

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

November 12, 2008

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, November 12, 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, Chris Trees of Dudek, Field Services Technician II Steve Krason, Field Services Technician III Armond Badillo, Sarita Lemons of Infrastructure Engineering Corporation (IEC), Andrew Oven of Dexter Wilson Engineering, and Mike Khavari of Khavari Construction, Inc.

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

There was no public comment.

6. Presentations and Awards

A. Special District Leadership Foundation (SDLF) recognizes President Elaine Sullivan, Vice President David Kulchin, and General Manager Paul Bushee.

GM Bushee presented President Sullivan and Vice President Kulchin with certificates from SDLF for "Recognition in Special District Governance."

The Board congratulated President Sullivan and Vice President Kulchin for their efforts.

President Sullivan presented GM Bushee with his SDLF certificate for "Recognition in Special District Governance."

B. Achievement of Individual Objective – Awards presented to staff members Steve Krason and Armond Badillo.

GM Bushee stated that Armond passed his fifth anniversary of employment at LWD. GM Bushee provided brief background information about Armond. President Sullivan presented Armond with his certificate. GM Bushee noted that Armond is eligible to receive a \$100 incentive award under LWD's Incentive program.

GM Bushee stated Steve Krason recently received his Grade I Water Distribution System maintenance certification from the California Water Environmental Association (CWEA). GM Bushee provided brief background information about Steve. GM Bushee noted that Steve is eligible to receive a \$500 incentive award under LWD's Incentive program.

The Board of Directors congratulated Steve and Armond for their accomplishment.

C. Achievement of an Organizational Objective – Cost Sharing of CSRMA Retrospective Refunds/Dividends

GM Bushee stated that LWD recently received a dividend payment from CSRMA worker's compensation insurance program in the amount of \$3,291.46. LWD's Incentive Program authorizes a 50% cost sharing of the dividend amount with employees. This dividend reflects LWD's safety record and our commitment to safety. Each employee is eligible for an incentive compensation award of \$96.81.

The Board of Directors congratulated staff for their efforts.

7. Consent Calendar

- A. Minutes for the following meetings:
 - October 7, 2008 Community Affairs Committee meeting
 - October 8, 2008 Regular Board meeting
 - November 5, 2008 Employee Recognition Committee meeting
- B. Demands for October 2008/November 2008
 - Payroll Checks Numbered 13873 - 13952; General Checking – Checks numbered 36923 – 37054.
- C. Operations Report (A copy was attached to the original November 12, 2008 Agenda)
- D. Finance Report (A copy was attached to the original November 12, 2008 Agenda)
- E. Quarterly Treasurer's Investment Report (A copy was attached to the original November 12, 2008 Agenda)

Director Hanson pulled the October Board meeting minutes and requested to replace the word "instead" with "include" for her comment under item 15 in the October Board meeting minutes.

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 – October 29, 2008 Board meeting.

Director Juliussen reported on EWA's October 29, 2008 Board meeting.

B. Member Agency Managers (MAM) Report – November 12, 2008 meeting.

GM Bushee reported on the MAM November 12, 2008 meeting.

9. Committee Reports

A. Employee Recognition Committee (ERC) meeting was held on November 5, 2008 – report by Director Hanson.

Director Hanson reported that the ERC, management staff and 2007 Employee of Year recipient, Steve Krason, reviewed the nomination forms submitted for the award. The committee and staff selected a recipient for the Employee of Year Award. This item will be reviewed by the Board later in tonight's agenda.

In addition, the ERC also reviewed the entertainment options for the 2008 Holiday Party. The committee and staff agreed to schedule the impersonator Bethany Owen for the event.

B. Engineering Committee meeting was held November 10, 2008 – report by Director Juliussen

Director Juliussen reported that the CAC reviewed the agreement with Khavari Construction, Inc. for the construction of the Batiquitos Gravity Sewer Construction Project in an amount not to exceed \$498,060. The EC concurred with staff to forward this recommendation to the Board of Directors for approval. This item will be reviewed by the Board later in tonight's agenda.

In addition, the EC reviewed the agreement with Dexter Wilson Engineers to develop the Force Main Corrosion Study in an amount not to exceed \$60,750. The EC concurred with staff to forward this recommendation to the Board of Directors for approval. This item will be reviewed by the Board later in tonight's agenda.

Director Juliussen also stated that Dudek provided an overview of the California Global Warming Solutions Act of 2006 – AB 32 and this item will be discussed later in tonight's agenda.

Staff also provided an overview of the LWD's Emergency Response Plan. Director Juliussen stated he will be attending the Emergency Response Training with staff tomorrow at the city of Encinitas.

The EC also received a status report on the proposals for the Smoke Testing Project

and an update on the Site Improvement Project.

10. Old Business

None.

11. New Business

- A. Authorize the General Manager to execute a agreement with Khavari Construction, Inc. for the construction of the Batiquitos Gravity Sewer Construction Project in an amount not to exceed \$498,060.

PM Morishita stated that the EC reviewed this item at the November 10th EC meeting and concurred with staff to bring this item forward to the Board of Directors for approval.

PM Morishita stated that the goal of this project is to expand the capacity of the Batiquitos Gravity Sewer Line which is identified in the Asset Management Master Plan. PM Morishita provided a brief description and location of the project. In addition, he stated that the Carlsbad Planning Commission approved the project and its Coastal Development permit.

The project was advertised in October and LWD received seven bids by the November 4th deadline. The bids were reviewed by Infrastructure Engineering Corporation and it was recommended that the lowest bidder, Khavari Construction, Inc., be awarded the contract in the amount of \$498,060.

Following discussion and upon a motion duly made by Director Juliussen, seconded by Director Hanson, and carried, the Board of Directors authorized the General Manager to execute an agreement with Khavari Construction, Inc. for the construction of the Batiquitos Gravity Sewer Construction Project in an amount not to exceed \$489,060.

- B. Authorize the General Manager to execute an Agreement with Dexter Wilson Engineering to develop the Force Main Corrosion Study in an amount not to exceed \$60,750.

FSM Schempp stated that the EC reviewed this item at the November 10th EC meeting and concurred with staff to bring this item forward to the Board of Directors for approval.

FSM Schempp provided a brief description and purpose of the study. He also stated that the study was included as a goal in the Fiscal Year 2009 Tactical Plan. In addition, FSM Schempp stated that because the study is an extension of the District's Asset Management Master Plan, in which Wilson Engineering developed and is familiar with the District' infrastructure; therefore, staff recommends the sole source procurement of engineering services with Dexter Wilson Engineering.

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 an agreement with Dexter Wilson Engineering to develop the Force Main Corrosion Study in an amount not to exceed \$60,750.

C. Approve the \$1,000 award to the 2008 Employee of the Year recipient.

ASM LeMay stated that the Employee Recognition Committee met with the General Manager, management staff, and last year's Employee of the Year recipient, Steve Krason, on November 5, 2008 to review the nominations. The committee and staff selected the nominee for the 2008 Employee of the Year Award.

Following discussion and upon a motion duly made by Vice President Kulchin, seconded by Director Omsted, and carried, the Board of Directors approved the \$1,000 award to the 2008 Employee of the Year recipient.

D. Batiquitos Lagoon Foundation Board of Directors Election.

Following discussion, the Board of Directors came to a consensus to cast LWD's vote for the Batiquitos Lagoon Foundation Board of Directors election for the following individuals: Paul Kirpalani, Dr. Robert E. Murphy, and Donald Omsted. Staff will mail the ballot to the Batiquitos Lagoon Foundation by the due date.

12. Information Items

A. California Global Warming Solution Act of 2006 – AB 32 Update

GM Bushee introduced Chris Trees of Dudek, to provide an update report on AB 32. Chris Trees provided an overview of the CA Global Warming Solution Act of 2006 (AB 32 update).

GM Bushee stated that Dudek recommends that LWD develop a baseline assessment on emissions released by our main sources, which include vehicle fuel and electricity usage, in 2008. GM Bushee stated that no regulations have been passed yet, but staff wanted to make the Board aware of the potential impacts on LWD's vehicle fleet, generators, and diesel engines. These equipment items may have to be replaced over the next five years.

B. California Special District Association (CSDA) San Diego Chapter Quarterly meeting is scheduled for Thursday, November 20, 2008 at 6:00 pm at the Holiday Inn Mission Valley Stadium in Kearny Mesa.

GM Bushee stated that Board members are welcome to carpool with him to the dinner. GM Bushee stated he will be leaving the District's office at approximately 5:45 pm.

C. Site Improvement Project Update – October 2008.

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

D. LAFCO 2008 Special District Mailed-Ballot Election Preliminary Results.

GM Bushee reviewed the preliminary results of the subject LAFCO Election.

E. Thank you letter from a Carlsbad resident.

GM Bushee noted that LWD received a thank you letter from a LWD customer acknowledging Frank Reynaga for helping her retrieve her keys from a storm drain.

President Sullivan thanked staff for including the thank you letter in the agenda. GM Bushee also noted a similar situation occurred recently with Field Services Technician Keon Nelson who also helped a resident get her car keys out of a storm drain.

13. Directors' Meetings

A. WEFTEC 2008 Conference was held at the McCormick Center in Chicago, IL from October 20-23, 2008.

Director Juliussen stated he found the conference to be very informative. He also discussed the new technology that was presented at the conference.

14. Comments, Questions or Requests by Directors

Director Juliussen stated that he saw an article in the newspaper today regarding LWD's recognition as an honorable mention for the San Diego Society for Human Resources Management Workplace Excellence Award.

Director Omsted stated that he received LWD's fall newsletter in the mail and the newsletter was folded in a way that did not attract his attention. He requested that the LWD's newsletter cover fold include a brighter, catchier format to attract resident's attention.

President Sullivan stated that she is glad the Board of Directors at LWD remains intact after the election.

15. General Manager's Report

The following items were reported:

- ❖ LWD had a minor sewage spill on November 11th at 1540 Caudor Street. The spill backed up into a home. The cause of the spill was roots in the main sewage line. Staff is looking into contracting for supplementing video services to determine the extent of root intrusion in the older areas of LWD's service area.
- ❖ LWD is in the process of recruiting a Utility Worker/Field Services Technician I position. LWD had over 100 applications. Staff anticipates filling the position within the next few weeks.

16. General Counsel's Report

None.


17. Closed Session

- A. Conference with District Legal Counsel to discuss anticipated litigation pursuant of California Government Code Section 54956.9 (b)(3)(C) regarding five claims on Marca Place.

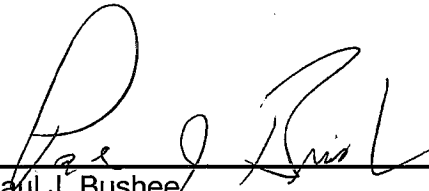
There was no reportable action.

18. Adjournment

President Sullivan adjourned the meeting at 6:35 p.m.



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)