

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

September 12, 2007

A Regular Meeting of the Board of Directors of Leucadia Wastewater District (LWD) was held Wednesday, September 12, 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, Encinitas resident Ms. Melissa Robbins Chard, Dexter Wilson and Natalie Frascchetti with Wilson Engineering, Joe Mansfield and Lane Smith with RNT Architects, and LWD's intern Daniel Cotter

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

President Hanson stated that one speaker form had been submitted from Ms. Melissa Robbins Chard of Encinitas. President Hanson gave her the option to speak on New Business item 11A at the time it is presented. Ms. Robbins Chard agreed to speak when item 11A was presented.

GM Bushee introduced LWD's intern Daniel Cotter. GM Bushee stated Mr. Cotter is from Oceanside and is enrolled at Palomar College and holds an AA in physical science. In addition, Mr. Cotter's hobbies include golfing and surfing.

6. Presentations and Awards

None.

7. Consent Calendar

A. Minutes of the following meeting:
August 8, 2007 Regular Board meeting.
September 4, 2007 Engineering Committee meeting.

B. Demands for June/July 2007

Payroll Checks Numbered 13165 - 13206; General Checking – Checks numbered 35139 – 35257

- C. Operations Report (A copy was attached to the original September 12, 2007 Agenda).
- D. Finance Report (A copy was attached to the original September 12, 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 August 22, 2007 Board meeting.

GM Bushee reported on the September 12, 2007 Encina Member Agency Manager (MAM) meeting.

9. Committee Reports

- A. Engineering Committee meeting was held September 4, 2007 – Report by Director Juliussen.

Director Juliussen reported the EC discussed LWD's Site Improvement Project and contractor prequalification results. In addition, the EC was briefed on the following items:

- ADS Flow Monitoring Program
- FY 2008 Tactics and Action Plan
- The Statewide WDR Sanitary Sewer Maintenance Plan (SSMP)
- Status report on the 101 Trunk Sewer/Batiquitos Gravity Line Project
- Status report on the Satellite Forcemain Replacement Project
- Status report on Gibraltar Street Project

- B. Community Affairs Committee meeting was held September 10, 2007 – Report by Vice President Sullivan.

Director Sullivan reported that the CAC reviewed the tactical goals covering the "Recognition of Achievement" and "Community Outreach" areas of the Strategic Plan. There was no action taken.

The CAC also reviewed Task Order No. 2 to the KATZ & Associates Public Information Services Agreement and this item will be discussed later in tonight's agenda. In addition, the CAC reviewed and provided comments on the text version of the draft fall 2007 newsletter.

- C. Investment & Finance Committee meeting was held September 10, 2007 – Report by Director Omsted.

Director Omsted reported that the IFC reviewed the "Financial" area of the FY 2008

Tactics and Action Plans and no action was taken. In addition, the IFC and staff reviewed LWD's Investment Policy.

10. Old Business

None.

11. New Business

A. Capacity Fees and Sewer Services Charges for 1110 Hymettus Avenue.

Ms. Robbins Chard stated that she attended the August 2007 Board meeting to discuss a LWD invoice for a capacity fee of \$3,286 as well as an additional \$776 of unpaid sewer service fees for the past four years. Ms. Robbins Chard stated that her property was connected to the sewer prior to the purchase of her home and that she should not be charged for the capacity fee. Ms. Robbins Chard requested that the Board of Directors waive the capacity fee for her property.

FSM Schempp stated this item was placed on tonight's agenda at the Board's request based on public comments made by Ms. Robbins Chard at the August 8, 2007 Board meeting. FSM Schempp presented a detailed background of the issue. FSM Schempp noted that staff became aware of the issue at Ms. Robbins Chard's property during the development of LWD's Island Area Collection System Plan.

FSM Schempp said that staff has conducted a detailed review of all of its records relating to annexations and connections for the 1996-2000 period. Based on this review, staff has determined that no sewer permit was issued at 1110 Hymettus Avenue in Encinitas and that the records were discrepancy free. Therefore, in accordance with LWD Ordinance 110, staff recommended that the capacity fee and all due sewer service fees be paid for Ms. Robbins Chard's property. FSM Schempp added that, should a financial hardship exist, staff would consider a payment plan for the subject fees.

The Board discussed this issue at length. Following discussion, Director Kulchin motioned to waive the capacity fee of \$3,286 for the property at 1110 Hymettus Ave. There was no second and the motion did not carry.

Director Omsted motioned that the property owner at 1110 Hymettus Ave. pay the sewer capacity fee of \$3,286, and the due unpaid sewer services fees. Director Juliussen seconded the motion, and the motion carried with Director Kulchin opposed.

B. Authorize the General Manager to execute Task Order No. 2 to KATZ & Associates Public Information Services Agreement in an amount not to exceed \$60,000.

Following discussion and upon a motion duly made, seconded, and carried, the Board of Directors authorized the General Manager to execute Task Order No. 2 KATZ & Associates Public Information Services Agreement in an amount not to exceed \$60,000.

C. Annual Review of LWD Investment Policy Report

CPA Richard Duffey stated that staff has reviewed the Investment Policy and there were no recommended changes to the policy. CPA Duffey noted that Section 5.0 of the policy requires that the Board annually consider delegating the authority to manage the investment program. CPA Duffey noted, in the past, the Board has delegated management authority of the investment program to the General Manager, and staff is recommending that the Board re-delegate this authority for the upcoming year. CPA Duffey stated that the Investment & Finance Committee reviewed the Annual Review of the Investment at its September 10, 2007 meeting and concurred with staff to bring this item forward for the Board's consideration.

Following discussion, and upon a motion duly made, seconded, 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, 2007 through August 31, 2007.

D. Update on the Site Improvement Project

GM Bushee presented a brief update on the Site Improvement Project. GM Bushee introduced Joe Mansfield and Lane Smith of RNT who provided an overview of the project, including a PowerPoint presentation of the Administrative Building. Mr. Mansfield provided details on the design and materials used for the exterior and interior of the Administrative Building.

The Board discussed the exterior and interior color and materials and indicated that they were pleased with the way the facility looked. This item was presented for informational purposes and there was no action taken.

E. LAFCO 2007 Special District Advisory Committee Election

ASM LeMay presented the subject recommendation. ASM LeMay reported that LAFCO had requested that LWD return a completed ballot for the Special District Advisory Committee and that LWD may vote for up to 9 candidates. ASM LeMay indicated that staff had no recommendation on this issue.

Following discussion and upon a motion duly made, seconded, and carried, the Board of Directors unanimously voted for the following candidates for LAFCO Special District Advisory Committee and directed staff to submit the completed ballot by the election deadline:

- Thomas Pocklington (Bonita-Sunnyside Fire Protection District)
- Gary Croucher (Otay Water District)
- John Pastore (Rancho Santa Fe Community Service District)
- Judy Hanson (Leucadia Wastewater District)

F. LAFCO 2007 Alternate Special District Member Election

ASM LeMay presented the subject recommendation. ASM LeMay reported that LAFCO had requested that LWD return a completed ballot for the Alternate Special District Member position for the LAFCO Board of Directors. ASM LeMay stated that LWD may vote for only 1 candidate. Mr. LeMay indicated that staff had no recommendation on this issue.

Following discussion and upon a motion duly made, seconded, and carried, the Board of Directors unanimously voted for Martin Marugg and directed staff to submit the completed ballot by the election deadline.

President Hanson moved the Closed Session item 17A forward for discussion.

17. Closed Session

A. The Board of Directors met in closed session to discuss LWD's Vulnerability Assessment Report as authorized under Government Code Section 54957.

Following closed session, the Board of Directors received and filed LWD's Vulnerability Assessment Report.

12. Informational items

A. Discussion of Permanent Flow Meters for Collection System

GM Bushee stated that this item was presented to the Engineering Committee and the Committee suggested that it be reviewed by the Board of Directors. GM Bushee stated that the FY 2008 Tactics and Action Plan included a goal to install permanent flow meters in the LWD's collection system and funding was included in the FY 08 Capital Budget. GM Bushee said that staff had identified ADS Environmental Services as a company that could best provide a full service flow metering program. GM Bushee discussed the pros and cons of the ADS Flow Metering System.

GM Bushee stated that if it was acceptable to the Board, staff plans to bring a recommended contract with ADS for consideration by both the Engineering Committee and the Board in October 2007. The Board discussed the ADS flow metering issue and concurred with staff to bring a contract forward for consideration next month.

B. LWD Incentive Program – FY 07 Regional Board Collection System Ranking

FSM Schempp provided a brief report on the LWD's FY07 Regional Board Collection System Ranking. This item was presented for information purposes. There was no action.

C. Sanitary Sewer Management Plan (SSMP) Overview

FSM Schempp presented an overview of the SSMP. This item was presented for information purposes. There was no action.

- D. Flu Shots are scheduled for Thursday, October 25, 2007 from 3:30 p.m. – 4:30 p.m.

EA Miranda stated if Board members are interesting in signing up for the flu shots, please contact her.

- E. Thank you card from scholarship recipient Melanie Fantus

13. Directors Meetings

- A. CASA Conference was held at the Mission Bay Hilton in San Diego, CA from August 15-18, 2007.

Directors Hanson, Sullivan, Juliussen, Kulchin, and Omsted reported they attended the CASA conference in San Diego and attended various session related to wastewater issues.

- B. CALAFCo Annual Conference was held at the Hyatt Regency Hotel in Sacramento, CA from August 29-31, 2007.

Director Juliussen reported he attended the CALAFCO conference in Sacramento. The conference went very well and he was impressed with the agenda. Director Juliussen stated after attending the CALAFCO conference, he has a very positive perspective of the agency.

14. Comments, Questions or Requests by Directors

Director Omsted reported that he attended the Batiquitos Lagoon Foundation Board of Directors meeting on August 21, 2007. Director Omsted stated the Batiquitos Board is interested in having LWD present an overview of its facilities on the Batiquitos Lagoon. Director Omsted said that he plans to coordinate with the Batiquitos Board President in October on the timing of a presentation.

Vice President Sullivan requested that the January 16th Board of Directors meeting be moved to January 21, 2007, because she will be out of town the week of the January 16th meeting.

Following discussion, the Board directed staff to move the January 16th Board of Directors meeting to January 21, 2007.

15. General Manger's Report

GM Bushee reported on the following items:

- The Holiday Party is scheduled for Thursday, December 6, 2007 at Tuscany Restaurant
- LWD received two proposals for the Financial Plan Update
- Field Service staff members Juan Patino, Keon Nelson, and Ken Butts recently responded to a lateral spill. The homeowner for that property stated the crew provided excellent customer service.
- ASM LeMay reported that open enrollment for CalPERS Health is this month. In addition, for those Board members in the HMO BlueShield Plan; BlueShield sent

a notice to all members stating that BlueShield is offering a NetValue Plan. If members would like to stay with their existing plan, they need to complete and sign a form stating he/she would like to stay with the current plan.

16. General Counsel's Report

General Counsel reported that the Bill to lower the retention from ten percent to five percent was suspended. The Bill to amend the Brown Act passed and becomes effective in 2008. The Big Horn Decision Bill regarding Prop. 218 notices passed.

18. Adjournment

President Hanson adjourned the meeting at 7:30 p.m.



Judy Hanson, President



Paul J. Bushee
Secretary/General Manager
(SEAL)