

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 June 12, 2019

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, June 12, 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, Omsted, Hanson, and Sullivan
 DIRECTORS ABSENT: Juliussen
 OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Richard Duffey, Field Services Superintendent Jeff Stecker, Executive Assistant Tianne Baity, Administrative Services Supervisor Trisha Hill, Field Services Specialist Ian Riffel, District Engineer Dexter Wilson, and Steven Henderson of Dexter Wilson Engineering, Inc.

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

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

6. Presentations and Awards

None.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

May 7, 2019 Special Board Meeting
 May 8, 2019 Regular Board Meeting

May 23, 2019 Community Affairs Committee Meeting
June 5, 2019 Engineering Committee Meeting
June 5, 2019 Investment and Finance Meeting

8. Approval of Demands for May/June 2019

Payroll Checks numbered 21355-21427; General Checking – Checks numbered 52854-52973

9. Operations Report (A copy was included in the original June 12, 2019 Agenda)

10. Finance Report (A copy was included in the original June 12, 2019 Agenda)

11. Disclosure of Reimbursements

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

12. Establishing an Appropriations Limit of the LWD for Fiscal Year 2020 (FY20)

Adopt Resolution No. 2311 Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2020 (July 1, 2019 to June 30, 2020) Pursuant to Article XIII (B) of the California Constitution

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

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

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on May 22, 2019.

Director Sullivan reported on EWA's May 22, 2019 Board meeting.

B. EWA Member Agency Manager's (MAM) - Meeting held on June 4, 2019.

GM Bushee reported on EWA's MAM June 4, 2019 meeting.

14. Committee Reports

A. Community Affairs Committee (CAC) Meeting was held on May 23, 2019.

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

- Wipes Clog Pipes Campaign;
- No rate increases for fiscal year 2020;
- Lateral Grant Story;
- Graphic on proper sewer connection vs. improper connection;
- Recent school tours;

- Teacher grant applications;
- Batiquitos (B3) Force Main Discharge Section Replacement ;
- Easement maintenance and Inspections - Importance of Access;
- Standout Achievements; and
- Call for local photographers

She stated that the CAC made suggested edits and directed staff to move forward with the newsletter and production schedule. She noted the next CAC meeting was scheduled for Tuesday, June 11, 2019 at 1:00 p.m.

The CAC also received an update on the Downstream E-Newsletter Performance Report. This item was for information only and there was no action taken.

B. Engineering Committee (EC) Meeting was held on June 5, 2019.

President Kulchin reported that the EC reviewed the following recommendations:

- Authorize the General Manager to execute an Agreement with Charles King Company for construction services to complete the Batiquitos (B3) Force Main Discharge Section Replacement Project in an amount not to exceed \$444,660;
- Authorize the General Manager to execute a two-year procurement agreement with Evoqua Water Technologies LLC to furnish and deliver Ferrous Chloride in an amount not to exceed \$322,000; and
- Adopt the 2019 update of the District's Sanitary Sewer Management Plan (SSMP) completed by Dexter Wilson Engineering, Incorporated.

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

C. Investment and Finance Committee Meeting (IFC) Meeting was held on June 5, 2019.

Director Hanson reported that the IFC reviewed the following recommendation:

- Authorize the General Manger to enter into an agreement with Multi-Bank Securities, Inc., to add them as an additional financial broker-dealer.

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

OLD BUSINESS

15. Adopt the Fiscal Year 2020 (FY20) Budget.

ASM Duffey presented the item stating that the Board reviewed the recommended FY20 Budget at their Special Board meeting on May 7th and during the meeting the Board directed staff to finalize the budget. He stated that staff recommends that the Board adopt the FY20 Budget.

Upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted the FY20 Budget by the following vote:

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

PUBLIC HEARING

16. A proposal to adopt an ordinance increasing the amount that may be paid to directors and officers of the District for service to the District.

President Kulchin opened the public hearing for comments. There were no public comments. President Kulchin closed the public hearing.

17. A proposal to consider collecting the District's Wastewater Service Charge for Fiscal Year 2020 (FY20) on the San Diego County Tax Roll.

President Kulchin opened the public hearing for comments. There were no public comments. President Kulchin closed the public hearing.

ACTION ITEMS

18. Board of Directors Compensation Adjustment

Adopt Ordinance No.140 Increasing Compensation of Directors and Confirming meetings that Qualify for Director Compensation.

ASM Duffey presented this item stating at the April Board meeting the Board of Directors authorized staff to notice a public hearing for a proposed stipend increase from \$190 to \$200 per day of service.

Upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Ordinance No. 140 Increasing Compensation of Directors and Confirming meetings that Qualify for Director Compensation by the following vote:

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

19. Collection of Wastewater Service Charges on the County Tax Roll for Fiscal Year 2020 (FY20)

Adopt Resolution No. 2312 Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2019 – June 30, 2020.

ASsup Hill presented this item noting that the District has been collecting wastewater service charges on the tax roll since 1979. She noted that the FY20 sewer service rate will be \$343.68 per year per equivalent dwelling unit (EDU) and is unchanged from FY19. She stated that staff

recommends that the Board adopt Resolution No. 2312 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2019 – June 30, 2020.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2312 – Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2019 – June 30, 2020 by the following vote:

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

20. 2019 Update of the District’s Sewer System Management Plan (SSMP)

Adopt the 2019 Update of the District’s SSMP completed by Dexter Wilson Engineering, Inc.

Mr. Steven Henderson with Dexter Wilson Engineering presented background on the Sanitary Sewer Management Plan (SSMP). He stated that the 2006 Statewide Sanitary Sewer Systems Waste Discharge Requirements (Statewide WDR) required collection system operators to develop and implement a Sewer System Management Plan (SSMP). He continued that an update of the SSMP is required every five years or when there are significant changes to the SSMP and the current SSMP was adopted in July 2014. He stated that, therefore, an update of the SSMP is necessary to comply with the five-year update requirement. Mr. Henderson said that the significant changes to the SSMP include:

1. Updates from the District’s Asset Management Plan (updated in May 2018) and Standard Specifications (updated in May 2019).
2. Updating of the District’s spill history and spill trends.
3. Addition of appendices per State Board guidelines to better track SSMP updates and revisions.
4. Updates of the contact list, standard operating procedures and preventative maintenance activities.

President Kulchin asked how to avoid gravity spills. Mr. Henderson answered stating that spills are normally caused by blockages, root intrusions, or defects in the pipe and that spills can be prevented with regular CCTV inspections and by adding problematic areas to the repair priority list.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors adopted the 2019 Update of the District’s Sewer System Management Plan by the following vote:

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

21. Batiquitos (B3) Force Main Discharge Section Replacement Project

Authorize the General Manager to execute an agreement with Charles King Company for construction services to complete the Batiquitos (B3) Force Main Discharge Section Replacement Project in an amount not to exceed \$444,660.00.

FSSpec Riffel presented the item and provided background information noting it is a tactical goal and that replacing the discharge section of the B3 Force Main is a prudent and cost-effective method for its maintenance and rehabilitation.

FSSpec Riffel continued that design was completed in April 2019 and bids were solicited on April 15th. He stated that four bids were received. He said that the apparent low bidder was Charles King Company (CKC) with a bid of \$444,660. FSSpec Riffel explained that Infrastructure Engineering Corporation evaluated the bids and recommended that the bid be awarded to CKC.

Director Sullivan asked if CKC has worked on District projects previously. FSSpec Riffel answered affirmatively.

Director Hanson asked if this project will help alleviate some of the issues that have occurred through the years in the Lanikai area. FSSpec Riffel answered affirmatively.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Sullivan, and carried, the Board of Directors authorized the General Manager to execute an agreement with Charles King Company for construction services to complete the B3 Force Main Discharge Section Replacement Project in an amount not to exceed \$444,660.00 by the following vote:

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

22. Ferrous Chloride

Authorize the General Manager to execute a two-year agreement with Evoqua Water Technologies LLC to furnish and deliver Ferrous Chloride in an amount not to exceed \$322,000.

FSS Stecker presented the item and explained the switch from Bioxide to Ferrous Chloride (Ferrous) was to control the level of hydrogen sulfide (H₂S) in the Leucadia Pump Station Force Mains. He continued that staff conducted a 120 day trial that demonstrated that Ferrous was more effective than Bioxide at reducing H₂S and at a lower cost.

FSS Stecker stated that the Request for Bid (RFB) was distributed to six known chemical suppliers and that two bids were received. He said that Evoqua Water Technologies (EWT) submitted the lowest bid at \$1.80 per gallon. FSS Stecker explained that staff evaluated the bids and recommends that the Board award the Ferrous procurement agreement to EWT as the lowest responsible and responsive bidder.

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 an agreement with Evoqua to furnish and deliver Ferrous Chloride in an amount not to exceed \$322,000 by the following vote:

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

23. Adding MultiBank Securities, Inc. (MBS) as an authorized financial broker-dealer.

Authorize the General Manger to execute an agreement with Multi-Bank Securities, Inc. to add them as an additional authorized financial broker-dealer and provide fixed-income securities broker-dealer services.

ASM Duffey presented the item. He provided background information on LWD's three investment pools and the investment manager (PFM Company). He noted that the LWD currently does not have any funds invested in FDIC insured Certificates of Deposit (CDs) and is unable to purchase them through PFM.

ASM Duffey stated MBS is a broker-dealer with an excellent on-line platform for researching, investing, and monitoring CDs. He noted that LWD's Investment Policy allows the use of authorized financial dealers and institutions as long as certain requirements are met. He stated that MBS meets all the requirements and all CDs purchased will be held in a third-party safekeeping account in LWD's name.

President Kulchin asked what are the current CD rates? ASM Duffey stated 2.5 - 2.8% for a three to five year range.

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 an agreement with Multi-Bank Securities, Inc. (MBS) to add them as an additional authorized financial broker-dealer and provide fixed-income securities broker-dealer services by the following vote:

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

24. Unrepresented Employees Salary and Benefits Resolution

Adopt Resolution No. 2314 setting forth salaries, benefits and other working conditions for unrepresented employees for the period July 1, 2019 to June 30, 2020.

ASsup Hill presented the recommendation and provided background information on this item. She stated that the Salary and Benefits Resolution was developed consistent with the Board's direction at the May 7th Special Board Meeting.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Hanson, and carried, the Board of Directors adopted Resolution No. 2314 - Setting Forth Salaries, Benefits

and other Working Conditions for Unrepresented Employees for the Period July 1, 2019 to June 30, 2020 by the following vote:

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

INFORMATION ITEMS

25. Project Status Updates and Other Informational Reports

- A. 2019 LWD Annual Employee Luncheon is scheduled for Thursday, July 11, 2019 at Stagecoach Park in Carlsbad, CA.

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

- B. CSDA Board of Directors Candidate Statements for Seat B.

EA Baity announced that the District had received four candidate statements for the CSDA Board of Directors Seat B.

26. Directors' Meetings and Conference Reports

- A. The 2019 CSDA Legislative Days Conference was held May 21-22, 2019 at the Sacramento Convention Center in Sacramento, CA.

Director Sullivan stated they did not get to meet with any of the elected officials but did get to meet with some of their staff and they were warmly received.

Director Omsted stated Senator Bates office was impressed on LWD's letter regarding SB 332.

27. General Manager's Report

None.

28. General Counsel's Report

GC Brechtel reported on the following item:

- Plantier versus Ramona Water District

29. Board of Directors' Comments

Director Hanson stated that this year is CSDA's 50th Anniversary.

Director Sullivan stated that CSDA was started in San Diego County.

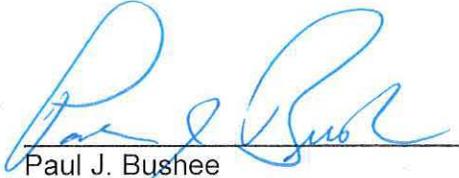
30. Closed Session

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 reportable action.

31. Adjournment

President Kulchin adjourned the meeting at approximately 6:10 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



David Kulchin, President