

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
 May 14, 2014 adjourned to May 16, 2014

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Friday, May 16, 2014 at 12:00 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 12:03 p.m.

2. Roll Call

DIRECTORS PRESENT: Kulchin, Omsted, Hanson and Sullivan

DIRECTORS ABSENT: Juliussen.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Yin Ho, 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 Technicians II Mauricio Avalos and Gabe Mendez

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 Director Hanson, 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	Absent
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

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

EA Hill stated that Principal Jodi Greenberger was unable to attend today's meeting since the Encinitas Unified School District closed all schools due to the fires. EA Hill noted that Ms. Greenberger sent an email stating that she and the school appreciate the grant provided by the District.

B. Achievement of Individual Objectives.

GM Bushee introduced Field Services Technician 2 Mauricio Avalos stating that he recently

received his Collection System Maintenance Grade 3 certification from the California Water Environment Association. He also presented background information about Mauricio noting that he was eligible for a \$500 incentive award.

GM Bushee introduced Field Services Technician 2 Gabe Mendez stating that he also recently received his Collection System Maintenance Grade 3 certification from the California Water Environment Association. He also presented background information about Gabe noting that he was eligible for a \$500 incentive award.

In addition, he stated that Gabe recently received the CWEA 2013 State Collection Person of the Year award during CWEA's annual conference.

Director Omsted stated that he attended the award luncheon and spoke to one of Gabe's judges and that the judge was very impressed with Gabe's application.

Director Sullivan stated that she attended the award luncheon as well and that she was also very proud that Gabe won this award. Director Hanson agreed as well.

The Board of Directors congratulated Gabe and Mauricio for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- April 9, 2014 Regular Board Meeting
- April 10, 2014 Community Affairs Committee Meeting
- May 6, 2014 Special Board Meeting
- May 7, 2014 Engineering Committee Meeting

8. Approval of Demands for March/April 2014

Payroll Checks numbered 17285-17327; General Checking – Checks numbered 45190-45358; Manager Check numbered 358; and reissued voided checks numbered 44576 and 17007.

9. Operations Report (A copy was included in the original May 16, 2014 Agenda)

10. Finance Report (A copy was included in the original May 16, 2014 Agenda)

11. Quarterly Treasurer's Investment Report (A copy was enclosed with the original May 16, 2014 agenda)

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

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Absent
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 April 23, 2014.

Director Sullivan reported on EWA's April 23, 2014 Board meeting.

- B. Encina Member Agency Manager's Meeting was held on May 6, 2014.

GM Bushee reported on the Member Agency Managers (MAM) May 6, 2014 Meeting.

Director Omsted asked for additional information about the pre-treatment permit with EWA for the desalination project. GM Bushee stated that this permit is required prior to the operations of the desalination project and that EWA must know of any sewer discharge impacts into their system before approving a permit.

13. Committee Reports

- A. Community Affairs Committee meeting was held on April 10, 2014.

Director Sullivan reported that the CAC reviewed and commented on the draft layout of the spring 2014 newsletter. The newsletter is expected to be mailed this week.

Director Kulchin suggested that the District send more press releases to the local papers regarding received awards. GM Bushee stated that staff can follow up with a press release.

- B. Engineering Committee meeting was held on May 7, 2014.

President Kulchin reported that the EC reviewed staff's recommendation to receive and file the 2014 Pump Station Assessment 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;
- Gravity Line Rehabilitation Project, and
- B2 Force Main Replacement project.

ACTION ITEMS

14. CASA's Request for Members to Vote on Proposed New Bylaws

Approve repealing existing CASA bylaws and adopt the proposed new bylaws.

GM Bushee presented the item stating that CASA has been going through a reorganization for the last two years and as part of their reorganization CASA found that their bylaws require an update. He stated that the bylaws update includes revisions that will be consistent with current laws, along with clarifying their voting procedures, defining committees, changing the Board

members length of terms and designates officers and their responsibilities.

President Kulchin asked if there any major changes in the updates. GM Bushee confirmed that there are not any major changes in the bylaws.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors voted to repeal the existing CASA bylaws and adopt the proposed new bylaws by the following vote:

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

15. CSDA's Request Member to Vote on Proposed Bylaws Update

Approve CSDA's proposed bylaws updates.

EA Hill presented the item stating that the District received a request from CSDA to approve their proposed bylaws update. She stated that staff has reviewed the update and that they include minor administrative changes, along with revisions to the CSDA Board nomination and election process, updates to committee definitions and CSDA affiliated chapter clarification language. She stated that staff recommends that the Board approve CSDA's proposed bylaws update.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors approved CSDA's proposed bylaws update by the following vote:

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

16. 2014 Pump Station Condition Assessment Report.

Receive and file the 2014 Pump Stations Assessment Report completed by Infrastructure Engineering Corporation (IEC).

TSM Morishita presented the item stating that the EC reviewed this item on May 7th, and the report is a component of the 2013 Asset Management Plan Implementation. He noted that LWD staff assisted with report and submitted information to IEC to complete the report. He reviewed the recommended projects within the report for the upcoming FY 2015 and provided a brief summary of each.

Director Omsted asked when the District will phase out the package pump stations. TSM

Morishita stated that the first pump stations that will be replaced will be the Encinitas Estates Pump Station and the Village Park 5 Pump Station and this is planned to occur within the next five years. He also explained the difference between a submersible pump station and the package pump station adding that maintaining the submersible pump station will be easier.

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 2014 Pump Station Condition Assessment Report completed by Infrastructure Engineering Corporation by the following vote:

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

President Kulchin pulled item no. 16 from the agenda. The date of the luncheon was concurrent with the Board meeting. He also suggested that the Board review and update the District's Integrated Travel Reimbursement Policy. GM Bushee agreed and indicated that staff will bring this policy to the Investment & Finance Committee for review.

17. Reimbursement of Expenses for the California Women Lead's 17th Annual Networking Luncheon.

Authorize the reimbursement of expenses for attendance at the California Women Lead's 17th Annual Networking Luncheon.

This item was not reviewed by the Board.

INFORMATION ITEMS

18. Project Status Updates and Other Informational Reports

A. LWD Financial Plan Overview.

GM Bushee stated the purpose of the Financial Plan overview indicating that there has been discussion recently on the upcoming proposed rate increases. He noted that this presentation is similar to the one that will be presented during the public hearing on June 11, 2014.

He provided a brief summary of the 2013 Financial Plan Update's key findings and its recommendations, which is to continue with the three years on and three years off rate cycle and to continue following the "pay as you go" policy for capital funding.

He also stated that the District has received several letters opposing the proposed rate increases. He stated that the District's operating cost has been stable over the last five years. He also provided the latest sewer service rate survey adding that the District's rate is still the lowest in San Diego County and will remain extremely competitive even with the proposed increase.

In addition, he presented the difference between revenues with and without the rate increases, which indicated that the District would deplete a significant amount of its reserves if there were no rate increases.

GM Bushee answered several of the Board members questions regarding the probability of the State taking away property taxes, the dollar amount of each increase in rates, and the potential results of delaying capital improvements projects.

The Board of Directors requested hard copies of the presentation.

B. La Costa Pump Station Project - Project Completion.

TSM Morishita stated that the La Costa Pump Station project was completed on April 18, 2014 by Piperin Corporation and that staff filed the notice of completion with the County of San Diego on April 22, 2014. He also stated the final project cost was \$271,709.47, which included four change orders totaling \$29,709.47

C. Email received from a resident about LWD's newsletter.

GM Bushee stated that staff provided Ms. Laughlin with extra copies of LWD newsletters and that Field Services technicians Ian Riffel and Gabe Mendez provided Ms. Laughlin and two other persons with their children a tour of LWD's facilities on Tuesday.

D. Thank you letters from the Encinitas Union School District.

GM Bushee stated that these letters were a result of the Teacher Grant program.

19. Directors' Meetings and Conference Reports

A. The CASA Public Forum Conference was held at the Sheraton Grand Hotel on April 27-29, 2014 in Sacramento, CA.

Director Sullivan stated that based on her experience with other organizations hosting a legislative conference, this conference was very successful. She added that it was worth attending. Directors Hanson and Omsted agreed.

B. The CWEA 2014 Annual Conference was held at the Santa Clara Convention Center on April 30 – May 2, 2014

President Kulchin apologized for not attending the awards luncheon, noting that he had to leave early.

Director Omsted stated that he attended a session that discussed the effects of plastics on the ocean and its environment. He noted that the flushable wipes include some of the same plastic properties.

20. General Manager's Report

General Manager Bushee reported on the following items:

- The District received a public records request from the Union Tribune requesting LWD's Reimbursement Disclosure Reports. He stated that he provided the last three reports

- and information on how the Board approved the reports.
- Staff believes that someone has been dumping trash into LWD's manholes over the past few weeks. Field staff spoke to residents, requesting that if they see unusual dumping into the manholes to notify the District.
 - He noted that his daughter's high school graduation is the same day as the June Board meeting and public hearing. He added that he will need to leave after the public hearing and the Board's consideration of the rate increase.
 - Director Juliussen is scheduled to have back surgery today.

21. General Counsel's Report

None.

22. Board of Director's Comments

Director Omsted reported that he noticed a person walking on the District's sewer main line on the bridge near the beach.

GM Bushee thanked Director Omsted for reporting this and staff will look into a solution to this problem.

President Kulchin requested that the new Board photos be used to update the frames in the lobby. GM Bushee stated that staff can update the photos in the lobby with the new photos.

EA Hill stated that all the Board photos were posted on the website. GM Bushee showed the Board their photos on the website.

23. Adjournment

President Kulchin adjourned the meeting at 1:07 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



David Kulchin, President