

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
April 11, 2012

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, April 11, 2012 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Technical Services Manager Robin Morishita, Administrative Services Manager Chuck LeMay, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, District Engineer Steve Deering, District CPA Richard Duffey, and Jeff Bills with Confidence Consulting.

3. Pledge of Allegiance

4. Public Comment

GM Bushee stated that there are no speaker's slips, but Mr. Jeff Bills of Confidence Consulting is present and he will speak later in the agenda.

5. Approval of Agenda

Upon a motion duly made by Director Juliussen, seconded by Director Omsted, and carried, the Board of Directors approved the agenda.

6. Presentations and Awards

A. California Society of Municipal Finance Officers awarded the District the Outstanding Financial Reporting Award for the Fiscal Year Ending June 30, 2011.

GM Bushee presented the award to President Hanson and thanked CPA Duffey and AT Maggie McEniry for their hard work on the financial reporting. President Hanson added that she was very pleased that the District received this recognition.

The Board of Directors congratulated the District for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

March 14, 2012 Regular Board Meeting

March 19, 2012 Community Affairs Committee Minutes

March 29, 2012 Ad Hoc Committee Meeting

April 2, 2012 Engineering Committee Meeting

8. Approval of Demands for March 2012/April 2012

Payroll Checks numbered 15988-16047; General Checking – Checks numbered 42201-42322

9. Operations Report (A copy was included in the original April 11, 2012 Agenda)

10. Finance Report (A copy was included in the original April 11, 2012 Agenda)

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

EWA and COMMITTEE REPORTS

11. Encina Wastewater Authority (EWA) Reports

A. Encina Wastewater Authority Report – March 28, 2012.

Vice President Sullivan reported on EWA's March 28, 2012 Board meeting. She noted that EWA's Finance Manager retired recently and EWA is outsourcing those financial duties to Leaf & Cole, LLP.

B. Member Agency Manager (MAM) Meeting – April 3, 2012.

GM Bushee reported on the MAM's April 3, 2012 meeting.

12. Committee Reports

A. Ad Hoc Committee (AHC) was held on March 29, 2012.

Director Omsted reported that the AHC met on March 29th to discuss the roles and responsibilities of LWD's standing committees. He stated that the committee considered the following:

- Eliminating the Employee Recognition Committee and adding those committee responsibilities to the Human Resources Committee;
- Renaming the Investment & Finance Committee (IFC) to Policy & Finance Committee and including responsibilities to review appropriate District policies;
- Establishing an Executive/Governance Committee (and not changing the IFC); and
- Rotate committee membership that would include the Encina Wastewater Authority members.

He also stated that the AHC directed staff to survey those agencies that rotate committee membership and provide that information at the next meeting.

Director Kulchin asked the AHC when will they reach a decision on whether the District should establish a Governance Committee. Director Omsted estimated that the AHC should have decision by next month.

GM Bushee stated that the next AHC meeting is scheduled for Monday and staff is planning

to include an agenda item at the May Board meeting. President Hanson provided additional information that was discussed at the last AHC regarding the rotation of committee assignments.

B. Engineering Committee meeting was held on April 2, 2012.

Director Juliussen reported that the EC met on April 2, 2012. He stated that the EC reviewed staff's recommendation to purchase a closed circuit television (CCTV) inspection truck, noting that this item will be reviewed by Board later in the agenda.

He also reported that the EC reviewed staff's recommendation to transfer \$40,000 in capital funds from the Lateral Replacement account to the Miscellaneous Pipeline/Manhole Repair account. He noted that this will be reviewed by the Board later in the agenda.

In addition, he also stated that the EC reviewed the preliminary FY 2013 Capital Budget and agreed with the budget. He noted that during the meeting, he requested that staff consider adding funding for a diesel fuel storage tank on site to fuel standby generators and vactor trucks in case of an emergency and staff agreed to include funding for the evaluation of a diesel fuel storage tank.

The EC also received a status update on the Via Palacio Offset Joint Repair project.

ACTION ITEMS

13. Board of Directors Strategic Planning Workshop Report

Receive and file the Board of Director's Strategic Planning Workshop Summary Report.

Mr. Bills presented an overview of the Strategic Planning Workshop. He noted that the written summary was included in the agenda and asked if there were any questions on the summary.

VP Sullivan stated that during the workshop the Board covered more issues than other workshops and the workshop went very well.

Mr. Bills also provided a brief summary of a recent survey of 128 Board members regarding characteristics of successful Boards. He stated that the top three characteristics were willingness to discuss difficult issues, respect and trust of one another and issues of knowledge.

Director Kulchin thanked Mr. Bills for facilitating the workshop noting that he did an excellent job. Director Omsted stated that he would like for Mr. Bills to conduct a survey later on in the year, but he will provide more details later after he discusses the survey with the Board members.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Kulchin, and carried, the Board of Directors received and filed the Board of Director's Strategic Planning Workshop Summary Report.

14. Award of Purchase Contract to Cues West for a New Closed Circuit Television Inspection Truck.

Authorize the General Manager to execute an agreement with Cues West for the purchase of a new Close Circuit TV (CCTV) Inspection Truck in an amount not to exceed \$234,000.

Field Services Superintendent Stecker presented this item. He stated that at the last Board meeting, the Board authorized a Mid-Fiscal Year 2012 appropriation for the purchase of a new Closed Circuit Television Inspection Truck. He stated that staff received two quotes, one from Plumbers Depot and the other from Cues West. He stated that Cues West had the lower quote in the amount of \$233,619.71.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Vice President Sullivan, and carried, the Board of Directors authorized the General Manager to execute an agreement with Cues West for the purchase of a new closed circuit television inspection truck in the amount not to exceed \$234,000.

15. Transfer of Capital Funds

Authorize a transfer of \$40,000 in capital funds from the Lateral Replacement/Backflow Preventer Program, 50-51-323-6499 to the Miscellaneous Pipeline/Manhole Repair account, 50-51-077-6499.

TSM Morishita presented this item stating that the EC reviewed it at their April 2, 2012 meeting. He stated that during the recent CCTV inspection program versus hydro-cleaning analysis, staff found several pipeline defects. He provided a description of the pipeline defects, noting the that the repairs were completed at the same time as other budgeted projects which depleted the account. He added that staff believes that the remaining \$39,715 in the lateral replacement/backflow preventer program is sufficient to cover lateral reimbursements requests for the remainder of the fiscal year.

Following discussion, upon a motion duly made by Vice President Sullivan, seconded by Director Omsted, and carried, the Board of Directors authorized a transfer of \$40,000 in capital funds from the Lateral Replacement/Backflow Preventer Program, 50-51-323-6499 to the Miscellaneous Pipeline/Manhole Repair account, 50-51-077-6499.

16. Award Teacher Grants

Award five Teacher Grants totaling \$4,376.88.

EA Hill presented this item stating that the CAC reviewed seven teacher grant applications at their March 19, 2012 meeting. She stated that the CAC and staff agreed to award five grants total \$4,376.88. The FY 12 budget includes \$5,000 to fund five grants.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Vice President Sullivan, and carried, the Board of Directors awarded five Teacher Grants totaling \$4,376.88.

17. Board of Directors Compensation Adjustment

Discuss and take action as appropriate.

ASM LeMay presented this item stating that the California Water Code allows public officials to adjust their stipend 5% per year calendar year. He noted that the last adjustment occurred in 2009 and that the Board is eligible for an adjustment not to exceed 15%. He stated that this item is for Board discussion and to provide direction for staff so that a public hearing can be posted, if required.

Director Omsted stated that based on the Board stipend survey, he believes the current Board compensation amount is within the range. Director Juliussen agreed indicating that the Board stipend should remain the same.

Directors Kulchin and Sullivan agreed to increase the stipend from \$173 to \$180, since the Board of Directors has not received an increase since 2009.

Following discussion, upon a motion duly made by Vice President Sullivan, seconded by Director Kulchin, and carried by Director Omsted, with Director Juliussen and President Hanson voting no, the Board of Directors authorized staff to prepare, notice and schedule a public hearing for the May 2012 Board meeting.

18. Discussion of Potential General Manager Compensation Ad Hoc Committee.

Discuss and provide direction as appropriate.

Director Omsted stated there may not be a need for a General Manager Compensation Ad Hoc Committee after the Board of Directors meet in closed session later in the agenda. The Board of Directors agreed to return to this item, if necessary following the closed session.

INFORMATION ITEMS

19. Project Status Updates and Other Informational Reports

A. Emails regarding LWD's Downstream Newsletter.

GM Bushee stated that the District received additional positive feedback from LWD customers.

B. March 20, 2012 Public Forum Recap.

GM Bushee presented a brief recap of the March 20, 2012 Public Forum, noting that two members of the public attended and only one person was an LWD customer. He stated that this was the second Public Forum that the District hosted and only one person attended the first public forum.

Director Omsted requested a copy of the presentation during the Public Forum. He stated that the presentation was in an excellent format.

GM Bushee suggested that the District should not host another Public Forum based on the low attendance. Following discussion, the Board of Directors agreed not to hold another

Public Forum.

20. Directors' Meetings and Conference Reports

- A. The 2012 Annual Watereuse Conference was held at the Sheraton Grand in Sacramento, CA.

Vice President Sullivan reported on a session presented by the San Diego County Water Authority that discussed dual plumbing for residents in San Diego. She also discussed other topics and issues with water and recycled water.

Director Juliussen stated that the conference presented very informative topics.

Director Omsted reported on the sessions that he attended indicating that they provided additional information regarding indirect to direct potable reuse.

21. General Manager's Report

The following items were reported:

- GM Bushee will present the LWD's Lateral Grant Program at the upcoming CWEA Conference
- CWEA held a training session at the District's offices today and they requested to use our facilities on August 15th to hold their 50th Collection System training.
- Albertson's requested to use the District's parking lot during a weekend in June for their open house event and staff will coordinate with Albertson's.
- CSDA Quarterly meeting is scheduled for May 17th at the Marriott in Kearney Mesa from 6PM – 9PM. EA Hill noted that she will send an email requesting an RSVP. GM Bushee noted that staff will carpool to the meeting.

22. General Counsel's Report

General Counsel Brechtel reported that the State Regional Quality Control Board has postponed amending the Collection Systems Statewide WDR. He also reported that the FPPC amended its regulations relating to Board members appointing themselves on committee assignments. He explained the changes to the regulations and noted that the Board Staff Relations Policy will be amended based on these changes. Staff will present the updated policy to the Board for approval.

23. Board of Director's Comments

None.

24. Closed Session

- A. Personnel matters as authorized by Government Code 54957 to review General Manager Compensation.

General Counsel Brechtel reported that the Board of Directors met in closed session and there was no reported action taken. He also reported that the Board of Directors agreed there was no need to discuss the previous item 18) Discussion of Potential General Manager Compensation Ad Hoc Committee.

25. Adjournment

President Hanson adjourned the meeting at 6:25 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Judy Hanson, President