

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
November 13, 2013

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, November 13, 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 5:00 p.m.

2. Roll Call

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, Legal Counsel Yin Ho, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Field Services Technician II Mauricio Avalos, District Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey, and Jamie Fagnant with Infrastructure Engineering Corporation.

3. Pledge of Allegiance

President Sullivan led the pledge of allegiance.

4. General Public Comment Period

There was no public comment.

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 individual objectives that two LWD employees achieved. He reported that Field Services Technician II Mauricio Avalos recently received his Bachelor's degree from University of Phoenix. Mauricio is eligible for a \$1000 incentive award as authorized under LWD's Incentive Program.

GM Bushee also stated that Robin Morishita recently passed his 10th year anniversary at the District. He provided a brief summary of accomplishments that he has achieved during his tenure at the District and he indicated that under LWD's incentive program Robin is eligible for a \$200 incentive award.

The Board congratulated Mauricio and Robin for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

October 16, 2013 Regular Board Meeting
November 5, 2013 Investment & Finance Committee Meeting
November 5, 2013 Engineering Committee Meeting

8. Approval of Demands for October/November 2013

Payroll Checks numbered 16947-17007; General Checking – Checks numbered 44551-44629

9. Operations Report (A copy was included in the original November 12, 2013 Agenda)

10. Finance Report (A copy was included in the original November 12, 2013 Agenda)

11. Quarterly Treasurer's Investment Report (A copy was included in the original November 12, 2013 Agenda)

12. Actuarial Valuation of LWD's Retiree Health Program (A copy was included in the original November 12, 2013 Agenda)

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

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on October 23, 2013.

Director Juliussen reported on EWA's October 23, 2013 Board meeting.

B. Encina Member Agencies Manager's (MAM) Meeting was held on November 5, 2013.

GM Bushee reported on the November 5, 2013, MAM meeting. President Sullivan also provided additional information on the grant for EWA's biosolids program.

14. Committee Reports

A. Investment & Finance Committee meeting was held on November 5, 2013.

Director Hanson reported that the IFC reviewed the Actuarial Valuation Report of LWD's Retiree Health Program. She noted the District's annual required contribution for FY 14 is a negative \$5,789 and that staff is not requesting that the funds be returned to the District, since the funds will accrue greater interest in the CERBT account. She stated that this item was approved on the consent calendar.

She also reported that the IFC received an update on new GASB Statements Nos. 63 and 68. Staff will provide an update later in the agenda.

B. Engineering Committee meeting was held on November 5, 2013.

Director Juliussen reported that the EC reviewed a technical memorandum on non-destructive testing methods for the Leucadia (L1) and Batiquitos (B3) Force Mains completed by Infrastructure Engineering Corporation.

He stated that the EC also reviewed a purchase order for a mechanical fat, oil, and grease reduction system for the Batiquitos Pump Station from Anue Water Technologies, Inc. in an amount not to exceed \$51,305.

He stated that both of these items will be reviewed later in the agenda for the Board's approval.

He also reported that the EC received an update on the Batiquitos B2 Force Main Replacement Project.

C. Employee Recognition Committee meeting was held on November 12, 2013.

Director Hanson reported that the ERC reviewed the Employee of the Year nominations and selected the 2013 Employee of the Year recipient. She stated this item will be reviewed later in the agenda for the Board's approval.

ACTION ITEMS

15. Leucadia (L1) Force Main and Batiquitos (B3) Force Main Non-Destructive Testing Project.

Receive and file the technical memorandum on the Recommended Method for Non-Destructive Testing of Leucadia (L1) and Batiquitos (B3) Force Mains completed by Infrastructure Engineering Corporation.

TSM Morishita presented the item stating it was reviewed by the EC at its November 5th meeting. He provided background information on the L1 and B3 Force Mains and the need to further assess the lines due to their condition. He introduced Jamie Fagnant with IEC to provide a summary of their recommended testing method for the force mains.

Ms. Fagnant provided an overview of the technical memorandum and IEC's recommendation to contract with PICA Corporation to conduct the force mains assessments using their SeeSnake. Ms. Fagnant presented three available options to conduct the assessment; however she noted that the SeeSnake was the best option due to its unique capabilities. In addition, IEC conducted reference checks and all agencies provided favorable references. She also answered Board questions relating to traffic control.

TSM Morishita noted that staff plans to recommend a sole source procurement because the SeeSnake device is unique, proprietary, and technical in nature.

Following discussion, and upon a motion duly made by Vice President Kulchin, seconded by Director Hanson and carried, the Board of Directors received and filed the technical memorandum on the Recommended Method for Non-Destructive Testing of Leucadia (L1) and Batiquitos (B3) Force Mains completed by Infrastructure Engineering Corporation.

16. Award of Purchase Contract - Mechanical Fat, Oil, and Grease Reduction System for the Batiquitos Pump Station Wet Well.

Authorize the General Manager to purchase a Mechanical Fat, Oil and Grease (FOG) Reduction System for the Batiquitos Pump Station from Anue Water Technologies, Inc. in an amount not to exceed \$51,305.00.

FSS Jeff Stecker presented the item stating that it was reviewed by the EC on November 5th. He described the issue at the pump station's wet well stating that it was due to an increase of grease and wipes. He indicated that the mechanical FOG reduction system will agitate the water inside the wet well to prevent the buildup of FOG and its associated operational problems. He stated that the Leucadia pump station currently has the system and it has effectively prevented the formation of the FOG mat. He stated that staff believes that the system will also be effective at the Batiquitos Pump Station's wet well.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Vice President Kulchin and carried, the Board of Directors authorized the General Manager to purchase a Mechanical Fat, Oil and Grease Reduction System for the Batiquitos Pump Station from Anue Water Technologies, Inc. in an amount not to exceed \$51,305.00.

17. Approve an award of \$1,000 to the recipient of the 2013 Employee of the Year Award.

ASM LeMay presented the item stating that the ERC reviewed this item at their November 12th meeting and selected a recipient. He noted that staff did not disclose the 2013 Employee of the Year recipient's name, since it will be announced as a surprise during the Holiday lunch.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Juliussen and carried, the Board of Directors approved an award of \$1,000 to the recipient of the 2013 Employee of the Year Award.

18. Calendar Year 2014 Board of Directors' Meeting Schedule.

Approve the Calendar Year 2014 Board of Directors' meeting schedule.

EA Hill presented the item stating that the Board approved Resolution No. 2205 that establishes the date, time and place for regular Board meetings. It also states that the Board meetings will held on the second Wednesday of each month at 5:00 PM. She noted that staff developed the proposed CY 2014 Board meeting schedule and coordinated the meetings with upcoming 2014 conferences.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Juliussen and carried, the Board of Directors approved the Calendar Year 2014 Board of Directors' meeting schedule.

19. Batiquitos Lagoon Foundation Board Members 2013 Election.

EA Hill stated that staff recently received a notice for the 2013 Batiquitos Lagoon Foundation Board Members Elections. She provided the candidates' names and the ballot's due date.

Director Omsted stated that all candidates are qualified and he recommends that the Board vote

for all three candidates. He noted that Robert Murphy has been on the Board in past.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Juliussen and carried, the Board of Directors voted for the following candidates on the Batiquitos Lagoon Foundation Board of Directors: Jim Brown (Incumbent), Fred Sandquist (Incumbent) and Robert Murphy.

20. Call for Nominations to the San Diego Chapter CSDA Board of Directors.

EA Hill stated that staff received an email from CSDA San Diego Chapter President Kathleen Coates Hedberg notifying members that CSDA is soliciting nominations for upcoming elections. EA Hill noted that the incumbents for the two opens seat are running for re-election.

President Sullivan recommended voting for both incumbents.

Following discussion, the Board of Director agreed not to nominate an individual to the San Diego Chapter CSDA Board of Directors. They will vote for the incumbents during the election at the upcoming quarterly dinner meeting.

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

A. GASB 63 & 68 Update.

CPA Duffey presented an overview of the GASB Statement Nos. 63 & 68. He stated that Statement No. 63 deals with financial reporting changes noting that there will be two new categories called deferred outflows of resources and deferred inflows of resources. He also noted that the statement of net assets will change to the statement of net position. These changes will take effect on the upcoming CAFR.

He added that Statement No. 68 is the requirement to report pension liabilities. He stated that the pension liabilities will be calculated by CalPERS and that they will conduct an actuarial every two years. He also provided an example of the how the liabilities will be shown on the audit.

B. CSDA Quarterly Dinner Meeting is scheduled for Thursday, November 21, 2013 at the Butcher Shop Steak house in Kearny Mesa.

GM Bushee announced he will carpool to the event. He will leave from the District's offices at 5:30 p.m.

C. Invitation to Senator Joel Anderson Annual Holiday Legislative Open House on Thursday, November 21, 2013 at the Toyota of El Cajon.

GM Bushee announced the event and noted that this event is during the same time as the CSDA Quarterly Dinner meeting.

22. Directors' Meetings and Conference Reports

A. The WasteReuse Direct Potable Reuse Conference was held on November 7-8, 2013 at the Marriott in Newport Beach.

Director Juliussen stated that he was impressed with the information provided at the conference and the number of out-of-state attendees. Director Omsted indicated that he learned that the California water regulators are strict with the regulations for direct potable reuse. He also noted that he learned that desalination is very energy intensive and direct potable reuse is not as energy intensive.

23. General Manager's Report

General Manager Bushee reported on the following items:

- iPad training is scheduled for tomorrow at 2 p.m. by Basics and Beyond; and
- He will be out of the office from November 14-15, 2013 attending CASA Executive Board's Planning session. He noted that TSM Morishita will be the Acting General Manager in his absence.

24. General Counsel's Report

Legal Counsel Yin Ho reported the following:

- New passage of law AB 1090 - Board members can now contact the Fair Political Practice Commission (FPPC) for advice which was not previously available. He noted that members could receive a response within a couple of days.

25. Board of Director's Comments

Director Juliussen stated that he is impressed with the field staff's innovative ideas on how to improve the facilities.

Director Kulchin thanked the staff and the Community Affairs Committee on the recent newsletter, noting he was impressed with it.

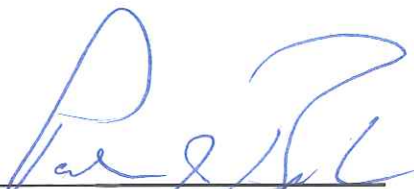
President Sullivan stated that she read in the paper today that a city of Encinitas council member has brought up a good point in regards to the city discontinuing the use of bottled water at their meetings. She noted that using bottled water is sending the wrong message about water. President Sullivan requested that staff add an agenda item to the December agenda to discuss LWD's use of bottled water at their meetings. GM Bushee noted that staff will add the item to the agenda.

26. Adjournment

President Sullivan adjourned the meeting at 5:56 p.m.



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)