

**LEUCADIA WASTEWATER DISTRICT**  
Minutes of a Regular Board Meeting  
February 10, 2010

---

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, February 10, 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 James Hoyett, Field Services Technician Keon Nelson, Richard Duffey with Brownell and Duffey, Steve Deering with Dudek, CPA Harvey Schroeder with Diehl, Evens, & Co., LLC, Randy Pickering and Polly Jones with Pickering Insurance, Jeff Bills with Confidence Consulting, Sara Katz and Jennifer Dill with KATZ & Associates, and Stewart Schueler a member of the public

**3. Pledge of Allegiance**

**4. Approval of Agenda**

General Counsel Brechtel requested that an item be added to the Closed Session item No. 17.

Upon a motion duly made by Director Hanson seconded by Director Sullivan, and carried, the Board of Directors approved the revised 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. Achievement of an Individual Award.

President Juliussen stated that James Hoyett recently received his Grade T1 Water Treatment certification from the State of CA Department of Public Health. President Juliussen presented background information about James and congratulated him for his efforts. President Juliussen presented James with an incentive check for \$500 as prescribed under LWD's Incentive Program.

The Board of Directors also congratulated James for his accomplishment.

President Juliussen also congratulated Keon Nelson for recently receiving the San Diego Section CWEA Collection System Person of the Year Award. President Juliussen also presented background information about Keon. In addition, President Juliussen wished Keon good luck on the State of CA Collection System Person of Year Award competition.

The Board of Directors also congratulated Keon and wished him good luck on the CWEA State Collection System Person of the Year competition.

**B. Achievement of an Organizational Objective.**

GM Bushee stated that LWD recently received a dividend payment from CSRMA worker's compensation insurance program in the amount of \$22,424. LWD's Incentive Program authorizes a 50% cost sharing of the dividend amount with employees. This highlight reflects LWD's safety record and our commitment to safety. Each employee is eligible for an incentive compensation award of \$622.89.

The Board of Directors congratulated staff for their efforts.

**7. Consent Calendar**

GM Bushee noted that staff made a correction to the January 20, 2010 Regular Board minutes to reflect that President Juliussen adjourned the meeting.

**A. Minutes for the following meetings:**

January 20, 2010 Regular Board Meeting  
February 2, 2010 Engineering Committee Meeting  
February 3, 2010 Investment & Finance Committee Meeting

**B. Demands for January 2010/February 2010**

Payroll Checks Numbered 14686 – 14745; General Checking – Checks numbered 38917 – 39006; General Managers Check number 355.

**C. Operations Report. (A copy was included in the original February 10, 2010 Agenda)**

**D. Finance Report. (A copy was included in the original February 10, 2010 Agenda)**

**E. Receive and file the Quarterly Treasurer's Investment Report.**

**F. Authorize the General Manager to execute a two-year extension to the Pickering Insurance Services professional Services Agreement for as needed benefit brokerage services.**

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

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

**A. Encina Wastewater Authority Report – January 27, 2010 Board Meeting.**

Director Sullivan reported on EWA's January 27, 2010 Board Meeting.

B. Member Agency Managers (MAM) Report – February 10, 2010 meeting.

GM Bushee reported on the MAM's February 10, 2010 meeting.

**9. Committee Reports**

A. Engineering Committee (EC) meeting was held on February 2, 2010.

Director Kulchin reported that the EC reviewed the recommendation for the final change order to the agreement with Khavari Construction, Inc. for the Batiquitos Gravity Sewer Construction Project in an amount not to exceed \$75,703; and to take final acceptance of the project. He noted that this item will be reviewed later in the agenda.

The Committee also received a PowerPoint presentation on the status of the Satellite Pump Station, Force Mains, and Gravity Sewer Replacement Project. In addition, FSM Schempp provided an overview of the January 2010 storm events using the web based ADS flow metering system. Director Kulchin also noted that FSM Schempp will present the 2010 storm events later in the agenda.

B. Investment & Finance Committee (IFC) meeting was held on February 3, 2010.

Director Hanson reported that the IFC reviewed the contract with Diehl, Evans & Company, LLC for Financial Auditing Services for a period of three years with an option for two additional years in an amount not to exceed \$56,250. The Committee also conducted its Annual Review of the LWD Reserve Policy. She noted that these items will be reviewed by the Board later in tonight's meeting.

**10. Old Business**

None.

**11. New Business**

A. Execute a contract with Diehl, Evans & Company, LLC for Financial Auditing Services for a period of three years with an option for two additional years. The initial three year term will be in an amount not to exceed \$56,250.

Directors Hanson stated that the IFC reviewed the contract and agreed with staff's recommendation.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Vice President Omsted, and carried, the Board of Directors executed an agreement with contract with Diehl, Evans & Company, LLC for Financial Auditing Services for a period of three years with an option for two additional years. The initial three year term will be in an amount not to exceed \$56,250.

B. Authorize the General Manager to execute Task Order No. 5 to the KATZ & Associates Public Information Services Agreement in an amount not to exceed

\$46,830.

Director Sullivan thanked Jennifer Dill for the excellent job coordinating the logistics for the LWD's 50<sup>th</sup> Anniversary and Open House event. Director Sullivan noted that she was very pleased and gratified with the event and the event was beyond her expectations. Director Omsted also stated that the event was beyond his expectations and he too thanked Jennifer. Director Omsted also requested to get a copy of the ribbon cutting ceremony photo.

Following discussion, and upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and carried, the Board of Directors executed Task Order No. 5 to the KATZ & Associates Public Information Services Agreement in an amount not to exceed \$46,830.

- C. Authorize the General Manager to execute Change Order Number 2 as the final change order to the agreement with Khavari Construction, Inc. for construction of the Batiquitos Gravity Sewer Construction Project in an amount not to exceed \$75,703.

Following discussion, and upon a motion duly made by Director Sullivan, seconded by Director Hanson, and carried, the Board of Directors authorized the General Manager to execute Change Order Number 2 as the final change order to the agreement with Khavari Construction, Inc. for construction of the Batiquitos Gravity Sewer Construction Project in an amount not to exceed \$75,703.

President Juliussen moved the new item that was added to Item 17. Upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and carried, the Board of Directors move the item forward for discussion.

## **17. Closed Session**

- A. Meet with General Manager Bushee and Administrative Services Manager LeMay to provide direction regarding compensation and classification of employees as authorized under Government Code Section 54957.6.

GM Bushee stated that prior going into the closed session, Jeff Bills is here to provide the employee opinion survey results. GM Bushee offered to leave the room so the Board members can ask Mr. Bills candid questions regarding the survey. The Board of Directors agreed it was not necessary for the GM Bushee to leave the room.

Mr. Bills provided an overview of the employee opinion survey. He noted that LWD is one of the best agencies to work with and the 2009 results improved overall since 2007. In addition, the 2009 scores placed the District in the top two percent of all organizations who have taken the survey.

GM Bushee noted that survey consists of one on one confidential interviews between Mr. Bills and each employee. GM Bushee stated that Jeff Bills presented the results to the employees that afternoon.

No action was taken. The Board of Directors thanked Mr. Bills for the survey.

President Juliussen stated that the Board will move forward with New Business item 11D prior to completing Item 17 Closed Session.

## **11. New Business**

### **D. Receive and file the annual review of LWD's Reserve Fund Policy.**

ASM LeMay presented the subject recommendation stating that the Board of Directors approved the Reserve Policy in 2005, and it was last updated in 2009. He stated that the IFC has reviewed the policy and have no recommended changes.

ASM LeMay provided an overview of the reserve activity.

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 annual review of the LWD's Reserve Fund Policy.

## **12. Information Items**

### **A. January 2010 Storm Report.**

GM Bushee stated that this item was presented at the February 2<sup>nd</sup> EC meeting and the EC requested that FSM Schempp provide the report at tonight's meeting.

FSM Schempp provided handouts that included information on LWD's eleven pump stations, the location of the seven ADS flow meters, and static graphs that show the daily flow pattern. FSM Schempp presented the ADS' web based graph that shows how the recent January storm impacted LWD's sewer systems.

### **B. CSDA Quarterly Dinner Meeting is scheduled for February 18, 2010 at the Courtyard Marriott in Rancho Bernardo from 6:00 p.m. – 9:00 p.m.**

GM Bushee stated he will be carpooling and leaving the District at 5:45 p.m.

### **C. Thank you card from Ms. Suzanne Wilson.**

GM Bushee stated that Ms. Wilson received lateral grant funds from the District. GM Bushee also stated that Frank Reynaga did a great job helping Ms. Wilson.

### **D. Thank you card from Ms. Mim Michelove.**

GM Bushee stated that Administrative Specialist Tianne Baity helped a local teacher by providing LWD's student pencil pouches for some of her students that help with the school's recycling program. Tianne also informed the teacher of the District's teacher grant program.

GM Bushee noted that he includes thank you letters/cards in the agendas to exemplify that our staff does an excellent job at providing outstanding customer service.

### **E. KATZ Connection Newsletter article "A Golden Celebration for Leucadia Wastewater District.**

### 13. Directors' Meetings

None.

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

Director Sullivan stated that the Board of Directors was invited to the Carlsbad Chamber of Commerce Sun Downer Meeting at the Crossings next Wednesday at 5:30 p.m.

Director Hanson stated she will attend a LAFCO meeting next Friday, February 19, 2010.

Director Omsted stated he would like to see the photo of the ribbon cutting ceremony hung in the Administration Building.

### 15. General Manager's Report

The following items were reported and handouts were provided:

- The Carlsbad Business Journal printed an article regarding the District's 50<sup>th</sup> Year Anniversary celebration and open house event.
- The District received a thank you letter from the Ken Noah, Superintendent with San Dieguito Union High School District for the \$1,000 grant.
- EA Hill stated that she placed packets the Board members' seats that include the Conflict of Interest Form and information for the Board members to complete, sign and return to the District by March 18, 2010.

### 16. General Counsel's Report

General Counsel Brechtel reminded the Board of Directors to report any gifts that he/she receives that total more than \$50 on their Conflict of Interest Forms. General Counsel Brechtel stated that if they are not reported, there is a possibility of receiving a fine.

General Counsel Brechtel also reported that in January the California Supreme Court charged one of the six employees/officials that work for the City of San Diego under Government Code Section 1090. General Counsel Brechtel provided an update on the case.

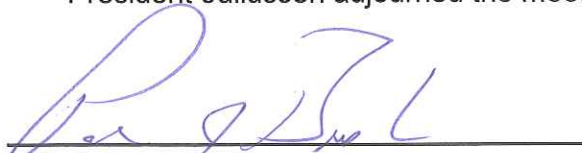
### 17. Closed Session

- A. Meet with General Manager Bushee and Administrative Services Manager LeMay to provide direction regarding compensation and classification of employees as authorized under Government Code Section 54957.6.


The Board of Directors met in closed session with GM Bushee and there was no reportable action.

### 18. Adjournment

President Julijussen adjourned the meeting at 6:43 p.m.



Paul J. Bushee  
Secretary/General Manager  
(SEAL)

  
\_\_\_\_\_  
Allan Julijussen, President