

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 October 16, 2013

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, October 16, 2013 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

President Sullivan called the meeting to order at 5:02 p.m.

2. Roll Call

DIRECTORS PRESENT: Sullivan, Juliussen, Omsted, and Hanson

DIRECTORS ABSENT: Kulchin

OTHERS PRESENT: General Manager Paul Bushee, Legal Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, District Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey, Field Services Technicians In-Training Hugo Gonzalez and Rick Easton.

3. Pledge of Allegiance

President Sullivan led the pledge of allegiance.

4. General Public Comment Period

There was no public. GM Bushee introduced two new LWD employees Hugo Gonzalez and Rick Easton. The Board welcomed Hugo and Rick.

5. Approval of Agenda

Upon a motion duly made by Director Juliussen, seconded by Director Hanson, and carried, the Board of Directors approved the agenda.

6. Presentations and Awards

A. Achievement of Organizational Objectives.

GM Bushee presented two organizational objectives that LWD achieved this past month. He reported that the CSRMA Board of Directors approved the distribution of dividend payments from the pooled worker's compensation insurance program. The District received the check in the amount of \$8,950. He noted that LWD's incentive program authorizes a 50% cost sharing of the dividend and each employee is eligible for a compensation award of \$248.61.

He also reported that on September 13, 2013, staff completed two years without a lost time injury accident which meets another organizational objective under the incentive program. He indicated that this goal is important since work place injuries result in lost productivity, low morale and increased worker's compensation costs. He noted that each employee is eligible for a \$500 compensation award.

The Board congratulated staff for their efforts. President Sullivan noted that she attended a

conference session that presented information about the direct correlation between work place injuries and low morale.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

September 11, 2013 Regular Board Meeting
September 12, 2013 Community Affairs Committee Meeting
September 23, 2013 Investment & Finance Committee Meeting
October 3, 2013 Engineering Committee Meeting

8. Approval of Demands for September/October 2013

Payroll Checks numbered 16909-16946; General Checking – Checks numbered 44387-44550; Reissued checks numbered 44202 and 44461

9. Operations Report (A copy was included in the original October 16, 2013 Agenda)

10. Finance Report (A copy was included in the original October 16, 2013 Agenda)

Upon a motion duly made by Director Juliussen, seconded by Director Omsted, and carried, the Board of Directors approved the consent calendar.

EWA and COMMITTEE REPORTS

11. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on September 25, 2013.

Director Juliussen stated that he did not attend the EWA September 25, 2013 Board meeting, however he reported on the meeting based on the EWA report included in the agenda. Juliussen reported on the September 25, 2013 EWA Board of Directors meeting.

B. Encina Member Agencies Manager's (MAM) Meeting was held on October 1, 2013.

GM Bushee reported on the October 1, 2013, 2013 MAM meeting.

12. Committee Reports

A. Community Affairs Committee meeting was held on September 12, 2013.

Director Omsted reported that the CAC reviewed the draft text and layout of the newsletter and provided several revisions. He stated that the cover story will focus on the District's FY 13 accomplishments and it will also include an article on the proper disposal of flushable wipes.

He also reported that the CAC received an update on the website upgrade project noting that staff and Vision Internet mutually agreed to discontinue with the contract negotiations. Staff plans to commence negotiations with the company who scored second, BigTuna Interactive.

B. Investment & Finance Committee meeting was held on September 23, 2013.

Director Hanson reported that the IFC reviewed the proposed new financial software system. She stated that the IFC agreed with staff's recommendations and the contract with nfpAccounting will be reviewed later in the agenda.

C. Engineering Committee meeting was held on October 3, 2013.

Director Juliussen reported that the EC reviewed a purchase order with Courtesy Chevrolet Center, in the amount of \$24,620.86 for the purchase of one 2014 Chevrolet pickup truck to replace the District's On-Call Truck. The EC agreed with staff's recommendation and it will be reviewed later in the agenda.

He also reported that the EC received an update on the recent structural repairs in the Village Park area as a result of the enhanced CCTV inspections. He noted that staff will present the update later in the agenda.

ACTION ITEMS

13. Amend LWD's Health Flexible Spending Account.

Adopt Resolution No. 2241- Amending LWD's Health Flexible Spending Account.

ASM LeMay presented the item stating background on the District's Health Flexible Spending Account. He stated that due to the passage of the Patient Protection and Affordable Care Act (PPACA), the maximum Health FSA employee contribution amount was reduced from \$5,000 to \$2,500 effective January 1, 2013. He noted that the employees that are participating in the program are complying by the new limit, however, to formalize that the District is complying with the PPACA staff request that the Board adopt Resolution No. 2241.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Omsted and carried, the Board of Directors adopted Resolution No. 2241 – Amending LWD's Health Flexible Spending Account by the following vote:

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|----------|--|
| AYES: | Sullivan, Juliussen, Omsted and Hanson |
| NOES: | None. |
| ABSENT: | Kulchin |
| ABSTAIN: | None. |

14. Authorize the purchase of one 2014 Chevrolet Pickup Truck to replace the District's On-call truck.

Authorize the General Manager to execute a Purchase Order with Courtesy Chevrolet Center, in the amount of \$24,620.86 for the purchase of one 2014 Chevrolet Pickup Truck to replace the District's On-call truck.

FSS Jeff Stecker presented the item stating that it was reviewed by the EC on September 4th. He noted that this is a goal in the FY 14 Tactics and Action Plan. He described the condition of the District's current on-call truck indicating that it needs to be replaced and that it meets the

replacement schedule in the District's Vehicle Replacement Policy. He also provided a summary of the bidding process and that the District received two bids, noting their amounts. He stated that staff reviewed the bids and determined that Courtesy Chevrolet is the lowest responsive and responsible bidder.

Director Hanson asked what will happen to the District's old on-call truck. FSS Stecker stated that the truck will be traded in and the bid cost included the trade in value of truck.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Juliussen and carried, the Board of Directors authorized the General Manager to execute a Purchase Order with Courtesy Chevrolet Center, in the amount of \$24,620.86 for the purchase of one 2014 Chevrolet Pickup Truck to replace the District's On-call truck.

15. Risk Control Audit Report

Receive and file the California Risk Management Authority (CSRMA) Risk Control Audit Report.

ASM LeMay presented the item indicating when the audit was performed and that David Patzer of CSRMA conducted the audit. He stated that the audit process was lengthy and it involved many safety committee meetings, along with input from other staff members. He provided the results of the audit indicating which areas needs improvement. He added that staff is currently assessing the areas that needs improvement and plans to address the issues during the remainder of this year and next year.

He stated that the CSRMA Executive Board is requesting that the Board receive and file this report in order to help educate Board members with CSRMA's risk control efforts.

Director Omsted noted that he was impressed with the report. President Sullivan indicated that the report was comprehensive and helpful to the District.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Hanson and carried, the Board of Directors received and filed the CSRMA Risk Control Audit Report.

16. Approve LWD's Public Records Act Policy

Adopt Resolution No. 2240 – Approving LWD's Public Records Act (PRA) Request Policy.

EA Hill presented the item stating the purpose and need of this policy. She stated that the District is recognized as a District of Distinction by the Special District Leadership Foundation (SDLF); however, the District needs to reapply for this certification every two years. The certification is due for renewal in April 2014 and SDLF has changed the requirements in order to receive the certification.

She added that one of the requirements is that the District must have a SDLF District Transparency Certificate of Excellence, noting that the District does not have this certificate. She noted that the evaluation of the program is a goal in the FY 14 Tactics and Action Plan. She provided a brief list of benefits of program, along with the requirements. She stated that the one of the requirements is that the District must have a Board approved PRA Request Policy. She noted that the District follows the PRA, however, it doesn't have a formal written policy.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Juliussen and carried, the Board of Directors adopted Resolution No. 2240 – Approving LWD's

PRA Request Policy by the following vote:

AYES: Sullivan, Juliussen, Omsted and Hanson
NOES: None.
ABSENT: Kulchin
ABSTAIN: None.

17. Annual Review of the Board – General Manager/Staff Relations Policy.

Receive and file the Annual Review of the Board-General/Staff Relations Policy.

ASM LeMay presented the item stating background information and the purpose of the policy. He stated that staff reviewed the policy and had no recommended revisions to the policy.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Juliussen and carried by Sullivan, with Director Omsted opposing the Board of Directors received and filed the Annual Review of the Board-General/Staff Relations Policy.

Director Omsted indicated that the policy needs additional revisions.

18. Award of Purchase Contract – nfpAccounting Technologies, Inc. for Financial Software Update.

Authorize the General Manager to purchase the Sage Fund Accounting Software through nfpAccounting Technologies, Inc. on a sole source basis in an amount not to exceed \$44,536.

CPA Duffey presented the item stating that the District's current financial software no longer meets the District needs and is no longer supported. He noted that the system was developed under the DOS operating system. He stated that during FY 13 staff completed a tactical goal to evaluate several financial software systems.

He added that staff worked with nfpAccounting to help determine which software system best met the District's needs. Staff chose to sole source the contract with nfpAccounting because of their excellent support over the last nine years. In addition, nfpAccounting is a leader in implementing and supporting fund accounting technologies for government and non-profit agencies. He also provided a summary of staff's selection process for choosing the accounting software, indicating that Sage Fund Accounting was the best program for the District. He noted that the IFC reviewed this contract at their September 23, 2013 meeting and the IFC agreed with staff's recommendation.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Omsted and carried, the Board of Directors authorized the General Manager to purchase the Sage Fund Accounting Software through nfpAccounting Technologies, Inc. on a sole source basis in an amount not to exceed \$44,536.

19. Potential Transition to Electronic Board Agendas and Use of Electronic Tablets.

ASM LeMay presented the item indicating that it was placed on the agenda at the request of President Sullivan. He stated that staff recently participated in a survey regarding the use of electronic Board agendas and he provided the results of the survey. He also provided a list of benefits with going paperless and moving to electronic agendas.

In addition, he provided key considerations to facilitate the Board's discussion on the topic. He

provided a cost estimated for five tablets, along with other fees such as cellular service. He also presented other considerations, such as, the Board commitment to going paperless, training, technical issues with the tablets, noting that they would be District property and all information on them would be subject to the Public Records Act.

President Sullivan thanked staff for providing the advantages and potential disadvantages to consider. Director Juliussen stated that he could learn how to use the tablet; however he didn't see a significant cost savings by going paperless. President Sullivan asked several questions about the tablet's functions and information on the data plans. GM Bushee answered her questions. She also stated that if all Board members were not committed with going paperless, then she would not agree to purchase the tablets.

GM Bushee also noted that he received an email from Vice President Kulchin stating that he supported the purchase of tablets and use of electronic agendas.

GM Bushee summarized the Board discussion and agreed that staff will purchase five iPads with Wi-Fi and cellular capabilities, but to not implement the cellular service.

Following a discussion, the Board of Directors came to a consensus and directed staff to purchase five iPads with the Wi-Fi and cellular capabilities, without implementing the cellular service.

INFORMATION ITEMS

20. Project Status Updates and Other Informational Reports

A. Overview of recent Structural Repairs in the Village Park area as a result of the Enhanced CCTV inspections.

FSS Stecker provided a PowerPoint presentation of the structural repairs in the Village Park area. He stated that the transition from hydro-line cleaning to CCTV inspections has helped staff improve its operations by viewing structural damage that would have not be seen if the field services staff focused more of the their time on hydro-line cleaning the sewer lines. He noted that the District has not had a gravity line sewer spill in 23 months.

B. News Article dated September 30, 2013 from the San Diego Union Tribune "Bathroom Wipes Are Messing Up Pipes".

GM Bushee stated that Vice President Kulchin sent him the article.

GM Bushee also stated that FSS Stecker has been working with the CWEA Collections Committee on how to educate the public about the bathroom wipe issues in the sewer. He also presented a photograph of how the bathroom wipes negatively impact the wet well at the Batiquitos Pump Station.

C. LWD Comment Letter on Proposition 84 Grant Funding Allocation.

GM Bushee stated that the North San Diego County Recycled Water Coalition requested that the District sign a letter regarding the Proposition 84 Grant Funding Allocation. He provided an explanation on the allocation of the funds and how it affects the North County Recycled Water Coalition's project. He also provided a brief update on the District's water recycling negotiations with Olivenhain Municipal Water District (OMWD). He added that based on the

discussions, a contract with OMWD will not occur for at least 5 years and staff plans to resume discussions to maximize LWD's recycled water program with the city of Carlsbad.

21. Directors' Meetings and Conference Reports

A. The CSDA Annual Conference was held on September 16-19, 2013 at the Marriott in Monterey, CA.

President Sullivan stated that the Navy Commander's presentation was excellent. She stated there were issues with the round table session. Director Hanson agreed with President Sullivan about the roundtable discussions.

Director Juliussen noted that CSDA always has a good conference.

B. The CWEA Tri-State Conference was held on September 24-26, 2013 at the South Point Hotel in Las Vegas, NV.

President Sullivan reported that she attended sessions on polymer, a presentation on a wetlands project in Las Vegas, and a presentation on cigarette pollution and how agencies are recycling it into plastic and waste to energy.

C. The WEFTEC Conference was held on October 6-10, 2013 at the McCormick Place in Chicago, IL.

President Sullivan stated that this conference was excellent noting the various vendors that were present. She noted that she attended a session on employee succession planning and a session on humanitarian engineering. She noted that all the presentations that she attended were well done and that she learned a lot of information.

22. General Manager's Report

General Manager Bushee reported on the following items:

- Frank Reynaga notified LWD he plans to retire in September 2014. He noted that Frank will retire from the District with over 35 years of service.
- State Water Resources Control Board has raised their fees substantially, indicating that the WDR permit fees have increased over 27%.
- Provided an update on a recent staff meeting with Hilton executives regarding the B2 Force Main project. He stated that staff plans to continue discussions with Hilton with the goal of minimizing impacts to the hotel prior to replacing the pipeline.

23. General Counsel's Report

Legal Counsel Brechtel reported the following:

- The new Assembly Bill (AB) 218 prohibits public agencies from asking an applicant to disclose information regarding a criminal conviction, until the agency has determined the applicant meets the minimum employment qualifications for the position. This bill is effective July 1, 2014.

GM Bushee noted that the District would have to revise its employment application to comply with AB 218.

24. Board of Director's Comments

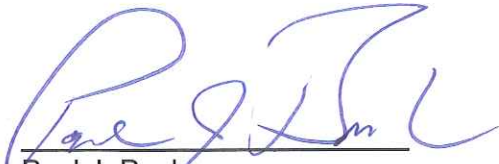
Director Juliussen stated that he is very satisfied with the capabilities of the new CCTV truck. President Sullivan thanked Director Hanson for being on the CSRMA Board.

25. Adjournment

President Sullivan adjourned the meeting at 5:50 p.m.



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)