

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

October 8, 2008

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, October 8, 2008 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, Hanson, and Omsted

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Field Services Manager Leo Schempp, Administrative Services Manager Chuck LeMay, Project Manager Robin Morishita, Executive Assistant Trisha Hill, Richard Duffey with Brownell and Duffey, and District Engineer Steve Deering, Field Services Technician I Keon Nelson, Field Services Technician III Marvin Gonzalez, Richard Babbe of Public Financial Management (PFM), Sarita Lemons of Infrastructure Engineering Corporation (IEC), and Brook Peterson of Tierra Environmental Services (Tierra)

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

There was no public comment.

6. Presentations and Awards

A. Achievement of Individual Objective – Awards presented to staff members Marvin Gonzalez, Keon Nelson, and Leo Schempp.

GM Bushee stated that three staff members recently received CWEA certificates for passing their exams. GM Bushee provided brief background information on each individual. Keon Nelson received his CWEA Grade I Collection System Maintenance certification. Marvin Gonzalez received his CWEA Grade III Collection System Maintenance certification. Leo Schempp received his CWEA Grade IV Collection Maintenance certification.

President Sullivan presented Marvin, Keon, and Leo with their CWEA Collection System Maintenance certificates.

The Board of Directors congratulated Keon, Marvin, and Leo for their accomplishment. GM Bushee noted Keon, Marvin, and Leo are each eligible for a \$500 monetary award under LWD's Incentive Program.

B. Achievement of Organizational Objective - Achieve Highest Number of Consecutive Days Without a Vehicle Accident

General Manager Bushee stated that as of September 25, 2008, LWD employees have had no vehicle accidents for two years. Under LWD's Incentive Program, each employee is eligible for an incentive compensation award in the amount of \$375.

The Board of Directors congratulated staff for this accomplishment.

7. Consent Calendar

- A. Minutes for the following meetings:
 - September 10, 2008 Regular Board meeting
 - September 15, 2008 Community Affairs Committee meeting
 - September 29, 2008 Engineering Committee meeting
- B. Demands for September 2008/October 2008 Payroll Checks Numbered 13814 - 13872; General Checking – Checks numbered 36788 – 36922.
- C. Operations Report (A copy was attached to the original October 8, 2008 Agenda)
- D. Finance Report (A copy was attached to the original October 8, 2008 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – September 24, 2008 Board meeting.

GM Bushee reported on EWA's September 24, 2008 Board meeting.

- B. Member Agency Managers (MAM) Report – October 8, 2008

GM Bushee stated that the MAM meeting was cancelled.

9. Committee Reports

- A. Engineering Committee meeting was held on September 29, 2008 – report by Director Juliussen.

Director Juliussen stated the EC reviewed the Mitigated Negative Declaration (MND) for the Batiquitos Inlet Line Replacement Project and discussed the MND process. The EC concurred with staff's recommendation to adopt the Mitigated Negative

Declaration (MND) for the Batiquitos Inlet Line Replacement Project. This item will be reviewed by the Board later in tonight's agenda.

The EC also reviewed the Haaker Equipment Company purchase contract for a new Vactor. The EC concurred with staff's recommendation to purchase a new Vactor from Haaker. This item will be reviewed by the Board later in tonight's agenda.

In addition, the EC reviewed a PowerPoint presentation on the status of the Site Improvement Project.

In addition, the EC received status reports on the Satellite Pump Station Force Main Replacement Project and the Gibraltar Street Gravity Sewer Construction Project.

B. Community Affairs Committee meeting was held September 15, 2008 – report by Director Omsted

Director Omsted reported that the CAC reviewed and provided comments on the fall 2008 newsletter. The CAC is very satisfied with the newsletter. Director Omsted said that the newsletter has been distributed and to please get any comments back to staff by October 15, 2008.

10. Old Business

None.

11. Public Hearing

A. Public Hearing to consider a proposal to approve the Mitigated Negative Declaration for the Batiquitos Inlet Line Replacement Project.

GM Bushee added that LWD had not received any comments or input on the MND prior to the meeting. No public input was received at the Public Hearing.

President Sullivan closed the Public Hearing.

12. New Business

B. Update on LWD's California Asset Management Program (CAMP) Individual Portfolio Program.

ASM LeMay stated that the Board of Directors had authorized the investment of up to \$20 million of LWD's reserves in the CAMP Portfolio Program. ASM LeMay noted that Mr. Richard Babbe plays a critical part in making sure LWD's investments are safe and he is here today to present an update on LWD's Investment Program.

Mr. Babbe presented an overview of the status of the CAMP Individual Portfolio Program, the CAMP Pool and LWD's Local Agency Investment Fund (LAIF) investments. The Board discussed the status of LWD's investments. This was an information item and there was no action taken.

C. Adopt the Mitigated Negative Declaration (MND) for the Batiquitos Inlet Line Replacement project.

PM Morishita stated this item was reviewed by the Engineering Committee at its September 29, 2008 meeting. The committee concurred with staff to recommend this item to the Board of Directors. PM Morishita provided brief background information on the project status to date.

PM Morishita discussed the need for the MND, and the process for adoption of a MND. If the Board approves this recommendation, the MND would be included in the final packet for the Coastal Development Permit. The Carlsbad Planning Commission is scheduled to consider the Coastal Permit on November 5, 2008. Carlsbad staff has indicated that it is likely the Coastal Permit will be approved at that time.

In addition, PM Morishita stated in order to begin construction and meet the environmental timelines for the bird nesting season, staff plans to bid the project on October 13th, which is prior to Coastal Permit approval. This would allow staff to recommend the award of the construction contract at the Board's November 12, 2008 meeting to enable construction to begin in December 2008. If the Coastal Permit is not approved, staff will not recommend awarding a contract and re-bid the project.

Following discussion and upon a motion duly made by Director Hanson, seconded by Vice President Kulchin, and carried, the Board of Directors adopted the Mitigated Negative Declaration for the Batiquitos Inlet Line Replacement project.

D. Authorize the General Manager to execute an Agreement with Haaker Equipment Company for the purchase of a new Vactor 2110 in an amount not to exceed \$344,356.17.

ASM Schempp stated this item was reviewed by the Engineering Committee at its September 29, 2008 meeting. The committee concurred with staff to recommend this item to the Board of Directors.

ASM Schempp stated that LWD currently has two Vactors and the normal useful life of a Vactor is ten years. LWD would normally trade in the older Vactor; however, staff is recommending a new Vactor be purchased while maintaining the two Vactors currently in service. This recommendation is based on the fact that a third Vactor provides additional security in the case of emergencies and provides redundancy, since it often takes several weeks to repair Vactors due to their specialized equipment.

Staff obtained quotations from Haaker Equipment Company and Dion International Truck, LLC, in which Haaker Equipment Company's quote came in at \$312,597. Haaker's quote was \$1,100 less than Dion International Truck, LLC's quote. With sales tax and a few additional options requested by field staff, the quote is \$344,356.17.

The FY 2009 Budget includes \$415,000 for vehicle acquisition, which is sufficient to cover this purchase.

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 an agreement with Haaker Equipment Company for the purchase of a new Vector in an amount not to exceed \$344,356.17.

E. Adopt Resolution No. 2195 Requesting LAFCO to Take Proceedings for the Tverdoch, Navazo, and Blanton Change of Organization.

ASM Schempp presented the subject recommendation. ASM LeMay stated that the proposed Tverdoch, Navazo and Blanton annexation into the District's service area involves five parcels totaling 3.53 acres, located on Hymettus Avenue just North of Leucadia Blvd, on the western edge of the island area of Leucadia. Mr. Tverdoch owns three properties on Leucadia Blvd, and his two neighbors Navazo and Blanton owns property on Hymettus Ave.

The approval of this resolution will authorize the boundary annexation process with LAFCO to commence.

Following discussion, Resolution No. 2195 was passed and adopted by the following vote:

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

F. Board of Directors Planning Session.

GM Bushee stated that the Board of Directors last held a strategic planning session in February 2007. GM Bushee suggested that the Board conduct a Planning Session at the La Costa Resort & Spa on February 19th and 20th, 2009. GM Bushee also recommended that Mr. Jeff Bills facilitate the session.

The Board discussed the Planning Session and amount of time necessary to conduct the workshop. Following discussion, the Board of Directors agreed to schedule a one and half day strategic planning session at La Costa Resort & Spa on February 19th and 20th with Mr. Bills facilitating the session.

G. Authorize the General Manager to execute a change order for soil remediation on the Gibraltar Street Sewer Project.

PM Morishita presented the subject recommendation. PM Morishita stated that this issue came to light after the September 29, 2008 Engineering Committee meeting and therefore was not reviewed by the Committee. The need for a change order resulted from unfavorable soil conditions that were uncovered at the start of project

construction.

PM Morishita noted that staff initially thought the soil replacement could cost as much as \$112,000. However, the project's Engineers have developed an alternate design for the changed conditions to the site. The alternate design for the changed conditions better protects LWD's pipeline from future site development and cost \$21,985.

Following discussion and upon a motion duly made by Director Juliussen, seconded by Director Omsted, and carried, the Board of Directors authorized the General Manager to execute a change order with Zondiros Corporation for additional soil remediation required for the Gibraltar Street Gravity Sewer Construction Project in an amount not to exceed \$21,985.

13. Information Items

GM Bushee reviewed the following information items.

A. Site Improvement Project Update – September 2008

PM Morishita presented a PowerPoint overview of the Site Improvement Project's status.

B. North County Times article "Leucadia Wastewater District wins statewide award".

C. Thank you card to the Board of Directors from scholarship winner Carinne Amico.

D. Thank you email from the Batiquitos Lagoon Foundation Board President.

GM Bushee stated that he and Field Services Manager Schempp gave a tour of LWD's facilities to the Batiquitos Lagoon Foundation (BLF) Board of Directors. GM Bushee received an email from the President of BLF thanking LWD for the tour.

14. Directors' Meetings

A. CSDA 2008 Annual Conference was held at the Hyatt Regency Hotel in Irvine, CA from September 21-25, 2008.

Directors Sullivan, Kulchin, Hanson, and Juliussen, stated they attended various water and wastewater sessions at the conference.

Vice President Kulchin stated that this was CSDA's best conference.

President Sullivan stated that the conference had high quality speakers that gave great presentations.

15. Comments, Questions or Requests by Directors

Director Hanson stated that she and President Sullivan attended the CSDA scholarship committee meeting last week. The committee discussed the possibility of CSDA offering scholarships to high school students and college students in order to increase participation in the scholarship program.

16. General Manager's Report

The following items were reported:

- ❖ The Holiday Party is scheduled for Thursday, December 11, 2008 at the Tuscany Restaurant in Carlsbad.
- ❖ LWD settled a claim in the amount of \$78 to Ms. Sandra Vena for her claim of a recent sewer back-up.
- ❖ LWD received a congratulations letter from District 3 Supervisor Pam Slater-Price acknowledging LWD for our recent Technology Award.
- ❖ LWD is currently working with the city of Carlsbad on the future decommissioning of the Meadow's No. 3 Pump Station. LWD plans to eventually demolish the pump station and deannex residents from LWD, so they can annex to city of Carlsbad.

17. General Counsel's Report

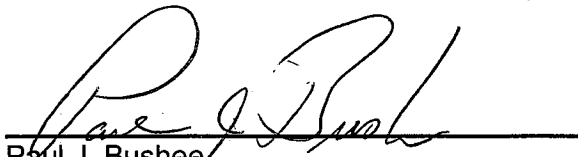
General Counsel Brechtel reported that the state's budget passed and many bills were vetoed that were unfavorable to the District. The following bills were vetoed: AB 983, AB 2270, and AB 2896.

18. Adjournment

President Sullivan adjourned the meeting at 6:24 p.m.



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)