

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
January 9, 2013

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, January 9, 2013 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Sullivan, Kulchin, Juliussen, Omsted, and Hanson
DIRECTORS ABSENT: None.
OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, District Engineer Steve Deering with Dudek, and CPA Richard Duffey with Brownell & Duffey.

3. General Public Comment Period

There was no public comment.

4. Approval of Agenda

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

5. Presentations and Awards

None.

CONSENT CALENDAR

6. Approval of Board and Committee Minutes

Minutes of the following meetings:
December 12, 2012 Regular Board Meeting

7. Approval of Demands for December 2012/January 2013

Payroll Checks numbered 16453-16490; General Checking – Checks numbered 43282-43377.

8. Operations Report (A copy was included in the original January 9, 2013 Agenda)

9. Finance Report (A copy was included in the original January 9, 2013 Agenda)

10. Disclosure of Reimbursements Report for July through December 2012. (A copy was included in the original January 9, 2013 Agenda)

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

EWA and COMMITTEE REPORTS

11. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – None to report.

President Sullivan stated that the December EWA report was reported last month during the LWD Board of Directors meeting.

B. Encina Member Agencies Manager's Meeting – None to report.

12. Committee Reports

A. Investment & Finance Committee (IFC) meeting was held on January 7, 2013.

Director Omsted reported that the IFC reviewed and agreed with staff's recommendation to authorize the General Manager to execute a contract amendment with White Nelson Diehl Evans LLP for Fiscal Year 2013 (FY 13) and Fiscal Year 2014 (FY14) in an amount not to exceed \$42,000. He noted that this will also be reviewed later in the agenda.

ACTION ITEMS

13. Contract Amendment No. 1 to White Nelson Diehl Evans, LLP for Financial Auditing Services.

ASM LeMay presented the item stating that IFC reviewed this item and agreed with staff's recommendation.

He provided information on the initial agreement, noting that within the contract there is an option to extend the agreement for an additional two years. He added that White Nelson Diehl Evans LLP performance has been excellent.

Director Juliussen asked why the increase in cost for the fiscal year 2014 audit. ASM LeMay stated that the cost increase was due to inflation. He added Staff believes the cost is still comparable with other company's costs.

GM Bushee noted that the IFC also asked the same question during their review of the contract. He also noted during the request for proposals process, their original fees reflected these costs.

Following discussion, and upon a motion duly made by Vice-President Kulchin, seconded by Director Hanson and carried, the Board of Directors authorized the General Manager to execute a contract amendment with White Nelson Diehl Evans LLP for Financial Auditing Services for Fiscal Year 2013 (FY 13) and Fiscal Year 2014 (FY 14) in an amount not to exceed \$42,000.

14. 2013 Board of Directors Committee Assignments.

President Sullivan stated that there are no proposed changes to the committee assignments.

GM Bushee noted the revised handout, because the copy in the agenda had an administrative error.

General Counsel Brechtel stated that since there are no changes, no action is required by the Board of Directors.

15. Board of Directors Strategic Planning Session.

GM Bushee presented the item stating that it is a follow up to the Strategic Planning discussion from the last Board meeting. He stated that he provided a list of potential topics to discuss at the upcoming Strategic Planning session. He suggested that the Board review the District's seven strategic areas since they have not been reviewed in the last six years. In addition, he noted that after the Board member's interviews with Mr. Bills, any items that they would like to discuss at the planning session will be added to the agenda.

Vice-President Kulchin requested a copy of the 2012 Board Strategic Plan summary. GM Bushee agreed to provide it to all Board members.

President Sullivan asked GM Bushee to provide a brief summary of last year's session. GM Bushee provided them with this information, noting that the Board discussed the practices of the best Boards, the employee opinion survey, financial overview of the District and employee benefits.

Director Juliussen asked the purpose of the Board member's interview with Jeff Bills. GM Bushee stated that the interview provides an opportunity to discuss what is important to each Board member and what they would like to discuss at the upcoming strategic planning session.

Director Omsted suggested that additional information on the District's future rate increases and an update on the finances be presented. GM Bushee agreed to do so. He also noted that staff is currently updating the Financial Plan.

No action was taken.

INFORMATION ITEMS

16. Project Status Updates and Other Informational Reports

None.

17. Directors' Meetings and Conference Reports

None.

18. General Manager's Report

General Manager Bushee reported on the following items:

- He reminded the Board that the Annual 2013 Wateruse Conference is scheduled in March in Monterey, CA and to contact EA Hill if they would like to attend.
- He noted that today is Director Hanson's birthday and everyone wished her a happy birthday.
- He reminded the Board that the CWEA Annual Awards Banquet is scheduled for January 26, 2013 in San Diego.

19. General Counsel's Report

General Counsel Brechtel reported on the provisions to the collection system Wastewater Discharge Requirements Monitoring and Mitigation Program from the State Water Resources Control Board. He noted that the proposed revisions to the mitigation and monitoring program are better than the previous draft and he added that CASA is currently reviewing this information and will provide comments by February 21, 2013.

20. Board of Director's Comments

Director Juliussen wished everyone a Happy New Year. He asked if a carpool will be provided for the CWEA Annual Awards Banquet. GM Bushee indicated that a carpool will be provided.

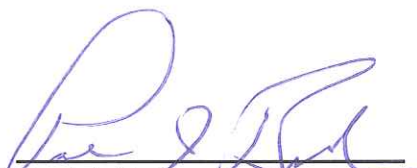
President Sullivan stated that she is attending her first CSDA Local Chapter Board meeting tomorrow and asked if anyone had suggestions or comments that she should pass along during the meeting. In addition, she will be attending a state CSDA committee meeting on January 18, 2013 in Sacramento.

21. Adjournment

President Sullivan adjourned the meeting at 5:18 p.m.



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)