

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
June 13, 2007

A Regular Meeting of the Board of Directors of Leucadia Wastewater District (LWD) was held Wednesday, June 13, 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 Kulchin, and Omsted
DIRECTORS ABSENT: None
OTHERS PRESENT: General Manager Paul J. Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Executive Assistant Trisha Miranda, Richard Duffey with Brownell and Duffey, District Engineer Steve Deering, Dexter Wilson with Wilson Engineering, Chris Trees with Dudek, Nichole Anderson with Worden Williams APC, and LWD Scholarship Winners Anne Nybo and family and Melanie Fantus and family.

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

Wayne Brechtel introduced Nichole Anderson with Worden Williams APC. Steve Deering introduced Chris Trees with Dudek, and stated that he will be on vacation for the next few weeks and Chris will be filling in for him while he is out.

6. Presentations and Awards

A. Award of LWD Scholarships to Anne Nybo and Melanie Fantus

GM Bushee provided a brief biography of each scholarship winner and discussed each scholarship winner's applications and why the scholarship committee chooses Anne Nybo and Melanie Fantus as the 2007 LWD Scholarship winners.

President Hanson and GM Bushee presented Anne Nybo and Melanie Fantus with their scholarship awards.

The Board of Directors congratulated Anne Nybo and Melanie Fantus for their achievements.

B. Award of the California Society of Municipal Finance Officers (CSFMO)

GM Bushee stated that LWD recently received an award from CSFMO for outstanding Financial Reporting.

7. Consent Calendar

- A. Minutes for the following meetings:
 - May 8, 2007 Engineering Committee meeting
 - May 9, 2007 Regular Board meeting
 - May 17, 2007 Investment & Finance Committee meeting
- B. Demands for May/June 2006
 - Payroll Checks Numbered 13005 - 13084; General Checking – Checks numbered 34740 – 34877; General Manager's void checks 325-326.
- C. Operations Report (A copy was attached to the original June 13, 2007 Agenda)
- D. Finance Report (A copy was attached to the original June 13, 2007 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

Director Sullivan reported on EWA's May 23, 2007 Board meeting.
GM Bushee reported on the MAM's June 13, 2007 meeting.

9. Committee Reports

Investment & Finance Committee Meeting – May 17, 2007 – Reported by Director Omsted

Director Omsted stated that he requested copies of the audit questionnaire to be given as handouts at tonight's meeting. Director Omsted reported that the IFC participated in the 2007 Financial Audit Entrance meeting with staff and CPA Paul Kaymark from Charles Z. Fedak & Co. The IFC also reviewed the updated worksheets from the 2004 Financial Plan and this will be discussed later in tonight's agenda.

10. Old Business

None

12. New Business

President Hanson requested to move item 12E forward for discussion.

- E. Adopt Resolution No. 2181 – A Resolution of the Board of Directors of the Leucadia Wastewater District Adopting the Island Area Collection System Plan.

GM Bushee noted that the Board of Directors reviewed the Draft Island Area Plan at its Special meeting on April 26, 2007. GM Bushee presented the recommendation to adopt Resolution No. 2181.

Following discussion, Resolution No. 2181 was passed and adopted by the following vote:

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

11. Public Hearing

A. President Hanson opened the Public Hearing to consider the following:

1. A proposal to collect the Fiscal Year 2008 Wastewater Service Charge on the San Diego County Tax Roll.

ASM LeMay stated that LWD has been collection of wastewater service charge on the tax roll since 1979 and LWD would like to continue collecting wastewater service charge on the tax roll. No public input was received at the Public Hearing. President Hanson closed the Public Hearing.

12. New Business

- A. Adoption of Resolution No. 2178 – A Resolution of the Board of Directors of the Leucadia Wastewater District adopting and approving the report for the collection of wastewater service charges on the county tax roll for the fiscal year July 1, 2007 to June 30, 2008.

ASM LeMay presented the subject recommendation. Following discussion, Resolution No. 2178 was passed and adopted by the following vote:

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

- B. Adoption of LWD Fiscal Year 2008 Budget.

ASM LeMay presented the subject recommendation. ASM LeMay stated that at the May Board meeting, staff provided a detailed report and the Board directed staff to finalize the budget. Following discussion, and upon a motion duly made, seconded, and carried, the Board of Directors adopted the Recommended FY 2008 District Budget as presented.

- C. Adoption of Resolution No. 2179 – A Resolution of the Board of Directors of the Leucadia Wastewater District (LWD) establishing an Appropriations Limit of LWD for the fiscal year July 1, 2007 to June 30, 2008 pursuant to Article XIII (B) of the California Constitution.

ASM LeMay presented the subject recommendation. ASM LeMay stated each year

CA Code §7910 requires the District to establish an Appropriations Limit at the beginning of each fiscal year. Fiscal Year 2008 appropriations limit has been calculated at \$54 million dollars.

Following discussion, Resolution No. 2179 was passed and adopted by the following vote:

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

D. Adoption of Resolution No. 2180 – A Resolution of the Board of Directors of the Leucadia Wastewater District Approving the Encina Wastewater Authority Fiscal Year 2008 Operating and Capital Budgets.

ASM LeMay presented the subject recommendation. ASM LeMay stated LWD's share of the Encina Wastewater Authority Fiscal Year 2008 Operating and Capital Budgets are \$1.9 million for Operating expenses and \$214,000 for Capital expenses.

Following discussion, Resolution No. 2180 was passed and adopted by the following vote:

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

F. Review and discuss of Updated Worksheets from the 2004 Financial Plan Update.

GM Bushee stated that staff annually updates the worksheets from the 2004 Financial Plan Update in order to effectively monitor the status of LWD's Finances. GM Bushee stated that the Investment & Finance Committee previously reviewed this item and IFC suggested it be presented to the Board of Directors. GM Bushee introduced CPA Richard Duffey who provided an overview of the Updated Worksheets from the 2004 Financial Plan Update. CPA Duffey reviewed the financial worksheets from the past three years.

This item was presented to the Board of Directors for information purposes, no action was taken.

G. Review and Discuss the Technical Alternatives for LWD Recycled Water Program Asset Management Planning.

ASM Schempp presented the subject recommendation. ASM Schempp stated the FY 07 Tactics and Action Plan included a goal to investigate new technologies for water recycling along with their estimated capital funding requirements. ASM Schempp introduced District Engineer Steve Deering to discuss the emerging technologies for