

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

April 12, 2017

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, April 12, 2017 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

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, Jonathan Pate of Stanek Constructors Incorporated, Jaime Fagnant of Infrastructure Engineering Corporation (IEC), Dexter Wilson and Natalie Frascchetti of Dexter Wilson Engineering Incorporated (DWE).

3. Pledge of Allegiance

President Hanson led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

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

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

6. Presentations and Awards**A. Encina Wastewater Authority Ocean Outfall History Video**

Staff and the Board of Directors viewed the Encina Wastewater Authority Ocean Outfall History Video. This item was informational. No action was taken.

B. Leucadia Wastewater District Virtual Tour Video

Staff and the Board of Directors viewed the Leucadia Wastewater District Virtual Tour Video. This item was informational. No action was taken.

C. Achievement of Organizational Objective – Cost Sharing of CSRMA Dividends

GM Bushee presented the item. He stated that LWD's incentive program authorizes a 50% cost sharing of the CSRMA dividend payment of \$19,789.00. He stated that this dividend reflects the District's excellent safety record. He noted that each employee is eligible to receive an incentive award of \$520.76.

The Board members congratulated LWD staff for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

March 8, 2017 Regular Board Meeting
March 29, 2017 Community Affairs Committee Meeting
April 5, 2017 Engineering Committee Meeting

8. Approval of Demands for February/March 2017

Payroll Checks numbered 19134-19176; General Checking – Checks numbered 49433-49563

9. Operations Report (A copy was included in the original April 12, 2017 Agenda)

10. Finance Report (A copy was included in the original April 12, 2017 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of March 2017.

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

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

12. Status Update on the Fiscal Year 2017 (FY17) LWD Tactics and Action Plan

Upon a motion duly made by Vice President Sullivan, seconded by Director Juliussen and unanimously carried, the Board of Directors approved the FY17 LWD Tactics and Action Plan by the following vote:

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

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on March 22, 2017.

Director Sullivan reported on EWA's March 22, 2017 Board meeting.

B. EWA Member Agency Manager's (MAM) - Meeting held on March 28, 2017.

GM Bushee reported on MAM's March 28, 2017 meeting.

14. Committee Reports

A. Community Affairs Committee (CAC) Meeting was held on March 29, 2017.

Director Omsted reported on the March 29th meeting, stating that the CAC reviewed two teacher grants which will be reviewed by the Board of Directors later in the agenda.

The CAC also received updates on the following:

- LWD Open House;
- Spring 2017 newsletter feedback; and
- The LWD Virtual Tour Video

These items were for informational purposes only. No action was taken.

B. Engineering Committee (EC) Meeting was held on April 5, 2017.

Director Juliussen reported that the EC reviewed the following recommendations:

- Authorize the General Manager to execute an agreement Stanek Constructors, Incorporated for construction services to complete the Gafner Advanced Water Treatment Improvements Project in an amount not to exceed \$659,000;
- Authorize the General Manager to execute an as-needed Engineering Design Services contract with Infrastructure Engineering Corporation; and
- Authorize the General Manager to execute a sole source three-year base professional services agreement with Dexter Wilson Engineering, Incorporated for Engineering Consulting Services in an amount not to exceed \$345,000 with an option for two additional years

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

The EC also received an update on the impact of the severe storm that occurred on February 27, 2017 on the District's Collection System. This item was for informational purposes and no action was taken.

ACTION ITEMS

15. Gafner Advanced Water Treatment (AWT) Improvement Project Construction

Authorize the General Manager to execute an agreement with Stanek Constructors, Incorporated (Stanek) for construction services to complete the Gafner AWT Improvements Project in an amount not to exceed \$659,000.

TSM Morishita presented this item stating it was reviewed by the EC at its April 5th meeting. He stated it is a Fiscal Year 2017 Tactical Goal. TSM Morishita provided background information on the project noting that this was the second request for bids after the project was re-evaluated and modified, with the goal of reducing the bid price. The project was re-bid in March 2016 and five bids were received with ATOM Engineering submitting the apparent low bid.

TSM Morishita stated that the bids were evaluated by Infrastructure Engineering Corporation (IEC) and as a result, Stanek was determined to be the lowest responsive responsible bidder. He explained that due to project complexity, stringent experience requirements were established in the Request for Bids. He continued that Stanek was the lowest bidder that satisfied all experience requirements.

Director Juliussen stated that the EC reviewed this item closely. He noted that he had initial concerns with the increase in cost and the stringent specifications and requirements of the project. However, after thorough discussion with staff and the EC, his concerns were addressed and he is satisfied with staff's recommendation.

Director Omsted asked how much additional recycled water will be produced when the project is complete. TSM Morishita answered that the project would not increase the recycled water from its current 1 million gallons per day capacity.

President Hanson asked if the bid notices specify the experience requirements. TSM Morishita answered affirmatively noting that the bid documents state the bidder must comply with all LWD bid requests and requirements.

Following discussion, upon a motion duly made by Director Juliussen and seconded by Director Kulchin and unanimously carried, the Board of Directors authorized the General Manager to execute an agreement with Stanek Constructors, Incorporated for construction services to complete the Gafner AWT Improvements Project in an amount not to exceed \$659,000 by the following vote:

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

16. Award of District As-Needed Engineering Design Services

Authorize the General Manager to execute an as-needed Engineering Design Services contract with Infrastructure Engineering Corporation (IEC).

TSM Morishita presented this item stating it was reviewed by the EC at its April 5th meeting. TSM Morishita provided background information on this item noting that a Request for Proposal (RFP) for as-needed engineering design services was distributed to 29 engineering firms in December 2016 and in January 2017 five proposals were received.

TSM Morishita stated the proposals were evaluated by a review panel and three firms; Dudek, IEC, and Psomas; were selected for interviews. As a result of the interviews, IEC was selected as the preferred engineering firm. TSM Morishita stated that the agreement is for an initial three year term with an option to extend the agreement for two additional years.

GM Bushee noted that Director Juliussen also reviewed the proposals as an observer in the process.

Following discussion, upon a motion duly made by Director Juliussen and seconded by Director Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute an as-needed Engineering Design Services contract with IEC by the following vote:

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

17. Professional Services Agreement with Dexter Wilson Engineering, Incorporated for Engineering Consulting Services

Authorize the General Manager to execute a sole source three-year base professional services agreement with Dexter Wilson Engineering, Incorporated (DWE) for Engineering Consulting Services in an amount not to exceed \$345,000 with an option for two additional years.

GM Bushee presented this item stating it was reviewed by the EC at its April 5th meeting. GM Bushee provided background information on this item noting that District Engineer Steve Deering (DE Deering) has decided to retire at the end of June 2017. GM Bushee continued that after thoughtful consideration staff recommends that Dexter Wilson succeed Steve Deering as District Engineer. He noted that Mr. Wilson and his staff at DWE have an extensive and unique knowledge and technical expertise of the District's assets and its operations and maintenance procedures. GM Bushee stated that DWE's unique knowledge and expertise satisfies the criteria for sole sourcing allowed under Section 11.1, Sole Source Procurement, of the District's Procurement Policy. He continued that, therefore, staff is recommending that the District Engineer contract be awarded on a sole source basis to DWE.

Director Juliussen thanked DE Deering for his dedication to the District and noted that he is pleased with the selection of Mr. Wilson as his replacement.

Director Kulchin thanked DE Deering for his service to the District.

Vice President Sullivan thanked DE Deering and noted he would be missed.

President Hanson thanked DE Deering and wished him luck.

Following discussion, upon a motion duly made by Director Juliussen and seconded by Director Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source three-year base professional services agreement with Dexter Wilson Engineering, Incorporated for Engineering Consulting Services in an amount not to exceed \$345,000 with an option for two additional years by the following vote:

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

18. Board of Directors Strategic Planning Workshop Report

Receive and File the February 23, 2017 Strategic Planning Workshop Report from Tamayo Group, Inc.

GM Bushee presented the item stating that it is a follow up from the Board's Strategic Planning workshop. He added that Ms. Tamayo completed a report summarizing the planning session.

President Hanson and Vice President Sullivan stated it was one of the best Strategic Planning Workshops.

Following discussion, upon a motion duly made by Director Omsted, seconded by Vice President Sullivan and carried, the Board of Directors received and filed the February 23, 2017 Strategic Planning Workshop Report from Tamayo Group, Inc. by the following vote:

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

19. Award Teacher Grants

ASsup Hill introduced the item noting that LWD received two Teacher Grant Applications after contacting the nine schools within the LWD service area. She also provided a brief summary of each application and indicated that both applicants qualified for grants.

Director Sullivan asked why the District only received two applications. ASsup Hill answered stating that this concern was also addressed at the March 29th CAC meeting. ASsup Hill stated that staff and the CAC discussed ideas to increase participation in the Teacher Grant Program.

GM Bushee noted a future CAC meeting will be scheduled to further develop the Teacher Grant Program and increase participation.

Following discussion, upon a motion duly made by Vice President Sullivan, seconded by Director Omsted and carried, the Board of Directors awarded two Teacher Grants totaling \$2,000 by the following vote:

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

INFORMATION ITEMS

20. Project Status Updates and Other Informational Reports

A. Impact of the Severe Storm that occurred on February 27, 2017 on the District's Collection System

FSS Stecker presented the item noting that it was reviewed at the EC meeting on April 5th. FSS Stecker reviewed flow data collected during the torrential rain event on February 27th. He briefed the Board on the measured flow in two specific areas, Old Leucadia and the Batiquitos Pump Station.

FSS Stecker stated that overall, the Field Services staff responded professionally and quickly and, as a result, no sewer spills occurred.

Vice President Sullivan thanked FSS Stecker for the report.

Director Omsted asked if both force mains were being used at Batiquitos. FSS Stecker answered affirmatively.

Director Omsted asked if the District would be in trouble with only one force main. FSS Stecker answered stating the District would not be in trouble, it would just take longer for flow levels to decrease.

TSM Morishita noted that three out of four pumps were online at the time the second force main was opened.

Director Omsted asked how long it takes for the heavy rainfall to impact LWD flows. FSS Stecker answered that it can take an hour or two for the flows to peak during a rain event.

B. North San Diego Water Reuse Coalition (NSDWRC) – Sponsorship and Support of AB 869 (Rubio) Protection of Recycled Water Resources and Investments

GM Bushee reviewed AB 869 and noted it was discussed at the 2017 WaterReuse CA Annual Conference. He stated that the NSDWRC sent a legislative support letter to Assembly Member Blanca Rubio.

C. LWD – Sponsorship and Support of AB 574 (Quirk) Potable Water Reuse

GM Bushee reviewed AB 574 and noted it was discussed at the 2017 WaterReuse CA Annual Conference. He stated that the LWD sent a legislative support letter to Assembly Member Bill Quirk.

Director Juliussen suggested that LWD legislative support letters be signed by the Board President.

D. Thank You Note for LWD Tour

GM Bushee stated the District received a thank you letter for a tour that was given April 3, 2017.

21. Directors' Meetings and Conference Reports

A. The 2017 WaterReuse CA Annual Conference was held March 19-21, 2017 at the Westin San Diego, CA.

President Hanson stated it was an excellent conference and she enjoyed the awards luncheon.

Vice President Sullivan stated there was a lot of synergy and high energy at the conference. Director Kulchin stated it was one of the best conferences he has attended noting there was something for everyone.

Director Omsted stated he enjoyed the technical session presented by Trussell Technologies.

22. General Manager's Report

GM Bushee reported on the following items:

- Public Records Request from the San Diego Union-Tribune regarding District internet usage;
- Article from the San Diego Union-Tribune titled "Board Members Get Paid for Meetings that Aren't Public"; and
- A security incident at the District.

23. General Counsel's Report

General Counsel Brechtel reported on the following items:

- SB 496 - Idemnity: Design Professionals; and
- SB 1069 - Accessory Dwelling Units

24. Board of Directors' Comments

Director Omsted stated that the City of Carlsbad approved the Batiquitos Lagoon Monitoring and Management Plan. He noted that \$100K has been allocated to study the long-term effects of climate change on the Batiquitos Lagoon and the nearby coastal waters.

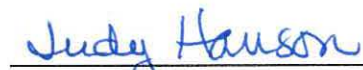
Director Juliussen thanked staff for all their hard work and welcomed Dexter Wilson and Natalie Fraschetti to LWD.

25. Adjournment

President Hanson adjourned the meeting at approximately 6:29 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)


Judy Hanson, President