

Encina Wastewater Authority Report
Regular Board Meeting
June 22, 2011

EWA Board of Directors - Directors Juliussen and Sullivan reporting

EWA Board Meeting Action Items

1. Employment Recognition Awards

The Board of Directors approved two employee recognition awards totaling \$1,100.

2. Award Contract for Financial Auditing Services

The Board of Directors awarded a contract for Financial Auditing Services for a 3 year agreement at \$21,500 for the first year to Leaf & Cole, LLP.

3. Professional Qualifications Standards (PQS) Briefing

The Board of Directors approved the PQS program.

Executive Session Items

1. Public employment, Performance Evaluation: General Manager as authorized by Government Code section no. 54957.

There was no reportable action.

Community Affairs Committee Meeting Report

Presented by Director Sullivan

Meeting held June 14, 2011

- 1. Review and discuss the draft 2011 summer newsletter layout.**

The CAC reviewed the draft layout of the 2011 summer newsletter and provided minor changes. The CAC directed staff to forward the newsletter layout to the Board for comments, before sending it to the printer.

- 2. Discuss a proposed date for the public forum.**

The CAC discussed potential dates and topics for the public forum. The CAC directed staff to schedule the forum on July 20th at 5:30 p.m and the topic of the forum is "How LWD protects the Batiquitos Lagoon".

Investment & Finance Meeting Report

Presented by Vice President Hanson

Meeting held June 27, 2011

1. FY 2011 Financial Audit Entrance meeting with Diehl, Evans & Co.

The IFC participated in the 2011 Financial Audit Entrance meeting with staff, and CPA David Forman from Diehl, Evans & Co. Mr. Forman discussed the audit schedule and summary of documents that will be reviewed by their audit team.

Staff will provide information regarding the audit at tonight's meeting.

2. Review of the Revised Procurement Policy.

The Committee reviewed the revised Procurement policy and directed staff to forward to the Board of Directors for approval.

This item will be reviewed later in the agenda.

MEMORANDUM

Ref: 11-2943

DATE: July 7, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Revised Procurement Policy



RECOMMENDATION:

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

1. Adopt Resolution No. 2218 approving LWD's revised Procurement Policy.
2. Discuss and take other action, as appropriate.

DISCUSSION:

The IFC reviewed this agenda item at their meeting on June 27, 2011. The IFC and staff recommend that the Board of Directors adopt Resolution No. 2218 approving the revised Procurement Policy.

The Leucadia Wastewater District (LWD) Procurement Policy was adopted by the Board of Directors on March 9, 2005. It was last revised on October 10, 2007. The policy consolidates purchasing requirements under one program and provides a prudent set of controls while maintaining efficiency and flexibility in the procurement process.

Staff recently conducted a thorough review of the existing policy. Overall, it continues to provide prudent purchasing controls and guidelines for the Board of Directors, the General Manager and staff. In addition, it establishes spending limits that reflect today's costs and provides staff the flexibility to purchase goods and services in the most efficient manner possible.

For these reasons, staff and the IFC are recommending that the Board of Directors adopt the revised Procurement Policy by approving Resolution No. 2218.

The proposed resolution (Attachment 1) and a strike-out version of the revised Procurement Policy (Attachment 2) are attached for the Board's review.

cal:PJB

Attachments

RESOLUTION NO. 2218

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LEUCADIA WASTEWATER DISTRICT
ADOPTING A REVISED PROCUREMENT POLICY**

WHEREAS, the Leucadia Wastewater District's (LWD) existing Procurement Policy was adopted on March 9, 2005 to establish a prudent set of controls in the procurement process; and

WHEREAS, it is prudent for LWD to periodically revise its Procurement Policy to reflect changes in laws and regulation as well as the escalation of prices due to inflation.

NOW, THEREFORE, it is hereby resolved as follows:

1. The LWD Board of Directors adopts the LWD Procurement Policy attached hereto as Exhibit "A" and directs that it be implemented consistent with all applicable laws and related District policies.
2. This Resolution supersedes Resolution No. 2185.

PASSED AND ADOPTED by the Board of Directors of Leucadia Wastewater District this 13th day of July, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donald Omsted, President

ATTEST:

Paul J. Bushee, Secretary/Manager

(SEAL)

Attachment 1



LEADERS IN
ENVIRONMENTAL
PROTECTION

LEUCADIA WASTEWATER DISTRICT

PROCUREMENT POLICY

Ref: ~~11-292408-1300~~

1. Purpose

The purpose of this Policy is to establish the requirements and implement the rules and regulations governing the procurement of all goods and services required by the Leucadia Wastewater District (LWD).

2. Authority

- 2.1. Resolution 2218 Aa adopted by the LWD Board of Directors: ~~October 10, 2007~~ July 13, 2011.

3. Related LWD Board of Directors Policy

- 3.1 Resolution 2095 authorizing the General Manager to purchase up to \$25,000 of goods, materials, and supplies at any one time without specific prior Board approval dated September 8, 2000.
- 3.2 Resolution 2142 adopting the LWD Conflict of Interest Policy.

4. Policy

It is the Policy of the Board of Directors that:

- 4.1. LWD shall procure required goods and services commensurate with acceptable quality at the lowest possible cost.
- 4.2. Appropriate internal financial controls shall be exercised over all procurements.
- 4.3. No procurement shall be authorized unless sufficient funds have been appropriated pursuant to LWD's budgetary processes.
- 4.4. Cooperative purchasing with other public agencies shall be performed whenever such purchases are feasible and in the best interests of LWD.
- 4.5. The General Manager shall determine the necessity of insurance and/or appropriate insurance requirements in consultation with the originating department head and risk management advisors, and, with the advice and concurrence of the LWD General Counsel. If insurance is required, Aa Certificate of Insurance conforming to such

Attachment 2

requirements, and any applicable insurance industry standards, must be on file before goods are delivered or services are provided.

- 4.6. The General Manager shall execute and maintain administrative procedures to implement this Policy and to ensure that the procurement of all goods and services are properly documented as conforming to this Policy, related internal financial controls and all applicable administrative procedures.
- 4.7. The General Manager shall maintain all documentation required by this Policy in conformance with applicable LWD Policy.
- 4.8. The LWD shall not discriminate against any person or entity because of race, color, religion, national origin, gender or disability status and shall place, in all procurement related solicitations or advertisements for formal procurement of goods or services, a statement that all qualified bidders will receive consideration without regard to race, color, religion, national origin, gender or disability status.
- 4.9. The General Manager may, at his/her discretion, delegate duties under this Policy.
- 4.10. The Board of Directors may, at its sole discretion, waive all or any part of this Policy.

5. Definitions

Bidder: A person or firm submitting an offer to LWD in response to a Request for Bids.

Formal Procurement of Goods and Services: Procurement of goods or services resulting in total cash payments greater than \$50,000 exceeding the limits of Informal Procurements.

Goods: An item moveable at the time LWD executes the Purchase Order for its procurement; equipment or supplies specially manufactured for LWD; construction work of a non-professional nature to install equipment or supplies specifically for LWD; electricity; natural gas; and, water.

Informal Procurement of Goods: Purchase of goods resulting in total payments of \$5,000.01 to \$50,000. Sufficient funds shall be available in the Board approved LWD Budget.

Informal Procurement of Services: Procurement of services resulting in contract Not-to-Exceed (NTE) amounts between \$25,000.01 and \$50,000. Funds shall be available in the Board approved LWD Budget.

Open Market Procurement of Goods: Purchase of goods resulting in total payments by the LWD of \$5,000 or less. Sufficient funds shall be available in the Board approved LWD Budget.

Open Market Procurement of Services: Procurement of services resulting in contract Not-to-Exceed (NTE) amount of up to \$25,000. Sufficient funds shall be available in the Board approved LWD Budget.

Proposer: A person or firm submitting an offer to LWD in response to a Request for Proposals.

Scope of Work: A description of services required by LWD that a proposer must demonstrate the capability to provide as a prerequisite to LWD's consideration of their proposal.

Sealed Bids: A bid submitted in a sealed envelope to prevent disclosure of its content prior to the established public opening.

Services: Services include all purchases not classified as goods or materiel and can be professional in nature.

Sole Source Procurement: Procurement instances when the goods and/or services are obtainable from only one vendor due to unique circumstances, specifications or qualifications.

Specification: A description of the goods required by LWD that a bidder must satisfy precisely or through functional equivalency as a prerequisite to LWD's consideration of their bid.

Vendor / Firm / Consultant: An entity which is capable of or is interested in providing goods or services to LWD, or has been awarded a procurement document agreement by LWD.

6. Open Market Procurements for Goods (\$5,000 or less) and Services (\$25,000 or less)

The LWD Staff shall make reasonable efforts to secure goods of suitable quality or, in the case of services, the best qualified consultant or service provider at the lowest possible cost and shall document such procurements as appropriate.

7. Informal Procurements for Goods (\$5,000.01 to \$50,000)

The following defines an informal procurement for goods:

- 7.1 Minimum Requirements: The procurement of goods or materiel requires that Staff develop a Request for Quote (Quote) to clarify and standardize the requirements of the procurement. The Quote shall include, as a minimum:
 - An appropriately detailed Specification considering the value, availability and technical complexity of the items to be procured,
 - A list of at least three (3) possible suppliers, if practicable,
 - The date and time by which LWD must receive the Quote.
- 7.2 Quote Distribution and Evaluation: Unless impracticable, LWD shall distribute the Quote to at least three (3) suppliers. Staff will evaluate the responses received to determine the lowest responsive and responsible quote that meets or exceeds the Quote specifications.
- 7.3 Quote Documentation: Staff will document the Quotes received and the results of the evaluation. If less than three (3) Quotes were received and evaluated, a brief explanatory statement will be provided.
- 7.4 Award: The General Manager shall award the procurement to the lowest responsive and responsible bidder if the total dollar cost of the procurement is \$25,000 or less. If the total dollar cost of the procurement is \$25,000.01 or more, the purchase must be approved by the Board of Directors.
- 7.5 Delegation of Authority to Award: For the purchase of goods or materiel, the General Manager may delegate the authority to award procurements by administrative procedure specifically identifying such delegates and the dollar limit of each delegate's authority.

8. Informal Procurements – Services (Contract from \$25,000.01 to \$50,000):

The following defines an informal procurement for services:

- 8.1 Minimum Requirements. Staff will develop a Request for Proposals (RFP) to include, as a minimum:
- An appropriately detailed Scope of Work considering the value availability and technical complexity of the services to be procured,
 - A list of at least three (3) possible firms, if practicable,
 - The date and time by which LWD must receive the proposal.
 - If the proposed project is not identified in the budget, the Board of Directors shall review and approve the RFP and Supplemental Documentation prior to soliciting for proposals.
- 8.2 RFP Evaluation. Staff or a panel of evaluators designated by the General Manager will determine the best qualified proposer based on professional competency and their ability to satisfy the Scope of Work. Whenever possible, dependent on the services required, LWD shall evaluate and document at least three (3) proposals. If less than three (3) proposals were evaluated, a brief explanatory statement will be submitted to the General Manager.
- 8.3 Negotiations. Staff shall negotiate with the best qualified proposer. If unable to successfully complete such negotiations, negotiate with the remaining proposers, in the order that their proposals are most beneficial to LWD, until negotiations are successfully completed.
- 8.4 Coordination, Review and Approval. The General Manager will assign staff and, if necessary, LWD Counsel to generate a contract or related documents. All informal procurements for services will require a written contract.
- 8.5 Award. The General Manager shall recommend that the Board of Directors award the contract to the best qualified firm with whom LWD successfully completed negotiations. The Board shall award procurements of services with a total dollar cost from \$25,000.01 to \$50,000.
- 8.6 Documentation of Award. The responsible staff member shall establish a Contract File that contains the RFP documentation per Sections 8.1 through 8.5 of this Policy, signed contract and any additional documents prescribed by administrative procedure.

9. Formal Procurements: Goods (\$50,000.01 and over)

- 9.1. Additional Requirements: Formal Request for Sealed Bids (RFB). In addition to this Policy's requirements for awarding Informal Procurements, the initiating department head shall submit for the General Manager's review and approval a RFB that includes:
- An appropriately detailed Specification considering the value, availability and technical complexity of the items to be procured,
 - Proposed procurement schedule.

- 9.2. Supplemental Documents: Formal RFB. Along with the RFB, the initiating department head shall submit for the General Manager's review and approval the following Supplemental Documents:
- A draft Notice Inviting Bids, suitable for publication, containing all information required by this Policy, applicable administrative procedures or the General Manager; and,
 - A suggested list of prospective vendors, at least three (3) vendors, if practicable, to receive the RFB.
- 9.3. Public Notice. Public Notice Inviting Bids for a RFB must be published in a newspaper of general circulation at least ten (10) days prior to the bid opening date.
- 9.4. Bid Opening. All sealed bids are opened in public and apparent low bidder is identified at the bid opening.
- 9.5. Bid Evaluation. After the bid opening, all bids will be evaluated to ensure compliance with the bid specifications and for acceptable quality to determine the lowest responsive and responsible bidder. All bids and bid information shall be public unless otherwise specified in the bid specifications.
- 9.6. Award. All sealed bid procurements shall be awarded to the lowest responsive and responsible bidder who meets or exceeds the specifications of the RFB. ~~If as a result of the RFB process, the total dollar cost to LWD is \$25,000 or less the General Manager shall approve the purchase. If the total dollar cost of the procurement is \$25,000.01 or more, All formal procurements the purchase~~ must be approved by the Board of Directors.

10. Formal Procurements: Services (\$50,000.01 and over)

- 10.1. Additional Requirements: Formal ~~Request for Proposals (RFP)~~ or Request for Qualifications (RFQ). In addition to this Policy's requirements for awarding Informal Procurements for services, the initiating department head shall submit for the General Manager's review and approval a RFP or RFQ that includes:
- A detailed Scope of Work itemizing the services required,
 - Proposed schedule,
 - Preliminary criteria upon which proposals / qualifications shall be evaluated.
- 10.2. Supplemental Documents: Formal RFP / RFQ. Along with the RFP / RFQ, the initiating department head shall submit for the General Manager's review and approval the following items:
- A draft public notice, suitable for publication, containing all information required by this Policy, applicable administrative procedures or the General Manager and,
 - A suggested list of prospective consultants to receive the RFP / RFQ .
- 10.3. General Manager Approval of Proposal Publication. No publication of public notice inviting proposals shall be made unless the General Manager has approved the Formal RFP and Supplemental Documents. If the project is not identified in the

budget, the Board of Directors shall review and approve the RFP and Supplemental Documentation prior to publication.

- 10.4. Public Notice. Public notice of a RFP / RFQ must be published in a newspaper of general circulation at least ten (10) days prior to the proposal / Statement of Qualification (SOQ) due date.
- 10.5. RFQ Evaluation. If the implementation of the RFQ process is selected to procure services, additional steps are added to the RFP process. The RFQ calls for submission of a Statement of Qualification (SOQ) instead of a proposal. The SOQs are used to establish the professional competency and capability of each firm to perform and satisfy the project's Scope of Work. Once Statements of Qualifications (SOQ) are received from interested firms, the General Manager will convene a panel consisting of at least three (3) individuals. The panel will evaluate the SOQs received in response to the RFQ to determine those firms that, in the panel's opinion, are best qualified to meet the Scope of Work identified in the RFQ. The panel will identify at least three (3) ~~qualified firms, if appropriate, but no more than six (6),~~ **qualified firms**. Once the qualified firms have been determined, only those firms will be invited by the General Manager to submit proposals (RFP) for evaluation.
- 10.6. Proposal Evaluation. Pursuant to the criteria established for that RFP and any additional criteria necessary and appropriate to advance the best interests of the LWD, the General Manager or a panel of evaluators selected by the General Manager shall review each proposal and may interview each firm to determine an ordinal ranking of the proposing firms. The ordinal ranking will be primarily based on the professional competency of the firms.
- 10.7. Negotiation. The General Manager shall enter into negotiations with the top ranked firm to establish the contract price and fees. If a fair price cannot be reached with the top ranked firm, then that firm shall be eliminated from consideration and negotiations shall be initiated with the next highest ranked firm.
- 10.8. Award. All formal procurements for services must be approved by the Board of Directors.

11. Emergencies and Exceptions

The following exceptions shall apply to the foregoing bidding procedures. When an exception applies, supplies, equipment and/or services may be purchased following whatever procedures are determined necessary under the circumstances as determined by the General Manger, at his or her discretion.

11.1 Sole Source Procurement

- A. In certain instances, goods and services are obtainable from only one vendor due to unique circumstances. These circumstances include:
 - The good or service is of such a unique, proprietary or technical nature that it is only manufactured or provided by a single vendor; or,

- The good or service must match or be compatible with other goods or service, currently in use by LWD, obtained from a certain vendor. In this instance, it must be demonstrated that the matching or compatible good or service can only be supplied by this same vendor.
- B. All sole source purchases for goods over \$5,000 and sole source procurements for services over \$25,000 require an explanation justifying the sole source procurement under this Policy to the General Manager.
- C. Sole source procurements shall comply with all requirements, as set forth in this Policy, that are compatible with a procurement authorized under this section.

11.2 Emergency

If an emergency arises and there is insufficient time to comply with the otherwise applicable bidding procedures, an exception shall apply. An emergency may be determined by the General Manager if there is no time for a Board meeting; otherwise a finding of emergency shall be made by the Board. If the General Manager determines an emergency existed and the procurement exceeded his or her approval authority as established in this policy, the actions taken shall be reported to the Board of Directors at its next regular meeting.

11.3 Complex or Unique Items

- A. In the event that the supplies and/or equipment sought to be purchased are unique and/or complex such that it is unlikely that there would be more than one bidder.
- B. It is unlikely that there would be any economic benefit to the public to be gained from bidding, the General Manager, at his or her discretion, may authorize direct negotiations in lieu of bidding.
- C. An explanation to the Board of Directors is required justifying the procurement of critical or unique items.

12. **Alternative or Conditional Requirements**

- 12.1 Bid Security. Bidder's security may be prescribed in the public notice inviting bids at LWD's sole discretion. Bidders shall be entitled to return of bid security except that a successful bidder shall forfeit his bid security upon the bidder's refusal or failure to execute a contract within ten (10) days after the Notice of Award has been mailed.
- 12.2 Rejection of Bids/Proposals. The General Manager or Board of Directors, at their discretion, may reject any and all bids or proposals / SOQs and proceed pursuant to this Policy.
- 12.3 Performance Bond. LWD shall retain unilateral authority to require a performance bond before entering a contract. The amount of such a bond shall be set as determined reasonably necessary to protect the best interests of LWD. If LWD requires a performance bond, the form and amount of the bond shall be described in the public notice inviting bids or proposals.

- 12.4 Continuing Services. Where a vendor or firm has satisfactorily completed one phase in the development of a project and the General Manager, or as may be required by this Policy, the Board of Directors, determines that it is in the best interest to retain this vendor or firm for a subsequent phase of work, the General Manager, or his designee, shall be authorized to proceed directly with the negotiations for compensation with this entity. If required by this Policy, the Board of Directors shall approve the resulting contract or amendment. In the event that a fair price cannot be reached, then the appropriate procurement requirements set forth in this Policy shall apply.
- 12.5 Governing Law. Nothing in this policy is intended nor shall be deemed to supersede any applicable State or Federal laws.

MEMORANDUM

DATE: July 7, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: CSDA Board of Directors 2011 Election

RECOMMENDATION:

1. Discuss and take action as appropriate.

DISCUSSION:

LWD has recently received a California Special Districts Association (CSDA) ballot for the 2011 election. There is one seat (Seat C) open for the Region 6 Director. The candidates are the following:

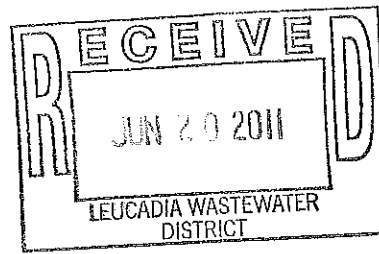
- Director Dewey L. Ausmus, North County Cemetery District
- General Manager Jeff Leatherman, Valley-Wide Recreation & Park District

Attached for your review is a copy of the CSDA election ballot information (attachment A) and the candidate statements (attachment B). The ballot is due at the CSDA office in Sacramento by 5:00 p.m. on Friday, August 5, 2011.

This item has been placed on the agenda for discussion and action by the Board of Directors. Staff has no recommendation on this matter. Staff will forward the Board's recommendation to CSDA by the due date.

Attachments

PJB:



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
2011 BOARD ELECTIONS
MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in your Region for Seat C. Each of CSDA's six (6) regional divisions has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your geographic region. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its region.

We have enclosed the candidate statements for each candidate who submitted one. Please vote for **only one** candidate to represent your region in Seat C and be sure to sign, date and fill in your member district information (*in some regions, there may only be one candidate*). If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Friday, August 5, 2011**.

If you do not use the enclosed envelope, please mail in your ballot to:
California Special Districts Association
Attn: 2011 Board Elections
1112 I Street, Suite 200
Sacramento, CA 95814

Please contact Charlotte Lowe toll-free at 877.924.CSDA or charlottel@csgda.net with any questions.

Dewey L. Ausmus, SDA
North County Cemetery District, Escondido/San Marcos, California

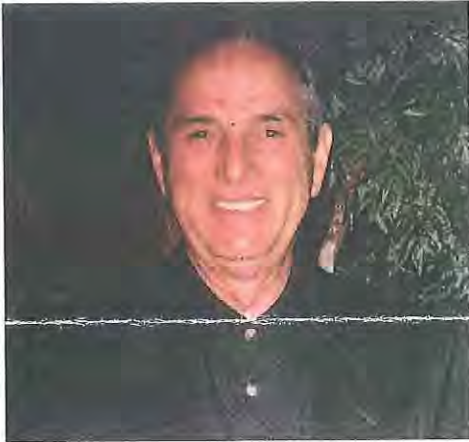
Please re-elect me to the Board of Directors of CSDA. I am dedicated to supporting CSDA's role in educating the general public, legislators and their constituents to the important role that special districts play in California.

Over the past 32 years, I have been fortunate to participate in many of the achievements made by CSDA. From humble beginnings, CSDA has grown into a strong force which is now recognized by State Legislators, Counties and Cities as the voice for all special districts.

As a CSDA Board Member from cemetery districts, I have been a primary source of information and support for the unique operational and financial problems of small special districts. Last year, in an effort to make CSDA membership possible for all special districts, I was a strong advocate for the Boards' decision to lower membership dues for small districts to a more affordable price. I will continue efforts to ensure CSDA educational programs and services meet the needs of and are available to all special districts.

I am currently serving as Vice-President of CSDA and if re-elected, I will continue to bring both diverse experience and strong enthusiasm to the CSDA Board and to be an involved and contributory Director.

**RE-ELECT
DEWEY AUSMUS
TO
CSDA BOARD OF DIRECTORS**



Please re-elect me to the Board of Directors of CSDA. I am dedicated to supporting CSDA's role in educating the general public, legislators and their constituents to the important role that special districts play in California.

Over the past 32 years, I have been fortunate to participate in many of the achievements made by CSDA. If re-elected, I will continue to bring both diverse experience and strong enthusiasm to the CSDA Board and to be an involved and contributory Director.

As a CSDA Board Member and for many years, the only Director from cemetery districts, I have been a primary source of information and support for the unique operational and financial problems of small special districts.

I am a certified Special District Administrator with 28 years experience as General Manager of a California Public Cemetery District. I have served on the Board of Directors and as President of the California Association of Public Cemeteries and as the CAPC Executive Director since 1999, and am recognized statewide as an authority on Public Cemetery District Law and operational procedures.

Experience:

- U. S. Navy, Seaman Recruit to Chief Warrant Officer (W-4) 1956-1979
- General Manager, North County Cemetery District 1979-2006
- Certified "Special District Administrator" 2006
- CSDA Board of Directors 1993-2002 2007-present
- Special District Risk Management Authority Board of Directors 1996-2003
- CSDA Finance Corporation Board of Directors
- CSDA Investment Pool (MBIA), Investment Advisor
- California Association of Public Cemeteries (CAPC) Board of Directors
- CAPC President 1987-1989
- CAPC Executive Director 1999-Present
- Special District Leadership Foundation Board of Directors from conception to present
- Special District Advisory Committee to San Diego LAFCO
- Completion of Special District Governance Academy 2004
- **Vice-President California Special Districts Association 2011**

Primary Awards:

- CSDA William Hollingsworth Award for Excellence
- CAPC Cemeterian of the Year 1991
- CAPC Ruben Siemens-Wayne Byington Award 2006

Thank you for your consideration.

Dewey L. Ausmus, SDA

Jeff Leatherman
Candidate Statement
California Special Districts Association's Board of Directors, Region 6


As the General Manager of one of the most active and diverse recreation and park districts, I know firsthand the importance of local, independent special districts. I believe my experience in the private and public sectors allows me to be an effective leader for my agency and the future of CSDA. As a member of my community I serve on various community boards and service clubs including the Police Activity League, Sheriff Activity League, Exchange Club of Hemet and San Jacinto, and the Friends of Valley-Wide Foundation.

Government is under the microscope of our communities and local elected leaders. I believe this is an opportunity to show that special districts are efficient, effective, proactive government agencies that can deliver quality services for our communities. The CSDA staff has been working diligently positioning special districts on an equal playing field with cities and counties, and created an opportunity for special districts to positively impact the State of California.

The opportunity to be an advocate for the benefits of local special districts in Southern California as well as the State of California would be a great honor. Our communities have an immense need for quality services and they deserve to receive those services from efficient special districts.

I am a husband, father, and a member of the community I serve. My hope is to represent Region 6 and create local connections that have a state wide impact for special districts in California.

MEMORANDUM

DATE: July 7, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Fiscal Year 2011 (FY 11) LWD Tactics and Action Plan Report

RECOMMENDED:

Staff recommends that the Board of Directors:

1. Receive and file the FY 11 Tactics and Action Plan Report.
2. Discuss and take other action as appropriate.

DISCUSSION:

The Board of Directors adopted the Leucadia Wastewater District (LWD) Strategic Plan in July 2005. Updated in March 2007, the Strategic Plan identified the following 7 strategies:

1. Financial
2. People
3. Water Reclamation
4. Services
5. Recognition and Achievement
6. Technology
7. Community Outreach

In order to implement LWD objectives, the Strategic Plan included a Tactics and Action Plan, which identifies tactical goals. Staff has been busy implementing the goals identified for FY 11 along with several more that surfaced over the course of the year.

Staff is pleased to report that the vast majority of the FY 11 tactical goals were accomplished. A copy of the Tactics and Action Plan, including a glossary of terms, is attached for your review. Staff will provide an overview of the Plan at the Board of Directors' meeting.

PJB:

Attachment

Leucadia Wastewater District Fiscal Year 2011 Tactics & Action Plans

1. Financial

Assure Fiscal Stability and Growth through Proper Management of District Assets and Investments

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Evaluate Early Payoff of Water Recycling Loan	ASM	CPA, AT	Completed	Sep-10
Conduct Annual Policy Review: Investment Policy Reserve Policy	GM	CPA, ASM	Completed Completed	Annually Sep-10 Feb-11
Conduct OPEB Valuation	ASM	CPA	Completed	Dec-10
FY 10 Audit	CPA	GM, ASM AT	Completed	Jan-11
Review Purchasing Policy	ASM	GM, TSM, CPA, AT, EA, FSSupt.	Completed	Jun-11
FY 12 Budget	ASM	GM, CPA, AT	Completed	Jun-11

Additional Items:

District CPA 2 Year Service Agreement
CAMP Individual Portfolio Update Present.
Enhancements to Monthly Financial Report

Completed
Completed
Completed

Jul-10
Nov-10
May-11

2. People

Assure the Highest Qualified Work Force to Provide Outstanding Service for District Stakeholders

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Conduct All Hands Transitional Training	GM	ASM	Completed	Jul-10
Conduct Internal FS Supervisor Recruitment	GM	TSM, ASM, FSSupt	Completed	Sep-10
Conduct Employee Interviews	GM	All Staff	Completed	Nov-10
Conduct Workers Comp Training	ASM	Safety Committee	Completed	Dec-10
Conduct Transitional Coaching w/ Mgmt Team	GM	ASM	Completed	Jan-11
Succession Planning/Staffing Needs	ASM	GM, FSM, PM, FSS	Completed	Feb-11
Conduct Salary Survey (In House)	ASM	AS	Completed	Mar-11
Host Regional Vector Training	TSM	FSSupt., FSSupv.	Completed	May-11
Host Flagger Training Workshop	TSM	ASM, FSSupt., FSSupv.	Postponed	Apr-11
Conduct Employee Compensation Interviews	GM	All Staff	Completed	Jun-11

Additional Items:

FSM Schempp Retirement Luncheon	GM	ASM, EA, AS	Completed	Jan-11
Board Strategic Planning Session	GM	Bd of Directors	Completed	Mar-11
FST in Training Recruitment (2 Positions)	FSSupv	FSSupt, TSM, ASM	Completed	May-11

3. Water Reclamation

Maximize Cost Effective Market Opportunities to Increase the Quantity and Quality of Reclaimed Water Produced for Current and Future Customers

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Manganese and Boron Source Analysis	TSM	FSSupt, FSSpec	In Progress	Apr-11
Extend Carlsbad Water Recycling Agmt	GM	TSM, DE	In Progress	Jun-11
Establish Water Recycling Agreement with OMWD	GM	TSM	In Progress	Jun-11
Participate in North County Water Recycling Study II	GM	FTM, DE	Substantially Complete	Jun-11

4. Services

While Focusing on Core Business and superior customer service, Expand Capabilities through Strategic Alliances with Other Organizations to Enhance Both the Service Provided and Financial Future of the District

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Procure Uniform Services Contract	FSSupt.	TSM, AS	Completed	Sep-10
Incorporate Plastic Manhole Technology in Standard Spec.	DE	FSM, PM	Completed	Oct-10
Procure Landscape Services Agreement	TSM	FSSupt., ASM	Completed	Oct-10
Decommission Meadows 3 Pump Station	DE	FSM, FSSupt.	Completed	Dec-10
Convert Meadows 3 Sewer System to Carlsbad	DE	FSM, FSSupt.	Completed	Dec-10
Procure Engineering Design Services	TSM	GM, DE	Postponed IEC Ext. 1 Yr.	Feb-11

Additional Items:

Completed SSMP Audit	FSM		Completed	Aug-10
Excellent LVD Response to Encina Spill	GM	Field Services Staff	Completed	Oct-10
Commented - Draft SSS WDR Regulation	Counsel	GM, TSM, FSSupt., FSSupv.	Completed	May-11
CA Forward Reg. Stakeholders Workshop	GM	Dir. Hanson	Completed	May-11
Joint Emer. Response Training w/ EWA	FSSupt.	Field Services Team	Completed	Jun-11

5. Recognition of Achievement

Assume a Leadership Position within the Wastewater Community and Provide an Increasing Level of Outreach and Collaboration with the Water and Environmental Communities

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Apply for CASA Achievement Award	ASM	EA, Katz	Completed	Jul-10
Apply for CSDA Public Information Award	ASM	EA, GM	Completed	Aug-10
Apply for CSDA Org. Innovation Award	ASM	EA, GM	Completed	Aug-10
Apply for CWEA Awards	FSM	ASM	Completed	Nov-10
Apply for GFOA Finance Award	ASM	CPA, AT	Opted for CSFMO Award	Jan-11

Additional Items:

Odor Control Article - WEF Magazine	FSM		Completed	Oct-10
SDLF Governance Recognition		ASM, Dir Sullivan	Completed	Dec-10
CWEA Collection Person of Yr. (San Diego)		FST II Riffel	Completed	Jan-11
CSFMO Excellence in Financial Reporting	CPA	ASM, AT	Completed	Feb-11

6. Technology

Enhance District operations through technological excellence, innovation and utilization of outstanding professional resources.

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Purchase and Install Replacement Desktop Computers	TSM	ASM,EA	Completed	Feb-11
Satellite Pump Station Force Main Project (Including 101 Trunk Sewer Project) Complete Construction	TSM	GM, DE, FSSupt.	Completed	Sep-11
AMMP Pipeline Repair/Replacement Commence Project Design Bid Project Commence Construction Construction Complete	TSM TSM TSM TSM	GM, FSM, DE GM, FSM, DE GM, FSM, DE GM, FSM, DE	Completed Completed Completed Completed	Sep-10 Jan-11 Mar-11 Mar-11
Batiquitos Force Main Emergency Repair Commence Project Design Bid Project Commence Construction Construction Complete	TSM TSM TSM TSM	GM, FSM, DE GM, FSM, DE GM, FSM, DE GM, FSM, DE	Completed Completed Completed Completed	Jul-10 Sep-10 Nov-10 Mar-11
Batiquitos Pump Station Rehabilitation Commence Project Design Bid Project Commence Construction Construction Complete	TSM TSM TSM TSM	GM, FSM, DE GM, FSM, DE GM, FSM, DE GM, FSM, DE	Completed Delayed Delayed Delayed	Sep-10 Apr-11 Jun-11 Mar-12

6. Technology Continued

Enhance District operations through technological excellence, innovation and utilization of outstanding professional resources.

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Force Main Corrosion Project	PM	GM, FSM, DE	Delayed	Dec-10
Commence Project Design	PM	GM, FSM, DE	Delayed	Feb-11
Bid Project	PM	GM, FSM, DE	Delayed	May-11
Commence Construction				
Additional Items:				
District Engineering Contract Extension (2 Yrs)	GM	DE	Completed	Jul-10
Procure District Vehicle	FSSupt	TSM	Completed	
GIS Board Presentation	FSSpec	IEC	Completed	Sep-10
Occidental Pipeline Repairs (Eval & Design)	TSM	FSSupt, FSSupv	Completed	Jun-11
Batiquitos Forcemain Assessment (Hilton Develop)	TSM	GM	Completed	May-11
Gravity Flow to Encina Assessment	TSM	DE, IEC	Completed	Jun-11

7. Community Outreach

Increase community awareness of district services and benefits.

<u>Tactics</u>	<u>Leader</u>	<u>Team</u>	<u>Status</u>	<u>Target Completion Date</u>
Teacher Grant Awards	EA	AS, ASM	Completed	Apr-11
Procure Public Information Consultant	ASM	EA, GM	Completed	Mar-11
Evaluate Web-CAM @ Batiqitos PS	GM	EA, TSM, ASM	Completed	Jun-11
Pursue Presentation Opportunities @ CWEA, Tri-State, etc.	FSM	GM, PM, ASM	Completed (see below)	Jun-11
Continue implementation of LWD Communication Plan (newsletter)	GM	EA, ASM	Completed	Jun-11

Additional Items:

Forcemain Presentation to SCAP	DE	TSM	Completed	Feb-11
CASA Facilitation - Managers Committee	GM		Completed	Jan & Apr-11
AH Lagoon - World Water Day Sponsorship	GM	Dir Kulchin, ASM	Completed	Mar-11
Boy Scouts Tour of LWD	FSSupt	FST II Riffel	Completed	May-11

Fiscal Year 2011 Tactics & Action Plans

Acronym Glossary

<u>Acronym</u>	<u>Definition</u>	<u>Employee</u>
GM	General Manager	Paul Bushee
ASM	Administrative Services Manager	Chuck LeMay
TSM	Technical Services Manager	Robin Morishita
FSSupt.	Field Services Superintendent	Jeffery Stecker
FSSupv.	Field Services Supervisor	Marvin Gonzalez
FSSpec.	Field Services Specialist	Frank Reynaga
CPA	Certified Public Accountant	Richard Duffey
DE	District Engineer	Steve Deering
AT	Accounting Technician	Maggie McEniry
EA	Executive Assistant	Trisha Hill
AS	Administrative Specialist	Tianne Baity
FST III	Field Services Technician III	
OPEB	Other Post Employment Benefits	
CCTV	Closed Circuit Television	
LAFCO	Local Agency Formation Commission	
CSDA	California Special District Association	
CSRMA	California Sanitation Risk Management Authority	
SCAP	Southern California Alliance of Publicly Owned Treatment Works	

CSMFO	California Society of Municipal Finance Officers
CWEA	California Water Environment Association
SHRM	Society for Human Resources Management
WEF	Water Environment Federation
SDLF	Special District Leadership Foundation
CASA	California Association of Sanitation Agencies
NCFO	North County Finance Officers
FOG	Fats, Oil, Grease
SSMP	Sewer System Management Plan
CAMP	California Asset Management Program
PACP	Pipeline Assessment & Certification Program
SWPPP	Storm water Pollution Prevention Plan
I&I	Inflow & Infiltration
GFOA	Government Finance Officers Association
CMMA	Construction Management Association of America
ASCE	American Society of Civil Engineers
FTP	File Transfer Protocol
GIS	Geographic Information System
NSDCRRWP	North San Diego County Regional Recycled Water Project

MEMORANDUM

DATE: July 7, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: California Forward Framework Overview



RECOMMENDED:

Staff recommends that the Board of Directors:

1. This item is presented for information purposes.
2. Discuss and provide direction as appropriate.

DISCUSSION:

Over the past several months, staff has been tracking the progress of the California Forward Framework (CA Forward). CA Forward was created as the result of the increasing dysfunction of California's fiscal and political systems. To address these issues, CA Forward has been charged with the task of reshaping California by fundamentally changing the way government operates.

In March 2011, CA Forward released a draft Conceptual Framework to restructure State and local government relationships. A number of associations, including CASA and CSDA, participated on a stakeholders group and provided comments on the Conceptual Framework. Attached for your review, please find a summary of the CA Forward Framework produced by CSDA. Also attached, please find comment letters on the Framework from a consortium of state associations as well as CALAFCO.

On May 23, 2011, Director Hanson and I attended a regional stakeholders meeting in San Diego. It was a very productive meeting and we were afforded the opportunity to provide comments on the Framework from the District's perspective. Staff will present an overview of the CA Forward Framework at the upcoming meeting.

This item is presented for information purposes to keep the Board of abreast of the latest legislative issues that may impact our District.

PJB:

Attachments



Summary of California Forward Framework (4/19/11)

California Forward's framework, "Making California Work Again: Restructuring State-Local Relationships" is predicated on principles developed by the organization's Local Government Task Force, a group of current and former city and county officials. However, as outlined below, the framework proposes substantial impacts to the core services provided by special districts:

Draft Proposal 1: Statewide Performance Outcomes

- The state would prioritize outcomes including, increased employment, improved education, decreased poverty, decreased crime, and improved health.
- Special districts and other local governments would be required to develop a five-year strategy for achieving indicators of success for these outcomes, and would present them to a regional Council of Governments (COGs).

CSDA NOTE: COGs rarely include representation of special districts; they consist of city and county representatives and mostly focus on transportation funding. This note applies to proposals 4 and 5 as well.

Draft Proposal 2: Revenue Realignment

- Would restructure the state's fiscal system by establishing a statutory and constitutional legal construct that enables local governments to develop local agreements for reassigning responsibilities and revenue.
- These local agreements would include increased authority over the distribution of the property tax.

CSDA NOTE: The framework supports connecting taxes to the level of government where services are being provided, but does not specify where or how the authority to reallocate property tax dollars would be vested.

Draft Proposal 3: The State Role in Local Government

- The state would establish outcomes for state programs, incentivize collaboration among local programs, provide encouragement, serve as a convener of peer-to-peer technical assistance, quantify savings to the state, streamline regulations, act as an advocate on behalf of local governments before Congress, and focus the state budget on improved performance.
- Cities, counties, and schools would be allowed to retain local savings as a result of these efforts.

CSDA NOTE: While many of the reporting and collaborating requirements appear to apply to special districts, the framework excludes special districts from retaining the savings that may result from these efforts. It is not clear if special districts should be excluded from the requirements or included in the retention of savings.

Draft Proposal 4: Regional Collaboration

- Special districts and other local governments would be required to report to COGs, which would review their strategies for achieving statewide outcomes and incentivize their progress.
- COGs would encourage special districts and other local governments to connect with the educational system and workforce needs of the regional economy.

CSDA NOTE: Again, this proposal relies on COGs, which do not have special district representation.

Draft Proposal 5: Encouraging Consolidation and Integration

- Considers providing more authority to counties and cities to consolidate special districts within their jurisdictions.
- Would establish a process between Local Agency Formation Commissions (LAFCOs) and COGs to identify opportunities for consolidation of local agencies.
- Would create a new statewide commission on consolidation to review California's local government structure and identify opportunities to consolidate local agencies, regionalize services and amend state laws concerning these policies.

CSDA NOTE: Since counties cover the entire state, all special districts exist entirely within the jurisdiction of counties, except for multi-county districts. The State Legislature has already appropriately established LAFCOs, rather than COGs or a statewide commission, as the appropriate body for reviewing local services.



April 8, 2011

Mr. Jim Mayer
Executive Director, California Forward
1107 9th Street, Suite 650
Sacramento, CA 96814

RE: California Forward Draft Framework

Dear Mr. Mayer:

On behalf of the California Special Districts Association (CSDA), Association of California Healthcare Districts (ACHD), California Association of Sanitation Agencies (CASA), California Association of Public Cemeteries (CAPC), Fire Districts Association of California (FDAC), Mosquito and Vector Control Association of California (MVCAC) and Association of California Water Agencies (ACWA), we would like to respond to California Forward's draft framework, "Making California Work Again: Restructuring State-Local Relationships." Together, our members represent the 2,189 independent special districts that provide core local services to tens of millions of Californians. We appreciate your consideration of our comments, and look forward to participating in the ongoing discussion regarding state-local reform.

Special districts provide water and treat wastewater for more than 30 million people. We're the fire department for 11 million Californians. We're the ride to work for the millions of people who use mass transit every day to get to and from their jobs. We operate 46 public hospitals and provide vital health care services to over 2 million people. If government can provide a service—trash collection, flood protection, parks and recreation, mosquito and vector control, etc—the odds are it's being provided by a special district.

California Forward should be commended for taking on the complicated issue of state and local government reform. However, we respectfully submit that the draft framework does not properly account for special districts as an equal arm of local government, and ask that California Forward revise its framework to reflect the proper role of special districts. We are prepared to work together to make that happen.

Special districts exist because voters have repeatedly said that they want it that way. They want a focused set of services performed well and without distractions. They want the ability to serve regions and neighborhoods based on need and without regard to arbitrary city or county boundaries. And they want urgently needed infrastructure that can be built and operated without straining city, state or county balance sheets.

We are happy to elaborate further on the details of our concerns, and we look forward to providing additional input on this important issue.

Sincerely,

Jo MacKenzie
President, CSDA

Tim Quinn
Executive Director, ACWA

Amber Wiley
Legislative Advocate, ACHD

Cherie Ritz
President, FDAC

Barbara D. Hockett
President, CASA

Robert Gay
President, MVCAC

Timothy W. Unruh
President, CAPC

2011

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LOU ANN TEXEIRA
Deputy Executive Officer

30 March 2012

Ms. Sunne Wright McPeak
California Forward Leadership Council Member
1107 9th Street, Suite 650
Sacramento, CA 95814

Dear Sunne:

Thank you for the opportunity to serve on the Stakeholder Roundtable. Today I received the agenda for the Thursday/Friday meeting along with the revised framework. Having not been consulted regarding the original or revised recommendations for Principal 5, I wanted to correct some inaccurate information and offer a suggestion or two prior to the meeting tomorrow.

The framework states that LAFCos are staffed by city and county representatives. This is inaccurate. LAFCo staff are independent of any local agencies and specifically report to their commission. The independence of staff was a key component in the major revision of LAFCo law (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). Commissioners are locally appointed and consist of elected officials from city councils, board of supervisors and, in many cases, special district boards. There is also a public member on every commission. In some instances it may be accurate to say that the commission could have a built-in political constraint since they are making decisions which might affect their jurisdiction.

We urge California Forward staff to look at the Municipal Service Reviews prepared by LAFCos for cities, special districts subject to LAFCo review, and county municipal services. You will find they already include substantial information, such as inventories of local agencies, sphere and service boundaries (LAFCos may actually have the most accurate maps), role of agencies in service deliveries and opportunities for efficiencies or reorganizations. Granted the level of detail varies from LAFCo to LAFCo – often depending on the financial resources available – however the foundation of information called for in Draft Proposal 5A exists in many parts of the state. LAFCos are limited in that they do not have oversight of school districts, college districts, transportation agencies, joint power authorities, or private service providers (such as investor-owned utilities or mutual water companies).

We continue to be concerned with the focus on Regional Councils of Governments. While recognizing the important role many regional councils play, they are not organized under any state law, membership consists only of the county and cities, and they are generally transportation-focused. LAFCos have been conducting service reviews for over a decade. It seems that the emphasis on Draft Proposal 5A should be on enhancement and better use of the existing service review resource rather than establishing a new process with Regional Councils to conduct this work.

With respect to Draft Proposal 5B, perhaps California Forward is not aware of the extensive amount of work that went into the deliberations and recommendations from

1215 K Street, Suite 1650
Sacramento, CA 95814

Voice 916-442-6536
Fax 916-442-6535

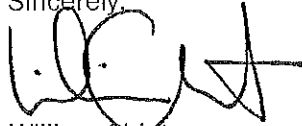
www.calafco.org

the Commission on Local Governance for the 21st Century. The Commission released a report – very similar to the cited New York report – entitled *Growth Within Bounds: Planning California Governance for the 21st Century*. This resulted in the substantial rewrite of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Before recommending the creation of yet another commission and report, it may be of greater value to revisit the findings in *Growth Within Bounds* and evaluate the recommendations and outcomes in terms of the goals of California Forward and today's circumstances. It may also be of value to review the earlier commission and report from 1960 which ultimately resulted in the creation of LAFCos: *Meeting Metropolitan Problems: Report of the Governor's Commission on Metropolitan Area Problems* (Governor Edmund Brown).

Finally, earlier this month voters approved the 482nd city in California, Jurupa Valley in Riverside County.

We hope you find these comments of value. Thanks again for the opportunity to participate.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Chiat', with a stylized flourish at the end.

William Chiat
Executive Director

MEMORANDUM

DATE: July 7, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: LWD Public Forum



-
1. This item is provided for information only.

DISCUSSION:

During a recent meeting, the Board of Directors discussed hosting a public forum to allow District ratepayers and other interested parties an opportunity to learn more about LWD. The proposal, which was originally discussed at the May Community Affairs Committee (CAC) meeting, was initially proposed for early 2012. However, after discussion at the May Board meeting, the General Manager recommended that this date be reconsidered and rescheduled for July 2012. At the June 14, 2011 CAC meeting, the committee discussed this item and concurred with the General Manager's recommendation.

The purpose of this agenda item is to inform the Board of Directors that the LWD Public Forum will be held on July 20, 2011 at 5:30 pm.

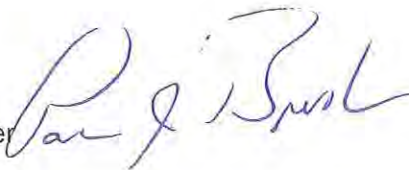
Staff will prepare a presentation of general information for the public forum.

cal:PJB

MEMORANDUM

Ref: 11-2944

DATE: July 7, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: FY 2011 Audit – Scope of Work



1. This agenda item is provided for information only.

DISCUSSION:

At the June 27, 2011 meeting of the Investment & Finance Committee (IFC), Mr. David Forman from Diehl, Evans & Company, LLP (Diehl-Evans) met with the committee to discuss the District's FY 2011 audit which was beginning that day. The purpose of this meeting was to provide the committee with an overview of the audit process.

In his comments, Mr. Forman indicated that the initial phase of the audit will test for compliance with certain policies and procedures of the District as they relate to transaction classes and account balances. He indicated that the auditor's responsibility is not to render an opinion on internal controls; however, if in the course of their testing a situation or area of improvement is discovered, they will relay that information to management immediately.

Mr. Forman then indicated that the following areas may be reviewed in their audit:

- **Cash Receipts:**
Looking at both cash receipts as daily batches (total cash received in a given day) and individual cash receipts that make up the daily batches. For random dates selected for testing, they may compare amounts received per district accounting records to bank statements and/or other available supporting documentation. For individual receipts selected, they may review account coding for reasonableness and any applicable authorizations.
- **Cash Disbursements:**
For randomly selected checks written and wires processed during the fiscal year, the auditors may review supporting documentation such as invoices and purchase orders to see if the payment and account coding was approved by management. They may also look at cancelled checks for such items as proper signatures and payee names and amounts.

- **Payroll Processing:**
Review whether certain employees are being paid authorized pay rates and whether deductions are coming out of employee's pay checks have been authorized.
- **Bid Testing:**
Review the District's bid policy to ensure compliance with that policy.
- **Adjusting Journal Entry Testing:**
Review randomly selected journal entries to gain an understanding of the types of adjustments made to the accounting records through journal entries.
- **Investment Policy Testing:**
Review the District's investment policy and compare it to District held investments at different points in the year for compliance with that policy.
- **Travel and Entertainment Policy Testing:**
Review the District's travel policy and randomly review travel and entertainment type of transactions for compliance with the policy.
- **Related Party Transactions:**
Review individuals who are required to file Form 700s during the fiscal year, and review if there are transactions with listed related parties.

Following the audit discussion, Board President Omsted indicated that this information would be appropriate for all Board members and requested that it be passed to Directors for their information.

Staff has no recommendations regarding this agenda item.

cal:PJB



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June 2, 2011



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Lisa R. Soto
Board Secretary

Joel D. Kuperberg
General Counsel

Board President
Leucadia Wastewater District
1960 La Costa Avenue
Carlsbad, CA 92009-68

Dear Board Chair:

The Vista Irrigation District Board of Directors has nominated Jo MacKenzie for the Alternate Member seat on LAFCO's board of directors, representing special districts. I am writing to you to ask for your agency's support of Jo MacKenzie for this position.

Ms. MacKenzie has been an alternate LAFCO member from 2009 to the present. She has also served as a member of the LAFCO Special District Advisory Committee from 1994 to 2009, serving as Vice Chair from 2001 to 2004 and as Chair from 2005 to 2009. In 2002, Ms. MacKenzie was appointed to the LAFCO Municipal Service Review Committee. She has also chaired the state CSDA task force developing an information packet to equip special districts with the tools and procedures necessary to facilitate a potential reorganization.

Ms. MacKenzie was elected to the Board of Directors of the Vista Irrigation District in 1992 and currently serves as Board President, having also served as President in 1993, 1994, 1999, 2004, and 2008. She has served as chair of the District's Fiscal Policy and Public Relations Committees. Ms. MacKenzie currently serves as President of the California Special Districts Association (CSDA), and was the Vice President in 2010. She was elected as a CSDA Region 6 board member in 2003, and is also a past president of the San Diego Chapter of CSDA. She has served on the CSDA Executive Committee as Treasurer and chaired both the statewide CSDA Legislative and Fiscal Committees. In addition, Ms. MacKenzie was an ACWA Region 10 director for seven years from 2002-2009, serving as Alternate Chair and Vice Chair since 2003.

Having known Ms. MacKenzie for more than fourteen years and working with her at VID, I can personally attest to her very active involvement in special districts and her acquired comprehensive knowledge in statewide and local special districts issues. Ms. MacKenzie is the principal owner of a land planning consulting firm in San Marcos. As a land planning consultant, Ms. MacKenzie has worked with various special districts and is familiar with their issues. Ms. MacKenzie's professional career and involvement with special districts has taken her throughout southern California where she has developed working relationships with many city officials, as well as with county, state and federal legislators. With her extensive professional and political background and working knowledge of LAFCO's enabling legislation, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and San Diego LAFCO Procedures Guide and policies, I am confident that Ms. MacKenzie has the qualifications to successfully perform the duties of Alternate LAFCO Special District Member with distinction.

I urge your Board to vote for Jo MacKenzie as the Alternate Special District member on LAFCO's board of directors.

Very truly yours,

Roy A. Coox
General Manager

Frank Reynaga

From: Randi Van Wieren <randivanwieren@yahoo.com>
Sent: Thursday, June 09, 2011 11:39 AM
To: Frank Reynaga
Subject: Fwd: Thank you

Sent from my iPad

Begin forwarded message:

From: Randi Van Wieren <randivanwieren@yahoo.com>
Date: June 9, 2011 11:33:57 AM PDT
To: "www.Frankreynaga@LWWD.org" <www.Frankreynaga@LWWD.org>
Subject: Thank you

Thanks so much Frank for assisting me with the process of getting my laterals redone At my property in Leucadia. You were so caring and prompt in helping me with all the paperwork during a time I felt so overwhelmed. And thanks to LWWD for helping financially With such an expensive project! I could not believe how helpful and kind Frank and the whole office was to me!

Sincerely, Randi Van Wieren

Sent from my iPad

Trisha Hill

Subject: FW: Thank you SO much for the cub scout tour!

From: Connie Goates [mailto:connie@goatesfamily.com]

Sent: Wednesday, June 08, 2011 4:55 PM

To: Jeff Stecker

Subject: Thank you SO much for the cub scout tour!

Hi Jeff,

Please extend our thanks to Ian for the wonderful tour. I was impressed with how in tune he was with the boys and he knew just what to say to grab their attention and make the information accessible to them. It's not easy to keep a pack of 8 and 9 year olds interested, and he did a great job. Thank you too for the palm tree pens. They boys (and leaders) love them!

Thank you Jeff for organizing the tour for us. All of the mothers told me that they had no idea Leucadia Wastewater was even in that location. It's always surprising to discover how little we know about our own neighborhoods and about the efforts that are being made to take care of our planet!

Thanks again!

Connie Goates and Jill Guinn
Cub Scout Pack 730

Directors' Meetings

Presented by Directors Hanson, Juliussen and Omsted

Conference

2011 Special District & Local Government Institute Conference

Dates and Location

June 9-11, 2011

OMNI Hotel in San Diego, CA

List of Attendees

President Don Omsted

Vice President Judy Hanson

Director Allan Juliussen

The above mentioned Board members attended the following various sessions regarding governance in special districts:

- ❖ Principles for Running a Successful Agency
- ❖ Building Community Understanding & Support
- ❖ Developing a Strong Management Team
- ❖ Effectively Planning for the Unexpected
- ❖ Board & Staff Roles
- ❖ Effective Agency Policies
- ❖ Customer Service