

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
September 8, 2010

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, September 8, 2010 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Juliussen, Omsted, Hanson, Sullivan, and Kulchin
DIRECTORS ABSENT: None
OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Project Manager Robin Morishita, Executive Assistant Trisha Hill, Field Services Technician III Marvin Gonzalez, Field Services Specialist Frank Reynaga, Field Services Supervisor Jeffery Stecker, District Engineer Steve Deering, CPA Richard Duffey; Rob Weber and Scott Humphreys with IEC; and Carlos Mendoza, LWD Customer.

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

There was no public comment. GM Bushee introduced the audience members.

6. Presentations and Awards

A. Achievement of an Individual Award.

President Juliussen introduced Mr. Marvin Gonzalez. He presented Marvin with his certificate and award for achieving five years of service at LWD. He noted that under the District's individual incentive program, he is eligible for a \$100 incentive check.

The Board of Directors and staff congratulated Marvin for his efforts.

7. Consent Calendar

- A. Minutes for the following meetings:
August 11, 2010 Regular Board meeting
August 10, 2010 Investment & Finance Committee meeting
August 26, 2010 Investment & Finance Committee meeting
September 2, 2010 Engineering Committee meeting

- B. Demands for August/September 2010
Payroll Checks Numbered 15052 – 15093; General Checking – Checks numbered 39815 – 39932; Voided Check Numbered 39034.
- C. Operations Report. (A copy was included in the original September 8, 2010 Agenda)
- D. Finance Report. (A copy was included in the original September 8, 2010 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – August 25, 2010 Board meeting.

Director Sullivan reported on EWA's July 28, 2010 Board meeting.

9. Committee Reports

- A. Investment & Finance Committee meeting was held on August 26, 2010.

Director Hanson reported that the IFC reviewed the changes to the Investment Policy and agreed with staff's recommended changes. The IFC also recommended two additional changes to the Policy. Director Hanson also reported that the IFC received a presentation on the pay-off options for the State Water Reclamation Loan and the committee agreed to recommend that the Board exercise the early pay-off of the loan.

Director Hanson stated that both items will be reviewed at tonight's meeting.

- B. Engineering Committee meeting was held on September 2, 2010.

Director Kulchin reported that the EC reviewed staff's recommendation to purchase a 1 ton Chevrolet truck from Bob Stall Chevrolet and agreed with staff to present this item to the Board for approval.

Director Kulchin also reported that the EC received an overview of the LWD's GIS system and an update on the Satellite Pump Station, Force Mains, Gravity Sewer Replacement Project and the Batiquitos Force Main Repair Project. He also stated that the EC received a report from FSS Reynaga regarding the FOG program and his visits to local restaurants to make sure they are in compliance with the program.

Director Kulchin stated that an overview of the GIS system will be presented by the Board at tonight's meeting.

- C. Community Affairs Committee meeting was held on September 7, 2010.

Vice President Omsted reported that the CAC reviewed and commented on the winter 2010 newsletter story ideas. He stated that one cover story of the newsletter will focus on the Field Services Team and what a typical day entails; the other cover story will focus on FSM Leo Schempp. Other articles in the newsletter will discuss

construction updates, the lateral grant program, the teacher grant program, Encina updates, and what residents should not put down the drain.

Vice President Omsted also reported that the CAC and staff discussed the pros and cons of including a Lateral TV Inspection Reimbursement into the Lateral Grant Program. The CAC directed staff to include this topic in the October Board agenda for discussion.

10. Old Business

None.

11. New Business

A. Geographic Information System Overview.

GM Bushee introduced Scott Humphreys with IEC to provide a PowerPoint presentation of LWD's GIS system. Mr. Humphrey's overview included the following features of GIS system:

- Sample queries and layers of the program;
- Aerial photography of the District that includes all the locations of pipes and manholes;
- Information on the FOG program;
- ADS meter tracking;
- Locations of the traps & plugs for new development;
- Assessor Parcel Numbers that are linked to digital copies of the as-built plans;
- Links to the work orders; and
- How the system can utilize Google Earth to search for specific sewer lines

Mr. Humphreys indicated that LWD's GIS is a showcase system that has been presented at conferences to show other agencies the benefits of the system.

FSS Reynaga also discussed additional benefits of system and provided examples how this system has made his job more efficient when assisting customers and other staff members.

GM Bushee thanked FSM Schempp, FSS Reynaga, and Scott Humphreys for all their support and hard work that they put into the GIS System.

B. Status of the Batiquitos Force Main Project.

PM Morishita stated that the District entered into a contract with IEC back in July 2010 for the repair design of the Batiquitos Force Main project and that Rob Weber is here to provide a status update on the project.

Rob Weber presented an overview of the project indicating that the failure of the B2 line was due to the corrosion of the pipeline. He stated that B3 is in operation and that B2 is in standby. He also noted that after review of the various options to repair the pipelines, IEC recommends that the segments of B2 and B3 be replaced with new 24" pipelines. He indicated that the project is not subject to coastal permitting and noted

the timeline of project with an estimated completion date of March 2011. In addition, the engineers cost estimate of the project is \$1.1 million.

There was no action taken.

- C. Authorize the General Manager to execute a Purchase Order with Bob Stall Chevrolet in an amount of \$39,633.13 for the purchase of one (1) 2010/2011 Chevrolet Pickup Truck (1 ton).

FSM Schempp presented the item, stating that a bid for a 1 ton pickup truck was advertised last year, but no bids were received because of the retooling of the General Motor's pickup truck line. FSM Schempp stated that the District received three bids and they were reviewed by staff and the EC. FSM Schempp indicated that the lowest responsive bid was received from Bob Stall Chevrolet for the 1 ton truck in the amount of \$39,633.13. He noted that the District will be trading in a similar 2001 vehicle and the 2011 budget has sufficient funds to cover the expense.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Sullivan, and carried, the Board of Directors authorized the General Manager to execute a Purchase Order with Bob Stall Chevrolet in an amount of \$39,633.13 for the purchase of one (1) 2010 Chevrolet Pickup Truck (1 ton).

- D. Annual Review of LWD Investment Policy.

ASM LeMay presented the item, stating the purpose of the policy review and providing an overview of the recommended changes. During the presentation, ASM LeMay also showed the difference in diversification between the 2004 and current investment program. He also noted that LAIF is LWD's benchmark for financial returns.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Sullivan, and carried, the Board of Directors re-delegated authority to manage LWD's investment program to the General Manager effective September 1, 2010 through August 31, 2011, and adopted Resolution No. 2211 amending LWD's Investment Policy by the following vote:

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

- E. Authorize the General Manager to exercise an early redemption option on the State Water Reclamation Loan.

CPA Richard Duffey presented this item, providing background on the State Water Reclamation Loan. He provided the current balance and interest rate of the loan and indicated that because interest on investments is low the District could incur savings if the loan is paid early.

GM Bushee noted that the IFC agreed with staff to exercise an early redemption

option on the water loan.

Following discussion, upon a motion duly made by Vice President Omsted, seconded by Director Sullivan, and carried, the Board of Directors authorized the General Manager to exercise an early redemption option on the State Water Reclamation Loan.

12. Information Items

- A. North County Times news article "Encinitas: A look at the candidates in the Encinitas school board race".

GM Bushee noted that President Juliussen was mentioned in the article as one of the candidates for a seat on the Encinitas School Board.

- B. CSDA News Update on recent legislation regarding strengthening local government transparency.

GM Bushee stated that since the issues at the city of Bells, there have been a number of bills developed in the California Legislature relating to local district compensation control and transparency. He provided a status update on these bills.

GM Bushee also noted that, to ensure transparency, the General Manager, staff and Board compensation information has been posted on LWD's website.

- C. LWD Certificate of Appreciation for participation in the San Diego Regional Water/Wastewater Internship Program.

GM Bushee acknowledged FSM Schempp for his active participation in the program.

- D. Thank you note from LWD customer Ted Crosson.

GM Bushee stated that Ted Crosson was scheduled to attend tonight's meeting but unfortunately fell ill. He plans on attending the October Board meeting to express his appreciation for LWD's customer service.

13. Directors' Meetings

- A. CASA Conference was held at the Monterey Marriott in Monterey, CA on August 17-21, 2010.

Directors Sullivan, Kulchin, Hanson, Omsted, and Juliussen attended the conference and stated it was a good conference. Director Sullivan enjoyed the session that EWA's GM Hardy arranged. Director Kulchin stated that the conference content has changed for the better due to GM Bushee's active role with CASA. He indicated that the topics are easier to understand. President Juliussen stated that he attended the Ethics Training session and Vice President Omsted stated that enjoyed the session with speaker Phil Isenberg that discussed the value of wastewater.

B. Carlsbad "State of the City" address at the Park Hyatt Aviara Resort in Carlsbad, CA on August 27, 2010.

President Juliussen stated it was a worthwhile event and he enjoyed learning about all the activities that are occurring in the City of Carlsbad.

GM Bushee noted that the Board members who attended the "State of the City" address were erroneously compensated for this event and that a correction will be on the next Board payroll.

14. Comments, Questions or Requests by Directors

Director Sullivan questioned the handout on the chamber event for Bud Lewis. She also congratulated staff for helping the District to be debt free after the State Water Reclamation Loan is paid in full.

15. General Manager's Report

The following items were reported:


- The District will start a new lost time accident streak. The District went seven and half years without a lost time accident, but an employee recently had a lost time injury.
- The date of the Holiday Dinner is tentatively scheduled for Thursday, December 9th.
- EA Hill notified the Board that the annual flu shots are scheduled for Oct. 14th.
- ASM LeMay announced the dates for the Health Benefits Open Enrollment.

16. General Counsel's Report


General Counsel Brechtel reported on the recent legislative bills and provided a status update.

17. Adjournment

President Juliussen adjourned the meeting at 6:13 p.m.



Allan Juliussen, President



Paul J. Bushee
Secretary/General Manager
(SEAL)