

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

August 17, 2011

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, August 17, 2011 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Technical Services Manager Robin Morishita, Administrative Services Manager Chuck LeMay, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Field Services Technician II Ian Riffel, CPA Richard Duffey, District Engineer Steve Deering, Dexter Wilson of Dexter Wilson Engineering, and Jennifer Beales of TRG & Associates

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

None.

6. Presentations and Awards

A. Achievement Award for an Individual Objective – Ian Riffle

President Omsted introduced FST II Ian Riffel. He provided background information about Ian and stated that Ian recently received his Master of Business Administration from the University of Phoenix. He indicated that under LWD incentive program Ian is eligible for a \$2,000 award.

B. Achievement Award for an Individual Objective – Trisha Hill

President Omsted introduced EA Trisha Hill. He provided background information about Trisha and stated that Trisha recently passed her 10th year anniversary at the District. He indicated that under LWD's incentive program Trisha is eligible for a \$200 incentive award.

The Board of Directors congratulated Ian and Trisha for their efforts.

7. Consent Calendar

- A. Minutes for the following meetings:
 - July 12, 2011 Community Affairs Committee meeting
 - July 13, 2011 Regular Board meeting
 - August 8, 2011 Engineering Committee meeting
 - August 9, 2011 Community Affairs Committee meeting
- B. Demands for July/August 2011
Payroll Checks Numbered 15573-15631; General Checking – Checks numbered 41242-41392
- C. Operations Report. (A copy was included in the original August 17, 2011 Agenda)
- D. Finance Report. (A copy was included in the original August 17, 2011 Agenda)
- E. Quarterly Investment Report. (A copy was included in the original August 17, 2011 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – July 27, 2011 Board meeting.

Director Juliussen reported on EWA's July 27, 2011 Board meeting.

Member Agency Manager Meeting – July 21, 2011.

GM Bushee reported on the July 21, 2011 Member Agency Manager meeting.

9. Committee Reports

- A. Engineering Committee (EC) meeting was held August 8, 2011.

Director Juliussen reported that the EC reviewed the Sanitary Sewer Management Plan (SSMP) Fiscal Year 2011 Audit conducted by Dexter Wilson Engineering, Inc. He stated that the EC concurred with staff's recommendation to receive and file the report. He noted that this item will be reviewed by the Board later in the agenda.

He also reported that the EC received a status report on the Batiquitos Pump Station Rehabilitation Project update. He noted that the estimated construction cost was reduced by \$1 million and staff anticipates that the project will bid in September 2011 with a January 2013 completion date.

He also reported that the EC received a project update on the Occidental Line repair. He noted that the city of Carlsbad is designing and constructing the project and the project is anticipated to be completed in the next few months.

- B. Community Affairs Committee (CAC) meeting was held August 9, 2011.

Director Sullivan reported that the CAC reviewed the revised open house budget and task list

for the November open house. She provided a summary of the tasks that will be completed for the open house. She also noted that staff suggested that the budget be presented to the Board to appropriate funds that were not included in the FY 2012 budget and that the CAC agreed. She noted this item will be reviewed by the Board later in the agenda.

C. Human Resources Committee (HRC) meeting was held August 15, 2011.

Director Kulchin reported that the HRC reviewed the District's Board of Directors/Staff Relations Policy. He noted that President Omsted attended the meeting as a member of the public and provided comments on the policy. He stated that the HRC discussed potential changes to the policy in detail and that the HRC did not believe there was a strong need to edit the existing language, but the HRC did agree that the policy should be reviewed on an annual basis. He noted that that this item will be reviewed by the Board later in the agenda.

10. Old Business

None.

11. New Business

A. Receive and file the Sanitary Sewer Management Plan (SSMP) Fiscal Year 2011 Audit conducted by Dexter Wilson Engineering, Inc.

TSM Morishita presented the item stating that the SSMP was adopted in June 2009 as a result of the statewide sanitary sewer systems waste discharge requirements (WDR). He stated that Dexter Wilson Engineering, Inc. assisted staff with the development of the SSMP and they conducted the audit last year. TSM Morishita noted that the WDR requires the District to conduct an audit every two years, but LWD decided to be proactive and conduct the audit every year.

He introduced Mr. Dexter Wilson to provide an overview of the SSMP FY 12 audit and its results. Mr. Wilson provided an overview of the FY 2012 audit and he indicated that the general findings of audit indicated that the District activities meet or exceed the SSMP requirements.

Following discussion, upon a motion duly made by Vice President Hanson, seconded by Director Sullivan, and carried, the Board of Directors received and filed the Sanitary Sewer Management Plan (SSMP) Fiscal Year 2011 Audit conducted by Dexter Wilson Engineering, Inc.

President Omsted moved item D forward for discussion.

D. Appropriate funds to the FY 12 LWD Budget in the amount of \$45,000 to cover anticipated expenses for the November 4, 2011 open house event.

ASM LeMay presented this item stating that LWD celebrated its 50th anniversary and the new site improvement project with an open house event. He stated that the success of the 2009 open house encouraged staff to include a similar event in the FY 2012 Tactical Goals.

He indicated that the open house is a good outreach tool, since the District does not bill its customers directly and many customers are unaware that the District provides their sewer

service. The open house allows customers to visit the District and provides an opportunity for staff to interact with customers to show them the District's daily operations. He also stated that at recent conferences, one of the discussion topics is public outreach for special districts and how important it is for special districts to reach out to their constituents.

He indicated that the \$45,000 budget for the open house is reasonable, based on the 2009 open house costs. He stated that the open house was not included in the FY 2012 budget, and the CAC agreed with staff to present this to the Board for approval before moving forward with the open house tasks.

Director Kulchin suggested that the time should be extended to 6 p.m. to allow for working individuals to attend after work. He also indicated that he would support the open house if there is an effort to notify a large portion of the District's rate payers.

Director Juliussen believed the open house budget was excessive without knowing how many individuals will attend the event. He also would prefer to have the open house on a Saturday instead of Friday to attract more attendees. Vice President Hanson agreed with Director Juliussen stating that the program is good, but she can't support appropriating funds for the open house budget because of the high cost. She believed that the public outreach efforts that the District does now is enough.

President Omsted stated, in light of the city of Bell incident, it is very important for LWD to reach out to the public. Director Sullivan agreed with President Omsted and she indicated that extending the time of event would have additional lighting and overtime expenses.

GM Bushee addressed the issue of scheduling the event on a Friday versus a Saturday, indicating that families are normally busy on the weekends. He also addressed the difference between the public forum attendance versus the open house attendance. He indicated that the open house would be an excellent opportunity for the public to learn about LWD and that he is optimistic there will be good attendance at the open house. GM Bushee concurred that the time could be extended to 6 p.m.

Director Kulchin motioned to approve the recommendation provided that the open house be extended to 6:00 p.m. Director Sullivan seconded the motion as amended. The motion carried with Directors Juliussen and Hanson opposing.

B. Review of the Board of Directors/Staff Relations Policy.

ASM LeMay presented this item stating that the Board approved a Board of Directors/Staff Relations Policy in 2007. He indicated that, at a recent Board meeting, President Omsted requested that this policy be reviewed by the Board of Directors. He stated that the HRC and staff reviewed the policy at its August 15, 2011 meeting and the HRC and staff had no proposed changes other than to include an annual review clause to the policy.

The Board discussed this item at length. The discussion focused on whether existing language of the policy needed to be amended. There was no clear agreement on this issue. Director Kulchin suggested that this item be further discussed at a strategic planning workshop. The Board concurred with this approach. GM Bushee noted that he would include this item as part

of a half day strategic planning workshop to be held in late winter or early spring 2012.

C. Adopt the Fiscal Year 2012 (FY 12) Tactics and Action Plan Report.

GM Bushee presented the Tactics and Action Plan report stating that the Board adopted LWD's Strategic Plan in July 2005. He indicated that each year staff develops a Tactics and Action Plan covering LWD's seven strategic areas. He noted that this year's plan includes 53 tactical goals. GM Bushee provided a brief overview of the tactics and action plan.

Director Kulchin recommended that staff include a tactical goal of conducting a compensation and benefit survey using an outside agency. GM Bushee stated that FY 2008/2009 was the last year an outside agency conducted a compensation and benefit survey and staff can add this item to the tactical goals.

The Board of Directors requested additional information on the following tactical goals:

- Evaluate Payoff of PERS "sidefund" obligation
- Evaluate the need to procure an Easement Crawler

ASM LeMay provided additional information on the goal to evaluate payoff of PERS "sidefund" obligation. FSS Stecker provided additional information on the goal to evaluate the need to procure an easement crawler.

Following discussion, upon a motion duly made by Vice President Hanson, seconded by Director Juliussen, and carried, the Board of Directors adopted and filed the FY 12 Tactics and Action Plan Report. GM Bushee noted that the compensation survey goal will be added to the report.

E. Appropriate funds to the FY 12 LWD Budget in the amount of \$445,835.64 to cover the District's apportioned cost for EWA's West Influent Pipeline overflow that occurred on October 7, 2010.

ASM LeMay presented the subject item stating that staff has been working with EWA and other member agencies to monitor the costs for EWA's pipeline incident. He indicated that the total cost of the incident was \$1,638,731.58. ASM LeMay indicated that the District's share is 26.1% or \$445,835.64. He also noted that since EWA was invoiced and paid for the work from their reserves, that it was necessary to invoice member agencies to replenish the reserves.

GM Bushee explained that the agency's managers agreed to allocate the costs based on the contributing agency's prorated share of flow into the west influent line for the past three years. He noted that the member agency managers are presently developing an agreement for the maintenance and ownership of the pipeline.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Juliussen, and carried, the Board of Directors appropriated funds to the FY 12 LWD Budget in the amount of \$445,835.64 to cover the District's apportioned cost for EWA's West Influent Pipeline overflow that occurred on October 7, 2010.

12. Information Items

- A. Special District and Local Government Institute conference is scheduled for September 8-9, 2011 at the Hyatt Regency Monterey Hotel in Monterey, CA.

EA Hill announced the conference dates and which Board member will be attending.

- B. Water Reuse Symposium is scheduled for September 11-14, 2011 at the Sheraton Wild Horse Pass Resort in Phoenix, AZ.

EA Hill announced the conference dates and which Board members will be attending.

- C. CWEA Tri-State Conference is scheduled for October 10-13, 2011 at the Monterey Marriott in Monterey, CA.

EA Hill announced the conference dates and which Board member will be attending. GM Bushee noted that several field services employees will also be attending the conference.

- D. WEFTEC Conference is scheduled for October 16-19, 2011 at the L.A. Convention Center.

EA Hill announced the conference dates and which Board members will be attending. GM Bushee noted that this is a technical conference and some employees will be attending.

- E. Thank you email to Field Services Specialist Frank Reynaga from a resident regarding LWD's Lateral Reimbursement program.

GM Bushee stated that the District recently received an email thanking Frank for assistance with a Lateral Reimbursement Grant.

13. Directors' Meetings

- A. California Special District Association (CSDA) Board's Role in Human Resources Workshop was held at the Sweetwater Authority in Chula Vista, CA on July 29, 2011.

Directors Kulchin and Juliussen reported that they attended the conference. Director Kulchin also stated that Harry Ehrlich was the presenter and it was a good seminar. He noted that he plans to attend all four CSDA Governance seminars.

- B. California Association of Sanitation Agencies (CASA) Conference was held at the Mission Bay Hilton Hotel in San Diego on August 10-13, 2011.

All the Board members attended this conference. President Omsted stated that the District received a public outreach award. President Omsted also stated that he attended CSRMA workshop the day before the conference and it was an excellent workshop.

14. Comments, Questions or Requests by Directors

Director Kulchin stated that the Carlsbad State of City Luncheon is scheduled for Friday, August 26th, but that there are no seats available and the Directors are on a waiting list for open seats. GM Bushee stated that staff will follow up with the Chamber of Commerce regarding the event.

15. General Manager's Report

The following items were reported:

- The CSDA Quarterly Dinner meeting is scheduled for tomorrow evening at 6:00 p.m. and a carpool will leave the District office at 5:00 p.m.
- The District was notified by a plumber yesterday regarding a clogged line on Grandview Street. The District will be working in that area over the next few days to repair the line.

16. General Counsel's Report

General Counsel Brechtel provided an update on the CASA Legal Committee meeting regarding CSRMA's draft model ordinance for regulations on private laterals and backflow devices. He indicated that CSRMA's concern with the majority of lateral overflow claims is that agency ordinances don't clearly define who owns laterals. He stated that the District's ordinance already defines that laterals are owned by the homeowners and that the District is not responsible for maintaining laterals. He also noted that the committee is planning on providing additional comments to the draft ordinance later this month.

In addition, General Counsel Brechtel provided an update on AB 741 which allows public wastewater agencies to offer voluntary liens to private property owners to finance sewer lateral replacements and repairs as well as conversions from septic to sewer systems.

17. Adjournment

President Omsted adjourned the meeting at 6:39 p.m.


Donald Omsted, President


Paul J. Bushee
Secretary/General Manager
(SEAL)