

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

June 8, 2016

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, June 8, 2016 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Richard Duffey, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Tianne Baity, Administrative Services Supervisor Trisha Hill, District Engineer Steve Deering, Rob Weber of Infrastructure Engineering Corporation, and Lisa Rodman of Agua Hedionda Lagoon Foundation

3. Pledge of Allegiance

President Omsted led the pledge of allegiance.

4. General Public Comment Period

President Omsted stated that one speaker slip was received from Lisa Rodman of Agua Hedionda Lagoon Foundation (AHLF).

Ms. Rodman stated the purpose of her attendance was to thank the District for their support of the 2016 World Water Day Tip Top Run. Ms. Rodman then presented the District an engraved thank you stone from the AHLF.

The Board of Directors thanked Ms. Rodman for attending the meeting.

5. Approval of Agenda

President Omsted asked the Board of Directors if there were any objections to the approval of the agenda, and seeing none, the Board approved the agenda by the following vote:

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

6. Presentations and Awards

None.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

May 10, 2016 Community Affairs Committee Meeting
May 11, 2016 Regular Board Meeting
May 23, 2016 Community Affairs Committee Meeting
May 24, 2016 Special Board Meeting
June 1, 2016 Engineering Committee Meeting

8. Approval of Demands for May/June 2016

Payroll Checks numbered 18571-18627; General Checking – Checks numbered 48281-48386.

9. Operations Report (A copy was included in the original June 8, 2016 Agenda)

10. Finance Report (A copy was included in the original June 8, 2016 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of May 2016.

12. Establishing an Appropriations Limit of the LWD for Fiscal Year 2017 (FY17)

Adopt Resolution No. 2279 Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2017 (July 1, 2016 to June 30, 2017) Pursuant to Article XIII (B) of the California Constitution.

President Omsted, referring to the Approval of the Demands, asked staff about the use of solar panels at the Batiquitos Pump Station. TSM Morishita explained that last year LWD changed the electrical rate with SDG&E to a lower rate structure. The new rate structure requires that LWD reduce kWh power consumption at the Batiquitos Pump Station and the solar panels will help achieve this. TSM Morishita noted that the solar panel installation should be completed by the end of June or early next month.

President Omsted asked what the electrical savings will be annually with the new solar panels. TSM Morishita stated the monthly savings are a little over \$5,300 and about \$53,000 over the last 10 months compared to the previous year. He noted that the soft costs for installation of the solar panels is about \$20,000 - \$24,000 and that the solar panels should be paid off in about 5 months.

President Omsted, referring to the Operation Report, also inquired about the amount of CCTV inspections in the past few months. FSSup Stecker stated that the field services staff hasn't changed procedure but during March field services staff had projects and events that reduced the amount of hours spent on CCTV inspections. FSSup Stecker noted the following projects and events:

- field services staff spent six days hydro-cleaning on Rancho Santa Fe Road;
- field services staff participated in confined space training with the Carlsbad Fire Department at the Leucadia Pump station overflow basin;
- field services staff conducted two public tours of the District facilities; and
- three field services staff members attended a California Water Environment Association (CWEA) Workshop.

FSSup noted that the monthly target mileage for CCTV Inspections is 6.6 miles per month.

President Omsted asked the Board of Directors if there were any objections to the approval of the Consent Calendar, and seeing none, the Board approved the Consent Calendar by the following vote:

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

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

- A. EWA Board Report – Meeting was held on May 25, 2016.

Director Sullivan reported on EWA's May 25, 2016 Board meeting.

- B. An EWA Member Agency Manager's (MAM) Meeting was held on June 7, 2016.

GM Bushee reported on EWA's MAM June 7, 2016 meeting.

14. Committee Reports

- A. Community Affairs Committee (CAC) meeting was held on May 23, 2016.

Director Sullivan reported that the CAC reviewed and commented on the draft layout of the 2016 spring newsletter. Rising Tide Partners (RTP) will make the recommended changes.

The CAC directed staff to move forward with the production of the newsletter and forward the final to the Board for their review prior to printing.

Director Sullivan also reported that the LWD logo has been revised based on the Board's recommendations from the May 11, 2016 Board meeting.

The CAC agreed on Updated Logo 1 and directed staff to forward to the remainder of the Board for comment. If no comments were received LWD could begin using the new logo on its publications.

- B. Engineering Committee (EC) meeting was held on June 1, 2016.

Director Kulchin reported that the EC reviewed the following recommendations:

- Adopt Resolution No. 2278 revising the Leucadia Wastewater District's Standard Specifications and Procedures for Wastewater Facility Projects; and
- Project updates on the Saxony Pump Station Rehabilitation Project and the Scott's Valley Pipeline Rehabilitation Project.

Director Kulchin noted that the EC agreed with staff's recommendation on the adoption of Resolution No. 2278 revising the Leucadia Wastewater District's Standard Specifications and Procedures for Wastewater Facility Projects and this item will be reviewed later in the agenda.

OLD BUSINESS

15. Adopt the Fiscal Year 2017 (FY17) Budget.

ASM Duffey presented the item stating that the Board reviewed the recommended FY17 Budget at their Special Board meeting on May 24, 2016. He stated that during the meeting, the Board directed staff to finalize the budget. He stated that staff recommends that the Board adopt the FY17 Budget.

The Board discussed the FY17 Budget. Vice President Hanson stated that she agreed with the overall budget but had concerns with the personnel component of the budget. Director Kulchin asked about the frequency of changes to the salary grades. GM Bushee indicated that FY17 Budget provides an overall spending plan for the District and that the Salary and Benefits Resolution included under Item No. 18 of tonight's agenda provides for the approval of the specific personnel related items including the salary grades. GM Bushee suggested that the personnel items be discussed under Item No. 18. The Board agreed.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted the FY17 Budget by the following vote:

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

PUBLIC HEARING

16. Public Hearing to consider the following:

A proposal to consider collecting the District's Wastewater Service Charge for Fiscal Year 2017 on the San Diego County Tax Roll.

President Omsted opened the public hearing for comments. There were no public comments. President Omsted closed the public hearing.

ACTION ITEMS

17. Collection of Wastewater Service Charges on the County Tax Roll for Fiscal Year 2017 (FY17)

Adopt Resolution No. 2275 Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2016 – June 30, 2017.

ASsup Hill presented this item noting that there were no public comments received. She stated that the District has been collecting wastewater service charges on the tax roll since 1979. She noted that the FY17 sewer service rate will be \$343.68 per year per equivalent dwelling unit (EDU). She stated that staff recommends that the Board adopt Resolution No. 2275 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2016 – June 30, 2017.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and unanimously carried, the Board of Directors adopted Resolution No. 2275 – Adopting and Approving

the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2016 – June 30, 2017 by the following vote:

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

18. Unrepresented Employees Salary and Benefits Resolution

Adopt Resolution No. 2276 setting forth salaries, benefits and other working conditions for unrepresented employees for the period July 1, 2016 to June 30, 2017.

ASM Duffey presented the recommendation noting that LWD employees are not formally organized and are considered unrepresented. ASM Duffey stated that staff the Salaries and Benefits Resolution was developed consistent with the Board's direction at the May 24th Special Board Meeting.

The Board discussed the proposed resolution. Director Kulchin asked if this resolution includes the salary range adjustment. ASM Duffey replied affirmatively. Director Kulchin stated that he supports the salary range adjustment included in the proposed resolution, however he suggested that in future years, the District should assess whether or not a salary range adjustment is warranted every year.

Vice President Hanson stated that she was concerned with the salary survey process utilized by the District. Vice President Hanson added that she did not understand how the position comparisons included in the salary survey were determined. GM Bushee responded that the position comparisons were established during a full compensation study conducted by Rewards Strategy Group (RSG) in 2008. RSG determined the comparative positions for the 17 public agencies in the study by reviewing all relative job descriptions. GM Bushee stated that the compensation study including the District's compensation target of 10% above the average was approved by the Board as part of the FY09 Budget process. GM Bushee added that staff updates the compensation data using the same positions every year to determine how the District is tracking with its target objective.

Vice President Hanson stated that she still has concerns with compensation analysis process. President Omsted suggested having a Human Resources Committee (HRC) Meeting to review employee salaries and benefits prior to next year's Special Board Meeting to review the budget. Staff and the Board concurred with this approach.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Juliussen, and carried, the Board of Directors adopted Resolution No. 2276 - Setting Forth Salaries, Benefits and other Working Conditions for Unrepresented Employees for the Period July 1, 2016 to June 30, 2017 by the following vote:

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

19. Approving the Recommended Encina Wastewater Authority Fiscal Year 2017 (FY17) Budget
Adopt Resolution No. 2277 Approving the Recommended Encina Wastewater Authority (EWA) FY17 Operating and Capital Budgets.

ASM Duffey presented the recommendation to approve the EWA FY17 Budget. He noted the Operating Budget is approximately \$15M and the Capital Budget is approximately \$13M. He noted the District's share of the operating cost is approximately \$1.9M which is slightly less than the prior year.

Director Kulchin asked what percentage is LWD's ownership at EWA. ASM Duffey answered his question stating LWD's ownership percentage is 16.8%. ASM Duffey explained that EWA costs are allocated to the members based on ownership and usage. He also explained that the EWA budgeted amounts include both joint facilities and non-joint facilities and that LWD only shares in the joint facility expenditures.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Kulchin, and unanimously carried, the Board of Directors adopted Resolution No. 2277 – Approving the Recommended Encina Wastewater Authority (EWA) FY17 Operating and Capital Budgets by the following vote:

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

20. Approving Leucadia Wastewater District's Standard Specifications and Procedures for Wastewater Facility
Adopt Resolution No. 2278 revising the Leucadia Wastewater District's Standard Specifications and Procedures for Wastewater Facility Projects

DE Deering presented staff's recommendation and gave a background on the history of the Standard Specification (Spec) book. He presented an overview of the Standard Spec and explained how the "Greenbook" (Standard Specifications for Public Works Construction) was incorporated into the Standard Spec. DE Deering described the major changes that were made in each section of the Standard Spec. He explained that the following topics were addressed in the update:

- Requirement of city right-of-entry permits;
- Formal plan requirement for single lateral connections;
- LWD and LAFCO emergency connection approval process;
- Interim service and dedication acceptance process refinement;
- EDU table to reference Ordinance No. 133 which was adopted in April 2016;
- Private pump station odor control;
- CCTV requirements for private development; and
- Requirement of ID ball markers for all non-metallic forcemains.

President Omsted asked how the ID ball works. DE Deering and TSM Morishita answered his question. Director Sullivan and Director Juliussen thanked the EC and DE Deering.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2278 revising the Leucadia Wastewater District's Standard Specifications and Procedures for Wastewater Facility Projects by the following vote:

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

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

A. Thank you letter from the Encinitas Union School District Superintendent Timothy Baird.

ASsup Hill stated that the thank you letter was from Encinitas Union School District for the Teacher Grant funding for the Rain Barrel Pilot Project.

B. LWD 2016 Employee Luncheon is scheduled for Thursday, July 14, 2016.

EA Baity announced the date and location of LWD's 2016 Employee Luncheon.

C. Special District Leadership Foundation (SDLF) District Transparency Certificate of Excellence.

EA Baity stated that LWD received the SDLF District Transparency Certificate of Excellence and this certificate will be presented to LWD at the CSDA Annual Conference in San Diego in October.

22. Directors' Meetings and Conference Reports

A. The 2016 CSDA Legislative Days Conference was held at the Sacramento Convention Center in Sacramento, CA May 16-18, 2016.

Director Sullivan reported that she attended two exceptional panel discussions and she noted that the State Legislators want to see their constituents in Sacramento as well as at home.

Director Kulchin suggested that LWD invite their local representatives, Assemblyman Rocky Chavez and Senator Pat Bates, to take a tour of LWD and Encina. Vice President Hanson agreed with Director Kulchin's suggestion.

GM Bushee stated that the District would reach out to the local representatives.

23. General Manager's Report

GM Bushee reported on the following items:

- Vice President Hanson was elected to a four-year term as the LAFCO alternate district member; and
- The Grand Jury recently reviewed the North San Diego Water Reuse Coalition and gave the coalition a commendation for its cooperative efforts and cost effective means to protect the area's water supply.

24. General Counsel's Report

GC Brechtel reported on the following items:

- SB 163 Hertzberg: amended recycle water mandate for ocean and bay discharges
- SB 1069: Eliminate ability to charge capacity fees for accessory dwelling units

25. Board of Directors' Comments

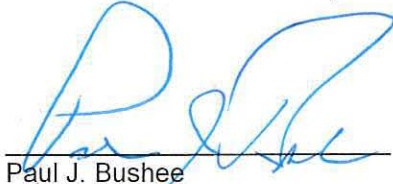
Director Juliussen requested an updated list of local agency sewer service charges for San Diego County. GM Bushee stated that staff will provide an updated list.

Director Sullivan congratulated Vice President Hanson on her election to LAFCO.

Director Hanson stated she appreciates all LWD employees and their excellent work.

26. Adjournment

President Omsted adjourned the meeting at 6:04 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Donald Omsted, President