

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting  
 August 14, 2019

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, August 14, 2019 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

**1. Call to Order**

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

**2. Roll Call**

DIRECTORS PRESENT: Kulchin, Juliussen, Omsted, Hanson, and Sullivan  
 DIRECTORS ABSENT: None  
 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, District Engineer Dexter Wilson, Field Services Supervisor Marvin Gonzalez, FST III Gabe Mendez, FST II Curney Russell, and Neal Bloom of Rising Tide Partners

**3. Pledge of Allegiance**

President Kulchin led the pledge of allegiance.

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

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

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

**6. Presentations and Awards**

**A. Achievement of Individual Award – James Hoyett**

GM Bushee stated that Field Services Technician III, James Hoyett, recently passed his 30<sup>th</sup> year anniversary at the District but was not able to attend tonight’s Board meeting since he is on vacation. He provided background information about James and noted that under LWD’s incentive program James is eligible for a \$750 incentive award.

GM Bushee stated that James would attend the September Board meeting to be recognized.

The Board congratulated James for his efforts.

**B. Five Years No Vehicle Accidents.**

GM Bushee stated that on July 8<sup>th</sup>, the District had passed five years without a vehicle accident. He stated that this goal is a significant accomplishment since the Field Services staff spends approximately 120K miles annually behind the wheel. GM Bushee noted that staff is eligible for a \$750 incentive award under the District's incentive program. He also thanked the Board for their support of this program.

The Board congratulated staff for their efforts.

## **CONSENT CALENDAR**

**7. Approval of Board and Committee Minutes**

Minutes of the following meetings:

July 9, 2019 Investment and Finance Committee Meeting  
July 10, 2019 Regular Board Meeting  
July 23, 2019 Community Affairs Committee Meeting  
August 7, 2019 Engineering Committee Meeting  
August 7, 2019 Investment and Finance Committee Meeting

**8. Approval of Demands for July/August 2019**

Payroll Checks numbered 21471-21513; General Checking – Checks numbered 53061-53163

**9. Operations Report** (A copy was included in the original August 14, 2019 Agenda)

**10. Finance Report** (A copy was included in the original August 14, 2019 Agenda)

**11. Quarterly Treasurer's Investment Report**

(A copy was included in the original August 14, 2019 Agenda)

**12. Disclosure of Reimbursements**

This report discloses travel expense reimbursements for the month of July 2019.

**13. Fiscal Year 2020 (FY20) Pay Schedules**

Adopt Resolution No. 2317 - Approving the FY20 pay schedules. (A copy was included in the original August 14, 2019 Agenda)

**14. Receive and file the Annual Review of LWD's Procurement Policy.**

(A copy was included in the original August 14, 2019 Agenda)

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

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

## EWA and COMMITTEE REPORTS

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

A. EWA Board Report – Meeting held on July 24, 2019.

Director Sullivan reported on EWA's July 24, 2019 Board meeting.

B. EWA Member Agency Manager's (MAM) - Meeting held on August 6, 2019.

TSM Morishita reported on EWA MAMs August 6, 2019 meeting.

### 16. Committee Reports

A. Investment and Finance Committee (IFC) Meeting was held on July 9, 2019.

Director Hanson reported that the IFC participated in the Financial Audit Entrance meeting with staff and CPA Shannon Ayala, from Davis Farr, LLP.

Director Hanson noted that the auditors have begun their preliminary audit review and the IFC reviewed the auditor's responsibilities, the timing of the audit, and upcoming changes to the audit process.

There was no action taken.

B. Community Affairs Committee (CAC) Meeting was held on July 23, 2019.

Director Sullivan reported that the CAC reviewed and commented on the draft layout of the 2019 Summer newsletter.

The CAC directed staff to move forward with the production of the newsletter and forward the final to the Board for their review prior to printing.

C. Engineering Committee (EC) Meeting was held on August 7, 2019.

Vice President Juliussen reported that the EC reviewed the following recommendation:

- Authorize the General Manager to execute a sole source purchase agreement with Haaker Equipment Company for the purchase of a new Vactor 2110 Combination Truck in an amount not to exceed \$433,000.

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 an update on the repair of manholes in Gelson's Plaza. This item was for information purposes and there was no action taken.

D. Investment and Finance Committee (IFC) Meeting was held on August 7, 2019.

Director Hanson reported that the IFC conducted its Annual Review of the LWD Procurement Policy and noted that staff is not recommending any changes to the policy. She stated that the IFC agreed with staff's recommendation to receive and file the annual review of the Procurement Policy.

Director Hanson also reported that the IFC reviewed staff's recommendation to re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2019 through August 31, 2020 and they also reviewed Resolution No. 2318 amending the LWD Investment Policy.

Director Hanson stated the IFC concurred with staff to present these recommendations to the Board of Directors and they will be discussed later in the agenda.

The IFC also reviewed a graph depicting interest rate history by pool/reserve from January through July 2019. This item was for information purposes and no action was taken.

## **ACTION ITEMS**

### **17. Securing Manhole Covers in Easement Areas**

FST III Mendez and FST II Russell presented the item. They reviewed the challenges that the Field Services Staff encounter when in easement areas. They also outlined the steps the Field Services Staff has taken to prevent vandalism, ensure safety, and uphold general aesthetics of various manholes in easements throughout the District.

The presentation detailed the steps they take to reconstruct various manholes and they explained how the use of locking composite manhole covers that weigh significantly less than typical manhole covers are safer and more effective in preventing vandalism.

Director Sullivan asked if there are composite manhole covers on roadways and if they can withstand traffic and heavy vehicles. FST II Russell answered affirmatively. FST II Russell mentioned the composite manhole covers on La Costa Avenue and Highway 101 as an example.

Director Sullivan asked if all the District manhole covers would be changed to locking composite covers. Field Services Supervisor Gonzalez stated that the locking composite covers are mainly to replace the manhole covers that have been vandalized and to prevent future vandalization. He noted that locking composite covers do not allow air in or out of the sewer system and the build of air within the system can cause odors and possibly even corrosion within the sewer pipes.

Director Hanson asked how many easements are within the District. FST III Mendez stated over 300.

The Board thanked them for their presentation. There was no action taken.

### **18. Purchase of a New Vactor Truck**

Authorize the General Manager to execute a sole source purchase agreement with Haaker Equipment Company for the purchase of a new Vactor Combination Truck in an amount not to exceed \$433,000.

FST III Mendez presented the item and provided background information on the Vactor trucks

noting that Vactors are used for hydro-cleaning, vacuuming, spill cleanup, and wetwell cleaning. He stated that one of LWD's current Vactors has reached its 10 years of service threshold for replacement and this Vactor is beginning to require more maintenance and upkeep resulting in higher maintenance costs.

FST III Mendez noted how important Vactor combination trucks are to the Field Services team. He stated that the retired Vactor will go to public auction because it offers a better resale value versus a trade-in.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Hanson, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source purchase agreement with Haaker Equipment Company for the purchase of a new Vactor Combination Truck in an amount not to exceed \$433,000 by the following vote:

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

**19. Annual Review of LWD's Investment Policy**

Redelegate authority to manage LWD's investment program to the General Manager effective September 1, 2019 through August 31, 2020, adopt Resolution No. 2318 amending LWD's Investment Policy, and receive and file the annual review of the policy.

ASM Duffey presented the item indicating that it was reviewed by the Investment and Finance Committee (IFC) at their August 7<sup>th</sup> meeting. He noted that it is a Fiscal Year 2020 tactical goal and he provided background information on the Investment Policy.

ASM Duffey also presented a graph to the Board of Directors depicting interest rate history by pool/reserve from January through mid-August 2019.

He stated that there were changes recommended to the following areas; Certificates of Deposit, Allowable Allocation Percentages of total invested funds, and minor administrative changes. ASM Duffey also noted that staff desired to submit LWD's Investment Policy to the California Municipal Treasurers Association for certification under its Investment Policy Certification Program. As a result, staff enhanced the investment policy by adding California Government Code sections, updating and clarifying some sections of the policy, and adding a glossary of terms.

ASM Duffey stated that staff suggests eliminating the Socially Responsible Investing section since LWD does not invest in the types of government agency bonds covered under this section. Also, applying a socially responsible investing section can be subjective and difficult to implement.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors redelegated authority to manage LWD's investment program to the General Manager effective September 1, 2019 through August 31, 2020, adopted Resolution No. 2318 amending LWD's Investment Policy, and received and filed the annual review of the Investment Policy by the following vote:

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

**20. LAFCO San Diego County Consolidated Redevelopment Oversight Board Call for Ballots.**

EA Baity presented the item stating that the LAFCO is requesting its members to vote for one candidate for its San Diego County Consolidated Redevelopment Oversight Board. EA Baity noted there are three candidates and that staff has no recommendation.

The Board of Directors opted not to vote for a candidate. There was no action taken

**INFORMATION ITEMS**

**21. Project Status Updates and Other Informational Reports**

**A. 2019 Teacher Grant Recipients Video Compilation.**

Mr. Bloom, from Rising Tide Partners (RTP), presented a five minute RTP produced video compilation of the 2019 Teacher Grant recipients.

Director Hanson asked if the teacher grant recipients in the video use recycled water. Mr. Bloom stated that they don't use recycled water but their programs do focus on water reduction.

The Board thanked Mr. Bloom for his presentation.

**B. CSDA Quarterly Dinner Meeting is scheduled for Thursday, August 15, 2019 at The Butcher Shop Steakhouse in Kearny Mesa, CA.**

EA Baity announced the date and time of the CSDA Dinner. She noted that a carpool will be leaving from the District office at 5:30 p.m. tomorrow.

**C. The 34<sup>th</sup> Annual WaterReuse Symposium is scheduled for September 8-11, 2019 at the San Diego Marriot Marquis in San Diego, CA.**

EA Baity announced the date, time, and location of the 34<sup>th</sup> Annual WaterReuse Symposium.

**D. Flu Shot Clinic is scheduled for Thursday, September 19, 2019 from 3:00 – 4:00 p.m.**

EA Baity announced the date, time, and location of the Flu Shot Clinic.

**E. The 2019 CSDA Annual Conference is scheduled for September 25-28, 2019 at the Anaheim Marriot in Anaheim, CA.**

EA Baity announced the date, time, and location of the 2019 CSDA Annual Conference.

**22. Directors' Meetings and Conference Reports**

None.

**23. General Manager's Report**

GM Bushee reported on the following items:

- There is no Closed Session tonight and the recycled water issue with the City of Carlsbad will be addressed at a LAFCO Special Districts Advisory Committee meeting on October 11<sup>th</sup> at 9:30 a.m.; and
- The District received a Public Records Act request from the City of Carlsbad on August 9, 2019.

**24. General Counsel's Report**

None.

**25. Board of Directors' Comments**

Director Omsted stated that the District should look into AB 857 - California Public Banking Bill.

Vice President Juliussen thanked the Field Services Staff for their presentations.

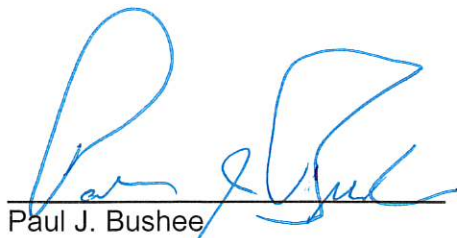
**26. Closed Session**

A. Conference with Legal Counsel to discuss exposure to litigation pursuant to California Government Code Sec. 54956.9(d)(2) – City of Carlsbad Cease and Desist Notice.

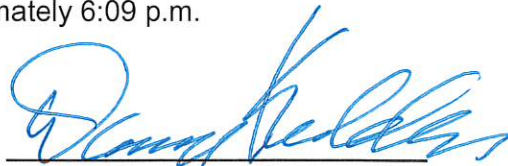
There was no Closed Session.

**27. Adjournment**

President Kulchin adjourned the meeting at approximately 6:09 p.m.



Paul J. Bushee  
Secretary/General Manager  
(SEAL)



David Kulchin, President