

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

July 9, 2008

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, July 9, 2008 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Sullivan, Kulchin, Juliussen, Hanson, and Omsted

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Project Manager Robin Morishita, Executive Assistant Trisha Miranda, Chris Trees with Dudek, and members of the public; John Pastore, Mary Beth O'Brien, Marie Kersten, and Karen Svet.

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

There was no public comment.

6. Presentations and Awards

A. LWD Recognized as a "District of Distinction" by the California Special District Association (CSDA).

GM Bushee stated the District was recognized as a "District of Distinction" by the CSDA. The District is scheduled to be recognized at the CSDA Awards Banquet in September 2008.

The Board of Directors congratulated staff.

7. Consent Calendar

A. Minutes for the following meetings:

June 11, 2008 Regular Board meeting

June 30, 2008 Engineering Committee meeting

B. Demands for June 2008/July 2008

Payroll Checks Numbered 13687 - 13724; General Checking – Checks numbered

36383 – 36533; General Managers Account – check number 333.

C. Operations Report (A copy was attached to the original July 9, 2008 Agenda)

D. Finance Report (A copy was attached to the original July 9, 2008 Agenda)

Director Omsted pulled item 7B, the Demands, for discussion.

Following discussion and upon a motion duly made by Director Omsted, seconded by Director Juliussen, and carried, the Board of Directors approved the consent calendar.

8. Encina Wastewater Authority (EWA) Reports

A. Encina Wastewater Authority Report – June 25, 2008 Board meeting.

Director Juliussen reported on EWA's June 25, 2008 Board meeting.

B. Member Agency Managers (MAM) Report – July 9, 2008 meeting.

GM Bushee reported that the July MAM meeting had been cancelled.

9. Committee Reports

A. Engineering Committee meeting was held on June 30, 2008 – report by Director Juliussen.

Director Juliussen stated the EC reviewed the Jaynes Corporation proposed change order in an amount not to exceed \$33,615 for trench stabilization during the construction of the Site Improvement Project. The EC recommended and concurred with staff to present the change order to the Board of Directors for approval. This item will be reviewed by the Board later in tonight's agenda.

The EC also reviewed the Professional Service Agreement with ADS Environmental Services for the maintenance of and analysis of data from seven (7) permanently installed flow meters in an amount not to exceed \$47,930. The EC concurred with staff to recommend that the Board of Directors authorize the General Manager to execute a one year professional services agreement with ADS Environmental in an amount not to exceed \$47,930. The item will be reviewed by the Board of Directors at tonight's meeting.

In addition, the EC received PowerPoint presentations on the status of the Site Improvement Project and the Village Park No. 5 Force Main Replacement Project. Furthermore, the EC briefly discussed water recycling issues.

B. Community Affairs Committee meeting was held July 8, 2008 – report by Director Omsted.

Director Omsted stated that the CAC reviewed Task Order No. 3 to the KATZ & Associates Public Information Services Agreement. The CAC recommended and concurred with staff to present the Task Order No. 3 to the Board of Directors for approval. This item will be reviewed by the Board later in tonight's agenda.

The CAC also reviewed and discussed the fall 2008 newsletter story ideas and schedule.

The cover story of the newsletter will focus on recycled water. In addition, the CAC reviewed LWD's new website and provided their comments.

The CAC also discussed the possibility of replacing LWD's scholarship program for high school students with a grant program for teachers that develop a curriculum that educates students on wastewater treatment or recycled water.

10. Old Business

None.

11. Public Hearing

A. President Sullivan opened the public hearing to consider the following:

1. A Proposal to establish the District Wastewater Service Charge for FY 09 at \$213.40, FY 10 at \$234.74, and FY 11 at \$258.21 per equivalent dwelling unit (EDU) per year.

Prior to public comment, GM Bushee presented a PowerPoint of presentation on the financial background of why the District is proposing to increase the sewer service charges for fiscal years 2009, 2010 and 2011. GM Bushee noted that the District received five written protests for the sewer rate increase and one letter of support for the increase.

Following the presentation, public comments were received from the following residents regarding the proposed increase:

- Mr. John Pastore thanked the Board of Directors and staff for keeping the sewer rates low over the years.
- Ms. Marie Kersten stated that she also received notices from other local water agencies regarding an increase in those rates as well. Ms. Kersten questioned staff on how LWD's proposed rate increase will affect her.

GM Bushee replied that LWD is independent agency and her annual sewer services fee for FY 2009 will increase from \$194 to \$213.40.

Ms. Kersten who worked with the registrar's office, also thanked the Board for letting the registrar of voters use the Boardroom as a polling site, and commented that the staff at LWD is pleasant to work with.

GM Bushee stated that the District's received one more request to address the Board from Ms. Mary Beth O'Brien on item 12G, Adopt the LWD Lateral Grant Program. The Board of Directors decided to receive public comment on item 12G when staff presents this item to the Board. Ms. O'Brien agreed to wait until then.

12. New Business

A. Adopt Ordinance No. 122 Adjusting the District's Wastewater Service Charge for Fiscal Years 2009 – 2011.

ASM LeMay presented the subject recommendation. ASM LeMay stated that prior to this item the Board of Directors conducted a public hearing regarding the adjustment of LWD's wastewater service charge. ASM LeMay noted that Ordinance No. 122 would adjust rates for Fiscal Years 2009 – 2011 as follows:

Fiscal Year	Annual Rate	Monthly Rate
2009	\$213.40	\$17.78
2010	\$234.74	\$19.56
2011	\$258.21	\$21.52

Following discussion, Ordinance No. 122 was passed and adopted by the following vote:

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

President Sullivan moved item 12G, Adopt the LWD Lateral Grant Program, forward for consideration.

G. Adopt Resolution No. 2194 Establishing the Leucadia Wastewater District's Private Lateral Repair Authorization and Reimbursement Policy as presented.

FSM Schempp presented the subject recommendation. FSM Schempp stated that the purpose of this policy and its reimbursement program is to reach out to the public and provide an additional incentive to focus property owners on lateral repairs. This program represents one more proactive method to prevent sewer overflows and assure both plant and system capacity during rain events. Additionally, this program coincides with CSRMA's goal of reducing liability claims from sewer backups by providing ratepayers with an opportunity to further protect their property by properly maintaining their lateral and installing a backflow prevention device at reduced expense.

Staff has worked closely with District Counsel to develop this policy with a simple procedure and easy to understand forms. This policy allows District ratepayers to participate in a program to reduce sewer overflows by focusing on private lateral maintenance and repair by licensed plumbing contractors. The program requires preauthorization and the amount of reimbursement is limited to fifty percent of the actual cost of the lateral repair or \$3000, whichever is less.

GM Bushee introduced Ms. Mary Beth O'Brien, a member of the public to address the Board on this item.

Ms. Mary Beth O'Brien stated that she is planning to have her lateral replaced, and passing this policy would greatly help her. She encouraged the Board of Directors to

pass this resolution to help homeowners, like herself, repair the sewer lateral. She also thanked FSM Leo Schempp for his help.

Following discussion, Resolution No. 2194 was passed and adopted by the following vote:

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

- B. Authorize the General Manager to execute Task Order No. 3 to the KATZ & Associates Public Information Services Agreement in an amount not to exceed \$34,985.

ASM LeMay presented the subject recommendation. ASM LeMay stated that the CAC reviewed this item at their meeting on July 8th and the CAC concurred with staff to bring this recommendation forward to the Board for approval.

ASM LeMay stated that staff has negotiated the scope of work for Task Order No. 3 with KATZ for the remainder of the initial contract period from July 1, 2008 - February 7, 2009. It includes services for LWD's public information program; such as, project management services, drafting and designing one newsletter, maintaining and updating LWD's website, drafting and designing one fact sheet, and developing project outreach and construction relations media. The total proposed fee for Task Order No. 3 is \$34,985.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Juliussen, then carried, the Board of Directors authorized the General Manager to execute Task Order No. 3 to the KATZ & Associates Public Information Services Agreement in an amount not to exceed \$34,985.

- C. Authorize the General Manager to execute a one-year professional services agreement with ADS Environmental Services for the maintenance and analysis of data from seven (7) permanently installed flow meters in an amount not to exceed \$47,930.

FSM Schempp presented the subject recommendation. FSM Schempp stated that this item was reviewed by the Engineering Committee at its June 30, 2008 meeting and the committee concurred with staff to bring this recommendation forward to the Board of Directors.

FSM Schempp stated that in October 2007, the Board of Directors approved a contract with ADS Environmental for the installation of seven permanent flow meters in the District's collection system. The installation of the seven meters has been completed. The agreement also included equipment maintenance, data collection, analysis, and reporting services for the January through June 2008 time period. In order to continue these services for the Fiscal Year 2009, a new agreement must

be approved. FSM Schempp noted that sufficient funds have been appropriated in the FY 09 Budget to cover the proposed contract amount.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Omsted, then carried, the Board of Directors authorized the General Manager to execute a one-year professional services agreement with ADS Environmental Services for the maintenance and data analysis for seven (7) permanently installed flow meters in an amount not to exceed \$47,930.

- D. Authorize the General Manager to approve a proposed change order with Jaynes Corporation for the stabilization of a sewer lateral trench during the construction of the Site Improvement Project in an amount not to exceed \$33,615.

PM Morishita presented the subject recommendation. PM Morishita stated that this item was reviewed by the Engineering Committee at its June 30, 2008 meeting and the committee concurred with staff to bring this recommendation forward to the Board of Directors for consideration.

In February 2008, Jaynes Corporation commenced construction of the Site Improvement Project. Part of the first phase of construction is the installation of underground utilities, such as sewer. During the installation of the sewer lateral for the Headquarters Building, a significant amount of ground water was encountered. The presence of the ground water affected the surrounding soil. This created an environment where a significant amount of soil stabilization was needed to install the sewer lateral at the necessary depth to provide adequate slope for proper sewer flow. The unanticipated stabilization required additional labor and materials, such as gravel and concrete slurry, which was not originally specified in the contract. This change order is required to pay for the additional labor and material. The cost associated with this change order has been verified by Dudek, the Construction Manager, to be accurate and reasonable.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Kulchin, then carried, the Board of Directors authorized the General Manager to approve a proposed change order with Jaynes Corporation for the stabilization of a sewer lateral trench during the construction of the Site Improvement Project in an amount not to exceed \$33,615.

- E. Receive and file the Fiscal Year 2008 (FY 08) LWD Tactics and Action Plan Report.

GM Bushee stated that staff has prepared a PowerPoint presentation for the Board review. However, the Board of Directors waived their option to review the PowerPoint presentation because staff's memo sufficiently covered the information.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Kulchin, then carried, the Board of Directors received and filed the FY 08 LWD Tactics and Action Plan Report.

- F. Receive and file the Fiscal Year 2009 (FY 09) LWD Tactics and Action Plan Report.

GM Bushee stated that staff has prepared a PowerPoint presentation for the Board review. The Board of Directors waived their option to review the PowerPoint presentation, because the staff memo sufficiently covered the information.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Director Kulchin, then carried, the Board of Directors received and filed the FY 09 LWD Tactics and Action Plan Report.

H. Receive and file the Disclosure of Reimbursements Report for January 1, 2008 through June 30, 2008.

GM Bushee presented the subject recommendation. GM Bushee stated that Government Code §53065 stipulates that Special Districts must disclose reimbursements of \$100 or more on at least an annual basis. LWD prepares the Disclosure Report every six months, which is above and beyond the requirements of the code.

Director Hanson recommended that all expenses should be reported on the report. GM Bushee stated that staff will review the code with Counsel Brechtel and staff will follow up with the Board, if necessary.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Omsted, then carried, the Board of Directors received and filed the Disclosure of Reimbursement Report for January 1, 2008 through June 30, 2008.

13. Information Items

GM Bushee reviewed the following information items.

- A. CASA 53rd Annual Conference Preliminary Program.
- B. LWD Scholarship Press Release in the Coast News.
- C. Site Improvement Project Status Report.

PM Morishita presented a PowerPoint Presentation on the status of Site Improvement Project.

14. Directors' Meetings

None.

15. Comments, Questions or Requests by Directors

Director Hanson stated that the next LAFCO meeting is scheduled for July 18, 2008 at the City of Encinitas.

16. General Manager's Report

The following items were reported:

- Administrative Specialist Tianne Baity gave birth to a baby boy named Max on July 8th.
- Utility Worker Mike Ramirez also had a new addition to his family. His wife gave birth to a baby boy on July 5th.
- GM Bushee will be on vacation from July 21st through August 4th, and ASM LeMay will be the acting GM.

17. General Counsel's Report

General Counsel reported that the new SB 1732 passed, which amends the Brown Act to clarify the prohibition on serial meetings. In addition, the sewer lateral survey conducted by CASA has been distributed to other Special District agencies, and the results of the survey should be available in August.

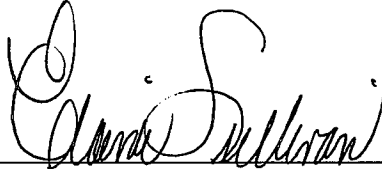
18. Closed Session

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

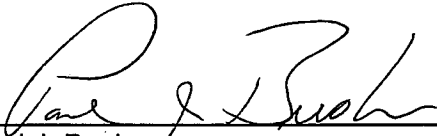
Following closed session, the Board of Directors reported that the General Manager received an excellent performance review. The Board approved a 6% pay increase.

19. Adjournment

President Sullivan adjourned the meeting at 8:00 p.m.



Elaine Sullivan, President



Paul J. Bushee
Secretary/General Manager
(SEAL)