

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting  
 May 9, 2007

A Regular Meeting of the Board of Directors of Leucadia Wastewater District (LWD) was held Wednesday, May 9, 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, Juliussen and Omsted

DIRECTORS ABSENT: Kulchin

OTHERS PRESENT: General Manager (GM) Paul Bushee, Counsel Wayne Brechtel with Worden Williams APC, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Project Manager Robin Morishita, Steve Deering with Dudek and Associates, CPA Richard Duffey with Brownell and Duffey, Field Services Technician I Marvin Gonzalez and CWEA Past President Denis Pollak

**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. CWEA Collection System of the Year Award.

GM Bushee stated that he had two awards to present at tonight's meeting. GM Bushee stated that Field Services Technician Marvin Gonzalez received his Grade D1 Water Distribution Operator Certification from the State of California Department of Health Services. President Hanson presented Mr. Gonzalez with his certificate and the Board of Directors congratulated Marvin for his accomplishment.

GM Bushee introduced CWEA Past President Denis Pollak to present the CWEA Collection System of the Year Award to the Board of Directors. Mr. Pollak presented the award to the Board of Directors. GM Bushee thanked the Board, and staff for all their hard work for achieving the state award.

**7. Consent Calendar**

A. Minutes for the following meetings:

April 11, 2007 Regular Board Meeting

April 17, 2007 Human Resources Committee Meeting

April 26, 2007 Special Board Meeting.

B. Demands for February – March.

Payroll Checks Numbered 12404 – 13004; General Checking – Checks numbered

34073 – 34739; Manager's Checking – check number 305; Void Manager's checks numbered 303 – 304.

- C. Operations Report (A copy was attached to the original May 9, 2007 Agenda)
- D. Finance Report (A copy was attached to the original May 9, 2007 Agenda)
- E. Quarterly Treasurer's Investment Report (A copy was attached to the original May 9, 2007.)

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 – April 25, 2007 Board meeting.

Director Sullivan reported on EWA's April 25, 2007 Board meeting. In addition, Director Juliussen provided an update on EWA's Building program.

GM Bushee stated there was no Member Agency Managers (MAM) report because the meeting had been rescheduled to May 16, 2007.

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

- A. Human Resources Committee – April 17, 2007.

President Hanson stated that the Board will meet in closed session later in tonight's agenda to discuss issues related to employee compensation.

- B. Engineering Committee – May 8, 2007

Director Juliussen stated the EC reviewed the FY 08 Capital Improvement Budget. The EC directed staff to make minor revisions to the Capital Improvement Budget prior to presenting the budget to the Board of Directors. Director Juliussen also stated staff presented a slideshow of the nearly completed Meadows 1 Pump Station Project.

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

None.

#### **11. New Business**

- A. Adopt Resolution No. 2177 Approving Temporary Enhancement of Military Leave Benefits for Employees Called to Active Duty to Combat Terrorism and Strengthen Homeland Security.

ASM LeMay presented the recommendation to Adopt Resolution No. 2177, which would provide additional military leave benefits to employees that are called to active duty to combat terrorism and strengthen homeland security. Following discussion, Resolution No. 2177 was passed and adopted by the following vote:

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

**B. Overview of Fiscal Year 2008 (FY 08) Budget.**

GM Bushee noted that President Hanson has brought to staff's attention that there is an error on the Board members list of names in the budget. GM Bushee stated that the error will be corrected on the final budget.

ASM LeMay presented an overview of the FY 08 LWD Operating and Capital Budgets. ASM LeMay reviewed revenues and expenses for the various LWD departments and programs. ASM Lemay noted that LWD's wastewater service fee will remain at \$194 per year for the fifth consecutive fiscal year.

Regarding a line item expense in the budget, Director Omsted requested that a discussion of LWD's membership in the Encinitas and Carlsbad Chambers of Commerce be placed June 13, 2007 Board of Directors meeting agenda. GM Bushee agreed to do so.

Following discussion, the Board of Directors directed staff to prepare the Final FY 08 LWD Budget as amended for consideration at the June 13, 2007 Board meeting.

**C. Review and Discuss LWD Lateral Rebate Program.**

FSM Schempp stated that the FY 07 Tactics and Action Plan included a goal to evaluate the viability of implementing a Lateral Rebate Program at LWD. FSM Schempp noted that he had researched various lateral programs offered by other public organizations in California. FSM Schempp presented an overview of the lateral programs he researched. The overall goal of the lateral program would be to encourage homeowners to inspect their private laterals and install backflow prevention devices to minimize the chance of wastewater spills and backups. FSM Schempp concluded that LWD and its customers could benefit from implementing a lateral program.

Following a lengthy discussion, the Board of Directors directed staff to draft a policy for a Lateral Rebate Program for the Boards review. GM Bushee stated that staff will prepare a draft policy for the Board's review in the summer or fall of FY 2008.

**D. Discuss LAFCO's call for nominations for one alternate commission seat and nine Special Districts Advisory Committee seats.**

GM Bushee stated that LWD received notification from LAFCO stating that LAFCO is receiving nominations for the LAFCO Board Alternate member and nine Special Districts Advisory Committee seats.

GM Bushee stated that President Hanson has indicated she would like to be nominated by LWD to run for a position on the LAFCO Special Districts Advisory Committee.

Counsel Brechtel stated that President Hanson can not participate in a vote if he/she will receive a stipend of \$250 or more per year.

President Hanson recused herself from voting on this item and left the room during the Board's consideration of this matter.

Upon a motion duly made, and seconded, the Board unanimously nominated President Hanson to run for a seat on LAFCO's Special Districts Advisory Committee.

## **12. Information Items**

GM Bushee reported on the following information items:

A. CSDA Newsletter Article "Internships attract a new generation of operators"

GM Bushee noted that Field Services Manager Leo Schempp was quoted in the above mentioned article. GM Bushee thanked Mr. Schempp for his participation in the Internship program.

B. LWD received a SDG&E Certificate of Recognition for Excellence in Energy Savings.

C. Thank you letter from the City of Carlsbad.

GM Bushee stated that LWD had received a thank you letter from Carlsbad Mayor Bud Lewis for LWD's assistance during a recent wastewater spill in the City of Carlsbad.

## **13. Directors Meetings**

A. CASA Conference was held at the Marriott Napa Valley Hotel in Napa, CA from May 2 – 5, 2007.

President Hanson, and Vice President Sullivan, each provided a brief summary of the conference sessions.

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

Director Juliussen reminded the Board of Directors of the CSDA Quarterly Dinner a meeting on Thursday, May 17, 2007.

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

GM Bushee reported the following:

- GM Bushee stated that staff has provided the Board of Directors with three ring binder that contains key LWD polices and ordinances. GM Bushee stated that staff will update the manual each fiscal year.
- GM Bushee stated that LWD has a hired new employee, Mr. Keon Nelson, who will begin work as a LWD Utility Worker on May 21, 2007. GM Bushee added that Mr. Nelson will be introduced to the Board of Directors at its June 13<sup>th</sup> meeting.
- GM Bushee stated that staff received an email comment on the spring newsletter from a customer congratulating LWD for receiving all of its recent awards.
- GM Bushee stated that staff completed the FY 07 Tactical goal of switching banks from Washington Mutual to Union Bank of California. In addition, an Audit Entrance meeting is scheduled for May 17, 2007 with the Investment and Finance Committee.
- GM Bushee noted that, unfortunately, he received notification that Mr. Peter Filanc of Filanc Construction Company had recently past away. GM Bushee added that Mr. Filanc was a key leader in the wastewater and water industry and he will be missed by all.

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

General Counsel Brechtel reported that he attended the CASA 2007 Spring Conference

and at the conference he attended the attorney committee meeting which discussed the following legal topics:

1. Types of processes agencies must go through when increasing rates and what are the statutes of limitations for challenging the rate increases.
2. Proposed amendments to the Brown Act; such as, there are to be no serial meetings between members of a Board by intermediate means. In addition, any written material that is part of an agenda must be available at the same time the agenda is posted.

**17. Closed Session**

- A. To meet with General Manager Bushee and ASM LeMay to discuss personnel issues, as authorized under Government Code Section 54957.6

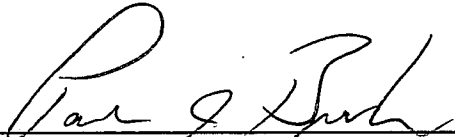
Following closed session, the Board approved the following personnel actions:

1. 4 percent increase to all LWD classification ranges;
2. Individual Incentive compensation funding at \$61,948;
3. Team Incentive Program funding at \$41,299; and
4. Increase of standby pay from \$30 to \$35 per day.

**18. Adjournment**

President Hanson adjourned the meeting at 7:18 p.m.

  
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Judy Hanson, President

  
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Paul J. Bushee  
Secretary/General Manager (SEAL)