

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 February 12, 2020

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, February 12, 2020 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Omsted, Hanson, Sullivan and Kulchin,
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 Dexter Wilson, Administrative Specialist Mark Brechbiel, Field Services Specialist Ian Riffel, Field Services Technician Ryan Rodriguez, Field Service Technician Hugo Gonzalez, Field Services Technician Rick Easton, Jared Criscuolo and Neal Bloom from Rising Tide Partners, Jaime Fagnant from Infrastructure Engineering Corporation, Nancy Jois and Camille Sowinski from Capri Elementary School, Jennifer Smith and students from El Camino Creek Elementary School, and June Honsberger from La Costa Canyon High School

3. Pledge of Allegiance

Vice President Omsted 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 Director Kulchin, and unanimously carried, the Board of Directors approved the agenda by the following vote:

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

6. Presentations and Awards

A. LWD Teacher Grant Winners

ASsup Hill provided background information on the Teacher Grant Program noting that in December 2019 the Board approved three teacher grants.

ASsup Hill introduced Ms. Jennifer Smith of El Camino Creek Elementary School to provide a brief update on her school's project funded by the District's teacher grant program. The students from Smith's class provided an update on the hydroponics garden at El Camino Creek Elementary School.

ASsup Hill introduced Ms. Nancy Jois from Capri Elementary School and Ms. Camille Sowinski, the Encinitas School District green consultant and Stormwater Pollution Prevention Plan team leader, to provide a brief update on their school's project funded by the District's teacher grant program. Ms. Jois and Ms. Sowinski provided an update on the rain garden at Capri Elementary School.

ASsup Hill introduced Ms. June Honsberger of La Costa Canyon High School to provide a brief update on her school's project funded by the District's teacher grant program. Ms. Honsberger provided an update on the native plant garden at La Costa Canyon High School.

The Board thanked Ms. Jois, Ms. Sowinski, Ms. Smith, Ms. Honsberger and the students for attending the meeting.

B. 5 Year Service Award – Ryan Rodriguez

GM Bushee introduced Field Services Technician II Ryan Rodriguez, stating that he recently passed his 5th year anniversary at the District. He provided background information about Ryan and noted that under LWD's incentive program Ryan is eligible for a \$100 incentive award.

The Board congratulated Ryan for his efforts.

C. 2019 CWEA San Diego Section Awards

GM Bushee stated that the District received three awards at the CWEA San Diego Section Awards Banquet on Saturday, January 25th. He noted that the awards were for: Community Engagement & Outreach Award – Film Festival, Collection System of the Year (0-249 miles), and Collection System Person of the Year - Hugo Gonzalez. GM Bushee stated that the local section winners will move on to the State level.

GM Bushee stated that the Community Engagement & Outreach Award recognized the District and Rising Tide Partners (RTP) for creating a video describing the projects of the teacher grant recipients. GM Bushee stated that The Community Engagement & Outreach Award qualifies as a local award under the organization objectives of the LWD's Incentive Program; therefore, staff is eligible for a \$100 incentive award. The Board congratulated staff and RTP for their efforts.

GM Bushee stated the District received the San Diego Section Collection System of the Year Award (0-249 miles). GM Bushee stated that The Collection System of the Year Award qualifies as a local award under the organization objectives of the LWD's Incentive Program; therefore, staff is eligible for a \$100 incentive award. The Board congratulated staff for their efforts.

GM Bushee also stated that Hugo Gonzalez, Field Services Technician II, received the

Collection System Person of the Year Award. He provided background information on Hugo and a brief summary of Hugo's accomplishments. The Board congratulated Hugo for his efforts and wished him luck on the State level.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

January 7, 2020 Engineering Committee Meeting
January 7, 2020 Investment and Finance Committee Meeting
January 8, 2020 Regular Board Meeting
January 14, 2020 Community Affairs Committee Meeting
February 4, 2020 Investment and Finance Committee Meeting
February 5, 2020 Engineering Committee Meeting

8. Approval of Demands for December 2019/January 2020

Payroll Checks numbered 21797-21839; General Checking Checks numbered 53720-53840

9. Operations Report (A copy was included in the original February 12, 2020 Agenda)

10. Finance Report (A copy was included in the original February 12, 2020 Agenda)

11. Quarterly Treasurer's Report

This report discloses investments for the quarter ending December 31, 2019.

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of January 2020.

13. Emergency Repair of the La Costa Force Main

Retroactively authorize the General Manager to disburse an amount not to exceed \$118,838 to Maxim Engineering for the completion of emergency repairs to the La Costa Force Main.

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

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

EWA and COMMITTEE REPORTS

14. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on January 29, 2020.

Director Sullivan reported on EWA's January 29, 2020 Board meeting.

B. An Encina Member Agency Manager's (MAM) Meeting was held on February 4, 2020.

GM Bushee reported on EWA's MAM February 4, 2020 meeting.

15. Committee Reports

A. Community Affairs Committee (CAC) Meeting was held on January 14, 2020.

Director Sullivan reported that the CAC reviewed and agreed with the following newsletter article topics, along with the production schedule:

- Partnership with OMWD – Using Recycled Water in Vactors;
- Information about PFAS;
- FY 2019 Financial Audit Results;
- Sewer Service Rate Increase;
- Our EWA Partnership;
- Teacher Grant Recipients and CSDA Video Contest winner;
- Lateral Grants;
- Leucadia Pump Station Rehabilitation Project;
- Orchard Wood Pipeline Project;
- Standout Achievements; and
- Call for local photographers

The CAC made suggested edits and directed staff to move forward with the newsletter and production schedule.

B. Investment and Finance Committee (IFC) Meeting was held on February 4, 2020.

Director Hanson reported that the IFC reviewed the following recommendations:

The Investment and Finance Committee (IFC) reviewed the following recommendations:

- Adopt Resolution No 2325 approving the revised Reserve Fund Policy and Receive and File the Annual Reserve Fund Review Report; and
- Proposition 218 Process and Schedule a Public Hearing to Consider Adoption of an Ordinance increasing the Sewer Service Charges for Fiscal Years 2021, 2022 and 2023.

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

C. Engineering Committee (EC) Meeting was held on February 5, 2020.

Director Kulchin reported that the EC reviewed the following recommendations:

- Adopt Resolution No. 2326 - Orphan Annexation;
- Adopt Resolution No. 2323 – Updating the Leucadia Wastewater District Sewer Service Lateral Repair Authorization and Reimbursement Policy;

- Vehicle Purchase of one (1) 2020 (¾ ton) Ford Pickup Truck and one (1) 2020 Ford (½ ton) Pickup Truck;
- Contract Award for the District's Leucadia Pump Station Rehabilitation Project;
- Contract Award for Engineering Support Services for District's Leucadia Pump Station Rehabilitation Project; and
- Contract Award for Construction Management Services for the District's Leucadia Pump Station Rehabilitation Project.

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 reviewed the recommendation to retroactively authorize the General Manager to disburse an amount not to exceed \$118,838 to Maxim Engineering for the completion of emergency repairs to the La Costa Force Main. The EC agreed to add this item to the Consent Calendar for the February Board Meeting.

D. Community Affairs Committee (CAC) Meeting was held on February 6, 2020.

Director Sullivan reported that the CAC reviewed the following recommendations:

1. Review the 2020 Winter Newsletter Draft Text

The CAC reviewed and commented on the draft text of the 2020 Winter newsletter. The CAC directed staff to move forward with final text and layout of the newsletter.

2. Authorize the General Manager to execute a one-year contract Amendment with Rising Tide Partners (RTP) for Public Information Services in an amount not to exceed \$45,120.00.

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

ACTION ITEMS

16. Adopt Resolution No. 2326 - Orphan Annexation

DE Wilson presented the item stating that the annexation into the District of the Orphan Property consists of one parcel totaling 0.56 acres, located west of Interstate 5, north of Leucadia Boulevard and east of Hymettus Avenue. He noted the annexation is within the District's sphere of influence and includes one parcel with an existing single-family residence that is currently connected to an ageing septic tank system. DE Wilson noted that the private sewer lateral for the residence will connect to the available public sewer system in the middle of Eolus Avenue.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Resolution No. 2326 – Requesting LAFCO to take proceedings for the Orphan Change of Organization by the following vote:

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

17. Adopt Resolution No. 2323 – Updating the Leucadia Wastewater District Sewer Service Lateral Repair Authorization and Reimbursement Policy

FSSpec Riffel presented the item stating that the Board adopted the Sewer Service Lateral Repair Authorization and Reimbursement Policy in July 2008.

FSSpec Riffel then reviewed the purpose of the procedure and the process that homeowners must follow in order to qualify for the reimbursement program. He stated that minor administrative changes were made to the policy and that staff worked closely with GC Brechtel to update this policy.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2323 – Updating the Leucadia Wastewater District Sewer Service Lateral Repair Authorization and Reimbursement Policy by the following vote:

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

18. Vehicle Purchase of one (1) 2020 (¾ ton) Ford Pickup Truck and one (1) 2020 Ford (½ ton) Pickup Truck

Authorize the General Manager to execute a Purchase Order with Encinitas Ford in the amount of \$104,998.07 for the purchase of one (1) 2020 (¾ ton) Ford Pickup Truck and one (1) 2020 Ford (½ ton) Pickup Truck to replace two similarly equipped District vehicles.

FST II Easton presented the item noting it is a tactical goal for Fiscal Year 2020. He provided background information on the vehicles and stated that both vehicles have reached their useful life and meet or exceed the District's vehicle replacement guidelines.

FST II Easton stated that only one bid was received from Encinitas Ford. He stated that staff determined that Encinitas Ford met all required bid specifications and was the lowest responsive and responsible bidder.

The Board thanked FST II Easton for his presentation.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute a Purchase Order with Encinitas Ford in the amount of \$104,998.07 for the purchase of one (1) 2020 (¾ ton) Ford Pickup Truck and one (1) 2020 Ford (½ ton) Pickup Truck to replace two similarly equipped District vehicles by the following vote:

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

19. Contract Award for the District's Leucadia Pump Station Rehabilitation Project

Authorize the General Manager to execute an Agreement with Stanek Contractors, Incorporated for the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$3,551,500 as the lowest responsive and responsible bidder.

TSM Morishita presented the item noting it is a tactical goal for Fiscal Year 2020. He provided background information on the project noting that project design was completed by Infrastructure Engineering Corporation (IEC) in November 2019 and the project was advertised for bids. TSM Morishita said that the bids were due on January 16, 2020 and seven bids were received.

TSM Morishita explained that the low bidder, HPS Mechanical Inc. (HPS), did not meet the minimum bid requirements and, therefore, their bid was nonresponsive. Stanek Constructors, Inc. (Stanek), the second lowest bidder did meet all the bid requirements and was considered the lowest responsive and responsible bidder. TSM Morishita explained that Stanek's bid is \$109K higher than HPS's bid and that both bids were under the \$3.7M Engineer's Cost Estimate for construction.

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 Stanek Contractors, Incorporated for the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$3,551,500 as the lowest responsive and responsible bidder by the following vote:

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

20. Contract Award for Engineering Support Services for District's Leucadia Pump Station Rehabilitation Project

Authorize the General Manager to execute Amendment No. 8 to Task Order 29 with Infrastructure Engineering Corporation for engineering support services during the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$91,930.

TSM Morishita presented the item and provided background information on the project and explained the need for and scope of engineering support services during construction. He stated that IEC's proposal was reviewed by staff and it was determined that the proposal was fair and reasonable.

Director Sullivan thanked staff and the Engineering Committee members for thoroughly reviewing the committee agenda items. She stated that she has great confidence in all of the

District's committee recommendations and she appreciates the time the committees spend reviewing and discussing agenda items.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and unanimously carried, the Board of Directors authorized the General Manager to execute Amendment No. 8 to Task Order 29 with Infrastructure Engineering Corporation for engineering support services during the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$91,930 by the following vote:

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

21. Contract Award for Construction Management Services for the District's Leucadia Pump Station Rehabilitation Project

Recommendation 1: Authorize the General Manager to execute an Agreement with Mavteck for construction management services during the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$252,000 and;

Recommendation 2: Authorize the General Manager to execute an Agreement with Rockwell Construction Services, Inc. for electrical, instrumentation and controls construction management and inspection services during the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$37,800.

TSM Morishita presented the item and provided background information on the project and explained the need for construction management (CM) services and electrical / instrumentation CM and inspection services. He stated that both proposals were reviewed by staff and it was determined that both proposals were fair and reasonable.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute an Agreement with Mavteck for construction management services during the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$252,000 by the following vote:

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

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute an Agreement with Rockwell Construction Services, Inc. for electrical, instrumentation and controls construction management and inspection services during the construction of the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$37,800 by the following vote:

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

22. Contract Amendment No. 3 to Rising Tide Partners for Public Information Services

Authorize the General Manager to execute a one-year contract Amendment with Rising Tide Partners (RTP) for Public Information Services in an amount not to exceed \$45,120.00.

ASsup Hill presented the item and noted it was reviewed by the Community Affairs Committee at the February 6th meeting. She provided background information on the contract with RTP noting that LWD entered into a three-year contract with Rising Tide Partners (RTP) on March 9, 2016. ASsup Hill stated the amendment with RTP is part of LWD's ongoing outreach efforts and she reviewed the services to be provided in the proposed one-year amendment.

Director Kulchin thanked staff and RTP for a tremendous job on community outreach and social media. He stated he is pleased with the fabulous work from staff and RTP.

Directors Hanson and Sullivan agreed with Director Kulchin and Vice President Omsted stated he really appreciates staff and RTP's work and the continued growth of the outreach program.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute a one-year Amendment with Rising Tide Partners (RTP) for Public Information Services in an amount not to exceed \$45,120.00 by the following vote:

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

23. Annual Review of LWD Reserve Fund Policy

Adopt Resolution No 2325 approving the revised Reserve Fund Policy and Receive and File the Annual Reserve Fund Review Report.

ASM Duffey presented the item and explained the purpose of the policy and that the policy calls for annual review by the Board of Directors.

ASM Duffey stated staff has reviewed the Reserve Fund Policy and is recommending a few small changes to the existing Reserve Fund Policy. He stated the changes are for clarification and housekeeping purposes. ASM Duffey then provided an overview of the FY 2019 reserve activity.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Resolution No. 2325 – The Revised Reserve Fund Policy and received and filed the Annual Reserve Fund Review Report by the following vote:

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

24. Authorize Staff to Proceed with the Proposition 218 Process and Schedule a Public Hearing to Consider Potential Rate Increases for Fiscal Years 2021, 2022, 2023

ASM Duffey presented the item and provided background information. He stated that the District adopted a Financial Plan on June 6, 2018 and that the Financial Plan prescribed that a three-year sewer rate increase would be needed beginning fiscal year 2021. ASM Duffey explained that at the January 8, 2020 Board Meeting the Board directed staff to move forward with the planned sewer rate increase and proceed with the Proposition 218 Notice process. ASM Duffey then reviewed the draft text for the Proposition 218 notice along with a schedule of tasks.

Director Kulchin stated that if the District increases sewer fees, staff and the Board should possibly consider increasing the Lateral Repair Reimbursement Policy amount to homeowners as well as increasing the Teacher Grant Program amounts.

GM Bushee noted that the Teacher Grant Program was recently increased from \$1,000 to \$2,000 per grant, however, a potential increase in the Lateral Reimbursement Policy could be discussed at a future Community Affairs Committee meeting.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized staff to proceed with the Proposition 218 process and schedule a public hearing to consider adoption of an ordinance increasing the sewer service charges for Fiscal Years 2021, 2022, and 2023 by the following vote:

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

25. Call for Nominations to the CSDA Board of Directors Seat B

EA Baity presented the item stating that CSDA is seeking nominations for its Board of Directors for the remaining term of Seat B. She stated the deadline for receipt of all nominations is March 6, 2020. She noted that this will be an appointment by the CSDA full Board rather than an election and that staff has no recommendation on this matter.

Following discussion, the Board chose not to submit a nomination.

INFORMATION ITEMS

26. Project Status Updates and Other Informational Reports

- A. CSDA Quarterly dinner is scheduled for February 20, 2020 at The Butcher Shop Steakhouse in Kearny Mesa, CA.

EA Baity stated the date and time of the CSDA Quarterly Dinner Meeting. She stated a carpool will be leaving from the District office at 5:30 p.m. and an email reminder will be sent.

B. 2020 CWEA Annual Conference is scheduled for March 31 - April 3, 2020 at the Reno Convention Center in Reno, NV.

EA Baity announced the date and time of the 2020 CWEA Annual Conference.

GM Bushee stated that the District Travel Authorization and Expense Reimbursement Policy calls for the Board to approve out of state travel. He noted that this item will be placed on the March Board agenda.

C. Thank you letter from Encinitas Union School District.

EA Baity stated the District received a thank you letter from Encinitas Union School District for a teacher grant awarded to Capri Elementary School.

27. Directors' Meetings and Conference Reports

A. The CASA Winter Conference was held January 21-23, 2020 at the Renaissance Indian Wells in Indian Wells, CA.

Director Hanson stated it was a great conference with a touching retirement ceremony honoring Executive Director Bobby Larsen.

Director Sullivan agreed with Director Hanson.

28. General Manager's Report

GM Bushee reported on the following items:

- There will be no Closed Session tonight since there is no new information on the recycled water issue;
- He attended a Tour of the Hoover Dam / Colorado River Aqueduct on January 31 - February 1; and
- He will attend the CASA D.C. Conference February 24-26.

29. General Counsel's Report

GC Brechtel reported on the following item:

- CASA Attorney Committee – Discussion on Sewer Service Fees for Junior ADU's.

30. Board of Directors' Comments

Director Sullivan stated she is happy for the recent District Awards at the San Diego Section of CWEA and is excited to see what happens at the State level.

31. Closed Session

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.

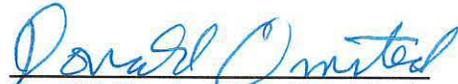
There was no closed session.

32. Adjournment

Vice President Omsted adjourned the meeting at approximately 6:23 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)


Donald Omsted
Donald Omsted, Vice President