

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
October 10, 2007

A Regular Meeting of the Board of Directors of Leucadia Wastewater District (LWD) was held Wednesday, October 10, 2007 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, Juliussen, and Kulchin
DIRECTORS ABSENT: Omsted
OTHERS PRESENT: General Manager Paul J. Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Executive Assistant Trisha Miranda, Steve Deering and Maria Schneider with Dudek & Associates, and Field Services Technician Marvin Gonzalez, Paul Forsthoefel of ADS Environmental

3. Pledge of Allegiance

4. Approval of Agenda

Upon motion duly made, seconded, and carried, the Board of Directors approved the agenda.

5. Public Comment

None.

6. Presentations and Awards

- A. Certification awarded to Marvin Gonzalez for the CWEA Collection System Maintenance Grade II.

President Hanson and General Manager Bushee presented Marvin with his CWEA Collection System Maintenance Grade II certificate. The Board of Directors and GM Bushee congratulated Marvin for his accomplishment. GM Bushee noted that Marvin is eligible for a \$500 monetary award under LWD's Incentive Program.

- B. Certification awarded to Trisha Miranda for the State of California Notary Public Commission.

President Hanson and General Manager Bushee presented Trisha with her State of California Notary Public Commission. The Board of Directors and GM Bushee congratulated Trisha for her accomplishment. GM Bushee noted that Trisha is eligible for a \$500 monetary award under LWD's Incentive Program.

7. Consent Calendar

- A. Minutes of the following meeting:
September 12, 2007 Regular Board meeting.
September 10, 2007 Investment & Finance Committee meeting.
September 10, 2007 Community Affairs Committee meeting.
- B. Demands for September/October 2007
Payroll Checks Numbered 13207 - 13249; General Checking – Checks numbered 35258 – 35358; Voided check 35268 reissued.
- C. Operations Report (A copy was attached to the original October 10, 2007 Agenda).
- D. Finance Report (A copy was attached to the original October 10, 2007 Agenda).

Following discussion, and upon a motion duly made, seconded, and carried, the Board of Directors approved the consent calendar.

8. Encina Wastewater Authority (EWA) Reports

Director Sullivan reported on EWA's September 26, 2007 Board meeting.

GM Bushee reported on the October 10, 2007 Encina Member Agency Manager (MAM) meeting.

9. Committee Reports

- A. Investment & Finance Committee meeting was held October 5, 2007 – Report by President Hanson.

President Hanson reported the IFC discussed the MuniFinancial agreement. In addition, the IFC reviewed Resolution No. 2185 Adopting the Revised Procurement Policy. These items will be discussed later in tonight's agenda.

- B. Engineering Committee meeting was held October 9, 2007 – Report by Director Juliussen.

Director Juliussen reported that the EC reviewed the following items:

- Recommendation that the Board authorize the General Manager to execute an agreement with ADS Environmental Services for the installation of 7 flow meters and for providing flow metering services.
- Recommendation that the Board authorize the General Manager amend the Siemens Water Technologies contract for the purchase of the Midas Carbon Odor Control Media.

In addition, staff provided the EC with a status report on the following projects:

- Site Improvement Project
- 101 Trunk Sewer/Batiquitos Gravity Line Project
- Satellite Forcemain Replacement Project
- Gibraltar Street Project

10. Old Business

None.

11. New Business

- A. Authorize the General Manager to execute an agreement with ADS Environmental Services for the installation of 7 permanent flow meters and for providing flow metering services in an amount not to exceed \$121,810.

GM Bushee presented the subject recommendation. GM Bushee stated that the EC reviewed this item at its October 9, 2007 meeting and this item is a follow up to last month's Board's presentation. GM Bushee stated that the Fiscal Year 2008 (FY 08) Tactical Plan includes a goal to install permanent flow meters and funding was included in the FY 08 Capital Budget. GM Bushee noted that ADS provides a full service program that is unique to the wastewater industry; therefore, staff is recommending that the contract be procured on a sole source basis. GM Bushee discussed the benefits of the ADS Flow Metering Program.

Following discussion, and upon a motion duly made, seconded, and carried, the Board of Directors authorized the General Manager to:

1. Execute an agreement with ADS Environmental Services for the installation of 7 permanent flow meters and for providing flow metering services through June 30, 2008 in an amount not to exceed \$121, 810; and
2. Transfer \$22,000 from the Mineral Scale Mitigation Project Account (location code 308) to the Installation of Permanent Flow Meters Project Account (location code 322).

- B. Authorize the General Manager to execute a contract with MuniFinancial for the Financial Plan Update in an amount not to exceed \$37,800.

ASM LeMay presented the subject recommendation. ASM LeMay stated that the District uses the Financial Plan to monitor and evaluate LWD's current and future revenues and expenses. In August of 2007, LWD advertised a request for proposals for the Financial Plan Update. LWD received two responses from the following agencies: Glenn M. Reiter and Associates, and MuniFinancial. After reviewing the written submissions and receiving presentations from the firms, staff believed MuniFinancial was the most qualified respondent.

Following discussion, and upon a motion duly made, seconded, and carried, the Board of Directors authorized the General Manager to execute a contract with MuniFinancial for the Financial Plan Update in an amount not to exceed \$37,800.

C. Adopt the Sanitary Sewer Management Plan (SSMP) Implementation Plan.

FSM Schempp presented the subject recommendation. FSM Schempp stated that last reviewed the various requirements of the Statewide Waste Discharge Requirement regulation (Statewide WDR). The Statewide WDR imposed several requirements with different deadlines on agencies that operate Collection Systems. To date, the District has fulfilled all of the required milestones. The next major milestones required by the WDR include the completion of a schedule and plan for the development and implementation of a Sanitary Sewer Management Plan (SSMP); publication of LWD's goals to operate its collection system; and publication of the District's organization as it applies to spill response. Under the Statewide WDR, these elements must be adopted by the LWD Board of Directors and submitted to SWCRB by November 2, 2007. To meet these requirements staff worked with Dudek to complete the Implementation Plan and Schedule.

Following discussion, and upon a motion duly made, seconded, and carried, the Board of Directors adopted the Sanitary Sewer Management Plan (SSMP) Implementation Plan.

D. Adopt Resolution No. 2185 - The Revised LWD Procurement Policy

ASM LeMay presented the subject recommendation. ASM LeMay stated that the existing Procurement Policy was adopted in March 2005. This policy consolidates the purchasing requirements under one policy. Staff reviewed the policy and recommended the following changes to the Policy: 1) revise the definition of "goods", 2) revise the definition of "services", and 3) increase the maximum contract limit for informal procurement of goods from \$25,000 to \$50,000. Staff believes this will allow a more streamlined procurement process for projects below \$50,000 and hopefully encourage additional bidders.

Following discussion, Resolution No. 2185 was passed and adopted by the following vote:

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

E. Authorize the General Manager to amend the Siemens Water Technologies Contract for the purchase of the Midas Carbon Odor Control Media.

FSM Schempp presented the subject recommendation. FSM Schempp stated that carbon absorption units were installed at both the Batiquitos and Leucadia pump stations to enhance LWD's odor control program. The media in these units is a proprietary product called Midas Carbon, which is known for its effectiveness in controlling odors. These units are regulated by the Air Pollution Control District and the permit requires replacement of the carbon media. In order to ensure a stable price for

Midas Carbon, staff requested that Siemens provide the District with a proposal to amend the current purchasing contract. Since Midas Carbon is of a unique and proprietary nature and is only obtainable from a single vendor, this purchase contract meets the sole source requirements under LWD's Procurement Policy. FSM Schempp noted that although estimated annual value of the contract is \$56,000, the contract does not obligate the District to purchase this product in any specified quantity.

Following discussion, and upon a motion duly made, seconded, and carried, the Board of Directors authorized the General Manager to amend the Siemens Water Technologies contract for the purchase of the Midas Carbon Odor Control Media.

12. Informational items

None.

13. Directors Meetings

- A. CSDA Conference was held at the Portola Plaza Hotel in Monterey, CA from October 1 – 4, 2007.

Directors Hanson, Sullivan, Juliussen, Kulchin, and Omsted reported they attended the CSDA conference in Monterey and that the conference was excellent. President Hanson stated she likes that CSDA addresses the different types of issues that all Special Districts may have and that the conference is not specific to water or wastewater Special Districts only.

14. Comments, Questions or Requests by Directors

Director Kulchin commented that the odor control did not work close by his home and the District responded to the problem quickly and professionally to solve the problem. FSM Schempp provided a brief overview of the problem.

Director Juliussen requested to add an agenda item to the November Board meeting that discusses Directors participating on reviewing committees for upcoming projects.

15. General Manager's Report

GM Bushee reported on the following items:

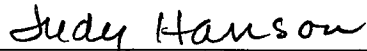
- Staff has scheduled a Team Building Meeting on November 1, 2007 at the Hilton Gardens in Carlsbad
- LWD is currently in the process of obtaining a coastal permit for the Satellite Forcemain Project and 101 Trunk Sewer/Batiquitos Gravity Line Project. The city of Encinitas requirement is to have a public information meeting regarding each project. The public meeting is scheduled at LWD on October 23, 2007 at 6:00 p.m. IEC will provide an overview of the project at the meeting, if needed.
- LWD will be advertising for the Utility Worker/Field Service Technician 1 position next week, due to a recent employee resignation.
- ASM LeMay reminded the Board of the date of the flu shots.

16. General Counsel's Report

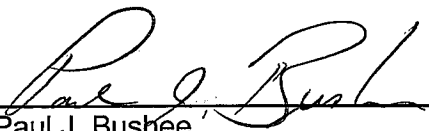
General Counsel provided updates regarding the following bills: 1) A Brown Act requirement to make agenda documents that are provided to the Board after the posting of the agenda must be available to the public passed; 2) Additional restrictions for Board members contact to staff and serial meetings was vetoed.

17. Adjournment

President Hanson adjourned the meeting at 6:08 p.m.



Judy Hanson, President



Paul J. Bushee
Secretary/General Manager
(SEAL)