

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 March 11, 2015

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, March 11, 2015 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Juliussen, Omsted, Hanson, and Sullivan
 DIRECTORS ABSENT: Kulchin.
 OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Executive Assistant Trisha Hill, District Engineer Steve Deering with Dudek, CPA Richard Duffey and Jamie Fagnant with Infrastructure Engineering Corporation (IEC).

3. Pledge of Allegiance

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

6. Presentations and Awards

None.

CONSENT CALENDAR

GM Bushee noted that President Juliussen notified him before the meeting indicating that there was a typo in the Community Affairs Committee minutes. GM Bushee stated that staff has made the change.

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

February 10, 2015 Engineering Committee Meeting

February 11, 2015 Regular Board Meeting
 February 18, 2015 Special Board Meeting
 February 24, 2015 Community Affairs Committee Meeting
 March 4, 2015 Investment & Finance Committee Meeting
 March 4, 2015 Engineering Committee Meeting

8. Approval of Demands for January/February 2015

Payroll Checks numbered 17773-17831; General Checking – Checks numbered 46407-46510;

9. Operations Report (A copy was included in the original March 11, 2015 Agenda)

10. Finance Report (A copy was included in the original March 11, 2015 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of February 2015. (A copy was included in the original March 11, 2015 Agenda)

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

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

EWA and COMMITTEE REPORTS

12. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on February 25, 2015.

Director Sullivan reported on EWA's February 25, 2015 Board meeting.

B. An Encina Member Agencies Manager's (MAM) Meeting was held on March 3, 2015.

GM Bushee reported on Encina MAM's March 3, 2015 meeting.

13. Committee Reports

A. Community Affairs Committee (CAC) meeting was held on February 24, 2015 and March 9, 2015.

Director Omsted reported that the CAC reviewed the spring 2015 newsletter proposed article topics and production schedule. He stated that the newsletter will include articles about the District's Field Services Technician's job requirements and training, the North County Recycled Water Coalition, LWD's teacher grant program, wipes don't belong in the toilet and recent LWD awards and employee highlights. He noted that the CAC directed staff to proceed with the newsletter production and schedule.

He also reported on the March 9th meeting, stating that the CAC reviewed four teacher grant applications which will be reviewed later in the agenda.

B. Investment & Finance Committee meeting was held on March 4, 2015.

Director Hanson reported that the IFC received an update on how the District's finances were tracking with the Comprehensive Financial Plan. She noted that this will be reviewed by the Board later in the agenda.

C. Engineering Committee meeting was held on March 4, 2015.

President Juliussen reported that the EC reviewed the following agreements and updates:

- An agreement with Infrastructure Engineering Corporation (IEC) for engineering design services for the Leucadia (L1) Force Main West Section Replacement Project in an amount not to exceed \$69,375;
- A sole source agreement with Sloan Electromechanical Service & Sales for the purchase and installation of replacement Variable Frequency Drives (VFDs) for the Leucadia and Batiquitos Pump Stations in an amount not to exceed \$200,021.24; and
- An update on the B1/B2 Force Mains Replacement Project.

ACTION ITEMS

14. Leucadia (L1) Force Main West Section Replacement Project – Engineering Design Services Agreement.

Authorize the General Manager to execute an Agreement with Infrastructure Engineering Corporation (IEC) for engineering design services for the Leucadia (L1) Force Main West Section Replacement Project in an amount not to exceed \$69,375.

TSM Morishita presented the item noting background information on the project. He stated that based on the cost to assess the L1 Force Main, staff believes that the funds would be better spent on replacing the western section of the L1 Force Main. He noted that staff requested an engineering design proposal from IEC and he provided a brief explanation of their proposal. He noted that the design services for this project are included in the FY 15 budget and that staff will include funds in the FY 16 Budget for the construction phase of the project.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute an agreement with IEC for engineering design services for the Leucadia (L1) Force Main West Section Replacement Project in an amount not to exceed \$69,375 by the following vote:

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

15. Agreement to Procure and Install Variable Frequency Drives for the Leucadia and Batiquitos Pump Stations.

Authorize the General Manager to execute a sole source Agreement with Sloan Electromechanical Service & Sales for the purchase and installation of replacement Variable Frequency Drives (VFDs) for the Leucadia and Batiquitos Pump Stations in an amount not to exceed \$200,021.24

TSM Morishita presented the item noting that it was reviewed by the EC at their March 4th meeting and it is a tactical goal in the FY 15 Tactics and Action Plan. He stated that during April 2014, IEC completed a pump station assessment and recommended that two VFDs at the Leucadia and Batiquitos Pump Stations be replaced due to operational issues. He also indicated the purpose of the VFDs and that their useful life is 10 years. He added that a team consisting of Joe Moraes with Moraes/Pham & Associates, Rock Swanson and LWD staff members researched various VFDs manufacturers in order to improve reliability, field support, and to standardize the pump station's VFDs.

He noted the reason for the sole source procurement indicating that Sloan Electromechanical Service is the only southern California representative and they are able to retrofit the VFDs.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source agreement with Sloan Electromechanical Service & Sales for the purchase and installation of replacement VFDs for the Leucadia and Batiquitos Pump Stations in an amount no to exceed \$200,021.24 by the following vote:

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

16. Award of Contract to MSC Janitorial Service, Inc. for Janitorial Services

Authorize the General Manager to execute an Agreement with MSC Janitorial Services to provide Janitorial services for the Administration and Operations Buildings in an amount not to exceed \$18,635.06 per year, for a three year contract totaling \$55,905.12 with an option to renew an additional two years.

EA Hill presented the item stating that the District's current Janitorial Services contract will expire at the end of the month. She provided a brief summary of the Request for Bids process and the results of the bids. She noted that the Request for Bids included language stating that factors other than cost would be considered. She added that following the review of the received bids and references checks, staff is recommending that the contract be awarded to MSC Janitorial Services as the lowest, responsive bidder.

EA Hill further explained that Prism Janitorial has not been consistently meeting the scope of work of the agreement despite being notified of the scope issues.

General Counsel Brechtel stated due to staff concerns with Prizm's bid proposal and review of the reference checks that MSC Janitorial is the lowest, responsive bidder.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute an Agreement with MSC Janitorial Services to provide Janitorial services for the Administration and Operations Buildings in an amount not to exceed \$18,635.06 per year, for a three year contract totaling \$55,905.12 with an option to renew an additional two years by the following vote:

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

17. Fiscal Year 2015 Gravity Pipeline Rehabilitation Project – Engineering Design Services

Authorize the General Manager to retroactively execute an agreement with Infrastructure Engineering Corporation (IEC) for engineering design services for the Fiscal Year 2015 (FY 15) Gravity Pipeline Rehabilitation Project in an amount not to exceed \$48,841.

TSM Morishita presented the item indicating that it is a goal in the FY 15 Tactics and Action Plan and that the EC reviewed it during their July 2, 2014 meeting. He indicated that the EC recommended that this item be forwarded to the Board, however, the recommendation was inadvertently not included in July Board Meeting agenda. He also provided brief background information on the project and a summary of IEC’s proposal.

Vice President Omsted asked if staff plans on completing the projects listed on the “FY 15 Repair Priority List” attachment of the agenda. TSM Morishita confirmed that all line segments will be repaired except for the asbestos pipes since additional permitting would be required to repair those lines.

GM Bushee noted that the design work has been completed for the listed projects, and that he apologized for not including this item in the July 2014 agenda.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Hanson, and unanimously carried, the Board of Directors authorized the General Manager to retroactively execute an agreement with IEC for engineering design services for FY 2015 Gravity Pipeline Rehabilitation Project in an amount not to exceed \$48,841 by the following vote:

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

18. Board of Directors Strategic Planning Workshop Report

Receive and file the February 18, 2015 Strategic Planning Workshop Report from BHI Management Consulting.

GM Bushee presented the item stating that it is a follow up from the Board's Strategic Planning workshop. He added that Mr. Ives completed a report summarizing the planning session with items such as, the Board's review of the Mission & Vision and future issues with storm water regulations. He noted that there were also minor changes to the Board's Strategic Plan.

President Juliussen suggested that the Board should postpone the discussion of the Mission & Vision statement until the next Board meeting, since Director Kulchin was absent from tonight's meeting.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Hanson and carried, the Board of Directors received and filed the February 18, 2015 Strategic Planning Workshop Report from BHI Management Consulting by the following vote:

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

President Juliussen pulled agenda item no. 19. Mission Statement Review from the agenda.

19. Mission Statement Review

Review LWD's Mission Statement

20. Comprehensive Financial Plan Tracking

CPA Duffey presented the item noting that the IFC reviewed it during their March 4th meeting. He provided an overview the Comprehensive Financial Plan tracking. It included the following topics:

- Reserve balances;
- Projected operating and non-operating expenses versus actual expenses;
- Projected operating and non-operating revenues versus actual revenues;
- Operating expenses trends within the past five years; and
- Future expected and unexpected financial challenges.

He concluded that the District's finances remain strong, while maintaining low rates. The District is tracking well with the Financial Plan and that staff will continue to monitor the District finances with the Financial Plan.

21. Call for Nominations to the CSDA Board of Directors Seat A

ASM LeMay presented the item stating that it is a request from CSDA and staff has no recommendation. He indicated that the current Seat A is held by Jo MacKenzie of Vista Irrigation District and she is running for re-election.

Following discussion, upon a motion duly made by Director Hanson, seconded by Vice President Omsted and carried, the Board of Directors nominated Incumbent Jo MacKenzie to the CSDA

Board of Directors Seat A by the following vote:

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

22. Award Teacher Grants

Award four Teach Grants totaling \$3,728.

EA Hill presented the item stating that the CAC reviewed four teacher grants at their March 9th meeting. She noted that this item is a goal in the FY 15 Tactics and Action Plan. She presented the various grants that were received.

Director Sullivan indicated that the CAC was pleased with all of the applications, noting that one of grants requested less than \$1,000. She asked if it would be possible to purchase and provide additional public outreach materials that may assist with their Public Service Announcement Project.

GC Brechtel stated that since the budget amount is within the General Manager's purchasing authority the additional public outreach items can be purchased if needed.

Vice President Omsted also recommended that the District should offer the school a tour of the District's facilities. GM Bushee noted that two elementary school classrooms toured the District facilities today.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Hanson and carried, the Board of Directors awarded four Teacher Grants totaling \$3,728 by the following vote:

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

23. Fiscal Year 2016 (FY 16) Budget Development Schedule

ASM LeMay presented the item stating that staff is in the process of preparing the FY 16 Budget. He provided the recommended date for the Special Board meeting to review the Preliminary FY 16 Budget.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Omsted and carried, the Board of Directors scheduled a Special Board Meeting for Thursday, May 7, 2015 to review the Preliminary FY 16 Budget by the following vote:

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

INFORMATION ITEMS

24. Project Status Updates and Other Informational Reports

A. Thank you letter from Wave Crest Oceanfront, LLC.

GM Bushee stated that the District received a thank letter from Wave Crest Oceanfront, LLC in regards to completing the portion of the B1/B2 Force Main Project in front of their property.

25. Directors' Meetings and Conference Reports

None.

26. General Manager's Report

GM Bushee reported on the following items:

- Dudek sponsored the school's transportation to the District to take a tour of the facilities and Gafner Plant.
- An excerpt from SCAP's newsletter was provided as a handout. There was an article in their newsletter regarding LWD hosting their meeting and providing a presentation to SCAP.
- GM Bushee will be out of the office from March 12 -13, returning on Monday, March 16. He noted that ASM LeMay will be the Acting GM.

Director Sullivan thanked staff for hosting other agency's meetings at the District's offices.

27. General Counsel's Report

None.

28. Board of Directors' Comments

Vice President Omsted reminded everyone of the scheduled Watereuse Conference next week. He indicating that he is reading a book dedicated to corrosion and that it stated that water districts add extra calcium hydroxide to reduce the corrosion in the water pipes.

President Juliussen noted how he appreciates field services staff and engineering staff for their excellent work during the Engineering Committee meetings.

29. Closed Session

The Board of Directors met in closed session with representatives GM Bushee and ASM LeMay to discuss and provide direction regarding terms and conditions of a LWD's Accounting Services Agreement as authorized under Government Code Section 54957.6.

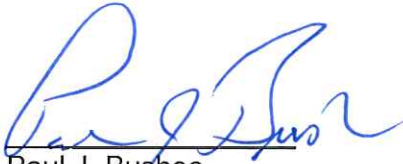
General Counsel Brechtel stated there was no reportable action.

30. Adjournment

President Juliussen adjourned the meeting at 6:22 p.m.



Allan Juliussen, President



Paul J. Bughee
Secretary/General Manager
(SEAL)