agreement pertaining to the B2 Force Main Replacement Project. He noted that the EC agreed with staff's recommendation to present the amendment to the agreement and it will be reviewed later in the agenda;
- Leucadia Generator Replacement Project; and
- The Recycled Water Effluent Line & Creek Crossing Repair Project.

PUBLIC HEARING

14. Public Hearing to consider the following:

- A. A Proposal to Adopt the Mitigated negative Declaration and Mitigation, Monitoring and Reporting Plan for the Batiquitos (B2) Force Main Replacement Project.

President Kulchin opened the public hearing.

TSM Morishita stated the purpose of the public hearing noting that staff published the notice in the San Diego Union Tribune, Coast News, LWD's website and a Notice of Intent was mailed to residents that reside within 500 feet of the proposed project.

There were no comments. President Kulchin closed the public hearing.

ACTION ITEMS

15. Batiquitos (B2) Force Main Replacement Project

Adopt the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Plan for the Batiquitos (B2) Force Main Replacement Project; and authorize staff to proceed with project alignment Option C, using the abandoned portion of southbound Carlsbad Blvd., for the installation of the replacement B2 Force Main.

TSM Morishita presented the item stating background information on the project noting that the project required that the District follow the California Environmental Quality Act (CEQA) process. He provided a summary of IEC's assessment of the project's environmentally sensitive areas which led to the development of a Mitigated Negative Declaration (MND). He also presented the results of the MND which included three B2 alignment options to address the environmental sensitive areas. He stated that Option C is the preferred alignment because it avoids the environmental sensitive areas, it relocates the line

away from residential development and the Hilton and it reduces traffic control requirements. In addition, he stated that by implementing Option C for the B2 alignment, this will mitigate the concerns raised in the MND comments.

Director Hanson asked if there were increased costs associated with the CEQA process. TSM Morishita answered that the CEQA process did increase cost; however, by choosing Option C for the B2 alignment it would save the District funds overall.

Following discussion, upon a motion duly made by Vice President Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Plan for the Batiquitos (B2) Force main Replacement Project and authorized staff to proceed with project alignment Option C by the following vote:

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

16. Amendment to the Agreement with Wave Crest Oceanfront, LLC Pertaining to the Batiquitos (B2) Force Main Replacement Project.

TSM Morishita presented the item stating that the EC reviewed this item at its July 2, 2014 meeting.

He stated that based on the previous discussion and action, the Wave Crest agreement included the relocation of the B3 line, along with B1 and B2; however relocation of the B3 line is not operationally necessary. He stated that staff notified Wave Crest to inform them of the preferred modified alignment and they stated if Option C was approved they would prefer not to relocate the B3 line at this time. He noted that Wave Crest will still provide the agreed upon \$220,000 funding and staff agreed to amend the original agreement to state that when the B3 Force Main requires replacement it would still be relocated away from the Hilton property.

Mr. Bill Canepa with Wave Crest Oceanfront, LLC stated that this agreement is a win-win for both parties and that the project will cost less for the District by choosing Option C. He indicated that it is not necessary to move the B3 line at this time and that he is pleased with the agreement.

Upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute Amendment 1 to the Agreement with Wave Crest Oceanfront, LLC, owners of Hilton Carlsbad Oceanfront Resort & Spa, to postpone the realignment of Batiquitos (B3) Force Main contingent upon prior approval to realign the B1 and B2 Force Mains west of Highway 101 by the following vote:

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

17. Review LWD's Integrated Travel Authorization and Expense Reimbursement Policy.

ASM LeMay presented the item and provided background information on the policy. He stated that the IFC reviewed the policy at its June 16, 2014 meeting and that they recommended that staff present several policy revisions to the Board, along with sections that required further discussion by the Board.

He presented the sections that the IFC recommended for discussion. The Board of Directors discussed the following policy sections in detail and directed staff to make the following revisions and/or changes:

A. Reimbursements paid by LWD shall be reported monthly to the Board (Policy Section 2 (h))

Director Hanson requested that reimbursements paid by LWD shall be reported monthly to the Board, with specific information such as the payee, the amount and a description of the expenses.

GM Bushee noted that reimbursements paid by LWD are included in the monthly demands, along with the Reimbursement Disclosure report provided to the Board every six months. Staff believed these reports satisfied the monthly report stated in the policy.

The Board discussed this item at length and directed that staff prepare a monthly detailed report and include it in the Board agenda. GM Bushee agreed that staff will prepare a separate detailed report.

B. List of Pre-approved Organizations and Associations hosting Conferences and Seminars (Policy Section 3 (a) and (b))

ASM LeMay stated that the IFC recommended that the Special District Institute listed as a pre-approved agency be removed from the list since the organization is no longer active. He also noted that the IFC agreed not to add the California Women Lead to the approved list, since their meetings are sporadic.

President Kulchin suggested that additional language be included in the policy that states Directors can attend meetings/events in emergencies situations that are not pre-approved at their discretion and that the Board can approve the reimbursements after the meeting/event.

Counsel Brechtel stated that this section was included in the policy due to the requirement of AB 1234. He noted that is not unreasonable to attend a meeting without prior approval, as long as the Board approves reimbursement after the meeting. He noted that this language can be added to the policy. The Board agreed with IFC recommendations and directed staff to make those revisions.

C. Overnight accommodations for multi-day conference within a 50-mile radius of LWD may be reimbursable on a case-by-case basis, considering specific factors (Policy Section 5 (b))

ASM LeMay addresses Policy Section 5 (b) regarding approval of overnight accommodations within a 50-mile radius.

Director Omsted suggested that this section be updated. He stated that the Board attends conferences in San Diego which is less than the 50-mile radius, indicating the mileage amount may need be to changed.

Director Sullivan stated that this section of the policy is reasonable since it addresses specific factors that allow Directors to be reimbursed for the overnight accommodations. She suggested that no

changes be made to this section of the policy. The majority of the Board members agreed.

Director Hanson stated that another issue that was discussed during IFC meeting was that the Directors receive a stipend for the travel days going to and from a conference. She indicated that Directors shouldn't receive a stipend for the day that a Director travels to a conference within the 50-mile radius, such as San Diego. President Kulchin indicated that if they are taking their personal time to prepare for an early meeting the following day, that they should receive a stipend. The majority of the Board members agreed.

D. Reimbursement of Miscellaneous Expenses (Policy Section 7 (a) and (b))

ASM LeMay presented IFC's recommendations to this section of the policy, noting that internet cost was added to the list. The Board of Directors concurred with the revisions to this section of the policy.

ASM LeMay stated that staff will make the recommended changes and a revised policy will be included in the August Board agenda.

18. CSDA Board of Directors 2014 Elections – Region 6, Seat C

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

EA Hill stated that during the March Board meeting, the Board of Directors nominated Director Sullivan to run for the CSDA Board of Directors Region 6, Seat C. She stated that the District recently received the ballot for the Board to vote for one of the candidate. She noted that staff will submit the ballot by deadline date.

Upon a motion duly made by Director Omsted, seconded by Director Juliussen, and unanimously carried, the Board of Directors voted for Director Sullivan for the CSDA Board of Directors 2014 Election Region 6, Seat C by the following vote:

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

19. Receive and file the Fiscal Year 2014 (FY 14) Tactics and Action Plan.

GM Bushee presented the item stating that at the conclusion of the each fiscal year the Board receives and files the action plan. He summarized the FY 14 tactical goals and noted that a number of additional goals were also achieved.

Upon a motion duly made by Director Omsted, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors received and filed the Fiscal Year 2014 (FY 14) Tactics and Action Plan by the following vote:

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

20. Adopt the Fiscal Year 2015 (FY 15) Tactics and Action Plan.

GM Bushee presented the item stating that staff developed the FY 2015 Tactics and Action Plan and categorized the goals according to the District's four Strategic focus areas. He highlighted the major tactics in the report, noting that the plan includes over 40 tactics.

Upon a motion duly made by Vice President Juliussen, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted the Fiscal Year 2015 (FY 15) Tactics and Action Plan by the following vote:

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

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

None.

22. Directors' Meetings and Conference Reports

None.

23. General Manager's Report

- Director Juliussen requested that a presentation regarding EWA's south parcel issues be added to the August Board agenda. He noted it will be an open session item.
- The District received another Public Records Request for the most recent Disclosure of Reimbursement report. He stated that staff provided them with the report.
- He will be on vacation beginning on Friday, July 11th and returning Monday, July 21st. He added that ASM LeMay will be the Acting General Manager.

24. General Counsel's Report

General Counsel Brechtel reported on a recent Court of Appeals case that determined if personal devices such as cell phones/iPads were used to conduct business the information in the devices were not considered public records. However, the Supreme Court pulled this case to review the court's decision. He indicated that if the Supreme Court reverses their decision then information on personal devices used for business may be considered public records.

25. Board of Director's Comments

Director Sullivan suggested that DE Deering should receive an appreciation award for his great idea on the B2 Force Main project. She stated that the project may be submitted for an award.

President Kulchin congratulated staff and DE Deering for their excellent work on the B2 Force Main project.

GM Bushee agreed that the B2 Force Main project will be submitted for an award.

26. Closed Session

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

The Board of Directors met in closed session. General Counsel Brechtel reported that the Board of Directors reviewed GM Bushee's performance. He stated that it was an overall excellent performance. He indicated that no other action was taken during closed session.

The Board then reviewed the General Manager's compensation in open session.


Upon a motion duly made by Director Sullivan, seconded by Director Omsted, and carried, the Board of Directors approved a 5% salary increase from \$193,967.86 to \$203,666.25 by the following vote:

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

27. Adjournment

President Kulchin adjourned the meeting at 6:50 p.m.


David Kulchin, President


Paul J. Bushee
Secretary/General Manager
(SEAL)