

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting and Public Hearing
 June 11, 2014

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, June 11, 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 5:01 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, Executive Assistant Trisha Hill, District Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey; John Pastore, member of the public

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

PUBLIC HEARING

6. Public Hearing to consider the following:

- A. To Consider Increasing the District's Wastewater Service Charge for Fiscal Year 2015 – Fiscal Year 2017 at the proposed rates:

Fiscal Year	Annual Rate
2015	\$284.04
2016	\$312.44
2017	\$343.68

President Kulchin opened the public hearing for comments.

GM Bushee presented the item stating that the District followed the Proposition 218 requirements, adding that the District received eight opposition letters on the proposed rate increase. He noted that the eighth letter was received on June 10, 2014 and it was provided as a hand-out. He stated that he had prepared an overview of the rate increase. However, since there was no public it was at the Board's discretion whether he present the information or not.

The Board of Directors reached consensus to forego the proposed rate increase presentation.

No public comments were provided. President Kulchin closed the public hearing.

ACTION ITEM

7. Wastewater Service Charge Adjustment

Adopt Ordinance No. 130 adjusting the District's Wastewater Service Charge for Fiscal Years 2015-2017.

Upon a motion duly made by Director Omsted, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Ordinance No. 130 adjusting the District's Wastewater Service Charge for Fiscal Years 2015-2017 by the following vote:

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

GM Bushee excused himself from the meeting to attend to a personal matter.

CONSENT CALENDAR

8. Approval of Board and Committee Minutes

Minutes of the following meetings:

May 16, 2014 Regular Board Meeting
June 5, 2014 Engineering Committee Meeting

9. Approval of Demands for May/June 2014

Payroll Checks numbered 17328-17370; General Checking – Checks numbered 45359-45443

10. Operations Report (A copy was included in the original June 11, 2014 Agenda)

11. Finance Report (A copy was included in the original June 11, 2014 Agenda)

12. Establishing an Appropriations Limit of the LWD for FY 15

Adopt Resolution No. 2249 – Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2015 (July 1, 2014 – June 30, 2015) Pursuant to Article XIII (B) of the California Constitution.

Upon a motion duly made by Vice President Juliussen, 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

13. Encina Wastewater Authority (EWA) Reports

- A. EWA Board Report – Meeting was held on May 28, 2014.

Director Sullivan reported on EWA's May 28, 2014 Board meeting.

14. Committee Reports

- A. Engineering Committee meeting was held on June 5, 2014.

Director Juliussen reported that the EC received updates on the following projects:

- Asset Management Plan Implementation – Gravity Pipeline Replacement Procedure;
- Gravity Line Rehabilitation Project – Notice of Completion; and
- B2 Force Main Replacement project.

ACTION ITEMS

15. Adopt the Fiscal Year 2015 (FY 2015) Budget

ASM LeMay presented the item stating that the Board reviewed the recommended FY 15 budget at their Special Board meeting on May 6, 2014. He stated that during the meeting, the Board directed staff to finalize the budget. He noted that since the meeting, staff revised the budget to include an additional \$1.3 million in the Capital Budget under the Recycled Water Program to fund the relocation of the B1 recycled water line within the same trench as the B2 sewer main line. He added that the Engineering Committee reviewed and concurred with this approach at its June 5th meeting.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted the FY 2015 Leucadia Wastewater District budget by the following vote:

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

PUBLIC HEARING

16. Public Hearing to consider the following:

- A. A proposal to consider collecting the District's Wastewater Service Charge for Fiscal Year 2015 on the San Diego County Tax Roll.

President Kulchin opened the public hearing for comments.

ASM LeMay presented the item and explained the benefits of collecting the wastewater service charge on the San Diego County Tax Roll, indicating that staff proposes to continue collecting the charge on the tax roll.

No public comments were provided. President Kulchin closed the public hearing.

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

ACTION ITEMS

17. Collection of Wastewater Service Charges on the County Tax Roll for FY 2015.

Adopt Resolution No. 2246 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2014 – June 30, 2015.

Upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2246 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2014 – June 30, 2015 by the following vote:

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

18. Unrepresented Employees Salary and Benefits Resolution.

Adopt Resolution No. 2247 - Setting Forth Salaries, Benefits and other Working Conditions for Unrepresented Employees for the Period July 1, 2014 to June 30, 2015.

ASM LeMay presented the item stating that LWD employees are not formally organized and are considered unrepresented and stated the purpose of the resolution. He added that this Resolution is the District's first Resolution that will reinforce employees' salaries and benefits. In addition, he stated that as a result of the CalPERS audit, they required that the District adopt a resolution explaining all employees' salaries and benefits.

He noted that the salaries and benefits described in the resolution were presented to the Board at their May 6, 2014 Special Board meeting.

He also summarized the following key items in the Resolution:

- No cost of living adjustment was authorized;
- There was a 1.5% range adjustment in the salary ranges;
- Revised language from the HRPD regarding the sick leave buy-back was included; and
- CalPERS requirement to include uniform allowance language for classic employees.

Following discussion, upon a motion duly made by Vice President Juliussen, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2247 – Setting Forth Salaries, Benefits and other Working Conditions for Unrepresented Employees for the Period July 1, 2014 to June 30, 2015 by the following vote:

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

19. Approving the Recommended Encina Wastewater Authority FY 15 Budgets

Adopt Resolution No. 2248 – Approving the Recommended Encina Wastewater Authority (EWA) Fiscal Year 2015 (FY 15) Operating and Capital Budgets.

ASM LeMay presented the item stating that staff recommends approving the EWA FY 15 Budget. He noted the Operating and Capital Budget amounts.

Upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2248 – Approving the Recommended Encina Wastewater Authority (EWA) FY 15 Operating and Capital Budgets by the following vote:

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

At this time, a member of the public, John Pastore joined the meeting. President Kulchin stated that after discussion of item no. 20, he can provide his public comment.

20. Public Information Services Task Order No. 4

Authorize the General Manager to execute Task Order No. 4 to the TRG & Associates Public Information Services Agreement in an amount not to exceed \$50,000.

ASM LeMay presented that item stating background information on TRG's contract. He noted the purpose of the Task Order No. 4 and that the work order lists the District's annual public outreach activities that will be covered in this task order. He stated that staff recommends that the Board approve TRG & Associates Task Order No. 4.

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 Task Order No. 4 to the TRG & Associates Public Information Services Agreement in an amount not to exceed \$50,000 by the following vote:

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

At this point in the meeting, a member of the public, John Pastore, arrived at the meeting. The Board agreed to allow Mr. Pastore to speak. Mr. Pastore stated that he supported the proposed rate increase, noting that the District has kept the rates low for a number of years. He stated that he is proud to be a rate payer of District and that he appreciates the Board and staff for their work.

Vice President Juliussent thanked Mr. Pastore for attending the meeting and supporting the Board's decision.

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

A. Gravity Pipeline Rehabilitation Project – Project Completion.

TSM Morishita reported that the Gravity Pipeline Rehabilitation Project was completed on May 28, 2014 and provided a brief summary of the completed work. He stated that final project cost was \$403,344.93, which included two change orders totaling \$26,653.93 or 7% of the original contract amount. He noted that staff filed the Notice of Completion with the County of San Diego on June 3, 2014.

Director Omsted asked if this project would be a yearly process. TSM Morishita replied yes and that staff has developed a process to annually prioritize the replacement of gravity lines and manholes as part of the Asset Management Plan Implementation.

- B. LWD 2014 Employee Luncheon is schedule for Thursday, July 10, 2014.

EA Hill announced the date and location of 2014 Employee Luncheon.

- C. Carlsbad Chamber of Commerce State of the City Luncheon is scheduled for Friday, August 22, 2014 from 11AM to 1:30PM at the Sheraton Carlsbad Resort & Spa.

President Kulchin stated that the State of the City Luncheon conflicts with the CASA's Annual Conference.

- D. Letter to Legislators regarding support funding for the recycled water programs in the water bond.

EA Hill stated that at the request of the North San Diego County Recycled Water Group, staff prepared and sent the letter enclosed in the agenda to legislatures requesting that \$1 billion of the water bond be dedicated to recycled water grant programs.

Director Juliussen suggested that the LWD Board President sign letters to legislatures. ASM LeMay indicated that GM Bushee signed the letters due to the short time constraint. He added that staff will inform GM Bushee on his request.

22. Directors' Meetings and Conference Reports

- A. The 2014 CSDA Legislative Days Conference was held at the Sacramento Convention Center on May 19-21, 2014 in Sacramento, CA.

Director Sullivan reported that she attended both the CSDA and CASA Legislation conferences. She stated that CASA's conference was more organized than CSDA's conference. She also noted that the legislatures asked for local politicians to invite them to their award ceremonies or other important events. She added that they would like for local politicians to contact them and keep them informed on local issues.

Director Hanson commented on the panel sessions that she attended.

23. General Manager's Report

- TSM Morishita reported President Obama signed the Water Resources Reform and Development Act (WRRDA) of 2014 yesterday. He stated that this is another resource that the San Diego County Recycled Water Group can apply for federal funding.
- ASM LeMay congratulated President Kulchin for being recognized as Carlsbad's Citizen of the Year and said staff was pleased to be in attendance at the City's event.

24. General Counsel's Report

None.

25. Board of Director's Comments

Director Juliussen thanked staff for doing a great job and Steve Deering for his contributions at the Engineering Committee meetings.

President Kulchin thanked staff for their preparation for tonight's public hearing. He suggested that in future the Board may consider smaller percentage increases each year instead of the three years on and three years off.

26. Adjournment

President Kulchin adjourned the meeting at 5:35 p.m.



David Kulchin, President



Paul J. Bushee
Secretary/General Manager
(SEAL)