



LEADERS IN
ENVIRONMENTAL
PROTECTION

**BOARD OF DIRECTORS
REGULAR MEETING**

DATE: Wednesday, August 14, 2013

TIME: 5:00 p.m.

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

AGENDA

Items on the agenda may be taken out of sequential order as their priority is determined by the Board of Directors. In the case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. Also, items that arise after posting of the Agenda may be added, per Government Code Section 54954.2, by a 2/3 or unanimous vote of the Board.

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

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. General Public Comment Period**
- 5. Approval of Agenda**
- 6. Presentations and Awards**
 - A. Achievement of Individual Objective – Todd Amos (Pages 1-2)

CONSENT CALENDAR

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

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- July 10, 2013 Regular Board Meeting (Pages 3-9)
- July 29, 2013 Investment & Finance Committee Meeting (Pages 10-11)
- August 7, 2013 Engineering Committee Meeting (Pages 12-14)

8. Approval of Demands for July/August 2013

This item provides for Board of Directors approval of all demands paid from LWD during the month of July and a portion in August 2013. (Pages 15-39)

9. Operations Report

This report discloses the year-to-date and monthly flow, rain fall, EDU's and reclaimed water averages; along with MGD flow comparisons from FY 12 to FY 13 and flows by sub-basin. (Pages 40-43)

10. Finance Report

This report discloses up-to-date schedule of assets, liabilities, net assets and compares fiscal year-to-date expenditures to the FY 13 budget and discloses monthly investments. (Pages 44-51)

11. Quarterly Treasurer's Investment Report

This report discloses investments for the quarter ending June 30, 2013. (Pages 52-53, Attachment 11A)

12. Adopt Resolution No. 2238 Updating and Revising the Leucadia Wastewater District's Procurement Policy. (Pages 54-63)

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority Reports

- A. A regular EWA Board meeting was held on July 24, 2013 – report by Director Juliussen. (Page 64)
- B. A EWA Member Agencies Manager's meeting was held on August 6, 2013 – report by GM Bushee. (Verbal)

14. Committee Reports

- A. Investment & Finance Committee meeting was held on July 29, 2013 – report by Director Hanson. (Page 65)
- B. Engineering Committee meeting was held on August 7, 2013 – report by Director Juliussen. (Pages 66-67)

ACTION ITEMS

15. L1 Force Main Internal Corrosion Evaluation Project Report

Receive and file the Leucadia 1 (L1) Force Main Destructive Testing Report complete by Infrastructure Engineering Corporation and approve additional appropriations to the Fiscal Year 2014 (FY 14) Budget for the Leucadia Force Main Corrosion Evaluation Project in the amounts of \$58,400 to account number 50-51-337-5211, Design, and \$348,600 to account number 50-51-337-6499, Construction, for a total of \$407,000. (Pages 69-84)

16. Award of Purchase for Ozone Odor Control Units

Authorize the General Manager to purchase two (2) replacement Vapex odor control units for Batiquitos and Leucadia Pump Stations from Vapex Environmental Technologies in an amount not to exceed \$143,450. (Pages 85-86)

17. Award of Purchase Contract for Computerized Maintenance Management System (CMMS)

Authorize the General Manager to purchase a new Computerized Maintenance Management System (CMMS) for Field Services from iWater, Incorporated in amount not to exceed \$97,000. (Pages 87-88)

18. Award of Professional Engineering Services for the Supervisory Control and Data Acquisition Central Upgrade Project

Authorize the General Manager to execute an Agreement for professional services with Rockwell Construction Services for the Supervisory Control and Data Acquisition (SCADA) System Central Upgrade Project in an amount not to exceed \$65,500. (Pages 89-93)

INFORMATION ITEMS

19. Project Status Updates and Other Informational Reports

A. CSDA Quarterly Dinner meeting is scheduled for August 15, 2013 at 6:00 p.m. located at The Butcher Shop in San Diego. (Pages 94-95)

B. CSDA article "Return of Property Tax Increment". (Pages 96-98)

20. Directors' Meetings and Conference Reports

A. The CSDA San Diego Section Board of Directors meeting was held on July 11, 2013 in San Diego, CA. (Verbal)

B. The CSDA Board of Directors Planning Session was held on July 17 - 18, 2013 in Newport Beach, CA. (Verbal)

21. General Manager's Report

22. General Counsel's Report

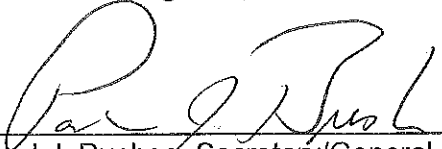
23. Board of Directors' Comments

24. 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: August 8, 2013



Paul J. Bushee, Secretary/General Manager

MEMORANDUM

DATE: August 8, 2013
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **Presentation and Awards – Achievement of an Individual Award**

It is my pleasure to announce that a Leucadia Wastewater District (LWD) staff member has met an individual performance objective under LWD's Incentive Program. The individual and achievement are as follows:

California Water Environment Association (CWEA) Collection System Maintenance Grade III Certification – Todd Amos

Please join me in congratulating Todd Amos who recently received his Collection System Maintenance III certification from CWEA. Todd has been working for the District since August 2012 and this is his third certification since his employment at the District. As you may recall, he also received his bachelor degree in February this year. Todd has worked hard on his own time for this achievement while maintaining his full time position at LWD.

This accomplishment reflects Todd's desire to excel through continued professional development. As a result of this certification, Todd is eligible for an Individual Incentive Award of \$500.

PJB:

CALIFORNIA WATER ENVIRONMENT ASSOCIATION

Certification of Competence

THIS IS TO CERTIFY THAT

Todd Amos

HAVING SUBMITTED ACCEPTABLE EVIDENCE OF QUALIFICATIONS
BY EDUCATION, TRAINING AND EXPERIENCE IS HEREBY
GRANTED THIS CERTIFICATION OF COMPETENCY AS A

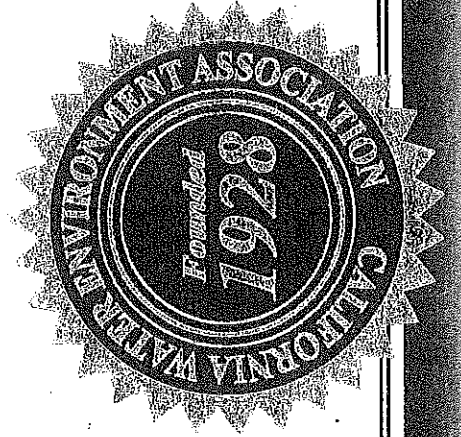
GRADE III

COLLECTION SYSTEM MAINTENANCE

Expires On 6/30/2014

Christoph Dobson

Christoph Dobson, President
California Water Environment Association



Certificate No. 130623004

Soma Bhadra

Soma Bhadra, Chair
Technical Certification Program

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting
July 10, 2013

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, July 10, 2013 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 5:03 p.m.

2. Roll Call

DIRECTORS PRESENT: Sullivan, Kulchin, Juliussen, Omsted, and Hanson

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Engineer Jeff Meyer with Dudek, CPA Richard Duffey with Brownell & Duffey, and Jamie Fagnant with Infrastructure Engineering Corp.

3. Pledge of Allegiance**4. General Public Comment Period**

None.

5. Approval of Agenda

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

6. Presentations and Awards

GM Bushee stated the District did not receive any awards; however, yesterday he attended a Scripps event that honored Vice-President Kulchin and Ann Kulchin. He noted that the District received a poster Board that was left at the event. GM Bushee presented Vice-President Kulchin with the Board.

CONSENT CALENDAR**7. Approval of Board and Committee Minutes**

Minutes of the following meetings:

June 12, 2013 Regular Board Meeting

June 26, 2013 Engineering Committee Meeting

8. Approval of Demands for June/July 2013

Payroll Checks numbered 16763-16811; General Checking – Checks numbered 44007-44139

9. Operations Report (A copy was included in the original July 10, 2013 Agenda)

10. Finance Report (A copy was included in the original July 10, 2013 Agenda)

11. Disclosure of Reimbursements Report for January through June 2013 (A copy was included in the original July 10, 2013 Agenda)

Upon a motion duly made by Director Juliussen, seconded by Director Omsted, and carried, the Board of Directors approved the consent calendar.

EWA and COMMITTEE REPORTS

12. Encina Wastewater Authority (EWA) Reports

A. EWA Board Report – Meeting was held on June 26, 2013.

Director Juliussen reported on the June 26, 2013 EWA Board of Directors meeting.

B. Encina Member Agencies Manager's (MAM) Meeting was held on July 2, 2013.

GM Bushee reported that the MAM meeting was cancelled.

13. Committee Reports

A. Engineering Committee meeting was held on June 26, 2013.

Director Juliussen reported that the EC reviewed an agreement with Infrastructure Engineering Corporation for engineering design services for the Batiquitos Force Main (B2) Replacement Project in an amount not to exceed \$104,485.

He also reported that the EC reviewed Resolution No. 2237 – The Young Annexation.

He stated that the EC concurred with staff's recommendation on these items and they will be presented later in the agenda.

He also stated that the EC received an update on the Abedul and Persa Streets gravity line repair project.

ACTION ITEMS

14. Batiquitos Force Main (B2) Replacement Project Design Services.

Authorize the General Manager to execute an agreement with Infrastructure Engineering Corporation for engineering design services for the Batiquitos Force Main (B) Replacement Project in an amount not to exceed \$104,485.

TSM Morishita presented the item stating that it was reviewed by the EC on June 26th. TSM Morishita provided background information on the project and a brief summary of the previous pipeline condition assessment conducted in April 2011. He stated that based on the B2 force main failure on February 1, 2013, the evaluation of the force main sections did not provide an accurate condition assessment of the entire pipeline. He also noted that the B2 Force Main was installed in 1980 and that the District's AMP uses an estimated useful life of 25 years for metallic-based force mains. He indicated that the replacement of the B2 Force Main is a priority and that staff

determined that IEC's proposal was fair and reasonable. In addition, he stated that the FY 14 Budget includes funds to cover the design costs of the project.

Following discussion, and upon a motion duly made by Vice President Kulchin, seconded by Director Omsted and carried, the Board of Directors authorized the General Manager to execute an agreement with Infrastructure Engineering Corporation for engineering design services for the Batiquitos Force Main (B2) Replacement Project in an amount not to exceed \$104,485.

15. Resolution No. 2237 – Requesting LAFCO to Take Proceedings for the Young Change of Organization.

Adopt Resolution No. 2237- Requesting LAFCO to Take Proceeding for the Young Change of Organization.

Jeff Meyer with Dudek presented the item stating that the annexation includes four parcels totaling 1.34 acres. He noted the location of the properties and stated that an existing manhole for the homeowners to connect is nearby. He indicated that a private-sewer agreement amongst the four parcels will be required and filed with the District.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Juliussen, and carried, the Board of Directors adopted Resolution No. 2237 – Requesting LAFCO to Take Proceedings for the Young Change of Organization by the following vote:

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

16. Resolution No. 2236 – Changing Employer Paid Member Contributions.

Adopt Resolution No. 2236 – Changing the Employer Paid Member Contributions to CalPERS.

ASM LeMay presented the item stating that CalPERS requires that the District file the Employer Paid Member Contributions (EPMC) amounts with them. He stated that in 2011, the Board approved Resolution No. 2219 that approved the EPMC percentage amounts. He indicated that at that time the District was paying 5% of the 8% employee contribution with the employees paying remaining 3%.

He stated that as of July 1st, the Board approved that the District would pay 3% of the 8% employee contribution and the employees would pay the remaining 5%. ASM LeMay indicated that this resolution will notify CalPERS that the District's share of the EPMC will be reduced from 5% to 3%.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Director Omsted and carried, the Board of Directors adopted Resolution No. 2236 – Changing the Employer Paid Member Contribution to CalPERS by the following vote:

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

17. LWD Second Tier Post-Employment Benefit.

Adopt the California Public Employees' Pension Reform Act of 2013, as amended, as LWD's Second Tier (Tier II) CalPERS post-employment benefit.

ASM LeMay presented the item stating that it is an administrative item. He stated that CalPERS Pension Reform Act of 2013 (PEPRA) is requiring that Districts adopt the standard Second Tier benefit level authorized by the State or negotiate a new CalPERS contract with a custom Second Tier rate.

ASM LeMay provided a summary of the Tier II program. He noted that employees that are hired after January 1, 2013 are considered "new" members, if they have no prior PERS service within six months. He stated that the new members would be in the Tier II program.

Directors Omsted asked what if the Board does not adopt this program. ASM LeMay stated that the District would still have to follow the State's mandated program.

Director Juliussen asked if the District could change the retirement age requirement. GM Bushee stated that the District can customize a lesser benefit program, if the Board directed staff to do so.

Director Hanson inquired about hiring employees that were members of PERS. ASM LeMay provided answers to her questions.

Following discussion, and upon a motion duly made by Director Hanson, seconded by Vice President Kulchin and carried, the Board of Directors adopted the California Public Employees' Pension Reform Act of 2013, as amended, as LWD's Second Tier (Tier II) CalPERS post-employment benefit.

18. Agreement with the City of Carlsbad for the Sale of Recycled Water.

Authorize the General Manager to execute Amendment No. 1 to the Agreement for the Sale of Recycled Water to the City of Carlsbad by the Leucadia Wastewater District.

GM Bushee presented this item stating that the recycled water agreement was provided as a handout. GM Bushee noted that subsequent to the posting of the agenda that a stand-alone agreement was preferable; therefore, the recommendation should be amended to reflect this. He stated that last month the Board approved a month-to-month recycled water agreement with La Costa Resort & Spa. However, he stated that the District was recently informed that the city of Carlsbad agreed to the terms of the proposed recycled water agreement.

GM Bushee provided a summary of the key terms of the agreement. He stated the term of the agreement is five years starting on August 1, 2013. He stated that the pricing is on a sliding scale basis, based on the actual quantity delivered. He also stated that Carlsbad and the District will split future rebates evenly for water that is delivered to the South course.

Director Kulchin inquired about the rebates that the city owes the District based on the previous agreement. GM Bushee stated the staff and the city agreed to split the rebates going back the statutory limit of four years. General Counsel Brechtel stated that the rebates were not expressly for the District. He noted that the structure of the rebate program is complicated. He also indicated that the District could have executed an agreement with La Costa, but the District would not receive any rebates.

Director Juliussen stated that he disagrees that the city of Carlsbad will receive half of the rebates. GM Bushee stated the agreement with the city is the preferred outcome when compared to the risks and costs associated with litigation. The Directors asked several questions relating to the terms of the agreement. GM Bushee and General Counsel Brechtel provided answers to their questions.

Following discussion, and upon a motion duly made by Director Omsted, seconded by Vice President Kulchin and carried, the Board of Directors authorized the General Manager to execute an Agreement for the Sale of Recycled Water to the City of Carlsbad by the Leucadia Wastewater District.

19. CSDA Board of Directors 2013 Elections – Region 6 Seat B.

Review CSDA Board of Directors candidate statements, discuss and provide direction as appropriate.

EA Hill stated that the District received the CSDA Board of Directors 2013 Elections for Region 6. She noted the candidates' names and stated that their statements were included in the agenda. She indicated that staff has no recommendation.

President Sullivan stated that she is supporting William Nelson of Orange County Cemetery District, noting that he very active with Special Districts.

Upon a motion duly made by Director Omsted, seconded by Director Hanson and carried the Board of Directors cast their vote for William Nelson with the Orange County Cemetery District and directed staff to submit the ballot by the deadline.

20. Receive and file the Fiscal Year 2013 (FY 13) Tactics and Action Plan.

GM Bushee provided a brief summary of the completed tactics noting the highlights were updating the District's major planning documents and continuing the District's CCTV inspection program. He added that the District televised over 95 miles of the collection system, noting that this is a significant increase over past years.

Upon a motion duly made by Director Juliussen, seconded by Director Hanson and carried the Board of Directors received and filed the Fiscal Year 2013 (FY 13) Tactics and Action Plan.

21. Adopt the Fiscal Year 2014 (FY 14) Tactics and Action Plan.

GM Bushee presented this item noting the new format of the document that reflects the revised four Strategic initiatives. He provided a brief summary of the goals, noting some of the major tactics. He stated that this year staff will be revising the District's major policies, such as, the Human Resources Manual. In addition, one of the major projects include the replacement of B2 Force Main, along with replacing two of the District's major software programs; the financial software and the work management system software.

The Board of Directors reached a consensus to adopt the FY 14 Tactics and Action Plan.

INFORMATION ITEMS

22. Project Status Updates and Other Informational Reports

A. Update on upcoming conferences.

EA Hill stated that a summary of upcoming conferences was included in the agenda. She stated that the summary names the Board members and staff that will be attending the conferences. She asked the Board members to notify her of any changes.

Director Hanson asked about the seminar on direct potable reuse. GM Bushee stated that that seminar is an extension of the North County Recycled Water Project and the group is still coordinating the date of the seminar. He noted that staff will contact the Board members once a date is set.

B. Thank you letter from Timothy Baird, Superintendent of the Encinitas Union School District.

EA Hill announced that the District received a thank you letter from the Superintendent of the Encinitas Union School District for the Teacher Grants.

23. Directors' Meetings and Conference Reports

None.

24. General Manager's Report

General Manager Bushee reported on the following items:

- A handout titled "The Layperson's Guide to California Wastewater" was provided for the Board's information. It was prepared by the Water Education Foundation, sponsored by CASA.
- There will be a CSRMA seminar at the upcoming CASA conferences. He noted that Jeff Bills will be presenting at the seminar and that staff will RSVP for the Board members attending this event.
- A handout was provided which summarizes the Board's compensation and benefits.
- EA Hill prepared the Board's FFPC Form 470 for their review and signature. He asked the Board to provide their forms to EA Hill before they leave tonight.
- EA Hill announced that the Employee Luncheon is tomorrow at noon located at the Stagecoach Park in Carlsbad.
- He will be out of office from July 15th – July 22nd and TSM Morishita will be the Acting General Manager.

25. General Counsel's Report

General Counsel Brechtel reported the following:

- He is waiting on the revised Mitigation and Monitoring Program for the Statewide Collection System WDR from the Regional Board, noting that the Regional Board stated that the changes would be available in May.
- He provided a brief update on the CEQA Reform bill, which includes among other things, prohibiting late public comments on environmental documents and allows more flexibility to amend environmental documents without a complete resubmittal. He reported that CASA and CSDA have been providing their comments on these updates.

26. Board of Director's Comments

Director Juliussen complimented and thanked staff for the tour of the Batiquitos Pump Station that took place this afternoon.

27. Closed Session.

A. Personnel matters as authorized by Government Code Section 54957 to review General Manager Performance.

President Sullivan stated that the Board will meet in closed session per government code section 54957): to review the General Manager's performance.

Following closed session, General Counsel reported that the Board of Directors met in closed session and conducted the General Manager's performance review. The Board of Directors rated the General Manager's performance as excellent and approved a 3% salary increase and a \$3,000 bonus.

28. Adjournment

President Sullivan adjourned the meeting at 7:20 p.m.

Elaine Sullivan, President

Paul J. Bushee
Secretary/General Manager
(SEAL)

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Investment & Finance Committee Meeting
 July 29, 2013

A meeting of the Investment & Finance Committee (IFC) of Leucadia Wastewater District (LWD) was held Monday, July 29, 2013 at 1:30 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 1:30 p.m.

2. Roll Call

DIRECTORS PRESENT: Hanson and Omsted

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager (GM) Paul Bushee, Administrative Services Manager Chuck LeMay, Executive Assistant Trisha Hill, Accounting Technician Maggie McEniry, CPA Richard Duffey with Brownell & Duffey and Harvey Schroeder and David Forman with White Nelson Diehl Evans, LLP.

3. Public Comment

No public comment was received.

4. New Business

A. Audit Entrance meeting with White Nelson Diehl Evans LLP.

GM Bushee introduced CPAs Harvey Schroeder and David Forman with White Nelson Diehl Evans LLP. Mr. Schroeder and Mr. Forman provided an overview of the audit process discussing the auditor's responsibilities, the planned scope and timing of the audit. The following keys items were discussed:

- How auditors form their opinion on statements;
- Audit testing;
- Staff and Board notifications with internal controls; and
- Final balance testing in mid-September.

Mr. Schroeder also explained how any issues of material misstatement would be handled. He stated that if there was an issue, staff will be notified first in order to review all the facts. He added that if there is no resolution, the auditors would report to the IFC.

No action was taken on this item.

B. Recommend that the Board of Directors Adopt Resolution No. 2238 – Approving LWD's revised Procurement Policy.

ASM LeMay presented the item stating that it is listed as a FY 14 tactical goal. ASM LeMay stated that the revisions to the policy are minor.

Director Omsted asked for clarification on various sections throughout the policy and informed staff of one format change. GM Bushee and ASM LeMay provided answers to his questions.

ASM LeMay stated that staff will make the format change.

Following discussion, the IFC concurred with staff to forward the revised Procurement Policy to the Board of Directors for approval at the August Board meeting.

5. Information Items

None.

6. Comments, Questions or Requests by Directors

None.

7. Comments by General Manager

None.

8. Adjournment

Chairperson Hanson adjourned the meeting at approximately 2:00 p.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Engineering Committee Meeting
 August 7, 2013

A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held Wednesday, August 7, 2013 at 8.30 a.m., at the LWD Administration Office located at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

Chairperson Juliussen called the meeting to order at 8:30 a.m.

2. Roll Call

DIRECTORS PRESENT: Juliussen and Kulchin

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee; Technical Services Manager Robin Morishita; Field Services Superintendent Jeffery Stecker; Field Services Supervisor Marvin Gonzalez; District Engineer Steve Deering; Jamie Fagnant from Infrastructure Engineering Corporation and Adam Hagee from iWater Incorporated.

3. Public Comment

No public comment was received.

4. Old Business

None.

5. New Business

- A. Receive and file the Leucadia 1 (L1) Force Main Destructive Testing Report complete by Infrastructure Engineering Corporation.

TSM Morishita presented an overview of the project. The internal corrosion evaluation of the L1 Force Main was completed by Infrastructure Engineering Corporation (IEC) and RFYeager Engineering. Jamie Fagnant presented IEC's report, including the findings and recommendations. The recommendation was to discontinue use of L1 until further condition assessments are completed to determine the extent of corrosion along the entire length of L1. Staff intended to budget for the additional assessments in FY 2015. However, Director Juliussen suggested that staff amend the recommendation to include a request for an additional appropriation to the FY 2014 Budget to conduct the assessment this fiscal year. The EC agreed with this approach and concurred with staff to present this recommendation at the August 2013 Board meeting for approval.

- B. Authorize the General Manager to purchase two (2) replacement Vapex odor control units for Batiquitos and Leucadia Pump Stations from Vapex Environmental Technologies in an amount not to exceed \$143,450.

FSS Stecker presented staff's recommendation. He stated that the District's Vapex units are obsolete and spare parts are unavailable. He added that the Vapex is a critical component of the District's Batiquitos and Leucadia Pump Stations odor control systems and is included in the associated Air Pollution Control District (APCD) permits.

After discussion, the EC concurred with staff to present this recommendation at the August 2013 Board meeting for approval.

- C. Authorize the General Manager to purchase a new Computerized Maintenance Management System (CMMS) for Field Services from iWater, Incorporated in amount not to exceed \$97,000.

FSS Stecker presented staff's recommendation. He stated that Adam Hagee from iWater was present to answer questions and provide a system presentation to the EC. FSS Stecker presented the major capabilities, terms and cost of the purchase. Director Kulchin asked why was Sussex, the current CMMS installed in 1999, not replaced sooner. FSS Stecker responded that the current technology, such as the use of portable tablets and applications, and the ability to integrate the CMMS with Geographic Information Systems (GIS) that improves functionality and efficiency recently became available.

After discussion, the EC concurred with staff to present this recommendation at the August 2013 Board meeting for approval.

- D. Authorize the General Manager to execute an Agreement for professional services with Rockwell Construction Services for the Supervisory Control and Data Acquisition (SCADA) System Central Upgrade Project in an amount not to exceed \$65,500.

TSM Morishita presented staff's recommendation. He stated that Rockwell Construction Services (RCS) completed an evaluation of the District's SCADA System. It was recommended that the District's first priority be the equipment and software upgrade of the Central SCADA Station. RCS proposed to provide engineering consulting services for the Central Station upgrade. In response to a question from Director Kulchin, it was clarified that the purchase of the SCADA system hardware and software was not included in the Agreement. RCS will provide the equipment and software lists and specifications for District purchase.

After discussion, the EC concurred with staff to present this recommendation at the August 2013 Board meeting for approval.

6. **Information Items**
None.

7. Director's Comments

None.

8. General Manager's Comments

GM Bushee reminded EC members of the North San Diego County Regional Recycled Water Project (NSDCRRWP) Direct Potable Reuse Seminar at Vallecitos Water District on Tuesday, August 13, 2013.

GM Bushee informed the EC that the Carlsbad Recycled Water Agreement was not presented to the Carlsbad City Council in July as anticipated. Carlsbad Staff has indicated that they will present the Agreement to their Council for approval in August. As a result, LWD has extended its recycled water agreement with La Costa Resort & Spa through August.


GM Bushee informed the EC that the District received a subpoena regarding the purchase of office supplies from Office Depot through the U.S. Communities Government Purchasing Alliance (Alliance). The District does purchase supplies from Office Depot. However, purchases are done through the Office Depot Business Solutions website and not through the Alliance. The District will respond to the subpoena accordingly.

9. Adjournment

Chairperson Juliussen adjourned the meeting at approximately 9:31 a.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

MEMORANDUM

DATE: August 8, 2013
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Approval of July/August Demands

RECOMMENDATION:

Staff requests that the Board of Directors:

1. Approve checks and electronic payments totaling \$ 496,753.73
2. Discuss and take other action as appropriate.

DISCUSSION:

Attached are check registers describing all payments made by LWD for the months July 5, 2013 – August 8, 2013.

Operating expenses totaled \$291,365.30 while Capital Improvement Program expenses totaled \$82,290.21

Payroll for employees and the Board totaled \$ 123,098.22.

Attached please find a year to date Employee and Board Payroll Report from July 2012 to August 2013 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 July/August 2013
Attachment 2	Board Payroll Check Register dated July 3, 2013
Attachment 3	Payroll Check Register dated July 10, 2013
Attachment 4	Managers Check Register dated July 11, 2013
Attachment 5	Accounts Payable Check Register dated July 16, 2013
Attachment 6	Accounts Payable Check Register dated July 24, 2013
Attachment 7	Payroll Check Register dated July 24, 2013
Attachment 8	Accounts Payable Check Register dated August 1, 2013
Attachment 9	Board Payroll Check Register dated August 2, 2013
Attachment 10	Payroll Check Register dated August 7, 2013
Attachment 11	Year to Date Employee and Board Payroll Report

DEMANDS SUMMARY

August 14, 2013

1. Demands

<u>Category</u>	<u>Check #'s</u>	<u>Amount</u>	<u>Total</u>
Board Payroll Check -7/3/2013	16812 - 16816	\$ 1,835.49	
Payroll Check-7/10/2013	16817 - 16832	\$ 38,532.35	
Payroll Check -7/24/2013	16833 - 16849	\$ 41,810.87	
Board Payroll Check - 8/2/2013	16850 -16854	\$ 1,310.58	
Payroll Check - 8/7/2013	16855 -16870	\$ 39,608.93	
	Total		\$123,098.22
General Checking -7/16/2013	44140 - 44211	\$ 204,933.66	
General Checking -7/24/2013	44212 - 44257	\$ 121,231.99	
General Checking - 8/1/2013	44258 - 44281	\$ 47,101.98	
	Total		\$373,267.63
Managers Check - 7/11/2013	357		\$387.88
			\$496,753.73
	Grand Total		\$496,753.73

LEUCADIA WASTEWATER DISTRICT
BOARD PAYROLL CHECK REPORT

Payroll Date: July 3, 2013

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
16812 - 16816	7/3/2013	\$1,835.49

LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: July 10, 2013

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
16817 - 16832	7/10/2013	\$38,532.35

UNION BANK-MRGS

<u>Vendor Obligat'n Description</u>	<u>Check</u>	<u>Control</u>	<u>Amount</u>	<u>INVOICE NUMBER</u>
16063 GARCIA'S CATERING		357 357		
48543 EMPLOYEE LUNCHEON	***	Total ***	387.88	
*** Report Total ***			387.88	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
44140- 2608	1	7/16/2013	10100 NAPA AUTO		
	1		48488 PARTS AND SUPPLIES	125.77	152015
44140- 2608	1	7/16/2013	Logged	*** Total ***	125.77
44141- 2608	2	7/16/2013	10221 ADS LLC		
	2		48555 OPEN PO-FLOW MONITORING CONTRA	3,570.00	12562.22.0613
44141- 2608	2	7/16/2013	Logged	*** Total ***	3,570.00
44142- 2608	3	7/16/2013	10570 ANTIMITE TERMITE & PEST CONTRO		
	3		48571 MONTHLY PEST SERVICE-JULY	56.00	1316470
44142- 2608	3	7/16/2013	Logged	*** Total ***	56.00
44143- 2608	4	7/16/2013	10714 ATEL COMMUNICATIONS, INC		
	4		48506 PHONE MAINT/REPAIR	63.75	3334
44143- 2608	4	7/16/2013	Logged	*** Total ***	63.75
44144- 2608	5	7/16/2013	10720 AT&T		
	5		48511 L.D. PHONE @ BPS	32.11	BPS-JUNE'13
44144- 2608	5	7/16/2013	Logged	*** Total ***	32.11
44145- 2608	6	7/16/2013	11034 BAY CITY ELECTRIC WORKS, INC		
	6		48487 ELECTRICAL WORK @BPS	679.00	W112259
44145- 2608	6	7/16/2013	Logged	*** Total ***	679.00
44146- 2608	7	7/16/2013	11431 BLACK & VEATCH CORPORATION		
	7		48492 FINANCIAL PLAN CONSULTING	4,910.36	1162361
44146- 2608	7	7/16/2013	Logged	*** Total ***	4,910.36
44147- 2608	8	7/16/2013	11550 BOOT WORLD, INC		
	8		48505 SAFETY BOOTS-JHOYETT	63.95	1100257-IN
44147- 2608	8	7/16/2013	Logged	*** Total ***	63.95
44148- 2608	9	7/16/2013	11650 BROWNELL AND DUFFEY CPA		
	9		48483 OPEN PO-CONTRACT-ACCT/FINANCIA	8,077.50	070213
44148- 2608	9	7/16/2013	Logged	*** Total ***	8,077.50
44149- 2608	10	7/16/2013	12025 CSRMA		
	10		48580 PROPERTY INS-7/13-6/2014	9,533.70	5604
44149- 2608	10	7/16/2013	Logged	*** Total ***	9,533.70
44150- 2608	11	7/16/2013	12025 CSRMA		
	11		48581 W/C/ DEPOST 7/2013-6/2014	39,615.00	5712
44150- 2608	11	7/16/2013	Logged	*** Total ***	39,615.00
44151- 2608	12	7/16/2013	12320 CHARLES KING COMPANY		
	12		48547 LANIKAI TRUNK SEWER LINING PRO	18,000.00	#04
	12		48550 RETENTION 5%-LANAKI TRUNK SEWE	-900.00	RETENTION #04
44151- 2608	12	7/16/2013	Logged	*** Total ***	17,100.00
44152- 2608	13	7/16/2013	12360 CITY OF CARLSBAD		
	13		48513 WATER @ VACTOR	210.70	VACTOR-JUNE'13
	13		48514 WATER @ VACTOR 2	205.82	VACTOR2-JUNE'13

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
	13		48515 WATER @ LPS/OFFICE	92.80	LPS/OFFICE-6/13
	13		48516 WATER @ LPS/OFFICE	105.27	LPS/OFFICE-JUNE
44152- 2608	13	7/16/2013	Logged	*** Total ***	614.59
44153- 2608	14	7/16/2013	12510 WASTE MANAGEMENT	197.81	11048400274
	14		48575 TRASH SERVICE	197.81	
44153- 2608	14	7/16/2013	Logged	*** Total ***	197.81
44154- 2608	15	7/16/2013	12514 CONEXIS	130.00	0613-OR5179
	15		48544 SEC 125 FLEX PLAN-JUNE	130.00	
44154- 2608	15	7/16/2013	Logged	*** Total ***	130.00
44155- 2608	16	7/16/2013	12587 COUNTY OF SAN DIEGO	6,137.00	LC 13-20
	16		48586 LAFCO RENEWAL 2013-2014	6,137.00	
44155- 2608	16	7/16/2013	Logged	*** Total ***	6,137.00
44156- 2608	17	7/16/2013	12631 CORODATA	124.70	RS4028600
	17		48549 OPEN PO-STORAGE	124.70	
44156- 2608	17	7/16/2013	Logged	*** Total ***	124.70
44157- 2608	18	7/16/2013	12718 CHUCKS TIRE CENTER	194.16	69249
	18		48493 TIRES	582.48	69413
	18		48564 TIRES	776.64	
44157- 2608	18	7/16/2013	Logged	*** Total ***	776.64
44158- 2608	19	7/16/2013	13071 DATCO	273.00	97125
	19		48565 OPEN PO-SERVICE FEES/TESTING	273.00	
44158- 2608	19	7/16/2013	Logged	*** Total ***	273.00
44159- 2608	20	7/16/2013	13072 DATA NET	390.00	9745429
	20		48509 IS MAINT AND SUPPORT	677.50	9745434
	20		48510 IS MAINT AND SUPPORT	240.00	9745419
	20		48573 IS MAINT AND SUPPORT	1,307.50	
44159- 2608	20	7/16/2013	Logged	*** Total ***	1,307.50
44160- 2608	21	7/16/2013	13261 DEPT HEALTH SERVICES	60.00	#31145-I.R.
	21		48587 T2 WTR TREATMENT RENEWAL-I.R.	60.00	
44160- 2608	21	7/16/2013	Logged	*** Total ***	60.00
44161- 2608	22	7/16/2013	13630 DRUM PLUMBING	2.50	DRUM
	22		48536 REFUND DEV DRUM PLUMBING #622	2.50	
44161- 2608	22	7/16/2013	Logged	*** Total ***	2.50
44162- 2608	23	7/16/2013	13636 ALLIANT INSURANCE SERVICES, IN	8,034.12	139456
	23		48582 PHYSICAL DAMAGE RENEWAL2013-20	8,034.12	
44162- 2608	23	7/16/2013	Logged	*** Total ***	8,034.12
44163- 2608	24	7/16/2013	13822 DUDEK & ASSOCIATES	1,233.39	20131984
	24		48517 GE/CIP/3251/100/GRADING PLANS	4,195.90	20131985
	24		48518 GE/CIP/3252/593/LC TOWNE SQUAR	455.65	20131986
	24		48519 GE/CIP/3252/607/VISTA LA COSTA	90.00	20132406
	24		48520 GE/CIP/3252/648/SHERIDEN RD		

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
	24		48521	GE/3252/699/HYMETTUS PROJECT	183.96	20131988
	24		48522	GE/3252/808/SEASIDE RD	630.00	20131989
	24		48523	GE/3252/817/OLIVEHAIN	1,771.09	20131990
	24		48524	GE/3252/844/LC TOWNE	5,981.99	20131991
	24		48525	GE/3252/855/LC TOWNE SQUARE	630.00	20131992
	24		48526	GE/3252/863/N. VULCAN	120.00	20131993
	24		48527	GE/3252/864/ENCINITAS VILLAS	480.00	20131994
	24		48552	GE/CIP/MAY/200/077/337	3,550.00	20132194
	24		48553	GE/CIP/JUNE/200/077/328/337/33	15,267.06	20132460
44163-	2608	24	7/16/2013	Logged *** Total ***	34,589.04	
44164-	2608	25	7/16/2013	14213 T. LARRY EDDINGTON		
		25		48533 REFUND DEV #720-EDDINGTON	.56	EDDINGTON
44164-	2608	25	7/16/2013	Logged *** Total ***	.56	
44165-	2608	26	7/16/2013	14350 CORELOGIC INFORMATION SOLUTION		
		26		48558 RENEWAL OF SUBSCRIPTION	1,500.00	80888683
44165-	2608	26	7/16/2013	Logged *** Total ***	1,500.00	
44166-	2608	27	7/16/2013	14435 ELLIOT ASSOCIATES		
		27		48562 DATA CONVERSION-2013-2014 ASSE	456.00	ELLIOTT-6/30
44166-	2608	27	7/16/2013	Logged *** Total ***	456.00	
44167-	2608	28	7/16/2013	14528 ELECTRIC MOTOR SPECIALISTS, IN		
		28		48557 REPAIRS TO #2 MOTOR @LPS	2,973.00	5014
44167-	2608	28	7/16/2013	Logged *** Total ***	2,973.00	
44168-	2608	29	7/16/2013	16021 GREAT AMERICA FINANCIAL SERVIC		
		29		48577 COPIER LEASE	1,056.30	13904025
44168-	2608	29	7/16/2013	Logged *** Total ***	1,056.30	
44169-	2608	30	7/16/2013	17023 HADRONEX		
		30		48567 SMARTCOVER ANNUAL SERVICE	6,095.00	2497
44169-	2608	30	7/16/2013	Logged *** Total ***	6,095.00	
44170-	2608	31	7/16/2013	17212 HEALTHY CREATIONS		
		31		48535 REFUND DEV HEALTHY CREATIONS	1.25	HEALTHY
44170-	2608	31	7/16/2013	Logged *** Total ***	1.25	
44171-	2608	32	7/16/2013	17552 THE HOME DEPOT CRC/GECF		
		32		48484 OPEN PO-SUPPLIES @ BPS, AWT ET	386.45	3565826
44171-	2608	32	7/16/2013	Logged *** Total ***	386.45	
44172-	2608	33	7/16/2013	17828 HI-WAY SAFETY, INC		
		33		48481 TRAFFICE CONTROL SIGNS	1,350.16	5542
44172-	2608	33	7/16/2013	Logged *** Total ***	1,350.16	
44173-	2608	34	7/16/2013	18150 ICMA RETIREMENT-303979		
		34		48572 DEFERRED COMP-ICMA	3,124.71	ICMA-7/10/13
44173-	2608	34	7/16/2013	Logged *** Total ***	3,124.71	
44174-	2608	35	7/16/2013	18561 U.S. BANK		

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
44174- 2608	35	7/16/2013	48554 CONFERENCES,MEETINGS,SUPPLIES, Logged *** Total ***	5,911.25 5,911.25	US BANK-6/24/13
44175- 2608	36	7/16/2013	20011 JACKSON & BLANC		
44175- 2608	36	7/16/2013	48560 OPEN PO-HVAC AMINT/SERVICE Logged *** Total ***	1,524.50 1,524.50	000169906
44176- 2608	37	7/16/2013	21009 LA COSTA RESORT AND SPA		
44176- 2608	37	7/16/2013	48529 REFUND DEV LC RESORT #760 Logged *** Total ***	5.00 5.00	LC-#760
44177- 2608	38	7/16/2013	21021 LAFCO		
44177- 2608	38	7/16/2013	48584 LAFCO ANNEX-YOUNG #853 Logged *** Total ***	4,050.00 4,050.00	LAFCO #853
44178- 2608	39	7/16/2013	21102 CASH		
44178- 2608	39	7/16/2013	48588 PETTY CASH-JUNE/JULY Logged *** Total ***	263.32 263.32	PETTY 7/16/2013
44179- 2608	40	7/16/2013	21121 LA COSTA LOGO, LLC		
44179- 2608	40	7/16/2013	48561 SPORTS DUFFEL BAGS WITH LOGO Logged *** Total ***	1,391.70 1,391.70	LC LOGO-7/2013
44180- 2608	41	7/16/2013	22214 MITSUBISHI ELECTRIC & ELECTRON		
44180- 2608	41	7/16/2013	48583 ELEVATOR SERVICE/MAINT Logged *** Total ***	260.81 260.81	239583
44181- 2608	42	7/16/2013	22355 MINUTEMAN PRESS		
44181- 2608	42	7/16/2013	48491 ENVELOPES Logged *** Total ***	336.56 336.56	2653123
44182- 2608	43	7/16/2013	23068 NATIONWIDE RETIREMENT SOLUTION		
44182- 2608	43	7/16/2013	48579 DEFERRED COMP-NATIONWIDE Logged *** Total ***	216.25 216.25	NATION-7/10/13
44183- 2608	44	7/16/2013	24111 AMERICAN REPROGRAPHICS CO.,LLC		
44183- 2608	44	7/16/2013	48507 PLANS Logged *** Total ***	48.00 48.00	7013374
44184- 2608	45	7/16/2013	24224 OFFICE DEPOT, INC.		
44184- 2608	45	7/16/2013	48559 OPEN PO-OFFICE SUPPLIES	126.14	663985342001
44184- 2608	45	7/16/2013	48568 OPEN PO-OFFICE SUPPLIES Logged *** Total ***	67.06 193.20	6582853001
44185- 2608	46	7/16/2013	24440 OLIVENHAIN MUNICIPAL WATER DIS		
44185- 2608	46	7/16/2013	48497 WATER @ TRAVELING	284.40	06001551-TANKER
44185- 2608	46	7/16/2013	48498 WATER @ VP5	37.02	65865245-VP5
44185- 2608	46	7/16/2013	48499 WATER @ VP7	37.02	74497632-VP7
44185- 2608	46	7/16/2013	48500 WATER @ TRAVELING 2	600.64	TANKER-06001544
44185- 2608	46	7/16/2013	48501 WATER @ E. ESTATES PS Logged *** Total ***	37.02 996.10	EE-10076214

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
44186- 2608	47	7/16/2013	24440 OLIVENHAIN MUNICIPAL WATER DIS		
	47		48531 REFUND DEV #661-OLIVEHAIN	.11	OLIVEHAIN #661
44186- 2608	47	7/16/2013	Logged	*** Total ***	.11
44187- 2608	48	7/16/2013	25010 AT&T		
	48		48502 DIAL IN MODEM-OLD	163.49	MODEM-JUNE'13
	48		48503 PHONE @ BPS	111.88	BPS PHONE-6/13
	48		48504 DIAL IN MODEM-NEW	156.37	JUNE'13-MODEM
44187- 2608	48	7/16/2013	Logged	*** Total ***	431.74
44188- 2608	49	7/16/2013	25032 PALOMAR WATER		
	49		48574 BOTTLED WATER @ OFFICE	123.40	266474
44188- 2608	49	7/16/2013	Logged	*** Total ***	123.40
44189- 2608	50	7/16/2013	25260 PERS RETIREMENT		
	50		48545 BOARD RETIREMENT ENDING 6-30-1	125.83	DUE7-30-13
	50		48546 EMPLOYEE RETIRMET ENDING 6-23	12,701.42	DUE7/23/2013
44189- 2608	50	7/16/2013	Logged	*** Total ***	12,827.25
44190- 2608	51	7/16/2013	25425 PLANT PEOPLE		
	51		48566 OPEN PO-MAINTAIN PLANTS IN OFF	158.00	7133654
44190- 2608	51	7/16/2013	Logged	*** Total ***	158.00
44191- 2608	52	7/16/2013	25577 PURCHASE POWER		
	52		48490 FEDX SHIPPING	81.35	FEDX-JUNE
44191- 2608	52	7/16/2013	Logged	*** Total ***	81.35
44192- 2608	53	7/16/2013	25612 PIPERIN CORPORATION		
	53		48548 CONTRACT-LC PUMP STATION REHAB	8,400.00	LCPS-#01
	53		48551 RETENTION 5%-LC PS REHAB	-420.00	RETENTION #01
44192- 2608	53	7/16/2013	Logged	*** Total ***	7,980.00
44193- 2608	54	7/16/2013	25828 ANNE PAULSEN		
	54		48534 REFUND DEV PAULSEN #656	.48	PAULSEN
44193- 2608	54	7/16/2013	Logged	*** Total ***	.48
44194- 2608	55	7/16/2013	27528 ROCKWELL CONSTRUCTION SERVICES		
	55		48479 ELECTRICAL CM SERVICES-LPS GEN	250.00	513
	55		48508 CM WORK @ BPS	500.00	512
44194- 2608	55	7/16/2013	Logged	*** Total ***	750.00
44195- 2608	56	7/16/2013	27617 ROBBIE'S ROAD HOUSE		
	56		48532 REFUND DEV ROBBIE RD HOUSE#574	2.50	ROBBIES RD
44195- 2608	56	7/16/2013	Logged	*** Total ***	2.50
44196- 2608	57	7/16/2013	28029 SAN DIEGO COUNTY CLERK		
	57		48585 SD CLERK FOR YOUNG ANNEX#853	50.00	SD CLERK#853
44196- 2608	57	7/16/2013	Logged	*** Total ***	50.00
44197- 2608	58	7/16/2013	28070 SAN DIEGUITO WATER DISTRICT		
	58		48496 WATER @ TANKER	3.98	TK645-JUNE'13
	58		48512 WATER @ BPS	80.75	BPS-JUNE'13

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
44197- 2608	58	7/16/2013	Logged		*** Total ***	84.73
44198- 2608	59	7/16/2013	28530	SAMURAI INC		
	59		48537	REFUND DEV SAMURAI #764	5.00	SAMURAI
44198- 2608	59	7/16/2013	Logged		*** Total ***	5.00
44199- 2608	60	7/16/2013	28595	SOUTHERN CONTRACTING COMPANY		
	60		48482	INSTALL EMERGENCY LIGHTING@DRY	1,815.20	3680
44199- 2608	60	7/16/2013	Logged		*** Total ***	1,815.20
44200- 2608	61	7/16/2013	28704	STAPLES BUSINESS ADVANTAGE		
	61		48494	TONER	464.36	8026133669
44200- 2608	61	7/16/2013	Logged		*** Total ***	464.36
44201- 2608	62	7/16/2013	30515	UNIFIRST CORPORATION		
	62		48556	OPEN PO-UNIFORMS/LAUNDRY SERVI	171.43	3601048264
	62		48569	OPEN PO-UNIFORMS/LAUNDRY SERVI	165.43	3601050251
	62		48570	OPEN PO-UNIFORMS/LAUNDRY SERVI	165.43	3601052244
44201- 2608	62	7/16/2013	Logged		*** Total ***	502.29
44202- 2608	63	7/16/2013	30520	UNDERGROUND SERVICE ALERT OF		
	63		48576	UNDERGROUND ALARM SERVICE	189.00	620130368
44202- 2608	63	7/16/2013	Logged		*** Total ***	189.00
44203- 2608	64	7/16/2013	30530	UNION TRIBUNE		
	64		48489	AD-LEGAL NOTICE	114.24	0000332279
44203- 2608	64	7/16/2013	Logged		*** Total ***	114.24
44204- 2608	65	7/16/2013	30551	CARLSBAD FUELS CORPORATION		
	65		48485	VEHICLE FUEL/GAS	1,539.82	20130621
44204- 2608	65	7/16/2013	Logged		*** Total ***	1,539.82
44205- 2608	66	7/16/2013	30580	UNITED WAY		
	66		48578	EMPLOYEE CONTRIBUTIONS	10.00	UNITED-7/10/13
44205- 2608	66	7/16/2013	Logged		*** Total ***	10.00
44206- 2608	67	7/16/2013	30723	SIEMENS INDUSTRY, INC.		
	67		48480	OPEN PO-BIOXIDE	9,361.31	901288623
44206- 2608	67	7/16/2013	Logged		*** Total ***	9,361.31
44207- 2608	68	7/16/2013	31232	VERIZON WIRELESS		
	68		48486	CELL PHONES	49.21	9707169489
44207- 2608	68	7/16/2013	Logged		*** Total ***	49.21
44208- 2608	69	7/16/2013	32124	WAVE CREST OCEANFRONT LLC		
	69		48528	REFUND DEV WAVECREST #792	5.00	WAVECREST-
44208- 2608	69	7/16/2013	Logged		*** Total ***	5.00
44209- 2608	70	7/16/2013	32271	WEST COAST SAFETY SUPPLY CO.,		
	70		48495	PARTS	102.23	170684067
44209- 2608	70	7/16/2013	Logged		*** Total ***	102.23

Run date: 07/15/2013 @ 16:17
Bus date: 07/16/2013

Leucadia Waste Water District
Check - Complete Detail

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
44210- 2608	71	7/16/2013	32314	WIEGAND NEGLIA CORP		
	71		48530	REFUND DEV #756-WIEGARD	5.00	WIEGARD
44210- 2608	71	7/16/2013	Logged	*** Total ***	5.00	
44211- 2608	72	7/16/2013	33227	XEROX CORPORATION		
	72		48563	OPEN PO-SERVICE/MAINTENANCE	67.28	068837553
44211- 2608	72	7/16/2013	Logged	*** Total ***	67.28	
					.00	
** Total check discount **					.00	
** Total check amount **					204,933.66	
** Total void discount **					.00	
** Total void amount **					.00	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
44212- 2609	1	7/24/2013	10167 ACACIA GASOLINE & CAR WASH		
	1		48619 OPEN PO-VEHICLE/TRUCK GAS	59.45	2714
44212- 2609	1	7/24/2013	Logged *** Total ***	59.45	
44213- 2609	2	7/24/2013	10530 ANUE WATER TECHNOLOGIES		
	2		48651 SEALS, RINGS, REFLECTOR	499.00	1026
44213- 2609	2	7/24/2013	Logged *** Total ***	499.00	
44214- 2609	3	7/24/2013	12028 CNEA-		
	3		48644 CNEA CERT-RENEWAL-T.A.PLANT MA	77.00	070750039
44214- 2609	3	7/24/2013	Logged *** Total ***	77.00	
44215- 2609	4	7/24/2013	12112 JEFF BILLS		
	4		48629 OPEN PO-CONSULTING FEES	3,000.00	CC-7/15/13
44215- 2609	4	7/24/2013	Logged *** Total ***	3,000.00	
44216- 2609	5	7/24/2013	12585 COUNTY OF SAN DIEGO		
	5		48658 HAZARDOUS MAT PERMIT RENEW @SP	292.00	HUPFP205002
	5		48659 HAZARDOUS MAT. PERMIT RENEW @B	292.00	HUPFP205003
	5		48660 HAZARDOUS MAT PERMIT @LCPS	292.00	HUPFP205004
44216- 2609	5	7/24/2013	Logged *** Total ***	876.00	
44217- 2609	6	7/24/2013	13014 DIAMOND ENVIRONMENTAL SERVICES		
	6		48661 PORTABLE RESTROOM	102.18	000055930
44217- 2609	6	7/24/2013	Logged *** Total ***	102.18	
44218- 2609	7	7/24/2013	13072 DATA NET		
	7		48640 IS MAINT AND SUPPORT	390.00	9745468
	7		48641 IS MAINT AND SUPPORT	46.62	9745478
44218- 2609	7	7/24/2013	Logged *** Total ***	436.62	
44219- 2609	8	7/24/2013	13323 WHITE NELSON DIEL EVANS LLP		
	8		48633 OPEN PO-CONTRACT-AUDITORS	4,275.00	136324
44219- 2609	8	7/24/2013	Logged *** Total ***	4,275.00	
44220- 2609	9	7/24/2013	13822 DUDEK & ASSOCIATES		
	9		48597 GE/3252/866/YOGURTLAND	60.00	20132520
	9		48598 GE/3252/865/HYMETTUS	450.00	20132519
	9		48599 GE/3252/593/L.C. TOWNE	547.91	20132506
	9		48600 GE/3251/100/GRADING PLANS	150.00	20132505
	9		48601 GE/3252/596/ASTOR GARDENS	660.00	20132509
	9		48602 GE/3252/648/SHERIDEN RD	372.43	20132508
	9		48603 GE/3252/699/HYMETTUS	150.00	20132509
	9		48604 GE/3252/723/VULCAN OCEAN	90.00	20132510
	9		48605 GE/3252/808/SEASIDE RIDGE	90.00	20132511
	9		48606 GE/3252/817/OLIVEHAIN RD	3,263.13	20132513
	9		48607 GE/3252/844/LC TOWN	1,989.22	20132514
	9		48608 GE/3252/853/YOUNG ANNEX	990.00	20132515
	9		48609 GE/3252/855/LC TOWN SQUARE	600.00	20132516
	9		48610 GE/3252/858/MASHAYEKAN ANNEX	840.00	20132517
	9		48611 GE/3252/864/ENCINITAS VILLAS	510.00	20132518
44220- 2609	9	7/24/2013	Logged *** Total ***	10,762.69	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
44221- 2609	10	7/24/2013	15813 MC GRAW-HILL		
	10		48620 NOTICE FOR BIDS-GRAVITY PIPELI	1,212.68	A35222501
44221- 2609	10	7/24/2013	Logged	*** Total ***	1,212.68
44222- 2609	11	7/24/2013	16580 GOVERNMENT FINANCE OFFICER ASS		
	11		48650 RENEWAL-GFOA-13-14	160.00	0125001-2013
44222- 2609	11	7/24/2013	Logged	*** Total ***	160.00
44223- 2609	12	7/24/2013	17023 HADRONEX		
	12		48622 WORK @BPS,CAUDOR ST, ALTIVA ,	1,946.64	2512
44223- 2609	12	7/24/2013	Logged	*** Total ***	1,946.64
44224- 2609	13	7/24/2013	17247 U.S. HEALTH WORKS MEDICAL GROU		
	13		48628 OPEN PO-PHYSICALS/TESTING	70.00	2321996-CA
44224- 2609	13	7/24/2013	Logged	*** Total ***	70.00
44225- 2609	14	7/24/2013	17532 HOSTWAY BILLING CENTER		
	14		48639 QTRLY BILLING-JULY-OCT 2013	65.85	4049631
44225- 2609	14	7/24/2013	Logged	*** Total ***	65.85
44226- 2609	15	7/24/2013	18150 ICMA RETIREMENT-303979		
	15		48653 DEFERRED COMP-ICMA	3,136.38	ICMA-7/24/13
44226- 2609	15	7/24/2013	Logged	*** Total ***	3,136.38
44227- 2609	16	7/24/2013	18212 INFRASTRUCTURE ENGINEERING COR		
	16		48591 L1 FORCE MAIN CORROSION EVALUA	2,320.35	7040
	16		48593 L1 FORCE MAIN DESTRUCTIVE TEST	998.65	7040-
	16		48595 LPS GENERATOR REPLACEMENT	3,380.00	7038
	16		48596 LC PS REHAB PROJECT	2,000.00	7039
	16		48617 CONTRACT-BPS ENGINEERING SERVI	530.00	7037
44227- 2609	16	7/24/2013	Logged	*** Total ***	9,229.00
44228- 2609	17	7/24/2013	18212 INFRASTRUCTURE ENGINEERING COR		
	17		48594 GRAVIETY LINE REHAB PROJECT	14,975.15	7042
44228- 2609	17	7/24/2013	Logged	*** Total ***	14,975.15
44229- 2609	18	7/24/2013	18576 INTERSTATE BATTERIES OF SAN DI		
	18		48656 BATTERY-RODDER TRUCK	95.19	860009314
44229- 2609	18	7/24/2013	Logged	*** Total ***	95.19
44230- 2609	19	7/24/2013	22532 MIRA MESA WINDOW CLEANING		
	19		48652 WINDOW CLEANING	1,230.00	260
44230- 2609	19	7/24/2013	Logged	*** Total ***	1,230.00
44231- 2609	20	7/24/2013	2306B NATIONWIDE RETIREMENT SOLUTION		
	20		48642 FEFERRED COM-NATIONWIDE	216.25	NATION-7/24/13
44231- 2609	20	7/24/2013	Logged	*** Total ***	216.25
44232- 2609	21	7/24/2013	24111 AMERICAN REPROGRAPHICS CO.,LLC		
	21		48621 PLANS & SPECS FOR GRAVITIY PIP	1,989.61	7036722
44232- 2609	21	7/24/2013	Logged	*** Total ***	1,989.61

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
44233- 2609	22	7/24/2013	24224 OFFICE DEPOT, INC.		
	22		48618 OPEN PO-OFFICE SUPPLIES	66.42	665099382001
	22		48635 OPEN PO-OFFICE SUPPLIES	82.56	664997381001
44233- 2609	22	7/24/2013	Logged *** Total ***	148.98	
44234- 2609	23	7/24/2013	25010 AT&T		
	23		48648 OFFICE ELEVATOR	181.80	6333461-7/13
	23		48655 ODOR CONTROL MODEM	44.89	4009-JULY'13
44234- 2609	23	7/24/2013	Logged *** Total ***	226.69	
44235- 2609	24	7/24/2013	25325 PIPE TOOLS SPECIALITIES		
	24		48623 2 TRACKS-30 CLEATS	1,187.76	2425
44235- 2609	24	7/24/2013	Logged *** Total ***	1,187.76	
44236- 2609	25	7/24/2013	25430 PLUMBERS DEPOT, INC		
	25		48615 MOTOR CABLES	66.54	PD-21103
	25		48616 PARTS	474.27	PD-21185
	25		48637 HOSES	827.30	PD-21698
44236- 2609	25	7/24/2013	Logged *** Total ***	1,368.11	
44237- 2609	26	7/24/2013	25613 PARADA PAINTING, INC		
	26		48625 PAINTING @ BPS	4,000.00	1585-2
44237- 2609	26	7/24/2013	Logged *** Total ***	4,000.00	
44238- 2609	27	7/24/2013	25618 PRIZM JANITORIAL SERVICES, INC		
	27		48626 OPEN PO-JANITORIAL SERVICES	1,281.15	7264
44238- 2609	27	7/24/2013	Logged *** Total ***	1,281.15	
44239- 2609	28	7/24/2013	26804 QUALITY CHEVROLET		
	28		48630 OPEN PO-VEHICLE MAINT/REPAIR	887.71	CTCS451521
44239- 2609	28	7/24/2013	Logged *** Total ***	887.71	
44240- 2609	29	7/24/2013	27012 RANCHO SANTA FE SECURITY SYSTE		
	29		48657 ALARM SYSTEM	258.00	529233
44240- 2609	29	7/24/2013	Logged *** Total ***	258.00	
44241- 2609	30	7/24/2013	27478 R. J. SAFETY SUPPLY CO., INC.		
	30		48631 OPEN PO-SAFETY SUPPLIES	166.80	315329-00
44241- 2609	30	7/24/2013	Logged *** Total ***	166.80	
44242- 2609	31	7/24/2013	28020 SAN DIEGO GAS AND ELECTRIC		
	31		48664 ELECTRIC @ DIANA PS	548.00	DIANA PS-7/2013
	31		48665 ELECTRIC @ EEPS	1,136.93	EEPS-JULY'13
	31		48666 ELECTRIC @ E. ESTATES	803.26	E.ESTATES-7/13
	31		48667 ELECTRIC @ OFFICE/LPS	12,036.88	OFFICE/LPS-7/13
	31		48668 ELECTRIC @ VP5	325.29	VP5-7/13
	31		48669 ELECTRIC @ RANCHO VERDE PS	144.67	RVPS-JULY'13
	31		48670 ELECTRIC @ LC PS	1,321.75	LCPS-JULY'13
	31		48671 GAS @ OFFICE/LPS	116.34	OFFICE-GAS
	31		48672 ELECTRIC @ VP7	182.58	VP7-JULY'13
	31		48673 ELECTRIC @ SAXONY PS	838.39	SAXONY-JULY'13
	31		48674 ELECTRIC @ AVOCADO PS	174.22	AVOCADO-JULY'13

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n	Description	Net amount	INVOICE NUMBER
	31		48675	NAT GAS @ EE	2.28	EE-GAS-7/13
44242- 2609	31	7/24/2013	Logged	*** Total ***	17,630.59	
44243- 2609	32	7/24/2013	28020	SAN DIEGO GAS AND ELECTRIC		
	32		48663	ELECTRIC @ BPS	12,088.42	BPS-JULY'13
44243- 2609	32	7/24/2013	Logged	*** Total ***	12,088.42	
44244- 2609	33	7/24/2013	28035	SAN DIEGO DAILY TRANSCRIPT		
	33		48632	NOTICE FOR BIDS-GRAVITY PIPELI	840.00	00112316
44244- 2609	33	7/24/2013	Logged	*** Total ***	840.00	
44245- 2609	34	7/24/2013	28320	SHEA HOMES		
	34		48645	REFUND DEV #644	12,920.94	VULCAN HOMES
44245- 2609	34	7/24/2013	Logged	*** Total ***	12,920.94	
44246- 2609	35	7/24/2013	28590	SOUTH BAY FOUNDRY		
	35		48627	FRAME CVR SEWER	3,348.00	0134345-IN
44246- 2609	35	7/24/2013	Logged	*** Total ***	3,348.00	
44247- 2609	36	7/24/2013	28721	JEFFERY STECKER		
	36		48646	REIMBURSE JS FOR CWEA CONF	158.21	JS-CWEA
44247- 2609	36	7/24/2013	Logged	*** Total ***	158.21	
44248- 2609	37	7/24/2013	28844	ELAINE SULLIVAN		
	37		48649	REIMBURSE ES FOR CSDA CONF	44.07	CSDA-JULY'13
44248- 2609	37	7/24/2013	Logged	*** Total ***	44.07	
44249- 2609	38	7/24/2013	29225	TELEPACIFIC COMMUNICATIONS		
	38		48638	PHONE SYSTEM CHARGES	1,025.00	47905874-0
44249- 2609	38	7/24/2013	Logged	*** Total ***	1,025.00	
44250- 2609	39	7/24/2013	29630	TRI COMMUNITY ANSWERING SERVIC		
	39		48636	ANSWERING SERVICE-JULY	90.00	TRI-7/20/13
44250- 2609	39	7/24/2013	Logged	*** Total ***	90.00	
44251- 2609	40	7/24/2013	29814	TIERRA VERDE RESOURCES, INC		
	40		48634	LANDSCAPE MAINTENANCE SERVICES	730.00	058974
44251- 2609	40	7/24/2013	Logged	*** Total ***	730.00	
44252- 2609	41	7/24/2013	30515	UNIFIRST CORPORATION		
	41		48624	OPEN PO-UNIFORMS/LAUNDRY SERVI	165.43	3601054269
44252- 2609	41	7/24/2013	Logged	*** Total ***	165.43	
44253- 2609	42	7/24/2013	30580	UNITED WAY		
	42		48643	EMPLOYEE CONTRIBUTIONS	10.00	UNITED-7/24/13
44253- 2609	42	7/24/2013	Logged	*** Total ***	10.00	
44254- 2609	43	7/24/2013	31232	VERIZON WIRELESS		
	43		48654	CELL PHONE CHARGES	559.49	9707831427
44254- 2609	43	7/24/2013	Logged	*** Total ***	559.49	
44255- 2609	44	7/24/2013	32128	WOODYS CRANE SERVICE		

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
	44		48647 CRANE SERVICE	375.00	2095
44255- 2609	44	7/24/2013	Logged	*** Total ***	375.00
44256- 2609	45	7/24/2013	32347 DEXTER WILSON ENGINEERING		
	45		48592 SSMP AUDIT FY 2013	2,555.00	0613.06.2551
44256- 2609	45	7/24/2013	Logged	*** Total ***	2,555.00
44257- 2609	46	7/24/2013	32500 WORDEN WILLIAMS, APC		
	46		48662 LEGAL FEES-JUNE	4,751.95	32860
44257- 2609	46	7/24/2013	Logged	*** Total ***	4,751.95
				.00	
** Total check discount **				.00	
** Total check amount **				121,231.99	
** Total void discount **				.00	
** Total void amount **				.00	

LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: July 24, 2013

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
16833 - 16849	7/24/2013	\$41,810.87

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
44258- 2610	1	8/01/2013	10167 ACACIA GASOLINE & CAR WASH		
	1		48686 OPEN PO-VEHICLE/TRUCK GAS	130.61	2719
44258- 2610	1	8/01/2013	Logged	*** Total ***	130.61
44259- 2610	2	8/01/2013	11314 BERGELECTRIC CORP		
	2		48689 OPEN PO-ELECTRICAL REPAIRS-BPS	266.40	13910.6TH-6
44259- 2610	2	8/01/2013	Logged	*** Total ***	266.40
44260- 2610	3	8/01/2013	12005 CSDA-SAN DIGO CHAPTER		
	3		48704 CSDA QTRLY DINNER-AUGUST	234.00	CSDA-8/15/13
44260- 2610	3	8/01/2013	Logged	*** Total ***	234.00
44261- 2610	4	8/01/2013	12025 CSRMA		
	4		48696 DEDUCTIBLE CLAIM-RUBIN	320.50	2777
44261- 2610	4	8/01/2013	Logged	*** Total ***	320.50
44262- 2610	5	8/01/2013	12510 WASTE MANAGEMENT		
	5		48702 TRASH SERVICE	235.06	11063020274
44262- 2610	5	8/01/2013	Logged	*** Total ***	235.06
44263- 2610	6	8/01/2013	12529 CO'S TRAFFIC CONTROL, INC		
	6		48685 OPEN PO-TRAFFIC CONTROL	1,250.00	00043469
44263- 2610	6	8/01/2013	Logged	*** Total ***	1,250.00
44264- 2610	7	8/01/2013	13072 DATA NET		
	7		48692 IS MAINT AND SUPPORT	70.00	9745483
44264- 2610	7	8/01/2013	Logged	*** Total ***	70.00
44265- 2610	8	8/01/2013	14530 ENCINA WASTEWATER AUTHORITY		
	8		48677 QTRLY LAB WORK-APRIL-JUNE	1,854.75	1330
44265- 2610	8	8/01/2013	Logged	*** Total ***	1,854.75
44266- 2610	9	8/01/2013	16603 W. W. GRAINGER, INC		
	9		48703 OIL	97.63	1187265806
44266- 2610	9	8/01/2013	Logged	*** Total ***	97.63
44267- 2610	10	8/01/2013	16806 THE GUARDIAN		
	10		48691 DENTAL AND DISABILITY INS-AUGU	3,832.79	00324226-AUG'13
44267- 2610	10	8/01/2013	Logged	*** Total ***	3,832.79
44268- 2610	11	8/01/2013	17060 HARTFORD LIFE & ACCIDENT INS.		
	11		48693 LIFE INS-AUGUST	373.00	6406635-0
44268- 2610	11	8/01/2013	Logged	*** Total ***	373.00
44269- 2610	12	8/01/2013	18711 I2B NETWORKS, INC		
	12		48690 CONTRACT-1 YR OF WEB CAM @BPS	160.00	19516
44269- 2610	12	8/01/2013	Logged	*** Total ***	160.00
44270- 2610	13	8/01/2013	21227 LEE'S LOCK & SAFE		
	13		48697 LOCKS FOR TRUCK 154	200.00	CT00069642
44270- 2610	13	8/01/2013	Logged	*** Total ***	200.00

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligation	Description	Net amount	INVOICE NUMBER
44271- 2610	14	8/01/2013	22031 MAURICIO AVALOS			
	14		48705 TUITION REIMBURSED-M.AVALOS		1,850.00	MA-TUITION
44271- 2610	14	8/01/2013	Logged	*** Total ***	1,850.00	
44272- 2610	15	8/01/2013	25010 AT&T			
	15		48700 DIAL IN MODEM		163.53	MODEM7047006
	15		48701 DIAL IN MODEM		150.32	MODEM2130272
44272- 2610	15	8/01/2013	Logged	*** Total ***	313.85	
44273- 2610	16	8/01/2013	25018 MES VISION			
	16		48694 VISION INS-AUGUST		332.33	131892183001
44273- 2610	16	8/01/2013	Logged	*** Total ***	332.33	
44274- 2610	17	8/01/2013	25261 PUBLIC EMPLOYEES HEALTH			
	17		48707 BRD HEALTH INS-AUG		2,625.46	14077681
	17		48708 EMPLOYEES HEALTH INS-AUG		22,081.40	100000014077681
44274- 2610	17	8/01/2013	Logged	*** Total ***	24,706.86	
44275- 2610	18	8/01/2013	25430 PLUMBERS DEPOT, INC			
	18		48678 PARTS		45.53	PD21117
	18		48679 CABLES		380.33	PD21113
44275- 2610	18	8/01/2013	Logged	*** Total ***	425.86	
44276- 2610	19	8/01/2013	25577 PURCHASE POWER			
	19		48698 FEDX SHIPPING		125.17	FEDX-7/2013
	19		48699 POSTAGE FOR METER		419.99	POSTAGE-7/2013
44276- 2610	19	8/01/2013	Logged	*** Total ***	545.16	
44277- 2610	20	8/01/2013	27729 RICHARD STINSON			
	20		48680 CONSTRUCTION MANAGEMENT		450.00	#60-
	20		48681 CONSTRUCTION MGMT BPS REHAB PR		3,350.00	#60-6586
	20		48682 LC PS REHAB-CM SERVICES		100.00	#60-6719
	20		48683 LANIKAI TRUNK SEWER LINING-CM		250.00	#60-6729
	20		48684 CM SERVICES FOR ABESUL & PERSA		3,300.00	#60-6884
44277- 2610	20	8/01/2013	Logged	*** Total ***	7,450.00	
44278- 2610	21	8/01/2013	29730 T.S. INDUSTRIAL SUPPLY			
	21		48706 MARKING PAINT		46.80	1060575
44278- 2610	21	8/01/2013	Logged	*** Total ***	46.80	
44279- 2610	22	8/01/2013	30515 UNIFIRST CORPORATION			
	22		48687 OPEN PO-UNIFORMS/LAUNDRY SERVI		171.43	3601056252
44279- 2610	22	8/01/2013	Logged	*** Total ***	171.43	
44280- 2610	23	8/01/2013	30551 CARLSBAD FUELS CORPORATION			
	23		48688 OPEN PO-VEHICLE/TRUCK GAS		2,006.95	20130718
44280- 2610	23	8/01/2013	Logged	*** Total ***	2,006.95	
44281- 2610	24	8/01/2013	32220 WATER ENVIRONMENT FEDERATION			
	24		48695 WEF RENEWAL-J.STECKER-2013-201		228.00	9000190940
44281- 2610	24	8/01/2013	Logged	*** Total ***	228.00	

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
					.00	
** Total check discount **					.00	
** Total check amount **					47,101.98	
** Total void discount **					.00	
** Total void amount **					.00	

LEUCADIA WASTEWATER DISTRICT
BOARD PAYROLL CHECK REPORT

Payroll Date: August 2, 2013

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
16850 - 16854	8/2/2013	\$1,310.58

LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: August 7, 2013

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
16855 - 16870	8/7/2013	\$39,608.93

LEUCADIA WASTEWATER DISTRICT
YEAR TO DATE EMPLOYEE AND BOARD PAYROLL AMOUNTS
2012

JULY

7/2/2012	Board		\$1,945.37
7/11/2012	Employee		\$40,854.29
7/12/2012	Employee	Incentive	\$471.75
7/25/2012	Employee		<u>\$42,637.62</u>
	TOTAL		\$85,909.03

AUGUST

8/1/2012	Board		\$785.47
8/8/2012	Employee		\$41,296.94
8/16/2012	Employee	Incentive	\$7,868.47
8/22/2012	Employee		<u>\$40,720.55</u>
	TOTAL		\$90,671.43

SEPTEMBER

9/1/2012	Board		\$6,568.88
9/5/2012	Employee		\$41,965.13
9/19/2012	Employee		<u>\$41,524.85</u>
	TOTAL		\$90,058.86

OCTOBER

10/3/2012	Employee		\$42,421.82
10/4/2012	Board		\$4,456.94
10/10/2012	Employee	Incentive	\$10,110.97
10/17/2012	Employee		\$41,680.86
10/31/2012	Employee		<u>42116.35</u>
	TOTAL		\$140,786.94

NOVEMBER

11/1/2012	Board		\$2,012.01
11/14/2012	Employee		\$43,134.66
11/28/2012	Employee		<u>\$42,969.32</u>
	TOTAL		\$88,115.99

DECEMBER

12/5/2012	Board		\$2,026.21
12/6/2012	Employee	Sick Buyback	\$21,044.19
12/12/2012	Employee		\$43,673.45
12/13/2012	Employee	Incentive	\$1,370.58
12/26/2012	Employee		<u>\$42,554.29</u>
	TOTAL		\$110,668.72

JANUARY

2013

1/4/2013	Board		\$1,321.02
1/9/2013	Employee		\$42,304.21
1/23/2013	Employee		<u>\$41,451.15</u>
	TOTAL		\$85,076.38

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

FEBRUARY

2/4/2013	Board		\$5,179.70
2/6/2013	Employee		\$44,012.52
2/13/2013	Employee	Incentive	\$842.98
2/14/2013	Employee	Incentive	\$5,791.35
2/20/2013	Employee		<u>41618.3</u>
	TOTAL		\$97,444.85

MARCH

3/4/2013	Board		\$2,677.64
3/6/2013	Employee		\$42,984.05
3/14/2013	Employee	Incentive	\$6,433.08
3/20/2013	Employee		<u>\$41,961.15</u>
	TOTAL		\$94,055.92

APRIL

4/1/2013	Board		\$4,752.45
4/3/2013	Employee		\$42,294.48
4/10/2013	Employee	Incentive	\$369.40
4/17/2013	Employee		<u>\$41,933.79</u>
	TOTAL		\$89,350.12

MAY

5/1/2013	Employee		\$42,947.64
5/2/2013	Board		\$4,563.02
5/2/2013	Employee	Robey	\$3,959.83
5/15/2013	Employee		\$40,159.09
5/22/2013	Employee	Butts	\$3,100.61
5/29/2013	Employee		\$38,523.15
5/31/2013	Employee	Butts	<u>\$17,681.58</u>
	TOTAL		\$150,934.92

JUNE

6/3/2013	Board		\$5,209.24
6/12/2013	Employee		\$42,002.57
6/13/2013	Employee	Incentive	\$3,420.71
6/26/2013	Employee		<u>\$38,956.28</u>
	TOTAL		\$89,588.80

JULY

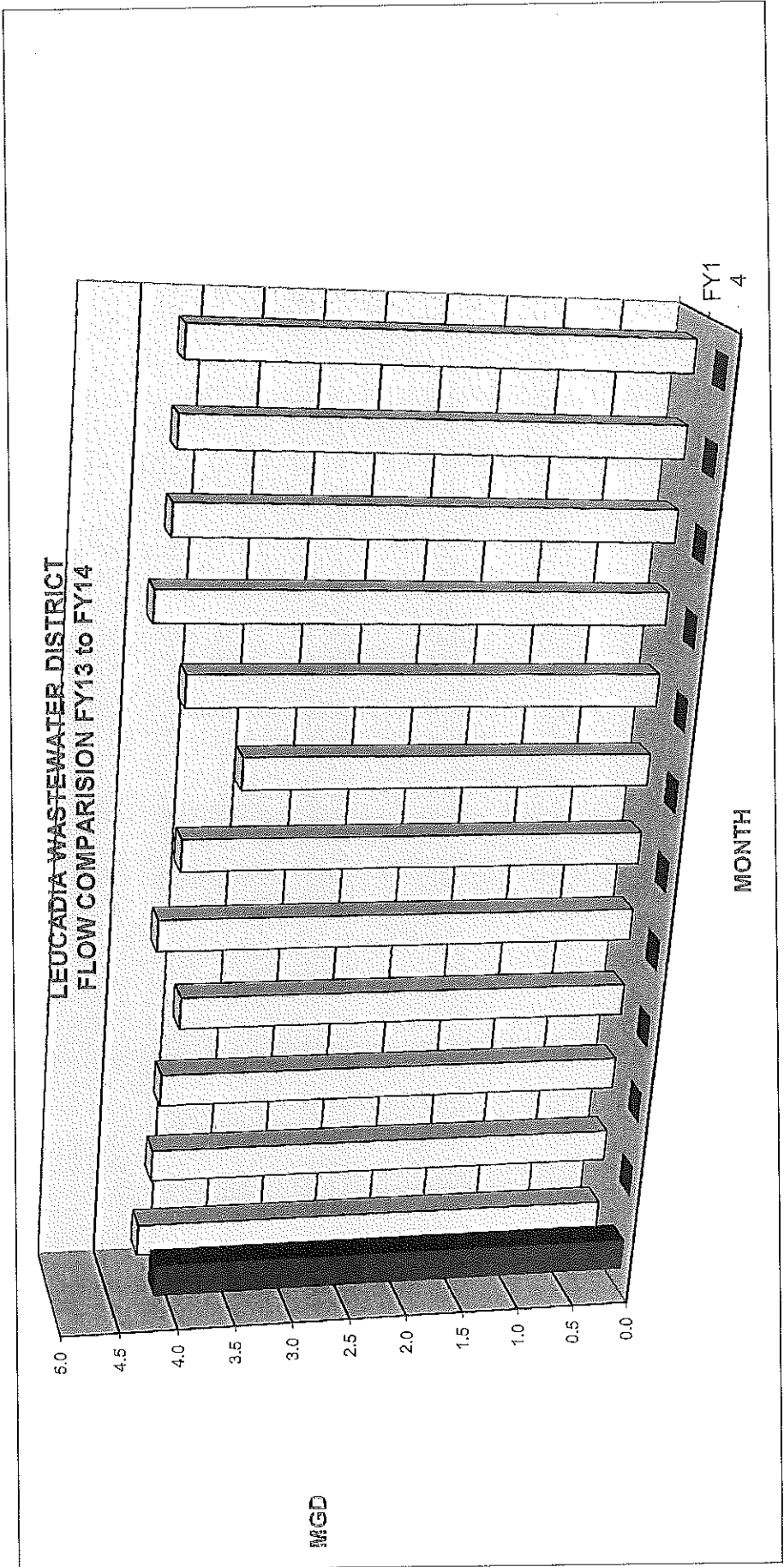
7/3/2013	Board		\$1,835.49
7/10/2013	Employee		\$38,532.35
7/24/2013	Employee		<u>\$41,810.87</u>
	TOTAL		\$82,178.71

AUGUST

8/2/2013	Board		\$1,310.58
8/7/2013	Employee		<u>\$39,608.93</u>
	TOTAL		\$40,919.51

**LEUCADIA WASTEWATER DISTRICT
OPERATIONS REPORT
FISCAL YEAR 2013-2014**

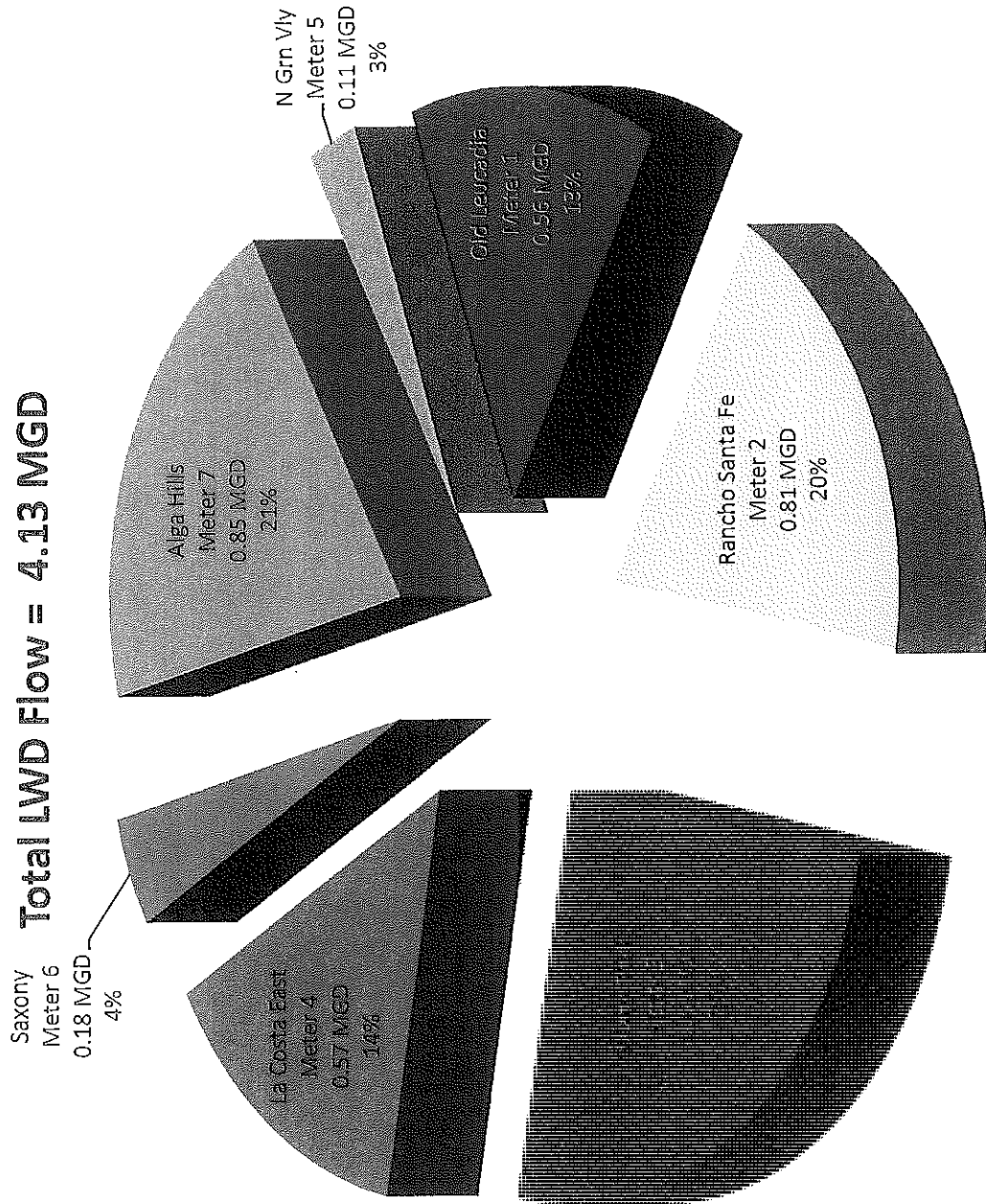
CURRENT MONTH - July 2013										FY 2013-2014	
Period	Total Rain Inches	Total Flow MG	Total EDU's 27,939	LWD ADF (MGD)	GPD/EDU	RECLAIMED ADF (ac-ft/mo)					ADF (MGD)
JULY	0.01	129.58	-3	4.18	150	28.94					4.21
YTD		129.58	27,936								4.12
AUGUST											4.08
YTD											4.18
SEPTEMBER											4.02
YTD											3.54
OCTOBER											4.06
YTD											4.36
NOVEMBER											4.25
YTD											4.25
DECEMBER											4.24
YTD											4.22
JANUARY											
YTD											
FEBRUARY											
YTD											
MARCH											
YTD											
APRIL											
YTD											
MAY											
YTD											
JUNE											
YTD											
Annual Total	0.01	129.58	-3	4.18	150	28.94					4.10
Mo Average	0.01	129.58	-3	4.18	150	28.94					4.10



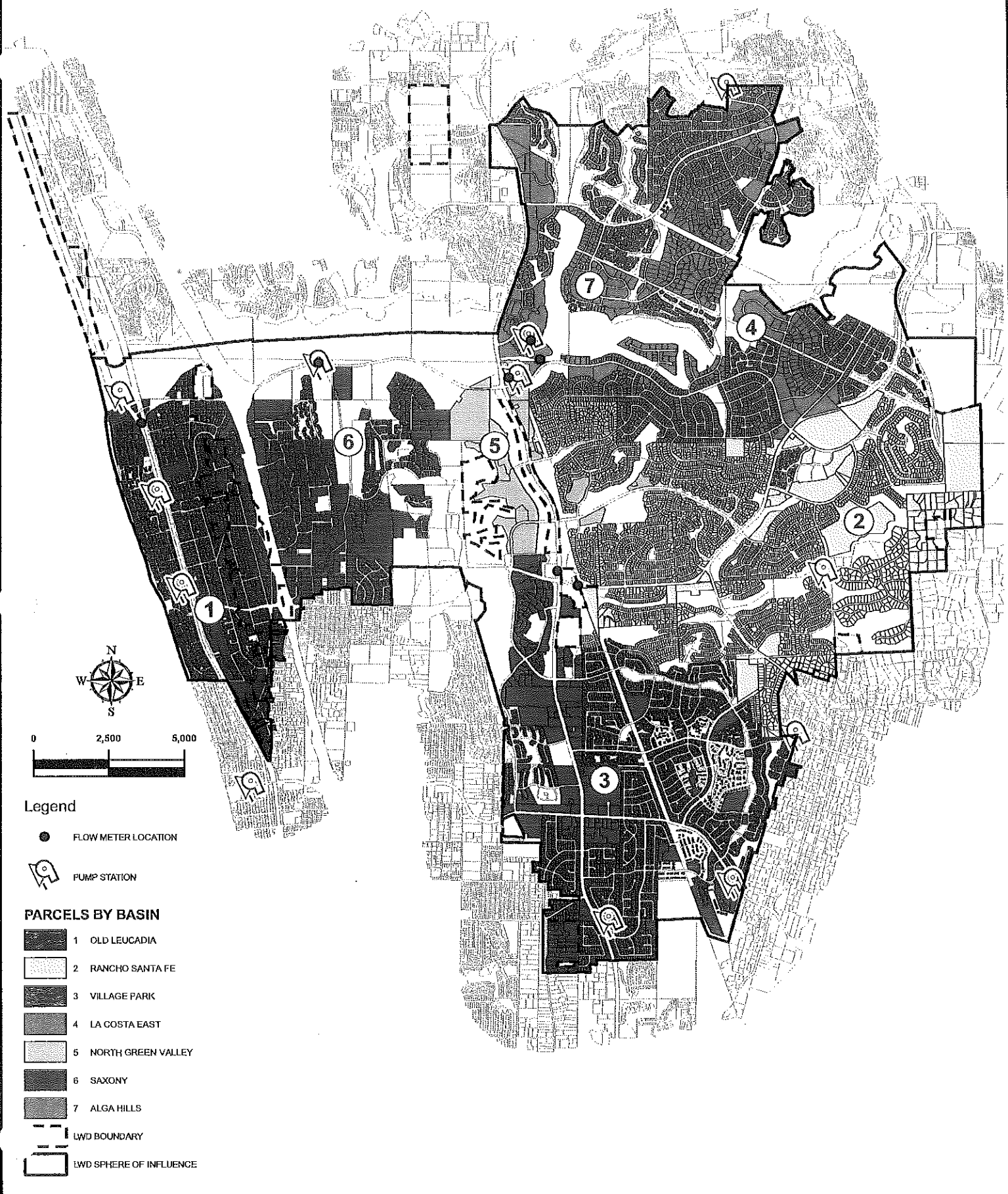
LWD Flows by Sub-Basin

July 2013

Total LWD Flow = 4.13 MGD



LEUCADIA WASTEWATER DISTRICT












Legend

● FLOW METER LOCATION

⊕ PUMP STATION

PARCELS BY BASIN

-  1 OLD LEUCADIA
-  2 RANCHO SANTA FE
-  3 VILLAGE PARK
-  4 LA COSTA EAST
-  5 NORTH GREEN VALLEY
-  6 SAXONY
-  7 ALGA HILLS
-  LWD BOUNDARY
-  LWD SPHERE OF INFLUENCE

TEEC IDLA WASTEWATER DISTRICT
SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS
As of July 31, 2013

ASSETS	
Cash and Investment Pools	\$ 30,131,502.93
Investments	6,688,678.06
Accounts Receivable	66,805.58
Funds Held with Encina Wastewater Authority	906,849.00
Prepaid Expenses	666,001.13
Capital Assets	130,718,856.00
Less Accumulated Depreciation	(46,519,048.96)
TOTAL ASSETS	\$ 122,659,643.74
LIABILITIES	
Accounts Payable and Accrued Expenses	517,143.51
Developer Deposits	367,174.49
TOTAL LIABILITIES	\$ 884,318.00
NET ASSETS	
Net Investment in Capital Assets	86,970,327.21
Restricted Reserves	2,326,289.56
Unrestricted Operating Reserve	2,248,650.77
Unrestricted Non-Operating Reserves (Designated)	23,181,060.77
Unrestricted Emergency Reserve	7,500,000.00
YTD Revenue over (under) Expenditures	(451,002.57)
TOTAL NET ASSETS	\$ 121,775,325.74

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

LEUCADIA WASTEWATER DISTRICT
BUDGET PERFORMANCE REPORT
YTD Revenue and Expenditures Through 7/31/2011 with Annual Budget

OPERATING REVENUES AND EXPENSES					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
OPERATING REVENUES AND TRANSFERS					
OPERATING REVENUES					
SEWER SERVICE	3110	\$ 72,804.90	\$ 7,200,186.00	7,127,381.10	1.0%
RECLAIMED WATER SALES	3150	-	180,000.00	180,000.00	0.0%
OTHER OPERATING INCOME		500.00	204,448.00	203,948.00	0.2%
TOTAL OPERATING REVENUE		\$ 73,304.90	\$ 7,584,634.00	\$ 7,511,329.10	1.0%
OPERATING EXPENSES					
WAGES AND BENEFITS	4100 & 4200	\$ 136,588.95	\$ 2,353,951.00	\$ 2,217,362.05	5.8%
BOARD EXPENSES AND ELECTION	4300 & 4400	5,388.20	140,600.00	135,211.80	3.8%
DEPRECIATION EXPENSE	4510	270,000.00	-	(270,000.00)	n/a
REPLACEMENT EXPENSE	4515	-	1,510,179.00	1,510,179.00	n/a
FUELS	4600	61.73	46,000.00	45,938.27	0.1%
INSURANCE	4700	17,567.82	117,000.00	99,432.18	15.0%
MEMBERSHIP & DUES	4800	759.00	26,500.00	25,741.00	2.9%
OFFICE EXPENSE	4900	9,102.54	108,900.00	99,797.46	8.4%
OPERATING SUPPLIES	5000	1,177.52	217,900.00	216,722.48	0.5%
PROFESSIONAL SERVICES	5200	12,211.62	536,000.00	523,788.38	2.3%
PRINTING & PUBLISHING	5300	-	32,000.00	32,000.00	0.0%
RENTS & LEASES	5400	1,056.30	18,100.00	17,043.70	5.8%
REPAIR & MAINTENANCE	5500	21,017.21	320,700.00	299,682.79	6.6%
MONITORING & PERMITTING	5600	876.00	45,500.00	44,624.00	1.9%
TRAINING & DEVELOPMENT	5700	2,412.43	40,700.00	38,287.57	5.9%
UTILITIES	5900	31,948.23	418,600.00	386,651.77	7.6%
LAFCO OPERATIONS	6100	6,137.00	6,200.00	63.00	99.0%
ENCINA	6200	-	1,763,422.00	1,763,422.00	0.0%
TOTAL OPERATING EXPENSES		\$ 516,304.55	\$ 7,702,252.00	\$ 7,185,947.45	6.7%

NON-OPERATING REVENUES					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
NON OPERATING REVENUES					
CAPACITY CHARGES	3130	-	\$ 120,180.00	\$120,180.00	0.0%
PROPERTY TAXES	3220	-	1,250,000.00	1,250,000.00	0.0%
INTEREST INCOME	3250	16,014.00	228,000.00	211,986.00	7.0%
OTHER NON OPERATING INCOME		-	1,089,288.00	1,089,288.00	0.0%
TOTAL NON OPERATING REVENUES		\$ 16,014.00	\$ 2,687,468.00	\$ 2,671,454.00	0.6%

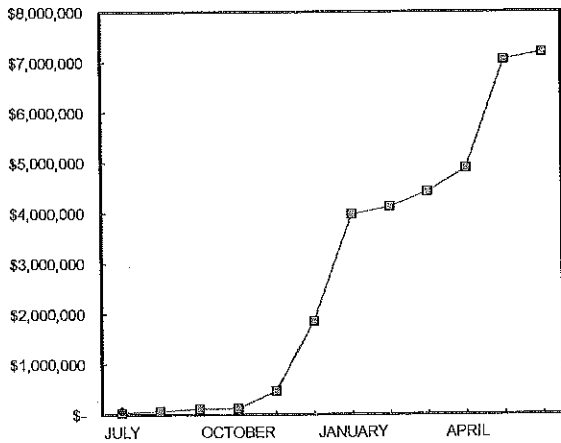
Preliminary: subject to future review, reconciliation, accruals, and audit.

Leucadia Wastewater District

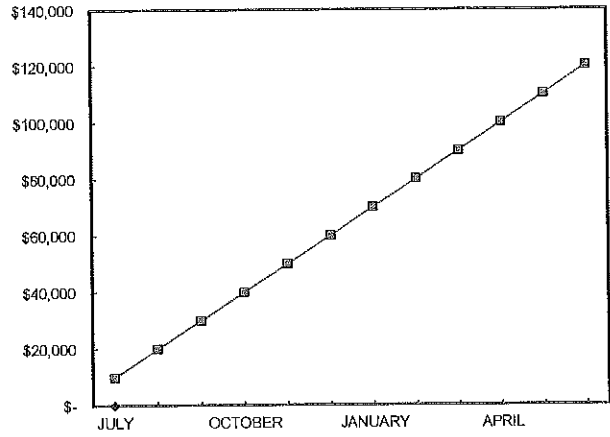
Revenue FY 2014

YTD through July 31, 2013

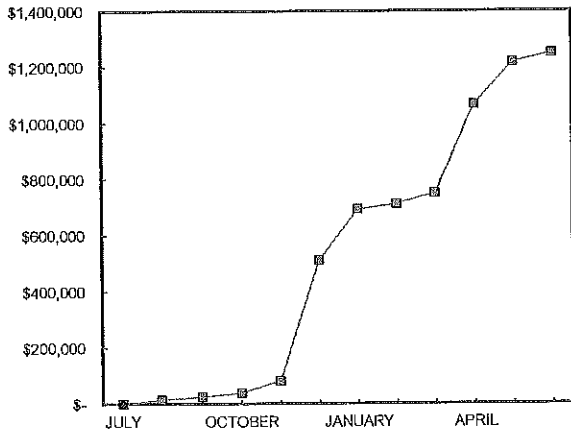
Sewer Service Fees



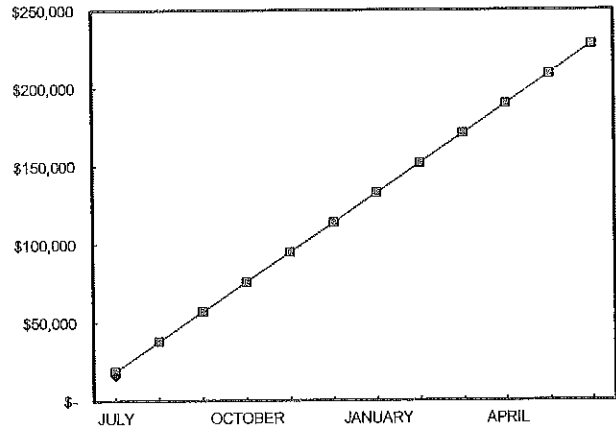
Capacity Charges



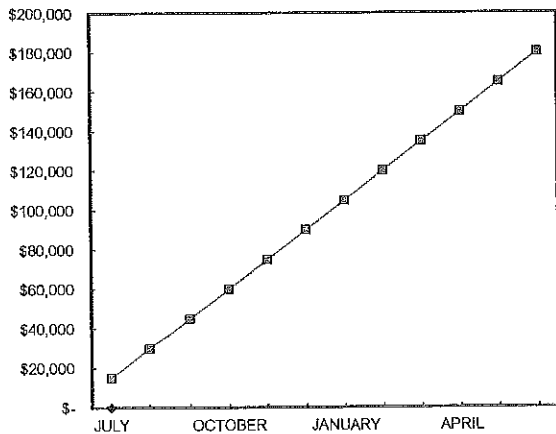
Property Taxes



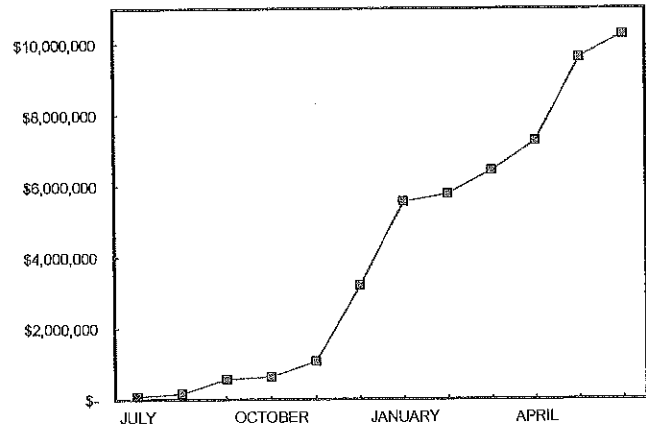
Investment Income



Recycled Wastewater



Total Revenue



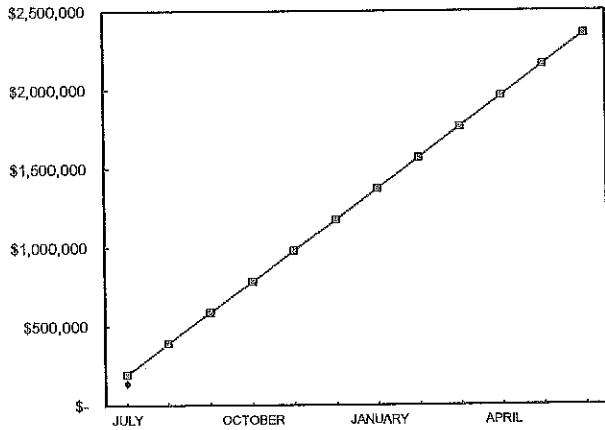
—□— Budget —◆— Actual

—□— Budget —◆— Actual

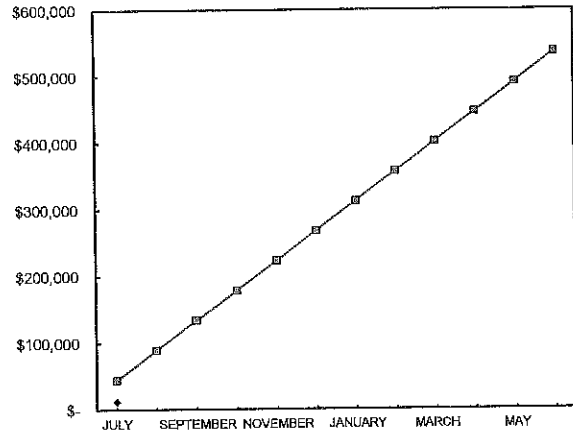
* Preliminary: subject to future review, reconciliation, accruals, and audit

Leucadia Wastewater District Operating Expenses FY 2014 YTD through July 31, 2013

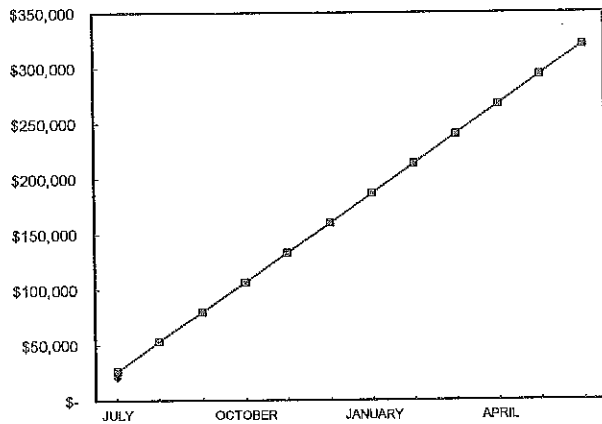
Salaries and Benefits



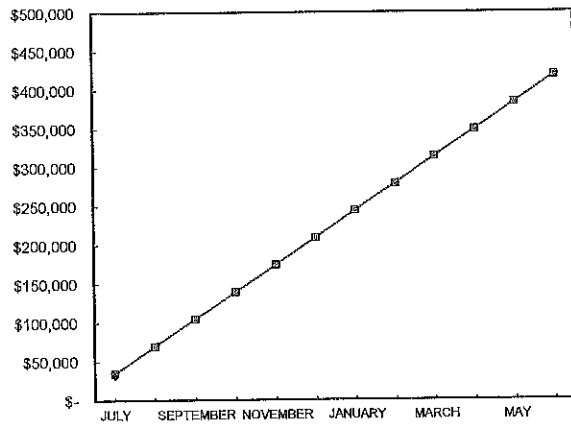
Professional Services



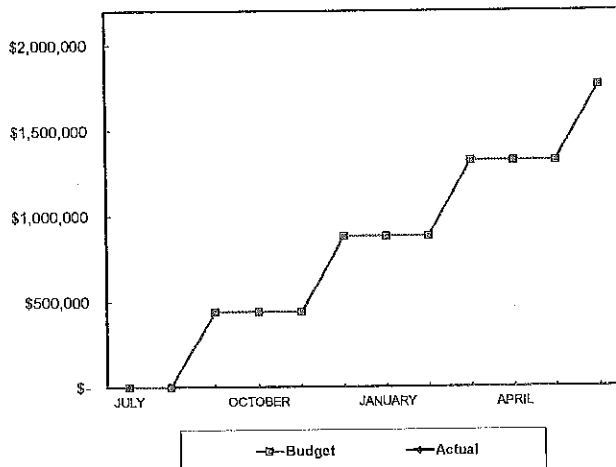
Repairs & Maintenance



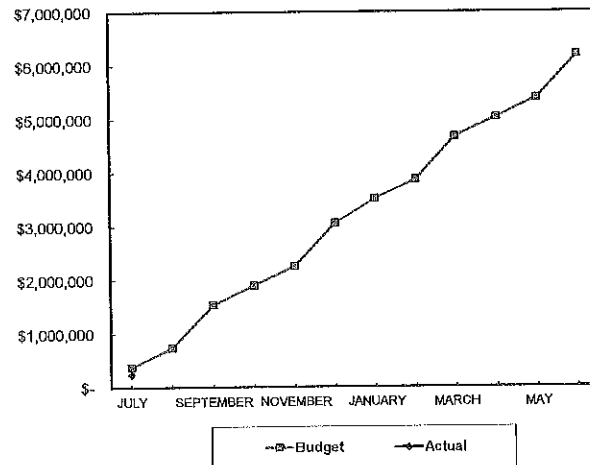
Utilities



Encina M&O



Total Operating Expenses - Before Depreciation & Replacement

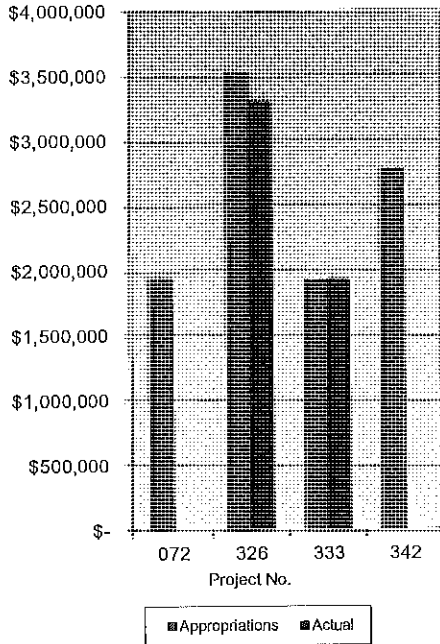


* Preliminary: subject to future review, reconciliation, accruals, and audit

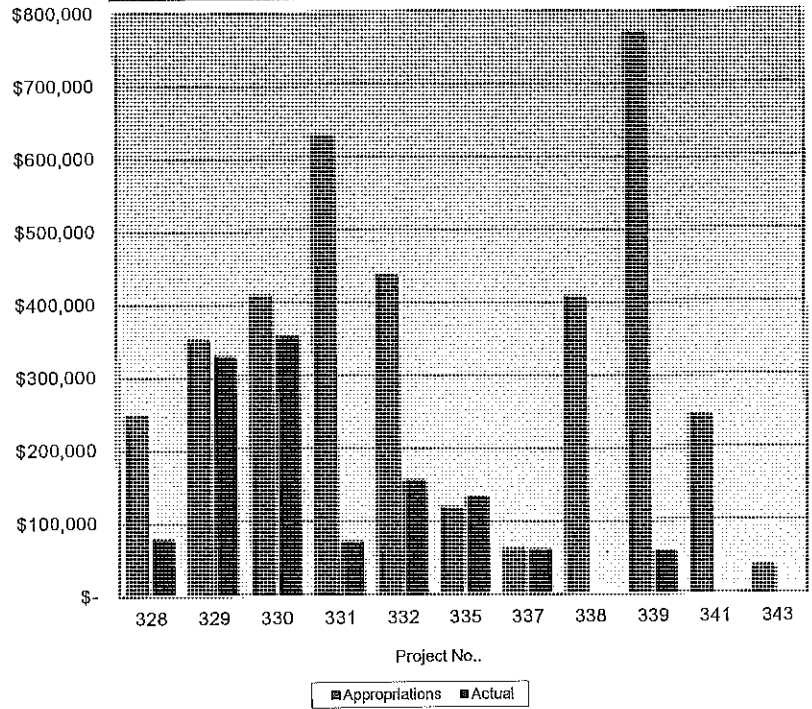
Leucadia Wastewater District Capital Expenditures

As of July 31, 2013

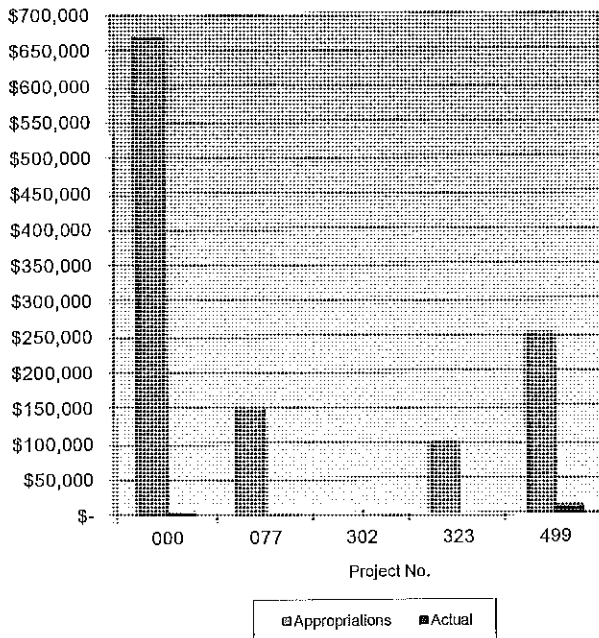
District Multi Year Capital Expenditures by Project Through FY2014



District Multi Year Capital Expenditures by Project (Continued) Through FY2014



Single Year Capital Expenditures by Project FY2014



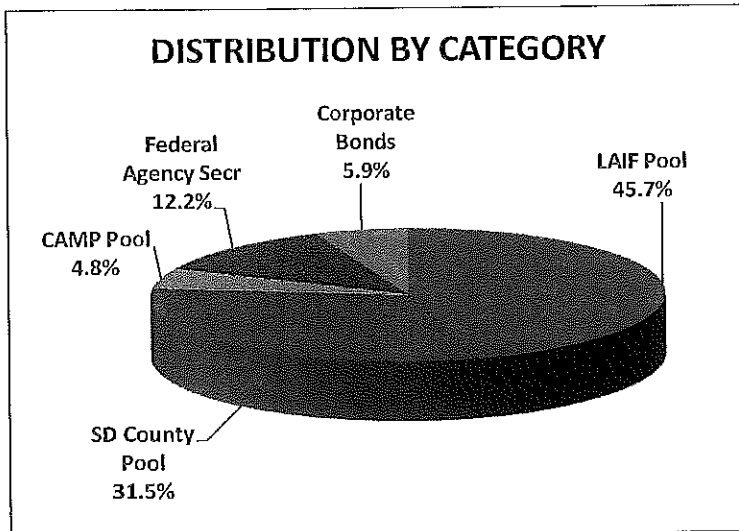
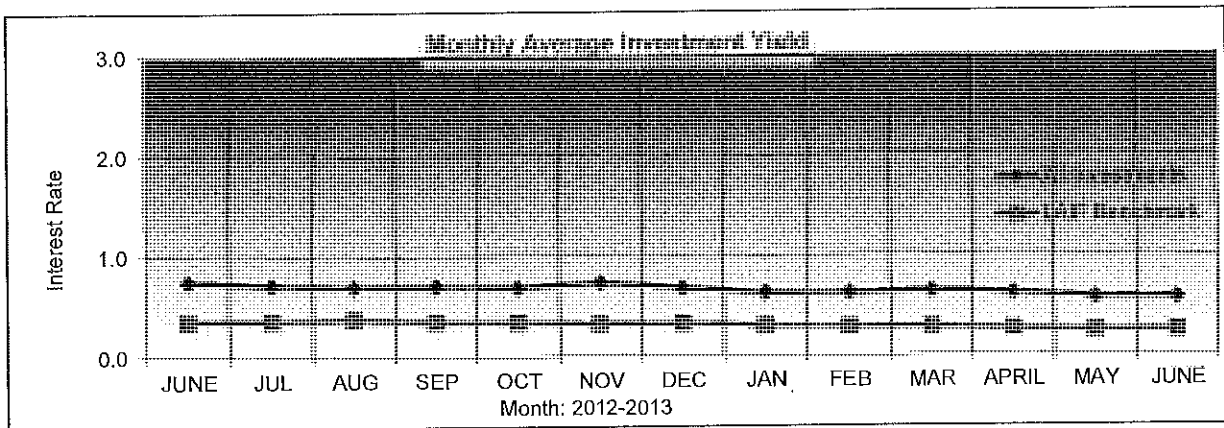
Project Legend

Multi-Year Capital Projects	
Description	No.
Encina Wastewater Authority	072
Batiquitos PS Rehabilitation	326
Water Recycling Group	328
Occidental Line Rehab	329
Lanikai Line Repair	330
Leucadia PS Generator Replacement	331
La Cost PS Rehabilitation	332
Force Main Corrosion Project	333
Asset Mgmt Plan Update	335
Leucadia Force Main Corrosion Eval	337
Recycled Water Effluent Line Repair	338
Gravity Pipeline Rehabilitation	339
Scott's Valley Pipeline Repair	341
B2 Force Main Replacement Project	342
Pump Station Condition Assessment	343
Single Year Capital Projects	
Description	No.
Equipment	000
Misc Pipeline Rehabilitation	077
Professional Services	302
Lateral Replace/Backflow Prevention	323
LWD Gen'l Cap Labor & O/H Allocation	499

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

LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
June 30, 2013

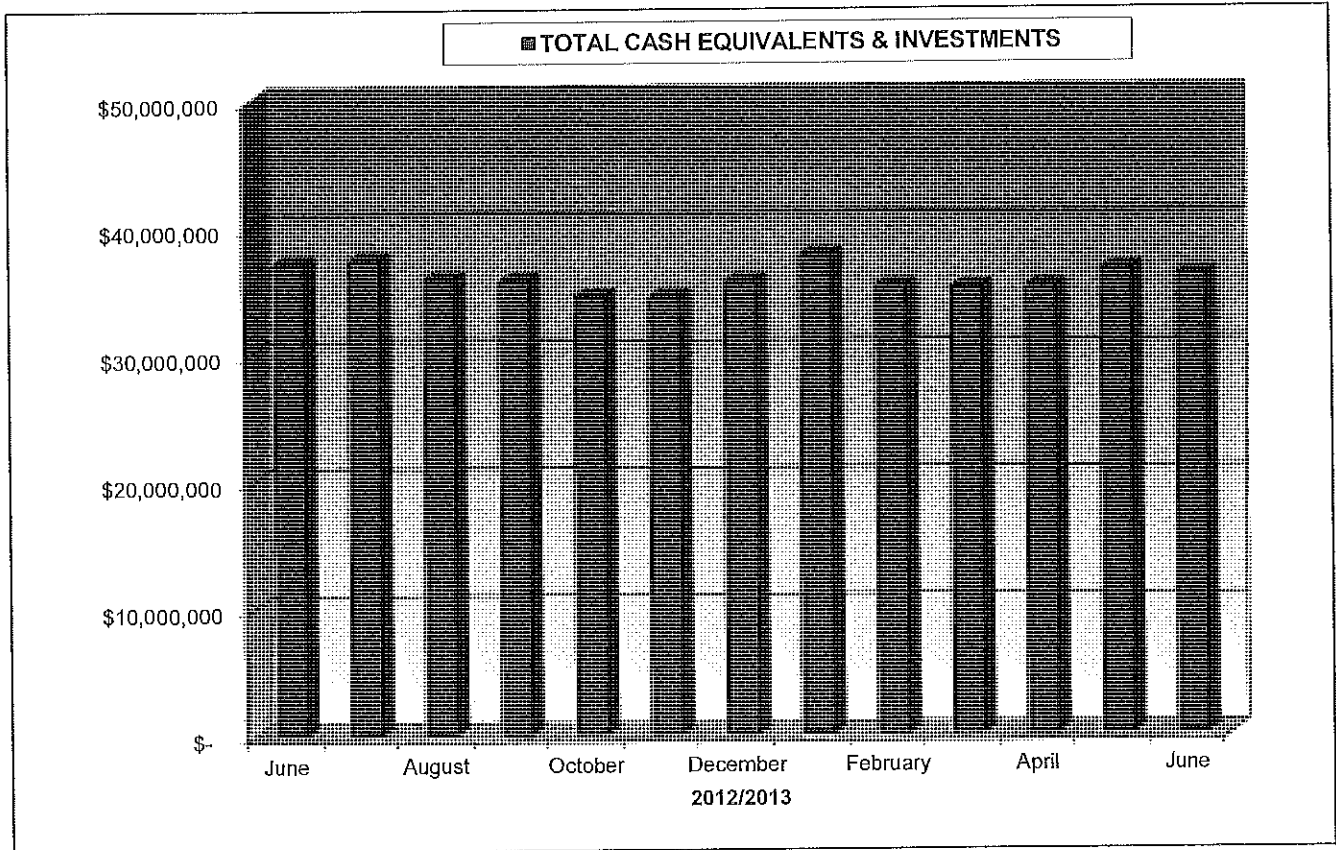
Cash Equivalents & Investments	Principal (Original Cost)		June Interest	Average Rate	
	May 31, 2013	June 30, 2013			
LAIF Pool	\$ 16,924,311	\$ 16,437,311	\$ 3,392	0.244%	x
SD County Pool	11,341,927	11,341,927	3,885	0.411%	x
CAMP Pool	1,728,370	1,731,394	140	0.100%	x
CAMP Portfolio					
Corporate Notes	2,110,490	2,110,490	2,515	1.430%	x
Federal Agency Bonds/Notes	4,009,763	4,009,763	2,640	0.790%	x
GNMA mortgage pools	13,377	13,179	101	8.710%	x
Total Camp Portfolio	6,133,630	6,133,432	5,256	1.020%	
US Bank Custodial Account					
Resolution Funding Corp Strips at cost	360,020	360,020	4,481	14.936%	x
Total Custodial Funds	360,020	360,020	4,481	14.936%	
Totals	\$ 36,488,258	\$ 36,004,084	\$ 17,153	0.568%	



Allocation Percentages of LWD Investments by Type (Actual and Allowable)		
Investment Type	Actual %	Allowed %
LAIF Pool	45.7%	75%
SD County Pool	31.5%	75%
CAMP Pool	4.8%	75%
Federal Agency Secur	12.2%	75%
Corporate Bonds	5.9%	10%
TOTAL	100.0%	

LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
June 30, 2013
(Continued)

TOTAL CASH EQUIVALENTS & INVESTMENTS		
Month 2012/2013	Amount	Average Return Rate
June	\$ 37,113,152	0.76%
July	\$ 37,385,271	0.72%
August	\$ 35,846,588	0.70%
September	\$ 35,691,658	0.70%
October	\$ 34,453,724	0.69%
November	\$ 34,421,762	0.74%
December	\$ 35,626,032	0.68%
January	\$ 37,679,049	0.63%
February	\$ 35,286,170	0.62%
March	\$ 35,058,974	0.64%
April	\$ 35,148,917	0.62%
May	\$ 36,488,258	0.57%
June	\$ 36,004,084	0.57%



LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
June 30, 2013
(Continued)

INVESTMENT TRANSACTIONS
For the month of June, 2013


Investment	Purchases	Maturities	Sales	Notes	YTM at Cost
GNMA MBS 30-yr Pools		\$ 200		(1)	8.71%
TOTAL	\$ -	\$ 200	\$ -		

(1) Monthly principal payments from mortgage pools

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

MEMORANDUM

Ref: 14-3799

DATE: August 8, 2013
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **LWD QUARTERLY TREASURER'S INVESTMENT REPORT**

RECOMMENDATION:

Staff requests that the Board of Directors:

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

DISCUSSION:

In accordance with California Government Code Section #53646 LWD is encouraged to render the Quarterly Treasurer's Investment Report to the Board of Directors for its consideration. For your convenience, staff has developed a one page summary of LWD's investments for the quarter ending June 30, 2013 (see attached). A copy of the full Quarterly Treasurer's Investment Reports has been enclosed for your review.

rd:PB

Attachment
Enclosure

**LEUCADIA WASTEWATER DISTRICT
 QUARTERLY TREASURER'S REPORT SUMMARY
 SUMMARY OF INVESTMENTS AT June 30,2013**

ASSETS	AMORTIZED COST 6/30/2013	% OF TOTAL	
		Actual	Allowed
LAIF - STATE INVESTMENT POOL	\$ 15,485,828.00	43.0%	75.0%
SAN DIEGO COUNTY INVESTMENT POOL	11,341,927.00	31.5%	75.0%
CAMP - JPA INVESTMENT POOL	1,731,394.00	4.8%	75.0%
CAMP PORTFOLIO - US BANK Safekeeping			
Federal Agency - GNMA Pools	13,196.00	0.04%	See below
Federal Agency Bond Notes	4,003,317.00	11.1%	See below
Corporate Notes	2,102,508.00	5.8%	10.0%
	6,119,021.00		
US BANK - CUSTODIAL ACCOUNTS			
Resolution Funding Corp Strips @Cost, Purchased 5/25/1995	360,020.00		
Interest Earned - Amortized Discount* (1)	973,454.54		
	1,333,474.54	3.7%	See below
TOTAL INVESTMENTS	\$ 36,011,644.54	100.0%	
Total Federal & Federal Agency Investments		5,349,987.54	14.9% 75%

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

INTEREST FOR THE QUARTER ENDED June 30,2013

MONTH
April
May
June
TOTALS

INTEREST EARNED	AVERAGE RETURN
\$ 18,713.00	0.62%
17,654.00	0.57%
17,000.00	0.57%
\$ 53,367.00	

MEMORANDUM

Ref: 14-3754

DATE: August 8, 2013
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Revised Procurement Policy



RECOMMENDATION:

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

1. Adopt Resolution No. 2238 approving LWD's revised Procurement Policy;
2. Receive and file the annual review of the Procurement Policy; and
3. Discuss and take other action, as appropriate.

DISCUSSION:

The IFC reviewed this item at their July 29, 2013 meeting and recommended that it be forwarded to the full Board for consideration.

The Leucadia Wastewater District (LWD) Procurement Policy was adopted by the Board of Directors on March 9, 2005. It was last revised on August 15, 2012. 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 an annual review of the existing policy. Based on this review, which was listed as a Tactical Goal in the FY 2014 Tactics and Action Plan, staff is recommending several administrative changes that clarify language in the policy.

Overall, LWD's Procurement Policy continues to provide prudent purchasing controls and guidelines for the District. 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 recommend that the Board of Directors: (1) adopt Resolution No. 2238 approving LWD's revised Procurement Policy; (2) receive and file the annual review of the policy; and (3) discuss and provide direction, as appropriate.

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. 2238

**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 review 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. 2227.

PASSED AND ADOPTED by the Board of Directors of Leucadia Wastewater District this 14th day of August, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Elaine Sullivan, President

ATTEST:

Paul J. Bushee, Secretary/Manager

(SEAL)

Attachment 1



LEADERS IN
ENVIRONMENTAL
PROTECTION

LEUCADIA WASTEWATER DISTRICT

PROCUREMENT POLICY

Ref: 14-3779

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 ~~2227~~38 adopted by the Board of Directors on August ~~15~~4, 201~~2~~3.

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 2226 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, a 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 and 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.

Bid Security: The deposit of cash, certified check, cashier's check, bank draft, money order, or bid bond submitted with a bid and serving to guarantee to the owner that the bidder, if awarded the contract, will execute such contract in accordance with the bidding requirements and the contract documents.

Continuing Services: When a vendor or firm has satisfactorily completed one phase in the development of a project, that vendor or firm may be retained for a subsequent phase of work if their continued service is determined to be in the best interest of the District.

Construction Services: Services typically associated with the physical construction and/or installation of equipment necessary to improve or replace the District's infrastructure. For the purposes of this policy, landscape, janitorial and uniform rental services shall follow the procedures associated with this category.

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

Goods: An item moveable at the time LWD executes the Purchase Order for its procurement; equipment or supplies specially manufactured for LWD; installation of 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 Professional and Construction 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.

Performance Bond: A written guaranty from a third party guarantor (usually a bank or an insurance company) submitted to the District by a contractor on winning the bid. A performance bond ensures payment of a sum (not exceeding a stated maximum) of money in case the contractor fails in the full performance of the contract.

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.

Professional Services: Services that are professional in nature and do not include the physical construction or/ or installation of equipment for the District's infrastructure. Services in this category include engineering design, architectural services, public information services, financial services, strategic planning services and legal services. Other similar services would also be part of this category.

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

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 agreement by LWD.

6. Open Market Procurements for Goods (\$5,000 or less) and Professional Services and Construction 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) and Construction Services (\$25,000.01 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 Request for 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 Request for Quote Distribution and Evaluation: Unless impracticable, LWD shall distribute the Request for 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 Request for 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 material, 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.

Nothing in this policy shall prohibit staff from utilizing a formal bid process if deemed to be in the best interest of the District. If a formal bid process is elected, the procedures in Section 9 below shall be followed.

8. Informal Procurements for Professional 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 authorize the procurement.
- 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 for Goods and Construction Services (\$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 All formal procurements must be approved by the Board of Directors.

10. Formal Procurements for Professional 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,
 - A draft public notice. and,
 - A suggested list of prospective consultants to receive the RFP/RFQ .
- 10.2. 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 authorize the procurement.
- 10.3. 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.
- 10.4. 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. Once the qualified firms have been determined, only those firms will be invited by the General Manager to submit proposals (RFP) for evaluation.
- 10.5. 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.
- 10.6. Negotiation. The General Manager or his/her designee 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.
- 10.7. 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 Manager, 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.
 - When a vendor or firm possesses unique knowledge of LWD or is providing continuance of service as described in paragraph 12.4, Continuing Services.
- 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 and/or Board of Directors..
- C. Sole source procurements shall comply with all award threshold requirements set forth in this Policy.

11.2 Emergency

If an emergency arises and there is insufficient time to comply with the otherwise applicable procurement 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.

Encina Wastewater Authority Report
Regular Board Meeting
July 24, 2013

EWA Board of Directors - Directors Juliussen and/or Sullivan reporting.

1. Resolution No. 2013-04 – Appropriating Funds for FY 2014 Operating and Capital Budgets & Establishing Controls Thereon.

The Board of Directors adopted Resolution No. 2013-04, Appropriating Funds for FY 2014 Operating and Capital Budgets & Establishing Controls Thereon.

2. Adoption of the Energy and Emissions Strategic Plan Projects Mitigated Negative Declaration.

The Board of Directors adopted the final energy and emissions strategic plan projects program mitigated negative declaration including the mitigation monitoring and reporting plan; and directed staff to file a Notice of Determination with the clerk of the County Board of Supervisors.

3. Fiscal Year 2014 Draft Tactical Plan

The Board of Directors approved the Fiscal Year 2014 Tactical Plan.

EWA Executive Session Items

4. The Board of Directors met in Executive Session to:

- Conference with Labor Negotiator, Kevin Hardy as authorized by Government Code section 54957.6; and

There was no reportable action.

Investment & Finance Meeting Report

Presented by Director Hanson

Meeting held July 29, 2013

1. FY 2013 Financial Audit Entrance meeting with White Nelson Diehl Evans, LLP.

The IFC participated in the 2013 Financial Audit Entrance meeting with staff, and CPAs David Forman and Harvey Schroeder from White Nelson Diehl Evans, LLP. Mr. Schroeder discussed the summary of documents that will be reviewed by their audit team and the audit schedule.

2. Annual Review of the LWD Procurement Policy and Adopt Resolution No. 2238- Approving LWD's revised Procurement Policy.

The Committee conducted its Annual Review of the LWD Procurement Policy. Staff is recommending a few minor changes to the policy.

The Committee reviewed the recommended changes and suggested a minor revision. Staff stated that they will make the change to the policy.

The IFC agreed with staff to present this item to the Board of Directors to receive and file the annual review and adopt Resolution No. 2238 Approving the Revised Procurement policy under the consent calendar.

Engineering Committee Meeting Report

Presented by Director Juliussen

Meeting held on August 7, 2013

1. The EC reviewed the L1 Force Main Internal Corrosion Evaluation Project report completed by Infrastructure Engineering Corporation.

The EC concurred with staff to present this recommendation to the Board of Directors to receive and file. Since the FY 14 Budget did not include funding to conduct the assessment, the EC suggested that staff amend the recommendation to include a request for a mid-year appropriation to the budget to conduct the assessment this fiscal year. This item it will be discussed later in the agenda.

2. The EC reviewed a purchase order to purchase two (2) replacement Vapex odor control units for Batiquitos and Leucadia Pump Stations from Vapex Environmental Technologies in an amount not to exceed \$143,450.

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

3. The EC reviewed a purchase order to purchase a new Computerized Maintenance Management System (CMMS) for Field Services from iWater, Incorporated in an amount not to exceed \$97,000.

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

4. The EC reviewed a professional services agreement with Rockwell Construction Services for the Supervisory Control and Data Acquisition (SCADA) System Central Upgrade Project in an amount not to exceed \$65,500.

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

Community Affairs Committee Meeting Report

Presented by Director Omsted

Meeting held August 8, 2013

1. Review the Fall 2013 newsletter proposed article topics and production schedule.

The CAC reviewed and agreed with the following newsletter article topics, along with the production schedule:


- Cover story will focus on this past year's review & updating future planning documents
- Inside major story will discuss recycled water & the Gafner Treatment Plant
- Teacher Grant Program
- A story about the problems that disposable wipes are causing in the collection system

2. The CAC reviewed updates on the following:

- Website Update included review of several web developers and choosing a web developer that best fits LWD website upgrade needs.

MEMORANDUM

Ref: 14-3795

DATE: August 8, 2013
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: L1 Force Main Internal Corrosion Evaluation Project Report

RECOMMENDATION:

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

1. Receive and file the L1 Force Main Internal Corrosion Evaluation Project Report completed by Infrastructure Engineering Corporation.
2. Approve an additional appropriation to the Fiscal Year 2014 Budget for the Leucadia Force Main Corrosion Evaluation Project in the amount of \$378,000 to complete a subsequent condition assessment of the entire length of the L1 Force Main.
3. Discuss and take other action as appropriate.

DISCUSSION:

This item was reviewed by the Engineering Committee (EC) at its August 7, 2013 meeting.

In May 2010, the Board of Directors received and filed the Force Main External Corrosion Control Evaluation Report completed by RFYeager Engineering (Yeager). That report was completed as a component of a Force Main Corrosion Study conducted by Dexter Wilson Engineering (DWE). As a result of the study, DWE recommended the first step for the District was to complete cathodic protection improvements to force mains L2, B2 and B3. That project was completed in February 2013 by Farwest Corrosion Control Company. The next step was to conduct a corrosion inspection of the ductile iron L1 Force Main by removing a section of the force main between Interstate 5 and Coast Highway 101.

In March 2013, the Board of Directors authorized the execution of an Agreement with Piperin Corporation for construction services to complete the L1 Force Main Internal Corrosion Evaluation Project. The project called for the removal of a ten (10) foot section of the L1 Force Main to be used to conduct the corrosion evaluation. The section selected for removal was the point of highest elevation of the L1 Force Main, the location where internal corrosion has the greatest probability of occurring. When the section was removed, District personnel performed Closed Circuit Television (CCTV) inspections of the adjoining sections of the force main. Yeager conducted the assessment of the sample section of pipe, reviewed the CCTV video and reported their findings to Infrastructure Engineering Corporation (IEC). IEC evaluated Yeager's findings to provide a recommendation of remaining service life of the L1 Force Main.

As a result of the evaluation, IEC recommends that the District discontinue use of the L1 Force Main until the District completes further condition assessments of the L1 Force Main. A copy of the report is attached for your review. Jamie Fagnant, of IEC, will present the report to the Board.

Because the need for a subsequent condition assessment was not anticipated, funds were not appropriated in the Fiscal Year (FY) 2014 Budget to conduct an additional assessment. Staff intended to budget for and complete the assessment in FY 2015. However, during the EC's review and discussion of this item, Director Juliussen recommended that Staff not delay the assessment and request an additional appropriation to the FY 2014 Budget to complete the condition assessment of the entire length of the L1 Force Main. Director Kulchin agreed with this approach.

Additionally, Staff believes it is prudent to conduct a similar inspection of the B3 Force Main. The B3 Force Main was installed in 1988. The District's Asset Management Plan uses a 25 year service life for a metallic-based force main. Inspecting both force mains in one project allows the District to take advantage of the economy of scale in the inspection price and efficiencies in design and project administration.

IEC provided a cost estimate of \$378,000 for the force main inspection project. The cost estimate includes the inspection of both force mains and soft costs associated with the project, such as design and construction management. Therefore, it is requested that the Board approve an additional appropriation of \$378,000 for the Force Main Corrosion Evaluation Project.

FISCAL IMPACT:

Staff requests an additional appropriation to the FY 2014 Budget for the Leucadia Force Main Corrosion Evaluation Project in the amount of \$378,000.

rym:PJB

Attachment

**LEUCADIA WASTEWATER DISTRICT
L1 FORCE MAIN FOCUSED INTERNAL CORROSION EVALUATION PROJECT**

TECHNICAL MEMORANDUM

Date: June 27, 2013 – First Draft
July 29, 2013 – Final

Subject: **SUMMARY OF DESTRUCTIVE TESTING OF THE L1 FORCE MAIN AND
SUBSEQUENT RECOMMENDATIONS**

Prepared By: Jamie Fagnant, P.E.
Reviewed By: Robert S. Weber, P.E.



PURPOSE

The purpose of this technical memorandum is to provide recommendations on the remaining service life of the existing L1 Force Main based on the results of the destructive testing performed in May 2013.

SUMMARY

IEC recommends the District discontinue use of the L1 force main and initiate planning for a thorough, alignment wide condition assessment. The planning level cost estimate to perform such a condition assessment is on the order of \$250,000. The conceptual cost to replace the L1 force main with a new 24" PVC force main is approximately \$7.9 million dollars. Due to the high cost of replacement, IEC recommends the District perform the additional condition assessment to explore the possibility of performing isolated repairs if necessary in order to put the existing force main into service.

BACKGROUND

The L1 and L2 force mains are redundant 24" ductile iron pipe force mains that convey raw sewage from the Leucadia Pump Station approximately 14,000 feet along La Costa Avenue to the Batiquitos Gravity Sewer. L1 was installed in 1979 and is composed of 24" ductile iron pipe with a poly-liner at the high points and cement mortar lined elsewhere. L2 was installed in phases, beginning in 1996 and ending in 2003 and is composed of PVC pipe with ductile iron fittings, a steel overcrossing at I5 and HDPE installed by horizontal directional drilling under El Camino Real.

The District had a study prepared on several sewer force mains by Dexter Wilson Engineering Inc. titled Leucadia Wastewater District Force Main Inspection Study for L1, L2, B2, and B3 dated July 28, 2009. This study recommended the installation of two sewer manholes and access points on the existing L1 force main for the purposes of inspection and maintenance. These sewer manholes would allow for destructive testing of the L1 force main along with continued access for CCTV inspections on a periodic basis. However, due to the associated cost for installation and maintenance of the sewer

manholes, and the limited nature of data received regarding corrosion from CCTV, the District elected to proceed with destructive testing only. The destructive testing was intended to evaluate the existing condition of the L1 sewer force main and expected lifespan as it relates to crown corrosion.

This inspection and report was not meant to address the possibility of soil side corrosion. The District currently has a managed cathodic protection system to address the issue of soil side corrosion, recently upgraded in the Force Main Cathodic Protection Refurbishment Project completed earlier this year.

DESTRUCTIVE TESTING RESULTS AND DISCUSSION

Results from the L1 force main sampling showed that the exterior of the polyethylene wrap surrounding the L1 force main was in good condition. The exterior of the pipe and the interior, however, showed missing or poorly adhered liner on the interior with significant corrosion both inside and on the exterior surface of the pipe. Several through wall perforations were found. CCTV inspection up and downstream showed further evidence of disbonded or missing liner and corresponding corrosion product. Further details of the conditions encountered are included in the attached letter reports by RF Yeager Engineering titled "L1 Force Main Corrosion Assessment".

The location selected for destructive testing was at a high point on the force main. In addition, the downstream portion of the force main partially drains by gravity to the Batiquitos Gravity Sewer when the force main is taken out of operation. This leaves the interior of the force main empty, but exposed to sewage, which is the ideal condition for the production of hydrogen sulfide gas and the corresponding internal corrosion caused by the reaction of the gas with water on the interior of the pipe, commonly referred to as crown corrosion. In this instance, the corrosion occurred, not only on the crown, but around the entire circumference of the pipe. These ideal conditions for internal hydrogen sulfide attack occur from the high point to approximately 750' downstream.

Based on visual observations from CCTV evidence of corrosion was greater downstream of the high point, however, corrosion was also present on the upstream side of the high point. Although, the condition of the force main cannot be known with any certainty, the presence of corrosion on the upstream side of the high point could be an indication of ongoing internal corrosion at other high points, and possibly even along the entire length of the force main. Although the absence of spills suggests the lack of further through wall perforations, the risk of failure is considered too high to continue use of the L1 force main. IEC recommends the L1 force main be taken out of service immediately and planning for an alignment wide condition assessment initiated.

PIPE FAILURE WITHOUT A SEWER SPILL

As originally designed, the location selected for destructive testing was operating as an open channel when in use and empty when out of service. However, the District has indicated that it had closed the valve to the air valve at the high point due to odor issues. This would have caused the force main to operate under a vacuum condition from the testing location (high point) to the discharge point when in operation. Although the pipe had multiple through wall perforations, the hydraulic conditions would have acted to keep sewage inside the pipe. The exterior of the polyethylene wrap showed no evidence of sewage contamination and the District's Construction Manager indicated that there was no odor of sewage, or evidence of seepage as the force main was excavated. The good exterior condition of the polyethylene wrap and the lack of evidence of soil contamination suggest that the hydraulic conditions

did keep the sewage contained and the pipe reached a failure condition without a sewer spill being realized.

NEXT STEPS

IEC recommends the District explore additional testing methods to further determine the existing condition of the rest of the force main. This recommendation stems from the high construction cost of replacing the L1 Force Main, estimated in the attached cost estimate at approximately \$7.9 million. Several conditions drive the cost of replacing L1 in place;

- extensive dewatering operations due to the presence of high groundwater from the Batiquitos Lagoon,
- complicated traffic control requirements along La Costa Avenue and,
- the necessity of crossing Interstate 5 which would likely entail a trenchless crossing such as a jack and bore, microtunnel, or horizontal directional drill.

Based on the advanced nature of the corrosion found at the destructive testing site, IEC recommends an alignment wide, linearly continuous testing method such as the SeeSnake, rather than isolated testing methods such as destructive testing, or spot testing via ultrasonic thickness testing. Isolated testing methods selectively provide accurate portrayals of localized crown corrosion, but may miss other areas of crown corrosion caused by construction defects and does not typically address soil side corrosion at all. Linearly continuous testing provides a more robust data set on which overall conclusions regarding repair or replacement of the force main may be made.

One example of a potential linearly continuous inspection technique is the use of the SeeSnake, a robotic, free swimming inspection machine that reports the full circumference thickness every 1/4" linearly along the force main. This information would allow the District to perform isolated repairs if necessary, instead of replacing the entire force main. A planning level estimate to perform the SeeSnake inspection is \$250,000. IEC recommends the District consider this and other linearly continuous inspection methods for implementation of inspection of the L1 Force Main.

LEUCADIA WASTEWATER DISTRICT
L1 Force Main
Engineer's Opinion of Probable Construction Cost² - Planning Level
May 2013

Item	Quantity	Unit	Article	Unit Price	Extension
1	1	LS	Mobilization, Insurance, Bonds, Demobilization & Permits	\$308,000	\$308,000
2	1	LS	Sheeting, Shoring and Bracing	\$168,000	\$168,000
3	1	LS	Dewater Exist Force Main	\$10,000	\$10,000
4	13,400	LF	New 24" PVC Force Main	\$350	\$4,690,000
	600	LF	I-5 Microtunnelling ¹	\$2,000	\$1,200,000
5	1	LS	Dewatering	\$100,000	\$100,000
6	1	LS	Traffic Control	\$100,000	\$100,000
6	1	LS	SWPPP	\$40,000	\$40,000
6	1	LS	Pothole Utilities	\$84,000	\$84,000

Subtotal \$6,576,000
Contingency (20%): \$1,315,200
TOTAL: \$7,891,200

¹ Potential cost sharing with Caltrans may be explored in conjunction with the HOV/Express Lanes Project and anticipated utility relocations.
² This estimate is based on preliminary design and is subject to change due to design revisions; fluctuations in cost of materials and labor; or unforeseen contingencies. No contingencies are included for encountering contaminated soils.



May 20, 2013

Jamie Fagnant, P.E.
Infrastructure Engineering Corporation
14271 Danielson Street
Poway, California 92064

SUBJECT: L1 FORCE MAIN CORROSION ASSESSMENT

RFYeager Project Number: 12149

Dear Jamie,

This letter report summarizes RFYeager Engineering's corrosion assessment of the Leucadia Wastewater District's (LWD) L1 sewer force main (L1) on La Costa Avenue. As part of this evaluation, a 10 foot section of the 24-inch L1 force main was excavated, sectioned, and removed from service. The removed section of ductile iron main was replaced with PVC.

The 24-inch diameter L1 was installed in 1979 and extends approximately 14,000 feet from the Leucadia pump station, west along La Costa Avenue to Highway 101. The excavation site for the L1 assessment is located approximately 1000 feet west of Interstate 5 along the northern shoulder of La Costa Avenue. This site is near a high point in the line, which is typically at higher risk of internal metallic corrosion due to H₂S acid attack. Construction records indicate this section of L1 was installed with an internal poly liner in order to provide protection against acid attack.

The purpose of RFYeager Engineering's assessment was to determine the condition of the existing L1 ductile iron force main at the excavation site. The assessment was based upon a visual inspection of the polyethylene (PE) wrap as well as inspection of the ductile iron force main sections removed from service. Selected pieces of the removed force main section were also cleaned for more detailed assessment of metal loss. In conjunction with RFYeager Engineering's assessment work, LWD personnel conducted an internal closed-circuit television (CCTV) inspection of the force main extending 500 feet east and 700 feet west of the excavation site. Based on the extent

of metallic corrosion found on the L1 force main and the results of the CCTV inspection, a general assessment of the force main condition can be established in this area.

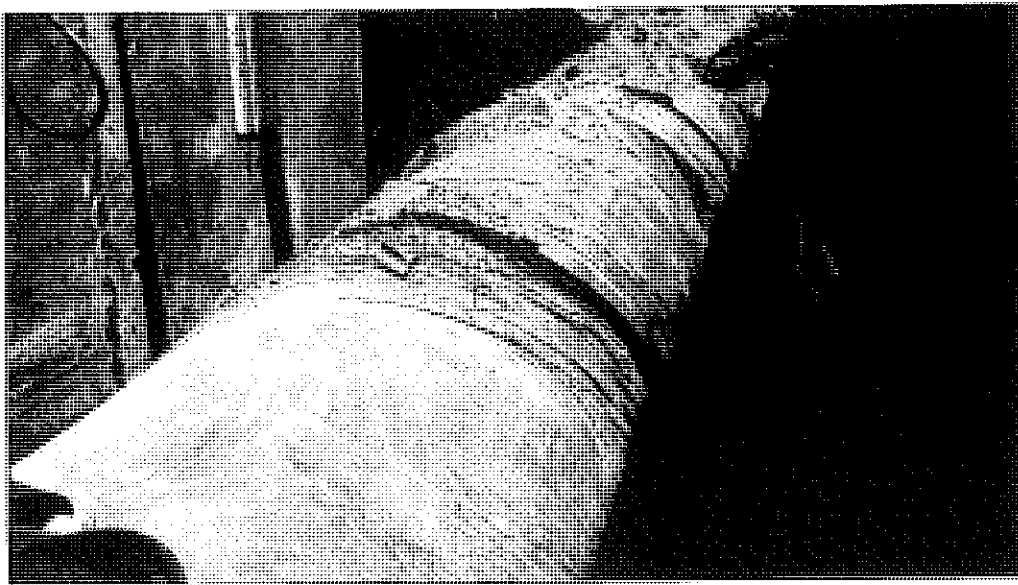
In addition to the condition assessment work, some external corrosion control measures for L1 were installed at the excavation site. This included the installation of sacrificial cathodic protection anodes and a corrosion test station. Bond wires were also installed across the newly installed replacement PVC section of force main to maintain electrical continuity of the L1 force main. Testing and activation of the new CP anodes will be completed by RFYeager Engineering at a later date.

Observations

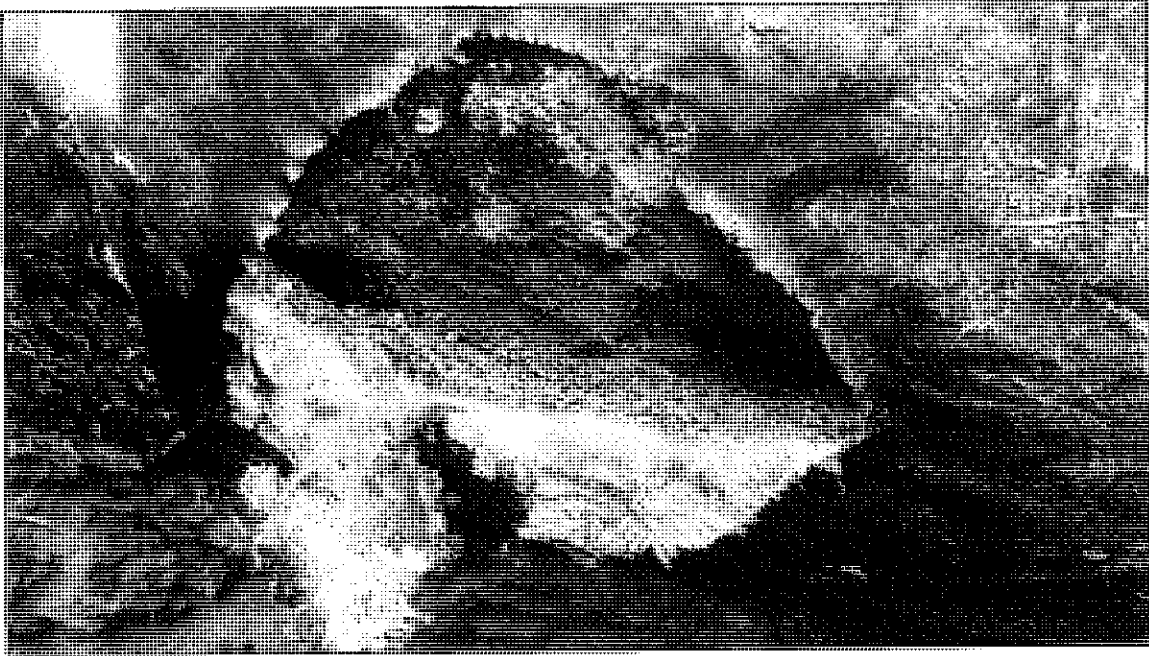
Based on the results of our evaluation, the following observations of the L1 force main are provided:

L1 Force Main - Exterior

1. The depth of cover of the L1 at the excavation site was approximately 7 feet.
2. The excavated section of L1 was covered with a black PE wrap. The majority of the exposed PE wrap was in moderately good condition. A couple of small tears in the PE wrap were noted at selected locations. Heavy corrosion product build-up was evident on the exposed pipe surface at these locations

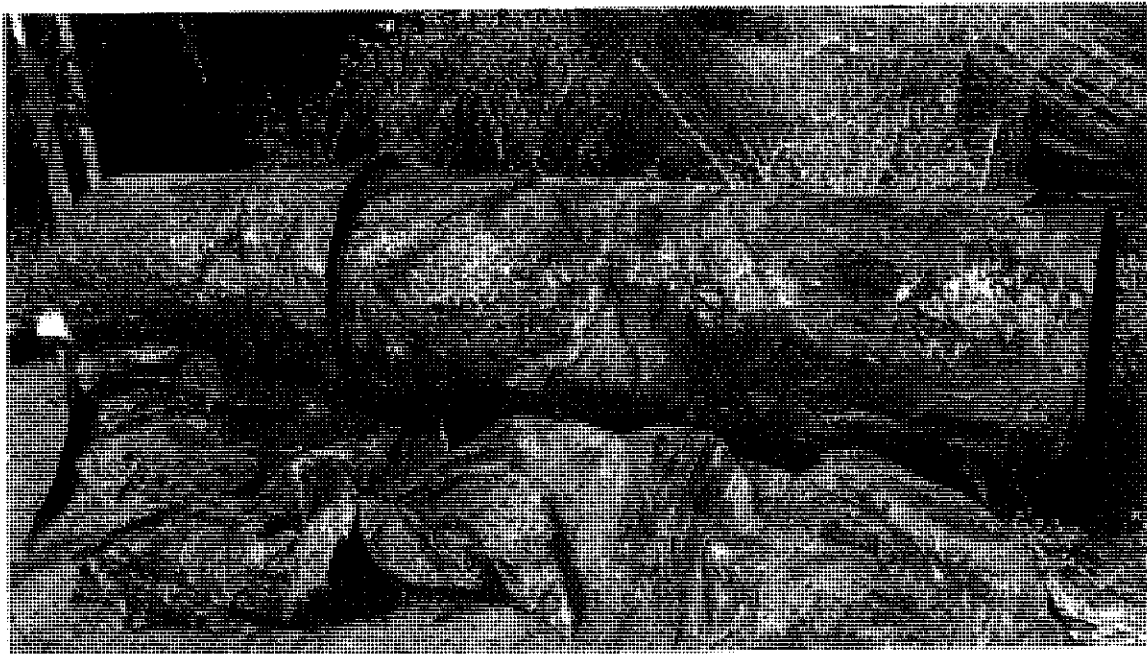


PE wrap on L1 force main was in moderately good condition



Heavy corrosion product build-up at rip in PE

3. The back fill material immediately surrounding the L1 was native sand. No rock, asphalt, or other foreign material was noted in the backfill material, which would promote tearing of the PE wrap.
4. A 10-ft section of force main was saw cut and removed from the excavation trench. The exterior PE wrap was cut away revealing areas of root growth and heavy external corrosion product build-up.

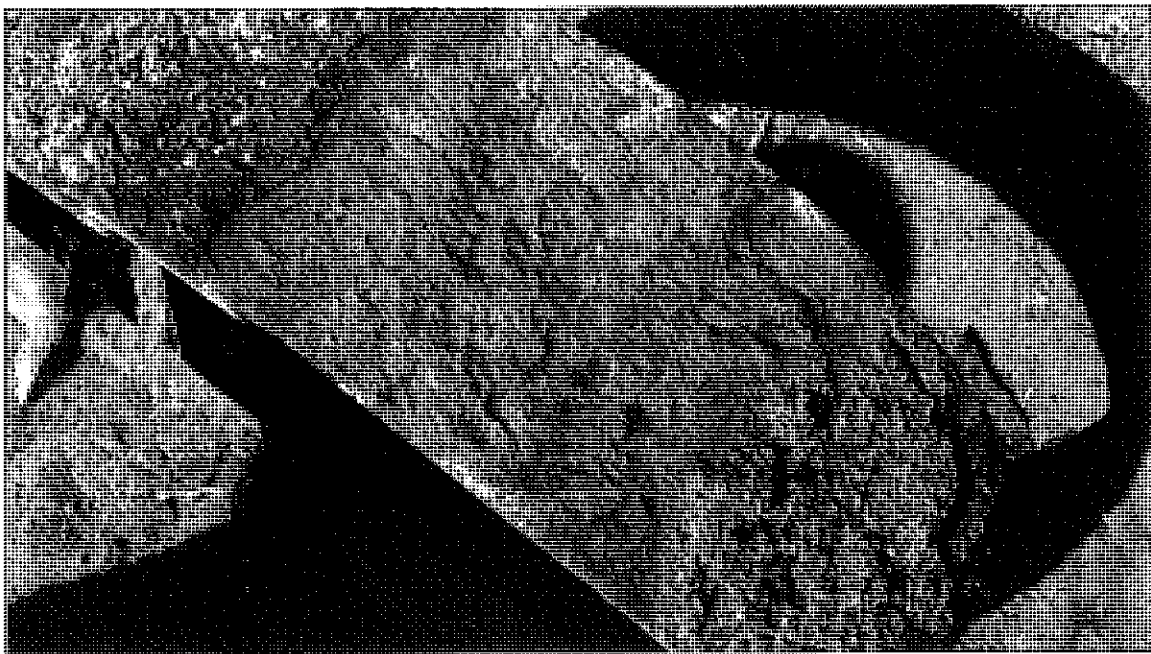


Removed section of L1 force main with PE wrap cut away.



Heavy corrosion product build up on L1 Exterior (PE removed).

5. Removal of the exterior corrosion product using a wire brush revealed areas of heavy external metal loss due to pitting.



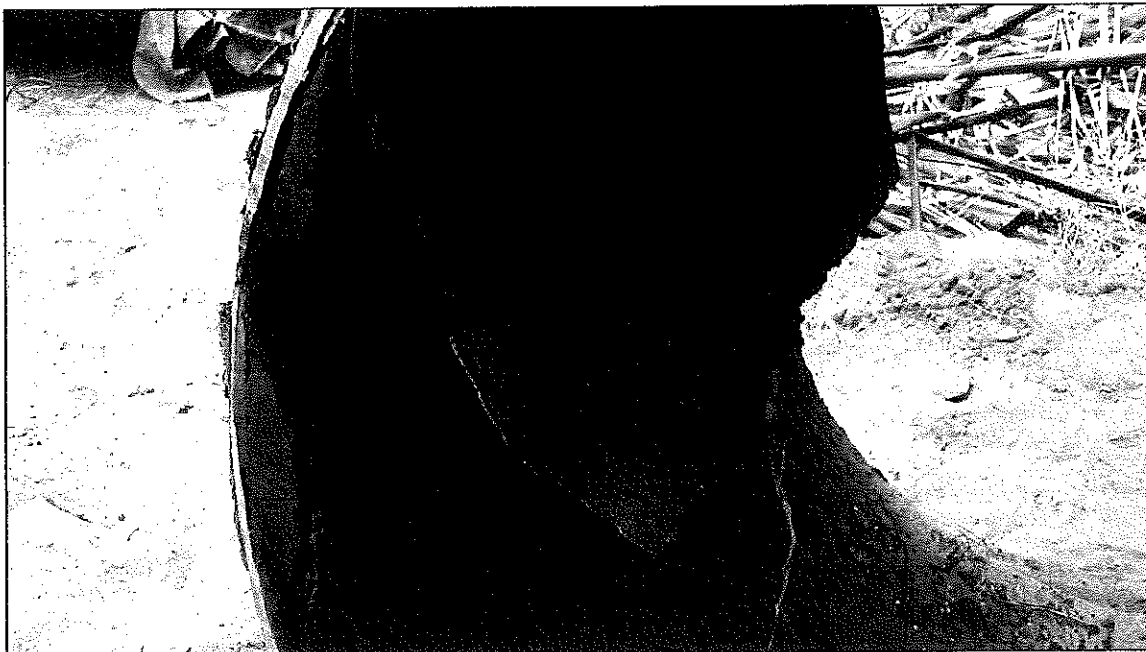
Section of L1 force main exhibiting heavy external corrosion.

L1 Force Main - Interior

6. Visual inspection of the removed section of force main interior showed a large portion of the poly liner either missing or disbonded. Heavy corrosion product build up existed at the un-lined areas.

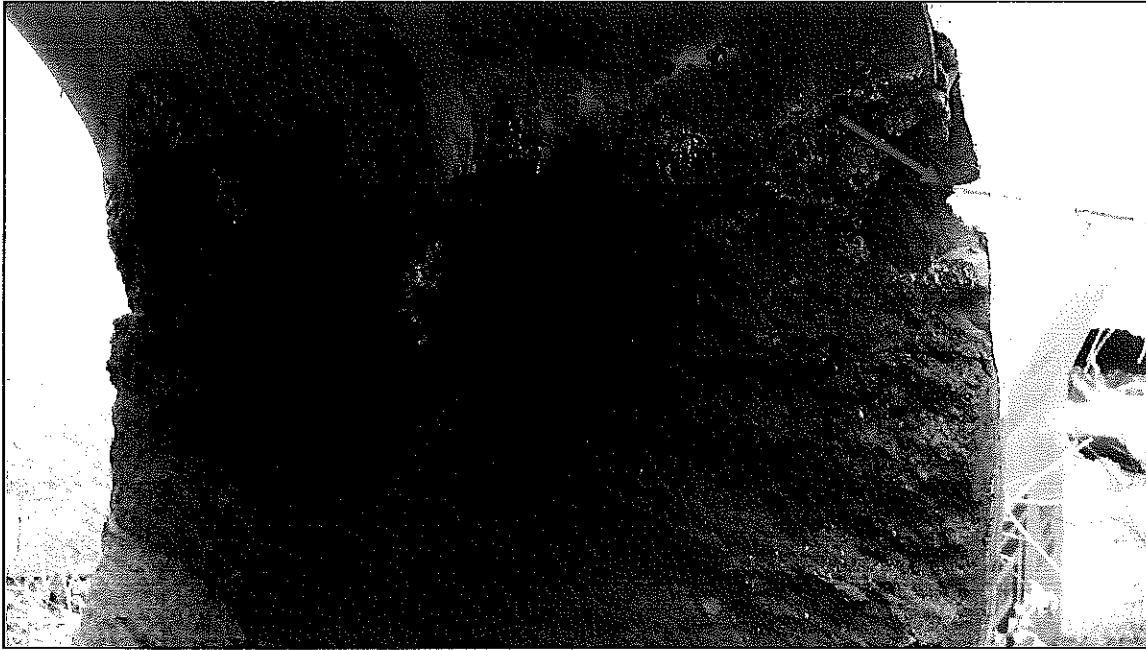


Missing internal liner (between arrows).



Disbonded internal liner (shown after further sectioning of force main).

- Multiple through wall penetrations were found on the removed section of force main. Visual inspection confirmed that the penetrations were due to internal corrosion at the bare, unlined surfaces.



Area of through-wall penetration due to internal corrosion (arrow).

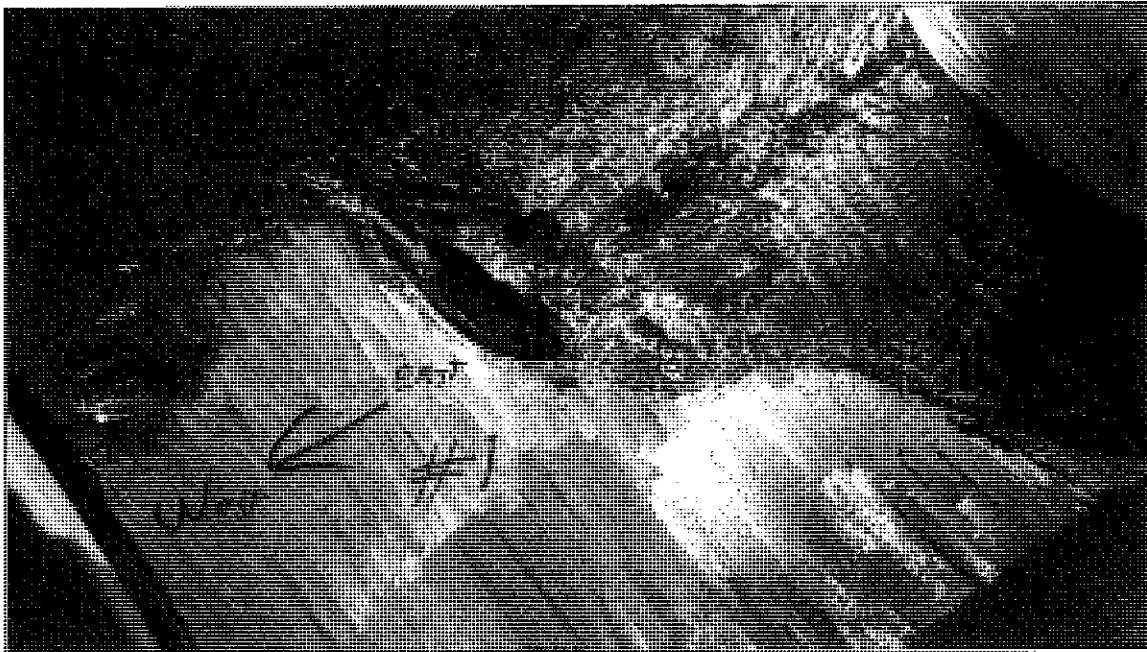


Second area of through-wall penetration due to internal corrosion (arrow).

8. Selected pieces of the L1 were cleaned of all debris and corrosion product from the internal surface. The cleaning further revealed the extent of internal corrosion where the poly liner had failed.

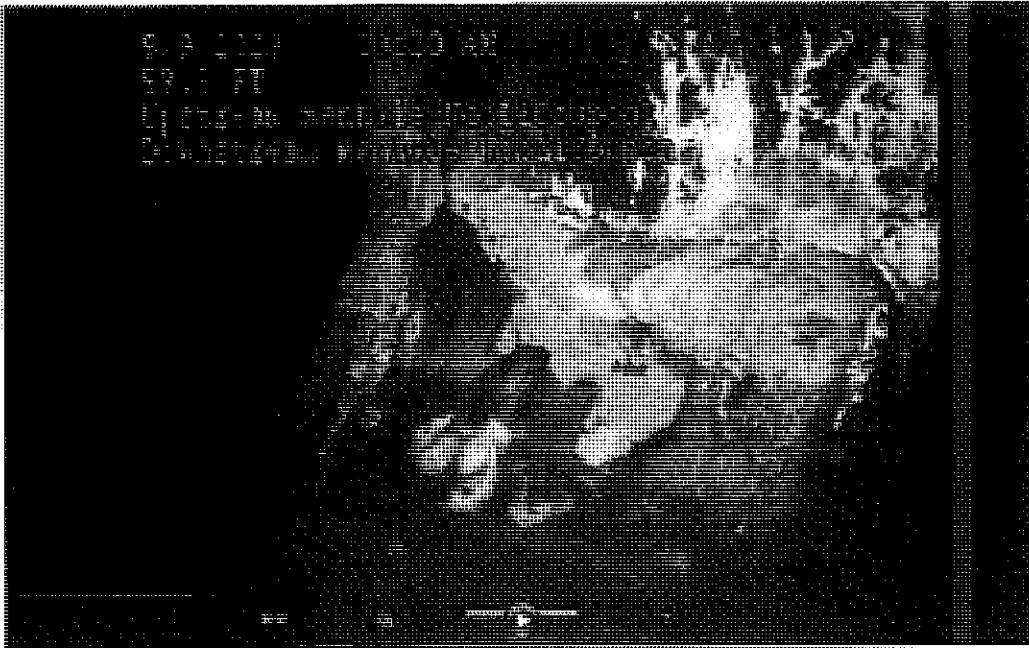


Arrows delineate internal corrosion initiating at edge of failed liner (liner removed during cleaning)

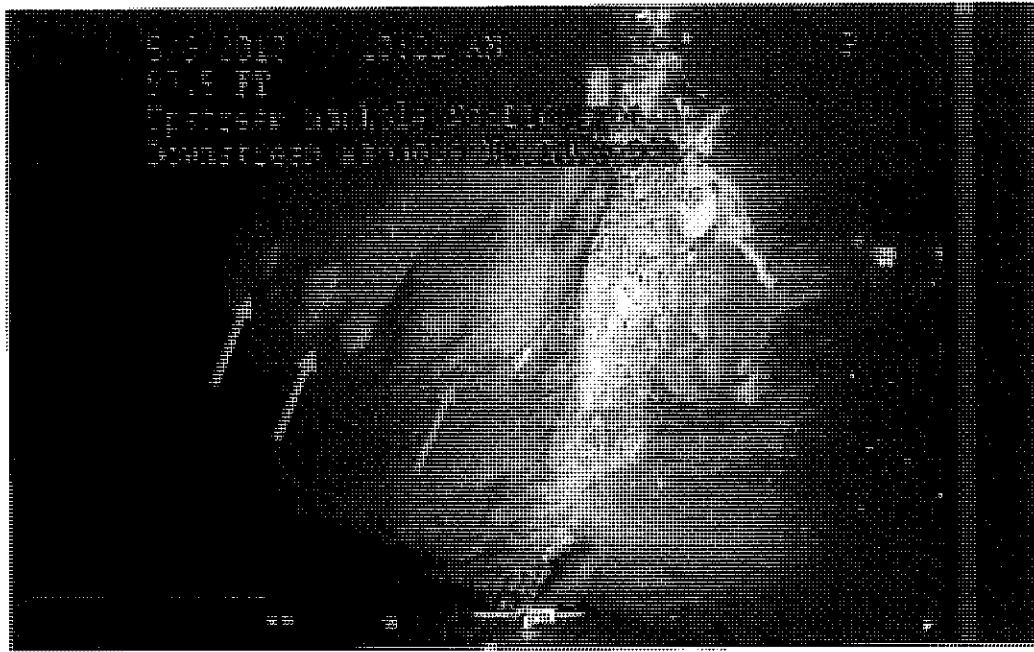


Additional through-wall penetrations were revealed after cleaning (arrows)

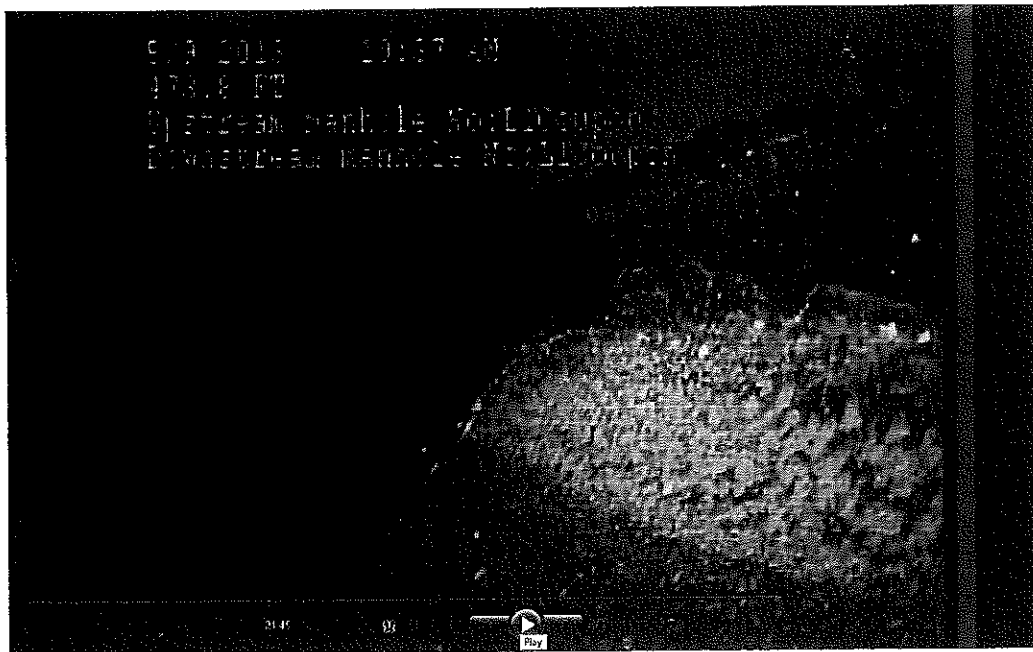
9. LWD personnel conducted an internal closed-circuit television (CCTV) inspection of the force main extending east and west of the excavation site. The eastern inspection leg extended approximately 500 feet towards I-5 and ended at a point believed to be an abandoned cross-over connection to the L2 force main (the camera could not proceed past this point). The western leg extended approximately 700 feet west towards PCH and ended at the point where the camera became submerged. The results of the CCTV inspection showed indications of metallic corrosion at multiple locations, most often located at or just downstream of pipe joints. The amount of visible corrosion product tended to be greater on western inspection leg. Numerous areas of coating disbondment in the form of large blisters were evident. At approximately 470 feet west of the excavation site, a 10 foot long section of liner (approximately) is missing along the bottom portion of the force main.



Screen grab of CCTV western leg inspection showing corrosion product at joint (typical of multiple areas)



Screen grab of CCTV western leg inspection showing areas of coating disbondment near joint (arrows)

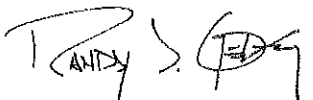


Screen grab of CCTV western leg inspection showing area of missing liner

Conclusions

1. It is evident that the L1 sewer force main, in the vicinity of the excavation, is in poor condition. Multiple through wall penetrations exist in the removed section of force main due to internal corrosion which was prompted by the failure of the internal poly liner.
2. The underlying metal exposed by the failed liner corroded due to acid attack, which typically occurs at high points in the force main and where gas pockets exist. In these areas, gaseous H_2S combines with moisture on the metallic surface to form sulfuric acid. The rate of attack due to sulfuric acid is dependent on several factors including the concentration of H_2S gas, flow rates, temperature, and pH.
3. The results of the CCTV inspection indicate that other areas of lining failure and internal corrosion are prevalent over a length of L1 extending several hundred feet in each direction from the excavation site. Unfortunately, the CCTV inspection results provide no indication in regards to the amount of metal loss or the rate of attack occurring in these areas.
4. Sewage seeping through the through-wall penetrations wicked along the surface of the pipe exterior beneath the PE wrap. This long term and consistent exposure to sewage resulted in the heavy external corrosion found on the removed section of L1.
5. In general, given the extent of corrosion exhibited on the removed section of pipe and evidence of the similar corrosion occurring remote of the excavation site, it is concluded that there is a high risk of future failures occurring on the L1 in its present condition.


Thank you for this opportunity to provide these corrosion engineering services. Please call me at 760.715.2358 or email me at RGeving@RFYeager.com if you have any questions or require additional information.



Randy J. Geving, PE
Registered Professional Engineer – Corrosion No.1060
RGeving@RFYeager.com, 760.715.2358



MEMORANDUM

DATE: August 8, 2013
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Award of Purchase Contract – Ozone Odor Control Units (2)

RECOMMENDATION:

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

1. Authorize the General Manager to purchase two (2) replacement Vapex odor control units for Batiquitos and Leucadia Pump Stations from Vapex Environmental Technologies in an amount not to exceed \$143,450.
2. Discuss and take other action as appropriate.

DISCUSSION:

This item was reviewed by the Engineering Committee at its August 7, 2013 meeting.

This item is included as a goal in the Fiscal Year 2014 Tactics & Action Plan.

In July 2004, the District purchased and installed two ozone odor control units for the Batiquitos and Leucadia Pump Stations. These proprietary odor control units are marketed under the brand name "Vapex". The units essentially consist of a small internal ozone generator and a delivery system that includes a fine nozzle that delivers and disperses an ozone fog into the wet well space. The ozone acts as an oxidizing agent that reacts with and destroys odor causing compounds in the wet well.

The existing Vapex units are nine years old and obsolete. Replacement parts are no longer available. The use of the Vapex units has been extremely effective at minimizing local odors at Batiquitos and Leucadia Pump Stations. Vapex is a critical component in the District's arsenal of odor control measures including adding Bioxide at Leucadia Pump Station and carbon scrubbers at Batiquitos and Leucadia. The Vapex units are an integral part of the District's Air Pollution Control District (APCD) permit for odor control at both pump stations.

Staff has considered other alternatives for odor control at Batiquitos and Leucadia Pump Stations, such as chemical treatment. However, due to the high risks of personnel exposure, the storage of hazardous chemicals in an environmentally sensitive area and high chemical costs staff believes it is prudent to continue using the Vapex units. Additionally, changing to a new form of odor control would require modifying the APCD permits for both pump stations.

The purchase of the Vapex units is a sole source procurement. Paragraph 11.1, Sole Source Procurement, of the District's Procurement Policy allows sole source purchases if the item or service is of such a unique, proprietary or technical nature that it is only manufactured or

provided by a single vendor. Therefore, staff requests approval for the purchase of two (2) replacement Vapex odor control units from Vapex Environmental Technologies in an amount not to exceed \$143,450. The purchase price includes startup, training, warranty certification and freight.

FISCAL IMPACT:

Adequate Funds for the purchase of the two Vapex units were included in the FY 2014 Capital Acquisition Budget.

jms:PJB

MEMORANDUM

DATE: August 8, 2013
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Award of Purchase Contract – Computerized Maintenance Management System (CMMS)

RECOMMENDATION:

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

1. Authorize the General Manager to purchase a new Computerized Maintenance Management System (CMMS) for Field Services from iWater, Incorporated in amount not to exceed \$97,000.
2. Discuss and take other action as appropriate.

DISCUSSION:

This item was reviewed by the Engineering Committee at its August 7, 2013 meeting.

This item is included as a goal in the Fiscal Year 2014 Tactics & Action Plan.

In 1999, the District purchased the Sussex Work Management System (Sussex) from Sussex Business System Incorporated at a cost of \$18,000. At that time, the system met staff needs and was efficient for the management of work orders. The Sussex system is now 14 years old and it is no longer supported by its developer. In addition, the system requires approximately 400 hours per year of manual labor with data entry and the printing of 800 to 1,000 work orders per month. Maintaining the system and managing daily work orders is now inefficient.

In November 2012, Staff assembled a team of four (4) field services personnel to evaluate several Computerized Maintenance Management Systems (CMMS) to replace Sussex. CMMS is an integrated work management system that lays out the game plan or a schedule for daily activities in the field. It can be "integrated" with a Geographic Information System to graphically present and retrieve data of the collection system. The evaluation team established the following minimum CMMS requirements:

- Geographic Information Systems (GIS) compatibility
- Closed Circuit Television (CCTV) system compatibility
- Supports queries and reports
- Able to close work orders in field with tablets and wireless sync with main data base
- User-friendly
- Web-access
- Real-time support from vendor

Eight (8) public agencies located in the Southern California area were contacted to inquire about their CMMS. The team interviewed each agency about the details, advantages, and disadvantages of their system. As a result of these interviews, two (2) vendors, Nobel and infraMap, were invited to demonstrate their CMMS to the evaluation team.

As a result of the demonstrations, it was concluded that infraMap met the established minimum requirements and best fit the District's needs. The software's capabilities include:

InfraMap Benefits	
Geographic Information System (GIS) compatibility	As-builts can be viewed quickly
Closed Circuit Television (CCTV) system compatibility	Readily view work history
Supports queries and reports	Accepts USA Dig-Alert notification
Work order completion in the field with work books (no paper printing or manually closing out work orders)	Ability to annotate discrepancies found in the Field for GIS modification
Wireless sync	Real-time vendor support
Web-access	User-Friendly

InfraMap provided the District with a quote of \$97,000. This amount includes installation and configuration, transfer of existing CMMS data, integration of GIS and CCTV video and nine (9) infraMAP enterprise licenses. Three (3) licenses will be for office desktop computers and six (6) will be for the H2 Field Pro units (tablets). The tablets are included in the purchase. In addition, infraMap will provide staff members with three days of on-site training.

Staff believes this system will satisfy the needs of the District at a fair and reasonable cost. Therefore, it is recommended that the Board approve the purchase of a new Computerized Maintenance Management System (CMMS) for Field Services from iWater, Inc.

FISCAL IMPACT:

Sufficient funds to purchase the new CMMS were included in the FY 2014 Capital Acquisition Budget.

jms:PJB

MEMORANDUM

Date: August 8, 2013
To: Board of Directors
From: Paul J. Bushee, General Manager 
Subject: Award of Professional Engineering Services for the Supervisory Control and Data Acquisition Central Upgrade Project

RECOMMENDATION:

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

1. Authorize the General Manager to execute an Agreement for professional services with Rockwell Construction Services for the Supervisory Control and Data Acquisition (SCADA) System Central Upgrade Project in an amount not to exceed \$65,500.
2. Discuss and take other action as appropriate.

DISCUSSION:

This item was reviewed by the Engineering Committee at its August 7, 2013 meeting.

The ongoing rehabilitation of the District's pump stations has prompted the evaluation of the overall condition and architecture of the Supervisory Control and Data Acquisition (SCADA) system. SCADA is the critical system used to monitor the operation of the District's collection system pump stations. The District's application of SCADA does not enable central control of the pump stations. Each pump station operates autonomously. However, SCADA monitors each pump station and provides an alarm notification when operations are outside of set parameters, such as a high wet well level.

A formal planned maintenance program has not been established for SCADA. Typically SCADA system hardware has been operated in the "run to failure" mode where system hardware is replaced only after it fails. Support for the SCADA software, installed circa 2000, has been inadequate. Additionally, current SCADA components are from different manufacturers requiring translators for effective system communications. System components should be from the same manufacturer for simplicity and reliability. The District's Asset Management Plan estimates the useful life of a pump station control system to be 10 years. Therefore, staff asked Rockwell Construction Services (RCS) to evaluate the District's SCADA System. RCS has the requisite depth of knowledge and experience of SCADA and Programmable Logic Control (PLC) systems. RCS completed their evaluation in March 2013.

As a result of the evaluation, RCS recommended that the District's first priority is to upgrade the Central SCADA Station (Central). This station is located in the District's Headquarters Building. RCS has submitted a proposal to provide professional services for the Central Upgrade Project, attached. RCS services include:

- Project Management
- Prepare SCADA System Block Diagram

- Configure Work Stations
- Human Machine Interface (HMI) development and programming
- Factory and field testing
- System startup and documentation

The cost for procurement of the hardware and software required to upgrade the SCADA System is not included in the proposed RCS contract cost. RCS will develop the equipment and materials list for direct District purchase.

Staff has evaluated the proposal and determined that it is fair and reasonable. Paragraph 12.4, Continuing Services, of the District's Procurement Policy allows that, in the best interest of the District, a consultant can be retained for subsequent phases of work. Therefore, it is recommended that an Agreement be executed with RCS for engineering services for the SCADA Central Upgrade Project.

FISCAL IMPACT:

There is sufficient appropriation in the Fiscal Year 2014 Capital Acquisition Budget to cover the cost of this Agreement.

rym:PJB

Attachment



June 12, 2013

Jeff Stecker
Leucadia Wastewater District
1960 La Costa Avenue
Carlsbad, CA 92009

Subject: Proposal to Provide Professional Services for SCADA System Central Upgrade Project

Dear Mr. Stecker,

Rockwell Construction Services (RCS) is pleased to offer a Proposal to Provide Professional Services to the District for the SCADA System Central Upgrade Project.

Scope of Work

Estimated Labor Services – The estimated labor includes labor services to investigate, develop, test, and document the SCADA System Central Upgrade project while utilizing materials purchased by the District. Following is a summary of Estimated Labor Services.

1. Project Management.
2. Investigation and existing system research.
3. Prepare Block Diagram for new system.
4. Prepare Bill of Materials (BOM) for District purchases.
 - a. RCS will meet with the District to fine-tune the materials list prior to preparation of a final Bill of Materials by RCS for purchase by the District.
 - b. RCS will provide a detailed Bill of Materials with vendor contacts to assist with District purchases.
5. Coordinate and check District received products.
 - a. RCS will check packing slips to District purchase orders as the equipment is received to assure correct products have been received.
6. Configure and load all software on (2) workstations and (2) laptops.
7. HMI development.
8. Autodialer development.
9. Development coordination meetings (2).

10. Factory test with District.
11. Fabricate and install 19" rack.
12. Setup parallel testing conditions and field test 14 remote sites.
 - a. The parallel testing conditions will allow existing system to remain in operation until the new system is fully tested.
13. Field Test 14 Remote Sites
 - a. There are 14 remote sites monitored by the SCADA System. RCS will visit all 14 sites to test existing signals at each of the remote sites to assure proper functionality with the new SCADA Central Upgrade project equipment.
14. Configure UTM/firewall for secure remote access and virus protection.
15. Final cutover to new system.
16. Prepare and deliver final documentation.

Preliminary Project Schedule

The preliminary project schedule shows project duration of about 11 months with an estimated start date (Notice to Proceed) of mid-July 2013.

Refer to "**Appendix A**" for additional information regarding our proposed Preliminary Project Schedule.

Estimated Materials

This proposal does not include materials. The estimated materials are budgeted for purchase by the District with assistance from RCS. RCS will provide a detailed Bill of Materials with vendor contacts to assist with District purchases. RCS will also check packing slips to District purchase orders as the equipment is received to assure correct products have been received. The estimated material costs include a 10% budget markup for budget purposes.

Refer to "**Appendix B**" for additional information regarding estimated materials to be purchased by the District.

Estimated Costs

The proposed estimated costs will be billed per the RCS Rate Schedule.

The estimated costs to provide professional services as enumerated in the Scope of Work above is \$65,500 (524 hours @ \$125 per hour). RCS will not exceed the estimated costs without written consent from the District.

ESTIMATED COSTS = \$65,500.00

Refer to “**Appendix C**” for the RCS Rate Schedule and for additional information regarding our proposed estimated costs.

Jeff, I look forward to the opportunity to further discuss this proposal with the District. Please contact me if you have any questions.

Regards,



Thomas M. Klein
ROCKWELL Construction Services, LLC
(760) 470-1576
thomas.klein.rcs@gmail.com

Appendices:

- Appendix A Preliminary Project Schedule
- Appendix B Estimated Materials
 - B.1 – Preliminary Estimated Materials Overview
 - B.2 – Preliminary Estimated Materials Cost Details
- Appendix C Proposed Estimated Costs
 - C.1 – Proposed Estimated Costs Details
 - C.2 – RCS Rate Schedule

July 19, 2013

To: CSDA – San Diego Chapter Member Agencies
From: Kathleen Coates Hedberg, San Diego Chapter President
Subject: CSDA San Diego Chapter Quarterly Dinner Meeting
Event Date: **Thursday – August 15, 2013**
Time: **6:00 pm to 9:00 pm – Dinner served at 6:45 pm**
Location: **The Butcher Shop Steakhouse – Kearny Mesa**
5255 Kearny Villa Road, San Diego - (858) 565-2272
<http://www.butchershopsd.signonsandiego.com>

Board of Directors

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Director
Elaine Sullivan
Leucadia Water District

Join us for an enjoyable evening as the San Diego Chapter of CSDA presents:

Dr. Justin Cunningham
Superintendent of the Bonsall Union School District

He is a dynamic speaker who will share with you his 33 years of experience as a teacher, coach, and administrator at the elementary through the university levels and how it has led to his new adventure—developing and building a brand new and innovative high school for exceptional learners to prepare them for being leaders of tomorrow.

This will be an opportunity for community leaders, like you, to share with him your thoughts on the type of employees you want at your Special District!

As always, be sure to read your San Diego Chapter CSDA Newsletter for more great information.

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

Public is invited to attend the dinner at the \$45 non-member price

Tri-Tip Steak, with Bordelaise Sauce, New Potatoes and Vegetables
Fresh Mahi Mahi, Mesquite Broiled and Topped with Cilantro-Lime Sauce
Vegetarian Pasta, Mushrooms, Spinach, Feta Cheese with Pappardelle Pasta

Registration deadline is: Thursday, August 8, 2013

We look forward to seeing all agencies and guests attending this event. If you have any questions or need further information, please call Kathleen Coates Hedberg at (619) 660-7487; kchedberg@cox.net, or Rich Stevenson at (619) 409-6711; rstevenson@sweetwater.org.

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

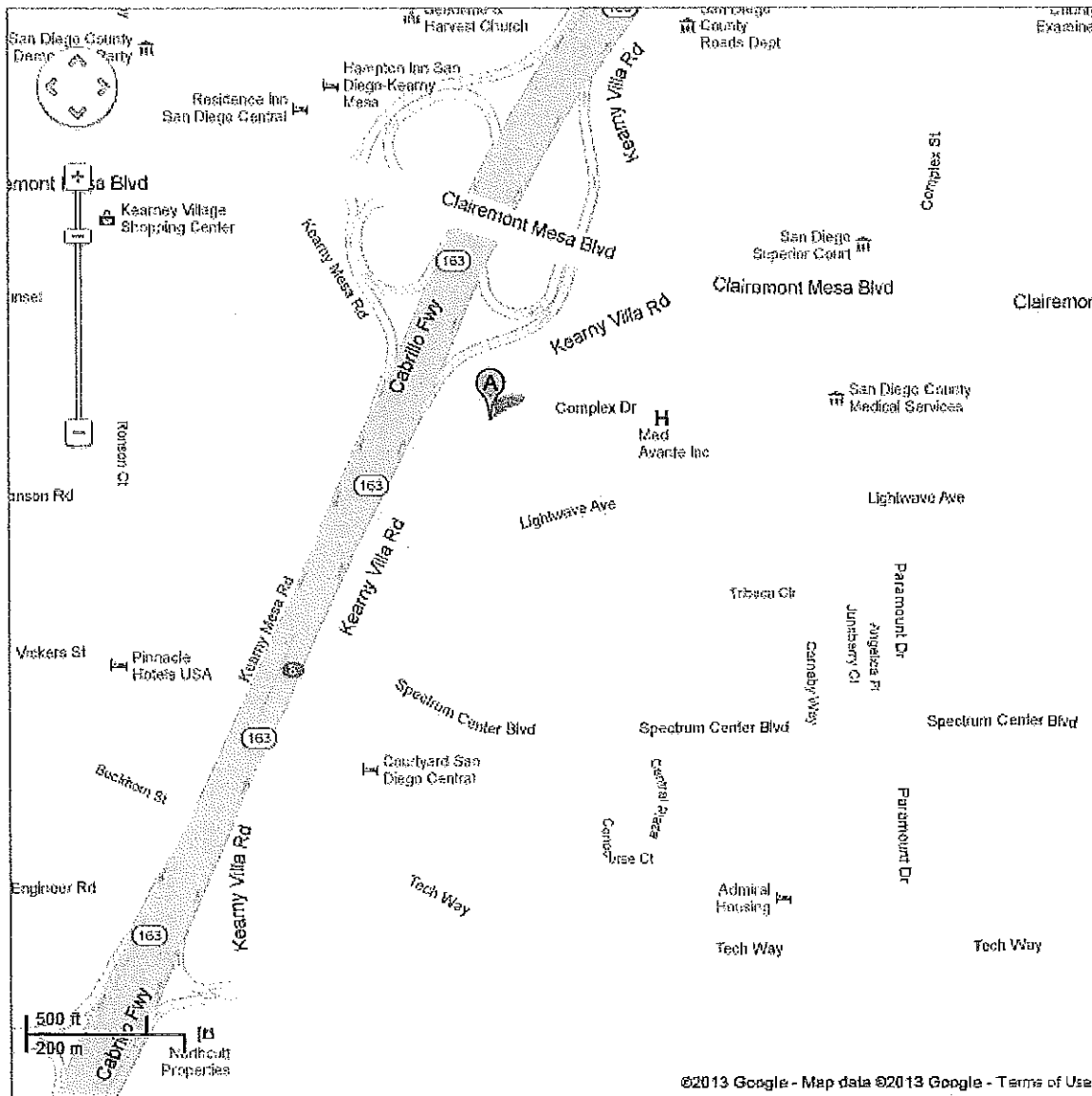
General Public Welcome

Directions to: The Butcher Shop Steakhouse – Kearny Mesa
5255 Kearny Villa Road, San Diego - (858) 565-2272
<http://www.butchershopsd.signonsandiego.com>

Located just off HWY 163 & Clairemont Mesa Blvd.

From South: Take 163 North to Clairemont Mesa Blvd East. Take the first two rights. We are on the left side of the street.

From North: Take 163 South to Clairemont Mesa Blvd East. Cross the 163 overpass and take the first right. Once again we are on the left side of the street.





RETURN OF PROPERTY TAX INCREMENT:

An Internal Memo to CSDA Members Developed Through Input from Expert Working Group

Introduction

In June of 2011, the State Legislature significantly altered redevelopment agencies (RDAs), and subsequent court action resulted in the complete elimination of RDAs. In making their decisions, the governor and State Legislature weighed the need to help restore core local services delivered by schools and other local agencies against the benefit of using property tax revenue for business development incentives. RDAs were first created in 1945 and received just 2% of statewide property taxes in 1978. However, when Proposition 13 cut local government revenue by nearly 60%, cities and some counties began taking greater advantage of RDAs. By 2010-11 RDAs had grown to consume 10.5% of all 1% ad valorem property taxes—nearly \$6 billion annually. By comparison, special districts receive less than 9% of the 1% ad valorem.

With RDAs now going through a dissolution process, the tax revenues that have been diverted to them will be returned to fund core services that local agencies were originally created to provide. During this process, it is critical that special districts carefully weigh how to prudently expend this returned revenue and consider how to effectively inform the public of its benefit.

Diversion of Property Tax-Increment

Tax-increment is the growth in 1% ad valorem property taxes after a given point in time. RDAs funded their development activities by diverting this portion of property tax, or “tax-increment,” originally allocated to special districts, schools, cities and counties. The idea was to temporarily divert this tax-increment in order to invest in development projects and boost economic output.

Regardless of the debate over the degree to which RDAs’ activity led to increased development and decreased blight, they significantly impacted the revenue of special districts and other local agencies. RDAs were typically designed to divert property tax from local agencies for a forty-year period. During this life-span, the property tax revenue of any given area would naturally grow, as would demands for public infrastructure and core services to accommodate that growth. However, with tax-increment diverted away from the providers of such infrastructure and services, some local agencies faced significant hardships. By 2008-09, RDAs were diverting over \$500 million per year from special districts statewide. In a June, 2013 CSDA survey, some members reported losing as much as 30% of revenue to RDAs.

Return of Property Tax Residual

Former RDAs have been replaced by successor agencies. These successor agencies continue to receive tax-increment from special districts and other local agencies in order to pay down all previously incurred debts, or “enforceable obligations.” Debts are paid down via a biannual recognized obligations payment schedule, or “ROPS,” which is approved by an oversight board and the California Department of Finance. Once these payments are approved and administrative costs are covered, the residual tax-increment is returned to the local agencies through the Redevelopment Property Tax Trust Fund in the same ratio that it was diverted. Therefore, as enforceable obligations are paid down, more and more tax-increment will be returned to special districts and other local agencies.

Depending on how the former RDA was managed and the stage in which it was dissolved, this "wind-down" process will occur over years and potentially decades. In most circumstances the debts of the RDAs are high enough to greatly reduce the amount of tax-increment flowing back to affected agencies in the near-term. Furthermore, many former RDAs are in the process of suing the State of California over the implementation of the dissolution process. While the California Supreme Court has decided on the over-arching issue of dissolution, ongoing litigation could impact what is considered an enforceable obligation as well as what tools the State can employ to enforce its determinations. The outcome of these over 100 lawsuits could, therefore, potentially delay the full restoration of property taxes to special districts and other local agencies.

In addition to on-going legal challenges, some redevelopment proponents continue to seek restoration of tax-increment financing through the State Legislature. Just this year, Assembly Bill 690 would have fully restored such provisions until opposition from CSDA and others led to the author pulling the bill from consideration. These continued threats leave local taxing agencies like special districts vulnerable to fluctuations in the restoration of property tax-increment, not to mention the possibility of an altogether new tax diversion. Consequently, special districts must be exceedingly prudent in budgeting returned tax-increment.

Prudent Expenditure of Returned Property Taxes

Returned tax-increment is generally classified as unrestricted revenue, and therefore every special district has flexibility as to how this resource can or should be expended, including the funding of normal business operations. Examples of how the restored tax-increment is being expended by special districts were provided in response to the recent CSDA survey. Many special districts are allocating the funds toward capital infrastructure projects and deferred maintenance, while some are using it toward ongoing operations.

In considering how to expend this revenue, CSDA recommends special districts consider the following factors:

- Volatility of revenue stream due to litigation, legislation and newness of the dissolution process
- Legislative and gubernatorial intent to enhance funding of core local services
- Potential perception that special districts have received a "windfall" rather than a restoration of needed funding for core local services and infrastructure
- Opportunity to promote economic development and job creation through infrastructure enhancements

Given such considerations, special districts may wish to exercise caution before simply allocating returned funds to reserves or relying on them for ongoing operations or liabilities. Special districts may choose to focus on funding areas that will free up long-term budget capacity, grow the local tax base and/or promote accountability. Some examples include:

- Addressing the root of recent increases in operations costs, such as paying down pension side-funds and other high-interest debts or improving efficiency through technology and automation
- Investing in energy and water conservation measures and shifting to more renewable resources
- Ending deferrals of maintenance, starting with infrastructure carrying the biggest threat/cost of failure
- Delivering immediate, recognizable value to the community through one-time capital infrastructure investments important to job creation and the needs of the local or regional economy; prioritizing projects that leverage additional funds and/or promote collaboration with other agencies

- Proactively demonstrating transparency to the public through improved access to website, newsletters, district facilities and open meetings

Regardless of where a special district invests, it should clearly demonstrate accountability to the public for each dollar and strive to actively engage its community in the decision-making process. Through these efforts, the special districts community can help ensure proper funding for the long-term success and viability of the core services it delivers.