

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
October 14, 2015

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, October 14, 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, Sullivan and Kulchin
 DIRECTORS ABSENT: None.
 OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, District CPA Richard Duffey, District Engineer Steve Deering, and Jamie Fagnant of 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 Kulchin 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	Aye

6. Presentations and Awards**A. Achievement of an Individual Award – ASM LeMay's 10th year anniversary**

GM Bushee introduced ASM LeMay stating that he recently passed his 10 year anniversary working at the District. He provided background information about Chuck and noted under LWD's incentive program Chuck is eligible for a \$200 incentive award.

The Board of Directors congratulated Chuck for his efforts.

B. Achievement of Organizational Objectives

GM Bushee presented two organizational objectives that LWD achieved this past month. He reported that the CSRMA Board of Directors approved the distribution of dividend payments from the pooled

workers' compensation insurance program. The District received the check in the amount of \$2,260. He noted that LWD's incentive program authorizes a 50% cost sharing of the dividend and each employee is eligible for a compensation award of \$66.47.

He also reported that staff recently completed four years without a lost time injury accident which meets an organizational objective under the incentive program. He noted that each employee is eligible for a \$1,000 compensation award. He stated that both awards reflect staff's excellent attention to safety while working in the field.

The Board congratulated staff for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

September 8, 2015 Investment & Finance Committee Meeting
September 9, 2015 Regular Board Meeting
September 15, 2015 Community Affairs Committee Meeting
September 29, 2015 Employee Recognition Committee Meeting
October 6, 2015 Engineering Committee Meeting
October 7, 2015 Human Resources Committee Meeting

8. Approval of Demands for September/October 2015

Payroll Checks numbered 18083-18140; General Checking – Checks numbered 47169-47288; Voided check number 47050 and reissued checks numbers 47081 and 47283

9. Operations Report (A copy was included in the original October 14, 2015 Agenda)

This report discloses up-to-date and monthly flow, rain fall, EDU's and reclaimed water averages; along with MGD flow comparisons from FY 15 to FY 16 and flows by sub-basin.

10. Finance Report (A copy was included in the original October 14, 2015 Agenda)

11. Disclosure of Reimbursements (A copy was included in the original October 14, 2015 Agenda)

This report discloses travel expense reimbursements for the month of August 2015.

12. Status Update on the Fiscal Year 2016 (FY 16) LWD Tactics and Action Plan

(A copy was included in the original October 14, 2015 Agenda)

Upon a motion duly made by Director Hanson 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	Aye

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

- A. EWA Board Report – Meeting was held on September 23, 2015.

Director Sullivan reported on EWA's September 23, 2015 Board meeting.

- B. An Encina Member Agencies Manager's (MAM) Meeting was held on October 5, 2015.

GM Bushee reported on Encina MAM's October 5, 2015 meeting.

14. Committee Reports

- A. Community Affairs Committee (CAC) meeting was held on September 15, 2015.

Director Sullivan reported that the CAC reviewed the 2015 fall newsletter text and layout. She noted that the CAC directed staff to move forward with the newsletter production and that the newsletter was mailed to customers this week.

- B. An Employee Recognition Committee (ERC) meeting was held on September 29, 2015.

Director Sullivan reported that the ERC reviewed the Employee of the Year Award program and the need of the ERC as a standing committee. She stated that the ERC agreed with staff's recommendation to eliminate the Employee of the Year Award program and dissolve the ERC if this program is eliminated. She stated that the ERC suggested that staff schedule a Human Resources Committee meeting to review a revised Incentive Program.

- C. Engineering Committee (EC) meeting was held on October 6, 2015.

Director Kulchin reported that the EC reviewed the following:

- An agreement with Infrastructure Engineering Corporation for engineering design services for the Village Park No. 5 Pump Station Rehabilitation Project in an amount not to exceed \$109,876;
- A sole source professional services agreement with Data Net Solutions Group, Inc. for information systems support services in an amount not to exceed \$48,600 over an initial three year contract period;
- The concept of recycled water fill stations at LWD; and
- The District's access to the gravity pipeline near Interstate 5 (I-5) through the California Department of Transportation right of way.

Director Kulchin stated that the EC agreed with staff's recommendations and that the agreements will be reviewed later on in the agenda.

President Juliussen noted that the EC directed staff to analyze the possibility of using reclaimed water to clean the sewer lines by means of a tanker truck.

Director Sullivan asked what is the cost to use potable water to clean the sewer lines in light of using recycled water. GM Bushee stated that he doesn't know the exact potable water expense; however, it takes a significant amount of time for staff to drive back to the District to refill the trucks with recycled water instead of filling the trucks at nearby hydrants. He noted that the Vactor trucks are filled with recycled water for the first load each morning and that staff will be evaluating options to potentially use

more recycled water for hydrocleaning.

D. Human Resources Committee (HRC) meeting was held on October 7, 2015.

Director Kulchin reported that the HRC reviewed the revised Incentive Program. The HRC suggested policy revisions and staff agreed to make the changes. He stated that this item will be reviewed later in the agenda.

ACTION ITEMS

15. Village Park No. 5 Pump Station Replacement Project – Engineering Design Services

Authorize the General Manager to execute an Agreement with Infrastructure Engineering Corporation (IEC) for engineering design services for the Village Park No. 5 (VP5) Pump Station Replacement Project in an amount not to exceed \$109,876.

TSM Morishita presented this item stating that it was reviewed by the EC during its October 6, 2015 meeting and it is a FY 16 tactical goal. He provided background information on the District's pump station assessment. He stated that the District's two options are to replace or rehabilitate the VP5 pump station. He explained the difference between the two options, indicating that replacing the VP5 with a submersible pump would be the best option for the District. He also explained the benefits of a submersible pump noting that it will provide a safer environment for field service staff and the pump stations are easier and more efficient to maintain and operate. A submersible pump will eliminate the District's dependency on Smith and Loveless for materials and equipment. He indicated that replacing VP5 with a submersible pump would cost more in the short-term, but the maintenance costs would be less over the long-term.

TSM Morishita also provided a brief summary of IEC's scope of work to design the VP5 Replacement Project.

Director Hanson asked if this was budgeted. TSM Morishita stated that the design phase costs were included in the FY 16 budget.

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 an agreement with IEC for engineering design services for the Village Park No. 5 Pump Station Replacement Project in an amount not to exceed \$109,876 by the following vote:

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

16. Award of Information System Support Services

Authorize the General Manager to execute a sole source Agreement for professional services with Data Net Solutions Group, Inc. for information systems support services in an amount not to exceed \$48,600 over an initial three year period.

TSM Morishita presenting this item stating that it is a tactical goal and that the EC reviewed this item at its October 6, 2015 meeting. He stated that Data Net has been providing network support services for the

District for many years, noting that they have in-depth knowledge of the District's computer network system. He added that their services have been excellent over the years and retaining their services provides continuity, efficiency and is in the best interest of the District. He also provided a brief summary of their scope of work and noted that sole source procurement for their services is allowed under the Continuity of Service section (12.4) of the District's Procurement Policy.

Director Hanson asked about the frequency of the on-site visits to the District. TSM Morishita explained that the District's server requires biweekly updates because the District owns and operates its own server.

Director Kulchin asked about the type of IT equipment utilized by field services staff and will Data Net assist them with troubleshooting the equipment if required. TSM Morishita answered that the field services staff uses Panasonic tablets called Tough Books which are updated through the District's server. In addition, the District currently has an agreement with a company named InfraMap for maintenance of the Tough Books. He added that Data Net has previously helped staff with the Tough Books and they can provide support if required.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Vice President Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source agreement with Data Net Solution Group, Inc. for Information System Support services at a cost not to exceed \$48,600 over an initial three year contract period by the following vote:

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

17. Revised LWD's Incentive Program

Adopt Resolution No. 2266 – Adopting LWD's Revised Incentive Program.

GM Bushee presented the item stating that the HRC reviewed this item at its October 7, 2015 meeting and agreed with staff's recommendation. He indicated that during the Employee Recognition Committee meeting, potential elimination of the Employee of the Year Award was discussed and the ERC directed staff to present this issue through the HRC. He provided background on the Incentive Program and explained why staff believes that the Incentive Program should be revised.

GM Bushee summarized the revisions to the Incentive Program indicating that it has not been updated since 2006. He explained why staff is proposing to eliminate the Employee of the Year Award and revise the District's annual sewage spill ranking objective. He also suggested removing the Honorable Mention State Award category incentive because it did not apply to the District's awards. He added that under the Service Award category the 40 years of service award was added because this milestone could potentially be reached by a current employee.

President Juliussen agreed with the concept of the organizational awards category that focuses on achieving goals as a team.

Director Hanson asked if there are funds in the budget to recognize an employee that has gone over and above their job. GM Bushee stated that the General Manager Exceptional Service Award is still available to recognize an employee for doing an exceptional job.

Director Sullivan noted that the Incentive Program also refers to the Employee Recognition Committee under the "Cost Savings Suggestion Award" and it should be deleted. GM Bushee stated that staff will make the revision.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Resolution No. 2266 – Adopting LWD's Revised Incentive Program with one minor change deleting the reference to the Employee Recognition Committee by the following vote:

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

18. LWD Standing Committee

Dissolve the Employee Recognition Committee (ERC) and Adopt Resolution No. 2267 – Establishing Standing Committees and Authorizing the Creation of Ad Hoc Committees.

ASM LeMay presented this item stating it is a follow up to the previous item. He stated that ERC reviewed this item at their September 29, 2015 meeting and agreed with staff to forward the item to the Board for approval. He stated that since the Employee of the Year Award was eliminated from the District's Incentive Program, the ERC should be dissolved. He added that this resolution identifies the Board's standing committee and authorizes the creation of Ad Hoc committees.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2267 – Establishing Standing Committees and Authorizing the Creation of Ad Hoc Committees by the following vote:

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

INFORMATION ITEMS

19. Project Status Updates and Other Informational Reports

None.

20. Directors' Meetings and Conference Reports

- A. The CWEA Tri-State Conference was held on September 21-24, 2015 at the South Point Hotel in Las Vegas, NV.

President Juliussen stated that he attended the conference noting that exhibits were excellent and the sessions were informative. Director Sullivan stated that she was glad President Juliussen attended because she has met staff members from other agencies that were impressed that

Directors attend the CWEA conference. She also noted that Board members contribute to their ideas at the conference's sessions.

B. The CSDA Annual Conference was held on September 21-24, 2015 at the Marriot Monterey in Monterey, CA.

Director Sullivan reported that this year CSDA had the most attendees ever and that the seminars were excellent.

Director Hanson reported on the Brown Act Update session, as well as the session on the new FPPC rules and regulations. She suggested that the Board members should take a work shop on the new FPPC rules.

Director Kulchin reported on the session that addressed Cyber Security. Vice President Omsted provided additional information on this session, indicating that the District should have guidelines informing the staff and Board members on phishing emails.

21. General Manager's Report

GM Bushee reported on the following items:

- The 2015 fall newsletters were mailed to residents this week; and
- The "No Wipes Down the Pipes" campaign is in process. He noted that the refrigerator magnets were printed and that the door hangers will be delivered to customers next week.

Director Sullivan noted that before the District launched its "No Wipes Down the Pipe" campaign, she attended the Sea Point HOA meeting and informed its members not to flush wipes down the pipes. She stated that the residents were not aware that wipes are not to be flushed down the toilet.

- The North County Recycled Water Coalition Group developed a Programmatic EIR and that a public hearing occurred at Olivenhain Municipal Water District's Board meeting this afternoon and it was adopted by their Board. He noted that TSM Morishita attended the meeting.
- LWD will be advertising for Request for Proposals for Public Information Services in late October.

22. General Counsel's Report

General Counsel Brechtel reported that attorney Tomer Gutman was unable to attend tonight's meeting and provide an update on the new FPPC rules; however, Tomer or he will provide this update during the November Board meeting. He also reported that Governor Brown signed legislation today that bans plastic microbeads effective 2020. In addition, he stated that Duncan Hunter introduced a preliminary bill (HR 3353) that will limit citizen suits addressing the Clean Water Act and how much fees they can recover.

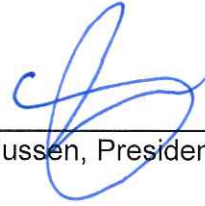
23. Board of Directors' Comments

President Juliussen thanked ASM LeMay for his ten years of service to the District.

Director Hanson stated that she changed her mind regarding the LAFCO elections and that she will run for the Alternate LAFCO seat.

24. Adjournment

President Juliussen adjourned the meeting at approximately 6:05 p.m.



Allan Juliussen, President



Paul J. Bushee
Secretary/General Manager
(SEAL)