

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 June 13, 2018

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, June 13, 2018 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Kulchin, Juliussen, Omsted, Hanson
 DIRECTORS ABSENT: Sullivan
 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 Dexter Wilson, Natalie Frascchetti of Dexter Wilson Engineering Incorporated, and Andrea Boehling of Rafftelis Financial Consultants

3. Pledge of Allegiance

Vice President Kulchin led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

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

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

6. Presentations and Awards

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

GM Bushee stated that LWD received the SDLF District Transparency Certificate of Excellence. GM Bushee acknowledged EA Baity for her work in compiling the necessary information in order to apply for the award.

The Board congratulated staff for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- May 9, 2018 Regular Board Meeting
- May 15, 2018 Human Resources Committee Meeting
- May 16, 2018 Special Board Meeting
- May 29, 2018 Special Board Meeting
- June 6, 2018 Engineering Committee Meeting

8. Approval of Demands for May/June 2018

Payroll Checks numbered 19888-19949; General Checking – Checks numbered 51110-51249

9. Operations Report (A copy was included in the original June 13, 2018 Agenda)

10. Finance Report (A copy was included in the original June 13, 2018 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of May 2018.

12. Establishing an Appropriations Limit of the LWD for Fiscal Year 2019

Adopt Resolution No. 2297 Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2019 (July 1, 2018 to June 30, 2019) Pursuant to Article XIII (B) of the California Constitution.

Upon a motion duly made by Director Juliussen, seconded by Director Omsted, and unanimously carried, the Board of Directors approved the Consent Calendar by the following vote:

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

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on May 23, 2018.

Director Juliussen reported on EWA's May 23, 2018 Board meeting.

B. EWA Member Agency Manager's (MAM) - Meeting held on June 12, 2018.

GM Bushee reported on MAM's June 12, 2018 meeting.

14. Committee Reports

A. Human Resources Committee (HRC) Meeting was held on May 15, 2018.

Director Hanson reported that the HRC met in closed session with General Manager Bushee,

Administrative Services Manager Duffey, Administrative Services Supervisor Trisha Hill, and Georg Krammer with Koff & Associates to discuss the Fiscal Year 2019 Informal Input Process regarding employee compensation, as authorized under Government Code §54957.6.

There was no reportable action.

B. Engineering Committee (EC) Meeting was held on June 6, 2018.

Director Juliussen reported that the EC reviewed the following recommendation:

- Receive and file the 2018 Asset Management Plan completed by Dexter Wilson Engineering.

The EC concurred with staff to present this recommendation to the Board of Directors and it will be discussed later in the agenda.

The EC also received information on the Poinsettia Train Station Parallel Gravity Pipeline Project and the Leucadia (L1) Force Main Spill that occurred on May 22, 2018. These items were for informational purposes only.

OLD BUSINESS

15. Adopt the Fiscal Year 2019 (FY19) Budget.

ASM Duffey presented the item stating that the Board reviewed the recommended FY19 Budget at their Special Board meeting on May 29th and during the meeting the Board directed staff to finalize the budget. He noted that there has been one small change since the Special Board Meeting. He stated that LWD had projected the CalPERS health insurance costs to increase 7% but CalPERS is projecting a 25% increase beginning January 1. ASM Duffey stated that the CalPERS projection increases LWD's health insurance by \$30K but noted that there will still be a 2% year over year increase in the operating expenses of the budget. He stated that staff recommends that the Board adopt the FY19 Budget.

Upon a motion duly made by Director Omsted, seconded by Director Juliussen, and unanimously carried, the Board of Directors adopted the FY19 Budget by the following vote:

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

PUBLIC HEARING

16. A proposal to adopt an ordinance establishing the District's Wastewater Capacity Fee at \$5,089 per equivalent dwelling unit (EDU) for the privilege of connecting to the District's sewer system.

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

17. A proposal to consider collecting the District's Wastewater Service Charge for Fiscal Year 2019 on the San Diego County Tax Roll.

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

ACTION ITEMS

18. Capacity Fee Adjustment

Adopt Ordinance No. 137 adjusting the District's wastewater capacity fee from \$4,006 per EDU to \$5,089 per EDU.

ASM Duffey presented the item noting that the last capacity fee increase occurred in 2013. He noted that the Board reviewed various financial models that LWD could use to guide its finances over the next 20 years at their Special Board meeting on May 16th. At that meeting Ms. Andrea Boehling from Raftelis Financial Consultants presented information that a capacity fee increase was warranted.

ASM Duffey stated that based on the results of the 2018 Wastewater Capacity Fee Study, staff is recommending an increase from \$4,006 per equivalent dwelling unit (EDU) to \$5,089 per EDU. ASM Duffey noted that the increase was based on the buy-in-method and even with the increase, LWD's capacity fees are still lower than the county average of \$5,687.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Juliussen and unanimously carried, the Board of Directors adopted Ordinance No. 137 adjusting the District's wastewater capacity fee from \$4,006 per EDU to \$5,089 per EDU by the following vote:

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

19. Collection of Wastewater Service Charges on the County Tax Roll for Fiscal Year 2019 (FY19)

Adopt Resolution No. 2298 Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2018 – June 30, 2019.

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 FY19 sewer service rate will be \$343.68 per year per equivalent dwelling unit (EDU) and is unchanged from FY18. She stated that staff recommends that the Board adopt Resolution No. 2298 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2018 – June 30, 2019.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Juliussen, and unanimously carried, the Board of Directors adopted Resolution No. 2298 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2018 – June 30, 2019 by the following vote:

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

20. Adoption of the 2018 Wastewater Financial Plan Study

Adopt the Leucadia Wastewater District's 2018 Wastewater Financial Plan Study and authorize staff to implement the 2018 Financial Plan Study's recommendations.

ASM Duffey presented the item stating that the District's 2018 Financial Plan Study was reviewed by the Board at the Special Board meeting on May 16th. He stated that during the meeting the Board directed staff to proceed with pay as you go funding for the wastewater enterprise noting LWD will maintain the three years on three years off and the next increase will occur in FY21.

ASM Duffey stated that if the Board has further questions on the Financial Study, Ms. Boehling was available to respond. He noted that staff recommends that the Board of Directors adopt the 2018 Wastewater Financial Plan Study and implement the 2018 Financial Plan study's recommendations.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Omsted, and carried, the Board of Directors adopted the 2018 Wastewater Financial Plan Study and authorized staff to implement the 2018 Wastewater Financial Plan Study's recommendations.

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

21. 2018 Wastewater Capacity Fee Report

Receive and file the 2018 Wastewater Capacity Fee Report completed by Raftelis Financial Consultants.

ASM Duffey presented the item stating that the 2018 Wastewater Capacity Fee Report has been finalized based on the Board's direction at the Special Board meeting held on May 16th and that a copy of the report's Executive Summary was included in this agenda. He noted that staff recommends that the Board of Directors receive and file the 2018 Wastewater Capacity Fee Report.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Hanson and unanimously carried, the Board of Directors received and filed the 2018 Wastewater Capacity Fee Report completed by Raftelis Financial Consultants by the following vote:

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

22. 2018 Update of the Asset Management Plan

Receive and file the 2018 Asset Management Plan (AMP) completed by Dexter Wilson Engineering Incorporated (DWEI).

Ms. Natalie Frascchetti of DWEI presented the item and provided background information on the AMP. Ms. Frascchetti described the plan's purpose, the flow and capacity evaluation, the financial aspects of the short and long term financial CIP projections and recommendations to improve the management of District assets. She continued that the recommendations were in respect to day-to-day activities, pump station inspection approach and improving the feedback loop for the Repair Priority List for gravity pipelines and manholes.

Director Omsted asked if the amounts shown on Table ES-1 were in millions or thousands of dollars. Ms. Frascchetti answered thousands of dollars.

Director Juliussen thanked Ms. Frascchetti, DE Wilson, and staff for a great job on the AMP.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Omsted and unanimously carried, the Board of Directors received and filed the 2018 Asset Management Plan completed by Dexter Wilson Engineering Incorporated by the following vote:

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

23. Unrepresented Employees Salary and Benefits Resolution

Adopt Resolution No. 2300 setting forth salaries, benefits and other working conditions for unrepresented employees for the period July 1, 2018 to June 30, 2019.

ASsup Hill presented the recommendation and provided background information on this item. She stated that the Salary and Benefits Resolution was developed consistent with the Board's direction at the May 29th Special Board Meeting.

Vice President Kulchin asked if the increases are merit based and not cost of living adjustments. ASsup Hill answered affirmatively.

Director Omsted asked if incentive reward checks are added to an employee's salary. GM Bushee stated that incentive reward checks are run through payroll and added to the employee's salary but it is at risk money above and beyond an employee's base salary.

Vice President Kulchin asked if incentive checks for certifications are issued as separate checks. GM Bushee answered affirmatively. ASM Duffey also noted that all incentive checks are separate and run through payroll with taxes taken out.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Omsted, and carried, the Board of Directors adopted Resolution No. 2300 - Setting Forth Salaries, Benefits and other Working Conditions for Unrepresented Employees for the Period July 1, 2018 to June 30, 2019 by the following vote:

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

24. Approving the Recommended Encina Wastewater Authority (EWA) Fiscal Year 2019 (FY19) Budget

Adopt Resolution No. 2299 Approving the Recommended EWA FY19 Operating and Capital Budget.

ASM Duffey presented the recommendation to approve the EWA FY19 Budget. He noted the Operating Budget is approximately \$15.9M and the Capital Budget is approximately \$22.1M. He noted the District's share is approximately \$1.9M for operating costs and \$3.6M for capital costs.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2299 – Approving the Recommended EWA FY19 Operating and Capital Budgets by the following vote:

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

INFORMATION ITEMS

25. Project Status Updates and Other Informational Reports

- A. 2018 Annual Employee Luncheon is scheduled for Thursday, July 12, 2018 at Stagecoach Park Picnic Area #1 in Carlsbad, CA.

EA Baity announced the date, time, and location of the Annual Employee Luncheon.

26. Directors' Meetings and Conference Reports

- A. The 2018 CSDA Legislative Days Conference was held May 22 – 23, 2018 at the Sacramento Convention Center in Sacramento, CA.

Director Omsted stated the conference was a worthwhile experience.

Director Hanson stated that they were able to meet with Senator Pat Bates.

27. General Manager's Report

GM Bushee reported that the District was a polling place for the June 6th Primary Election. He noted that the District received a "Thank You" letter from the Registrar of Voters acknowledging Field Services Specialist Ian Riffel and Administrative Specialist Mark Brechbiel for their help on the June 6th Primary Election.

28. General Counsel's Report

None.

29. Board of Directors' Comments

Director Omsted reported on a news article concerning water issues.

Director Juliussen and Vice President Kulchin thanked staff and LWD consultants for a great job.

30. Closed Session

A. Conference with Legal Counsel to discuss exposure to litigation pursuant to California Government Code Sec. 54956.9(d)(2) – City of Carlsbad Cease and Desist Notice.

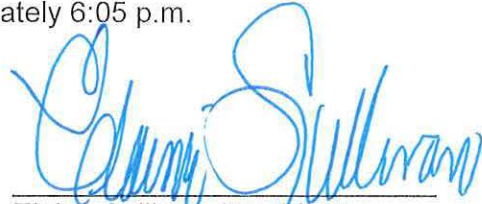
The Board of Directors met in closed session. There was no reportable action.

31. Adjournment

Director Juliussen adjourned the meeting at approximately 6:05 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Elaine Sullivan, President