

**LEUCADIA WASTEWATER DISTRICT**

Minutes of a Regular Board Meeting

September 14, 2011

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A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, September 14, 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 In-Training Gabriel Mendez, CPA Richard Duffey, District Engineer Steve Deering, 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 Juliussen, and carried, the Board of Directors approved the agenda.

**5. Public Comment**

GM Bushee stated that there is no public comment. He introduced LWD's new employee Gabriel Mendez, Field Services Technician In-Training, and provided background information about Gabriel.

The Board welcomed Gabriel to LWD.

**6. Presentations and Awards****A. Achievement Awards for Organizational Objectives**

GM Bushee presented three organizational objectives that LWD achieved this past month. He reported that the CSRMA Board of Directors approved the distribution of dividend payments from the pooled worker's compensation insurance program. The District received the check in the amount of \$11,316. He noted that LWD's incentive program authorizes a 50% cost sharing of the dividend and each employee is eligible for a compensation award of \$314.33.

He also reported that on August 16, 2011, staff completed one year without a lost time injury accident which meets another organizational objective under the incentive program. He indicated that this goal is important to reach since work place injuries result in lost productivity, low morale and increased worker's compensation costs. He noted that each employee is eligible for a \$300 compensation award.

In addition, he reported that the District received the 2011 CASA Public Outreach Achievement

Award for highlighting the District's Teacher Grant program. He stated that under LWD's Incentive Program staff is eligible for a \$300 compensation award.

The Board of Directors congratulated staff for their efforts.

## **7. Consent Calendar**

- A. Minutes for the following meetings:
  - August 15, 2011 Human Resources Committee meeting
  - August 17, 2011 Regular Board meeting
  - September 6, 2011 Engineering Committee meeting
  - September 7, 2011 Investment & Finance Committee meeting
- B. Demands for August/September 2011
  - Payroll Checks numbered 15632-15670; General Checking – Checks numbered 41393-41502
- C. Operations Report. (A copy was included in the original September 14, 2011 Agenda)
- D. Finance Report. (A copy was included in the original September 14, 2011 Agenda)

Upon a motion duly made by Director Juliussen, 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 – August 24, 2011 Board meeting.

Director Juliussen reported on EWA's August 24, 2011 Board meeting.

Member Agency Manager Meeting – August 18, 2011.

GM Bushee reported on the August 18, 2011 Member Agency Manager meeting.

## **9. Committee Reports**

- A. Engineering Committee (EC) meeting was held September 6, 2011.

Director Juliussen reported that the EC received a project update that included the scope of work for the Occidental Line repair. He also stated that the estimated project cost increased from \$206,392 to \$341,895 due to lining the 700 linear feet cured-in-place pipe instead of a spot repair. Director Juliussen indicated that the project will bid in the fall of 2011 and staff plans to request additional budget appropriation for the project once the bids are received.

He also reported that the EC received a status update on the Leucadia and Batiquitos Force Main Corrosion Control Design report. He noted that staff is finalizing an agreement with RFYeager Engineering to provide cathodic protection engineering services in amount not to exceed \$23,900.

In addition, he reported that the EC received an update on the Grandview Street Pipeline repair, noting that the repairs are complete. He also stated that the EC received an update on the North San Diego Regional Recycled Water Project that will be discussed later in tonight's agenda.

B. Investment & Finance Committee (IFC) meeting was held September 7, 2011.

Vice President Hanson reported that the IFC reviewed Resolution No. 2219 for the employer paid member contribution to CalPERS. She noted that the IFC directed staff to forward the recommendation to the Board for the adoption of the resolution at the September meeting. She stated that this item will be reviewed later in tonight's agenda.

She also reported that the IFC reviewed LWD's Investment Policy and that the IFC directed staff to forward the recommendation to the Board of Directors for approval. She noted that this will be reviewed later in tonight's agenda also.

**10. Old Business**

None.

**11. New Business**

- A. Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2011 through August 31, 2012; and receive and file the Annual Review of LWD Investment Policy Report.

CPA Duffey presented the annual review of LWD's Investment Policy Report. He indicated that there were no proposed changes to the policy and that the IFC recommends that the Board re-delegate authority to manage the investment program to the General Manager. He also added that the IFC recommends that the Board receive and file the Investment Policy Report.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Kulchin, and carried, the Board of Directors re-delegated authority to manage LWD's investment program to the General Manager effective September 1, 2011 through August 31, 2012 and received and filed the Investment Policy Report.

- B. Adopt Resolution No. 2219 for the Employer Paid Member Contributions to CalPERS.

ASM LeMay presented this item stating that the adoption of this resolution is an administrative procedure required by CalPERS. He also stated that the adoption of the resolution will not cost the District additional funds and that the resolution follows CalPERS guidelines to ensure that all employee contributions made to CalPERS remain tax deferred regardless of the percentage of contributions made by either the employer or employee.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Juliussen, and carried, the Board of Directors adopted Resolution No. 2219 for the Employer Paid Member Contributions to CalPERS by the following votes:

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

- C. CSDA Call to Action on Senate Bill 293 (Padilla) Contracting Restriction Bill on Assembly Floor.

General Counsel Brechtel presented this item stating that SB 293 was passed by the legislators and

it was sent to Governor Brown for his signature. He stated that this bill will affect public projects by reducing a contractor's retention amount from 10% to 5% and it would be in the best interest of the District to submit a letter of opposition. He indicated that CSDA and CASA oppose the bill adding that the 10% retention on contractors is a tool that has protected the District in past public works projects.

Director Juliussen stated that the current 10% retention is a burden on the sub-contractors. FSM Morishita stated that staff prefers to keep the 10% retention and he provided examples of past LWD CIP projects that could have been affected if the retention was not at that level.

Counsel Brechtel noted that legally primary contractors cannot withhold more than 10% retention from its sub-contractors.

Director Juliussen also stated that he supports CSDA, CASA and staff's recommendation to submit a letter of opposition.

Following discussion, the Board of Directors agreed to direct staff to prepare and forward a letter of opposition on SB 293 to Governor Brown.

## **12. Information Items**

### **A. Status Update on the North San Diego Regional Recycled Water Project (NSDCRRWP).**

GM Bushee provided a status update on the project indicating that Camp Pendleton has joined the group. He also indicated that the technical report will not be finalized until Camp Pendleton's portion is completed.

GM Bushee stated that during July 2011, representatives from the group lobbied for the recycled water project in Washington D.C. He stated that they met several local representatives to discuss the project. He indicated that the NSDCRRWP representatives learned that there is a back log of recycled water projects in need of funding. He also stated that the NSDCRRWP representatives scheduled a meeting with Senator Feinstein to assist with the development of a bill to fund the project. He reported the next scheduled NSDCRRWP meeting is in early October.

## **13. Directors' Meetings**

### **A. Special District Institute (SDI) Finance Conference Workshop was held at the Hyatt Regency in Monterey, CA on September 7-9, 2011.**

President Omsted reported that the workshop presented information on how special districts can save money. He also provided an example from another special district on how they saved money in their operations department.

### **B. Water Reuse Annual Symposium was held at the Sheraton Wild Horse Pass Resort in Chandler, AZ on September 11-14, 2011.**

Directors Omsted, Kulchin, Sullivan, and Juliussen attended this conference. Director Juliussen reported that he learned that only 0.7% of water in the world is potable water, indicating we are running out of potable water. He also attended a session that discussed the amount of energy that is used to receive water and that in the future we may be using natural gas.

Director Kulchin reported that he attended many good sessions; however, one session presented by speaker Robert Fleming, who wrote the book "Unquenchable", was especially noteworthy.

Director Sullivan reported on a session that discussed "direct versus indirect" reuse water.

President Omsted reported on a session that discussed a new process for desalination called "electrical chemical desalination".

#### **14. Comments, Questions or Requests by Directors**

Director Juliussen requested than an agenda item relating to recycled water issues be placed on the next Engineering Committee Agenda.

Director Kulchin commented on the press release in the Coast News regarding the District's recent CASA award. He indicated that the press release should also have been posted in the North County Times.

President Omsted stated that he met individuals during his travels to and from conferences that complemented the District and its staff members.

#### **15. General Manager's Report**

The following items were reported:

- EA Hill stated that she updated the Board Policy binders with current resolutions and ordinances relating to the Board of Directors, along with other information items.
- EA Hill stated that flu shots will be provided tomorrow at 3:15 p.m. and to see her for a flu shot form.
- EA Hill noted she has prepared a handout that describes how to view the LWD agenda on the website.
- GM reported on the power outage last week indicating that staff did an excellent job preventing a sewer spill by running the pumps using stand-by generators. He also indicated that staff recently held a meeting to discuss lessons learned which will help prepare for future emergencies.

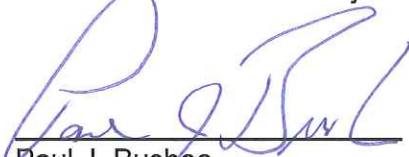
#### **16. General Counsel's Report**

General Counsel Brechtel stated that the Attorney General's opinion on the Brown Act dictation that if a majority of Board members attend a private tour during a conference, it is required that the date, time and place of the tour be announced and posted for the public to view.

In addition, he reported on a recent case between the city of Palmdale and Palmdale Water District dealing with proposition 218.

#### **17. Adjournment**

President Omsted adjourned the meeting at 6:10 p.m.



Paul J. Bushee  
Secretary/General Manager  
(SEAL)

  
Donald Omsted, President