

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
August 13, 2014

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, August 13, 2014 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Field Services Technicians James Hoyett, Todd Amos and Rick Easton, Engineer Steve Deering with Dudek, CPA Richard Duffey, Jamie Fagnant with Infrastructure Engineering Corporation and Natalie Frascchetti with Dexter Wilson Engineering.

3. Pledge of Allegiance

President Kulchin led the pledge of allegiance.

4. General Public Comment Period

No public comment was received.

5. Approval of Agenda

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

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

6. Presentations and Awards**A. Achievement of three individual awards:**

- FST 3 James Hoyett – 25 years Anniversary
- FST 1 Todd Amos – Water Operator Grade T2 Certification
- FST Rick Easton – Water Operator Grade T1 Certification

GM Bushee presented the awards. He introduced FST 3 James Hoyett stating he recently passed his 25 year anniversary with the District. He noted his excellent recent CCTV work

that has contributed to the District's excellent spill records and his leadership role during the field services night work. He also stated that James is eligible for a \$500 incentive award.

GM Bushee also introduced FST I Todd Amos stating that Todd recently received his Water Treatment Operator Grade T2 certification from the Department of Public Health. He also presented background information about Todd and noted that he is eligible for a \$500 incentive award for his accomplishment.

GM Bushee also introduced FST In-Training Rick Easton stating that he recently received his Water Treatment Operator Grade T1 certification from the State Water Resources Control Board. He also presented background information about Rick and noted that he is eligible for a \$500 incentive award for his accomplishment.

The Board of Directors congratulated James, Todd and Rick for their accomplishments.

B. Achievement of an organization award – No spills during FY 2014

GM Bushee stated that staff recently met an organizational objective. He stated that the District's collection system performance ranked first of similar sized agencies in Region 9. He noted that this is the first time that the District has had no spills during a full fiscal year. He stated under the incentive program, staff is eligible for an incentive award of \$1000 per employee.

The Board of Directors congratulated staff for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

July 9, 2014 Regular Board Meeting
August 5, 2014 Investment & Finance Committee Meeting
August 6, 2014 Community Affairs Committee Meeting
August 6, 2014 Engineering Committee Meeting

8. Approval of Demands for July/August 2014

Payroll Checks numbered 17426-17472; General Checking – Checks numbered 45587-45704; Voided checks 17430 and 17414 (reissued)

9. Operations Report (A copy was included in the original August 13, 2014 Agenda)

10. Finance Report (A copy was included in the original August 13, 2014 Agenda)

11. Quarterly Treasurer's Investment Report

This report discloses up-to-date schedule of assets, liabilities, net assets and compares fiscal year-to-date expenditures to the FY 15 budget and discloses monthly investments.

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of July 2014.

Upon a motion duly made by Vice President Allan Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors approved the consent calendar by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

- A. EWA Board Report – Meeting was held on July 23, 2014.

Director Sullivan reported on EWA's July 23, 2014 Board meeting.

- B. An Encina Member Agencies Manager's (MAM) Meeting was held on August 5, 2014.

GM Bushee reported on the MAM's August 5, 2014 meeting.

14. Committee Reports

- A. Investment & Finance Committee was held on August 5, 2014.

Director Omsted reported that the IFC participated in the 2014 Financial Audit Entrance meeting with staff and CPA Harvey Schroeder from White Nelson Diehl Evans, LLP. He stated that the auditors have begun their preliminary audit process. Director Omsted noted that the auditors work for the Board of Directors.

He stated that the IFC also conducted its annual review of LWD's Procurement Policy and that staff is recommending minor administrative changes.

This item will be reviewed by the Board of Directors later in the agenda.

- B. Community Affairs Committee meeting was held on August 6, 2014.

Director Sullivan reported that the CAC reviewed the draft Communication Plan Update and that the CAC suggested minor revision to the Plan. The CAC recommended that staff include the Plan in the September Board agenda for review and approval.

She stated that the CAC also discussed the Fall 2014 newsletter article topics. She listed the proposed topics and indicated that all topics may not be included in the newsletter depending on newsletter space.

- C. Engineering Committee meeting was held on August 6, 2014.

Vice President Juliussen reported that the EC reviewed staff's recommendation to authorize the General Manager to execute an agreement with Burtech Pipeline, Inc. for construction services to complete the Recycled Water Pipeline Repair Project in an amount not to exceed

\$194,950. He stated that the EC agreed with staff's recommendation and it will be reviewed by the Board later in the agenda.

The EC also reviewed staff's recommendation to adopt the 2014 update of the LWD Sanitary Sewer Management Plan (SSMP). He stated that the EC agreed with staff's recommendation and it will be reviewed by the Board later in the agenda.

In addition, he stated that the EC received information and updates on the following:

- Leucadia Generator Replacement Project;
- B1/B2 Force Mains Replacement Project; and
- The Carlsbad Spill.

ACTION ITEMS

15. 2014 Update of the District's Sewer System Management Plan (SSMP)

Adopt the 2014 update of the District's Sewer System Management Plan (SSMP) completed by Dexter Wilson Engineering, Inc.

FSSupt. Stecker presented the item providing background information on the SSMP and the State's requirement for the Plan. He then introduced Natalie Fraschetti with Dexter Wilson Engineering to present an overview of the SSMP.

Mrs. Fraschetti stated the purpose and requirement of the SSMP, noting that the District is proactive by conducting its audit every year versus the State's requirement. She stated that the last SSMP update was in 2009 and it's required to be updated and recertified every five years. She provided a detailed overview of the eleven sections of SSMP and its updates, noting the major changes were the categories of the spills. In addition, she stated that based on the District's proactive work cleaning sewer lines near restaurants and LWD's FOG spill history, no formal program is necessary.

She acknowledged Jeff and Robin for their assistance with the SSMP update and DE Deering and GM Bushee for reviewing the SSMP.

President Kulchin asked FSSupt. Stecker how is the information shared with the employees. FSSupt. Stecker stated that the SOPs are reviewed annually and that staff is trained once a month on the requirements.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted the 2014 Update of the District's Sewer System Management Plan by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

16. Award of the District's Recycled Water Pipeline Repair Project Construction Contract

Authorize the General Manager to execute an agreement with Burtech Pipeline Inc. for construction services to complete the Recycled Water Pipeline Repair Project in an amount not to exceed \$194,950.

TSM Morishita presented the item stating that the EC reviewed this item at its August 6, 2014 meeting.

He stated that it is also an item on the District's FY 15 Tactics Action Plan. He provided background information on the recycled water pipeline repair project and stated that the design of the project was completed in June by IEC followed by the District advertising for bids. He noted that three bids were received and that Burtech Pipeline was the lowest bidder. He added that IEC reviewed the bids and that they recommended that Burtech Pipeline be awarded the contract as the lowest responsive and responsible bidder. The bid price of \$194,950 is approximately \$15,865 less than the engineer's estimated construction cost.

Upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute an agreement with Burtech Pipeline for construction services to complete the Recycled Water Pipeline Repair Project in an amount not to exceed \$194,950 by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

17. Encina South Parcel.

Discuss and provide action as appropriate.

GM Bushee presented the item noting that at the request of Vice President Juliussen, it was placed on the agenda for discussion. He provided an overview of the Encina South Parcel and discussed the following key topics:

- Property history from 1995 to the current year;
 - Specific uses for portions of the property;
 - Hoehn Motors, Inc. long-term lease of the property and negotiations with Hoehn;
- Capstone Advisors' evaluation of the property;
- EWA's Business Plan for the property;
- EWA's vision plan options for the property;
- LWD's staff and Member Agencies Manager's position on the property;
- EWA's upcoming September 18th Board workshop to discuss their Business Plan which includes the South parcel.

Director Juliussen provided background information on the Hoehn lease negotiations with EWA during 2005. He also stated that at a past EWA meeting, he suggested that EWA should not sell the land because they may need it for storage or future facilities. He asked for the LWD's Board

support on his and Director Sullivan position to keep the land for future uses.

Director Sullivan thanked GM Bushee for his excellent presentation. She agreed with Director Juliussen and his position on the property.

Directors Omsted and Hanson agreed with Directors Sullivan and Juliussen indicating that they have the Board's support on their position that EWA should keep the land for future uses.

President Kulchin thanked GM Bushee for his presentation.

18. Integrated Travel Authorization and Expense Reimbursement Policy

Adopt Resolution No. 2250 – Amending LWD's Integrated Travel Authorization and Expense Reimbursement Policy.

ASM LeMay presented the item stating that this policy was discussed during the July Board meeting and that staff has revised the policy as directed by the Board. He presented the revisions to the policy. He noted that staff included a monthly Disclosure of Reimbursements in tonight's agenda under the consent calendar item. Director Hanson confirmed that this report will be available for the public's review.

President Kulchin suggested one minor change to the revised language in section 3 of the policy. ASM LeMay noted the change and that staff will revise the policy.

Upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2250- Amending LWD's Integrated Travel Authorization and Expense Reimbursement Policy by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

19. Revised Procurement Policy.

Adopt Resolution No. 2251 – Approving LWD's Revised Procurement Policy and receive and file the annual review of the Procurement Policy.

ASM LeMay presented the item stating that it was reviewed by the IFC during its August 6, 2014 meeting. He stated that staff is recommending a few minor administrative changes and that IFC agreed with staff's recommendation. He noted the policy's revisions.

Upon a motion duly made by Vice President Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2251- Approving LWD's Revised Procurement Policy and received and filed the annual review of the policy by the following vote:

Director	Vote
President Kulchin	Aye
Vice President Juliussen	Aye
Director Omsted	Aye
Director Hanson	Aye
Director Sullivan	Aye

INFORMATION ITEMS

20. Project Status Updates and Other Informational Reports

- A. Memo from CSDSA requesting volunteers for 2015 CSDA Committee & Expert Feedback Team Participation.

EA Hill presented the item noting that CSDA does not pay for the travel expenses and that they require volunteers to attend two meetings per year located in Sacramento. She added that if a Board member would like to volunteer, staff suggests that the Board approve their attendance since the Board member would receive a stipend and travel expense reimbursements funded by the District.

Director Sullivan stated that she would like to volunteer to sit on the Education committee. Director Omsted asked if the Board members can decide at the September Board meeting. GM Bushee noted that staff will add this item to the September Board agenda.

- B. Memo from CASA announcing its Annual Business Meeting will be on August 21, 2014 during its Annual conference.

EA Hill presented the item noting that the agenda for this meeting is included in the Board agenda packet.

21. Directors' Meetings and Conference Reports

None.

22. General Manager's Report

- Frank Reynaga's retirement luncheon is scheduled for September 16, 2014 at noon. He noted that staff will follow up with the details.
- City of Carlsbad received a notice of intent to file a lawsuit under the Clean Water Act from the Law Office of Jack Silver. He noted that the River Watch group is known to file lawsuits in Northern California.
- He will be out of the office from August 14th to August 18th and that TSM Morishita will be the acting General Manager during that time.

23. General Counsel's Report

None.

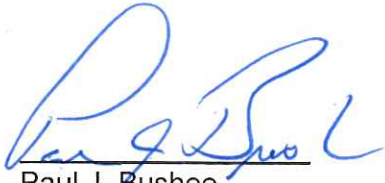
24. Board of Director's Comments

Director Sullivan stated that the Registrar of Voters filing deadline to run for the Board has passed and that based on their website one or two other candidates were also running for Directors Sullivan's and Kulchin's seats.

President Kulchin noted that an official list of candidates should be on the ballot by the end of this week.

25. Adjournment

President Kulchin adjourned the meeting at 6:11 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



David Kulchin, President