

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting February 13, 2013

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, February 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, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Executive Assistant Trisha Hill, District Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey, Field Services Technicians Adam Robey, Todd Amos, Mauricio Avalos and Ian Riffel, Field Services Supervisor Marvin Gonzalez, and Natalie Fraschetti with Dexter Wilson Engineering.

3. 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 an Individual Objective.

GM Bushee introduced Field Services Technician In-Training Todd Amos and stated that he recently received his Bachelor of Arts Degree in Organizational Management from Ashford University. He also presented background information about Todd and congratulated him for his efforts.

President Sullivan presented Todd with an incentive check for \$1000 as authorized under LWD's Incentive Program.

The Board of Directors congratulated Todd for his efforts.

B. Achievement of an Organizational Objective – CWEA Awards.

GM Bushee stated that LWD was presented with three awards at the CWEA 2013 Awards &

Installation Banquet. He stated that the District received the Plant of the Year award; Field Services Supervisor Marvin Gonzalez received the Supervisor of the Year award; and Field Services Technician I Mauricio Avalos received the Collection System Person of the Year award. GM Bushee provided a brief summary of Marvin's and Mauricio's accomplishments. GM Bushee noted that this is the first time the District has received the Plant of Year award. He also noted that all three awards will move to the State competition.

GM Bushee stated that under LWD's Incentive Program, employees are eligible for a \$100 incentive for the Plant of the Year award.

The Board of Directors congratulated Marvin, Mauricio and staff for their efforts.

C. Achievement of Organizational Objective - Achieve Highest Number of Consecutive Days without a vehicle accident.

General Manager Bushee stated that as of February 25, 2013, LWD employees have had no vehicle accidents for one year. Under LWD's Incentive Program, each employee is eligible for an incentive compensation award in the amount of \$250.

The Board of Directors congratulated staff for this accomplishment.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

January 7, 2013 Investment & Finance Committee Meeting
January 9, 2013 Regular Board Meeting
January 14, 2013 Community Affairs Committee Meeting
February 5, 2013 Engineering Committee Meeting

Item No. 8 was removed for discussion.

9. Operations Report (A copy was included in the original February 13, 2013 Agenda)

10. Finance Report (A copy was included in the original February 13, 2013 Agenda)

11. Quarterly Treasurer's Investment report. (A copy was attached to the original February 13, 2013 Agenda)

12. Annual Review of the LWD's Reserve Policy. (A copy was included in the original February 13, 2013 Agenda)

Director Juliussen pulled the Demands, item no. 8, for discussion.

Upon a motion duly made by Director Hanson, seconded by Vice President Kulchin, and carried, the Board of Directors approved all other items on the consent calendar, with the exception of item no. 8, the Demands, pulled for discussion.

8. Approval of Demands for January/February 2013

Payroll Checks numbered 16491-16554; General Checking – Checks numbered 43378-43533.

Director Juliussen had several questions relating to account payables. GM Bushee and staff answered his questions regarding the payments to vendors.

Following discussion, President Sullivan encouraged the Board to please contact the General Manager prior to the meeting if they have numerous questions related to an agenda item.

Director Juliussen motioned to approve item no. 8, Director Omsted seconded, and carried the Board of Directors approved item no. 8, the Demands.

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on January 23, 2012.

Director Juliussen reported on the January 23, 2012 EWA Board of Directors meeting.

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

GM Bushee reported on the February 5, 2013 MAM Meeting.

14. Committee Reports

A. Community Affairs Committee meeting was held on January 14, 2013.

Director Omsted reported that the CAC reviewed the proposed article topics and production schedule for the spring 2013 newsletter. He indicated that the topics included:

- LWD's budget process;
- Illustrations of indoor wastewater plumbing; and
- LWD's awards.

He also reported that the CAC received updates on the Speakers' Bureau and Teacher Grant program.

Director Omsted added that following the CAC meeting, it was determined that the spring newsletter should focus on LWD as a Special District rather than LWD's budget process.

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

Director Juliussen reported that the EC reviewed the 2013 Asset Management Plan completed by Dexter Wilson Engineering. He also reported that the EC reviewed a proposed change order with PCL Construction, Inc. for additional work to reline the west wall of Wet Well 2 of the Batiquitos Pump Station at an estimated cost of \$50,660.

In addition, he stated that the EC reviewed Ordinance No. 127, a reimbursement agreement

for sewer between LWD and Marquee Enterprises, LLC. He also reported that the EC reviewed an agreement between Olivenhain Municipal Water District and Local Project Participants for Partnership and Uses of a Grant Award.

Director Juliussen stated that these items were reviewed by the EC and that the EC concurred with staff to present them to the Board for approval and they will be presented later in the agenda.

In addition, he reported that the EC received presentations on the evaluation of an onsite portable welding unit, new CCTV Truck cost efficiencies, and the February 1st force main overflow associated with the Lanikai Truck Sewer Lining project bypass. These will be presented later in agenda.

The EC also received updates on the force main corrosion control project and the Batiquitos Pump Station Rehabilitation project.

ACTION ITEMS

15. Adopt the 2013 Asset Management Master Plan (AMMP) completed by Dexter Wilson Engineering.

TSM Morishita presented the item stating that it was reviewed by the EC. He indicated that the AMMP, which is a goal in the FY 13 Tactical Plan, is a cornerstone document, along with the Financial Plan and the District's Strategic Plan. He stated that implementation of the 2008 AMMP resulted in the completion and implementation of several capital improvement projects over the last years. He also noted that it is prudent to update the AMMP every five years as projects are completed. He provided a brief summary of the five categories within the AMMP and then he introduced Natalie Fraschetti with Dexter Wilson Engineering to provide an overview of the AMMP Update.

Ms. Fraschetti presented an overview of the AMMP Update. She provided the guiding principles of the AMMP, noting that ninety percent of the District's upcoming projects will be replacement projects. She indicated that the District's asset replacement value is estimated at \$376,390,355, if the District were to replace its entire facilities and infrastructures today. She noted that the District would have approximately \$90 million in capital expenditures over the next twenty years based on the AMMP conservative figures.

GM Bushee noted that staff will continue to review each capital improvement project and go through an assessment process to determine whether the infrastructure or facility will need to be replaced and/or repaired, indicating that the AMMP is used as a guiding document.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Vice-President Kulchin and carried, the Board of Directors adopted the 2013 Asset Management Master Plan completed by Dexter Wilson Engineering.

16. Evaluation of an Onsite Portable Welding Unit.

Field Services Technician I Adam Robey presented an evaluation of an onsite portable welding unit. He stated the purpose and need of an onsite welding unit, along with specific examples. He

stated that based on the results of this evaluation, staff plans to include the purchase of an onsite welding unit in the Fiscal Year 2014 budget.

Director Omsted asked if the field services staff plan on getting certified in welding. GM Bushee noted that Adam is planning on taking a welding course and mentoring other field services members.

Director Juliussen suggested that staff proceed with the purchase of the welding unit in this budget year if necessary. GM Bushee noted that this purchase is within staff's authority.

This item was for information only and no action was taken.

17. New CCTV Truck Cost Efficiencies Report.

Field Services Technician III Ian Riffel presented an overview of cost efficiencies associated with the new CCTV truck. He provided cost savings estimates based on the reduction in traffic control, field services hours, and equipment cost. In addition, he stated that other benefits of the CCTV truck included that the truck allows staff to access easements that were not accessible without the truck and staff is able to CCTV additional sewer lines in less time.

This item was for information only and no action was taken.

18. Batiquitos Pump Station Rehabilitation Project Proposed Change Order.

TSM Morishita presented this item stating that it was reviewed by the EC at their February 5th meeting. He provided brief background information on the project, stating that during the project it was discovered that the PVC liner on the west wall of wet well 2 was separating from the wall. He discussed the need and process to the repair of the liner. He noted that there are sufficient funds in the budget to cover the change order.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Omsted and carried, the Board of Directors authorized the General Manager to execute a proposed change order with PCL Construction, Inc. for additional work to reline the west wall of wet well 2 of the Batiquitos Pump Station for an estimated amount of \$50,660.

19. Agreement between Olivenhain MWD and Local Project Participants for Partnerships and Uses of a Grant Award.

GM Bushee presented this item by providing a brief summary of the administrative process that the members of the North San Diego County Regional Recycled Water project are required to complete to keep the project moving forward. He noted that LWD will need to execute this contract in order to receive funding from the State Proposition 84 funding authorization.

Director Hanson asked if the District will receive a reimbursement for a portion of this project. GM Bushee confirmed that the District would receive a reimbursement.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Vice-President Kulchin and carried, the Board of Directors authorized the General Manager to execute an agreement with Olivenhain Municipal Water District establishing partnership and uses of a

grant award from the State of California Department of Water Resources.

20. Contract Amendment No. 1 to Prizm for Janitorial Services.

EA Hill presented this item stating that the original janitorial services agreement with Prizm will expire in April 2013. She stated that the existing contract includes an option to extend the contract for additional two years. She noted that she has met with Prizm and they agreed not to increase their rates. She also added that staff has been satisfied with their work and recommends exercising the option to extend the contract for an additional two years.

Following discussion, and upon a motion duly made by Vice-President Kulchin, seconded by Director Omsted and carried, the Board of Directors authorized the General Manager to execute a contract amendment with Prizm for Janitorial Services for an additional two years in an amount not to exceed \$30,747.60.

21. Discuss Draft Agenda for Board of Directors Strategic Planning Session.

GM Bushee presented this item stating that at the January 2013 Board meeting the Board members discussed topics for the upcoming Strategic Planning Session. Staff has prepared an agenda based on that discussion and the Board interviews with Jeff Bills. He stated that this item is presented to discuss any changes or additions to the Strategic Planning Session agenda.

The Board of Directors had no additional items or changes to the draft Strategic Planning Session agenda as presented. No action was taken.

PUBLIC HEARING

22. Public Hearing to consider the following:

A proposal to adopt an ordinance approving a reimbursement agreement for sewer between LWD and Marquee Enterprises, LLC.

President Sullivan opened the public hearing for comments.

ASM LeMay stated that the notice of the public hearing was posted at the District office on January 30, 2013 and, to date, staff has not received public comment.

No public comments were provided. President Sullivan closed the public hearing.

23. Adopt Ordinance No. 127 Approving A Reimbursement Agreement for Sewer between LWD and Marquee Enterprises, LLC ("Developer").

District Engineer Deering presented this item stating that the Developer completed construction of a sewer line extension from 801 Orpheus Avenue to new sewer service for 905 Orpheus. He noted that the address is a commercial site. He stated that the sewer line extension has been dedicated to the District. He also provided a summary of the agreement and stated that it has been reviewed by District Counsel Brechtel.

Director Juliussen inquired about the reimbursement of construction cost plus interest rate that the

developer would receive based on the language in the agreement. DE Deering stated that the interest rate that would be provided to the developer is standard language in a reimbursement agreement. General Counsel Brechtel confirmed that this is standard reimbursement agreement language.

GM Bushee noted that Director Omsted called prior to the meeting requesting that exhibit A, the map attached to agreement be provided to him in color. Director Omsted confirmed that he received the color map as a hand out.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Hanson and carried, the Board of Directors adopted Ordinance No. 127 Approving A Reimbursement Agreement for Sewer between LWD and Marquee Enterprises, LLC ("Developer") by the following vote:

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

INFORMATION ITEMS

24. Project Status Updates and Other Informational Reports

- A. February 1, 2013 Force main overflow associated with the Lanikai Truck Sewer Lining project bypass.

TSM Morishita provided an update on the Lanikai Truck Sewer Lining project and an overview of the February 1, 2013 force main overflow associated with this project.

- B. CSDA Quarterly Dinner meeting is scheduled for Thursday, February 21, 2013 at the 94th Aero Squadron in San Diego.

GM Bushee stated that he is carpooling to the meeting and that he will leave the District office at 5:30PM.

- C. Union Tribune news article "Sewage pipe breaks near Ponto Beach".

Director Juliussen commented on the article, inquiring about the difference between the amount of sewage that spilled and the amount that was not recovered. GM Bushee stated that amount that was not recovered was most likely saturated in the soil near the location of the spill.

25. Directors' Meetings and Conference Reports

- A. The CASA Conference was held at the Renaissance Esmeralda Resort & Spa in Indian Wells, CA on January 16-19, 2013.

Director Hanson reported that it was one of the best educational conferences. She also reported on Bobby Larson's presentation and the recycled water presentation. President Sullivan agreed.

GM Bushee noted that during the CSRMA meeting, the Board approved the pooled liability dividend. Staff will present the dividend to the Board once it is received.

B. The CSDA Education Committee & Membership Committee meetings were held in Sacramento, CA on January 18, 2013.

President Sullivan reported that she attended two CSDA Committee meetings. She reported that during the Education Committee, the committee discussed providing an incentive program to Districts with a budget under \$1 million for attending leadership training. She also reported that during the Membership Committee meeting, they approved a Membership Ambassador Committee that will mentor new members. She noted that she is a member of this committee.

26. General Manager's Report

General Manager Bushee reported on the following items:

- EA Hill provided information on the Conflict of Interest Form 700, noting San Diego County's new online system and the due date for the forms.

27. General Counsel's Report

General Counsel Brechtel provided an update on the revised provisions to the collection system Wastewater Discharge Requirements Monitoring and Mitigation Program from the State Water Resources Control Board. He noted that TSM Morishita reviewed and commented on the proposed revision, along with CASA's legal committee.

He also provided information on reporting investments or stock on their Form 700. He provided examples on the types of investments that should be reported. He also reminded the Board that the FPPC has a hotline that will answer your questions if you are unsure on what is reportable.

28. Board of Director's Comments

None.

29. Closed Session.


A. Conference with District Legal Counsel to discuss anticipated litigation pursuant to California Government Code Section 54956.9(b)(3)(A) and (C): Potential action regarding recycled water rebates.

General Counsel Brechtel reported that the Board will meet in closed session pursuant to Government Code Section 54956.9(b)(3)(A) and (C): Potential action regarding recycled water rebates.

Following closed session, General Counsel Brechtel reported there was no reportable action.

30. Adjournment

President Sullivan adjourned the meeting at 7:34 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Elaine Sullivan, President