

AGENDA
REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
LEUCADIA WASTEWATER DISTRICT
Wednesday, June 11, 2008 – 5:00 p.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. Presentations and Awards

A. Award of the LWD Scholarship to Carinne Amico. (Page 1)

7. Consent Calendar

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

A. Minutes of the following meetings:

May 14, 2008 Regular Board Meeting (Pages 2 - 8)

May 12, 2008 Human Resources Committee Meeting (Page 9)

June 2, 2008 Engineering Committee Meeting (Pages 10-11)

B. Demands for May - June (Pages 12-31)

C. Operations Report (Pages 32-33)

D. Finance Report (Pages 34-39)

E. Adopt Resolution No. 2192 Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2009 (July 1, 2008 to June 30, 2009) Pursuant to Article XIII (B) of the California Constitution. (Pages 40-44)

8. Encina Wastewater Authority Reports

Reports by Directors and staff concerning the Encina Wastewater Authority.

A. Encina Wastewater Authority Reports.

Regular Board Meeting – May 28, 2008 (Pages 45 - 46)

Member Agency Managers (MAM) Meeting – June 11, 2008 (verbal report)

9. Committee Reports

- A. Engineering Committee meeting was held on June 2, 2008 – report by Director Juliussen. (Page 47)

10. Old Business

- A. Adopt the LWD Financial Plan Update. (Pages 48-52, Enclosure 10A)

11. Public Hearing

- A. Public Hearing to consider the following: (Pages 53-54)
 - A Proposal to consider increasing the amount that may be paid to Directors and Officers of the District for Service to the District;
 - A Proposal to consider collecting the District' Wastewater Service Charge for Fiscal Year 2009 on the San Diego County Tax Roll; and
 - A Proposal to consider adopting a revised wastewater capacity fee.

12. New Business

- A. Adopt Ordinance No. 120 Increasing Compensation of Directors and Confirming meetings that Qualify for Director Compensation. (Pages 55-58)
- B. Adopt Resolution No. 2193 Adopting and Approving the Report for the Collection of Wastewater Service Charges on the County Tax Roll for the Fiscal Year July 1, 2008 – June 30, 2009. (Pages 59-61)
- C. Adopt Ordinance No. 121 Increasing the Wastewater Capacity Fee from \$3,286 per EDU to \$3,732 per EDU. (Pages 62-66)
- D. Adopt Resolution No. 2191 Approving the Recommended Encina Wastewater Authority (EWA) Fiscal Year 2009 (FY 09) Operating and Capital Budgets. (Pages 67-69)
- E. Adopt the LWD Fiscal Year 2009 (FY 09) Budget. (Page 70, Enclosure 12E)
- F. Adopt the LWD Asset Management Master Plan. (Pages 71-78)
- G. Authorize the General Manager to execute a two-year professional services agreement with Dudek & Associates, Inc. for Engineering Consulting Services in an amount not to exceed \$240,000. (Pages 79-89)
- H. Authorize the General Manager to execute a two-year professional services agreement with Brownell & Duffey, CPA's for Accounting and Financial Services in an amount not to exceed \$188,020. (Pages 90-100)

13. Informational Items

- A. The Annual Employee Luncheon is scheduled for July 10, 2008 at noon located at Stagecoach Park in Carlsbad. (Page 101)
- B. Letter to Senator Mark Wyland regarding opposing AB 2986 (Leno) relating to wastewater system – as amended May 23, 2008, unless amended. (Pages 102-103)

14. Directors' Meetings

None.

15. Comments, Questions, or Requests by Directors

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

16. General Manager's Report

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

17. General Counsel's Report

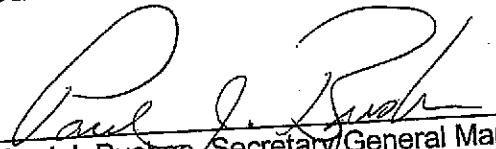
Informational report by the General Counsel on items not requiring Board action.

18. 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: June 5, 2008



Paul J. Bushee, Secretary/General Manager

MEMORANDUM

DATE: June 5, 2008
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Presentation of District Scholarships

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Award a \$1,000 Scholarship to Carinne Amico

DISCUSSION:

In conjunction with the annual San Diego Chapter of CSDA scholarship program, the District recently conducted a scholarship competition. This program is a component of LWD's public outreach effort and is aimed at promoting awareness of water pollution control and water recycling issues among local graduating high school students.

Scholarship candidates' were rated on the following criteria:

1. Quality of a one page written essay discussing the importance of water reclamation, water pollution prevention, or their views of water resource management.
2. Personal statement
3. Academic performance
4. Community service

The scholarship recipient and her parents have been invited to the June 11, 2008 Board of Directors meeting for recognition and the award of the scholarship.

PBJ

LEUCADIA WASTEWATER DISTRICT
Minutes of a Regular Board Meeting
May 14, 2008

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, May 14, 2008 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Sullivan, Kulchin, Juliussen, Hanson, and Omsted
DIRECTORS ABSENT: None
OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Manager Leo Schempp, Project Manager Robin Morishita, Executive Assistant Trisha Miranda, Richard Duffey with Brownell and Duffey, and District Engineer Steve Deering

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

There was no public comment.

GM Bushee introduced Mr. Michael Ramirez as LWD's new Utility Worker. The Board of Directors welcomed Mr. Ramirez to LWD.

6. Presentations and Awards

A. Award of the California Society of Municipal Finance Officers (CSMFO).

GM Bushee stated that last month, LWD received a certificate of award from CSMFO recognizing the District's efforts in meeting professional standards and criteria in reporting and preparation of the annual financial statements. GM Bushee recognized CPA Richard Duffey, and staff members ASM LeMay and AT McEniry for their efforts in applying for the award.

The Board of Directors congratulated staff for their achievement.

7. Consent Calendar

- A. Minutes for the following meetings:
April 9, 2008 Regular Board meeting
April 22, 2008 Special Board meeting

April 29, 2008 Human Resources Committee meeting
May 5, 2008 Engineering Committee meeting

- B. Demands for April 2008/May 2008
Payroll Checks Numbered 13581 - 13643; General Checking – Checks numbered 36136 – 36266.
- C. Operations Report (A copy was attached to the original May 14, 2008 Agenda)
- D. Finance Report (A copy was attached to the original May 14, 2008 Agenda)
- E. Quarterly Treasurer's Report (A copy was enclosed with the original May 14, 2008 Agenda)

Following discussion and upon a motion duly made by Vice President Kulchin, seconded by Director Juliussen, and carried, the Board of Directors approved the consent calendar.

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – April 23, 2008 Board meeting.

Director Juliussen and President Sullivan reported on EWA's April 23, 2008 Board meeting.

9. Committee Reports

- A. Human Resources Committee meeting was held on April 29, 2008 – report by Director Hanson.

Director Hanson stated that the HR Committee met in closed session to discuss employee compensation issues, and the Board will meet in closed session later in tonight's agenda to discuss issues related to employee compensation.

- B. Engineering Committee meeting was held on April 7, 2008 – report by Director Juliussen.

Director Juliussen stated the EC received a status report on the Asset Management Master Plan. The EC discussed the concepts of the Asset Plan and there was no recommended action. The Asset Plan will be presented to Board for adoption at the June 2008 Board meeting.

The EC also reviewed the Fiscal Year 2009 (FY 09) Capital Budget. Director Juliussen stated that staff had made some adjustments based on updated figures and that overall there was a reduction of approximately \$76,000 from the preliminary budget that the EC reviewed on April 7th. The EC concurred with staff to present the capital budget to the Board of Directors at tonight's meeting.

In addition, the EC reviewed the status of the Site Improvement Project. The committee discussed the project and requested that staff present a PowerPoint overview to the Board of Directors at tonight's meeting.

- C. Human Resources Committee meeting was held on May 12, 2008 – report by Director Hanson.

Director Hanson noted that the HR Committee met to continue its discussion of employee compensation issues. The Board will meet in closed session later in tonight's agenda to discuss issues related to employee compensation.

10. Old Business

None.

11. New Business

- A. Authorize staff to prepare, notice, and schedule a public hearing for July 9, 2008 to consider increasing LWD's sewer service charge for the next 3 fiscal years.

ASM LeMay presented the subject recommendation. ASM LeMay stated that during 2003, the Board adopted Ordinance No. 108 setting the District's sewer service charge at \$194 per EDU per year. The sewer service fee has remain unchanged since that time as LWD has systematically reduced its reserves in accordance with the 2004 Financial Plan Update

On April 22, 2008, the Board of Directors held a special meeting to review the District's draft 2008 Financial Plan Update. The Board reviewed 4 options for LWD to meet its future financial obligations including three "pay as you go" scenarios and one "bond" scenario. As a result, the Board directed staff to finalize the 2008 Financial Plan Update using the "pay as you go" scenario that included a 10% sewer service charge increase in each of Fiscal Years 2009, 2010, and 2011.

ASM LeMay stated that in order to have a rate increase take effect for Fiscal Year 2009 (FY 09), staff would need to notice the rate increase in May as per the requirements of Proposition 218. Therefore, staff's recommendation is to authorize staff to notice a public hearing for July 9, 2008 to consider the proposed rate increases.

The Board discussed the recommendation. The Board requested a copy of the notice to be distributed for the proposed rate increase. GM Bushee replied a copy of the notice will be distributed before the meeting's end and EA Miranda subsequently distributed the notice to all the Board members.

Following discussion, and upon a motion duly made by Director Juliussen, seconded by Director Kulchin, then carried, the Board of Directors authorized staff to prepare, notice, and schedule a public hearing for July 9, 2008 to consider increasing LWD's sewer service charge for the next 3 fiscal years.

- B. Overview of the Proposed Fiscal Year 2009 (FY09) Budget.

ASM LeMay stated that he will be presenting a PowerPoint presentation overview of the FY 09 LWD Operating and Capital Budgets. Including in the presentation will be the following:

- FY 09 Budget revenue projections included a wastewater service increase from \$194 per year to \$213.40 per year.
- Projected Wastewater, Batiquitos Pump Station, and Recycled Water Expenses
- Projected Administrative Services and Development Expenses
- Projected Capital Project Expenses

Throughout the presentation, staff answered the Board questions relating to the FY 09 Budget.

Following discussion, the Board of Directors directed staff to prepare the Final FY 09 LWD Budget for consideration at the June 11, 2008 Board meeting.

C. Board of Directors Compensation Adjustment.

ASM LeMay stated during May 2006 the Board of Directors adopted Ordinance No. 113 that adjusted the Board compensation from \$130 to \$150 per meeting. The California water code §20202 allows the Board of Directors to receive a 5% adjustment per calendar year following the operative date of the last adjustment. ASM LeMay stated that this item was placed on the agenda for the Board's consideration and to provide direction to staff on whether staff needs to notice a public hearing for the next Board meeting. Staff has no recommendation on this matter.

Following discussion, and upon a motion duly made by Director Kulchin, seconded by Director Juliussen, then carried by Directors Omsted and Sullivan, and opposed by Director Hanson, the majority of the Board of Directors agreed to a 10% meeting stipend increase for FY 2009.

The Board also inquired whether it was possible to have its stipend automatically increase by 5% for each year as allowed by law. General Counsel Brechtel noted that he would assess whether it is legal to have an automatic 5% increase each year, and that the Board may have to vote each year for a compensation increase.

D. Call for Nominations to the Local Agency Formation Commission (LAFCO) and the Special Districts Advisory Committee.

GM Bushee stated that the District received notification from LAFCO stating that LAFCO is receiving nominations to fill the one Special District Board position on LAFCO and eight positions on LAFCO's Special Districts Advisory Committee.

Following discussion, the Board of Directors decided not to nominate anyone for the open LAFCO positions, since Director Hanson is an incumbent on the Special District Advisory Committee and her term expires October 21, 2011.

12. Information Items

GM Bushee reviewed the following information items.

- A. Encina Wastewater Authority New Administration & Operations Building Dedication Ceremony is scheduled for May 28, 2008 at 10:30 a.m. at 6200 Avendia Encinas, Carlsbad.

President Sullivan noted that the Environmental Awards Breakfast will be that morning at 7:30 a.m. GM Bushee stated for those who are interested in attending please RSVP with EA Trisha Miranda.

- B. Update on the Site Improvement Project.

PM Morishita presented a PowerPoint presentation of the Site Improvement Project's construction progress to date. PM Morishita stated that the project construction is on schedule.

13. Directors' Meetings

- A. CWEA Annual Conference was held at the Hyatt Regency in Sacramento, CA on April 13 – 16 – report by Director Juliussen.

Director Juliussen stated that he attended the CWEA Annual conference. Director Juliussen stated it was a good conference and he was able to attend vendors' booths and review new technology for wastewater agencies.

- B. CASA Spring Conference was held at the Squaw Creek Resort on April 23 - 26, 2008 – report by Directors Sullivan, Hanson, and Omsted.

President Sullivan stated she, Director Hanson and Director Omsted attended the conference. President Sullivan stated she attended an excellent presentation by Kevin Hardy of the Encina Wastewater Authority. President Sullivan stated that at the conference, other Board members suggested that staff members should provide the Board of Directors with an update on purchases that the Board had previously approved. The updates will inform the Board on whether the product meets the District needs. This will provide the Board with information on how to make better decisions in the future.

- C. WateReuse Annual Conference was held at the Westin Tabor Center in Denver, CO on May 4 – 6, 2008 – report by Director Omsted.

Director Omsted stated he attended the WateReuse Annual Conference. Director Omsted stated he learned that Denver cannot use all the recycled water by law, because a percentage of the recycled water needs to be put back into the river. In addition, Director Omsted learned information regarding the quality of recycled water that remains inside the pipes for several days.

D. CSDA Legislative Day was held at the Sheraton Grand Sacramento Hotel in Sacramento, CA on May 12, 2008 – report by Directors Juliussen and Sullivan.

President Sullivan and Director Juliussen attended the CSDA Legislative Day Conference. Director Juliussen stated that legislatures are proposing proposition 1A which will help fund the parole realignment by taxing water and wastewater agencies. Director Juliussen noted that CSDA is recommending that Special District members vote no on proposition 98 and yes on proposition 99. President Sullivan and Director Juliussen met with local legislatures or their assistants.

14. Comments, Questions or Requests by Directors

Director Kulchin thanked FSM Leo Schempp for attending a local elementary school in La Costa and presenting them with information on the District.

Director Juliussen thanked staff for the get well card and thanked Director Hanson for visiting him at the hospital.

15. General Manager's Report

The following items were reported:

- Two news articles relating to a wastewater service rate increase in Encinitas and the state of wastewater infrastructure in the United States were included as handouts at the meeting. GM Bushee noted that he had a telephone interview with Ms. Ruth Webster of the North County Times relating to the Encinitas article.
- On Friday, staff noticed that a cable was stolen from one of LWD's portable generator and staff notified the police.
- The CSDA Quarterly Dinner is tomorrow night and the carpool will be leaving LWD at 5:30 p.m.
- The District will be participating in the Carlsbad Public Works Day event on Wednesday, May 21, 2008.
- The Employee BBQ is scheduled for Thursday, July 10, 2008 at noon located at Stagecoach Park in Carlsbad.

16. General Counsel's Report

General Counsel reported he participated on a conference call with the CASA committee. The committee discussed potential regulations for private laterals; such as, the need of a legislation that would include the inspection of private laterals prior to the close of escrow.

President Sullivan called for a ten minute break before meeting in closed session.

17. Closed Session

- A. To meet with General Manager Bushee and ASM LeMay to discuss labor negotiation, as authorized under Government Code 54957.6

The Board of Directors met with GM Bushee and ASM LeMay to discuss labor negotiation.

Following discussion, the Board of Directors reported that they had approved the following: 1) establish LWD salary ranges at 10% above the industry average, 2) establish salary range spreads of 25%; 3) a 3% general adjustment to those employees who's salaries would not be increased as part of range adjustments; and 4) maintain staff's benefits at the same level. The Board of Directors will approve funding for these as part of the overall FY 09 Budget approval process in June 2008.

18. Adjournment

President Sullivan adjourned the meeting at 7:50 p.m.

Elaine Sullivan, President

Paul J. Bushee
Secretary/General Manager
(SEAL)

LEUCADIA WASTEWATER DISTRICT
Minutes of a Human Resource Committee Meeting
May 12, 2008

A meeting of the Human Resource Committee (HRC) of Leucadia Wastewater District (LWD) was held May 12, 2008 at 5:15 p.m., at the LWD Administration Office located at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

Chairperson Hanson called the meeting to order at 5:15 p.m.

2. Roll Call

DIRECTORS PRESENT: Hanson and Kulchin

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager (GM) Paul Bushee, and Administrative Services Manager Chuck LeMay

3. Public Comment

No public comment was received.

4. Old Business

None.

5. New Business

None.

6. Closed Session

- A. Meet with General Manager Bushee and Administrative Services Manager LeMay to discuss the FY 2009 Informal Input Process regarding employee compensation, as authorized under Government Code Section 54957.6

Following closed session, there was no reportable action.

7. Information Items

None.

8. Director's Comments

None.

9. General Manager's Comments

None.

10. Adjournment

Chairperson Hanson adjourned the meeting at approximately 6:00 p.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

LEUCADIA WASTEWATER DISTRICT
Minutes of an Engineering Committee Meeting
June 2, 2008

A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held Monday, June 2, 2008 at 9:30 a.m., at the LWD Administration Office located at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

Chairperson Juliussen called the meeting to order at 9:30 a.m.

2. Roll Call

DIRECTORS PRESENT: Juliussen and Kulchin
DIRECTORS ABSENT: None
OTHERS PRESENT: General Manager (GM) Paul Bushee; Field Services Manager Leo Schempp; Project Manager Robin Morishita; Chris Trees with Dudek and Dexter Wilson and Andrew Oven with Dexter Wilson Engineering.

3. Public Comment

No public comment was received.

4. Old Business

None.

5. New Business

A. Recommend that the Board of Directors Adopt the Leucadia Wastewater District's Asset Management Master Plan.

PM Morishita presented an overview of the recommendation to adopt the Asset Management Master Plan. PM Morishita noted that Mr. Dexter Wilson of Dexter Wilson Engineering was available to answer any questions regarding the Plan.

The EC discussed the recommendation. Director Kulchin commended PM Morishita, FSM Schempp and Dexter Wilson for their work with developing such a visionary plan. Following discussion, the EC concurred with staff to present the Asset Plan for adoption to the Board of Directors at the June 11, 2008 meeting.

B. Recommend that the Board of Directors authorize the General Manager to execute a two year professional services agreement with Dudek & Associates, Inc. for Engineering Consulting Services in an amount not to exceed \$240,000.

GM Bushee presented the subject recommendation.

Following discussion, the EC concurred with staff to bring this recommendation

before the Board of Directors for consideration at its June 11, 2008 meeting.

6. Information Items

A. Site Improvement Project Status Report.

PM Morishita presented the status of the Site Improvement Project. The status report included a summary of the project's change orders to date. Director Juliussen had several questions regarding the change order relating to site dewatering. GM Bushee noted that staff was in the process of correcting the dewatering change order so that it reflecting payment against the dewatering allowance for the project. GM Bushee and PM Morishita agreed to meet with Director Juliussen to further discuss the dewatering change order.

7. Director's Comments

None.

8. General Manager's Comments

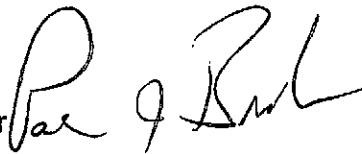
None.

9. Adjournment

Chairperson Juliussen adjourned the meeting at 10:20 a.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

MEMORANDUM

DATE: June 5, 2008
 TO: Board of Directors
 FROM: Paul J. Bushee, General Manager 
 SUBJECT: Approval of May/June Demands

RECOMMENDATION:

Staff requests that the Board of Directors:

1. Approve checks and electronic payments totaling \$ 724,670.56.
2. Discuss and take other action as appropriate.

DISCUSSION:

Attached are check registers describing all payments made by LWD for the months May 9, 2008 – June 5, 2008.

Operating expenses totaled **\$539,621.60** while Capital Improvement Program expenses totaled **\$112,727.61**

Payroll for employees totaled **\$ 72,321.35**.

Attached please find a year to date Employee and Board Payroll Report from May 2007 to June 2008 for your review. The report includes a monthly breakdown of employee and Board payroll expenses for the prior 12 months.

Attachment 1	Summary of Demands by Account, May/June 2008
Attachment 2	Accounts Payable Check Register dated May 9, 2008
Attachment 3	Accounts Payable Check Register dated May 22, 2008
Attachment 4	Payroll Check Register dated May 21, 2008
Attachment 5	Accounts Payable Check Register dated June 1, 2008
Attachment 6	Accounts Payable Check Register dated June 2, 2008
Attachment 7	Payroll Check Register dated June 4, 2008
Attachment 8	Board Payroll Check Register dated June 6, 2008
Attachment 9	Year to Date Employee and Board Payroll Report

DEMANDS SUMMARY

June 11, 2008

1. Demands

<u>Category</u>	<u>Check #'s</u>	<u>Amount</u>	<u>Total</u>
Payroll Checks -5/21/2008	13644 - 13662	\$33,443.45	
Payroll Checks - 6/4/2008	13663 - 13681	\$35,340.58	
Board Payroll Checks - 6/6/2008	13682 - 13686	<u>\$3,537.32</u>	
	Total	\$72,321.35	\$72,321.35
General Checking -5/9/2008	36267 - 36313	\$417,370.13	
General Checking -5/22/2008	36314 - 36348	\$152,751.02	
General Checking - 6/01/2008	36349 - 36381	\$81,808.06	
General Checking - 6/2/2008	36382	<u>\$420.00</u>	
	Total	\$652,349.21	\$652,349.21
<u>Voided Checks</u>	36319		
	36251		
Mgrs Account	332		
	Grand Total	\$724,670.56	\$724,670.56

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obli'gat'n Description	Net amount	INVOICE NUMBER
36267- 2330	1	5/09/2008	10100 NAPA AUTO		
	1		35932 BELTS	36.61	823986
	1		35933 PARTS @ BPS	219.78	824101
36267- 2330	1	5/09/2008	Logged	*** Total ***	256.39
36268- 2330	2	5/09/2008	10122 ACTION MAIL		
	2		35897 POSTAGE FOR PUBLIC NOTICE-SEWE	5,848.44	ACTION-5/8/08
36268- 2330	2	5/09/2008	Logged	*** Total ***	5,848.44
36269- 2330	3	5/09/2008	10167 ACACIA GASOLINE & CAR WASH		
	3		35890 OPEN PO-VEHICLE FUEL	954.49	1772
36269- 2330	3	5/09/2008	Logged	*** Total ***	954.49
36270- 2330	4	5/09/2008	10221 ADS LLC		
	4		35929 LEUCADIA LTM 07	2,997.60	12318.220408
36270- 2330	4	5/09/2008	Logged	*** Total ***	2,997.60
36271- 2330	5	5/09/2008	10570 ANTIMITE TERMITE & PEST CONTRO		
	5		35906 MONTHLY PEST SERVICE	51.00	898678
36271- 2330	5	5/09/2008	Logged	*** Total ***	51.00
36272- 2330	6	5/09/2008	10720 AT&T		
	6		35919 LD @ BPS	29.06	019294-BPS
36272- 2330	6	5/09/2008	Logged	*** Total ***	29.06
36273- 2330	7	5/09/2008	11550 BOOT WORLD CORP		
	7		35854 SAFETY BOOTS-MR	200.00	1045254
36273- 2330	7	5/09/2008	Logged	*** Total ***	200.00
36274- 2330	8	5/09/2008	12005 CSDA-SAN DIEGO CHAPTER		
	8		35931 CSDA QTRLY DINNER	259.00	CSDA-5/7/08
36274- 2330	8	5/09/2008	Logged	*** Total ***	259.00
36275- 2330	9	5/09/2008	12360 CITY OF CARLSBAD		
	9		35903 WATER @ VACTOR	60.79	8853889-5/08
	9		35904 WATER @ VACTOR 2	187.49	1530880-5/08
	9		35905 WATER @ PLANT	69.92	60280746-5/08
36275- 2330	9	5/09/2008	Logged	*** Total ***	318.20
36276- 2330	10	5/09/2008	12510 COAST WASTE		
	10		35887 RENT STORAGE CONTAINER	175.00	09817660274
36276- 2330	10	5/09/2008	Logged	*** Total ***	175.00
36277- 2330	11	5/09/2008	12631 COR-O-VAN		
	11		35885 OPEN PO-STORAGE	58.71	RS1269030
36277- 2330	11	5/09/2008	Logged	*** Total ***	58.71
36278- 2330	12	5/09/2008	12814 CUES, INC		
	12		35896 SINGLE CONDUCTOR MAINLINE CAME	20,283.64	286401
36278- 2330	12	5/09/2008	Logged	*** Total ***	20,283.64
36279- 2330	13	5/09/2008	13072 DATA NET		

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
	13		35884 STOREVAULT SYSTEM AND LABOR	11,895.87	9730164
	13		35907 IS MAINT AND SUPPORT	629.55	9730131
	13		35922 IS MAINT AND SUPPORT	141.15	9730171
36279- 2330	13	5/09/2008	Logged *** Total ***	12,666.57	
36280- 2330	14	5/09/2008	13328 DIEGO & SON PRINTING, INC,	2,894.57	33191
	14		35894 PRINTING OF SPRING 2008 NEWSLE	2,894.57	
36280- 2330	14	5/09/2008	Logged *** Total ***	2,894.57	
36281- 2330	15	5/09/2008	13822 DUDEK & ASSOCIATES	6,480.00	20081394
	15		35942 GE/CIP/MARCH/200/314/087/321	6,480.00	
36281- 2330	15	5/09/2008	Logged *** Total ***	6,480.00	
36282- 2330	16	5/09/2008	14410 EL CAMINO REAL SHELL ENCINITAS	951.87	7832
	16		35891 OPEN PO-VEHICLE FUEL	951.87	
36282- 2330	16	5/09/2008	Logged *** Total ***	951.87	
36283- 2330	17	5/09/2008	14530 ENCINA WASTEWATER AUTHORITY	292,580.76	430
	17		35940 EWA 3RD QTR 07/08 CAPITAL/OP	292,580.76	
36283- 2330	17	5/09/2008	Logged *** Total ***	292,580.76	
36284- 2330	18	5/09/2008	15213 CHARLES Z. FEDAK & COMPANY	900.00	FEDAK-4/30/08
	18		35935 AUDIT FEES AND SERVICE-APRIL	900.00	
36284- 2330	18	5/09/2008	Logged *** Total ***	900.00	
36285- 2330	19	5/09/2008	17023 HADRONEX	600.00	735
	19		35930 ANNUAL NETWORK ACCESS	600.00	
36285- 2330	19	5/09/2008	Logged *** Total ***	600.00	
36286- 2330	20	5/09/2008	17247 U.S. HEALTH WORKS MEDICAL GROU	203.00	1334714-CA
	20		35893 OPEN PO-PHYSICALS	203.00	
36286- 2330	20	5/09/2008	Logged *** Total ***	203.00	
36287- 2330	21	5/09/2008	17552 THE HOME DEPOT CRC/GECF	454.74	7291606
	21		35898 OPEN PO-MISC SUPPLIES	454.74	
36287- 2330	21	5/09/2008	Logged *** Total ***	454.74	
36288- 2330	22	5/09/2008	18150 ICMA RETIREMENT-303979	2,146.03	ICMA-5/7/08
	22		35909 DEFERRED COMP	2,146.03	
36288- 2330	22	5/09/2008	Logged *** Total ***	2,146.03	
36289- 2330	23	5/09/2008	18512 SHARP BUSINESS SYSTEMS	13.43	116767
	23		35936 MAINT TO SHARP COPIER	13.43	
36289- 2330	23	5/09/2008	Logged *** Total ***	13.43	
36290- 2330	24	5/09/2008	19775 ALLAN JULIUSSEN	639.24	AJ-CWEA-4/16
	24		35925 REIMBURSE AJ FOR CONFERENCE	639.24	
36290- 2330	24	5/09/2008	Logged *** Total ***	639.24	
36291- 2330	25	5/09/2008	22055 MARCON PRODUCTS INC.	102.63	45589
	25		35927 RINGS	209.47	45583
	25		35928 RISERS		

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36291- 2330	25	5/09/2008	Logged	*** Total ***	312.10
36292- 2330	26	5/09/2008	22511 MOBILE MINI		
	26		35895 LEASE OF MODULAR OFFICE TRAILER	619.56	904119795
36292- 2330	26	5/09/2008	Logged	*** Total ***	619.56
36293- 2330	27	5/09/2008	23068 NATIONWIDE RETIREMENT SOLUTION		
	27		35920 DEFERRED COMP-NATIONWIDE	1,206.65	NATION-5/7/08
36293- 2330	27	5/09/2008	Logged	*** Total ***	1,206.65
36294- 2330	28	5/09/2008	23567 NORTH COUNTY BLUEPRINT CO, INC		
	28		35926 XEROX BOND	232.74	190169
36294- 2330	28	5/09/2008	Logged	*** Total ***	232.74
36295- 2330	29	5/09/2008	24224 OFFICE DEPOT, INC.		
	29		35892 OPEN PD- OFFICE SUPPLIES	97.13	427983242
36295- 2330	29	5/09/2008	Logged	*** Total ***	97.13
36296- 2330	30	5/09/2008	24440 OLIVENHAIN MUNICIPAL WATER DIS		
	30		35914 WATER @ VP7	40.41	0904902600-5/08
	30		35915 WATER @VP5	25.02	03011148700-5/0
	30		35916 WATER @ E. ESTATES	40.41	1007621400-5/08
	30		35917 WATER @ TRAVELING 2	132.09	060015214310-08
36296- 2330	30	5/09/2008	Logged	*** Total ***	237.93
36297- 2330	31	5/09/2008	25010 AT&T		
	31		35912 DIAL IN MODEM	287.44	6327047-5/08
	31		35921 PHONE @ BPS	22.24	94235880012-08
36297- 2330	31	5/09/2008	Logged	*** Total ***	309.68
36298- 2330	32	5/09/2008	25011 PACIFIC PIPELINE SUPPLY		
	32		35934 EZ OUT TOOL	80.38	124760
36298- 2330	32	5/09/2008	Logged	*** Total ***	80.38
36299- 2330	33	5/09/2008	25032 PALOMAR WATER		
	33		35902 WATER @ OFFICE	152.72	1045753183
36299- 2330	33	5/09/2008	Logged	*** Total ***	152.72
36300- 2330	34	5/09/2008	25260 PERS RETIREMENT		
	34		35923 BOARD RETIREMENT 3/31/2008	180.35	3-2008-0
	34		35941 RETIREMENT PPE 4/20/08	10,948.54	4-2008-4
36300- 2330	34	5/09/2008	Logged	*** Total ***	11,128.89
36301- 2330	35	5/09/2008	25265 PEP BOYS		
	35		35939 MINI BULBS	2.69	07010027355
36301- 2330	35	5/09/2008	Logged	*** Total ***	2.69
36302- 2330	36	5/09/2008	25680 PRUDENTIAL OVERALL SUPPLY		
	36		35908 LAUNDRY SERVICE	798.63	PRU-4/26/08
36302- 2330	36	5/09/2008	Logged	*** Total ***	798.63
36303- 2330	37	5/09/2008	26804 QUALITY CHEVROLET		

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
	37		35888 OPEN PO-VEHCILE/TRUCK MAINTENA	294.60	CTCS360781
	37		35899 OPEN PO-VEHCILE/TRUCK MAINTENA	395.09	CTCS360721
36303-	2330	37 5/09/2008	Logged *** Total ***	689.69	
36304-	2330	38 5/09/2008	27716 REWARD STRATEGY GROUP		
	38		35937 COMPENSATION STUDY-CONSULTING	14,300.00	2807-APRIL
36304-	2330	38 5/09/2008	Logged *** Total ***	14,300.00	
36305-	2330	39 5/09/2008	27729 RICHARD STINSON		
	39		35924 CONSULTING FEES-RS-APRIL	7,950.00	#9
36305-	2330	39 5/09/2008	Logged *** Total ***	7,950.00	
36306-	2330	40 5/09/2008	28019 SAN DIEGO GAS & ELECTRIC		
	40		35889 RELOCATE GAS FACILITIES NEAR A	16,505.00	243012
36306-	2330	40 5/09/2008	Logged *** Total ***	16,505.00	
36307-	2330	41 5/09/2008	28070 SAN DIEGUITO WATER DISTRICT		
	41		35918 WATER @ BPS	94.36	31527-5/08
36307-	2330	41 5/09/2008	Logged *** Total ***	94.36	
36308-	2330	42 5/09/2008	29618 TRITON DOOR SYSTEMS		
	42		35938 REPAIRED DOOR	947.82	2780
36308-	2330	42 5/09/2008	Logged *** Total ***	947.82	
36309-	2330	43 5/09/2008	30520 UNDERGROUND SERVICE ALERT OF		
	43		35913 DIG ALERT	169.50	420080353
36309-	2330	43 5/09/2008	Logged *** Total ***	169.50	
36310-	2330	44 5/09/2008	30580 UNITED WAY		
	44		35910 EMPLOYEE CONTRIBUTIONS	20.00	UNITED-5/7/08
36310-	2330	44 5/09/2008	Logged *** Total ***	20.00	
36311-	2330	45 5/09/2008	31263 AMERICAN MESSAGING		
	45		35911 PAGER SERVICES	55.44	L1417521IE
36311-	2330	45 5/09/2008	Logged *** Total ***	55.44	
36312-	2330	46 5/09/2008	33227 XEROX CORPORATION		
	46		35901 MAINTENANCE	47.48	32507414
36312-	2330	46 5/09/2008	Logged *** Total ***	47.48	
36313-	2330	47 5/09/2008	35523 ZONDIROS CORPORATION		
	47		35886 CONTRACT-VP5 FORCE MAIN REPLAC	10,500.00	1
	47		35900 RETENTION 10%	-1,050.00	1-
36313-	2330	47 5/09/2008	Logged *** Total ***	9,450.00	
				.00	
** Total check discount **				.00	
** Total check amount **				417,370.13	
** Total void discount **				.00	
** Total void amount **				.00	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36314- 2332	1	5/21/2008	10110 ANDREW ACEDO		
	1		35971 REFUND DEVELOPER #692	60.24	ACCEDO-692
36314- 2332	1	5/21/2008	Logged	60.24	
			*** Total ***	60.24	
36315- 2332	2	5/21/2008	12360 CITY OF CARLSBAD		
	2		35973 REFUND TO DEV #665	18.99	CITY OF CARLSBA
36315- 2332	2	5/21/2008	Logged	18.99	
			*** Total ***	18.99	
36316- 2332	3	5/21/2008	12411 CL2B		
	3		35969 REAGENT	169.68	1573
36316- 2332	3	5/21/2008	Logged	169.68	
			*** Total ***	169.68	
36317- 2332	4	5/21/2008	12514 CONEXIS		
	4		35968 SEC 125 FLEX PLAN-APRIL	125.00	040B-OR
36317- 2332	4	5/21/2008	Logged	125.00	
			*** Total ***	125.00	
36318- 2332	5	5/21/2008	12618 RICARDO CAMARGO		
	5		35976 REFUND TO DEV 687	10.70	RC-687
36318- 2332	5	5/21/2008	Logged	10.70	
			*** Total ***	10.70	
36319- 2332	6	5/21/2008	12814 CUES, INC		
	6		35952 POWER CONVERTER-125 CCTV VAN	409.38	287168
36319- 2332	6	5/21/2008	Logged	409.38	
			*** Total ***	409.38	
36320- 2332	7	5/21/2008	13355 DION INTERNATIONAL TRUCKS INC		
	7		35950 OPEN PO-VACTOR REPAIRS	622.05	EW46892
36320- 2332	7	5/21/2008	Logged	622.05	
			*** Total ***	622.05	
36321- 2332	8	5/21/2008	13822 DUDEK & ASSOCIATES		
	8		35994 GE/3252/614/THE RIDGE	105.00	20081748
	8		35995 GE/3251/GRADING PLANS	826.39	20081747
	8		35996 GE/3252/655/ORPHEUS & HYGEIA	1,277.50	20081753
	8		35997 GE/3252/648/SHERIDEN RD	480.08	DRAFT
	8		35998 GE/3252/642/V. OF LCI.17	327.63	20081749
	8		35999 GE/3252/753/LC CANYON	105.00	20081759
	8		36000 GE/3252/737/HADAYAT	265.00	20081758
	8		36001 GE/3252/729/BRUNSWICK	240.00	20081757
	8		36002 GE/3252/719/CHEVRON	274.67	20081756
	8		36003 GE/3252/701/PHOEBE ST	225.15	DRAFT 1
	8		36004 GE/3252/699/HYMETTIUS	160.00	20081755
	8		36005 GE/3252/674/1415 RAINBOW	668.39	20081859
	8		36006 GE/3252/656/HYGIA CT	1,027.50	20081754
	8		36009 GE/3252/758/LC VIEWS	935.00	20081750
36321- 2332	8	5/21/2008	Logged	6,917.31	
			*** Total ***	6,917.31	
36322- 2332	9	5/21/2008	13822 DUDEK & ASSOCIATES		
	9		35958 CONTRACT/CM SERVICES FOR SITE	38,098.17	20081847
36322- 2332	9	5/21/2008	Logged	38,098.17	
			*** Total ***	38,098.17	
36323- 2332	10	5/21/2008	17066 HARRINGTON INDUSTRIAL PLASTICS		
	10		35978 TUBING, CEMENT	188.67	00487211
36323- 2332	10	5/21/2008	Logged	188.67	
			*** Total ***	188.67	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36324- 2332	11	5/21/2008	17070 HAWTHORNE POWER SYSTEMS		
	11		35948 SERVICE CALL & REPAIRS TO BPS	463.15	SS100057608
36324- 2332	11	5/21/2008	Logged *** Total ***	463.15	
36325- 2332	12	5/21/2008	18212 INFRASTRUCTURE ENGINEERING COR		
	12		35946 CONTRACT FOR GIS SERVICES	720.00	
	12		35947 SATELLITE PS FORCE MAIN REPLAC	537.83	3519
	12		35961 FORCE MAIN REPLACEMENT	19,687.31	3519-
36325- 2332	12	5/21/2008	Logged *** Total ***	20,945.14	
36326- 2332	13	5/21/2008	18561 U.S. BANK		
	13		36008 CONFERENCES, SUPPLIES, MEETING	5,986.60	USBANK-4/22/08
36326- 2332	13	5/21/2008	Logged *** Total ***	5,986.60	
36327- 2332	14	5/21/2008	19031 HENRY JAVAHERI		
	14		35972 REFUND DEV #639	2.50	JAVA-639
36327- 2332	14	5/21/2008	Logged *** Total ***	2.50	
36328- 2332	15	5/21/2008	19050 JANI-KING OF SAN DIEGO		
	15		35963 CLEANING SERVICE-MAY	975.00	SD005080186
36328- 2332	15	5/21/2008	Logged *** Total ***	975.00	
36329- 2332	16	5/21/2008	19550 JONES CHEMICALS, INC.		
	16		35949 OPEN PO-SODIUM HYPOCHLORIDE	3,964.35	389967
36329- 2332	16	5/21/2008	Logged *** Total ***	3,964.35	
36330- 2332	17	5/21/2008	19775 ALLAN JULIUSSEN		
	17		35964 REIMBURSE AJ FOR CONFERENCE	1,042.96	CSDA-AJ-5/13
36330- 2332	17	5/21/2008	Logged *** Total ***	1,042.96	
36331- 2332	18	5/21/2008	21013 LAND DEVELOPMENT ENGINEERING,		
	18		35970 REFUND DEV #687	2.50	LAND-687
36331- 2332	18	5/21/2008	Logged *** Total ***	2.50	
36332- 2332	19	5/21/2008	21102 PETTY CASH		
	19		36007 PETTY CASH-MAY	260.38	PETTY-5/16/08
36332- 2332	19	5/21/2008	Logged *** Total ***	260.38	
36333- 2332	20	5/21/2008	21212 LEIGHTON CONSULTING, INC		
	20		35954 CONTRACT-GEOTECH SERVICES	9,911.70	LC10011780
	20		35960 CONTRACT-GEOTECH SERVICES	9,448.50	LC10011781
36333- 2332	20	5/21/2008	Logged *** Total ***	19,360.20	
36334- 2332	21	5/21/2008	22558 MOOR CO.		
	21		35953 OPEN PO-A/C SERVICE	125.00	40809
36334- 2332	21	5/21/2008	Logged *** Total ***	125.00	
36335- 2332	22	5/21/2008	23612 NRC ENVIRONMENTAL SERVICES, IN		
	22		35955 DISPOSE OF AA BATTERIES/BACKUP	893.00	527159
36335- 2332	22	5/21/2008	Logged *** Total ***	893.00	
36336- 2332	23	5/21/2008	24224 OFFICE DEPOT, INC.		

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
	23		35956 OPEN PO- OFFICE SUPPLIES	153.13	429092344
	23		35959 OPEN PO- OFFICE SUPPLIES	40.18	428768638
36336- 2332	23	5/21/2008	Logged *** Total ***	193.31	
36337- 2332	24	5/21/2008	24528 DONALD OMSTED		
	24		35965 REIMBURSE DO FOR CONF	16.00	WATERUSE-DO-MAY
36337- 2332	24	5/21/2008	Logged *** Total ***	16.00	
36338- 2332	25	5/21/2008	27524 ROESLING NAKAMURA TERADA ARCHI		
	25		35962 BLDG PROGRAM AS BUILTS	11,469.10	3933
36338- 2332	25	5/21/2008	Logged *** Total ***	11,469.10	
36339- 2332	26	5/21/2008	27910 PROFORMA PRINT & PROMOTIONS		
	26		35957 REORDER OF A/P CHECKS	383.40	0282012989
36339- 2332	26	5/21/2008	Logged *** Total ***	383.40	
36340- 2332	27	5/21/2008	28020 SAN DIEGO GAS AND ELECTRIC		
	27		35979 ELECTRIC @ SAXONY PS	726.09	01683816-5/08
	27		35980 ELECTRIC @ MEADOWS 3	153.56	01169672-5/08
	27		35981 ELECTRIC @ VP7	70.68	00747631-5/08
	27		35982 ELECTRIC @ VP7	70.68	00747631-5/08
	27		35983 ELECTRIC @ L.C. PS	919.68	01031273-5/08
	27		35984 ELECTRIC @ RANCHO VERDE	122.93	01380248-5/08
	27		35985 ELECTRIC @ OFFICE	694.66	01823519-5/08
	27		35986 ELECTRIC @ LPS	10,854.22	01874070-5/08
	27		35987 ELECTRIC @ EEPS	1,038.26	01919876-5/08
	27		35988 ELECTRIC @ E. ESTATES	513.81	01444485-5/08
	27		35989 ELECTRIC @ VP5	235.80	00747336-5/08
	27		35991 ELECTRIC @ AVOCADO PS	111.69	505010-5/08
	27		35992 ELECTRIC @ DIANA PS	264.16	01444495-5/08
36340- 2332	27	5/21/2008	Logged *** Total ***	15,776.22	
36341- 2332	28	5/21/2008	28020 SAN DIEGO GAS AND ELECTRIC		
	28		35990 ELECTRIC @ BPS	11,334.11	01857178-5/08
36341- 2332	28	5/21/2008	Logged *** Total ***	11,334.11	
36342- 2332	29	5/21/2008	28324 SHELL OIL COMPANY		
	29		35951 OPEN PO-VEHICLE FUEL	283.36	065023442805
36342- 2332	29	5/21/2008	Logged *** Total ***	283.36	
36343- 2332	30	5/21/2008	28721 JEFFERY STECKER		
	30		35975 REIMBURSE JS FOR SAFETY BOOTS	81.03	BOOTS JS
36343- 2332	30	5/21/2008	Logged *** Total ***	81.03	
36344- 2332	31	5/21/2008	28844 ELAINE SULLIVAN		
	31		35966 REIMBURSE ES FOR CONFERENCE	610.33	CSDA-ES-5/13
36344- 2332	31	5/21/2008	Logged *** Total ***	610.33	
36345- 2332	32	5/21/2008	31032 VALUE WEB		
	32		35974 DOMAIN RENEWAL	35.00	005810967
36345- 2332	32	5/21/2008	Logged *** Total ***	35.00	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36346- 2332	33	5/21/2008	31232 VERIZON WIRELESS		
	33		35967 CELL PHONES	554.49	370468593
36346- 2332	33	5/21/2008	Logged	*** Total ***	554.49
36347- 2332	34	5/21/2008	32347 DEXTER WILSON ENGINEERING		
	34		35977 ASSET MANAGEMENT MASTER PLAN	6,860.00	0408.27
36347- 2332	34	5/21/2008	Logged	*** Total ***	6,860.00
36348- 2332	35	5/21/2008	32500 WORDEN WILLIAMS, APC		
	35		35993 LEGAL FEES-APRIL	4,513.70	25547
36348- 2332	35	5/21/2008	Logged	*** Total ***	4,513.70
				.00	
** Total check discount **				.00	
** Total check amount **				152,751.02	
** Total void discount **				.00	
** Total void amount **				.00	

LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: May 21, 2008

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
13644 - 13662	5/21/2008	\$33,443.45

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36349- 2333	1	6/01/2008	10100 NAPA AUTO		
	1		36043 OIL, HEATER HOSE	36.45	826449
36349- 2333	1	6/01/2008	Logged	*** Total ***	36.45
36350- 2333	2	6/01/2008	10122 ACTION MAIL		
	2		36011 NEWSLETTER-SORT, BUNDLE ETC	1,192.79	18873
36350- 2333	2	6/01/2008	Logged	*** Total ***	1,192.79
36351- 2333	3	6/01/2008	10167 ACACIA GASOLINE & CAR WASH		
	3		36017 OPEN PO-VEHICLE FUEL	656.96	1779
36351- 2333	3	6/01/2008	Logged	*** Total ***	656.96
36352- 2333	4	6/01/2008	11013 ARMOND BADILLO		
	4		36030 REIMBURSE AB FOR SAFETY BOOTS	58.39	20410005040
36352- 2333	4	6/01/2008	Logged	*** Total ***	58.39
36353- 2333	5	6/01/2008	11314 BERGELECTRIC CORP		
	5		36010 OPEN PO- MISC ELECTRICAL WORK	177.40	10596.9TM-18
36353- 2333	5	6/01/2008	Logged	*** Total ***	177.40
36354- 2333	6	6/01/2008	12112 CONFIDENCE CONSULTING		
	6		36040 CONSULTING FEES-COACHING	3,806.31	CC-5/19/08
36354- 2333	6	6/01/2008	Logged	*** Total ***	3,806.31
36355- 2333	7	6/01/2008	12589 CA STATE DISBURSEMENT UNIT DF1		
	7		36046 CHILD SUPPORT-MAY-A.B	516.12	AB-MAY 08
36355- 2333	7	6/01/2008	Logged	*** Total ***	516.12
36356- 2333	8	6/01/2008	13072 DATA NET		
	8		36028 IS MAINT AND SUPPORT	46.62	9730156
36356- 2333	8	6/01/2008	Logged	*** Total ***	46.62
36357- 2333	9	6/01/2008	13272 DETECTION INSTRUMENTS CORP		
	9		36014 OPEN PO-CALIBRATIONS OF ODALOG	92.54	8140-11818
36357- 2333	9	6/01/2008	Logged	*** Total ***	92.54
36358- 2333	10	6/01/2008	14410 EL CAMINO REAL SHELL ENCINITAS		
	10		36018 OPEN PO-VEHICLE FUEL	1,144.76	7841
36358- 2333	10	6/01/2008	Logged	*** Total ***	1,144.76
36359- 2333	11	6/01/2008	15223 FEDERAL EXPRESS CORPORATION		
	11		36044 SHIPPING	50.69	270659634
36359- 2333	11	6/01/2008	Logged	*** Total ***	50.69
36360- 2333	12	6/01/2008	15575 UNION SECURITY INSURANCE COMPA		
	12		36038 LIFE INS-JUNE	482.20	74171-JUNE08
36360- 2333	12	6/01/2008	Logged	*** Total ***	482.20
36361- 2333	13	6/01/2008	16806 THE GUARDIAN		
	13		36037 DENTAL INS-JUNE	2,300.55	GUARD-JUNE08
36361- 2333	13	6/01/2008	Logged	*** Total ***	2,300.55

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36362- 2333	14	6/01/2008	17247 U.S. HEALTH WORKS MEDICAL GROU		
	14		36016 OPEN PO-PHYSICALS	75.00	1347247-CA
36362- 2333	14	6/01/2008	Logged	*** Total ***	75.00
36363- 2333	15	6/01/2008	18150 ICMA RETIREMENT-303979		
	15		36031 DEFERRED COMP-ICMA	2,146.03	ICMA-5/21/08
36363- 2333	15	6/01/2008	Logged	*** Total ***	2,146.03
36364- 2333	16	6/01/2008	18212 INFRASTRUCTURE ENGINEERING COR		
	16		36020 GIBRALTER ST. GRAVITY SEWER	1,915.50	3559
	16		36021 FORCE MAIN REPLACEMENTS	3,102.00	3561
	16		36022 CONTRACT-REPAIR TRUNK SEWER @B	1,527.50	3560
36364- 2333	16	6/01/2008	Logged	*** Total ***	6,545.00
36365- 2333	17	6/01/2008	22274 MET-LIFE		
	17		36027 DISABILITY INS-JUNE	874.70	KM05535094-5/08
36365- 2333	17	6/01/2008	Logged	*** Total ***	874.70
36366- 2333	18	6/01/2008	23068 NATIONWIDE RETIREMENT SOLUTION		
	18		36025 DEFERRED COMP-NATIONWIDE	1,206.65	NATION-5/21/-08
36366- 2333	18	6/01/2008	Logged	*** Total ***	1,206.65
36367- 2333	19	6/01/2008	24224 OFFICE DEPOT, INC.		
	19		36012 OPEN PO- OFFICE SUPPLIES	23.48	429738361
36367- 2333	19	6/01/2008	Logged	*** Total ***	23.48
36368- 2333	20	6/01/2008	25010 AT&T		
	20		36029 ODOR CONTROL MODEM	22.57	4364009-4/08
	20		36033 SCADA ALARMS	548.36	3372570451-6
36368- 2333	20	6/01/2008	Logged	*** Total ***	570.93
36369- 2333	21	6/01/2008	25018 MES VISION		
	21		36035 VISION INS-JUNE	356.23	081292183001
36369- 2333	21	6/01/2008	Logged	*** Total ***	356.23
36370- 2333	22	6/01/2008	25260 PERS RETIREMENT		
	22		36036 RETIREMENT PPE 5/18/08	11,101.70	5-2008-4
	22		36047 RETIREMENT PPE 5/4/08	11,161.13	5-2008-3
36370- 2333	22	6/01/2008	Logged	*** Total ***	22,262.83
36371- 2333	23	6/01/2008	25261 PUBLIC EMPLOYEES HEALTH		
	23		36024 HEALTH INS-EMPLOYEES-JUNE	17,835.66	H2008061231000
	23		36026 BRD HEALTH INS-JUNE	1,907.82	H2008067247000
36371- 2333	23	6/01/2008	Logged	*** Total ***	19,743.48
36372- 2333	24	6/01/2008	25370 PITNEY BOWES		
	24		36039 DIGITAL METER OTRLY	171.33	960337
36372- 2333	24	6/01/2008	Logged	*** Total ***	171.33
36373- 2333	25	6/01/2008	25613 PARADA PAINTING, INC		
	25		36042 PAINTING	162.96	1405-1TM
36373- 2333	25	6/01/2008	Logged	*** Total ***	162.96

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36374- 2333	26	6/01/2008	25635 THE PRINTERY		
	26		36015 BUISNESS CARDS-R.M, J.S., F.R	372.11	55096
36374- 2333	26	6/01/2008	Logged	*** Total ***	372.11
36375- 2333	27	6/01/2008	28116 SOCO GROUP, INC		
	27		36041 OIL	127.09	703609
36375- 2333	27	6/01/2008	Logged	*** Total ***	127.09
36376- 2333	28	6/01/2008	28128 SOUTHERN CALIFORNIA SOIL & TES		
	28		36013 GEOTECH SERVICES @ VP5 FORCE M	910.00	346717
36376- 2333	28	6/01/2008	Logged	*** Total ***	910.00
36377- 2333	29	6/01/2008	29225 TELEPACIFIC COMMUNICATIONS		
	29		36034 PHONE SYSTEM	730.36	7606104-0
36377- 2333	29	6/01/2008	Logged	*** Total ***	730.36
36378- 2333	30	6/01/2008	29630 TRI COMMUNITY ANSWERING SERVIC		
	30		36023 ANSWERING SERVICE	90.00	TRI-5/20/08
36378- 2333	30	6/01/2008	Logged	*** Total ***	90.00
36379- 2333	31	6/01/2008	30560 UNITED PARCEL		
	31		36045 SHIPPING	11.10	000025YY37208
36379- 2333	31	6/01/2008	Logged	*** Total ***	11.10
36380- 2333	32	6/01/2008	30580 UNITED WAY		
	32		36032 EMPLOYEE CONTRIBUTIONS	20.00	UNITED-5/21/08
36380- 2333	32	6/01/2008	Logged	*** Total ***	20.00
36381- 2333	33	6/01/2008	30723 SIEMENS WATER TECH. CORP		
	33		36019 CONTRACT-MIDAS CARBON@BPS/LPS	14,847.00	7823052
36381- 2333	33	6/01/2008	Logged	*** Total ***	14,847.00
				.00	
** Total check discount **				.00	
** Total check amount **				81,808.06	
** Total void discount **				.00	
** Total void amount **				.00	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
36382- 2334	1	6/02/2008	13410 DARYL K. JAMES AND ASSOCIATES,		
	1		36051 FIRE SPRINKLER PLAN REVIEW	420.00	FIRE SPRINKLER
36382- 2334	1	6/02/2008	Logged	420.00	
			*** Total ***		
				.00	
** Total check discount **				.00	
** Total check amount **				420.00	
** Total void discount **				.00	
** Total void amount **				.00	

LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: June 4, 2008

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
13663 - 13681	6/4/2008	\$35,340.58

LEUCADIA WASTEWATER DISTRICT
BOARD PAYROLL CHECK REPORT

Payroll Date: June 6, 2008

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
13682 - 13686	6/6/2008	\$3,537.32

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

MAY

5/2/2007	Board	\$2,871.08
5/9/2007	Employee	\$31,182.95
5/10/2007	Incentive	\$5,102.24
5/23/2007	Employee	<u>\$31,081.76</u>
	Total	\$70,238.03

JUNE

6/6/2007	Employee	\$32,273.03
6/7/2007	Board	\$4,530.81
6/20/2007	Employee	<u>\$31,366.57</u>
	Total	\$68,170.41

JULY

7/4/2007	Employee	\$28,688.46
7/5/2007	Board	\$805.58
7/18/2007	Employee	<u>\$29,233.62</u>
	Total	\$58,727.66

AUGUST

8/1/2007	Employee	\$29,570.86
8/2/2007	Board	\$1,012.00
8/15/2007	Employee	\$29,803.77
8/29/2007	Employee	<u>\$29,724.44</u>
	Total	\$90,111.07

SEPTEMBER

9/4/2007	Employee	\$121.34
9/5/2007	Board	\$3,543.59
9/12/2007	Employee	\$30,678.55
9/26/2007	Employee	<u>\$30,544.25</u>
	Total	\$64,887.73

OCTOBER

10/3/2007	Board	\$1,262.00
10/10/2007	Employee	\$32,263.98
10/24/2007	Employee	<u>\$30,211.84</u>
	Total	\$63,737.82

NOVEMBER

11/7/2007	Employee	\$32,393.34
11/8/2007	Board	\$4,531.25
11/14/2007	Incentive	\$3,936.93
11/21/2007	Employee	<u>\$33,498.88</u>
	Total	\$74,360.40

DECEMBER

12/1/2007	Employee/Sick Buybk	\$10,990.49
12/5/2007	Employee	\$33,813.33
12/6/2007	Board	\$1,704.08
12/19/2007	Employee	<u>\$32,440.28</u>
	Total	\$78,948.18

JANUARY 2008

1/2/2008	Employee	\$32,762.14
1/7/2008	Board	\$1,986.08
1/16/2008	Employee	\$35,796.03
1/22/2008	Incentive	\$5,915.41
1/30/2008	Employee	<u>\$32,250.05</u>
	Total	\$108,709.71

FEBRUARY

2/6/2008	Board	\$3,403.22
2/13/2008	Employee	\$32,575.86
2/27/2008	Employee	<u>\$32,146.64</u>
	Total	\$68,125.72

MARCH

3/5/2008	Board	\$4,862.99
3/12/2008	Employee	\$32,338.84
3/19/2008	Incentive	\$24,293.56
3/26/2008	Employee	<u>\$31,914.17</u>
	Total	\$93,409.56

APRIL

4/4/2008	Board	\$2,846.10
4/9/2008	Employee	\$32,385.68
4/23/2008	Employee	<u>\$33,338.30</u>
	Total	\$68,570.08

MAY

5/2/2008	Board	\$4,578.71
5/7/2008	Employee	\$33,324.54
5/21/2008	Employee	<u>\$33,443.45</u>
	Total	\$71,346.70

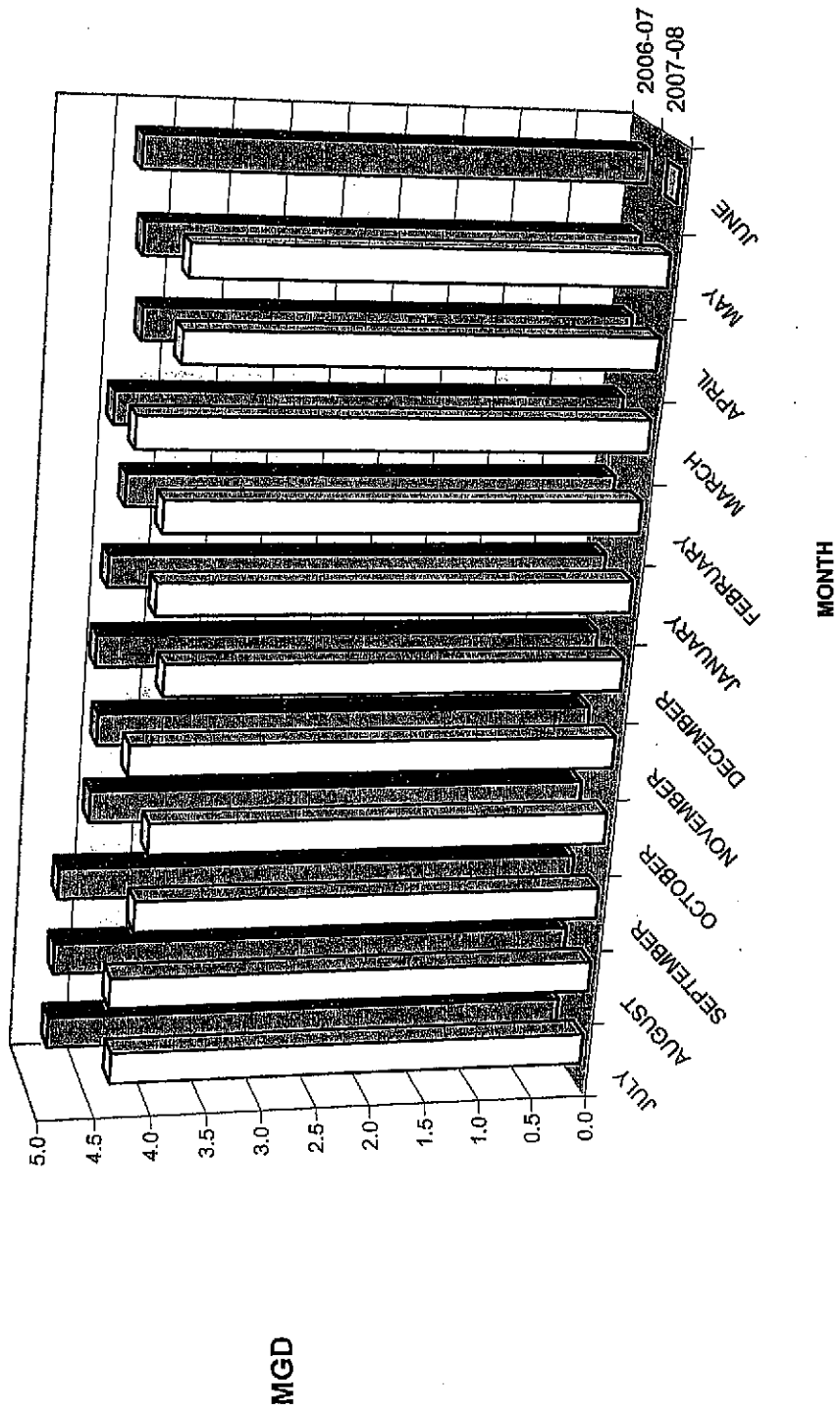
JUNE

6/4/2008	Employee	\$35,340.58
6/6/2008	Board	<u>\$3,537.32</u>
	Total	\$38,877.90

**LEUCADIA WASTEWATER DISTRICT
OPERATIONS REPORT
FISCAL YEAR 2007-2008**

CURRENT MONTH - May 2008							FY 2006-2007	
Period	Total Flow MG	Total EDU's 27,393	LWD ADF (MGD)	GPD/EDU	RECLAIMED ADF (ac-ft/mo)	ADF (MGD)		
JULY	134.39	8	4.34	158	36.35	4.77		
YTD	134.39	27,401				4.75		
AUGUST	135.75	6.2	4.38	160	41.60	4.74		
YTD	270.14	27,407				4.50		
SEPTEMBER	126.20	18.3	4.21	153	38.30	4.47		
YTD	396.34	27,425				4.51		
OCTOBER	127.75	3.6	4.12	150	25.80	4.45		
YTD	524.09	27,429				4.35		
NOVEMBER	129.99	3.0	4.33	158	15.56	4.48		
YTD	654.07	27,432				4.28		
DECEMBER	126.20	5.6	4.07	148	0.00	4.31		
YTD	780.27	27,437				4.36		
JANUARY	129.61	31.0	4.18	152	0.00	4.31		
YTD	909.89	27,468				4.36		
FEBRUARY	120.79	1.0	4.17	152	0.00	4.48		
YTD	1030.67	27,469				4.28		
MARCH	137.55	13.0	4.44	161	4.39	4.31		
YTD	1168.22	27,482				4.36		
APRIL	122.77	24.0	4.09	149	31.36	4.31		
YTD	1290.99	27,506				4.36		
MAY	126.17	0.0	4.07	148	48.39	4.36		
YTD	1417.16	27,506				4.36		
JUNE								
YTD								
Annual Total	1417.16	114	4.22	154	241.75	4.50		
Mo Average	128.83	10			35			

**LEUCADIA WASTEWATER DISTRICT
FLOW COMPARISON FY 07 to FY 08**



LEUCADIA WASTEWATER DISTRICT
SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS

As of May 31, 2008

ASSETS	
Cash	\$ 166,957.00
Investments and Investment Pools	47,225,349.17
Bond Investments Held by Agents	4,634,629.69
Accounts Receivable	567,709.05
Funds Held with Encina Wastewater Authority	733,959.00
Prepaid Expenses	37,327.42
Capital Assets	106,068,202.08
Less Accumulated Depreciation	(33,741,248.87)
Debt Issuance Costs, Net of Amortization	297,708.65
TOTAL ASSETS	\$ 125,990,593.19
LIABILITIES	
Accounts Payable and Accrued Expenses	248,830.43
Developer Deposits	243,837.94
Bond & Interest Debt	4,589,041.87
TOTAL LIABILITIES	\$ 5,081,710.24
NET ASSETS	
Net Investment in Capital Assets	70,364,874.45
Restricted Reserves	7,937,237.45
Unrestricted Operating Reserve	1,495,629.63
Unrestricted Non-Operating Reserves (Designated)	33,171,342.09
Unrestricted Emergency Reserve	7,500,000.00
Capital Contributions	-
YTD Revenue over (under) Expenditures	439,799.33
TOTAL NET ASSETS	\$ 120,908,882.95

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

LEUCADIA WASTEWATER DISTRICT

BUDGET PERFORMANCE REPORT

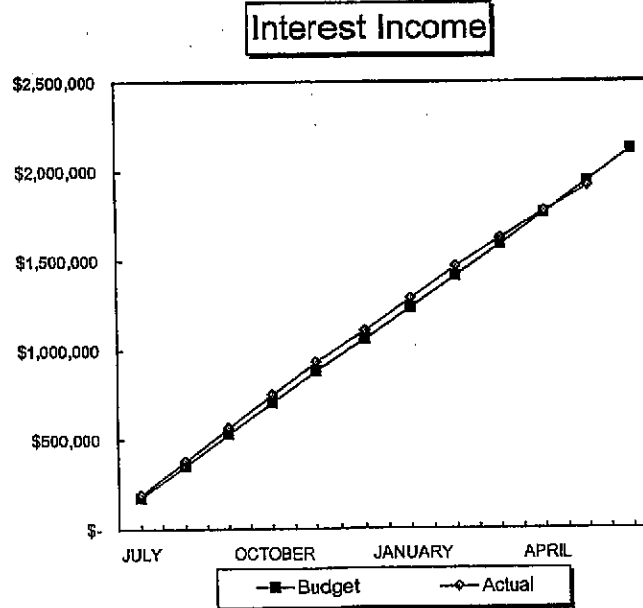
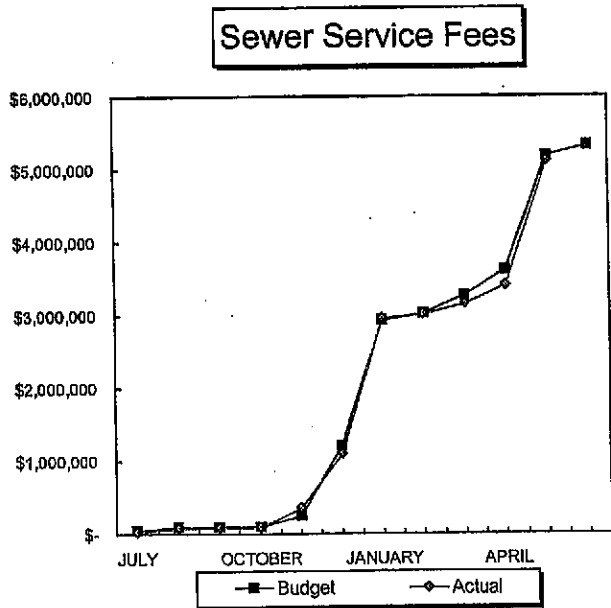
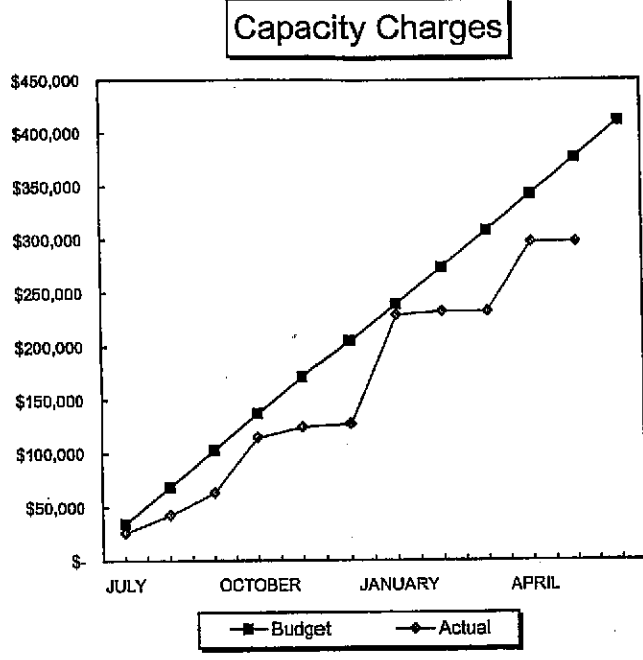
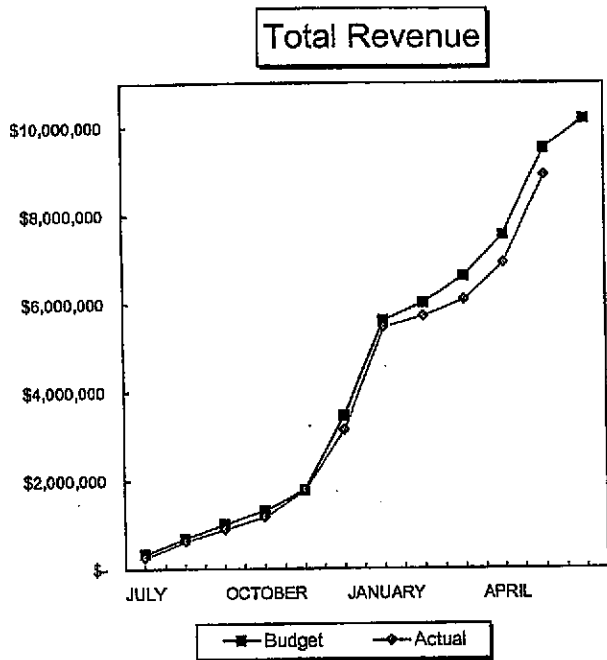
YTD Revenue and Expenditures Through 5/31/2008 with Annual Budget

OPERATING REVENUES AND EXPENSES					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
OPERATING REVENUES AND TRANSFERS					
OPERATING REVENUES					
SEWER SERVICE	3110	\$ 5,115,529.50	\$ 5,321,226.00	\$ 205,696.50	96.13%
RECLAIMED WATER SALES	3150	126,501.50	285,400.00	158,898.50	44.32%
OTHER OPERATING INCOME		22,273.90	235,730.00	213,456.10	9.45%
TOTAL OPERATING REVENUE		\$ 5,264,304.90	\$ 5,842,356.00	\$ 578,051.10	90.11%
OPERATING EXPENSES					
WAGES AND BENEFITS	4100 & 4200	\$ 1,578,148.38	\$ 1,825,229.00	\$ 247,080.62	86.46%
BOARD EXPENSES AND ELECTION	4300 & 4400	96,387.53	108,700.00	12,312.47	88.67%
DEPRECIATION EXPENSE	4510	2,302,000.00	-	(2,302,000.00)	n/a
REPLACEMENT EXPENSE	4515	-	769,000.00	769,000.00	n/a
FUELS	4600	33,620.14	46,310.00	12,689.86	72.60%
INSURANCE	4700	58,109.40	88,600.00	30,490.60	65.59%
MEMBERSHIP & DUES	4800	21,219.95	22,100.00	880.05	96.02%
OFFICE EXPENSE	4900	34,240.45	46,760.00	12,519.55	73.23%
OPERATING SUPPLIES	5000	114,296.13	162,950.00	48,653.87	70.14%
PROFESSIONAL SERVICES	5200	409,071.33	555,900.00	146,828.67	73.59%
PRINTING & PUBLISHING	5300	27,815.03	33,000.00	5,184.97	84.29%
RENTS & LEASES	5400	16,653.02	21,000.00	4,346.98	79.30%
REPAIR & MAINTENANCE	5500	153,297.17	238,550.00	85,252.83	64.26%
MONITORING & PERMITTING	5600	34,878.41	48,900.00	14,021.59	71.33%
TRAINING & DEVELOPMENT	5700	26,584.04	45,400.00	18,815.96	58.56%
UTILITIES	5900	333,742.18	440,000.00	106,257.82	75.85%
LAFCO OPERATIONS	6100	7,377.00	7,400.00	23.00	99.69%
ENCINA	6200	1,257,253.80	1,995,754.00	738,500.20	63.00%
TOTAL OPERATING EXPENSES		\$ 6,504,693.96	\$ 6,455,563.00	\$ (49,140.96)	100.76%

NON-OPERATING REVENUES AND EXPENSES					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
NON OPERATING REVENUES					
CAPACITY CHARGES	3130	\$ 297,985.60	\$ 410,800.00	\$ 112,814.40	72.54%
PROPERTY TAXES	3220	1,142,331.34	1,150,000.00	7,668.66	99.33%
INTEREST INCOME	3250	1,915,134.00	2,120,000.00	204,866.00	90.34%
OTHER NON OPERATING INCOME		284,034.09	646,334.00	362,299.91	43.95%
TOTAL NON OPERATING REVENUES		\$ 3,639,485.03	\$ 4,327,134.00	\$ 687,648.97	84.11%
DEBT SERVICE					
INTEREST EXPENSE AND FEES	6500	\$ 211,003.53	\$ 214,004.00	\$ 3,000.47	98.60%
PRINCIPAL PAYMENTS	6500	488,269.19	488,269.00	(0.19)	100.00%
TOTAL DEBT SERVICE		\$ 699,272.72	\$ 702,273.00	\$ 3,000.28	99.57%

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

Leucadia Wastewater District Revenue FY 2007-2008 YTD through May 31, 2008 *

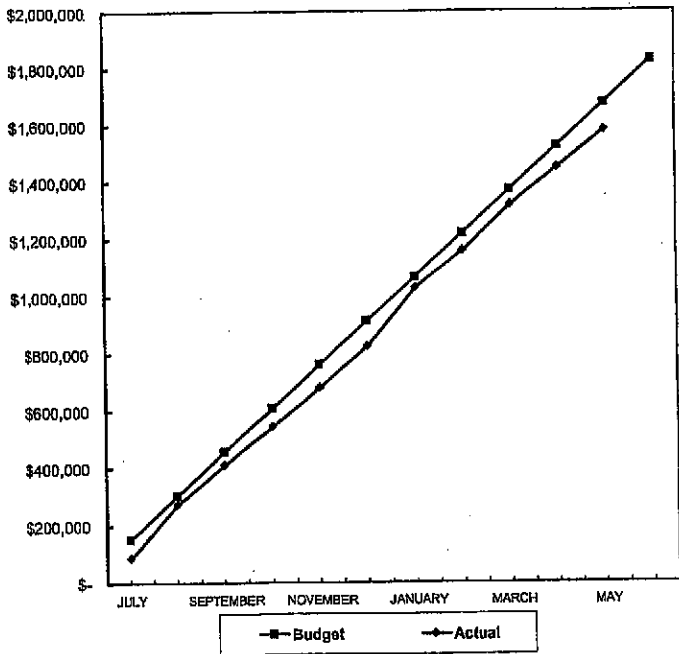


* Preliminary: subject to future review, reconciliation, accruals, and audit

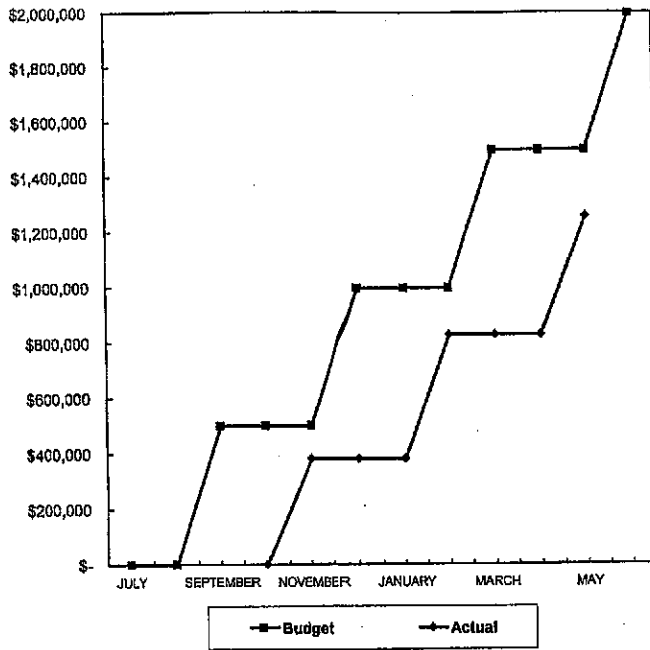
Leucadia Wastewater District Operating Expenses FY 2007-2008

YTD through May 31, 2008 *

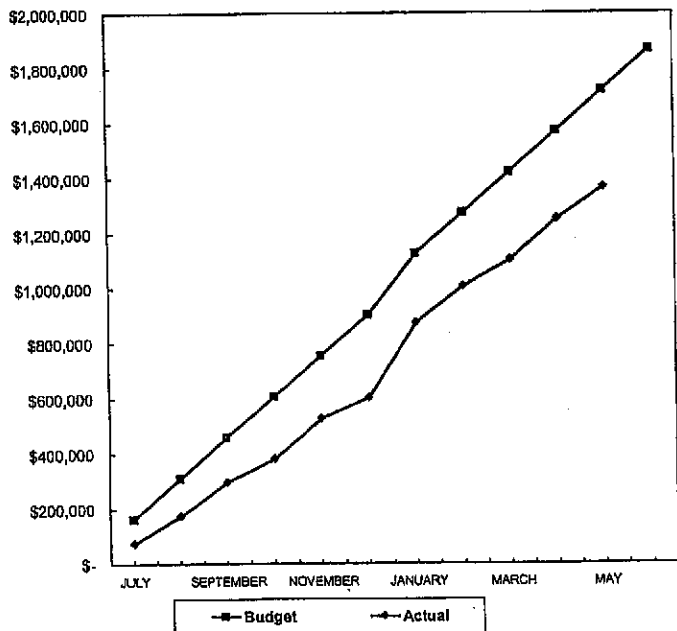
Salaries and Benefits



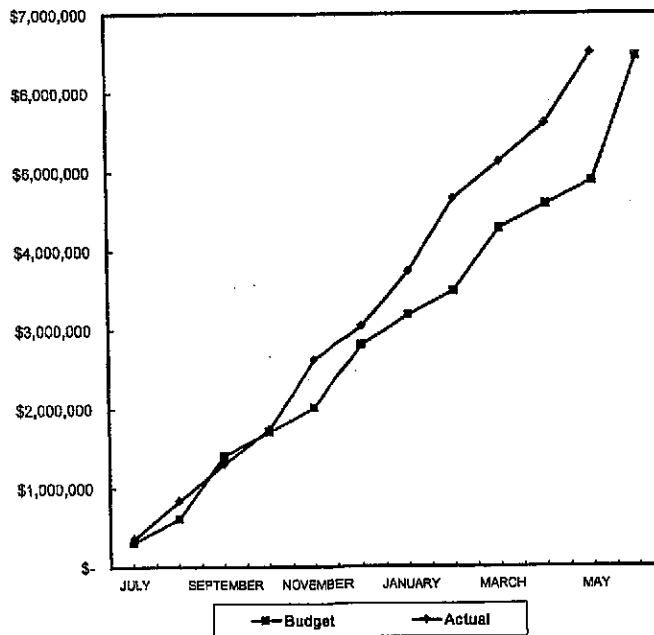
Encina M&O



**Other LWD Operating Expenses -
Excluding Depreciation & Replacement**



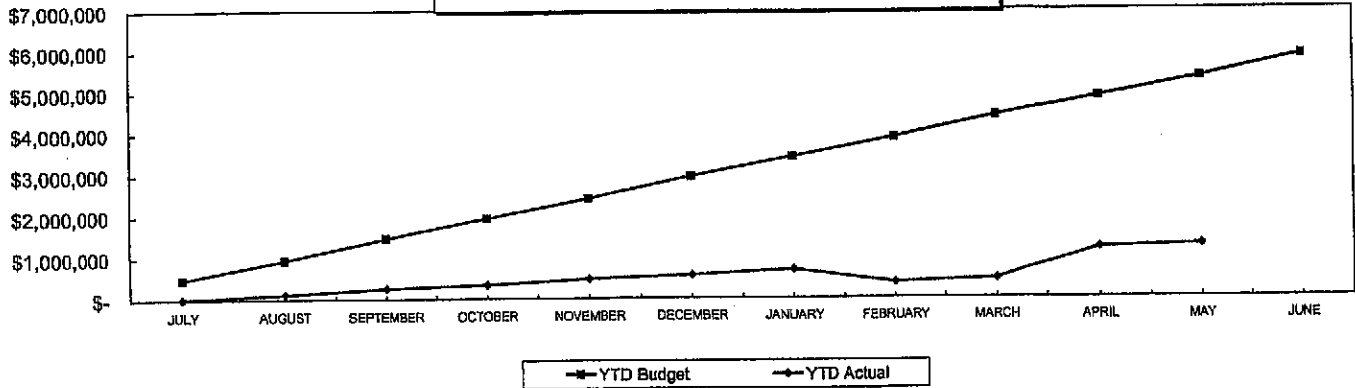
**Total LWD Operating Expense -
Including Depreciation & Replacement**



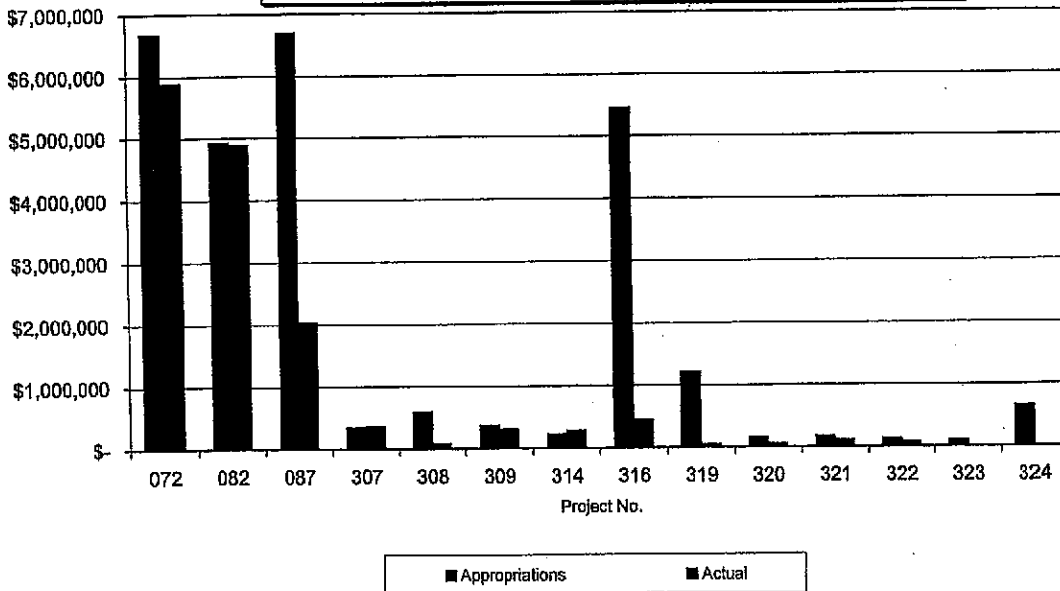
* Preliminary: subject to future review, reconciliation, accruals, and audit

Leucadia Wastewater District Capital Expenditures As of May 31, 2008

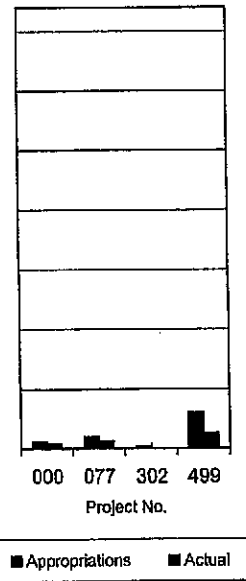
Capital Projects and Equipment For FY 2007/08



Multi Year Capital Expenditures by Project 2002/03-2007/08



Single Year Capital Expenditures by Project 2007/08

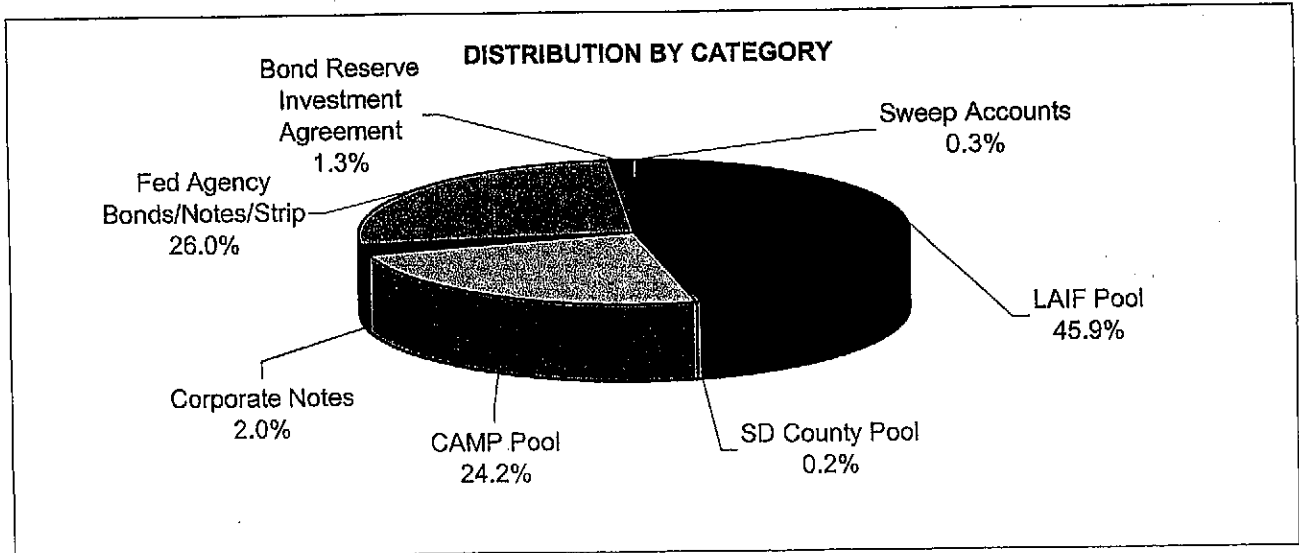
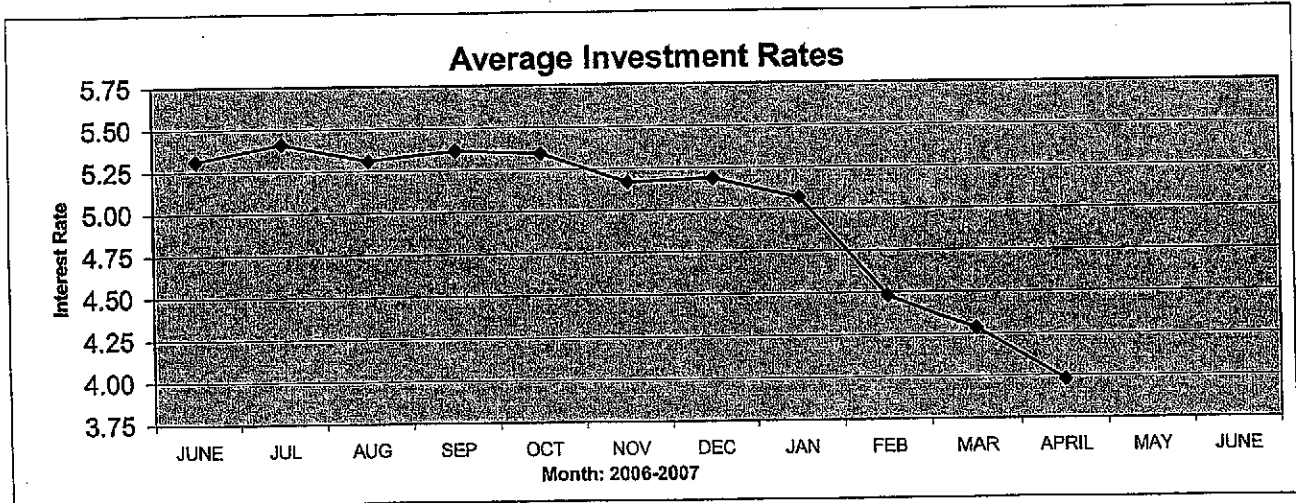


Project Legend			
Description	No.	Description	No.
Encina WA	072	Piraeus Pipeline Repair	320
Leucadia PS Improvements	082	Gibraltar Pipeline Replacement	321
Site Improvement Program	087	Install Permanent Flow Meters	322
Meadows 1 PS Decommission	307	Lateral Replace/Backflow Prevtr	323
Mineral Scale Mitigation Project	308	Bat PS Influent Line	324
Capacity Management Flow Study	309	Equipment	000
Asset Management Master Plan	314	Misc Pipeline Repair	077
Satellite PS Force mains	316	Professional Services	302
101 Trunk Sewer	319	LWD General Labor	499

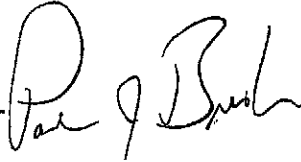
* Preliminary: subject to future review, reconciliation, accruals, and audit

LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
 As of April 30, 2008

Cash & Investments	Principal (Original Cost)		April Interest	Average Rate
	Mar 31, 2008	April 31, 2008		
Sweep Account: US Treasury MM - Union	-	149,000	20	0.05%
LAIF Pool	14,562,161	22,214,155	52,100	3.400%
SD County Pool	105,878	107,073	311	3.500%
CAMP Pool	19,095,989	11,712,689	36,907	2.960%
CAMP Portfolio				
Corporate Notes	988,970	988,970	4,375	5.309%
Federal Agency Bonds/Notes	9,046,116	8,541,976	37,640	5.160%
Federal Agency Discount Notes	475,422	475,422	2,083	5.257%
GNMA mortgage pools	22,967	22,845	178	9.331%
US Treasury Bonds/Notes	1,986,016	1,986,016	7,254	4.383%
Total Camp Portfolio	12,519,490	12,015,228	51,530	4.987%
Bond Funds				
BNY fiscal agent bond reserve a/c	652,884	652,884	2,916	5.360%
US Bank. custodian a/c: Fed Agency Strips	1,541,864	1,541,864	16,798	13.073%
Total Bond Funds	2,194,747	2,194,747	19,714	10.779%
Totals	\$ 48,478,265	\$ 48,392,892	\$ 160,581	3.978%



MEMORANDUM

DATE: June 5, 2008
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Adopt Resolution No. 2192 Establishing an Appropriations Limit of the Leucadia Wastewater District (LWD) for the Fiscal Year 2009 (July 1, 2008 to June 30, 2009) Pursuant to Article XIII (B) of the California Constitution

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt Resolution No. 2192 as presented.
2. Discuss and take other action as appropriate.

DISCUSSION:

California Government Code Section 7910 requires that the District establish an appropriations limit at the beginning of each fiscal year. The appropriations limit for FY 09 has been calculated at \$57,415,246. The planned District appropriations subject to the statutory limitation are \$1,424,330. As per Government Code Section 7910, the document used to develop the Appropriations Limit was made available to the public 15 days prior to June 11, 2008.

Proposed Resolution No. 2192 establishing the appropriations limit is attached for your consideration along with documentation used in the determination of the appropriations limit.

Staff recommends that the Board of Directors adopt Resolution No. 2192 as presented.

cal:PJB

Attachments

RESOLUTION NO. 2192

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LEUCADIA WASTEWATER DISTRICT
ESTABLISHING APPROPRIATIONS LIMIT OF THE DISTRICT
FOR THE FISCAL YEAR JULY 1, 2008 - JUNE 30, 2009 PURSUANT TO
ARTICLE XIII(B) OF THE CALIFORNIA CONSTITUTION**

WHEREAS, Government Code Section 7910 requires that each year the Board of Directors of this District shall, by resolution, establish the District's appropriation limit for the following fiscal year pursuant to Article XIII(B) of the California Constitution; and

WHEREAS, for not less than fifteen days prior to this meeting, the documentation attached hereto as Exhibit "A", used in the determination of the appropriations limit, has been available to the public in accordance with Government Code Section 7910.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF LEUCADIA WASTEWATER DISTRICT (LWD) DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The appropriations limit of LWD for the Fiscal Year July 1, 2008 - June 30, 2009 pursuant to Article XIII(B) of the California Constitution is hereby established as \$57,415,246.

Section 2. This Resolution is effective June 11, 2008 and supersedes Resolution No. 2179.

PASSED AND ADOPTED by the Board of Directors at a meeting of the LWD, held June 11, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elaine Sullivan, President

ATTEST:

Paul J. Bushee, General Manager

(SEAL)

**LEUCADIA WASTEWATER DISTRICT
APPROPRIATION LIMIT
FISCAL YEAR 2008-2009**

FISCAL YEAR	POPULATION FACTOR	CPI/PI FACTOR	ADJUSTMENT FACTOR	APPROPRIATION LIMIT	APPROPRIATION SUBJECT TO LIMIT	OVER (UNDER) LIMIT
1978-79				4,131,757		
1979-80	1.1185	1.1017	1.2323	5,019,364	474,509	(4,544,855)
1980-81	1.1952	1.1053	1.3211	6,725,969	269,388	(6,456,581)
1981-82	1.0207	1.0912	1.1138	7,491,303	201,344	(7,289,959)
1982-83	1.0570	1.0679	1.1288	8,455,960	346,283	(8,109,677)
1983-84	1.0578	1.0235	1.0827	9,154,915	518,291	(8,636,624)
1984-85	1.0641	1.0474	1.1145	10,203,504	370,506	(9,832,998)
1985-86	1.0423	1.0374	1.0813	11,032,865	407,693	(10,625,172)
1986-87	1.1571	1.0230	1.1837	13,059,749	854,824	(12,204,925)
1987-88	1.0810	1.0304	1.1140	14,548,109	571,371	(13,976,738)
1988-89	1.0486	1.0393	1.0898	15,854,675	2,287,498	(13,567,177)
1989-90	1.1118	1.0498	1.1672	18,505,063	7,133,033	(11,372,030)
1990-91	1.0273	1.0421	1.0705	19,809,670	3,570,985	(16,238,685)
1991-92	1.0271	1.0414	1.0696	21,188,858	4,873,688	(16,315,170)
1992-93	1.0085	1.0064	1.0149	21,505,287	945,024	(20,560,263)
1993-94	1.0199	1.0272	1.0477	22,530,400	881,142	(21,649,258)
1994-95	1.0079	1.0071	1.0151	22,870,074	1,258,995	(21,611,079)
1995-96	1.0004	1.0472	1.0476	23,959,121	534,652	(23,424,469)
1996-97	1.0167	1.0467	1.0642	25,496,815	7,127,060	(18,369,755)
1997-98	1.0204	1.0467	1.0680	27,230,599	4,706,220	(22,524,379)
1998-99	1.0367	1.0415	1.0797	29,401,505	2,864,723	(26,536,782)
1999-00	1.0386	1.0453	1.0857	31,920,931	1,219,792	(30,701,139)
2000-01	1.0422	1.0491	1.0933	34,900,013	2,073,768	(32,826,245)
2001-02	1.0445	1.0782	1.1262	39,303,693	460,000	(38,843,693)
2002-03	1.0445	0.9873	1.0312	40,531,016	761,542	(39,769,474)
2003-04	1.0263	1.0231	1.0500	42,557,926	773,263	(41,784,663)
2004-05	1.0218	1.0328	1.0553	44,911,884	452,866	(44,459,018)
2005-06	1.0157	1.0526	1.0692	48,018,786	1,339,689	(46,679,097)
2006-07	1.0216	1.0396	1.0620	50,997,014	6,064,787	(44,932,227)
2007-08	1.0172	1.0442	1.0622	54,168,601	4,121,237	(50,047,364)
2008-09	1.0163	1.0429	1.0599	57,415,246	1,424,330	(55,990,916)

**LEUCADIA WASTEWATER DISTRICT
APPROPRIATION LIMIT
FISCAL YEAR 2008-2009**

Fiscal Year	Total Appropriation	Amount
2008-2009	General District	6,693,337
	Current Construction/Capital	8,805,015
	Other Debt & Reserves Exp.	699,453
	Reserves	42,998,905
	Subtotal	<u>59,196,710</u>
	Less: Prior Reserves (Limited to above reserves)	49,031,312
	(Difference)	<u>(6,032,407)</u>
	Less: Voter Approved Debt Service	0
	Total Available	<u>16,197,805</u>
	Non-Proceeds of Taxes	14,773,475
	Appropriations Subject to Limit	<u>\$ 1,424,330</u>

Fiscal Year	Revenue	Total Revenue	Tax Revenue	Other Revenue
2008-2009	Service Charge	\$ 6,159,235	\$ 0	\$ 6,159,235
	Other Oper. Income	230,274	0	230,274
	Property Tax	1,200,000	1,200,000	0
	Other Non-Oper.	434,375	0	434,375
	Debt Service	0	0	0
	Less Voter Approved	0	0	0
	Subtotal	<u>\$ 8,023,884</u>	<u>\$ 1,200,000</u>	<u>\$ 6,823,884</u>
	Interest Income	1,500,000	224,330	1,275,670
	Other Reserve Income	6,673,921	0	6,673,921
	Total Revenue	<u>\$ 16,197,805</u>	<u>\$ 1,424,330</u>	<u>\$ 14,773,475</u>

Interest Income Allocation	\$ 1,200,000
	/ \$ 8,023,884
	= 14.9553508%
	* 1,500,000
	<u>= \$ 224,330</u>

**APPROPRIATION LIMIT WORKSHEETS
2008-2009**

	Total (1) 1/1/2007	Within District 1/1/2007	% of City	% of District
Carlsbad	101,337	29,575	29.2%	49.8%
Encinitas	63,259	29,850	47.2%	50.2%
Total		59,425	(to below)	100.0%

(1) Population of Carlsbad & Encinitas per SANDAG regional estimates for 1/1/2007 (See Web Site)

(2) District population per special request from SANDAG
Latest estimate received May 2008 for Jan 2007

Population	%	2006-2007		2007-2008	
		Total cities (3) 1/1/2007	Total district (Calc) 1/1/2007	Total cities (3) 1/1/2008	Total district (Calc) 1/1/2008
Carlsbad	29.2%	101,398	29,593	103,811	30,297
Encinitas	47.2%	63,298	29,868	63,864	30,135
Total	(from above)	164,696	59,461	167,675	60,433
Percentage change				1.809%	1.634%

<u>Adjustment factor calculation</u>	2006-2007	<u>% CHANGE</u>	<u>FACTOR</u>
1 population change calculation		1.634%	1.0163
2 per capita personal income - (3)		4.290%	1.0429
Adjustment Factor			1.0599

(3) Per California department of Finance letter and attachments, dated May 2008

Encina Wastewater Authority Report
Regular Board Meeting
May 28, 2008

EWA Board of Directors - Director Juliussen and Director Sullivan reporting.

Public Hearing

1. Board of Directors Compensation Adjustments for FY 09 - Ordinance 08-1

The Board of Directors conducted a public hearing. Following the public hearing, the Board of Directors adopted Ordinance No. 08-1 implementing the annual Director's compensation adjustment allowed by law, an amount not to exceed 5% per calendar year. Ordinance No. 08-1 provides for an \$8 adjustment, increasing compensation for a day's service to EWA from \$174 to \$182.

Executive Session

2. The Board of Directors met in closed session as authorized by Government code 54956.9, to discuss anticipated litigation – one case: Jaynes Corporation of California.
3. The Board of Directors met in closed session as authorized by Government Code 54956.8, to discuss the Master Planning and Development Disposition of the South Parcel located in the 6200 block of Avenida Encinas in Carlsbad, CA.
4. The Board of Directors met in closed session as authorized by Government code 54957.6, to discuss salaries and fringe benefits for the unrepresented employees in the informal and management groups.

There was no reportable action.

EWA Board Meeting Action Items:

5. Salary and Benefit Resolutions

The Board of Directors adopted the following resolutions:

- Resolution No. 08-3 setting forth salaries, benefits and other working conditions for Unrepresented Employee in the Informal Group for three (3) years beginning July 1, 2008 and concluding June 30, 2011.
- Resolution No. 08-4 setting forth salaries, benefits and other working condition for Unrepresented Management Employees in the Informal Group for three (3) years beginning July 1, 2008 and concluding June 30, 2011.
- The Board adopted and signed the CalPERS Health Benefits Resolution for active and retirees to commence July 1, 2008.

6. Fiscal Year 2009 Budget Recommendations

The Board of Directors adopted the recommended FY 09 Operation, Maintenance, and Administration Budget and forwarded the adopted budget to the Joint Advisory Committee.

The Board of Directors also adopted the recommended FY 09 Capital Improvement Program Budget and forwarded the adopted budget to the Joint Advisory Committee.

EWA Joint Advisory Committee Action Items

7. Fiscal Year 2009 Budget Recommendations

The Joint Advisory Committee submitted the recommended FY 2009 Operation, Maintenance, and Administration Budgets and Capital Improvement Program Budgets to the Member Agencies for consideration and action.

Engineering Committee Meeting Report

Presented by Allan Juliussen

Meeting held June 2, 2008

1. PM Morishita presented an overview of the Asset Management Master Plan. The EC discussed the recommendation and concurred with staff to present the Asset Plan for adoption to the Board of Directors.

This item will be reviewed by the Board later in tonight's agenda.

2. The Committee reviewed the Professional Services Agreement with Dudek & Associates for Engineering Consulting Services. The EC concurred with staff to present the recommendation to authorize the General Manager to execute a two year contract with Dudek in an amount not to exceed \$240,000.

This item will be reviewed by the Board later in tonight's agenda.

3. PM Morishita presented the status of the Site Improvement Project's construction progress to date to the EC. The status included a summary of the project's change orders to date.

MEMORANDUM

Ref: 08-1590

DATE: June 5, 2008

TO: Board of Directors

FROM: Paul J. Bushee, General Manager



SUBJECT: Adoption of the 2008 Financial Plan Update

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt the Leucadia Wastewater District's 2008 Financial Plan Update.
2. Authorize staff to implement the 2008 Financial Plan Update's recommendations.
3. Discuss and take other action as appropriate.

DISCUSSION:

On April 22, 2008, the Board of Directors held a Special Board meeting to review various options for meeting LWD's future financial obligations. At the meeting, staff and MuniFinancial presented four financial scenarios for LWD's Wastewater Enterprise including three "pay as you" go options and one option that would involve bonding. The four scenarios were as follows:

- Scenario 1 – "pay as you go" 9% service rate increase for each of the next 3 years; followed by intermittent 3 years of no increases and 3 years of 9% increases through 2028.
- Scenario 2 – "pay as you go" 10% service rate increase for each of the next 3 years; followed by intermittent 3 years of no increases and 3 years of 10% increases through 2028.
- Scenario 3 – "pay as you go" 11% service rate increase for each of the next 3 years; followed by intermittent 3 years of no increases and 3 years of 11% increases through 2028.
- Scenario 4 – "Bonding" – maintain existing service rate of \$194 per year until reserves are completely drawn down in 2015, then issue bonds in conjunction with service rate increases.

In addition to the Wastewater Enterprise models, the Board also reviewed a model depicting an increase in LWD's Capacity Fee from \$3,286 per equivalent dwelling unit (edu) to \$3,732 per edu, and changing the basis of the fee to 100% system buy-in. The Board also reviewed a model relating the financial obligations of the Recycled Water Enterprise.

Special Board Meeting Direction:

After reviewing and discussing the various models presented, the Board directed staff to proceed with finalizing the 2008 Financial Plan Update incorporating Financial Scenario 2 and the proposed changes to the capacity fee. The Board believed that Financial Scenario 2 best balanced service fee increases with the long-term financial stability of LWD. MuniFinancial and staff have subsequently worked to finalize the 2008 Financial Plan Update.

In related actions, the Board authorized staff last month to provide 45 days notice for a public hearing in July 2008 to consider a 10% annual rate increases for the next three fiscal years in accordance Proposition 218. Later in tonight's agenda, the Board will consider an increase to LWD's capacity fee.

2008 Financial Plan Update

As previously indicated, the 2008 Financial Plan Update has been finalized based on the Board's direction. Attached for your information, please find a copy of the report's Executive Summary. A copy of the full report has also been enclosed for your review. A summary of 2008 Financial Plan Update's key recommendations are as follows:

- Increase the current wastewater service rate 10% per year over the next 3 years beginning in Fiscal Year 2009.
- Modify the Capacity Fee allocation to 100% buy-in for new connections and increase the Capacity Fee to \$3,732 per edu
- Continue "pay as you go" approach for funding capital projects
- Increase the operating reserve balance from 27% to 36.4% to meet the District's day to day operating expenses.

To elaborate briefly on the Capacity Fee, these fees are presently allocated 85% to buy-in and 15% to growth. In effect, this means that 85% of the fees are allocated to the unrestricted Replacement Reserve and 15% of the fees are allocated to the restricted Capital Improvement Reserve. If today's recommendation is approved, future capacity fees would be allocated 100% to the unrestricted Replacement Reserve. This recommendation reflects the fact that the existing system has been pre-built to accommodate the ultimate capacity of the system for the benefit of future users.

For the foregoing reasons, staff is recommending that the Board of Directors: 1) adopt the 2008 Financial Plan Update; and 2) authorize staff to proceed with the implementation of the 2008 Financial Plan's recommendations.

cal:PJB

Attachment
Enclosure

EXECUTIVE SUMMARY

To ensure the District's financial stability, the Board and staff utilize a long-term financial planning process to project future financial conditions and provide guidance in the decision-making process. Through a coordinated strategic process, the District has established a series of policies and plans to efficiently meet the District's anticipated future needs. To this end, the District created a long-term financial plan to forecast expenditures and revenue needs for the next 20 years. The District routinely updates the plan on a five-year cycle, with major updates in 1999 and 2004.

The highlights of the 2004 Financial Plan are:

- Continued the District's "pay-as-you-go" policy while maintaining the sewer rate per EDU of \$16.17 per month;
- Systematically reduced reserves;
- Lowered capacity fee from \$3,950/EDU to \$3,286/EDU;
- Changed capacity fee allocation from 100% growth to 85% buy-in and 15% growth; and,
- Eliminated Annexation Fee.

After this 2004 analysis and subsequent annual reviews, District staff concluded that an update was required earlier than the 5-year cycle because capital costs were continuing to escalate higher than anticipated resulting in a significant decrease in the 2004 reserve balance projections. District staff concluded that a comprehensive analysis was prudent while the District still maintained financial stability which would mitigate the need for drastic and sudden rate increases in the future.

Wastewater Enterprise Findings

- The current financial situation of the District is stable, however, increasing operating and capital costs, potential property tax takeaways and declining capacity fee revenues threaten this stability;
- The District could continue its "pay-as-you-go" approach without increasing the service charge until FY 2014/15 when Capital Replacement Reserves would be completely drawn down;
- The District service area is at approximately 92% build out with an anticipated 100 to 200 EDUs connecting to the system annually over the next 20 years. EDU build out is assumed at 30,045 EDUs; and,

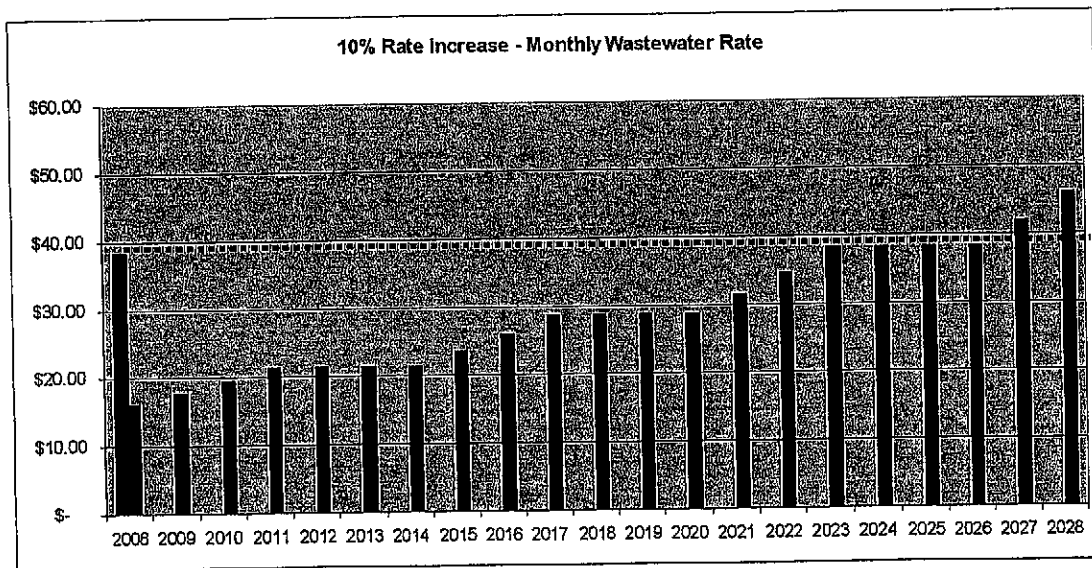
- Because the District has transitioned from a growth-oriented mode to a replacement-based system, the current capacity charge calculation should be modified to reflect this change.

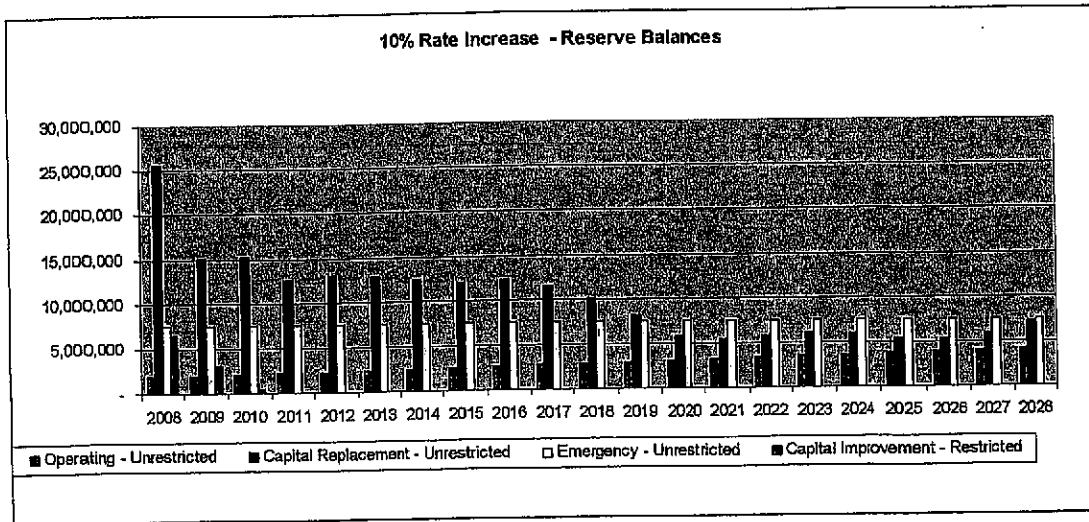
Wastewater Enterprise Recommendations

Based on the findings of this financial planning analysis, we recommend that the District adopt the following items:

- Increase the current wastewater service rate 10% per year over the next 3 years beginning in FY 2008/09. The 20-year plan suggests a pattern of 3 years' of annual 10% rate increases, followed by 3 years of no increases, 3 years of increases, and so on;
- Consider Capacity Charge as a 100% "buy-in" charge for new connections and increase charge to \$3,732 per EDU connection;
- Continue "pay-as-you-go" approach for capital items;
- Maintain an annual Operating Reserve balance of 36.4% of operating expenses (this represents an increase from the previously adopted figure of 27%);
- Maintain the Emergency Reserve balance at \$7,500,000; and,
- Maintain positive balances in remaining reserves.

The following figures illustrate the recommended rate increase scenario and the subsequent effect on the reserve balances for the 20-year planning period should this scenario be adopted (*dotted line in figure below represents the FY 2008 San Diego County wastewater rate average of \$38.42 per EDU*).





Recycled Water Enterprise Findings

- The current financial situation of the Recycled Water Enterprise is stable, however, future projections show that significant capital projects in FY 2012/13 will deplete the reserve balance without other sources of revenue.


Recycled Water Enterprise Recommendations

- Monitor the financial performance of this Enterprise as the Carlsbad water sales contract approaches termination in 2011; and,
- Monitor the capital expenses of the Enterprise and potential financing sources.

MEMORANDUM

DATE: June 5, 2008

TO: Board of Directors

FROM: Paul J. Bushee, General Manager 

SUBJECT: **Public Hearing on a Proposal to Consider Increasing the Amount That May Be Paid to Directors and Officers of the District for Service to the District, a Proposal to Consider Collecting the District's Wastewater Service Charge for Fiscal Year 2009 on the San Diego County Tax Roll, and a Proposal to Consider Adopting a Revised Wastewater Capacity Fee**

The purpose of this public hearing is to allow the LWD Board of Directors to receive and consider public comment on the following:

- 1) A proposal to increase the amount that may be paid to directors and officers of the District from \$150 to \$165 per day of service;
- 2) A proposal to collect LWD's wastewater service charges for FY 2009 on the County Tax Roll in the same manner, together with, and at the same time as general taxes; and,
- 3) A proposal to adopt an ordinance establishing the District's wastewater capacity fee at \$3,732 per equivalent dwelling unit (EDU) for the privilege of connecting to the District's system.

The notice of this public hearing was posted at LWD beginning on May 23, 2008. The notice announcing the proposed Board of Directors increase and the proposal to collect LWD's wastewater service charges on the County Tax Roll was advertised in the North County Times on May 27 and June 3, 2008. The notice announcing the proposal to revise the District's wastewater capacity fee was advertised in the North County Times from May 26 - May 30, 2008 and from June 2 - June 6, 2008.

DISCUSSION:

- 1) Board of Director's Compensation

The Board of Directors last approved a compensation increase on May 10, 2006. The California Water Code Section 20202 provides for a 5% adjustment per calendar year following the operative date of the last adjustment. Since an adjustment occurred in 2006, the Board is eligible for an adjustment not to exceed 10%.

Proposed Ordinance No. 120 will be considered later in this agenda. The Ordinance provides for a 10% adjustment that increases compensation for a day's service to LWD from \$150 to \$165. It also confirms those meetings that qualify for director compensation.

If adopted, the compensation increase will be effective 60 days after adoption.

2) Collection of District Wastewater Service Charges for Fiscal Year 2009 on the Tax Roll of the County of San Diego

LWD has collected its wastewater service charges on the San Diego County Tax Roll, concurrent with general taxes, since 1979. Staff proposes to continue collecting its wastewater service charges in this manner for FY 09. As per Government Code Section 5473, LWD has made available, for public review and inspection, a report showing the amount of the proposed wastewater service charges for each parcel of real property receiving wastewater service.

It is necessary for the Board to consider all objections or protests to the report. If the Board of Directors finds that the protests are made by the owners of a majority of separate parcels of property described in the report, then the report shall not be adopted and the wastewater service charges shall be collected separately from the tax rolls. To date, no objections or protests have been filed with the LWD regarding this report.

3) Wastewater Capacity Fee

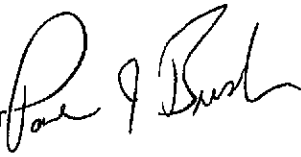
Later in this agenda, the Board of Director's will consider adopting the District's Financial Plan Update (Plan). This plan recommends increasing the wastewater capacity fee from \$3,286 per EDU to \$3,732 per EDU.

The proposed Plan developed a capacity fee model that calculates the necessary capacity fee revenue to fund capital improvements based on 100% buy-in. The capacity fee was calculated by dividing the total projected value of facilities and reserves by the District's total EDU capacity. Since the District is approaching build-out and transitioning from a growth to a replacement related model, the capacity fee will allow new users to buy-in to the existing capacity while taking into account the existing Capital Improvement Program reserve balance.

After receiving public testimony, the Board of Directors will close the public hearing and may consider action on the proposed item during the regular meeting immediately following this public hearing.

cal:PJB

MEMORANDUM

DATE: June 5, 2008
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **Board of Directors Compensation Adjustment**

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Approve Ordinance No. 120 increasing compensation for LWD Board of Directors from \$150 to \$165 and confirming meetings that qualify for director compensation.
2. Discuss and take other action as appropriate.

DISCUSSION:

Prior to this item, the Board of Directors conducted a public hearing to receive and consider public comment on this proposed ordinance to increase compensation for Directors from \$150 to \$165.

On May 14, 2008, the Board of Directors directed staff to prepare, notice and schedule a public hearing for the purpose of considering an increase in Board of Director's compensation.

Proposed Ordinance No. 120 (Attachment 1) implements the compensation adjustment in accordance with the Board's direction and specifies the types of meetings for which compensation may be paid. The proposed Ordinance provides for a 10% adjustment that increases compensation for a day's service to LWD from \$150 to \$165. It also confirms those meetings that qualify for director compensation.

The Board of Directors last approved a compensation increase on May 10, 2006. The California Water Code Section 20202 provides for a 5% adjustment per calendar year following the operative date of the last adjustment. Since an adjustment occurred in 2006, the Board is eligible for an adjustment not to exceed 10%.

If approved, Proposed Ordinance No. 120 will supersede Ordinance No. 118 adopted on January 22, 2008. Ordinance No. 118 set Directors pay at \$150 as established in 2006 and confirmed the types of meetings for which compensation may be paid.

General Counsel has reviewed the proposed Ordinance and the suggested changes have been incorporated. Notice of this Public Hearing was published in the North County Times on May 27, 2008 and June 3, 2008. If adopted, Ordinance No. 120 will become effective August 11, 2008.

Subject: Board of Directors Compensation Adjustment
June 5, 2008
Page 2

Ref: 08-1572

The fiscal impact of the proposed Ordinance will vary depending upon the number of meetings held by the Board of Directors and its committees and attendance at those meetings. Sufficient appropriations are included in the Recommended FY 2009 budget to fund the resulting adjustment.

cal:PJB

Attachment

ORDINANCE NO. 120

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE LEUCADIA WASTEWATER DISTRICT
INCREASING COMPENSATION OF DIRECTORS AND
CONFIRMING MEETINGS THAT QUALIFY FOR DIRECTOR COMPENSATION**

WHEREAS, the Leucadia Wastewater District (LWD) is a county water district that operates as a special district in accordance with Government Code Section 56036; and,

WHEREAS, the LWD Board of Directors desires to provide for reasonable compensation for Directors that is consistent with Water Code Section 20202; and,

WHEREAS, the LWD Board of Directors last set compensation on May 10, 2006 at \$150.00 per day of service for each Director pursuant to Ordinance No. 113; and,

WHEREAS, Ordinance 113 was superseded by Ordinance No. 118, which reaffirmed the compensation rate set in 2006 and identified meetings which have been pre-approved and qualify for Director compensation; and,

WHEREAS, the LWD Board of Directors has determined that an increase of 10% above the current rate is appropriate; and,

WHEREAS, a public hearing to consider the increase in compensation for Directors was duly noticed and held in accordance with Water Code Section 20203 on the date hereof,

NOW, THEREFORE, BE IT ORDAINED:

1. The LWD Board of Directors shall be compensated \$165 per day of service for attendance at meetings of the Board, Board committees, and conferences or seminars of the following organizations or associations:
 - California Association of Sanitation Agencies (CASA);
 - California Special Districts Association (CSDA);
 - California Sanitation Risk Management Authority (CSRMA);
 - California Water Environment Association (CWEA);
 - California WaterReuse Association;
 - Local Agency Formation Commission (LAFCO);
 - Southern California Alliance of Publicly Owned Treatment Works (SCAP); and
 - Special District Institute (SDI).

Also authorized for compensation is attendance at a conference or organized educational activity conducted in compliance with subdivision (c) of Government Code Section 54952.2, including, but not limited to, ethics training required by Government Code Sections 53234-53235.5.

Attendance at other meetings, conferences and seminars not specifically authorized by this Ordinance must be approved by the Board of Directors prior to attendance for compensation.

2. That in no event shall a Director receive compensation for more than a total of ten (10) days service to LWD in any calendar month.
3. That the provisions of this ordinance shall be effective sixty (60) days after its adoption, and thereafter, Ordinance No. 118 shall be void and of no further force and effect.

PASSED AND ADOPTED this 11th day of June 2008, by the following vote:

AYES: Directors:

NOES:

ABSENT:

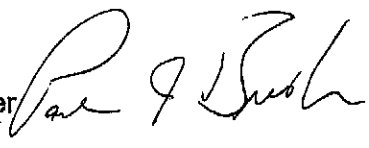
ABSTAIN:

Elaine Sullivan
President

ATTEST:

Paul J. Bushee
Board Secretary

MEMORANDUM

DATE: June 5, 2008
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Adopt Resolution No. 2193 – A Resolution of the Board of Directors of the Leucadia Wastewater District Adopting and Approving the Report for the Collection of Wastewater Service Charges On County Tax Roll for the Fiscal Year July 1, 2008 to June 30, 2009

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt Resolution No. 2193 as presented.
2. Discuss and take other action as appropriate.

DISCUSSION:

LWD's wastewater service charge has been collected on the San Diego County Tax Roll since 1979. Staff is proposing to continue this practice for FY 09. Prior to this item, the Board of Directors will have conducted a public hearing regarding the collection of the FY 09 sewer service charge on the county tax roll in accordance with Health and Safety Code Section 5473.

A written report was prepared and filed with the General Manager which contains a description of each parcel of real property and the amount of the wastewater service fee for each parcel for FY 2009. The fees in the report are based on the proposed FY 09 wastewater service fee of \$17.78 per month per equivalent dwelling unit (EDU) which is an increase from the existing wastewater service fee of \$16.17 per month per EDU.

On July 9, 2008, the Board of Directors will conduct a public hearing to consider the proposed wastewater service fee increase. If after the public hearing, the Board of Directors does not approve the increase, the wastewater service fee billed for each parcel of real property shall be based on the existing wastewater service fee.

Staff recommends that the Board adopt Resolution No. 2193 (attached) as presented, and/or take other action as appropriate.

cal:PJB

Attachment

RESOLUTION NO. 2193

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF LEUCADIA WASTEWATER DISTRICT
ADOPTING AND APPROVING THE REPORT FOR THE
COLLECTION OF WASTEWATER SERVICE CHARGES ON THE COUNTY TAX
ROLL FOR THE FISCAL YEAR JULY 1, 2008 – JUNE 30, 2009**

WHEREAS, the Board of Directors of LEUCADIA WASTEWATER DISTRICT (LWD) has elected to have wastewater service fees for the Fiscal Year July 1, 2008 – June 30, 2009 collected on the tax roll in accordance with Health and Safety Code Sections 5470-5474.10; and

WHEREAS, the current wastewater service fee each equivalent dwelling unit (EDU) is \$16.78 per month (Existing Wastewater Service Fee);

Whereas, the Board of Directors will hold a public hearing on July 9, 2008 to consider increasing wastewater service fees for Fiscal Year, July 1, 2008 - June 30, 2009 for each EDU to \$17.78 per month (Proposed Wastewater Service Fee); and

Whereas, a written report was prepared and filed with the General Manager of this District, which written report contains a description of each parcel of real property receiving wastewater service and the amount of the wastewater service fee for each parcel for said fiscal year, which is based on the Proposed Wastewater Service Fee; and

WHEREAS, notice of the hearing on said report was published in the form and manner prescribed by law; and

WHEREAS, at the time stated in the notice, this Board of Directors did hear and consider all objections or protests to said report.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF LWD DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Board of Directors hereby determines that the amount of the wastewater fee for each parcel for the Fiscal Year, July 1, 2008 – June 30, 2009 shall be as described in said report, subject to the following conditions:

- a. The wastewater fee shall be for the amount set forth in the report if the Board of Directors, after considering any protests and public comment, approves the Proposed Wastewater Service Fee during its July 9, 2008 meeting.
- b. If the Board of Directors does not approve the Proposed Wastewater Service Fee, the wastewater fee billed to each parcel shall be based on the Existing Wastewater Service Fee.

All protests and objections to the report are over-ruled, except as allowed by the foregoing motion.

Section 2. The report is hereby adopted and approved.

Section 3. The General Manager is authorized and directed to file with the Auditor of San Diego County a copy of said report with a statement endorsed thereon over his signature that it has been finally adopted by the Board of Directors.

Section 4. Effective July 1, 2008 this Resolution supersedes Resolution No. 2178.

PASSED AND ADOPTED by the Board of Directors at a meeting of LWD held June 11, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elaine Sullivan, President

ATTEST:

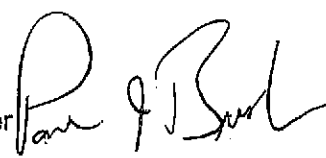
Paul J. Bushee, Secretary/Manager

(SEAL)

MEMORANDUM

Ref: 08-1585

DATE: June 5, 2008
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Capacity Fee Adjustment



RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt Ordinance No. 121 adjusting the District's Capacity Fee from \$3,286 per Equivalent Dwelling Unit (EDU) to \$3,732 per EDU.
2. Discuss and take other action, as appropriate.

BACKGROUND:

Prior to this item, the Board of Directors will have conducted a public hearing regarding the adjustment of LWD's Wastewater Capacity Fee.

On April 22, 2008, the Board of Directors conducted a special board meeting to review various financial models that LWD will use to guide its finances over the next 20 years. At that meeting, Mr. Brian Jewett from Munifinancial presented a Capacity Fee Model that finalizes the District's transition from "growth" to "buy-in".

LWD's capacity fee is paid by new applicants for the privilege of connecting to the District's wastewater collection system. The fees allow the District to recover an equitable share of the value of the connection in facilities that are (or will be) available to serve new applicants for service. As growth in the district slows, the capacity fee now essentially represents 100% buy-in.

LWD's current capacity fee of \$3,286 per Equivalent Dwelling Unit (EDU) was established in June 2004 with the adoption of Ordinance No. 110. Based on the results of the 2008 Financial Plan Update, staff and Munifinancial are recommending a 14% increase to \$3,732 per EDU. This increase takes into account the current value of the District's total facilities and reserves (\$112,133,329) as well as LWD's total projected EDU capacity (30,045). It should be noted, however, that the proposed capacity fee of \$3,732 remains below the \$3,950 fee that was in effect prior to 2004.

Proposed Ordinance No. 121 is attached for the Board's review. If adopted, it will repeal Ordinance No. 110 and adjust the District's capacity fee from \$3,286 to \$3,732. Staff recommends that the Board of Director's adopt the proposed ordinance.

cal:PJB

Attachment

ORDINANCE NO. 121

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE LEUCADIA WASTEWATER DISTRICT
INCREASING THE DISTRICT'S WASTEWATER CAPACITY FEE**

WHEREAS, the Leucadia Wastewater District (LWD) is a county water district that operates as a special district in accordance with Government Code Section 56036; and,

WHEREAS, the LWD maintains a long-range financial plan to guide its finances over the next 20 years; and,

WHEREAS, the Financial Plan finds that an increase in the wastewater capacity fee is appropriate for the funding of the District's Capital Improvement Program attributable to buy-in; and

WHEREAS, the LWD Board of Directors has determined that a capacity fee increase is appropriate; and,

WHEREAS, a copy of the Financial Plan is available for public review at the Leucadia Wastewater District Administration Office; and

WHEREAS, a public hearing to consider the increase in capacity fee was duly noticed and held in accordance with Government Code Section 66016 on the date hereof,

NOW, THEREFORE, BE IT ORDAINED:

1. The LWD Wastewater Capacity Fee shall be increased from \$3,286 per Equivalent Dwelling Unit (EDU) to \$3,732 per EDU for the privilege of capacity in the District's wastewater system.
2. That the capacity fee charges shall be assessed in accordance with the EDU Factors established by the District and incorporated herein as "Exhibit A".
3. That the provisions of this ordinance shall be effective immediately after its adoption, and thereafter, Ordinance No. 110 shall be void and of no further force and effect.

PASSED AND ADOPTED this 11th day of June 2008, by the following vote:

AYES: Directors:

NOES:

ABSENT:

ABSTAIN:

Elaine Sullivan
President

ATTEST:

Paul J. Bushee
Board Secretary

LEUCADIA WASTEWATER DISTRICT EDU FACTORS CAPACITY FEE SCHEDULE	
WASTEWATER USE CATEGORIES	EDU FACTORS
<u>Single Family Residence</u>	1.0
<u>Multiple Dwelling</u> (Apartments, duplexes, condominiums, and townhouses) - Each living unit	1.0
<u>Mobile Home or Trailer Park</u> Mobile home or trailer space	1.0
<u>Motel or Hotel</u> Each Unit w/o Kitchen & Bathroom Each Unit w/Kitchen & Bathroom	0.33 0.55
<u>Guest House</u> Each Unit w/o Kitchen Each Unit w/Kitchen and Bathroom	0.0 1.0
<u>Medical Care or Elder Care</u> (Hospitals, skilled nursing homes, convalescent homes, retirement homes, assisted living homes, and similar facilities) Multiple dwelling without individual kitchen & with community eating facilities, Per individual bed with minimum 1.0 EDU Multiple dwelling with internal kitchen and on-site community eating facilities per living unit Multiple dwellings with internal kitchen and no on-site community eating facility per living unit Single dwellings with internal kitchens regardless of community facilities	0.4 0.8 1.0 1.0
<u>Churches, Theaters and Auditoriums</u> Each unit of 115 Persons or fraction thereof	1.0
<u>Schools</u> Elementary per 60 pupils or fraction thereof for each elementary school Junior High per 50 pupils or fraction thereof for each Jr. High school High School per 30 pupils or fraction thereof for each High school	1.0 1.0 1.0

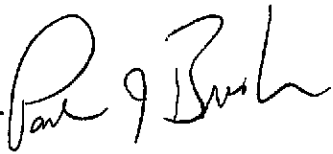
<u>Laundries - Self Service -</u> Per each washer	0.75
<u>Food Establishments, Restaurants, or Taverns</u> Each unit of 7 seats or fraction thereof Restaurant with no seating The basic charge for a restaurant with seats using exclusively throw-away plates and utensils - Additional for each block of 15 seats (using exclusively throw- away) Tavern not serving food for each unit of 16 seats	1.0 2.6 1.0 1.0 1.0
<u>Ballrooms, Banquet Facilities, and Convention Facilities</u> Per block of 40 seats	1.0
<u>Automobile Service Stations</u> Not more than four (4) gasoline pumps More than four (4) gasoline pumps Additional for each washing rack, pit, or floor drain (Drains subject to collecting toxic, hazardous, or potentially explosive waste are not allowed to be connected to sewer). Car washes shall be individually evaluated by the District Engineer based on peak net discharge rate of specific equipment to be used with internal water recycling required.	2.0 3.0 2.0 Per Review
<u>Banks and Savings and Loan Associations</u> Each 3000 SF or portion thereof	1.0
<u>Other Commercial or Industrial Users</u> Up to 1,000 SF Plus for each additional 1,000 SF or portion thereof up to 5,000 SF Plus For each additional 1,000 SF or portion thereof over 5,000 SF The capacity fee for establishments with unusual sewer characteristics or for any commercial use not described in the categories above shall be fixed by the Board of Directors by motion, resolution, or ordinance when each specific application is submitted.	1.0 0.4 0.6 Per Case

At any time the District may review the current standards of practice of any commercial or industrial customer with regard to sewer use during the previous year. If such use is not within the limits of the previous classification, the service may be reclassified accordingly and any additional capacity charges shall become due and payable immediately on request.

MEMORANDUM

DATE: June 5, 2008

TO: Board of Directors

FROM: Paul J. Bushee, General Manager 

SUBJECT: Adopt Resolution No. 2191 – A Resolution of the Board of Directors of the Leucadia Wastewater District (LWD) Approving the Recommended Encina Wastewater Authority (EWA) Fiscal Year 2009 (FY 09) Operating and Capital Budgets

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt Resolution No. 2191 as presented.
2. Discuss and take other action as appropriate.

DISCUSSION:

The EWA Revised Basic Agreement (RBA) and Revised Establishment Document (RED) require that the governing body of each EWA member agency take action on the proposed annual budget. The recommended FY 09 budget was approved by the EWA Board of Directors and the Joint Advisory Committee on May 28, 2008, and has been forwarded to LWD for consideration. A breakdown of the costs for each fiscal year is as follows:

Operating Budget

FY 09 = \$14,043,674

Capital Budget

FY 09 = \$3,157,113

These budget figures include funding for all *joint and non-joint* facilities operated by EWA. A copy of EWA's Budget is on file at LWD and is available upon request. LWD's share of the proposed FY 09 operating and capital budgets is \$2,102,662 and \$577,882 respectively.

Director Sullivan served on this year's EWA Policy and Finance Committee and participated in the detailed EWA budget deliberation process. In addition, staff has reviewed the recommended budget documents in detail and is prepared to answer any questions the Board may have.

Resolution No. 2191 (attached) approves the EWA operating and capital budgets as required by EWA's RBA and RED. Staff recommends that the Board of Directors adopt the resolution as presented, and/or take other action as appropriate.

cal:PJB

Attachment

RESOLUTION NO. 2191

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LEUCADIA WASTEWATER DISTRICT
APPROVING THE ENCINA WASTEWATER AUTHORITY
FISCAL YEAR 2009
OPERATING AND CAPITAL BUDGETS**

WHEREAS, the City of Vista, City of Carlsbad, Buena Sanitation District, Vallecitos Water District, Leucadia Wastewater District and City of Encinitas are the "member agencies" of the Encina Wastewater Authority (EWA), a California joint powers authority; and

WHEREAS, the EWA member agencies are authorized and empowered to contract for the joint exercise of powers under the Government Code of the State of California for the operation, maintenance and administration of their jointly owned wastewater system, the Encina Joint System; and

WHEREAS, the member agencies recognize the need to operate, maintain and administer the Encina Joint System on a cooperative basis for the collection, transmission, treatment and disposal of wastewater, and the management of wastewater treatment byproducts; and

WHEREAS, LEUCADIA WASTEWATER DISTRICT (LWD) is party to certain documents entitled the Revised Basic Agreement and the Revised Establishment Document which establish the ownership, operation, maintenance and administration of the Encina Joint System and the EWA, respectively; and

WHEREAS, the Revised Basic Agreement governs the administration of the EWA and requires the preparation and approval by each of the member agencies of estimated Operating and Capital Improvement Program Budgets on an annual basis; and

WHEREAS, the Fiscal Year 2009 (FY 09) EWA Operating and Capital Budgets were approved by the EWA Joint Advisory Committee and the EWA Board of Directors on May 28, 2008, in the following amounts: Operating Budget – **\$14,043,674**; and Capital Budget – **\$3,157,113**; and

WHEREAS, the EWA Joint Advisory Committee and the EWA Board of Directors recommend member agency approval of the FY 09 EWA Operating and Capital Budgets in the aforementioned amounts; and

WHEREAS, copies of the FY 09 EWA Operating and Capital Budgets were reviewed by the LWD Board of Directors at its June 11, 2008 Board of Directors meeting;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LEUCADIA WASTEWATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Approval of the recommended FY 2009 Encina Wastewater Authority Operating Budget as presented in the following amount: **\$14,043,674.**

Section 2. Approval of the recommended FY 2009 Encina Wastewater Authority Capital Budgets in the following amount: **\$3,157,113 .**

Section 3. Effective July 1, 2008 this Resolution supersedes Resolution No. 2180.

PASSED AND ADOPTED by the Board of Directors at a meeting of the Leucadia Wastewater District held June 11, 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:


Elaine Sullivan, President

ATTEST:

Paul J. Bushee, Secretary/Manager

(SEAL)

MEMORANDUM

DATE: June 5, 2008
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Adoption of Fiscal Year 2009 (FY 09) Budget

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt the FY 09 Leucadia Wastewater District (LWD) Budget as presented.
2. Discuss and take other action as appropriate.

DISCUSSION:

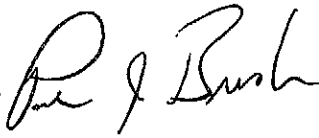
Enclosed please find a copy of the LWD FY 09 Budget (July 1, 2008 – June 30, 2009) for your review. The Capital Budget was reviewed by the Engineering Committee at its April 7 and May 5, 2008 meetings. The Personnel Budget was reviewed by Human Resources Committee at its April 29 and May 12, 2008 meetings. The overall Draft FY 09 Operating and Capital Budgets were reviewed by the Board of Directors at its May 14, 2008 meeting. Based on these meetings, staff was authorized to prepare the Final FY 09 Operating and Capital Budgets for the Board's consideration.

Staff has subsequently prepared the final budget. Therefore, staff recommends that the Board of Directors adopt the FY 2009 Budget.

cal:PJB

Enclosure

MEMORANDUM

DATE: June 5, 2008
 TO: Board of Directors
 FROM: Paul J. Bushee, General Manager 
 SUBJECT: Asset Management Master Plan

RECOMMENDATION:

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

1. Adopt the Leucadia Wastewater District Asset Management Master Plan.
2. Discuss and take other action as appropriate.

DISCUSSION:

This item was reviewed by the Engineering Committee at its June 2, 2008 meeting and the Committee concurred with staff to bring this recommendation forward to the Board of Directors for consideration.

The development of the Asset Management Master Plan (Asset Plan) was included as a goal in LWD's Fiscal Year 2008 (FY 08) Tactical Plan.

Staff has been working with Dexter Wilson Engineering on the development of the Asset Management Master Plan since September 2005. The first component of the Asset Plan addressed the area of the District's sphere of influence known as the "Island Area." Initially, the "Island Area" was planned to be a chapter of the Asset Plan; however staff subsequently concluded the Island Area needed to be addressed in a "stand alone" report. As you may recall, the Board of Directors adopted the Island Area Collection System Plan in May 2007.

Once the Island Area study was completed, staff and Wilson Engineering resumed development of the Asset Plan. The goal of the Asset Plan is twofold:

1. To update and supersede LWD's 1999 Wastewater Master Plan
2. To develop a "predictive maintenance model" for capital replacement as LWD approaches the transition from a growth mode to a replacement mode

A unique aspect of the Asset Plan is that it develops a methodical approach to analyze and potentially replace LWD's assets prior to failure. This is especially challenging when dealing with LWD's gravity pipelines and forcemains, which are underground and difficult to assess. Staff is not aware of any other organization that has developed a working predictive model for underground utilities. In the long run, staff believes that replacing assets before failure is prudent and could potentially save LWD money over time.

Attached is the Executive Summary for you review. A copy of the Asset Plan is available upon request. It is important to keep in mind that the Asset Plan is a working model that will be modified over time as it is implemented and new data is collected. Andrew Owen of Dexter Wilson Engineering will be present at the Board of Directors meeting to give an overview of the plan.

rym:PJB
 Attachment

EXECUTIVE SUMMARY

In 2005, the Leucadia Wastewater District contracted the services of Dexter Wilson Engineering, Inc. to prepare an Asset Management Master Plan with the intent of establishing a methodology or model to identify existing District sewage facilities most likely in need of replacement or repair. This approach to facilities management is a change from what has been the District's operating procedure to this point. Historically, the District has been in a growth mode and has focused its system improvement programs toward insuring that ultimate sewage capacity will be available in all District facilities.

The District's existing system encompasses 11 drainage basins, containing 995,960 feet of gravity pipeline and includes 11 pump stations and two wastewater treatment plants. As of December 2007, the District's system serves 27,545 EDUs at 91.7% buildout. Utilizing the 1999 Wastewater Master Plan as well as flow and EDU data, it is anticipated that the existing conveyance system will successfully convey District buildout flows. An analysis of the data also indicates that current peak infiltration and inflow rate is near equal to the design infiltration and inflow.

Now that the District's service area is near buildout capacity, the approach to facilities management is shifting to long-term maintenance and replacement of all existing sewage facilities.

To evaluate the District's system assets, a Predictive Failure Model was developed for gravity sewer pipelines and manholes to evaluate them based on characteristics (e.g., diameter, material of construction) and environment (e.g., soil type, depth of bury). Force mains, pump stations, and treatment plants were addressed on an individual basis.

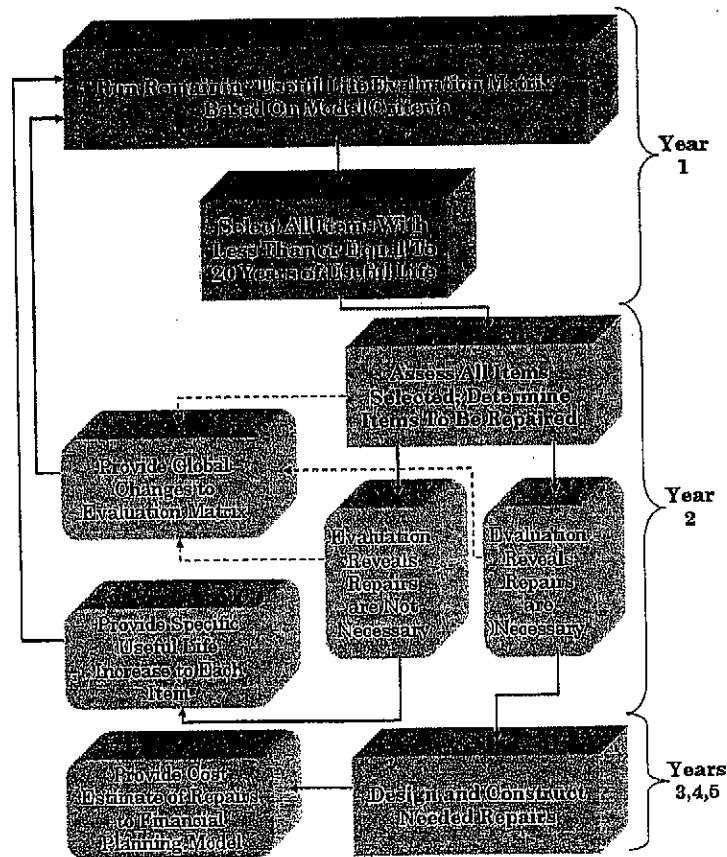
The Predictive Failure Model, created as part of the Asset Management Master Plan, calculates the remaining useful life of all sewage facilities evaluated. This output can be sorted so that those facilities with the least remaining life can be

identified for further evaluation. The results of the evaluation will determine whether repair or replacement is needed, or if the facility is providing adequate service and its useful life is actually greater than predicted by the model. Once the facilities are further evaluated, the next step is to prepare design plans for repair or replacement of those facilities which have been found to be deficient.

Thus, the asset management program is envisioned to operate in a five-year cycle:

- Year 1 – Update and run the Predictive Failure Model.
- Year 2 – Evaluate each of the facilities identified by the model as having less than 20 years remaining life. This period also includes providing feedback to the predictive failure model in the form of global changes to the model and specific life adjustments of the items evaluated.
- Years 3, 4, and 5 – Prepare plans for the replacement of those facilities found to be deficient and perform the construction.

5-YEAR REPLACEMENT FLOW DIAGRAM



As the Year 1 task, the Predictive Failure Model generated for the District's existing pipelines determined that 161 pipe reaches have a remaining useful life of 20 years or less, representing 3.6 percent (by length) of the District's pipelines. For the District's existing manholes, the Predictive Failure Model determined 361 manholes have a remaining useful life of 20 years or less, representing 7.4 percent of the District's manholes.

The output of the Predictive Failure Model allows cost estimates to be developed which can be used for long term financial planning for the District. The intent is to update the Predictive Failure Model every five years to provide new capital cost projections in 5-year increments. These expenditure projections can be incorporated into the District's financial plan to ensure that the monies for facility replacement will be available when needed.

Based on the Predictive Failure Model results included in the Asset Management Master Plan, Tables ES-1 and ES-2 provide the estimated replacement costs for pipelines and manholes, respectively. These estimated replacement costs should be multiplied by the replacement quotient of 0.5 and the adjusted number used for financial planning. The replacement quotient is intended to be a correction factor to match the predicted costs with actual costs and should be modified as needed whenever the Asset Management Master Plan is updated.

**TABLE ES-1
SUMMARY OF PIPELINE REPLACEMENT COSTS**

Remaining Life, years	Construction Cost, \$	35% Soft Cost, \$	Total Cost, \$
0 - 5	4,585,487	1,604,921	6,190,408
5 - 10	801,577	280,552	1,082,130
11 - 15	802,102	280,736	1,082,838
16 - 20	2,384,040	834,414	3,218,453
21 - 25	2,091,754	732,114	2,823,867
26 - 30	1,667,380	583,583	2,250,963
31 - 35	3,483,078	1,219,077	4,702,155
36 - 40	2,759,585	965,855	3,725,440
41 - 45	8,075,233	2,826,332	10,901,565
46 - 50	12,692,613	4,442,415	17,135,028
51 - 55	7,451,359	2,607,976	10,059,335
56 - 60	6,572,740	2,300,459	8,873,200
61 - 65	7,516,809	2,630,883	10,147,692
66 - 70	15,365,746	5,378,011	20,743,757
71 - 75	12,275,211	4,296,324	16,571,535
76 - 80	9,835,262	3,442,342	13,277,604
81 - 85	5,185,580	1,814,953	7,000,533
86 - 90	8,604,563	3,011,597	11,616,160
91 - 95	9,643,031	3,375,061	13,018,092
96 - 100	6,825,235	2,388,832	9,214,067
101 - 105	3,980,807	1,393,282	5,374,089
106 - 110	4,929,070	1,725,174	6,654,244
111 - 115	3,695,894	1,293,563	4,989,457
116 - 120	3,135,632	1,097,471	4,233,103
121 - 125	5,372,306	1,880,307	7,252,612
126 - 130	1,688,331	590,916	2,279,246
131 - 135	253,417	88,696	342,113
136 - 140	848,105	296,837	1,144,942
141 - 145	1,726,811	604,384	2,331,194
146 - 147	322,234	112,782	435,016
Total	154,570,991	54,099,847	208,670,837

TABLE ES-2			
SUMMARY OF MANHOLE REPLACEMENT COSTS			
Remaining Life, years	Construction Cost, \$	35% Soft Cost, \$	Total Cost, \$
0 - 5	76,000	26,600	102,600
5 - 10	44,000	15,400	59,400
11 - 15	628,000	219,800	847,800
16 - 20	696,000	243,600	939,600
21 - 25	184,000	64,400	248,400
26 - 30	784,000	274,400	1,058,400
31 - 35	1,776,000	621,600	2,397,600
36 - 40	4,204,000	1,471,400	5,675,400
41 - 45	2,992,000	1,047,200	4,039,200
46 - 50	2,084,000	729,400	2,813,400
51 - 55	1,532,000	536,200	2,068,200
56 - 60	576,000	201,600	777,600
61 - 65	528,000	184,800	712,800
66 - 70	2,712,000	949,200	3,661,200
71 - 75	680,000	238,000	918,000
Total	19,496,000	6,823,600	26,319,600

The Asset Management Master Plan includes an evaluation of each pump station and force main. For each station, a review of upgrades to the facilities and site visits were conducted. Replacement costs were then determined based on a defined useful life for the stations controls, electrical, mechanical, and structural components. For example, pump station controls were assigned a useful life of 10 years, so that at each station, the controls are replaced every 10 years. The evaluation of the District's pump stations and force mains estimates the total expenditure for replacement and repair between now and year 2060 to be \$84,424,000.

During future annual inspections of each pump station, it may be determined that the useful life of a particular station component should be either increased or decreased. This revised data will be incorporated into the 5-year Asset Management Master Plan update and then reflected in the District's financial plan. Table ES-3 provides the estimated replacement costs for each of the pump stations, including force mains, in five-year increments. The estimated replacement cost should be multiplied by the replacement quotient of 1.0 for use in financial planning.

The Leucadia Wastewater District owns wastewater treatment capacity in two treatment plants, the Encina Water Pollution Control Facility, and the Gafner Water Reclamation Plant. Capital improvements at the Encina Water Pollution Control Facility are based on the Capital Replacement Program of the Encina Wastewater Authority of which Leucadia Wastewater District is a member.

The Gafner Water Reclamation Plant is fully owned and operated by Leucadia Wastewater District. The capital improvements slated for this plant are based on the 50-Year Capital Expenditure Plan dated March 2004 prepared for the District.

For use in financial planning, the District's share of Encina Wastewater Authority projects total \$11.7 million through Fiscal Year 2027. Capital upgrades at the Gafner Water Reclamation Plant are estimated to total \$11.3 million for through Fiscal Year 2060. The recycled water pump station and force main from the Encina Wastewater Authority will require \$15.14 million through Fiscal Year 2060. This total includes the \$5.76 million planned for Fiscal Year 2013 to replace the secondary-water force main.

**TABLE ES-3
5-YEAR PROJECTED PUMP STATION EXPENDITURES**

Pump Station	2007-	2011-	2016-	2021-	2026-	2031-	2036-	2041-	2046-	2051-	2056-	TOTAL
	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055	2060	
Avocado	950	20	70	20	455	270	65	20	455	20	565	2,910
Diana	1,450	20	70	20	555	720	70	20	555	20	965	4,465
Encinitas Estates	620	170	20	555	20	770	120	750	20	170	620	3,835
La Costa	100	163	770	50	100	50	1363	50	100	50	770	3,566
Leucadia	135	1,535	3,634	1,535	135	5,034	135	1,535	3,634	1,535	135	18,982
Rancho Verde	70	20	355	43	70	20	355	20	238	20	355	1,566
Saxony	95	325	485	45	95	710	100	45	95	710	95	2,800
Meadows #3	355	20	70	79	355	20	70	20	559	20	70	1,688
Village Park 5	545	120	20	355	20	645	20	1,850	20	120	545	4,260
Village Park 7	805	20	120	20	355	470	120	110	410	20	570	3,020
Construction Cost	5,125	2,413	5,614	2,722	2,160	8,709	2,418	4,420	6,086	2,685	4,690	47,042
35% Soft Costs	1,794	845	1,965	953	756	3,048	846	1,547	2,130	940	1,642	16,465
SUBTOTAL	6,919	3,258	7,579	3,675	2,916	11,757	3,264	5,967	8,216	3,625	6,332	63,507
Joint Facilities												
Batiquitos	600	1,800	2,697	1,800	150	1,350	150	1,800	2,697	2,300	150	15,494
35% Soft Costs	210	630	944	630	53	473	53	630	944	805	53	5,423
SUBTOTAL	810	2,430	3,641	2,430	203	1,823	203	2,430	3,641	3,105	203	20,917
TOTAL COST	7,729	5,688	11,220	6,105	3,119	13,580	3,467	8,397	11,857	6,730	6,534	84,424

All numbers in thousands of dollars
 Shaded area should be eliminated by 2011

MEMORANDUM

DATE: June 5, 2008

TO: Board of Directors

FROM: Paul J. Bushee, General Manager 

SUBJECT: Professional Services Agreement with Dudek & Associates, Inc. for Engineering Consulting Services

RECOMMENDATION:

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

1. Authorize the General Manager to execute a two-year professional services agreement with Dudek & Associates, Inc. for Engineering Consulting Services in an amount not to exceed \$240,000.
2. Discuss and take other action as appropriate.

DISCUSSION:

This item was reviewed by the Engineering Committee at its June 2, 2008 meeting and the committee concurred with staff to bring this recommendation forward to the Board of Directors for consideration.

Dudek & Associates, Inc. (Dudek) provides engineering consulting services for the Leucadia Wastewater District (LWD). Their current agreement, which began on July 1, 2006, expires on June 30, 2008. This agenda item requests authorization for the General Manager to execute a professional services agreement with Dudek for the period July 1, 2008 to June 30, 2010.

Dudek has provided LWD's District Engineering services since 1996. Through their experience at LWD, they have gained a unique working knowledge of the District and the technical components of our collection system. For this reason, staff is recommending that Dudek continue to provide engineering consulting services.

The proposed Professional Services Agreement (Attached A) includes a Scope of Work (Exhibit A) that details specific tasks to be accomplished. These tasks include services that support our District Engineering and Capital Improvement Program.

The proposed annual fee for Dudek services is \$120,000 per year for a total of \$240,000 over the two-year agreement period. Sufficient funds to cover these services for Fiscal Year 2009 are included in the recommended annual budget.

The Engineering Committee considered this item at its June 2, 2008 meeting. The committee concurs with staff's recommendation to authorize the General Manager to execute a two-year professional services agreement with Dudek & Associates.

cal:PJB

Attachment

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE LEUCADIA WASTEWATER DISTRICT
AND
DUDEK, INC.
FOR ENGINEERING CONSULTING SERVICES**

This Professional Services Agreement ("Agreement") is made on this _____ day of _____, 2008, between the LEUCADIA WASTEWATER DISTRICT ("DISTRICT"), and DUDEK, INC., ("CONSULTANT"), an independent contractor, with a principal place of business in Encinitas, California.

**ARTICLE 1.
TERM OF CONTRACT**

1.01. The term of this Agreement is for two (2) years. This Agreement will become effective July 1, 2008, and will continue in effect until June 30, 2010 or until terminated as provided under Article 7.

**ARTICLE 2.
SERVICES TO BE PERFORMED BY CONSULTANT**

Specific Services

2.01. CONSULTANT will perform the deliverables within the scope described in Attachment A, Scope of Work. The Scope of Work is delineated on an annual basis and shall be identical for each year of the two year term of the Agreement. CONSULTANT will provide DISTRICT with periodic reports regarding the progress of services performed, at the DISTRICT's request. Any changes to the Scope of Work must be authorized by the DISTRICT in writing.

2.02. CONSULTANT will determine the method, details, and means of performing the above-described services.

Status of CONSULTANT

2.03. CONSULTANT and its employee(s) are engaged in an independent contractor relationship with DISTRICT in performing all work, duties and obligations hereunder. DISTRICT shall not exercise any control or direction over the methods by which CONSULTANT shall perform its work and functions. DISTRICT's sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. The parties agree that no work, act, commission or omission of CONSULTANT or its employee(s) pursuant to this Agreement shall be construed to make CONSULTANT or its employee(s) the agent, employee or servant of DISTRICT. CONSULTANT and its employee(s) are not entitled to receive from DISTRICT vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.

Payment of Income Taxes

2.04. CONSULTANT shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONSULTANT or its employee(s).

2.05. CONSULTANT agrees to indemnify, defend and hold DISTRICT harmless from any and all liability, damages or losses (including attorneys' fees, costs, penalties and fines) DISTRICT suffers as a result of (a) CONSULTANT's failure to meet its obligations under paragraph 2.04, or (b) a third party's designation of CONSULTANT or its employee as an employee of DISTRICT, regardless of any actual or alleged negligence by DISTRICT.

Compliance with Laws/Rules

2.06. CONSULTANT will perform all services under this agreement in good faith and in the best interests of DISTRICT. In performing the services specified in this Agreement, CONSULTANT agrees to comply with all federal and state laws, rules and regulations, applicable DISTRICT policies and procedures, departmental rules and other directives applicable to the services to be performed. Any changes to DISTRICT policies and procedures that relate to CONSULTANT will be provided to CONSULTANT in writing. CONSULTANT agrees to review such policies, procedures, rules and directives the contents of which CONSULTANT will be deemed to have knowledge.

ARTICLE 3 PROJECT TEAM

3.01 DISTRICT has a primary interest in maintaining the individual services of the following key project team member(s):

1. Mr. Steve Deering, P.E., Principal Engineer I
2. Mr. Chris Trees, P.E., District Engineer

No member of the project team shall be removed from the project team or reassigned by CONSULTANT without prior approval of DISTRICT. Such approval shall not be unreasonably withheld or delayed. The CONSULTANT shall be required to immediately inform the DISTRICT should any key member(s) become unavailable. The credentials for substitutes for any key project member(s) must be submitted to the DISTRICT for review and approval. An interview may also be required if so desired by the DISTRICT.

ARTICLE 4 COMPENSATION

4.01 Compensation for all work performed under this Agreement shall be calculated on a time and materials basis. Compensation for the services described in Attachment A shall not exceed \$120,000 per year, for a total of \$240,000 for the two year term of the Agreement. This amount shall not be exceeded unless there is a change in scope of work, in writing and agreed to by both parties. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. CONSULTANT and DISTRICT agree that this fee was arrived at through arms length negotiations between the parties.

Payment of Expenses

4.02 DISTRICT will reimburse CONSULTANT for all reasonable expenses incurred in performing services under this Agreement as the work progresses. CONSULTANT shall submit invoices to the DISTRICT'S Project Manager once per month. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task by task basis. The term "expenses" means telephone bills, federal express charges, mailing charges and any other pre-approved expenses by DISTRICT. CONSULTANT will provide DISTRICT with receipts for all expenses. DISTRICT shall make payment to CONSULTANT within forty-five (45) days of receipt of approved invoice. Payment provision for any service other than those described herein will be set forth in an amendment to the Agreement.

ARTICLE 5 OBLIGATIONS OF CONSULTANT

Non-Exclusive Relationship

5.01 CONSULTANT may represent, perform services for, and contract with as many additional clients, persons, or companies as CONSULTANT, in its sole discretion, sees fit. However, CONSULTANT shall be responsible for ensuring that its relationship with additional clients, persons, or companies do not violate conflict of interest laws.

Tools, Materials, and Equipment

5.02 CONSULTANT will supply all tools materials, and equipment required to perform the services under this Agreement.

CONSULTANT'S Qualifications

5.03 CONSULTANT represents that its employee(s) has the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of DISTRICT. This means CONSULTANT is able to fulfill the requirements of this Agreement. Failure to perform all the services required under this Agreement constitutes a material breach of the Agreement. CONSULTANT has complete and sole discretion for the manner in which the work under this Agreement will be performed.

Indemnity

5.04 CONSULTANT agrees to indemnify, defend, and hold DISTRICT and its officials, officers, directors, agents and employees free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including for bodily injury and property damage, interest, penalties, attorneys' fees, litigation expenses and costs that such entities or persons may incur as a result of any negligent act or omission by CONSULTANT or a breach by CONSULTANT of any representation or agreement contained in this Agreement. CONSULTANT's provision of insurance coverage as described in Section 5.05 below shall not affect CONSULTANT's indemnity obligations.

Insurance

5.05 CONSULTANT will provide and keep in full force and effect during the term of this Agreement the insurance policies listed below. Insurance will be purchased from insurance companies with a current A.M. Best's rating of no less than A:VI, unless otherwise agreed to in writing by DISTRICT. CONSULTANT will provide insurance coverage and policy endorsements

for the DISTRICT and their respective officers, officials, directors, employees, volunteers or agents.

5.05.1 California Workers' Compensation, in compliance with California requirements.

5.05.2 General Liability Insurance [occurrence form CG 0001], covering bodily injury, personal injury and property damage with a combined single limit of no less than One Million Dollars (\$1,000,000) per occurrence, and a minimum annual aggregate of Three Million Dollars (\$3,000,000). If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

5.05.3 Automobile Liability Insurance [form number CA 0001, covering Automobile Liability Code 1 (any auto)] covering bodily injury and property damage, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim.

5.05.4 Employer's Liability Insurance with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim.

5.05.5 Error and Omissions Insurance appropriate to CONSULTANT's services, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim. Coverage is to be endorsed to include contractual liability.

5.05.6 Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the DISTRICT prior to commencement of services under this Agreement. At the option of the DISTRICT, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the DISTRICT, its officers, official, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the DISTRICT guaranteeing payment of losses and related investigations, claim administration and defense expenses.

5.05.7 Verification of Coverage

CONSULTANT shall furnish the DISTRICT with original certificates and amendatory endorsements effecting coverage required in this Agreement. The endorsements should be on forms provided by the DISTRICT or on other than the DISTRICT's forms provided those endorsements conform to DISTRICT requirements. All certificates and endorsements are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

5.05.8 Other Insurance Provisions

1. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

a. The DISTRICT, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONSULTANT; or automobiles owned, leased, hired or borrowed by the CONSULTANT.

b. For any claims related to this project, the CONSULTANT's insurance coverage shall be primary insurance as respects the DISTRICT, its officers, officials, employees and volunteers. The DISTRICT shall be named as an additional insured. Any insurance or self-insurance maintained by the DISTRICT, its officers, officials, employees or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it, for claims arising out of CONSULTANT's performance under this Agreement.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the DISTRICT.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

2. If the Errors and Omissions/Professional Liability or General Liability coverage is written on a Claims Made instead of occurrence based form, the coverage may be acceptable if the following requirements are satisfied:

a. The "Retro Date" must be shown, and must be before the date of the Agreement or the beginning of work under this Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of work under this Agreement.

c. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the Agreement effective date, the CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work under this Agreement.

d. A copy of the claims reporting requirements must be submitted to the DISTRICT for review.

Conflict of Interest

5.06 Upon the award of this Agreement and periodically thereafter, CONSULTANT may be required to complete and file with the DISTRICT a Conflict of Interest form, to be provided to CONSULTANT by DISTRICT.

Assignment

5.07 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by CONSULTANT without the prior written consent of DISTRICT.

ARTICLE 6 OBLIGATIONS OF DISTRICT

6.01 DISTRICT agrees to comply with all reasonable requests of CONSULTANT and provide access to all documents reasonably necessary to the performance of CONSULTANT's duties under this Agreement.

Indemnity

6.02 DISTRICT agrees to indemnify, defend, and hold CONSULTANT free and harmless from all claims, demand, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs, that CONSULTANT may incur as a result of a breach by DISTRICT of any representation or agreement contained in this Agreement.

ARTICLE 7 TERMINATION OF AGREEMENT

Termination for Default

7.01 If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may immediately terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five (5) calendar days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

7.01.1 CONSULTANT's failure to complete the services specified in Article 2 of this Agreement.

7.01.2 CONSULTANT's material breach of any representation or term contained in this Agreement.

7.01.3 DISTRICT's material breach of any representation or agreement contained in this Agreement.

Termination Without Cause

7.02 DISTRICT and CONSULTANT may terminate or abandon any portion or all of the work without cause by giving thirty (30) calendar days written notice. Notice shall be delivered by certified mail, return receipt requested. In such event, DISTRICT shall negotiate a revision to the compensation based on documentation of work completed to-date, however, no amount shall be allowed for anticipated profits or unperformed services. Upon termination of this Agreement, DISTRICT will be given immediate title to all written data, original drawings and other documents, developed for that portion of the work completed and/or being terminated or abandoned.

Compensation Upon Termination

7.03 Upon termination of this Agreement under Sections 7.01 or 7.02 above, DISTRICT will pay to CONSULTANT any outstanding service fees or expenses minus any costs reasonably incurred by DISTRICT related to CONSULTANT's services under this Agreement prior to the notice of termination.

ARTICLE 8 PROPRIETARY RIGHTS

Confidential Information

8.01 Any written, printed, graphic, or electronically or magnetically recorded information furnished by DISTRICT for CONSULTANT's use are the sole property of DISTRICT. This proprietary information includes, but is not limited to, customer requirements, customer lists,

marketing information, and information concerning DISTRICT employees, products, services, prices, operations, and subsidiaries.

8.02 CONSULTANT and its employee(s) will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with DISTRICT approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to CONSULTANT's employees, agents, and subcontractors. On termination of this Agreement, CONSULTANT will promptly return any confidential information in its possession to DISTRICT.

ARTICLE 9 GENERAL PROVISIONS

Notices

9.01 Any notices required to be given under this Agreement by either party to the other may be affected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

To DISTRICT: Leucadia Wastewater District
 1960 La Costa Avenue
 Carlsbad, California 92009
 Attention: Mr. Charles LeMay

To CONSULTANT: Dudek, Inc.
 750 Second Street
 Encinitas, California 92024
 Attention: Mr. Michael Metts

Entire Agreement of the Parties

9.02 This Agreement contains the entire understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

Partial Invalidity

9.03 If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

Attorneys' Fees

9.04 If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

Document and Materials Ownership

9.05 All original drawings, diskettes, and other copies of documents and materials developed for the project, including detailed calculations, shall be furnished to and become the property of DISTRICT. The DISTRICT agrees to indemnify the CONSULTANT for claims, damages, or liabilities caused by any use by the DISTRICT of the plans, drawings, specifications, and all information gathered by the CONSULTANT on any project other than the one for which such plans, drawings, and specifications were prepared and information gathered by the CONSULTANT.

Governing Law

9.06 This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

Executed in San Diego County, California, on the day first written above.

LEUCADIA WASTEWATER DISTRICT

DUDEK & ASSOCIATES

By: _____
Paul J. Bushee
General Manager

By: _____
Frank Dudek
President

EXHIBIT A SCOPE OF WORK

Dudek, Inc. (Consultant) shall provide the following services, which are necessary to continue District Engineering (DE) and Capital Improvement Program Management (CIPM) Consulting Services. General descriptions of the respective consulting services to be provided at the discretion of the District are as follows:

District Engineering

- Provide general Professional Engineering guidance to the District staff and Board of Directors;
- Attend Board Meetings and Engineering Committee Meetings;
- Interface with District Legal Counsel and other District consultants;
- Represent the District in meetings and matters relating to land development, District planning, interagency relations, and other District matters;
- Interface with the general public and District customers;
- Interpret the District's standard specifications and policies as related to engineering issues;
- Complete specific miscellaneous requested and mutually agreed DE related tasks.

Capital Improvement Program Management

- Attend Board Meetings and Engineering Committee Meetings, as requested;
- Assist with technical review of CIP projects;
- Attend CIP project review and scheduling meetings providing minutes and distribution as required;
- Attend contractor pre-bid meetings and bid openings, as requested by the District;
- Provide contractor construction bid evaluations;
- Assist District with preparation, distribution and advertisement of District RFP's;
- Assist the District with long range planning and implementation of the Wastewater CIP;
- Assist with preliminary identification and direction of permitting activities for CIP projects;
- Assist with financial matters such as grant requests, loan documents, bonds, letters of credit and credit/rebates for energy saving projects;
- Assist with CIP project scheduling as requested by District; and
- Complete specifically requested and mutually agreed upon CIPM related tasks.

The DE and CIPM services shall be billed and tracked on a time and materials basis with initial estimated limits of \$60,000 for each component. The DE and CIPM budgets augment each other, only as necessary, and to the extent that the total initial annual fee authorization of \$120,000 is not exceeded without further District authorization.

The hourly billing rate for Steve Deering and Chris Trees will be \$170 and \$160, respectively. Support staff will be billed in accordance with the Dudek current Standard of Charges (attached). Expended-to-date and projected fees will be reviewed by Consultant with the District on a monthly basis at the time of invoicing. Consultant may request consideration by the District for additional fee authorization during the agreement period based on mutually anticipated and agreed need.

DUDEK
2008 STANDARD SCHEDULE OF CHARGES

Engineering Services

Project Director	\$205.00/hr
Program Manager	\$190.00/hr
Principal Engineer II	\$180.00/hr
Principal Engineer I	\$170.00/hr
Senior Project Manager.....	\$160.00/hr
Project Manager.....	\$145.00/hr
Resident Engineer.....	\$135.00/hr
Senior Engineer II.....	\$135.00/hr
Senior Engineer I	\$125.00/hr
Associate Engineer	\$115.00/hr
Project Engineer IV	\$110.00/hr
Project Engineer III	\$100.00/hr
Project Engineer II.....	\$95.00/hr
Project Engineer I.....	\$85.00/hr
Field Engineer II.....	\$110.00/hr
Field Engineer I	\$100.00/hr
Engineering Assistant.....	\$75.00/hr

Right-of-Way Management Services

Principal ROW Manager.....	\$170.00/hr
ROW Project Manager	\$140.00/hr
ROW Senior Engineer.....	\$125.00/hr
ROW Engineer	\$115.00/hr
ROW Technician	\$105.00/hr
ROW Research Analyst	\$75.00/hr

Environmental Services

Principal	\$210.00/hr
Senior Project Manager/Specialist	\$195.00/hr
Environmental Specialist/Planner VI	\$170.00/hr
Environmental Specialist/Planner V	\$150.00/hr
Environmental Specialist/Planner IV	\$135.00/hr
Environmental Specialist/Planner III.....	\$125.00/hr
Environmental Specialist/Planner II.....	\$110.00/hr
Environmental Specialist/Planner I.....	\$100.00/hr
Analyst	\$85.00/hr
Planning Research Assistant	\$70.00/hr

Construction Management Services

Principal/Manager	\$195.00/hr
Senior Construction Manager	\$180.00/hr
Senior Project Manager.....	\$160.00/hr
Construction Manager.....	\$150.00/hr
Project Manager.....	\$140.00/hr
Resident Engineer.....	\$135.00/hr
Construction Engineer.....	\$130.00/hr
On-site Owner's Representative	\$105.00/hr
Construction Inspector III	\$120.00/hr
Construction Inspector II	\$110.00/hr
Construction Inspector I	\$100.00/hr

Hydrogeological Services

Principal	\$205.00/hr
Practice Manager	\$185.00/hr
Sr. Environmental Engineer	\$185.00/hr
Sr. Hydrogeologist/Sr. Proj Mgr.....	\$165.00/hr
Project Manager.....	\$150.00/hr
Associate Hydrogeologist/Engineer	\$135.00/hr
Hydrogeologist IV/Engineer IV	\$120.00/hr
Hydrogeologist III/Engineer III	\$110.00/hr
Hydrogeologist II/Engineer II	\$100.00/hr
Hydrogeologist I/Engineer I	\$90.00/hr
Technician	\$85.00/hr

District Management & Operations

District General Manager	\$175.00/hr
District Engineer	\$160.00/hr
Operations Manager	\$150.00/hr
District Secretary/Accountant	\$85.00/hr
Collections System Manager.....	\$95.00/hr
Grade V Operator.....	\$100.00/hr
Grade III Operator	\$80.00/hr
Grade I Operator	\$55.00/hr
Operator in Training	\$40.00/hr
Collection Maintenance Worker II	\$55.00/hr
Collection Maintenance Worker I	\$40.00/hr

Office Services

Technical/Drafting/CADD Services

3D Graphic Artist.....	\$140.00/hr
Senior Designer	\$120.00/hr
Designer.....	\$105.00/hr
Assistant Designer	\$85.00/hr
GIS Specialist IV	\$135.00/hr
GIS Specialist III.....	\$120.00/hr
GIS Specialist II.....	\$110.00/hr
GIS Specialist I.....	\$100.00/hr
CADD Operator II.....	\$95.00/hr
CADD Operator I.....	\$85.00/hr
CADD Drafter	\$80.00/hr
CADD Technician.....	\$70.00/hr

Surveying Services (Coachella Valley)

Professional Land Surveyor	\$160.00/hr
3-Person Survey Crew	\$235.00/hr
2-Person Survey Crew	\$205.00/hr
1-Person Survey Crew	\$110.00/hr
Survey Analyst.....	\$110.00/hr
Asst. Survey Analyst/CADD Mapper	\$80.00/hr

Support Services

Technical Editor III	\$130.00/hr
Technical Editor II.....	\$110.00/hr
Technical Editor I.....	\$90.00/hr
Publications Assistant III	\$90.00/hr
Publications Assistant II.....	\$80.00/hr
Publications Assistant I.....	\$70.00/hr
Clerical Administration.....	\$70.00/hr

Forensic Engineering – Court appearances, depositions, and interrogatories as expert witness will be billed at 2.00 times normal rates.

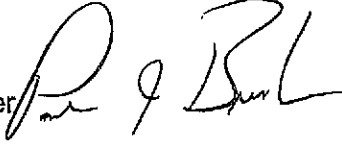
Emergency and Holidays – Minimum charge of two hours will be billed at 1.75 times the normal rate.

Material and Outside Services – Subcontractors, rental of special equipment, special reproductions and blueprinting, outside data processing and computer services, etc., are charged at 1.15 times the direct cost.

Travel Expenses – Mileage at 50.5 cents per mile. Per diem where overnight stay is involved is charged at cost

Invoices, Late Charges. - All fees will be billed to Client monthly and shall be due and payable upon receipt. Invoices are delinquent if not paid within thirty (30) days from the date of the invoice. Client agrees to pay a monthly late charge equal to one percent (1%) per month of the outstanding balance until paid in full.

MEMORANDUM

DATE: June 5, 2006
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **Professional Services Agreement with Brownell & Duffey, CPA's, for Financial and Accounting Services**

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Authorize the General Manager to execute a two-year professional services agreement with Brownell & Duffey, CPA's, for Accounting and Financial Services in an amount not to exceed \$188,020.
2. Discuss and take other action as appropriate.

DISCUSSION:

Brownell & Duffey, Certified Public Accountants (B&D) has been providing accounting and financial services for the Leucadia Wastewater District (LWD) since 2000. Their current agreement, which began July 1, 2006, expires on June 30, 2008. This agenda item requests authorization for the General Manager to execute a professional services agreement with B&D for the period July 1, 2008 to June 30, 2010.

B&D's service to LWD over the past eight years has been excellent. Mr. Richard Duffey, one of B&D's principals, has an excellent working knowledge of LWD and the Encina Wastewater Authority. In particular, he has been instrumental in ensuring the high quality of LWD's general accounting and financial functions including preparation for the annual audits.

The proposed Professional Services Agreement (Attached) includes a Scope of Work (Exhibit A) that details specific tasks to be accomplished. These tasks include: reconciling LWD's expenses and revenues; preparing financial records for the year-end audit; assistance with the preparation of the Comprehensive Annual Financial Report (CAFR); and, providing executive level financial advice and support to LWD staff. Additional monthly, quarterly, and year-end tasks are also included.

The proposed annual fee for B&D services is \$94,010 per year for a total of \$188,020 over the two-year agreement period. Sufficient funds to cover B&D services for Fiscal Year 2009 are included in the recommended annual budget.

Staff recommends that the Board of Directors authorize the General Manager to execute a two-year professional services agreement with Brownell & Duffey.

cal:PJB

Attachment

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE LEUCADIA WASTEWATER DISTRICT
AND
BROWNELL & DUFFEY, CERTIFIED PUBLIC ACCOUNTANTS
FOR ACCOUNTING SERVICES**

Ref: 08-1553

This Professional Services Agreement ("Agreement") is made on this _____ day of June, 2008, between the LEUCADIA WASTEWATER DISTRICT ("DISTRICT"), and BROWNELL & DUFFEY, CERTIFIED PUBLIC ACCOUNTANTS, ("CONSULTANT"), an independent contractor, with a principal place of business in Carlsbad, California.

**ARTICLE 1.
TERM OF CONTRACT**

1.01. The term of this Agreement is for two (2) years. This Agreement will become effective July 1, 2008, and will continue in effect until June 30, 2010 or until terminated as provided under Article 7.

**ARTICLE 2.
SERVICES TO BE PERFORMED BY CONSULTANT**

Specific Services

2.01. CONSULTANT will perform the deliverables within the scope described in Attachment A, Scope of Work. The Scope of Work is delineated on annual basis and shall be identical for each year of the two year term of the Agreement. CONSULTANT will provide DISTRICT with periodic reports regarding the progress of services performed, at the DISTRICT's request. Any changes to the Scope of Work or timeframes identified in Attachment A must be authorized by the DISTRICT in writing.

2.02. CONSULTANT will determine the method, details, and means of performing the above-described services.

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Payment of Income Taxes

2.04. CONSULTANT shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONSULTANT or its employee(s).

2.05. CONSULTANT agrees to indemnify, defend and hold DISTRICT harmless from any and all liability, damages or losses (including attorneys' fees, costs, penalties and fines) DISTRICT suffers as a result of (a) CONSULTANT's failure to meet its obligations under paragraph 2.04, or (b) a third party's designation of CONSULTANT or its employee as an employee of DISTRICT, regardless of any actual or alleged negligence by DISTRICT.

Compliance with Laws/Rules

2.06. CONSULTANT will perform all services under this agreement in good faith and in the best interests of DISTRICT. In performing the services specified in this Agreement, CONSULTANT agrees to comply with all federal and state laws, rules and regulations, applicable DISTRICT policies and procedures, departmental rules and other directives applicable to the services to be performed. Any changes to DISTRICT policies and procedures that relate to CONSULTANT will be provided to CONSULTANT in writing. CONSULTANT agrees to review such policies, procedures, rules and directives the contents of which CONSULTANT will be deemed to have knowledge.

ARTICLE 3 PROJECT TEAM

3.01 DISTRICT has a primary interest in maintaining the individual services of the following key project team member(s):

1. Mr. Richard Duffey, CPA

No member of the project team shall be removed from the project team or reassigned by CONSULTANT without prior approval of DISTRICT. Such approval shall not be unreasonably withheld or delayed. The CONSULTANT shall be required to immediately inform the DISTRICT should any key member(s) become unavailable. The credentials for substitutes for any key project member(s) must be submitted to the DISTRICT for review and approval. An interview may also be required if so desired by the DISTRICT.

ARTICLE 4 COMPENSATION

4.01 Compensation for all work performed under this Agreement shall be calculated on a time and materials basis. Compensation for the services described in Attachment A shall not exceed \$94,010 per year, for a total of \$188,020 for the two year term of the Agreement. This amount shall not be exceeded unless there is a change in scope of work, in writing and agreed to by both parties. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. CONSULTANT and DISTRICT agree that this fee was arrived at through arms length negotiations between the parties.

Payment of Expenses

4.02 DISTRICT will reimburse CONSULTANT for all reasonable expenses incurred in performing services under this Agreement as the work progresses. CONSULTANT shall submit invoices to the DISTRICT'S Project Manager once per month. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task by task basis. The term "expenses" means telephone bills, federal express charges, mailing charges and any other pre-approved expenses by DISTRICT. CONSULTANT will provide DISTRICT with receipts for all expenses. DISTRICT shall make payment to CONSULTANT within forty-five (45) days of receipt of approved invoice. Payment provision for any service other than those described herein will be set forth in an amendment to the Agreement.

ARTICLE 5 OBLIGATIONS OF CONSULTANT

Non-Exclusive Relationship

5.01 CONSULTANT may represent, perform services for, and contract with as many additional clients, persons, or companies as CONSULTANT, in its sole discretion, sees fit. However, CONSULTANT shall be responsible for ensuring that its relationship with additional clients, persons, or companies do not violate conflict of interest laws.

CONSULTANT'S Qualifications

5.02 CONSULTANT represents that its employee(s) has the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of DISTRICT. This means CONSULTANT is able to fulfill the requirements of this Agreement. Failure to perform all the services required under this Agreement constitutes a material breach of the Agreement. CONSULTANT has complete and sole discretion for the manner in which the work under this Agreement will be performed.

Indemnity

5.03 CONSULTANT agrees to indemnify, defend, and hold DISTRICT and its officials, officers, directors, agents and employees free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including for bodily injury and property damage, interest, penalties, attorneys' fees, litigation expenses and costs that such entities or persons may incur as a result of any negligent act or omission by CONSULTANT or a breach by CONSULTANT of any representation or agreement contained in this Agreement. CONSULTANT's provision of insurance coverage as described in Section 5.05 below shall not affect CONSULTANT's indemnity obligations.

Insurance

5.04 CONSULTANT will provide and keep in full force and effect during the term of this Agreement the insurance policies listed below. Insurance will be purchased from insurance companies with a current A.M. Best's rating of no less than A:VI, unless otherwise agreed to in writing by DISTRICT. CONSULTANT will provide insurance coverage and policy endorsements for the DISTRICT and their respective officers, officials, directors, employees, volunteers or agents.

5.04.1 California Workers' Compensation, in compliance with California requirements.

5.04.2 General Liability Insurance [occurrence form CG 0001], covering bodily injury, personal injury and property damage with a combined single limit of no less than One Million Dollars (\$1,000,000) per occurrence, and a minimum annual aggregate of Two Million Dollars (\$2,000,000). If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

5.04.3 Automobile Liability Insurance [form number CA 0001, covering Automobile Liability Code 1 (any auto)] covering bodily injury and property damage, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim.

5.04.4 Employer's Liability Insurance with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim.

5.04.5 Error and Omissions Insurance appropriate to CONSULTANT's services, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim. Coverage is to be endorsed to include contractual liability.

5.04.6 Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the DISTRICT prior to commencement of services under this Agreement. At the option of the DISTRICT, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the DISTRICT, its officers, official, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the DISTRICT guaranteeing payment of losses and related investigations, claim administration and defense expenses.

5.04.7 Verification of Coverage

CONSULTANT shall furnish the DISTRICT with original certificates and amendatory endorsements effecting coverage required in this Agreement. The endorsements should be on forms provided by the DISTRICT or on other than the DISTRICT's forms provided those endorsements conform to DISTRICT requirements. All certificates and endorsements are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

5.04.8 Other Insurance Provisions

1. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

a. The DISTRICT, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the CONSULTANT; or automobiles owned, leased, hired or borrowed by the CONSULTANT.

b. For any claims related to this project, the CONSULTANT's insurance coverage shall be primary insurance as respects the DISTRICT, its officers, officials,

employees and volunteers. The DISTRICT shall be named as an additional insured. Any insurance or self-insurance maintained by the DISTRICT, its officers, officials, employees or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it, for claims arising out of CONSULTANT's performance under this Agreement.

c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the DISTRICT.

d. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

2. If the Errors and Omissions/Professional Liability or General Liability coverage is written on a Claims Made instead of occurrence based form, the coverage may be acceptable if the following requirements are satisfied:

a. The "Retro Date" must be shown, and must be before the date of the Agreement or the beginning of work under this Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of work under this Agreement.

c. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the Agreement effective date, the CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work under this Agreement.

d. A copy of the claims reporting requirements must be submitted to the DISTRICT for review.

Conflict of Interest

5.05 Upon the award of this Agreement and periodically thereafter, CONSULTANT may be required to complete and file with the DISTRICT a Conflict of Interest form, to be provided to CONSULTANT by DISTRICT.

Assignment

5.06 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by CONSULTANT without the prior written consent of DISTRICT.

ARTICLE 6 OBLIGATIONS OF DISTRICT

6.01 DISTRICT agrees to comply with all reasonable requests of CONSULTANT and provide access to all documents reasonably necessary to the performance of CONSULTANT's duties under this Agreement.

Indemnity

6.02 DISTRICT agrees to indemnify, defend, and hold CONSULTANT free and harmless from all claims, demand, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs, that CONSULTANT may incur as a result of a breach by DISTRICT of any representation or agreement contained in this Agreement.

ARTICLE 7 TERMINATION OF AGREEMENT

Termination for Default

7.01 If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may immediately terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five (5) calendar days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

7.01.1 CONSULTANT's failure to complete the services specified in Article 2 of this Agreement.

7.01.2 CONSULTANT's material breach of any representation or term contained in this Agreement.

7.01.3 DISTRICT's material breach of any representation or agreement contained in this Agreement.

Termination Without Cause

7.02 DISTRICT and CONSULTANT may terminate or abandon any portion or all of the work without cause by giving thirty (30) calendar days written notice. Notice shall be delivered by certified mail, return receipt requested. In such event, DISTRICT shall negotiate a revision to the compensation based on documentation of work completed to-date, however, no amount shall be allowed for anticipated profits or unperformed services. Upon termination of this Agreement, DISTRICT will be given immediate title to all written data, original drawings and other documents, developed for that portion of the work completed and/or being terminated or abandoned.

Compensation Upon Termination

7.03 Upon termination of this agreement under Sections 7.01 or 7.02 above, DISTRICT will pay to CONSULTANT any outstanding service fees or expenses minus any costs reasonably incurred by DISTRICT related to CONSULTANT's services under this Agreement prior to the notice of termination.

**ARTICLE 8
PROPRIETARY RIGHTS**

Confidential Information

8.01 Any written, printed, graphic, or electronically or magnetically recorded information furnished by DISTRICT for CONSULTANT's use are the sole property of DISTRICT. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning DISTRICT employees, products, services, prices, operations, and subsidiaries.

8.02 CONSULTANT and its employee(s) will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with DISTRICT approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to CONSULTANT's employees, agents, and subcontractors. On termination of this Agreement, CONSULTANT will promptly return any confidential information in its possession to DISTRICT.

**ARTICLE 9
GENERAL PROVISIONS**

Notices

9.01 Any notices required to be given under this Agreement by either party to the other may be affected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the day of receipt or the fifth day after mailing, whichever occurs first.

To DISTRICT: Leucadia Wastewater District
 1960 La Costa Avenue
 Carlsbad, California 92009
 Attention: Mr. Charles LeMay

To CONSULTANT: Brownell & Duffey, Certified Public Accountants
 1901 Camino Vida Roble, #110
 Carlsbad, California 92008
 Attention: Mr. Richard Duffey

Entire Agreement of the Parties

9.02 This Agreement contains the entire understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

Partial Invalidity

9.03 If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

Attorneys' Fees

9.04 If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

Document and Materials Ownership

9.05 All original drawings, diskettes, and other copies of documents and materials developed for the project, including detailed calculations, shall be furnished to and become the property of DISTRICT. The DISTRICT agrees to indemnify the CONSULTANT for claims, damages, or liabilities caused by any use by the DISTRICT of the plans, drawings, specifications, and all information gathered by the CONSULTANT on any project other than the one for which such plans, drawings, and specifications were prepared and information gathered by the CONSULTANT.

Governing Law

9.06 This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

Executed in San Diego County, California, on the day first written above.

LEUCADIA WASTEWATER DISTRICT

BROWNELL & DUFFEY

By: _____
Paul J. Bushee
General Manager

By: _____
Richard Duffey
Certified Public Accountant

3. YEAR END TASKS ELEMENT (Calendar and Fiscal)

3.1	Assist & review IRS Form W-2's, W-3, and EDD Form DE-7 Annual Payroll Returns	2.7	0.0	2.7
3.2	Assist Review IRS Forms 1099's and 1096 Annual Transmittal of US Information Returns	1.3	0.0	1.3
3.3	Prepare financial records for annual audit	1.0	0.0	1.0
3.3-1	Post adjusting entries and run year-end Trial Balance	1.0	0.0	1.0
3.3-2	Run YTD General Ledger, YTD Revenue Detail Report and YTD Expenditure Detail Report	1.0	0.0	1.0
3.3-3	Analyze and accrue accounts receivable and interest receivable and prepare schedules	6.0	0.0	6.0
3.3-4	Analyze investment holdings and prepared year-end schedules	3.0	0.0	3.0
3.3-5	Analyze and accrue prepaid expenses and deposits and prepare schedules	1.0	0.0	1.0
3.3-6	Analyze fixed asset acquisitions and dispositions. Capitalized fixed asset additions and adjust for Dispositions and prepare schedules. Calculate depreciation expense and prepare schedules	48.0	5.0	43.0
3.3-7	Analyze and accrue payroll, payroll taxes and benefits and prepare schedules	22.0	2.0	20.0
3.3-8	Analyze and schedule long term debt accounts	2.0	0.0	2.0
3.3-9	Analyze and schedule YTD revenue accounts	4.0	0.0	4.0
3.3-10	Analyze reserves and prepare schedule of activity	8.0	0.0	8.0
3.3-11	Coordinate timing of audit and field questions from Auditors	16.0	0.0	16.0
3.3-12	Draft financial stmts & review with auditors along with notes	40.0	0.0	40.0
		<u>152.0</u>	<u>7.0</u>	<u>145.0</u>
3.4	Assist with MD&A for audit report. Discuss with management implications of audit on policies, budgeting, fundware accounting, etc.	16.0	0.0	16.0
3.5	Assist with Comprehensive Annual Financial Report and CAFR award submittal	20.0	0.0	20.0
3.6	Preparation of State Controller Report	5.0	0.0	5.0
3.7	Input approved budget into fundware with Acct Tech assistance	12.0	0.0	12.0
3.8	Update financial plan model with audited actual figures	30.0	0.0	30.0
	Analyze & discuss results with management	239.0	7.0	232.0
	Subtotal (Supervision included)	1	1	1
	Frequency	239.0	7.0	232.0
	Total Annual Hours			
	Hourly Rate	\$ 70.00	\$ 140.00	
	Amount	\$ 490.00	\$ 32,480.00	\$ 32,970.00
TOTAL ANNUAL HOURS AND COSTS		<u>699.0</u>	<u>55.0</u>	<u>644.0</u>
				<u>\$ 94,010.00</u>

You're Invited to
Leucadia Wastewater District's
ANNUAL EMPLOYEE BARBEQUE

Thursday, July 10, 2008

12:00 Noon

Stagecoach Park, Carlsbad, CA

BBQ FAVORITES

BUCKBOARD
CATERING

Chicken

Tri Tip Sirloin

BBQ Baked

Beans

Garden Salad

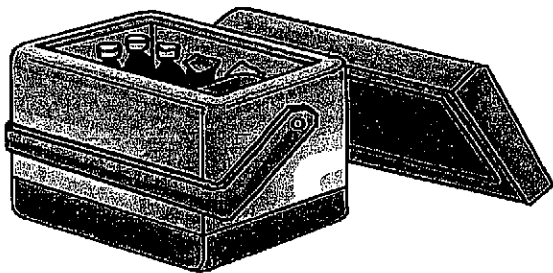
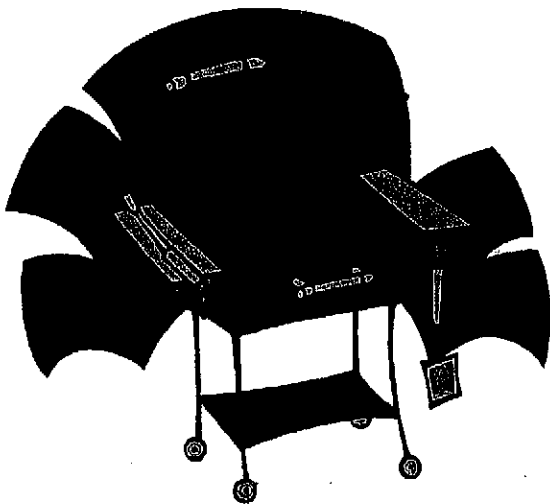
Fresh Fruit

Country Rolls

Dessert

Tortilla Chips &

Salsa



RSVP: Trisha Miranda by Thursday, July 3, 2008



LEADERS IN
ENVIRONMENTAL
PROTECTION

BOARD OF DIRECTORS
ELAINE SULLIVAN, PRESIDENT
DAVID KULCHIN, VICE PRESIDENT
JUDY K. HANSON, DIRECTOR
ALLAN JULIUSSEN, DIRECTOR
DONALD F. OMSTED, DIRECTOR
PAUL J. BUSHEE, GENERAL MANAGER

June 3, 2008

Ref: 08-1587

The Honorable Senator Mark Wyland
State Capitol
Room 4066
Sacramento, CA 95814
Fax: (916) 446-7382

**RE: AB 2986 (Leno) Relating To Wastewater Systems – As Amended May 23,
2008--Oppose Unless Amended**

Dear Senator Wyland:

The Leucadia Wastewater District (LWD) is a public agency located in Carlsbad, California that provides wastewater and recycled water services to approximately 60,000 residents within the cities of Encinitas and Carlsbad.

LWD opposes AB 2986 (Leno) relating to wastewater systems unless the bill is amended to address our concerns. As a wastewater agency dedicated to protecting public health and water quality, we share Assemblymember Leno's goal to reduce sanitary sewer overflows (SSOs) and prevent unauthorized discharges to our waters, but are very concerned that the bill will not further that goal and will have unintended consequences. In the spirit of that goal, we offer the comments that follow to explain our concerns with AB 2986:

1. The Report Card System Will Not Produce Benefits Beyond Those Realized Under Existing Regulatory Systems and Will Thwart Spending on Necessary Infrastructure.

AB 2986 would require regulatory agencies to assign a letter grade from "A" to "F" to all publicly owned collection systems and wastewater treatment plants. Treatment facilities are already subject to comprehensive discharge permits and rating systems administered by State and federal regulators. Moreover, the State Water Board adopted a statewide permit two years ago that requires all publicly owned wastewater collection systems to implement detailed reporting and system management programs. The effort includes an ambitious schedule to improve collection system management and operations to significantly reduce SSOs. Among other things, the permit program requires a publicly accessible database that provides detailed information about SSOs. The program should have time to produce results before requiring the local agencies to comply with an additional and potentially incompatible regulatory program.

In addition, the grading system will not result in improved local infrastructure. Grades of "D" or "F" will not encourage the public to invest in necessary infrastructure as intended by

the bill. Rather, the public will be reluctant to spend scarce resources on "failed" or "failing" infrastructure given competing priorities. The grades will encourage third party lawsuits that drain local funds to pay attorneys' fees of plaintiffs and monetary settlements. When agencies disclose their grades to investment bankers under the bill to prepare public bond issuances for infrastructure, the result may be higher costs of bonds and credits.

2. The Sole Criterion Proposed to Grade Wastewater Collection Systems Is Not an Indicator of Overall System Health.

AB 2986 would base grades for wastewater collection systems on the number and volume of SSOs per 100 miles. This metric presumes that the facility size, topography, rainfall, age, etc. of all systems is sufficiently similar so as to allow regulators to fairly evaluate and compare systems. However, wastewater systems are far too complex for such a simplistic approach. A fair evaluation requires consideration of other factors that include, but are not limited to, water quality impact, containment, and cleanup.

3. The Provisions Related to Wet Weather Will Not Reduce SSOs.

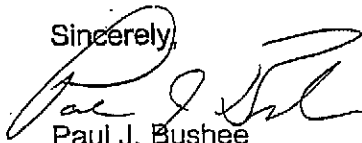
AB 2986 applies a "peaking factor" of seven to all collection systems regardless of site-specific or system-specific factors and without technical or engineering support. The one-size-fits-all approach would disadvantage small systems since they do not have the same opportunities as their larger counterparts to equalize flows within the system. In addition, the requirement to meter all flows from all satellites is overly burdensome and unnecessary as well as infeasible for some systems. A single satellite system may connect to the treatment agency's system at multiple locations and have its own satellites. Large regional systems may require thousands of meters, which would need periodic maintenance.

4. AB 2986 Would Require Significant New Staffing at the State and Regional Water Boards Paid for by Already Fiscally Strapped Local Governments.

AB 2986 would create a significant new program for the State and Regional Water Boards to implement. The bill would require local public agencies to bear the program's entire cost through new fees, yet does not establish an upper limit on the amount of staffing and other resources the Water Boards can devote to the program. Public agencies now face difficult economic times and already pay fees to the Water Boards to implement the statewide permit program previously discussed. It would be a better use of resources to focus on the existing program designed to reduce and provide meaningful public information about SSOs.

We appreciate the opportunity to provide you these comments and respectfully urge you to consider our concerns if and when AB 2986 comes before you for a vote.

Sincerely,



Paul J. Bushee
General Manager

cc: Assemblymember Martin Garrick – 916.319.2174