

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
August 8, 2007

A Regular Meeting of the Board of Directors of Leucadia Wastewater District (LWD) was held Wednesday, August 8, 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, Steve Deering with Dudek & Associates and Encinitas resident Ms. Melissa Robbins Chard

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

GM Bushee stated that one speaker form had been submitted from Ms. Melissa Robbins Chard of Encinitas.

Ms. Robbins Chard stated she has been invoiced by the District for a sewer capacity fee and four years of unpaid sewer service fees. Ms. Robbins Chard stated that she was willing to pay the four years of unpaid sewer service but was requesting that LWD waive the sewer capacity fee of \$3,286.

Ms. Robbins Chard explained that last month she was contacted by District staff regarding her sewer connection. At that time, Ms. Robbins Chard told District staff that she was connected to the sewer and gave permission to staff to conduct a dye test through the sewer line. The dye test concluded that Ms. Robbins Chard was connected to sewer, but LWD did not have a record of a sewer permit for her property on file. Consequently, Ms. Robbins Chard was invoiced for the capacity fee of \$3,286 as well as an additional \$776 covering the sewer service fee for the past four years.

Ms. Robbins Chard requested that LWD waive the capacity fee due to the fact that when she purchased her home eight years ago the property was already connected to sewer, and she assumed all fees were paid for at the time of the connection. Ms. Robbins Chard stated she had done research on the property and had brought documents stating her

property was connected to sewer prior to her purchase of the home. Ms. Robbins Chard also stated that she unsuccessfully tried to contact the previous owner.

Director Juliussen asked staff how staff became aware that Ms. Robbins Chard's property was connected to the sewer without a sewer permit. GM Bushee responded that staff became aware of the issue while researching the area as part of the development of the Island Area Collection System Plan. GM Bushee continued that while verifying connections in the areas, staff noticed that Ms. Robbins Chard's property had a cleanout; however, LWD records indicated that her property had been annexed into LWD and a sewer permit for the connection had never been issued. As a result, staff contacted Ms. Robbins Chard and conducted a dye test, which confirmed that her property was physically connected to the LWD's sewer.

Director Juliussen requested that staff place this issue on the September 2007 Board meeting agenda. GM Bushee agreed. The Board thanked Ms. Robbins Chard for her comments and for attending tonight's meeting.

GM Bushee stated there are no other public comments.

GM Bushee introduced LWD's new Utility Worker, Keon Nelson, to the Board of Directors. Mr. Nelson thanked the Board of Directors for having him at the Board meeting.

6. Presentations and Awards

- A. 10 Year Service Award presented to Field Services Manger Leo Schempp.

GM Bushee stated that during May, Mr. Schempp had passed his 10th year anniversary at LWD and was, therefore, eligible for a \$200 incentive award under LWD's Incentive Program. The Board of Directors and GM Bushee congratulated Mr. Schempp for this accomplishment. Mr. Schempp thanked the Board for his recognition of 10 years of service.

7. Consent Calendar

- A. Minutes of the following meeting:
July 11, 2007 Regular Board meeting.
July 9, 2007 Engineering Committee meeting.
- B. Demands for June/July 2007
Payroll Checks Numbered 13127 - 13164; General Checking – Checks numbered 35008 – 35138; Voided Checks Reissued – 35051, 35059, 35065.
- C. Operations Report (A copy was attached to the original August 8, 2007 Agenda).
- D. Finance Report (A copy was attached to the original August 8, 2007 Agenda).
- E. Quarterly Treasurer's Investment Report (A copy was attached to the original August 8, 2007 Agenda).

Following discussion and upon a 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 July 25, 2007 Board meeting. The report included a brief update on EWA's Building Program Construction Report for June 2007. Director Sullivan also reported EWA's Board adopted Resolution No. 07-2 appropriating funds for FY 2008 Operating and Capital Improvement Program Budgets.

GM Bushee reported that MAM did not meet today, but instead FSM Schempp and he attended a debriefing meeting to discuss the Buena Vista Lagoon spill. GM Bushee stated that the issues and challenges associated with the spill were discussed at the meeting.

9. Committee Reports

None.

10. Old Business

None

11. Public Hearing

- A. A Proposal to Adopt an Ordinance Approving a Reimbursement Agreement for the Orpheus Fire Station Sewer between LWD and the city of Encinitas.
- B. A Proposal to Adopt an Ordinance Providing for Construction Reimbursement Connection Fees.

ASM LeMay stated that a notice of the Public Hearings had been posted in the North County Times and at the District Administration Office in compliance with the Government Code.

ASM LeMay added that LWD had not received any comments or input on these matters prior to the meeting. No public input was received at the Public Hearing. President Hanson closed the Public Hearing.

12. New Business

- A. Adopt Ordinance No. 116 – An Ordinance of the Leucadia Wastewater District Approving Reimbursement Agreement for Orpheus Fire Station Sewer.

General Counsel Brechtel presented the subject recommendation. General Counsel Brechtel stated that the Orpheus Fire Station Reimbursement Agreement required adoption by ordinance because it involves connection fees, which are required by law to be adopted by ordinance. General Counsel Brechtel elaborated that property owners immediately "downstream" of the Orpheus Fire Station would be subject to the connection fees of this agreement.

Following discussion, Ordinance No. 116 was passed and adopted by the following vote:

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

B. Adopt Ordinance No. 117 – An Ordinance of the Leucadia Wastewater District Providing for Construction Reimbursement Connection Fees.

General Counsel Brechtel presented the subject recommendation. General Counsel Brechtel stated that Ordinance No. 117 establishes that LWD can collect fees for the connection of sewer to the District. General Counsel Brechtel added that Ordinance 117 amplifies and clarifies aspects of LWD's Standard Specifications as it relates to connecting to LWD.

Following discussion, Ordinance No. 117 was passed and adopted by the following vote:

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

C. Receive and file the Risk Control Survey Report.

ASM LeMay presented the subject recommendation. ASM LeMay stated that CSRMA's David Patzer conducted a routine safety survey of LWD as part of its risk management services. Mr. Patzer submitted a report listing safety improvements for LWD. This survey has been attached for the Board's review. ASM LeMay stated some of the items listed in the recommendations have been completed and others are listed as tactical goals.

GM Bushee noted CSRMA has recently recommended that the safety survey be reviewed by the general manager and Board of Directors to ensure all levels of the organization are aware of the safety recommendations. GM Bushee added that, overall, the safety recommendations were minor.

Following discussion and upon a motion duly made, seconded, and carried, the Board of Directors received and filed the Risk Control Survey Report.

D. Adopt Resolution No. 2183 – Requesting LAFCO to Take Proceedings for the Proposed Kovaleva Change of Organization.

FSM Schempp presented the subject recommendation. FSM Schempp stated the proposed annexation involves a .75 acre parcel located at the western edge of the "Island Area" in Encinitas. FSM Schempp stated that adoption of Resolution 2183 would initiate proceedings by the Local Agency Formation Commission (LAFCO) to annex the property into LWD's service area.

Following discussion, Resolution No. 2183 was passed and adopted by the following vote:

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

E. Adopt Resolution No. 2184 – Requesting LAFCO to Take Proceedings for the Proposed Sparrow Change of Organization.

FSM Schempp presented the subject recommendation. FSM Schempp stated the proposed annexation involves a .28 acre parcel located at the western edge of the "Island Area" in Encinitas. FSM Schempp stated that adoption of Resolution 2184 would initiate proceedings by LAFCO to annex the property into LWD's service area.

Following discussion, Resolution No. 2184 was passed and adopted by the following vote:

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

F. Potential Meeting Date Change for the January 2008 Board of Directors Meeting.

GM Bushee stated that Director Sullivan will be out of the area the week of the January 9, 2008 Board of Directors meeting and requested that the meeting be rescheduled to January 16, 2008.

Following discussion and upon a motion duly made, seconded, and carried the Board of Directors rescheduled its January 9, 2008 Board meeting to Wednesday, January 16, 2008 at 5:00 p.m.

13. Informational items

GM Bushee reported on the following information items:

- A. California Special District Association (CSDA) 2007 Conference is scheduled for October 1 – 4, 2007 at the Monterey Conference center.
- B. North County Times article "Carlsbad may shift sewer line policy."

14. Directors Meetings

President Hanson reported that she attended a LAFCO Advisory Committee meeting on July 20, 2007 and at the meeting the committee discussed the status report for the Municipal Service Review.

15. Comments, Questions or Requests by Directors

Director Omsted reported that he will be attending the Batiquitos Lagoon Foundation Board of Directors meeting on August 21, 2007. Director Omsted stated he is attending to introduce himself and ask the Batiquitos Board of Directors if there are any environmental concerns at the Lagoon. In addition, Director Omsted requested a copy of the District map and the Buena Vista Lagoon spill report to take to the meeting for informational purposes.

16. General Manger's Report

GM Bushee reported on the following items:

- The District advertised a Request for Proposal for the Financial Plan Update and staff plans to present a recommended contract to the Board of Directors at its October 2007 meeting.
- ASM LeMay reported that LWD will change its vision plan from PacifiCare to the Medical Eye Services (MES). The new plan will be effective September 1, 2007.
- GM Bushee reported LWD received seven prequalification packages from general contractors for the Site Improvement Program (SIP) project. Dudek, LWD's construction manager for the SIP, is presently reviewing the prequalification packages. The results are scheduled to be available in mid-August 2007.

17. General Counsel's Report

None.

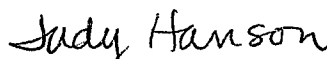
18. Closed Session

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

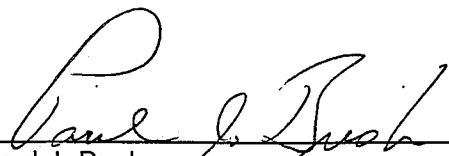
Following closed session, the Board of Directors reported that the General Manager received an excellent performance review. The Board approved a 7% pay increase retroactive to July 12, 2007.

19. Adjournment

President Hanson adjourned the meeting at 6:50 p.m.



Judy Hanson, President



Paul J. Bushee
Secretary/General Manager
(SEAL)