

**AGENDA**  
**REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS OF THE**  
**LEUCADIA WASTEWATER DISTRICT**  
Wednesday, February 9, 2011 – 5:00 p.m.  
1960 La Costa Avenue, Carlsbad, CA 92009

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*NOTE: ITEMS ON THE AGENDA MAY BE TAKEN OUT OF SEQUENTIAL ORDER  
AS THEIR PRIORITY IS DETERMINED BY THE BOARD OF DIRECTORS*

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**1. Call to Order**

**2. Roll Call**

**3. Pledge of Allegiance**

**4. Approval of Agenda**

In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. Also, items that arise after posting of the Agenda may be added, per Government Code Section 54954.2, by a 2/3 or unanimous vote of the Board.

**5. Public Comment**

Anyone wishing to address the Board or bring an agenda item forward may do so.

**6. Presentations and Awards**

A. Achievement of an Individual Award. (Pages 1-2)

B. CWEA San Diego local section awarded FST I Ian Riffel the 2010 Collection Person of the Year Award. (Pages 1-2)

**7. Consent Calendar**

Any member of the Board, staff or public may request that items from the Consent Calendar be removed for discussion. Items so removed shall be acted upon separately following approval of remaining items on the Consent Calendar.

A. Minutes of the following meetings:

January 19, 2011 Regular Board Meeting (Pages 3-8)

January 31, 2011 Investment & Finance Committee Meeting (Pages 9-10)

February 2, 2011 Engineering Committee Meeting (Pages 11-12)

B. Demands for January/February 2011. (Pages 13-29)

C. Operations Report. (Pages 30-33)

D. Finance Report. (Pages 34-41)

E. Quarterly Treasurer's Investment Report (Pages 42-43 , Enclosure 7E)

**8. Encina Wastewater Authority Reports**

Reports by Directors and staff concerning the Encina Wastewater Authority.

A. Encina Wastewater Authority Reports.

Regular Board Meeting – January 26, 2011 (Page 44)

Member Agency Managers (MAM) meeting – January 20, 2011 (Verbal Report)

**9. Committee Reports**

- A. Investment & Finance Committee Meeting was held on January 31, 2011 – report by Vice President Hanson. (Page 45)
- B. Engineering Committee Meeting was held on February 2, 2011 – report by Director Juliussen. (Page 46)

**10. Old Business**

None.

**11. New Business**

- A. Authorize the General Manager to execute a one-year extension to the Infrastructure Engineering Corporation (IEC) contract for as needed engineering design services. (Page 47)
- B. Adopt the proposed revised Reserve Fund Policy and receive and file the Annual Reserve Fund Report. (Pages 48-54)

**12. Informational Items**

- A. Batiquitos Force Main Repair Project Status Update. (Verbal)
- B. CSDA Quarterly Dinner. (Pages 55-56)

**13. Directors' Meetings**

None.

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

This item is placed on the agenda to allow individual Board members to briefly convey information to the Board or public, or to request staff to place a matter on a future agenda and/or report back on any matter. There is no discussion or action taken on comments by Board members.

**15. General Manager's Report**

Informational report by the General Manager on items not requiring Board action.

**16. General Counsel's Report**

Informational report by the General Counsel on items not requiring Board action.

**17. Adjournment**

*Note: Any writings or documents provided to a majority of the members of Leucadia Wastewater District regarding any item on this Agenda will be made available for public inspection in the Administration Office located at 1960 La Costa Avenue, Carlsbad, CA 92009 during normal business hours.*

# AFFADAVIT OF POSTING

I, Paul J. Bushee, Secretary of the Leucadia Wastewater District, hereby certify that I posted a copy of the foregoing agenda in the lobby of the District office at 1960 La Costa Avenue, Carlsbad, California at least 72 hours prior to the meeting, in accordance with Govt. Code Section 54954.2(a).

Date: February 3, 2011




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Paul J. Bushee, Secretary/General Manager

## MEMORANDUM

Ref: 11-2793

Date: February 3, 2011  
To: Board of Directors  
From: Paul J. Bushee, General Manager  
Subject: **Presentations and Awards**



It is my pleasure to announce that a Leucadia Wastewater District (LWD) staff member has recently met an individual performance objective under the LWD's Incentive Program and was presented an award at the recent California Water Environment Association (CWEA) San Diego Section's Annual Installation and Awards Banquet on January 29, 2011. The achievements are as follows:

State of California Department of Public Health Water Treatment Operator Grade T2 Certification – Ian Riffel

Ian Riffel recently received his Grade T2 Water Treatment certification from the State of California. Working for LWD since January 12, 2009, this certification reflects Ian's desire to excel through continued professional development. As a result of this certification, Ian is eligible for an Individual Incentive Award of \$500.

Collection System Person of the Year Award

Mr. Ian Riffel, a Field Service Technician I, received the Collection System Person of the Year honors. Ian has been employed at LWD since 2009 and has demonstrated an outstanding ability to operate and properly maintain our 200 mile sewer system its 11 pump stations. In achieving this award, the selection committee acknowledged Ian's excellent performance while at LWD and the many accomplishments he has achieved.

Please join me in congratulating Ian. Ian will move on to the CWEA's statewide competition, which will be announced at CWEA's Annual Conference in April.

PJB:

# State of California Department of Public Health

IN ACCORDANCE WITH DIVISION 104, PART 1, CHAPTER 4, ARTICLE 3  
OF THE HEALTH AND SAFETY CODE

Ian E. Riffel

IS AUTHORIZED TO OPERATE OR SUPERVISE THE OPERATION OF A WATER TREATMENT FACILITY  
FOR PRODUCTION OF WATER FOR DOMESTIC USE AND IS HEREBY GRANTED THIS CERTIFICATE FOR

Water Treatment Operator  
Grade T2

Operator Number: 31145

Issued

January 2011

  
*Harry H. Yount*  
STATE OF CALIFORNIA, DEPARTMENT OF PUBLIC HEALTH

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting  
 January 19, 2011

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, January 19, 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, and Kulchin

DIRECTORS ABSENT: Juliussen

General Counsel stated that Director Juliussen is participating as a member of the public, because the agenda did not post that he was teleconferencing at tonight's meeting.

**OTHERS PRESENT:**

General Manager Paul Bushee, District Counsel Wayne Brechtel, Technical Services Manager Project Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Field Services Supervisor Marvin Gonzalez, Leo Schempp, Harvey Schroeder with Diehl, Evans, & Co., Administrative Specialist Tianne Baity, Field Services Technician II Steve Krasen, Field Services Technician II Craig Farrell, District Engineer Steve Deering, CPA Richard Duffey, Nancy Avila with Encina Wastewater Authority, Scott Goldman with RMC Engineering

**3. Pledge of Allegiance**

**4. Approval of Agenda**

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

**5. Public Comment**

None.

**6. Presentations and Awards**

**A. Achievement of Individual Awards.**

President Omsted introduced FST II Steve Krasen. He provided background information about Steve indicating that last month he passed his 10<sup>th</sup> anniversary at the District. Director Omsted presented Steve with a certificate and a \$200 award for his service at LWD.

President Omsted also introduced FST II Craig Farrell. He provided background information about Craig indicating that this month Craig passed his 10<sup>th</sup> anniversary at the District. He presented Craig with a certificate and a \$200 award for his service at

LWD.

President Omsted introduced AS Tianne Baity. He stated that this month she passed her 5<sup>th</sup> anniversary at the District. He presented Tianne with a certificate and a \$100 award for her service at the District.

The Board members congratulated Steve, Craig, and Tianne for their service at the District.

B. Adopt Resolution No. 2212 – In Appreciation of Leo F. Schempp For His Outstanding Service and Commitment to the Leucadia Wastewater District.

President Omsted presented Resolution No. 2212 – In Appreciation of Leo F. Schempp for his outstanding service and commitment to the Leucadia Wastewater District.

Upon a motion made by Vice President Hanson, seconded by Director Kulchin, and carried the Board of Directors adopted Resolution No. 2212 – In Appreciation of Leo F. Schempp for his outstanding service and commitment to the Leucadia Wastewater District by the following votes:

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

Leo thanked the Board and staff for their support during his 13 years of employment at the District.

**7. Consent Calendar**

- A. Minutes for the following meetings:
  - December 8, 2010 Regular Board meeting
  - December 16, 2010 Investment & Finance Committee meeting
  - January 10, 2011 Engineering Committee meeting
  - January 11, 2011 Community Affairs Committee meeting
- B. Demands for December 2010/January 2011  
Payroll Checks Numbered 15216 – 15263; General Checking – Checks numbered 40261 – 40373.
- C. Operations Report. (A copy was included in the original January 19, 2011 Agenda)
- D. Finance Report. (A copy was included in the original January 19, 2011 Agenda)
- E. Disclosure of Reimbursements Report for July through December 2010. (A copy was included in the original January 19, 2011 Agenda)

Upon a motion made by Director Sullivan, 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 – December 15, 2010 Board meeting.**

Director Sullivan reported on EWA's December 15, 2010 Board meeting.

## **9. Committee Reports**

### **A. Investment & Finance Committee meeting was held on December 16, 2010.**

Vice President Hanson reported that the IFC reviewed the FY 10 Comprehensive Annual Financial Report (CAFR) and that IFC suggested several typographical corrections to the CAFR. She stated that this item will be reviewed at tonight's meeting for the Board's approval.

### **B. Engineering Committee meeting was held on January 10, 2011.**

Director Kulchin reported that the EC reviewed a contract with SAK Construction, LLC for the purchase and installation of 2500 feet of cured-in-place-pipe (CIPP) to repair nine sewer line segments located in Levante Street in Carlsbad and Piraeus Street in Encinitas. Director Kulchin noted that the EC agreed with staff's recommendation to present this item to the Board at tonight's meeting.

In addition, Director Kulchin reported that the EC received an update on the Carlsbad Hilton Project and the Occidental Line Project.

### **C. Community Affairs Committee meeting was held on January 11, 2011.**

Director Sullivan reported that the CAC reviewed and commented on the winter 2011 newsletter layout. She stated that the CAC directed KATZ and staff to make additional changes. She noted that staff forwarded the layout to the Board members for comments and suggestions.

In addition, Director Sullivan reported that the CAC reviewed the public information proposals. She stated that the CAC and staff agreed to interview the top two agencies, TRG & Associates and Rauch Communications and will forward their recommendation to the Board of Directors at the March Board meeting.

## **10. Old Business**

None.

## **11. New Business**

### **A. North San Diego Regional Water Recycling Technical Report.**

GM Bushee noted that staff has provided status updates for the past several months on the North San Diego Regional Water Recycling Project. He noted the project includes a technical report. He introduced Scott Goldman of RMC to present an overview of the technical report.

Mr. Goldman summarized key aspects of the report, which included the following information:

- The project goals and a list of participating agencies in the project;



- The scope of the planning study that included which local areas were reviewed, and the timeframe for the study;
- Recycled water demand summary of non-potable use from the eleven agencies totaled 32,000 AFY;
- Various long-term and short-term options for the project; and
- The Project's schedule

Mr. Goldman noted that the final report will be completed in February. GM Bushee stated that Olivenhain Municipal Water District has contracted with RMC for the development of the report with financial participation from the 11 member agencies.

Vice President Hanson requested a copy of the final report when it's completed.

- B. Authorize the General Manager to execute a contract with SAK Construction, LLC for the purchase and installation of 2500 feet of cured-in-place-pipe (CIPP) to repair nine (9) sewer line segments, located in Levante Street in Carlsbad and Piraeus Street in Encinitas in an amount not exceed \$83,089.

PM Morishita presented this item stating that the EC reviewed SAK Construction's contract at its January 10<sup>th</sup> meeting. PM Morishita noted that this project is listed as a goal in the FY 11 Tactical Action Plan.

PM Morishita provided a summary of the project and reviewed the companies that submitted bids. He indicated that the lowest responsive bidder was SAK Construction. PM Morishita noted that SAK Construction is headquartered in Missouri, but the company has local employees and it has the necessary workers compensation insurance for the project. PM Morishita also indicated that the bid was reviewed by IEC.

Upon a motion made by Vice President Hanson, seconded by Director Kulchin, and carried, the Board of Directors authorized the General Manager to execute a contract with SAK Construction, LLC for the purchase and installation of 2500 feet of cured-in-place-pipe (CIPP) to repair nine (9) sewer line segments, located in Levante Street in Carlsbad and Piraeus Street in Encinitas in an amount not exceed \$83,089.

- C. Receive and file the Fiscal Year 2010 (FY 10) Comprehensive Annual Financial Report (CAFR).

GM Bushee stated that CPA Duffey will provide the Board will an overview of the Management Discussion and Analysis (MD&A). GM Bushee acknowledged Richard Duffey, ASM LeMay, and AT McEniry for their hard work on the audit.

CPA Duffey presented a PowerPoint overview of the MD&A. He stated that the MD&A provides management's perspective of the District's financial activity for the year. CPA Duffey provided the highlights of the MD&A stating that the audit illustrated that LWD is in a strong financial position.

CPA Duffey introduced Mr. Harvey Schroeder to provide the highlights of the full CAFR, which included the auditor's report, statement of net assets, long-term liabilities, statement of revenues and cash flows. Mr. Schroeder noted that the auditor's internal report stated that the audit was a clean unqualified opinion for the

year ending FY 2010. Mr. Schroeder noted that the auditors also reviewed LWD's internal controls and that they provided suggestions to LWD staff on how to strengthen the segregation of duties between staff members.

President Omsted noted that the CAFR was well written and easy to understand.

Following discussion and upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and carried, the Board of Directors received and filed the FY 2010 CAFR.

D. Call for Nominations to the CSDA Board of Directors Region 6, Seat B.

President Omsted asked the Board members if they would like to nominate a person for the CSDA Board of Directors Region 6, Seat B. The Board of Directors agreed not to nominate a person for the open seat.

E. Board of Directors 2011 Committee Assignments.

President Omsted expressed his opinion on changing members within the Board committee assignments. He stated that change within the committees would be valuable to the District and the Board of Directors. President Omsted offered to switch his committee assignments with another Board member. Following the review of the list of committee assignments, no action was taken and the assignments remain unchanged.

F. CASA Washington D.C. Conference is scheduled for March 14-16, 2011 in Washington D.C. at the Hotel Monaco.

The Board of Directors discussed the option of sending a Board member to the CASA Washington D.C. conference. Following discussion, the Board agreed not to send a representative to the conference.

## 12. Information Items

A. The Hilton Project Status Update.

District Engineer Deering presented a status report on the Carlsbad Hilton Project. DE Deering also provided an update on the assessment that is reviewing the condition of the Batiquitos Force Main.

B. The Coast News Article "Wastewater plant gets good green grades".

GM Bushee noted that this article highlight EWA's energy program and Director Juliussen was quoted in this article.

C. CSDA News Article "State Budget Proposal Impacts Property Taxes".

GM Bushee stated that this information was covered at the CASA conference, but thought this was good information to share with the Board.

### **13. Directors' Meetings**

- A. CASA Mid-Year Conference was held at the Desert Springs JW Marriott in Palm Desert, CA from January 12-14, 2011.

Director Kulchin stated that the program was well done. He complemented the morning and afternoon speakers. Director Sullivan also complemented the outside speakers that spoke at the conference. She stated that it's good to receive another perspective from non-CASA member representatives.

President Omsted reported the he and Director Juliussen attended a session regarding resource mining that discussed phosphorus, nitrogen, methane, and FOG.

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

Director Juliussen thanked the Board for letting him attend via teleconference. Director Sullivan confirmed the date of the CWEA Awards & Installation dinner and asked if there was a carpool available.

EA Hill confirmed which Board members will be attending the event and GM Bushee noted he will carpool to the dinner.

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

The following items were reported:

- GM Bushee was elected as the Vice President of the CSRMA Executive Board.
- AT Maggie McEniry completed the W-2s and they were placed at each Director's desk.
- Reminded the Board that comments for the 2011 winter newsletter were due today and the newsletter will be finalized shortly.
- Acknowledge EA Hill for writing Leo Schempp's resolution of appreciation.
- EA Hill noted a correction on the list of upcoming conferences and that an updated version will be placed in your agenda binder next month.

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

Counsel Brechtel reported that he attended the attorney's committee meeting at the CASA conference. He provided a summary of recent legislation relating to public agencies.

### **17. Adjournment**

President Omsted adjourned the meeting at 6:34 p.m.

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Don Omsted, President

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Paul J. Bushee  
Secretary/General Manager  
(SEAL)

**LEUCADIA WASTEWATER DISTRICT**  
Minutes of an Investment & Finance Committee Meeting  
January 31, 2011

A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Monday, January 31, 2011 at 9:00 a.m. at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

Chairperson Hanson called the meeting to order at 9:00 a.m.

**2. Roll Call**

DIRECTORS PRESENT: Hanson

DIRECTORS ABSENT: Omsted

OTHERS PRESENT: General Manager Paul Bushee, Administrative Services Manager Chuck LeMay, Executive Assistant Trisha Hill, CPA Richard Duffey with Brownell and Duffey

**3. Public Comment**

No public comment was received.

**4. Old Business**

None.

**5. New Business**

A. Annual Review of LWD Reserve Policy.

ASM LeMay presented the subject recommendation stating that the Reserve Policy requires an annual review. He indicated that this review also provides an opportunity to go over LWD's reserve balances and to recommend policy changes if required. LeMay stated that staff had reviewed the Reserve Policy and is recommending administrative changes to the policy.

ASM LeMay provided an overview of the changes to the policy, followed by an overview of the activity in LWD's reserve balances for FY ending June 30, 2010.

Following discussion, the IFC concurred with staff to recommend that the Board of Directors approve the revised Reserve Policy and receive and file the Reserve Policy Annual Report.

**6. Information Items**

None.

**7. Directors' Comments**

None.

**8. General Manager's Comments**

None.

**9. Adjournment**

Chairperson Hanson adjourned the meeting at 9:20 a.m.

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Paul J. Bushee  
Secretary/General Manager  
(Seal)

**LEUCADIA WASTEWATER DISTRICT**  
**Minutes of an Engineering Committee Meeting**  
**February 2, 2011**

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A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held Wednesday, February 2, 2011 at 12:00 p.m., at the LWD Administration Office located at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

Chairperson Juliussen called the meeting to order at 12:00 p.m.

**2. Roll Call**

DIRECTORS PRESENT: Juliussen and Kulchin

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, Technical Services Manager Robin Morishita, Field Services Superintendent Jeffery Stecker, District Engineer Steve Deering and Robert Weber from IEC.

**3. Public Comment**

No public comment was received.

**4. Old Business**

None.

**5. New Business**

- A. Authorize the General Manager to execute a one-year extension to the Infrastructure Engineering Corporation (IEC) contract for as needed engineering design services.

TSM Morishita presented staff's recommendation.

The EC reviewed IEC's one-year contract extension for as needed engineering design services. Following discussion, the EC concurred with staff to present this item for approval at the February 9, 2011 Board meeting.

**6. Information Items**

- A. Carlsbad Hilton Project.

DE Deering informed the EC that the Hilton Landscaping Plans have been approved, with notes added to protect the District's force mains.

- B. Occidental Line.

DE Deering updated the EC on the Occidental Line project. The project includes rehabilitating eight manholes, adding an additional manhole, and point repair work to a severe crack in the line. Carlsbad's Engineering Department is doing the project design work and has provided an initial cost estimate of \$512,000. Therefore, the District's estimated share would be \$206,000.

C. Batiquitos Force Main Repair Project.

TSM Morishita presented an update brief on the project indicating that Force Mains B1 and B2 are back on line. The contractor has started work to repair B3.

7. **Director's Comments**

None.

8. **General Manager's Comments**

GM Bushee and DE Deering provided updates on the La Costa Resort & Spa golf course project, the Calypso Café project and the Chabad Synagogue project.


9. **Adjournment**

Chairperson Juliussen adjourned the meeting at approximately 12:48 p.m.

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Paul J. Bushee,  
Secretary/Manager  
(Seal)

**MEMORANDUM**

**DATE:** February 3, 2011  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Approval of January/February Demands

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**RECOMMENDATION:**

Staff requests that the Board of Directors:

1. Approve checks and electronic payments totaling \$ **547,949.19**
2. Discuss and take other action as appropriate.

**DISCUSSION:**

Attached are check registers describing all payments made by LWD for the months January 15, 2011 – February 3, 2011

Operating expenses totaled \$ **175,224.71** while Capital Improvement Program expenses totaled \$ **330,659.63** .

Payroll for employees and the Board totaled \$ **42,064.85**.

Attached please find a year to date Employee and Board Payroll Report from January 2010 to February 2011 for your review. The report includes a monthly breakdown of employee and Board payroll expenses for the prior 12 months.

Attachment 1	Summary of Demands by Account, January/February 2011
Attachment 2	Accounts Payable Register dated January 18, 2011
Attachment 3	Payroll Check Register dated January 19, 2011
Attachment 4	Payroll Check Register dated January 26, 2011
Attachment 5	Accounts Payable Check Register dated February 1, 2011
Attachment 6	Board Payroll Check Register dated February 2, 2011
Attachment 7	Year to Date Employee and Board Payroll Report



**DEMANDS SUMMARY**

February 9, 2011

**1. Demands**

<u>Category</u>	<u>Check #'s</u>	<u>Amount</u>	<u>Total</u>
Payroll Checks -1/19/2011	15322 - 15324 Incentive	\$461.75	
Payroll Checks - 1/26/2011	15325 - 15340	\$37,321.04	
Board Payroll Checks - 2/3/2011	15341 - 15345	<u>\$4,282.06</u>	
	<b>Total</b>	<b>\$42,064.85</b>	
General Checking 1/18/2011	40522 - 40561	\$56,825.26	
General Checking -2/01/2011	40562 - 40616	<u>\$449,059.08</u>	
	<b>Total</b>	<b>\$505,884.34</b>	
	<b>Grand Total</b>		<b>\$547,949.19</b>

Run date: 01/13/2011 @ 12:59  
 Bus date: 01/18/2011

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHIST.L10 Page 1

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
40522- 2488	1	1/18/2011	10221 ADS LLC		
	1		42667 CONTRACT-DATA COLLE FLOW METER	3,570.00	1256.22-1210
40522- 2488	1	1/18/2011	Logged *** Total ***	3,570.00	
40523- 2488	2	1/18/2011	11877 KENNETH BUTTS		
	2		42691 REIMBURSE FOR SAFETY BDOTS	84.54	KB-1/5/11
40523- 2488	2	1/18/2011	Logged *** Total ***	84.54	
40524- 2488	3	1/18/2011	12028 CWEA-		
	3		42692 I.R.-RENEWAL-COLL SYSTEM	76.00	100222004
40524- 2488	3	1/18/2011	Logged *** Total ***	76.00	
40525- 2488	4	1/18/2011	12360 CITY OF CARLSBAD		
	4		42681 WATER @ VACTOR	129.25	103-12/2010
	4		42682 WATER @ VACTOR 2	152.90	104-DEC 2010
40525- 2488	4	1/18/2011	Logged *** Total ***	282.15	
40526- 2488	5	1/18/2011	12514 CONEXIS		
	5		42678 SEC 125 FLEX PLAN-DEC	125.00	1210-0R5179
40526- 2488	5	1/18/2011	Logged *** Total ***	125.00	
40527- 2488	6	1/18/2011	12585 COUNTY OF SAN DIEGO		
	6		42660 HAZARDOUS MATERIAL PERMIT @LPS	684.00	HK07-105038
40527- 2488	6	1/18/2011	Logged *** Total ***	684.00	
40528- 2488	7	1/18/2011	12631 CORODATA		
	7		42662 OPEN PO-STORAGE	76.40	RS1405496
40528- 2488	7	1/18/2011	Logged *** Total ***	76.40	
40529- 2488	8	1/18/2011	12718 CHUCKS TIRE CENTER		
	8		42661 NEW TIRES FOR TRUCK	836.41	59312
40529- 2488	8	1/18/2011	Logged *** Total ***	836.41	
40530- 2488	9	1/18/2011	12814 CUES, INC		
	9		42666 OPEN PO-REPAIRS TO CCTV	347.70	338505
40530- 2488	9	1/18/2011	Logged *** Total ***	347.70	
40531- 2488	10	1/18/2011	13071 DATCO		
	10		42664 OPEN PO-SERVICE FEES AND TESTS	273.00	74029
40531- 2488	10	1/18/2011	Logged *** Total ***	273.00	
40532- 2488	11	1/18/2011	13072 DATA NET		
	11		42683 IS MAINT AND SUPPORT	230.00	9738791
	11		42684 IS MAINT AND SUPPORT	35.00	9738748
	11		42685 IS MAINT AND SUPPORT	230.00	9738793
	11		42686 IS MAINT AND SUPPORT	35.00	9738778
40532- 2488	11	1/18/2011	Logged *** Total ***	530.00	
40533- 2488	12	1/18/2011	13822 DUDEK & ASSOCIATES		
	12		42701 GE/CIP/NOV/200/326/333/316	14,827.50	20103922
40533- 2488	12	1/18/2011	Logged *** Total ***	14,827.50	

Run date: 01/13/2011 @ 12:59  
 Bus date: 01/18/2011

Leucadia Waste Water District  
 Check - Complete Detail

OCCCKHST.L10 Page 2

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
40534- 2488	13	1/18/2011	14410 EL CAMINO REAL SHELL ENCINITAS		
	13		42669 OPEN PO-VEHICLE FUELS AND GAS	63.81	8455
40534- 2488	13	1/18/2011	Logged *** Total ***	63.81	
40535- 2488	14	1/18/2011	15223 FEDERAL EXPRESS CORPORATION		
	14		42693 SHIPPING	37.68	7-352-82327
40535- 2488	14	1/18/2011	Logged *** Total ***	37.68	
40536- 2488	15	1/18/2011	16021 GREAT AMERICA LEASING CORP		
	15		42687 COPIER LEASE PAYMENT	977.02	10441538
40536- 2488	15	1/18/2011	Logged *** Total ***	977.02	
40537- 2488	16	1/18/2011	16603 W. W. GRAINGER, INC		
	16		42695 GREASE BEARING PARTS	50.98	9430039660
40537- 2488	16	1/18/2011	Logged *** Total ***	50.98	
40538- 2488	17	1/18/2011	17255 HIGH DESERT SPECIALISTS		
	17		42696 BACKFLOW @ VP7	45.00	HO-1/4/2011
40538- 2488	17	1/18/2011	Logged *** Total ***	45.00	
40539- 2488	18	1/18/2011	18150 ICMA RETIREMENT-303979		
	18		42673 DEFERRED COMP-1/12/2011	2,822.71	ICMA-1/12/2011
40539- 2488	18	1/18/2011	Logged *** Total ***	2,822.71	
40540- 2488	19	1/18/2011	18561 U.S. BANK		
	19		42702 CONFERENCES, SUPPLIES, MEETING	5,522.96	USB-12/22/10
40540- 2488	19	1/18/2011	Logged *** Total ***	5,522.96	
40541- 2488	20	1/18/2011	22165 MCR TECHNOLOGIES, INC.		
	20		42671 RECALIBRATE EEPs EFFLUENT METER	711.00	21452
40541- 2488	20	1/18/2011	Logged *** Total ***	711.00	
40542- 2488	21	1/18/2011	23068 NATIONWIDE RETIREMENT SOLUTION		
	21		42674 DEFERRED COMP-NATIONWIDE	190.92	NATION-1/12/11
40542- 2488	21	1/18/2011	Logged *** Total ***	190.92	
40543- 2488	22	1/18/2011	25032 PALOMAR WATER		
	22		42677 WATER @ OFFICE	111.48	1831759
40543- 2488	22	1/18/2011	Logged *** Total ***	111.48	
40544- 2488	23	1/18/2011	25265 PEP BOYS		
	23		42694 PARTS-COOLANT	19.54	07010027529
40544- 2488	23	1/18/2011	Logged *** Total ***	19.54	
40545- 2488	24	1/18/2011	25425 PLANT PEOPLE		
	24		42672 CONTRACT-MAINTAIN PLANTS MONTH	158.00	111649
40545- 2488	24	1/18/2011	Logged *** Total ***	158.00	
40546- 2488	25	1/18/2011	25680 PRUDENTIAL OVERALL SUPPLY		
	25		42679 FINAL-LAUNDRY SERVICE	251.46	35925-00-12/10
40546- 2488	25	1/18/2011	Logged *** Total ***	251.46	

Run date: 01/13/2011 @ 12:59  
 Bus date: 01/18/2011

Leucadia Waste Water District  
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UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
40547- 2488	26	1/18/2011	27028	RANCH AND SEA POOL CARE		
	26		42663	CONTRACT-FOUNTAIN MAINT-AUG-JU	70.00	8396
40547- 2488	26	1/18/2011	Logged	*** Total ***	70.00	
40548- 2488	27	1/18/2011	27315	IAN RIFFEL		
	27		42689	REIMBURSE FOR CERT TEST	65.00	IR-CERT-1/3/11
40548- 2488	27	1/18/2011	Logged	*** Total ***	65.00	
40549- 2488	28	1/18/2011	27478	R. J. SAFETY SUPPLY CO., INC.		
	28		42665	REPAIR AND REPLACE SAFETY WINC	915.59	282981-00
40549- 2488	28	1/18/2011	Logged	*** Total ***	915.59	
40550- 2488	29	1/18/2011	27528	ROCKWELL CONSTRUCTION SERVICES		
	29		42697	REVIEW OF SPS	500.00	264
40550- 2488	29	1/18/2011	Logged	*** Total ***	500.00	
40551- 2488	30	1/18/2011	27729	RICHARD STINSON		
	30		42698	CONSULTING FEES-DEC	15,450.00	#40
40551- 2488	30	1/18/2011	Logged	*** Total ***	15,450.00	
40552- 2488	31	1/18/2011	28070	SAN DIEGUITO WATER DISTRICT		
	31		42675	WATER @ BPS	71.15	31527-12/2010
40552- 2488	31	1/18/2011	Logged	*** Total ***	71.15	
40553- 2488	32	1/18/2011	28128	SOUTHERN CALIFORNIA SOIL & TES		
	32		42699	GEOTECH SERVICES @BPS	2,248.00	356101
40553- 2488	32	1/18/2011	Logged	*** Total ***	2,248.00	
40554- 2488	33	1/18/2011	28324	SHELL OIL COMPANY		
	33		42668	OPEN PO-VEHICLE FUELS/GAS	177.19	065023442101
40554- 2488	33	1/18/2011	Logged	*** Total ***	177.19	
40555- 2488	34	1/18/2011	30515	UNIFIRST CORPORATION		
	34		42680	LAUNDRY SERVICE	99.15	3600815578
40555- 2488	34	1/18/2011	Logged	*** Total ***	99.15	
40556- 2488	35	1/18/2011	30551	CARLSBAD FUELS CORPORATION		
	35		42659	OPEN PO-VEHICLE FUELS AND GAS	669.20	20110103
40556- 2488	35	1/18/2011	Logged	*** Total ***	669.20	
40557- 2488	36	1/18/2011	30560	UNITED PARCEL		
	36		42700	SHIPPING	23.76	000025YY37021
40557- 2488	36	1/18/2011	Logged	*** Total ***	23.76	
40558- 2488	37	1/18/2011	30580	UNITED WAY		
	37		42676	EMPLOYEE CONTRIBUTIONS	5.00	UNITED-1/12/11
40558- 2488	37	1/18/2011	Logged	*** Total ***	5.00	
40559- 2488	38	1/18/2011	32347	DEXTER WILSON ENGINEERING		
	38		42690	CONSULTING FEES-DUCTILE IRON P	760.00	1210.04.1203
40559- 2488	38	1/18/2011	Logged	*** Total ***	760.00	

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Leucadia Waste Water District  
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UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
40560- 2488	39	1/18/2011	32500	WORDEN WILLIAMS, APC		
	39		42688	LEGAL FEES-DEC	3,038.80	29498
40560- 2488	39	1/18/2011	Logged	*** Total ***	3,038.80	
40561- 2488	40	1/18/2011	33227	XEROX CORPORATION		
	40		42670	OPEN PO-SERVICE CONTRACT-MAINT	57.16	052515614
40561- 2488	40	1/18/2011	Logged	*** Total ***	57.16	
					.00	
** Total check discount **					.00	
** Total check amount **					56,825.26	
** Total void discount **					.00	
** Total void amount **					.00	

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: January 19, 2011  
INCENTIVE

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
15322 - 15324	1/19/2011	\$461.75

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: January 26, 2011

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
15325 - 15340	1/26/2011	\$37,321.04

Run date: 02/01/2011 @ 09:56  
 Bus date: 02/01/2011

Leucadia Waste Water District  
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UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
40562- 2489	1	2/01/2011	10104 ABACOR, INC.		
	1		42719 TRANSFER CRANE TO NEW TRUCK	1,519.50	16968
40562- 2489	1	2/01/2011	Logged *** Total ***	1,519.50	
40563- 2489	2	2/01/2011	11314 BERGELECTRIC CORP		
	2		42713 OPEN PO-MISC ELECTRICAL WORK	181.40	12698.5TM2
40563- 2489	2	2/01/2011	Logged *** Total ***	181.40	
40564- 2489	3	2/01/2011	11641 BROWN & CALDWELL		
	3		42711 JOB ANNOUNCEMENT-FST 1/FST TRA	200.00	18955
40564- 2489	3	2/01/2011	Logged *** Total ***	200.00	
40565- 2489	4	2/01/2011	11712 BOB STALL CHEVROLET		
	4		42726 2011 CHEVY 3500 DIESEL PICKUP	39,633.13	113053
40565- 2489	4	2/01/2011	Logged *** Total ***	39,633.13	
40566- 2489	5	2/01/2011	12112 JEFF BILLS		
	5		42743 CONSULTING FEES-DEC	2,843.45	J.BILLS-DEC
40566- 2489	5	2/01/2011	Logged *** Total ***	2,843.45	
40567- 2489	6	2/01/2011	12124 CALIBRATED CONTROLS INC		
	6		42736 CHANGE SEALING ON WET WELL	170.00	740
40567- 2489	6	2/01/2011	Logged *** Total ***	170.00	
40568- 2489	7	2/01/2011	12589 CA SDU		
	7		42788 SUPPORT-A.B.OF117622-JAN	516.12	SUPPORT-JAN2011
40568- 2489	7	2/01/2011	Logged *** Total ***	516.12	
40569- 2489	8	2/01/2011	12718 CHUCKS TIRE CENTER		
	8		42733 TIRES	156.88	59492
40569- 2489	8	2/01/2011	Logged *** Total ***	156.88	
40570- 2489	9	2/01/2011	12814 CUES, INC		
	9		42721 OPEN PO-REPAIRS TO CCTV	715.77	339176
40570- 2489	9	2/01/2011	Logged *** Total ***	715.77	
40571- 2489	10	2/01/2011	12829 EATON ELECTRICAL, INC		
	10		42727 REPLACE CONTROL BOARD @ LPS	1,886.00	31380020
40571- 2489	10	2/01/2011	Logged *** Total ***	1,886.00	
40572- 2489	11	2/01/2011	13072 DATA NET		
	11		42770 IS MAINT AND SUPPORT	303.75	9738972
	11		42771 IS MAINT AND SUPPORT	230.00	9738951
	11		42772 IS MAINT AND SUPPORT-APC BATTE	437.16	9738964
40572- 2489	11	2/01/2011	Logged *** Total ***	970.91	
40573- 2489	12	2/01/2011	13323 DIEHL, EVANS & COMPANY		
	12		42751 AUDIT BILLING-FINAL FOR 2010 A	5,200.00	69463
40573- 2489	12	2/01/2011	Logged *** Total ***	5,200.00	
40574- 2489	13	2/01/2011	13355 DION INTERNATIONAL TRUCKS INC		
	13		42712 OPEN PO-VACTOR REPAIR	150.50	EW52131



UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
40574- 2489	13	2/01/2011	Logged	*** Total ***	150.50	
40575- 2489	14	2/01/2011	13822 DUDEK & ASSOCIATES			
	14		42783 NGVI MITIGATION MONITORING		1,028.54	20104367
40575- 2489	14	2/01/2011	Logged	*** Total ***	1,028.54	
40576- 2489	15	2/01/2011	14410 EL CAMINO REAL SHELL ENCINITAS			
	15		42718 OPEN PO-VEHICLE FUELS AND GAS		241.27	8460
40576- 2489	15	2/01/2011	Logged	*** Total ***	241.27	
40577- 2489	16	2/01/2011	16603 W. W. GRAINGER, INC			
	16		42746 FAN		100.45	9440449040
40577- 2489	16	2/01/2011	Logged	*** Total ***	100.45	
40578- 2489	17	2/01/2011	16806 THE GUARDIAN			
	17		42781 DENTAL/DISABILITY INS-FEB		3,068.79	324226-FEB2011
40578- 2489	17	2/01/2011	Logged	*** Total ***	3,068.79	
40579- 2489	18	2/01/2011	17060 HARTFORD LIFE & ACCIDENT INS.			
	18		42780 LIFE INS-FEB		320.59	5236969-1
40579- 2489	18	2/01/2011	Logged	*** Total ***	320.59	
40580- 2489	19	2/01/2011	17247 U.S. HEALTH WORKS MEDICAL GROU			
	19		42714 OPEN PO-PHYSICALS		65.00	1819905-CA
40580- 2489	19	2/01/2011	Logged	*** Total ***	65.00	
40581- 2489	20	2/01/2011	17532 HOSTWAY BILLING CENTER			
	20		42747 QTRLY BILLING-JAN-APRIL		65.85	1756486
40581- 2489	20	2/01/2011	Logged	*** Total ***	65.85	
40582- 2489	21	2/01/2011	18150 ICMA RETIREMENT-303979			
	21		42774 DEFERRED COMP-ICMA		2,828.15	ICMA-1/26/11
40582- 2489	21	2/01/2011	Logged	*** Total ***	2,828.15	
40583- 2489	22	2/01/2011	18212 INFRASTRUCTURE ENGINEERING COR			
	22		42723 CONTRACT-BPS FORCE MAIN REPAIR		6,973.20	5531
	22		42724 ASSET MANAGEMENT PLAN IMPLEMEN		180.00	5530
	22		42731 BPS FORCE MAIN CONTRACT		428.30	5531-
	22		42744 BPS FINAL DESIGN		32,586.15	5517
	22		42745 FORCE MAIN PROJECTS		2,018.00	5529
	22		42782 GIS TO DAPHNE MEADOWS		210.00	5532
40583- 2489	22	2/01/2011	Logged	*** Total ***	42,395.65	
40584- 2489	23	2/01/2011	20079 KATZ & ASSOCIATES			
	23		42740 PUBLIC INFORMATION-DEC		1,383.00	406736
40584- 2489	23	2/01/2011	Logged	*** Total ***	1,383.00	
40585- 2489	24	2/01/2011	21332 L.H. WOODS & SONS, INV			
	24		42710 CONTRACT-BPS FORCE MAIN REPAIR		222,837.75	#02
40585- 2489	24	2/01/2011	Logged	*** Total ***	222,837.75	
40586- 2489	25	2/01/2011	22355 MINUTEMAN PRESS			

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Leucadia Waste Water District  
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UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
40586- 2489	25	2/01/2011	42741 BUSINESS CARDS	226.55	2649785
	25	2/01/2011	Logged	*** Total ***	226.55
40587- 2489	26	2/01/2011	23068 NATIONWIDE RETIREMENT SOLUTION	195.46	NATION-1/26/11
	26	2/01/2011	42773 DEFERRED COMP-NATIONWIDE	195.46	
40587- 2489	26	2/01/2011	Logged	*** Total ***	195.46
40588- 2489	27	2/01/2011	23573 NORTH COUNTY TRANSIT DISTRICT	124.25	NCTD FEE
	27	2/01/2011	42739 NCTD ADM FEE	124.25	
40588- 2489	27	2/01/2011	Logged	*** Total ***	124.25
40589- 2489	28	2/01/2011	24224 OFFICE DEPOT, INC.	40.93	548101128001
	28	2/01/2011	42717 OPEN PO-OFFICE SUPPLIES	200.57	547281761001
	28	2/01/2011	42728 OPEN PO-OFFICE SUPPLIES	138.38	54886500001
	28	2/01/2011	42729 OPEN PO-OFFICE SUPPLIES	379.88	
40589- 2489	28	2/01/2011	Logged	*** Total ***	379.88
40590- 2489	29	2/01/2011	24528 DONALO OMSTED	125.78	00-CONF-CASA
	29	2/01/2011	42735 REIMBURSE DO FOR CONFERENCE	125.78	
40590- 2489	29	2/01/2011	Logged	*** Total ***	125.78
40591- 2489	30	2/01/2011	25010 AT&T	31.22	4364009-JAN11
	30	2/01/2011	42749 ODOR CONTROL MODEM	135.19	633346538-JAN
	30	2/01/2011	42776 ELEVATOR PHONE	166.41	
40591- 2489	30	2/01/2011	Logged	*** Total ***	166.41
40592- 2489	31	2/01/2011	25011 PACIFIC PIPELINE SUPPLY	60.01	143816
	31	2/01/2011	42742 GASKETS	60.01	
40592- 2489	31	2/01/2011	Logged	*** Total ***	60.01
40593- 2489	32	2/01/2011	25018 MES VISION	304.10	110102183001
	32	2/01/2011	42777 VISIONS INS-FEB	304.10	
40593- 2489	32	2/01/2011	Logged	*** Total ***	304.10
40594- 2489	33	2/01/2011	25260 PERS RETIREMENT	1,240.44	1-2011-3
	33	2/01/2011	42784 EMPLOYEE RETIREMENT-L. SCHEMPP	43.71	12-2010-0
	33	2/01/2011	42785 BOARD RETIREMENT 12-31-2010	12,776.16	1-2011-4
	33	2/01/2011	42786 EMPLOYEE RETIREMENT 1/23/2011	14,060.31	
40594- 2489	33	2/01/2011	Logged	*** Total ***	14,060.31
40595- 2489	34	2/01/2011	25260 PERS RETIREMENT	12,523.32	1-2011-3
	34	2/01/2011	42787 EMPLOYEE RETIREMENT 1/9/2011	12,523.32	
40595- 2489	34	2/01/2011	Logged	*** Total ***	12,523.32
40596- 2489	35	2/01/2011	25261 PUBLIC EMPLOYEES HEALTH	2,341.10	H2011027247000
	35	2/01/2011	42778 BRD HEALTH INS-FEB	19,822.85	H2011021231000
	35	2/01/2011	42779 EMPLOYEE HEALTH INS-FEB	22,163.95	
40596- 2489	35	2/01/2011	Logged	*** Total ***	22,163.95
40597- 2489	36	2/01/2011	25265 PEP BOYS	46.64	07010027574
	36	2/01/2011	42734 VEHICLE SUPPLIES	46.64	
40597- 2489	36	2/01/2011	Logged	*** Total ***	46.64

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Leucadia Waste Water District  
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UNION BANK GENERAL						
Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER	
40598- 2489	37	2/01/2011	25618 PRIZM JANITORIAL SERVICES, INC			
	37		42767 JANITORIAL SERVICES-JAN	1,281.15	67030	
40598- 2489	37	2/01/2011	Logged *** Total ***	1,281.15		
40599- 2489	38	2/01/2011	27010 RAIN FOR RENT INC			
	38		42722 CAMLOCK ADAPTERS,FITTINGS,GASK	350.37	036029683	
40599- 2489	38	2/01/2011	Logged *** Total ***	350.37		
40600- 2489	39	2/01/2011	27012 RANCHO SANTA FE SECURITY SYSTE			
	39		42753 ALARM-SECURITY SYSTEM	258.00	441273	
40600- 2489	39	2/01/2011	Logged *** Total ***	258.00		
40601- 2489	40	2/01/2011	28020 SAN DIEGO GAS AND ELECTRIC			
	40		42755 ELECTRIC @ BPS	13,862.52	5620466-JAN	
	40		42756 ELECTRIC @ EEPs	253.14	1009741-JAN	
	40		42757 ELECTRIC @ DIANA PS	382.64	9942208-JAN	
	40		42758 ELECTRIC @ AVOCADO PS	132.29	1246524-JAN	
	40		42759 ELECTRIC @ VP7	154.44	4562554-JAN	
	40		42760 GAS @ OFFICE	286.02	7137294-JAN	
	40		42761 ELECTRIC @ RANCHO VERDE	173.18	08413218-JAN	
	40		42762 ELECTRIC @ SAXONY PS	878.33	7212278-JAN	
	40		42763 ELECTRIC @ VP5	308.98	8683154-JAN	
	40		42764 ELECTRIC @ E.E. PS	740.98	4750940744-JAN	
	40		42765 GAS @ E.E.	2.30	4750941474-JAN	
40601- 2489	40	2/01/2011	Logged *** Total ***	17,174.82		
40602- 2489	41	2/01/2011	28020 SAN DIEGO GAS AND ELECTRIC			
	41		42766 ELECTRIC @ LPS	13,335.01	83863877-JAN	
40602- 2489	41	2/01/2011	Logged *** Total ***	13,335.01		
40603- 2489	42	2/01/2011	28321 SHADES OF LIGHT SD			
	42		42716 SET OF ALUMINUM BLINDS @ BLDG	448.44	1961	
40603- 2489	42	2/01/2011	Logged *** Total ***	448.44		
40604- 2489	43	2/01/2011	28325 LEONARD SCHEMP			
	43		42748 REIMBURSE LS EXCESS PERS DEDUC	195.95	LS-PERS	
40604- 2489	43	2/01/2011	Logged *** Total ***	195.95		
40605- 2489	44	2/01/2011	28590 SOUTH BAY FOUNDRY			
	44		42732 LIOS	239.89	0113161-IN	
40605- 2489	44	2/01/2011	Logged *** Total ***	239.89		
40606- 2489	45	2/01/2011	28719 STATE WATER RESOURCES CONTROL			
	45		42720 COLLECTION SYSTEM PERMIT	1,008.00	SW0029244	
40606- 2489	45	2/01/2011	Logged *** Total ***	1,008.00		
40607- 2489	46	2/01/2011	29225 TELEPACIFIC COMMUNICATIONS			
	46		42752 PHONE SYSTEM	1,010.28	25598456-0	
40607- 2489	46	2/01/2011	Logged *** Total ***	1,010.28		
40608- 2489	47	2/01/2011	29332 THOMSON/WEST			
	47		42738 SUBSCRIPTION-CA CODE	65.26	822132050	

Run date: 02/01/2011 @ 09:56  
 Bus date: 02/01/2011

Leucadia Waste Water District  
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UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
40608- 2489	47	2/01/2011	Logged	*** Total ***	65.26	
40609- 2489	48	2/01/2011	29611	TORREY PINES BANK		
	48		42730	RETENTION 10%-L WOODS	32,211.75	RETENTION #02
40609- 2489	48	2/01/2011	Logged	*** Total ***	32,211.75	
40610- 2489	49	2/01/2011	29630	TRI COMMUNITY ANSWERING SERVIC		
	49		42750	ANSWERING SERVICE-JAN	90.00	TRI-1/20/2011
40610- 2489	49	2/01/2011	Logged	*** Total ***	90.00	
40611- 2489	50	2/01/2011	29730	T.S. INDUSTRIAL SUPPLY		
	50		42737	PAINT	115.04	1038317
40611- 2489	50	2/01/2011	Logged	*** Total ***	115.04	
40612- 2489	51	2/01/2011	29814	TIERRA VERDE RESOURCES, INC		
	51		42725	DISTRCT CAMPUS LANDSCAPE MAIN	1,460.00	054642
40612- 2489	51	2/01/2011	Logged	*** Total ***	1,460.00	
40613- 2489	52	2/01/2011	30515	UNIFIRST CORPORATION		
	52		42768	LAUNDRY SERVICE	99.15	3600817153
	52		42769	LAUNDRY SERVICE	100.78	3600818758
40613- 2489	52	2/01/2011	Logged	*** Total ***	199.93	
40614- 2489	53	2/01/2011	30580	UNITED WAY		
	53		42775	EMPLOYEE CONTRIBUTIONS	5.00	UNITED-1/26/11
40614- 2489	53	2/01/2011	Logged	*** Total ***	5.00	
40615- 2489	54	2/01/2011	31232	VERIZON WIRELESS		
	54		42754	CELL PHONE USAGE	664.16	0939514745
40615- 2489	54	2/01/2011	Logged	*** Total ***	664.16	
40616- 2489	55	2/01/2011	32271	WEST COAST SAFETY SUPPLY CO.,		
	55		42715	OPEN PO-CALIBRATION/SAFETY	90.67	170682500
40616- 2489	55	2/01/2011	Logged	*** Total ***	90.67	
					.00	
** Total check discount **					.00	
** Total check amount **					449,059.08	
** Total void discount **					.00	
** Total void amount **					.00	

LEUCADIA WASTEWATER DISTRICT  
BOARD PAYROLL CHECK REPORT

Payroll Date: February 2, 2011

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
15341 -15345	2/2/2011	\$4,282.06

**LEUCADIA WASTEWATER DISTRICT  
YEAR TO DATE EMPLOYEE AND BOARD PAYROLL AMOUNTS**

<b><u>JANUARY</u></b>	<b>2010</b>		
1/5/2010	Board		\$1,072.54
1/13/2010	Employee		\$38,692.19
1/20/2010	Employee	Incentive	\$5,443.19
1/27/2010	Employee		<u>\$40,266.16</u>
	<b>TOTAL</b>		<b>\$85,474.08</b>

<b><u>FEBRUARY</u></b>			
2/3/2010	Board		\$5,252.88
2/10/2010	Employee		\$38,572.36
2/11/2010	Employee	Incentive	\$10,598.54
2/24/2010	Employee		<u>\$38,726.13</u>
	<b>TOTAL</b>		<b>\$93,149.91</b>

<b><u>MARCH</u></b>			
3/3/2010	Board		\$2,110.79
3/10/2010	Employee		\$38,676.44
3/11/2010	Employee	Incentive	\$19,121.09
3/24/2010	Employee		<u>\$39,022.67</u>
	<b>TOTAL</b>		<b>\$98,930.99</b>

<b><u>APRIL</u></b>			
4/2/2010	Board		\$4,132.08
4/7/2010	Employee		\$38,553.32
4/21/2010	Employee		<u>\$38,389.58</u>
	<b>TOTAL</b>		<b>\$81,074.98</b>

<b><u>MAY</u></b>			
5/5/2010	Employee		\$38,897.89
5/6/2010	Board		\$5,861.53
5/19/2010	Employee		<u>\$40,803.89</u>
	<b>TOTAL</b>		<b>\$85,563.31</b>

<b><u>JUNE</u></b>			
6/2/2010	Employee		\$39,395.23
6/3/2010	Board		\$2,897.35
6/16/2010	Employee		\$39,117.87
6/30/2010	Employee		<u>\$38,580.06</u>
	<b>TOTAL</b>		<b>\$119,990.51</b>

<b><u>JULY</u></b>			
7/1/2010	Board		\$2,209.06
7/9/2010	Employee	Incentive	\$1,616.12
7/14/2010	Employee		\$39,311.69
7/28/2010	Employee		<u>\$39,181.87</u>
	<b>TOTAL</b>		<b>\$82,318.74</b>

**LEUCADIA WASTEWATER DISTRICT  
YEAR TO DATE EMPLOYEE AND BOARD PAYROLL AMOUNTS**

**AUGUST**

8/2/2010	Board		\$999.54
8/11/2010	Employee		\$40,139.81
8/25/2010	Employee		<u>\$39,202.75</u>
	<b>TOTAL</b>		<b>\$80,342.10</b>

**SEPTEMBER**

9/2/2010	Board		\$5,665.17
9/8/2010	Employee		\$38,989.08
9/22/2010	Employee		<u>\$38,612.32</u>
	<b>TOTAL</b>		<b>\$83,266.57</b>

**OCTOBER**

10/1/2010	Board		\$4,565.69
10/6/2010	Employee		\$39,437.79
10/13/2010	Employee	Incentive	\$3,421.59
10/20/2010	Employee		<u>\$43,807.41</u>
	<b>TOTAL</b>		<b>\$91,232.48</b>

**NOVEMBER**

11/1/2010	Board		\$2,871.92
11/3/2010	Employee		\$43,672.40
11/17/2010	Employee		<u>\$38,406.55</u>
	<b>TOTAL</b>		<b>\$84,950.87</b>

**DECEMBER**

12/1/2010	Employee		\$39,986.79
12/2/2010	Employee	Sick buy back	\$14,550.21
12/2/2010	Board		\$2,034.33
12/9/2010	Employee	Incentive	\$1,362.67
12/15/2010	Employee		\$40,517.81
12/29/2010	Employee		<u>\$39,453.83</u>
	<b>TOTAL</b>		<b>\$137,905.64</b>

**2011**

**JANUARY**

12/3/2010	Board		\$1,330.17
1/7/2011	Employee		\$3,006.87
1/12/2011	Employee		\$36,417.03
1/19/2011	Employee	Incentive	\$461.75
1/26/2011	Employee		<u>\$37,321.04</u>
	<b>TOTAL</b>		<b>\$78,536.86</b>

LEUCADIA WASTEWATER DISTRICT  
YEAR TO DATE EMPLOYEE AND BOARD PAYROLL AMOUNTS

FEBRUARY

2/3/2011

Board

\$4,282.06

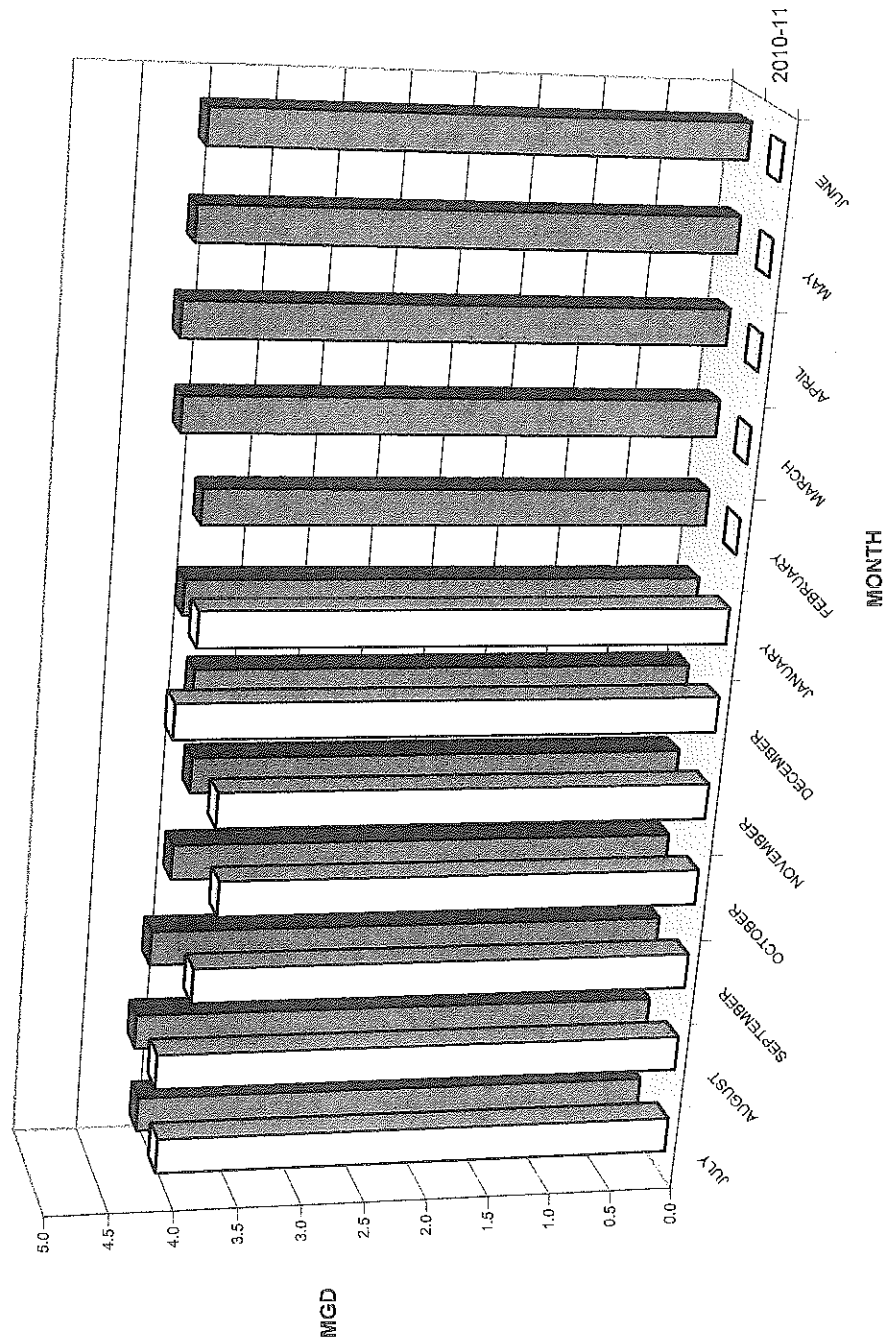


**LEUCADIA WASTEWATER DISTRICT  
OPERATIONS REPORT  
FISCAL YEAR 2010-2011**

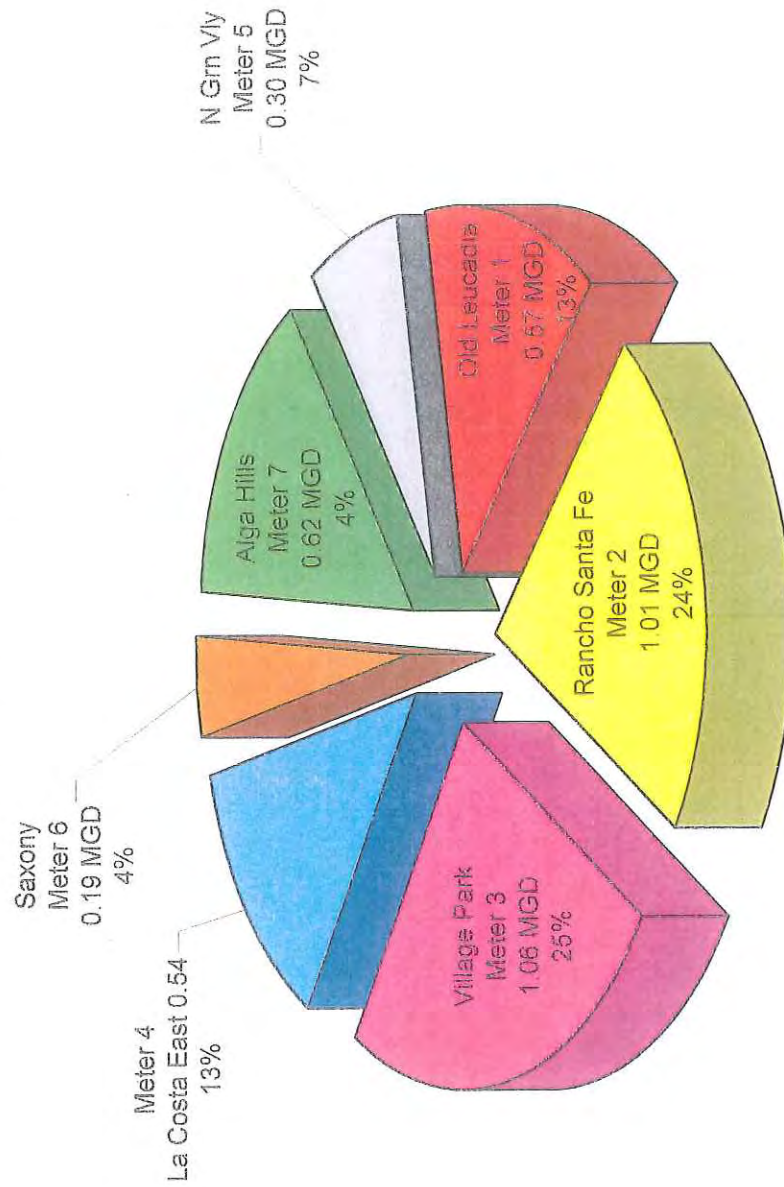
CURRENT MONTH - January 2010							FY 2010-2011
Period	Total Rain Inches	Total Flow MG	Total EDU's 27,725	LWD ADF (MGD)	GPD/EDU	RECLAIMED ADF (ac-ft/mo)	ADF (MGD)
JULY	0.12	127.41	-1	4.11	148	29.58	4.12
YTD		127.41	27,724				
AUGUST	0	128.96	3	4.16	150	41.18	4.18
YTD		256.37	27,727				
SEPTEMBER	0.22	117.90	15	3.93	142	40.76	4.11
YTD		374.27	27,742				
OCTOBER	2.57	117.18	-70	3.78	137	0.00	3.99
YTD		491.45	27,672				
NOVEMBER	0.81	115.20	5	3.84	139	0.00	3.89
YTD		606.65	27,677				
DECEMBER	7.04	130.51	32	4.21	152	0.00	3.92
YTD		737.16	27,709				
JANUARY	0.78	126.48	0	4.08	147	0.00	4.04
YTD		863.64	27,709				
FEBRUARY							3.95
YTD							
MARCH							4.15
YTD							
APRIL							4.20
YTD							
MAY							4.14
YTD							
JUNE							4.10
YTD							
Annual Total	11.54	863.64	-16			111.52	
Mo Average	1.65	123.38	-2	4.02	145	37.17	4.06

operations report

LEUCADIA WASTEWATER DISTRICT  
FLOW COMPARISON FY 10 to FY11

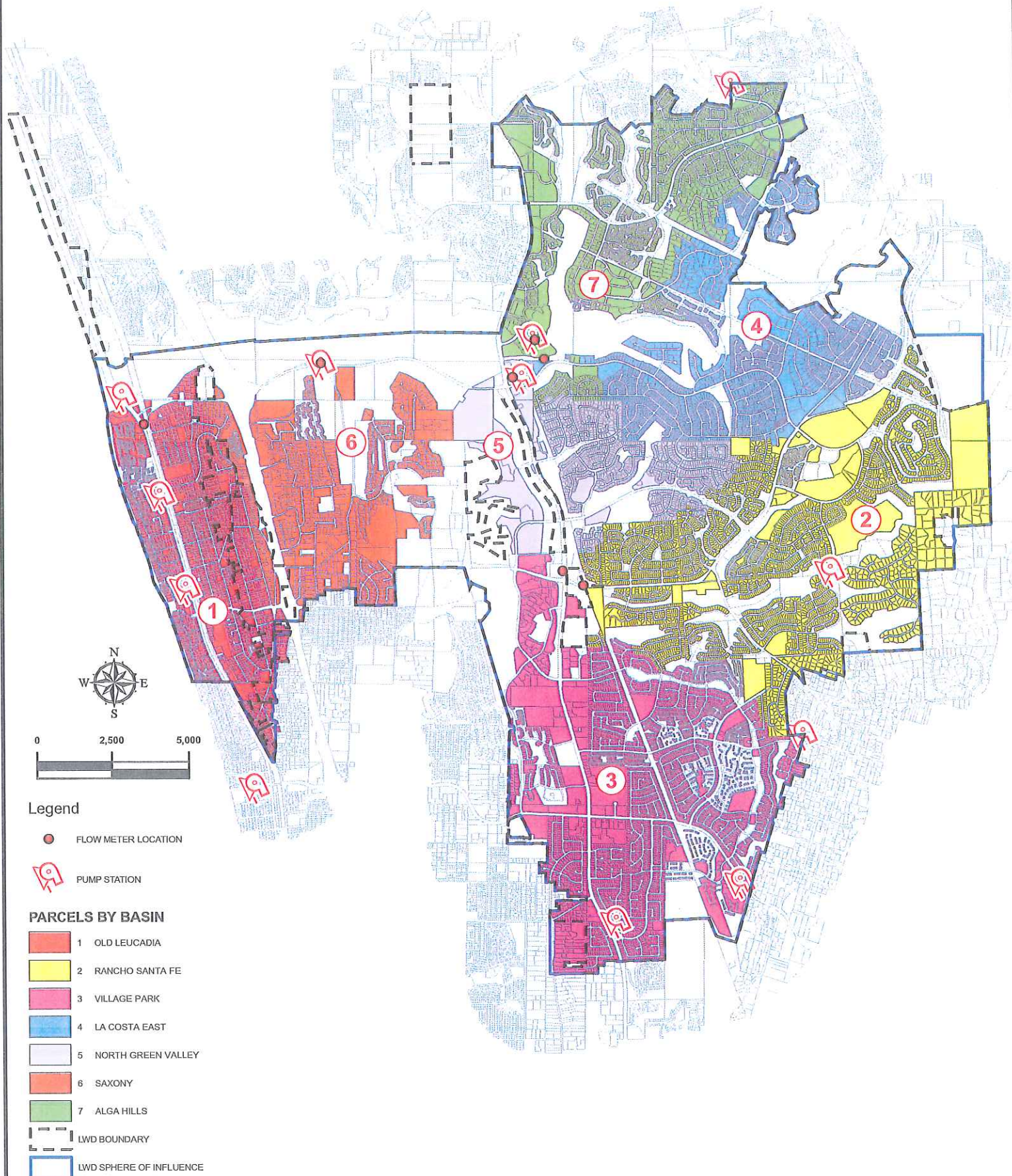


**LWD Flows by Sub-Basin**  
**January 2011**  
**Total LWD Flow = 4.29 MGD**





# LEUCADIA WASTEWATER DISTRICT





**LEUCADIA WASTEWATER DISTRICT**  
**SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS**  
*As of January 31, 2011*

<b>ASSETS</b>	
Cash and Investment Pools	\$ 25,918,457.17
Investments	12,851,292.83
Accounts Receivable	246,677.32
Funds Held with Encina Wastewater Authority	906,849.00
Prepaid Expenses	49,405.64
Capital Assets	123,809,252.03
Less Accumulated Depreciation	(39,433,632.03)
Debt Issuance Costs, Net of Amortization	171,620.24
<b>TOTAL ASSETS</b>	<b>\$ 124,519,922.20</b>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	379,654.71
Developer Deposits	134,750.88
Bond & Interest Debt	-
<b>TOTAL LIABILITIES</b>	<b>\$ 514,405.59</b>
<b>NET ASSETS</b>	
Net Investment in Capital Assets	83,253,949.61
Restricted Reserves	3,703,767.80
Unrestricted Operating Reserve	2,184,721.45
Unrestricted Non-Operating Reserves (Designated)	27,963,164.62
Unrestricted Emergency Reserve	7,500,000.00
Capital Contributions	-
YTD Revenue over (under) Expenditures	(600,086.87)
<b>TOTAL NET ASSETS</b>	<b>\$ 124,005,516.61</b>

Preliminary: subject to future review, reconciliation, accruals, and audit.

# LEUCADIA WASTEWATER DISTRICT

## BUDGET PERFORMANCE REPORT

YTD Revenue and Expenditures Through 1/31/2011 with Annual Budget

OPERATING REVENUES AND EXPENSES					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
OPERATING REVENUES AND TRANSFERS					
OPERATING REVENUES					
SEWER SERVICE	3110	\$ 3,915,829.30	\$ 7,143,638.00	3,227,808.70	54.82%
RECLAIMED WATER SALES	3150	110,139.39	360,210.00	250,070.61	30.58%
OTHER OPERATING INCOME		14,072.40	193,610.00	179,537.60	7.27%
TOTAL OPERATING REVENUE		\$ 4,040,041.09	\$ 7,697,458.00	\$ 3,657,416.91	52.49%
OPERATING EXPENSES					
WAGES AND BENEFITS	4100 & 4200	\$ 1,198,527.22	\$ 2,210,560.00	\$ 1,012,032.78	54.22%
BOARD EXPENSES AND ELECTION	4300 & 4400	74,421.04	153,636.00	79,214.96	48.44%
DEPRECIATION EXPENSE	4510	1,712,000.00	-	(1,712,000.00)	n/a
REPLACEMENT EXPENSE	4515	-	1,481,464.00	1,481,464.00	n/a
FUELS	4600	17,728.69	67,500.00	49,771.31	26.26%
INSURANCE	4700	100,079.81	123,000.00	22,920.19	81.37%
MEMBERSHIP & DUES	4800	20,845.00	23,275.00	2,430.00	89.56%
OFFICE EXPENSE	4900	43,974.41	116,300.00	72,325.59	37.81%
OPERATING SUPPLIES	5000	65,127.83	179,350.00	114,222.17	36.31%
PROFESSIONAL SERVICES	5200	216,587.24	494,500.00	277,912.76	43.80%
PRINTING & PUBLISHING	5300	18,071.47	33,000.00	14,928.53	54.76%
RENTS & LEASES	5400	9,671.96	20,300.00	10,628.04	47.65%
REPAIR & MAINTENANCE	5500	97,961.39	280,400.00	182,438.61	34.94%
MONITORING & PERMITTING	5600	23,847.00	50,700.00	26,853.00	47.04%
TRAINING & DEVELOPMENT	5700	24,484.11	41,400.00	16,915.89	59.14%
UTILITIES	5900	157,404.13	423,600.00	266,195.87	37.16%
LAFCO OPERATIONS	6100	6,039.00	6,200.00	161.00	97.40%
ENCINA	6200	412,666.49	1,946,818.00	1,534,151.51	21.20%
TOTAL OPERATING EXPENSES		\$ 4,199,436.79	\$ 7,652,003.00	\$ 3,452,566.21	54.88%

NON-OPERATING REVENUES AND EXPENSES					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
NON OPERATING REVENUES					
CAPACITY CHARGES	3130	\$ 206,006.40	\$ 186,600.00	(\$19,406.40)	110.40%
PROPERTY TAXES	3220	650,218.31	1,200,000.00	549,781.69	54.18%
INTEREST INCOME	3250	188,627.10	440,000.00	251,372.90	42.87%
OTHER NON OPERATING INCOME		17,881.34	731,360.00	713,478.66	2.44%
TOTAL NON OPERATING REVENUES		\$ 1,062,733.15	\$ 2,557,960.00	\$1,495,226.85	41.55%
DEBT SERVICE					
INTEREST EXPENSE AND FEES	6500	\$ 78,271.30	\$ 78,969.19	697.89	99.12%
PRINCIPAL PAYMENTS	6500	2,968,130.36	2,968,130.36	0.00	100.00%
TOTAL DEBT SERVICE		\$ 3,046,401.66	\$ 3,047,099.55	\$ 697.89	99.98%

Preliminary: subject to future review, reconciliation, accruals, and audit.

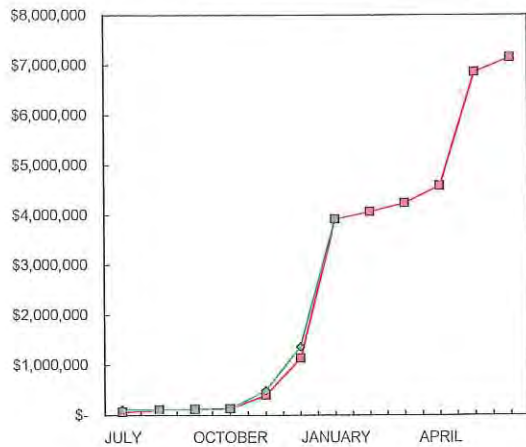


# Leucadia Wastewater District

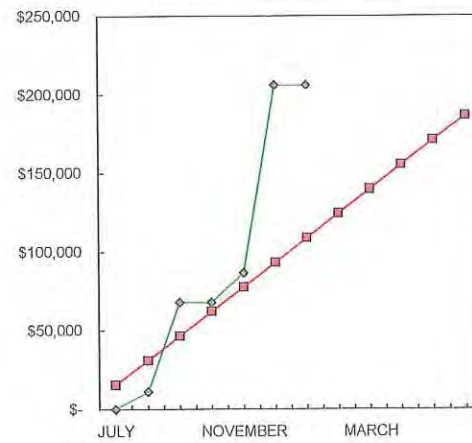
## Revenue FY 2011

YTD through January 31, 2011

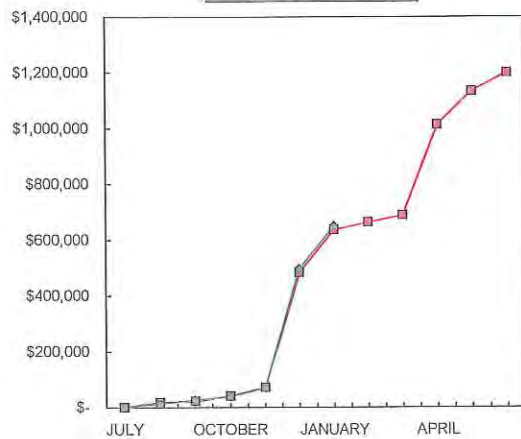
Sewer Service Fees



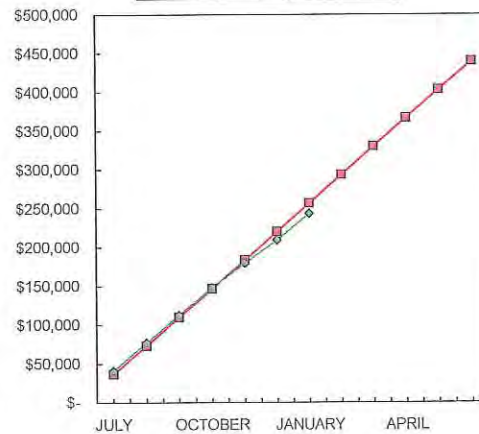
Capacity Charges



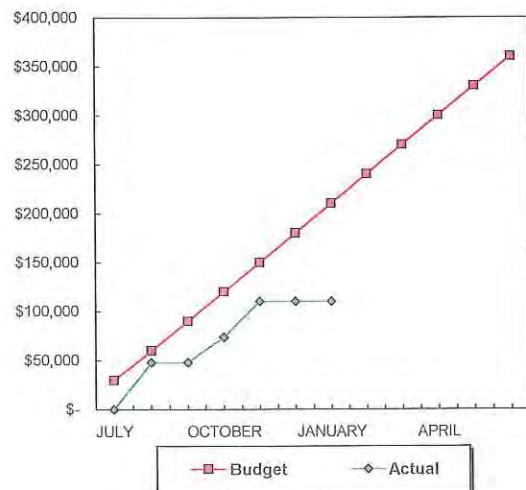
Property Taxes



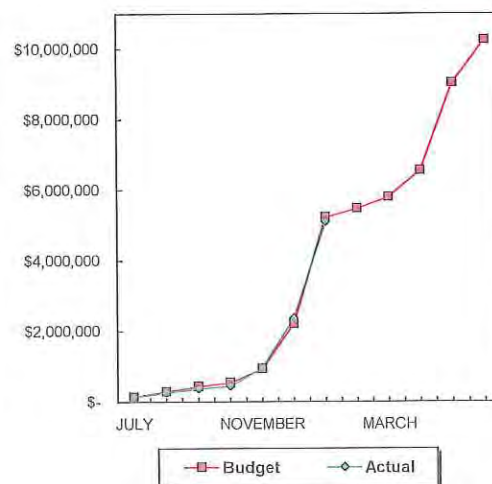
Investment Income



Recycled Wastewater



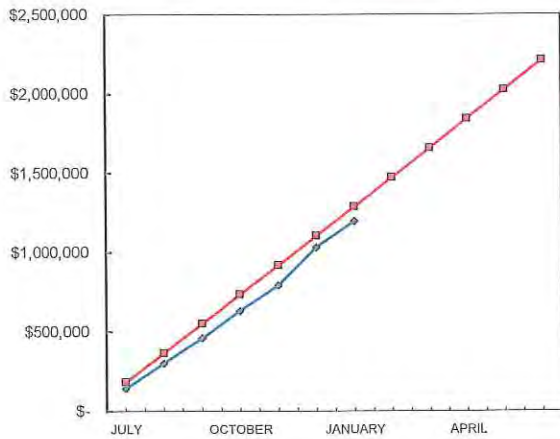
Total Revenue



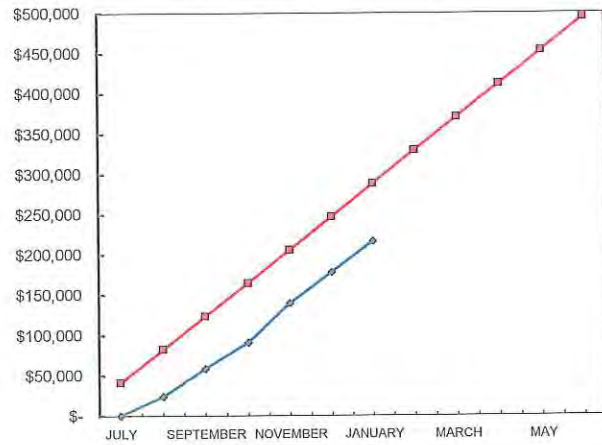
\* Preliminary: subject to future review, reconciliation, accruals, and audit

# Leucadia Wastewater District Operating Expenses FY 2011 YTD through January 31, 2011

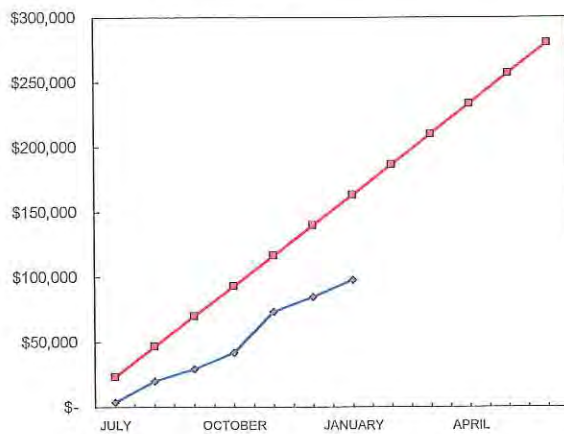
**Salaries and Benefits**



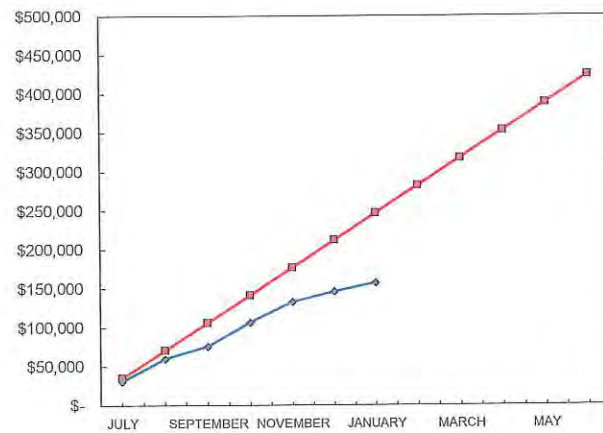
**Professional Services**



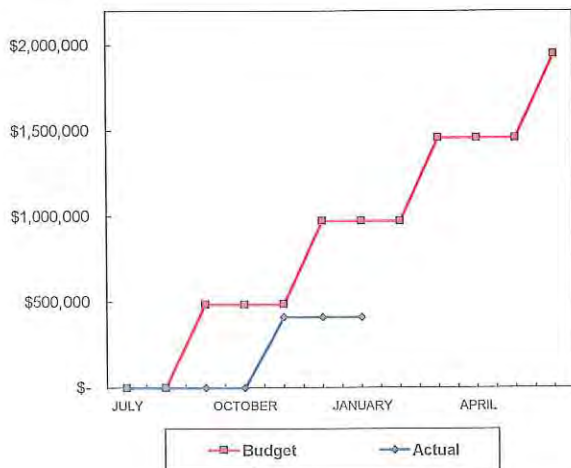
**Repairs & Maintenance**



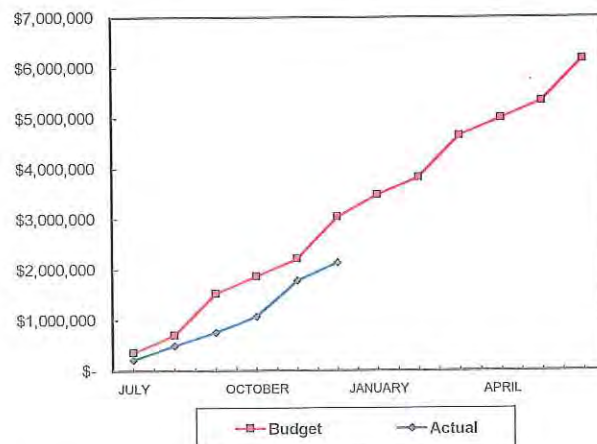
**Utilities**



**Encina M&O**



**Total Operating Expenses -  
Before Depreciation & Replacement**

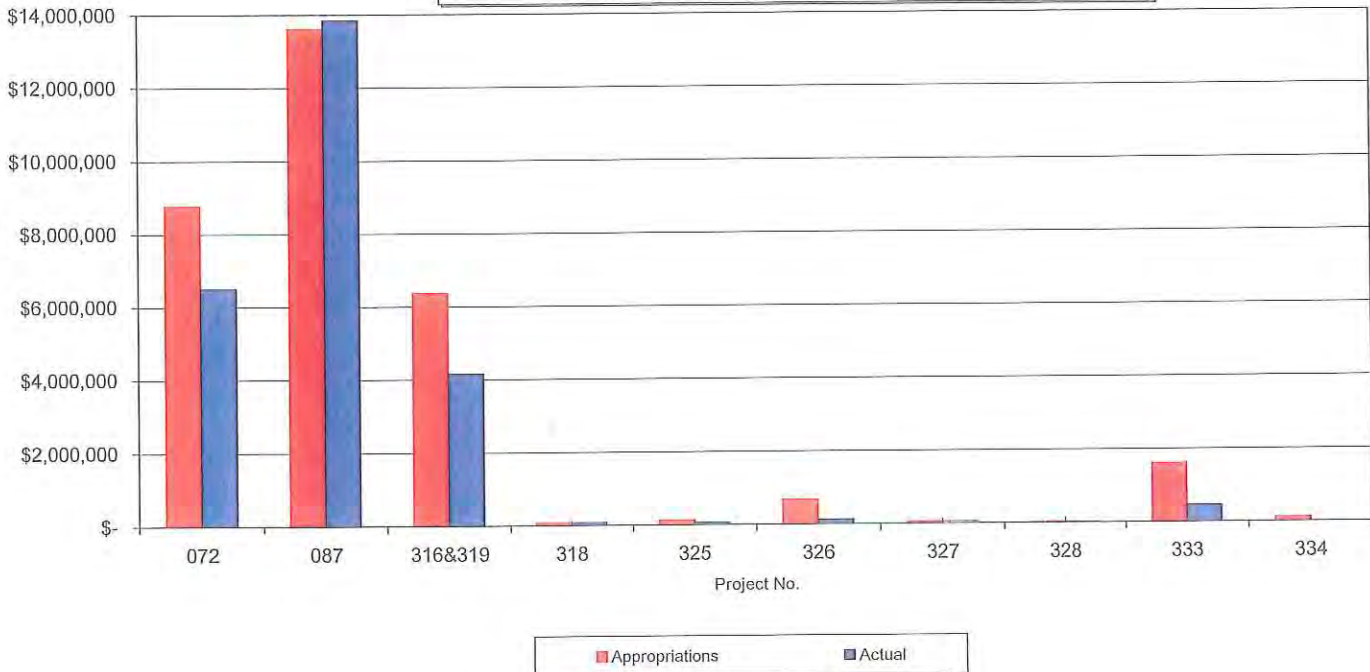


\* Preliminary: subject to future review, reconciliation, accruals, and audit

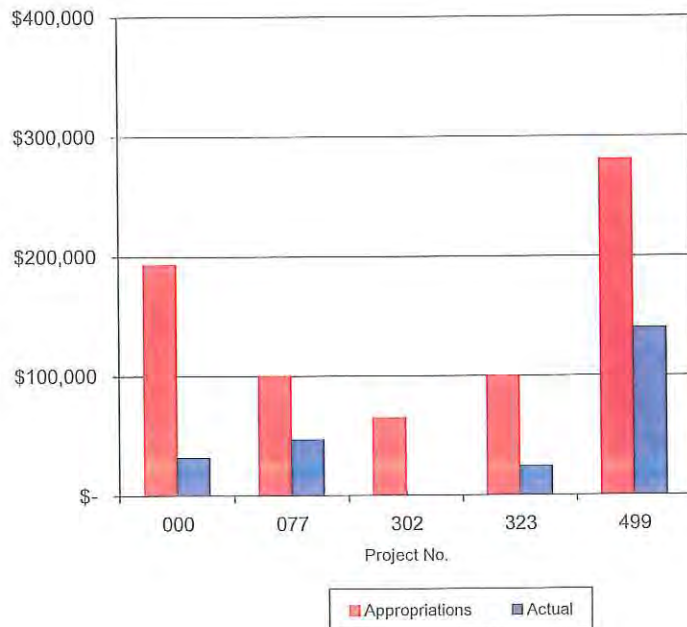


**Leucadia Wastewater District**  
**Capital Expenditures**  
As of December 31, 2010

**Multi Year Capital Expenditures by Project FY2003-FY2011**



**Single Year Capital Expenditures by Project FY 2011**



**Project Legend**

**Multi-Year Capital**

Description	No.
Encina Wastewater Authority	072
Site Improvement Program	087
Satellite PS Fm's & 101 Trunk Sewer	316 & 319
Asset Mgmt Plan Implementation	318
Meadow 3 PS Decommissioning	325
Batiquitos PS Rehabilitation	326
Groundwater Feasibility Study	327
Water Recycling Group	328
Force Main Corrosion Study	333
Asset Mgmt-Pipeline Replacement	334

**Single Year Capital**

Description	No.
Equipment	000
Misc Pipeline Rehabilitation	077
Professional Services	302
Lateral Replace/Backflow Prevention P	323
LWD General Labor	499

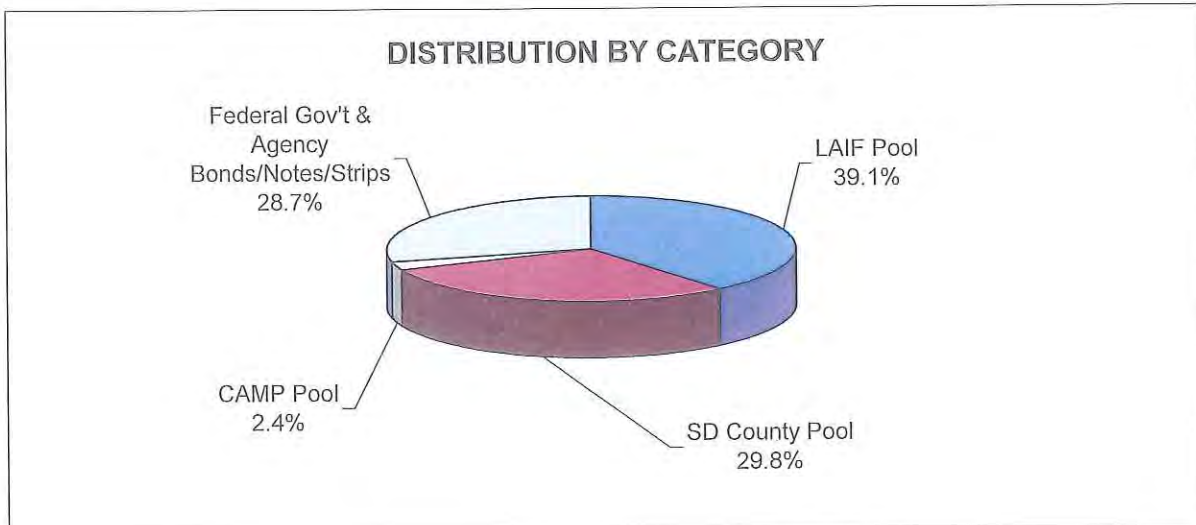
\* Preliminary: subject to future review, reconciliation, accruals, and audit

# LEUCADIA WASTEWATER DISTRICT

## Monthly Investment Summary

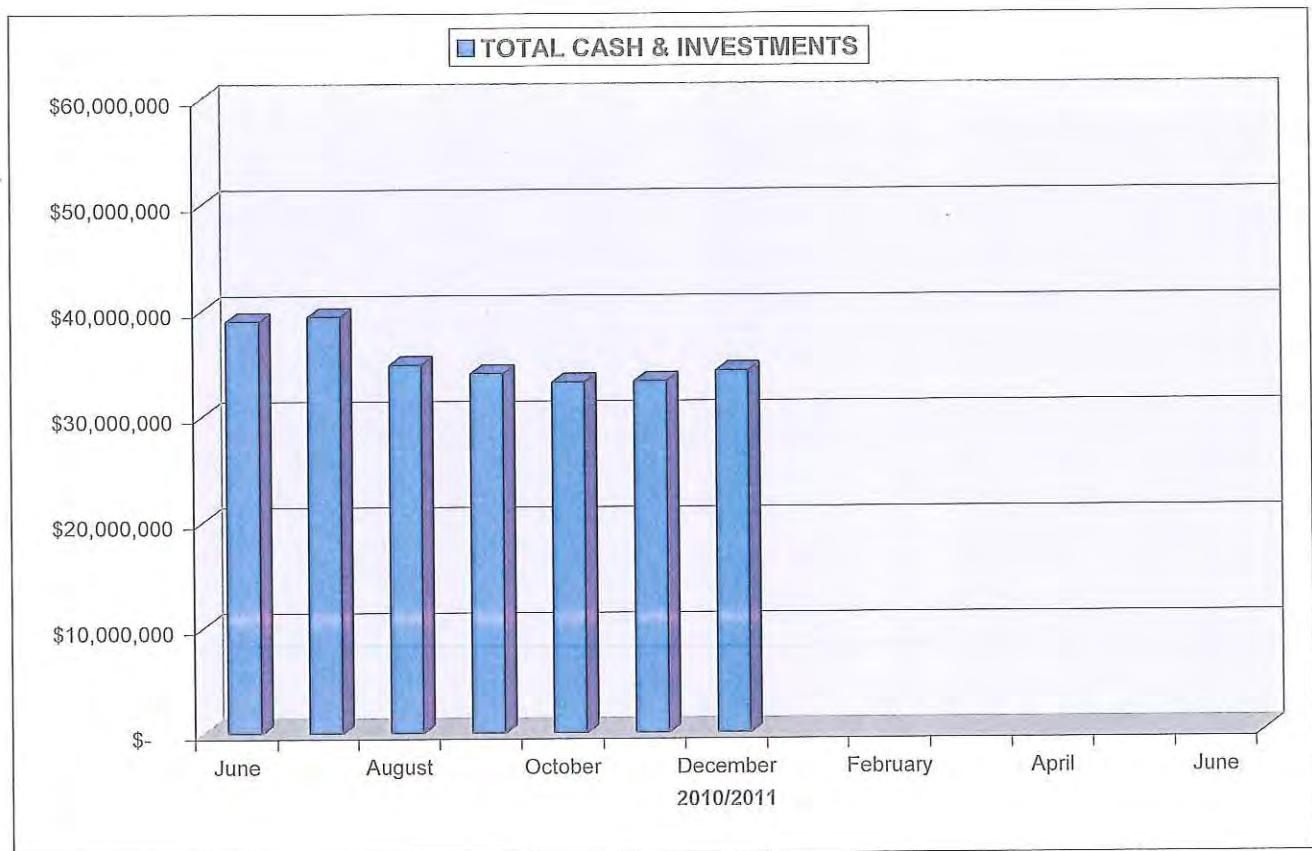
### December 31, 2010

Cash & Investments	Principal (Original Cost)		December Interest	Average Rate
	November 30, 2010	December 31, 2010		
LAIF Pool	13,480,640	13,384,640	5,172	0.462%
SD County Pool	9,115,251	10,215,251	5,525	0.686%
CAMP Pool	786,009	814,733	124	0.180%
CAMP Portfolio				
Federal Agency Bonds/Notes	7,097,744	7,037,345	8,590	1.520%
GNMA mortgage pools	18,583	18,430	139	9.010%
US Treasury Bonds/Notes	1,977,383	1,977,383	2,620	1.590%
Total Camp Portfolio	9,093,710	9,033,158	11,349	1.550%
Bond Funds				
US Bank. custodian a/c: Fed Agency Strips	803,988	803,988	9,490	14.164%
Total Bond Funds	803,988	803,988	9,490	14.164%
Totals	\$ 33,279,598	\$ 34,251,770	\$ 31,660	1.125%



**LEUCADIA WASTEWATER DISTRICT**  
**Monthly Investment Summary**  
**December 31, 2010**  
**(Continued)**

TOTAL CASH & INVESTMENTS		
Month 2010/2011	Amount	Average Rate
June	\$ 39,006,976	1.30%
July	\$ 39,425,152	1.28%
August	\$ 34,847,829	1.18%
September	\$ 34,018,031	1.24%
October	\$ 33,186,694	1.18%
November	\$ 33,279,598	1.14%
December	\$ 34,251,770	1.13%
January		
February		
March		
April		
May		
June		



**LEUCADIA WASTEWATER DISTRICT**  
**Monthly Investment Summary**  
**December 31, 2010**  
**(Continued)**

**INVESTMENT TRANSACTIONS**

*For the month of December 2010*

Investment	Purchases	Maturities	Redemptions	Notes
FHLMC Global Note			\$ 1,003,190	(1)
FNMA Note (Callable)	\$ 999,590			(1)
<b>TOTAL</b>	<b>\$ 999,590</b>	<b>\$ -</b>	<b>\$ 1,003,190</b>	

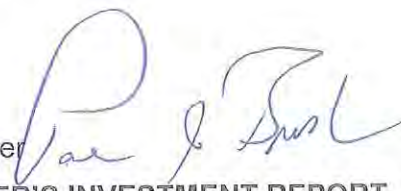
(1) Federal Agency Notes

Investment transactions above do not include transfers between cash a/c's and cash equivalents (pools)



**MEMORANDUM**

Ref: 11-2795

**DATE:** February 3, 2010  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** LWD QUARTERLY TREASURER'S INVESTMENT REPORT

---

**RECOMMENDATION:**

Staff requests that the Board of Directors:

1. Receive and file LWD's Quarterly Treasurer's Investment Report.

**DISCUSSION:**

In accordance with California Government Code Section no. 53646 LWD is encouraged to render the Quarterly Treasurer's Investment Report to the Board of Directors for its consideration. For your convenience, staff has developed a one page summary of LWD's investments for the quarter ending December 31, 2010 (see attached). A copy of the full Quarterly Treasurer's Investment Report has been enclosed for your review.

rd:PB

**LEUCADIA WASTEWATER DISTRICT  
QUARTERLY INVESTMENT REPORT SUMMARY  
December 31, 2010**

**SUMMARY OF INVESTMENTS AT DECEMBER 31, 2010**

ASSETS	AMORTIZED COST 12/31/2010	% OF TOTAL
LAIF - STATE INVESTMENT POOL	\$ 13,384,640.04	37.2%
SAN DIEGO COUNTY INVESTMENT POOL	10,215,251.07	28.4%
CAMP - JPA INVESTMENT POOL	814,732.88	2.3%
CAMP PORTFOLIO - BANK OF NEW YORK.		
Federal Agency Bond Notes	6,999,481.82	19.4%
Federal Agency - GNMA Pools	18,413.35	0.05%
US Treasury Bonds/Notes	1,991,476.92	5.5%
	9,009,372.09	
US BANK - CUSTODIAL ACCOUNTS		
Resolution Funding Corp Strips - Cost	803,988.48	
Interest Earned - Amortized Discount*	1,777,635.65	
	2,581,624.13	7.2%
<b>TOTAL INVESTMENTS</b>	<b>\$ 36,005,620.21</b>	<b>100.0%</b>

(1) Representation of interest that is accruing as these federal agency coupons approach maturity

**INTEREST FOR THE QUARTER ENDED 12/31/2010**

MONTH	EARNED	AVERAGE RETURN
October	\$ 33,533.00	1.18%
November	31,634.00	1.14%
December	31,800.00	1.13%
<b>TOTALS</b>	<b>\$ 96,967.00</b>	

**Encina Wastewater Authority Report**  
**Regular Board Meeting**  
**January 26, 2011**

**EWA Board of Directors** - Directors Juliussen and Sullivan reporting

**EWA Board Meeting Action Items**

**1. 2013 Business Plan Mid-Term Check in Workshop Action Planning**

The Board of Directors received and filed the Strategic Plan Check-In Action Plan.

**2. 2025 Capital Improvement Program Campaign “Lessons Learned”**

The Board of Directors received and filed the 2025 Capital Improvement Program Campaign “Lessons Learned”.

**Executive Session Items**

**3. Discuss anticipated litigation as authorized by Government Code section 54956.9 – one case: San Diego Gas & Electric.**

There was no reportable action.

## **Investment & Finance Meeting Report**

Presented by Vice President Hanson

---

### **Meeting held January 31, 2011**

1. The Committee conducted its Annual Review of the LWD Reserve Policy. Chairperson Hanson stated that staff revised the policy and the committee agreed with the proposed administrative changes. The Committee agreed with staff to present this item to the Board of Directors for approval of the recommended changes and to receive and file the annual report of reserve balances.

This item will be reviewed by the Board of Directors later in the agenda.



# **Engineering Committee Meeting Report**

Presented by Director Juliussen

---

## **Meeting held on February 2, 2011**

1. The Committee reviewed staff's recommendation to authorize the GM to execute a one-year extension to Infrastructure Engineering Corporation (IEC) contract for as needed engineering design services.

The Committee agreed with staff to present this item to the Board of Directors for review and approval.

2. The Committee received a status update on the Carlsbad Hilton Project, Occidental Line Project and the Batiquitos Force Main Repair Project.

## MEMORANDUM

Ref: 11-2791

**DATE:** February 3, 2011  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Infrastructure Engineering Corporation Contract Extension for Engineering Design Services

---

### RECOMMENDATION:

Staff and the Engineering Committee requests that the Board of Directors:

1. Authorize the General Manager to execute a one-year extension to the Infrastructure Engineering Corporation (IEC) contract for as needed engineering design services.
2. Discuss and provide direction as appropriate.

### DISCUSSION:

This item was reviewed by the Engineering Committee at its February 3, 2011 meeting. The Committee concurred with staff to bring this item forward for consideration.

In February 2006, the District entered into a Professional Services Agreement with Infrastructure Engineering Corporation (IEC) for as needed engineering design services. The initial contract period was for three years with an option to extend the agreement for two additional years. Subsequently, in February 2009 the District executed the option of the two year extension of the contract to February 2011 because of IEC's excellent performance and commitment to the District.

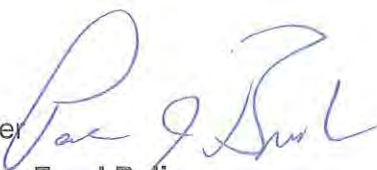
In January 2011, staff commenced an organizational transition. To maintain focus on the transition, staff believes it is prudent to extend the IEC engineering design services agreement for one year to February 2012. The extension will maintain continuity of engineering services through the transition period and provide stability on projects already underway, such as the Batiquitos Force Main Repair and the Batiquitos Pump Station Rehabilitation Projects. IEC continues to provide professional, efficient, and responsive service.

The amendment to the basic agreement will extend the engineering design services until February 2012. As is the case with the basic contract, this extension does not have a specific compensation amount associated with it. Each design project will be issued using task orders to the agreement containing a negotiated compensation amount. If the compensation amount of an individual task order exceeds the thresholds established in the District's Purchasing Policy, the task order will require Board approval prior to execution.

rym:PJB

# MEMORANDUM

Ref: 11-2777

**DATE:** February 3, 2011  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Annual Review of LWD Reserve Fund Policy

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## RECOMMENDATION:

Staff and the Investment & Finance Committee (IFC) recommend that the Board of Directors:

1. Adopt Resolution No. 2213 approving the revised Reserve Fund Policy;
2. Discuss and take other action, as appropriate.

## DISCUSSION:

The IFC reviewed this agenda item at their January 31, 2011 meeting.

In December 2001, the Board of Directors (Board) adopted Leucadia Wastewater District's (LWD) Reserve Fund Policy which established a means for the District to ensure that sufficient funds are available for current operating, capital and debt service needs. The policy was last revised in February 2009 following completion of the District's Asset Management Master Plan and Financial Plan Update.

Staff has reviewed the Reserve Fund Policy and is recommending changes that will better reflect the intent of the District's funding strategy. The proposed changes are administrative in nature and are highlighted in Exhibit A of Resolution No. 2213 (attached).

Staff will provide an overview of the proposed policy changes and the reserve balances for the fiscal year ended June 30, 2010. This overview constitutes the annual review required by the reserve policy.

### Restricted Reserves:

<u>Reserve Designation</u>	<u>Reserve Balance</u>
Capital Improvement Reserve	\$3,050,884
Debt Service Reserve	652,884
<b>Total</b>	<b><u>\$3,703,768</u></b>

### Unrestricted Reserves:

<u>Reserve Designation</u>	<u>Reserve Balance</u>
Operations Reserve	\$ 2,184,722
Debt Service Custodial Reserve	3,253,840
Replacement Reserve	21,554,781
Water Recycling Reserve	3,154,544
Emergency Reserve	7,500,000
<b>Total</b>	<b><u>\$37,647,887</u></b>

Attachment

**RESOLUTION NO. 2213**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
LEUCADIA WASTEWATER DISTRICT ESTABLISHING  
AND ADOPTING A DISTRICT RESERVE POLICY**

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WHEREAS, the Leucadia Wastewater District (LWD) Board of Directors adopted a Reserve Policy on December 11, 2001; and

WHEREAS, the LWD Board of Directors recommend modifications to the Reserve Policy;

NOW, THEREFORE, it is hereby resolved as follows:

1. The LWD Board of Directors adopts the LWD Reserve Policy attached hereto as Exhibit "A" and directs that it be implemented consistent with all applicable laws and related District policies.
2. This Resolution supersedes Resolution No. 2145.

PASSED AND ADOPTED by the Board of Directors of Leucadia Wastewater District this 9th day of February, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Donald Omsted, President

ATTEST:

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Paul J. Bushee, Secretary/Manager

(SEAL)



## EXHIBIT A

### LEUCADIA WASTEWATER DISTRICT RESERVE FUND POLICY

Ref: 11-2748

#### **A. POLICY STATEMENT:**

One key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service cost needs. An additional critical element of fiscal responsibility is to anticipate and prepare for future funding requirements as well as for unforeseen disasters and other unforeseen events. The Leucadia Wastewater District (LWD) will at all times strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and maintained in a manner, which allows LWD to fund costs consistent with LWD's Long Range ~~Wastewater~~ Capital Plan and Long Range Financial Plan while avoiding significant rate fluctuations due to changes in cash flow requirements. LWD will also maintain an emergency reserve position that may be utilized to fund unexpected disasters or unanticipated major failures. The Board of Directors will annually review the level of reserve funds maintained.

#### **B. DEFINITIONS:**

~~There are two types of reserve funds:~~

Restricted Reserves: Restrictions on their use are imposed by an outside source such as creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Reserves: Have no externally imposed use restriction. The use of Unrestricted Reserve funds is at the discretion of the Board of Directors. There are two categories of Unrestricted Reserves -Designated and Undesignated. At LWD, all Unrestricted Reserves are Designated Reserves.

~~—Designated Reserves:~~ Set-aside for a specific purpose, which is, determined by the Board of Directors. ~~Designated Reserves can be either restricted or unrestricted.~~ The Board of Directors also has the authority to redirect the use of these reserve funds as needs of LWD change.

#### **C. LEUCADIA WASTEWATER DISTRICT RESERVES:**

LWD maintains the following reserve funds:

##### **1.0 RESTRICTED RESERVES:**

###### **a) Capital Improvement Reserve:**

The purpose of the Capital Improvement Reserve is to finance future capital facilities that are expansion /growth related. These capital improvements are identified in LWD's Asset Management Master Plan and Comprehensive Financial Plan Update . These reserve funds are accumulated in an orderly manner in conformance with State law and drawn down as required by growth related capital projects in a manner consistent with LWD's Comprehensive Financial Plan Update.

###### **b) Debt Service Reserve:**

~~The Debt Service Reserve is governed by legal bond covenants. Bond covenants require that the Debt Service Reserve be maintained at a level sufficient to fund maximum annual debt service payments, The Debt Service Reserve funds are held by the bond trustee during~~



~~the term of the bonds and are to be used in the event that LWD is unable to meet its required semi-annual debt service obligation.~~

## 2.0 UNRESTRICTED DESIGNATED RESERVES:

### a) Operating Reserve:

Since the majority of operating revenues are received periodically over the fiscal year and operating expenses are incurred uniformly over the fiscal year, an operating reserve is necessary to fund those costs attributable to daily operations. To meet daily operational needs LWD has established an Operating Reserve balance at 36.4% of annual operating expenses.

### b) Replacement Reserve:

The Replacement Reserve provides funds for capital replacement and refurbishment of existing facilities. These capital improvements are ~~also~~ identified in LWD's Asset Management Master Plan and Comprehensive Financial Plan Update. ~~These Replacement~~ reserve funds are accumulated in an orderly manner and drawn down ~~as required to fund capital replacement projects in a manner consistent with the District's Capital Improvement Program.~~ To avoid abrupt sewer service rate changes, this reserve may be used to stabilize rates. The Replacement Reserve shall not exceed the 20-year capital replacement costs as identified in the Comprehensive Financial Plan Update.

LWD's capacity fee represents a system buy-in that takes into account the value of existing capacity pre-built by current users that will benefit future users, and is a source of funding for the Replacement Reserve.

### c) Debt Service Custodian Reserve:

~~LWD has executed a custodian agreement with a bank for the deposit of securities. All principal payments and interest earnings from the securities are designated for installment payments due on the 1997A Wastewater Revenue Refunding Bonds. Instructions on the use of these funds are revocable at any time by LWD.~~

### d) Water Recycling Reserve:

The Water Recycling Reserve will fund capital improvements and replacement of water recycling facilities. This reserve will also be used to fund operating expenses in the Water Recycling Fund whenever there is a shortfall of recycled wastewater sales revenue to operating expenses. These capital improvements are identified in the Long Range Wastewater Capital Plan and the Long Range Financial Plan. The Replacement Reserve shall not exceed the 20-year capital replacement costs as identified in the Long Range Financial Plan.

### e) Emergency Reserve:

The Emergency Reserve provides funds for emergency response for potential repair or replacement of capital facilities due to damage from a natural disaster or unanticipated major failure in a period when capital improvements funds have otherwise been purposely spent down to preset limits on planned projects. The Emergency Reserve is at the discretion of the Board of Directors and is maintained at a level of \$7,500,000, which is based on the recommendation by LWD staff and the District Engineer (Exhibit A).

#### D. SOURCES AND USE OF FUNDS:

RESERVE	SOURCE OF FUNDS	USE OF FUNDS	NOTES
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##### RESTRICTED RESERVES

Capital Improvement	Interest earned on reserve	Growth related capital expenditures	Funds previously accumulated from capacity fees. Now, capacity fees reflect 100% buy-in to the system and are transferred to the Replacement Reserve
Debt Service	<del>Originally funded by bond proceeds and interest earned on reserve</del>	<del>Debt service if District unable to pay</del>	<del>As per bond covenants. Interest transferred to Debt Service Custodian Reserve</del>

##### UNRESTRICTED DESIGNATED RESERVES

Operating	Operating income and interest earned on reserve	Wastewater Operating expenses	Reserve balance maintained at 36.4% of budgeted operating expenses. Excess (deficit) funds transferred to/from Replacement Reserve
Replacement	Property taxes and other non-operating income, 100% of Capacity Fees, Excess operating revenues, and Interest earned on reserve	Replacement related capital expenditures and rate stabilization	Limited to 20-year capital replacement costs as identified in the Comprehensive Financial Plan Update
<del>Debt Service Custodian</del>	<del>Originally funded by board action. Interest earned on reserve</del>	<del>Debt service of 1997A Phase IV bonds</del>	<del>Tied to 1997A Phase IV bond debt service, which will be paid off in FY 2015. Revocable. Excess funds transferred to Replacement Reserve</del>
Water Recycling	Recycled Water sales and interest earned on reserve	Recycled Water capital improvement and replacement as well as operating expenses	Limited to 20-year capital replacement costs as identified in the Comprehensive Financial Plan Update .
Emergency	Originally funded by board action. Interest earned on reserve	Emergency repair or replacement expenditures	Reserve balance maintained at \$7,500,000 level. Excess funds transferred to Replacement Reserve



## EXHIBIT A

### Leucadia Wastewater District Discussion of Emergency Reserve Fund

Maintenance of an Emergency Reserve Fund (ERF) would provide the benefit of providing funds for emergency response for repair or replacement of capital facilities potentially necessary due to natural disaster damage or unanticipated major failure in a period when capital improvement funds have otherwise been purposely spent down to preset limits on planned projects. Separately, Capital Reserve Funds will be accumulated in a planned manner through financing, setting aside a portion of sewer service fees, or a combination of both methods, as determined by Board policy.

The amount to be recommended for maintenance in the ERF has been evaluated and discussed by Leucadia Wastewater District (LWD) staff and the District Engineer. The following table lists some pros and cons for three potential levels of ERF.

ERF Alternatives	Pros	Cons
Alternative 1: LWD maintain small ERF of \$1.0 million	<ol style="list-style-type: none"><li>1) Reduces initial reliance on borrowing.</li><li>2) Would extend period of reduced rate increases.</li></ol>	<ol style="list-style-type: none"><li>1) Not enough reserve to respond to many reasonably possible emergency events.</li><li>2) Increased risk at point of ERF exhaustion that emergencies could not be responded to timely.</li><li>3) Reduced District liquidity and lesser financing qualifications.</li><li>4) Increased long term reliance on borrowing.</li></ol>
Alternative 2: LWD maintain a Moderate ERF of \$7.5 million	<ol style="list-style-type: none"><li>1) Sufficient funds to adequately replace or repair two major District facilities on an emergency basis.</li><li>2) Sufficient funds to replace or repair about six or seven concurrent intermediate size facility problems at any given time.</li><li>3) Unlikely to deplete ERF in a time period that would not allow establishment of additional financing, if necessary.</li><li>4) Provides opportunity for investment of modest amount of about 1.5 years worth</li></ol>	<ol style="list-style-type: none"><li>1) Ties up \$7.5 million of funds that could be used to offset or defer rate increases.</li><li>2) May be considered as ability to pay discretionary fines in the potential event of a major wastewater spill.</li><li>3) Over time, it may be determined that the \$7.5 million amount should be decreased or increased depending on facility performance and risk tolerance.</li></ol>



	<p>of sewer service fee collections.</p> <p>5) Provides ability to fund one to two years of typical CIP schedule projects, while additional funding is being established.</p> <p>6) Increases liquidity of District that would be considered positively by financial markets when considering other financing issues.</p>	
Alternative 3: LWD maintain a Large ERF of \$15 million	1) Very little risk that any emergency situation would result that funds were not available for immediate response.	1) Maintenance of large reserves is considered by some watch dog entities as a negative attribute.

Based on an analysis of the above three ERF funding alternatives above, LWD staff and the District Engineer recommend that LWD adopt Alternative 2 – LWD Maintain a Moderate ERF of \$7.5 million.

January 26, 2011

To: CSDA – San Diego Chapter Member Agencies  
From: Larry Jackman, San Diego Chapter President  
Subject: CSDA San Diego Chapter Annual Dinner Meeting  
Event Date: **Thursday – February 17, 2011**  
Time: **6:00 pm to 9:00 pm** – Dinner served at 7:00 pm  
Location: **Courtyard by Marriott – San Diego Central** (Kearny Mesa)  
8651 Spectrum Center Boulevard, San Diego, CA 92123

Board of Directors

**President**  
Larry Jackman  
San Miguel Fire  
Protection District

**First Vice-President**  
Kathleen Coates Hedberg  
Helix Water District

**Second Vice-President**  
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Helix Water District

**Secretary**  
Diana Towne  
Rincon del Diablo MWD

**Past President**  
Mark Muir  
Olivenhain MWD

Join us for a must attend program and enjoyable evening. Our featured guest speaker will be Leon Schorr, San Diego County Deputy District Attorney, from the Public Integrity Unit of Special Operations Division. Mr. Schorr will present an overview of laws surrounding public elected officials and the agencies designated to enforce them. The following link shows a 2007 press release by District Attorney Bonnie Dumanis about this important topic. A great educational experience for all of us to avoid legal issues as elected officials.

<http://www.sdcda.org/files/PublicIntegrity2.pdf>

***Dinner Menu Selections – \$39 per person (\$45 non-member)***

Chicken Breast with Honey-Chipotle Glaze and Pineapple-Orange Pico de Gallo

Miso Marinated Broiled Local Halibut with Roasted Red Pepper Coulis

Portobello Mushroom stuffed with Vegetables, Plain Pasta with Marinara Sauce

**Registration deadline is, Thursday, February 10, 2011**

Once again, we look forward to all member agencies attending this special event. If you have any questions or need further information, please call Larry Jackman at (619) 944-2482 or DeAna Verbeke at (619) 750-9006 or email [Verbeke@cox.net](mailto:Verbeke@cox.net)

*For agencies and associates who are not yet members of CSDA San Diego Chapter or need to renew your membership, there is a membership registration form at the end of this announcement.*

Cancellation/Refund Policy: CSDA is obligated by contract to pay for the number of attendees registered by the Friday prior to the event, hence the Thursday deadline. Cancellations made after the deadline are not refundable. Agencies and individuals are responsible for paying any reservation that is made and not cancelled prior to the deadline. Agencies may substitute or add individuals attending.

## Directions to: Courtyard by Marriott – San Diego Central (Kearny Mesa Area)

8651 Spectrum Center Boulevard, San Diego, CA 92123

Phone (858) 573-0700

### FROM THE NORTH:

Interstate 15 South to Highway 163 South. \*Exit Clairemont Mesa Blvd east; turn left onto Clairemont Mesa Blvd. Immediately get in the far right lane; after crossing the overpass, turn right onto Kearny Villa Road (signal light). Continue on Kearny Villa Road for approximately 1 mile - the hotel is near the corner of Spectrum Center Blvd and Kearny Villa Road.

\*NOTE: From the 805 South (North County Coastal), Exit to the 52 East and proceed to the 163 South. Follow the directions above.

### FROM THE SOUTH/EAST:

Take 5 North or Interstate 8 East or Interstate 15 North to the 163 North. Exit Clairemont Mesa Blvd East; turn right onto Clairemont Mesa Blvd; make an immediate right (signal light) onto Kearny Villa Road. Continue on Kearny Villa Road for approximately 1 mile - the hotel is near the corner of Spectrum Center Blvd and Kearny Villa Road.

