

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting and Public Hearing  
 December 10, 2014

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, December 10, 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, General Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Executive Assistant Trisha Hill, Engineer Steve Deering with Dudek, CPA Richard Duffey, Harvey Schroeder and David Forman with White Nelson Diehl Evans, LLP, Field Services Supervisor Marvin Gonzalez, Field Services Specialist Ian Riffel, Field Services Technician I Todd Amos, Field Services Technician III Mauricio Avalos, Ann Kulchin, Leslie Saldana and resident/homeowner Kevin Scanlon.

**3. Pledge of Allegiance**

President Kulchin led the pledge of allegiance.

**Board of Directors Oath of Office**

General Counsel Brechtel administered the oath of office to Directors David Kulchin and Elaine Sullivan.

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

Upon a motion duly made by Director Omsted, 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**

A. Achievement of a Individual Objective.

GM Bushee introduced Field Services Technician I Todd Amos stating that he recently received his Water Distribution Operator Grade DI certification from the State Water

Resources Control Board. He noted that this will be Todd's fifth certification since his employment. He congratulated him for his efforts and stated that Todd is eligible for a \$500 incentive as authorized under LWD's Incentive Program.

President Kulchin presented Todd with his certification and an incentive check for \$500.

The Board of Directors congratulated Todd for his efforts.

## CONSENT CALENDAR

### 7. Approval of Board and Committee Minutes

Minutes of the following meetings:

November 6, 2014 Employee Recognition Committee Meeting

November 12, 2014 Regular Board Meeting

December 2, 2014 Engineering Committee Meeting

### 8. Approval of Demands for October/November 2014

Payroll Checks numbered 17631-17677; General Checking – Checks numbered 46056-46166

### 9. Operations Report (A copy was included in the original December 10, 2014 Agenda)

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

### 11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of November 2014. (A copy was included in the original December 10, 2014 Agenda)

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 November 19, 2014.

GM Bushee reported on EWA's November 19, 2014 Board meeting.

Director Sullivan noted that she and Director Juliussen were unable to attend the EWA Board meeting, because they were at the Special District Leadership Foundation Academy conference.

### 13. Committee Reports

A. Engineering Committee (EC) meeting was held on December 3, 2014.

Director Juliussen reported that the EC reviewed the following two items:

- Staff's recommendation that the Board adopt Ordinance No. 131 – Establishing the District's Capacity Fee and Amending the Equivalent Dwelling Unit Factors Capacity Fee Schedule; and
- Staff's recommendation that the General Manager execute a sole source Purchase Agreement with Plumber's Depot for the purchase of a new trailer mounted jetter in an amount not to exceed \$51,539.

He stated that the EC agreed with both recommendations and that they will be discussed later in the agenda. He also stated that the EC received an update on the B1/B2 Force Main Replacement Project and a report on the Via Terressa sewer spill in Encinitas.

B. Investment & Finance Committee meeting was held on December 9, 2014.

Director Hanson reported that the IFC reviewed the FY14 Comprehensive Annual Financial Report (CAFR) and it will be reviewed by the Board later in the agenda.

### PUBLIC HEARING

#### 14. Public Hearing to consider the following:

A. A proposal to adopt an ordinance establishing the District's Capacity Fee and Amending the Equivalent Dwelling unit Factors Capacity Fee Schedule.

TSM Morishita stated the purpose of the public hearing is to receive comments on Ordinance No. 131.

President Kulchin opened the public hearing for comments.

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

### ACTION ITEMS

President Kulchin moved item 16 up for discussion.

16. Adopt Ordinance No. 131 – Establishing the District's Capacity Fee and Amending the Equivalent Dwelling Unit Factors Capacity Fee Schedule.

Director Sullivan commented that the District's fees are the lowest in San Diego and the Board has reviewed this thoroughly.

Upon a motion duly made by Director Hanson, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted Ordinance No. 131 – Establishing the District's Capacity Fee and Amending the Equivalent Dwelling Unit Factors Capacity Fee Schedule by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

**15. Receive and file the Fiscal Year 2014 (FY14) Comprehensive Annual Financial Report (CAFR).**

CPA Duffey presented this item noting that the IFC reviewed the CAFR at their meeting yesterday. He presented the following MD&A's highlights indicating:

- The District's wastewater service charges were unchanged at \$258.21/EDU/year
- The District added 342 equivalent dwelling units increasing our connected units to 28,278;
- Operating revenues and expenses increased \$85,000 and \$78,000 respectively;
- Investment earnings increased \$226,000 from 2013;
- Gain of \$617,000 in donated subsurface lines;
- The District's net position increased \$1.8 million from 2013;
- Statistical sections of the CAFR; and
- The FY14 Budget to Actual (without depreciation expensed)

CPA Duffey introduced Mr. Harvey Schroeder to provide the highlights of the financial statements.

Mr. Schroeder presented the auditor's internal report indicated that the audit was a clean, unqualified opinion for the year ending FY 2014 and that no management letter was issued. He provided a summary of the Basic Financial Statements and notes, along with supplemental information. He noted that GASB 68 will be implemented during this upcoming fiscal year and the new requirement will change the net position figure demonstrating the District's pension liability in next year's audit.

Following discussion, upon a motion duly made by Vice President Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors received and filed the FY 2014 CAFR by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

**17. Adopt Ordinance No. 132 correcting a prior Ordinance which increases the District's wastewater service charge.**

GM Bushee presented the item stating that Ordinance No. 132 will correct Ordinance No. 129 relating to the District's wastewater service charge. He stated that there was an administrative error in the Ordinance which incorrectly stated the effective dates of the increases. He noted that the proposition 218 notice was correct and the Ordinance No. 132 will be consistent with the

notice.

Upon a motion duly made by Director Omsted, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors adopted Ordinance No. 132 correcting a prior Ordinance which increases the District's wastewater service charge by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

**18. Award of Purchase Contract to Procure a Trailer Mounted Jetter**

Authorize the General Manager to execute a sole source Purchase Agreement with Plumber's Depot for the purchase of a new trailer mounted jetter in an amount not to exceed \$51,539.

TSM Morishita introduced Field Services Technician III Mauricio Avalos to present an overview of staff's recommendation to purchase a new trailer mounted jetter.

FST Avalos provided an overview of staff's recommendation. He also provided information on the benefits of the jetter and how it will improve work quality. In addition, he reviewed the three different jetter technologies evaluated and recommended the preferred jetter technology to the Board.

The Board asked several questions relating to the jetter. FST Avalos answered their questions.

Upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source Purchase Agreement with Plumber's Depot for the purchase of a new trailer mounted jetter in an amount not to exceed \$51,539 by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

**19. Local Agency Formation Commission (LAFCO) 2014 Special Districts Election.**

EA Hill presented the item stating that LAFCO is requesting that the Board vote on two available positions, one regular district member and one alternate district member. She stated the names of the candidates running for the positions. She noted that included in the agenda is LAFCO nominating committee's report along with their recommendations. She noted that Director Hanson was on the committee.

Upon a motion duly made by Director Hanson, seconded by Director Omsted, and carried, the Board of Directors voted for Jo MacKenzie for the Regular LAFCO Special District Member and

Edmund K. Sprague for the Alternate LAFCO Special District member by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

**20. Board of Directors Election of Officers**

EA Hill presented the item stating that LWD's Resolution No. 2118 establishes a policy that calls for the Board to elect a President and Vice President.

Upon a motion duly made by Director Omsted, seconded by President Kulchin, and carried, the Board of Directors elected Vice President Juliussen as the Board President for Calendar Year 2015 by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

Upon a motion duly made by Director Hanson, seconded by Director Sullivan and carried, the Board of Directors elected Director Omsted as the Board Vice President for Calendar Year 2015 by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

Director Omsted suggested a new Board protocol on facilitating a Board meeting to Vice President Juliussen. He stated that during the CSDA Leadership Academy conference, the Board learned that after an action item is presented to the Board, the President may forego a vote by stating that if there are no objections the item passes unanimously.

**21. CASA's Request that LWD Designate Agency Representatives**

EA Hill presented the item stating that during May 2014 the Board approved CASA's bylaws. She indicated that the new bylaws require member agencies to designate an agency representative and two alternates that will exercise the District's voting rights and other privileges. She stated staff recommends that the Board designate the President as the agency representative, the Vice President as alternate one, and the General Manager as alternate two.

She also stated that CASA is requesting that the Board agree that the District will receive and send official communications by email. She noted that GM Bushee already receives CASA's communications by email. GM Bushee noted that the Board is also on CASA's email list.

President Kulchin motioned for the vote, there were no objections; therefore the Board unanimously approved that 1) the District's CASA designated representative is the President, alternate one is the Vice President, alternate two is the General Manager and that the District may receive and send CASA official communication by email by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

**22. State Proposition 84 – Round 2 Grant Funding Agreement with the Olivenhain Municipal Water District.**

Authorize the General Manager to execute an Agreement for the Integrated Regional Water Management Program between the Olivenhain Municipal Water District and the Local Project Participants for the Administration and Disbursement of the State Proposition 84 Round 2 Funding for Recycled Water Projects.

GM Bushee presented the item stating background on Integrated Regional Water Management Program and the approved funding amounts. He stated that in order for the District to receive its portion of the State Proposition 84 Round 2 funding this agreement must be executed.

President Kulchin motioned for the vote, there were no objections; therefore the Board unanimously authorized the General Manager to execute an Agreement for the Integrated Regional Water Management Program between the Olivenhain Municipal Water District and the Local Project Participants for the Administration and Disbursement of the State Proposition 84 Round 2 Funding for Recycled Water Projects by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Kulchin</b>	Aye
<b>Vice President Juliussen</b>	Aye
<b>Director Omsted</b>	Aye
<b>Director Hanson</b>	Aye
<b>Director Sullivan</b>	Aye

**INFORMATION ITEMS**

**23. Project Status Updates and Other Informational Reports**

- A. 2015 CASA Winter Conference is scheduled for January 21-23, 2015 at the Hilton Palm Springs.

EA Hill announced the upcoming CASA Conference dates and noted that all Board members have hotel reservations. She noted that if anyone is not planning on attending to contact her.

## **24. Directors' Meetings and Conference Reports**

GM Bushee noted an error on the agenda, indicating that there was the CSDA Leadership Academy Conference that the Board attended this month.

### **A. 2014 CSDA's Special District Leadership Foundation Academy was held at the Embassy Suites in Garden Grove, CA.**

Director Sullivan stated that as part of her Board participation on the CSDA Board, she suggested to CSDA that they update their training courses for experienced Board members. She stated that this conference included a track for experienced Board members including sessions that updated the Board members on new regulations and information about Special Districts. She also noted that the Board attended the No Harassment course during the conference.

Director Hanson stated that the conference had good refresher courses.

Director Omsted noted that he met Board members from Alaska that attended the conference, indicating that this reflected positively for CSDA.

Vice President Juliussen stated that he attended training on the 700 form. He noted a requirement to report donations if they relate to charity businesses. He also noted the statute of limitations on the 700 form is three years.

President Kulchin stated that overall it was a good conference.

## **25. General Manager's Report**

- The Holiday Luncheon is scheduled for tomorrow at noon located at Buca di Beppo, and
- The Board Strategic Planning session is scheduled for February 19, 2015 and Board interviews with Brent Ives have been scheduled for January 13, 2015.

## **26. General Counsel's Report**

General Counsel Brechtel reported on a new bill that requires public agencies to disclose employee's compensation on the agency's website or a link to the State Controller's website. He noted that the new law takes effect January 2015.

He stated that he will follow up with the requirements for reporting charitable contributions on the form 700.

## **27. Board of Director's Comments**

Director Hanson congratulated Directors Sullivan and Kulchin for winning their election.

Vice President Juliussen stated that he would like to add an agenda item to the January Board agenda. He indicated that he would like for the Board to discuss a policy that the Board President reviews the agenda prior to posting it and sending it out.

GM Bushee stated that staff will include this in the January Board agenda. He noted that he provides this option to all Board Presidents.

Director Sullivan congratulated staff on a wonderful year and wished everyone happy holidays, Merry Christmas and a Happy New Year. She also noted her vacation schedule.

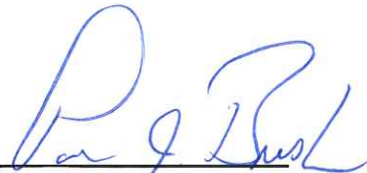


President Kulchin thanked everyone and the Board for this past year. He is glad the District is using Brent Ives to facilitate the Board Strategic Planning session and that he is looking forward to his interview.

He also requested that staff add a discussion item to review the Board's stipend to the January Board agenda. GM Bushee agreed to do so.

**28. Adjournment**

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



Paul J. Bushee  
Secretary/General Manager  
(SEAL)



---

Allan Juliusen, President