

**LEUCADIA WASTEWATER DISTRICT**  
Minutes of a Regular Board Meeting  
January 20, 2010

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, January 20, 2010 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

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

**2. Roll Call**

DIRECTORS PRESENT:	Juliussen, Omsted, Hanson, Kulchin, and Sullivan
DIRECTORS ABSENT:	None.
OTHERS PRESENT:	General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Project Manager Robin Morishita, Executive Assistant Trisha Hill, Field Services Supervisor Jeff Stecker, Field Services Technician III Craig Farrell, Richard Duffey with Brownell and Duffey, Steve Deering with Dudek, Ms. Susan Moise, Ms. Mary Clark, and Ms. Jennifer Carter with La Costa Meadows Elementary School, and Mr. George Litzinger with Dudek.

**3. Pledge of Allegiance**

**4. Approval of Agenda**

General Counsel Brechtel requested that a Closed Session agenda item be added to the agenda. General Counsel Brechtel stated that LWD was named in a case regarding a water damage claim on Marca Street. This item came to the District's attention after the agenda was posted.

Upon a motion duly made by Vice President Omsted seconded by Director Hanson, and carried, the Board of Directors approved to add the Closed Session item regarding the Marca claim.

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

**5. Public Comment**

GM Bushee stated there is no public comment, but he introduced several guests that attended the meeting.

**6. Presentations and Awards**

**A. Recognition of LWD's Teacher Grant Recipients.**

GM Bushee stated that last month the Board awarded three \$1,000 grants to teachers in our District. He recognized Ms. Moise and Ms. Clark and ask them to come forward

to be presented with a check from the Board of Directors. Board President Juliussen congratulated the teachers and thanked them for their submissions. The Board of Directors also congratulated Ms. Moise and Ms. Clark.

B. Achievement of an Individual Award.

GM Bushee stated that Craig Farrell recently received his Collection System Maintenance Grade III certification from the California Water Environment Association.

President Juliussen awarded Craig with his certificate and a check. President Juliussen also provided background information about Craig and congratulated him for his efforts. The Board of Directors also congratulated Craig for his efforts.

C. Director Omsted receives the SDLF Award.

GM Bushee stated that Vice President Omsted recently received his SDLF Certification Award for completing his governance courses. He was recognized at the CASA Conference last week. GM Bushee also noted that all LWD Board of Directors have their SDLF Certificates. GM Bushee and the Board congratulated Don for his efforts.

D. Achievement of an Organizational Objective.

GM Bushee stated that LWD was awarded the CSRMA Loss Control Program of the Year Award at the CSRMA Board of Directors meeting during the CASA Conference. This award reflects the District's outstanding safety program, risk management program, and the policies and procedures that LWD has in place. GM Bushee thanked ASM LeMay for putting together the application. The CSRMA award qualifies for a \$300 compensation award to each employee under LWD's Incentive Program.

The Board of Directors congratulated staff for winning the CSRMA Loss Control Program of Year Award.

**7. Consent Calendar**

- A. Minutes for the following meetings:
  - December 9, 2009 Regular Board Meeting
  - January 6, 2010 Investment & Finance Committee Meeting
  - January 7, 2010 Engineering Committee Meeting
- B. Demands for December 2009/January 2010
  - Payroll Checks Numbered 14622 – 14685; General Checking – Checks numbered 38753 – 38916
- C. Operations Report. (A copy was included in the original January 20, 2010 Agenda)
- D. Finance Report. (A copy was included in the original January 20, 2010 Agenda)

Upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and

carried, the Board of Directors approved the consent calendar.

## **8. Encina Wastewater Authority (EWA) Reports**

### **A. Encina Wastewater Authority Report – December 16, 2009 Board meeting.**

Director Sullivan reported on EWA's December 16, 2009 Board meeting.

### **B. Member Agency Managers (MAM) Report – January 7, 2010 meeting.**

GM Bushee reported on the MAM's January 7, 2010 meeting. GM Bushee noted that the meeting took place at LWD's new facilities.

## **9. Committee Reports**

### **A. Investment & Finance Committee (IFC) meeting was held on January 6, 2010.**

Director Hanson reported that the IFC reviewed the FY 2009 Comprehensive Annual Financial Report (CAFR). This item will be reviewed by the Board later in tonight's meeting.

### **B. Engineering Committee (EC) meeting was held on January 7, 2010.**

Director Kulchin reported that the EC reviewed the agreement with Dexter Wilson Engineering to conduct a Groundwater Feasibility Study in an amount of \$45,960. The Committee also reviewed Resolution No. 2206 for LAFCO to take proceedings for the Meadows No. 3 Pump Station detachment. These items will be reviewed later in the agenda.

In addition, DE Deering reported on the shifting of the Water Recycling Facilities chemical feed building. He will also provide the Board with a report on this issue.

The Committee also met in closed session to discuss anticipated litigation. The Board will discuss this issue in tonight's closed session.

## **10. Old Business**

None.

## **11. New Business**

### **A. Authorize the General Manager to execute an Agreement with Dexter Wilson Engineering to conduct a Groundwater Feasibility Study within the District's service area in an amount not to exceed \$45,960.**

PM Morishita presented the subject recommendation stating that the EC reviewed this item at the January 7, 2010 EC meeting.

PM Morishita provided background information and reasons for conducting the Groundwater Feasibility Study. He also provided a summary of the RFP scope of work. PM Morishita stated that during October 2009, staff and Dudek developed the Request for Proposals (RFP), advertised, and distributed 23 RFPs. He stated that four

proposals were submitted and reviewed by himself, Mike Metts, Steve Deering, and Paul Bushee. PM Morishita stated that based on the reviews, the team selected Dexter Wilson Engineering (DWE) based on the distribution of man hours for this study. He also noted that DWE had the lowest price.

Director Hanson questioned if other local water agencies or the city of Carlsbad can contribute to the cost of the groundwater study. PM Morishita stated that Olivenhain Water District has expressed some interest; however, staff believes it is better to start the study rather than wait to include other agencies since the study is based on taking ground water from LWD's site and within LWD's service area.

Following discussion and upon a motion duly made by Director Kulchin, seconded by Director Hanson, and carried, the Board of Directors authorized the General Manager to execute an agreement with Dexter Wilson Engineering to conduct a Groundwater Feasibility Study within the District's service area in an amount not to exceed \$45,960.

B. Receive and file the Fiscal Year 2009 (FY 09) Comprehensive Annual Financial Report (CAFR).

GM Bushee stated that a representative from Charles Fedak & Co. was unable to attend tonight's meeting; therefore Mr. Duffey will present the FY 09 CAFR.

Mr. Duffey presented a PowerPoint overview of the auditor's Management Discussion and Analysis (MD&A), noting that the MD&A is an analysis of the basic financial statements. Mr. Duffey stated that the audit illustrated that LWD is in a strong financial position. Mr. Duffey also provided the highlights of the full CAFR, which included the auditor's report, statement of net assets, long-term liabilities, statement of revenues and cash flows. Mr. Duffey noted that the auditor's internal report stated that the audit did not identify any deficiencies in LWD's internal control based on the limited tests during the audit.

GM Bushee thanked Richard Duffey, ASM LeMay, and AT McEniry for their hard work on the audit. President Juliussen thanked the IFC for their detailed review of the CAFR.

Following discussion and upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and carried, the Board of Directors received and filed the FY 2009 CAFR.

President Juliussen requested that the Closed Session item be moved forward for discussion. The closed session items were moved forward for discussion.

## **17. Closed Session**

A. Conference with Legal Counsel to discuss anticipated litigation pursuant to California Government Code Section 54956.9 (b)(1): Jaynes Corporation of CA Contract Dispute.

General Counsel Brechtel stated that the Board met in closed session and authorized

GM Bushee to execute change orders nos. 61.1, 62.1, 63, 64, 65, and 66 for a total amount of \$207,973.00. In addition, the Board authorized GM Bushee to take final acceptance of the project.

- B. Conference with Legal Counsel to discuss anticipated litigation pursuant to California Government Code Section 54956.9 (a) regarding the Rubin's claim.

No reportable action was taken.

## **11. New Business**

- C. Adopt Resolution No. 2206 Requesting LAFCO to Take Proceedings for the Meadows Number 3 Pump Station Detachment.

DE Deering presented the recommended subject stating that the District has been working with city of Carlsbad to decommission the Meadows 3 pump station. As a result of the pump station decommission the flow will be diverted to the city of Carlsbad's gravity pipeline. DE Deering stated that the District and the city of Carlsbad executed an agreement on October 20, 2009 stating that the city of Carlsbad will assume permanent wastewater service to 32.52 acres, including 70 properties.

DE Deering stated that to initiate this process, LWD must adopt a Resolution requesting action by LAFCO. The Resolution No. 2206 requests LAFCO to proceed with the detachment and to adjust the LWD Sphere of Influence.

Following discussion, Resolution No. 2206 was passed and adopted by the following vote:

AYES: Directors Sullivan, Kulchin, Hanson, Juliussen, and Omsted  
NOES: None  
ABSENT: None  
ABSTAIN: None

- D. CASA Washington D.C. Conference is scheduled for March 8-10, 2010 in Washington D.C. at the Hotel Monaco.

GM Bushee stated that in the past years, staff has included this as an agenda item for transparency purposes. President Juliussen stated that he would like to go, but at this time is unable to go. President Juliussen encouraged Board members to let staff know by next week if anyone would like to attend.

Directors Sullivan, Juliussen, and Omsted indicated they would like to go to the Watereuse Conference from March 7-9, 2010. No Directors expressed interest in attending the CASA Washington D.C. Conference.

- E. Board of Directors 2010 Board Meeting Dates.

ASM LeMay presented the recommendation stating that in November of 2009, the Board adopted Resolution No. 2205 fixing Board meeting dates and times. ASM LeMay stated he provided a list of suggested 2010 Board meeting dates. He noted

the Board meetings that had a potential conflict with any of the 2010 conferences and changed the meeting date to the third Wednesday of the month.

GM Bushee noted that since no Board members will be attending the CASA Washington D.C. Conference, the Board could meet at its regularly scheduled meeting on March 10, 2010.

Following discussion and upon a motion duly made by Director Kulchin, seconded by Vice President Omsted, and carried, the Board of Directors scheduled the 2010 Board meeting dates as amended to reflect that the March Board meeting to remain on the second Wednesday of the month at 5:00 p.m.

Approved 2010 Board Meeting Dates:

January 20, 2010	July 14, 2010
February 10, 2010	August 11, 2010
March 10, 2010	September 8, 2010
April 14, 2010	October 13, 2010
<b>May 19, 2010 (CSDA Legislative Days)</b>	November 10, 2010
June 9, 2010	December 8, 2010

F. Board of Directors 2010 Committee Assignments.

President Juliussen asked the Board members if they had any comments on the committee assignments.

Vice President Omsted suggested that Board members should shift committee assignments. President Juliussen stated he has no problem shifting the assignment, but indicated that the reason certain Board members participate on a committee is due to their expertise in the field.

General Counsel Brechtel stated that changing the committee positions would be subject to Fair Political Practice Commission regulations and he would have to research how the Board could vote to change their committee positions.

President Juliussen questioned if the President can change the committee assignments at anytime. General Counsel Brechtel confirmed that the President can change the committee assignment at anytime.

Director Kulchin questioned if it is a Brown Act violation for non-committee Board members to attend a committee meeting. General Counsel confirmed that a Board member can attend a committee meeting as long as she/he does not participate.

Following discussion, no committee assignments were changed.

**12. Information Items**

A. Chemical Feed System Relocation.

DE Deering provided a status report on the Chemical Feed System Relocation. DE

Deering stated that over the last six months the west portion of the Chemical Feed Building has been settling causing it to shift. As a result of the shifting, the chemical tank is leaking. DE Deering stated that he has looked into a few options to correct the problem. He suggested that a new storage tank be purchased and that the tank and associated air compressor equipment be relocated closer to the AWT.

- B. Coast News article "City goes green with new water district building".

No report was given.

- C. Thank you card from Ms. Susan Moise and Ms. Mary Clark.

No report was given.

- D. Watereuse Annual Conference is scheduled for March 7-9, 2010 at the Paradise Point Resort & Spa in San Diego.

GM Bushee noted that if the Board members would like to attend this conference or any of the conference special events, please RVSP with EA Hill.

- E. Encinitas First newspaper article "Wastewater District celebrates 50 years with new offices."

No report was given.

- F. CWEA Annual Awards Banquet – January 30, 2010 at the Catamaran Resort in San Diego.

President Juliussen stated he plans on attending this event. GM Bushee stated he will carpool and leave the District at 6:00 p.m. Director Sullivan confirmed she will also attend this event.

### **13. Directors' Meetings**

- A. CASA Mid-Year Conference was held at the Desert Springs JW Marriott in Palm Desert, CA January 13 – 15, 2010.

Director Sullivan stated that Kevin Hardy did a good job of representing EWA as the chair of the committee and it was a good conference. Director Omsted stated he and President Juliussen enjoyed learning about the fuel cells.

Director Kulchin thanked EA Hill for forwarding the evaluation survey.

### **14. Comments, Questions or Requests by Directors**

None.

### **15. General Manager's Report**

The following items were reported:

- ASM LeMay requested that Directors meet at 4:30 pm on February 10, 2010, before the Board meeting for a ribbon cutting photo opportunity provided by the Encinitas Chamber of Commerce.
- GM Bushee noted that the District's system held up very well during the recent storms.
- The Batiquitos pump station did have some electrical issues and he commended Keon Nelson, Jeff Stecker, Ian Riffle, and Steve Krason for manually running the pump station afterhours.
- During the field services routine maintenance, field staff located and released a blockage in the sewer main caused by a resin lining that was protruding from a lateral line.
- The CSDA Teacher Grant applications are due at the end of this month.

**16. General Counsel's Report**

None.

**17. Adjournment**

President Juliussen adjourned the meeting at 6:45 p.m.



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Allan Juliussen, President



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Paul J. Bushee  
Secretary/General Manager  
(SEAL)