

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

March 12, 2014

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, March 12, 2014 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

President Kulchin called the meeting to order at 5:01 p.m.

2. Roll Call

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, District Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey, Field Services Technician III Ian Riffel, and Lois Humphreys and Jennifer Beales with TRG & Associates.

3. Pledge of Allegiance

President Kulchin led the pledge of allegiance.

4. General Public Comment Period

No public comment was received.

5. Approval of Agenda

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

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

6. Presentations and Awards**A. Achievement of an Individual Objective.**

GM Bushee introduced FST III Ian Riffel stating that on January 12, 2014, he passed his 5th anniversary of employment at the District. He also presented background information about Ian noting that he was eligible for a \$100 incentive award.

He added that staff recently conducted an internal recruitment process for the Field Services Specialist position because Frank Reynaga is retiring in September. He stated that Ian was selected for the position.

The Board of Directors congratulated Ian for his efforts.

B. Achievement of an Organizational Objective.

GM Bushee presented the item. He stated that LWD's incentive program authorizes a 50% cost sharing of the CSRMA dividend payment. He stated that this dividend reflects the District's excellent safety record. He noted that all employees are eligible to receive a compensation award of \$538.50.

The Board members congratulated LWD staff for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

February 12, 2014 Regular Board Meeting
February 13, 2014 Community Affairs Committee Meeting
March 5, 2014 Engineering Committee Meeting

8. Approval of Demands for February/March 2014

Payroll Checks numbered 17099-17162; General Checking – Checks numbered 44846-44960

9. Operations Report (A copy was included in the original March 12, 2014 Agenda)

10. Finance Report (A copy was included in the original March 12, 2014 Agenda)

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

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

EWA and COMMITTEE REPORTS

11. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on February 26, 2014.

Director Sullivan reported on EWA's February 26, 2014 Board meeting.

B. Encina Member Agency Manager's Meeting was held on March 4, 2014.

GM Bushee reported on the Member Agency Managers (MAM) March 4, 2014 Meeting. He

also updated the Board of Directors on the EWA Phase V reconciliation billing.

President Kulchin noted that on April 21, 2014, Mr. Kevin Hardy of EWA will present information about EWA programs to the Carlsbad Rotary Club.

12. Committee Reports

A. Community Affairs Committee meetings were held on February 13, 2014 and March 10, 2014.

Director Sullivan reported that the CAC reviewed the newsletter topics and the production schedule during their February 13th meeting. She stated the newsletter topics and noted that the CAC suggested changing the cover article topic about the District's capital improvement projects to an article on the future of water reuse.

She also stated that the CAC received a website status update.

She also reported on the March 10th CAC meeting. She stated that the CAC reviewed the Teacher Grant applications and agreed with staff to present the applications to the Board for approval. In addition, she stated that the CAC reviewed the newsletter's draft text. The CAC suggested minor revisions and directed staff to move forward with the production of the newsletter.

She added that the CAC also reviewed a two-year extension to the TRG & Associates contract. The CAC agreed with staff to present the extension to the Board for approval. She stated that this will be reviewed later in the agenda, in addition to the teacher grant applications.

B. Engineering Committee meeting was held on March 4, 2014.

Vice President Juliussen reported that the EC reviewed staff's recommendation to discontinue the Leucadia (L1) Force main and Batiquitos (B3) Force Main Non-destructive Testing Project. He noted that this will be reviewed later in the agenda.

He also reported that the EC received updates on the following projects:

- La Costa Pump Station Rehabilitation Project;
- Leucadia Pump Station Generator Project;
- Gravity Line Rehabilitation Project, and
- B2 Force Main Replacement project.

ACTION ITEMS

13. Contract Extension with TRG & Associates for Public Outreach Services

Authorize the General Manager to execute a two-year extension to the TRG & Associates Professional Services Agreement for as needed public information services.

ASM LeMay presented the item stating that the CAC reviewed this item at their March 10th meeting and agreed with staff's recommendation. He provided background information on the contract, noting it includes a clause for a two-year extension. He added that TRG's services have been very good and are valuable to the District. He noted that the District is currently working on Task Order No. 3. Staff will present Task Order No. 4 at an upcoming Board meeting, if the

Board approves this extension.

Director Sullivan stated that the CAC appreciates how TRG has handled LWD's Public Outreach account and that they are very happy with their performance. Director Omsted also stated that their newsletters have been the best.

Following discussion, upon a motion duly made by Director Omsted, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors authorized the General Manager to execute a two-year extension to the TRG & Associates Professional Services Agreement for as needed public information services by the following vote:

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

14. **Leucadia (L1) Force Main and Batiquitos (B3) Force Main Condition Assessment Project.**
Authorize staff to discontinue the implementation of the L1 and B3 Force Main Assessment using the SeaSnake technology for PICA Corporation.

TSM Morishita presented the item stating that the EC reviewed this item at their March 5th meeting and agreed with staff's recommendation. He provided background information on the L1 and B3 Force Main Condition Assessment Project. He stated that during the development of the scope of work and specifications, IEC discovered three valves installed on L1 that were not included in L1 As Built Plans. He added that these valves are considered to be an obstacle to using the SeaSnake and would have to be removed to conduct the assessment. Therefore, IEC provided this information to PICA and their revised cost proposal for the additional work was \$663,325.

He stated due to significant cost difference and other specific reasons, staff determined that the District should not perform the assessment at this time. He provided a summary on why the project should be discontinued and that the funds would be better spent repairing the damaged western section of the force main and return the force main to its standby status.

He noted that staff is working with IEC to determine the costs associated with repairing the western section of the line. This information will be included in the Fiscal Year 2015 capital budget.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors authorized staff to discontinue the implementation of the L1 and B3 Force Main Assessment using the SeaSnake technology by the following vote:

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

President Kulchin removed item no. 15 from the agenda.

15. Potential change to the May 2014 Board of Directors Meeting Date.

There was no discussion or action.

16. Award of Teacher Grants.

EA Hill presented the item stating that the Teacher Grant program is a tactical goal. She stated that the CAC reviewed the Teacher grant applications and agreed with staff to present the two applications to the Board for approval. She noted that both applications qualify for the grant, adding that both projects relates to water conservation.

Following discussion, upon a motion duly made by Vice President Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors awarded the Teacher Grants by the following vote:

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

17. Call for Nominations to the CSDA Board of Directors Seat C.

EA Hill presented the item stating that the District received notification from CSDA requesting nominations for seat C on the CSDA Board of Directors. She noted that Director Sullivan currently holds seat C and is running for re-election.

Following discussion, upon a motion duly made by Director Omsted, seconded by Vice President Juliussen, and unanimously carried, the Board of Directors nominated Director Sullivan to run for CSDA Board of Directors Region 6, Seat C by the following vote:

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

18. Adopt Resolution No. 2243 – Requesting the Local Agency Formation Commission (LAFCO) to take proceedings for the proposed Rogers Change of Organization.

District Engineer Deering presented the item stating that the annexation includes one parcel totaling .50 acres that is currently on a septic tank. He noted the location of the property and stated that the property owners will connect to the public sewer system located in the middle of Andrew Avenue.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors adopted Resolution No. 2244 – Requesting LAFCO to take proceedings for the Rogers Change of Organization by the following vote:

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

19. Fiscal Year 2015 (FY 15) Budget Development Schedule.

ASM LeMay presented the item stating that staff is in the process of working on the FY 15 Budget and that staff is following the same budget process as last year. He stated that staff would like to schedule a Special Board meeting to review the preliminary FY 15 budget.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Omsted, and unanimously carried, the Board of Directors scheduled a Special Board meeting to review the preliminary budget on May 8, 2014 at 9:00 AM by the following vote:

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

20. Potential Name Change for Leucadia Wastewater District

Director Sullivan presented this item stating that she understands what is involved when an agency changes its name. She stated that she would like to discuss what we currently do and the future of our industry, indicating that the future of the industry is reusing our resources. She noted that she learned at conferences that the word “waste” is a negative term and that wastewater should be considered water. She stated that she is proposing to change the District’s name to Leucadia Water Resource Recovery District or is open to suggestions that better reflect our industry.

Director Hanson indicated that in the past, she did not vote to change the District’s name from Leucadia County Water District to Leucadia Wastewater District because the District was

developed under the water code. Director Juliussen stated that he understood why the District changed its name in the past. He added that the functions of the District have not changed and that changing the name of the District would not benefit the District. He also stated that it would cost additional District funds.

Director Hanson asked staff for the costs for a name change. GM Bushee stated that staff has not compiled cost information on a potential name change but can do so if the Board wishes to look more deeply into this issue. President Kulchin requested that staff conduct an analysis of costs for a name change and also present a minimum of two names for the Board's review. GM Bushee stated that staff can prepare this information and present it to the Board its April meeting.

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

- A. The District received the Outstanding Financial Reporting Award for Fiscal Year Ending June 20, 2013 by the California Society of Municipal Finance Officers.

CPA Duffey presented the item noting that this is the District's seventh year receiving this award.

President Kulchin suggested that staff display the award received from CSMFO in the lobby. Director Sullivan suggested that staff design a plaque dedicated to all the years that the District has received this award and place it in the lobby area. GM Bushee stated that staff will look into this and will provide an update at an upcoming meeting.

22. Directors' Meetings and Conference Reports

None.

23. General Manager's Report

General Manager Bushee reported on the following items:

- The Prop. 218 notice notifying LWD's customers about the sewer rate increase will be mailed within the next few weeks and that the Board should receive this notice in the mail.
- The District received a Public Records Request from the San Diego Union Tribune for his emails. He added that staff is in the process responding to the request.
- There were informational handouts at Board members' desk. The first handout was a Union Tribune article regarding the Rainbow MWD and Fallbrook PUD JPA merge; and the second handout was a LWD letter sent to a legislator supporting SB 1014, which requires retail pharmacies to take back expired and unused medications from customers at no charge.
- He recently attended the CASA DC Conference. As a result, he will be meeting with staff members from Congressman Darrell Issa's office to discuss the North County Recycled Water Group's project.
- The Watereuse Conference is scheduled for next week; however, he is unable to attend because he is attending the CSRMA Executive Board planning session. He noted that no other staff member will be attending.

24. General Counsel's Report

General Counsel Brechtel reported on a recent court decision regarding the Proposition 218 procedures for notifying the public about rate increases. He stated that the court reaffirmed that

the current procedure is adequate and that the District follows this procedure.

He also reported on the recent proposed changes to the State Regional Water Board regulations.

In addition, he stated that the CASA Attorney Committee is supporting a recent case that will allow agencies to recover their legal fees if the agency wins the case.

25. Board of Director's Comments

Vice President Juliussen congratulated staff again for receiving the Safety Award, noting that safety is a top priority for him. He noted that he sees our staff members working in the street each week and is proud that our staff works safely.


President Kulchin stated that he and other Directors attended Betty Ferguson's retirement party this past weekend. He also stated that he would like to see more staff members attend the events and conferences, noting that he understands there are certain circumstances that prevent staff member's attendance.

26. Adjournment

President Kulchin adjourned the meeting at 5:49 p.m.



David Kulchin, President



Paul J. Bushee
Secretary/General Manager
(SEAL)