

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 November 13, 2019

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, November 13, 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:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Richard Duffey, Executive Assistant Tianne Baity, Administrative Services Supervisor Trisha Hill, District Engineer Dexter Wilson, and Shannon Ayala of Davis Farr LLP

3. Pledge of Allegiance

Vice President Juliussen 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

None.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

October 9, 2019 Regular Board Meeting
 November 6, 2019 Engineering Committee Meeting
 November 6, 2019 Investment and Finance Committee Meeting
 November 7, 2019 Human Resources Committee Meeting

8. Approval of Demands for October/November 2019

Payroll Checks numbered 21620-21700; General Checking Checks numbered 53378-53514

9. Operations Report (A copy was included in the original November 13, 2019 Agenda)

10. Finance Report (A copy was included in the original November 13, 2019 Agenda)

11. Quarterly Treasurer’s Investment Report

This report discloses investments for the quarter ending September 30, 2019.

12. Disclosure of Reimbursements

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

Upon a motion duly made by Vice President Juliussen, seconded by Director Omsted, 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

13. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting held on October 23, 2019.

Director Sullivan reported on EWA’s October 23, 2019 Board meeting.

B. EWA Member Agency Manager’s (MAM) - Meeting held on November 5, 2019.

GM Bushee reported on EWA’s MAM November 5, 2019 meeting.

14. Committee Reports

A. Engineering Committee (EC) Meeting was held on November 6, 2019.

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

- Authorize the General Manager to execute an Agreement with Rockwell Engineering & Equipment Company, Incorporated for the purchase of a replacement Emergency Bypass Pump in an amount not to exceed \$71,539.20

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 Batiquitos (B3) Discharge Section Replacement Project. This item was for information purposes and there was no action taken.

B. Investment and Finance Committee (IFC) Meeting was held on November 6, 2019.

Director Hanson reported that the IFC reviewed the following recommendation:

- Receive and file the Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR)

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

C. Human Resources Committee (HRC) Meeting was held on November 7, 2019.

Director Hanson reported that the HRC reviewed the following recommendation:

- Adopt Resolution No. 2319 Updating LWD's Electronic Media Usage Policy

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

ACTION ITEMS

15. Fiscal Year 2019 (FY19) Comprehensive Annual Financial Report (CAFR)

Receive and file the FY19 CAFR conducted by Davis Farr LLP.

ASM Duffey provided background information on this item stating it is a FY20 tactical goal and it was reviewed by the Investment and Finance Committee at its November 6th meeting. He provided a summary of the CAFR's Management's Discussion and Analysis (MD&A) highlighting and discussing the following areas:

- Financial Highlights;
- Net Position;
- Reserve Balances Compared to Cash and Investment Balances; and
- FY19 Budget to Actual Expenses

President Kulchin asked when the District will be at 100% build out. GM Bushee answered that based on the Financial Plan the estimate is about 20 years.

President Kulchin asked what the overall rate of return is on the District's investments. ASM Duffey answered a little over 2%.

The Board thanked ASM Duffey. ASM Duffey then introduced Shannon Ayala of Davis Farr LLP to provide a summary of the auditor's reports and auditing process.

Ms. Ayala stated that the auditor's internal report indicated that the audit was a clean, unmodified opinion for the year ending FY19. She stated there were no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that have a material effect on the determination of financial statement amounts. Ms. Ayala noted the areas of audit focus included construction in progress, construction/engineering contract testing and other post-employment benefit obligations.

In conclusion, Ms. Ayala stated that staff was prepared for the audit, and the auditors had no recommended material audit adjustments and noted no material weaknesses or significant deficiencies in internal controls.

The Board thanked Ms. Ayala for her presentation.

Following discussion, upon a motion duly made by Director Omsted, seconded by Vice President Juliussen and unanimously carried, the Board of Directors received and filed the FY19 CAFR by the following vote:

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

16. Authorize the General Manager to execute an Agreement with Rockwell Engineering & Equipment Company, Incorporated for the purchase of a replacement Emergency Bypass Pump in an amount not to exceed \$71,539.20.

GM Bushee presented the item noting it is a tactical goal and it was reviewed by the Engineering Committee at their November 6th meeting. He explained the need for an emergency bypass pump to bypass Leucadia and Batiquitos Pump Stations in emergency situations. He noted that the current diesel engine driven pump will be out of compliance with new San Diego County Air Pollution Control District (APCD) standards on January 1, 2020.

Director Sullivan asked if the District could sell the current pump. GM Bushee stated that the District receives a better return on value if the pump is sold at auction.

President Kulchin asked when the District will receive the new pump. GM Bushee stated about seven weeks after the Board approves the purchase.

GM Bushee reviewed the advantages of an electric motor driven pump. He stated that the Request for Bid (RFB) was sent to five pump manufacturers. He noted that three bids were received and that Rockwell Engineering & Equipment Company (Rockwell) was the lowest bidder at \$71,539.20. He said that DE Wilson and his staff reviewed the bids and recommended that the purchase be awarded to Rockwell and that staff concurs with that recommendation.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute an Agreement with Rockwell Engineering & Equipment Company, Incorporated for the purchase of a replacement Emergency Bypass Pump in an amount not to exceed \$71,539.20 by the following vote:

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

17. Adopt Resolution No. 2319 Updating LWD's Electronic Media Usage Policy

ASsup Hill presented the item noting it is a tactical goal and it was reviewed by the Human Resources Committee at their November 7th meeting. She provided a summary of the updated policy noting that changes were made to the following sections:

- Section 1: Background - various minor changes to reflect updated technology language, grammatical updates, and language that is consistent with the District's Human Resources Policy Manual and Anti-Harassment/ Discrimination Policy; and
- Sections 2-4: Scope - language that clarifies who the policy applies to, updated IT definitions, and revisions to reflect current administrative procedures.

She also noted that the updated policy now includes an attachment for email guidelines and how to avoid phishing scams.

Following discussion, upon a motion duly made by Director Hanson, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors adopted Resolution No. 2319 Updating LWD's Electronic Media Usage Policy by the following vote:

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

18. Calendar Year 2020 Board of Directors' Meeting Schedule

Approve the CY20 Board of Directors' Meeting Schedule.

EA Baity presented the item stating that the Board approved a resolution in 2009 that indicates that the Board meetings will be held on the second Wednesday of each month at 5:00 PM. She stated that staff developed the proposed CY20 Board meeting schedule and coordinated the meetings with upcoming conferences in 2020. EA Baity noted that staff suggests moving the August 2020 Board meeting to the third Wednesday of the month so it would not conflict with the CASA Annual Conference dates and moving the November 2020 Board meeting to the third Wednesday of the month so it would not conflict with the Veterans Day holiday.

EA Baity stated that as of November 13, 2019, there is no date available for the CASA/WateReuse Joint Public Policy Forum and that this conference was cancelled in 2019. Should the CASA/WateReuse Joint Public Policy Forum conflict with the April 8th Board meeting, the April Board meeting can be moved at the Board's discretion.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Omsted, and unanimously carried, the Board of Directors approved the CY20 Board of Directors' meeting schedule by the following vote:

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

INFORMATION ITEMS

19. Project Status Updates and Other Informational Reports

A. 2019 Batiquitos Lagoon Foundation Board Members Election.

EA Baity presented the item stating that the Batiquitos Lagoon Foundation is requesting its members to vote for candidates for its 2019 Board Election. She noted the candidate's names and that staff has no recommendation.

Director Omsted made a recommendation to vote for all three nominees.

The Board of Directors reached unanimous consensus to vote for Fred Sandquist (Incumbent), Deb Mossa (Incumbent) and Bill McGee for the Batiquitos Lagoon Foundation Board.

B. CSDA Quarterly Dinner Meeting is scheduled for Thursday, November 21, 2019 at The Butcher Shop Steakhouse in Kearny Mesa.

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.

C. LWD Annual Holiday Luncheon is scheduled for Thursday, December 12, 2019 at The Crossings in Carlsbad.

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

D. CASA Winter Conference is scheduled for January 21 - January 23, 2019 at the Renaissance Indian Wells in Indian Wells, CA.

EA Baity announced the dates of the CASA Winter Conference.

E. Thank you letter from CASA Education Foundation.

EA Baity stated the District received a thank you letter from the CASA Education Foundation.

20. Directors' Meetings and Conference Reports

None.

21. General Manager's Report

GM Bushee reported on the following items:

- Board Meeting Handout - City of Carlsbad and LWD responses to the LAFCO Special Districts Advisory Committee; and
- Board Meeting Handout – CASA's PFAS Fact Sheet

22. General Counsel's Report

None.

23. Board of Directors' Comments

President Kulchin stated there is no Closed Session tonight.

Director Sullivan stated she would like to wish everyone a Happy Thanksgiving, Merry Christmas and Happy New Year. She noted she would not be able to attend the December Board Meeting.

President Kulchin thanked staff and ASM Duffey for their work on the FY19 CAFR.


24. 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.

25. Adjournment

President Kulchin adjourned the meeting at approximately 5:45 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



David Kulchin, President