

**LEUCADIA WASTEWATER DISTRICT**

Minutes of a Regular Board Meeting  
September 9, 2015

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, September 9, 2015 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

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

**2. Roll Call**

DIRECTORS PRESENT: Juliussen, Omsted, Hanson, Sullivan (via teleconference) and Kulchin  
 DIRECTORS ABSENT: None.  
 OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Field Services Supervisor Marvin Gonzalez, District CPA Richard Duffey and District Engineer Steve Deering, and Jamie Fagnant of Infrastructure Engineering Corporation (IEC).

**3. Pledge of Allegiance**

President Juliussen led the pledge of allegiance.

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

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

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

**6. Presentations and Awards****A. Achievement of an Individual Award – FSS Marvin Gonzalez 10<sup>th</sup> year anniversary**

GM Bushee introduced FSS Marvin Gonzalez stating that he recently passed his 10 year anniversary working at the District. He provided background information about Marvin and noted under LWD's incentive program Marvin is eligible for a \$200 incentive award.

The Board of Directors congratulated Marvin for his efforts.

B. Achievement of an Organizational Objective – CASA 2015 Technological Innovation and Achievement Award

GM Bushee stated that during the recent CASA conference, the District was awarded the Technological Innovation and Achievement award for the District's program that integrates the Field Services pipeline video inspections into the Capital Improvement Program. He noted that staff is eligible for a \$300 incentive award under the District's incentive program. He also thanked the Board for their support of this program.

Director Kulchin asked if a press release was sent to the Coast News regarding the award. GM Bushee stated that staff did not send out a press release, but staff can prepare and send a press release to the media this week. He noted that staff posted the information on the District's Facebook page.

The Board of Directors congratulated staff for their efforts.

### CONSENT CALENDAR

**7. Approval of Board and Committee Minutes**

Minutes of the following meetings:

August 7, 2015 Engineering Committee Meeting  
August 10, 2015 Investment & Finance Committee Meeting  
August 12, 2015 Regular Board Meeting  
August 17, 2015 Community Affairs Committee Meeting  
September 2, 2015 Engineering Committee Meeting

**8. Approval of Demands for August/September 2015**

Payroll Checks numbered 18083-18140; General Checking – Checks numbered 47169-47288; Voided check number 47050 and reissued checks numbers 47081 and 47283

**9. Operations Report** (A copy was included in the original September 9, 2015 Agenda)

This report discloses up-to-date and monthly flow, rain fall, EDU's and reclaimed water averages; along with MGD flow comparisons from FY 15 to FY 16 and flows by sub-basin.

**10. Finance Report** (A copy was included in the original September 9, 2015 Agenda)

**11. Disclosure of Reimbursements** (A copy was included in the original September 9, 2015 Agenda)

This report discloses travel expense reimbursements for the month of August 2015.

**12. Annual Review of LWD Investment Policy**

Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2015 through August 31, 2016 and receive and file the Annual Review of LWD Investment Policy Report . (A copy was included in the original September 9, 2015 Agenda)

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

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

## EWA and COMMITTEE REPORTS

### 13. Encina Wastewater Authority (EWA) Reports

- A. EWA Board Report – Meeting was held on August 26, 2015.

Director Sullivan reported on EWA's August 26, 2015 Board meeting.

- B. An Encina Member Agencies Manager's (MAM) Meeting was held on September 1, 2015.

GM Bushee reported on Encina MAM's September 1, 2015 meeting.

### 14. Committee Reports

- A. Community Affairs Committee (CAC) meeting was held on August 17, 2015.

Vice President Omsted reported that the CAC reviewed the 2015 fall newsletter draft text. He noted that the CAC is scheduled to meet next week to review the layout of the newsletter.

- B. Engineering Committee (EC) meeting was held on September 2, 2015.

Director Kulchin reported that the EC reviewed the following:

- An agreement with TC Construction Company for construction services to complete the Saxony Pump Station Rehabilitation Project in an amount not to exceed \$483,575;
- An agreement with Heaviland Enterprises, Inc. for landscape maintenance services in an amount not to exceed \$30,240 over an initial three year contract period; and
- Update on the 2015 Gravity Pipeline Rehabilitation Project.

- C. Investment & Finance Committee (IFC) meeting was held on September 8, 2015.

Director Hanson reported that the IFC reviewed the Investment Policy update and staff's recommendation to re-delegate authority to manage the investment program to the General Manager effective September 1, 2015 through August 31, 2016. She stated that the committee agreed with staff's recommendation.

## ACTION ITEMS

### 15. Award of the District's Saxony Pump Station Rehabilitation Project Construction Contract

Authorize the General Manager to execute an Agreement with TC Construction Company for construction services to complete the Saxony Pump Station Rehabilitation Project in an amount not to exceed \$483,575 and to authorize an additional appropriation to the Fiscal Year 2016 (FY 16) budget in the amount of \$110,000 to cover the full cost of the project construction.

TSM Morishita presented this item stating that it was reviewed by the EC during its September 2, 2015 meeting and he noted it is a FY 16 tactical goal. He provided background on the Saxony Rehabilitation Project and the public bid process indicating the bids results. He stated that IEC reviewed the bids and that there were two issues with the apparent low bid submitted by TC Construction. He explained the issues and that Legal Counsel and IEC considered the error to be minor and should not result in disqualification of the bid and recommended to waive the discrepancy. He added that IEC recommended that TC Construction be awarded the contract as the lowest responsive and responsible bidder.

He also stated that an additional appropriation of \$110,000 is needed to cover additional construction costs of \$62,639 and a ten percent contingency of \$48,357.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute an agreement with TC Construction Company for construction services to complete the Saxony Pump Station Rehabilitation Project in an amount not to exceed \$483,575 and to authorize an additional appropriation to the FY 16 budget, in the amount of \$110,000, to cover the full cost of the project construction by the following vote:

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

**16. Landscape Maintenance Contract**

Authorize the General Manager to execute a Landscape Maintenance Contract for the District's headquarters site with Heaviland Enterprises, Incorporated at a cost not to exceed \$30,240 over an initial three year contract period.

FSSupt. Stecker presented this item stating that it was reviewed by the EC during its September 2, 2015 meeting and noted it is a FY 16 tactical goal. He provided a summary of the bid process stating the bid results with Heaviland as the lowest responsive and responsible bidder. He added that staff contacted the references provided by Heaviland and that they indicated their services are outstanding and professional.

Director Kulchin asked if staff will renegotiate with Heaviland following the conclusion of their three year contract. TSM Morishita stated that the agreement includes a clause that they can request an increase however it's tied with the CPI, adding that the contract includes a termination clause as well. In addition, he stated that it's not certain that they will request an increase.

Following discussion, upon a motion duly made by Director Hanson, seconded by Vice President Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute a Landscape Maintenance Contract for the District's headquarters site with Heaviland Enterprises, Inc. at a cost not to exceed \$30,240 over an initial three year contract period by the following vote:

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

**17. Call for Nominations for the Local Agency Formation Commission (LAFCO) Independent Special District Member.**

EA Hill presented the item stating that LAFCO's requesting nominations for two commissioner's positions. One is the regular position and the other is the alternate position. In addition, eight positions are available on LAFCO's Special District's Advisory Committee, noting that Director Hanson is on this committee. She indicated that the deadline to receive nominations is October 9, 2015.

The Board of Directors asked Director Hanson if she would like to continue to participate on LAFCO's Special District's Advisory committee. Director Hanson indicated that she would like to continue to participate on the committee, however she has not decided if she would like to be nominated for the Alternate position. EA Hill stated that the deadline to receive the nomination form is prior to the next Board meeting.

GM Bushee confirmed that staff will nominate Director Hanson for the LAFCO Special District Advisory Committee position and if she notifies staff before the October 9, 2015 deadline, then staff will contact LAFCO notifying them of the change and resend a revised nomination form indicating that the District is nominating her for the Alternate position.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Kulchin, and unanimously carried, the Board of Directors agreed to support and nominate Director Hanson to either the Special Districts Advisory Committee position or LAFCO's vacant alternate position by the following vote:

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

**INFORMATION ITEMS**

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

None.

**19. Directors' Meetings and Conference Reports**

- A. The CASA Annual Conference was held on August 18-21, 2015 at the Manchester Grand Hyatt in San Diego, CA.

Director Kulchin reported that there were good speakers indicating that the CSRMA session was excellent and that it was nice to see Kevin Hardy as a speaker. Director Hanson reported that the CSRMA session was the best session at the conference. Director Sullivan reported that the closing presentation was excellent and very informative.

Vice President Omsted quoted the CSRMA speaker. He also reported that he learned that we use more water by turning on our lights than our faucets and showers because the plants use water for cooling. He provided an example of Texas saving 3.5 billion gallons of water by using wind generation for electricity.

## 20. General Manager's Report

GM Bushee reported on the following items:

- Los Angeles Times news article highlighted Leucadia Wastewater District and as a follow up to this story, KPBS San Diego aired a story relating to the how the drought impacts the sewer system. The video was presented to the Board of Directors.

Vice President Omsted asked GM Bushee to explain how the media contacted him. GM Bushee indicated that they originally contacted CASA, and CASA referred the media to him since the District was currently working on an article for the fall newsletter relating to the impacts of the drought on the sewer system.

## 21. General Counsel's Report

General Counsel Brechtel reported that he and Associate Counsel Gutman attended the attorney's meeting during the CASA conference. He stated that the meeting provided updated information on Conflict of Interest issues and that Mr. Gutman will be at the October Board meeting to provide an update. He also reported on the process to amend the CEQA guidelines. He noted that the updates are comprehensive and that he is monitoring the amendments and how they may affect the District's operations.

## 22. Board of Directors' Comments

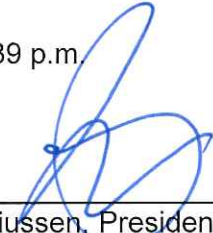
Director Hanson reported that purple pipe is being installed in the greenbelt in her neighborhood. In addition, she stated that members of the public can pick up buckets of recycled water at the filling stations located at 4S Ranch provided by Olivenhain Municipal Water District.

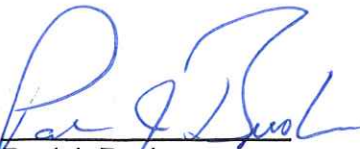
President Juliussen requested that staff add an agenda item to the Engineering Committee agenda to discuss recycled water fill stations.

Director Sullivan thanked the Board for allowing her to teleconference into the meeting.

## 23. Adjournment

President Juliussen adjourned the meeting at approximately 5:39 p.m.

  
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Allan Juliussen, President

  
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Paul J. Bushee  
Secretary/General Manager  
(SEAL)