

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

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, July 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, Omsted, Hanson, Sullivan, and Kulchin
DIRECTORS ABSENT:	None
OTHERS PRESENT:	General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Project Manager Robin Morishita, Executive Assistant Trisha Hill, Field Services Supervisor Jeffery Stecker, Field Services Technician I Ian Riffel, Administrative Specialist Tianne Baity, Mike Metts of Dudek, and Rob Weber of IEC

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

None.

6. Presentations and Awards

A. Achievement of Individual Awards

President Juliussen introduced Ian Riffel. He presented Ian with a certificate and award for receiving his Grade D2 Water Distribution Operator certification. He noted that under the District's individual incentive program, Ian is eligible for a \$500 incentive check.

President Juliussen also introduced Tianne Baity. He presented Tianne with a certificate and award for receiving her Grade D1 Water Distribution Operator certification. He noted that under the District's individual incentive program, she is eligible for a \$500 incentive check.

President Juliussen also introduced Jeff Stecker. He stated that today is Jeff's thirtieth anniversary at the District. He presented Jeff with a certificate and award for his service at LWD. He noted that under the District's individual incentive program, Jeff is

eligible for a \$750 incentive check.

The Board of Directors and staff congratulated Ian, Tianne, and Jeff for their efforts.

7. Consent Calendar

- A. Minutes for the following meetings:
 - June 9, 2010 Regular Board meeting
 - June 16, 2010 Special Board meeting
 - June 29, 2010 Engineering Committee meeting
 - June 30, 2010 Investment & Finance Committee meeting
 - July 7, 2010 Community Affairs Committee meeting
- B. Demands for June/July 2010
 - Payroll Checks Numbered 14967 – 15007; General Checking – Checks numbered 39548 – 39699; Reissued voided check number 39611
- C. Operations Report. (A copy was included in the original July 14, 2010 Agenda)
- D. Finance Report. (A copy was included in the original July 14, 2010 Agenda)
- E. Receive and file the Groundwater Feasibility Study completed by Dexter Wilson Engineering and Peterson Environmental Services.

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

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – June 23, 2010 Board meeting.

Director Sullivan reported on EWA's June 23, 2010 Board meeting.

Member Agency Manager Meeting – July 14, 2010.

GM Bushee reported on the July 14, 2010 Member Agency Manager meeting.

9. Committee Reports

- A. Engineering Committee meeting was held on June 29, 2010.

Director Kulchin stated he brought in a recent newspaper article that lists major sewage spills that have occurred in San Diego County within the past few years. LWD is not mentioned on the list. Director Kulchin stated that is a good thing and congratulated staff and LWD for not making the list.

Director Kulchin reported that the EC reviewed the Asset Management Master Plan Implementation Phase I Report completed by IEC. He indicated that this item will be reviewed by the Board at tonight's meeting. He stated that the EC also reviewed the Batiquitos Pump Station Rehabilitation Preliminary Design Report completed by IEC and an agreement with IEC for engineering services for the Batiquitos Force Main

Repair project.

In addition, the EC reviewed the professional services agreement with Dudek for Engineering Consulting Services in an amount not to exceed \$240,000. The committee also received an update on the Satellite Pump Stations, Force Mains, and Gravity Sewer Replacement Project.

Director Kulchin noted that the EC agreed with staff to present these items to the Board of Directors at tonight's meetings for approval. The committee also received an update on the Satellite Pump Stations, Force Mains, and Gravity Sewer Replacement Project.

B. Investment & Finance Committee meeting was held on June 30, 2010.

Director Hanson reported that the IFC reviewed the agreement with Brownell & Duffey, CPA for accounting and financial services in an amount not to exceed \$199,800. She stated that the IFC agreed with staff to present this item to the Board of Directors at tonight's meeting for approval.

C. Community Affairs Committee (CAC) meeting was held May 25, 2010.

Director Omsted reported that the CAC reviewed and edited the draft layout for the summer 2010 newsletter. He noted that the newsletter was placed at each Board member's seat for additional comments or suggestions before the printing of the newsletter. He noted that one of articles discusses the costs for a lateral video inspection which is estimated at \$200 - \$400, which is higher in costs than anticipated.

GM Bushee noted that if the Board had any edits or comments to let staff know by Monday, July 19th.

10. Old Business

None.

11. New Business

- A. Authorize the General Manager to execute a two year professional services agreement with Dudek for Engineering Consulting Services in an amount not to exceed \$240,000.

GM Bushee presented this item, stating that the EC reviewed the agreement at its June 29th meeting. GM Bushee stated that last month this item was on the agenda, but President Juliussen request that the EC review the agreement prior to the Board's approval. GM Bushee stated that Dudek has been providing engineering services to the District since 1996. He indicated they have gained a unique working knowledge of the District and staff is pleased with Steve Deering's performance. GM Bushee noted that EC discussed the proposed increase in Dudek's fees and Mike Metts provided additional information which is attached to the staff memo. GM Bushee indicated that there was a cost increase in the contract, but added that the cap will remain the same.

Upon a motion duly made by Director Kulchin, seconded by Vice President Omsted, and carried, the Board of Directors authorized the General Manager to execute a two year professional services agreement with Dudek for Engineering Consulting Services in an amount not to exceed \$240,000.

- B. Authorize the General Manager to execute a two year professional services agreement with Brownell & Duffey, CPA's for Accounting and Financial Services in an amount not to exceed \$199,800.

ASM LeMay presented this agenda item stating that Richard Duffey has provided the District and staff with excellent accounting and financial services for the past ten years. ASM LeMay noted that the contract includes a slight increase over the next few years. He indicated that the budget includes costs for his FY 11 services.

Upon a motion duly made by Director Sullivan, seconded by Director Hanson, and carried, the Board of Directors authorized the General Manager to execute a two year professional services agreement with Brownell & Duffey, CPA's for Accounting and Financial Services in an amount not to exceed \$199,800.

- C. Adopt Resolution No. 2210 Requesting LAFCO to Take Proceedings for the North Pointe Change of Organization.

GM Bushee introduced Mike Metts to present the item. Mr. Metts provided a summary of the North Point Change of Organization. He noted the location of the two properties that total 5.63 acres. He stated the development of the parcels will include nineteen single family homes and that the developers are paying for the development of the manholes and sewer mains. In addition, Metts noted that the developer is following the District's specifications and master plan for the construction of the sewer lines. He also stated that the city of Encinitas will be the lead agency on the CEQA operation.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and carried, the Board of Directors adopted Resolution No. 2210 by the following vote:

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

- D. Receive and file the Asset Management Master Plan Implementation Phase I Report completed by Infrastructure Engineering Corporation (IEC).

PM Morishita presented the recommended subject providing a PowerPoint overview of the District's Asset Management Master Plan (AMMP). PM Morishita noted that the next few agenda items are related to the District's AMMP which was developed as a methodical approach to analyze and replace the District's assets, if needed, prior to failure. PM Morishita stated that this predictive maintenance model was used for the

gravity pipelines, manholes, and pump stations.

He also stated that IEC completed their assessment of the pump stations and the initial list of gravity lines addressing that a summary of IEC's conclusions and recommendations was available.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and carried, the Board of Directors received and filed the AMMMP Phase I Report.

Director Kulchin noted he was very impressed with staff and IEC for conducting a long range plan for the District's assets.

- E. Receive and file the Batiquitos Pump Station Rehabilitation Preliminary Design Report completed by Infrastructure Engineering Corporation (IEC).

PM Morishita presented the recommended subject. He stated that in February 2009, an agreement with IEC was executed to assist staff with the AMMP Implementation. As part of their findings for replacement of the District's assets, IEC's recommendation includes work on the Batiquitos Pump Station. PM Morishita provided a summary of the work that the Batiquitos Pump Station will need.

GM Bushee noted that staff will present the EC and Board with an agreement for the design of the work in August 2010.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Hanson, and carried, the Board of Directors received and filed the Batiquitos Pump Station Rehabilitation Preliminary Design Report completed by IEC.

- F. Authorize the General Manager to execute an Agreement with Infrastructure Engineering Corporation (IEC) for engineering design services for the Batiquitos Force Main Repair Project in an amount not to exceed \$87,654.

PM Morishita presented the recommended subject stating that in May 2010, a spill occurred due to a break in the B2 sewer main. PM Morishita explained the cause of the spill and indicated that there are two methods to repair the B2 and B3 force mains. He indicated that both methods will be included in the bids to design the project and that staff has reviewed IEC's proposal for the design services and determined that it is fair and reasonable.

Rob Weber of IEC indicated that IEC will try to meet the August 2010 deadline date.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and carried, the Board of Directors authorized the General Manager to execute an agreement with IEC for engineering design services for the Batiquitos Force Main Repair Project in an amount not to exceed \$87,654.

G. CSDA Board of Directors Region 6, Seat A Elections.

EA Hill presented this item. EA Hill stated that the District received CSDA's ballot for the 2010 election for Seat B on the Board of Directors. EA Hill noted the names of the candidates. She stated that staff has no recommendation on this item and staff will forward the Board's recommendation to CSDA by the deadline date of August 6, 2010.

Following discussion, the Board of Directors directed staff to send the completed ballot to CSDA with one vote for Arlene Schafer of the Costa Mesa Sanitary District.

H. Receive and file the Fiscal Year 2010 (FY 10) Tactics and Action Plan Report.

GM Bushee presented the Tactics and Action Plan report stating that the tactical goals were approved by the Board last fiscal year. GM Bushee stated that he is prepared to provide a presentation at the Board's discretion. The Board of Directors was satisfied with the list of completed goals included in the Board packet.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Kulchin, and carried, the Board of Directors received and filed the FY 10 Tactics and Action Plan Report.

I. Receive and file the Disclosure of Reimbursements Report for January 1, 2010 through June 30, 2010.

President Juliussen asked if any member of Board had any comments or questions on the report.

Director Omsted inquired about including the mileage that is reimbursed to Directors on the report. GM Bushee stated that the code requires disclosing reimbursements of \$100 or more and if a Board member is reimbursed less than \$100 for each item, it is not included in the report. The information that is included in the report satisfies the required law. Director Omsted stated that he would like to include all of Director's reimbursements on the report.

President Juliussen recommended that the Investment & Finance Committee review the option to include additional Board reimbursements on the report, even if the reimbursement is under \$100. GM Bushee and the Investment & Finance Committee members agreed to schedule a meeting.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Hanson, and carried, the Board of Directors received and filed the Disclosure of Reimbursements Report for January 1, 2010 through June 30, 2010.

12. Information Items

A. Settlement of claims against Leucadia Wastewater District.

GM Bushee stated that last month the Board met in closed session to discuss the claims received from businesses adjacent to the Diana Pump Station project. GM Bushee stated that Board Resolution No. 2103 authorized him to settle the claims and all parties involved were satisfied with the settlements. The total costs of the settlements was \$9,675.00.

- B. Discussion of attendance at the Watereuse symposium in Washington, DC that is scheduled for September 12-15, 2010.

No Board members were interested in attending the conference.

- C. Discussion of attendance at the Water Environment Federation (WEF) TEC Conference in New Orleans, Louisiana that is scheduled for October 2-6, 2010.

President Juliussen stated he is attending the conference. GM Bushee added that Field Services staff members will also attend the conference.

13. Directors' Meetings

President Allan and Director Sullivan stated that they attended the City of Vista's Open House.

14. Comments, Questions or Requests by Directors

Director Omsted stated his comments relate to the sewer lateral program. He suggested that the District should look into assisting homeowners for the preventative maintenance costs of their laterals. He indicated that the two homeowners that were mentioned in the newsletter had problems with their laterals and that they received lateral reimbursements to assist them with their repairs. He indicated that he would like to see a preventative program in place and not after the homeowners have problems.

15. General Manager's Report

The following items were reported:

- Please provide comments on the 2010 summer newsletter by Monday, July 19th.
- Please let EA Hill know if you would like to attend the Carlsbad City of State event on August 27th at 11:00 at the Aviara Four Seasons.
- Handout discussed the new Director at Otay Water District.
- Employee luncheon is tomorrow at Stagecoach Park at noon. The office will be closed during the luncheon.

16. General Counsel's Report

General Counsel Brechtel provided updates on recent bills going through the legislature regarding the possibility of expanding sewer districts ability to assist homeowners with repairing/replacing their septic systems. The current ordinance may be expanded to allow local sewer agencies to assist homeowners with septic systems.


17. Closed Session

- A. Personnel matters as authorized by Government Code Section 54957 to review General Manager Performance.

Following closed session, the Board of Directors reported that the General Manager received an excellent performance review. The Board approved a 4% pay increase.

18. Adjournment

President Juliussen adjourned the meeting at 6:35 p.m.



Paul J. Bushee
Secretary/General Manager
(SEAL)



Allan Juliussen, President