

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
June 10, 2009

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, June 10, 2009 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Kulchin, Juliussen, Hanson, Sullivan, and Omsted
DIRECTORS ABSENT: None
OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Field Services Manager Leo Schempp, Administrative Services Manager Chuck LeMay, Project Manager Robin Morishita, Executive Assistant Trisha Hill, Richard Duffey with Brownell and Duffey, District Engineer Steve Deering, Dexter Wilson and Natalie Frascchetti with Dexter Wilson Engineering, Inc. and Utility Worker Ian Riffel

3. Pledge of Allegiance

4. Approval of Agenda

Vice President Juliussen requested to add the Engineering Committee report for the June 1, 2009 meeting.

Upon a motion duly made by Director Sullivan, seconded by Vice President Juliussen, and carried, the Board of Directors approved the revised agenda with the additional committee report.

5. Public Comment

There was no public comment.

6. Presentations and Awards

A. Achievement of Individual Objectives.

GM Bushee stated that Utility Worker Ian Riffel recently took and passed the California Wastewater Environmental Association (CWEA) Collection System Maintenance Grade I Certification exam. GM Bushee noted that Ian is eligible for an Individual Incentive Award of \$500.

The Board of Directors and staff congratulated Ian for his efforts.

7. Consent Calendar

A. Minutes for the following meetings:

May 20, 2009 Regular Board meeting
May 27, 2009 Community Affairs Committee meeting
June 1, 2009 Engineering Committee meeting

- B. Demands for May/June 2009
Payroll Checks Numbered 14276 – 14336; General Checking – Checks numbered 37860 – 37940; Manager's Check no. 347
- C. Operations Report. (A copy was included in the original June 10, 2009 Agenda)
- D. Finance Report. (A copy was included in the original June 10, 2009 Agenda)
- E. Quarterly Treasurer's Investment Report. (A copy was included in the original June 10, 2009 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – May 27, 2009 Board meeting.

Director Juliussen reported on EWA's May 27, 2009 Board meeting.

Member Agency Manager Meeting – June 10, 2009.

GM Bushee reported that the June 10, 2009 Member Agency Manager meeting had been cancelled.

9. Committee Reports

- A. Human Resources Committee (HRC) meeting was held June 8, 2009.

Director Hanson reported that the HRC reviewed Resolution No. 2201 – Establishing a Succession Plan Policy. This item will be reviewed by the Board at tonight's meeting.

- B. Investment & Finance Committee (IFC) meeting was held June 9, 2009.

Director Omsted reported that the committee met with CPA Chris Brown from Charles Z. Fedak to discuss the FY 2009 preliminary audit. Director Omsted stated that the auditor indicated that a risk analyses would be performed. Also, staff and the CAC provided information related to Fedak's standard questionnaire.

- C. Engineering Committee (EC) meeting was held June 1, 2009.

Vice President Juliussen reported that the EC reviewed the Sanitary Sewer Management Plan (SSMP) and recommends that the Board approve the SSMP. The EC also received updated reports on the Site Improvement Project and the Satellite Force Main Replacement Project.

D. Community Affairs Committee meeting was held May 27, 2009.

Director Sullivan reported that the CAC met with staff and KATZ to discuss ideas for the upcoming Open House for the Site Improvement Project. Director Sullivan stated that the CAC proposed the following ideas/suggestions for the Open House:

- ❖ Date of the Open House – Friday, November 6, 2009
- ❖ Propose a two stage event for the Open House
- ❖ Proposed LWD Boardroom be named after a former Board member
- ❖ Staff provide samples at an upcoming meeting for the organizational & individual plaques
- ❖ Staff provide an update invitation list at an upcoming meeting
- ❖ Propose a sample photo album of past & present photos

GM Bushee noted that since the CAC meeting, staff scheduled a Special Board meeting on June 23, 2009 to discuss the details of the Open House.

Director Omsted stated that staff will also discuss additional signage in the lobby area of the Administration Building at the June 23, 2009 meeting. Director Sullivan provided background information regarding extra signage in the lobby area.

10. Old Business

A. Adopt the Fiscal Year 2010 (FY 10) Budget.

ASM LeMay presented the subject recommendation. ASM LeMay stated that at the last Board meeting, the Board of Directors reviewed the FY 10 Budget in detail. He also indicated that the Human Resources committee reviewed the personnel budget and Engineering Committee reviewed the capital program budget at previous meetings.

ASM LeMay noted that staff made one edit to the Budget that included changing the property taxes revenue from \$1.2 million to \$300,000 to better reflect the economy and LWD's Financial Plan Update. This change will have no impact on the LWD's expenses.

GM Bushee acknowledged staff members ASM LeMay and CPA Richard Duffey for their efforts developing the budget with the help other staff members.

Upon a motion duly made by Director Sullivan, seconded by Director Omsted, and carried, the Board of Directors adopted the FY 10 Budget.

11. Public Hearing

A. Public Hearing to consider collecting the District Wastewater Service Charge for Fiscal Year 2010 on the San Diego County Tax Roll.

The purpose of this Public Hearing is to receive comments concerning the collection of wastewater service on the county tax roll.

No public input was received at the Public Hearing. President Kulchin closed the Public Hearing.

12. New Business

- A. Adopt Resolution No. 2200 Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2009 – June 30 2010.

Following discussion, Resolution No. 2200 was passed and adopted by the following vote:

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

- B. Adopt Resolution No. 2198 Approving the Recommended Encina Wastewater Authority (EWA) Fiscal Year 2010 (FY 10) Operating and Capital Budgets.

ASM LeMay stated that EWA Revised Basic Agreement (RBA) and Revised Establishment Document (RED) require member agencies to unanimously adopt their proposed FY 10 Budget. ASM LeMay stated the Operating Budget is \$13,204,571 and the Capital Budget is \$6,416,256; in which LWD's share of the proposed FY 10 operating and capital budgets is \$1,887,120 and \$1,278,584 respectively.

GM Bushee noted that the EWA's FY 10 Operating Budget reflects a 6% reduction from last year. Director Sullivan also noted that she participates on EWA's Policy & Finance Committee and they reviewed the budget in detail.

Following discussion, Resolution No. 2198 was passed and adopted by the following vote:

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

- C. Adopt the LWD Sanitary Sewer Management Plan (SSMP).

FSM Schempp presented the subject recommendation. FSM Schempp stated that the Statewide WDR was adopted in May 2006 and imposed several requirements with different deadlines on all California sewage collection agencies. FSM Schempp stated that with the help of Natalie Frascchetti and Dexter Wilson of Dexter Wilson Engineering, staff has been developing the eleven elements of the SSMP. FSM Schempp introduced Natalie Frascchetti to present an overview of the SSMP.

Ms. Frascchetti provided an overview of the eleven SSMP elements and the

deadline for each. She noted that the final element is the Board's approval of the plan at a public meeting.

Upon a motion duly made by Vice President Juliussen, seconded by Director Hanson, and carried, the Board of Directors adopted the Sanitary Sewer Management Plan (SSMP).

D. Adopt Resolution No. 2201 – Adopting LWD's Succession Plan Policy.

ASM LeMay presented the recommendation stating that it was a tactical goal for this fiscal year. ASM LeMay provided a summary of the policy noting that it provides the Board and the General Manager with guidelines to assist them in filling planned or unplanned absences. ASM LeMay noted that staff made one change as requested by the Human Resources Committee following the delivery of the Board packet.

Following discussion, Resolution No. 2201 was passed and adopted by the following vote:

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

E. Discussion of attendance at the 24th Annual WaterReuse Symposium in Seattle, WA from September 13 – 16, 2009.

GM Bushee stated that the 24th Annual WaterReuse Symposium will be held Seattle, Washington, and that Director Sullivan had expressed interest attending the conference. He added that because it was an out-of-state conference, it was included on the agenda for discussion and approval.

Director Juliussen questioned whether LWD's travel policy indicates that out-of-state conferences must be approved by the Board, before attending the conference. Director Hanson stated it has been past practice that staff includes out-of-state conferences on the agenda. GM Bushee noted that in the past staff has included the CASA Washington DC conference on the agenda. GM Bushee noted that it's not in LWD's travel policy, but staff believes its good governance practice to bring out-of-state conferences before the Board since the passing of AB 1234.

Vice President Juliussen stated that there is an upcoming WEF TEC conference in October that is located in Florida and he would like to attend. Vice President Juliussen requested that staff include this item on the July agenda. GM Bushee agreed to do so.

Directors Juliussen and Omsted stated they would also like to attend the WaterReuse Symposium. Counsel Brechtel stated that since the WaterReuse conferences are already pre-approved in LWD's travel policy, no action is needed.

The Board of Directors discussed the justification of attending out-of-state conferences. Directors Sullivan, Juliussen, and Omsted indicated that attending conferences provides critical training opportunities that otherwise may not be available in state. The larger conferences that are located out-of-state help Directors better understand wastewater and recycled water issues; therefore, this helps Directors make informed decisions.

Director Hanson agreed that attending conferences provides critical training opportunities; however, she indicated that the out-of-state conferences are expensive and local conferences are sufficient. President Kulchin agreed that local conferences, such as the CSDA and CASA, are sufficient training.

No action was taken.

13. Information Items

- A. Thank you letter from Encinitas Union School District for the Teacher Grant.
- B. Thank you letter from San Dieguito Union High School District for the Teacher Grant.
- C. LAFCO notice regarding the 2009 Special Districts Mailed-Ballot Election Results for the Regular and Alternate Special District Member of LAFCO.
- D. Letter from Vista Irrigation District's (VID) General Manager Roy Coox requesting a Board Resolution nominating Jo MacKenzie to the CSDA Board of Directors, Region 6 Seat A.

GM Bushee noted that staff received a letter from GM Roy Coox requesting that the Board nominate Jo MacKenzie to the CSDA Board of Directors. GM Bushee stated that staff had not received a letter from CSDA regarding the election. Staff called CSDA and a letter was sent. It will be included in the July agenda.

- E. Letter from Assemblyman Anderson requesting Support for AB 1399.

GM Bushee stated that he received a memo in the mail requesting support for AB 1399. GM Bushee provided brief background on AB 1399. Director Sullivan stated that the existing law sufficiently covers gifts of public funds. The Board opted not to write a letter of support.

- F. CASA news alert pertaining to the Property Tax Alert.

GM Bushee stated he received a CASA bulletin regarding the Property Tax Alert and noted that staff had already written letters to Assembly members and Senators opposing the shifting of local public agency's taxes to help fund the state's budget deficit.

- G. LWD letter to CASA regarding Private Sewer Lateral Legislation.

GM Bushee stated the Board of Directors directed staff to draft and send a letter to the

CASA Board of Directors opposing their proposed Private Sewer Lateral Legislation. He indicated that a copy of that letter was included in the agenda. Vice President Juliussen suggested that a Board member should sign all letters that are addressed to other local officials. GM Bushee agreed.

14. Directors' Meetings

None.

15. Comments, Questions or Requests by Directors

Director Sullivan requested a Site Improvement Project (SIP) status update. GM Bushee stated an update would be provided under the General Manager's Report.

16. General Manager's Report

The following items were reported:

- ❖ GM Bushee stated that since LWD is a member of EWA's Financial JPA Phase IV Bonds, LWD was rated by Moody's and received an A1 rating, which is the highest rating we can get based on the District's size.
- ❖ GM Bushee reminded the Board of Directors of the June 23, 2009 Special Board meeting


PM Morishita provided a status update on the SIP. The Board discussed the possibility of using recycled water in the fountains.

17. General Counsel's Report

None.

18. Adjournment

President Kulchin adjourned the meeting at 6:03 p.m.


David Kulchin, President


Paul J. Bushee
Secretary/General Manager
(SEAL)