

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting  
 April 14, 2010

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A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, April 14, 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, Hanson, Kulchin, Omsted 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, District Engineer Steve Deering of Dudek, and CPA Richard Duffey, and Randy Pickering of Pickering Insurance Services, and members of the public Cameron Sippel, Zach Sippel, Grant Sippel, and Leslie Sippel Saldana.

**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**

GM Bushee stated that Director Kulchin's grandchildren are present at tonight's meeting to discuss their lab experiments using La Costa Heights Elementary School's digital microscope that was funded by LWD's Teacher Grant program.

Cameron, Zach, and Grant Sippel introduced themselves and they each discussed their lab experiments and the results using the digital microscope. They each thanked the Board members for the opportunity that the District provides for local teacher's to receive funds through the Teacher Grant Program to help educate students.

The Board of Directors thanked the students for sharing their science experiments with the Board of Directors.

**6. Presentations and Awards**

None.

**7. Consent Calendar**

- A. Minutes for the following meetings:  
 March 10, 2010 Regular Board Meeting  
 March 23, 2010 Community Affairs Committee Meeting  
 April 6, 2010 Engineering Committee Meeting

- B. Demands for March/April 2010  
Payroll Checks Numbered 14806 – 14883; General Checking – Checks numbered 39131 – 39281.
- C. Operations Report. (A copy was included in the original April 14, 2010 Agenda)
- D. Finance Report. (A copy was included in the original April 14, 2010 Agenda)

Vice President Omsted pulled item 7A – Community Affairs Committee (CAC) meeting minutes to correct comments he made during the meeting. Vice President Omsted requested that the minutes reflect his comment regarding the cost comparison between direct potable water, indirect potable water and desalination water for a selling point. GM Bushee stated that staff will make the recommended changes.

Upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and carried, the Board of Directors approved the consent calendar with the amended CAC minutes.

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

- A. Encina Wastewater Authority Report – March 24, 2010 Board Meeting.

Director Sullivan reported on EWA's March 24, 2010 Board Meeting.

GM Bushee reported on the MAM's April 14, 2010 meeting.

#### **9. Committee Reports**

- A. Community Affairs Committee (CAC) meeting was held on March 23, 2010.

Director Sullivan reported that the CAC reviewed and commented on the summer 2010 newsletter story ideas and production schedule. Director Sullivan also reported on the list of story ideas that the newsletter will include.

- B. Engineering Committee (EC) meeting was held on April 6, 2010.

Director Kulchin reported that the EC reviewed the recommendation to approve a proposed change order with TC Construction Company for additional work caused by unanticipated underground obstructions during the construction of the Satellite Pump Stations, Force Mains, and Gravity Sewer Replacement Project. The EC agreed with staff to bring this item to the Board of Director's for approval.

Director Kulchin also reported that the EC reviewed the Preliminary FY 2011 Capital Acquisition and Capital Improvement Program Budgets. No action was taken at the meeting.

In addition, PM Morishita provided an update on Satellite Pump Stations, Force Mains, and Gravity Sewer Replacement Project.

#### **10. Old Business**

None.

## 11. New Business

### A. Health Reform Update.

ASM LeMay presented the subject stating that during March congress passed a Health Care bill that may impact District benefits. ASM LeMay introduced Mr. Randy Pickering of Pickering Insurance Services to present the Board with an overview of the Health Care reform and how it may impact the District.

Mr. Pickering distributed handouts to the Board and provided an overview of the Health Reform Act. Mr. Pickering described when certain provisions of the Act will take effect and how it may affect employers; taxes; flexible spending accounts; and its providers.

### B. Authorize the General Manager to approve a proposed change order with TC Construction Company, Inc. for additional work caused by unanticipated underground obstructions during the construction of the Satellite Pump Stations, Force Mains and Gravity Sewer Replacement Project in an amount not to exceed \$32,099.71

PM Morishita presented the subject recommendation. He stated that the EC reviewed this item at its April 6, 2010 meeting and the EC concurred with staff's recommendation to bring this item to the Board of Directors at tonight's meeting.

PM Morishita stated that during the excavation of the trench for the Highway 101 trunk sewer, TC Construction encountered a buried concrete road beneath the asphalt roadway. This obstruction resulted in extra work to remove, break, haul away, and dispose of the one foot thick concrete. The total cost for this work is \$20,128.05. In addition, TC Construction encountered unmarked underground utilities that needed to be cleared or avoided, which cost \$11,971.72 for the additional labor and material. PM Morishita noted that Construction Manager Richard Stinson reviewed this change order and agreed that the total cost of 32,099.77 is fair and reasonable. PM Morishita stated the new cost of the original agreement and he also noted that there are sufficient funds in the budget to cover the additional costs.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Sullivan, and carried, the Board of Directors authorized the General Manager to approve a proposed change order with TC Construction Company, Inc. for additional work caused by unanticipated underground obstructions during the construction of the Satellite Pump Stations, Force Mains and Gravity Sewer Replacement Project in an amount not to exceed \$32,099.71.

### C. Rate Increase for General Counsel Services.

ASM LeMay presented the subject recommendation stating that staff received a letter from General Counsel Brechtel requesting an increase in General Counsel services.

ASM LeMay stated the last increase for General Counsel services was in August 2006 and his current rate is \$200 per hour. General Counsel Brechtel is requesting a 7% rate increase to \$214 per hour and the FY 2010 budget is sufficient to fund the increase. ASM LeMay also noted staff included in the Board of Director's agenda

material a recent survey conducted of General Counsel rates at various public agencies for the Board's information.

ASM LeMay also stated that staff is pleased with General Counsel Brechtel performances and services, along with his partners and associates.

General Counsel Brechtel addressed the Board and reasons for the proposed increase. In addition, Mr. Brechtel stated that he appreciates the opportunity to work with the District.

Following discussion, and upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and carried, the Board of Directors authorized the Board President to execute an Agreement with Worden Williams APC increasing the rate for General Counsel services from \$200 per hour to \$214 per hour.

D. Board of Directors Compensation Adjustment.

ASM LeMay presented the subject item stating that the Board of Directors approved Ordinance No. 123 increasing the Board's stipend from \$165 to \$173 in 2009. ASM LeMay noted that this item is presented for the Board's discussion and if appropriate, to direct to staff to prepare, notice and schedule a public hearing for the May 2010 Board meeting.

Director Kulchin stated that he is in favor of the rates remaining the same. President Juliussen agreed with Director Kulchin stating in this economic time, its best not to increase the Board stipend.

The Board agreed not to prepare, notice, and schedule a public hearing for increasing the Board's stipend.

E. Report on the Water Bond Bill.

GM Bushee presented a PowerPoint overview of the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 (Water Bond Act). GM Bushee noted that this item was discussed at the Community Affairs Committee to determine if the District should support this bill. GM Bushee stated that if the bill does include funding for wastewater and recycled water projects, which could benefit LWD. GM Bushee provided a list of agencies that are supporting the water bond act, and indicated that staff would prepare a resolution of support if the Board desires to do so.

Director Sullivan stated that she believes there is not enough information for LWD to support the water bond act. President Juliussen stated he would like to see if CASA provides more information about the bond at its upcoming conference and whether they will support it. Director Kulchin would like to know what the timeframe is for LWD to support the bond. GM Bushee state that there is no immediate timeline to support this and staff can present more information on the water bond at the next Board meeting. The water bond act will be on the November ballot.

Director Omsted stated that the article in the newsletter that discusses the water bond

should be neutral and only provide information about the water bond.

General Counsel Brechtel noted that the Board of Directors cannot advocate their position in the newsletter, but can provide impartial information.

No action was taken.

## 12. Information Items

- A. A letter requesting support from Arlene Schafer for re-election to the CSDA Board of Directors Region 6 Seat A.

GM Bushee stated that no action is required on this item or item B and the election occurs during the summer.

- B. Email correspondence from Kimberly Thorner, General Manager of the Olivenhain Municipal Water District, requesting support for Bob Topolovac for CSDA Region 6 Seat.

- C. CSDA Special Districts Legislative Days Conference is scheduled for May 11-12, 2010 at the Sheraton Grand Sacramento Hotel.

GM Bushee reminded the Board members that the May Board meeting was moved to May 19<sup>th</sup>.

GM Bushee stated that if any of the Board members are interested in attending this conference, please let EA Hill know.

- D. Union Tribune news article "On the Move" for Director David Kulchin.

GM Bushee noted that this article was included in the agenda for the Board's information.

- E. Encinitas First news article "Leucadia Wastewater District Ribbon Cutting".

GM Bushee noted that this article was included in the agenda for the Board's information.

## 13. Directors' Meetings

- A. California San Diego Chapter Women Lead Luncheon.

Director Sullivan stated that she attended the luncheon where she met the Secretary of State. In addition, she was able to provide information about biosolids and reclaimed water to other attendees at the luncheon.

- B. Encinitas Chamber State Dinner.

President Juliussen also noted that he attended the Encinitas Chamber State Dinner and that there was a great turn out.

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

None.

#### 15. General Manager's Report

The following items were reported:

- Update on the public's use of LWD's meeting rooms: The League of Women's Voters has used LWD's facilities nineteen times, the North County Water Recycling Group has met four times, Up with People has been meeting here three times a week for a few hours until the end of April, and the LAFCO Special District Advisory Committee has met at the District. GM Bushee noted that the program is working well and it has been a positive experience.
- FSM Schempp and FSS Stecker completed the repairs on the chlorine tank that was leaking.
- The Solar Panel Kiosk is located in the lobby and it shows the solar power production.
- The District's Site was included in Sequoia Solar's YouTube video. GM Bushee presented the video to the Board.

#### 16. General Counsel's Report

General Counsel Brechtel reported that the Rubin case against LWD was dismissed this week.


#### 17. Closed Session

- A. Conference with District Counsel to discuss anticipated litigation with Jaynes Corporation pursuant to California Government Code Section 54956.9 (b)(3)(C)

General Counsel Brechtel reported that the Board met in closed session and there was no reportable action.

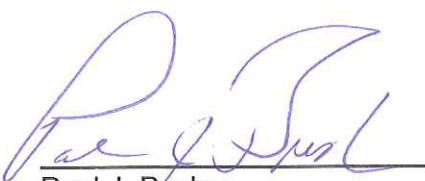
#### 18. Adjournment

President Juliussen adjourned the meeting at 6:37 p.m.



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Allan Juliussen, President



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Paul J. Bushee  
Secretary/General Manager  
(SEAL)