

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 September 11, 2013

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, September 11, 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 5:03 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, District Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey, Jamie Fagnant with Infrastructure Engineering Corp and Natalie Frascchetti with Dexter Wilson Engineering.

3. Pledge of Allegiance

President Sullivan led the pledge of allegiance and dedicated it to the victims of 9/11.

4. General Public Comment Period

None.

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

None.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

August 8, 2013 Community Affairs Committee Meeting

August 13, 2013 Regular Board Meeting

August 26, 2013 Human Resources Committee Meeting

September 4, 2013 Engineering Committee Meeting

8. Approval of Demands for August/September 2013

Payroll Checks numbered 16871-16908; General Checking – Checks numbered 44282-44386; Voided check numbered 44261

9. Operations Report (A copy was included in the original September 11, 2013 Agenda)

10. Finance Report (A copy was included in the original September 11, 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 August 28, 2013.

Director Juliussen reported on the August 28, 2013 EWA Board of Directors meeting.

B. Encina Member Agencies Manager's (MAM) Meeting was held on September 3, 2013.

GM Bushee reported on the September 3, 2013 MAM meeting.

12. Committee Reports

A. Human Resources Committee meeting was held on August 26, 2013.

Director Hanson reported that the HRC reviewed the revised Workplace Violence Prevention Policy and provided additional suggestions to further strengthen the policy. She noted that staff made the revisions and the HRC agreed with staff to forward the policy to the Board of Directors.

B. Engineering Committee meeting was held on September 4, 2013.

Director Juliussen reported that the EC reviewed the Sanitary Sewer Management Plan (SSMP) FY 2013 Audit conducted by Dexter Wilson Engineering. The EC agreed with staff's recommendation to receive and file the report.

He also reported that the EC reviewed the following agreements:

- Sancon Engineering Corporation for construction services to complete the Gravity Pipeline Rehabilitation Project in an amount not to exceed \$367,691.
- Infrastructure Engineering Corporate (IEC) for engineering design services for the Leucadia Force Main (L1) and Batiquitos Force Main (B3) Corrosion Evaluation Project in an amount not to exceed \$35,610.
- IEC for engineering design services for the Recycled Water Creek Crossing and Valve Repair Project in an amount not to exceed \$35,036

The EC concurred with staff on these items which will be presented later in the agenda.

ACTION ITEMS

13. Sanitary Sewer Management Plan (SSMP) Fiscal Year 2013 Audit.

Receive and file the SSMP Fiscal Year 2013 Audit conducted by Dexter Wilson Engineering, Inc.

TSM Morishita presented the item stating that it was reviewed by the EC on September 4th. TSM Morishita provided background information on the SSMP Audit. He introduced Mrs. Frascchetti to present an overview of the SSMP Audit.

Mrs. Frascchetti stated the purpose and requirement of the SSMP Audit, noting that the District is proactive by conducting the audit every year versus the State's requirement. She stated that there were no significant changes since the FY 12 audit results, with the exception of the District's updated Sewer Use Ordinance, the revised Standard Specifications, and a change in the District's preventative maintenance program from hydro cleaning to CCTV inspections. She noted the increased miles of CCTV inspections since FY 12.

In addition, she stated that the State requires that this audit be available for public viewing, indicating it will be posted on the District's website. She stated the final results of the audit indicating that the District meets and exceeds State's requirements and no revisions are necessary.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Omsted and carried, the Board of Directors received and filed the SSMP Fiscal Year 2013 Audit conducted by Dexter Wilson Engineering, Inc.

14. Leucadia Force Main (L1) and Batiquitos Force Main (B3) Corrosion Evaluation Project – Design Services.

Authorize the General Manager to execute Amendment No. 1 to Task Order No. 15 with Infrastructure Engineering Corporation for engineering design services for the Leucadia Force Main (L1) and Batiquitos Force Main (B3) Corrosion Evaluation Project in an amount not to exceed \$35,610.

TSM Morishita presented the item stating that it was reviewed by the EC on September 4th. TSM Morishita provided background information on the LI Corrosion Evaluation report noting that the recommendation was to discontinue use of the LI Force Main until further assessment is completed. He stated that the B3 Force Main Corrosion evaluation project was combined with the L1 evaluation because it would be beneficial to assess the condition of the B3 Forcemain and LWD could achieve some economy of scale in terms of cost by combining the assessments.

He stated that IEC submitted a proposal for the evaluations and there are sufficient funds in the budget for this project.

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 execute Amendment No. 1 to Task Order No. 15 with IEC for engineering design services for the Leucadia Force Main (L1) and Batiquitos Force Main (B3) Corrosion Evaluation Project in an amount not to exceed \$35,610.

15. Recycled Water Valve and Creek Crossing Repair Project – Design Services

Authorize the General Manager to execute an agreement with IEC for engineering design services for the Recycled Water Valve and Creek Crossing Repair in an amount not to exceed \$35,036.

TSM Morishita presented the item stating that it was reviewed by the EC on September 4th. TSM Morishita provided background information on necessary repairs to the leaking recycled water line valve at the site headquarters and exposed recycled water line at the La Costa South Golf course. He stated that both repairs were delayed until a recycled water agreement was confirmed with Carlsbad. He also stated that both repairs were combined into one project to reduce costs and take advantage of efficiencies in design, construction and project administration.

He stated that IEC submitted a proposal which staff believed was fair and reasonable. He noted that the FY 2014 Budget includes funds to cover the cost for the project.

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 execute an agreement with IEC for engineering design services for the Recycled Water Valve and Creek Crossing Repair in an amount not to exceed \$35,036.

16. Award of the District's Gravity Pipeline Rehabilitation Project Construction Contract

Authorize the General Manager to execute an Agreement with Sancon Engineering Corporation for construction services to complete the Gravity Pipeline Rehabilitation Project in an amount not to exceed \$376,691.

TSM Morishita presented the item stating that it was reviewed by the EC on September 4th. TSM Morishita provided background information on the project stating it involves a combination of three gravity sewer pipeline projects. He noted that this project is included in the 2013 Asset Management Plan under the five year capital improvement plan.

He also provided a summary of the bid process and results, noting that IEC reviewed the bids. He stated that the lowest bid was received from Repipe; however, they failed to submit a list of their subcontractors in their bid packet. He stated that the contractors are required to do this per state law; therefore, Sancon was recommended as the lowest responsive and responsible bidder. He noted that Repipe did not contest IEC and staff's findings.

He also noted that the bid price of \$376,691 is \$118,309 less than the estimated construction cost and that there are funds in the FY 14 Budget to cover the construction costs of the project.

Director Hanson asked why the District only received two bids. TSM Morishita stated that five companies attended the pre-bid walk through meeting, but some of the companies were subcontractors versus prime contractors. He noted the difference between the two types of contractors indicating that not all contractors are qualified to complete the work.

Director Omsted asked if the contractor will clean the pipeline before lining it. TSM Morishita confirmed that the pipeline will be cleaned first.

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 an Agreement with Sancon Engineering Corporation for construction services to complete the Gravity Pipeline Rehabilitation Project in an amount not to exceed \$376,691.

17. Approve LWD's Revised Workplace Violence Prevention Policy.

Adopt Resolution No. 2239 – Approve LWD's Revised Workplace Violence Prevention Policy.

ASM LeMay presented the item stating that it was reviewed by the HRC on August 26, 2013. He provided background information and the purpose of the policy. He stated that staff and the HRC recommended several revisions that will strengthen and clarify the intent of the policy.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Juliussen and carried, the Board of Directors adopted Resolution No. 2239 – Approve LWD's Revised Workplace Violence Prevention Policy by the following vote:

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

18. Annual Review of the Investment Policy

Receive and file the Annual Review of LWD's Investment Policy Report and re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2013 through August 31, 2014.

CPA Duffey presented the item stating the policy was last amended in 2010. He noted the purpose of the policy indicating that it calls for an annual review. Staffs recently reviewed the policy and are not recommending changes.

GM Bushee noted that this item is usually listed under the consent calendar; however, since the IFC was not able to meet and review the policy, it was included as an action item for the Board's review.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Juliussen and carried, the Board of Directors received and filed the Annual Review of LWD's Investment Policy Report and re-delegated authority to manage the LWD's investment program to the General Manager effective September 1, 2013 through August 31, 2014.

19. Potential Change to the October Board of Directors Meeting.

EA Hill stated that the October 9, 2013 Board of Director's meeting conflicts with the Annual WEFTEC Conference scheduled for that same week. She stated that staff recommends moving the Board meeting to the following Wednesday on October 16, 2013.

Director Juliussen stated that he and President Sullivan will be attending the WEFTEC conference.

Director Kulchin stated that is not available on October 16, 2013.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by President Sullivan and carried by Director Hanson, with Director Omsted opposed, the Board of Directors moved the October 9, 2013 Board meeting date to October 16, 2013.

INFORMATION ITEMS

20. Project Status Updates and Other Informational Reports

A. Notice of Opposition Letter – Senate Bill 594.

GM Bushee stated LWD had recently sent this letter opposing Senate Bill 594 at the suggestion of the California Special Districts Association (CSDA). He stated the purpose of the letter, noting the proposed bill would restrict the ability of non-profit groups, such as, CSDA and CASA, to advocate for ballot measures or support candidates if they receive public resources for their operating expenses. He noted that this effort was success and that the State Legislature ultimately revised SB 594 to remove these onerous requirements.

B. Thank you letter from CSDA Region 6 Director Bill Nelson.

GM Bushee noted that LWD received a thank you letter from reelected Director Bill Nelson.

21. Directors' Meetings and Conference Reports

A. The CASA Annual Conference was held on August 20-24, 2013 at the Grand Hyatt in San Diego.

Director Kulchin stated that this was CASA's best venue for their annual conference.

Director Omsted stated that the conference was too traditional. He noted that there was not enough information on direct potable water and that it lacked creativity.

22. General Manager's Report

General Manager Bushee reported on the following items:

- City of Carlsbad approved the Recycled Water Agreement and the settlement for the recycled water rebate.
- CalPERS randomly selected the District for an audit and staff has been responding to their requests.
- LWD's District of Distinction certification is due for renewal in March 2014. As part of the renewal process, LWD is required to receive CSDA's Transparency Certification. In order to receive this, various LWD policies must be approved by the Board of Directors to meet the transparency certificate requirements. Staff will be presenting these at upcoming Board meetings.
- A MSN news article was provided as a handout that discussed the issues with disposable wipes and the damage that they are causing to the public's sewer system.

23. General Counsel's Report

Legal Counsel Ho reported the following:

- He and General Counsel Brechtel attended the attorney's meeting during the annual CASA conference.

24. Board of Director's Comments


President Sullivan thanked the Board members for supporting her and Director Juliussen's WEFTEC Conference attendance by agreeing to change the October Board Meeting date.

25. Adjournment

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



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)