

## LEUCADIA WASTEWATER DISTRICT

### Minutes of a Regular Board Meeting

February 8, 2012

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, February 8, 2012 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, Kulchin, Omsted and Juliussen

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Technical Services Manager Robin Morishita, Administrative Services Manager Chuck LeMay, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, FS Supervisor Marvin Gonzalez, FST III Craig Farrell, FST II Ian Riffel, FST In-Training Gabriel Mendez, FST In-Training Mauricio Avalos, CPA Richard Duffey, and District Engineer Steve Deering.

#### 3. Pledge of Allegiance

#### 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. Public Comment

None.

#### 6. Presentations and Awards

##### A. Achievement of Individual Objectives.

GM Bushee stated that there are several individual awards this evening and he is honored to present five awards to the following field services individuals: Mauricio Avalos, Gabe Mendoza, Marvin Gonzalez, Adam Robey and Ian Riffel. He indicated that they all recently passed professional certifications and they are eligible for a \$500 incentive award under LWD's Incentive Program. He noted that Adam was unable to attend tonight's meeting.

The Board of Directors congratulated all of the individuals for their awards.

##### B. Achievement of Organization Objectives.

GM Bushee stated that LWD was presented with three awards at the CWEA Awards & Installation Banquet. The District received the Collection System of the Year award, Plant Safety award and Field Services Technician III Craig Farrell received the Collections Person of the Year award. GM Bushee provided a brief summary of Craig's accomplishments. GM

Bushee also noted that this is the seventh time the District has received the Collection System of Year award.

President Hanson presented FST III Farrell with the CWEA Collection System Person of the Year Award.

GM Bushee also stated that President Judy Hanson received the Al Wrigley Memorial Award during the CWEA Awards & Installation Banquet. He presented President Hanson with the award, stating that the award reflects President Hanson's long time efforts in the water and wastewater industry.

GM Bushee stated that under LWD's Incentive Program, employees are eligible for a \$100 incentive for the Collection System of the Year award and a \$100 incentive for the Plant Safety Award.

The Board of Directors congratulated President Hanson, Craig and LWD for the awards.

## **7. Consent Calendar**

- A. Minutes for the following meetings:  
January 10, 2012 Human Resources Committee Meeting  
January 11, 2012 Regular Board Meeting  
January 12, 2012 Community Affairs Committee Meeting
- B. Demands for January 2012/February 2012  
Payroll Checks numbered 15865-15905; General Checking – Checks numbered 41970-42078
- C. Operations Report. (A copy was included in the original February 8, 2012 Agenda)
- D. Finance Report. (A copy was included in the original February 8, 2012 Agenda)
- E. Receive and file the Quarterly Treasurer's Investment Report for the quarter ending December 31, 2011. (An enclosure was included in the original February 8, 2012 Agenda)

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

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

- A. Encina Wastewater Authority Report – January 25, 2012.

Vice President Sullivan reported on the EWA's January 25, 2012 Board meeting.

- B. Member Agency Manager (MAM) Meeting – February 7, 2012.

GM Bushee reported on the February 7, 2012 Member Agency Manager meeting. He indicated that the manager's reviewed EWA's preliminary costs associated with proposed capital improvement budget. He noted that staff will be evaluating some of the projects due to the unexpected high costs associated with the projects.

## **9. Committee Reports**

### **A. Community Affairs Committee meeting was held on February 2, 2012.**

Vice President Sullivan reported that CAC met on February 2, 2012 to review the draft text of the winter newsletter. She noted that the CAC recommended minor changes and directed staff to move forward with the layout of newsletter.

### **B. Investment & Finance Committee meeting was held on February 6, 2012.**

Director Omsted reported that the IFC met on February 6, 2012 to review the Reserve Policy. He stated that the IFC is not recommending any changes to the policy and that the IFC agreed with staff to recommend that to the Board to receive and file the annual review of the Reserve Policy. He noted that the Board will review this item later in the agenda.

### **C. Engineering Committee meeting was held on February 7, 2012.**

Director Juliussen reported that the EC met on February 7, 2012. He stated that the EC received an analysis that compared CCTV operations to sewer main cleaning operations. He noted that the Board will receive the analysis later in the agenda.

He also reported that the EC received status updates on the following projects:

- North San Diego County Regional Recycled Water Project,
- Occidental Pipeline Repair Project,
- Batiquitos Pump Station Rehabilitation Project,
- Lanikai Pipeline Rehabilitation Project, and
- The request for proposals for As-Needed Engineering Design Services.

## **10. Old Business**

None.

## **11. New Business**

### **A. Receive and file the Annual Reserve Policy Review Report.**

ASM LeMay presented the subject recommendation stating that the Board of Directors approved the Reserve Policy in 2005, and it was last updated in 2011. He stated that the IFC has reviewed the policy and has no recommended changes.

ASM LeMay provided an overview of the reserve activity.

Following discussion, upon a motion duly made by Vice President Sullivan, seconded by Director Juliussen, and carried, the Board of Directors received and filed the Annual Reserve Policy Review Report.

B. Discuss holding a Public Forum for March 20, 2012.

GM Bushee stated that this is a follow up to Director's Kulchin suggestion to hold two Public Forums to provide the opportunity to the District's ratepayers to learn more about LWD. GM Bushee provided a brief summary of the last Public Forum. He stated that staff is recommending that the next Public Forum be held on Tuesday, March 20<sup>th</sup> at 5:30 p.m. Director Kulchin asked if staff will advertise the upcoming public forum.

GM Bushee provided the estimated cost for advertising in the North County Times (NCT). Director Kulchin also recommended placing flyers in the shopping center stores.

Vice President Sullivan also suggested that staff email residents that received the e-newsletter. In addition, she suggested hanging the banner announcing the Public Forum outside of LWD facilities two weeks prior to the event. She noted that the newsletter will also provide notification to the residents about the event.

President Hanson stated that she doesn't agree with spending money on advertising for the event. Director Julissen agreed with President Hanson.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Omsted, and carried by Vice President Sullivan, with Director Juliussen and President Hanson voting no, the Board authorized staff to advertise the Public Forum in the NCT in an amount not to exceed \$1,500.

C. Discuss Board member attendance at the Carlsbad Chamber of Commerce event – 2012 Annual Business Awards.

Director Kulchin stated the he had notified GM Bushee regarding this item. He indicated this is a matter of clarifying if the District would pay for Board member attendance. Directors Kulchin and Sullivan explained the benefits of Board members representing the District at the chamber events.

GM Bushee stated this item was included in the agenda as a practice of transparency. He noted that LWD is a member of the Carlsbad Chamber of Commerce; however, Board members have not historically attended this event on behalf of LWD. He also noted that Board members would not receive a stipend for their attendance.

Following discussion, Directors Kulchin, Sullivan and Julissen stated that they would like to attend the event. EA Hill stated that she would notify a Chamber representative indicating how many seats she is reserving for the District. She also stated that she will notify the Board members tomorrow, to indicate whether the seats were available, since the deadline to RSVP has expired.

D. Analysis of the Collection System Operations.

GM Bushee introduced Field Services Superintendent Jeff Stecker to provide an analysis of collection system operations.

Superintendent Stecker stated that the purpose of the analysis is to review the effectiveness of line cleaning the sewer system verses using Closed Circuit Television (CCTV) operations to identify problems. He stated that based on the results of the analysis, staff concluded it would be more effective for the District to prioritize its CCTV program and reduce time spent on the line cleaning program. He indicated that in order to effectively transition from line cleaning operations to the CCTV program, staff will need to budget for a new CCTV van. He indicated that the current CCTV van is obsolete and needs to be replaced.

Board members asked several questions regarding the new CCTV van's technology and how many miles are covered in line cleaning operations verses the CCTV operations. TSM Morishita answered their questions and indicated that staff's goal would be to televise the entire system every five years. In addition, he explained the new CCTV van's technology verses our current CCTV van.

GM Bushee noted that the EC reviewed this item at their last meeting and recommended that staff present a mid-year budget amendment for a new CCTV van to the Board of Directors at the March meeting. This would allow the purchase of a new CCTV Truck this fiscal year.

The Board of Directors commended FS Superintendent Stecker for his analysis. There was no action taken on this item.

E. Discuss the LWD Board Executive Committee.

GM Bushee introduced Director Omsted to present this item, noting that staff provided information to the Board at the January Board meeting. Director Omsted clarified a statement in the memo stating that he is not requesting that the Board establish an Executive/Governance Committee, but to establish an Ad Hoc committee to investigate or study whether the District should have this committee. He indicated that the Ad Hoc committee's study will include reviewing other Board's Governance/Executive committees and their practices. He also provided additional information based on the list of topics that was included as an attachment in the agenda.

Vice President Sullivan suggested that the entire Board should review and discuss the topics that were listed for the Governance/Executive Committee review. She indicated that the topics are culture related and that all Board members should be involved in the review process.

Director Juliussen stated that he is open for new ideas and that he supports the idea of developing an Ad Hoc Committee.

Director Kulchin stated that he has no problem if an Ad Hoc Committee investigates how other agencies operate. He noted that he has been on Boards that have 25 or more members in which an Executive Committee is a good idea, indicating that the LWD Board is small enough to make good decisions without a Governance/Executive committee. He also agreed with Director Sullivan's suggestion that the Board should schedule additional meetings to discuss these topics as an entire Board.

General Counsel provided legal requirements for establishing an Ad Hoc committee and how to appoint the members of the committee. He recommended that a Board member make a motion to establish an Ad Hoc committee, but reminded the Board that the President cannot vote for or appoint herself to the Ad Hoc committee. Since, Director Omsted suggested that the President of Board be a member of the committee, President Hanson recused herself from the room.

Director Juliussen motioned to establish a temporary Ad Hoc committee to investigate the need for a Governance/Executive committee and to appoint President Hanson as a member on the Ad Hoc Committee, Director Omsted seconded the motion, and carried, the Board of Directors established a temporary Ad Hoc Committee.

Following approval of the Ad Hoc Committee, President Hanson returned to the Boardroom. President Hanson appointed Director Omsted as the second member of the Ad Hoc Committee and she established a two month timeframe for the Ad Hoc Committee's study.

## **12. Information Items**

### **A. North San Diego County Regional Recycled Water Project Update.**

GM Bushee provided a status update on the North San Diego County Regional Recycled Water Project Update. GM Bushee provided background information on the project. He also provided up-to-date progress on the project that included information on grant funding, and the group's next steps to finance the project. He noted that RMC received state funding for the planning of the project, but a portion of that grant needs to be matched by the group. He noted that the group is still assessing the project and costs; therefore, the District may need to budget funds for the project.

### **B. CSRMA Workers' Compensation Excellence Award for FY 10/11.**

GM Bushee stated that the District received the CSRMA Workers' Compensation Excellence Award for FY 2011. He acknowledged ASM LeMay, TSM Morishita, and Superintendent Stecker for their assistance with managing the program.

### **C. Thank you email from a customer for the District's Lateral Grant program.**

GM Bushee noted the email was received from a customer thanking the District for our Lateral Grant program and assistance.

### **D. Thank you letter from the Mayor Jerome Stocks of the City of Encinitas.**

GM Bushee noted that the District received a thank you letter from Mayor Jerome Stocks of the City of Encinitas. He noted that last month we received a thank you email. He acknowledged the field staff for their excellent job responding to the city's recent spill.

- E. CSDA Quarterly Dinner meeting is scheduled for Thursday, February 16, 2012 at 6:00 p.m. located at the Courtyard Marriott in Kearny Mesa.

GM Bushee announced the event and noted that he will be unable to attend.

### **13. Directors' Meetings**

- A. The CASA Mid-Year conference was held at the Desert Springs JW Marriott in Palm Desert, CA on January 18-20, 2012.

Director Omsted reported that the committee reports were repetitive, but he enjoyed meeting with other attendees and learning about their sewer issues. Director Juliussen noted that the conference was more technical than other CASA conferences, but he still enjoyed the conference.

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

Director Omsted noted that the Watereuse Conference is scheduled for March and there will be a session on indirect potable reuse. He also noted that he will be going paperless with the Board agenda and that he prefers to receive the Board agenda via email. He noted that by going paperless, this would reduce paper, staff's time, and fuel because staff delivers the agenda.

### **15. General Manager's Report**

The following items were reported:

- Board members pre-planning session interviews are scheduled for February 16, 2012.
- The Board Planning session is scheduled for February 21, 2012 in the Boardroom at 9 AM.
- GM Bushee will be out of office on March 5-6, 2012 attending the CSRMA Executive Board planning session.
- LWD staff provided Pacific Ridge School with a tour of the District's facilities.
- EA Hill will follow up with the Board members on how they would like to receive their monthly agenda binder. In addition, he and President Hanson are currently working on reorganizing the agenda and to expect a change in the next Board agenda.

### **16. General Counsel's Report**

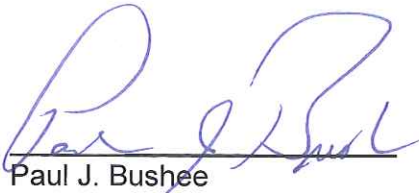
General Counsel Brechtel reported that he provided a presentation on the District's Lateral Grant program at the CASA conference. He also provided sample letters which notify homeowners about issues with their sewer laterals.

He also reported that the state has proposed updates to the Wastewater Discharge Requirements (WDR). He provided examples of the proposed changes and noted the benefits and disadvantages of some of the changes. In addition, he reported on the Dickinson report, which is a legislative analysis report that discussed the efficiencies of Special Districts.

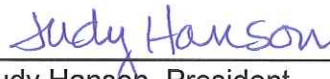
He also noted that the CASA Executive Board agreed to open their conferences to the general public to meet Brown Act requirement.

**17. Adjournment**

President Hanson adjourned the meeting at 6:46 p.m.

A handwritten signature in blue ink, appearing to read "Paul J. Bushee", written over a horizontal line.

Paul J. Bushee  
Secretary/General Manager  
(SEAL)

A handwritten signature in blue ink, appearing to read "Judy Hanson", written over a horizontal line.

Judy Hanson, President