

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 February 12, 2025

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, February 12, 2025 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Saldana, Brown, Pacilio, Sullivan, Roesink

DIRECTORS ABSENT:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Director of Finance and Administration Ryan Green, Administrative Services Supervisor Trisha Hill, Field Services Superintendent Marvin Gonzalez, Executive Assistant Tianne Baity, Capital Project Manager Ian Riffel, District Engineer Dexter Wilson, and Field Services Technician Ryan Rodriguez

3. Pledge of Allegiance

Vice President Brown led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

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

Director	Vote
President Saldana	Yes
Vice President Brown	Yes
Director Pacilio	Yes
Director Sullivan	Yes
Director Roesink	Yes

6. Presentations and Awards

A. Professional Achievement Award -10 Year Service Award for Ryan Rodriguez.

GM Bushee introduced FST III Ryan Rodriguez, stating that he recently passed his 10th year anniversary at the District. He provided background information about Ryan and noted that under LWD's incentive program that Ryan is eligible for a \$200 incentive award.

The Board of Directors congratulated Ryan for his efforts.

B. 2024 CWEA San Diego Section Awards.

GM Bushee stated that the District received two awards at the CWEA San Diego Section Awards Banquet on Saturday, January 18th. He noted that the awards were for: Collection System of the Year (0-249 miles) and Community Engagement & Outreach Program of the Year (Small Agency). GM Bushee stated that the local section winners will move on to the State level.

GM Bushee stated that the District received the San Diego Section Collection System of the Year Award (0-249 miles). GM Bushee stated that The Collection System of the Year Award qualifies as a local award under the organization objectives of the LWD's Incentive Program; therefore, staff is eligible for a \$100 incentive award. The Board congratulated staff for their efforts.

GM Bushee also stated that the District received the Community Engagement & Outreach Program of the Year (Small Agency). He provided background information noting that LWD and Rising Tide Partners (RTP) created an in-person, bilingual, interactive demonstration aimed at deepening students' understanding of wastewater. He stated that this interactive demonstration included LWD's Field Service Technician team bringing their vehicles and equipment to two elementary schools for live demonstrations. GM Bushee stated that The Community Engagement & Outreach Program of the Year Award qualifies as a local award under the organization objectives of the LWD's Incentive Program; therefore, staff is eligible for a \$100 incentive award. The Board congratulated staff for their efforts.

Lastly, GM Bushee also noted that the District received a thank you plaque for hosting a CWEA Technical Certification Program training event at the District office.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

January 8, 2025 Regular Board Meeting
January 21, 2025 Investment and Finance Committee Meeting
January 28, 2025 Community Affairs Committee Meeting
February 3, 2025 Engineering Committee Meeting

8. Approval of Demands for January / February 2025

Payroll Checks numbered 250108-1 – 250205-20; General Checking Checks numbered 26487 - 26629

9. Operations Report (A copy was included in the original February 12, 2025 Agenda)

10. Finance Report (A copy was included in the original February 12, 2025 Agenda)

11. Quarterly Treasurer's Report

This report discloses investments for the quarter ending December 31, 2024.

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of January 2025.

13. Reserve Fund Policy

Receive and File the Annual Reserve Fund Policy Report.

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

Director	Vote
President Saldana	Yes
Vice President Brown	Yes
Director Pacilio	Yes
Director Sullivan	Yes
Director Roesink	Yes

EWA and COMMITTEE REPORTS

14. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on January 22, 2025.

Director Roesink reported on EWA’s January 22, 2025 Board meeting.

B. An Encina Member Agency Manager’s (MAM) Meeting was held on February 4, 2025.

GM Bushee reported on EWA’s February 4, 2025 MAM meeting.

15. Committee Reports

A. An Investment and Finance Committee (IFC) meeting was held on January 21, 2025.

Director Roesink reported that the IFC reviewed the following recommendations:

- Contract amendment No. 1 to Rogers, Anderson, Malody & Scott, LLP for Financial Auditing Services; and
- Conduct the Annual Review of the Financial Plan

The IFC concurred with staff to present these items to the Board of Directors and they will be discussed later in the agenda.

The IFC also reviewed the Reserve Fund Policy Report. Following discussion, the IFC concurred with staff to recommend that the Board of Directors receive and file the Reserve Policy Annual Report. Since there were no changes to the policy, the IFC and staff agreed to add this item under Consent Calendar at the February Board meeting.

B. A Community Affairs Committee (CAC) meeting was held on January 28, 2025.

Vice President Brown reported that the CAC reviewed the proposed newsletter topics, along with the production schedule. The CAC agreed that the lead article would be the bilingual on-site demonstrations that the Field Services team conducted at local schools. The CAC also agreed on two main articles. The first main article will focus on how LWD balances

sustainability with managing competitive rates. The second main article will showcase the Teacher Grant winners. The CAC also agreed to the remaining articles and then directed staff to move forward with the newsletter and the proposed production schedule.

Vice President Brown stated the CAC also conducted a review of the Teacher Grant Program. Following discussion, the CAC directed staff to draft an updated Teacher Grant Program Policy which updates and details the criteria for the Teacher Grant Program application. Staff and the CAC also discussed increasing the Teacher Grant Program funding from \$6,000 to \$8,000 per year with a maximum award of \$2,000 per application. The draft policy will be reviewed at a future CAC meeting.

Lastly, the CAC reviewed the photo contest details and criteria and the photo contest webpage. Following discussion, the CAC authorized staff and RTP to proceed with the LWD Photo Contest.

C. An Engineering Committee (EC) meeting was held on February 3, 2025.

Director Pacilio reported that the EC reviewed the following information items:

- San Marcos Creek Crossing Diversion Project Update;
- Batiquitos Pump Station Emergency Basin Rehabilitation Project;
- Rancho Verde Pump Station Rehabilitation Project;
- 2024 Pump Station Condition Assessment; and
- Vactor Truck Fire Update.

These items were for informational purposes only and no action was taken.

ACTION ITEMS

16. Contract Amendment No. 1 to Rogers, Anderson, Malody & Scott, LLP for Financial Auditing Services

Authorize the General Manager to execute a contract amendment with Rogers, Anderson, Malody & Scott, LLP for Auditing Services for Fiscal Year 2025 (FY25) and Fiscal Year 2026 (FY26) in an amount not to exceed \$58,400.

DFA Green presented the recommendation stating that in March 2022 the Board of Directors authorized an initial three-year contract with Rogers, Anderson, Malody & Scott, LLP for auditing services. DFA Green stated that while the original agreement was for an initial three-year period, an option for an additional two-year extension was included. Staff believes that executing this option for FY25 and FY26 will provide continuity to our auditing program and is in the best interest of the District.

Vice President Brown asked if the auditors focused on different parts of the audit each year. DFA Green answered affirmatively.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Pacilio, and unanimously carried, the Board of Directors authorized Contract Amendment No. 1 to Rogers, Anderson, Malody & Scott, LLP for Financial Auditing Services for Fiscal Year 2025 (FY25) and Fiscal Year 2026 (FY26) in an amount not to exceed \$58,400 by the following vote:

Director	Vote
President Saldana	Yes
Vice President Brown	Yes
Director Pacilio	Yes
Director Sullivan	Yes
Director Roesink	Yes

17. Financial Plan Tracking Update

DFA Green presented the item noting it was reviewed by the Investment and Finance Committee at its January 21st meeting. DFA Green explained the purpose of the Financial Plan. He stated that LWD updates its Financial Plan every 5 years because financial conditions and assumptions change over time. He noted that the most recent Financial Plan Update was completed in 2023 and staff does an internal update of the Financial Plan on an annual basis to see how actual results are tracking with the original projections.

DFA Green stated the financial plan model looks out over 20 years. He noted that information from the Fiscal Year 2024 (FY24) Audit and FY25 budgeted amounts were used to update revenues, expenses, and capital projections in the financial plan model. He then provided an overview on the following topics.

- Comparison of projected and actual revenues and expenditures; and
- Comparison of projected and updated reserve balances

DFA Green concluded that the District's finances remain strong, while maintaining low rates, and the District is tracking well with the Financial Plan. DFA Green also noted that the largest concern is the Encina Wastewater Authority's future capital plan and staff will continue to monitor LWD's finances closely.

The Board thanked DFA Green for his presentation.

There was no action taken.

18. Review of Board of Directors Election of Officers, Establishment of Committees, and Selection of Committee Members Policy Review

DFA Green introduced the item and provided background information noting that at the January 8th Board meeting, the Board directed staff to bring this item to the February Board meeting for a full discussion and review of the entire policy. DFA Green stated that the Board approved an update to the Policy at last month's meeting and he then reviewed the current policy highlighting the key points. DFA Green then turned the item over to the Board for discussion.

Director Sullivan suggested that the Human Resources Committee (HRC) be eliminated since it doesn't meet often and that if any Human Resources issues arise, an Ad Hoc committee could be formed to review those issues. She stated that Board members should be on committees they like and she suggested that LWD's EWA representatives be removed from LWD's standing committees since the EWA Board representatives attend around 24 meetings a year at EWA. She noted that LWD Board members that are not on EWA could then be on three LWD standing committees instead of two.

Director Pacilio asked how necessary is the HRC. GM Bushee answered that the HRC doesn't meet frequently but it does review important issues related to the Human Resources Policy Manual (HRPM) and employee compensation.

Vice President Brown asked if alternates could be assigned to standing committees to allow for coverage. GM Bushee answered that it is possible but you couldn't have three Board members on a committee since that would be a quorum of the Board.

Director Pacilio stated that if the Board considers Director Sullivan's suggestion, it makes more sense to have the change take place next year since it may be easier and more effective at that time.

GC Brechtel stated that there is an option to combine the HRC with the Investment and Finance Committee (IFC) and this would eliminate the need to establish an Ad Hoc Committee every time there is an HR issue which needs to be reviewed. GM Bushee agreed that the two committees could be combined and renamed therefore eliminating the need to have an Ad Hoc Committee but it is up to the Board's discretion.

Vice President Brown stated it makes sense to combine the HRC with the IFC and only have three standing committees but he would like to make the changes effective next year.

Director Roesink stated he had no preference if these changes are made this year or next year and he noted that being on the EWA Board does require a lot of attention and time.

Following discussion, upon a motion duly made by Director Pacilio, seconded by Director Roesink, and unanimously carried, the Board of Directors agreed to amend the policy to combine the Human Resources Committee (HRC) with the Investment and Finance Committee (IFC) and amend the committee appointment section to reflect that EWA representatives would not participate on LWD standing committees by the following vote:

Director	Vote
President Saldana	Yes
Vice President Brown	Yes
Director Pacilio	Yes
Director Sullivan	Yes
Director Roesink	Yes

GM Bushee stated that staff would update the policy to restructure the appointment process and bring back a draft version for the Board to review at next month's Board meeting.

Director Sullivan made a motion to start the new LWD standing committee structure immediately. There was no second and the motion did not carry.

INFORMATION ITEMS

19. Project Status Updates and Other Informational Reports

2025 CWEA Annual Conference is scheduled for April 22 - 25, 2025 in Palm Springs, CA.

EA Baity announced the date and location of the 2025 CWEA Annual Conference.

20. Directors' Meetings and Conference Reports

2025 CASA Annual Conference was held January 29 -31, 2025 at the Hilton Palm Springs in Palm Springs, CA.

Director Sullivan stated it was a good conference with a lot of younger attendees. She stated the artificial intelligence (AI) session was interesting and understandable.

Director Pacilio agreed with Director Sullivan. He stated he also enjoyed the sessions on biomass and renewable sanitation fuels. He noted that he was exposed to a lot of new information.

President Saldana stated the conference topics were very interesting and he enjoyed the CSRMA session on fire mitigation and verbal judo. He also noted that he was very impressed with the AI session.

21. General Manager's Report

GM Bushee reported that the AI session at the CASA Conference was informative and interesting and he enjoyed learning about the practical uses for AI.

22. General Counsel's Report

GC Brechtel stated he remotely attended the Attorney's Committee Meeting at CASA. He reported on the following:

- PFAS and Biosolids with PFAS; and
- Proposition 218 and the Coziahr vs. Otay Water District case

23. Board of Directors' Comments

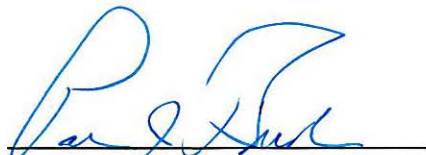
Director Roesink asked if LWD is considering implementing an AI Policy or formal plan to be considered in the future. DFA Green answered that he attended a webinar regarding AI use. He summarized the webinar stating that you need to know exactly what you are going to use AI for and what AI can do before you implement a policy. He noted that since LWD is a public agency all of our information is subject to public scrutiny. He stated that the most important thing to protect is personally identifiable information (PII). He stated that he would be reviewing LWD's Electronic Usage Policy to assess the applicability of AI for LWD.

GM Bushee stated in the near future the District would like to bring in an AI expert to help staff assess the practical uses for AI.

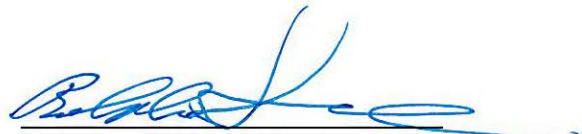
Vice President Brown wished everyone a Happy Valentine's Day.

24. Adjournment

President Saldana adjourned the meeting at 6:36 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Rolando Saldana, President