

**LEUCADIA WASTEWATER DISTRICT**

Minutes of a Regular Board Meeting

February 14, 2018

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, February 14, 2018 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, 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, Hanson

DIRECTORS ABSENT:

OTHERS PRESENT: 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 Specialist Ian Riffel, District Engineer Dexter Wilson, and Marie Fawcett from Infrastructure Engineering Corporation (IEC)

**3. Pledge of Allegiance**

President Sullivan led the pledge of allegiance.

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

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

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

**6. Presentations and Awards**

Achievement of Individual Award – Jeffery (Jeff) Stecker

TSM Morishita introduced Field Services Superintendent Jeff Stecker and noted that Jeff was recently recognized at the California Water Environment Association (CWEA) – San Diego Section's Annual Installation and Awards Banquet on January 27, 2018. TSM Morishita stated Jeff received the "Professional Integrity Commitment & Knowledge (PICK)" Award for his long time professional contributions to CWEA, LWD and the wastewater industry.

TSM Morishita presented background information about Jeff and stated that he has been employed with LWD since 1980. He noted that Jeff has been actively involved with CWEA since 1982.

The Board of Directors congratulated Jeff for his efforts.

## CONSENT CALENDAR

### 7. Approval of Board and Committee Minutes

Minutes of the following meetings:

January 9, 2018 Community Affairs Committee Meeting  
January 10, 2018 Regular Board Meeting  
January 30, 2018 Community Affairs Committee Meeting  
February 7, 2018 Investment and Finance Committee Meeting  
February 8, 2018 Engineering Committee Meeting

### 8. Approval of Demands for January/February 2018

Payroll Checks numbered 19684-19724; General Checking – Checks numbered 50616-50741

### 9. Operations Report (A copy was included in the original February 14, 2018 Agenda)

### 10. Finance Report (A copy was included in the original February 14, 2018 Agenda)

### 11. Quarterly Treasurer's Report

This report discloses investments for the quarter ending December 31, 2017.

### 12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of January 2018.

Director Juliussen pulled Board Agenda item number 7, February 8, 2018 Engineering Committee Meeting Minutes, from the Consent Calendar.

Director Juliussen stated that there is a typo on the meeting adjournment time for the February 8, 2018 Engineering Committee Meeting Minutes. Director Juliussen stated the adjournment time of the meeting should be changed from 8:23 a.m. to 9:23 a.m.

Staff stated they would update the Engineering Committee minutes to the correct adjournment time of 9:23 a.m.

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

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

Upon a motion duly made by Director Hanson, seconded by Director Juliussen, and unanimously carried, the Board of Directors approved the February 8, 2018 Engineering Committee Minutes with the adjournment time change from 8:23 a.m. to 9:23 a.m. by the following vote:

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

## EWA and COMMITTEE REPORTS

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

A. EWA Board Report – Meeting held on January 24, 2018.

Director Juliussen reported on EWA's January 24, 2018 Board meeting.

B. EWA Member Agency Manager's (MAM) - Meeting held on February 6, 2018.

TSM Morishita noted that due to GM Bushee's absence tonight this item would be reported at the March Board meeting.

### 14. Committee Reports

A. Community Affairs Committee (CAC) Meeting was held on January 30, 2018.

Vice President Kulchin reported that the CAC and staff reviewed and commented on the draft text of the 2018 Winter newsletter.

The CAC directed staff to move forward with the final text and layout of the newsletter and the next CAC meeting was scheduled for February 26<sup>th</sup> at 2:00 p.m.

B. Investment and Finance (IFC) Meeting was held on February 7, 2018.

Director Hanson reported that staff presented the Annual Review of LWD's Reserve Fund Policy and is not recommending any changes. The IFC concurred with staff to recommend that the Board of Directors receive and file the annual review of the reserve policy and it will be discussed later in the agenda.

The IFC also reviewed Resolution No. 2295 establishing check signatory authority for the General Manager and Administrative Services Manager and removing the use of facsimile signatures. The IFC concurred with staff to recommend that the Board of Directors adopt Resolution No. 2295 and it will be discussed later in the agenda.

C. Engineering Committee (EC) Meeting was held on February 8, 2018.

Director Juliussen reported that the EC reviewed a recommendation authorizing the General Manager to execute an Agreement with Nu Line Technologies, LLC for construction services to complete the 2018 Gravity Pipeline Cured-in-Place Pipe Lining Rehabilitation Project in an amount not to exceed \$667,998.

The EC concurred with staff to present this recommendation to the Board of Directors and it will be discussed later in the agenda.

The EC also received updated on the following:

- Emergency Repair of the Secondary Effluent Force Main;
- Gafner AWT Improvements Project; and
- Display of Outfitted Confined Space Entry Equipment Trailer.

These items were for informational purposes and no action was taken.

## **ACTION ITEMS**

### **15. 2018 Gravity Pipeline Cured-In-Place Pipe Lining Rehabilitation Project**

Authorize the General Manager to execute an Agreement with Nu Line Technologies, LLC for construction services to complete the 2018 Gravity Pipeline Cured-in-Place Pipe Lining Rehabilitation Project in an amount not to exceed \$667,998.

FSSpec Riffel presented staff's recommendation and provided background information on the project. He continued that project design was complete in December 2017 and bids were due on January 24, 2018. He continued that two bids were received with Nu Line Technologies (Nu Line) submitting the apparent low bid of \$667,998. He stated that IEC evaluated the bids and discovered a minor irregularity in Nu Line's bid. FSSpec Riffel continued that IEC recommended awarding the contract to Nu Line as the lowest responsible / responsive bidder and waive the minor bid irregularity. He stated that staff concurs with IEC and recommends waiving the minor bid irregularity and awarding the contract to Nu Line.

President Sullivan asked if we have used Nu Line before. FSSpec Riffel answered affirmatively.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Vice President Kulchin, and unanimously carried, the Board of Directors authorized the General Manger to execute an Agreement with Nu Line for construction services for the 2018 Gravity Pipeline Cured-In-Place Pipe Lining Rehabilitation Project in an amount not to exceed \$667,998 by the following vote:

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

### **16. Adopt Resolution No. 2294 – Requesting the Local Agency Formation Commission (LAFCO) to take proceedings for the proposed Zinser Annexation**

DE Wilson presented the item stating that this annexation includes one parcel totaling 0.27 acres with one existing single family residence and a proposed accessory dwelling unit. Per the City of Encinitas, the parcel is required to connect to the public sanitary sewer system to satisfy a permit condition for a tenant improvement. The private lateral for the residence will connect to the available public sanitary sewer system in the middle of Hymettus Avenue.

Following discussion, upon a motion duly made by Vice President Kulchin, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2294 – Requesting LAFCO to take proceedings for the Zinser Change of Organization by the following vote:

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

## 17. Annual Review of LWD Reserve Fund Policy

ASM Duffey presented the item and reviewed the purpose of the policy. The policy calls for an annual review of the reserve funding levels by the Board of Directors. He noted that staff has reviewed the policy and has no recommended changes.

ASM Duffey reviewed the District's reserve balances for fiscal year ending June 30, 2017.

Vice President Kulchin asked how much money has been spent on recycled water capital projects. ASM Duffey answered \$342K. ASM Duffey stated that \$183K of the \$342K is for the Gafner AWT Improvements.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Omsted, and unanimously carried, the Board of Directors received and filed the Reserve Fund Policy Review Report by the following vote:

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

## 18. **Establishing Check Signature Authority and Removing the Use of Facsimile Signatures** Adopt Resolution No. 2295 establishing check signatory authority for the General Manager and Administrative Services Manager and removing the use of facsimile signatures.

ASM Duffey presented the subject recommendation. ASM Duffey stated that proposed Resolution No. 2295 will bring the General Manager's check signatory authority in line with his/her purchasing authority of \$35,000. It will also increase the Administrative Service Manager's signatory authority to \$25,000 from \$15,000.

ASM Duffey also stated that Resolution No. 2154 previously authorized financial institutions to honor instructions, including checks or orders for payment of money, based on the use of facsimile signatures. The proposed Resolution No. 2295 removes this provision since the District does not currently use facsimile signatures.

Director Juliussen asked for clarification on facsimile signatures. ASM Duffey stated that a facsimile signature is a stamp of the actual signature. ASM Duffey stated that the District does not use stamps and only uses hand signatures.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Resolution No. 2295 establishing check

signatory authority for the General Manager and Administrative Services Manager and removing the use of facsimile signatures by the following vote:

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

#### **19. April 2018 Board Meeting Conflict**

TSM Morishita presented the item noting that last month the Board discussed a potential conflict with its meeting scheduled for April 18, 2018. This Board meeting date conflicts with the California Water Environment Association's (CWEA) Annual Conference which is scheduled for April 17<sup>th</sup> - 20<sup>th</sup>.

TSM Morishita reviewed the alternate proposed dates for the April Board meeting.

Following discussion, the Board of Directors reached consensus to change the April Board meeting date from Wednesday, April 18<sup>th</sup> at 5 p.m. to Monday, April 9<sup>th</sup> at 5 p.m.

#### **20. CASA Board of Directors Call for Candidates**

TSM Morishita stated that CASA has recently notified LWD that it is seeking candidates for its Board of Directors.

TSM Morishita stated that GM Bushee serves as the CASA Board's President and he noted GM Bushee has 2.5 years left on his term, however, the Board could opt to nominate someone else from LWD. TSM Morishita added that this item was presented to the Board as a follow up to CASA's request.

The Board did not opt to nominate anyone else. There was no action taken.

#### **21. LAFCO Call for Nominations to the San Diego County Consolidated Redevelopment Oversight Board**

ASM Duffey stated that the Local Agency Formation Commission (LAFCO) has recently notified LWD that nominations are being solicited to appoint eligible representatives to serve on the San Diego Consolidated Redevelopment Oversight Board. He stated the election is tasked with appointing one regular district representative and one alternate district representative on the Oversight Board. The deadline for receipt of all nominations is Thursday, February 15, 2018.

ASM Duffey added that this item was presented to the Board as a follow up to LAFCO's request.

The Board did not nominate anyone. There was no action taken.

### **INFORMATION ITEMS**

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

- A. CSDA Quarterly Dinner is scheduled for Thursday, February 15, 2018 at The Butcher Shop Steakhouse in Kearny Mesa.

TSM Morishita stated a carpool will leave the District office at 5:30 p.m. and an email reminder will be sent.

- B. 2018 CASA & WaterReuse Public Policy Forum is scheduled for April 11, 2018 at The Sutter Club in Sacramento, CA.

EA Baity stated the date and location for the upcoming conference.

- C. 2018 CWEA Annual Conference is scheduled for April 17 – April 20, 2018 at the Sacramento Convention Center in Sacramento, CA.

EA Baity stated the date and location for the upcoming conference.

### **23. Directors' Meetings and Conference Reports**

- A. The CASA Winter Conference was held on January 24 – 26, 2018 at the Hilton in Palm Springs, CA.

President Hanson stated it was a great conference and she enjoyed the Flushable Wipes Panel and the presentation on "What 2 Flush".

Vice President Kulchin stated that he liked that Rising Tide Partners attended the conference.

President Sullivan agreed with Vice President Kulchin and also noted it was a great conference.

### **24. General Manager's Report**

TSM Morishita reported on the following items:

- Emergency Repair of Secondary Effluent Force Main; and
- Update on the Omni La Costa Resort Recycled Water Agreement

Vice President Kulchin asked if the La Costa Resort is stalling on the agreement. TSM Morishita answered not necessarily.

President Sullivan asked if the City of Carlsbad has to meet with the La Costa Resort. TSM Morishita answered they do not have to meet.

Vice President Kulchin asked what was the sale price of the recycled water offered to La Costa Resort. TSM Morishita answered \$300-\$400 an acre foot less than what the City of Carlsbad offered.

President Sullivan asked if the City of Carlsbad can stop LWD from having a private agreement with La Costa Resort. TSM Morishita answered that the City cannot stop LWD from having a private agreement with La Costa Resort.

### **24. General Counsel's Report**

None.

### **25. Board of Directors' Comments**

President Sullivan stated that the entire Board of Directors is thinking of GM Bushee and they would like to be kept updated on his status.

**26. Adjournment**

President Sullivan adjourned the meeting at approximately 5:49 p.m.



Paul J. Bushee  
Secretary/General Manager  
(SEAL)

  
Elairé Sullivan, President