

**LEUCADIA WASTEWATER DISTRICT**

Minutes of a Regular Board Meeting  
December 14, 2016

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, December 14, 2016 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

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

**2. Roll Call**

DIRECTORS PRESENT: Hanson, Sullivan, Kulchin and Juliussen  
 DIRECTORS ABSENT: Omsted  
 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, District Engineer Steve Deering, Field Services Technician III Todd Amos, and Jennifer Farr and Shannon Ayala with Davis Farr LLP

**3. Pledge of Allegiance**

Vice President Hanson led the pledge of allegiance.

**4. Board of Directors Oath of Office**

General Counsel Brechtel administered the oath of office to Vice President Hanson and Director Juliussen.

**5. General Public Comment Period**

None.

**6. Approval of Agenda**

GM Bushee noted that a handout to Board Agenda Item No. 16 had been provided.

Vice President Hanson asked the Board of Directors if there were any objections to the Approval of the Agenda, and seeing none, the Board approved the agenda by the following vote:

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

**7. Presentations and Awards**

Achievement of Individual Performance Objective – Todd Amos

GM Bushee introduced Field Services Technician III Todd Amos stating that Todd recently received his Collection System Grade 4 certification from the California Water Environment Association

(CWEA). GM Bushee presented background information about Todd. He noted that Todd is eligible for a \$500 incentive award under the District's incentive program.

The Board of Directors congratulated Todd for his efforts.

## CONSENT CALENDAR

### 8. Approval of Board and Committee Minutes

Minutes of the following meetings:

November 9, 2016 Regular Board Meeting  
November 17, 2016 Community Affairs Committee Meeting  
December 7, 2016 Engineering Committee Meeting  
December 7, 2016 Investment and Finance Committee Meeting

### 9. Approval of Demands for November/December 2016

Payroll Checks numbered 18911-18983; General Checking – Checks numbered 48972-49090.

### 10. Operations Report (A copy was included in the original December 14, 2016 Agenda)

### 11. Finance Report (A copy was included in the original December 14, 2016 Agenda)

### 12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of November 2016.

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

Director	Vote
President Omsted	Absent
Vice President Hanson	Yes
Director Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

## EWA and COMMITTEE REPORTS

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

#### A. EWA Board Report – Meeting held on November 16, 2016.

Director Sullivan reported on EWA's November 16, 2016 Board meeting.

#### B. EWA Member Agency Manager's (MAM) - Meeting held on December 6, 2016.

GM Bushee reported on MAM's December 6, 2016 meeting.

### 14. Committee Reports

#### A. Community Affairs Committee Meeting was held on November 17, 2016.

Director Sullivan reported that the CAC and staff reviewed and commented on the draft text of the 2017 winter newsletter. Rising Tide Partners (RTP) will make the recommended changes.

The CAC directed staff to move forward with the production of the newsletter.

B. Engineering Committee (EC) Meeting was held on December 7, 2016.

Director Juliussen reported that the EC reviewed an Agreement with Insituform Technologies for construction services to complete the Leucadia Scenic Cured-In-Place Pipe Lining Project in an amount not to exceed \$172,602. He noted that the EC agreed with staff to recommend Board approval of the agreement and it will be reviewed by the Board later in the agenda.

Director Juliussen also reported that the EC reviewed a purchase Agreement with Charles King Company for the purchase of a new trailer mounted engine driven pump in an amount not to exceed \$47,668.78. He noted that the EC agreed with staff to recommend Board approval of the agreement and it will be reviewed by the Board later in the agenda.

Director Juliussen stated that the EC received an update on the Village Park No. 5 Pump Station Replacement Project. This item was for informational purposes only. No action was taken.

C. Investment and Finance (IFC) Meeting was held on December 7, 2016.

Vice President Hanson reported that the committee reviewed the Fiscal Year 2016 (FY16) Comprehensive Annual Finance Report (CAFR) and it will be reviewed by the Board later in the agenda.

### **ACTION ITEMS**

ASM Duffey requested that Item No. 15, FY16 (CAFR), be moved to the end of the Action Items because the auditors were running late due to traffic. The Board of Directors agreed to move Item No. 15 to the end of the Action Items.

#### **16. Leucadia Scenic Cured-In-Place Pipe (CIPP) Lining Project**

Authorize the General Manager to execute an Agreement with Insituform Technologies for construction services to complete the Leucadia Scenic CIPP Lining Project in an amount not to exceed \$172,602.

TSM Morishita presented this item stating it was reviewed by the EC at their December 7<sup>th</sup> meeting. He also noted that it is a Fiscal Year 2017 (FY17) tactical goal. He explained that the project was originally part of the Leucadia (L1) Force Main West Section Replacement Project and was removed and rebid as a stand alone project.

TSM Morishita stated that the project was bid on November 14<sup>th</sup> and bids were received on November 29<sup>th</sup>. He stated that three bids were received with Insituform Technologies (Insituform) submitting the lowest bid. TSM Morishita noted that Infrastructure Engineering Corporation (IEC) evaluated the bids and determined that Insituform was the lowest responsive and responsible bidder. TSM Morishita stated that staff and IEC recommended that the contract be awarded to Insituform.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute an Agreement with Insituform Technologies for construction services to complete the Leucadia Scenic CIPP Lining Project in an amount not to exceed \$172,602 by the following vote:

Director	Vote
President Omsted	Absent
Vice President Hanson	Yes
Director Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

**17. Purchase of a Trailer Mounted Engine Driven Pump**

Authorize the General Manager to execute a purchase Agreement with Charles King Company (CKC) for the purchase of a new trailer mounted engine driven pump in an amount not to exceed \$47,668.78.

FSSupt Stecker presented this item stating it was reviewed by the EC at their December 7<sup>th</sup> meeting. He also noted that it is a FY17 tactical goal. FSSupt Stecker stated that the current trailer mounted pump is at the end of its useful life and that the pump will not meet the new Air Pollution Control District emissions requirements that take effect on January 1, 2017. He stated said that staff solicited sealed bids from the three pump manufacturers and received bids from all of them.

(Auditors Jennifer Farr and Shannon Ayala arrived at the meeting at 5:21p.m.)

FSSupt Stecker stated that CKC submitted the lowest bid. He continued that DE Deering evaluated CKC's bid and determined that CKC was the lowest responsive and responsible bidder.

FSSupt Stecker stated that staff and the EC recommend that the purchase of the trailer mounted pump be awarded to CKC. He noted that CKC was the only manufacturer that allowed a trade-in of the existing pump as part of the purchase.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Juliussen, and unanimously carried, the Board of Directors authorized the General Manager to execute a purchase Agreement with CKC for the purchase of a new trailer mounted engine driven pump in an amount not to exceed \$47,668.78 by the following vote:

Director	Vote
President Omsted	Absent
Vice President Hanson	Yes
Director Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

**15. FY16 Comprehensive Annual Financial Report (CAFR)**

Receive and file the FY16 CAFR.

ASM Duffey presented the item stating that it is a FY17 tactical goal. He provided a summary of the CAFR's Management's Discussion and Analysis (MD&A) highlighting and discussing the following areas:

- Financial Highlights;
- FY16 Revenue and Expenses;
- Key Financial Ratios;
- Net Position and Reserve Balances;
- Reserve Balances Compared to Cash and Investment Balances;

- 10 Year Revenue and Expense Trend Data; and
- FY16 Budget to Actual Expenses Comparison

Director Juliussen asked what percentage of LWD's annual service charge rate covers replacement costs.

GM Bushee answered his question stating that LWD's service rate covers about 70 percent of LWD's replacement expenses. GM Bushee noted that the remaining amount of replacement expense is covered by non-operating revenues, primarily the property taxes.

ASM Duffey Introduced Jennifer Farr of Davis Farr, LLP to provide a summary of the auditors' reports and auditing process.

Ms. Farr reviewed the three separate reports issued by Davis Farr, LLP. She provided summaries for the Audit Opinion, the Internal Control Communication, and the Required Auditor Communication reports. She noted that the audit was an unmodified audit opinion noting that the financial statements and disclosures are accurate and there are no material misstatements. She also stated that there were no material weaknesses or significant deficiencies in LWD's internal controls and no material non-compliance noted.

Ms. Farr reviewed the Significant Procedures Performed. She stated that the Financial Statement Changes included one new standard, the implementation of GASB 72 Fair Value Measurement and Application, which added an additional disclosure to the audit.

The Board thanked Ms. Farr for the presentation.

GM Bushee thanked Davis Farr, LLP and staff for their time and hard work in completing the FY16 CAFR.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and unanimously carried, the Board of Directors received and filed the FY16 CAFR by the following vote:

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

#### **18. Board of Directors Election of Officers**

Vice President Hanson called for motions for the 2017 LWD Board of Directors President and Vice President Elections.

Upon a motion duly made by Director Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors elected Vice President Hanson as the Board President for Calendar Year 2017 by the following vote:

Director	Vote
President Omsted	Absent
Vice President Hanson	Yes
Director Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

Upon a motion duly made by Director Kulchin, seconded by Director Juliussen, and unanimously carried, the Board of Directors elected Director Sullivan as the Board Vice President for Calendar Year 2017 by the following vote:

Director	Vote
President Omsted	Absent
Vice President Hanson	Yes
Director Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

## INFORMATION ITEMS

### 19. Project Status Updates and Other Informational Reports

A. 2017 CASA Winter Conference is scheduled for January 17-20, 2017 at the Hilton Palm Springs.

EA Baity stated that the travel reports for the upcoming conference have been provided to the Board members.

### 20. Directors' Meetings and Conference Reports

Vice President Hanson stated she attended a regular LAFCO meeting. She provided a summary of the meeting.

Director Juliussen stated that the WasteReuse California Annual Conference is in March 2017. EA Baity stated she would email the Board the dates and location for the conference.

### 21. General Manager's Report

GM Bushee reported on the following items:

- Water Infrastructure Improvements for the Nation (WIIN) Act and Title XVI Water Reclamation and Reuse;
- Thanked President Donald Omsted and the Board for another outstanding year; and
- Wished everyone happy holidays.

### 22. General Counsel's Report

GC Brechtel wished everyone a great holiday season.

### 23. Board of Directors' Comments

Vice President Hanson wished everyone happy holidays.


Directors Sullivan and Juliussen thanked everyone for a great year.

**24. Adjournment**

Vice President Hanson adjourned the meeting at approximately 5:59 p.m.

A handwritten signature in blue ink, appearing to read "Paul J. Bushee", written over a horizontal line.

Paul J. Bushee  
Secretary/General Manager  
(SEAL)

A handwritten signature in blue ink, appearing to read "Judy Hanson", written over a horizontal line.  
Judy Hanson, President