

**LEUCADIA WASTEWATER DISTRICT**

Minutes of a Regular Board Meeting  
November 18, 2020

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, November 18, 2020 at 5:00 p.m. via teleconference.

**1. Call to Order**

President Juliussen called the meeting to order at 5:01 p.m.

**2. Roll Call**

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

DIRECTORS ABSENT:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Richard Duffey, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Tianne Baity, Administrative Services Supervisor Trisha Hill, Field Services Supervisor Marvin Gonzalez, FST III Gabe Mendez, FST III Hugo Gonzalez, District Engineer Dexter Wilson, District Engineer Natalie Fraschetti, and Shannon Ayala of Davis Farr LLP

**3. Pledge of Allegiance**

Director Hanson led the pledge of allegiance.

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

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

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	Yes
Director Brown	Yes

**6. Presentations and Awards**

A. Achieve Highest Number of Consecutive Work Days Without a Lost Time Injury.

GM Bushee reported that on October 15, 2020 staff completed one year without a lost time injury accident. This achievement meets an organizational objective under the incentive program. He noted each employee is eligible for a \$300 compensation award. He stated this award reflects staff's excellent attention to safety.

The Board congratulated staff for their efforts.

**B. Olivenhain Municipal Water District (OMWD) Recycled Water Customer of the Year Award.**

GM Bushee reported that the District received the Recycled Water Customer of the Year Award from OMWD. He stated that this award recognized the District for working with OMWD to develop five vector recycled water fill stations. GM Bushee thanked FSS Stecker and FSSup Gonzalez along with OMWD staff for their work on this project.

The Board congratulated staff for their efforts.

**CONSENT CALENDAR**

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

Minutes of the following meetings:

October 14, 2020 Regular Board Meeting

November 5, 2020 Investment and Finance Committee Meeting

November 10, 2020 Engineering Committee Meeting

**8. Approval of Demands for October/November 2020**

Payroll Checks numbered 22304-22346; General Checking Checks numbered 54733-54849

**9. Operations Report** (A copy was included in the original November 18, 2020 Agenda)

**10. Finance Report** (A copy was included in the original November 18, 2020 Agenda)

**11. Quarterly Treasurer's Investment Report**

This report discloses investments for the quarter ending September 30, 2020.

**12. Disclosure of Reimbursements**

This report discloses travel expense reimbursements for the month of October 2020.

Upon a motion duly made by Director Sullivan, seconded by Director Brown, and unanimously carried, the Board of Directors approved the Consent Calendar by the following vote:

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	Yes
Director Brown	Yes

**EWA and COMMITTEE REPORTS**

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

A. A regular EWA Board Meeting was held on October 28, 2020.

Director Sullivan reported on EWA's October 28, 2020 Board Meeting.

B. An Encina Member Agency Manager's (MAM) Meeting was held on November 3, 2020.

GM Bushee reported on EWA's MAM November 3, 2020 meeting.

## 14. Committee Reports

### A. Investment and Finance Committee (IFC) Meeting was held on November 5, 2020.

Director Hanson reported that the IFC reviewed the following recommendation to receive and file the Fiscal Year 2020 Comprehensive Annual Financial Report (CAFR). Director Hanson stated the IFC agreed with staff to present this recommendation to the Board of Directors and it will be discussed later in the agenda.

### B. Engineering Committee (EC) Meeting was held on November 10, 2020.

Vice President Omsted reported that the EC reviewed the following recommendations:

- Receive and file the Fiscal Year 2020 (FY20) Audit of the District's 2019 Sanitary Sewer Management Plan (SSMP) completed by Dexter Wilson Engineering, Inc.;
- Authorize the General Manager to execute an agreement with Haaker Equipment Company in the amount of \$299,645.20 to purchase a new 2020 Ford F-450 Closed Circuit Television Truck;
- Authorize the General Manager to execute a three-year agreement with Airgas to furnish and deliver Liquid Oxygen in an amount of \$141,473 per year not including tax;
- Encinitas Estates Pump Station Replacement Project:

Recommendation 1: Authorize the General Manager to execute an Agreement with Pacific Hydrotech Corporation for the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$1,797,000 as the lowest responsive and responsible bidder.

Recommendation 2: Authorize an additional appropriation of \$1,134,000 to complete the construction and the associated soft costs;

- Authorize the General Manager to execute an Amendment No. 7 to Task Order 38 with Infrastructure Engineering Corporation for engineering support services during the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$75,680; and
- Authorize the General Manager to execute an Agreement with Mavteck for construction management services during the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$90,000.

Vice President Omsted stated the EC concurred with staff to present these recommendations to the Board of Directors and they will be discussed later in the agenda.

Vice President Omsted also stated that the EC received an update on the Leucadia Pump Station Rehabilitation Project. This item was for information purposes and there was no action taken.

## ACTION ITEMS

### 15. Vehicle Purchase to Replace One (1) 2012 Closed Circuit Television Truck

Authorize the General Manager to execute an agreement with Haaker Equipment Company in the amount of \$299,645.20 to purchase a new 2020 Ford F-450 Closed Circuit Television (CCTV) Truck.

FSTIII Mendez and FSTIII Gonzalez provided background information on this item and the condition of the current CCTV truck. FSTIII Gonzalez noted that based on the LWD Vehicle Replacement Policy, the current CCTV truck meets the minimum replacement criteria and he also described additional reasons for replacement.

FSTIII Mendez and FSTIII Gonzalez stated that staff conducted demos with three CCTV manufacturers and based on the demos, staff selected Envirosight because of local repair and support, loaner provision, quick change wheels and other new technology.

FSTIII Mendez stated that the District would utilize Sourcewell Cooperative (Sourcewell) to purchase the vehicle. Sourcewell is a government cooperative purchasing agency that provides competitively negotiated purchase agreements for local government agencies. He added that the District's Procurement Policy allows for the use of cooperative purchasing programs when it is in the best interest of the District.

Vice President Omsted asked staff to elaborate on the updated technology in the new CCTV Truck. FSTIII Mendez and FSTIII Gonzalez provided examples of the updated technology such as; a roll sensor to prevent the camera from flipping over, a rearview camera, an inclinometer to measure inclines, and a camera lift.

Director Brown asked if the camera controller pictured in the presentation is similar to what the field staff currently uses. FSTIII Mendez answered that the controller shown is used for filming an easement in the field or for other mobile applications. FSTIII Mendez explained that the new CCTV Truck will have a controller located inside the truck.

Director Brown asked if the low mileage on the current CCTV Truck is common. FSsup Gonzalez explained that the mileage on the truck is low since the truck sits in one spot to inspect 1,000 feet of pipe. FSsup Gonzalez noted that even though the mileage is low, the engine run hours are high.

The Board thanked FSTIII Mendez and FSTIII Gonzalez for their presentation.

Upon a motion duly made by Director Sullivan, seconded by Director Brown, and unanimously carried, the Board of Directors authorized the General Manager to execute an agreement with Haaker Equipment Company in the amount of \$299,645.20 to purchase a new 2020 Ford F-450 Closed Circuit Television Truck by the following vote:

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	Yes
Director Brown	Yes

**16. Receive and file the Fiscal Year 2020 (FY20) Comprehensive Annual Financial Report (CAFR) conducted by Davis Farr LLP**

ASM Duffey provided background information on this item and provided a summary of the CAFR's Management's Discussion and Analysis (MD&A) highlighting and discussing the following areas:

- Financial Highlights;
- Net Position;
- Reserve Balances Compared to Cash and Investment Balances; and
- FY20 Budget to Actual Expenses

Director Brown asked if the amount pulled out of the Reserves has kept the Reserve Balances within or above target. ASM Duffey answered that the current Financial Plan had anticipated the draw down in the Reserves and he noted that the rate increases scheduled to take effect over the next 3 years will help replenish the Reserves. ASM Duffey noted that the Board will review a Financial Plan Tracking Update in January.

The Board thanked ASM Duffey. ASM Duffey then introduced Shannon Ayala of Davis Farr LLP to provide a summary of the auditor's reports and auditing process.

Ms. Ayala stated that the auditor's internal report indicated that the audit was a clean, unmodified opinion for the year ending FY20. She stated that staff was prepared for the audit, and the auditors had no recommended material audit adjustments and noted no material weaknesses or significant deficiencies in internal controls.

Ms. Ayala noted the areas of audit focus included disbursement testing and other post-employment benefit obligations.

In conclusion, Ms. Ayala stated that there were no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that have a material effect on the determination of financial statement amounts.

The Board thanked Ms. Ayala for her presentation.

Upon a motion duly made by Director Hanson, seconded by Vice President Omsted, and unanimously carried, the Board of Directors received and filed the FY20 CAFR by the following vote:

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	Yes
Director Brown	Yes

**17. Receive and file the Fiscal Year 2020 (FY20) Audit of the District's 2019 Sanitary Sewer Management Plan (SSMP) completed by Dexter Wilson Engineering, Inc.**

DE Fraschetti provided an overview of the FY20 SSMP Audit noting it is a Fiscal Year 2021 tactical goal. She also provided background information on the SSMP from its origin in 2009 through present.

DE Fraschetti described in detail the various sections of the SSMP and the two primary sections that were used to establish the audit criteria; Section IX (Monitoring, Measurement and Program

Modifications) and X (SSMP Program Audits). Overall, she concluded that all SSMP elements are in place and implemented and no significant changes are warranted.

Vice President Omsted asked how many spills have there been in the last three years. DE Frascchetti stated that in the last fiscal year there have been three spills and she believed there was one spill in fiscal year 2019 and zero spills in fiscal year 2018. She noted that prior to the District's intense focus on the CCTV of gravity sewers, the District had not only a higher occurrence of spills but also a higher volume of spills. GM Bushee then provided graphs showing the number of spills from 2005 through 2020 and hydro-cleaning versus CCTV.

The Board thanked DE Frascchetti for her presentation.

Upon a motion duly made by Vice President Omsted, seconded by Director Hanson, and unanimously carried, the Board of Directors received and filed the FY20 SSMP Audit of the District's 2019 Sanitary Sewer Management Plan (SSMP) completed by Dexter Wilson Engineering, Inc. by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	Yes
<b>Vice President Omsted</b>	Yes
<b>Director Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Brown</b>	Yes

**18. Agreement with Airgas to Furnish and Deliver Liquid Oxygen**

Authorize the General Manager to execute a three-year agreement with Airgas to furnish and deliver Liquid Oxygen in an amount of \$141,473 not including tax.

FSS Stecker provided background information on this item noting LWD selected the ECO<sub>2</sub> Super-Oxygenation System as the alternative to bioxide to prevent the formation of H<sub>2</sub>S as part of the Leucadia Pump Station Project. FSS Stecker continued that the District solicited bids for LOX and three bids were received. He stated that Airgas submitted the lowest Bid of \$47,158 per year for a total of \$141,473 for three years, not including taxes.

Director Hanson asked if any other agencies are using the same system. FSS Stecker answered that San Clemente and Laguna Beach are using the same system.

Upon a motion duly made by Director Brown, seconded by Vice President Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute a three-year agreement with Airgas to furnish and deliver Liquid Oxygen in an amount of \$141,473, not including tax, by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	Yes
<b>Vice President Omsted</b>	Yes
<b>Director Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Brown</b>	Yes

**19. Encinitas Estates Pump Station Replacement Project**

Recommendation 1: Authorize the General Manager to execute an Agreement with Pacific Hydrotech Corporation for the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$1,797,000 as the lowest responsive and responsible bidder.

Recommendation 2: Authorize an additional appropriation of \$1,134,000 to complete project construction and the associated soft costs.

TSM Morishita presented the recommendations. He provided background on the Encinitas Estates Pump Station Replacement Project (Project) noting that this was a redesign and rebid of the Project. He noted that 6 bids were received and the apparent low bidder, Kay Construction Company, did not meet the minimum experience requirements. He continued that Pacific Hydrotech Corporation (Pacific Hydrotech) was determined to be the lowest responsive and responsible bidder with a bid of \$1,797,000.

Additionally, TSM Morishita stated that staff is recommending an additional appropriation of \$1,134,000 to complete the construction and associated soft costs. He stated that the Project incurred additional soft cost for Project redesign and construction management cost will increase with the increased construction period. TSM Morishita said that for these reasons staff requests an additional appropriation to the fiscal year 2021 Budget of \$1,134,000 to cover the bid price for construction and a 10% contingency and associated soft costs.

Director Brown asked TSM Morishita for clarification on the breakdown of the total cost. TSM Morishita provided the breakdown.

Director Brown asked on the status of the project manager. TSM Morishita stated that during the evaluation period Infrastructure Engineering Corporation (IEC) called Pacific Hydrotech and checked and vetted the project manager.

Upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and unanimously carried, the Board of Directors approved Recommendations 1 and 2 by the following vote:

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	Yes
Director Brown	Yes

**20. Contract Award for Engineering Support Services for the Encinitas Estates Pump Station Replacement Project**

Authorize the General Manager to execute an Amendment No. 7 to Task Order 38 with Infrastructure Engineering Corporation (IEC) for engineering support services during the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$75,680.

TSM Morishita presented this item and provided background on IEC's services which include attending pre-construction and progress meetings, reviewing and processing submittals and shop drawings, responding to requests for information, design plan revisions when required, and preparing record drawings upon project completion.

Director Brown asked if this contract had gone out to bid. TSM Morishita explained that IEC is the design engineer for the project and that the District has a five-year contract with them to provide as-needed design engineering services. TSM Morishita stated that since they are the design engineer for the project, the District would like to retain their services for continuity and efficiency.

Upon a motion duly made by Vice President Omsted, seconded by Director Brown, and unanimously carried, the Board of Directors authorized the General Manager to execute an amendment No. 7 to Task Order 38 with Infrastructure Engineering Corporation for engineering support services during the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$75,680 by the following vote:

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	Yes
Director Brown	Yes

**21. Contract Award for Construction Management Services for the Encinitas Estates Pump Station Replacement Project**

Authorize the General Manager to execute an Agreement with Mavteck for construction management services during the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$90,000.

TSM Morishita presented this item and he provided background information on the services Mr. Maverick Madsen (Mavteck) provides and the previous District projects he has worked on. He stated that Mavteck has a proven track record of providing excellent CM services to the District.

Upon a motion duly made by Director Brown, seconded by Director Hanson, and unanimously carried, the Board of Directors authorized the General Manager to execute an agreement with Mavteck for construction management services during the construction of the Encinitas Estates Pump Station Replacement Project in an amount not to exceed \$90,000 by the following vote:

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	Yes
Director Brown	Yes

**22. Calendar Year 2021 (CY21) Board of Directors' Meeting Schedule**

Approve the CY21 Board of Directors' Meeting Schedule.

EA Baity presented the item stating that the Board approved a resolution in 2009 that indicates that the Board meetings will be held on the second Wednesday of each month at 5:00 PM. She stated that in the interest of public health, the District is temporarily taking actions to mitigate the COVID-19 pandemic by holding Board Meetings via videoconference.

EA Baity noted that staff has developed the proposed CY21 Board meeting schedule and coordinated the meetings with upcoming conferences in 2021. She also noted that staff suggests



moving the August 2021 Board meeting to the third Wednesday of the month so it would not conflict with the CASA Annual Conference dates.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and unanimously carried, the Board of Directors approved the CY21 Board of Directors' meeting schedule by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Juliussen</b>	Yes
<b>Vice President Omsted</b>	Yes
<b>Director Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Brown</b>	Yes

### **23. Potential Strategic Planning Facilitator**

GM Bushee presented the item and provided background information noting that it is a tactical goal. GM Bushee stated that this item is to seek direction from the Board as to whether the Board would like staff to reach out to retain Ms. Tamayo or look to retain another facilitator for the next Board Strategic Planning Session which is planned for late February 2021. He noted that due to COVID-19 the strategic planning session would be held virtually rather than in person.

Vice President Omsted stated that he would like a sub-committee to be formed to explore strategic planning facilitator options. GM Bushee stated that an Ad Hoc committee could be formed to go through a procurement process or the board could direct staff to reach out to potential facilitators.

Following a lengthy discussion, the Board of Directors reached consensus to form an Ad Hoc Committee, consisting of Vice President Omsted and Director Sullivan, to evaluate and review potential strategic planning facilitators.

## **INFORMATION ITEMS**

### **24. Project Status Updates and Other Informational Reports**

#### **A. LAFCO Special District Advisory Committee Nomination.**

GM Bushee provided information on the Special District Advisory Committee Nominations. He noted that he had spoken with President Juliussen about submitting his name for a seat on the Advisory Committee. GM Bushee stated he submitted his nomination and had recently found out he was appointed to the Special District Advisory Committee since there were eight open seats and eight nominations.

The Board congratulated GM Bushee on his appointment to the LAFCO Special District Advisory Committee.

#### **B. LAFCO Special District Advisory Committee Nomination for Oliver Smith of Valley Center Municipal Water District.**

GM Bushee stated the District received a letter of support for Oliver Smith from the Valley Center Municipal Water District. GM Bushee stated that Mr. Smith was also appointed to the Special District Advisory Committee.

C. CSDA Virtual Quarterly Meeting is scheduled for Thursday, November 19, 2020 via video conference.

EA Baity provided the time and date of the CSDA Virtual Meeting.

D. CASA Virtual Winter Conference is scheduled for January 27 – 28, 2020 via video conference.

EA Baity provided information regarding the upcoming virtual conference.

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

A. CWEA Annual Virtual Conference was held October 19 - 22, 2020 via videoconference.

Director Sullivan stated it was a great conference with lots of technical sessions. President Juliussen agreed with Director Sullivan.

Director Omsted stated there were more sessions for Board members than in the past. He noted that he enjoyed the sessions on food waste and co-digestion.

**26. General Manager's Report**

GM Bushee reported on the following items:

- LWD Fall 2020 Newsletter update; and
- LWD Smoke Testing Results

**27. General Counsel's Report**

GC Brechtel reported on the following item:

- CA Voting Rights Act and the City of Santa Monica

**28. Board of Directors' Comments**

Director Sullivan congratulated Director Hanson on the election and wished everyone a safe and happy Thanksgiving.

Directors Brown and Hanson wished everyone a happy Thanksgiving.

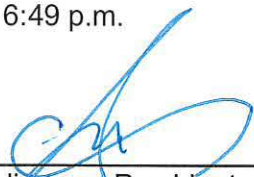
President Juliussen thanked the staff, the consultants, and the Board for all their hard work.

**29. Adjournment**

President Juliussen adjourned the meeting at approximately 6:49 p.m.



Paul J. Bushee  
Secretary/General Manager  
(SEAL)

  
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Allan Juliussen, President