

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 May 13, 2020

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, May 13, 2020 at 5:00 p.m. via teleconference.

1. Call to Order

President Juliussen called the meeting to order at 5:04 p.m.

2. Roll Call

DIRECTORS PRESENT: Juliussen, Omsted, Hanson, Sullivan and Kulchin

DIRECTORS ABSENT:

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, Field Services Specialist Ian Riffel, District Engineer Dexter Wilson, and Rob Weber of Infrastructure Engineering Design, Inc.

3. Pledge of Allegiance

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

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

6. Presentations and Awards

A. Achievement of Individual Award – Richard (Rick) Easton

GM Bushee stated that Field Services Technician III Rick Easton recently received his Collection System Grade 3 certification from the California Water Environment Association (CWEA). GM Bushee presented background information about Rick and noted that Rick is eligible for a \$500 incentive award under the District's incentive program.

The Board of Directors congratulated Rick for his efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- March 11, 2020 Regular Board Meeting
- May 5, 2020 Investment and Finance Committee Meeting
- May 6, 2020 Engineering Committee Meeting

8. Approval of Demands for March - May 2020

Payroll Checks numbered 21906-22026; General Checking Checks numbered 53945-54165

9. Operations Report (A copy was included in the original May 13, 2020 Agenda)

10. Finance Report (A copy was included in the original May 13, 2020 Agenda)

11. Quarterly Treasurer's Report

This report discloses investments for the quarter ending March 31, 2020.

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the months of March and April 2020.

13. Status Update on the Fiscal Year 2020 (FY20) LWD Tactics and Action Plan

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

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

EWA and COMMITTEE REPORTS

14. Encina Wastewater Authority (EWA) Reports

A. A regular EWA Board Meeting was held on April 22, 2020.

Director Sullivan reported on EWA's April 22, 2020 Board Meeting.

B. An Encina Member Agency Manager's (MAM) Meeting was held on May 5, 2020.

GM Bushee reported on EWA's MAM May 5, 2020 meeting.

15. Committee Reports

A. Investment and Finance Committee (IFC) Meeting was held on May 5, 2020.

Director Hanson reported that the IFC reviewed the LWD Telecommuting Policy.

The IFC concurred with staff to present this recommendation to the Board of Directors and it will

be discussed later in the agenda.

B. Engineering Committee (EC) Meeting was held on May 6, 2020.

Director Kulchin reported that the EC reviewed the following recommendations:

- Adopt Ordinance No. 141 - An Ordinance of the Board of Directors of the Leucadia Wastewater District Establishing the District's Capacity Fee and Amending the EDU Factors Capacity Fee Schedule;
- Authorize the General Manager to execute a two-year extension to the Infrastructure Engineering Corporation (IEC) contract for as needed engineering design services;
- Authorize the General Manager to execute a sole source five-year professional services agreement with ADS Environmental Service, Corporation (ADS) for equipment maintenance and analysis of data for ten (10) ECHO depth meters in an amount not to exceed \$80,400; and
- Authorize the General Manager to execute Amendment No. 1 to the agreement with Evoqua Water Technologies, LLC to furnish Bioxide on interim basis in an amount not to exceed \$2.33 per gallon or an estimated \$122,000 per year.

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 an update on the Batiquitos (B3) Discharge Section Replacement Project and the impacts of the April 10th major storm event. These items were for information purposes and there was no action taken.

PUBLIC HEARING

16. A Proposal to consider an update of the Leucadia Wastewater District's Capacity Fee Ordinance.

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

ACTION ITEMS

17. Update to the Leucadia Wastewater District's Capacity Fee Ordinance

Adopt Ordinance No. 141 – An Ordinance of the Board of Directors of the Leucadia Wastewater District Establishing the District's Capacity Fee and Amending the EDU Factors Capacity Fee Schedule.

FSSpec Riffel presented the item and provided background information pertaining to amending the Equivalent Dwelling Unit (EDU) Factors proposed in Ordinance 141.

He stated that in an effort to battle the state's housing crisis, the State of California is continuing to pass housing legislation to promote Accessory Dwelling Units (ADU's) and Junior Accessory Dwelling Units (JADU's). He noted these units are constructed on existing single family or multi-family residences. FSSpec Riffel then explained the differences between an ADU and JADU.

FSSpec Riffel explained that Ordinance 141 replaces Ordinance 137 and adjusts the ADU and JADU EDU factors based on square footage, clarifies the ADU category to include JADU, creates an additional sub-category for an ADU or JADU of 500 square feet or less, and clarifies that a JADU will

be assessed an EDU factor only if it has an individual kitchen and bathroom.

FSSpec Riffel concluded by stating that these minor changes will result in a reduction of approximately 25 EDU's and a reduction of approximately \$9,500 per year in sewer service fees.

Vice President Omsted asked for clarification regarding the decrease in sewer fees. GM Bushee explained that there are several ADUs within the District that are less than 500 square feet. Ordinance 141 would now adjust these ADUs to JADUs with an EDU factor of 0.25 instead of 0.5.

Upon a motion duly made by Director Kulchin, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Ordinance No. 141 – An Ordinance of the Board of Directors of the Leucadia Wastewater District Establishing the District's Capacity Fee and Amending the EDU Factors Capacity Fee Schedule by the following vote:

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

18. IEC Contract Extension

Authorize the General Manager to execute a two-year extension to the Infrastructure Engineering Corporation (IEC) contract for as needed engineering design services.

TSM Morishita presented the item and provided background information. He indicated that the initial 3-year contract was slated to expire May 1, 2020. However, due to the cancellation of the April 2020 Board Meeting because of the COVID-19 pandemic, a verbal agreement was made to extend the contract beyond May 1st and until the May 2020 Board Meeting.

He further explained that during the initial 3-years, IEC provided design and construction support to 13 LWD Capital Improvement projects. TSM Morishita stated that the proposed extension would expire May 1, 2020 and would have no specific compensation amount but instead would be issued using Task Orders for each project. He said that the execution of a Task Order or Task Order Amendment would comply with the Procurement Policy thresholds.

Upon a motion duly made by Director Kulchin, seconded by Director Hanson, and unanimously carried, the Board of Directors authorized the General Manager to execute a two-year extension to the Infrastructure Engineering Corporation (IEC) contract for as needed engineering design services by the following vote:

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

19. ADS Environmental Service, Corporation (ADS) Contract Extension

Authorize the General Manager to execute a sole source five-year professional services agreement with ADS Environmental Service, Corporation (ADS) for equipment maintenance and analysis of data for ten (10) ECHO depth meters in an amount not to exceed \$80,400.

FSS Stecker presented the item and provided background information on ADS noting that LWD entered into a Professional Services Agreement with ADS in 2017 to operate a depth monitoring network of (10) ECHO SSO/depth monitors for the District.

FSS Stecker then explained that during the last three year trial period, staff observed several beneficial factors provided by the ECHO meters. He noted that the beneficial factors include ease of integration into existing ADS Flow Meter software, efficiency, and flexibility.

FSS Stecker stated that ADS provided a three and five year lease option for consideration. The five year option saves the District a total of \$3,600 over the course of the five year term.

Director Hanson asked if the District had been using ADS prior to 2017. FSS Stecker answered affirmatively. FSS Stecker stated that the District had been using the fixed ADS flow meters prior to 2017 but started using the portable ECHO depth monitors in 2017.

Upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source five-year professional services agreement with ADS Environmental Service, Corporation (ADS) for equipment maintenance and analysis of data for ten (10) ECHO depth meters in an amount not to exceed \$80,400 by the following vote:

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

20. Evoqua Contract Amendment No. 1

Authorize the General Manager to execute Amendment No. 1 to the agreement with Evoqua to furnish Bioxide on interim basis in an amount not to exceed \$2.33 per gallon or an estimated amount of \$122,000 per year.

FSS Stecker presented the item and provided background information on Evoqua. He stated that back in 2006 Bioxide was selected as an effective chemical to prevent and control formation of hydrogen sulfide (H₂S) in the Leucadia Pump Station (LPS) Force Mains. He stated that over time, the efficacy of the Bioxide has been reduced and the cost for the chemical has been quite high.

FSS Stecker stated that in March of 2018 staff executed an agreement with EWT to begin a 120-day trial to use a new chemical to control the H₂S called Ferrous Chloride (Ferrous). Ferrous was more effective at reducing the H₂S levels than Bioxide and was more cost effective.

FSS Stecker further explained that the Ferrous was later determined to be the cause of an issue with the District's air/vacuum relief valves (air vacs) on the force mains and was subsequently turned off. He noted that the H₂S levels have significantly increased and it is being recommended that Bioxide be used to control those levels in the interim while the LPS is undergoing a rehabilitation. Once the

rehabilitation project is completed, a super-oxygenation system will be in place and the use of Bioxide will no longer be needed.

Upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute Amendment No. 1 to the agreement with Evoqua to furnish Bioxide on interim basis in an amount not to exceed \$2.33 per gallon or an estimated amount of \$122,000 per year by the following vote:

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

21. Discussion of Proposed Rate Increase

GM Bushee presented the item and provided background information noting that in February, the Board of Directors authorized staff to proceed with the Proposition 218 process for sewer service rate increases for Fiscal Years (FY) 2021, 2022 and 2023. GM Bushee stated the decision to move forward was made prior to the onset of the COVID-19 Emergency.

GM Bushee stated that since the Prop. 218 notices were mailed, staff has received a number of phone calls and emails that have expressed concern about the rate increase especially in light of the current COVID-19 Emergency. GM Bushee stated that he spoke with President Juliussen about the customer responses in late April and they agreed to add this item to the May agenda. GM Bushee then read an email from a concerned resident not in favor of the proposed rate increase.

GM Bushee noted that staff suggests that the Board postpone the subject rate increases until next year. He noted that the District's finances remain sound and will be able to absorb postponement of a rate increase.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors postponed the rate increases and cancelled the public hearing scheduled for June by the following vote:

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

Vice President Omsted asked if District customers would be notified of the cancelled public hearing. GM Bushee stated that the District would mail out notices to customers notifying them that the June public hearing is being cancelled and the rate increases will be postponed.

Director Kulchin asked if the Board could have a copy of the customer notice prior to mailing. GM Bushee answered affirmatively stating he would email a copy to all the Board members.

22. Board of Directors Compensation Adjustment

ASM Duffey presented the item indicating the date of the last Board stipend increase was August 2019 and at that time the stipend was increased from \$190 to \$200 per day. He stated that government code allows for a 5% adjustment per calendar year following the last adjustment and the Board is eligible to receive an increase between \$0 and \$10.

He then provided some board per diem analytics on 24 local wastewater and water agencies.

ASM Duffey explained that this item is for the Board to consider whether to direct staff to prepare and notice for a public hearing at the June Board Meeting, after which it could take action on a proposed a Board compensation adjustment.

Director Kulchin stated that it is a poor time for an increase. Director Hanson, President Juliussen, and Vice President Omsted agreed with Director Kulchin.

Director Sullivan stated she would like to see a \$5 increase.

Upon a motion duly made by Director Kulchin, seconded by Vice President Omsted, and carried, the Board of Directors chose not to increase the Board stipend by the following vote:

Director	Vote
President Juliussen	Yes
Vice President Omsted	Yes
Director Hanson	Yes
Director Sullivan	No
Director Kulchin	Yes

23. Leucadia Wastewater District Telecommuting Policy

Adopt Resolution No. 2329 - Approving the Leucadia Wastewater District Telecommuting Policy.

ASsup Hill presented the item. She explained the purpose of the policy noting that in response to the global Coronavirus (COVID-19) pandemic and to protect the health of LWD's employees and members of the public, LWD implemented a temporary telecommuting work schedule beginning on March 18, 2020. ASsup Hill then reviewed the Telecommuting Policy guidelines, procedures and key components of the policy.

- Defines the purpose and establishes authority lines;
- Explains potential need to telework due to an emergency, pandemic, or other instances, as appropriate;
- Defines procedures for equipment needs and reimbursements for reasonable business-related expenses;
- Defines procedures for safeguarding District documents (electronic/paper);
- Defines procedures for the return of equipment, documents, etc.; and
- Establishes that employees' salary and benefits will remain unchanged

Director Kulchin asked how the field services staff work from home. ASsup Hill stated that the field services staff are able to complete online training from home and are on-standby when at home. GM Bushee added that field services staff at home must be available to respond, if needed. He then provided examples of some recent instances where they have been asked to come in.

Director Kulchin asked if the sewer flows have increased due to more people being at home during the day. GM Bushee stated that residential flows have increased about 5%. DE Wilson noted that residential flows have a 5% increase but commercial flows have decreased.

Upon a motion duly made by Director Kulchin, seconded by Vice President Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2329 – Approving the Leucadia Wastewater District Telecommuting Policy by the following vote:

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

24. Approving the Recommended Encina Wastewater Authority Fiscal Year 2021 (FY21) Budget.
Adopt Resolution No. 2330 Approving the Recommended Encina Wastewater Authority FY21 Operating, Capital, and Pension Funding Policy Budgets.

ASM Duffey presented the recommendation to approve the EWA FY21 Budget. He noted the Operating Budget is approximately \$18.2M, the Capital Budget is approximately \$24.2M, and the CalPERS Pension Funding Budget is approximately \$4.0M. He noted the District's share is approximately \$2.0M for operating costs, \$3.5M for capital costs, and \$547K for pension costs.

Director Sullivan noted EWA earthquake insurance coverage was a new, large expense in the EWA Budget.

Upon a motion duly made by Director Hanson, seconded by Vice President Omsted, and unanimously carried, the Board of Directors adopted Resolution No. 2330 – Approving the Recommended EWA FY21 Operating, Capital, and Pension Funding Policy Budgets by the following vote:

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

25. Covid-19 Emergency Grant Funding
Adopt Resolution No. 2328 - Authorizing the General Manager to Apply for Financial Assistance for COVID-19 Pandemic Impacts, As Needed.

TSM Morishita presented the item and provided background information on the item. He stated that during a declared federal and state emergency, government funds may be made available for organizations to continue operating during the incident or recovery after the event has passed. He stated that the COVID-19 pandemic is a declared federal and state emergency and to be eligible to apply for government assistance in this situation, the District must satisfy two conditions. TSM Morishita then reviewed the two conditions; California Governor's Office of Emergency Services (Cal OES) Form 130, Designation of Applicant's Agent Resolution for Non-State Agencies and Cal OES Form 89.

TSM Morishita explained that Cal OES Form 130 requires that the Board adopt a resolution authorizing the General Manager or his designee, as specified in the resolution, to act on the behalf of the District to apply for government financial assistance.

TSM Morishita noted that the District is not obligated to submit for financial assistance based on submission of these documents. However, staff believes it is prudent to have the option by establishing eligibility.

Director Kulchin asked what items qualified for financial assistance. TSM Morishita answered that items that would allow employees to work from home, such as the purchasing of laptops or software user licenses, could qualify for government financial assistance.

Director Kulchin asked if the District has applied for and received any financial assistance. GM Bushee stated that the District has spent around \$20K but has not yet applied for any assistance. He noted that this amount could increase since we do not know how long the pandemic will last.

Upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted Resolution No. 2328 authorizing the General Manager to apply for financial assistance for Covid-19 pandemic impacts by the following vote:

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

INFORMATION ITEMS

26. Project Status Updates and Other Informational Reports

A. 2020 CSDA Legislative Days is scheduled for May 18-22, 2020 via virtual conference webinars.

EA Baity announced the dates for CSDA Legislative Days virtual webinars.

B. Support Letter for Arlene Schafer for CSDA Southern Network Seat C.

EA Baity stated that Costa Mesa Sanitary District sent a support letter for Arlene Schafer for CSDA Southern Network Seat C.

Vice President Omsted asked about the COVID19 antibody testing. EA Baity reported on the COVID-19 antibody testing.

27. Directors' Meetings and Conference Reports

None.

28. General Manager's Report

GM Bushee reported on the following item:

- The Board Budget Workshop is scheduled for tomorrow at 9:00 a.m.

29. General Counsel's Report

None.

30. Board of Directors' Comments

Director Sullivan thanked GM Bushee for a successful video conference Board meeting.

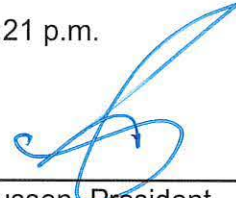
President Juliussen thanked staff and the Board.

31. Adjournment

President Juliussen adjourned the meeting at approximately 6:21 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Allan Juliussen, President