

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
May 11, 2011

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, May 11, 2011 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

President Omsted called the meeting to order at 5:00 p.m.

2. Roll Call

DIRECTORS PRESENT: Omsted, Hanson, Sullivan, Juliussen, and Kulchin
DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, District Engineer Steve Deering, CPA Richard Duffey, Jamie Taylor of IEC and Tomer Gutman, Intern with Worden Williams APC.

3. Pledge of Allegiance

4. Approval of Agenda

Upon a motion duly made by Vice President Hanson, seconded by Director Sullivan and carried, the Board of Directors approved the agenda.

5. Public Comment

None.

6. Presentations and Awards

None.

7. Consent Calendar

- A. Minutes for the following meetings:
 - April 20, 2011 Regular Board Meeting
 - April 18, 2011 Community Affairs Committee meeting
- B. Demands for April/May 2011
 - Payroll Checks Numbered 15437 – 1454389; General Checking – Checks numbered 40915 – 40997.
- C. Operations Report. (A copy was included in the original May 11, 2011 Agenda)
- D. Finance Report. (A copy was included in the original May 11, 2011 Agenda)
- E. Quarterly Investment Report. (A copy was included in the original May 11, 2011 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

A. Encina Wastewater Authority Report – April 27, 2011 Board meeting.

Director Juliussen reported on EWA's April 27, 2011 Board meeting.

B. Member Agency Managers (MAM) Report – April 21, 2011 meeting.

GM Bushee reported on the MAM's April 21, 2011 meeting.

9. Committee Reports

A. Community Affairs Committee Meeting was held on May 10, 2011.

Director Sullivan reported that the CAC reviewed and commented on the draft text of the 2011 newsletter articles. She stated that the CAC directed staff and TRG & Associates to move forward with the layout design of the newsletter.

She also stated that the CAC considered scheduling a public information forum. She indicated that since LWD will be holding an open house this fall, the CAC believed a public forum during the winter of 2012 would be best. President Omsted noted that the theme of the public forum would be protecting our environment. Director Kulchin agreed with the theme and stated that the winter of 2012 seemed like a long time from now. He suggested that LWD consider moving the timeframe up for its public forum.

GM Bushee stated that the CAC could further discuss the timing of the public forum at the next CAC meeting.

B. Engineering Committee meeting was held on May 9, 2011.

Director Juliussen reported that the Committee reviewed a report by IEC that evaluated the remaining useful life of the Batiquitos Force Main B2 and B3. He stated that the committee concurred with staff's recommendation to receive and file the report and indicated that this item will be reviewed later in the agenda.

Director Juliussen also reported that the Committee reviewed the revised FY 12 Capital Budget and was satisfied with the final appropriations. He noted that the Capital Budget will be reviewed later in the agenda, along with the full Budget.

In addition, Director Juliussen reported that the EC received a report on the Batiquitos Pump Station spill that occurred on April 27, 2011. Staff will present a report later in the agenda.

10. Old Business

None.

11. New Business

President Omsted moved item 11D for discussion.

D. Receive and file the Evaluation of Remaining Service Life of B2 and B3 Force Mains Report completed by Infrastructure Engineering Corporation (IEC).

TSM Morishita presented the subject item. TSM Morishita stated that the District recently completed a project that replaced 1,300 ft. of force mains B1, B2 and B3. He indicated that during the construction, samples of the B2 and B3 force mains were evaluated to estimate the remaining life of these force mains. TSM Morishita introduced Ms. Jamie Taylor of IEC to present the results of the report.

Ms. Taylor presented the conclusions of the report noting that the remaining life of B2 and B3 were 12 years and 14 years respectively. She recommended that the District implement the cathodic protection program that was recommended in the May 2010 Force Main Corrosion Study.

Ms. Taylor presented a PowerPoint with photos of the force mains, showing the condition of the force mains. She explained the variables that impact the rate of internal corrosion of the force mains. She noted that the remaining life estimates of the force mains are conservative estimates.

Upon a motion made by Director Juliussen, seconded by Vice President Hanson, and carried, the Board of Directors received and filed the report.

A. Review of the Recommended Fiscal Year 2012 (FY 12) Budget.

GM Bushee stated that ASM LeMay will present the budget. He noted that ASM LeMay has worked closely with CPA Duffey, TSM Morishita, and FSS Stecker to help develop the budget.

ASM LeMay presented the recommended subject. He thanked the Board for their guidance during the various meetings along with CPA Duffey, TSM Morishita, FSS Stecker, FSS Gonzalez, Accounting Technician McEniry, EA Hill, and AS Baity.

ASM LeMay presented a PowerPoint overview of the FY 12 Operating and Capital Budgets. Included in the presentation were the following:

- FY 12 Budget revenue projections for each Enterprise (wastewater and recycled water)
- There will be no increase in service charges for FY12
- Projected personnel budget
- Projected Wastewater, Batiquitos Pump Station, and Recycled Water Expenses
- Projected Administrative Services and Development Expenses
- Projected Capital Program Expenses

The Board had several questions regarding the recycled water revenues. GM Bushee responded to their questions and also noted that the District is on a month to month contract to provide recycled water to the La Costa golf course. He noted that the contract includes a one year notice to terminate the contract. He indicated that staff will continue to work with the city of Carlsbad to extend the agreement.

ASM LeMay stated that overall FY12 Operations budget reflects a zero (0%) percent change from FY 11.

Director Kulchin inquired about whether staff will fill the administrative specialist position. GM Bushee responded that this position will not be filled at this time. He also noted that the position would be taken off the organization chart.

ASM LeMay stated that the FY 12 Budget will be on the June Board meeting agenda for approval. No action was taken.

B. Call for Nominations to the Local Agency Formation Commission (LAFCO) and the Special Districts Advisory Committee.

President Omsted stated that Vice President Hanson is up for re-election on LAFCO's Special Districts Advisory Committee. Vice President Hanson stated that she would like to be re-elected to the committee.

Upon a motion made by Director Juliussen, seconded by Director Sullivan, and carried, the Board of Directors nominated Vice President Hanson to LAFCO's Special Districts Advisory Committee.

GM Bushee stated that staff will complete the nomination form and he noted that the election will take place at the August LAFCO meeting.

C. Adopt Resolution No. 2214 – Adopting the Nationwide Retirement Solution Deferred Compensation Plan Document.

President Omsted reviewed the recommendation.

Upon a motion made by Director Juliussen, seconded by Vice President Hanson, and carried, the Board of Directors adopted Resolution No. 2214 – Adopting the Nationwide Retirement Solution Deferred Compensation Plan Document by the following votes:

AYES: Directors Sullivan, Kulchin, Hanson, Juliussen, and Omsted
NOES: None
ABSENT: None
ABSTAIN: None

12. Information Items

A. Correspondence from the County of San Diego regarding State Mandated Ethics Training (AB 1234).

GM Bushee noted that EA Hill coordinated with President Omsted, who is due for his next AB 1234 training. President Omsted stated he will complete the online training course. GM Bushee noted that all other Board members are not due until 2012.

B. Thank you letter from the Encinitas Union School District for the teacher grant.

President Omsted indicated that a thank you letter was received from the Encinitas Unified School District for the teacher grant.

13. Directors' Meetings

A. CASA Conference was held at the Hyatt Regency Sacramento on April 27-29, 2011.
Directors Juliussen, Sullivan, and Hanson commented on the recent CASA conference.

Director Sullivan also mentioned a session that discussed the California budget.

B. CSDA Legislative Days Conference was held at the Sacramento Convention Center on May 3-4, 2011.

Director Kulchin reported on the presentations that he attended including a presentation by CA Treasurer Bill Lockyer. He noted that all speakers had relevant discussions.

Vice President Hanson reported on the various sessions that she attended. She stated that the attendees had several options on roundtable discussions and she attended the CalPERS roundtable discussion.

Director Juliussen reported that he attended a session held by the California Forward group. He noted that the group's presentation was interesting and that he received information from their perspective.

14. Comments, Questions or Requests by Directors

Director Juliussen thanked staff for the budget report. Director Kulchin also acknowledged staff for the budget report.

15. General Manager's Report

The following items were reported:

- TSM Morishita provided a PowerPoint presentation of the recent sewage spill at the Batiquitos pump station.
- GM Bushee showed pictures of the Gafner Plaque that was relocated to the AWT plant.
- He noted that he will carpool to the CSDA quarterly dinner on May 19th and he will leave at 5:45 p.m.
- He provided information on the Batiquitos Lagoon Day on July 24th indicating that LWD will be a sponsor of the event.

16. General Counsel's Report

General Counsel Brechtel reported that the deadline for Statewide WDR comments was extended to Friday, May 13th. He indicated that he had worked with staff on LWD's response which was available for review.

Mr. Brechtel highlighted the proposed changes indicating that these changes will increase the overhead costs with no benefits. He further explained that the letter from the District expressed the numerous positive changes that the District had made to its operations since 2006 and how these new proposed changes will affect the District's operations.

17. Adjournment

President Omsted adjourned the meeting at 6:30 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)


Don Omsted, President