



BOARD OF DIRECTORS REGULAR MEETING

DATE: Wednesday, November 8, 2023

TIME: 5:00 p.m.

PLACE: Leucadia Wastewater District
1960 La Costa Avenue, Carlsbad, CA 92009

AGENDA

Items on the agenda may be taken out of sequential order as their priority is determined by the Board of Directors. 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 vote of the Board. All agenda materials can be accessed at the District website at <https://www.lwwd.org/agendas/board> and are also available for public inspection in the Administration Office located at 1960 La Costa Avenue, Carlsbad, CA 92009 during normal business hours.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Executive Assistant at (760) 753-0155. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **General Public Comment Period**
5. **Approval of Agenda**
6. **Presentation and Awards**
Achieve Highest Number of Consecutive Work Days Without a Lost Time Injury.
(Page 6)

CONSENT CALENDAR

Items 7-12 will be enacted in one motion in accordance with the recommendation unless removed from the Consent Calendar by the Board of Directors, Staff or Public. If a member of the public wishes to remove an item, they should submit a "Request to Address the LWD Board of Directors" form to the Board Secretary prior to the meeting. Items removed from the Consent Calendar will be considered in the original agenda order immediately following adoption of the Consent Calendar.

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- October 11, 2023 Special Board Meeting (Pages 7-9)
- October 11, 2023 Regular Board Meeting (Pages 10-16)
- October 18, 2023 Community Affairs Committee Meeting (Page 17)
- November 1, 2023 Engineering Committee Meeting (Pages 18-20)
- November 1, 2023 Investment & Finance Committee Meeting (Pages 21-22)

8. Approval of Demands for October/November 2023

This item provides for Board of Directors approval of all demands paid from LWD during the month of October and a portion of November 2023. (Pages 23-31)

9. Operations Report

This report discloses the year-to-date and monthly flow, rainfall, EDU's and reclaimed water averages; along with MGD flow comparisons from FY23 to FY24, flows by sub-basin, and staff training. (Pages 32-38)

10. Finance Report

This report discloses up-to-date schedule of assets, liabilities, net assets and compares fiscal year-to-date expenditures to the FY24 budget and discloses monthly investments. (Pages 39-46)

11. Quarterly Treasurer's Investment Report

This report discloses investments for the quarter ending September 30, 2023. (Pages 47-48, Enclosure 11)

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of October 2023. (Pages 49-50)

EWA REPORTS

13. Encina Wastewater Authority Reports

- A. An EWA Strategic Plan Meeting was held October 19, 2023. (Page 51)
- B. A regular EWA Board Meeting was held on October 25, 2023. (Page 52)
- C. An Encina Member Agencies Manager's Meeting was held on November 8, 2023. (Verbal)

COMMITTEE REPORTS

14. Committee Reports

- A. Community Affairs Committee meeting was held on October 18, 2023. (Page 53)
- B. Engineering Committee meeting was held on November 1, 2023. (Page 54)
- C. Investment and Finance Committee meeting was held on November 1, 2023. (Page 55)

ACTION ITEMS

- 15. Receive and file the Fiscal Year 2023 (FY23) Annual Comprehensive Financial Report conducted by Rogers, Anderson, Malody & Scott, LLP (Pages 56-68, Enclosure 15)**
- 16. Pump Purchase for the Leucadia Pump Station**
Authorize the General Manager to execute a sole source agreement with Rockwell Solutions for the purchase of a Vaughan Submersible Chopper Pump for the Leucadia Pump Station in an amount not to exceed \$36,880. (Pages 69-72)
- 17. Calendar Year 2024 Board of Directors' Meeting Schedule (Pages 73-76)**

INFORMATION ITEMS

- 18. Project Status Updates and Other Informational Reports**
 - A. San Marcos Creek Pipeline Issue (Verbal)
 - B. 2024 CASA Winter Conference is scheduled for January 24 - 26, 2024 at the Hilton Palm Springs in Palm Springs, CA. (Verbal)
- 19. Directors' Meetings and Conference Reports**
 - A. The Special District Leadership Academy was held October 22-25, 2023 at the Hyatt Regency Sonoma Wine Country in Santa Rosa, CA. (Page 77)
 - B. The Watereuse CA Annual Conference was held November 5-7, 2023 at the Hyatt Regency in Indian Wells, CA. (Page 78)
- 20. General Manager's Report**
- 21. General Counsel's Report**
- 22. Board of Directors' Comments**
- 23. Adjournment**

AFFIDAVIT 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 and on the District website www.lwwd.org at least 72 hours prior to the meeting, in accordance with Govt. Code Section 54954.2(a).

Date: November 2, 2023



Paul J. Bushee, Secretary/General Manager

Board of Directors' Code of Conduct

- ◆ *I will openly communicate during Board meetings and voice my views, in the meetings, on all matters regarding the District.*
- ◆ *I will support the decisions of the Board once they are voted on.*
- ◆ *I will concentrate on issues of governance and strategic import to the District and will expect support from staff on issues of operational import and detail.*
- ◆ *I will treat fellow Board members with dignity and respect.*
- ◆ *I will be prepared to discuss Board issues and agree to spend the necessary time and attention to Board matters.*
- ◆ *If I have concerns or questions, I will ask. If I need clarification of Board agenda items, I will call ahead and discuss with the General Manager.*
- ◆ *I will support the general manager as the primary spokesperson for the district.*
- ◆ *I will conduct myself in the highest ethical manner and comply with all appropriate government regulations.*

Role of Staff

- ◆ *Implement policies of LWD Board*
- ◆ *Create tactics and action plans that address how policies should be implemented*
- ◆ *Provide technical competence in addressing issues of how tactics should be implemented*
- ◆ *Provide relevant facts and recommendations*
- ◆ *Provide effective leadership*
- ◆ *Administer day-to-day operations of the district*
- ◆ *Respond to reasonable board requests for information*

MEMORANDUM

DATE: November 2, 2023
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **Achieve Highest Number of Consecutive Work Days Without a Lost Time Injury**

I am pleased to report that the Leucadia Wastewater District (LWD) recently achieved an organizational objective under the District's Incentive Program.

Achieve Highest Number of Consecutive Work Days Without a Lost Time Injury

On October 15, 2023 LWD staff completed four years without a lost time injury accident. This achievement represents a significant accomplishment since workplace injuries result in lost productivity, low morale, and increased workers' compensation costs. Consequently, avoiding workplace injuries is one of the most important accomplishments LWD staff can achieve. By reaching this goal, each employee is eligible for a \$1,000 incentive compensation award.

Please join me in congratulating LWD for this accomplishment.

tb:PJB

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Special Board Meeting
 October 11, 2023

A special meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, October 11, 2023 at 3:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

President Sullivan called the meeting to order at 3:02 p.m.

2. Roll Call

DIRECTORS PRESENT: Sullivan, Roesink, Saldana, Omsted (via teleconference)

DIRECTORS ABSENT:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Director of Finance and Administration Ryan Green, Director of Technical Services Robin Morishita, Field Services Superintendent Marvin Gonzalez, Administrative Services Supervisor Trisha Hill, Executive Assistant Tianne Baity, District Engineer Dexter Wilson (via teleconference), Field Services Supervisors Gabe Mendez and Mauricio Avalos, and Iris Grootenhuis of Rising Tide Partners

3. Approval of Agenda

Upon a motion duly made by Director Saldana, seconded by Vice President Roesink, and unanimously carried, the Board of Directors approved the agenda by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

4. Public comment

None.

5. Recycled Water Update

GM Bushee thanked the Board for taking the time to participate in the recycled water workshop. He stated that this discussion is informational, there is no action required, and he is asking the Board to provide direction on LWD's Recycled Water Program, the North San Diego Water Reuse Coalition, and the Encina Wastewater Authority's Potable Reuse Plan.

LWD's Recycled Water Program

GM Bushee then presented an overview of Leucadia Wastewater District's Recycled Water Program and reviewed the following:

- LWD's Historical Background;
- Current Contract Terms;
- Recycled Water Business Model;
- Reserve Balances; and
- Summary of LWD's Current Financial Situation and Future Projects

The Board asked various questions regarding LWD's recycled water agreements with the City of Carlsbad and with the Omni La Costa Resort. GM Bushee and GC Brechtel answered their questions.

Director Saldana stated recycled water is the future and he would like to address the recycled water contract options earlier and not wait 6-7 years.

Director Omsted commented that he would like the option which is best economically and environmentally. He stated he would like to re-evaluate the contract in 3-4 years.

After an in depth discussion, the Board reached consensus for staff to provide annual updates on the LWD's Recycled Water Program and conduct another recycled water workshop in 4 years.

North San Diego Water Reuse Coalition (NSDWRC)

GM Bushee then presented an overview of the North San Diego Water Reuse Coalition (NSDWRC) and reviewed the NSDWRC history. He stated some of the successes of the NSDWRC but noted that LWD is not able to use all of the eligible funding and since LWD currently has no new projects, no additional funding is expected. He stated that the NSDWRC has a continuing annual cost of \$20K per year and asked the Board for direction on continuing participation in the coalition.

Director Saldana asked if LWD can participate in the coalition and not the lobbying. GM Bushee answered affirmatively. Director Saldana stated he would like to continue to participate in the coalition to gain a broader perspective on recycled water issues. Vice President Roesink agreed with Director Saldana.

Following discussion the Board reached consensus to remove themselves from the Federal level of the coalition but remain in it.

Encina Wastewater Authority's (EWA) Potable Reuse Plan

GM Bushee then presented an overview of the EWA Reuse Project History, EWA's Top 3 Funding Options, Project Funding and Status, Project Financing, and LWD's Position Options. He noted the position options for LWD are:

- A) Continue
- B) Support as long as cost neutral
- C) Negotiate separate ownership percentage
- D) All future expenses covered by other parties

Director Saldana stated he is in favor of option B. Vice President Roesink agreed with Director Saldana.

Following discussion, the Board reached consensus for option B and decided to bring this item back to another Board meeting for further discussion due to time constraints.

6. Adjournment

President Sullivan adjourned the meeting at approximately 4:53 p.m.

Elaine Sullivan, President

Paul J. Bushee
Secretary/General Manager
(SEAL)

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 October 11, 2023

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, October 11, 2023 at 5:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

President Sullivan called the meeting to order at 5:02 p.m.

2. Roll Call

DIRECTORS PRESENT: Sullivan, Roesink, Saldana, Omsted (via teleconference)

DIRECTORS ABSENT:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Director of Finance and Administration Ryan Green, Director of Technical Services Robin Morishita, Field Services Superintendent Marvin Gonzalez, Administrative Services Supervisor Trisha Hill, Executive Assistant Tianné Baity, Project Coordinator Ian Riffel, Accounting Technician Kelly Gil, Field Services Technician Rick Easton, Field Services Technician Hugo Gonzalez, Field Services Technician Johnny Montoya, Natalie Frascchetti of Dexter Wilson Engineering, and Nicholas Hunter and Robert Pacilio (members of the public)

3. Pledge of Allegiance

Vice President Roesink led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

Upon a motion duly made by Vice President Roesink, seconded by Director Saldana, and unanimously carried, the Board of Directors approved the agenda by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

6. Director Vacancy Interviews

Interview and consider candidates for the Board of Director's vacant position:

The Board of Directors interviewed the following candidates for the vacant position:

- 1.) Robert Pacilio
- 2.) Nicholas Hunter

The Board discussed the candidates at length and agreed that both candidates were well qualified for the Board vacancy. Each Board member then chose and deliberated their top candidate.

Following discussion, the Board reached consensus to have a Special Board Meeting later in the month to select a candidate for the appointment.

7. Presentations and Awards

A. Bachelor of Arts in Business Administration – Kelly Gil

GM Bushee introduced Accounting Technician Kelly Gil, stating that she recently received her Bachelor of Arts degree in Business Administration from California State University, Fullerton. He noted that under LWD's incentive program that Kelly is eligible for a \$1,000 incentive award.

The Board of Directors congratulated Kelly for her efforts.

B. 10 Year Service Award – Hugo Gonzalez

GM Bushee introduced FST III Hugo Gonzalez, stating that he recently passed his 10th year anniversary at the District. He provided background information about Hugo and noted that under LWD's incentive program that Hugo is eligible for a \$200 incentive award.

The Board of Directors congratulated Hugo for his efforts.

C. 10 Year Service Award – Rick Easton

GM Bushee introduced FST III Rick Easton, stating that he recently passed his 10th year anniversary at the District. He provided background information about Rick and noted that under LWD's incentive program that Rick is eligible for a \$200 incentive award.

The Board of Directors congratulated Rick for his efforts.

D. Adopt Resolution No. 2408 In Appreciation of Judy K. Hanson for Her Outstanding Service and Commitment to the District.

GM Bushee noted Judy's accomplishments during her time with the District. The Board and staff acknowledged Judy for her hard work and contributions to the District.

Upon a motion duly made by Vice President Roesink, seconded by Director Saldana, and unanimously carried, the Board of Directors adopted Resolution No. 2408 – In Appreciation of Judy K. Hanson For Her Outstanding Service and Commitment to the Leucadia Wastewater District by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

CONSENT CALENDAR

8. Approval of Board and Committee Minutes

Minutes of the following meetings:

September 12, 2023 Community Affairs Committee Meeting
September 13, 2023 Regular Board Meeting
October 3, 2023 Engineering Committee Meeting

9. Approval of Demands for September/October 2023

Payroll Checks numbered 230920-1 – 231004-18; General Checking Checks numbered 24782-24887

10. Operations Report (A copy was included in the original October 11, 2023 Agenda)

11. Finance Report (A copy was included in the original October 11, 2023 Agenda)

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of August/September 2023.

13. Status Update on the Fiscal Year 2024 (FY24) LWD Tactics and Action Plan

Upon a motion duly made by Director Omsted, seconded by Director Saldana, and unanimously carried, the Board of Directors approved the Consent Calendar by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

EWA and COMMITTEE REPORTS

14. Encina Wastewater Authority (EWA) Reports

EWA Board Report – Meeting held on September 27, 2023.

Vice President Roesink reported on EWA's September 27, 2023 Board meeting.

15. Committee Reports

An Engineering Committee meeting was held on October 3, 2023.

Director Saldana reported that the Engineering Committee (EC) reviewed the following recommendations:

- Authorize the General Manager to execute an Agreement for professional services with DXP Enterprises, Inc. for the rebuild of the Batiquitos Pump Station Pump Number One at a cost not to exceed \$44,980;
- Adopt Ordinance 147 – Extending the term of the Reimbursement Agreement for construction of public sewer between the Leucadia Wastewater District and Marquee Enterprises, LLC.; and

- Authorize the General Manager to execute a sole source Agreement with Ayala Engineering Inc. for construction services to complete the Fiscal Year 2024 Manhole Rehabilitation Project in an amount not to exceed \$396,200.

The EC concurred with staff to present these recommendations to the Board of Directors and they will be discussed later in the agenda.

The EC also received an update on the Diana Pump Station Generator and Upgrade Project. This item was for information purposes only and no action was taken.

PUBLIC HEARING

16. Public Hearing to Consider the Following:

Proposal to Consider the Adoption of an Ordinance Extending the term of the Reimbursement Agreement for construction of public sewer between the Leucadia Wastewater District and Marquee Enterprises, LLC.

President Sullivan opened the public hearing for comments. No public comments were provided. President Sullivan closed the public hearing.

ACTION ITEMS

17. Reimbursement Agreement for Marquee Enterprises, LLC

Adopt Ordinance 147 – Extending the term of the Reimbursement Agreement for construction of public sewer between the Leucadia Wastewater District and Marquee Enterprises, LLC.

PC Riffel presented the item and provided background information on Ordinance No. 147. He stated that Ordinance 147 extends the term of an existing Reimbursement Agreement (Agreement) between the District and Marquee Enterprises, LLC (Developer). He continued that the Agreement was developed by the District Engineer and has been reviewed by District staff, including District Counsel, and now requires Board approval to take effect.

PC Riffel stated that during the initial 10-year term of the Agreement, one property connected to the public sewer extension in June 2020 and, therefore, was required to pay the Developer a Reimbursement Connection Fee.

PC Riffel noted that the original Agreement, Ordinance No. 127, expired on February 13, 2023. He said the Developer requested a 10-year extension. If approved, the extension would be effective as of February 14, 2023 and automatically terminate on February 14, 2033. The Developer would not be eligible for any additional extensions.

Following discussion, upon a motion duly made by President Sullivan, seconded by Vice President Roesink, and unanimously carried, the Board of Directors adopted Ordinance 147 – Extending the term of the Reimbursement Agreement for construction of public sewer between the Leucadia Wastewater District and Marquee Enterprises, LLC by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

18. Batiquitos Pump Station Number One Pump Repair

Authorize the General Manager to execute an Agreement for professional services with DXP Enterprises, Inc. for the rebuild of the Batiquitos Pump Station Pump Number One at a cost not to exceed \$44,980.

FST III Easton presented the item and provided background information on the Batiquitos Pump Station (BPS). He stated that during routine pump maintenance, staff determined that the Number 1 pump and motor at BPS had fallen below acceptable performance levels. He said that the pump has accrued 20,372 run hours since it was last rebuilt in March 2013. He continued that mechanical wear of the pump has reduced its maximum pumping capacity and overall efficiency and that the pump and motor need to be rebuilt to restore the pump's capacity and efficiency.

FST III Easton stated that quotes were solicited from three repair shops and quotes were received from DXP Enterprise, Inc. (DXP), Sloan Electric, and Brax Company. He said DXP submitted the low quote at \$44,980.00. FST III Easton said that in May 2023, DXP completed the rebuild for the Batiquitos Pump Station Pump Number Two in a professional, competent, and responsive manner.

Following discussion, upon a motion duly made by Director Saldana, seconded by Director Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute an Agreement for professional services with DXP Enterprises, Inc. for the rebuild of the Batiquitos Pump Station Pump Number One at a cost not to exceed \$44,980 by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

19. Fiscal Year 2024 Manhole Rehabilitation Project

Authorize the General Manager to execute a sole source Agreement with Ayala Engineering Inc. for construction services to complete the Fiscal Year 2024 Manhole Rehabilitation Project in an amount not to exceed \$396,200.

PC Riffel presented the item and provided background information on the project. He stated that the goal of the Fiscal Year 2024 Manhole Rehabilitation Project is to repair sewer manholes that require an epoxy liner. He also stated that this is the first capital project focused specifically on manhole rehabilitation.

PC Riffel described the specific work to be completed during the project, including the epoxy lining of 59 sewer manholes, 16 frame and cover replacements, and the required traffic control plans. He added that 27 manholes are located in easement areas which are more difficult to access and the frame and cover replacements are located in high traffic areas.

PC Riffel explained that manhole rehabilitation is a specialty service and only a few contractors perform this work. He said that staff has worked with two contractors in the past 10-15 years and has continually had a positive experience with one of those contractors, Ayala Engineering Inc. (Ayala). He stated that Ayala has been the primary subcontractor on multiple District capital projects and, additionally, Ayala has completed around 80 manhole rehabilitations for the District from as needed work. He stated that Ayala has performed excellent work and, as a result, the District believes it is in the best interest to sole source the FY24 Manhole Rehabilitation Project to Ayala.

Following discussion, upon a motion duly made by Director Omsted, seconded by Vice President Roesink, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source Agreement with Ayala Engineering Inc. for construction services to complete the Fiscal Year 2024 Manhole Rehabilitation Project in an amount not to exceed \$396,200 by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

INFORMATION ITEMS

20. Project Status Updates and Other Informational Reports

None.

21. Directors' Meetings and Conference Reports

None.

22. General Manager's Report

GM Bushee reported on the following:

- Judy Hanson's retirement breakfast is scheduled for October 26, 2023 at 9:00 a.m at the District Office.; and
- Steve Krason's retirement / Holiday luncheon is scheduled for December 14, 2023 at 12noon at the Green Dragon Tavern in Carlsbad

23. General Counsel's Report

None.

24. Board of Directors' Comments

Directors Saldana and Roesink stated they would like to vote for the appointment of a new Director based on the interviews that were conducted earlier in the agenda. Vice President Roesink made a motion to re-open Board Agenda Item 6, Director Vacancy Interviews. Director Saldana seconded the motion. The Board re-opened Agenda Item No. 6 by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

Upon a motion duly made by Vice President Roesink, seconded by Director Saldana and carried, the Board of Directors appointed Mr. Robert Pacilio to fulfill the remaining term of the vacant Director position by the following vote:

Director	Vote
President Sullivan	Yes
Vice President Roesink	Yes
Director Saldana	Yes
Director Omsted	Yes

GM Bushee stated he would follow up with both candidates.

Vice President Roesink acknowledged and thanked Judy Hanson for many years of service to the District and noted that he would be traveling and miss her retirement breakfast.

25. Adjournment

President Sullivan adjourned the meeting at approximately 6:48 p.m.

Elaine Sullivan, President

Paul J. Bushee
Secretary/General Manager
(SEAL)

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Community Affairs Committee Meeting
 October 18, 2023

A meeting of the Community Affairs Committee (CAC) of the Leucadia Wastewater District (LWD) was held Wednesday, October 18, 2023 at 1:00 p.m.

1. Call to Order

Chairperson Sullivan called the meeting to order at 1:03 p.m.

2. Roll Call

DIRECTORS PRESENT: Sullivan and Saldana

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, Director of Finance and Administration Ryan Green, Administrative Services Supervisor Trisha Hill, Executive Assistant Tianne Baity, and Neal Bloom and Iris Grootenhuis of Rising Tide Partners (RTP)

3. Public Comment

No public comment was received.

4. Fall 2023 Newsletter Draft Layout Review

ASsup Hill provided background on the newsletter. She introduced Mr. Bloom from RTP to provide an overview of the newsletter draft layout. Mr. Bloom provided an overview and the CAC suggested some edits. Staff and RTP stated that they would make the changes.

Following discussion, the CAC directed staff to move forward with the production of the newsletter and forward the final to the Board for their review prior to printing.

5. Information Items

None.

6. Directors' Comments

None.

7. General Manager's Comments

GM Bushee reported that MISCO held a training at the District office today. He noted that next week CWEA will conduct a training at the District office.

GM Bushee also reported that LWD staff will be meeting with Olivenhain Municipal Water District (OMWD) on November 15th to discuss a possible partnership for a future hands-on career fair.

8. Adjournment

Chairperson Sullivan adjourned the meeting at 1:32 p.m.

Paul J. Bushee
 Secretary/Manager
 (Seal)

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Engineering Committee Meeting
 November 1, 2023

A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held on Wednesday, November 1, 2023 at 9:00 a.m., at the LWD Administration Office located at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Saldana, Omsted

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee; Director of Technical Services Robin Morishita; Field Services Superintendent Marvin Gonzalez; Field Services Supervisor Gabe Mendez; Field Services Supervisor Mauricio Avalos; Project Coordinator Ian Riffel; District Engineer Dexter Wilson; and FST II Johnny Montoya.

3. Public Comment

None.

4. New Business

Authorize the General Manager to execute a sole source agreement with Rockwell Solutions for the purchase of a Vaughan Submersible Chopper Pump for the Leucadia Pump Station in an amount not to exceed \$36,880.

FST II Montoya presented this item to the EC. He provided background information on how a chopper pump operates and that it is a submersible pump. He continued that both the Leucadia Pump Station (LPS) and Batiquitos Pump Station (BPS) each have a chopper pump installed. He stated that in the past, the LPS and BPS have experienced challenges with large grease mats that develop and disrupt operations. This includes false readings because of interference with the electronic level sensors, increased maintenance activities, and odors generated by the grease mat.

FSTII Montoya stated that as part of the LPS Rehabilitation Project in 2021, a chopper pump was installed to combat the grease mat. He mentioned that as a result of the chopper pump install, the grease mat was eliminated.

Chairperson Saldana asked how a chopper pump can decrease odors. Staff answered that the grease mat generates a large amount of hydrogen sulfide and since the chopper pump eliminates the grease mat, the hydrogen sulfide associated with the grease mat is eliminated as well. Additionally, Staff explained the grease mat has the potential to clog pumps which then requires staff time to remediate.

FST II Montoya stated that Rockwell Solutions is the only authorized dealer of Vaughan Pumps in Southern California. He said Staff contacted Rockwell Solutions and they submitted an estimate of \$36,880.

GM Bushee added that a chopper pump rebuild can often take 8-10 weeks, and because the grease mat can form so rapidly, staff prefers to have a matching spare pump on hand to maintain operational effectiveness against the grease mat.

Chairperson Saldana asked if the costs would cover any unanticipated expenses to complete the install. GM Bushee explained the District doesn't expect any surprise expenses because the purchase is for a new chopper pump, rather than a pump rebuild which can have unknown additional costs. DTS Morishita stated that any submersible pump station in the District has a spare pump and he explained the importance of having a spare pump on hand.

Following discussion, the EC concurred with staff to recommend that the Board of Directors authorize the General Manager to execute a sole source agreement with Rockwell Solutions for the purchase of the Vaughan Submersible Chopper Pump for LPS.

5. Information Items

GM Bushee provided an update on the San Marcos Creek Pipeline issue.

GM Bushee explained that the heavier rains experienced earlier in the year caused quite a bit of erosion near a concrete encased sewer line (sewer line) that crosses the San Marcos creek. At that time, the District decided to start monitoring the erosion. An inspection in October revealed expedited erosion most likely attributed to a recent heavy rain in late August. As a result of the expedited erosion, an emergency repair is necessary.

DE Wilson provided information on the sewer line location. He noted another creek crossing further east, protected by an Arizona crossing, in close proximity to the sewer line. Chairperson Saldana asked what an Arizona crossing is. DE Wilson explained that it is a concrete road with culverts but also designed for water to flow over the road in heavy rain events.

DE Wilson stated there is a FY24 appropriation to complete design of a capital project to reroute the sewer line to the protected sewer line in the Arizona crossing. This would allow the District to abandon in place the defective sewer line. DE Wilson discussed photos that show the undermined sewer line in the creek and a missing section of concrete encasement, approximately a foot long, where visible PVC pipe can be seen.

Director Omsted asked if the concrete encasement can be repaired by applying more concrete. DE Wilson answered affirmatively.

DE Wilson explained the emergency repair will consist of repairing the missing section of concrete encasement as well as installing gabion baskets on the downstream side and rock/sand on the upstream side in order for water to flow over the concrete encased sewer line rather than underneath. He noted that the District is prepared to bypass the creek crossing if necessary.

DE Wilson stated the District will require an easement from either the HOA or the City of Carlsbad in order to install the proposed sewer line that will reroute the flow from the creek crossing to the Arizona crossing. Chairperson Saldana asked if the new easement would allow the District to forego another easement. GM Bushee answered affirmatively.

Chairperson Saldana asked how many situations has the District encountered with a creek crossing issue. GM Bushee explained the District did have a prior encounter with a creek

crossing, but this is the first time dealing with a creek crossing that has been undermined with potential trees and debris that could cause further damage. He stated the District is working with District Counsel, an environmental consultant, and Omni La Costa to coordinate the emergency repair effort. He stated the emergency repair is a temporary fix and a future project will be constructed to bypass the compromised section. Staff noted they will continue to closely monitor and inspect the creek crossing.

Director Omsted asked when the District Board will be notified of the San Marcos Creek Pipeline issue. GM Bushee answered at the November Board meeting.

6. Directors' Comments

None.

7. General Manager's Comments

None.

8. Adjournment

Chairperson Saldana adjourned the meeting at 9:40 a.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

LEUCADIA WASTEWATER DISTRICT
Minutes of an Investment & Finance Committee Meeting
November 1, 2023

A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Wednesday, November 1, 2023 at 10:00 a.m. via videoconference.

1. Call to Order

Chairperson Omsted called the meeting to order at 10:00 a.m.

2. Roll Call

DIRECTORS PRESENT: Omsted and Pacilio

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, Director of Finance and Administration Ryan Green, Administrative Services Supervisor Trisha Hill, Executive Assistant Tianne Baity, and Scott Manno from Rogers, Anderson, Malody & Scott, LLP

3. Public Comment

None.

4. New Business

A. Receive and file the Fiscal Year 2023 (FY23) Annual Comprehensive Financial Report.

DFA Green introduced Mr. Scott Mano from Rogers, Anderson, Malody & Scott, LLP (RAMS) to provide a summary of the auditor's reports and auditing process.

Mr. Manno reviewed the responsibilities of the auditor and the audit process. He stated that the auditor's internal report indicated that the audit was a clean, unmodified opinion for the year ending FY23. He stated there were no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that have a material effect on the determination of financial statement amounts.

In conclusion, Mr. Manno stated that staff was prepared for the audit, and the auditors had no recommended material audit adjustments and noted no material weaknesses or significant deficiencies in internal controls.

DFA Green then presented background information on the Annual Comprehensive Financial Report (ACFR). He provided a summary of the ACFR, highlighting the Management's Discussion and Analysis (MD&A). DFA Green also discussed the District's FY23 Revenues and Expenses, Key Financial Ratios, Net Position, Unrestricted Reserve Balances, and FY23 Budget to Actual Expenses.

Following discussion, the IFC agreed with staff to recommend that the Board of Directors receive and file the FY23 Annual Comprehensive Financial Report.

5. Information Items

None.

6. Directors' Comments

Director Pacilio stated the ACFR was detailed and accurate.

7. General Manager's Comments

None.

8. Adjournment

Chairperson Omsted adjourned the meeting at 10:40 a.m.

Paul J. Bushee
Secretary/General Manager
(Seal)

**LEUCADIA WASTEWATER DISTRICT
DEMANDS SUMMARY**

October 8, 2023

Disbursement Period October 6, 2023 through November 5, 2023

PAYROLL PAYMENTS		\$ 117,526.10
PAYROLL EXPENSE REIMBURSEMENTS		\$ 207.00
GENERAL CHECKS		
Operating		\$ 190,841.48
Capital		\$ 137,081.50
TOTAL GENERAL CHECKS		\$ 327,922.98
VOIDED CHECK		
Check # 24037 Operating	Check dated 02/19/23	\$ (350.00)
ELECTRONIC PAYMENTS		
Operating		e-\$ 100,216.56
Capital		\$ -
TOTAL ELECTRONIC PAYMENTS		\$ 100,216.56
TOTAL DEMANDS		\$ 545,522.64

**LEUCADIA WASTEWATER DISTRICT
EMPLOYEE/BOARD PAYROLL CHECKS**

October 8, 2023

Disbursement Period October 6, 2023 through November 5, 2023

<u>Description</u>	<u>Check Date</u>	<u>Check #'s</u>	<u>Amount</u>
Incentive Payroll Checks	10/12/2023	231012-1 to 231012-2	\$ 369.40
Biweekly Payroll Checks	10/18/2023	231018-1 to 231018-18	\$ 56,493.05
Board Payroll Checks	11/1/2023	231101-1 to 231101-4	\$ 1,366.80
Biweekly Payroll Checks	11/1/2023	231101-1 to 231101-18	\$ 59,296.85
TOTAL PAYROLL CHECKS			\$ 117,526.10

Leucadia Wastewater District
 Check/Voucher Register - Demand Summary for Board
 1001 - PPB (Opus) General Checking Account
 From 10/6/2023 Through 11/5/2023

Check Number	Effective Date	Vendor Name	Check Amount	Transaction Description
24888	10/12/2023	ADT COMMERCIAL LLC	165.00	Monthly Security Camera Maintenance 10/17/23-11/16/23
24889	10/12/2023	AIRGAS USA LLC	1,714.96	Liquid Oxygen Contract 09/28/23
24890	10/12/2023	Brightview Landscape Services Inc	1,035.00	Landscape Maintenance Services @ Admin - October 2023
	10/12/2023	Brightview Landscape Services Inc	367.00	Vegetation Cleanup (Line Maintenance) - October 2023
24891	10/12/2023	C W E A	221.00	CWEA Membership Renewal-FY2024-J Montoya
24892	10/12/2023	CITY OF CARLSBAD	309.12	Water for Vactor 1
	10/12/2023	CITY OF CARLSBAD	304.69	Water for Vactor 2
24893	10/12/2023	CORODATA RECORDS MANAGEMENT ...	118.03	File Storage - September 2023
24894	10/12/2023	COUNTY OF SAN DIEGO	1,808.00	Inspection / Plan Review - La Costa Golf
24895	10/12/2023	DATA NET SOLUTIONS GROUP	1,791.85	Monthly IT Services - September 2023 / Dell Workstation Work
24896	10/12/2023	FEDERAL EXPRESS CORPORATION	62.05	Shipping 09/27/23
24897	10/12/2023	GRAINGER, INC	32.84	Quick Release Pin
24898	10/12/2023	HAAKER EQUIPMENT CO	3,879.00	Pirahna 1" x 600' Hose (2)
24899	10/12/2023	JARON LUKSA	3,000.00	Lateral Reimbursement: 7554 Circulo Sequola, Carlsbad CA
24900	10/12/2023	KEN GRODY FORD	231.64	Vehicle Maintenance / Services - Vehicle # 171
24901	10/12/2023	MSC JANITORIAL SERVICE, INC	2,334.58	Janitorial Services - September 2023
24902	10/12/2023	OCCUPATIONAL HEALTH CENTERS OF...	113.00	DOT Physical - M Avalos
24903	10/12/2023	OLIN CORP / PIONEER AMERICAS	9,223.04	Sodium Hypochlorite Chemicals
24904	10/12/2023	PACIFIC PIPELINE SUPPLY	459.08	Stainless Weld Nipple
24905	10/12/2023	PETTY CASH	321.53	Petty Cash 08/31/23-10/11/23
24906	10/12/2023	PLANT PEOPLE, INC	178.00	Office Plant Maintenance - October 2023
24907	10/12/2023	PRUDENTIAL OVERALL SUPPLY	130.01	Weekly Uniform/Laundry Services 10/10/23
24908	10/12/2023	QUADIENT FINANCE USA INC	200.00	Postage
24909	10/12/2023	RAQUEL KELLEY TOWERS	2,033.00	Lateral Reimbursement: 612 Neptune Ave, Encinitas CA
24910	10/12/2023	READY LINE FLEET SERVICE INC	372.97	Generator Service
24911	10/12/2023	ROGERS ANDERSON MALODY & SCOT...	12,626.00	Financial Auditing Services (FY2023 Audit) - September 2023
24912	10/12/2023	SAN DIEGO UNION TRIBUNE	1,149.20	Legal Ad: Notice of Board of Director Vacancy
24913	10/12/2023	SAN DIEGUITO WATER DISTRICT	7.02	Water @ Tanker 1
24914	10/12/2023	SMR-ISD CONSULTING STRUCTURAL ...	1,580.00	Inspection: Batiquitos Dry Well Cracks
24915	10/12/2023	SOUTH BAY FOUNDRY	7,111.50	Sewer 4" tall Frames & 24" Covers (12 each)
24916	10/12/2023	STATE BOARD OF EQUALIZATION	350.00	Project # 1141 - Briggs Annexation
24917	10/12/2023	T.S. INDUSTRIAL SUPPLY	55.05	Stainless P-F Clamps (10)
24918	10/12/2023	THE HOME DEPOT CRC/GECF	198.56	Bath Faucet / Socket / Bucket
	10/12/2023	THE HOME DEPOT CRC/GECF	70.01	Bolt Cutters
	10/12/2023	THE HOME DEPOT CRC/GECF	30.06	Supply Lines
	10/12/2023	THE HOME DEPOT CRC/GECF	20.96	Wax Ring / Seal Kit
24919	10/12/2023	V&A CONSULTING ENGINEERS	2,850.00	Quarterly SM Creek Flow Measurements
24920	10/12/2023	WATEREUSE ASSOCIATION	3,036.00	2024 Annual Membership Dues
24921	10/12/2023	WILLIAMS LLP	3,240.63	Legal Services - September 2023
24922	10/19/2023	AIRGAS USA LLC	800.00	Liquid Oxygen Contract - Monthly Fee

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24923	10/19/2023	AT&T	214.10	Phone Service-BPS 09/10/23-10/09/23
24924	10/19/2023	BIGTUNA INTERACTIVE	1,375.00	Web Development for Support & Security Updates FY24 Q1
24925	10/19/2023	CALIFORNIA SPECIAL DISTRICTS ASS...	9,050.00	2024 CSDA Membership Renewal
24926	10/19/2023	CARLSBAD CHAMBER OF COMMERCE	869.00	Membership / Connector Renewal 10/01/23-09/30/24
24927	10/19/2023	D&H WATER SYSTEMS, INC	68.98	Connector tubes / Grab rings / O-Rings
24928	10/19/2023	DATA NET SOLUTIONS GROUP	1,780.00	Veeam Backup Socket Universal License (Backup Software)
24929	10/19/2023	DEXTER WILSON ENGINEERING	128.00	Development Services-1165 400 Gibraltar St-APN 216-300-05
	10/19/2023	DEXTER WILSON ENGINEERING	64.00	Development Services-1190 150 Cerro St-ADU Private PS
	10/19/2023	DEXTER WILSON ENGINEERING	272.00	Development Services-1191 Marquee Reimb Agrmt-905 Orpheus
	10/19/2023	DEXTER WILSON ENGINEERING	128.00	Development Services-1192 Healthy Creations-376 N El Camino
	10/19/2023	DEXTER WILSON ENGINEERING	4,175.00	FY23 SSMP Audit - September 2023
	10/19/2023	DEXTER WILSON ENGINEERING	4,221.00	General Engineering 103-500 FY2024 - September 2023
24930	10/19/2023	FEDERAL EXPRESS CORPORATION	35.00	Shipping 10/10/23
24931	10/19/2023	I2B NETWORKS INC DBA SPACELINK	160.00	Webcam @ BPS 10/14/23-11/13/23
24932	10/19/2023	LEE'S LOCK & SAFE	177.50	Hardware Repair-Panic Bar
24933	10/19/2023	MISSION SQUARE	5,640.39	Deferred Comp for PPE 10/15/23
24934	10/19/2023	NEW PIG CORPORATION	640.75	Absorbent Socks
24935	10/19/2023	PROFORMA PRINT & PROMOTIONS	503.08	AP Check Stock Order (qty 1,000)
24936	10/19/2023	SOUTHERN CONTRACTING COMPANY	3,925.00	Allen-Bradley Soft Start #150-F25NBDB
24937	10/19/2023	STAPLES	5,388.88	FS Surface Pro Tablets
	10/19/2023	STAPLES	156.67	Surface Pro Cases (2)
	10/19/2023	STAPLES	236.19	Surface Pro Slim Pens (2)
24938	10/19/2023	T.S. INDUSTRIAL SUPPLY	71.86	Endless Nylon Slings (6)
	10/19/2023	T.S. INDUSTRIAL SUPPLY	16.01	Poly Camlocks
24939	10/19/2023	U.S. BANK	4,633.56	Cal Card Purchases on Statement dated 09/22/23
24940	10/19/2023	UNIFIRST FIRST AID CORP	72.39	First Aid Supplies
24941	10/19/2023	WATER WORKS ENGINEERING LLC	6,630.11	FY2023 Cured In Place Pipe Line Project (A) - September 2023
	10/19/2023	WATER WORKS ENGINEERING LLC	18,148.60	FY24 Manhole Rehab Project - September 2023
24942	10/26/2023	5 NORTH MEDIA	70,942.00	Audio / Visual System Replacement - 50% Deposit
24943	10/26/2023	ADS CORP DBA ADS ENVIRONMENTA...	4,655.00	Flow Metering / Data Analysis - October 2023
	10/26/2023	ADS CORP DBA ADS ENVIRONMENTA...	1,340.00	Meter Maintenance / Data Delivery (ECHO) - October 2023
24944	10/26/2023	AIRGAS USA LLC	1,628.34	Liquid Oxygen Contract 10/11/23
24945	10/26/2023	ALPHAGRAPHS	340.15	Drivers Daily Vehicle Checklists
24946	10/26/2023	CUMMINS SALES AND SERVICE	572.00	Generator Service/Repair - Vehicle # 160
24947	10/26/2023	DATA NET SOLUTIONS GROUP	8,557.91	Dell OPTIPLEX Workstations (9)/Dell LATITUDE Laptop Final
24948	10/26/2023	ENCINA WASTEWATER AUTHORITY	4,025.50	Lab Testing

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24949	10/26/2023	GRAINGER, INC	190.31	MIG Welding Wire
24950	10/26/2023	MALLORY SAFETY AND SUPPLY	454.89	Disposable Gloves
24951	10/26/2023	NAPA AUTO	77.52	Blue Def (6)
24952	10/26/2023	OLIVENHAIN MUNICIPAL WATER DIS...	68.52	Water @ VP5 PS
24953	10/26/2023	PRUDENTIAL OVERALL SUPPLY	130.01	Weekly Uniform/Laundry Service 10/17/23
	10/26/2023	PRUDENTIAL OVERALL SUPPLY	136.83	Weekly Uniform/Laundry Service 10/24/23
24954	10/26/2023	Quench USA Inc	136.85	Office Drinking Water 10/19/23-11/18/23
24955	10/26/2023	SAN DIEGO GAS & ELECTRIC	4,656.71	Electric @ Admin
	10/26/2023	SAN DIEGO GAS & ELECTRIC	1,145.16	Electric @ Avocado PS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	1,934.63	Electric @ AWT
	10/26/2023	SAN DIEGO GAS & ELECTRIC	17,826.06	Electric @ BPS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	501.82	Electric @ Diana PS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	1,171.32	Electric @ La Costa PS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	14,536.51	Electric @ LPS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	127.24	Electric @ RV PS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	492.21	Electric @ VP5 PS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	299.57	Electric @ VP7 PS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	1,163.77	Electric/Gas @ E Estates PS
	10/26/2023	SAN DIEGO GAS & ELECTRIC	12.67	Gas @ Admin
24956	10/26/2023	SAN DIEGUITO TROPHY	100.85	Plaque Update Plates
24957	10/26/2023	SOUTHERN CONTRACTING COMPANY	600.00	Saxony PS checked motor saver - CPT fuse issues
	10/26/2023	SOUTHERN CONTRACTING COMPANY	750.00	Trace out check for Hydorranger/VP5 New Flowmeter Cable
24958	10/26/2023	TERMINIX PROCESSING CENTER	168.10	Pest Control 09/25/23
	10/26/2023	TERMINIX PROCESSING CENTER	73.00	Pest Control 10/04/23
24959	10/26/2023	VERIZON WIRELESS	1,319.45	Cell Phones 09/08/23-10/07/23 (Includes New FST Phones)
24972	11/2/2023	ACTUARIAL RETIREMENT CONSULTIN...	3,750.00	GASB 75 Valuation/Disclosure Reports
24973	11/2/2023	ADT COMMERCIAL LLC	165.00	Monthly Security Camera Maintenance 11/17/23-12/16/23
24974	11/2/2023	AT&T	138.08	Phone Service - Elevator 09/25/23-10/24/23
24975	11/2/2023	BAJA POOL AND SPA SERVICE	190.00	Water Fountain Weekly Maintenance - November 2023
24976	11/2/2023	CHARLES ULMER DBA: CHUCKS TIRE ...	40.00	Tire Repair - Vehicle #168
24977	11/2/2023	CITY OF CARLSBAD	467.88	Water @ 1900 La Costa
	11/2/2023	CITY OF CARLSBAD	167.31	Water @ 1960 La Costa
	11/2/2023	CITY OF CARLSBAD	28.14	Water @ Fire Line
24978	11/2/2023	COLONIAL LIFE INS	252.04	Accident/Critical Illness Insurance 10/04/23 & 10/18/23
24979	11/2/2023	COX COMMUNICATIONS SAN DIEGO	1,566.87	Phone / Internet Services 10/22/23-11/21/23
24980	11/2/2023	DETECTION INSTRUMENTS CORP	248.05	Calibrations @ LPS/BPS
24981	11/2/2023	ELECTRICAL SALES, INC.	141.99	Parts-ATQR Fuse (5) Angle Plug For VP7
24982	11/2/2023	FIDELITY SECURITY LIFE INSURANCE...	424.19	Vision Insurance - November 2023
24983	11/2/2023	HAAKER EQUIPMENT CO	1,635.48	Low Water Alarm/KnuKle Valve 16"Strainer/Labor-Vactor #159
	11/2/2023	HAAKER EQUIPMENT CO	1,682.14	SP Cam Board IIT

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 From 10/6/2023 Through 11/5/2023

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24984	11/2/2023	HUMANA DENTAL INS.	4,238.77	Dental Insurance - November 2023
24985	11/2/2023	KONECRANES, INC	718.00	LPS Quarterly Crane Inspections for September 2023
24986	11/2/2023	L&L PRINTERS	4,200.00	SemiAnnual Newsletter - Postage
24987	11/2/2023	MIRA MESA WINDOW CLEANING	1,180.00	Windows / Solar Panel Cleaning
24988	11/2/2023	MISSION SQUARE	5,551.10	Deferred Comp for PPE 10/29/23
24989	11/2/2023	MUTUAL OF OMAHA	1,325.03	Disability Insurance - November 2023
24990	11/2/2023	OLIVENHAIN MUNICIPAL WATER DIST	9,750.00	BlueWater Strategies Consulting Fee 10/01/23-03/31/24
24991	11/2/2023	RANCHO SANTA FE SECURITY SYSTEMS	258.00	Security Services Quarterly Billing 11/01/23-01/31/24
24992	11/2/2023	SAN ELIJO JOINT POWERS AUTHORITY	4,500.00	Chief Plant Operator Services-Nov/Dec 2023
24993	11/2/2023	SLOAN ELECTRIC COMPANY	1,520.00	Encina TP-Effluent Pump VFD Service
24994	11/2/2023	SOUTHERN CONTRACTING COMPANY	2,600.00	Labor: Diana Panel Mnt/HQ CL2 Troubleshoot
	11/2/2023	SOUTHERN CONTRACTING COMPANY	2,400.00	Labor: VP5 Soft Start/Diana Instigate/LC Lake Transducer
	11/2/2023	SOUTHERN CONTRACTING COMPANY	4,200.00	Submersible Level Transmitter/PMC Transducers (2)
	11/2/2023	SOUTHERN CONTRACTING COMPANY	1,800.00	Submersible Level Transmitter/PMC Tranducers (1)
24995	11/2/2023	STAPLES	338.56	Office Supplies
Report Total			327,922.98	

Leucadia Wastewater District

Posted General Ledger Transactions - CD Transactions for Demands

Session ID	Document Number	Effective Date	Name	Debit	Transaction Description
CD1082	270368630803600	10/13/2023	United States Treasury	49.60	Incentive Payroll Taxes for Checks dated 10/12/23-Fed FICA
		10/13/2023	United States Treasury	11.60	Incentive Payroll Taxes for Checks dated 10/12/23-Fed MC
Total CD1082				61.20	
CD1083	270369274505876	10/19/2023	United States Treasury	10,418.38	Payroll Taxes for Checks dated 10/18/23
		10/19/2023	United States Treasury	7,570.20	Payroll Taxes for Checks dated 10/18/23
		10/19/2023	United States Treasury	2,637.86	Payroll Taxes for Checks dated 10/18/23
		7406839	10/19/2023	EMPLOYMENT DEVELOPMENT DEPT	3,755.43
Total CD1083				24,381.87	
CD1084	Nation-10/18/23	10/19/2023	NATIONWIDE RETIREMENT SOLUTIONS	1,249.78	Nationwide Deferred Comp for Payroll on 10/18/23
Total CD1084				1,249.78	
CD1085	1002476413	10/17/2023	CALPERS	4,024.21	CalPERS Retirement for Payroll on 10/18/23-Classic EE
		10/17/2023	CALPERS	8,682.22	CalPERS Retirement for Payroll on 10/18/23-Classic ER
	1002476414	10/17/2023	CALPERS	2,004.32	CalPERS Retirement for Payroll on 10/18/23-PEPRA EE
		10/17/2023	CALPERS	1,986.21	CalPERS Retirement for Payroll on 10/18/23-PEPRA ER
Total CD1085				16,696.96	
CD1086	1002476613	11/1/2023	CALPERS	36,578.04	CalPERS Health Insurance-November 2023-Staff
		11/1/2023	CALPERS	755.00	CalPERS Health Insurance-November 2023-Retirees

Leucadia Wastewater District

Posted General Ledger Transactions - CD Transactions for Demands

Session ID	Document Number	Effective Date	Name	Debit	Transaction Description
		11/1/2023	CALPERS	128.05	CalPERS Health Insurance-November 2023-Admin
	1002476614	11/1/2023	CALPERS	1,857.41	CalPERS Health Insurance-November 2023-Board
		11/1/2023	CALPERS	5.94	CalPERS Health Insurance-November 2023-Admin
Total CD1086				39,324.44	
CD1087	270370612908753	11/2/2023	United States Treasury	284.70	Board Payroll Taxes for Checks Dated 11/01/23-Federal W/H
		11/2/2023	United States Treasury	148.80	Board Payroll Taxes for Checks Dated 11/01/23-Federal FICA
		11/2/2023	United States Treasury	52.20	Board Payroll Taxes for Checks Dated 11/01/23-Federal MC
Total CD1087				485.70	
CD1088	1002484968	11/3/2023	CALPERS	4,025.39	CalPERS Retirement for Payroll on 11/02/23-Classic
		11/3/2023	CALPERS	8,684.76	CalPERS Retirement for Payroll on 11/02/23-Classic
	1002484969	11/3/2023	CALPERS	1,986.43	CalPERS Retirement for Payroll on 11/02/23-PEPRA
		11/3/2023	CALPERS	1,968.47	CalPERS Retirement for Payroll on 11/02/23-PEPRA
Total CD1088				16,665.05	
CD1089	CalPERS - ES-10/2023	11/3/2023	CALPERS	48.00	CalPERS Retirement for Board Payroll 11/01/23 EE
		11/3/2023	CALPERS	103.56	CalPERS Retirement for Board Payroll 11/01/23 ER
Total CD1089				151.56	

Leucadia Wastewater District

Posted General Ledger Transactions - CD Transactions for Demands

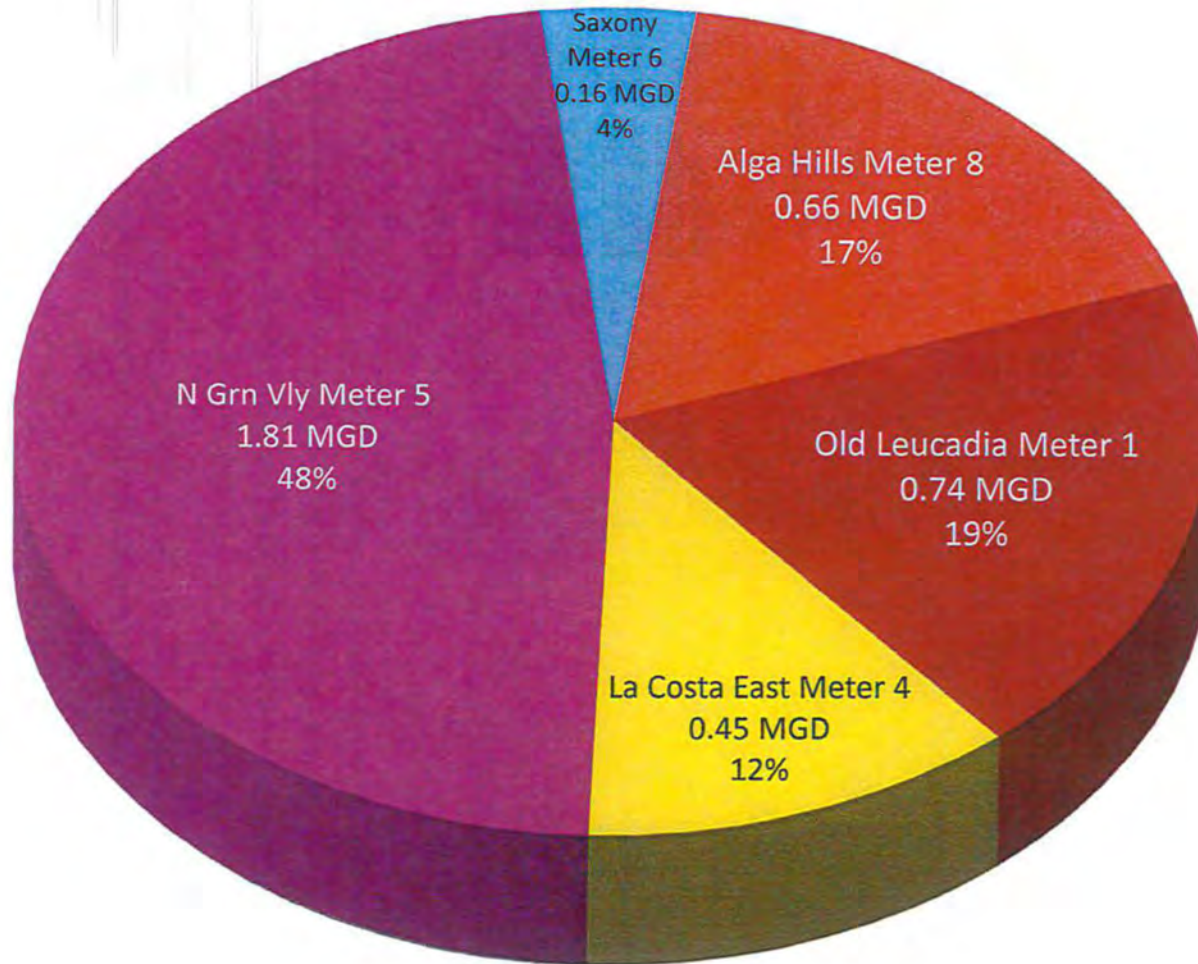
<u>Session ID</u>	<u>Document Number</u>	<u>Effective Date</u>	<u>Name</u>	<u>Debit</u>	<u>Transaction Description</u>
CD1090	Nation-11/01/23	11/2/2023	NATIONWIDE RETIREMENT SOLUTIONS	1,200.00	Nationwide Deferred Comp for Payroll on 11/01/23
Total CD1090				1,200.00	
Report Total				100,216.56	

**LEUCADIA WASTEWATER DISTRICT
OPERATIONS REPORT
FISCAL YEAR 2024 (July 2023 - June 2024)**

CURRENT MONTH Oct-23							FY 2023
Period	Total Rain Inches	Total Flow MG	Added EDU's 28,936.03	LWD ADF (MGD)	GPD/EDU	RECLAIMED Total (ac-ft/mo)	LWD ADF (MGD)
JULY	0.00	116.56	24.75	3.76	129.83	36.08	3.81
YTD			28,960.78				
AUGUST	2.56	118.73	4.46	3.83	132.22	19.08	3.96
YTD			28,965.24				
SEPTEMBER	0.08	115.20	2.25	3.70	127.73	22.89	3.91
YTD			28,967.49				
OCTOBER	0.06	114.08	3.00	3.68	127.02	23.49	3.76
YTD			28,970.49				
NOVEMBER							3.87
YTD							
DECEMBER							3.80
YTD							
JANUARY							4.00
YTD							
FEBRUARY							3.63
YTD							
MARCH							3.86
YTD							
APRIL							3.82
YTD							
MAY							3.99
YTD							
JUNE							3.67
YTD							
YTD Totals	2.70	464.57	34.46			101.54	
Mo Average	0.68	38.71	8.62	3.74	43.07	25.39	3.84

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**LWD Flows by Sub-Basin
October 2023
Total LWD Flow 3.82 MGD**



LEUCADIA WASTEWATER DISTRICT



LEGEND

Parcels by Basin

- 1 - Old Leucadia
- 4 - La Costa East
- 5 - North Green Valley
- 6 - Saxony
- 8 - Alga Hills

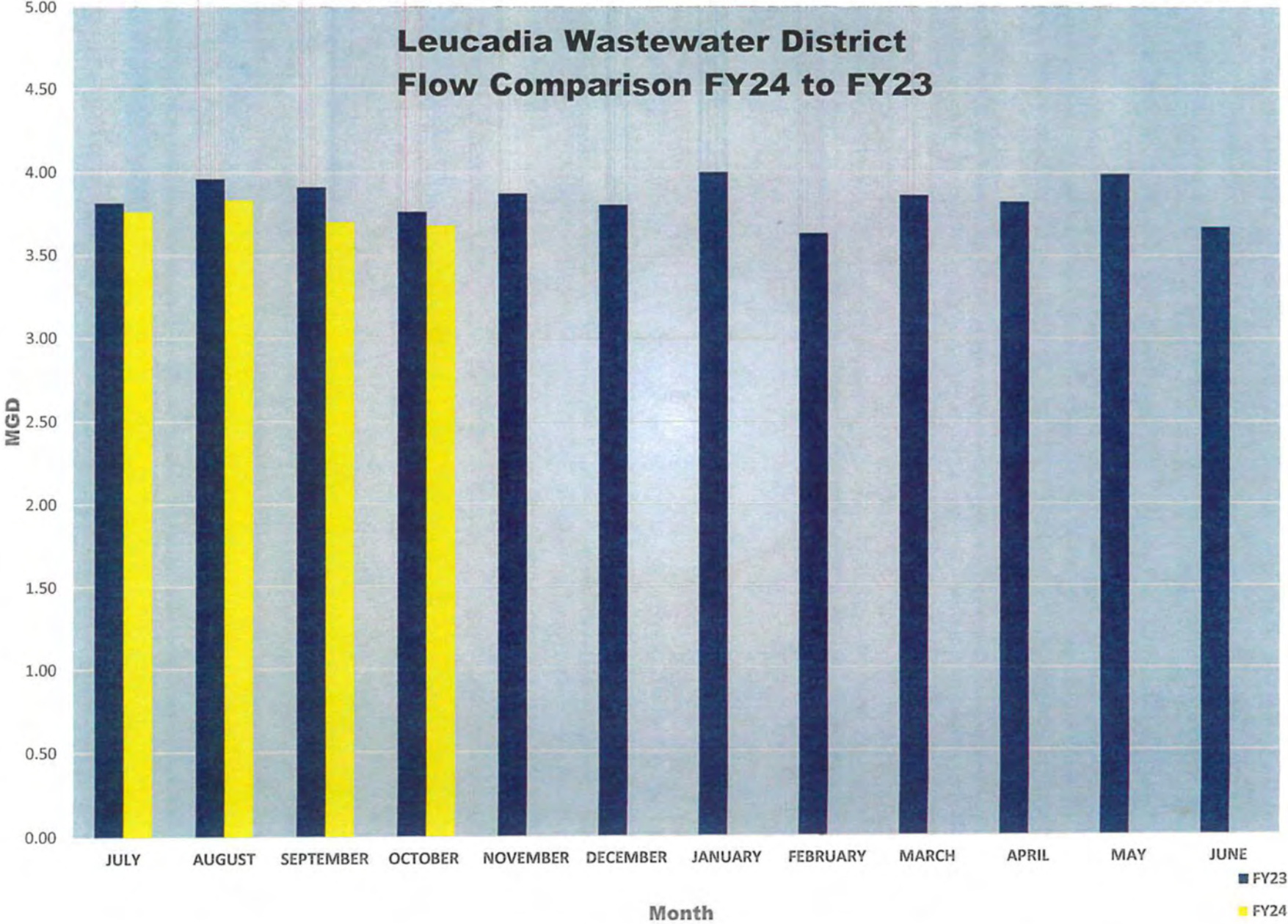
- Meter Locations
- LWD Pump Stations
- Encinitas Pump Stations
- LWD Boundary



DEXTER WILSON ENGINEERING, INC.
CONSULTING ENGINEERS
(760) 438-4422

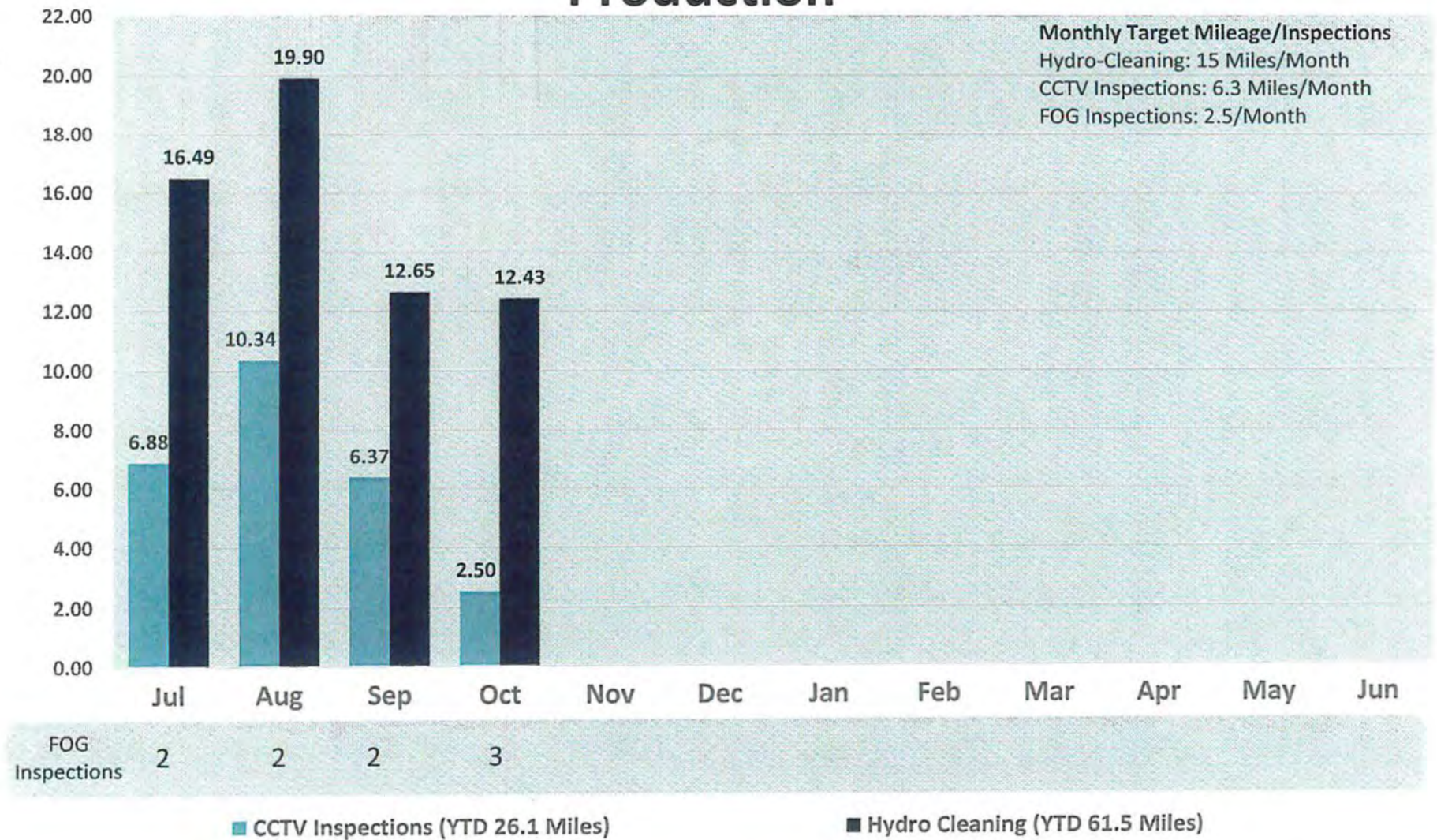
SEWER COLLECTION SYSTEM BY SUB-BASIN

Leucadia Wastewater District Flow Comparison FY24 to FY23



35

FY-24 CCTV Inspections & Hydro Cleaning Production





LEADERS IN
ENVIRONMENTAL
PROTECTION

**Operations and Administration Training Report
October 2023**

Training & Safety Events for the month October 2023

Hours

Description	Ops	Admin	Total
San Marcos Creek Crossing: Emergency Bypass Procedure Tailgate	4.5	0.0	4.5
Bloodborne Pathogens	1.0	0.0	1.0
CWEA Test Course Prep	19.5	0.0	19.5
DataNet Mobile Security: Mobile Backups	0.5	1.0	1.5
DataNet Physical Office Security	0.5	0.0	0.5
DataNet Business Email Compromise	0.5	0.0	0.5
DataNet PIPEDA Principles	0.5	0.5	1.0
DataNet How To Protect Credentials Using MultiFactor Authentication	0.0	1.5	1.5
DataNet Introduction to Cybersecurity: Maturity Model Certification	0.5	1.5	2.0
DataNet Ransomware in Healthcare	0.5	1.5	2.0
Storm Water Management: Storm Water Pollution Prevention Plan (SWPPP)	9.0	0.0	9.0
Total Training Hours	37.0	6.0	43.0

Conferences/Webinars/Seminars for the month of October 2023

Attendees

Description	Ops	Admin	Total
2023 Sewer and Stormwater Summit	1	1	2
LSL Exploring New Frontiers in Intelligent Technologies for Local Governments	0	1	1
Total Attended Conferences	1	2	3

Notes:

Trainings include web-based, classroom, tailgates and safety events



LEADERS IN
ENVIRONMENTAL
PROTECTION

**Operations and Administration Training Report
Summary for Fiscal Year 2024**

Training		Hours		
Month	Ops	Admin	Total	
Jul-23	27.0	13.0	40.0	
Aug-23	28.0	10.0	38.0	
Sep-23	67.5	16.0	83.5	
Oct-23	37.0	6.0	43.0	
Nov-23	0.0	0.0	0.0	
Dec-23	0.0	0.0	0.0	
Jan-24	0.0	0.0	0.0	
Feb-24	0.0	0.0	0.0	
Mar-24	0.0	0.0	0.0	
Apr-24	0.0	0.0	0.0	
May-24	0.0	0.0	0.0	
Jun-24	0.0	0.0	0.0	
YTD Totals	159.5	45.0	204.5	

Conferences		Attendees		
Month	Ops	Admin	Total	
Jul-23	0.0	2.0	2.0	
Aug-23	6.0	8.0	14.0	
Sep-23	0.0	6.0	6.0	
Oct-23	1.0	2.0	3.0	
Nov-23	0.0	0.0	0.0	
Dec-23	0.0	0.0	0.0	
Jan-24	0.0	0.0	0.0	
Feb-24	0.0	0.0	0.0	
Mar-24	0.0	0.0	0.0	
Apr-24	0.0	0.0	0.0	
May-24	0.0	0.0	0.0	
Jun-24	0.0	0.0	0.0	
YTD Total	7.0	18.0	25.0	

Notes:

Trainings include web-based, classroom, and tailgates

Conferences include CASA, CWEA, CSDA, CSRMA, CSFMO

Leucadia Wastewater District

Balance Sheet

As of 10/31/2023

(In Whole Numbers)

	<u>Amount</u>
Assets	
Cash & Investments	21,332,216
Accounts Receivables	149,090
Net OPEB Asset	149,103
Prepaid Expense	378,188
Funds held with Encina Wastewater Authority	445,200
Capital Assets	191,971,167
Less Accumulated Depreciation	<u>(67,725,713)</u>
Total Assets	<u>146,699,250</u>
Deferred Outflows	
PERS Pension Deferred Outflows	2,452,372
OPEB Health Deferred Outflows	111,455
Total Deferred Outflows	<u>2,563,827</u>
Total Assets & Deferred Outflows	<u><u>149,263,077</u></u>
Liabilities	
Accounts Payable & Accrued Expenses	577,254
Developer Deposits	153,649
Lease Liability	6,818
Net Pension Liability	4,848,371
Total Liabilities	<u>5,586,092</u>
Deferred Inflows	
PERS Pension Deferred Inflows	247,136
OPEB Health Deferred Inflows	77,393
Total Deferred Inflows	<u>324,529</u>
Net Position	
Beginning Net Position (as of June 30, 2023)	
Investment in Capital Assets	124,238,637
Reserves	24,508,862
Undesignated Net Position	(0)
Total Beginning Net Position (as of June 30, 2023)	<u>148,747,499</u>
Current Change In Net Position	
Other	(5,395,043)
Total Current Change In Net Position	<u>(5,395,043)</u>
Total Net Position	<u>143,352,456</u>
Total Liabilities, Deferred Inflows & Net Position	<u><u>149,263,077</u></u>

Leucadia Wastewater District

Summary Budget Comparison - Revenues and Operating Expenses

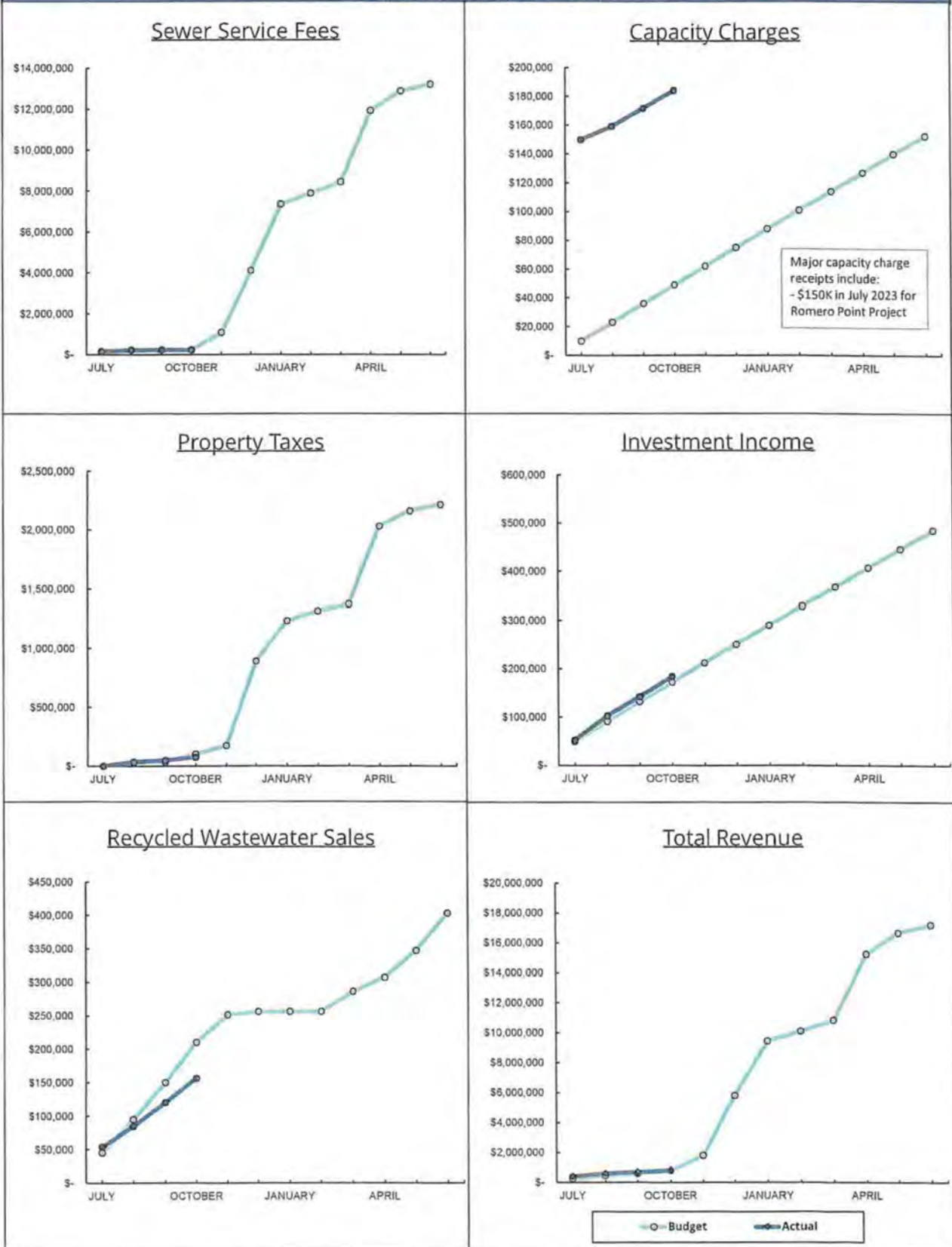
From 7/1/2023 Through 10/31/2023

Account Title	YTD Actual	Total Annual Budget	Remaining Budget	Percentage Total Budget Used
OPERATING REVENUES				
3110 Sewer Service Fees	\$ 224,805.91	\$13,213,949.00	\$12,989,143.09	1.7%
3150 Recycled Water Sales	156,188.89	403,000.00	246,811.11	38.8%
3100 Misc. Operating Revenue	-	190,824.00	190,824.00	0.0%
TOTAL OPERATING REVENUES	\$ 380,994.80	\$13,807,773.00	\$13,426,778.20	2.8%
OPERATING EXPENSES				
4100 Salaries	\$ 606,426.64	\$ 2,230,802.00	\$ 1,624,375.36	27.2%
4200 Employee Benefits	471,981.32	1,577,047.00	1,105,065.68	29.9%
4300 Directors Expense	28,146.71	130,600.00	102,453.29	21.6%
4600 Gas, Oil & Fuel	8,573.60	61,000.00	52,426.40	14.1%
4700 Insurance Expense	142,902.85	237,500.00	94,597.15	60.2%
4800 Memberships	26,270.97	40,000.00	13,729.03	65.7%
4900 Office Expense	63,861.26	179,280.00	115,418.74	35.6%
5000 Operating Supplies	40,882.52	154,400.00	113,517.48	26.5%
5200 Professional Services	85,685.63	464,050.00	378,364.37	18.5%
5300 Printing & Publishing	3,610.14	32,000.00	28,389.86	11.3%
5400 Rents & Leases	7,414.38	22,900.00	15,485.62	32.4%
5500 Repairs & Maintenance	140,817.53	555,135.00	414,317.47	25.4%
5600 Monitoring & Permits	16,764.50	93,600.00	76,835.50	17.9%
5700 Training & Development	13,334.16	52,000.00	38,665.84	25.6%
5900 Utilities	201,213.86	578,600.00	377,386.14	34.8%
6100 LAFCO Operations	7,344.11	9,050.00	1,705.89	81.2%
6200 Encina Operating Expense	1,209,214.00	2,884,000.00	1,674,786.00	41.9%
6900 Admin O/H alloc to Capital	(50,528.41)	(210,060.00)	(159,531.59)	24.1%
TOTAL OPERATING EXPENSES	\$ 3,023,915.77	\$ 9,091,904.00	\$ 6,067,988.23	33.3%
NON-OPERATING REVENUES				
3130 Capacity Fees	\$ 184,118.12	\$ 152,670.00	\$ (31,448.12)	120.6%
3220 Property Taxes	74,964.75	2,213,000.00	2,138,035.25	3.4%
3250 Investment Income	184,136.50	485,000.00	300,863.50	38.0%
3290 Misc. Non Op Revenue	321.41	535,400.00	535,078.59	0.1%
TOTAL NON-OPERATING REVENUES	\$ 443,540.78	\$ 3,386,070.00	\$ 2,942,529.22	13.1%

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

Leucadia Wastewater District Revenue FY2024

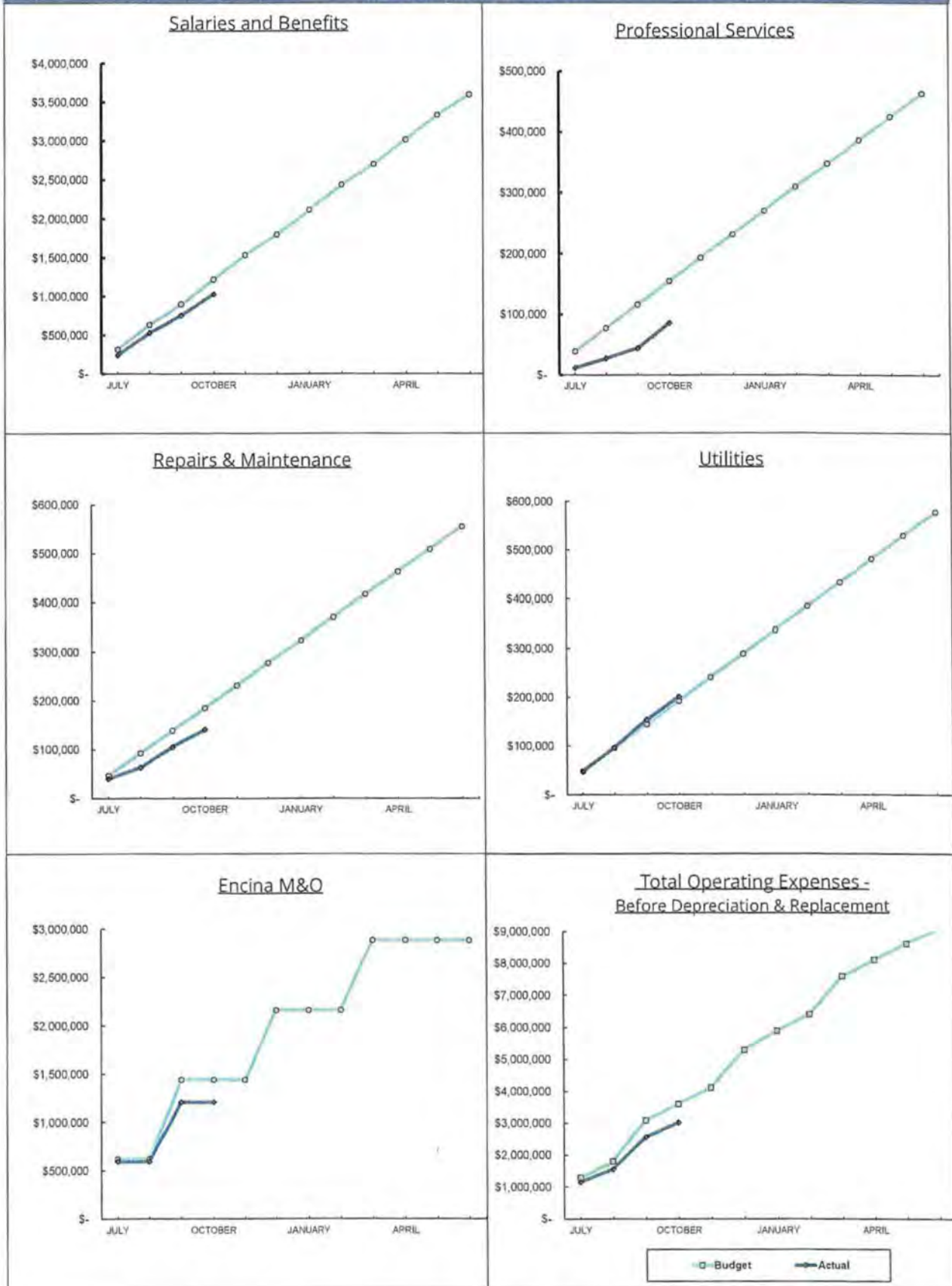
YTD through October 31, 2023



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

Leucadia Wastewater District Operating Expenses FY2024

YTD through October 31, 2023

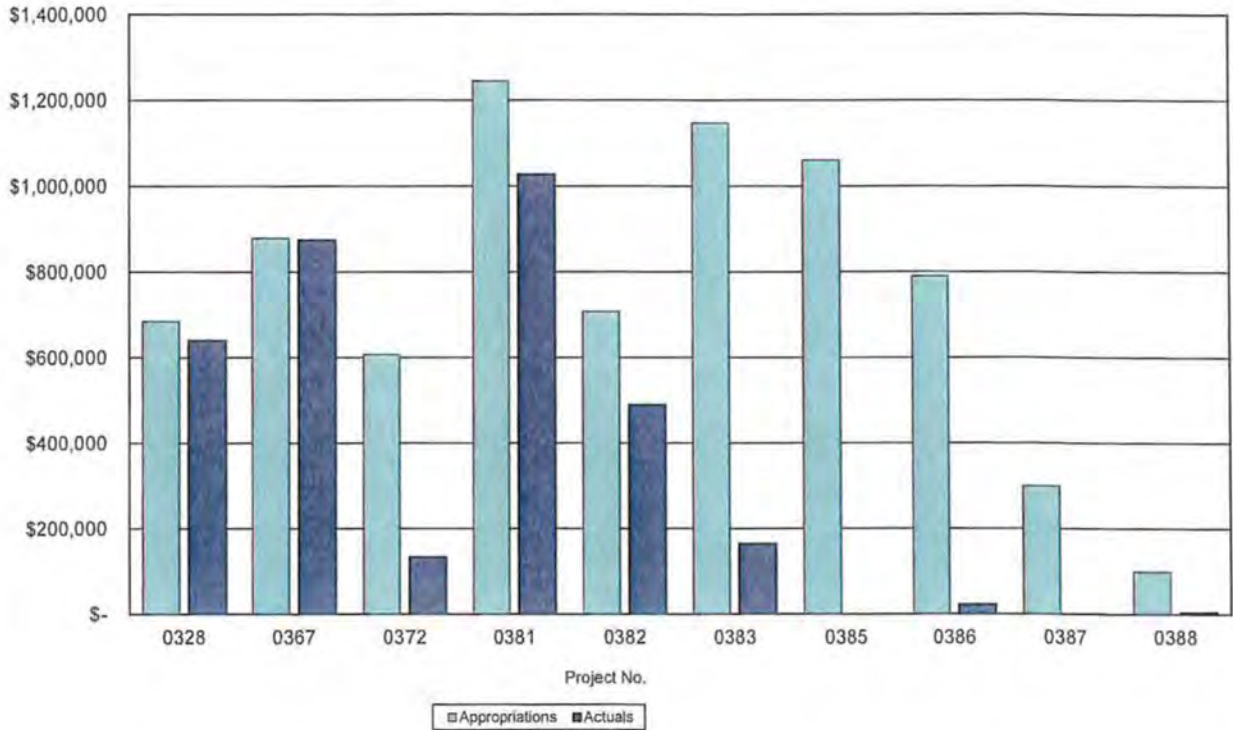


* Preliminary: subject to future review, reconciliation, accruals, and audit

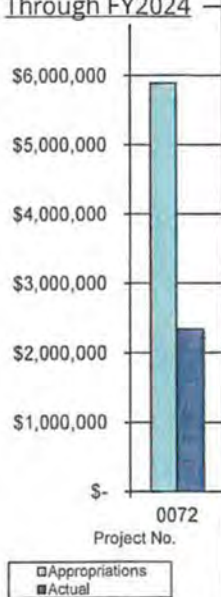
Leucadia Wastewater District Capital Expenditures

As of October 31, 2023

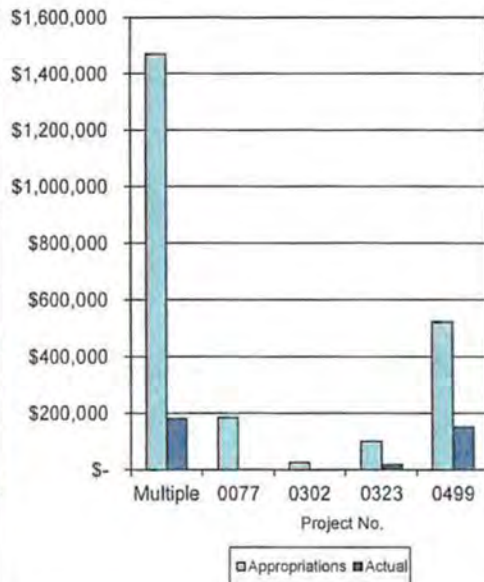
District Multi Year Capital Expenditures by Project Through FY2024



District's Share of Encina WPCF Capital Exp Through FY2024



Single Year Capital Expenditures by Project FY2024



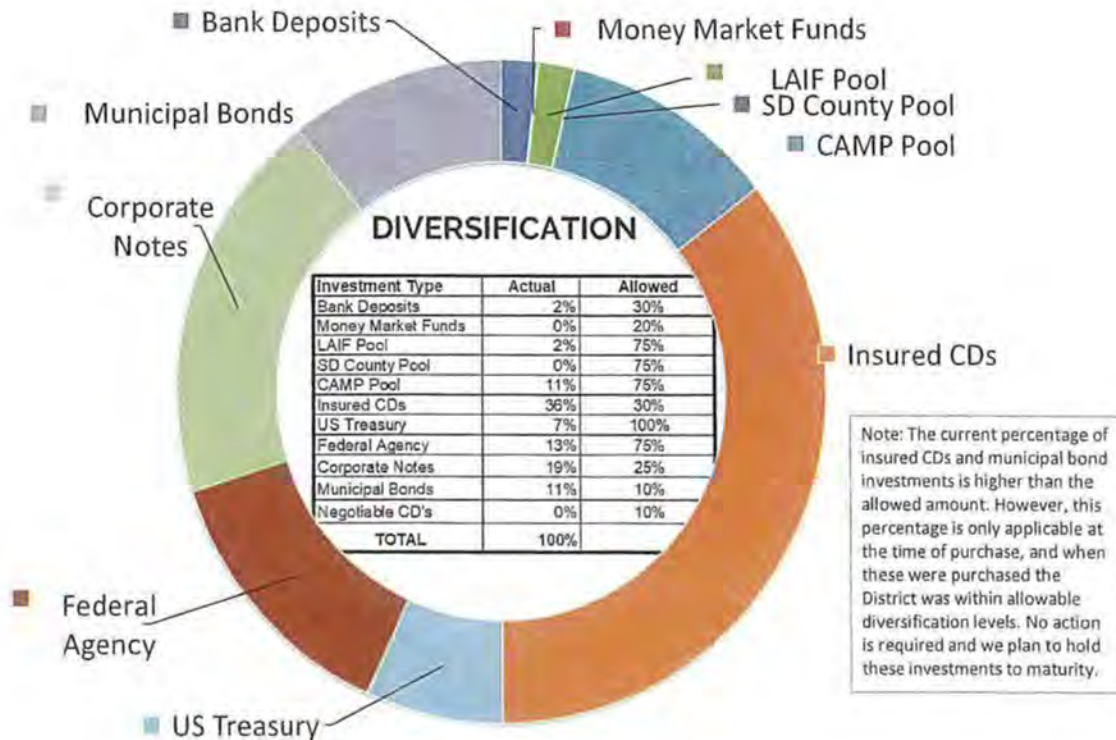
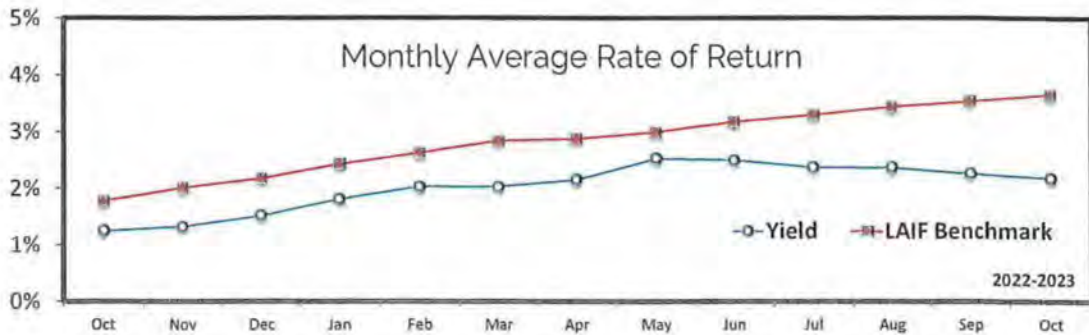
Project Legend

Multi-Year Capital Projects	No.
Encina Capital	0072
Water Recycling Group	0328
B1 Force Main - N. Section Replacement	0367
Diana Pump Station Upgrade	0372
Village Park 7 Pump Station Rehabilitation	0381
FY2023 Gravity Pipeline Rehabilitation	0382
Rancho Verde Pump Station	0383
Batiquitos Emergency Basin Project	0385
FY2024 Gravity Pipeline Rehabilitation	0386
L1 Condition Assessment	0387
San Marcos Creek Crossing Repair	0388
Single Year Capital Projects	No.
Equipment - Capital Acquisitions	Multiple
Misc. Pipeline Rehabilitation	0077
District Engineering Services	0302
Lateral Replace/Backflow Prevention	0323
LWD Gen'l Cap Labor & O/H Allocation	0499

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

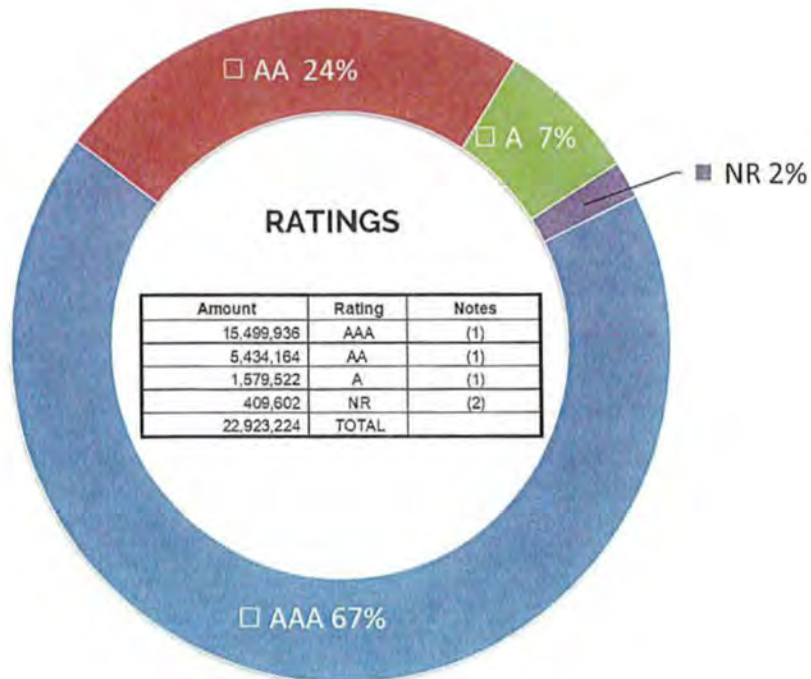
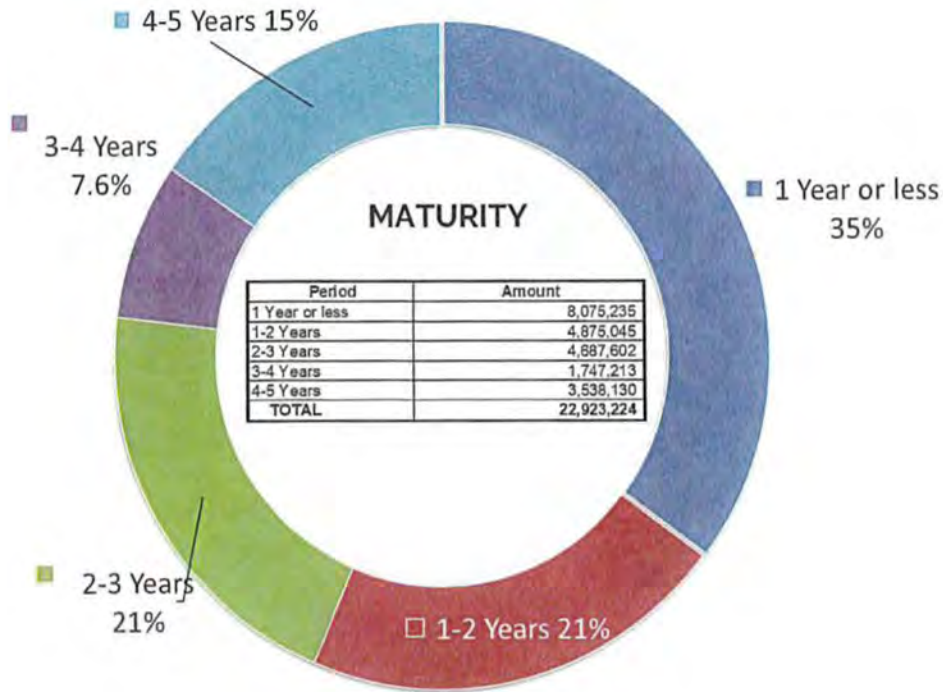
LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
October 31, 2023

Cash Equivalents & Investments	Principal (Original Cost)		October Interest	Average Rate
	Sep 30, 2023	Oct 31, 2023		
Pacific Premier Bank Reserves	\$ 409,699	\$ 425,416	\$ 3	0.010%
TVI Dreyfus Money Market	11,820	12,795	51	4.970%
LAIF Pool	405,942	409,602	1,240	3.650%
SD County Pool	10,456	10,466	30	3.390%
CAMP Pool	2,704,132	2,469,366	11,964	5.550%
Certificates of Deposit - Insured	8,139,000	8,139,000	15,631	2.302%
US Treasury Notes	1,557,340	1,557,340	1,757	1.588%
Federal Agency Notes	3,291,687	3,042,569	3,451	1.400%
Municipal Bonds	2,433,766	2,433,766	1,831	0.853%
Corporate Bonds/Notes	4,422,903	4,422,903	6,135	1.656%
Totals	\$ 23,386,746	\$ 22,923,224	\$ 42,093	2.181%



LEUCADIA WASTEWATER DISTRICT
 Monthly Investment Summary
 October 31, 2023

(Continued)

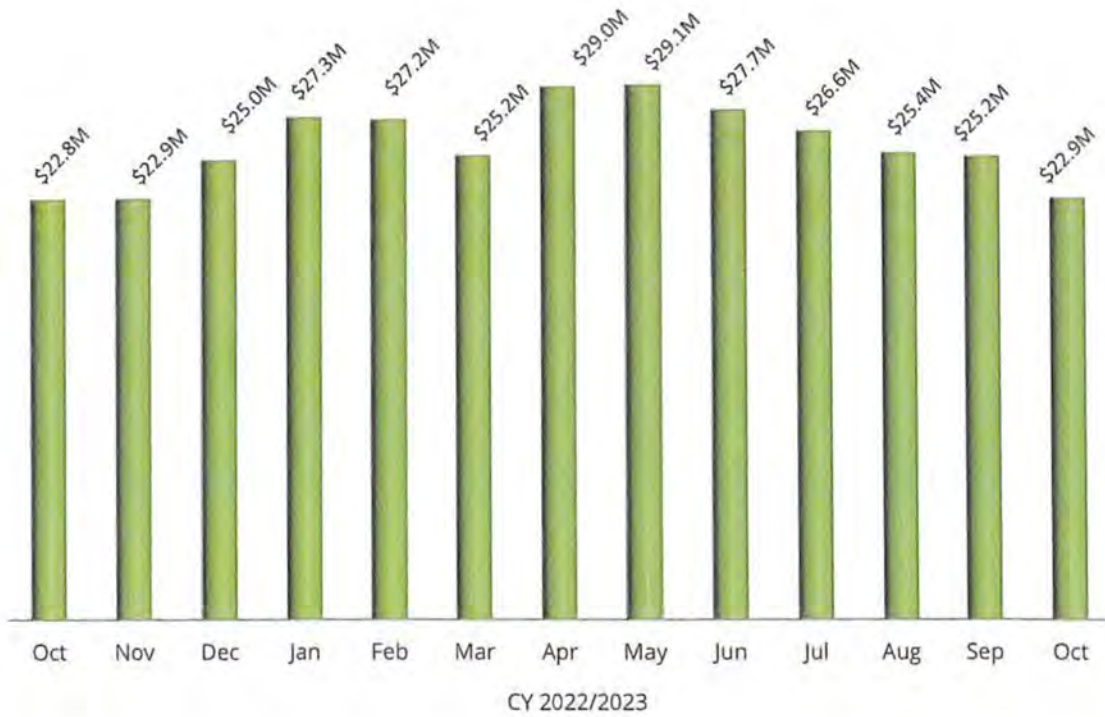


(1) CAMP Pool & SD County Pool are rated by Standard & Poors. Investments are rated by Moody's or another rating agency.
 (2) LAIF is not rated.

LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
October 31, 2023

(Continued)

CASH & INVESTMENT FUNDS BY MONTH



INVESTMENT TRANSACTIONS


Investment	Purchases	Sales & Maturities	Maturity Date	CUSIP	YTM at Cost	Notes
------------	-----------	--------------------	---------------	-------	-------------	-------

TOTAL \$ - \$ -

Investment transactions above are investment purchases, sales, and maturities during the month. They do not include internal transfers between District's checking accounts and cash equivalents (pools/reserves).

MEMORANDUM

Ref: 24-8595

DATE: November 2, 2023
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 §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 September 30, 2023 (see attached). A copy of the full Quarterly Treasurer's Investment Report has been enclosed for your review.

reg:PJB

Attachment

LEUCADIA WASTEWATER DISTRICT

QUARTERLY TREASURER'S REPORT SUMMARY

09-30-23

SUMMARY OF CASH & INVESTMENTS at September 30, 2023

SEE QUARTERLY TREASURER'S REPORT FOR DETAILS

ASSETS	PAR VALUE 9/30/2023	AMORTIZED COST 9/30/2023	% OF TOTAL		MARKET VALUE 9/30/2023
			Actual	Allowed	
CASH IN BANK (Checking/Reserve Accts)	\$ 2,208,020	\$ 2,208,020	9%	30%	\$ 2,208,020
MONEY MARKET FUNDS	\$ 11,820	\$ 11,820	0%	20%	\$ 11,820
LAIF - STATE INVESTMENT POOL	\$ 405,942	\$ 405,942	2%	75%	\$ 400,384
SAN DIEGO COUNTY INVESTMENT POOL	\$ 10,456	\$ 10,456	0%	75%	\$ 10,000
CAMP - JPA INVESTMENT POOL	\$ 2,704,132	\$ 2,704,132	11%	75%	\$ 2,704,132
FEDERAL AGENCY SECURITIES	\$ 3,297,000	\$ 3,274,745	13%	75%	\$ 3,048,933
US TREASURY BONDS/NOTES	\$ 1,590,000	\$ 1,543,654	6%	100%	\$ 1,461,601
CORPORATE NOTES	\$ 4,360,000	\$ 4,349,449	17%	25%	\$ 4,002,173
MUNICIPAL BONDS	\$ 2,370,000	\$ 2,433,766	10%	10%	\$ 2,233,659
INSURED CERTIFICATES OF DEPOSIT	\$ 8,139,000	\$ 8,139,000	32%	30%	\$ 7,729,725
TOTAL CASH & INVESTMENTS	\$ 25,096,370	\$ 25,080,985	100%		\$ 23,810,448

As of September 30, 2023

QUARTERLY RESULTS



Cash & Investments

\$23.8M



Avg Days to Maturity

625



Change in Cash & Inv

-\$2566K



Interest Earned

\$152K



Average Return


2.3%



LAIF Benchmark

3.4%

MEMORANDUM

DATE: November 2, 2023
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **October 2023 Board Disclosure of Reimbursements Report**

RECOMMENDATION:

Staff requests that the Board of Directors:

1. Receive and file the Board Disclosure of Reimbursement Report for the month ending October 2023.

DISCUSSION:

Government Code Section §53065 stipulates that Special Districts must disclose reimbursements of \$100 or more on at least an annual basis. Leucadia Wastewater District (LWD) prepares the Disclosure Report every month in accordance with Resolution No. 2291 – The Integrated Travel Authorization and Expense Reimbursement Policy, which is above and beyond the requirements of Government Code Section §53065.

Attached please find the Board Disclosure of Reimbursements report for October 2023 for your review.

tb:PJB

Attachment

Leucadia Wastewater District
Disclosure of Reimbursements Report
October 2023

Conference Date	Description	GM	Director	Director	Director	Director	DFA	DTS	FSS	ADS
		P. Bushee	E. Sullivan	D. Omsted	C. Roesink	R. Saldana	R. Green	R. Morishita	M. Gonzalez	T. Hill
Special District Leadership Academy October 22 -25, 2023 Santa Rosa, CA **	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips									
	Fuel/mileage/taxi/uber									
Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips									
	Fuel/mileage/taxi/uber									
Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips									
	Fuel/mileage/taxi/uber									
Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips/Baggage									
	Fuel/mileage/taxi/uber									
Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes: **Did not receive CR expense report for SDLA by the time the agenda went out.
Will report in the December Agenda.

Encina Wastewater Authority Report

Strategic Plan Meeting

October 19, 2023

EWA Board of Directors – GM Bushee Reporting

The Board of Directors held a Strategic Planning Session to review and update the EWA Business Plan. The Board discussed EWA's Mission, Vision, and Strategic Initiatives. The Board suggested slight modifications to the Mission and Vision, and directed staff to condense the Strategic Initiatives into a more concise form. EWA staff agreed to make the modifications and bring the updated plan back to Board for approval at a future date.

Encina Wastewater Authority Report
Regular Board Meeting
October 25, 2023

EWA Board of Directors – GM Bushee Reporting

1. Tactical Plan Status Report

The Board of Directors received and filed the Quarterly 2023 Tactical Plan Status Report.

2. Secondary Clarifiers and Strainers Improvements Project Final Acceptance

The Board of Directors took final acceptance of the contract with J.R. Filanc Construction Company, Inc. for the construction of the Secondary Clarifiers and Strainers Improvements Project and directed staff to record a Notice of Completion with the San Diego County Recorder.

Community Affairs Committee Meeting Report

Presented by Director Saldana

Meeting held October 18, 2023

The Community Affairs Committee (CAC) reviewed the following recommendation:

1. Review the draft layout of the Fall 2023 newsletter

The CAC reviewed and commented on the final draft layout of the fall 2023 newsletter. The CAC suggested some minor edits and staff and Rising Tide Partners stated they would make the changes.

The CAC directed staff to move forward with the production of the newsletter and forward the final draft to the Board for their review prior to printing.

Engineering Committee Meeting Report

Presented by Director Saldana

Meeting held November 1, 2023

1. The Engineering Committee (EC) reviewed the following recommendation:

- Authorize the General Manager to execute a sole source procurement with Rockwell Solutions for the purchase of a Vaughan Submersible Chopper Pump for the Leucadia Pump Station in an amount not to exceed \$36,880.
- The EC received an update on the San Marcos Creek pipeline issue.

Both items will be discussed later in the agenda.

Investment & Finance Committee Meeting Report

Presented by Director Omsted

Meeting held November 1, 2023

The Investment & Finance Committee (IFC) reviewed the following recommendation:

- 1. Receive and file the Fiscal Year 2023 Annual Comprehensive Financial Report.**

The IFC concurred with staff to present this recommendation to the Board of Directors and it will be discussed later in the agenda.

MEMORANDUM

Ref: 24-8585

DATE: November 2, 2023
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Fiscal Year 2023 (FY23) Annual Comprehensive Financial Report

RECOMMENDATION:

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

1. Receive and file the FY23 Annual Comprehensive Financial Report.
2. Discuss and take other action, as appropriate.

DISCUSSION:

Tactical Goal: Financial / FY23 Audit

This item was reviewed by the IFC at its November 1st meeting and the IFC concurred with staff to present this item to the Board.

State law requires the Leucadia Wastewater District (LWD) to prepare a complete set of financial statements in conformance with generally accepted accounting principles (GAAP). The law also requires that the financial statements be audited in accordance with generally accepted auditing standards. For LWD, these documents collectively take the form of LWD's annual financial audit.

LWD prepares a more comprehensive financial report, formally referred to as the Annual Comprehensive Financial Report, or ACFR. This year's Annual Comprehensive Financial Report includes the following sections:

- Introductory section which is comprised of the Letter of Transmittal, Organizational Chart, List of Principal Officials, and award for outstanding financial reporting in FY22.
- Financial section that is made up of the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements with notes, and Supplementary Information.
- Statistical section that includes cost and revenue comparisons and other LWD statistics for the past 10 years.

The accounting firm of Rogers, Anderson, Malody & Scott, LLP has completed its audit of LWD's FY23 ACFR. Staff is pleased to report that the auditors found that the financial statements present fairly, in all material respects, LWD's financial position and is in conformance with GAAP.

Attached for the Board's review is the Auditor's information letter which reports on any significant audit findings as a result of their audit, and the Auditor's Report on Internal Controls, Compliance, and Other Matters. Also provided is a copy of the full Annual Comprehensive Financial Report for your review.

Staff along with Scott Manno, CPA of Rogers, Anderson, Malody & Scott, LLP, will present an overview of the Annual Comprehensive Financial Report at the upcoming meeting.

reg:PJB

Enclosure



ROGERS, ANDERSON, MALODY & SCOTT, LLP
 CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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 Leena Shanbhag, CPA, MST, CGMA
 Bradford A. Welebir, CPA, MBA, CGMA
 Jenny W. Liu, CPA, MST
 Gardenya Duran, CPA, CGMA
 Brianna Schultz, CPA, CGMA
 Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
 Evelyn Morentin-Barcena, CPA
 Veronica Hernandez, CPA
 Laura Arvizu, CPA
 John Maldonado, CPA, MSA
 Julia Rodriguez Fuentes, CPA, MSA
 Demi Hite, CPA
 Jeffrey McKennan, CPA

MEMBERS

American Institute of
 Certified Public Accountants

*PCPS The AICPA Alliance
 for CPA Firms*

*Governmental Audit
 Quality Center*

California Society of
 Certified Public Accountants

The Board of Directors and Management
 Leucadia Wastewater District
 Carlsbad, California

We have audited the financial statements of Leucadia Wastewater District (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated October 23, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 7, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting: Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition: Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 7 to the financial statements, during the year, the District changed its method of accounting for compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Accordingly, the cumulative effect of the accounting change has been reported in the Statement of Net Position. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital asset depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability/net OPEB asset and related deferred inflows and deferred outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of fair value of investments in Note 3 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of accumulated depreciation and depreciation expense in Note 4 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred inflows and deferred outflows in Note 11 to the financial statements is based on actuarial assumptions. Actual future liabilities and deferrals may vary from disclosed estimates.

The disclosure of the net OPEB asset and related deferred inflows and deferred outflows in Note 12 to the financial statements is based on actuarial assumptions. Actual future liabilities/assets may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We did not encounter any significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected material misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements identified by us as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 23, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other additional information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have applied certain limited procedures to Management's Discussion and Analysis and those Required Supplementary Information (RSI) as listed in the table of contents. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

The basic financial statements also contain supplementary information which is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

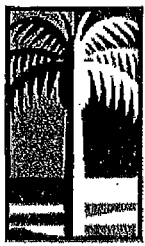
In addition, the basic financial statement also includes the introductory section, statistical section and other information. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and Management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malody & Scott, LLP.

October 23, 2023



LEUCADIA WASTEWATER DISTRICT

LEADERS IN
ENVIRONMENTAL
PROTECTION

October 23, 2023
Rogers, Anderson, Malody & Scott, LLP
San Bernardino, CA

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the financial statements of Leucadia Wastewater District (the District) as of June 30, 2023 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, of the District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 23, 2023.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 7, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- If applicable, all component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All components of net position, net investment in capital assets, restricted, and unrestricted are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- All revenues within the statement of Revenues, Expenses and Changes in Net Position have been properly classified as operating or non-operating.
- All expenses within the statement of Revenues, Expenses and Changes in Net Position have been properly classified as operating or non-operating.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly classified and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to nonattest services provided, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Leucadia Wastewater District is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities, deferrals and costs for financial accounting purposes are appropriate in the circumstances.
- We agree with the findings of specialists in evaluating the pension and other postemployment benefit liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Supplementary Information in Relation to the Financial Statements as a Whole


- With respect to the supplementary information accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

- With respect to the various required supplementary information accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
 - We believe the required supplementary information, including its form and content is measured and fairly presented in accordance with U.S. GAAP.
 - The methods of measurement or presentation have not changed from those used in the prior period.

Signature: 
Paul Bushee, General Manager

Signature: 
Ryan Green, Director of Finance and Administration



ROGERS, ANDERSON, MALODY & SCOTT, LLP
 CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
 REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
 IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

PARTNERS

Terry P. Shea, CPA
 Scott W. Manno, CPA, CGMA
 Leena Shanbhag, CPA, MST, CGMA
 Bradford A. Welebir, CPA, MBA, CGMA
 Jenny W. Liu, CPA, MST
 Gardenya Duran, CPA, CGMA
 Brianna Schultz, CPA, CGMA
 Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong Hyea Lee, CPA, MBA
 Evelyn Morentin-Barcelona, CPA
 Veronica Hernandez, CPA
 Laura Arvizu, CPA
 John Maldonado, CPA, MSA
 Julia Rodriguez Fuentes, CPA, MSA
 Demi Hite, CPA
 Jeffrey McKennan, CPA

MEMBERS

American Institute of
 Certified Public Accountants

*PCPS The AICPA Alliance
 for CPA Firms*

*Governmental Audit
 Quality Center*

California Society of
 Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
 Leucadia Wastewater District
 Carlsbad, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*, the financial statements of the business-type activities of the Leucadia Wastewater District (the District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 23, 2023

MEMORANDUM

DATE: November 2, 2023
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Purchase of a Spare Vaughan Chopper Pump for Leucadia Pump Station

RECOMMENDATION:

Staff and the Engineering Committee recommend that the Leucadia Wastewater District (LWD) Board of Directors:

1. Authorize the General Manager to execute a sole source agreement with Rockwell Solutions for the purchase of a Vaughan Submersible Chopper Pump for the Leucadia Pump Station in an amount not to exceed \$36,880.
2. Discuss and take other action as appropriate.

DISCUSSION:

Tactical Goal: Infrastructure and Technology / Purchases / Spare Conditioning Pump (Leucadia Pump Station)

This item was reviewed by the EC at their November 1st meeting and the EC concurred with staff to present this item for the Board's consideration.

The Leucadia Pump Station (LPS) is LWD's second-largest and pumps 2.5 million gallons of wastewater daily. Historically, staff has faced a persistent challenge at both Leucadia and Batiquitos Pump Stations with the accumulation of grease, wet wipes and debris which form a sizable grease mat that at times reached over 1 foot thick in the wet well. This occurrence disrupted pump station operations in several ways:

- It caused interference with electronic level sensors, resulting in false readings.
- It increased maintenance activities as large pieces of grease and wet wipes clogged pumps and required manual cleaning.
- It created odors.

During the LPS Rehabilitation Project in 2021, LWD addressed this issue by installing a Vaughan Submersible Chopper Pump in the wet well to serve as a conditioning pump. The conditioning pump has eliminated the grease mat issue. Because the repair of these type of pumps can often take 8 to 10 weeks, staff is recommending the purchase of a spare pump to maintain operational effectiveness based on the fact that the grease mat can develop rapidly in the absence of a conditioning pump.

Staff recently contacted Rockwell Solutions, who is the authorized dealer of Vaughan Pumps, to obtain a price quote for the spare pump. The price quote of \$36,880 is beyond staff's signature authority and, therefore, requires Board approval. The price quote has been attached for your review. Since the spare pump matches existing equipment, the recommended purchase is consistent with the sole source provisions of LWD's Procurement Policy.

FISCAL IMPACT:

The Fiscal Year 2024 Capital Acquisition Budget includes \$37,000 for this item which is sufficient to cover the cost of the pump.

Attachment

mg:PJB

To: Leucadia Wastewater District
Attn: Gabriel mendez

September 18th, 2023

RE: Vaughan Chopper Pumps – Wet Well Mixing



Gabe: Per your email, here is the information regarding the Duplicate Vaughan Chopper Pumps for the Station Mixing Operation.

As we have shown with yours and many local existing pumps, the chopper pump will cut and chop plastic, wood, rags and misc. other material while eliminating the eliminating the need for bar screens or grinders. We have supplied many chopper pumps to chop and cut the solids that plug or clog other pumps.

These pumps also have a sealed oil bearing design that eliminates abrasion/corrosion contamination of the seal and bearings.

We would like the chance to continue to show you the advantages of the chopper pumps and how we eliminate any need for screens, other pumps, or grinders.

If you have any questions please call.

Sincerely,

Kent Rockwell

Vaughan Model S4S-118

Submersible Chopper Pump consisting of:

Casing, cast ductile iron with 3" ANSI CL 125 discharge flange.

Impeller, Cutter Bar, Cutter Nut Upper Cutter, cast steel, heat treated to minimum Rockwell C60.

Mechanical Seal, cartridge type with ductile iron gland, Viton O-rings, silicon carbide faces, and integral stainless steel sleeve as manufactured by Vaughan.

Elastomers, Buna N

Bearings, oil bath lubricated with minimum 100,000-hour L-10 bearing life.

Bearing Housing, cast ductile iron with piloted motor mount.

Automatic Oil Level Monitor, PVC plastic reservoir with 120V switch and relay and 50 ft. of hose.

Shaft, heat treated steel

Drive, 15 HP, 1200 RPM, 460V, 3 phase, 60 Hz, 1.15 SF, Explosion Proof (Class 1, Group C & D) **continuous in air duty submersible motor** with tandem mechanical seals, moisture sensors, internal thermostats, and 50 feet of power and control cable.

Premium Pump Finish: Solvent wash, sandblast and coat with minimum 30 MDFT Tnemec Perma-Shield PL Series 431 epoxy. (Except Motor)

NOTE: CUSTOMER TO REUSE EXISTING GUIDE RAIL AND RECIRC SYSTEM

DISCOUNTED PRICE:

\$36,880.-

Pump Performance: 900 GPM @ 34 FT. TDH

Application: LIFT STATION

Industry: MUNICIPAL

MEMORANDUM

Ref: 24-8595

DATE: November 2, 2023
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Calendar Year 2024 Board of Directors' Meeting Schedule

RECOMMENDATION:

Staff requests that the Board of Directors:

- 1. Approve the calendar year 2024 Board of Directors' meeting schedule.
- 2. Discuss and take other action, as appropriate.

DISCUSSION:

During November 2009, the Board of Directors adopted Resolution No. 2205 establishing the date, time and place for regular meetings of the Board.

The proposed meeting schedule for calendar year 2024 can be found in the table below. Also attached is the updated 2024 conference schedule that staff has prepared for coordinating with the Board meeting dates in order to avoid potential conflicts with the proposed dates. To avoid conflict with holidays or meetings of professional organizations in which the District is affiliated, the date indicated in blue below has been changed from the second Wednesday of the month to the third Wednesday of the month. The conflicting meeting is indicated next to the revised date.

2022 Board of Directors' Meeting Schedule	
January 10, 2024	July 10, 2024
February 14, 2024	August 14, 2024
March 13, 2024	September 18, 2024 (CSDA Annual Conference)**
April 17, 2024 (CWEA Annual Conference)*	October 9, 2024
May 8, 2024	November 13, 2024
June 12, 2024	December 11, 2024

In accordance with the Resolution, staff requests that the Board of Directors approve the calendar year 2024 Board of Directors' meeting schedule (above) and take other action, as appropriate.

tb:PJB

Attachments



LEADERS IN
ENVIRONMENTAL
PROTECTION

Board of Directors

2024 Calendar Year Board Meeting Schedule	
January 10, 2024	July 10, 2024
February 14, 2024	August 14, 2024
March 13, 2024	September 18, 2024**
April 17, 2024*	October 9, 2024
May 8, 2024	November 13, 2024
June 12, 2024	December 11, 2024

* April Board Meeting conflicted with CWEA Annual Conference on August 10. April Board Meeting changed to April 17.

** September Board Meeting conflicted with CSDA Annual Conference on September 11. September Board Meeting changed to September 18.

UPCOMING 2024 CONFERENCES

CASA Conferences

CASA Winter Conference

Date: **January 24-26, 2024**

LWD Board Meeting: January 10, 2024

Location: Hilton Palm Springs, Palm Springs, CA

Conference website: <https://casaweb.org/calendar/>

CASA Annual Conference

Date: **July 31- August 2, 2024**

LWD Board Meeting: August 14, 2024

Location: Monterey Marriott, Monterey, CA

Conference website: <https://casaweb.org/calendar/>

CWEA Conferences

CWEA Annual Conference

Date: **April 9 – 12, 2024**

LWD Board Meeting: CONFLICT - CHANGE APR 10 MEETING TO APR 17, 2024

Location: Sacramento Convention Center, Sacramento, CA

Conference website: <https://www.cwea.org/conferences/cwea-annual-conference/>

CSDA Conferences

CSDA Legislative Days

Date: **May 21-22, 2024**

LWD Board Meeting: May 8, 2024

Location: Sacramento Convention Center, Sacramento, CA

Conference website: <https://legislativedays.csdanet/home>

CSDA Annual Conference

Date: **September 9-12, 2024**

LWD Board Meeting: CONFLICT - CHANGE SEPT 11 MEETING TO SEPT 18, 2024

Location: Indian Wells, CA

Conference website: <https://www.csdanet/annualconference/home>

Wateruse Conference

2024 WaterReuse California Annual Conference

Date: **September 15-17, 2024**

LWD Board Meeting: September 11, 2024

Location: Garden Grove, CA

Conference website: <https://watereuse.org/news-events/conferences/>

WEF TEC Conference

97th Annual Water Environment Federation Conference

Date: **October 5 - 9, 2024**

LWD Board Meeting: October 9, 2024

Location: Ernest N. Morial Convention Center, New Orleans, LA

Conference website: <http://www.weftec.org>

Directors' Meetings

Presented by Vice President Roesink

Conference

2023 Special District Leadership Academy

Dates and Location

October 22-25, 2023

Hyatt Regency Sonoma Wine Country
Santa Rosa, CA

List of Attendees

Vice President Roesink

The above mentioned Board member attended sessions in Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources, and Board's Role in Finance and Fiscal Accountability.

Directors' Meetings

Presented by President Sullivan and Director Omsted

Conference

2023 WaterReuse CA Annual Conference

Dates and Location

November 5-7, 2023

Hyatt Regency Indian Wells

Indian Wells, CA

List of Attendees

President Sullivan

Director Omsted

The above mentioned Board member attended various sessions regarding the design, management, operations, and use of water recycling and/or desalination facilities and projects in California.



Leucadia Wastewater District

Treasurer's Quarterly Investment Report

As of September 30, 2023

Submitted by

Paul J. Bushee, General Manager

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LEUCADIA WASTEWATER DISTRICT
QUARTERLY TREASURER'S REPORT SUMMARY
As of June 30, 2023

- A. The liquidity of the investments and expected cash flow of the Leucadia Wastewater District (LWD) more than meets expenditure requirements for the next six months.
- B. Our investments are concentrated in five major areas.
- 1) **State of California Local Agency Investment Pool (LAIF):** This pool is regulated by the California Government Code under the oversight of the Treasurer of the State of California. This pool is very conservative and its investments are very liquid. District funds are available to us in 24 hours by electronic transfer.
 - 2) **San Diego County Treasurer's Pooled Money Fund:** This pool is managed by the San Diego County Treasurer-Tax Collector's office. This pool is very conservative and its investments are very liquid. This pool is rated AA Af/S1 by Standard & Poor's. The AA Af rating indicates the extremely strong protection the pool's portfolio investments provide against losses from credit defaults. The S1 volatility rating signifies that the pool possesses low sensitivity to changing market conditions given its low risk profile and conservative investment policies. District funds are available to us in 48 hours by electronic transfer.
 - 3) **California Asset Management Program Joint Powers Authority Investment Pool (CAMP):** This pool is a short-term investment portfolio for California Public Agencies to invest surplus funds. Public Agencies that invest in the pool purchase shares of beneficial interest. This pool is also very conservative and its investments are very liquid. The CAMP pool is rated AA Am, by Standard & Poor's. This high principal stability rating addresses the ability of the fund to maintain principal value and limit exposure to loss. District funds are available to us in 24 hours by electronic transfer.
 - 4) **Securities Purchased Through Financial Broker-Dealers.** This category includes US Treasury Bonds and Notes, Federal Agency Securities, Corporate Notes, and Bank Certificates of Deposit (CDs) purchased through a financial broker-dealer and held in a third-party custodial account with Pershing L.L.C. The Certificates of Deposit (CD's) are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration. (NCUA).
 - 5) **CAMP Individual Investment Portfolio:** The CAMP Individual Portfolio is a professionally managed investment account by separate agreement with CAMP's investment advisor (Public Financial Management, Inc.) and is specifically designed for public agencies. The CAMP Individual Portfolio was initiated in December 2004 and initial investment purchases commenced in January 2005. Investments purchased through the CAMP Individual Portfolio are held by US Bank in a safekeeping trust account. Investments are paid for only upon delivery by the brokerage house with the approval of the District's General Manager. All sales or

maturities have cash deposited directly to the safekeeping trust account. No board member, staff member or anyone other than the broker or the bank ever has possession of negotiable investment instruments such as stock or bond certificates. Investments in this area are made to attempt to enhance our overall interest and investment income.

- C. These investments and all investment actions executed since the last quarterly treasurer's investment report comply with California Government Code and with LWD's investment policy.

I, Paul J. Bushee, Secretary/General manager of the Leucadia Wastewater District, hereby certify the foregoing quarterly treasurer's report summary in accordance with Leucadia Wastewater District's investment policy.

Dated: 11/2/2023



Paul J. Bushee, Secretary/General Manager

LEUCADIA WASTEWATER DISTRICT

QUARTERLY TREASURER'S REPORT SUMMARY

09-30-23

SUMMARY OF CASH & INVESTMENTS at September 30, 2023

SEE APPENDIX FOR DETAILS

ASSETS	PAR VALUE 9/30/2023	AMORTIZED COST 9/30/2023	% OF TOTAL		MARKET VALUE (1) 9/30/2023
			Actual	Allowed	
CASH IN BANK (Checking/Reserve Accts)	\$ 2,208,020	\$ 2,208,020	9%	30%	\$ 2,208,020
MONEY MARKET FUNDS	\$ 11,820	\$ 11,820	0%	20%	\$ 11,820
LAIF - STATE INVESTMENT POOL	\$ 405,942	\$ 405,942	2%	75%	\$ 400,383.78
SAN DIEGO COUNTY INVESTMENT POOL	\$ 10,456	\$ 10,456	0%	75%	\$ 10,000
CAMP - JPA INVESTMENT POOL	\$ 2,704,132	\$ 2,704,132	11%	75%	\$ 2,704,132
FEDERAL AGENCY SECURITIES					
FFCB Systemwide Bonds	\$ 1,200,000	\$ 1,198,189			\$ 1,095,300
FHLMC Notes	\$ 500,000	\$ 499,981			\$ 498,250
FHLB Notes	\$ 1,597,000	\$ 1,576,575			\$ 1,455,384
Total Federal Agency Securities	\$ 3,297,000	\$ 3,274,745	13%	75%	\$ 3,048,933
US TREASURY BONDS/NOTES	\$ 1,590,000	\$ 1,543,654	6%	100%	\$ 1,461,601
CORPORATE NOTES	\$ 4,360,000	\$ 4,349,449	17%	25%	\$ 4,002,173
MUNICIPAL BONDS	\$ 2,370,000	\$ 2,433,766	10%	10%	\$ 2,233,659
INSURED CERTIFICATES OF DEPOSIT	\$ 8,139,000	\$ 8,139,000	32%	30%	\$ 7,729,725
TOTAL CASH & INVESTMENTS	\$ 25,096,370	\$ 25,080,985	100%		\$ 23,810,448

As of September 30, 2023

QUARTERLY RESULTS



Cash & Inv.

\$23.8M



Avg. Days to Maturity

625



Change in Cash & Inv.



Interest Earned

\$152K



Average Return

2.3%



LAIF Benchmark

3.4%

(1) The sources for the market values of the Pools are from the Pools themselves
The sources for the market values of the securities are from third party safekeeping services

APPENDIX A

STATE OF CALIFORNIA

LOCAL AGENCY INVESTMENT FUND (LAIF)

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

October 03, 2023

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

LEUCADIA WASTEWATER DISTRICT

GENERAL MANAGER
1960 LA COSTA AVENUE
CARLSBAD, CA 92009-6810

[Tran Type Definitions](#)

Account Number: 90-37-003

September 2023 Statement

Account Summary.

Total Deposit:	0.00	Beginning Balance:	405,942.04
Total Withdrawal:	0.00	Ending Balance:	405,942.04



PMIA/LAIF Performance Report as of 10/18/23



Quarterly Performance Quarter Ended 09/30/23

LAIF Apportionment Rate ⁽²⁾ :	3.59
LAIF Earnings Ratio ⁽²⁾ :	0.00009812538629360
LAIF Administrative Cost ^{(1)*} :	0.29
LAIF Fair Value Factor ⁽¹⁾ :	0.986307739
PMIA Daily ⁽¹⁾ :	3.48
PMIA Quarter to Date ⁽¹⁾ :	3.42
PMIA Average Life ⁽¹⁾ :	256

PMIA Average Monthly Effective Yields⁽¹⁾

September	3.534
August	3.434
July	3.305**
June	3.167
May	2.993
April	2.870

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 09/30/23 \$156.4 billion

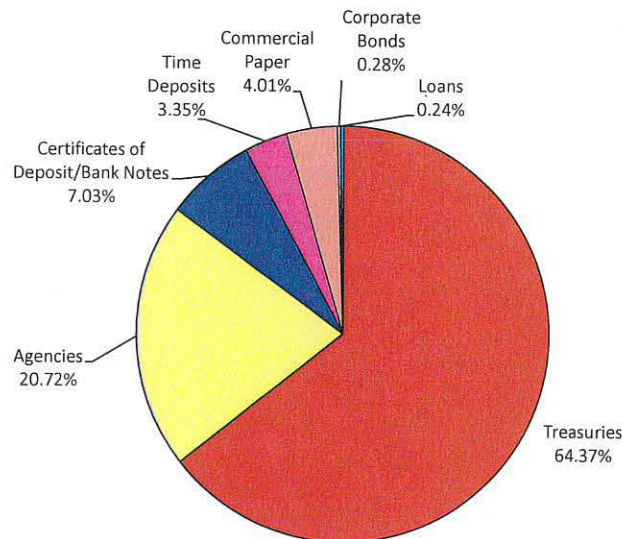


Chart does not include \$2,444,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

** Revised

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



State of California
Pooled Money Investment Account
Market Valuation
9/30/2023

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
United States Treasury:				
Bills	\$ 22,254,070,554.26	\$ 22,573,811,770.05	\$ 22,564,630,000.00	NA
Notes	\$ 75,736,882,320.52	\$ 75,726,070,719.47	\$ 73,914,693,500.00	\$ 356,275,509.00
Federal Agency:				
SBA	\$ 289,931,607.50	\$ 289,931,607.50	\$ 289,283,255.27	\$ 1,343,664.44
MBS-REMICs	\$ 2,444,395.28	\$ 2,444,395.28	\$ 2,377,611.11	\$ 10,790.37
Debentures	\$ 8,932,358,628.46	\$ 8,931,933,628.45	\$ 8,757,401,100.00	\$ 56,448,847.70
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 800,000,000.00	\$ 800,000,000.00	\$ 778,527,500.00	\$ 6,377,986.50
Discount Notes	\$ 19,299,127,548.54	\$ 19,592,303,562.55	\$ 19,597,035,000.00	NA
Supranational Debentures	\$ 3,069,440,886.57	\$ 3,069,197,136.57	\$ 3,000,342,800.00	\$ 21,753,731.10
Supranational Debentures FR	\$ -	\$ -	\$ -	\$ -
CDs and YCDs FR	\$ -	\$ -	\$ -	\$ -
Bank Notes	\$ 100,000,000.00	\$ 100,000,000.00	\$ 99,998,636.29	\$ 3,441,666.67
CDs and YCDs	\$ 10,900,000,000.00	\$ 10,900,000,000.00	\$ 10,895,339,264.35	\$ 125,772,666.67
Commercial Paper	\$ 6,278,680,305.56	\$ 6,336,423,069.39	\$ 6,333,243,472.32	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ 438,461,769.11	\$ 438,392,491.33	\$ 413,769,970.00	\$ 2,753,541.98
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,243,000,000.00	\$ 5,243,000,000.00	\$ 5,243,000,000.00	NA
PMIA & GF Loans	\$ 380,513,000.00	\$ 380,513,000.00	\$ 380,513,000.00	NA
TOTAL	\$ 153,724,911,015.80	\$ 154,384,021,380.59	\$ 152,270,155,109.34	\$ 574,178,404.43

Fair Value Including Accrued Interest \$ 152,844,333,513.77

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (0.986307739). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$19,726,154.79 or \$20,000,000.00 x 0.986307739.

APPENDIX B

SAN DIEGO COUNTY TREASURER'S INVESTMENT POOL

San Diego County Investment Pool
 Quarterly Activity
 September 30, 2023

		July-September
Opening Balance	6/30/2023	\$ 10,414
Purchases		\$ -
Redemptions		\$ -
Interest Received		\$ 42
Ending Balance	9/30/2023	\$ 10,456

SUMMARY PORTFOLIO STATISTICS

County of San Diego Pooled Money Fund

As of September 30, 2023

Investment Type	Par Value	Book Value	Market Value	% of Portfolio	Market Price	Days To Maturity	YTM	Accrued Interest	Unrealized Gain/Loss
ABS	860,129,401	859,275,994	840,293,415	6.39%	97.69	1248	3.62%	1,306,615	(18,982,579)
Agency	3,275,810,000	3,273,919,585	3,059,427,317	23.33%	93.39	818	1.54%	11,542,463	(214,492,268)
Bank Deposit	10,637,967	10,637,967	10,637,967	0.08%	100.00	0	3.38%	-	-
Commercial Paper	2,319,000,000	2,293,841,265	2,293,841,265	17.43%	98.92	73	5.57%	-	-
Corporate	418,834,000	419,521,450	400,531,978	3.06%	95.63	467	2.16%	2,665,882	(18,989,471)
LAIF	2,128	2,128	2,128	0.00%	100.00	0	3.61%	18	-
Local Gov Investment Pool	482,097,738	482,097,738	482,097,738	3.66%	100.00	0	5.52%	-	-
Money Market Fund FI	88,500,000	88,500,000	88,500,000	0.67%	100.00	0	5.27%	-	-
Municipal Bonds	526,010,000	525,692,873	501,128,246	3.83%	95.27	715	2.12%	2,948,660	(24,564,627)
Negotiable CD	3,277,000,000	3,277,000,000	3,275,223,357	25.31%	99.95	164	5.62%	56,012,441	(1,776,643)
Supranationals	883,412,000	883,961,952	840,711,028	6.41%	95.17	511	1.48%	3,291,412	(43,250,924)
US Treasury	1,398,000,000	1,389,474,533	1,289,462,914	9.82%	92.24	730	1.11%	2,652,750	(100,011,619)
Total for September 2023	13,539,433,234	13,503,925,485	13,081,857,353	100%	96.62	471	3.51%	80,420,242	(422,068,132)
Total for August 2023	13,782,762,648	13,735,134,860	13,327,728,503	100%	96.70	482	3.47%	71,873,815	(407,406,357)
Change from Prior Month	(243,329,414)	(231,209,376)	(245,871,151)		(0.08)	(11)	0.04%	8,546,427	(14,661,775)
Portfolio Effective Duration	1.09								
Return Information	Monthly Return	Annualized	Fiscal Year To Date Return	Annualized	Calendar YTD Return	Annualized			
Book Value	0.28%	3.39%	0.84%	3.41%	2.49%	3.33%			

Notes

Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date. Weighted Days to Maturity is average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Yields for the portfolio are aggregated based on the book value of each security.

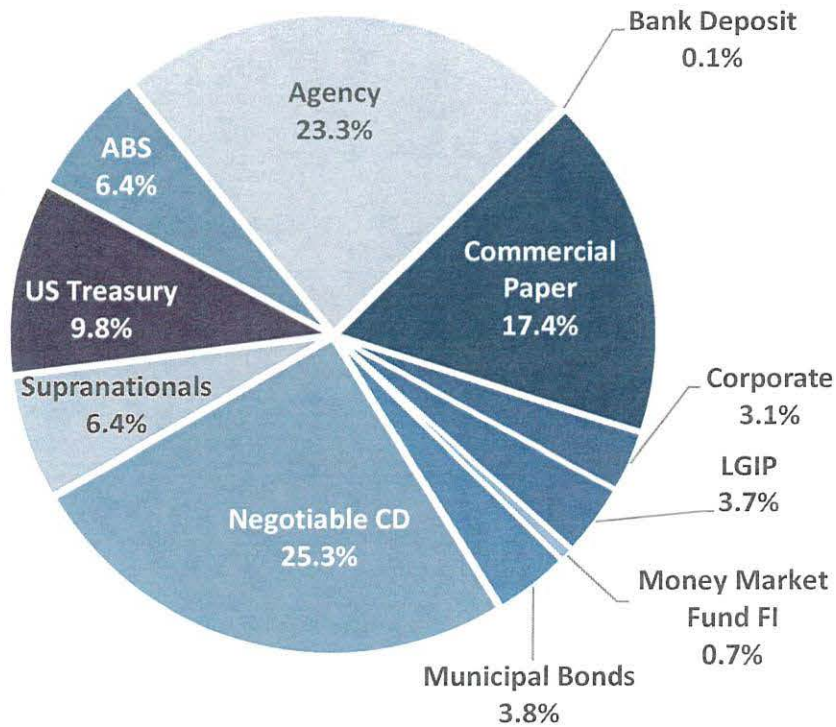
Monthly Investment Returns are reported gross of fees. Administration fees since fiscal year 17-18 have averaged approximately 7 basis points per annum. **All Investments held during the month of September 2023 were in compliance with the Investment Policy dated January 1, 2023. The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures.

While Safety, Liquidity, and Yield remain the Fund's primary investment objectives, all else being equal and acting under statutory investment limitations, the County Treasurer affirms his/her commitment to the consideration of ESG criteria in evaluating securities. Sustainalytics, a Morningstar Company, provides high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies. Using Sustainalytics scoring, which is available on Bloomberg, the Pool had a weighted average MTN/CP/CD score of 20.19 as of 09/30/23, placing it in the "Medium Risk" category. Sustainalytics' ratings categories are: negligible (0-9.99), low (10-19.99), medium (20-29.99), high (30-39.99) and severe (40+).

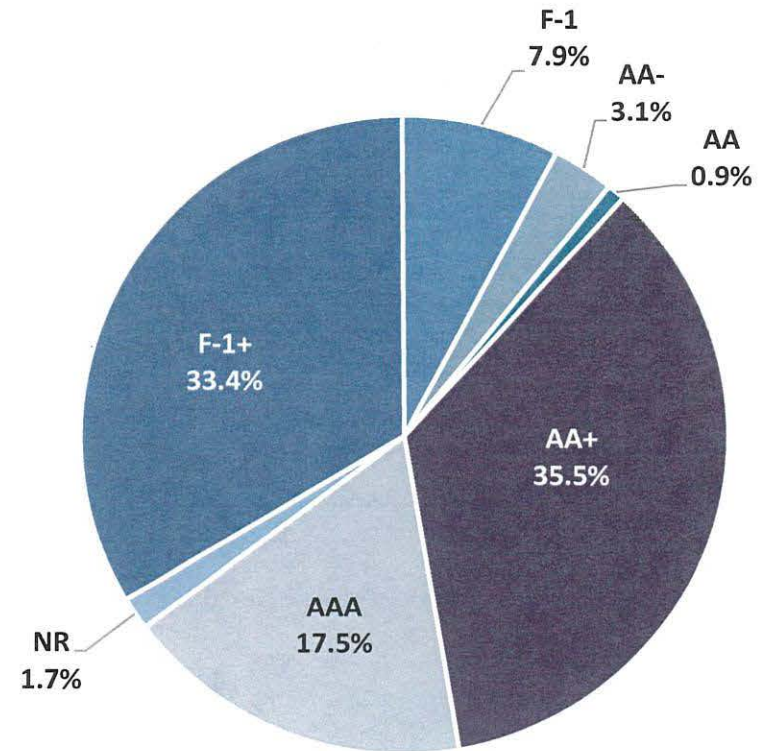
INVESTMENT FUND OVERVIEW

County of San Diego Pooled Money Fund As of September 30, 2023

ASSET ALLOCATION



CREDIT QUALITY**



Note: Totals in both charts may not add to 100% due to rounding.

**If a security is not rated by Fitch, the report uses the lowest rating provided by either Moody's or Standard and Poor's using the Fitch scale.

APPENDIX C

CALIFORNIA ASSET MANAGEMENT PROGRAM

JPA INVESTMENT POOL



Account Statement

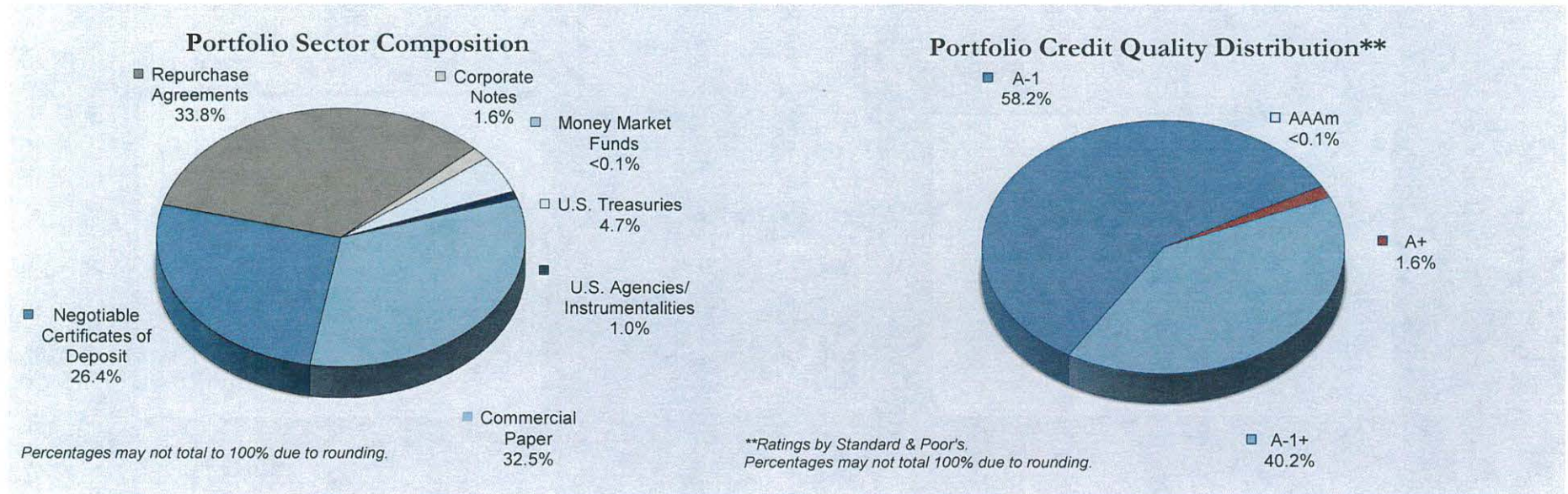
For the Month Ending **September 30, 2023**

LEUCADIA WASTEWATER DISTRICT - OPERATING FUND - 503-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					5,031,476.04
09/05/23	09/05/23	Purchase - Interest 166764BT6	1.00	3,618.75	5,035,094.79
09/18/23	09/18/23	Redemption - ACH Redemption	1.00	(250,000.00)	4,785,094.79
09/21/23	09/21/23	Redemption - ACH Redemption	1.00	(2,100,000.00)	2,685,094.79
09/28/23	09/28/23	IP Fees August 2023	1.00	(193.27)	2,684,901.52
09/28/23	09/28/23	U.S. Bank Fees July 2023	1.00	(35.43)	2,684,866.09
09/29/23	10/02/23	Accrual Income Div Reinvestment - Distributions	1.00	19,266.28	2,704,132.37
Closing Balance					2,704,132.37

	Month of September	Fiscal YTD January-September		
Opening Balance	5,031,476.04	2,842,958.08	Closing Balance	2,704,132.37
Purchases	22,885.03	8,013,695.29	Average Monthly Balance	4,227,540.51
Redemptions (Excl. Checks)	(2,350,228.70)	(8,152,521.00)	Monthly Distribution Yield	5.55%
Check Disbursements	0.00	0.00		
Closing Balance	2,704,132.37	2,704,132.37		
Cash Dividends and Income	19,266.28	216,046.20		

Total Fund Net Assets¹	\$14,539,160,857	Weighted Average Maturity	41 Days
Current 7-Day Yield²	5.55%	Net Asset Value per Share	\$1.00
S&P Rating³	AAAm		



1. Total fund net assets, portfolio holdings valued at amortized cost, trade date based.
2. As of September 30, 2023, the current seven-day yield of the CAMP Cash Reserve Portfolio may, from time to time, be quoted in reports, literature and advertisements published by the Trust. The current seven-day yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. Past performance is not indicative of future results and yields may vary.
3. Standard & Poor's fund ratings are based on analysis of credit quality, market price exposure, and management. According to Standard & Poor's rating criteria, the AAAm rating signifies excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology, visit Standard & Poor's website (http://www.standardandpoors.com/en_US/web/guest/home).

APPENDIX D

MBS BROKER-DEALER PORTFOLIO

PERSHING LLC SAFEKEEPING ACCOUNT

Portfolio Holdings

Description	Quantity	Opening Balance	Closing Balance	Accrued Income	30-Day Yield
CASH, MONEY FUNDS AND BANK DEPOSITS 1.00% of Portfolio					
Cash Balance					
		39,716.12	18,658.67		
TOTAL CASH, MONEY FUNDS AND BANK DEPOSITS		\$39,716.12	\$18,658.67	\$0.00	

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME 99.00% of Portfolio (In Maturity Date Sequence)						
Certificates of Deposit						
NEW YORK CMNTY BK WESTBURY NEW YORK CTF DEP 0.350% 12/11/23 DTD 12/11/20 ACT/365 Security Identifier: 649447UK3	249,000.0000	98.9780	246,455.22	265.03	871.50	0.35%
MERRICK BK SOUTH JORDAN UTAH CTF DEP 1.150% 03/18/24 DTD 03/17/20 ACT/365 1ST CPN DTE 04/17/20 Security Identifier: 59013KGA8	249,000.0000	98.0110	244,047.39	101.99	2,863.50	1.17%
AXOS BK SAN DIEGO CALIF CTF DEP 1.600% 03/26/24 DTD 03/26/20 ACT/365 1ST CPN DTE 04/26/20 Security Identifier: 05465DAJ7	249,000.0000	98.1360	244,358.64	43.66	3,984.00	1.63%
BMW BK NORTH AMER SALT LAKE CITY UTAH CTF DEP 1.500% 04/12/24 B/E DTD 04/14/20 ACT/365 Security Identifier: 05580AWF7	248,000.0000	97.8950	242,779.60	1,722.41	3,720.00	1.53%
ENERBANK USA SALT LAKE CITY UTAH CTF DEP 0.700% 05/15/24 DTD 05/15/20 ACT/365 Security Identifier: 29278TPA2	249,000.0000	97.0260	241,594.74	71.63	1,743.00	0.72%
MEDALLION BK SALT LAKE CITY UTAH CTF DEP ACT/365 0.500% 08/12/24 REG DTD 08/10/21 ACT/365 Security Identifier: 58404DLH2	249,000.0000	95.6490	238,166.01	173.96	1,245.00	0.52%
CAPITAL ONE NATL ASSN MCLEAN VA CTF DEP 2.000% 08/21/24 DTD 08/21/19 ACT/365 Security Identifier: 14042RNE7	247,000.0000	96.8210	239,147.87	541.37	4,940.00	2.06%
CAPITAL ONE BK USA NATL ASSN GLEN ALLEN VA CTF DEP 2.000% 08/21/24 DTD 08/21/19 ACT/365 Security Identifier: 14042TCB1	247,000.0000	96.8210	239,147.87	541.37	4,940.00	2.06%
LIVE OAK BKG CO WILMINGTON N C CTF DEP 1.700% 08/28/24 DTD 02/28/20 ACT/365 Security Identifier: 538036JU9	249,000.0000	96.4760	240,225.24	336.32	4,233.00	1.76%

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)						
Certificates of Deposit (continued)						
SALLIE MAE BK SALT LAKE CITY UT CTF DEP 1.950% 09/25/24 DTD 09/25/19 ACT/365 1ST CPN DTE 03/25/20 Security Identifier: 7954504F9	247,000.0000	96.4270	238,174.69	65.98	4,816.50	2.02%
STATE BK INDIA NEW YORK N Y CTF DEP 2.050% 11/27/24 DTD 11/27/19 ACT/365 1ST CPN DTE 05/27/20 Security Identifier: 856285RS2	247,000.0000	95.9630	237,028.61	1,747.95	5,063.50	2.13%
MACHIAS SVGS BK ME CTF DEP 1.150% 03/18/25 DTD 03/18/20 ACT/365 1ST CPN DTE 04/18/20 Security Identifier: 554479DW2	249,000.0000	93.6770	233,255.73	94.14	2,863.50	1.22%
ADIRONDACK BK UTICA NY CTF DEP 1.100% 03/25/25 B/E DTD 03/25/20 ACT/365 1ST CPN DTE 04/25/20 Security Identifier: 00687QAT9	242,000.0000	93.5290	226,340.18	36.47	2,662.00	1.17%
ALMA BK ASTORIA NEW YORK CTF DEP 1.400% 03/28/25 B/E DTD 03/30/20 ACT/365 1ST CPN DTE 04/30/20 Security Identifier: 020080BX4	249,000.0000	93.9440	233,920.56	0.00	3,486.00	1.49%
BANK BARODA NEW YORK BRH CTF DEP 0.700% 07/22/25 B/E DTD 07/22/20 ACT/365 1ST CPN DTE 01/22/21 Security Identifier: 06063HMS9	249,000.0000	91.6290	228,156.21	334.27	1,743.00	0.76%
TEXAS EXCHANGE BK CROWLEY CTF DEP 0.600% 10/23/25 DTD 10/23/20 ACT/365 CALLABLE 10/23/23 Security Identifier: 88241TJJO	213,000.0000	89.9920	191,682.96	24.51	1,278.00	0.66%
GREENSTATE CR UN NORTH LIBERTY IOWA SH CTF ACT/365 0.700% 03/12/26 B/E DTD 03/12/21 Security Identifier: 39573LAY4	249,000.0000	89.0200	221,659.80	138.48	1,743.00	0.78%
UBS BK USA SALT LAKE CITY UT CTF DEP 0.900% 07/14/26 DTD 07/14/21 ACT/365 1ST CPN DTE 08/14/21 Security Identifier: 90348JQ29	249,000.0000	88.2880	219,837.12	98.24	2,241.00	1.01%
GOLDMAN SACHS BK USA NEW YORK CTF DEP 1.000% 07/28/26 B/E DTD 07/28/21 ACT/365 1ST CPN DTE 01/28/22 Security Identifier: 38149MXK4	248,000.0000	88.3370	219,075.76	434.85	2,480.00	1.13%
TOYOTA FINL SVGS BK HEND NV CTF DEP 0.950% 07/29/26 B/E DTD 07/29/21 ACT/365 1ST CPN DTE 01/29/22 Security Identifier: 89235MLE9	248,000.0000	88.3740	219,167.52	406.65	2,356.00	1.07%
SYNCHRONY BK RETAIL CTF DEP FIDELITY INSTL CTF DEP 0.900% 08/13/26 DTD 08/13/21 ACT/365 Security Identifier: 87165FZM9	248,000.0000	88.1040	218,497.92	293.52	2,232.00	1.02%
PENTAGON FEDERAL CR UN TYSONS CORNER VA SH CTF 0.900% 09/29/26 B/E DTD 09/29/21 Security Identifier: 70962LAS1	249,000.0000	87.5860	218,089.14	6.14	2,241.00	1.02%

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)						
Certificates of Deposit (continued)						
ALL IN FED CR UN DALEVILLE AL SH CTF 4.400% 12/20/27 DTD 12/20/22 Security Identifier: 01664MAB2	249,000.0000	96.7440	240,892.56	300.16	10,956.00	4.54%
AUSTIN TELCO FED CR UN TEX SH CTF 4.750% 01/27/28 B/E DTD 01/27/23 Security Identifier: 052392CN5	248,000.0000	98.0050	243,052.40	935.95	11,780.00	4.84%
LIBERTY FIRST CR UN LINCOLN NEB SH CTF 4.350% 02/03/28 B/E DTD 02/03/23 Security Identifier: 530520AE5	249,000.0000	96.4450	240,148.05	860.58	10,831.50	4.51%
BLUE RIDGE BK NATL ASSN MARTINSVILLE VA CTF DEP 4.200% 02/28/28 DTD 02/28/23 ACT/365 Security Identifier: 09582YAF9	244,000.0000	95.8200	233,800.80	926.53	10,248.00	4.38%
MORGAN STANLEY BK N A SALT LAKE CITY UTAH CTF DEP 4.800% 03/16/28 B/E DTD 03/16/23 ACT/365 Security Identifier: 61690U3C2	244,000.0000	98.1360	239,451.84	449.23	11,712.00	4.89%
BMO HARRIS BK NATL ASSN CHICAGO ILL CTF DEP 4.500% 05/16/28 DTD 05/16/23 ACT/365 Security Identifier: 05600XQE3	244,000.0000	96.8190	236,238.36	4,121.26	10,980.00	4.64%
UNIVEST NATL BK TR SOUDERTON PA CTF DEP 4.400% 05/16/28 DTD 05/16/23 ACT/365 1ST CPN DTE 06/16/23 Security Identifier: 91527PCA3	249,000.0000	96.3860	240,001.14	420.23	10,956.00	4.56%
UTAH FIRST FED CR UN SALT LAKE CITY SH CTF 4.750% 07/14/28 DTD 07/14/23 Security Identifier: 91739JAA3	248,000.0000	100.0450	248,111.60	516.38	11,780.00	4.74%
DEPARTMENT OF COMM FED CR UN WASH D C SH CTF 5.000% 07/26/28 DTD 07/26/23 Security Identifier: 24951TAZ8	248,000.0000	98.7630	244,932.24	1,189.04	12,400.00	5.06%
Total Certificates of Deposit	7,646,000.0000		\$7,247,437.77	\$17,198.30	\$165,389.00	
U.S. Treasury Securities						
UNITED STATES TREAS NTS 2.375% 02/29/24 B/E DTD 02/28/19 1ST CPN DTE 08/31/19 CPN PMT SEMI ANNUAL Moody Rating Aaa Security Identifier: 9128286GO	250,000.0000	98.7540	246,885.00	489.35	5,937.50	2.40%

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)						
U.S. Treasury Securities (continued)						
UNITED STS TREAS NTS 1.250% 12/31/26 B/E DTD 12/31/21 1ST CPN DTE 06/30/22 CPN PMT SEMI ANNUAL ON JUN 30 AND DEC 31 Moody Rating Aaa Security Identifier: 91282CDQ1	250,000.0000	89.5860	223,965.00	781.25	3,125.00	1.39%
UNITED STS TREAS NTS 0.625% 12/31/27 B/E DTD 12/31/20 1ST CPN DTE 06/30/21 CPN PMT SEMI ANNUAL ON JUN 30 AND DEC 31 Moody Rating Aaa Security Identifier: 91282CBB6	290,000.0000	84.5700	245,253.00	453.13	1,812.50	0.73%
Total U.S. Treasury Securities	790,000.0000		\$716,103.00	\$1,723.73	\$10,875.00	
U.S. Government Bonds						
FEDERAL FARM CR BKS CONS SYSTEMWIDE BDS 0.530% 09/29/25 B/E DTD 09/29/20 CALLABLE 10/04/23 @ 100.000 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3133EMBJO	500,000.0000	91.1630	455,815.00	7.36	2,650.00	0.58%
FEDERAL FARM CR BKS CONS SYSTEMWIDE BDS 0.540% 11/03/25 B/E DTD 11/03/20 CALLABLE 10/04/23 @ 100.000 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3133EMFR8	400,000.0000	90.6710	362,684.00	882.00	2,160.00	0.59%
FEDERAL HOME LN BKS CONS BD 1.000% 09/30/26 B/E DTD 09/30/21 CALLABLE 09/30/23 @ 100.000 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3130ANYN4	300,000.0000	88.7020	266,106.00	0.00	3,000.00	1.12%
FEDERAL HOME LN BKS 1.600% 12/17/26 B/E DTD 12/17/21 CALLABLE 12/17/23 @ 100.000 1ST CPN DTE 06/17/22 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3130APXT7	250,000.0000	89.7430	224,357.50	1,144.44	4,000.00	1.78%
FEDERAL HOME LN BKS CONS BD 1.650% 01/27/27 B/E DTD 01/27/22 CALLABLE 10/27/23 @ 100.000 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3130AQLQ4	250,000.0000	89.4780	223,695.00	721.88	4,125.00	1.84%
FEDERAL HOME LN BKS CONS BD 1.900% 02/17/27 B/E DTD 02/17/22 CALLABLE 11/17/23 @ 100.000 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3130AQPE7	250,000.0000	90.0830	225,207.50	567.36	4,750.00	2.10%
FEDERAL HOME LN MTG CORP MEDIUM TERM NTS FED R 6.250% 08/28/28 B/E DTD 08/28/23 CALLABLE 11/28/23 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3134HIATO	247,000.0000	100.0480	247,118.56	1,372.22	15,437.50	6.24%
Total U.S. Government Bonds	2,197,000.0000		\$2,004,983.56	\$4,695.26	\$36,122.50	

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)						
Municipal Bonds						
BREA CALIF WTR REV TAXABLE REF BDS 2020 0.814% 07/01/24 B/E DTD 10/29/20 1ST CPN DTE 01/01/21 CPN PMT SEMI ANNUAL S & P Rating AA Security Identifier: 106295CS5	170,000.0000	96.5350	164,109.50	342.11	1,383.80	0.84%
NATOMAS UNI SCH DIST CALIF ELECTION 2018 TAXABLE GO BDS 2020 B 0.950% 08/01/24 B/E DTD 10/01/20 Moody Rating Aa3 S & P Rating AA Security Identifier: 63877NML8	150,000.0000	96.2640	144,396.00	233.54	1,425.00	0.98%
CUCAMONGA VY CALIF WTR DIST FING AUTH WTR REV REF BDS 2018B 3.300% 09/01/24 B/E DTD 06/07/18 S & P Rating AA+ Security Identifier: 22972PCH3	170,000.0000	97.9550	166,523.50	451.92	5,610.00	3.36%
PALMDALE CALIF WTR DIST WTR REV TAXABLE REF BDS 2020 1.168% 10/01/24 B/E DTD 11/03/20 INS BUILD AMER MUT S & P Rating AA Security Identifier: 69674PAD6	170,000.0000	95.5590	162,450.30	987.28	1,985.60	1.22%
OCEANSIDE CALIF WTR REV REF TAXABLE BDS 2021 A 0.853% 05/01/25 B/E DTD 05/27/21 1ST CPN DTE 11/01/21 S & P Rating AA+ Security Identifier: 675413DK1	200,000.0000	93.1330	186,266.00	706.09	1,706.00	0.91%
ONTARIO CALIF PENSION OBLIG TAXABLE BDS 2020 2.537% 06/01/25 B/E DTD 05/21/20 1ST CPN DTE 12/01/20 S & P Rating AA Security Identifier: 68304FAE6	300,000.0000	95.0710	285,213.00	2,515.86	7,611.00	2.66%
SANTA CLARA VY CALIF WTR DIST CTF S PARTN COPS D 3.149% 06/01/25 B/E DTD 03/30/16 1ST CPN DTE 06/01/16 Moody Rating Aa1 Security Identifier: 80168FME3	150,000.0000	96.3330	144,499.50	1,561.38	4,723.50	3.26%
HUNTINGTON BEACH CALIF PENSION OBLIG TAXABLE BDS 2021 1.074% 06/15/25 B/E DTD 04/01/21 1ST CPN DTE 12/15/21 S & P Rating AA+ Security Identifier: 446201AD7	500,000.0000	92.8200	464,100.00	1,566.25	5,370.00	1.15%
SAN MARCOS CALIF PUB FING AUTH SPL TAX REV REF TAXABLE BDS 2021 1.297% 09/01/25 B/E DTD 03/18/21 S & P Rating AA Security Identifier: 79876AER9	560,000.0000	92.1610	516,101.60	585.09	7,263.20	1.40%
Total Municipal Bonds	2,370,000.0000		\$2,233,659.40	\$8,949.52	\$37,078.10	

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)						
Corporate Bonds						
JPMORGAN CHASE & CO MEDIUM TERM NTS 0.750% 10/30/25 B/E DTD 10/30/20 CALLABLE 10/30/24 @ 100.000 Moody Rating A1 S & P Rating A- Security Identifier: 48128GX54	300,000.0000	88.6780	266,034.00	937.50	2,250.00	0.84%
BANK AMER CORP MEDIUM TERM SR NTS SER L R 0.850% 11/25/25 B/E DTD 11/25/20 CALLABLE 11/25/23 Moody Rating A1 S & P Rating A- Security Identifier: 06048WK41	300,000.0000	89.3910	268,173.00	247.92	2,550.00	0.95%
BANK AMER CORP MEDIUM TERM SR NTS SER L R 0.750% 01/26/26 B/E DTD 01/26/21 CALLABLE 10/26/23 Moody Rating A1 S & P Rating A- Security Identifier: 06048WK82	300,000.0000	87.7640	263,292.00	400.00	2,250.00	0.85%
GOLDMAN SACHS GROUP INC SER N MED TERM NTS 1.550% 04/30/26 B/E DTD 04/30/21 CALLABLE 10/30/23 Moody Rating A2 S & P Rating BBB+ Security Identifier: 38150AFK6	300,000.0000	88.7160	266,148.00	1,937.50	4,650.00	1.74%
JPMORGAN CHASE & CO MEDIUM TERM NTS 1.150% 08/17/26 B/E DTD 08/17/21 CALLABLE 08/17/24 @ 100.000 Moody Rating A1 S & P Rating A- Security Identifier: 48128G4R8	300,000.0000	87.0890	261,267.00	412.08	3,450.00	1.32%
BANK AMER CORP MEDIUM TERM SR NTS SER L R 2.750% 03/02/27 B/E DTD 03/02/22 CALLABLE 03/02/24 Moody Rating A1 S & P Rating A- Security Identifier: 06048WS84	250,000.0000	88.3980	220,995.00	534.72	6,875.00	3.11%
AMAZON COM INC NT 3.300% 04/13/27 B/E DTD 04/13/22 30/360 CALLABLE 03/13/27 @ 100.000 Moody Rating A1 S & P Rating AA Security Identifier: 023135CF1	250,000.0000	94.1000	235,250.00	3,827.08	8,250.00	3.50%
PNC BK N A PITTSBURGH PA MEDIUM TERM SR BK NTS FXD RT SR NOTE 3.250% 01/22/28 B/E DTD 01/22/18 Moody Rating A2 S & P Rating A Security Identifier: 69353RFJ2	360,000.0000	90.5030	325,810.80	2,210.00	11,700.00	3.59%
Total Corporate Bonds	2,360,000.0000		\$2,106,969.80	\$10,506.80	\$41,975.00	
TOTAL FIXED INCOME	15,363,000.0000		\$14,309,153.53	\$43,073.61	\$291,439.60	
			Market Value	Accrued Interest	Estimated Annual Income	
Total Portfolio Holdings			\$14,327,812.20	\$43,073.61	\$291,439.60	

APPENDIX E

TVI/PROEQUITIES BROKER-DEALER PORTFOLIO

PERSHING LLC SAFEKEEPING ACCOUNT

September 1, 2023 - September 30, 2023
LEUCADIA WASTEWATER DISTRICT

Money Market Fund Detail (continued)

Date	Activity Type	Description	Amount	Balance
Sweep Money Market Fund (continued)				
DREYFUS GOVT CASH MNGT INV SH (continued)				
09/05/23	Deposit	MONEY FUND PURCHASE	951.66	10,337.54
09/13/23	Deposit	MONEY FUND PURCHASE	1,437.50	11,775.04
09/29/23	Deposit	INCOME REINVEST	45.19	11,820.23
09/29/23	Closing Balance			\$11,820.23
Total All Money Market Funds				\$11,820.23

Portfolio Holdings

Description	Quantity	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield
CASH, MONEY FUNDS AND BANK DEPOSITS 1.00% of Portfolio						
Money Market						
DREYFUS GOVT CASH MNGT INV SH	11,820.2300	9,385.88	11,820.23	1.61	300.52	4.96%
Total Money Market		\$9,385.88	\$11,820.23	\$1.61	\$300.52	
TOTAL CASH, MONEY FUNDS AND BANK DEPOSITS		\$9,385.88	\$11,820.23	\$1.61	\$300.52	

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME 99.00% of Portfolio (In CUSIP Sequence)						
Certificates of Deposit						
IDEAL CR UN WOODBURY MN SH CTF 4.500% 12/29/27 B/E DTD 12/29/22 Security Identifier: 45157PAZ3	249,000.0000	97.1020	241,783.98	890.26	11,205.00	4.63%
MORGAN STANLEY PRIVATE BK NATL ASSN PUR N Y CTF DEP 4.500% 05/17/28 DTD 05/17/23 ACT/365 1ST CPN DTE 11/17/23 CPN PMT SEMI ANNUAL ON MAY 17 AND NOV 17 Security Identifier: 61768ETS2	244,000.0000	98.5670	240,503.48	4,091.18	10,980.00	4.56%
Total Certificates of Deposit	493,000.0000		\$482,287.46	\$4,981.44	\$22,185.00	

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)						
U.S. Treasury Securities						
UNITED STATES TREAS SEC STRIPPED INT PMT 0.000% 08/15/26 B/E DTD 08/15/96 Security Identifier: 912833PA2	250,000.0000	87.2400	218,100.00	0.00		
Total U.S. Treasury Securities	250,000.0000		\$218,100.00	\$0.00		
U.S. Government Bonds						
FEDERAL HOME LN BKS CONS BD 0.530% 02/10/26 B/E DTD 02/10/21 CALLABLE 11/10/23 @ 100.000 1ST CPN DTE 08/10/21 CPN PMT SEMI ANNUAL ON FEB 10 AND AUG 10 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3130AKWW2	300,000.0000	89.6330	268,899.00	220.83	1,590.00	0.59%
FEDERAL FARM CR BKS CONS SYSTEMWIDE BDS 0.600% 06/16/25 B/E DTD 06/16/21 CALLABLE 10/04/23 @ 100.000 1ST CPN DTE 12/16/21 CPN PMT SEMI ANNUAL ON JUN 16 AND DEC 16 Moody Rating Aaa S & P Rating AA+ Security Identifier: 3133EMH47	300,000.0000	92.2670	276,801.00	520.00	1,800.00	0.65%
Total U.S. Government Bonds	600,000.0000		\$545,700.00	\$740.83	\$3,390.00	
Corporate Bonds						
BANK AMER CORP MEDIUM TERM SR NTS SER L R 1.150% 09/10/26 B/E DTD 09/10/21 CALLABLE 03/10/24 @ 100.000 1ST CPN DTE 03/10/22 CPN PMT SEMI ANNUAL ON MAR 10 AND SEP 10 Moody Rating A1 S & P Rating A- Security Identifier: 06048WN63	250,000.0000	86.9620	217,405.00	159.72	2,875.00	1.32%
BANK AMER CORP MEDIUM TERM SR NTS SER L R 4.100% 04/29/27 B/E DTD 04/29/22 CALLABLE 10/29/23 @ 100.000 1ST CPN DTE 10/29/22 CPN PMT SEMI ANNUAL ON APR 29 AND OCT 29 Moody Rating A1 S & P Rating A- Security Identifier: 06048VW23	250,000.0000	92.7960	231,990.00	4,299.31	10,250.00	4.41%
EXXON MOBIL CORP NT 2.275% 08/16/26 B/E DTD 08/16/19 30/360 CALLABLE 06/16/26 @ 100.000 1ST CPN DTE 02/16/20 CPN PMT SEMI ANNUAL ON FEB 16 AND AUG 16 Moody Rating Aa2 S & P Rating AA- Security Identifier: 30231GBD3	250,000.0000	92.4880	231,220.00	695.14	5,687.50	2.45%
UNITEDHEALTH GROUP INC NT 1.150% 05/15/26 B/E DTD 05/19/21 30/360 CALLABLE 04/15/26 @ 100.000 1ST CPN DTE 11/15/21 CPN PMT SEMI ANNUAL ON MAY 15 AND NOV 15 Moody Rating A2 S & P Rating A+ Security Identifier: 91324PEC2	250,000.0000	89.9890	224,972.50	1,078.13	2,875.00	1.27%
Total Corporate Bonds	1,000,000.0000		\$905,587.50	\$6,232.30	\$21,687.50	

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)						
TOTAL FIXED INCOME	2,343,000.0000		\$2,151,674.96	\$11,954.57	\$47,262.50	
			Market Value	Accrued Interest	Estimated Annual Income	
Total Portfolio Holdings			\$2,163,495.19	\$11,954.57	\$47,563.02	

Portfolio Holdings Disclosures

Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices, unless otherwise noted, have been obtained from independent vendor services, which we believe to be reliable. In some cases the pricing vendor may provide prices quoted by a single broker or market maker. Market prices do not constitute a bid or an offer, and may differ from the actual sale price. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

THE AS OF PRICE DATE ONLY APPEARS WHEN THE PRICE DATE DOES NOT EQUAL THE STATEMENT DATE.

Estimated Annual Figures

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to www.pershing.com/disclosures for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

Reinvestment

The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your statement may have been reinvested. You will not receive confirmation of these reinvestments. Upon written request to your financial institution, information pertaining to these transactions, including the time of execution and the name of the person from whom your security was purchased, may be obtained. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow.

Option Disclosure

Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

APPENDIX F

CAMP INDIVIDUAL INVESTMENT PORTFOLIO

US BANK SAFEKEEPING ACCOUNT



Managed Account Detail of Securities Held

For the Month Ending September 30, 2023

LEUCADIA WASTEWATER DISTRICT - OPERATING FUND - 503-00 - (12510920)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	550,000.00	AA+	Aaa	05/03/21	05/05/21	569,851.56	0.46	3,452.45	556,165.66	527,398.41
Security Type Sub-Total		550,000.00					569,851.56	0.46	3,452.45	556,165.66	527,398.41
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023	3137EAEY1	250,000.00	AA+	Aaa	10/16/20	10/19/20	249,118.00	0.24	143.23	249,987.88	249,476.50
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	250,000.00	AA+	Aaa	11/18/20	11/19/20	249,805.50	0.28	251.74	249,993.53	248,773.25
Security Type Sub-Total		500,000.00					498,923.50	0.26	394.97	499,981.41	498,249.75
Corporate Note											
MICROSOFT CORP(CALLABLE) NOTE DTD 02/06/2017 2.875% 02/06/2024	594918BX1	250,000.00	AAA	Aaa	11/02/20	11/04/20	268,400.00	0.59	1,098.09	251,077.55	247,744.25
IBM CORP NOTES DTD 02/12/2014 3.625% 02/12/2024	459200HU8	250,000.00	A-	A3	11/02/20	11/04/20	274,107.50	0.64	1,233.51	252,703.27	247,950.25
CHEVRON CORP CORP (CALLABLE) NOTES DTD 03/03/2017 2.895% 03/03/2024	166764BT6	250,000.00	AA-	Aa2	11/30/20	12/02/20	268,017.50	0.65	562.92	251,502.79	247,137.25
JP MORGAN CHASE BANK CORP NOTE DTD 05/13/2014 3.625% 05/13/2024	46625HJX9	250,000.00	A-	A1	04/05/21	04/07/21	272,730.00	0.66	3,473.96	254,517.89	246,783.50
Security Type Sub-Total		1,000,000.00					1,083,255.00	0.64	6,368.48	1,009,801.50	989,615.25
Managed Account Sub-Total		2,050,000.00					2,152,030.06	0.50	10,215.90	2,065,948.57	2,015,263.41
Joint Powers Authority											
CAMP Pool		2,704,132.37	AAAm	NR			2,704,132.37		0.00	2,704,132.37	2,704,132.37
Liquid Sub-Total		2,704,132.37					2,704,132.37		0.00	2,704,132.37	2,704,132.37



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2023**

LEUCADIA WASTEWATER DISTRICT - OPERATING FUND - 503-00 - (12510920)

Securities Sub-Total	\$4,754,132.37	\$4,856,162.43	0.50%	\$10,215.90	\$4,770,080.94	\$4,719,395.78
Accrued Interest						\$10,215.90
Total Investments						\$4,729,611.68



LEUCADIA
WASTEWATER
DISTRICT



ANNUAL COMPREHENSIVE FINANCIAL REPORT

1960 La Costa Avenue
Carlsbad, CA 92009
(760) 753-0155

2023
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LEUCADIA
WASTEWATER
DISTRICT

LEADERS IN
ENVIRONMENTAL
PROTECTION

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2023

LEUCADIA WASTEWATER DISTRICT

1960 La Costa Avenue
Carlsbad, California 92009

Prepared by:

Paul J. Bushee, General Manager
Ryan Green, Finance & Administration Director

Cover photo taken by Mark Hilton

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LEUCADIA WASTEWATER DISTRICT

Annual Comprehensive Financial Report For the Year Ended June 30, 2023

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Introductory Section



LEADERS IN
ENVIRONMENTAL
PROTECTION

October 23, 2023

To the Honorable President and Members of the Board of Directors and Customers of the Leucadia Wastewater District:

State law requires that all general-purpose local governments and special districts publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established. The cost of internal control should not exceed anticipated benefits; the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State law requires that the report be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants each fiscal year. The Annual Comprehensive Financial Report (ACFR) of the Leucadia Wastewater District (District) for fiscal year ended June 30, 2023 is hereby submitted as required. Rogers, Anderson, Malody & Scott, LLP, a firm of licensed certified public accountants, has audited the Leucadia Wastewater District's financial statements.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the Leucadia Wastewater District for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

PROFILE OF THE DISTRICT

The District was formed in April 1959 pursuant to the County Water District Law (Division 12, Section 30000 et seq. of the California Water Code). Established as an Independent Enterprise Special District, the District is authorized to provide wastewater collection and treatment services and to levy rates and fees to support those services. The District is located in coastal northern San Diego County and is approximately 30 miles north of the City of San Diego.

The District provides wastewater service to the Leucadia and Village Park areas of Encinitas, and the La Costa area of Carlsbad. The District encompasses 16 square miles and serves over 60,000 residents. Wastewater from the District's service area is transported to the Encina Water Pollution Control Facility, where it is treated to federally mandated standards to protect the public health. The Encina plant is a regional facility located in Carlsbad that is jointly owned by the District and five other public entities.

The District also owns and operates the Gafner Water Reclamation Facility, which has a treatment capacity of one million gallons per day. Recycled water produced at the Gafner Facility is used for irrigation on the Omni La Costa Resort & Spa golf course.

Governance

A five-member Board of Directors, who were elected by electoral voters of the District, direct the affairs of the District. The directors, who serve four-year staggered terms, are residents responsible for establishing policies and ordinances, adopting the annual budget, and hiring the District's General Manager. The General Manager is responsible for carrying out the policies and ordinances of the District Board of Directors and for overseeing the day-to-day operations of the District.

Mission and Vision

The mission of the Leucadia Wastewater District is:

To serve the public by collecting, transporting, recycling and treating wastewater in a safe, reliable, efficient, cost effective, and environmentally responsive manner, while providing excellent service to our customers.

The District's vision is:

To be a recognized leader in wastewater services, water recycling, and environmental protection.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

The District's service area is primarily residential, serving as a bedroom community for the greater San Diego area. The local economic landscape encompasses commercial activities, tourism, and some horticulture, with no significant presence of heavy industry. The District is at approximately 90% build-out, and it is anticipated that remaining growth will occur slowly over the next 10 to 20 years.

San Diego Association of Government's (SANDAG) 2050 Regional Growth Forecast, adopted in 2021, estimates that by 2050 the region's population will grow by about half a million people, jobs will also increase by half a million, and housing units will increase by almost 300,000. There is an increasing trend for more housing and job growth to occur in the existing urbanized areas and along transportation corridors.

During fiscal year 2023, the District experienced the impacts of high inflationary levels and a strong national and local economy. Inflation remained well above historical norms, despite decreasing throughout the fiscal year from its peak in May 2022 of 8.3% to 4.3% in July 2023. These abnormal levels impacted costs of goods and services, in particular increases in utilities and fuel costs.

The Federal Reserve responded by increasing the interest rates seven times, from 2.5% to 5.5%, over the fiscal year. Potential recessionary concerns lingered throughout the year due to the impacts of interest rate increases. However, concerns were not realized due largely to the strong jobs market that yielded a low U.S. unemployment rate of 3.6% in June 2023.

The local economy, mirroring the national economy, experienced a robust jobs market and across-the-board price increases. In June 2023, the unemployment rate in San Diego County was 4.0%, well below California's unemployment rate of 4.6%.

Price increases were also seen in the local housing market, helping boost the District's property tax revenues. The California Association of Realtors published that the median price of an existing detached single-family home in San Diego County in June 2022 was 3% higher than a year ago.

As an independent enterprise special district having the ability to adjust service rates as required, the District's operating revenues are somewhat insulated from the local economy. Other than by service rate adjustment, the District's operating revenues tend to increase with growth periods and stabilize during non-growth periods. Conceivably, the greatest threat to operating revenues will be from a significant reduction in the service area population or from the inability of the ratepayers to pay their property taxes. (The majority of the sewer service charges are collected through the property tax rolls.) As the District reaches build-out, it is anticipated that growth in District revenues will be slow but remain stable.

Capacity fees are collected as new units are connected to the District. During the housing boom of the early 2000's the District experienced very strong revenues from capacity fees. Capacity fee revenue has generally slowed as the District approaches build-out.

Property taxes accounted for approximately 14% of the District's total revenue for fiscal year 2023. Due to the recent increase in home values and high rate of property transactions, property tax revenues increased by almost 8% when compared to the prior fiscal year.

Long-Term Financial Planning

The District's Board of Directors is aware of the need to ensure the District's financial stability. Through a coordinated strategic process, the Board has established a series of policies and plans to effectively meet the District's anticipated future needs. The cornerstone of these policies is the District's 2023 Wastewater Financial Plan that forecasts the District's expenditures and revenue needs for the next 20 years. The District utilizes this information to anticipate future expense obligations and to ensure these expense obligations are fully funded. The District comprehensively updates the plan every five-years and annually reviews the District's performance against the plan.

Public Employees' Pension Reform

On September 12, 2012, Governor Brown signed Assembly Bill 340 creating the Public Employees' Pension Reform Act (PEPRA). This law created a new benefit tier for members entering public agency employment and the public retirement system for the first time on or after January 1, 2013. This new tier has a single general member benefit formula that has both a lower normal cost and a lower benefit factor at normal retirement age than the plan for Classic members (those that entered the public retirement system prior to 2013). It is anticipated that PEPRA will lower future retirement costs for the District over the next 20 years. The District currently employs nine Classic members and nine PEPRA employees.

RELEVANT FINANCIAL POLICIES

Reserve Policy

The District established a Reserve Fund Policy to anticipate and prepare for future funding requirements as well as for unforeseen events. The Reserve Fund Policy defines restricted and unrestricted reserves and describes the flow of funds to and from the various reserves. For information on District reserves, refer to footnotes 1 and 9 of the Financial Statements.

Investment Policy

The Investment Policy establishes guidelines for the investment of available funds. The Investment Policy incorporates the Prudent Investor Standards. The primary objectives, in priority order, of the District's investment activities are the following: 1) Safety, 2) Liquidity, and 3) Yield. The District's funds are invested in a variety of investments, in accordance with California government code, as described in footnote 2 of the Basic Financial Statements. The District minimizes interest rate risk by investing a greater portion of funds in short-term investments. Credit risk is minimized by investing a majority of funds in the highest rated investments or in diversified investment pools.

INTERNAL CONTROLS

The District is responsible for establishing and maintaining an internal control structure designed to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

MAJOR INITIATIVES

The District completed and initiated several major projects to upgrade infrastructure and ensure the adequacy of its facilities.

- 1) The District's asset management plan update was completed in May 2023. The asset management plan identifies near-term projects and associated cost estimates for upcoming capital improvement and predicts long-term expenditures for integration into the District's Financial Plan. The plan update cost \$149,000 to complete.
- 2) The Village Park 7 pump station was replaced with a submersible pump station. The District invested \$900,000 for this project which was placed in service in June 2023.
- 3) The B1 recycled water force main was repaired in fiscal year 2023. A portion of the cost is projected to be reimbursed in fiscal year 2024.
- 4) The District invested \$64,000 to upgrade its existing SCADA system in fiscal year 2023.
- 5) The 27-year old Rancho Verde pump station has been allocated a total of \$1.1 million to rehabilitate the submersible pump station with a planned completion date in fiscal year 2024.
- 6) With ongoing CCTV inspections of the collection systems, additional defects were discovered. As a result, the fiscal year 2022 and 2023 Gravity Pipeline Rehabilitation Projects consisted of correcting defects and rehabilitating manholes. Total funding appropriated for these two projects was \$1.1 million, and much of the work is completed or underway.
- 7) The Miscellaneous Pipeline Rehabilitation account is used to rehabilitate, re-line or replace pipelines and manholes that require immediate attention. The necessary repairs are identified through the District's CCTV inspections. The District incurred \$77,000 in pipeline rehabilitation costs under this account during fiscal year 2022, and has budgeted \$185,000 in fiscal year 2024 for this effort.
- 8) The District maintains a Lateral Grant Program to assist with repairs or replacement of damaged private laterals. The program reimburses ratepayers, on a 50/50 basis, up to \$3,000, for lateral replacement and backflow prevention installation. The goal of this program is encourage District customers to maintain their private laterals. During fiscal year 2023, the District contributed \$59,000 for the replacement and/or repair of twenty-five damaged private laterals. The District budgeted \$100,000 in fiscal year 2024 for the Lateral Grant Program.

INDEPENDENT AUDIT

The Government Code requires an annual audit of the District's financial records by a Certified Public Accountant. The District selected, through a competitive process, the firm of Rogers, Anderson, Malody & Scott, LLP to conduct the audit. The auditors' report on the financial statements and schedules are included in the financial section of this report.

AWARDS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Leucadia Wastewater District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we will submit it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

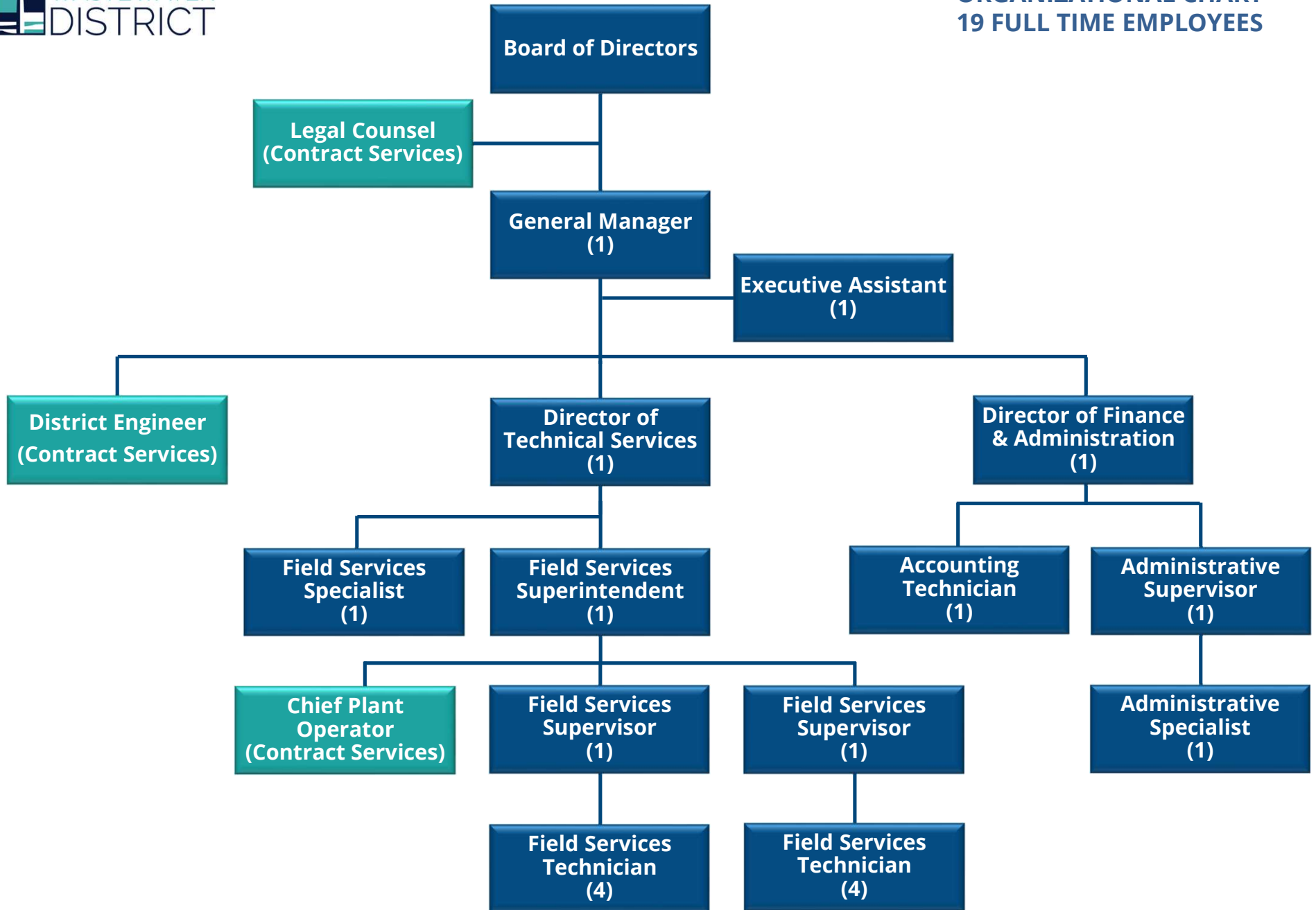
Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. A special note of appreciation goes to Ryan Green, the District's Finance and Administration Director, and Kelly Gil, the District's Accounting Technician, and Trisha Hill, the District's Administrative Supervisor, for their assistance with developing this report. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Leucadia Wastewater District's fiscal policies.

Best regards,

A handwritten signature in blue ink that reads "Paul J. Bushee". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Paul J. Bushee
General Manager

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LEUCADIA
WASTEWATER
DISTRICT

LEADERS IN
ENVIRONMENTAL
PROTECTION

List of Principal Officials

Board of Directors as of June 30, 2023

<u>Name</u>	<u>Title</u>	<u>Elected/Appointed</u>	<u>Current Term</u>
Elaine Sullivan	President	Elected	12/22-12/26
Chris Roesink	Vice President	Elected	12/22-12/26
Judy Hanson	Director	Elected	12/20-12/24
Donald Omsted	Director	Elected	12/20-12/24
Rolando Saldana	Director	Appointed	12/22-12/26

Leucadia Wastewater District
Paul J. Bushee, General Manager
1960 La Costa Avenue
Carlsbad, California 9200
(760) 753-0155
www.lwwd.org



Government Finance Officers Association

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**Leucadia Wastewater District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

Independent Auditor's Report

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Leucadia Wastewater District
Carlsbad, California

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Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

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John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Leucadia Wastewater District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

As discussed in Note 7 to the financial statements, in the year ended June 30, 2023, the District early adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, the *Schedule of the Plan's Proportionate Share of the Net Pension Liability*, the *Schedule of Contributions-Defined Benefit Pension Plan*, *Schedule of Changes in Net OPEB Liability and Related Ratios* and *Schedule of OPEB Contributions* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The *supplementary information* in the financial section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information in the financial section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in the financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the *introductory section* and the *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2023

Management's Discussion and Analysis (MD&A) offers readers of the Leucadia Wastewater District's (District) financial statements a narrative overview and analysis of the District's financial activities for the fiscal year (FY) ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS for fiscal year ended June 30, 2023

- The primary driver of a 9% increase in operating revenues was the 10% increase of the District's wastewater service charge in fiscal year 2023 to \$415.84 per EDU per year. Recycled water revenues decreased significantly due to an abnormally wet winter season in the region.
- Operating expenses (before depreciation expense) increased by 4%. The increase was largely due to inflationary increases combined with increased pension plan costs due to unfavorable returns on pension investments managed by CalPERS.
- During the current fiscal year, the District added 154 new equivalent dwelling units (EDU's), bringing the total connected EDU's to 28,782. Outlook for growth remains small and sporadic as the District approaches build-out.
- Development activity in the District's service area resulted in capacity charges totaling \$782,788. Major collections came from a 72 EDU apartment complex project on the N. Vulcan and a 42 EDU annexation of single-family homes at The Cove development on La Costa Ave.
- Capital construction and acquisition costs for the year ended June 30, 2023 amounted to \$6.6 million. During the year, the District and Encina Wastewater Authority completed the construction of several capital projects and is in design or construction on several more. See the Financial Position section and the Capital Asset section presented below for more information on these capital projects.
- Investment income improved over the prior year due to eight federal funds rate increases by the Federal Reserve during the fiscal year.
- Investment in capital assets increased \$1.5 million while unrestricted reserves increased \$0.9 million.
- The District's net position for the fiscal year ending June 30, 2023 increased by \$2,391,425 or 1.6% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: 1) Statement of Net Position; 2) Statement of Revenues, Expenses, and Changes in Net Position; 3) Statement of Cash Flows; and 4) Notes to the Financial Statements. In addition to the basic financial statements, supplemental information is also provided.

Leucadia Wastewater District

The financial statements accompanying this MD&A present the financial position, results of operations, and changes in cash flow during the fiscal years ending June 30, 2023 and June 30, 2022. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

Statement of Net Position

The Statement of Net Position presents information on the District's *assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning, and new or changed legislation or regulations also need to be considered when establishing financial position.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the District's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the results of the District's operations for the year and can be used to determine if the District has successfully recovered all of its costs through user fees and other charges.

Operating revenues and expenses are related to the District's core activities (providing wastewater services, and processing and delivering recycled water). Non-operating revenues and expenses are not directly related to the core activities of the District (e.g. interest income, property taxes, gain or loss on sale of assets). The sum of the prior year's net position balance and the current year's change in net position equals the ending net position balance.

Statement of Cash Flows

The Statement of Cash Flows provides information about the District's cash receipts, cash payments and the changes in the District's cash and cash equivalents during the year, resulting from the operating, non-capital financing, capital and related financing, and investing activities of the District. The Statement of Cash Flows provides information on the sources and uses of the District's cash. It shows how the District is able to meet its cash outlay obligations.

Cash equivalents managed directly by the District consist of investments in the California Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP), and the San Diego County Investment Pool.

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

An essential question regarding the District's finances is whether its overall financial health improved or deteriorated as a result of the year's operations. Drawing insights from the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows, it's evident that the District's financial condition experienced a slight improvement, maintaining a robust financial standing as of June 30, 2023. Further analysis is provided below.

Financial Position

Net position serves as a useful indicator of an organization's financial strength. Table 1 provides a two-year summary of the District's net position.

TABLE 1. CONDENSED STATEMENT OF NET POSITION

	FY 2023	FY 2022	FY 2023-2022 Change	
			Amount	%
ASSETS				
Current assets	\$ 9,846,813	\$ 8,224,900	\$ 1,621,913	19.7%
Non-current assets	19,024,518	20,036,435	(1,011,917)	-5.1%
Capital assets, net	124,232,576	122,704,891	1,527,685	1.2%
Total assets	153,103,907	150,966,226	2,137,681	1.4%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pensions	2,452,372	1,274,038	1,178,334	92.5%
Deferred amounts on OPEB	111,455	74,182	37,273	50.2%
Total deferred outflows	2,563,827	1,348,220	1,215,607	90.2%
LIABILITIES				
Current liabilities	1,688,739	1,654,582	34,157	2.1%
Non-current liabilities	4,906,967	2,152,380	2,754,587	128.0%
Total liabilities	6,595,706	3,806,962	2,788,744	73.3%
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on pensions	247,136	2,004,660	(1,757,524)	-87.7%
Deferred amounts on OPEB	77,393	146,751	(69,358)	-47.3%
Total deferred inflows	324,529	2,151,411	(1,826,882)	-84.9%
NET POSITION				
Investment in capital assets	124,238,636	122,704,750	1,533,886	1.3%
Restricted	445,200	445,200	-	0.0%
Unrestricted	24,063,663	23,206,123	857,540	3.7%
Total net position	\$ 148,747,499	\$ 146,356,073	\$ 2,391,426	1.6%

The District's financial position remains strong with a \$148.7 million net position and with \$6.6 million in total liabilities at June 30, 2023.

Leucadia Wastewater District

Total assets increased by \$2 million or 1.4% during the fiscal year ending June 30, 2023. The increase was primarily driven by increases in net capital assets of \$1.5 million and cash and investments of \$1.6 million, offset by a decrease in investment of \$900,000. The District incurred \$6.6 million in expenditures for the acquisition and construction of capital assets, primarily for the: Encina Joint System projects, Recycled Water Force Main (B1) North Section Replacement project, Village Park No. 7 Pump Station Rehabilitation project, Gravity Pipeline Rehabilitation project, 2023 Asset Management Plan update and various pipeline segment rehabilitations and repairs. The District received \$783,000 in capacity fees to partially help fund these expenditures. Capacity fees represent a system buy-in charge and are collected in the Capital Replacement Reserve for construction of facilities and improvements identified in the 2023 Asset Management Master Plan. Net Capital Assets were reduced by depreciation expense and net capital asset deletions of \$5.1 million for the year.

Total liabilities increased by \$2.8 million or 73% during the year, mainly due to an increase in net pension liability.

The District's Net Position as of June 30, 2023 totaled \$148.7 million compared with \$146.4 million as of June 30, 2022, an increase of 1.6%. Net position is accumulated from revenues, expenses, and capital contributions combined with the beginning balance of net position as presented in the Statement of Revenues, Expenses, and Changes in Net Position.

Deferred outflows, although similar to "assets," are set apart because these items do not meet the technical definition of being a District asset. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflows of resources will become an expense in future years. Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the District. When all the recognition criteria are met, the deferred inflows of resources will become revenue in future years. The District's deferred outflows of resources and deferred inflows of resources are related to the District's Pension and Other Post-Employment Benefits (OPEB) programs.

Total deferred outflows of resources of \$2.6 million as of June 30, 2023 are comprised of deferred amounts relating to pensions of \$2.5 million and deferred amounts relating to OPEB of \$111,000. Total deferred outflows increased by \$1.2 million during fiscal year 2023 due primarily to the updated actuary report relating to the District's pension.

Total deferred inflows of resources of \$325,000 as of June 30, 2023 are comprised of deferred amounts relating to pensions of \$247,000 and deferred amounts relating to OPEB of \$78,000. Total deferred inflows decreased by \$1.8 million during fiscal year 2023. The significant decrease is attributable to the negative 6.1% investment yield realized by CalPERS during fiscal year 2022.

Refer to Note 10 "Defined Benefit Pension Plan" and Note 11 "Other Post-Employment Benefits" (OPEB) for more information on deferred outflows of resources and deferred inflows of resources from pension liability reporting and from OPEB liability reporting, respectively.

Results of Operations

A comparison of the District’s revenues, expenses, and changes in net position is presented in Table 2.

**TABLE 2.
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	FY 2023	FY 2022	FY 2023-2022 Change	
			Amount	%
OPERATIONS				
Operating revenues				
Wastewater service charges	\$ 11,996,035	\$ 10,879,815	\$ 1,116,220	10.3%
Recycled water sales	298,307	408,839	(110,532)	-27.0%
Other charges & services	154,548	150,067	4,481	3.0%
Total operating revenues	12,448,890	11,438,721	1,010,169	8.8%
Operating expenses	8,299,263	7,954,183	345,080	4.3%
Operating income before depreciation	4,149,627	3,484,538	665,089	19.1%
Depreciation expense	5,050,451	4,919,137	131,314	2.7%
Operating income/(loss)	(900,824)	(1,434,599)	533,775	-37.2%
NON-OPERATIONS				
Non-operating revenues/(expenses)				
Property tax revenue	2,129,874	1,967,574	162,300	8.2%
Investment income/(loss)	371,575	(1,156,695)	1,528,270	-132.1%
Gain/(loss) on disposition of assets	(1,712)	(72,829)	71,117	-97.6%
Other non-operating income	9,725	18,237	(8,512)	-46.7%
Total non-operating revenues, net	2,509,462	756,287	1,753,175	231.8%
Income/(loss) before capital contributions	1,608,638	(678,312)	2,286,950	-337.2%
CAPITAL CONTRIBUTIONS	782,788	366,675	416,113	113.5%
Changes in net position	2,391,426	(311,637)	2,703,063	-867.4%
Beginning net position	146,647,472	146,959,109	(311,637)	-0.2%
ENDING NET POSITION	\$ 149,038,898	\$ 146,647,472	\$ 2,391,426	1.6%

Highlights of the fiscal year ending June 30, 2023 are discussed below:

- Net position increased \$2.4 million or 1.6%, which is added to the District’s beginning net position of \$146.6 million to arrive at ending total net position of \$149 million. The District incurred an operating loss of \$901,000 (which includes non-cash depreciation expense of \$5.1 million). This operating loss was offset by non-operating property tax revenue, investment income and other items totaling \$2.5 million.

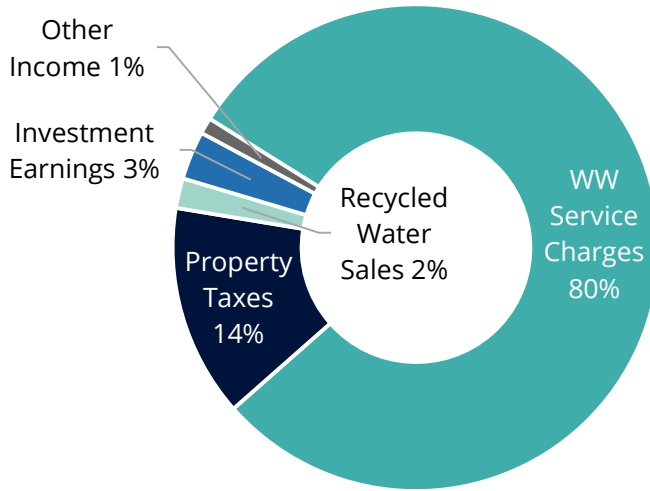
Leucadia Wastewater District

- The District's total operating revenue increased by \$1 million. Total wastewater service charges increased 10% due to a 10% increase in the sewer service rate and a slight increase in the customer base. A wet winter season caused decrease in recycled water consumption and was the primary driver of the 27% decrease in recycled water revenues.
- Total operating expenses (before depreciation) increased \$345,000 or 4%. The increase was largely due to inflationary increases combines with increased pension plan costs due to unfavorable returns on pension investments managed by CalPERS.
- The District participates in three different investment pools and in the CAMP Individual Portfolio program. It also deposits funds in a bank reserve and purchases investments directly through two broker/dealers. As of June 30, 2023, the District's investments contained laddered investments in US treasury notes, US government sponsored agency bonds/notes, corporate notes, insured certificates of deposits, and municipal bonds, for a total of \$18.4 million.

In total, investment earnings were significantly higher than the prior year. Investment earnings include not only interest income, which was \$483,000 for the fiscal year, but also changes in the fair-value of investments. The fair-value adjustment, which has an inverse relationship with the interest rate, resulted in a \$112,000 adjustment during the fiscal year. The District typically holds investments to maturity, making fair-value adjustments temporary in nature.

- Capacity fees were up by 114% due to two large developments: a 72 EDU apartment complex project on the N. Vulcan and a 42 EDU annexation of single-family homes at The Cove development on La Costa Ave.
- Property taxes increased by 8% due to increases in assessed valuations drive by significant turnover in the local housing market.
- The District continues to provide core services to its customers at one of the lowest unit costs in the region. The District's wastewater service charge increased by 10%, from \$31.50 per EDU per month in fiscal year 2022 to \$34.65 per EDU per month in fiscal year 2023.

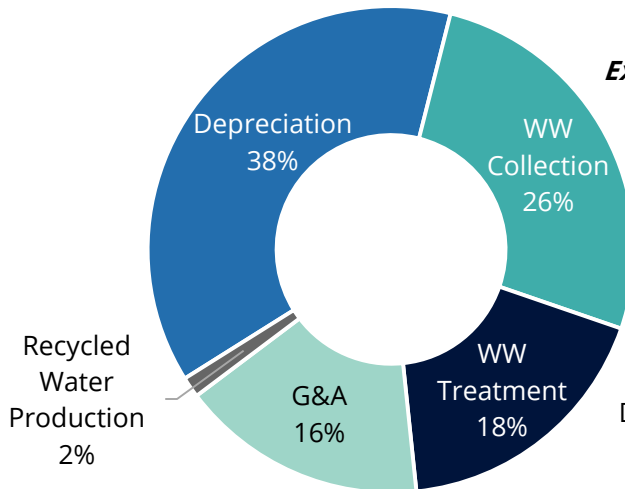
FY 2023 Revenues



Revenues:

Excluding the investment adjustment to fair market value (\$112,000), revenues for fiscal year 2023 totaled \$15.1 million and are presented here in graphical format. As the chart to the left shows, wastewater service charges continue to be a major funding source representing 80% of the District’s revenues. The second largest source of revenue is property tax at 14%.

FY 2023 Expenses



Expenses:

Expenses for fiscal year 2023 totaled \$13.3 million. Depreciation represents the largest component at 38% of total expenses. Wastewater Collection (26%), Wastewater Treatment (18%), and General and Administrative (16%) are the next largest expenses. The Wastewater Treatment component represents the costs for wastewater treatment at the Encina Joint System based on the District’s ownership and usage of those facilities.

Leucadia Wastewater District

Cash Flows

District cash flows, for the fiscal year ended June 30, 2023, have been categorized into one of the following four activities: operating, noncapital financing, capital and related financing, and investing. The total of these categories resulted in an increase in cash and cash equivalents of \$1.6 million which is added from beginning cash and cash equivalents of \$6.1 million, to arrive at ending cash and cash equivalents of \$7.7 million. Increases in cash and cash equivalents were primarily from operating activities of \$3.8 million, proceeds from property taxes of \$2.1 million, \$783,000 in capacity fee collections, and the net investments activity of \$1.3 million. The acquisition and construction of capital assets in the amount of \$6.4 million offset the increases in cash and cash equivalents. The ending cash and cash equivalents are represented on the Statement of Net Position as the following: unrestricted cash and cash equivalents of \$7,608,105, current restricted cash and cash equivalents of \$71,500, and noncurrent restricted cash and cash equivalents of \$47,882.

Financial Ratios

Table 3 lists several ratios to help measure the District's financial position and financial resources and uses for the year.

TABLE 3. SELECTED FINANCIAL RATIOS

Ratio	FY 2023	FY 2022
Current ratio	5.8	5.0
Operating margin ratio (before depreciation expense)	1.5 / 1	1.4 / 1
Total margin (total revenues / expenses)	112%	95%
Capital asset condition ratio	36%	36%
Total debt to equity	1 / 23	1 / 38

The **current ratio** (*current assets divided by current liabilities*) indicates the District can pay 5.8 times its current liabilities from current assets. The District's current ratio indicates a strong ability to meet its short-term obligations. The **operating margin ratio** (*operating revenues divided by operating expenses, before depreciation expense*) measures the extent to which service charges cover operating expenses (*excluding depreciation expense*). An operating margin ratio of 1.5 indicates very good coverage of the operating expenses, excluding depreciation. (*Depreciation expense is a non-cash systematic write down of existing capital assets*). If depreciation expense and non-operating items are included, the result is the **total margin ratio**, which measures the coverage of total revenues to total expense, including depreciation expense. The District's total margin ratio of 112% indicates the District is living within its financial means and is covering its expenses including depreciation expense. Another ratio, the **capital asset condition ratio** (*accumulated depreciation divided by depreciable capital assets*) reflects the age and use of the capital assets. A capital condition ratio of 36% shows that about a third of the capital asset value has been depreciated and will have to be replaced in a future period.

The District routinely updates its 20-year Comprehensive Financial Plan and its 20-year Asset Management Plan to address the replacement and financing of these depreciated capital assets. The District maximizes a pay-as-you-go method and minimizes the use of debt to finance capital projects. Another key indicator that the District's financial position is strong is that the **debt-to-equity ratio** continues to be favorable. For every \$1 of debt at June 30, 2023 the District had \$23 in net position (equity). This low ratio indicates a high degree of solvency and is favorable if the District needed to obtain financing.

Leucadia Wastewater District

RESTRICTIONS, COMMITMENTS, AND LIMITATIONS

District Reserves:

In February 2005, the District adopted its Reserve Fund Policy, which was last revised in February 2023. This policy categorizes District reserves into two general types: 1) Restricted Reserves and 2) Unrestricted Reserves. The policy also established target amounts for the reserves and described the flow of funding to and from the reserves. A brief overview of the various reserve designations is provided as follows:

Restricted Reserves:

Restricted reserves are those that have conditions or restrictions placed on their use by outside sources such as creditors, grantors, contributions, or laws or regulations of other governments. The District has one restricted reserve, the Encina Wastewater Authority (EWA) Reserve. The restricted reserve balance as of year-end is as follows:

<u>Restricted Reserve Designation</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
EWA Reserve	\$445,200	\$445,200

Unrestricted Reserves:

Unrestricted reserves have no outside restrictions or conditions, and the use of these funds is at the discretion of the Board of Directors. The District maintained four separate unrestricted reserve designations covering wastewater operations, wastewater capital replacement, recycled water, and a wastewater emergency.

During fiscal year 2023, the Wastewater Replacement Reserve increased by \$1.4 million due to \$4.1 million of net transfers from other reserves, \$2.1 million in property tax revenues, \$783,000 from capacity fees, and \$138,000 in investment income. Those increases were partially offset by \$5.7 million of net capital replacement additions during the year. The decrease in the Recycled Water Reserve was primarily driven by capital project that replaced a portion of force main near the Encina Effluent Pump Station. The unrestricted reserve balances are as follows:

<u>Reserve Designation</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Wastewater Operating Reserve	\$ 2,984,725	\$ 2,759,669
Wastewater Replacement Reserve	12,824,585	11,386,723
Recycled Water Reserve	754,353	1,559,731
Wastewater Emergency Reserve	<u>7,500,000</u>	<u>7,500,000</u>
Unrestricted subtotal	24,063,663	23,135,876
Restricted EWA Reserve	<u>445,200</u>	<u>445,200</u>
Total	<u>\$24,508,663</u>	<u>\$23,651,323</u>

Overall, the District's restricted and unrestricted reserves totaled \$24.5 million as of June 30, 2023. This is an increase of \$928,000 from the prior year. Positive operating income (before depreciation expense), property tax revenue, and capacity fees were partially offset by capital expenditures. The remaining reserve balances show that the District remains in a strong financial position to fund the remaining balance of its estimated \$168 million in capital projects over the next 20 years as identified in the District's 2023 Wastewater Financial Plan.

Leucadia Wastewater District

CASH AND INVESTMENTS

The District's cash and investments were valued at \$26.1 million as of June 30, 2023. This was an increase of \$680,000 or 3%, from the prior year and was due to normal operations, property tax and capacity fee collections, and investing activities, offset by spending on capital replacement additions during the year.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets:

At June 30, 2023, the District's investment in capital assets amounted to \$124.2 million, net of accumulated depreciation of \$67.7 million. This investment in capital assets includes land, buildings, donated subsurface lines, collection facilities and pump stations, equipment, vehicles, construction-in-progress, and the District's share of treatment and disposal facilities of the Encina Joint System. Development activity in the District's service area and implementation of the Capital Improvement Program projects identified in the Asset Management Plan resulted in contributions to the District's infrastructure. The following list provides a summary of significant additions to capital assets during the fiscal year ending June 30, 2023:

Encina Joint System	\$ 4,281,824
Pipeline Rehabilitation Projects	1,911,997
Pump Station Rehabilitation Projects	1,197,112
Vehicles and Equipment	288,079
Building and Grounds	61,867

Additional information on the District's capital assets can be found in note 4 "Capital Assets" of this report.

Long-Term Debt:

During fiscal years ending June 30, 2023 and June 30, 2022, the District's only debt related to a five-year lease for office copy machines.

CURRENTLY KNOWN FACTS, CONDITIONS, OR DECISIONS

The District considered the recommendations from the 2023 Wastewater Financial Plan, the 2023 Asset Management Plan, and the following economic factors in establishing the fiscal year 2024 budget amounts and fees:

- A declining level of growth within the District, estimating the addition of 30 equivalent dwelling units (EDU) in fiscal year 2024.
- The need to replace or rehabilitate existing, aging District infrastructure.
- Rising costs due to inflationary pressures.
- Emerging regulatory and environmental pressures.

As a result of these factors, the fiscal year 2024 budget includes:

- An increase in annual wastewater service charges which are \$457.42 per EDU per year.
- Capacity fee increase from \$5,089 to \$6,240 per EDU.
- Appropriations for capital improvement and replacement projects totaling \$7,853,668.
- A 2% increase in personnel costs which includes a \$250,000 additional discretionary PERS payment to help paydown the PERS unfunded pension liability.
- An 8.6% increase in overall operating costs, primarily driven by increased costs at EWA.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our Board of Directors, District residents, customers, ratepayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives and the stewardship of the facilities it owns and operates. If you have questions about this report or need additional information, contact the District's Director of Finance & Administration at the Leucadia Wastewater District, 1960 La Costa Avenue, Carlsbad, California 92009, (760) 753-0155, or info@lwwd.org, or visit our website at www.lwwd.org.

LEUCADIA WASTEWATER DISTRICT

Statement of Net Position

June 30, 2023

(with comparative information for prior year)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 7,608,105	\$ 6,014,942
Restricted cash and cash equivalents (Note 2)	71,500	70,205
Accrued interest receivable	104,763	85,589
Accounts receivable - wastewater service charges	69,921	87,511
Accounts receivable - property taxes	47,094	46,227
Accounts receivable - due from other governments	49,872	28,320
Prepaid expenses and other deposits	1,895,558	1,892,106
Total current assets	<u>9,846,813</u>	<u>8,224,900</u>
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	47,882	83,223
Investments (Note 2)	18,369,455	19,248,373
Encina Wastewater Authority reserve deposits (Note 6)	445,200	445,200
Net OPEB asset (Note 12)	149,103	246,761
Land (Note 4)	12,878	12,878
Construction in progress (Note 4)	4,011,776	5,164,305
Capital assets, net of depreciation (Note 4)	<u>120,220,800</u>	<u>117,540,586</u>
Total noncurrent assets	<u>143,257,094</u>	<u>142,741,326</u>
Total assets	<u>153,103,907</u>	<u>150,966,226</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on pension (Note 11)	2,452,372	1,274,038
Deferred amounts on OPEB (Note 12)	<u>111,455</u>	<u>74,182</u>
Total deferred outflows of resources	<u>2,563,827</u>	<u>1,348,220</u>

The accompanying notes are an integral part of these financial statements.

LEUCADIA WASTEWATER DISTRICT

Statement of Net Position (continued)

June 30, 2023

(with comparative information for prior year)

	2023	2022
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,240,480	\$ 1,204,779
Accrued salaries and wages	55,850	43,110
Restricted accounts payable	47,882	83,223
Restricted developer deposits	71,500	70,205
Long-term liabilities - due within one year:		
Leases (Note 8)	6,290	6,201
Compensated absences (Note 7)	266,737	247,064
Total current liabilities	<u>1,688,739</u>	<u>1,654,582</u>
Noncurrent liabilities:		
Long-term liabilities - due in more than one year:		
Net pension liability (Note 11)	4,848,371	2,094,667
Leases (Note 8)	528	6,818
Compensated absences (Note 7)	58,068	50,895
Total noncurrent liabilities	<u>4,906,967</u>	<u>2,152,380</u>
Total liabilities	<u>6,595,706</u>	<u>3,806,962</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts on pension (Note 11)	247,136	2,004,660
Deferred amounts on OPEB (Note 12)	77,393	146,751
Total deferred inflows of resources	<u>324,529</u>	<u>2,151,411</u>
NET POSITION (Note 9)		
Net Investment in capital assets	124,238,636	122,704,750
Restricted for Encina Wastewater Authority deposit reserves	445,200	445,200
Unrestricted	24,063,663	23,206,123
Total net position	<u>\$ 148,747,499</u>	<u>\$ 146,356,073</u>

The accompanying notes are an integral part of these financial statements.

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LEUCADIA WASTEWATER DISTRICT

Statement of Revenues, Expenses and Changes in Net Position For the Year Ended June 30, 2023 (with comparative information for prior year)

	2023	2022
OPERATING REVENUES		
Wastewater service charges	\$ 11,996,035	\$ 10,879,815
Recycled water sales	298,307	408,839
Other charges and services	154,548	150,067
Total operating revenues	<u>12,448,890</u>	<u>11,438,721</u>
OPERATING EXPENSES		
Wastewater collection	3,515,827	3,191,343
Wastewater treatment - Encina Joint System	2,411,905	2,599,925
Recycled water production	185,200	212,042
General and administrative	2,186,331	1,950,873
Total operating expenses	<u>8,299,263</u>	<u>7,954,183</u>
Operating income before depreciation expense	4,149,627	3,484,538
Depreciation expense	<u>(5,050,451)</u>	<u>(4,919,137)</u>
Operating income (loss)	<u>(900,824)</u>	<u>(1,434,599)</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	2,129,874	1,967,574
Interest and investment income (loss)	371,575	(1,156,695)
Gain/(loss) on disposition of capital assets	(1,712)	(72,829)
Other nonoperating revenues	9,725	18,237
Total nonoperating revenues (expenses)	<u>2,509,462</u>	<u>756,287</u>
Income (loss) before capital contributions	<u>1,608,638</u>	<u>(678,312)</u>
CAPITAL CONTRIBUTIONS		
Capacity charges	782,788	138,675
Developers	-	228,000
Total capital contributions	<u>782,788</u>	<u>366,675</u>
Changes in net position	2,391,426	(311,637)
Net position, beginning of year	<u>146,356,073</u>	<u>146,667,710</u>
Net position, end of year	<u>\$148,747,499</u>	<u>\$146,356,073</u>

The accompanying notes are an integral part of these financial statements.

LEUCADIA WASTEWATER DISTRICT

Statement of Cash Flows For the Year Ended June 30, 2023 (with comparative information for prior year)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers for wastewater sales and service	\$ 12,435,479	\$ 11,620,388
Cash paid to vendors and suppliers for materials and services	(5,902,410)	(5,227,252)
Cash paid for employee wages, benefits and related costs	(2,739,388)	(3,023,851)
Net cash provided by operating activities	3,793,681	3,369,285
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from property taxes	2,129,007	1,953,402
Net cash provided by noncapital financing activities	2,129,007	1,953,402
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(6,399,153)	(10,446,481)
Proceeds from sale of capital assets	8,502	129,574
Proceeds from capacity fees	782,788	138,675
Lease payments	(6,201)	(6,102)
Net cash used for capital and related financing activities	(5,614,064)	(10,184,334)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	3,102,000	4,048,000
Purchases of investments	(2,466,065)	(5,576,752)
Interest and investment earnings	614,558	199,424
Net cash provided by (used) for for investing activities	1,250,493	(1,329,328)
Net increase (decrease) in cash and cash equivalents	1,559,117	(6,190,975)
Cash and cash equivalents, beginning of year	6,168,370	12,359,345
Cash and cash equivalents, end of year	<u>\$ 7,727,487</u>	<u>\$ 6,168,370</u>
Financial statement classification		
Cash and cash equivalents		
Current assets:		
Cash and cash equivalents	\$ 7,608,105	\$ 6,014,942
Restricted cash and cash equivalents - Current	71,500	70,205
Non-current assets:		
Restricted cash and cash equivalents - Non-current	47,882	83,223
Total cash and cash equivalents, end of year	<u>\$ 7,727,487</u>	<u>\$ 6,168,370</u>

The accompanying notes are an integral part of these financial statements.

LEUCADIA WASTEWATER DISTRICT

Statement of Cash Flows (continued) For the Year Ended June 30, 2023 (with comparative information for prior year)

	2023	2022
Reconciliation of operating income (loss) to net cash flows provided (used) by operating activities:		
Operating income (loss)	\$ (900,824)	\$ (1,434,599)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	5,050,451	4,919,137
Other nonoperating revenues (expenses)	9,725	18,237
Changes in operating assets, deferred outflows, operating liabilities and deferred inflows:		
(Increase) decrease in operating assets and deferred outflows:		
Accounts receivable - wastewater service charges	17,590	133,620
Accounts receivable - due from other governments	(21,552)	29,918
Accounts receivable - other	(19,174)	(108)
Net OPEB asset	97,658	(173,385)
Prepaid expenses and other deposits	(89,579)	956,778
Deferred outflows - pension	(1,178,334)	70,956
Deferred outflows - OPEB	(37,273)	12,327
Increase (decrease) in operating liabilities and deferred inflows:		
Accounts payable and accrued expenses	(102,710)	(647,959)
Accrued salaries and wages	12,740	(19,635)
Compensated absences	26,846	(46,501)
Restricted developer deposits	1,295	16,622
Deferred inflows - pension	(1,757,524)	1,823,177
Deferred inflows - OPEB	(69,358)	139,957
Net pension liability	2,753,704	(2,429,257)
Total adjustments	<u>4,694,505</u>	<u>4,803,884</u>
Net cash provided by operating activities	<u>\$ 3,793,681</u>	<u>\$ 3,369,285</u>
Supplemental disclosures:		
Noncash investing and financing activities:		
Capital assets contributed by developers and others	<u>\$ -</u>	<u>\$ 228,000</u>
Capital assets included in accounts payable and prepaids	<u>\$ 189,197</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Organization and Operations of the Reporting Entity

Leucadia Wastewater District (formerly known as Leucadia County Water District) was formed in 1959. The District provides sewer collection and treatment services to portions of the incorporated cities of Encinitas and Carlsbad. The District provides recycled water for use as irrigation on the Omni La Costa Resort & Spa's Legends Golf Course. The District serves a land area of approximately sixteen square miles.

B) Measurement Focus, Basis of Accounting and Financial Statements Presentation

"Measurement focus" is a term used to describe *which* transactions are recorded within the various financial statements. "Basis of accounting" refers to *when* transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus," and the "accrual basis of accounting." Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges for wastewater services and recycled water sales. Operating expenses also include management, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing wastewater services to its customers on a continuing basis be financed or recovered primarily through user charges (wastewater service charges), capital grants and similar funding.

The basic financial statements of the Leucadia Wastewater District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B) Measurement Focus, Basis of Accounting and Financial Statements Presentation (continued)

Net position of the District is classified into three components: (1) investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowings that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of investment in capital assets.

Restricted Net Position

Net Position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net Position

Unrestricted Net Position is the remaining portion of net position that is not restricted to use.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C) New Accounting Pronouncements

Current Year Standards

- GASB Statement No. 91 – “Conduit Debt Obligations,” effective for reporting period beginning after December 15, 2022.
- GASB Statement No. 94 – “Public-Private and Public-Public partnerships and Availability Payment Arrangements,” effective for reporting period beginning after June 15, 2022.
- GASB Statement No. 96 – “Subscription-Based Information Technology Arrangements,” effective for reporting period beginning after June 15, 2022.
- GASB Statement No. 99 – “Omnibus 2022”, various implementation dates with the earliest being effective for fiscal years beginning after June 15, 2022.
- GASB Statement No. 101 – “Compensated Absences”, effective for reporting periods beginning after December 15, 2023.

GASB has issued the following statements which may impact the District’s financial reporting requirements in the future:

- GASB Statement No. 100 – “Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62”, effective for reporting periods beginning after June 15, 2023.

D) Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows related to pensions and OPEB in this category. See notes 11 and 12 for further information.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Deferred Outflows / Inflows of Resources (continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows related to pensions and OPEB in this category. See notes 11 and 12 for further information.

E) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E) Fair Value Measurements (continued)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

F) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

G) Investments and Investment Policy

The District has adopted an investment policy authorizing the District's General Manager to deposit funds in financial institutions. Investments are recorded at fair value. Certain investments are reported at amortized cost, which approximates fair value. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

H) Accounts Receivable

The District has made no provision for uncollectible receivables as all accounts are considered collectible as of June 30, 2023.

I) Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J) Restricted Assets

Certain assets of the District are restricted in use by ordinance or debt covenant and accordingly are shown as restricted assets on the accompanying Statement of Net Position. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

K) Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000 if they have an expected useful life of more than one year. Donated assets are recorded at estimated acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10-50 years
Subsurface lines	50-150 years
Sewage collection facilities	2-150 years
Sewage treatment facilities	10-40 years
Sewage transmission facilities	5-100 years
Water reclamation facilities	3-50 years
Equipment	3-15 years

L) Ownership in Encina Joint System

The District records ownership in the Encina Joint System as a component of capital assets. Investment in the Encina Joint System is broken down into completed plant and equipment and construction in progress. Completed plant and equipment is capitalized at a percentage of ownership of accumulated expenditures made by the Encina Joint System.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L) Ownership in Encina Joint System (continued)

Ownership percentages are determined by joint agreement at the time the assets are acquired. Construction in progress is recorded as the accumulation of actual payments made by the District. Depreciation is calculated on the same basis as Note 1.k. See notes 4 and 5 for further information.

M) Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are fully vested. Cash payments of unused vacation hours and unused sick leave hours are available to those qualified employees when retired or terminated. Unused sick leave hours are paid at the rate of 75% of the employee's final rate of pay at the time of separation.

N) Developer Deposits

Developer deposits are received from developers during construction of new sewer connections for inspection fees and plan checks. Any deposits held at the completion of the construction are refunded to the developer.

O) Wastewater Service

Wastewater service revenues are collected by the County of San Diego through an assessment on customers' property tax bills.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P) Property Taxes

Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to the appropriate units of local government. The District's property tax calendar for the fiscal year ended June 30, 2023 was as follows:

Lien date	January 1
Levy date	July 1
Due date:	
First installment	November 1
Second installment	February 1
Delinquent date:	
First installment	December 10
Second installment	April 10

Q) Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment. Donated assets are capitalized at their approximate acquisition value on the date contributed.

R) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's prior year financial statements, from which this selected financial data was derived.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S) Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

T) Pensions

For purposes of measuring the net pension liability and deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

U) Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan), the assets of which are held by the California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U) Other Post-Employment Benefits (OPEB) (continued)

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	July 1, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Cash and investments	\$ 7,608,105
Restricted cash and cash equivalents	71,500
Restricted cash and cash equivalents - noncurrent	47,882
Investments - noncurrent	<u>18,369,455</u>
Total cash and investments	<u><u>\$ 26,096,942</u></u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 500
Deposits with financial institutions	431,682
Investments	<u>25,664,760</u>
Total cash and investments	<u><u>\$ 26,096,942</u></u>

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS (continued)

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years*	100%	None
U.S. Government Sponsored Entities	5 years*	75%	None
State and Local Agency Debt	5 years*	10%	None
Other 49 States Debt	5 years*	5%	None
Negotiable Certificates of Deposit - Uninsured	5 years*	10%	None
Bank Deposits	5 years*	30%	None
Bank Certificates of Deposit - Insured	5 years*	30%	None
Medium-Term Notes	5 years	25%	None
Placement Service Deposits	5 years*	20%	None
Commercial Paper	270 days	10%	10%
Banker's Acceptances	180 days	10%	30%
Money Market Mutual funds	N/A	20%	None
California Local Agency Investment Fund (LAIF)	N/A	75%	None
California Asset Management Program (CAMP)	N/A	75%	None
San Diego County Pooled Investment Fund	N/A	75%	None

*Except when authorized by the District's legislative body in accordance with the District's legislative body in accordance with Government Code Section 53601.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Local Agency Investment Fund).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023, the District's deposit in collateralized accounts with financial institutions exceeded Federal depository insurance limits.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS (continued)

Investment in State Investment Pool (continued)

Currently, LAIF does not have an investment rating. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

Investment in California Asset Management Program

The California Asset Management Program (CAMP) is a public joint powers authority which provides California Public Agencies with investment management services for surplus funds and comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings. The CAMP currently offers the Cash Reserve Portfolio, a short-term investment portfolio, as a means for Public Agencies to invest these funds. Public Agencies that invest in the Pool ("Participants") purchase shares of beneficial interest. CAMP also offers an investment which allows Participants to invest in a fixed-rate, fixed term investment over a specified timeframe, determined by the Participate ("Term"). Participants may also establish individual, professionally managed investment accounts ("Individual Portfolios") by separate agreement with the Investment Advisor. The District participates in the Cash Reserve Portfolio and has also established a professionally managed individual portfolio through CAMP. Investments in the pools and individual portfolios are made only in investments in which Public Agencies generally are permitted by California statute. The CAMP may reject any investment and may limit the size of a participant's account.

The pool seeks to maintain, but does not guarantee, a constant net asset value of \$1.00 per share. A participant may withdraw funds from its Pool accounts at any time by check or wire transfers. Requests for wire transfers must be made by 9:00 AM that day. The pool is valued at amortized cost, which approximates fair value.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS (continued)

Investment in San Diego County Investment Pool

The District is a voluntary participant in the San Diego County Treasurer's Pooled Money Fund which is managed by San Diego County Treasurer-Tax Collector's office on behalf of the County of San Diego, school districts, colleges, special districts, and local agencies in San Diego. Permissible investments in the Pool are made in accordance with California State law. The maximum effective duration for the portfolio is 1.5 years. Before a participant can withdraw funds from the Pool it must submit a withdrawal request 2 working days prior to its desired withdrawal date. Also, the County Treasurers' Office must ensure that any withdrawals will not adversely affect the interest of all other depositors in the Pool.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.

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LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
CAMP Pool	\$ 6,888,769	\$ 6,888,769	\$ -	\$ -
Corporate Notes	4,163,228	1,482,039	-	2,681,189
Federal Agency Securities (FFCB)	1,091,772	-	275,271	816,501
Federal Agency Securities (FHLB)	1,217,321	-	-	1,217,321
Federal Agency Securities (FHLMC)	491,954	491,954	-	-
Insured Certificates of Deposit	7,434,466	1,452,783	2,336,631	3,645,052
Municipal Bonds	2,511,776	298,818	1,700,967	511,991
SD County Pool	10,000	10,000	-	-
State of California LAIF	396,535	396,535	-	-
Treasury Securities	1,458,939	245,040	523,273	690,626
Total	<u>\$ 25,664,760</u>	<u>\$ 11,265,938</u>	<u>\$ 4,836,142</u>	<u>\$ 9,562,680</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating by Moody's as of June 30, 2023 for each investment type (CAMP and the San Diego County Pool are rated by Standard and Poor's and Fitch, respectively).

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

2) CASH AND INVESTMENTS (continued)

Credit Risk (continued)

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Ratings as of Year End			Not Rated
				AAA	AA	A	
CAMP Pool	\$ 6,888,769	N/A	\$ -	\$ 6,888,769	\$ -	\$ -	\$ -
Corporate Notes	4,163,227	A	-	246,258	2,682,178	1,234,791	-
Federal Agency Securities (FFCB)	1,091,772	N/A	-	1,091,772	-	-	-
Federal Agency Securities (FHLB)	1,217,321	N/A	-	1,217,321	-	-	-
Federal Agency Securities (FHLMC)	491,954	N/A	-	491,954	-	-	-
Insured Certificates of Deposit	7,434,466	N/A	-	7,434,466	-	-	-
Municipal Bonds	2,511,776	A	-	-	2,511,776	-	-
SD County Pool	10,000	N/A	-	10,000	-	-	-
State of California LAIF	396,535	N/A	-	-	-	-	396,535
Treasury Securities	1,458,940	N/A	-	1,458,940	-	-	-
Total	\$25,664,760		\$ -	\$18,839,480	\$5,193,954	\$1,234,791	\$396,535

Concentration of Credit Risk

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code.

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LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

3) FAIR VALUE MEASUREMENT

The District categorizes certain assets and liabilities within the fair value hierarchy established by generally accepted accounting principles. The District has the following recurring fair value measurements as of June 30, 2023:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
<u>Investments measured at fair value</u>				
Corporate Notes	\$ 4,163,227	\$ -	\$ 4,163,227	\$ -
Federal Agency Securities (FFCB)	1,091,772	-	1,091,772	-
Federal Agency Securities (FHLB)	1,217,321	-	1,217,321	-
Federal Agency Securities (FHLMC)	491,954	-	491,954	-
Insured Certificate of Deposit	7,434,466	-	7,434,466	-
Municipal Bonds	2,511,776	-	2,511,776	-
Treasury Securities	1,458,940	-	1,458,940	-
Total investments measured at fair value	18,369,456	\$ -	18,369,456	\$ -
<u>Investments not subject to fair value hierarchy</u>				
State of California LAIF	396,535			
CAMP Pool	6,888,769			
SD County Pool	10,000			
	<u>7,295,304</u>			
	<u>\$ 25,664,760</u>			

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LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

4) CAPITAL ASSETS

Capital assets consists of the following at June 30, 2023:

	Balance June 30, 2022*	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2023
Non-depreciable assets:				
Land	\$ 12,878	\$ -	\$ -	\$ 12,878
Construction-in-progress - Encina	4,270,520	3,388,111	(4,269,848)	3,388,783
Construction-in-progress	893,785	2,685,361	(2,956,153)	622,993
Total non-depreciable assets	<u>5,177,183</u>	<u>6,073,472</u>	<u>(7,226,001)</u>	<u>4,024,654</u>
Depreciable assets:				
Sewer collection facilities	43,857,606	328,491	(313,325)	43,872,772
Sewer pump stations	25,264,575	1,197,112	-	26,461,687
Advanced water treatment facility	8,274,833	1,583,506	-	9,858,339
Subsurface lines	36,037,802	-	-	36,037,802
Vulcan sewer line	210,889	-	-	210,889
Site buildings and grounds	14,346,746	61,867	-	14,408,613
Equipment	3,135,658	288,079	(115,511)	3,308,226
Leased equipment	30,590	-	-	30,590
Encina joint system	51,647,510	4,281,824	(2,171,738)	53,757,596
Total depreciable assets	<u>182,806,209</u>	<u>7,740,879</u>	<u>(2,600,574)</u>	<u>187,946,514</u>
Accumulated depreciation:				
Sewer collection facilities	(16,821,263)	(1,126,830)	303,113	(17,644,980)
Sewer pump stations	(10,838,047)	(1,194,747)	-	(12,032,794)
Advanced water treatment facility	(4,222,324)	(276,066)	-	(4,498,390)
Subsurface lines	(13,111,773)	(491,194)	-	(13,602,967)
Vulcan sewer line	(137,529)	(4,218)	-	(141,747)
Site buildings and grounds	(4,192,185)	(314,884)	-	(4,507,069)
Equipment	(1,424,697)	(325,718)	115,510	(1,634,905)
Leased equipment	(17,850)	(6,119)	-	(23,969)
Encina joint system	(14,499,955)	(1,310,675)	2,171,737	(13,638,893)
Total accumulated depreciation	<u>(65,265,623)</u>	<u>(5,050,451)</u>	<u>2,590,360</u>	<u>(67,725,714)</u>
Total depreciable assets, net	<u>117,540,586</u>	<u>2,690,428</u>	<u>(10,214)</u>	<u>120,220,800</u>
Total capital assets, net	<u>\$ 122,717,769</u>	<u>\$ 8,763,900</u>	<u>\$ (7,236,215)</u>	<u>\$ 124,245,454</u>

* Some beginning balances were reclassified, beginning net position was not restated as a result of these reclassifications.

During the fiscal year ended June 30, 2023, major capital assets additions included the replacement of the north section of the Recycled Water Force Main, Village Park 7 Pump Station Rehabilitation Project, and Encina Joint System projects.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

4) CAPITAL ASSETS (continued)

Depreciation expense for the year ended June 30, 2023 was \$5,050,451.

The District has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction-in-progress balances at June 30, 2023 are as follows:

Misc. line repairs	\$ 20,685
Diana pump station upgrade	129,677
FY 2023 Gravity Pipeline Repair Project	236,632
Rancho Verde Pump Station Rehab	162,252
BPS Basin Inspection	<u>73,747</u>
Total construction-in-progress	<u>\$ 622,993</u>

5) ENCINA JOINT SYSTEM

The Encina Joint System is a sewage treatment and ocean outfall disposal facility owned jointly by the Cities of Carlsbad, Encinitas, and Vista, the Buena Sanitation District, the Vallecitos Water District, and the Leucadia Wastewater District. The District's share of the Encina Joint System is recorded as a component of the District's capital assets (see note 4). Ownership percentages are determined by joint agreement at the time the assets are acquired. As of June 30, 2023, the Member Agencies have the following approximate ownership interest:

City of Vista	25.20%
City of Carlsbad	24.24%
Vallecitos Water District	22.42%
Leucadia Wastewater District	16.80%
Buena Vista Sanitation District	7.09%
City of Encinitas	4.25%

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

6) ENCINA WASTEWATER AUTHORITY

The Encina Wastewater Authority (EWA) is a Joint Powers Authority formed by the Member Agencies to operate and administer the Encina Joint System and is responsible for the management, maintenance and operations of the joint system. EWA may be terminated as the operator and administrator at the discretion of the member agencies.

As the operator and administrator, EWA bills the member agencies for its share of the operating costs of the Encina Joint System based on its ownership and usage. The Encina Wastewater Authority does not recognize any operating income or loss (before depreciation). Net operating expenditures in excess of users' assessments are treated as accounts receivable on the EWA's books and charged to users' accounts in the following year. In addition, EWA requires member agencies to maintain various reserves on deposit with EWA.

At June 30, 2023, Leucadia Wastewater District was required to maintain a capital reserve of \$445,200.

The latest available financial statements of the Encina Wastewater Authority can be obtained at 6200 Avenida Encinas, Carlsbad, California 92011 or www.encinajpa.com.

7) COMPENSATED ABSENCES

Compensated absences are comprised of unpaid vacation leave, sick leave and compensating time off which are accrued when benefits are fully vested. The District's liability for compensated absences is determined annually.

Balance June 30, 2022	Net Change	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
<u>\$ 297,959</u>	<u>\$ 26,846</u>	<u>\$ 324,805</u>	<u>\$ 266,737</u>	<u>\$ 58,068</u>

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

8) LONG-TERM LIABILITIES

A summary of long-term liabilities of the District at June 30, 2023 is as follows:

Description	Outstanding Beginning of Year	Additions	Deletions	Outstanding End of Year	Due Within One Year
Lease Payable - Copiers	\$ 13,019	\$ -	\$ 6,201	\$ 6,818	\$ 6,290

In August 2019, the District entered into a five-year lease agreement with Aztec Leasing in the amount of \$31,853 for the rental of office copy machines. The lease is paid in monthly installments of \$531 and bears an implicit interest rate of 1.6%. The outstanding balance of this lease at June 30, 2023 is reported \$6,818. The value of the right to use asset as of June 30, 2023 of \$30,590 with an accumulated amortization of \$23,969 is included with equipment in the Note 4.

Debt service requirements to maturity:

June 30,	Lease Payable - Copiers		
	Principal	Interest	Total
2024	\$ 6,290	\$ 80	\$ 6,370
2025	528	2	530
Total	\$ 6,818	\$ 82	\$ 6,900

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LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

9) NET POSITION

Calculation of net position as of June 30, 2023 was as follows:

Net Investment in capital assets:	
Land	\$ 12,878
Construction in progress	4,011,776
Capital assets, net of depreciation	120,220,800
Leases payable	(6,818)
Total investment in capital assets	<u>124,238,636</u>
Restricted net position:	
Restricted for Encina Wastewater Authority reserves	<u>445,200</u>
Total restricted net position	<u>445,200</u>
Unrestricted net position:	
Wastewater operating reserve	2,984,725
Wastewater replacement reserve	12,824,585
Recycled water reserve	754,353
Emergency reserve	<u>7,500,000</u>
Total unrestricted net position	<u>24,063,663</u>
Total net position	<u>\$ 148,747,499</u>

For internal purposes, the Board of Directors adopted a reserve policy to reserve Unrestricted Net Position. The reserves are meant to reflect the intentions of the Board and are not legally restricted. Encina Wastewater Authority Reserves on Deposit are restricted by the Encina Wastewater Authority.

10) DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. The District currently matches up to 2% of the employees' compensation up to a maximum of 2% of the Social Security wage base limit.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

10) DEFERRED COMPENSATION SAVINGS PLAN (continued)

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Fair value of all plan assets held in trust by the District's two deferred compensation plans at June 30, 2023 amounted to \$3,251,519.

Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the Statement of Net Position in accordance with Generally Accepted Accounting Principles.

11) DEFINED BENEFIT PENSION PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District Resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided (continued)

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Classic <u>Miscellaneous Plan</u>	PEPRA <u>Miscellaneous Plan</u>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% at 60	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-60	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	15.250%	7.470%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Contributions (continued)

Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were \$885,375. The actual employer payments of \$874,006 made to CalPERS by the District during the measurement period ended June 30, 2022 differed from the District's proportionate share of the employer's contributions of \$868,255 by \$5,751, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

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LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Net Pension Liability (continued)

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows:

Asset Class ⁽¹⁾	Assumed Asset	
	Allocation	Real Return ^{1, 2}
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board made its final decision on the asset allocation in November 2021.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Subsequent Events (continued)

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at the CalPERS' website, www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate Share of Net Pension Liability

The following table shows the District's proportionate share of the net pension liability over the measurement period:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (c)=(a)-(b)
Balance at June 30, 2021 (VD)	\$ 20,010,513	\$ 17,915,846	\$ 2,094,667
Balance at June 30, 2022 (MD)	21,587,178	16,738,807	4,848,371
Net changes during 2021-22	<u>\$ 1,576,665</u>	<u>\$ (1,177,039)</u>	<u>\$ 2,753,704</u>

Valuation Date (VD), Measurement Date (MD)

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Proportionate Share of Net Pension Liability (continued)

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the plan as of June 30, 2021 and 2022 measurement dates was as follows:

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2021	0.1103%
Proportion - June 30, 2022	0.1036%
Change - Increase (decrease)	<u>-0.0067%</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.9 percent) or one percentage-point higher (7.9 percent) than the current rate:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Net pension liability	<u>\$ 7,791,092</u>	<u>\$ 4,848,371</u>	<u>\$ 2,427,241</u>

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Deferred Outflows and Deferred Inflows of Resources (continued)

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with pensions (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2021), the District's net pension liability was \$2,094,667. For the measurement period ending June 30, 2022 (the measurement date), the District incurred a pension expense of \$703,223.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

As of June 30, 2023, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 885,375	\$ -
Differences between actual contributions made and proportionate share of contributions	84,722	-
Differences between expected and actual experience	97,365	65,211
Changes of assumptions	496,817	-
Net difference between project and actual earnings on pension plan investments	888,093	-
Adjustments due to differences in proportions	-	181,925
	<u>-</u>	<u>181,925</u>
Total	<u>\$ 2,452,372</u>	<u>\$ 247,136</u>

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

11) DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

The amounts on the previous page are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$885,375 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 333,431
2025	286,390
2026	156,853
2027	543,187
2028	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2023, the District reported a payable of \$5,650 for the outstanding amount of contributions to the pension plan required for the year then ended.

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LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

12) OTHER POST-EMPLOYMENT BENEFITS

Plan Description – Benefits

The District provides post-retirement health care benefits under a defined benefit retiree healthcare plan (Plan).

The Plan is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions and all other requirements are established by State statute and the Board. Copies of CalPERS' annual financial report may be found on the CalPERS website at www.calpers.ca.gov under investments, about the investment office and investment & financial reports.

Funding Policy

The District provides the minimum required employer contribution under the CalPERS Health Plan for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement from the District. Vesting requires at least 5 years of CalPERS total service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon death of the retiree. Board Members during or prior to 1994 may also be eligible for a District contribution at retirement.

Employees Covered

As of the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Active plan members	20
Retirees and beneficiaries receiving benefits	3
Total plan membership	<u>23</u>

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

12) OTHER POST-EMPLOYMENT BENEFITS (continued)

Contributions

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2023, the District's cash contributions were \$7,955 in payments to the trust and the estimated implied subsidy was \$11,655, resulting in total payments of \$19,610.

Net OPEB Asset

The District's net OPEB asset was measured as of June 30, 2022 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation dated July 1, 2021, based on the following actuarial methods and assumptions:

Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Discount rate	6.50%
Inflation	2.50%
Salary increases	2.75% per annum, plus merit increases based on Miscellaneous rates from CalPERS 2017 Pension Plan Experience Study
Investment rate of return	6.5%, assuming actuarially determined contributions funded into CERBT Investment Strategy

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation of 2.50%.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

12) OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Asset (continued)

The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Gross Rate of Return (11+ years)*</u>
Global Equity	59.00%	N/A
Fixed Income	25.00%	N/A
Treasury Inflation-Protected Security	5.00%	N/A
Commodities	3.00%	N/A
REITs	8.00%	N/A
Total	<u>100.00%</u>	<u>6.50%</u>

*Long-term expected rate of return is assumed to be 6.50%

Change of Assumptions

There were no changes of assumptions.

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LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

12) OTHER POST-EMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate used to measure the total OPEB asset was 6.50%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Changes in the OPEB Asset

The changes in the net OPEB asset for the Plan are as follows:

	Increase (Decrease)		
	Total (OPEB Liability) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2022 (Measurement Date: June 30, 2021)	\$ 349,933	\$ 596,694	\$ (246,761)
Changes recognized for the measurement period:			
Service cost	17,950	-	17,950
Interest	23,383	-	23,383
Difference in experience	(7,259)	-	(7,259)
Changes of assumptions	-	-	-
Contributions - employer	-	16,610	(16,610)
Net investment income	-	(79,841)	79,841
Benefit payments	(16,547)	(16,547)	-
Administrative expense	-	(353)	353
Net Changes	17,527	(80,131)	97,658
Balance at June 30, 2023 (Measurement Date: June 30, 2022)	\$ 367,460	\$ 516,563	\$ (149,103)

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

12) OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease 5.50%	Discount Rate Current (6.50%)	1% Increase 7.50%
Net OPEB Liability (Asset)	<u>\$ (100,298)</u>	<u>\$ (149,103)</u>	<u>\$ (189,661)</u>

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB asset of the District if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease (5.5% to 3.5%)	Current Healthcare Cost Trend Rate (6.5% to 4.5%)	1% Increase (7.5% to 5.5%)
Net OPEB Liability (Asset)	<u>\$ (200,193)</u>	<u>\$ (149,103)</u>	<u>\$ (85,288)</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

12) OTHER POST-EMPLOYMENT BENEFITS (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources (continued)

The recognition period differs depending on the source of the gain or loss:

Net difference between project and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$10,700. As of fiscal year ended June 30, 2023, the District reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 19,610	\$ -
Changes of assumptions	32,623	-
Differences between expected and actual experiences	14,897	77,393
Net difference between projected and actual earnings on OPEB plan investments	<u>44,325</u>	<u>-</u>
Total	<u>\$ 111,455</u>	<u>\$ 77,393</u>

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

12) OTHER POST-EMPLOYMENT BENEFITS (continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The \$19,610 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 8,549
2025	7,843
2026	4,709
2027	23,887
2028	(8,179)
Thereafter	(22,357)

13) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of the California Sanitation Risk Management Authority (CSRMA), an intergovernmental risk sharing joint powers authority currently operating as a common risk management and loss prevention program for 59 California sanitation districts. The District pays an annual premium to CSRMA for its public liability and workers compensation risk coverage.

The agreement for formation of the CSRMA provides that CSRMA will be self-sustaining through member premiums and will provide specific excess insurance through commercial companies. The CSRMA can make additional assessments to its members based on a retrospective premium adjustment process. At June 30, 2023, the District participated in the self-insurance programs of the CSRMA as follows:

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

13) RISK MANAGEMENT (continued)

General and Automotive Liability - Including errors and omission (E&O) and employment practices liability (EPL): The District is self-insured through CSRMA through a combination of a pool layer, reinsurance, and excess insurance. The self-insured pool layer is \$750,000 with a \$50,000 deductible (\$25,000 for EPL and \$2,500 for E&O). In addition, \$15,500,000 of commercial reinsurance is purchased above the pool layer with an additional \$10,000,000 in excess insurance above the reinsurance layer for a total maximum coverage of \$25,500,000.

Workers' Compensation and Employer's Liability - The District is self-insured through CSRMA through a combination of a pooled layer and excess insurance. The pooled layer is \$750,000 with no deductible. The excess insurance is purchased above the pooled layer and is set at the statutory limit for Workers Compensation and at \$1,000,000 for Employers Liability.

Special Form Property Coverage - Up to \$101,989,150 with a deductible of \$5,000 per claim.

Public Entity Physical Damage - For the replacement cost up to \$916,043 subject to a deductible of \$2,000 per claim.

Public Officials Personal Liability - Up to \$100,000 each occurrence, with an annual aggregate of \$100,000 per each elected/appointed official to which this coverage applies, subject to the terms.

Public Entity Pollution Liability - As part of the purchase of the general liability policy, the District acquired a \$25,000,000 public entity pollution liability policy, with \$2,000,000 per pollution condition and a \$300,000 per condition retention.

Cyber Liability Coverage - Up to \$2,000,000 for third party coverage and \$2,000,000 for first party coverage for computer security with a \$50,000 retention.

Master Crime Coverage - The District purchased a master crime policy, first with a \$2,000,000 limit and a \$2,500 deductible. The District also purchased an ID Fraud Master Identity Theft policy with a \$25,000 limit and \$0 deductible.

Deadly Weapons Response - Up to \$500,000 per event with an annual aggregate of \$2,500,000. This policy has various sublimits of \$250,000.

LEUCADIA WASTEWATER DISTRICT

Notes to Basic Financial Statements For the Year Ended June 30, 2023

13) RISK MANAGEMENT (continued)

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2023, 2022 and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no claims payable as of June 30, 2023 and 2022.

14) COMMITMENTS AND CONTINGENCIES

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of wastewater facilities and collection systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserve.

The District has committed to approximately \$370,106 in open construction contracts as of June 30, 2023. These include the following:

<u>Project Name</u>	<u>Total Approved Contracts</u>	<u>Construction Costs to Date</u>	<u>Remaining Obligation</u>
FY2023 Gravity Pipeline Repair Project	\$ 524,366	\$ (167,522)	\$ 356,844
Rancho Verde Pump Station Rehab	109,880	(96,618)	13,262
Total	<u>\$ 634,246</u>	<u>\$ (264,140)</u>	<u>\$ 370,106</u>

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Required Supplementary Information

LEUCADIA WASTEWATER DISTRICT

Required Supplementary Information Schedule of the Plan's Proportionate Share of Net Pension Liability Last Ten Fiscal Years*

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.0351%	\$ 2,277,414	\$ 1,511,503	150.67%	83.03%
6/30/2015	0.0379%	2,604,135	1,537,839	169.34%	81.30%
6/30/2016	0.0400%	3,466,620	1,664,178	208.31%	76.68%
6/30/2017	0.0411%	4,074,562	1,757,813	231.80%	75.82%
6/30/2018	0.0415%	4,000,889	1,798,709	222.43%	76.65%
6/30/2019	0.0428%	4,386,823	1,926,315	227.73%	75.79%
6/30/2020	0.0416%	4,523,924	2,009,625	225.11%	76.43%
6/30/2021	0.0387%	2,094,667	2,055,804	101.89%	89.53%
6/30/2022	0.0420%	4,848,371	2,037,012	238.01%	77.54%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

LEUCADIA WASTEWATER DISTRICT

Required Supplementary Information Schedule of Contributions – Defined Benefit Pension Plan Last Ten Fiscal Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 242,055	\$ (242,055)	\$ -	\$ 1,537,839	15.74%
6/30/2016	229,609	(229,609)	-	1,664,178	13.80%
6/30/2017	338,782	(338,782)	-	1,757,813	19.27%
6/30/2018	373,044	(373,044)	-	1,798,709	20.74%
6/30/2019	442,015	(442,015)	-	1,926,315	22.95%
6/30/2020	513,576	(753,534)	(239,958)	2,009,626	37.50%
6/30/2021	561,027	(834,916)	(273,889)	2,055,804	40.61%
6/30/2022	587,418	(874,006)	(286,588)	2,037,012	42.91%
6/30/2023	617,208	(885,375)	(268,167)	2,164,299	40.91%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

LEUCADIA WASTEWATER DISTRICT

Required Supplementary Information Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Fiscal Years*

Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:						
Service cost	\$ 17,950	\$ 17,723	\$ 17,276	\$ 11,652	\$ 11,313	\$ 10,573
Interest	23,383	27,992	26,943	20,703	19,426	18,533
Actual and expected experience difference	(7,259)	(82,510)	(7,765)	29,797	-	-
Changes in assumptions	-	17,661	-	36,990	-	-
Changes in benefit terms	-	-	-	-	-	-
Benefit payments	(16,547)	(25,748)	(18,210)	(13,349)	(12,324)	(21,841)
Net change in total OPEB liability	17,527	(44,882)	18,244	85,793	18,415	7,265
Total OPEB liability - beginning	349,933	394,815	376,571	290,778	272,363	265,098
Total OPEB liability - ending (a)	367,460	349,933	394,815	376,571	290,778	272,363
Plan fiduciary net position:						
Contribution - employer	16,610	25,748	\$ 18,210	\$ 13,349	\$ 12,324	\$ 27,373
Net interest income	(79,841)	128,680	15,982	26,298	31,467	37,240
Benefit payments	(16,547)	(25,748)	(18,210)	(13,349)	(12,324)	(21,841)
Administrative expense	(353)	(177)	(221)	(91)	(734)	(189)
Net change in plan fiduciary net position	(80,131)	128,503	15,761	26,207	30,733	42,583
Plan fiduciary net position - beginning	596,694	468,191	452,430	426,223	395,490	352,907
Plan fiduciary net position - ending (b)	516,563	596,694	468,191	452,430	426,223	395,490
Net OPEB liability (asset) - ending (a)-(b)	\$ (149,103)	\$ (246,761)	\$ (73,376)	\$ (75,859)	\$ (135,445)	\$ (123,127)
Plan fiduciary net position as a percentage of the total OPEB liability						
	140.58%	170.52%	118.58%	120.14%	146.58%	145.21%
Covered-employee payroll	\$ 2,140,654	\$ 2,260,140	\$ 2,197,527	\$ 2,112,219	\$ 1,960,900	\$ 1,922,264
Net OPEB liability (asset) as a percentage of covered-employee payroll	-6.97%	-10.92%	-3.34%	-3.59%	-6.91%	-6.41%

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

LEUCADIA WASTEWATER DISTRICT

Required Supplementary Information Schedule of OPEB Contributions Last Ten Fiscal Years*

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the ADC	(19,610)	(16,547)	(25,748)	(18,210)	(13,349)	(12,324)
Contribution deficiency (excess)	<u>\$ (19,610)</u>	<u>\$ (16,547)</u>	<u>\$ (25,748)</u>	<u>\$ (18,210)</u>	<u>\$ (13,349)</u>	<u>\$ (12,324)</u>
Covered-employee payroll	\$ 2,265,828	\$ 2,140,654	\$ 2,260,140	\$ 2,197,527	\$ 2,112,219	\$ 1,960,900
Contributions as a percentage of Covered-employee payroll	-0.87%	-0.77%	-1.14%	-0.83%	-0.63%	-0.63%

Notes to Schedule:

Actuarially methods and assumptions used to set the actuarially determined contributions for fiscal year 2023 were form the June 30, 2022 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Fair value
Inflation	2.50% per annum
Payroll Growth	2.75% per annum, plus merit increases based on Miscellaneous rates from the CalPERS 2017 Pension Plan Experience Study
Investment Rate of Return	6.50% per annum. Assumes investing in California Employers' Retiree Benefit Trust asset allocation.
Healthcare cost-trend rates	6.25% initial, decreasing to an ultimate rate of 4.50%
Mortality	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

**Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.*

Supplementary Information

LEUCADIA WASTEWATER DISTRICT

Supplementary Information Combining Schedule of Changes in Net Position For the Year Ended June 30, 2023

	Net Investment in Capital Assets	Restricted	Unrestricted, Reserved For			Total Net Position	
		EWA Reserve	Wastewater Operating	Wastewater Replacement	Recycled Water		Emergency
Balance, June 30, 2022	\$ 122,704,750	\$ 445,200	\$ 2,770,758	\$ 11,375,633	\$ 1,559,732	\$ 7,500,000	\$ 146,356,073
Net operating income (loss)	-	-	(688,629)	-	(212,195)	-	(900,824)
Contribute capital, sewer lines	-	-	-	-	-	-	-
Capacity fees (buy-in)	-	-	-	782,788	-	-	782,788
Net additions to utility plant and equipment	6,578,136	-	-	(5,685,445)	(894,403)	-	(1,712)
Depreciation charged to net income	(5,050,451)	-	4,774,385	-	276,066	-	-
Interest income allocated	-	-	83,231	138,444	19,900	130,000	371,575
Property taxes	-	-	-	2,129,874	-	-	2,129,874
Miscellaneous non-operating income	-	-	-	4,472	5,253	-	9,725
Reduction of lease payables	6,201	-	-	(6,201)	-	-	-
Transfers	-	-	(3,955,020)	4,085,020	-	(130,000)	-
Balance, June 30, 2023	<u>\$ 124,238,636</u>	<u>\$ 445,200</u>	<u>\$ 2,984,725</u>	<u>\$ 12,824,585</u>	<u>\$ 754,353</u>	<u>\$ 7,500,000</u>	<u>\$ 148,747,499</u>

Statistical Section

LEUCADIA WASTEWATER DISTRICT

Statistical Section

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This part of the District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

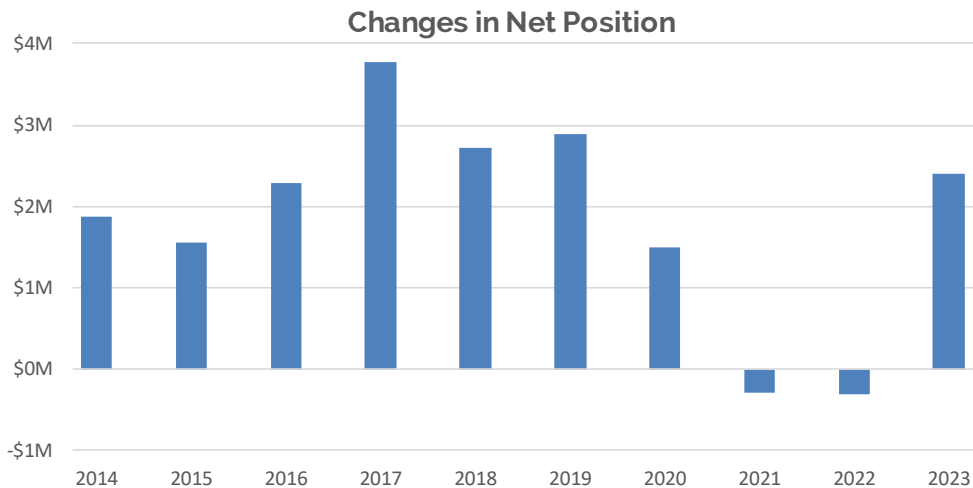
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LEUCADIA WASTEWATER DISTRICT

Changes in Net Position by Component Last Ten Fiscal Years

Schedule 1

	Fiscal Year			
	2014	2015	2016	2017
Changes in net position				
Operating revenues (See schedule 2)	\$ 7,958,080	\$ 8,497,441	\$ 9,365,918	\$ 10,285,854
Operating expenses (See schedule 3)	(5,878,182)	(6,142,492)	(6,260,595)	(6,508,623)
Depreciation & amortization	(3,527,059)	(3,693,901)	(3,766,355)	(3,831,850)
Operating Income(loss)	(1,447,161)	(1,338,952)	(661,032)	(54,619)
Non-operating revenues (expenses)				
Property taxes	1,263,119	1,382,197	1,482,357	1,554,673
Investment income (loss)	213,607	255,144	243,702	224,064
Gain/(Loss) on sale/disposition of assets	(146,913)	(185,686)	(500,547)	(149,481)
Other revenue/(expense), net	1,911	16,054	10,911	10,697
Total non-operating revenues/(expenses) net	1,331,724	1,467,709	1,236,423	1,639,953
Net income before capital contributions	(115,437)	128,757	575,391	1,585,334
Capital contributions	1,989,096	1,419,831	1,718,556	2,191,251
Changes in net position	\$ 1,873,659	\$ 1,548,588	\$ 2,293,947	\$ 3,776,585
Net position by component				
Net investment in capital assets	\$ 98,011,150	\$ 102,080,041	\$ 103,352,670	\$ 106,913,511
Restricted	2,118,651	1,595,655	2,155,040	2,131,849
Unrestricted	35,458,358	28,188,300	30,466,533	30,705,468
Total net position	\$ 135,588,159	\$ 131,863,996	\$ 135,974,243	\$ 139,750,828



Source: Leucadia Wastewater District Accounting Department

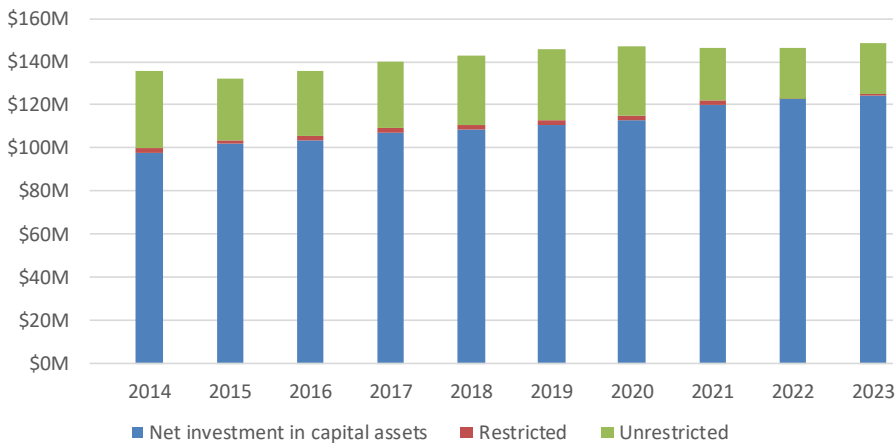
LEUCADIA WASTEWATER DISTRICT

Changes in Net Position by Component (continued) Last Ten Fiscal Years

Schedule 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 10,290,586	\$ 10,322,518	\$ 10,327,319	\$ 10,457,885	\$ 11,438,721	\$ 12,448,890
(6,788,292)	(6,921,833)	(8,039,129)	(8,575,326)	(7,954,183)	(8,299,263)
(3,953,584)	(4,081,876)	(4,101,468)	(4,289,042)	(4,919,137)	(5,050,451)
(451,290)	(681,191)	(1,813,278)	(2,406,483)	(1,434,599)	(900,824)
1,622,117	1,706,279	1,781,657	1,862,453	1,967,574	2,129,874
406,296	1,059,467	1,125,662	127,624	(1,156,695)	371,575
(77,433)	10,051	(186,406)	(72,587)	(72,829)	(1,712)
3,148	5,172	28,664	6,669	18,237	9,725
1,954,128	2,780,969	2,749,577	1,924,159	756,287	2,509,462
1,502,838	2,099,778	936,299	(482,324)	(678,312)	1,608,638
1,211,964	797,994	568,963	191,039	366,675	782,788
\$ 2,714,802	\$ 2,897,772	\$ 1,505,262	\$ (291,285)	\$ (311,637)	\$ 2,391,426
\$ 108,555,413	\$ 110,480,355	\$ 112,718,595	\$ 119,956,316	\$ 122,704,750	\$ 124,238,637
2,044,897	2,258,975	2,143,622	2,041,200	445,200	445,200
31,955,912	32,714,664	32,097,039	24,670,455	23,206,123	24,063,662
\$ 142,556,222	\$ 145,453,994	\$ 146,959,256	\$ 146,667,971	\$ 146,356,073	\$ 148,747,499

Net Position by Component

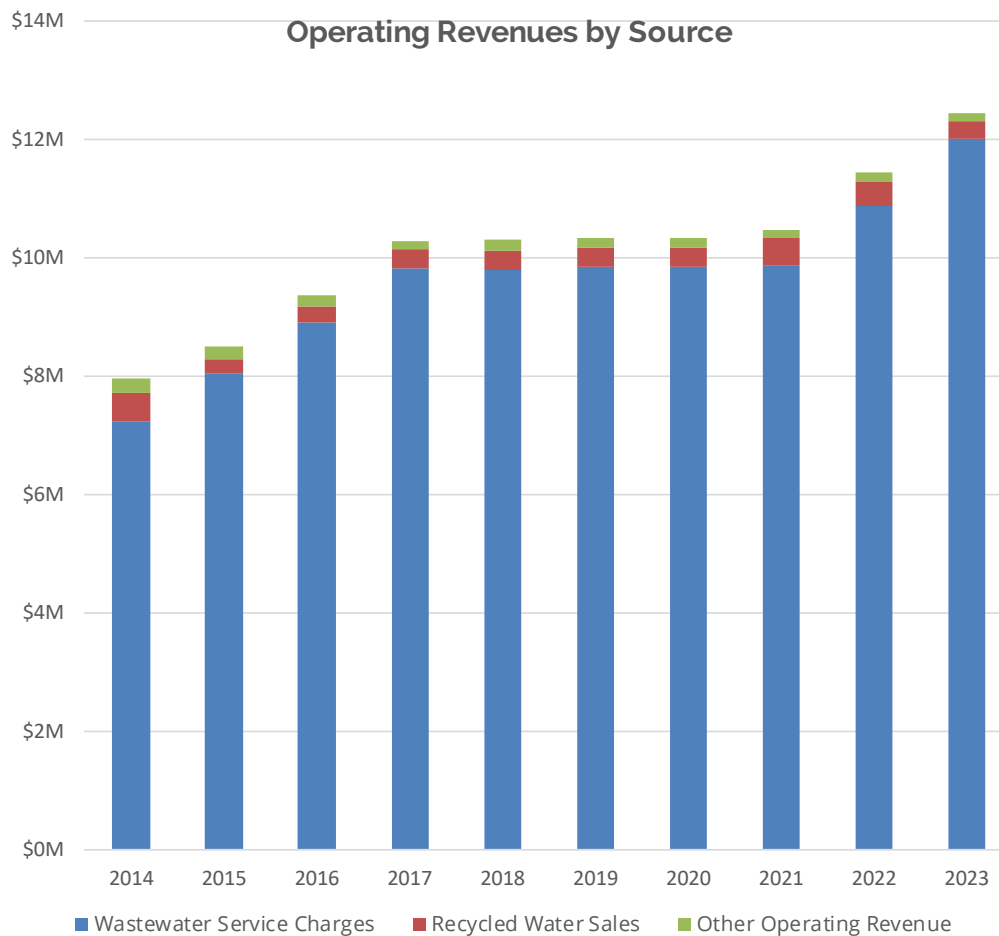


LEUCADIA WASTEWATER DISTRICT

Operating Revenue By Source Last Ten Fiscal Years

Schedule 2

Fiscal Year	Wastewater Service Charges	Recycled Water Sales	Other Operating Revenue	Total Operating Revenue
2014	\$ 7,218,040	\$ 492,421	\$ 247,619	\$ 7,958,080
2015	8,029,799	254,427	213,215	8,497,441
2016	8,897,385	279,064	189,469	9,365,918
2017	9,816,627	330,306	138,921	10,285,854
2018	9,787,703	315,118	187,765	10,290,586
2019	9,850,635	315,379	156,504	10,322,518
2020	9,833,533	325,469	168,317	10,327,319
2021	9,879,710	449,997	128,178	10,457,885
2022	10,879,815	408,839	150,067	11,438,721
2023	11,996,035	298,307	154,548	12,448,890



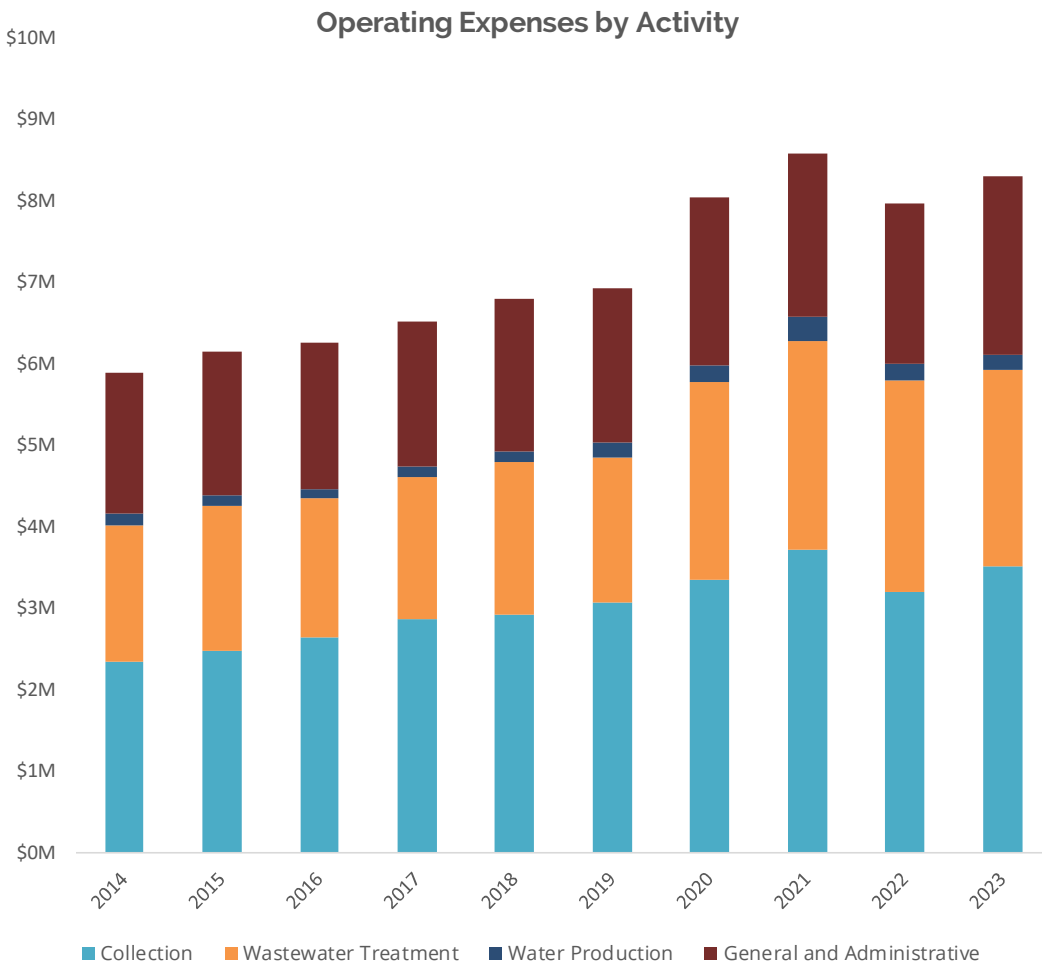
Source: Leucadia Wastewater District Accounting Department

LEUCADIA WASTEWATER DISTRICT

Operating Expenses by Activity Last Ten Fiscal Years

Schedule 3

Fiscal Year	Wastewater Collection	Wastewater Treatment	Recycled Water Production	General and Administrative	Total Operating Expenses
2014	\$ 2,337,530	\$ 1,683,406	\$ 140,209	\$ 1,717,037	\$ 5,878,182
2015	2,465,884	1,795,007	130,879	1,750,722	6,142,492
2016	2,639,345	1,701,954	124,822	1,794,474	6,260,595
2017	2,866,367	1,735,063	132,554	1,774,639	6,508,623
2018	2,911,285	1,874,335	139,662	1,863,010	6,788,292
2019	3,069,899	1,780,954	173,567	1,897,413	6,921,833
2020	3,351,640	2,432,147	189,000	2,066,342	8,039,129
2021	3,717,785	2,558,112	291,074	2,008,355	8,575,326
2022	3,191,343	2,599,925	212,042	1,950,873	7,954,183
2023	3,515,827	2,411,905	185,200	2,186,331	8,299,263



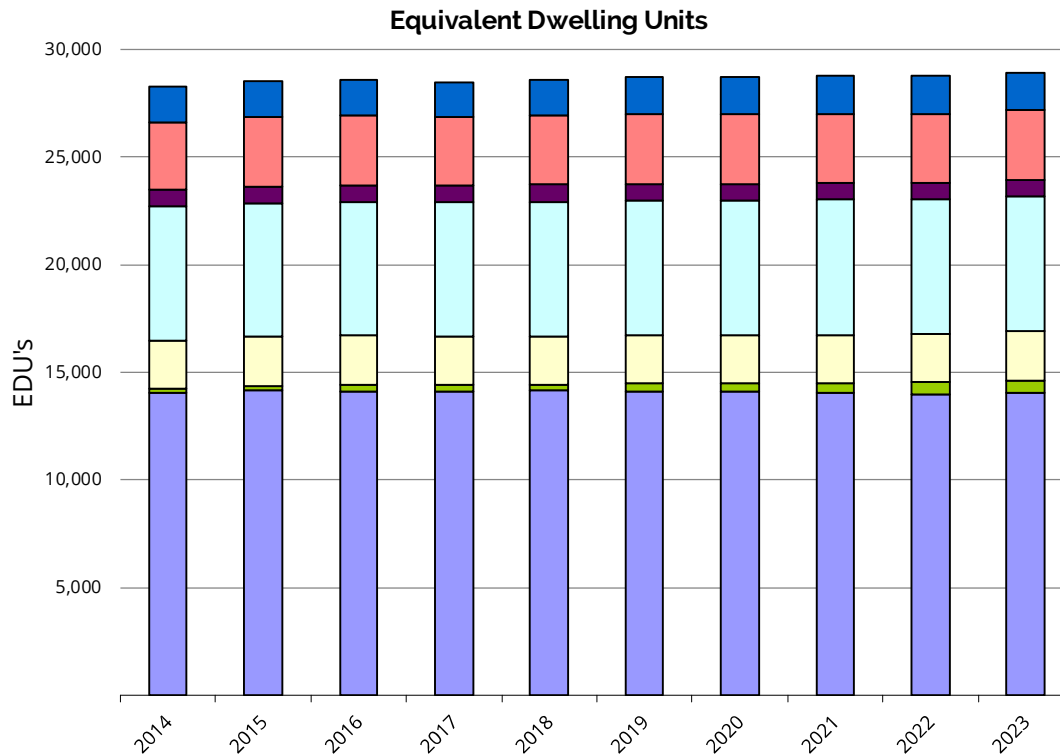
Source: Leucadia Wastewater District Accounting Department

LEUCADIA WASTEWATER DISTRICT

Equivalent Dwelling Units by Type at Fiscal Year-End Last Ten Fiscal Years

Schedule 4

Fiscal Year	Customer Type							Total
	Single Family Residential	Single Fam with Access Unit	Apartments	Condos and Duplexes	Senior Care Facilities	Commercial	Other (3)	
2014	14,055.53	188.02	2,246.62	6,213.20	780.73	3,153.30	1,640.41	28,277.81
2015	14,171.53	204.52	2,250.62	6,231.20	780.73	3,234.93	1,642.41	28,515.94
2016	14,107.00	328.72	2,250.62	6,232.20	780.73	3,218.13	1,642.81	28,560.21
2017	14,124.50	277.00	2,246.52	6,241.00	779.74	3,164.17	1,636.88	28,469.81
2018	14,136.00	312.00	2,236.52	6,248.00	779.74	3,207.70	1,641.78	28,561.74
2019	14,105.00	362.50	2,236.52	6,260.00	779.74	3,219.10	1,758.58	28,721.44
2020	14,083.00	391.00	2,237.27	6,263.25	779.74	3,224.60	1,759.68	28,738.54
2021	14,042.00	462.75	2,238.77	6,267.00	779.74	3,224.40	1,759.68	28,774.34
2022	14,004.00	532.75	2,241.27	6,259.75	779.74	3,205.40	1,759.18	28,782.09
2023	14,013.50	583.50	2,316.27	6,258.75	779.74	3,224.59	1,759.68	28,936.03



Notes:

- (1) The District charges its customers a flat rate per equivalent dwelling unit (EDU) and the fee appears on the customers' annual property tax bills.
- (2) Number of customers as of June 30 of fiscal year.
- (3) Other category includes mobile homes.

Source: Leucadia Wastewater District Operations Department

LEUCADIA WASTEWATER DISTRICT

Wastewater Service Charges Last Ten Fiscal Years

Schedule 5

Price Per EDU Per Month/Per Fiscal Year ⁽¹⁾									
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
21.52	23.67	26.04	28.64	28.64	28.64	28.64	28.64	31.50	34.65

Wastewater Use Categories

	EDU Factors (2)
Single Family Residence	1.0
Accessory Dwelling Units & Junior Accessory Dwelling Units (3)	
Accessory Dwelling Unit 500 square feet or smaller	0.25
Accessory Dwelling Unit between 501-1,000 square feet	0.50
Accessory Dwelling Unit 1,001 square feet or larger	0.75
Multiple Dwelling (Apartments, condominiums, duplexes and townhouses)	1.0 per living unit
Mobile Home or Trailer Park	1.0 per space
Motel or Hotel without Kitchen	0.33 per living unit
Hotel or Motel with Kitchen	0.55 per living unit
Medical Care or Elder Care Facilities:	
Minimum	1.0
Multiple dwelling without kitchen but with community eating facilities	0.4 per individual bed
Multiple dwelling with kitchen and with community eating facilities	0.8 per living unit
Multiple dwelling with kitchen but with no community eating facilities	1.0 per living unit
Single dwelling with kitchen regardless of community eating facilities	1.0 per living unit
Churches and Theaters, per 115 seating capacity, or fraction thereof	1.0
Schools	
Elementary Schools, per 60 pupils or fraction thereof	1.0
Junior High Schools, per 50 pupils or fraction thereof	1.0
High Schools, per 30 pupils or fraction thereof	1.0
Each Trade, Vocational, University or College per 30 pupils or fraction thereof	1.0
Self-service Laundries, per wash machine	0.75
Food Services Establishments	
Low Food Preparation Establishments	
Minimum up to 14 seats w/ multi-use utensils or up to 30 seats with single-use	2.0
Establishments with multi-use utensils	1.0 per each add'l 7 seats
Establishments with single-use utensils	1.0 per each add'l 15 seats
High Food Preparation Establishments	
Minimum up to 21 seats w/ multi-use utensils or up to 45 seats with single-use	3.0
Establishments with multi-use utensils	1.0 per each add'l 7 seats
Establishments with single-use utensils	1.0 per each add'l 15 seats
Ballrooms, Banquet Facilities and Convention Facilities, per block of 40 seats	1.0
Automobile Service Stations	
Auto service stations with 4 or less gas pumps	2.0
Auto service stations with more than 4 gas pumps	3.0
Washing rack, pit, or floor drain (additional)	2.0 per each
Car washes	Per review
Banks, per 3,000 square foot or fraction thereof	1.0
Other Commercial and Industrial Users (Including Limited Food Preparation Establishments)	
First 1,000 square feet	1.0
Each additional 1,000 up to 5,000 square feet	0.6
Each additional 1,000 over 5,000 square feet	0.4
Establishments with unusual sewer characteristics or not described above	Per case

Notes:

(1) Rates are as of June 30 of each fiscal year.

(2) EDU = Equivalent Dwelling Unit.

(3) Certain Accessory Dwelling Units & Junior Accessory Dwelling Units are exempt from capacity charges under state law

Source: Leucadia Wastewater District Board of Directors approved rate ordinances and resolutions.

LEUCADIA WASTEWATER DISTRICT

Principal Customers Current Fiscal Year and Ten Years Ago

Schedule 6

Customer	2023		2014	
	EDU's (1)	Percentage of Total	EDU's (1)	Percentage of Total
La Costa Glen	723	2.54%	723	2.59%
La Costa Resort & Spa	498	1.75%	474	1.70%
Encinitas Town Center	324	1.14%	305	1.09%
La Costa Racquet Club	320	1.12%	320	1.15%
The Forum @ Carlsbad	234	0.82%	233	0.83%
La Costa Town Square Commercial	215	0.75%	194	0.69%
Mission Ridge Apartments	196	0.69%	196	0.70%
La Costa Affordable Housing	185	0.65%	185	0.66%
Encinitas Village	180	0.63%	182	0.65%
Camino Village Plaza	177	0.62%	186	0.67%
Riviera Mobile Home Park	158	0.55%	158	0.57%
La Costa Shopping Center	150	0.53%	131	0.47%
Colonial Apartments	145	0.51%	145	0.52%
Weigand Plaza II	135	0.47%	130	0.47%
Encinitas Heights Apartments	122	0.43%	122	0.44%
Total EDU's: Principal customers	3,762	13.21%	3,684	13.19%
Total Equivalent Dwelling Units	28,470	100.00%	27,936	100.00%

Notes:

(1) EDU's = Equivalent Dwelling Units.

Source: Leucadia Wastewater District Operations Department

LEUCADIA WASTEWATER DISTRICT

Assessed Value of Taxable Property Last Ten Years

Schedule 7

<u>Fiscal Year</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Total Assessed Value</u>
2014	\$ 11,283,103,814	\$ 110,452,174	\$ 11,393,555,988
2015	12,266,748,094	137,361,541	12,404,109,635
2016	13,067,537,215	115,068,809	13,182,606,024
2017	13,688,462,176	113,692,139	13,802,154,315
2018	14,342,252,801	114,042,989	14,456,295,790
2019	15,063,864,539	125,962,401	15,189,826,940
2020	15,778,407,531	126,132,812	15,904,540,343
2021	16,498,444,974	135,408,142	16,633,853,116
2022	17,285,985,770	116,996,553	17,402,982,323
2023	18,534,065,260	151,900,210	18,685,965,470

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of properties may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the property value is re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual fair value of taxable property and is subject to the limitations described above.

Source: County of San Diego Tax Assessor

LEUCADIA WASTEWATER DISTRICT

Property Tax Levies and Collections Last Ten Fiscal Years

Schedule 8

Fiscal Year	Current Tax Levy	Current Tax Collections	Percent of Current Taxes	Prior Year Tax Collections	Percent of Current Taxes	Net Collections
2014	\$ 1,296,442	\$ 1,277,325	98.5%	\$ 14,771	1.2%	\$ 1,292,096
2015	1,417,195	1,396,032	98.5%	17,411	1.2%	1,413,443
2016	1,513,344	1,491,352	98.5%	18,398	1.2%	1,509,750
2017	1,571,940	1,553,390	98.8%	22,042	1.4%	1,575,432
2018	1,643,629	1,622,138	98.7%	24,589	1.5%	1,646,727
2019	1,726,734	1,703,258	98.6%	23,487	1.4%	1,726,745
2020	1,809,075	1,782,337	98.5%	22,916	1.3%	1,805,253
2021	1,888,061	1,858,958	98.5%	23,129	1.2%	1,882,087
2022	1,993,417	1,952,291	97.9%	27,605	1.4%	1,979,896
2023	2,163,554	2,115,034	97.8%	50,169	2.4%	2,165,203

Source: County of San Diego, California "Tax/Revenue Accountability Report"

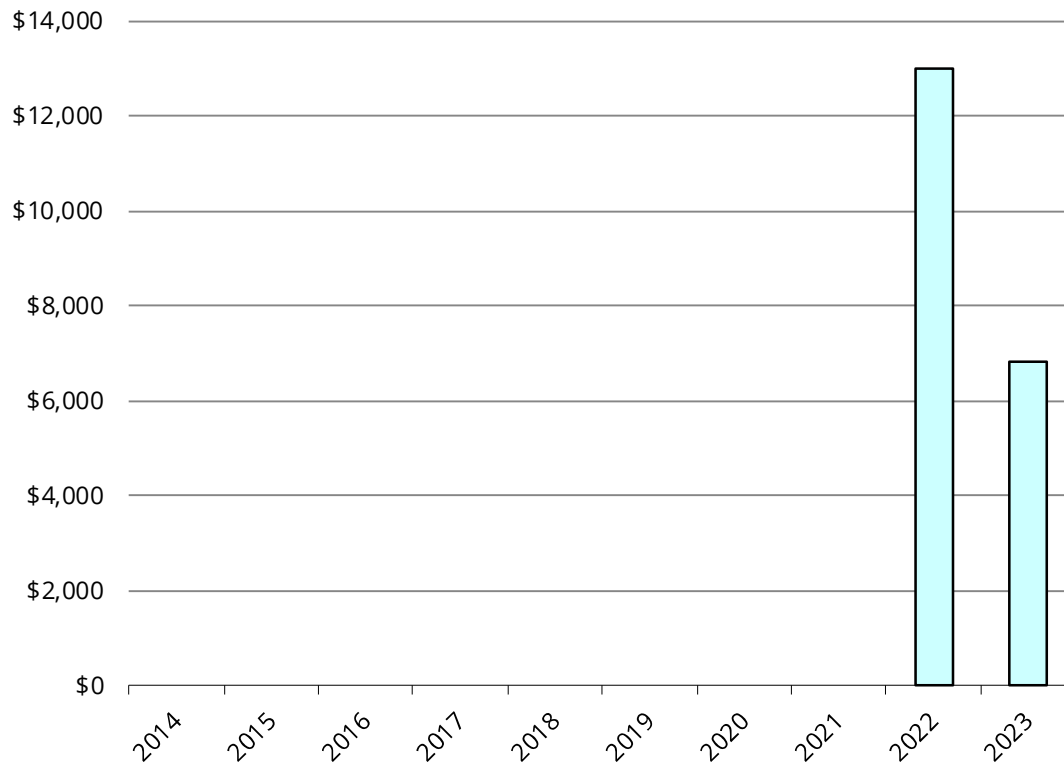
LEUCADIA WASTEWATER DISTRICT

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Schedule 9

Fiscal Year	Bonds Payable	Leases Payable	Total		
			Total Debt	Per Capita	As a Share of Personal Income
2014	\$ -	\$ -	\$ -	\$ -	0.00%
2015	-	-	-	-	0.00%
2016	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2020	-	-	-	-	0.00%
2021	-	-	-	-	0.00%
2022	-	13,019	13,019	0.21	0.00%
2023	-	6,818	6,818	0.11	0.00%

Outstanding Debt



Source: Leucadia Wastewater District Accounting Department

LEUCADIA WASTEWATER DISTRICT

Debt Coverage Last Ten Fiscal Years

Schedule 10

Fiscal Year	Net Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Available Revenues	Debt Service ⁽³⁾			Coverage Ratio
				Principal	Interest	Total	
2014	\$9,289,804	\$ (5,878,182)	\$ 3,411,622	-	-	-	-
2015	9,965,150	(6,142,492)	3,822,658	-	-	-	-
2016	10,600,341	(6,260,595)	4,339,746	-	-	-	-
2017	11,925,807	(6,508,623)	5,417,184	-	-	-	-
2018	12,244,714	(6,788,292)	5,456,422	-	-	-	-
2019	13,103,487	(6,921,833)	6,181,654	-	-	-	-
2020	13,076,896	(8,033,666)	5,043,230	5,463	377	5,840	864
2021	12,382,044	(8,569,320)	3,812,724	6,006	364	6,370	599
2022	12,195,008	(7,954,183)	4,240,825	6,102	268	6,370	666
2023	14,960,064	(8,299,263)	6,660,801	6,201	169	6,370	1,046

Notes:

(1) Net revenues include all operating revenues of the District as well as non-operating revenues, net of non-operating expenses.

(2) Operating expenses exclude depreciation expense.

(3) Debt includes Aztec leased copiers implemented in FY2022 in accordance with GASB 87.

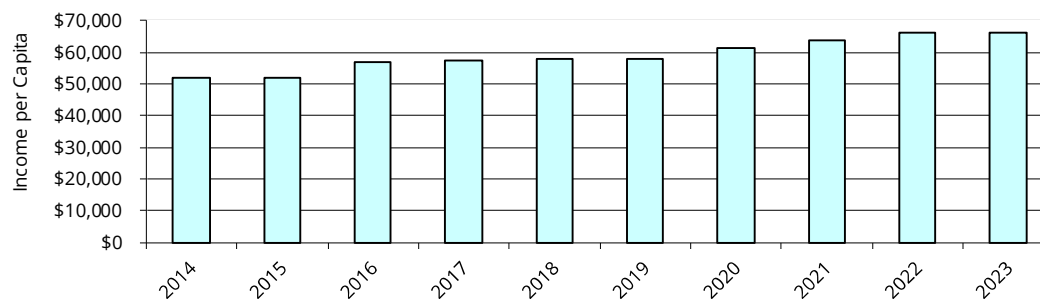
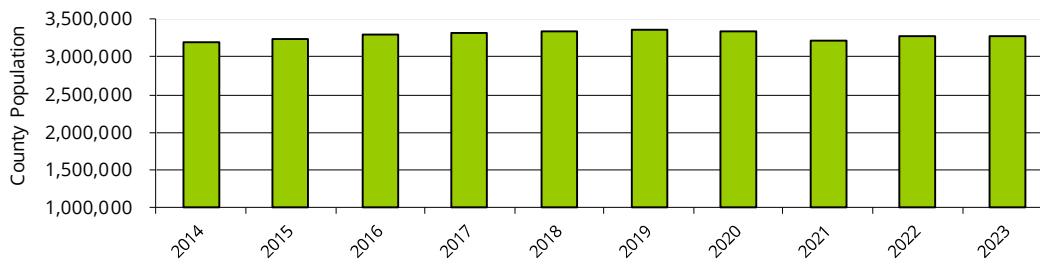
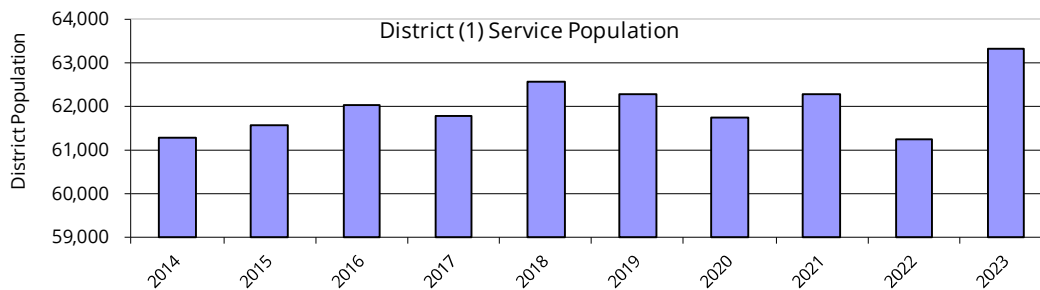
Source: Leucadia Wastewater District Accounting Department

LEUCADIA WASTEWATER DISTRICT

Demographics and Economic Statistics Last Ten Fiscal Years

Schedule 11

Fiscal Year	District (1) Service Population	County of San Diego (2)			
		(3) Unemployment Rate	(4) Population	Personal Income (thousands of dollars) (5)	Personal Income per Capita (5)
2014	61,294	6.4%	3,194,362	\$ 165,535,033	\$ 51,821
2015	61,585	5.2%	3,227,496	167,252,070	51,821
2016	62,042	5.1%	3,288,612	186,900,000	56,832
2017	61,779	4.3%	3,316,192	190,500,000	57,445
2018	62,565	3.7%	3,337,458	192,681,910	57,733
2019	62,310	3.3%	3,351,786	194,111,983	57,913
2020	61,763	13.8%	3,343,355	205,235,190	61,386
2021	62,310	5.9%	3,223,583	205,435,721	63,729
2022	61,257	3.2%	3,287,306	217,836,619	66,266
2023	63,338	3.5%	3,269,755	216,673,585	66,266



Notes:

- (1) Estimated population of Leucadia Wastewater District. Source: GANN Limit, SANDAG and Census
- (2) County of San Diego data is updated annually. Therefore, the District uses County data because it most accurately represents the conditions and experiences of the District.
- (3) Source: US Bureau of Labor Statistics.
- (4) Source: California Department of Finance.
- (5) Sources: California Department of Finance and California Labor Market Info, US Bureau of Labor Statistics, Los Angeles County Economic Development Corporation, and Federal Reserve Bank of St. Louis Economic Research.

LEUCADIA WASTEWATER DISTRICT

Principal Employers – City of Carlsbad Last Ten Fiscal Years

Schedule 12

Employer	2023			2014		
	Rank	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment
ViaSat, Inc	1	4,213	5.4%	2	1,510	2.4%
Legoland California	2	2,300	2.9%	4	1,422	2.3%
Thermo Fisher Scientific	3	2,332	3.0%			
Carlsbad Unified School District	4	1,094	1.4%	7	903	1.5%
Omni La Costa Resort & Spa	5	900	1.2%	6	932	1.5%
City of Carlsbad	6	783	1.0%	9	675	1.1%
Gemological Institute of America	7	771	1.0%	8	794	1.3%
Ionis Pharmaceuticals	8	671	0.9%			
Park Hyatt Aviara	9	648	0.8%			
Taylor Made Golf Company	10	514	0.7%	5	954	1.5%
Callaway Golf Company				1	1,637	2.6%
Life Technologies				3	1,454	2.3%
Zimmer Dental, Inc				10	673	1.1%
Subtotal		<u>14,226</u>	<u>18.2%</u>		<u>10,954</u>	<u>17.7%</u>
Total Estimated Employees		<u>78,000</u>			<u>62,000</u>	

Sources:

Most recently published City of Carlsbad Annual Comprehensive Financial Report

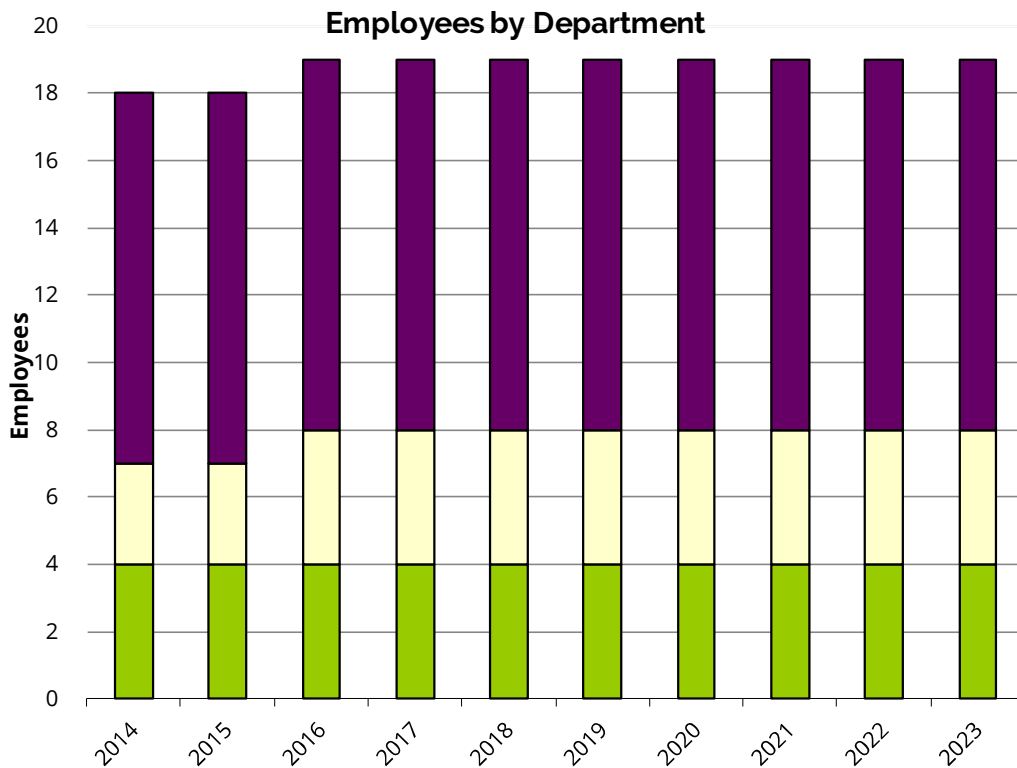
LEUCADIA WASTEWATER DISTRICT

Operating and Capacity Indicators Last Ten Fiscal Years

Schedule 13

Employees

Department	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Management	4	4	4	4	4	4	4	4	4	4
Administration	3	3	4	4	4	4	4	4	4	4
Field Services	11	11	11	11	11	11	11	11	11	11
Total	18	18	19	19	19	19	19	19	19	19



Source: Leucadia Wastewater District Operations and Accounting Departments

LEUCADIA WASTEWATER DISTRICT

Operating and Capacity Indicators (Continued) Last Ten Fiscal Years

Schedule 14

Other Operating and Capacity Indicators

Fiscal Year	Miles of Sewer Lines	Number of Pump Stations	Average Dry Weather Flow (MGD) (2)	Treatment Capacity (MGD)		Total Annual Treatment (MG) (1)
				Liquids	Solids & Outfall	
2014	206	10	4.14	7.11	7.11	1,488
2015	207	10	4.17	7.11	7.11	1,418
2016	208	10	3.99	7.11	7.11	1,376
2017	209	10	3.80	7.11	7.11	1,392
2018	210	10	3.76	7.11	7.11	1,374
2019	210	10	3.84	7.11	7.11	1,386
2020	210	10	3.77	7.11	7.11	1,408
2021	210	10	3.73	7.11	7.11	1,400
2022	210	10	3.91	7.11	7.11	1,369
2023	210	10	3.81	7.11	7.11	1,409

Notes:

(1) MG - Millions of Gallons

(2) MGD - Millions of Gallons per Day

Sources: Leucadia Wastewater District Operations and Accounting Departments