

**LEUCADIA WASTEWATER DISTRICT**

## Minutes of a Regular Board Meeting

March 21, 2007

A Regular Meeting of the Board of Directors of Leucadia Wastewater District (LWD) was held Wednesday, March 21, 2007 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 Juliussen and Omsted  
DIRECTORS ABSENT: None.  
OTHERS PRESENT: General Manager (GM) Paul J. Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Executive Assistant Trisha Miranda, Steve Deering with Dudek and Associates, CPA Richard Duffey with Brownell and Duffey, Greg Goates with Goates Consulting and Harry Ehrlich consultant for OMWD.

**3. Pledge of Allegiance****4. Approval of Agenda**

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

**5. Public Comment**

No public comment was received.

**6. Presentations and Awards****A. Achieve Highest Number of Consecutive Days Without a Lost Time Injury.**

GM Bushee reported that LWD staff achieved an organizational objective under LWD's Incentive Program. LWD staff completed four years without a lost time injury accident. This achievement meets an Organizational Performance Objective under LWD's Incentive Program; therefore, each employee is eligible to receive an incentive compensation award of \$1,000.

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

**7. Consent Calendar**

- A. Minutes for the following meetings:  
February 14, 2007 Regular Board meeting.  
February 21, 2007 Special Board meeting.
- B. Demands for February – March.  
Payroll Checks Numbered 12292 - 12385; General Checking – Checks numbered 33850 – 33997; Reissued voided check 33871.
- C. Operations Report (A copy was attached to the original March 21, 2007 Agenda)

- D. Finance Report (A copy was attached to the original March 21, 2007 Agenda)

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

**8. Encina Wastewater Authority Reports**

- A. Encina Wastewater Authority Report – February 28, 2007 Board meeting.

Director Sullivan reported on EWA's February 28, 2007 Board meeting.

- B. Member Agency Manager (MAM) Meeting – March 14, 2007

GM Bushee reported on the MAM's March 14, 2007 meeting.

**9. Committee Reports**

None.

**10. Old Business**

None.

**11. New Business**

- A. Adoption of Revised Strategic Plan.

GM Bushee introduced Greg Goates with Goates Consulting to present the revised Strategic Plan. Mr. Goates presented the changes to the Strategic Plan. Following discussion and upon a motion duly made, seconded, and carried, the Board of Directors adopted the revised Strategic Plan.

- B. Waiver of Capacity Fees for the Olivenhain Municipal Water District (OMWD).

GM Bushee presented the subject recommendation. GM Bushee stated that the OMWD requested a waiver of sewer capacity fees for the improvements to OMWD existing administrative facilities and the construction of a warehouse and storage building. OMWD's project requires an additional 15 EDU's with a corresponding capacity fee of \$49,290. GM Bushee stated that LWD Ordinance No. 75 allows for the waiver of capacity fees to public agencies provided certain conditions are met. OMWD has met all the conditions for the waiver. GM Bushee added that this recommendation is consistent with the LWD Strategic Plan's "Service" strategy.

Following discussion and upon a motion duly made, seconded, and carried the Board of Director approved the waiver of capacity fees for OMWD's improvement project in accordance with Ordinance No. 75.

- C. Fiscal Year 2008 Budget Development Schedule.

ASM LeMay presented the subject recommendation. ASM stated that staff is working to prepare the preliminary FY 2008 budget; therefore, staff would like to schedule the presented subcommittee meetings to refine certain budget matters. Following discussion the Board of Directors scheduled the following activities to facilitate the budget development process:

- Engineering Committee meeting is schedule for April 2, 2007 at 8:00 a.m.

- Human Resources Committee meeting is scheduled for April 17, 2007 at 12:00 p.m.
- Review preliminary FY08 Budget at the Board of Directors Regular meeting on May 9, 2007.
- Consider Final FY08 Budget at the Board of Directors Regular meeting on June 13, 2007

D. Discussion of the California Climate Action Registry.

ASM LeMay stated that Director Omsted, at the February 14, 2007 Board Meeting, requested that a discussion of the California Climate Action Registry (Registry) be placed on the March 21, 2007 Board meeting agenda. ASM LeMay presented an overview of the Registry program. ASM LeMay stated that the Registry is voluntary program that encourages the reduction of various greenhouse gases. The estimated cost to participate in the program is \$24,000 over a 3 year period. ASM LeMay noted the California Air Resources Board (CARB) is in the process of developing new greenhouse gas regulations that will become effective January 1, 2008.

The Board discussed the Registry. It was noted that LWD is not a major greenhouse gas producer and, as such, there are limited opportunities to reduce greenhouse gas production. Following discussion, the Board agreed to forego participation in the Registry at this time and to wait until impact of the new CARB regulations can be determined.

E. Discussion of the Financial Analysis of LWD's Water Recycling Program.

GM Bushee stated that the FY 2007 Tactic and Action Plan included a goal to present the historical and financial analysis of the Water Recycling Program. The purpose of this goal was to update the Board on the costs of the Water Recycling Program since its inception in the early 1990's. GM Bushee presented an overview of Water Recycling Program's costs. GM Bushee noted that overall the Program has had approximately \$7.5 million in capital and operating expenses to date, of which, approximately 51% has been funded by wastewater program reserves. GM Bushee noted that Water Recycling Sales have covered operating and State Revolving Loan expenses, but have not been sufficient to cover major capital items or repay the wastewater reserve loans.

GM Bushee stated that LWD's contract with the City of Carlsbad is scheduled to expire in 2011. Staff plans to meet with Carlsbad to discuss a potential extension of the agreement and staff will utilize the Board of Director's input from today's discussion to help establish the terms of the contract extension with Carlsbad.

The Board discussed this item at length. Following discussion, there was no action taken.

**12. Information Items**

GM Bushee reported on the following information items:

- A. North County Time News article "Encinitas student names newsletter, wins iPod.
- B. Site Improvement Program – PDP Approval by Carlsbad Planning Commission.
- C. CSDA Special District Legislative Days.

**13. Directors Meetings**

- A. WateReuse 2007 Conference was held at the Wyndham in Palm Springs, CA from March 4 – 7, 2007.

Director Omsted provided a report on the WateReuse Conference. Director Omsted stated he attended various meetings regarding recycled water issues.

- B. CASA Conference was held at the Hotel Monaco in Washington D.C. from March 12 – 14, 2007.

President Hanson reported on the CASA Conference. President Hanson stated she attended various meeting regarding water and wastewater issues.

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

None.

**15. General Manager's Report**

GM Bushee reported that LWD will have its second intern named Erik Dorris on Monday, March 26, 2007.

In addition, staff has been working on the Island Area Collection System Plan, and staff would like to schedule a special Board meeting to discuss the plan. Following discussion, the Board of Directors scheduled an Asset Master Plan meeting on Thursday, April 26, 2007 at 9:00 a.m.

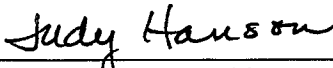
Also, LWD received notification that LWD won the State CWEA Collection System of the Year award.

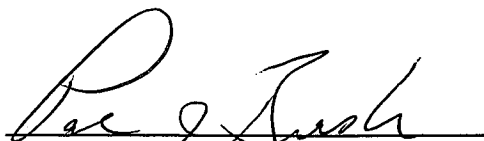
**16. General Counsel's Report**

General Counsel Brechtel reported that there was a recent amendment to the Brown Act stating that the documents for the agenda should be available after the posting of the agenda. General Counsel Brechtel added that the complete LWD agendas are already made available to the public upon posting of the agenda.

**17. Adjournment**

President Hanson adjourned the meeting at 6:52 p.m.

  
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Judy Hanson, President

  
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Paul J. Bushee  
Secretary/General Manager (SEAL)