

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 May 10, 2017

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, May 10, 2017 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Hanson, Sullivan, Kulchin, Omsted

DIRECTORS ABSENT: Juliussen

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, Field Services Technician II Richard Easton, Dexter Wilson of Dexter Wilson Engineering, Jodi Greenberger and Melissa Barbano of El Camino Creek Elementary School, and 8 students from El Camino Creek Elementary School

3. Pledge of Allegiance

President Hanson led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

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

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

6. Presentations and Awards

A. Teacher Grant Award

ASsup Hill introduced Ms. Jodi Greenberger of El Camino Creek Elementary School to provide the Board a brief update on her school's project funded by the District's teacher grant program.

Ms. Greenberger thanked the Board for the teacher grant that funded the school's Rain Garden Educational Pathway. Ms. Greenberger then introduced Sarah Urbanic, a student from the El

Camino Creek Elementary School SWWP program, who provided a brief description of the project.

The Board asked the students various questions relating to the Rain Garden Educational Pathway and the students answered the questions.

The Board thanked Ms. Greenberger, Ms. Barbano, and the El Camino Creek Elementary School students for attending the meeting.

B. CWEA 2016 Collections System Person of the Year State Award

GM Bushee introduced Field Services Technician II Richard (Rick) Easton and provided background information on Rick. He stated that Rick recently received the CWEA 2016 State Collection System Person of the Year award during CWEA's annual conference.

The Board of Directors congratulated Rick for his efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

April 12, 2017 Regular Board Meeting
May 3, 2017 Engineering Committee Meeting

8. Approval of Demands for February/March 2017

Payroll Checks numbered 19177-19238; General Checking – Checks numbered 49564-49680

9. Operations Report (A copy was included in the original May 10, 2017 Agenda)

10. Finance Report (A copy was included in the original May 10, 2017 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of April 2017.

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

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

EWA and COMMITTEE REPORTS

12. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on April 26, 2017.

Director Sullivan reported on EWA's April 26, 2017 Board meeting.

B. EWA Member Agency Manager's (MAM) - Meeting held on May 2, 2017.

GM Bushee reported on MAM's May 2, 2017 meeting.

13. Committee Reports

A. Engineering Committee (EC) Meeting was held on May 3, 2017.

Director Kulchin reported that the EC reviewed the following recommendations:

- Authorize the General Manager to execute a sole source purchase Agreement with National Safety Services for the purchase of a new Confined Space Entry Equipment Trailer in an amount not to exceed \$32,452.88; and
- Authorize the General Manager to execute a sole source Agreement with Southern Contracting Company to shift the Headquarters Building to a separate Electric Metering Switchboard in an amount not to exceed \$59,345.

The EC concurred with staff to present these recommendations to the Board of Directors and they will be discussed later in the agenda.

The EC also received updates on the Poinsettia Train Station Parallel Gravity Line Project and the Leucadia Scenic Cured-In-Place Pipe Lining Project. These items were for informational purposes and no action was taken.

ACTION ITEMS

14. Award of Purchase Agreement for Emergency Confined Space Equipment Trailer

Authorize the General Manager to execute a sole source purchase Agreement with National Safety Services for the purchase of a new Confined Space Entry Equipment Trailer in an amount not to exceed \$32,452.88.

FST III Amos presented the staff recommendation. He stated that he discovered that only one manufacturer, National Safety Services (NSS), had experience in customizing trailers for confined space entry equipment. FST III Amos stated that NSS submitted a quote of \$32,452.88.

FST III Amos stated that the District's Procurement Policy allows for a sole source purchase for unique items manufactured or provided by a single vendor. He continued that therefore, staff is recommending a sole source purchase to NSS for the confined space entry equipment trailer.

President Hanson asked the location of NSS. FST III Amos answered stating they are located in Long Beach, CA.

Following discussion, upon a motion duly made by Director Kulchin and seconded by Director Omsted and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source purchase Agreement with National Safety Services for the purchase of a new Confined Space Entry Equipment Trailer in an amount not to exceed \$32,452.88 by the following vote:

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

15. Award of Construction Agreement with Southern Contracting Company – Shift of Headquarters Building to a Separate Electric Metering Switchboard

Authorize the General Manager to execute a sole source Agreement with Southern Contracting Company to shift the Headquarters Building to a separate Electric Metering Switchboard in an amount not to exceed \$59,345.

TSM Morishita presented the recommendation. He stated that SDG&E confirmed that the District can take advantage of the Agricultural Rate for both Leucadia Pump Station (LPS) and Gafner. The Agricultural Rate allows for a significant reduction in electricity costs over LWD's existing rate. TSM Morishita said that the application of the Agricultural Rate will require that the Headquarters Building (HQ Bldg) be separated from the single meter for the District's Campus.

TSM Morishita stated, that staff contacted Southern Contracting Company (Southern) to get a quote for separating the HQ Bldg to a new metering switchboard. TSM Morishita noted that based on an estimated project cost of \$90,000 and the 24% cost savings realized at BPS, the estimated return on investment period is 2.8 years.

TSM Morishita stated that the Agreement meets the sole source procurement requirements of the District's Procurement Policy, unique knowledge of the District and continuance of service.

Director Omsted asked if the solar panels located at the District office will be connected to the new meter. TSM Morishita answered stating the solar panels will stay connected to the existing meter and will not be connected to the new meter.

Director Omsted asked what is the percentage of energy that the solar panels produce. GM Bushee answered stating that the solar panels cover about 85% of the energy that the HQ Bldg uses.

Following discussion, upon a motion duly made by Director Kulchin and seconded by Director Omsted and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source purchase Agreement with Southern Contracting Company to shift the Headquarters Building to a separate Electric Metering Switchboard in an amount not to exceed \$59,345 by the following vote:

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

16. Treasurer's Quarterly Investment Report

ASM Duffey presented the item noting the Treasurer's Quarterly Investment Report is normally covered in the Consent Calendar. ASM Duffey stated that due to recent changes in the Investment Policy, staff

thought it would be a good time to review some highlights of the most recent Treasurer's Quarterly Investment Report.

ASM Duffey compared LWD's Cash and Investments by type from the quarter ending 6/30/2016 to the recent quarter ending 3/31/2017. He also presented a list of corporate notes held by LWD as of 3/31/2017 along with their amortized costs and ratings.

ASM Duffey also compared the investment distribution, remaining maturities, and investment ratings between the two quarters.

ASM Duffey noted that LWD had shifted more of its allocation into long term US Treasuries, corporate notes, and negotiable CDs from the SD County Pool and the LAIF Pool, and extended its average days to maturity from 109 days to 240 days between quarters. This helped increase the average rate of return from 0.75% to 1.08%, which exceeded the LAIF benchmark.

Director Omsted asked if there were protections on interest rate increases. ASM Duffey stated that two more federal funds rate increases are projected for this year.

Director Omsted asked what is the current federal funds rate. ASM Duffey answered stating it is 1%.

Following discussion, upon a motion duly made by Director Omsted and seconded by Vice President Sullivan and unanimously carried, the Board of Directors received and filed the Treasurer's Quarterly Investment Report by the following vote:

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

Director Kulchin asked how much the District pays per year to be part of Encina Wastewater Authority. GM Bushee answered that typically, on the Operations side, the District pays \$1.7 – \$1.8 million per year. GM Bushee noted that on the Capital Improvement side, the amount varies based on what projects Encina is working on.

17. Consideration of Board President Signature for Legislative Correspondence

GM Bushee provided background information on this item and noted that at the April 2017 Board meeting Director Juliussen suggested that LWD letters relating to legislative matters be signed by the Board President as opposed to the current practice of utilizing the General Manager's signature.

GM Bushee stated that by using an electronic signature of the Board President, LWD can meet the time sensitive nature of legislative documents and correspondence. GM Bushee noted the following in regards to using electronic signature:

- The Board should be comfortable using the electronic signature process;
- The electronic signature process will be used only for legislative correspondence at the request of CASA, CSDA, or other industry associations;
- For logistical purposes, staff would utilize the electronic signature without the prior approval of the Board President; and

- All legislative correspondence would subsequently be emailed to the entire Board for information purposes.

Following discussion, the Board reached consensus on using electronic signature for legislative correspondence. There was no other action taken.

INFORMATION ITEMS

18. Project Status Updates and Other Informational Reports

- A. CSDA Quarterly Dinner Meeting is scheduled for Thursday, May 18, 2017 at The Butcher Shop Steakhouse in Kearny Mesa, CA.

GM Bushee stated that he will be out of town and will miss the dinner. GM Bushee noted that ASsup Hill will be attending the dinner and she will send an email reminder for the carpool.

- B. 2017 Annual Employee Luncheon is scheduled for Thursday, July 13, 2017 at Stagecoach Park Picnic Area #1 in Carlsbad, CA.

EA Baity announced the date, time, and location of the Annual Employee Luncheon.

19. Directors' Meetings and Conference Reports

- A. The 2017 CASA Joint Public Policy Forum was held April 19, 2017 at the Sutter Club in Sacramento, CA.

Vice President Sullivan stated the conference was well run and she liked the format and the speakers. She noted that sometimes they do not have as much time as they would like to meet with their legislative representatives since their flights are booked prior to receiving the legislative meeting schedule.

Director Omsted stated the State legislature seem receptive to the idea of potable reuse.

- B. The 2017 CWEA Annual Conference was held April 25-28, 2017 at the Palm Springs Convention Center in Palm Springs, CA.

President Hanson stated she enjoyed how interactive the conference was and the level of audience participation during the sessions.

Vice President Sullivan stated she enjoyed the Silver Tsunami session on training and recruiting.

Director Omsted stated he liked the technical part of CWEA and he reported on new information he learned about tree roots in pipes.

Director Omsted asked if the District uses chemicals to kill tree roots. FSS Stecker answered his question affirmatively noting that the District has been using a chemical foam the past 3-4 years to effectively treat problem root areas.

20. General Manager's Report

GM Bushee reported on the following items:

- Board Meeting Budget Workshop is scheduled for May 30, 2017 at 9 a.m.;
- North San Diego Water Reuse Coalition Feasibility Report has been approved for Title XVI Funding by the Bureau of Reclamation; and

- He will be out of the office from May 18 – 26 and TSM Morishita will be the acting GM.

21. General Counsel's Report

General Counsel Brechtel reported on the following items:

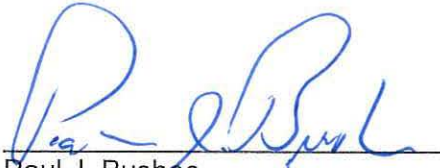
- AB 1223 - Construction Contract Payments;
- AB 1628 - Public Works: Independent Contractors;
- SB 229 - Accessory Dwelling Units; and
- He will be attending the CASA Attorney's meeting later this month.

22. Board of Directors' Comments

President Hanson reported on the recent San Diego LAFCO meeting she attended.

23. Adjournment

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



Paul J. Bushee
Secretary/General Manager
(SEAL)


Judy Hanson, President