

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
March 19, 2008

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, March 19, 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: District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Executive Assistant Trisha Miranda, Richard Duffey with Brownell and Duffey, District Engineer Steve Deering, Richard Babbe with Public Financial Management (PFM).

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. Five Years Without a Lost Time Injury.

ASM LeMay reported that LWD staff achieved an organizational objective under LWD's Incentive Program. On February 19, 2008, LWD staff completed five years without a lost time injury accident; therefore each employee is eligible to receive an incentive award of \$1,200.

The Board of Directors congratulated staff for completing five years without a lost time accident.

B. Cost Sharing of CSRMA Retrospective Refunds.

ASM LeMay reported that LWD staff achieved a second organizational objective under LWD's Incentive Program. At its January 2008 meeting, the California Sanitation Risk Management Authority (CSRMA) Board of Directors approved the distribution of liability insurance program dividends to LWD in the amount of \$19,048. Under the Incentive Program; LWD splits the dividend refund 50/50 with LWD

employees. Therefore, each employee is eligible to receive an incentive compensation award of \$560.24.

The Board of Directors congratulated staff for this accomplishment.

7. Consent Calendar

Director Juliussen pulled item 7B for discussion.

- A. Minutes for the following meetings:
February 13, 2008 Regular Board meeting
- C. Operations Report (A copy was attached to the original March 19, 2008 Agenda)
- D. Finance Report (A copy was attached to the original March 19, 2008 Agenda)

Following discussion and upon a motion duly made by Director Hanson, seconded by Director Omsted, and carried, the Board of Directors approved the consent calendar with the exception of item B.

- B. Demands for February 2008/March 2008
Payroll Checks Numbered 13482 - 13540; General Checking – Checks numbered 35885 – 35998.

The Board discussed the demands for the subject period. Following discussion, and upon a motion duly made by Director Juliussen, then carried, the Board of Directors approved the Demands for February 2008/March 2008.

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – February 27, 2008 Board meeting.

Director Juliussen and President Sullivan reported on EWA's February 27, 2008 Board meeting.

- B. Member Agency Manager (MAM) Meeting – March 12, 2008

ASM LeMay reported on the MAM's March 12, 2008 meeting.

9. Committee Reports

None.

10. Old Business

None.

11. New Business

- A. Execute a contract amendment with Charles Z. Fedak (Fedak) & Company for Financial Auditing Services for Fiscal Year 2008 (FY 08) and FY 09 in an amount not to exceed \$35,700.

ASM LeMay presented the subject recommendation. ASM LeMay stated that during July 2005, the Board of Director authorized a three-year contract with Charles Z. Fedak & Company for financial auditing services. The contract included an additional 2 year option. Staff believes that continuing with Fedak for FY 08 and FY 09 will provide continuity to our auditing program. Staff polled auditing fees paid by other public agencies, and Fedak's proposed fee of \$35,700 for the two-year option is in-line with other organizations. ASM LeMay also noted a typographical error in the contract that had since been corrected.

The Board discussed the recommendation. Director Omsted stated that, at a recent conference, Board members were advised to periodically change financial auditors. ASM LeMay replied that LWD does periodically change auditors and this is typically done every five years. ASM LeMay noted that LWD's practice is consistent other public agencies in the wastewater industry and that LWD will review financial auditing firms at the conclusion of this 2 year extension.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Hanson, then carried, the Board of Directors executed an agreement with Charles Z. Fedak & Company for financial auditing services for FY 08 and FY 09 in an amount not to exceed \$35,700.

B. California Asset Management Program (CAMP) Individual Portfolio Program Status Report.

ASM LeMay introduced Mr. Richard Babbe of PFM 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. Fiscal Year 2009 (FY 09) Budget Development Schedule.

ASM LeMay stated that staff is working to prepare the preliminary FY 09 budget. ASM LeMay stated that staff would like to schedule subcommittee meetings for the preliminary review of the FY 09 budget. Following discussion, the Board of Directors scheduled the following activities to facilitate the budget development process:

- Engineering Committee meeting is scheduled for April 7, 2008 at 8:00 a.m.
- Human Resources Committee meeting is scheduled for April 11, 2008 at 12:00 p.m.

12. Information Items

ASM LeMay reviewed the following information items.

A. North County Times article "Day by day, a bit more muck and sand slides into Batiquitos Lagoon."

B. The Coast News article "Reclamation facility to double its water capacity."

C. The Coast News article "Time to Upgrade."

13. Directors' Meetings

A. CASA Washington DC Conference was held at the Hotel Monaco in Washington DC on March 9 -12, 2008.

Directors Sullivan and Juliussen reported that they attended the CASA Washington DC Conference. Director Juliussen stated the conference was very productive and that he and President Sullivan met with a representative from Congressman Brian Bilbray's office.

Director Sullivan stated that she and Director Juliussen also visited representatives from Congressman Darrell Issa's office and attended various conference sessions.

14. Comments, Questions or Requests by Directors

Vice President Kulchin informed the Board that he resigned from the CSDA Education Committee. Vice President Kulchin stated he attended a meeting last week and the CSDA staff members do a great job. Vice President Kulchin stated that his attendance at the meeting is not necessary and would not be a benefit for the District.

Director Juliussen stated that CWEA scheduled a dinner tomorrow night, March 20th in San Diego and he is planning on attending the dinner. Director Juliussen also stated he would also like to attend the CWEA Annual Conference in April. Director Juliussen also informed the Board of Directors of an upcoming Navigating the Carbon World seminar on May 15 – 16, 2008 in San Diego.

15. General Manager's Report

The following items were reported:

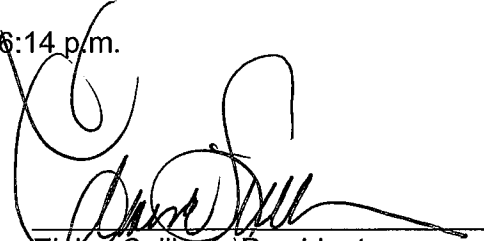
- EA Miranda informed the Board of a memo that was handed out to all Board regarding travel arrangements for the CASA Conference in April.
- The bids for VP 5 Project were received yesterday and the three lowest bids were: 1) \$253,700 from Zondiros Corporation, 2) \$321,673 from Arrieta Construction, and 3) \$364,540 from Burtech Pipeline.
- MuniFinancial is working on the draft LWD Financial Plan and staff is planning on scheduling a Board workshop to review the Plan.
- EA Miranda handed out the CSRMA jackets and safety kits to the Board of Directors. These items were provided to staff and the Board of Directors from CSRMA for winning the CSRMA Loss Control Program of the Year Award.
- FSM Schempp provided an update on the settlement for the Buena Vista lagoon sewage spill. FSM Schempp stated that the negotiated settlement between the city of Carlsbad and the city of Vista for the spill at the Buena Vista lagoon, which involved a payment of approximately less than \$1 million, was rejected from the consent calendar by the regional board. This action was unexpected by city staff members.

16. General Counsel's Report

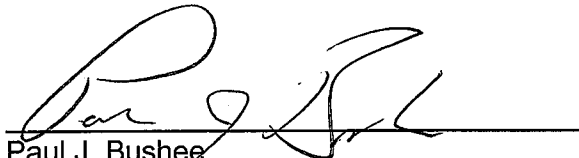
None.

17. Adjournment

President Sullivan adjourned the meeting at 6:14 p.m.



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)