

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

November 9, 2011

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, November 9, 2011 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Technical Services Manager Robin Morishita, Administrative Services Manager Chuck LeMay, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, CPA Richard Duffey, District Engineer Steve Deering, Brandon Kinney and Shayne Waldron of PCL Construction, Inc., Jamie Taylor and Rob Weber of Infrastructure Engineering Corporation (IEC), and Richard Babbe of PFM.

3. Pledge of Allegiance**4. Approval of Agenda**

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

5. Public Comment

None.

6. Presentations and Awards

None.

7. Consent Calendar

GM Bushee stated that President Omsted requested a revision to the October 19, 2011 Board meeting minutes under Directors' meetings. GM Bushee described the change and indicated that the revision had been made.

A. Minutes for the following meetings:

October 17, 2011 Community Affairs Committee meeting

October 19, 2011 Regular Board meeting

October 31, 2011 Engineering Committee meeting

B. Demands for October/November 2011

Payroll Checks numbered 15730-15771; General Checking – Checks numbered 41642-41739

C. Operations Report. (A copy was included in the original November 9, 2011 Agenda)

- D. Finance Report. (A copy was included in the original November 9, 2011 Agenda)
- E. Receive and file the Quarterly Investment Report. (A copy was included in the original November 9, 2011 Agenda)
- F. Receive and file the LWD OPEB Actuarial Valuation as of June 30, 2011. (A copy was included in the original November 9, 2011 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

A. Encina Wastewater Authority Report – October 26, 2011 Board meeting.

Director Sullivan reported on EWA's October 26, 2011 Board meeting. Director Sullivan noted that she requested that EWA provide an overview of their outfall report to LWD's Board of Directors. GM Bushee stated that he will follow up with EWA's General Manager Kevin Hardy.

Director Juliussen also noted that Director Sullivan was presented with an award recognizing her twenty three years of service on EWA's Board of Directors. He also noted that the EWA CIC met this morning and they are reviewing options of leasing or selling a portion of EWA's property.

Member Agency Manager Meeting – October 20, 2011.

GM Bushee reported that the meeting was cancelled.

9. Committee Reports

A. Engineering Committee (EC) meeting was held October 31, 2011.

Director Juliussen reported that the EC reviewed the following agreements for construction work, engineering services, and construction management services for to the Batiquitos Pump Station Rehabilitation Project:

- An agreement with PCL Construction, Inc. for construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$2,386,550 as the lowest responsive and responsible bidder;
- A sole source agreement with Richard Stinson Construction Management for construction management services in an amount not to exceed \$130,000;
- A sole source agreement with Rockwell Construction Services, Inc. for inspection services in an amount not to exceed \$30,000; and
- An agreement with Infrastructure Engineering Corp. for engineering support services in an amount not to exceed \$89,500.

He noted that these items will be reviewed by the Board later in the agenda. In addition, the EC received an update on the repair of the main sewer line cleanout on Cebu Court.

B. Investment & Finance Committee (IFC) meeting was held on November 7, 2011.

Vice President Hanson reported that the IFC reviewed LWD's OPEB Actuarial Valuation as of June 30, 2011. She noted that Marilyn Jones presented the report. This item was approved under the consent calendar.

C. Employee Recognition Committee (ERC) meeting was held November 7, 2011.

Director Sullivan reported that the ERC reviewed employee nomination forms for the 2011 Employee of Year award and selected the recipient for the award. She noted that this agenda item will be reviewed later in the agenda and indicated that the award winner will receive a monetary award of \$1,000 at the District's Holiday party on Dec. 15th.

10. Old Business

None.

11. New Business

A. California Asset Management Program (CAMP) Individual Portfolio Program Status Report.

GM Bushee presented this item stating that the District has been a member of the CAMP portfolio since 2004. He introduced Richard Babbe of PFM, who is the administrator of the program.

Mr. Babbe presented an overview of the economy and status of the CAMP Individual Portfolio. He discussed how the economy has affected the District's investments over the past year, noting that the key goals while investing the District's funds, are maintaining the safety, liquidity, and yield of investments. Mr. Babbe noted that staff has been utilizing LAIF and the San Diego County Investment Pool because those investments are currently returning higher yields. Mr. Babbe indicated that most economists believed that the interest rates will stay low for another two years.

This item was informational and no action was taken.

B. Authorize the General Manager to execute an agreement with PCL Construction, Inc. for the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$2,386,550 as the lowest responsive and responsible bidder.

TSM Morishita presented this item stating that the EC reviewed this item at their October 31st meeting. He stated that the rehabilitation of the Batiquitos Pump Station was identified in the Asset Management Plan and the Board previously authorized staff to proceed with the design of the project. He stated that the design was completed by IEC and the project was bid on September 12th, with bids due on Oct. 11th. He noted that ten bids were received with NEWest Construction being the apparent lowest bid. However, following IEC's review of the bids, IEC determined NEWest's bid to be nonresponsive to the project's specifications. TSM Morishita provided details on why they did not meet certain qualifications. He stated that following IEC's reviews of the bids they recommended PCL Construction as the lowest responsive and responsible bidder for an amount of \$2,386,550.

Director Juliussen stated that he reviewed NEWest's bid and agreed with IEC's and staff's recommendation. Director Kulchin thanked Director Juliussen for closely reviewing the bids.

Upon a motion duly made by Vice President Hanson, seconded by Director Sullivan, and carried, the Board of Directors authorized the General Manager to execute an agreement with PCL Construction, Inc. for the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$2,386,550 as the lowest responsive and responsible bidder.

- C. Authorize the General Manager to execute a sole source agreement with Richard Stinson Construction Management for construction management services during the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$130,000; and authorize the General Manager to execute a sole source agreement with Rockwell Construction Services, Inc. for electrical, instrumentation and controls construction management and inspection services during the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$30,000.

TSM Morishita presented this item stating that the project needs construction management services, electrical instrumentation and controls construction management services, and inspection services during the construction. He described the reasons for both sole source agreements, noting that both Richard Stinson and Rockwell Swanson have provided excellent construction management services for the District during past projects. In addition, their knowledge of the District's facilities and their technical experience satisfies the criteria for sole sourcing these agreements under the District's Purchasing Policy.

Director Juliussen noted that the costs for these services are less than seven percent of the total construction contract, which is a reasonable amount. He also noted that Richard Stinson and Rockwell Construction both provide excellent services.

Upon a motion duly made by Director Kulchin, seconded by Director Sullivan, and carried, the Board of Directors authorized the General Manager to execute a sole source agreement with Richard Stinson Construction Management for construction management services during the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$130,000; and authorized the General Manager to execute a sole source agreement with Rockwell Construction Services, Inc. for electrical, instrumentation and controls construction management and inspection services during the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$30,000.

- D. Authorize the General Manager to execute an agreement with Infrastructure Engineering Corporation for engineering support services during the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$89,500.

TSM Morishita presented this item stating that the Batiquitos Pump Station Rehabilitation Project will require engineering support services. He provided a brief summary of IEC's scope of work and also stated that the District's Purchasing Policy allows the retention of a firm for subsequent phases of a project. He stated that IEC submitted their proposal in the amount of \$89,500 and staff believes this fee is fair and reasonable.

Director Juliussen noted that this agreement is only three and a half percent of the total construction project amount, which is a fairly low percentage. In addition, he stated that IEC did an excellent job on estimating the construction cost for the Batiquitos Rehabilitation Pump Station project.

Upon a motion duly made by Director Kulchin, seconded by Vice President Hanson, and carried, the Board of Directors authorized the General Manager to execute an agreement with Infrastructure Engineering Corporation for engineering support services during the construction of the Batiquitos Pump Station Rehabilitation Project in an amount not to exceed \$89,500.

E. Approve award of \$1,000 to the recipient of the 2011 Employee of the Year Award.

ASM LeMay presented this item stating that the Employee Recognition Committee, management staff, and the 2010 Employee of Year recipient reviewed the applications at its Nov. 7th meeting and selected a recipient. He stated that the recipient will be announced at the Dec. 15th Holiday dinner and will receive an award of \$1,000.

Upon a motion duly made by Director Sullivan, seconded by Director Juliussen, and carried, the Board of Directors approved the award of \$1,000 to the recipient of the 2011 Employee of the Year Award.

F. Approve the Calendar Year 2012 Board of Directors' meeting schedule.

Director Sullivan indicated that the "upcoming conferences document" in the Board's agenda had an error in the dates. GM Bushee stated that staff will make the correction.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Hanson, and carried, the Board of Directors approved the Calendar Year 2012 Board of Director's meeting schedule.

12. Information Items

A. CSDA Quarterly Dinner meeting is scheduled for Thursday, November 17, 2011 at the Courtyard Marriott in San Diego.

GM Bushee stated that he will be carpooling to the dinner. He indicated that he will leave the District office at 5:30 p.m.

Director Kulchin stated he needed leave early, but he would like to provide his Director comments. He congratulated everyone on the terrific open house on Nov. 4th and expressed his appreciation for everyone's work. He was impressed with the field services demonstrations during the open house. He also thanked Superintendent Jeff Stecker for being his tour guide during the collections system and pump station tour this morning. He was impressed with the technology that the District utilizes. He stated that the tour provided him with a better understanding of the costs associated with the District's infrastructure and the need for proactive replacement of infrastructure to protect our environment.

President Omsted thanked Director Kulchin for his comments and his "thank you" email regarding the open house. He suggested that staff archive his email regarding the open house.

13. Directors' Meetings

- A. LAFCO Special District Advisory Committee meeting was held at the LAFCO office in San Diego, CA on October 21, 2011.

Vice President Hanson stated that she attended the meeting with GM Bushee. She stated that the committee discussed fire protection and that they also received the LAFCO elections results. She indicated that she was re-elected to the Special Advisory Committee.

The Board members congratulated Vice President Hanson and thanked her for representing LWD and participating on the committee.

14. Comments, Questions or Requests by Directors

Director Juliussen stated that the open house was an excellent event and the attendance at the event was great. He stated that staff did a great job on the open house.

Director Sullivan stated that the open house was a great event and that the weather may have worked in the District's favor by requiring the event to be held in the vector building which brought everyone together. She noted that all of the staff was upbeat, welcoming, and did a great job. She also commended Celeste Biles of the Encina Wastewater Authority (EWA) for her great sewer demonstration. She stated that a number of parents thanked her for having the event because they take their kids to these events to educate them on environmental issues and to teach them to be proactive and environmentally responsible citizens.

Director Hanson requested a copy of the final costs for the open house. GM Bushee agreed to provide her with the final costs after all invoices are received.

President Omsted suggested that staff schedule a debriefing meeting to discuss the open house event during the beginning of next year. He encouraged the open house event committee and Board members to attend the meeting.

15. General Manager's Report

The following items were reported:

- He met with EWA member agencies on Oct. 20th to discuss the West Effluent Main Sewer line agreement and a final draft will be completed in the next few months for the Board's review.
- The District's Holiday dinner is scheduled for December 15th at 6 p.m. at The Crossings in Carlsbad
- He reported that he attended CASA Executive Board retreat last month and was unable to attend the EWA Board meeting.
- EA Hill reported that the District's CSDA Teacher Grant application submittal from Mission Estancia was awarded a grant for their project. She noted that the check was delivered to the school yesterday by the CSDA San Diego Chapter President Coates Hedberg.


16. General Counsel's Report

None.

17. Adjournment

President Omsted adjourned the meeting at 5:47 p.m.


Donald Omsted, President


Paul J. Bushee
Secretary/General Manager
(SEAL)