

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting September 10, 2008

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, September 10, 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, Project Manager Robin Morishita, Executive Assistant Trisha Hill, Richard Duffey with Brownell and Duffey, and District Engineer Steve Deering and Encinitas resident Ms. Mary Beth O'Brien, and Mr. Craig Barry with Zondiros Corporation

3. Pledge of Allegiance

President Sullivan stated that Director Juliussen requested to add a Closed Session agenda item to the agenda. The closed item is regarding the Master Planning and Development Disposition of the South Parcel located in the 6200 block of Avenida Encinas in Carlsbad, CA.

Upon a motion duly made by Director Hanson, seconded by Director Omsted, and carried, the Board of Directors approved to add the closed session item as authorized by Government code section 54956.8.

4. Approval of Agenda

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

5. Public Comment

There was no public comment.

GM Bushee stated that there are two guests attending tonight's meeting. Mrs. Mary Beth O'Brien is here to receive LWD's first lateral reimbursement for repairing her lateral. Also, Mr. Craig Barry with Zondiros Corporation is present.

6. Presentations and Awards

A. Recognition of First Recipient of District's Lateral Grant Program.

GM Bushee stated that the Board of Directors adopted the Lateral Grant Program in July 2008. At that time Ms. Mary Beth O'Brien was in the process of repairing her

lateral and submitting a lateral repair reimbursement application. Ms. O'Brien's lateral repair is completed and LWD is pleased to announce that the District will issue its first reimbursement to Ms. Mary Beth O'Brien in the amount of \$1,562.50.

President Sullivan presented Ms. Mary Beth O'Brien with a check in the amount of \$1,562.50.

Ms. Mary Beth O'Brien thanked the Board of Directors and extended her thanks to staff members FSM Schempp and FS Specialist Reynaga for their help.

B. Achievement of Organizational Objectives.

2008 CASA Technological Achievement Award

GM Bushee stated that LWD recently received the 2008 CASA Technical Achievement Award at the CASA Annual conference. The Board viewed a brief video that staff developed as part of the award process.

GM Bushee stated that this award meets an organizational objective of the LWD's Incentive Program; therefore, staff is eligible for a \$300 incentive award.

Regional Water Quality Control Board (RWQCB) Region 9 Collection System Performance Ranking

GM Bushee stated that under LWD's incentive program an organizational objective is met if LWD's collection system performance ranks in the top 3 of similar sized agencies in Region 9. Staff calculated the FY 08 spill data published by the RWQCB, and LWD ranked third overall compared to the 14 other similar sized agencies within Region 9.

GM Bushee presented a PowerPoint presentation of the LWD's spill record over the last ten years, as well as an overview of the costs of the organizational and individual incentive program to date.

GM Bushee stated that this award meets an organizational objective of the LWD's Incentive Program; therefore, staff is eligible for a \$500 incentive award.

Following discussion, the Board of Directors congratulated staff for all their efforts.

7. Consent Calendar

- A. Minutes for the following meetings:
 - August 13, 2008 Regular Board meeting
 - August 28, 2008 Engineering Committee meeting
- B. Demands for August 2008/September 2008
 - Payroll Checks Numbered 13773 - 13813; General Checking – Checks numbered 36669 – 36787.

- C. Operations Report (A copy was attached to the original September 10, 2008 Agenda)
- D. Finance Report (A copy was attached to the original September 10, 2008 Agenda)

Following discussion and upon a motion duly made by Director Kulchin, 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 – August 27, 2008 Board meeting.

Director Juliussen reported on EWA's August 27, 2008 Board meeting.

- B. Member Agency Managers (MAM) Report – September 10, 2008 meeting.

GM Bushee reported on the September 10, 2008 MAM meeting.

9. Committee Reports

- A. Engineering Committee meeting was held on August 28, 2008 – report by Director Juliussen.

Director Juliussen stated the EC reviewed the agreement with Zondiros Corporation for the construction of the Gibraltar Street gravity sewer project in an amount not to exceed \$282,555. The EC concurred with staff's recommendation to approve the agreement with Zondiros and forward the recommendation to the Board of Directors. This item will be reviewed by the Board later in tonight's agenda.

The EC also reviewed a PowerPoint presentation on the status of the Site Improvement Project. Director Juliussen stated that the project is 5 days ahead of schedule and, to date; change orders have totaled \$84,078 or 0.95% to the total contract amount.

In addition, the EC received status reports on the Satellite Pump Station Force Main Replacement Project and the Batiquitos Inlet Line Replacement Project. The Satellite Pump Station Force Main Replacement Project is under review for the a Coastal Development Permit by the city of Encinitas, and the Batiquitos Inlet Line Replacement Project is under review for a Coastal Development Permit by the city of Carlsbad.

10. Old Business

None.

11. New Business

- A. Authorize the General Manager to execute an Agreement with Zondiros Corporation for the construction of the Gibraltar Street Gravity Sewer Construction Project in an amount not to exceed \$282,555 as the lowest responsive and responsible bidder.

PM Morishita stated this item was reviewed by the Engineering Committee at its

August 28, 2008 meeting. The committee concurred with staff to recommend this item to the Board of Directors.

The project design, necessary easements with the property owner and construction agreement were completed in July 2008. On July 14th, the project was advertised for sealed bids. The bids were due on Thursday, August 19, 2008. LWD received twelve bids.

The lowest bidder, CCL Contracting, submitted a non-responsive bid. CCL did not comply with the bidding instructions; therefore, CCL bid was considered non-responsive and was rejected.

The bids were reviewed by Design Engineer Sarita Lemons of IEC, and she recommended that Zondiros Corporation, the second lowest bidder, be awarded the contract as the lowest responsive and responsible bidder. The bid price of \$282,555 is 30% less than the \$400,890 estimated construction cost.

Following discussion and upon a motion duly made by Director Hanson, seconded by Director Omsted, and carried, the Board of Directors authorized the General Manager to execute an Agreement with Zondiros Corporation for the construction of the Gibraltar Street Gravity Sewer Construction Project in an amount not to exceed \$282,555.

B. Annual Review of LWD Investment Policy.

GM Bushee presented the subject recommendation. GM Bushee stated that staff has reviewed the Investment Policy and there were no recommended changes to the policy.

Director Omsted requested a copy of the written cash management procedures. GM Bushee stated that staff will send Director Omsted a copy of the procedures.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Omsted, and carried, the Board of Directors voted to: 1) receive and file the annual review of the Investment Policy report and 2) re-delegate authority to the General Manager to manage LWD's investment program effective September 1, 2008 through August 31, 2009.

C. LAFCO 2008 Special Districts Election.

ASM LeMay presented the subject recommendation. ASM LeMay reported that LAFCO had requested that LWD return a completed ballot for the regular Special District position and eight positions on the Special Districts Advisory Committee.

ASM LeMay indicated that staff had no recommendation on this issue.

Director Hanson recommended that the Board of Directors accept LAFCO's Nominating Committee's recommendations.

Following discussion and upon a motion duly made by Director Omsted, seconded by Director Juliussen, and carried, the Board of Directors unanimously voted for Bud Pocklington for the LAFCO regular Special District position and the following Special Districts Advisory Committee Members:

James C. Alkire (South Bay Irrigation District)
Gary Arant (Valley Center Municipal Water District)
Ron Fuller (Alpine Fire Protection District)
Douglas Humphrey (Resource Conversation District of Greater San Diego County)
Jo MacKenzie (Vista Irrigation District)
Augie Scalzitti (Padre Dam Municipal Water District)
Dennis Shepard (North County Cemetery District)
Diana Towne (Rincon Del Diablo Municipal Water District);

The Board of Directors directed staff to submit the completed ballot by the election deadline.

12. Information Items

GM Bushee reviewed the following information items.

- A. 81st Annual Water Environment Federation (WEF) Conference will be held on October 18-22, 2008 at the McCormick Place in Chicago, IL.

GM Bushee stated that he and Director Juliussen will attend the WEF conference. GM Bushee noted that LWD is an alternate for one of the presentations.

- B. California Special Districts Association (CSDA) San Diego Chapter Special Forum on the November Election will be held on September 18, 2008 at the Courtyard by Marriott in San Diego.

GM Bushee requested that the Board contact staff if they wish to attend.

- C. Site Improvement Project Update.

PM Morishita presented a PowerPoint overview of the Site Improvement Project's status.

13. Directors' Meetings

- A. CASA 53rd 2008 Annual Conference was held at the Marriott in Monterey, CA from August 20-23, 2008.

Directors Sullivan, Kulchin, Hanson, Juliussen, and Omsted stated they attended various water and wastewater sessions at the conference. President Sullivan stated it was a good conference. President Sullivan also stated that the initiation of the Tool Box, has made the conference flow better.

14. Comments, Questions or Requests by Directors

None.

15. General Manager's Report

The following items were reported:

- GM Bushee stated that the AB 1234 Ethics Training will be held at Encina on September 11th from 9:00 a.m. – 11:30 a.m. He asked that attending Board members return their certifications to EA Trisha Hill.
- GM Bushee requested that the Board RSVP to staff if they wish to attend the CSDA Special Election Forum dinner on Thursday, September 18th at 6:00 pm.
- Staff responded to a minor spill on Range Street, off of Highway 101, on September 4, 2008. The spill was 40 gallons and the cause of the spill was roots. GM Bushee stated that the field staff responded quickly and did an excellent job extracting the large root mass and cleaning the spill.

President Sullivan requested that staff follow up with the police department to make sure they have our contact information, in case they receive any phone calls regarding a sewer spill. GM Bushee concurred to do so.

16. General Counsel's Report

General Counsel Brechtel reported that he attended the CASA conference, and attended a lateral committee meeting that discussed the survey results and proposed legislation regarding sewer laterals.

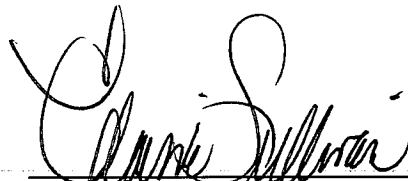

17. Closed Session

The Board of Directors and GM Bushee met in closed session as authorized by Government code section 54956.8.

There was no reportable action.

18. Adjournment

President Sullivan adjourned the meeting at 6:20 p.m.


Elaine Sullivan, President
Paul J. Bushee
Secretary/General Manager
(SEAL)