

AGENDA
SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
LEUCADIA WASTEWATER DISTRICT
Tuesday, April 22, 2008 – 8:00 a.m.
1960 La Costa Avenue, Carlsbad, CA 92009

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

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Approval of Agenda**

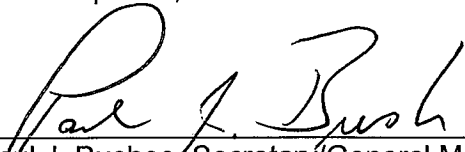
In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. Also, items that arise after posting of the Agenda may be added, per Government Code Section 54954.2, by a 2/3 or unanimous vote of the Board.
- 5. Public Comment**

Anyone wishing to address the Board or bring an agenda item forward may do so.
- 6. Financial Plan Update**
 - A. Review and discuss various financial models that the Leucadia Wastewater District (LWD) could use to meet its future financial obligations. (Pages 1-2)
 - B. Provide direction to staff and MuniFinancial in order to refine LWD's preferred approach for meeting its future financial obligations.
- 7. Information Items**
 - A. CSDA San Diego Quarterly Meeting will be held at the Courtyard by Marriott in Kearny Mesa on Thursday, May 15, 2008 at 6:00 p.m. (Pages 3-5)
- 8. Adjournment**

AFFADAVIT OF POSTING

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

Date: April 17, 2008



Paul J. Bushee, Secretary/General Manager

MEMORANDUM

Ref: 08-1521

DATE: April 17, 2008
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Review of Financial Plan Update



RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Review and discuss various financial models that the Leucadia Wastewater District (LWD) could use to meet its future financial obligations.
2. Provide direction to staff and MuniFinancial in order to refine LWD's preferred approach for meeting its future financial obligations.

BACKGROUND:

The Leucadia Wastewater District (LWD) adopted its existing Financial Plan Update in May 2004. At that time, LWD was in the first phase of planning for its transition from a "growth" base capital program to a "replacement" based program. As a result, LWD implemented significant changes to its financial policies and practices to meet the needs that were identified at that time. Key outcomes from the May 2004 Financial Plan are as follows:

- Reaffirmed "Pay as you go" policy for funding capital replacement
- Planned Systematic Reduction in Some Reserve Levels
- Established Restricted and Unrestricted Reserves
- Eliminated Annexation Fee
- Reduced Capacity Fee

Since 2004, staff has updated the 2004 model each year to reflect actual expenses and revenues. Over this period staff has observed a significant increase in capital project costs when compared to the projected costs in 2004. As a result, LWD's projected reserves could be substantially reduced. To effectively plan for the increased capital costs, the Fiscal Year 2008 (FY 08) Tactic & Actions Plan included a goal to update the Financial Plan.

DISCUSSION:

In October 2007, the Board of Directors retained MuniFinancial to develop the Financial Plan Update. Since that time staff has been working closely with MuniFinancial to develop the various models that LWD will use to guide its finances over the next 5 to 20 years. As in 2004, this Financial Plan Update will continue to plan for the transition from a "growth" based capital program to a "replacement" based program.

At the upcoming meeting, staff along with Mr. Brian Jewett and Mr. Bob Quaid of MuniFinancial will present various models that reflect projected operating and capital expenditures and the corresponding revenue needs over the next 20 years. The following information will be presented:

- Wastewater Enterprise Model
 - LWD continues with "Pay as you go" policy for capital replacement
 - 3 different rate and revenue scenarios
 - LWD implements policy to bond for future capital replacement
- Capacity Fee Model
- Recycled Water Enterprise Model

Staff is requesting that the Board of Directors review and discuss the various models presented. Based on the discussion, staff is seeking direction from the Board on whether LWD should continue with its "pay as you go" policy or consider bonding options for future capital replacement. Staff plans to use the Board's input to develop the final Financial Plan Update. It is anticipated that the Financial Plan Update will be presented for the Board's consideration in May 2008.

cal:PJB

CALIFORNIA
SPECIAL
DISTRICTS
ASSOCIATION
San Diego Chapter

RECEIVED

666 Olivenhain Road
Encinitas, California 92024
Phone (760) 632-4644

APR 15 2008

LEUCADIA WASTEWATER
DISTRICT

DATE: April 9, 2008

Board of Directors

President
Mark Muir
Olivenhain MWD

First Vice-President
Gary Croucher
Olay Water District

Second Vice-President
Larry Jackman
San Miguel CFPD

Treasurer
Larry Breitfelder
Olay Water District

Secretary
Harry Ehrlich
Project Resource Specialists

Past President
Jim Doud
South Bay Irrigation District

TO: CSDA - San Diego Chapter Member Agencies

FROM: Mark Muir, San Diego Chapter President

SUBJECT: CSDA San Diego Chapter Quarterly Meeting - "New Location"
Courtyard By Marriott - San Diego Central (Kearny Mesa)
Thursday, May 15, 2008, 6:00 p.m. – 9:00 p.m.

This is to notify our membership of the CSDA, San Diego Chapter's quarterly meeting on Thursday, May 15, 2008. The location for this event is at the "Courtyard By Marriott - San Diego Central" (Kearny Mesa area), 8651 Spectrum Center Blvd., San Diego, 92123.

The dinner choices for this meeting are:

Sesame Chicken with Soy Ginger Sauce
Sirloin Steak with Grilled Mushrooms & Sweet Onions
Vegetarian Lasagna with Marinara Sauce

The cost is \$37.00 per person. A reservation form is included with this meeting notice.

Registration deadline is Thursday, May 8, 2008

Once again, we look forward to all member agencies attending this very special annual event. If you have any questions or need further information, please call Sonja Holtman at (760) 632-4644.

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
San Diego Chapter**

AGENDA

**Thursday
May 15, 2008**

**Courtyard By Marriott - San Diego Central (Kearny Mesa area)
8651 Spectrum Center Blvd., San Diego 92123
(858) 573-0700**

6:00 p.m. - 9:00 p.m.

6:00 p.m. - No-Host Cocktails

7:00 p.m. Dinner / Welcome and Introductions - Spectrum Ballroom

Program:

ANNUAL CSDA SCHOLARSHIP AWARDS PRESENTATION

9:00 p.m. Adjournment

Next meeting date: August 21, 2008

DIRECTIONS TO COURTYARD BY MARRIOTT - SAN DIEGO CENTRAL
(KEARNY MESA AREA)

COURTYARD BY MARRIOTT - SAN DIEGO CENTRAL

8651 Spectrum Center Blvd.

San Diego, CA 92123

Phone: (858) 573-0700

FROM THE NORTH:

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

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

FROM THE SOUTH/EAST:

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