



LEADERS IN  
ENVIRONMENTAL  
PROTECTION

## **BOARD OF DIRECTORS**

### **REGULAR MEETING**

**And**

### **A PUBLIC HEARING ON A PROPOSAL TO ADOPT AN ORDINANCE APPROVING A REIMBURSEMENT AGREEMENT BETWEEN LWD AND THE TVERDOCHS, NAVAZO & SOLOMON, AND THE BLANTONS**

**DATE:** Wednesday, September 12, 2012

**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** None.

## CONSENT CALENDAR

Items 7-10 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:

August 15, 2012 Regular Board Meeting (Pages 1-6)  
August 20, 2012 Human Resources Committee Meeting (Pages 7-8)  
August 29, 2012 Community Affairs Committee Meeting (Pages 9-10)  
September 4, 2012 Engineering Committee Meeting (Pages 11-12)

### **8. Approval of Demands for August/September 2012**

This item provides for Board of Directors approval of all demands paid from LWD during the month of August and a portion in September 2012. (Pages 13-32)

### **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 33-36)

### **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 37-44)

## EWA and COMMITTEE REPORTS

### **11. Encina Wastewater Authority Reports**

- A. A regular EWA Board meeting was held on August 22, 2012 – report by Vice President Sullivan. (Pages 45-46)
- B. A EWA Member Agencies Manager's meeting was held on September 4, 2012 – report by GM Bushee. (Verbal)

### **12. Committee Reports**

- A. Human Resources Committee Meeting was held on August 20, 2012 – report by Director Kulchin. (Page 47)
- B. Community Affairs Meeting (CAC) was held on August 29, 2012 – report by Director Omsted. (Page 48)
- C. Engineering Committee (EC) Meeting was held on September 4, 2012 – report by Director Juliussen. (Pages 49-50)

## **PUBLIC HEARING**

### **13. A Public Hearing to consider the following:**

- Adopt Ordinance No. 125 - Approving a Reimbursement Agreement Between LWD and Richard & Denise Tverdoch, Luis Navazo & Janette Solomon, and Andy & Catherine Blanton. (Page 51)

## **ACTION ITEMS**

### **14. Adopt Ordinance No. 125 – Approving a Reimbursement Agreement Between LWD and Richard & Denise Tverdoch, Luis Navazo & Janette Solomon, and Andy & Catherine Blanton (Pages 52-62)**

### **15. Annual Review of the Investment Policy**

Receive and file the Annual Review of LWD's Investment Policy Report and re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2012 through August 31, 2013. (Pages 63-72)

### **16. Award of the District's Force Main Corrosion Protection Project Construction Contract**

Authorize the General Manager to execute an agreement with Farwest Corrosion Control Company for the construction of the Force Main Corrosion Protection Project in an amount not to exceed \$144,135 as the lowest responsive and responsible bidder. (Pages 73-77)

### **17. Leucadia Pump Station Generator Replacement and Fuel Tank Evaluation Preliminary Engineering Report**

Receive and file the Preliminary Engineering Report for the Leucadia Pump Station Generator Replacement and Fuel Tank Evaluation completed by Infrastructure Engineering Corporation. (Pages 78-81)

### **18. Leucadia Pump Station Generator Replacement Project – Design Services**

Authorize the General Manager to execute an agreement with Infrastructure Engineering Corporation for engineering design services for the Leucadia Pump Station Generator Replacement Project in an amount not to exceed \$34,363. (Pages 82-86)

### **19. 2012 LAFCO Special Districts Election for one position as LAFCO's Regular Commission member and eight positions on the Special Districts Advisory Committee (Pages 87-109)**

### **20. Discussion of Management Support Services with Confidence Consulting (Pages 110-111)**

## INFORMATION ITEMS

### 21. Project Status Updates and Other Informational Reports

A. CSDA Update on the Pension and Workers' Compensation Reform.  
(Pages 112-116)

### 22. Directors' Meetings and Conference Reports

None.

### 23. General Manager's Report

### 24. General Counsel's Report

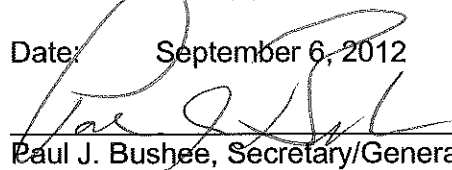
### 25. Board of Directors' Comments

### 26. 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: September 6, 2012



Paul J. Bushee, Secretary/General Manager

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Regular Board Meeting  
 August 15, 2012

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, August 15, 2012 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

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

**2. Roll Call**

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

DIRECTORS ABSENT: None.

OTHERS PRESENT: District Counsel Wayne Brechtel, Administrative Services Manager Chuck LeMay, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Engineer Steve Deering with Dudek, CPA Richard Duffey with Brownell & Duffey and Yin Ho with Worden Williams APC.

**3. Pledge of Allegiance**

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

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

**6. Presentations and Awards**

**A. Achievement of an Organizational Objective.**

ASM LeMay stated that staff recently met an organizational objective. He stated that the District's collection system performance ranked third of similar sized agencies in Region 9. He stated under the incentive program, staff is eligible for an incentive award of \$500 per employee. He also noted that this is only the third year, within the past nine years that LWD has finished in the top three.

The Board of Directors congratulated staff for their efforts.

President Hanson moved item 18 – General Manager's Report forward for discussion.

**18. General Manager's Report:**

ASM LeMay stated that the new television van was delivered and it is available for the Board to view at this time.

Directors Omsted, Juliussen, Hanson and Kulchin indicated that they have already seen the van during the CWEA Collections System Training event this afternoon. Vice President Sullivan stated that she can look at the van at a later time.

## CONSENT CALENDAR

### 7. Approval of Board and Committee Minutes

Minutes of the following meetings:

July 11, 2012 Regular Board Meeting

July 17, 2012 Community Affairs Committee Meeting

August 6, 2012 Investment & Finance Committee Meeting

August 6, 2012 Engineering Committee Meeting

Director Juliussen pulled the Demands, item no. 8 for discussion.

### 9. Operations Report (A copy was included in the original August 15, 2012 Agenda)

### 10. Finance Report (A copy was included in the original August 15, 2012 Agenda)

### 11. Quarterly Treasurer's Investment Report. (A copy was included in the original August 15, 2012 Agenda)

Upon a motion duly made by Director Kulchin, seconded by Director Omsted, and carried, the Board of Directors approved all other items on the consent calendar, with the exception of item no. 8, the Demands pulled for discussion.

### 8. Approval of Demands for July 2012/August 2012

Payroll Checks numbered 16190-16247; General Checking – Checks numbered 42672-42790; voided check number 42619.

Director Juliussen had several questions relating to the maintenance and fire alarm testing for the elevator. TSM Morishita answered his questions and explained the services that were performed.

Upon a motion duly made by Director Juliussen, seconded by Vice President Sullivan, and carried, the Board of Directors approved the demands.

## EWA and COMMITTEE REPORTS

### 12. Encina Wastewater Authority (EWA) Reports

#### A. Encina Wastewater Authority Report – July 25, 2012.

Vice President Sullivan reported on EWA's July 25, 2012 Board meeting.

### 13. Committee Reports

#### A. Community Affairs Committee (CAC) meeting was held on July 17, 2012.

Director Omsted reported that the CAC reviewed the draft newsletter text and provided recommended changes. He also stated that the CAC discussed how to improve the Teacher Grant program.

In addition, the CAC reviewed the website summary report. This will be reviewed later in the agenda.

**B. Investment & Finance Committee meeting was held on August 6, 2012.**

Director Omsted reported that the IFC conducted the annual review of the Procurement Policy. He stated that staff and the IFC are recommending changes to the policy. He noted that staff incorporated those changes into the policy and that this item will be reviewed later in the agenda.

**C. Engineering Committee meeting was held on August 6, 2012.**

Director Juliussen reported that the EC reviewed a sewer reimbursement agreement between LWD and developers, Tverdochs, Navazo & Solomon, and the Blantons. He stated that the EC requested additional information on whether the construction cost included the lateral installation. He indicated that staff is verifying this information and will resubmit the agreement to the EC at a future meeting.

Director Juliussen also reported that the EC received status updates on several projects.

### **ACTION ITEMS**

**14. Adopt Resolution No. 2226 Updating and Revising the Leucadia Wastewater District's Conflict of Interest Code.**

ASM LeMay presented the item. He provided a summary of the changes made to the Conflict of Interest.

Upon a motion duly made by Vice President Sullivan, seconded by Director Omsted, and carried, the Board of Directors approved Resolution No. 2226 by the following vote:

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

---

**15. Adopt Resolution No. 2227 Updating and Revising the Leucadia Wastewater District's Procurement Policy.**

ASM LeMay presented this item stating that the policy was last revised July 2011. ASM LeMay indicated that staff and the IFC recently reviewed the policy and are recommending several changes. He also stated that the annual review of the policy is listed as a FY 2013 tactical goal.

ASM LeMay provided an overview of the recommended changes, noting that there were no changes to the policy that affect the Board's, Staff's or General Manager's purchasing authority.

Following discussion, upon a motion duly made by Director Omsted, seconded by Director Juliussen, and carried, the Board of Directors approved Resolution No. 2227 by the following vote:

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

## INFORMATION ITEMS

### 16. Project Status Updates and Other Informational Reports

#### A. Purveyor of Recycled Water Report.

General Counsel Brechtel stated that during the last few months the Board has had several discussions regarding LWD's Recycled Water program. During the August Board meeting, Director Juliussen requested that staff look into the possibility of purveying recycled water directly to other private entities within the District's service area. General Counsel Brechtel introduced attorney Yin Ho to present the findings of the study.

Mr. Ho provided an overview of his research stating that since the District was formed under the County's water code, this authorizes the District to furnish, sell or distribute water. He explained that the District does not need approval from LAFCO, since LWD currently provides recycled water within its boundaries to the La Costa Resort. However, he stated that the District must obtain a reclamation permit from the Regional Water Control Board before selling recycled water. He also presented the requirements that LWD must implement to obtain a reclamation permit.

The Board discussed the history of LWD's contract with the city of Carlsbad and the possibility of providing recycled water directly to the resort. General Counsel Brechtel indicated that this could potentially cause a conflict between the District and the city of Carlsbad.

TSM Morishita stated that the city of Carlsbad has recently contacted him to discuss the recycled water agreement and the use of District facilities.

---

Vice President Sullivan suggested that staff look into obtaining a reclamation permit for the future.

Following discussion, ASM LeMay stated that General Manager Bushee will keep the Board informed on any updates regarding the recycled water program and future negotiation discussions with the city of Carlsbad.

The Board thanked Mr. Yin Ho and General Counsel Brechtel for this information.



B. Review the website summary report.

EA Hill presented the website summary report. She explained the differences between the number of hits, page views and sessions included in the traffic summary chart.

C. North County Times newspaper article "REGION: State budget maneuver suspends open meetings law."

President Hanson noted the article.

D. LAFCO 2012 Special Districts Election Update.

ASM LeMay presented the information, noting that the candidate forum will be held at the CSDA quarterly dinner meeting on August 16, 2012.

E. CSDA Quarterly Dinner meeting is scheduled for August 16, 2012 at 6:00 p.m. at the Courtyard Marriott in San Diego.

ASM LeMay offered to carpool to the dinner. He will leave the District office at 5:15 p.m.

**17. Directors' Meetings and Conference Reports**

A. The CASA 57<sup>th</sup> Annual Conference was held on August 8-11, 2012 at the Monterey Marriott in Monterey, CA.

All Board's members attended this conference. Vice President Sullivan stated that for her the highlight of the conference was the keynote speaker, Jean-Michel Cousteau (Jacques Cousteau's son). She discussed the topics of his presentation.

Director Kulchin stated that in addition to attending Cousteau's excellent presentation, he also attended a presentation by Gordon Graham that discussed the topic of risk management. He stated that this presentation was one of the best at the conference as well.

Director Omsted addressed Gordon Graham's presentation as well along with other presentations that he attended, which related to topics of resource mining. He indicated that anaerobic is the way to go adding that we are moving towards becoming the lead in energy efficiencies.

President Hanson discussed information about the Legislative updates provided at the conference. She noted that she attended the CSRMA meeting and provided information on the increase in the District's insurance rates and information on the rebates that the District has received.

ASM LeMay added the following information to the General Manager's comments:

- He congratulated Vice President Sullivan on winning the Region 6 seat for the CSDA Board of Directors.
- The District held a SCAP meeting at the District yesterday.
- The District held the CWEA Collections System Training 50<sup>th</sup> Year Anniversary Event today and thanked staff for assisting CWEA's staff.
- EA Hill stated that the CSDA is planning on awarding President Hanson with

the District of Distinction Award during the CSDA Conference in September.

**19. General Counsel's Report**

General Counsel Brechtel reported that he received notice from the CASA's attorney committee this afternoon that the SWRCB just released an amended WDR that revised the monitoring and reporting requirements. He stated that there will be a workshop on August 28<sup>th</sup> to discuss the revisions and that he and staff are looking on impacts to the District's day-to-day operations due to the revised WDR.

**20. Board of Director's Comments**

None.

**21. Adjournment**

President Hanson adjourned the meeting at 6:04 p.m.

---

Judy Hanson, President

---

Paul J. Bushee  
Secretary/General Manager  
(SEAL)

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Human Resource Committee Meeting  
 August 20, 2012

---

A meeting of the Human Resource Committee (HRC) of Leucadia Wastewater District (LWD) was held August 20, 2012 at 11:00 a.m., at the LWD Administration Office located at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

Chairperson Kulchin called the meeting to order at 11:00 a.m.

**2. Roll Call**

DIRECTORS PRESENT: Kulchin and Hanson  
 DIRECTORS ABSENT: None  
 OTHERS PRESENT: General Manager Paul Bushee, Administrative Services  
 Manager Chuck LeMay, Executive Assistant Trisha Hill,  
 and Mr. Jeff Bills of Confidence Consulting, Inc.

**3. Public Comment**

No public comment was received.

**4. New Business**

- A. Authorize the General Manager to execute an agreement with Confidence Consulting at a cost of \$3,000 per month plus expenses.

GM Bushee presented the item. He stated that the Confidence Consulting Contract is being reviewed by the HRC and the Board as a follow-up to Director Kulchin's request at the June 2012 Board meeting. Mr. Jeff Bills is the president and CEO of Confidence Consulting. GM Bushee provided an overview of the services that Mr. Bills has provided the District since 2007.

GM Bushee noted that Mr. Bills' began with a series of smaller task specific contracts until a longer-term retention based contract was negotiated in 2009. The contract was amended in 2011 to adjust the compensation, which is identical to the compensation reflected in today's recommendation. He stated that staff has found Mr. Bills' services to very effective and valuable to LWD. As a result, staff is recommending that the HRC recommend that the Board of Directors approve the contract as presented.

The HRC discussed the recommendation at length. Director Kulchin asked for additional information on the type of services that he will provide, if the Board approves the agreement. Mr. Bills summarized the services he has provided, and the value it has had on LWD. He noted that retention contracts with other clients typically do not include items such as the employee satisfaction survey; Board strategic planning facilitation; and pre-employment assessments. Mr. Bills indicated that these items are typically billed separately; however he includes these services in LWD's contract because he really enjoys working with LWD's Board and staff. Mr. Bills added that the recommended contract continues with

the full scope of services he has provided the District since 2009. At that point, Mr. Bills excused himself from the meeting.

The HRC continued the discussion on the contract. Director Kulchin asked if the retainer amount can be renegotiated and reduced. He noted that he was not questioning the value or quality of his services, but would like to reduce the retainer amount. GM Bushee replied that, at the direction of the HRC, staff could renegotiate the contract amount and noted that this would likely include a corresponding reduction in the scope of services.

President Hanson stated that Mr. Bills' services have had value to LWD, however, she believes these services can be performed by staff. As such, President Hanson questioned whether Mr. Bills' services are needed at all and noted that some other Board members may feel the same way. The HRC discussed whether to direct staff to renegotiate the contract or to evaluate the overall need for Mr. Bills' services.

Following discussion, the HRC chose not to recommend approval of the Confidence Consulting agreement to the Board, but instead directed staff to place the topic on the September Board agenda for discussion.

**5. Information Items**

None.

**6. Director's Comments**

None.

**7. General Manager's Comments**

None.

**8. Adjournment**

Chairperson Kulchin adjourned the meeting at approximately 11:50 a.m.

---

Paul J. Bushee,  
Secretary/Manager  
(Seal)

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Community Affairs Committee Meeting  
 August 29, 2012

A meeting of the Community Affairs Committee (CAC) of the Leucadia Wastewater District (LWD) was held Wednesday, August 29, 2012 at 9:30 a.m. at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

**1. Call to Order**

Vice President Sullivan called the meeting to order at 9:30 a.m.

**2. Roll Call**

DIRECTORS PRESENT: Sullivan and Omsted

DIRECTORS ABSENT: None.

OTHERS PRESENT: General Manager Paul Bushee, Administrative Services Manager Chuck LeMay, Executive Assistant Trisha Hill, Lois Humphreys and Jennifer Beales of TRG & Associates (TRG).

**3. Public Comment**

No public comment was received.

**4. New Business**

A. Review and discuss the draft layout of the biannual 2012 newsletter.

Ms. Lois Humphreys of TRG presented the draft layout of the 2012 summer newsletter, noting that it will now be considered the fall newsletter since it will be delivered to residents after Labor Day. She stated that TRG removed a lot of text, because there was not enough room in the newsletter. She also noted that additional changes would be made to the text and images. The CAC and staff agreed with those changes.

The CAC and staff suggested a few additional minor changes to the text and images in the layout. Ms. Humphreys noted that she make the text changes and will work with the graphic designer to revise the images.

GM Bushee indicated that staff will send the final newsletter to the CAC for review prior sending it to the full Board for additional suggestions. Ms. Beales added that TRG will provide a memo with a list of the changes that were made to the newsletter.

Following discussion, the CAC authorized staff and TRG to proceed with the final 2012 fall newsletter.

**5. Information Items**

None.

**6. Directors' Comments**

Vice President Sullivan requested that a large canvas board be made of the center-fold illustration that was printed in the summer 2011 newsletter. GM

Bushee stated that staff will work with TRG to produce and order the canvas.

**7. General Manager's Comments**

General Manager Bushee had no further comments. However, Ms. Beales asked if she can meet with the high school and middle school teachers and principals to discuss the CSDA Teacher Grant programs and to provide ideas for projects. The CAC and staff agreed that meeting with these teachers and principals would be beneficial to the Teacher Grant program.

**8. Adjournment**

Vice President Sullivan adjourned the meeting at 10:07 a.m.

---

Paul J. Bushee  
Secretary/Manager  
(Seal)

**LEUCADIA WASTEWATER DISTRICT**  
**Minutes of an Engineering Committee Meeting**  
**September 4, 2012**

---

A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held Tuesday, September 4, 2012 at 8:30 p.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; District Engineer Steve Deering; and Robert Weber from Infrastructure Engineering Corporation.

**3. Public Comment**

No public comment was received.

**4. New Business**

- A. Adopt Ordinance No. 125 approving a reimbursement agreement for sewer between LWD and Richard Tverdoch and Denise Tverdoch, Luis Navazo and Janette Solomon, and Andy Blanton and Catherine Blanton (Developers).

TSM Morishita presented staff's recommendation. During the August 2012 Engineering Committee meeting, Director Juliussen requested verification that the construction cost of \$209,279.40 did not include the cost for installation of private laterals to the Developers properties. DE Deering verified that the cost in the reimbursement agreement was only for the construction of the main trunk line.

After a short discussion, the EC concurred with staff to present this recommendation at the September 2012 Board meeting.

- ~~B. Authorize the General Manager to execute an Agreement with Farwest Corrosion Control Company for the construction of the Force Main Corrosion Protection Project in an amount not to exceed \$144,135 as the lowest responsive and responsible bidder.~~

TSM Morishita presented staff's recommendation.

Following discussion, the EC concurred with staff to present this recommendation at the September 2012 Board meeting.

- C. Receive and file the Preliminary Engineering Report for the Leucadia Pump Station Generator Replacement and Fuel Tank Evaluation completed by Infrastructure Engineering Corporation.

Robert Weber, IEC, and TSM Morishita presented the findings of the Preliminary Engineering Report (PER). Director Juliussen suggested that LWD consider the purchase of a fuel tanker truck to provide additional storage and flexibility during an emergency.

Following discussion, the EC concurred with staff to present this recommendation at the September 2012 Board meeting with the provision that staff conduct a supplemental evaluation of the feasibility of using a tanker truck for District bulk fuel storage.

- D. Authorize the General Manager to execute an Agreement with Infrastructure Engineering Corporation for engineering design services for the Leucadia Pump Station Generator Replacement Project in an amount not to exceed \$34,363.

TSM Morishita presented staff's recommendation.

Following discussion, the EC concurred with staff to present this recommendation at the September 2012 Board meeting.

**5. Information Items**

- A. Batiquitos Pump Station Rehabilitation Project – Verbal Report

TSM Morishita presented an update of the Batiquitos Pump Station Rehab Project. PCL was on site on August 30<sup>th</sup> to take ground water samples for their dewatering permit. It is estimated that construction will start around September 17<sup>th</sup>.

- B. Occidental Line Repair Project – Verbal Report

DE Deering presented an update of the Occidental Line Repair Project. Charles King Company has commenced the construction of the bypass system. The system should be completed by September 7<sup>th</sup>.

**6. Director's Comments**

None.

**7. General Manager's Comments**

None.

**8. Adjournment**

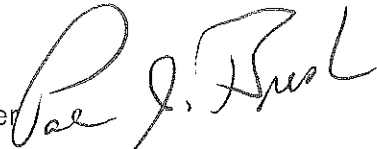
Chairperson Juliussen adjourned the meeting at approximately 9:28 a.m.

---

Paul J. Bushee,  
Secretary/Manager  
(Seal)



**MEMORANDUM**

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Approval of August/September Demands

---

**RECOMMENDATION:**

Staff requests that the Board of Directors:

1. Approve checks and electronic payments totaling \$ **1,623,383.02**
2. Discuss and take other action as appropriate.

**DISCUSSION:**

Attached are check registers describing all payments made by LWD for the months August 10, 2012 – September 6, 2012.

Operating expenses totaled \$**1,468,580.78** while Capital Improvement Program expenses totaled \$ **57,679.21**.

Payroll for employees and the Board totaled \$ **97,123.03**.

Attached please find a year to date Employee and Board Payroll Report from August 2011 to September 2012 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 August/September 2012
Attachment 2	Accounts Payable Check Register dated August 10, 2012
Attachment 3	Payroll Check Register dated August 16, 2012
Attachment 4	Accounts Payable Check Register dated August 21, 2012
Attachment 5	Payroll Check Register dated August 22, 2012
Attachment 6	Accounts Payable Check Register dated August 30, 2012
Attachment 7	Accounts Payable Check Register dated September 1, 2012
Attachment 8	Board Payroll Check Register dated September 1, 2012
Attachment 9	Payroll Check Register dated September 5, 2012
Attachment 10	Year to Date Employee and Board Payroll Report

**DEMANDS SUMMARY**

September 12, 2012

**1. Demands**

<u>Category</u>	<u>Check #'s</u>	<u>Amount</u>	<u>Total</u>
Payroll Check - 8/16/2012	16248 - 16264 Incentive	\$ 7,868.47	
Payroll Check - 8/22/2012	16265 - 16281	\$ 40,720.55	
Board Payroll Check - 9/1/2012	16282 - 16286	\$ 6,568.88	
Payroll -9/5/2012	16287 - 16303	\$ 41,965.13	
	<b>Total</b>	<b>\$97,123.03</b>	
General Checking - 8/10/2012	42791 - 42836	\$ 1,281,811.83	
General Checking - 8/21/2012	42837 - 42881	\$ 169,258.37	
General Checking - 8/30/2012	42882 - 42904	\$ 43,942.29	
General Checking - 9/1/2012	42905 - 42915	\$ 31,247.50	
	<b>Total</b>	<b>\$1,526,259.99</b>	
			<b>\$1,623,383.02</b>
	<b>Grand Total</b>		<b>\$1,623,383.02</b>
<u>VOIDED CHECK</u>	42619	\$262.49 Reissued	

Run date: 08/08/2012 @ 13:50  
 Bus date: 08/10/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 1

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42791- 2565	1	8/10/2012	10100 NAPA AUTO		
	1		46355 PARTS FOR ALL PS	154.90	921593
	1		46356 PARTS	133.46	091727
	1		46357 PARTS FOR PS/SAFETY ITEMS	33.33	093117
42791- 2565	1	8/10/2012	Logged *** Total ***	321.69	
42792- 2565	2	8/10/2012	10221 ADS LLC		
	2		46311 CONTRACT-DATA COLLE FLOW METER	3,570.00	12562.22-0712
42792- 2565	2	8/10/2012	Logged *** Total ***	3,570.00	
42793- 2565	3	8/10/2012	10570 ANTIMITE TERMITE & PEST CONTRO		
	3		46326 MONTHLY PEST SERVICE-AUGUST	53.00	1087866
42793- 2565	3	8/10/2012	Logged *** Total ***	53.00	
42794- 2565	4	8/10/2012	10720 AT&T		
	4		46335 L.D. SERVICE @ BPS	32.16	BPS-LD-JULY
42794- 2565	4	8/10/2012	Logged *** Total ***	32.16	
42795- 2565	5	8/10/2012	11060 BARRETT ENGINEERED PUMP		
	5		46309 LEUCADIA PS BPS SUBMERSIBLE PU	2,526.90	1081668
42795- 2565	5	8/10/2012	Logged *** Total ***	2,526.90	
42796- 2565	6	8/10/2012	11314 BERGELECTRIC CORP		
	6		46301 OPEN PO-ELECTRICAL REPAIRS	266.40	13330.8TM-14
	6		46317 OPEN PO-ELECTRICAL REPAIRS	266.40	13330.8TM-15
42796- 2565	6	8/10/2012	Logged *** Total ***	532.80	
42797- 2565	7	8/10/2012	11550 BOOT WORLD, INC		
	7		46347 SAFETY BOOTS-G.MENDEZ	184.53	1090079-IN
42797- 2565	7	8/10/2012	Logged *** Total ***	184.53	
42798- 2565	8	8/10/2012	11650 BROWNELL AND DUFFEY CPA		
	8		46299 OPEN PO-CONTRACT-ACCT/FINANCIA	6,060.00	080612
42798- 2565	8	8/10/2012	Logged *** Total ***	6,060.00	
42799- 2565	9	8/10/2012	12005 CSDA, SAN DIEGO CHAPTER		
	9		46346 CSDA QTRLY DINNER-AUGUST	195.00	CSDA-DINNER8/16
42799- 2565	9	8/10/2012	Logged *** Total ***	195.00	
42800- 2565	10	8/10/2012	12360 CITY OF CARLSBAD		
	10		46344 WATER @ VACTOR 2	187.16	104-7/2012
	10		46345 WATER @ VACTOR	136.85	103-JULY'12
42800- 2565	10	8/10/2012	Logged *** Total ***	324.01	
42801- 2565	11	8/10/2012	12510 WASTE MANAGEMENT		
	11		46328 TRASH SERVICE-JULY	213.18	108718202741
	11		46329 TRASH SERVICE-EVENT	192.00	0994930-0274
42801- 2565	11	8/10/2012	Logged *** Total ***	405.18	
42802- 2565	12	8/10/2012	12530 SAN DIEGO COUNTY SHERIFF		
	12		46325 GARNISHMENT-J.H. #2012461529	200.00	GARNISH-8/8/12
42802- 2565	12	8/10/2012	Logged *** Total ***	200.00	

Run date: 08/08/2012 @ 13:50  
 Bus date: 08/10/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 2

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42803- 2565	13	8/10/2012	12814 CUES, INC		
	13		46302 OPEN PO-REPAIRS TO CCTV	208.08	370976
	13		46316 OPEN PO-REPAIRS TO CCTV	447.98	370975
	13		46320 OPEN PO-REPAIRS TO CCTV	869.17	370977
	13		46321 OPEN PO-REPAIRS TO CCTV	503.70	371176
42803- 2565	13	8/10/2012	Logged *** Total ***	2,028.93	
42804- 2565	14	8/10/2012	12832 CUES WEST		
	14		46303 CLOSE CIRCUIT TV INSPECTION TR	233,480.20	371125
42804- 2565	14	8/10/2012	Logged *** Total ***	233,480.20	
42805- 2565	15	8/10/2012	13072 DATA NET		
	15		46322 IS MAINT AND SUPPORT	533.75	9743201
42805- 2565	15	8/10/2012	Logged *** Total ***	533.75	
42806- 2565	16	8/10/2012	14530 ENCINA WASTEWATER AUTHORITY		
	16		46359 ENCINA 4TH QTR CAPITAL/O/M	1,002,016.67	1058/1059
42806- 2565	16	8/10/2012	Logged *** Total ***	1,002,016.67	
42807- 2565	17	8/10/2012	14840 EWING IRRIGATION PRODUCTS		
	17		46352 PARTS	160.67	5161664
	17		46353 PVC COUPLINGS	103.12	5184349
42807- 2565	17	8/10/2012	Logged *** Total ***	263.79	
42808- 2565	18	8/10/2012	15813 MC GRAW-HILL		
	18		46305 NOTICE FOR BIDS-FORCE MAIN PRO	1,320.00	A336865
42808- 2565	18	8/10/2012	Logged *** Total ***	1,320.00	
42809- 2565	19	8/10/2012	16021 GREAT AMERICA LEASING CORP		
	19		46324 COPIER LEASE	1,053.86	12560487
42809- 2565	19	8/10/2012	Logged *** Total ***	1,053.86	
42810- 2565	20	8/10/2012	17010 HAAKER EQUIPMENT CO		
	20		46310 OPEN PO-REPAIRS TO VACTOR	415.99	C89249
42810- 2565	20	8/10/2012	Logged *** Total ***	415.99	
42811- 2565	21	8/10/2012	17552 THE HOME DEPOT CRC/GEFC		
	21		46315 OPEN PO-SUPPLIES @ BPS, AWT ET	369.26	6014753
42811- 2565	21	8/10/2012	Logged *** Total ***	369.26	
42812- 2565	22	8/10/2012	18150 ICMA RETIREMENT-303979		
	22		46334 DEFERRED COMP-ICMA	3,310.32	ICMA-8/8/12
42812- 2565	22	8/10/2012	Logged *** Total ***	3,310.32	
42813- 2565	23	8/10/2012	21102 CASH		
	23		46358 PETTY CASH-JULY/AUGUST	248.14	PETTY-8/7/2012
42813- 2565	23	8/10/2012	Logged *** Total ***	248.14	
42814- 2565	24	8/10/2012	21227 LEE'S LOCK & SAFE		
	24		46349 KEYS	7.78	CT00063847
42814- 2565	24	8/10/2012	Logged *** Total ***	7.78	

Run date: 08/08/2012 @ 13:50  
 Bus date: 08/10/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 3

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
42815- 2565	25	8/10/2012	22214	MITSUBISHI ELECTRIC & ELECTRON		
	25		46354	ELEVATOR SERVICE AND MAINT	255.00	227829
42815- 2565	25	8/10/2012	Logged	*** Total ***	255.00	
42816- 2565	26	8/10/2012	23068	NATIONWIDE RETIREMENT SOLUTION		
	26		46336	DEFERRED COMP-NATIONWIDE	211.19	NATION-8/8/12
42816- 2565	26	8/10/2012	Logged	*** Total ***	211.19	
42817- 2565	27	8/10/2012	24111	ARC		
	27		46297	FORCE MAIN CORROSION PROJECT B	943.25	6510515
	27		46350	SPECS/DOCUMENTS	108.60	6505989
42817- 2565	27	8/10/2012	Logged	*** Total ***	1,051.85	
42818- 2565	28	8/10/2012	24224	OFFICE DEPOT, INC.		
	28		46296	OPEN PO-OFFICE SUPPLIES	86.37	617993361001
	28		46318	OPEN PO-OFFICE SUPPLIES	10.55	61825059001
42818- 2565	28	8/10/2012	Logged	*** Total ***	96.92	
42819- 2565	29	8/10/2012	24440	OLIVENHAIN MUNICIPAL WATER DIS		
	29		46339	WATER @ VP7	57.15	026000-7/2012
	29		46340	WATER @ EEPs	57.15	214000-7/12
	29		46341	WATER @ VP5	34.89	148700-JULY'12
	29		46342	WATER @ TRAVELING	355.73	551770-7/2012
	29		46343	WATER @ TRAVELING 2	245.91	544310-7/2012
42819- 2565	29	8/10/2012	Logged	*** Total ***	750.83	
42820- 2565	30	8/10/2012	25010	AT&T		
	30		46330	PHONE SERVICE @ BPS	102.39	9423588001-BPS
	30		46331	DIAL IN MODEM-OLD	143.42	6327047006-JULY
	30		46332	DIAL IN MODEM-NEW	131.02	4792130272-JULY
42820- 2565	30	8/10/2012	Logged	*** Total ***	376.83	
42821- 2565	31	8/10/2012	25265	PEP BOYS		
	31		46348	MIRROR	8.60	07010027659
42821- 2565	31	8/10/2012	Logged	*** Total ***	8.60	
42822- 2565	32	8/10/2012	25425	PLANT PEOPLE		
	32		46304	OPEN PO- CONTRACT-MAINTAIN PLA	158.00	8121323
42822- 2565	32	8/10/2012	Logged	*** Total ***	158.00	
42823- 2565	33	8/10/2012	25430	PLUMBERS DEPOT, INC		
	33		46298	6 HOSES	825.39	PD19008
42823- 2565	33	8/10/2012	Logged	*** Total ***	825.39	
42824- 2565	34	8/10/2012	25680	PRUDENTIAL OVERALL SUPPLY		
	34		46333	JANITORIAL SERVICES	85.09	131005996
42824- 2565	34	8/10/2012	Logged	*** Total ***	85.09	
42825- 2565	35	8/10/2012	27528	ROCKWELL CONSTRUCTION SERVICES		
	35		46351	BPS REHAB PROJECT	312.50	398
42825- 2565	35	8/10/2012	Logged	*** Total ***	312.50	

Run date: 08/08/2012 @ 13:50  
 Bus date: 08/10/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 4

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Obligat'n	Name / Description	Net amount	INVOICE NUMBER
42826- 2565	36	8/10/2012	28035	SAN DIEGO DAILY TRANSCRIPT		
	36		46308	NOTICE FOR BIDS-FORCE MAIN PRO	672.00	00101340
42826- 2565	36	8/10/2012	Logged	*** Total ***	672.00	
42827- 2565	37	8/10/2012	28070	SAN DIEGUITO WATER DISTRICT		
	37		46323	WATER @ TANKER	11.94	TK645-JULY'12
42827- 2565	37	8/10/2012	Logged	*** Total ***	11.94	
42828- 2565	38	8/10/2012	29716	TRG & ASSOCIATES		
	38		46300	OPEN PO- CONTRACT-PUBLIC INFOR	5,482.50	14-0712
42828- 2565	38	8/10/2012	Logged	*** Total ***	5,482.50	
42829- 2565	39	8/10/2012	29814	TIERRA VERDE RESOURCES, INC		
	39		46314	DISTRCT CAMPUS LANDSCAPE MAIN	29.62	057350
42829- 2565	39	8/10/2012	Logged	*** Total ***	29.62	
42830- 2565	40	8/10/2012	30515	UNIFIRST CORPORATION		
	40		46312	OPEN PO-CONTRACT-UNIFORMS	167.07	3600954977
	40		46319	OPEN PO-CONTRACT-UNIFORMS	186.15	3600956864
42830- 2565	40	8/10/2012	Logged	*** Total ***	353.22	
42831- 2565	41	8/10/2012	30520	UNDERGROUND SERVICE ALERT OF		
	41		46338	UNDERGROUND ALARM SERVICE	455.00	720120369
42831- 2565	41	8/10/2012	Logged	*** Total ***	455.00	
42832- 2565	42	8/10/2012	30551	CARLSBAD FUELS CORPORATION		
	42		46307	OPEN PO-VEHICLE/TRUCK FUELS	1,734.01	20120720
42832- 2565	42	8/10/2012	Logged	*** Total ***	1,734.01	
42833- 2565	43	8/10/2012	30580	UNITED WAY		
	43		46337	EMPLOYEE CONTRIBUTIONS	5.00	UNITED-8/8/12
42833- 2565	43	8/10/2012	Logged	*** Total ***	5.00	
42834- 2565	44	8/10/2012	30723	SIEMENS WATER TECH. CORP		
	44		46313	OPEN PO-BIOXIDE	9,310.08	900831569
42834- 2565	44	8/10/2012	Logged	*** Total ***	9,310.08	
42835- 2565	45	8/10/2012	31232	VERIZON WIRELESS		
	45		46327	CELL PHONES	103.93	1104877479
42835- 2565	45	8/10/2012	Logged	*** Total ***	103.93	
42836- 2565	46	8/10/2012	33227	XEROX CORPORATION		
	46		46306	OPEN PO-SERVICE/MAINT	68.37	063111862
42836- 2565	46	8/10/2012	Logged	*** Total ***	68.37	

	.00
** Total check discount **	.00
** Total check amount **	1,281,811.83
** Total void discount **	.00
** Total void amount **	.00

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: August 16, 2012  
INCENTIVE

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
16248 - 16264	8/16/2012	\$7,868.47

Run date: 08/23/2012 @ 08:03  
 Bus date: 08/21/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 1

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42837- 2566	1	8/21/2012	10100 NAPA AUTO		
	1		46422 PARTS FOR PS	31.23	950757
42837- 2566	1	8/21/2012	Logged	*** Total ***	31.23
42838- 2566	2	8/21/2012	10167 ACACIA GASOLINE & CAR WASH		
	2		46371 OPEN PO-VEHCILE AND TRUCK FUEL	86.24	2597
42838- 2566	2	8/21/2012	Logged	*** Total ***	86.24
42839- 2566	3	8/21/2012	11060 BARRETT ENGINEERED PUMP		
	3		46370 REBUILD PUMP @ LPS	8,717.23	081827
42839- 2566	3	8/21/2012	Logged	*** Total ***	8,717.23
42840- 2566	4	8/21/2012	11314 BERGELECTRIC CORP		
	4		46364 PRESSURE SWITCHES FOR AWT	2,123.53	13330.8TM-16
	4		46365 OPEN PO-ELECTRICAL REPAIRS	469.70	13330.8TM-17
42840- 2566	4	8/21/2012	Logged	*** Total ***	2,593.23
42841- 2566	5	8/21/2012	12112 JEFF BILLS		
	5		46384 OPEN PO-CONSULTING FEES	4,129.74	CC-7/2012
42841- 2566	5	8/21/2012	Logged	*** Total ***	4,129.74
42842- 2566	6	8/21/2012	12514 CONEXIS		
	6		46413 SEC 125 FLEX PLAN-JULY	130.00	0712-OR5179
42842- 2566	6	8/21/2012	Logged	*** Total ***	130.00
42843- 2566	7	8/21/2012	12530 SAN DIEGO COUNTY SHERIFF		
	7		46421 GARNISHMENT	200.00	2012461529-8/22
42843- 2566	7	8/21/2012	Logged	*** Total ***	200.00
42844- 2566	8	8/21/2012	12631 CORODATA		
	8		46382 OPEN PO-STORAGE	105.29	RS1504364
42844- 2566	8	8/21/2012	Logged	*** Total ***	105.29
42845- 2566	9	8/21/2012	12718 CHUCKS TIRE CENTER		
	9		46430 TIRES	413.18	65836
	9		46431 TIRES	310.11	65862
42845- 2566	9	8/21/2012	Logged	*** Total ***	723.29
42846- 2566	10	8/21/2012	12829 EATON ELECTRICAL, INC		
	10		46393 SERVICE CALL @ BPS TO TROUBLES	2,255.00	35829396
42846- 2566	10	8/21/2012	Logged	*** Total ***	2,255.00
42847- 2566	11	8/21/2012	13323 DIEHL, EVANS & COMPANY, L.P		
	11		46374 OPEN PO-CONTRACT-AUDITORS	1,950.00	127682
42847- 2566	11	8/21/2012	Logged	*** Total ***	1,950.00
42848- 2566	12	8/21/2012	13586 DOWNSTREAM SERVICES, INC.		
	12		46426 STORM DRAIN MAINTENANCE	65.00	70985
42848- 2566	12	8/21/2012	Logged	*** Total ***	65.00
42849- 2566	13	8/21/2012	13822 DUDEK & ASSOCIATES		
	13		46434 GE/3252/798/HILTON	308.88	3252.0798



Run date: 08/23/2012 @ 08:03  
 Bus date: 08/21/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 2

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
	13		46435 GE/3252/737/HADAYAT ANNEX	423.33	20122557
	13		46436 GE/3252/699/PLAN CK-HYMETTUS	150.00	20122556
	13		46437 GE/3252/669/LEUCADIA GROVE	93.89	20122555
	13		46438 GE/3252/648/SHERIDEN RD	120.00	20122573
	13		46439 GE/3252/607/VISTA LA COSTA	870.00	20122554
	13		46440 GE/3252/584/LA COSTA	300.00	20122553
	13		46441 GE/3252/846/MCDONALDS	1,585.00	20122622
	13		46442 GE/3252/847/SUBWAY	515.00	20122562
	13		46443 GE/3251/100/GRADING PLANS	677.77	20122552
	13		46444 GE/3252/832/CHICK-FIL-A	240.00	20122561
	13		46445 GE/3252/817/OLIVEHAIN	330.00	20122560
	13		46446 GE/3252/808/SEASIDE RIDGE	972.21	20122559
42849- 2566	13	8/21/2012	Logged *** Total ***	6,586.08	
42850- 2566	14	8/21/2012	14528 ELECTRIC MOTOR SPECIALISTS, IN		
	14		46366 REPLACE BEARINGS, ETC FOR LPS	3,558.13	4603
42850- 2566	14	8/21/2012	Logged *** Total ***	3,558.13	
42851- 2566	15	8/21/2012	15223 FEDERAL EXPRESS CORPORATION		
	15		46429 SHIPPING	72.07	798090878
42851- 2566	15	8/21/2012	Logged *** Total ***	72.07	
42852- 2566	16	8/21/2012	17010 HAAKER EQUIPMENT CO		
	16		46367 OPEN PO-REPAIRS TO VACTOR	632.15	C89577
	16		46369 SILENCER AND BALL VALVE	6,692.61	W28302
42852- 2566	16	8/21/2012	Logged *** Total ***	7,324.76	
42853- 2566	17	8/21/2012	18150 ICMA RETIREMENT-303979		
	17		46402 DEFERRED COMP-ICMA	3,222.14	ICMA-8/22/12
42853- 2566	17	8/21/2012	Logged *** Total ***	3,222.14	
42854- 2566	18	8/21/2012	18212 INFRASTRUCTURE ENGINEERING COR		
	18		46377 CONTRACT-FORCE MAIN CORROSION	5,320.00	6487
	18		46379 CONTRACT-BPS ENGINEERING SERVI	2,764.30	6483
	18		46380 LA COSTA PUMP STATION REHAB DE	6,753.46	6486
	18		46381 ON GOING GIS SUPPORT	600.00	6461
	18		46428 LANAKAI SEWER	985.00	6484
	18		46432 SERVICES @DAPHNE MEADOWS	200.00	6462
42854- 2566	18	8/21/2012	Logged *** Total ***	16,622.76	
42855- 2566	19	8/21/2012	18212 INFRASTRUCTURE ENGINEERING COR		
	19		46378 CONTRACT-REPLACE LPS EMERG GEN	11,873.35	6485
42855- 2566	19	8/21/2012	Logged *** Total ***	11,873.35	
42856- 2566	20	8/21/2012	18576 INTERSTATE BATTERIES OF SAN DI		
	20		46375 BATTERIES FOR PS	861.88	920003615
42856- 2566	20	8/21/2012	Logged *** Total ***	861.88	
42857- 2566	21	8/21/2012	19550 JCI JONES CHEMICAL, INC		
	21		46385 OPEN PO-SODIUM HYPOCHLORIDE	3,913.09	556966
42857- 2566	21	8/21/2012	Logged *** Total ***	3,913.09	

Run date: 08/23/2012 @ 08:03  
 Bus date: 08/21/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 3

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42858- 2566	22	8/21/2012	23068 NATIONWIDE RETIREMENT SOLUTION		
	22		46403 DEFERRED COMP-NATIONWIDE	211.19	NATION-8/22/12
42858- 2566	22	8/21/2012	Logged *** Total ***	211.19	
42859- 2566	23	8/21/2012	24111 ARC		
	23		46433 SPECS/DOCUMENTS	12.54	6534053
42859- 2566	23	8/21/2012	Logged *** Total ***	12.54	
42860- 2566	24	8/21/2012	24224 OFFICE DEPOT, INC.		
	24		46368 OPEN PO-OFFICE SUPPLIES	182.96	619173984001
	24		46386 OPEN PO-OFFICE SUPPLIES	65.33	620303779001
	24		46387 OPEN PO-OFFICE SUPPLIES	5.89	620303805001
42860- 2566	24	8/21/2012	Logged *** Total ***	254.18	
42861- 2566	25	8/21/2012	25010 AT&T		
	25		46400 ODOR CONTROL MODEM	35.31	4364009331-8/12
	25		46401 OFFICE ELEVATOR	142.11	6333461-8/12
42861- 2566	25	8/21/2012	Logged *** Total ***	177.42	
42862- 2566	26	8/21/2012	25032 PALOMAR WATER		
	26		46419 WATER @ OFFICE	135.50	2346010
42862- 2566	26	8/21/2012	Logged *** Total ***	135.50	
42863- 2566	27	8/21/2012	25121 PCL CONSTRUCTION, INC		
	27		46390 BPS REHAB PROJECT	29,384.00	#02
	27		46396 RETENTION 10%	-2,938.40	RETENTION-AUG
42863- 2566	27	8/21/2012	Logged *** Total ***	26,445.60	
42864- 2566	28	8/21/2012	25549 POLYDYNE, INC		
	28		46372 ALUM POLYMER FOR AWT PLANT	11,723.20	745658
42864- 2566	28	8/21/2012	Logged *** Total ***	11,723.20	
42865- 2566	29	8/21/2012	27517 JEAN ROCHE		
	29		46395 LATERAL REIMBURSEMENT	2,825.00	ROCHE-LATERAL
42865- 2566	29	8/21/2012	Logged *** Total ***	2,825.00	
42866- 2566	30	8/21/2012	27914 RPYEAGER ENGINEERING		
	30		46362 FORCE MAIN CATHODIC PROTECTION	1,355.00	12092
42866- 2566	30	8/21/2012	Logged *** Total ***	1,355.00	
42867- 2566	31	8/21/2012	28020 SAN DIEGO GAS AND ELECTRIC		
	31		46398 ELECTRIC @ EEPS	1,237.03	9747-8/12
	31		46399 ELECTRIC @ SPS	759.34	2278-SPS-8/12
	31		46405 ELECTRIC @ BPS	11,865.17	2675562046
	31		46406 ELECTRIC @ DIANA PS	395.67	3800994220
	31		46407 ELECTRIC @ AVOCADO PS	119.39	1552124652
	31		46408 ELECTRIC @ VP7 PS	157.24	8129456255
	31		46409 GAS @ OFFICE	16.17	7923713929
	31		46410 ELECTRIC @ LA COSTA PS	1,028.26	7065765529
	31		46411 ELECTRIC @ RVPS	132.16	3686084321
	31		46414 ELECTRIC @ VP5PS	301.17	8126868315
	31		46415 ELECTRIC @ EEPS	706.31	4750940744

Run date: 08/23/2012 @ 08:03  
 Bus date: 08/21/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 4

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
	31		46416 GAS @ EEPS	1.92	4750941474
42867- 2566	31	8/21/2012	Logged *** Total ***	16,719.83	
42868- 2566	32	8/21/2012	28020 SAN DIEGO GAS AND ELECTRIC		
	32		46417 ELECTRIC @ OFFICE/LPS	11,195.67	4789838637
42868- 2566	32	8/21/2012	Logged *** Total ***	11,195.67	
42869- 2566	33	8/21/2012	28035 SAN DIEGO DAILY TRANSCRIPT		
	33		46427 AD FOR FINANCIAL PLANNING	252.00	321702
42869- 2566	33	8/21/2012	Logged *** Total ***	252.00	
42870- 2566	34	8/21/2012	28615 SPECIALTY SEALS & ACCESSORIES,		
	34		46394 MECHANICAL SEAL	2,839.75	30296
42870- 2566	34	8/21/2012	Logged *** Total ***	2,839.75	
42871- 2566	35	8/21/2012	29225 TELEPACIFIC COMMUNICATIONS		
	35		46418 PHONE SYSTEM/SERVICE	994.15	39230592-0
42871- 2566	35	8/21/2012	Logged *** Total ***	994.15	
42872- 2566	36	8/21/2012	29730 T.S. INDUSTRIAL SUPPLY		
	36		46423 SUPPLIES/TOOLS	282.42	1051356
42872- 2566	36	8/21/2012	Logged *** Total ***	282.42	
42873- 2566	37	8/21/2012	30515 UNIFIRST CORPORATION		
	37		46373 OPEN PO-CONTRACT-UNIFORMS	184.78	3600958749
	37		46383 OPEN PO-CONTRACT-UNIFORMS	161.07	3600960640
42873- 2566	37	8/21/2012	Logged *** Total ***	345.85	
42874- 2566	38	8/21/2012	30551 CARLSBAD FUELS CORPORATION		
	38		46363 OPEN PO-VEHICLE/TRUCK FUELS	1,988.32	20120810
42874- 2566	38	8/21/2012	Logged *** Total ***	1,988.32	
42875- 2566	39	8/21/2012	30560 UNITED PARCEL		
	39		46420 SHIPPING	15.52	000025YY37312
42875- 2566	39	8/21/2012	Logged *** Total ***	15.52	
42876- 2566	40	8/21/2012	30580 UNITED WAY		
	40		46404 EMPLOYEE CONTRIBUTIONS	5.00	UNITED-8/22/12
42876- 2566	40	8/21/2012	Logged *** Total ***	5.00	
42877- 2566	41	8/21/2012	30723 SIEMENS WATER TECH. CORP		
	41		46392 OPEN PO-BIOXIDE	9,098.65	900861905
42877- 2566	41	8/21/2012	Logged *** Total ***	9,098.65	
42878- 2566	42	8/21/2012	31232 VERIZON WIRELESS		
	42		46412 CELL PHONES	575.57	1108519057
42878- 2566	42	8/21/2012	Logged *** Total ***	575.57	
42879- 2566	43	8/21/2012	32347 DEXTER WILSON ENGINEERING		
	43		46376 UPDATE ASSET MANAGEMENT PLAN	1,870.00	0712.09.2043
	43		46424 ENG SERVICES	330.00	0712.01.2041
42879- 2566	43	8/21/2012	Logged *** Total ***	2,200.00	

Run date: 08/23/2012 @ 08:03  
Bus date: 08/21/2012

Leucadia Waste Water District  
Check - Complete Detail

OCCKHST.L10 Page 5

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42880- 2566	44	8/21/2012	32500 WORDEN WILLIAMS, APC		
	44		46397 LEGAL FEES-JULY	4,365.60	31735
42880- 2566	44	8/21/2012	Logged *** Total ***	4,365.60	
42881- 2566	45	8/21/2012	32529 WM LAMP TRACKER, INC		
	45		46425 BATTERY TRACKER	219.90	0585104
42881- 2566	45	8/21/2012	Logged *** Total ***	219.90	
				.00	
** Total check discount **				.00	
** Total check amount **				169,258.37	
** Total void discount **				.00	
** Total void amount **				.00	

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: August 22, 2012

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
16265 - 16281	8/22/2012	\$40,720.55

Run date: 08/27/2012 @ 16:08  
 Bus date: 08/30/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 1

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42882- 2567	1	8/30/2012	10221 ADS LLC		
	1		46451 CONTRACT-DATA COLLE FLOW METER	3,570.00	12562.22-0812
42882- 2567	1	8/30/2012	Logged *** Total ***	3,570.00	
42883- 2567	2	8/30/2012	10526 AMERICA'S FINEST FIRE PROTECTI		
	2		46460 ANNUAL FIRE EXTINGUISHERS TEST	495.00	91474-AUG'12
42883- 2567	2	8/30/2012	Logged *** Total ***	495.00	
42884- 2567	3	8/30/2012	11872 PAUL BUSHEE		
	3		46453 REIMBURSE P.B. FOR CONFERENCE-	321.60	PB-CASA CONF-
42884- 2567	3	8/30/2012	Logged *** Total ***	321.60	
42885- 2567	4	8/30/2012	12525 COPYCARE OF SAN DIEGO		
	4		46463 COPIER REPAIR AND MAINT	135.00	W010395
42885- 2567	4	8/30/2012	Logged *** Total ***	135.00	
42886- 2567	5	8/30/2012	12814 CUES, INC		
	5		46449 OPEN PO-REPAIRS TO CCTV	108.08	372201
42886- 2567	5	8/30/2012	Logged *** Total ***	108.08	
42887- 2567	6	8/30/2012	13014 DIAMOND ENVIRONMENTAL SERVICES		
	6		46452 2 PORTABLE RESTROOMS-COLLEC CR	214.30	28K00934
42887- 2567	6	8/30/2012	Logged *** Total ***	214.30	
42888- 2567	7	8/30/2012	13072 DATA NET		
	7		46467 IS MAINT AND SUPPORT	505.00	9743355
42888- 2567	7	8/30/2012	Logged *** Total ***	505.00	
42889- 2567	8	8/30/2012	17058 JUDY HANSON		
	8		46457 REIMBURSE J.H. FOR CASA CONF	973.84	HANSON-8/11
42889- 2567	8	8/30/2012	Logged *** Total ***	973.84	
42890- 2567	9	8/30/2012	18561 U.S. BANK		
	9		46471 CREDIT CARD-CONF, MEETINGS,ETC	7,695.24	USBANK-7/23/12
42890- 2567	9	8/30/2012	Logged *** Total ***	7,695.24	
42891- 2567	10	8/30/2012	18711 I2B NETWORKS, INC		
	10		46462 WEB CAM @ BPS	160.00	17393
42891- 2567	10	8/30/2012	Logged *** Total ***	160.00	
42892- 2567	11	8/30/2012	19775 ALLAN JULIUSSEN		
	11		46454 REIMBURSE A.J.-CASA CONF-8/11	1,090.34	JULIUSSEN-8/11
42892- 2567	11	8/30/2012	Logged *** Total ***	1,090.34	
42893- 2567	12	8/30/2012	20011 JACKSON & BLANC		
	12		46465 MAINT/REPAIR ON HVAC	285.00	00Q164520
42893- 2567	12	8/30/2012	Logged *** Total ***	285.00	
42894- 2567	13	8/30/2012	20842 DAVID KULCHIN		
	13		46456 REIMBURSE FOR CASA CONF-8/11	1,437.70	KULCHIN-CASA
42894- 2567	13	8/30/2012	Logged *** Total ***	1,437.70	

Run date: 08/27/2012 @ 16:08  
 Bus date: 08/30/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 2

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42895- 2567	14	8/30/2012	24224 OFFICE DEPOT, INC.		
	14		46448 OPEN PO-OFFICE SUPPLIES	93.44	621404618001
42895- 2567	14	8/30/2012	Logged *** Total ***	93.44	
42896- 2567	15	8/30/2012	24528 DONALD OMSTED		
	15		46458 REIMBURSE D.O. FOR CASA CONF	13.77	OMSTED-8/11
42896- 2567	15	8/30/2012	Logged *** Total ***	13.77	
42897- 2567	16	8/30/2012	25260 PERS RETIREMENT		
	16		46468 BOARD RETIREMENT 7/31/2012	40.31	8-30-12
	16		46469 EMPLOYEE RETIREMENT 7/22/2012	12,976.59	8-21-12
42897- 2567	16	8/30/2012	Logged *** Total ***	13,016.90	
42898- 2567	17	8/30/2012	25260 PERS RETIREMENT		
	17		46470 EMPLOYEE RETIREMENT 8/5/12	12,941.57	9-4-12
42898- 2567	17	8/30/2012	Logged *** Total ***	12,941.57	
42899- 2567	18	8/30/2012	25577 PURCHASE POWER		
	18		46459 CHANGE OUT OF POSTAGE METER	8.25	52438280209-JUL
42899- 2567	18	8/30/2012	Logged *** Total ***	8.25	
42900- 2567	19	8/30/2012	28844 ELAINE SULLIVAN		
	19		46455 REIMBURSE E.S.-CASA CONF-8/11	29.15	SULLIVAN-8/11
42900- 2567	19	8/30/2012	Logged *** Total ***	29.15	
42901- 2567	20	8/30/2012	29630 TRI COMMUNITY ANSWERING SERVIC		
	20		46464 ANSWERING SERVICE-AUGUST	90.00	TRI-8/20/12
42901- 2567	20	8/30/2012	Logged *** Total ***	90.00	
42902- 2567	21	8/30/2012	30560 UNITED PARCEL		
	21		46466 POSTAGE/SHIPPING	47.91	000025YY37332
42902- 2567	21	8/30/2012	Logged *** Total ***	47.91	
42903- 2567	22	8/30/2012	32271 WEST COAST SAFETY SUPPLY CO.,		
	22		46450 OPEN PO-CALIBRATIONS	440.35	170683745
42903- 2567	22	8/30/2012	Logged *** Total ***	440.35	
42904- 2567	23	8/30/2012	32529 WM LAMP TRACKER, INC		
	23		46461 BATTERY TRACKER	269.85	0586394
42904- 2567	23	8/30/2012	Logged *** Total ***	269.85	
				.00	
** Total check discount **				.00	
** Total check amount **				43,942.29	
** Total void discount **				.00	
** Total void amount **				.00	

Run date: 08/29/2012 @ 16:36  
 Bus date: 09/01/2012

Leucadia Waste Water District  
 Check - Complete Detail

OCCKHST.L10 Page 1

UNION BANK GENERAL

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	INVOICE NUMBER
42905- 2568	1	9/01/2012	12510 WASTE MANAGEMENT		
	1		46476 TRASH SERVICE	231.80	10886530274-0
42905- 2568	1	9/01/2012	Logged *** Total ***	231.80	
42906- 2568	2	9/01/2012	16806 THE GUARDIAN		
	2		46479 DENTAL/DISABILITY INS-SEPT	3,813.26	00324226-9/2012
42906- 2568	2	9/01/2012	Logged *** Total ***	3,813.26	
42907- 2568	3	9/01/2012	17060 HARTFORD LIFE & ACCIDENT INS.		
	3		46478 LIFE INS-SEPTEMBER	347.22	6003019-4
42907- 2568	3	9/01/2012	Logged *** Total ***	347.22	
42908- 2568	4	9/01/2012	25010 AT&T		
	4		46481 DIAL IN MODEM	133.19	4792130272-AUG
	4		46482 DIAL IN MODEM-OLD	144.46	63270470062-812
42908- 2568	4	9/01/2012	Logged *** Total ***	277.65	
42909- 2568	5	9/01/2012	25018 MES VISION		
	5		46477 VISION INS-SEPTEMBER	341.16	122212183001
42909- 2568	5	9/01/2012	Logged *** Total ***	341.16	
42910- 2568	6	9/01/2012	25261 PUBLIC EMPLOYEES HEALTH		
	6		46483 BOARD HEALTH INS-SEPT	2,388.99	13802811-9/2012
	6		46484 EMPLOYEES HEALTH INS-SEPT	21,152.08	100000013802811
42910- 2568	6	9/01/2012	Logged *** Total ***	23,541.07	
42911- 2568	7	9/01/2012	25265 PEP BOYS		
	7		46480 SUPPLIES	115.11	07011000001
42911- 2568	7	9/01/2012	Logged *** Total ***	115.11	
42912- 2568	8	9/01/2012	25618 PRISM JANITORIAL SERVICES, INC		
	8		46474 OPEN PO-CONTRACT-JANITORIAL SE	1,281.15	6754
42912- 2568	8	9/01/2012	Logged *** Total ***	1,281.15	
42913- 2568	9	9/01/2012	26804 QUALITY CHEVROLET		
	9		46472 OPEN PO-VEHICLE/TRUCK MAINT/RE	402.01	CTCS43520
42913- 2568	9	9/01/2012	Logged *** Total ***	402.01	
42914- 2568	10	9/01/2012	29814 TIERRA VERDE RESOURCES, INC		
	10		46475 DISTRICT CAMPUS LANDSCAPE MAIN	730.00	057400
42914- 2568	10	9/01/2012	Logged *** Total ***	730.00	
42915- 2568	11	9/01/2012	30515 UNIFIRST CORPORATION		
	11		46473 OPEN PO-CONTRACT-UNIFORMS	167.07	3600962528
42915- 2568	11	9/01/2012	Logged *** Total ***	167.07	

	.00
** Total check discount **	.00
** Total check amount **	31,247.50
** Total void discount **	.00
** Total void amount **	.00



LEUCADIA WASTEWATER DISTRICT  
BOARD PAYROLL CHECK REPORT

Payroll Date: September 1, 2012

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
16282 - 16286	9/1/2012	\$6,568.88

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: September 5, 2012

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
16287 - 16303	9/5/2012	\$41,965.13

LEUCADIA WASTEWATER DISTRICT  
YEAR TO DATE EMPLOYEE AND BOARD PAYROLL AMOUNTS

2011

AUGUST

8/3/2011	Board		\$2,013.52
8/10/2011	Employee		\$37,571.30
8/17/2011	Employee	Incentive	\$1,806.79
8/24/2011	Employee		<u>\$39,304.20</u>
	<b>TOTAL</b>		<b>\$80,695.81</b>

SEPTEMBER

9/2/2011	Board		\$5,941.62
9/7/2011	Employee		\$39,021.34
9/14/2011	Employee	Incentive	\$14,593.50
9/21/2011	Employee		<u>\$42,282.20</u>
	<b>TOTAL</b>		<b>\$101,838.66</b>

OCTOBER

10/1/2011	Board		\$4,460.08
10/5/2011	Employee		\$41,659.94
10/19/2011	Employee		\$40,686.03
10/20/2011	Employee	Incentive	<u>\$443.37</u>
	<b>TOTAL</b>		<b>\$87,249.42</b>

NOVEMBER

11/2/2011	Employee		\$42,246.46
11/3/2011	Board		\$5,828.15
11/16/2011	Employee		\$44,291.63
11/30/2011	Employee		<u>\$41,217.06</u>
	<b>TOTAL</b>		<b>\$133,583.30</b>

DECEMBER

12/5/2011	Board		\$2,140.25
12/7/2011	Employee	Sick Buy Back	\$19,523.10
12/14/2011	Employee		\$41,565.55
12/15/2011	Employee	Incentive	\$1,358.90
12/28/2011	Employee		<u>\$39,755.51</u>
	<b>TOTAL</b>		<b>\$104,343.31</b>

JANUARY

2012

1/4/2012	Board		\$1,431.00
1/11/2012	Employee		\$41,855.63
1/25/2012	Employee		<u>\$40,237.03</u>
	<b>TOTAL</b>		<b>\$83,523.66</b>

FEBRUARY

2/2/2012	Board		\$4,755.23
2/3/2012	Employee	Incentive	\$1,860.01
2/8/2012	Employee		\$41,022.52
2/9/2012	Employee	Incentive	\$3,856.19
2/22/2012	Employee		<u>\$40,771.56</u>
	<b>TOTAL</b>		<b>\$92,265.51</b>

LEUCADIA WASTEWATER DISTRICT  
YEAR TO DATE EMPLOYEE AND BOARD PAYROLL AMOUNTS

**MARCH**

3/2/2012	Board		\$4,000.82
3/7/2012	Employee		\$41,562.78
3/15/2012	Employee	Incentive	\$6,745.46
3/21/2012	Employee		<u>\$40,896.30</u>
	<b>TOTAL</b>		<b>\$93,205.36</b>

**APRIL**

4/2/2012	Board		\$3,968.57
4/4/2012	Employee		\$41,613.26
4/18/2012	Employee		<u>\$40,110.91</u>
	<b>TOTAL</b>		<b>\$85,692.74</b>

**MAY**

5/2/2012	Employee		\$42,097.91
5/4/2012	Board		\$4,707.39
5/9/2012	Employee	Incentive	\$5,061.27
5/11/2012	Employee		\$9,977.48
5/16/2012	Employee		\$39,446.45
5/30/2012	Employee		<u>\$40,040.64</u>
	<b>TOTAL</b>		<b>\$141,331.14</b>

**JUNE**

6/1/2012	Board		\$5,475.03
6/13/2012	Employee		\$40,681.40
6/20/2012	Employee	Incentive	\$1,862.00
6/27/2012	Employee		<u>\$39,435.84</u>
	<b>TOTAL</b>		<b>\$87,454.27</b>

**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>
	<b>TOTAL</b>		<b>\$85,909.03</b>

**AUGUST**

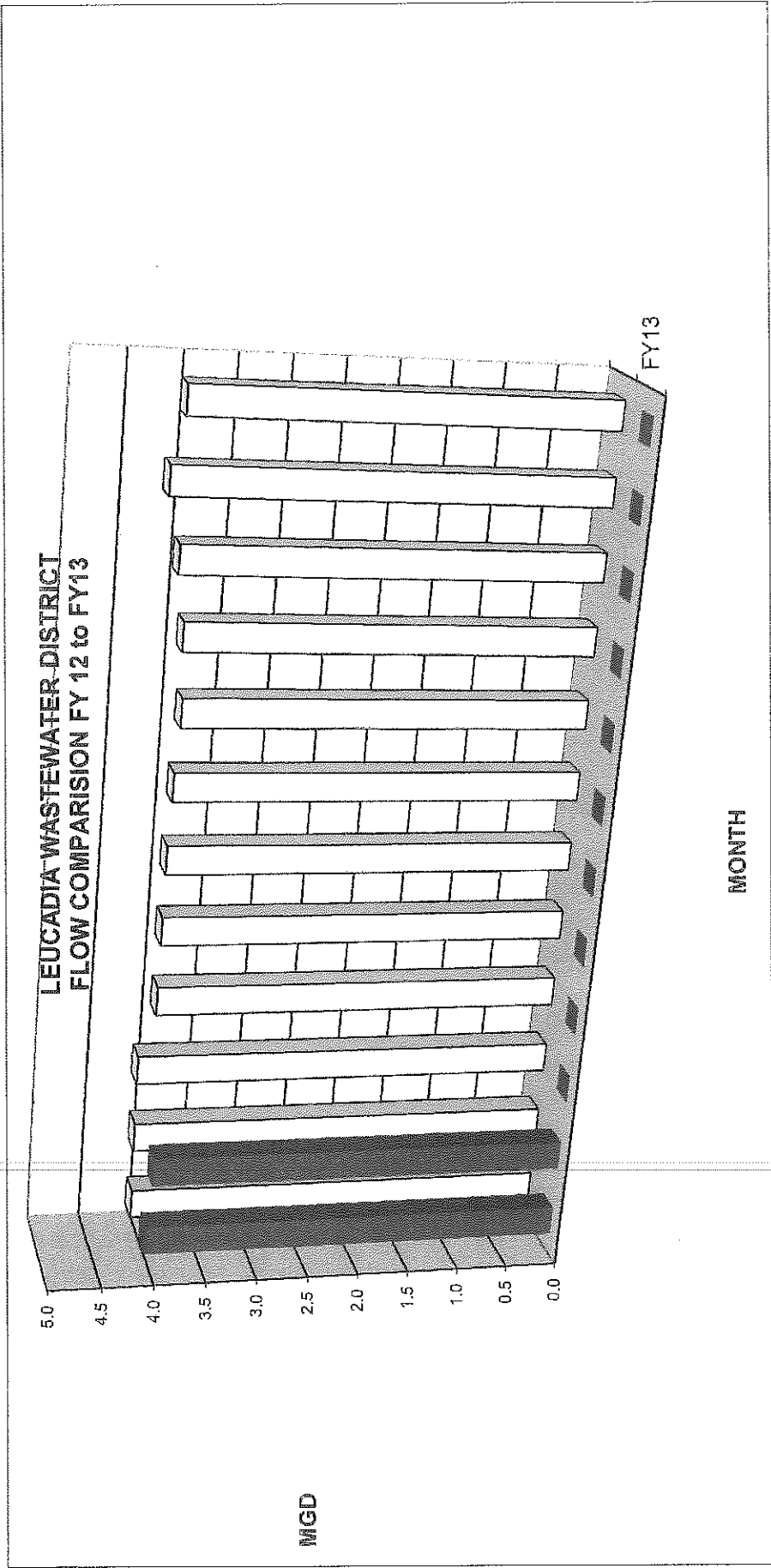
8/1/2012	Board		\$785.47
8/8/2012	Employee		\$41,296.94
8/16/2012	Employee	Incentive	\$7,868.47
8/22/2012	Employee		<u>\$40,720.55</u>
	<b>TOTAL</b>		<b>\$90,671.43</b>

**SEPTEMBER**

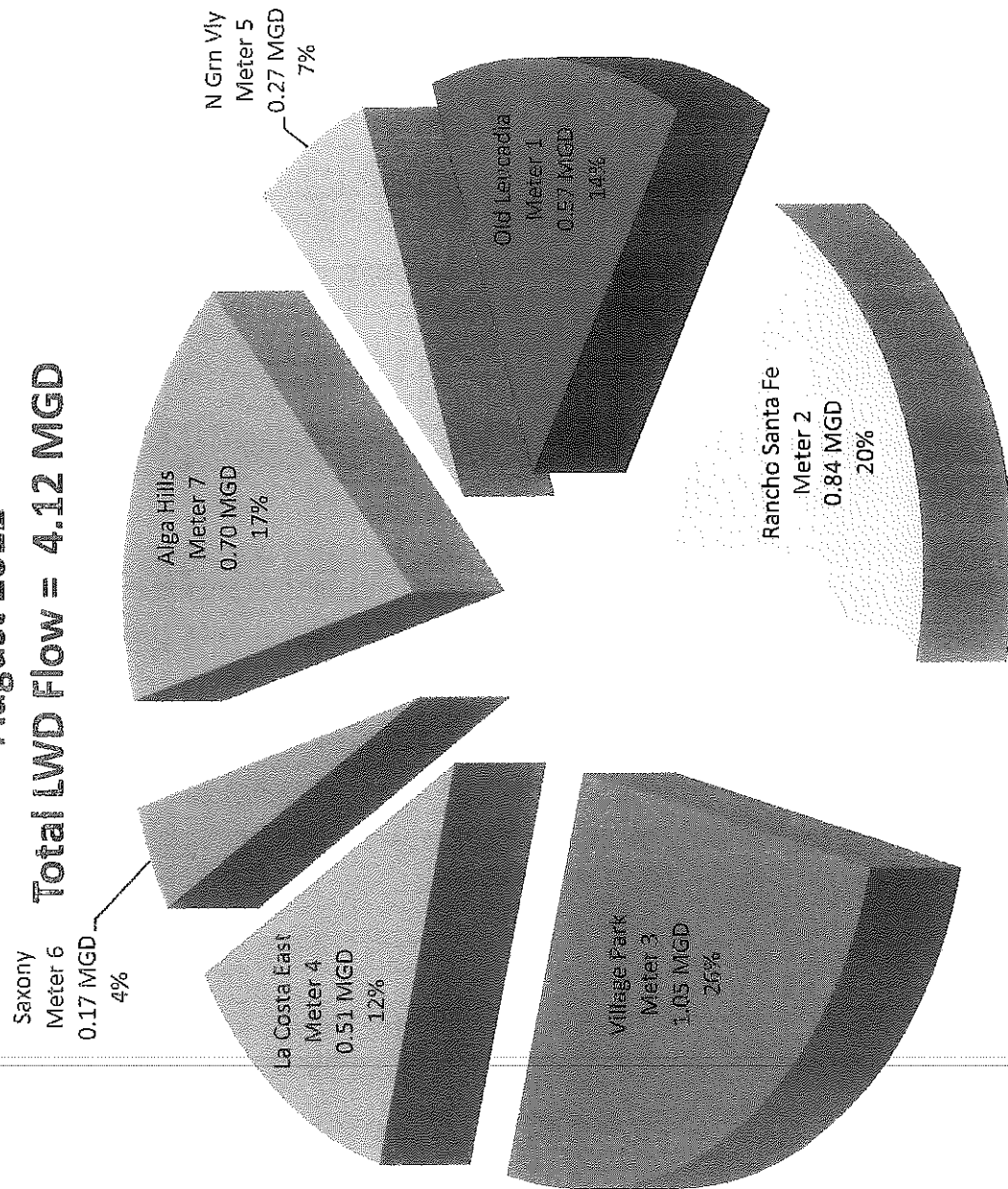
9/1/2012	Board		\$6,568.88
9/5/2012	Employee		<u>\$41,965.13</u>
	<b>TOTAL</b>		<b>\$48,534.01</b>

**LEUCADIA WASTEWATER DISTRICT  
OPERATIONS REPORT  
FISCAL YEAR 2012-2013**

CURRENT MONTH - August 2012							FY 2011-2012	
Period	Total Rain Inches	Total Flow MG	Total EDU's 27,854	LWD ADF (MGD)	GPD/EDU	RECLAIMED ADF (ac-ft/mo)	ADF (MGD)	
JULY	0.0	126.17	1	4.07	146	40.58	4.08	
YTD	0.0	126.17	27,855					
AUGUST	0.0	124.93	1	4.03	145	40.74	4.09	
YTD	0.0	251.10	27,856				4.10	
SEPTEMBER								
YTD								
OCTOBER							3.96	
YTD								
NOVEMBER							3.96	
YTD								
DECEMBER							3.96	
YTD								
JANUARY							3.94	
YTD								
FEBRUARY							3.91	
YTD								
MARCH							3.94	
YTD								
APRIL							4.02	
YTD								
MAY							4.15	
YTD								
JUNE							4.04	
YTD								
Annual Total	0.00	251.10	2			81.32		
Mo Average	0.00	125.55	1	4.05	145	40.66	4.01	



**LWD Flows by Sub-Basin**  
**August 2012**  
**Total LWD Flow = 4.12 MGD**



The map displays the city of San Jose divided into seven numbered basins, each with a unique hatched pattern. The basins are: 1 (dark diagonal lines), 2 (light diagonal lines), 3 (horizontal lines), 4 (vertical lines), 5 (cross-hatch), 6 (wavy lines), and 7 (dotted). A network of pump stations, represented by circular icons with arrows, connects these basins. Flow meter locations are indicated by small black dots along the main distribution lines. A dashed line outlines the LWD boundary, and a solid line marks the LWD sphere of influence. A north arrow and a scale bar (0 to 5,000 feet) are located in the lower-left corner.

**Legend**

- FLOW METER LOCATION
- PUMP STATION

**PARCELS BY BASIN**

	1
	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



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

As of August 31, 2012

<b>ASSETS</b>	
Cash and Investment Pools	\$ 29,134,923.31
Investments	7,990,184.34
Accounts Receivable	276,799.40
Funds Held with Encina Wastewater Authority	906,849.00
Prepaid Expenses	55,567.48
Capital Assets	130,073,471.55
Less Accumulated Depreciation	(43,579,048.96)
<b>TOTAL ASSETS</b>	<b>\$ 124,858,746.12</b>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	258,690.75
Developer Deposits	223,685.94
<b>TOTAL LIABILITIES</b>	<b>\$ 482,376.69</b>
<b>NET ASSETS</b>	
Net Investment in Capital Assets	87,411,699.76
Restricted Reserves	2,371,368.53
Unrestricted Operating Reserve	2,170,920.75
Unrestricted Non-Operating Reserves (Designated)	26,178,303.38
Unrestricted Emergency Reserve	7,500,000.00
YTD Revenue over (under) Expenditures	(1,255,922.99)
<b>TOTAL NET ASSETS</b>	<b>\$ 124,376,369.43</b>

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

**LEUCADIA WASTEWATER DISTRICT**  
**BUDGET PERFORMANCE REPORT**  
YTD Revenue and Expenditures Through 6/30/2017 with Annual Budget

<b>OPERATING REVENUES AND EXPENSES</b>					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
OPERATING REVENUES AND TRANSFERS					
OPERATING REVENUES					
SEWER SERVICE	3110	\$ 73,917.72	\$ 7,178,754.00	7,104,836.28	1.0%
RECLAIMED WATER SALES	3150	25,833.66	479,000.00	453,166.34	5.4%
OTHER OPERATING INCOME		(377.77)	192,126.00	192,503.77	-0.2%
<b>TOTAL OPERATING REVENUE</b>		<b>\$ 99,373.61</b>	<b>\$ 7,849,880.00</b>	<b>\$ 7,750,506.39</b>	<b>1.3%</b>
OPERATING EXPENSES					
WAGES AND BENEFITS	4100 & 4200	\$ 310,221.89	\$ 2,313,265.00	\$ 2,003,043.11	13.4%
BOARD EXPENSES AND ELECTION	4300 & 4400	18,341.02	163,700.00	145,358.98	11.2%
DEPRECIATION EXPENSE	4510	524,000.00	-	(524,000.00)	n/a
REPLACEMENT EXPENSE	4515	-	1,236,028.00	1,236,028.00	n/a
FUELS	4600	5,702.12	58,500.00	52,797.88	9.7%
INSURANCE	4700	16,124.35	117,000.00	100,875.65	13.8%
MEMBERSHIP & DUES	4800	979.00	24,800.00	23,821.00	3.9%
OFFICE EXPENSE	4900	12,094.22	105,350.00	93,255.78	11.5%
OPERATING SUPPLIES	5000	49,565.04	218,100.00	168,534.96	22.7%
PROFESSIONAL SERVICES	5200	34,013.47	564,500.00	530,486.53	6.0%
PRINTING & PUBLISHING	5300	312.62	32,000.00	31,687.38	1.0%
RENTS & LEASES	5400	2,234.15	18,000.00	15,765.85	12.4%
REPAIR & MAINTENANCE	5500	50,754.70	332,050.00	281,295.30	15.3%
MONITORING & PERMITTING	5600	-	45,100.00	45,100.00	0.0%
TRAINING & DEVELOPMENT	5700	3,857.48	41,400.00	37,542.52	9.3%
UTILITIES	5900	56,799.46	421,100.00	364,300.54	13.5%
LAFCO OPERATIONS	6100	6,123.00	6,200.00	77.00	98.8%
ENCINA	6200	-	1,945,827.00	1,945,827.00	0.0%
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 1,091,122.52</b>	<b>\$ 7,642,920.00</b>	<b>\$ 6,551,797.48</b>	<b>14.3%</b>

<b>NON-OPERATING REVENUES AND EXPENSES</b>					
DESCRIPTION	A/C No.	YTD ACTUAL AMOUNT	ANNUAL BUDGET	REMAINING BALANCE	% USED
NON OPERATING REVENUES					
CAPACITY CHARGES	3130	\$ 7,464.00	\$ 111,960.00	\$104,496.00	6.7%
PROPERTY TAXES	3220	14,938.71	1,200,000.00	1,185,061.29	1.2%
INTEREST INCOME	3250	42,535.00	290,000.00	247,465.00	14.7%
OTHER NON OPERATING INCOME		314.60	67,859.00	67,544.40	0.5%
<b>TOTAL NON OPERATING REVENUES</b>		<b>\$ 65,252.31</b>	<b>\$ 1,669,819.00</b>	<b>\$1,604,566.69</b>	<b>3.9%</b>

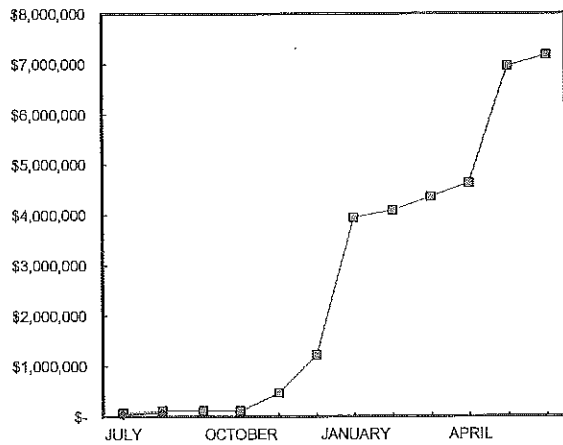
Preliminary: subject to future review, reconciliation, accruals, and audit.

# Leucadia Wastewater District

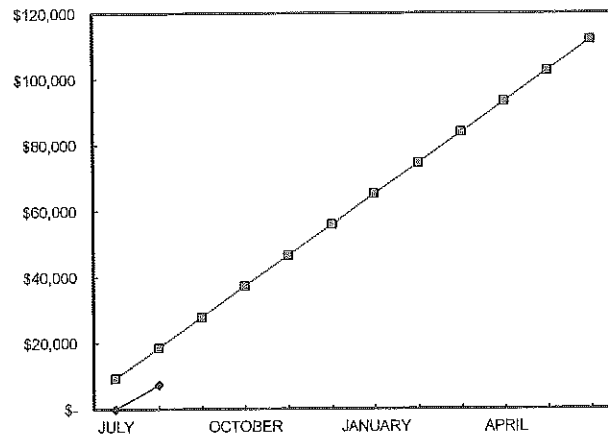
## Revenue FY 2013

YTD through August 31, 2012

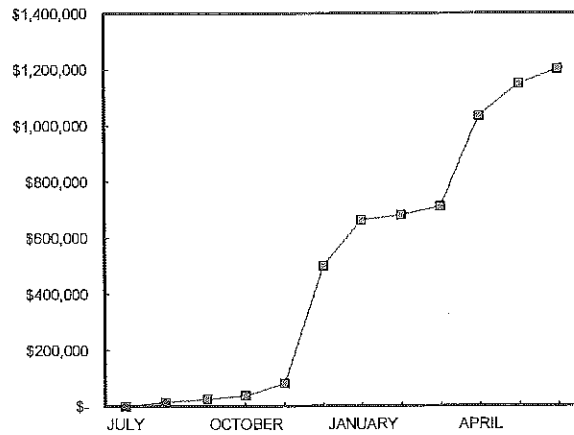
Sewer Service Fees



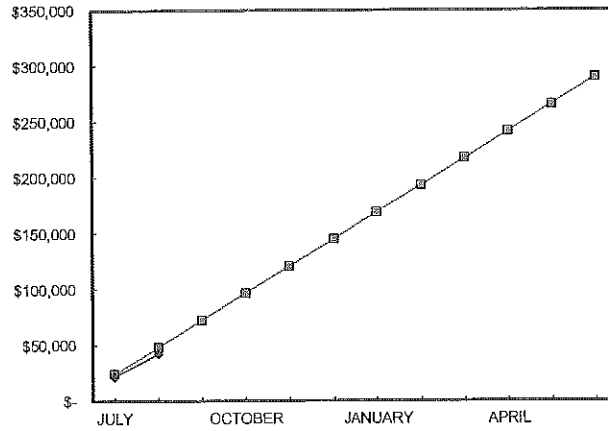
Capacity Charges



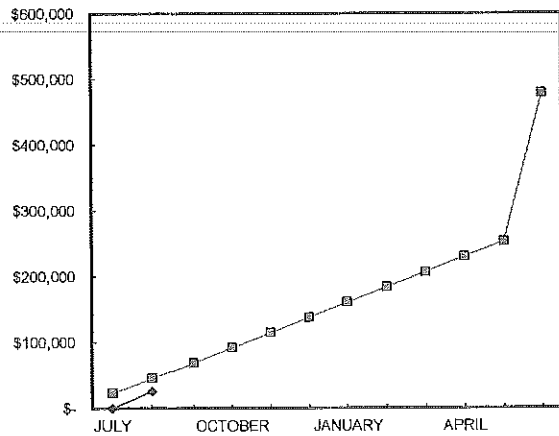
Property Taxes



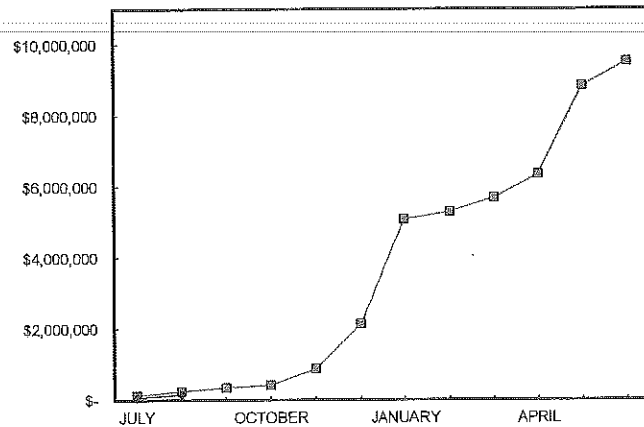
Investment Income



Recycled Wastewater



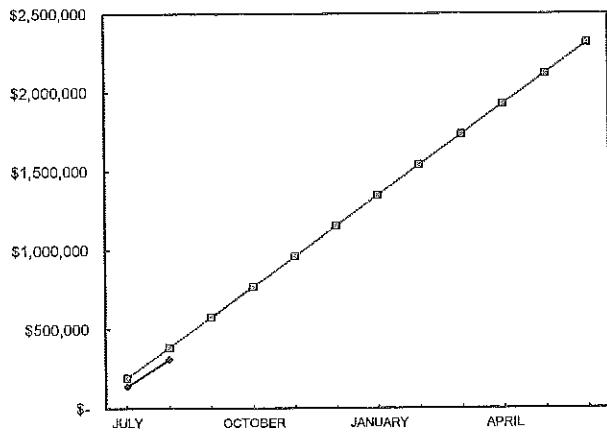
Total Revenue



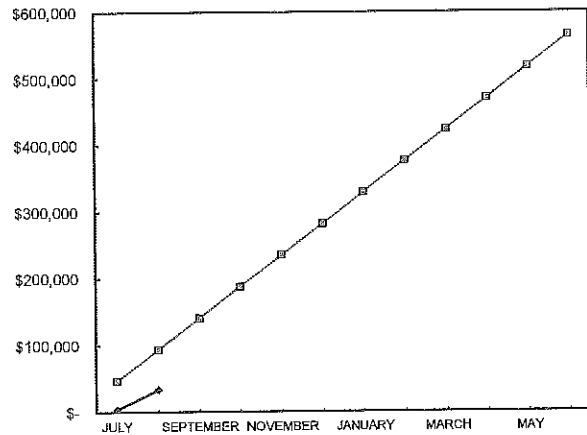
\* Preliminary: subject to future review, reconciliation, accruals, and audit

# **Leucadia Wastewater District** **Operating Expenses FY 2013** YTD through August 31, 2012

**Salaries and Benefits**



**Professional Services**

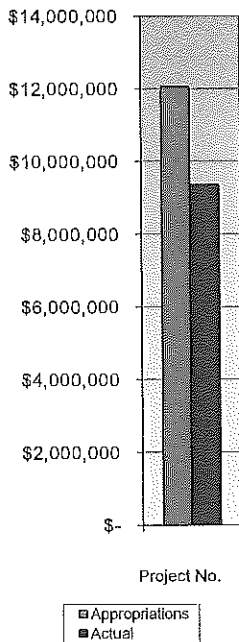


# Leucadia Wastewater District

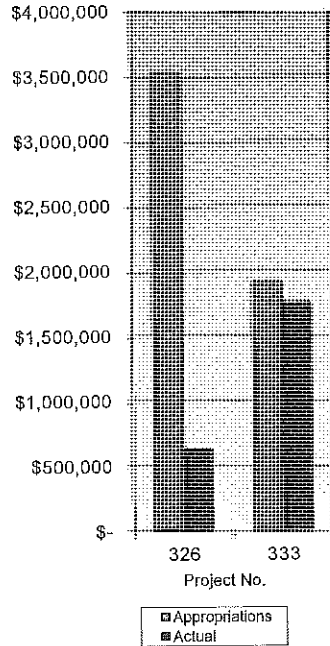
## Capital Expenditures

As of August 31, 2012

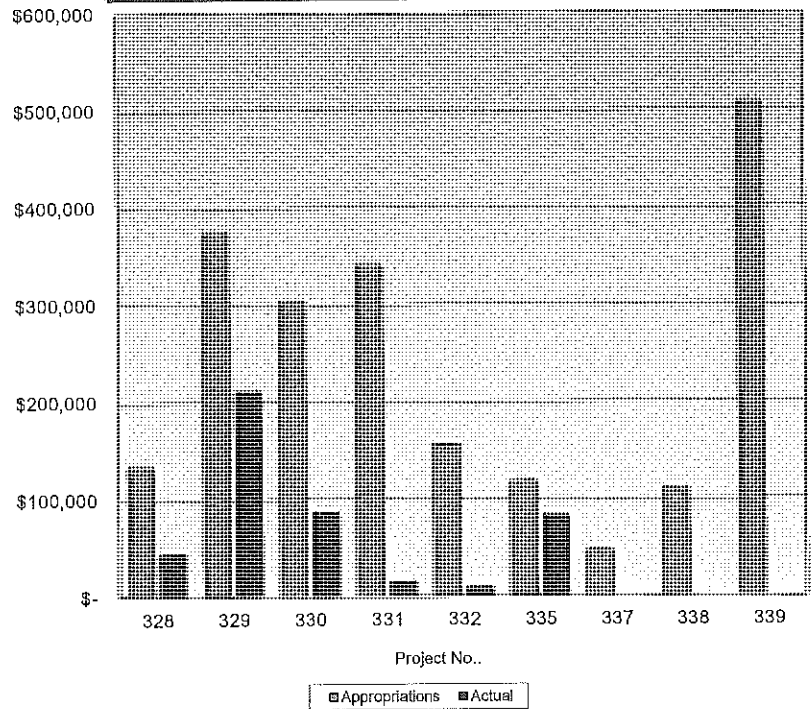
**Encina W.A.  
Multi Year  
Capital Exp.  
FY2003-FY2013**



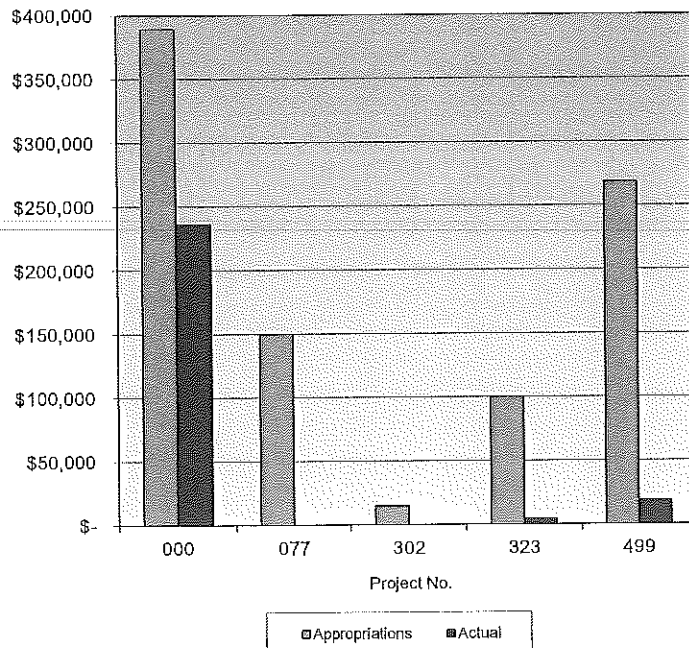
**District Multi Year  
Capital Expenditures  
by Project  
FY2009-FY2013**



**District Multi Year Capital Expenditures by Project  
(Continued) FY2011-FY2013**



**Single Year Capital Expenditures by Project  
FY2013**



### 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

#### 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

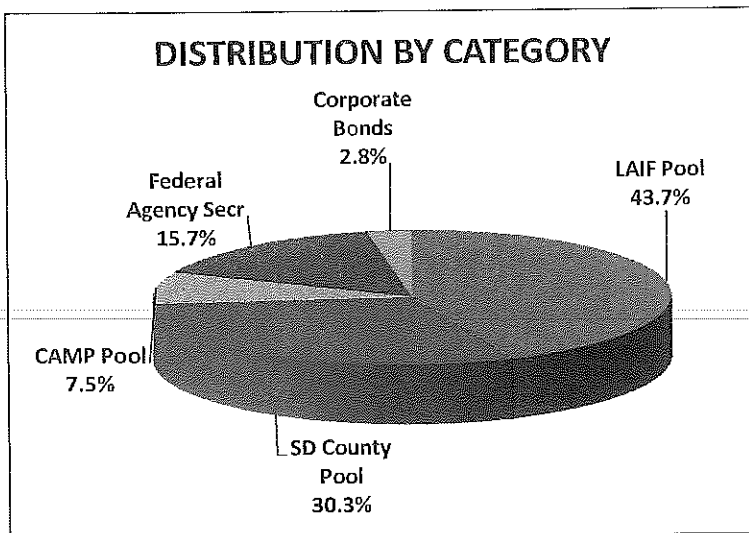
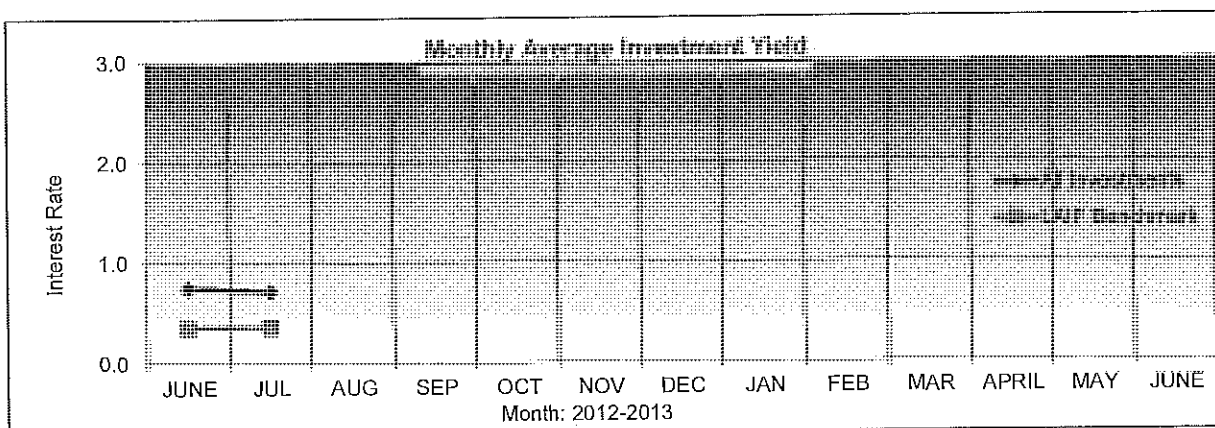
\* Preliminary: subject to future review, reconciliation, accruals, and audit

# LEUCADIA WASTEWATER DISTRICT

## Monthly Investment Summary

### July 31, 2012

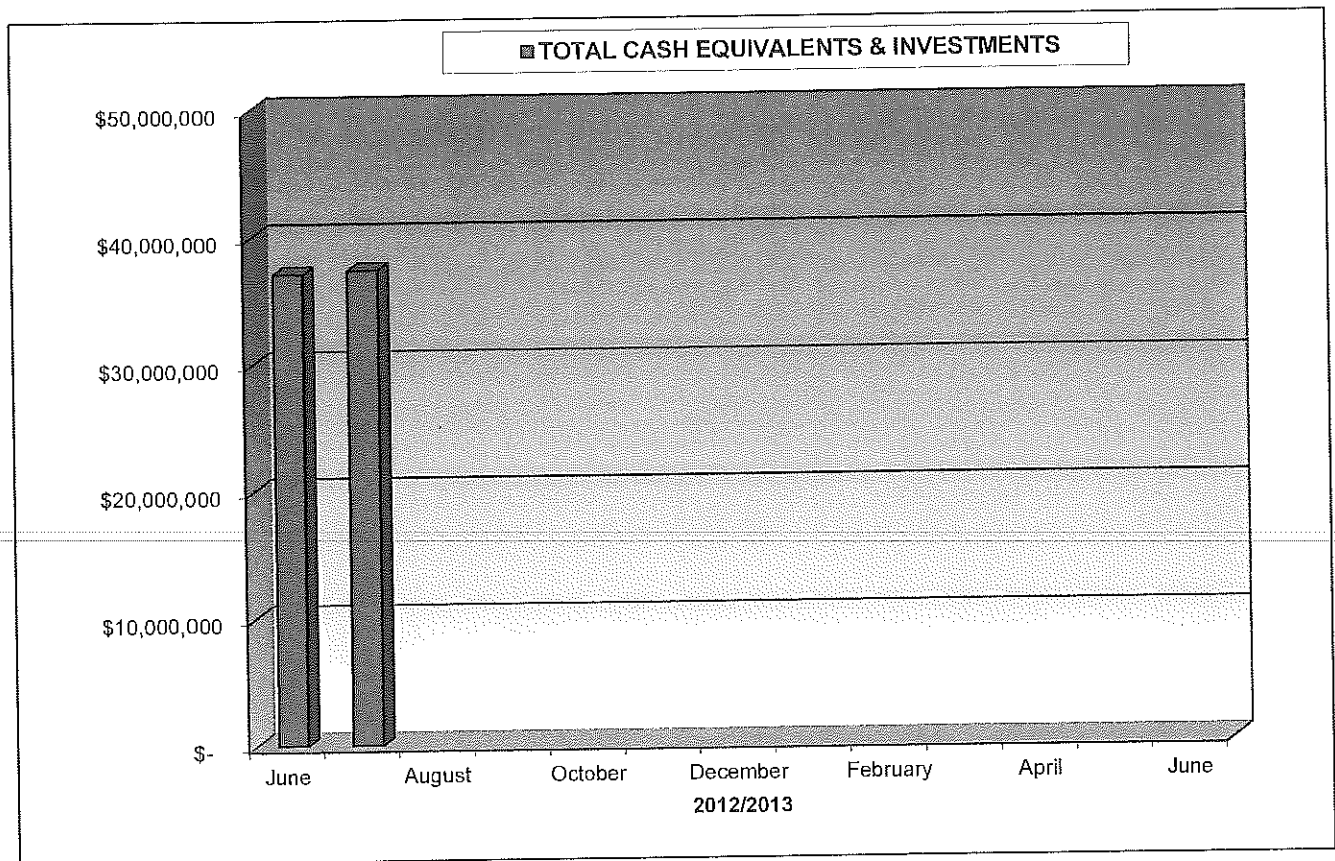
Cash Equivalents & Investments	Principal (Original Cost)		July Interest	Average Rate
	June 30, 2012	July 31, 2012		
LAIF Pool	15,918,758	16,352,664	4,881	0.363%
SD County Pool	11,299,662	11,309,907	4,428	0.470%
CAMP Pool	2,791,502	2,808,967	583	0.250%
CAMP Portfolio				
Corporate Notes	1,034,035	1,034,035	1,637	1.900%
Federal Agency Bonds/Notes	5,492,698	5,492,698	4,989	1.090%
GNMA mortgage pools	15,441	15,261	116	8.890%
Total Camp Portfolio	6,542,174	6,541,994	6,742	1.240%
US Bank Custodial Account				
Resolution Funding Corp Strips at cost	561,056	371,739	5,719	14.714%
Total Bond Funds	561,056	371,739	5,719	14.714%
<b>Totals</b>	<b>\$ 37,113,152</b>	<b>\$ 37,385,271</b>	<b>\$ 22,353</b>	<b>0.720%</b>



Allocation Percentages of LWD Investments by Type (Actual and Allowable)		
Investment Type	Actual %	Allowed %
LAIF Pool	43.7%	75%
SD County Pool	30.3%	75%
CAMP Pool	7.5%	75%
Federal Agency Secr	15.7%	75%
Corporate Bonds	2.8%	10%
<b>TOTAL</b>	<b>100.0%</b>	

**LEUCADIA WASTEWATER DISTRICT**  
**Monthly Investment Summary**  
**July 31, 2012**  
**(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		
September		
October		
November		
December		
January		
February		
March		
April		
May		
June		



**LEUCADIA WASTEWATER DISTRICT**  
**Monthly Investment Summary**  
**July 31, 2012**  
**(Continued)**

**INVESTMENT TRANSACTIONS**

*For the month of July, 2012*

					YTM at Cost
Investment	Purchases	Maturities	Sales	Notes	

No investment activity in July 2012

TOTAL

\$ -	\$ -	\$ -
------	------	------

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



**Encina Wastewater Authority Report**  
**Regular Board Meeting**  
**August 22, 2012**

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

- 1. Award a Professional Services Agreement to Black & Veatch Corporation in the amount of \$385,040 for engineering and planning services associated with preparation of the 2040 Master Plan.**

The Board of Directors awarded a professional services agreement to Black & Veatch Corp. in the amount of \$385,040 for engineering and planning services associated with the preparation of the 2040 Master Plan.

- 2. Proposed Fiscal Year 2013 Tactical Plan.**

The Board of Directors considered the proposed Fiscal Year 2013 Tactical Plan.

**EWA Executive Session Items**

**The Board of Directors met in closed session on the following items:**

---

- 3. Public Employment, Performance Evaluation: General Manager as authorized per Government Code §54957.**

There was no reportable action.

4. Adopt Resolution No. 2012-11 approving the salary and terms of employment for the EWA General Manager.

The Board of Directors adopted Resolution No. 2012-11 Approving the salary and terms of employment for the EWA General Manager.

## **Human Resources Committee Report**

Presented by Director Kulchin

---

**Meeting held August 20, 2012**

- 1. Authorize the General Manager to execute an agreement with Confidence Consulting at a cost of \$3,000 per month plus expenses.**

The HRC discussed the Confidence Consulting agreement in detail and chose not to recommend the agreement, but instead directed staff to place this topic on the September Board agenda for discussion.

This item will be discussed later in the agenda.

## **Community Affairs Committee Meeting Report**

Presented by Director Omsted

---

### **Meeting held August 29, 2012**

#### **1. Review and discuss the draft layout of the fall 2012 newsletter.**

The CAC reviewed and commented on the draft text of the fall 2012 newsletter. TRG will make the recommended changes and will forward to staff and the CAC for review.

The newsletter is expected to be released in later September or early October.

# Engineering Committee Meeting Report

Presented by Director Juliussen

---

## **Meeting held on September 4, 2012**

1. The EC reviewed a sewer reimbursement agreement between LWD and developers, Tverdochs, Navazo & Solomon, and the Blantons.

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

2. The EC reviewed an agreement with Farwest Corrosion Control Company for the construction of the Force Main Corrosion Protection Project in an amount not to exceed \$144,135 as the lowest responsive and responsible bidder.

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

3. The EC reviewed the Preliminary Engineering Report for the Leucadia Pump Station Generator Replacement and Fuel Tank Evaluation completed by Infrastructure Engineering Corporation.

The EC concurred with staff to present this recommendation to the Board of Directors, but with the provision that staff conduct a supplemental evaluation of the feasibility of using a tanker truck for the District bulk fuel storage.

This item will be discussed later in the agenda.

4. The EC reviewed an agreement with Infrastructure Engineering Corporation for engineering design services for the Leucadia Pump Station Generator Replacement Project in an amount not to exceed \$34,363.

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

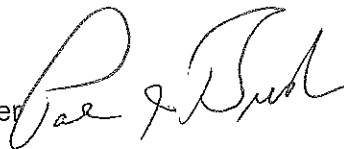
5. The EC received status updates on the Batiquitos Pump Station Rehabilitation Project and the Occidental Line Repair Project.

**MEMORANDUM**

**DATE:** September 6, 2012

**TO:** Board of Directors

**FROM:** Paul J. Bushee, General Manager



**SUBJECT:** Public Hearing on a Proposal to Adopt an Ordinance Approving a Reimbursement Agreement Between LWD and Richard Tverdoch and Denise Tverdoch, Luis Navazo and Janette Solomon, and Andy Blanton and Catherine Blanton

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

- 1) A proposal to adopt an ordinance approving a reimbursement agreement for sewer between LWD and Richard Tverdoch and Denise Tverdoch, Luis Navazo and Janette Solomon, and Andy Blanton and Catherine Blanton.

The notice of this public hearing was posted at LWD beginning on September 5, 2012.

**DISCUSSION:**

This reimbursement agreement was developed by the District engineer in accordance with the Standard Specifications. It has been reviewed by District Counsel and now requires Board approval to take effect. The sewer facilities were designed and constructed, pursuant to District Policy, to accommodate sewer connections to separate properties adjacent to the new sewer facilities. These benefited properties are not required to connect to the public sewer system, but if they voluntarily request a connection, the Reimbursement Agreement requires payment of a reimbursement fee equivalent to the property's fair share contribution towards the new sewer improvements. The proposed ordinance approves the Reimbursement Agreement established between the District and Richard Tverdoch and Denise Tverdoch, Luis Navazo and Janette Solomon, and Andy Blanton and Catherine Blanton.

It is necessary for the Board to consider all objections or protests to the proposed ordinance. In October 2010, the Board considered an objection by Mr. Richard Tverdoch which challenged the 10-year term of this agreement requesting that a longer term be established. After consideration, the Board denied the request leaving the term of the agreement for 10 years as established by the Standard Specifications. To date, no other objections or protests have been filed with the LWD.

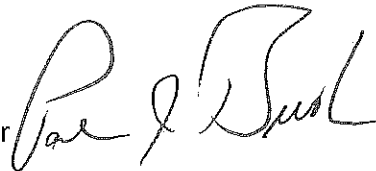
After receiving public testimony, the Board of Directors will close the public hearing and may consider action on the proposed item during the regular meeting immediately following this public hearing.

cal:PJB

## MEMORANDUM

**DATE:** September 6, 2012

**TO:** Board of Directors

**FROM:** Paul J. Bushee, General Manager 

**SUBJECT:** A Proposal to Adopt an Ordinance Approving a Reimbursement Agreement Between LWD and Richard Tverdoch and Denise Tverdoch, Luis Navazo and Janette Solomon, and Andy Blanton and Catherine Blanton

---

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

- 1) Adopt Ordinance No. 125 approving a reimbursement agreement for sewer between LWD and Richard Tverdoch and Denise Tverdoch, Luis Navazo and Janette Solomon, and Andy Blanton and Catherine Blanton (Developers); and
- 2) Discuss and take other action, as appropriate.

**DISCUSSION:**

This item was reviewed by the Engineering Committee at its September 4, 2012 meeting. This Ordinance No. 125 (attached) establishes a reimbursement agreement between LWD and Developers. This reimbursement agreement was developed by the District Engineer in accordance with the Standard Specifications. It has been reviewed by District Counsel and now requires Board approval to take effect.

In June 2008, the Developers commenced a project to construct a sewer line from Hymettus Avenue to an existing LWD sewer on Leucadia Blvd in order to provide sewer to properties owned by Tverdoch and two of his neighbors (Navazo & Blanton). The sewer line was completed in December 2009 and dedicated to LWD. During that period, the Developer requested that a reimbursement agreement be established for the project.

The sewer facilities were designed and constructed, pursuant to District Policy, to accommodate sewer connections to separate properties adjacent to the new sewer facilities. These benefited properties are not required to connect to the public sewer system, but if they voluntarily request a connection, the Reimbursement Agreement requires payment of a reimbursement fee equivalent to the property's fair share contribution towards the new sewer improvements. The proposed ordinance approves the Reimbursement Agreement established between the District and Developers.

In October 2010, the Board considered an objection by Mr. Richard Tverdoch which challenged the 10-year term of this agreement requesting that a longer term (20 years) be established. After consideration, the Board denied the request leaving the term of the agreement at 10 years as established by the Standard Specifications. The proposed agreement was then forwarded to the Developers with no response until August 2012 when the agreement was returned signed by all Developers.



At the August 6, 2012 Engineering Committee meeting, staff was asked to confirm that costs for the construction of the Developers' private laterals were not included in the reimbursement agreement. District Engineer Deering has verified that the private lateral construction costs are not included in the agreement. Final board approval of Ordinance No. 125 is now required to establish the reimbursement agreement.

Staff and the Engineering Committee recommend that the Board of Directors adopt Ordinance No. 125 approving a reimbursement agreement for sewer between LWD and Developers.

cal:PJB

Attachment

ATTACHMENT A  
ORDINANCE NO. 125

**ORDINANCE NO. 125**

**AN ORDINANCE OF THE LEUCADIA WASTEWATER DISTRICT  
APPROVING REIMBURSEMENT AGREEMENT FOR RICHARD TVERDOCH AND  
DENISE TVERDOCH, LUIS NVAZO AND JANETTE SOLOMON, AND ANDY  
BLANTON AND CATHERINE BLANTON SEWER**

BE IT ORDAINED by the Board of Directors of the Leucadia Wastewater District as follows:

Section 1. Approval. The Reimbursement Agreement by and between the Leucadia Wastewater District and Richard Tverdoch and Denise Tverdoch, Luis Navazo and Janette Solomon, and Andy Blanton and Catherine Blanton, attached hereto as Exhibit A ("Reimbursement Agreement), is approved by the District Board of Directors.

Section 2. Reimbursement Connection Fee. A Reimbursement Connection Fee in accordance with the terms of the Reimbursement Agreement is hereby approved.

Section 3. Execution and Implementation. The General Manager shall execute the Reimbursement Agreement of behalf of the District and take all other actions necessary to carry out its terms.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of Leucadia Wastewater District held September 12, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Judy Hanson, President

ATTEST:

---

Paul J. Bushee, Secretary/Manager

## REIMBURSEMENT AGREEMENT

THIS AGREEMENT is entered into by and between the Leucadia Wastewater District, a County Water District, organized and existing under Division 12 of the California Water Code ("DISTRICT") and Richard Tverdoch and Denise Tverdoch ("TVERDOCH"), Luis Navazo and Janette Solomon ("NAVAZO"), and Andy Blanton and Catherine Blanton ("BLANTON") (Individually referred to as "DEVELOPER" and collectively as "DEVELOPERS").

### R-E-C-I-T-A-L-S

1. DEVELOPERS own the following property in San Diego County within the service jurisdiction of DISTRICT:

TVERDOCH – 898 Hymettus Ave, Encinitas, CA 92024

NAVAZO – 897 Hymettus Ave, Encinitas, CA 92024

BLANTON – 920 Hymettus Ave, Encinitas, CA 92024

2. DEVELOPERS desire service to their properties from DISTRICT. As a condition of providing service, DISTRICT required that DEVELOPERS extend existing facilities and/or oversize facilities to meet DISTRICT standards for sewer service and provide service to other property owners within the area near DEVELOPERS' property.

3. DEVELOPERS have constructed facilities pursuant to DISTRICT direction and the Leucadia Wastewater District Agreement to Improve Subdivision Sewers dated September 30, 2009, ("Agreement to Improve Sewers") between DISTRICT and TVERDOCH as shown on the plans and specifications prepared by Pasco Engineering, Inc. and identified as Leucadia Boulevard & Hymettus Ave. Sewer Main Extension, Drawing 989-I, Sheets 1 of 2 and 2 of 2, with "As-Built" signed by Engineer William Mack on January 6, 2010.

4. DISTRICT and DEVELOPERS, by this Agreement, desire to enter into a reimbursement contract in accordance with the provisions of the DISTRICT's Standard Specifications for Privately Constructed Wastewater Facilities ("Standard Specifications").

### C-O-V-E-N-A-N-T-S

5. Conditions Precedent to Execution of Agreement. The sewer facilities subject to this Agreement ("new facilities") shall be completed in accordance with the Agreement to Improve Sewers and all other DISTRICT rules and regulations prior to execution of this Agreement. As a further condition precedent to DISTRICT's obligation to execute this Agreement, DEVELOPERS agree to provide in a form acceptable to DISTRICT all documents DISTRICT deems necessary for acceptance and acquisition of facilities that are intended for dedication to DISTRICT. Documents shall include, but are not limited to: Easements, grants of fee interests, subordination agreements and recorded notices of completion. Notices of completion shall be recorded by DEVELOPERS.

6. Administrative Costs. Concurrent with execution of this Agreement, DEVELOPERS shall pay the DISTRICT the sum of four thousand dollars (\$4,000.00) as reimbursement of all administrative costs attributable to the establishment of this Agreement, including, but not limited to, engineering, legal and administrative staff time to calculate reimbursement amounts and finalized the terms of this Agreement. These Administrative costs shall not be reimbursed, and DEVELOPERS shall not be required to pay the DISTRICT any additional administrative fees for this Agreement.

7. Reimbursable Construction Costs. Reimbursable construction costs consist of the actual cost to design and construct the new facilities, less the portion attributable to providing sewer service to DEVELOPERS' properties, as determined by the DISTRICT and shown on Exhibit A, attached hereto ("Reimbursable Construction Costs"). Reimbursable Construction Costs are limited to costs the DISTRICT has determined are reasonably related to new facilities. DEVELOPERS paid the following percentages of the total Reimbursable Construction Costs:

TVERDOCH –	23.29%
NAVAZO –	32.50%
BLANTON –	44.21%

8. Term. The term of this Agreement and DISTRICT's obligation to reimburse DEVELOPERS shall expire ten (10) years from the Agreement's effective date. Thereafter, DISTRICT shall have no further obligation to reimburse DEVELOPERS. During the last year of the initial Agreement term, DEVELOPERS may request an extension of the Agreement term in accordance with District Ordinance 117. The request must be in writing and be received by the District at least ninety (90) days before the expiration date of the Agreement. The District will consider the request in good faith taking into consideration, among other things, whether DEVELOPERS have complied with the terms of the AGREEMENT during the initial term, the administrative burden of prior reimbursement fee collection and distribution efforts, and the likelihood that additional reimbursement payments would be made during an extended term.

9. Reimbursement. During the ten (10) year term of this Agreement, and if extended, during the extended term of this Agreement, subject to DISTRICT's actual ability to collect such costs, DISTRICT shall charge property owners who utilize the new facilities their proportionate share of the Reimbursable Construction Costs plus 3 percent (3%) interest per annum from the effective date of this Agreement ("Reimbursement Fee"). The Reimbursement Fee for each property owner shall be determined by the DISTRICT, using its best estimate of the number of parcels that could utilize the new facilities. The DISTRICT's determination of what properties would be subject to a Reimbursement Fee and the amount each would be charged is set forth on Exhibit A. The DISTRICT shall also charge an administrative fee equivalent to 5% of the pro rata share charged to a property owner, which shall be paid to the DISTRICT. The Reimbursement Fee and administrative fee shall be in addition to the standard fees charged by the DISTRICT for new service. Reimbursement Fees actually collected shall then be distributed to DEVELOPERS in the following manner. The amount of a Reimbursement Fee paid to each individual DEVELOPER shall be equal to the percentage of their original contribution towards the Reimbursable Construction Costs. For example, if a Reimbursement Fee of \$10,000 is received by the DISTRICT, TVERDOCH would receive 23.29%, i.e., \$2,329.00, NVAZO would receive 32.5%, i.e., \$3,250.00, and BLANTON would receive 44.21%, i.e., \$4,421.00. Reimbursement Fees paid to the DISTRICT shall not accrue additional interest. Payment of interest to DEVELOPERS shall be limited to interest received from property owners as part of their Reimbursement Fee. In the event DISTRICT reimburses a DEVELOPER its share of the total Reimbursable Construction Costs prior to the end of the Agreement term, DISTRICT's obligation to reimburse the DEVELOPER shall terminate. A Reimbursement Fee shall not be charged for new sewer service connections to a DEVELOPER property. All other DISTRICT fees shall apply.

10. Termination. In the event of termination of this Agreement, DEVELOPERS shall have no further interest or right of reimbursement from DISTRICT and all revenues subsequently received by DISTRICT shall be the sole property of DISTRICT.

11. Records. DEVELOPERS warrant that DEVELOPERS have kept accurate records of the actual construction costs, according to accepted engineering and accounting principles. DEVELOPERS have provided such records to the DISTRICT offices for inspection as requested by DISTRICT.

12. Warranties. DEVELOPERS further warrant that there are no liens, stop notices or claims against the project; that the legal time for filing any such claims, notices or liens has expired; and agrees to defend, indemnify and hold DISTRICT harmless for any or all such liens, notices or claims.

13. Reimbursement Payments. Reimbursement checks shall be hand delivered or be mailed to DEVELOPERS at the addresses provided pursuant to Paragraph 15.8 of this Agreement within ninety (90) days of receipt by DISTRICT. In the event a reimbursement check is not cashed within ninety (90) days of hand delivery or mailing, it shall be deemed unclaimed, and the DISTRICT shall have the right to retain the payment and shall have no further obligation to pay the DEVELOPER that did not claim the payment. Further, if a payment mailed to the most current address provided to the DISTRICT in accordance with Paragraph 15.8 is returned to the DISTRICT because the address is no longer valid and the DEVELOPER whose address is no longer valid fails to provide a change of address in accordance with Paragraph 15.8 or personally appear at the DISTRICT office to claim the payment within an additional ninety (90) days, the DISTRICT shall have the right to retain the DEVELOPER's proportionate share and shall have no further obligation to pay DEVELOPER.

14. No Guarantees. DEVELOPERS understand and acknowledge that that DISTRICT will not compel property owners to utilize the sewer facilities. Further DISTRICT cannot guarantee that DISTRICT will be able to collect Reimbursable Construction Costs from all property owners who connect to the facilities. DISTRICT agrees to make reasonable efforts to collect costs from new connections. Further, DEVELOPERS understand that the Reimbursement Fee calculated by DISTRICT may not reflect the number of properties that will ultimately utilize the sewer facilities. The number of users could be more or less than DISTRICT estimates, and DISTRICT does not warrant or promise that DEVELOPERS will recover all Reimbursable Construction Costs.

15. Miscellaneous Provision.

15.1 Applicable Law. This Agreement and any disputes relating to this Agreement shall be construed under the laws of the State of California.

15.2 Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

15.3 Attorney's Fees. In the event a lawsuit to enforce or interpret the terms of this Agreement is brought by either party, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law.

15.4 Assignment. DEVELOPERS shall not be entitled to assign all or any portion of their respective rights or obligations as specified in the Agreement without obtaining the prior written consent of the DISTRICT. Any purported assignment without the DISTRICT's prior written consent shall be void.

15.5 Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding regarding reimbursement between the parties. No other representations are intended or shall be implied. Any prior correspondence, memoranda or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and any exhibits to this Agreement. However, this Agreement does not supersede other DISTRICT ordinances and agreements relating to DEVELOPERS' construction of sewer facilities, including among other things, the DISTRICT Standard Specifications and the Agreement to Improve Sewers.

15.6 Personal Nature of Agreement and Binding Effect. This Agreement is personal and does not run with the land. The transfer or sale of any DEVELOPER property does not alter the DEVELOPER's right of reimbursement. Further, the terms of this agreement are binding on all successors, heirs and assigns, and they must comply with the terms of this Agreement, including provisions regarding assignment in Paragraph 15.4 and Notice in Paragraph 15.8.

15.7 Unenforceable Provision. The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provisions of the Agreement as so interpreted are held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

15.8 Notices. All reimbursements, letters, statements or notices required pursuant to this Agreement shall be deemed effective upon posting in the United States mail to the following addresses:

TO DISTRICT:

Attention: General Manager  
Leucadia Wastewater District  
1960 La Costa Avenue  
Carlsbad, CA 92009

TO DEVELOPERS:

TVERDOCH  
Richard Tverdoch &  
Denise Tverdoch  
898 Hymettus Avenue  
Encinitas, CA 92024

BLANTON  
Andy Blanton &  
Catherine Blanton  
920 Hymettus Ave  
Encinitas, CA 92024

NAVAZO  
Luis Navazo &  
Janette Solomon  
897 Hymettus Ave  
Encinitas, CA 92024

The addresses above shall be presumed correct, unless a party is notified in writing of a change. Any change of address notice shall clearly state that it is intended to replace the address set forth in Paragraph 15.8 of this Agreement. FURTHER, notice of an address change shall not be valid unless it has been delivered personally to the DISTRICT or by way of certified mail that has been signed and acknowledged by the DISTRICT.

15.9 Effective Date. This Agreement shall become effective as of \_\_\_\_\_, \_\_\_\_\_, upon execution by the parties.

"DISTRICT"

BY: \_\_\_\_\_

BY: \_\_\_\_\_

"TVERDOCH"

BY: Rich Tverdoch

BY: Denise Tverdoch

"NAVAZO"

BY: [Signature]

BY: [Signature]

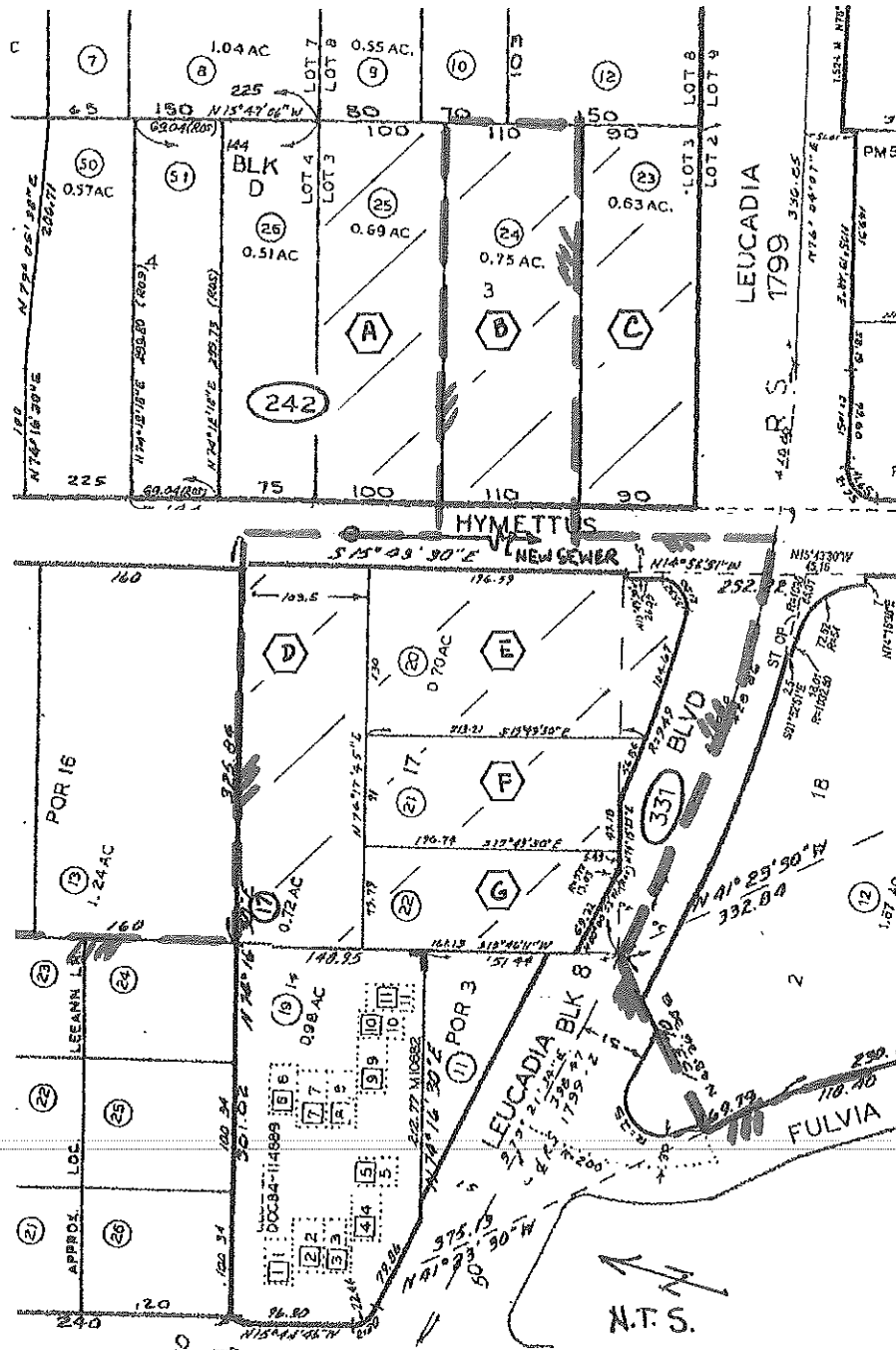
"BLANTON"

BY: Andrew C. Blanton

BY: Catherine Blanton



**EXHIBIT A**  
**TO REIMBURSEMENT AGREEMENT BETWEEN**  
**LEUCADIA WASTEWATER DISTRICT AND**  
**DEVELOPERS TVERDOCH, NAVAZO, AND BLANTON**




**EXHIBIT A**  
**TO REIMBURSEMENT AGREEMENT BETWEEN**  
**LEUCADIA WASTEWATER DISTRICT AND**  
**DEVELOPERS TVERDOCH, NAVAZO, AND BLANTON**

Cost of Leucadia Boulevard & Hymettus Ave Sewer Main Extension per Drawing 989-I		
Entity	Services	Cost
West Coast Underground	Construction, as bid and change orders	\$ 133,817.40
Leucadia Wastewater District	Design reviews, change review, construction inspection and testing	\$ 34,560.00
Pasco Engineering	Design, Applications, Exhibits, Coordination with Agencies, surveying,	\$ 23,217.00
City of Encinitas	Design reviews, changes, Permits, Inspections	\$ 4,027.00
Insko Dico Group	Surety Bond Premiums	\$ 7,088.00
Construction Testing & Engineering	Soils and compaction testing	\$ 6,570.00
Estimated as of 12/23/09:		\$ 209,279.40

Reimbursement Not Including Accrued Interest for Leucadia Boulevard & Hymettus Ave Sewer Main Extension per Drawing 989-I (1)					
Original Annexed and Funding Parcels per Exhibit A Map	Potential Future Connecting Parcels per Exhibit A Map	Assessor Parcel	Max Lots / EDUs per R3 Zoning	Prorata Share of cost of \$209,279.40	Amount To Reimburse To Developers through LWD
	A	256-242-25	2	\$ 38,050.80	\$ 38,050.80
B		256-242-24	2	\$ 38,050.80	\$ -
	C	256-242-23	1	\$ 19,025.40	\$ 19,025.40
D		254-331-17	2	\$ 38,050.80	\$ -
E		254-331-20	2	\$ 38,050.80	\$ -
F		254-331-21	1	\$ 19,025.40	\$ -
G		254-331-22	1	\$ 19,025.40	\$ -
Totals			11	\$ 209,279.40	\$ 57,076.20
(1) See Reimbursement Agreement for terms, spread, and accrued interest for reimbursement.					

## MEMORANDUM

Ref: 13-3404

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Annual Review of LWD Investment Policy

---

### RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2012 through August 31, 2013.
2. Receive and file the Annual Review of LWD Investment Policy Report.
3. Discuss and take other action, as appropriate.

### DISCUSSION:

In September 2004, the Board of Directors (Board) adopted Leucadia Wastewater District's (LWD) Investment Policy (attached). The Policy, which was last amended in 2010, calls for an annual review by the Board of Directors.

The LWD Investment Policy establishes guidelines to ensure investments are in compliance with state and federal regulations. It also establishes the types of investment vehicles LWD can use, defined by the target rate of return on investments and the maximum percentages of investments in any one vehicle. Additionally, the Investment Policy requires that the Board of Directors delegate authority to manage the investment program. In the past, this authority has been delegated to the General Manager.

Staff recently reviewed the Policy to determine if any amendments are warranted. Based on this review, no changes are recommended.

Staff requests that the Board of Directors: 1) re-delegate authority to manage LWD's investment program to the General Manager for the period September 1, 2012 through August 31, 2013; 2) receive and file the Investment Policy Report; and 3) discuss and take other action as appropriate.

cal:PJB

Attachment

# ATTACHMENT A

## INVESTMENT POLICY



LEADERS IN  
ENVIRONMENTAL  
PROTECTION

## LEUCADIA WASTEWATER DISTRICT INVESTMENT POLICY

Ref: 11-2595

### 1.0 Purpose

This policy is intended to establish guidelines for the prudent investment of the Leucadia Wastewater District's available funds and outline the policies for safe and prudent management of District funds without sacrificing safety or liquidity. It is also intended that the Board of Directors review this policy annually.

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state statutes governing the investment of public funds.

### 2.0 Scope

The District's cash management system is designed to accurately monitor and forecast expenditures and revenues, enabling the District to invest funds to the fullest extent possible. All funds will be invested with the intent of maximizing safety and liquidity. This policy applies to all financial assets of the District, which are accounted for in the District's Audited Annual Financial Report with the exception of the following funds:

- A. The District's other post employment benefits funds,
- B. The District's deferred compensation funds,
- C. The proceeds of any debt issued by the District, and
- D. The District's operational funds with an approved depository.

### 3.0 Prudence

The District operates its temporary pool of cash investments under the *Prudent Investor Standard*, Government Code Section 53600.3, which states:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The District may invest in a variety of vehicles provided the investment is allowable under current legislation of the State of California, permitted by this policy and complies with the aforementioned Prudent Investor Standard.

#### **4.0 Objective**

The primary objectives, in priority order, of the District's investment activities shall be:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

4.2 Liquidity: The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements that might reasonably be anticipated.

4.3 Return on Investments: The District's investment portfolio shall be designed with the objective of attaining a market average rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 Delegation of Authority**

Authority to manage the District's investment program is derived from the Board of Directors. Management responsibility for the investment program is hereby delegated to the General Manager for a one-year period. Subject to review, the Board of Directors may renew the delegation of the authority pursuant to this section each year. The General Manager, through approval of this policy, has established written procedures for the operation of the investment program. No person may engage in an investment transaction except as provided under the terms of this policy and other procedures consistent with this policy that may be established by the General Manager. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. As authorized by the Board of Directors, an SEC-registered investment advisor may be utilized to assist with the District's investment program under the direction of the General Manager. The investment advisor shall follow this investment policy and such other written instructions as are provided.

#### **6.0 Ethics and Conflicts of Interests**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the General Manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal

financial/investment positions that could be related to the performance of the District's portfolio. The General Manager shall make a like disclosure to the Board of Directors. Employees and officers shall subordinate their personal investment transactions to those of the District, particularly with regard to the time of purchases and sales.

## **7.0 Authorized Financial Dealers and Institutions**

The General Manager shall maintain a list of financial dealers and institutions authorized for investment transactions. Direct investments made by the District in LAIF, CAMP and the San Diego County pool are exempt from these requirements. Before adding a financial institution to the approved list, the General Manager shall review the entity's credit worthiness, credit characteristics, and financial history. Annually, financial dealers and institutions doing business with the District shall submit their most recent report on financial condition and certified that they have read the District's Investment policy. Securities dealers utilized by the District must be members of a federally regulated securities exchange. Public deposits shall be made only in a qualified public depository as established by state laws.

For investment transactions initiated through an investment manager, the investment manager may use their own list of approved broker/dealers and financial institutions, which it will maintain and review periodically.

## **8.0 Authorized and Suitable Investments**

8.1 All investments shall be made in accordance with Sections 53600 *et seq.* of the Government Code of California and described within the Investment Policy. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence. The maximum maturity of individual investments shall not exceed the limits set forth below or in the California Government Code. Where no maturity limit is stated, no investment shall exceed a maturity of five years from the date of purchase unless the Board of Directors has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board of Directors no less than three months prior to the investment.

Permitted investments under the Investment Policy shall include:

U.S. Treasury Instruments. United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States is pledged for payment of principal and interest.

Federal Agency and Instrumentality Securities. Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

State of California and Local Debt. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases are limited to securities rated at least "A-," or equivalent, by a Nationally Recognized Statistical Rating Organization ("NRSRO").

Bonds issued by Leucadia Wastewater District. Bonds issued by the District, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the District or by a department, board, agency or authority of the District.

Medium-Term Notes. Medium-term corporate notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated at least "A-," or equivalent, by a NRSRO.

Bankers Acceptances. Purchases of bankers acceptances may not exceed 180 days' maturity. Purchases are limited to issuers with senior debt ratings of at least "A-," or equivalent, by a NRSRO.

Commercial Paper. The entity that issues the commercial paper shall have met either of the following criteria: (1) The corporation shall be organized and operating within the United States, shall have total assets in excess of five hundred million dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated "A" or higher by a NRSRO; or (2) The corporation shall be organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond; has commercial paper that is rated "A-1" or higher, or equivalent by a NRSRO. Eligible commercial paper may not exceed 270 days' maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation.

Bank Deposits. FDIC insured or collateralized bank deposits, including, without limitation, savings accounts, market rate accounts, and certificates of deposits in financial institutions located in California. No deposit of public funds shall be made except in a qualified public depository as established by state laws and the requirements of the California Government Code. Bank deposits are required to be collateralized as specified under the California Government Code Section 53630 et. seq. The General Manager may waive collateral for any portion that is covered by federal deposit insurance. The District shall have a signed agreement with any depository accepting District funds per California Government Code Section 53649.

Placement Service Certificates of Deposit. Certificates of deposit placed through a deposit placement service. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance.

Negotiable Certificates of Deposit. Negotiable certificates of deposit issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank.



Repurchase Agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 30 days. The District may enter into repurchase agreements with financial institutions rated "A" or better by two NRSROs. Counterparties should also have (i) a short-term credit rating of at least "A-1" or equivalent, by a NRSRO; (ii) minimum assets and capitalized size of \$25 billion in assets and \$350 million in capital; (iii) five (5) years of acceptable audited financial results; and (iv) a strong reputation among market participants.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the District's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of total dollar value of the money invested by the District for the term of the investment. Since the market value underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

The District or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The District shall have properly executed a master repurchase agreement with each counterparty with which it enters into repurchase agreements.

Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following). The company shall have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

State of California Local Agency Investment Fund (LAIF). If the District has funds invested in LAIF, the District shall maintain on file LAIF's current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

California Asset Management Program (CAMP) Pool. California Asset Management Trust a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California. If the District has funds invested in CAMP, the District shall maintain on file CAMP's disclosure statement listing its investment policy and its requirements for participation, including limitations on deposits or withdrawals.

San Diego County Treasurer's Pooled Money Fund. Local government investment pool managed by the San Diego County Treasurer-Tax Collector. If the District has funds invested in San Diego County Pool, the District shall maintain on file the San Diego County Treasurer's Pooled Money Fund Investment Policy and its requirements for participation, including limitations on deposits or withdrawals.

## 8.2 Socially Responsible Investing

For specific investment vehicles within the criteria of the Prudent Investor Standard the following Socially Responsible Investment criteria shall be applied to the following investments:

For bonds issued by other government agencies, the following preferences apply:

1. Geographic preference is given to agencies within this county and then to issues within the state.
2. Preference is given to projects dealing with reclamation, water, sewer, air quality, waste recycling and environmental protection.

For corporate securities such as five-year corporate notes and commercial paper, the following preferences apply:

1. Investments with corporations without documented unfavorable environmental records as demonstrated by a due diligent review of required annual Securities and Exchange Commission Reports indicating no documented environmental actions have been taken against the company.

## 9.0 Investment Pools/Money Market Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and monitoring is required on a continual basis. District staff will annually perform due diligence analysis of the pool/fund based on a standardized questionnaire developed to address investment policy and practices.

## 10.0 Safekeeping and Custody

All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the General Manager and evidenced by safekeeping receipts with a written custodial agreement. The securities will be held directly in the name of the District as beneficiary. The only exception to the foregoing shall be: (i) bank deposits, (ii) placement service certificates of deposit, (iii) LAIF, CAMP and the San Diego County Treasurer's Pool, and (iv) money market mutual funds, since these investments are not deliverable. Evidence of each of these investments will be held by the District.

## 11.0 Diversification

The District will diversify its investments by security type, institution, and maturities to prevent incurring unreasonable or avoidable risks regarding specific security types, individual financial

institutions or maturity segments.

District funds may be invested in accordance with the following table, which summarizes the allowable allocation of investments by percentage of total funds invested. Percentage holding limits listed below apply at the time the security is purchased.

#### **Allowable Allocation of Investments**

<b>Authorized Investment</b>	<b>%</b>
US Treasury Instruments	75%
Federal Agency and Instrumentality Securities	75%
State of California and Local Debt	10%
Bonds Issued by Leucadia Wastewater District	10%
Medium-Term Corporate Notes	10%
Bankers Acceptances	10%
Commercial Paper	10%
Bank Deposits	25%
Negotiable Certificates of Deposit	10%
Repurchase Agreements	10%
Money Market Funds	10%
State of California Local Agency Investment Pool (LAIF)	75%
California Asset Management Program (CAMP)	75%
San Diego County Treasurer's Pooled Money Fund (SD County Pool)	75%

#### **12.0 Internal Control**

The General Manager has established a system of internal controls to ensure compliance with the Investment Policy of the District and the California Government Code. The internal control procedures include segregation of duties in the different phases of an investment transaction, monthly reconciliation of the investment report to the general ledger, and annual policy compliance reviews. An independent audit is conducted by the District's outside auditors, which includes a compliance review of the District's investment activities to the District's Investment Policy, the California Government Code, and Government Accounting Standard Board (GASB) requirements regarding investment disclosures.

#### **13.0 Performance Standards**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The District's investment strategy is passive. Given this strategy, the General Manager has selected LAIF as the benchmark to determine whether market yields are being achieved. The General Manager shall review the selected benchmark on an annual basis.

## **14.0 Reporting**

The General Manager shall submit to each member of the Board of Directors, on a monthly basis, an investment summary, describing the types of investment transactions, investments held, original costs, and average rates of return. As encouraged by Government Code 53646 (b) (1), the General Manager shall prepare a quarterly investment report. The report shall include a complete description of the portfolio; the type of investments, the issuers, maturity dates, interest rates, par values, cost and the current market values of each component of the portfolio. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the District will meet its expenditure obligations for the next six months, or provide an explanation as to why money shall, or may, not be available. The General Manager shall maintain a complete and timely record of all investment transactions.

## **15.0 Credit Rating Changes**

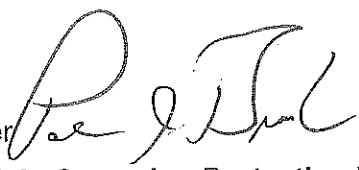
In the event a security held by the District is subject to a rating change that brings it below the minimum credit ratings specified in this policy, the General Manager should notify the Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security.

## **16.0 Investment Policy Adoption**

The District's Investment Policy shall be adopted by resolution of the Board of Directors. The policy shall be reviewed annually by the Investment and Finance Committee and the Board of Directors. The Board of Directors must approve any modifications made thereto.

## MEMORANDUM

Ref: 13-3426

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Award of the District's Force Main Corrosion Protection Project Construction Contract

---

### RECOMMENDATION:

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

1. Authorize the General Manager to execute an Agreement with Farwest Corrosion Control Company for the construction of the Force Main Corrosion Protection Project in an amount not to exceed \$144,135 as the lowest responsive and responsible bidder.
2. Waive a minor irregularity, not acknowledging receipt of bid Addendum Number 1, in the bid received from Farwest Corrosion Control Company.
3. Discuss and take other action as appropriate.

### DISCUSSION:

This item was reviewed by the Engineering Committee at its September 4, 2012 meeting. This item was included as a goal on the Fiscal Year 2013 Tactics & Action Plan.

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 following course of action for force main external corrosion protection:

- On the primary force mains (L2 and B3), install two new Cathodic Test Stations (CTS) and repair the one damaged CTS.
- On primary force main L2, replace 13 sacrificial anodes west from I-5 to Highway 101.
- On primary force main B3, add 24 sacrificial anodes along entire length.
- On secondary force main B2, add 24 sacrificial anodes along entire length.
- On secondary force main (B2), install one new CTS.

In September 2011, staff executed a design agreement with Yeager to complete design of a project to install the recommended external corrosion protection. Subsequently, staff executed an agreement with Infrastructure Engineering Corporation (IEC) to complete the civil specifications and plans required for construction of the project. The project bid documents were completed and the project was advertised for bids on July 29th with bids due on August 16, 2012. Three bids were received in response to the solicitation with the following results:

Construction Firm

Bid Submitted

Farwest Corrosion Control Company  
Piperin Corporation  
American Construction and Supply, Inc.

\$144,135  
\$198,500  
\$227,231

Farwest Corrosion Control Company (Farwest) did not acknowledge the receipt of bid Addendum Number 1 on the formal bid form submitted on August 16, 2012. This is a minor irregularity. Addendum Number 1 was a written response clarifying and answering verbal questions asked during the pre-bid conference, did not change the scope of work and extended the contract period from thirty (30) calendar days to ninety (90) calendar days. A Farwest representative attended the pre-bid conference. After the bid opening, Farwest did acknowledge Addendum Number 1 and stated that their bid price remains valid. Therefore, staff requests that this minor irregularity in Farwest's bid be waived.

The bids were reviewed by Robert Weber and Jamie Taylor at IEC. Upon completion of IEC's review, it was recommended that Farwest Corrosion Company be awarded the contract as the lowest responsive and responsible bidder, see attached letter.

The bid price of \$144,135 is approximately \$5,865 or 4% less than the \$150,000 estimated construction cost. Therefore, Staff recommends that the Board award the contract to Farwest Corrosion Company as the lowest responsive and responsible bidder.

**FISCAL IMPACT:**

There is sufficient appropriation in the Fiscal Year 2013 Budget to cover the construction costs of the project.

rym:PJB

Attachment

**BID REVIEW MEMORANDUM**

Date: August 22, 2012

Subject: **FORCE MAIN CORROSION PROTECTION PROJECT**

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

---

**PURPOSE**

This memorandum provides a summary of our evaluation of bid results and the responsiveness of the low bid for the subject project.

**BID RESULTS**

Bids were opened on August 16, 2012 and three bids were received. The bids are summarized on Table 1 (attached) and characteristics of the bids are as follows:

Low Bid:	\$144,135
Average Bid:	\$189,555
High Bid:	\$227,231

**REVIEW OF APPARENT LOW BIDDER**

Farwest Corrosion Control Company. (Farwest), Gardena, California submitted the low bid. IEC recommends Farwest's bid be deemed as responsive. The following reviews have been completed:

**Contractor's License:** The contractor holds the required Class A License (No. 248232). The license is current and active.

**Bid Bond:** A bid bond in the amount of ten percent (10%) of the bid amount was submitted with Traveler's Casualty Insurance Company of America Surety. Traveler's Casualty Insurance Company has a rating of A+ XV with Best's Key Rating Guide.

**Signatures:** The Contractor's Vice President of Construction, Dan McGrew and President, Troy G. Rankin Jr., signed the Closing Statement, Dan McGrew signed the Bidder's Bond, Non Collusion Affidavit, and the Local Preference Certification.

**Addenda Acknowledged:** The contractor did not acknowledge Addendum 1 in the bid documents. IEC contacted Farwest after the bid opening and Farwest claimed they had not received the addendum. IEC provided Farwest with the Addendum. Upon reviewing the addendum Farwest noted that their bid is still firm and returned the signed addendum form to IEC. IEC recommends the District waive this minor irregularity.

**Worker's Compensation Insurance:** Policy is in effect through August 2013.

**Corrosion Protection Systems Experience:** IEC contacted several references that Farwest provided in their bid package. All references were returned favorably.



**Individual Bid Item Amount Review:** IEC reviewed the individual bid item amounts submitted by the three bidders. No bid item amounts submitted by Farwest seemed excessively high or low. Because of the low number of bids submitted a numerical analysis was not performed.

**RECOMMENDATION**

IEC recommends award of the contract to Farwest Corrosion Control Company as the lowest bidder, based on the bid amount, references and submitted documentation attesting to their suitability to perform the work as specified.

**Attachments**

Table 1 – Bid Results

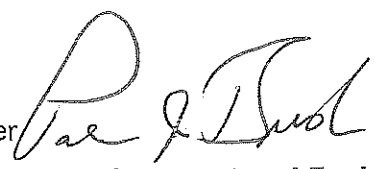


**Leucadia Wastewater District  
Force Main Corrosion Protection Project  
Bid Summary**

Item	Description	Unit	Qty.	Farwest Corrosion Control Company	Piperin Corporation	American Construction and Supply, Inc.
1	Mobilization, Insurance, Bonds, Demobilization & Permits	LS	1	\$6,975	\$20,000	\$12,941
2	Sheeting, Shoring and Bracing	LS	1	\$2,325	\$5,000	\$500
3	Exploratory Potholing	EA	3	\$1,200	\$7,500	\$13,620
4	Traffic Control	LF	1	\$7,900	\$10,000	\$3,000
5	Replace damaged test station in place	EA	2	\$2,790	\$10,000	\$2,000
6	Furnishing and installation of a total of 53 sacrificial anodes at 21 existing corrosion test stations	LF	1	\$77,145	\$120,000	\$132,571
7	Excavation of L2 force main at Sta 110+34. Furnishing and installation of new 4-wire/2-anode test station (210A) at existing insulating flange.	LS	1	\$24,875	\$8,000	\$26,711
8	Excavation of B2 force main at Sta 88+00. Furnishing and installation of new 2-wire/3-anode test station (090).	LS	1	\$6,975	\$7,000	\$19,475
9	Excavation of B3 force main at Sta 101+40. Furnishing and installation of new 2-wire/3-anode test station (070).	LS	1	\$6,975	\$7,000	\$8,520
10	Relocation of existing B2 force main test station 030 at Sta 26+25	LS	1	\$6,975	\$4,000	\$7,893

**Total:      \$144,135      \$198,500      \$227,231**  
Amount in Words:      \$144,135      \$198,500      \$227,231

## MEMORANDUM

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Leucadia Pump Station Generator Replacement and Fuel Tank Evaluation  
Preliminary Engineering Report

---

**RECOMMENDATION:**

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

1. Receive and file the Preliminary Engineering Report for the Leucadia Pump Station Generator Replacement and Fuel Tank Evaluation completed by Infrastructure Engineering Corporation.
2. Discuss and take other action as appropriate.

**DISCUSSION:**

This item was included as a goal on the Fiscal Year 2013 Tactics & Action Plan. This item was reviewed by the Engineering Committee at its September 4, 2012 meeting and directed staff to conduct a supplemental evaluation of the feasibility of using a tanker truck for the District bulk fuel storage.

In May 2010 Infrastructure Engineering Corporation (IEC) completed the Asset Management Plan Implementation Assistance Phase I Report. Included in the report was a March 2009 Technical Memorandum evaluating the condition of the District's pump stations. In that technical memorandum IEC recommended that the Leucadia Pump Station emergency diesel generator be replaced with the latest tier emission generator and acoustical enclosure. The existing generator was installed in the 1970's and has not been upgraded or rehabilitated since installation.

In July 2012, staff tasked IEC, in conjunction with Moraes/Pham & Associates, to complete a Preliminary Engineering Report (PER) to develop and evaluate generator replacement alternatives for the Leucadia Pump Station. Additionally, staff requested that IEC include alternatives to provide emergency power to the Headquarters Building, Work Shop and vehicle storage buildings as part of the evaluation. The September 2011 San Diego County wide power outage demonstrated the need to have emergency power for an Incident Command Center, the Headquarters Building, and the Field Service Workshop and vehicle storage buildings for quick mobilization and dispatch of emergency equipment, such as portable generators and pumps.

Five configurations were developed for evaluation. They were as follows:

- Configuration 1 – Install a 500 kW generator at the Leucadia Pump Station site to power the Leucadia Pump Station.
- Configuration 2 – Install an 800 kW generator at the Leucadia Pump Station site to power the Leucadia Pump Station, the District's Administrative Building and Work Shops.
- Configuration 3 – Install a 800 kW generator at the site entry to the District's Administrative Offices to power the Leucadia Pump Station, the District's Administrative Building and Work Shops.
- Configuration 4 – Install a 350 kW generator at the Administration Building to power the Administration Building and Work Shops.

- Configuration 5 – Install a new Manual Transfer Switch at the Administrative Offices to be used in conjunction with a portable generator.

The configurations were discussed by staff and the IEC team and Configuration 2, installation of an 800 kW generator at the Leucadia Pump Station site, was selected as the preferred generator replacement alternative for the following reasons:

- Utilizing a single 800 kW generator installation as opposed to multiple generators will streamline maintenance and operations.
- Addition of a second generator may trigger additional San Diego Air Pollution Control District (APCD) permitting issues.
- The site location of the generator at the Leucadia Pump Station will minimize aesthetic impacts.
- This generator sizing allows for start up of a second pump at the Leucadia Pump Station across the line with one pump already running at full speed in the event of VFD failure.

The 2011 San Diego County wide power outage raised another issue of adequate fuel supply for sustained operations of the District's various emergency equipment including, emergency generators, mobile pumps, combination (Vactor) trucks and miscellaneous vehicles. The loss of the electric power grid resulted in the loss of local diesel fuel delivery pumps at all retail gas stations and the City of Carlsbad loss its ability to pump fuel at its fleet maintenance yard. In concert with the generator evaluation, IEC was tasked to evaluate the concept of onsite fuel storage for sustained emergency operations.

The following research was done to evaluate the feasibility of onsite fuel storage:

- The estimated fuel usage for the emergency equipment, including the new 800 kW generator at Leucadia Pump Station, was estimated to be approximately 109 gallons per hour (gph) for all pump stations operating at once.
- The fuel storage capacity of the same emergency equipment in the event of a power outage will provide approximately 26.7 hours of run time at the 109 gph burn rate.
- Diesel fuel degradation and fuel management techniques for long term storage.
- Required permits.
- Existing diesel fuel retail and bulk purchase costs including the possibility of purchasing red-dye diesel for use by the emergency generators in order to save money by avoiding the road tax on clear diesel fuel.
- Multiple tank configurations, including tanks sized from 1000 to 4000 gallons.

Staff and IEC evaluated the costs and benefits of installing fuel storage facilities onsite. Based on the additional fuel storage with Leucadia Pump Station generator; additional fuel storage at the pump stations and on LWD vehicles; and the maintenance issues associated with fuel storage, staff is not recommending that fuel storage facilities be installed at this time.

The PER executive summary is attached for your review. A copy of the PER is available upon request. Staff intends to execute an agreement with IEC for continued engineering services as the Leucadia Pump Station Generator Replacement project transitions into the design phase of the project.

rym:PJB

Attachment



## Leucadia Wastewater District Leucadia Pump Station Generator Replacement and Fuel Tank Evaluation

### Executive Summary

#### *Purpose and Scope of the Preliminary Engineering Report (PER)*

This Preliminary Engineering Report (PER) was prepared to identify, discuss and evaluate generator replacement alternatives for the existing standby generator at the Leucadia Pump Station. In addition, the District requested IEC to identify options and discuss and evaluate the possibility of installing a fuel storage tank at the District's Administration Office/Gafner Treatment Plant Site. This PER will be used as the basis for design of the project.

#### *Project Description and Location*

The District's Leucadia Pump Station (LPS) is located immediately west of the District's Administration Building located at 1960 La Costa Avenue, Carlsbad, California. This is also the site of the District's Gafner Treatment Plant.

#### *Generator Configuration Selection Process*

##### *Development of Configurations*

IEC, in conjunction with Moraes/Pham & Associates, developed 5 generator size and site location configurations. Criteria for configuration development included the following.

- Ability to power the District's Administration Building and Leucadia Pump Station during an emergency.
- Ability at the Leucadia Pump Station to start a second pump across the line while the first pump is running at full speed in the event of variable frequency drive (VFD) failure.
- Cost of new generator configuration installation.
- Evaluation of new conduit runs required to connect the new generator to existing facilities.
- Aesthetic impacts of siting locations (line of sight).
- San Diego County Air Pollution Control District (APCD) permitting issues.
- Maintenance and operational considerations.

The configurations developed included the following:

- Configuration 1 – Install a 500 kW generator at the Leucadia Pump Station site to power the Leucadia Pump Station.
- Configuration 2 – Install a 800 kW generator at the Leucadia Pump Station site to power the Leucadia Pump Station, the District's Administrative Building and Work Shops.
- Configuration 3 – Install a 800 kW generator at the site entry to the District's Administrative Offices to power the Leucadia Pump Station, the District's Administrative Building and Work Shops.
- Configuration 4 – Install a 350 kW generator at the Administration Building to power the Administration Building and Work Shops.
- Configuration 5 – Install a new Manual Transfer Switch at the Administrative Offices to be used in conjunction with a portable generator.

#### *Selection of Preferred Configuration*

IEC, in conjunction with Moraes/Pham & Associates, and as discussed in a meeting with District staff following the development of the first draft of this PER on August 1, 2012, recommends installing a single

800 kW generator at the Leucadia Pump Station site to power the Leucadia Pump Station, the District's Administrative Building and Work Shops (Configuration 2). This recommendation is based on the following.

- Utilizing a single 800 kW generator installation as opposed to multiple generators will streamline maintenance and operations.
- Addition of a second generator may trigger San Diego APCD permitting issues.
- The site location of the generator at the Leucadia Pump Station is considered to present minimal aesthetic impacts.
- This generator sizing allows for start up of a second pump at the Leucadia Pump Station across the line with one pump already running at full speed in the event of VFD failure.

### *Fuel Storage Tank Configuration Selection Process*

The District requested IEC conduct a study on the feasibility of installing a diesel fuel storage tank for the operation of critical assets during an emergency. This potential fuel tank is intended to provide additional storage for the District's standby generators at the various sewage pump stations and mobile pumps in the case where a power outage renders retail fuel purchase unavailable. This happened during the San Diego County wide power outage in September 2011.

#### *Development of Configurations*

To establish the feasibility of installing a diesel fuel storage tank at the District's offices IEC researched the following.

- The estimated fuel usage for the emergency equipment, including the new 800 kW generator at Leucadia Pump Station as discussed in Technical Memorandum 1, was estimated to be approximately 109 gallons per hour (gph) for all pump stations operating at once.
- The fuel storage capacity of the same emergency equipment in the event of a power outage will provide approximately 26.7 hours of run time at the 109 gph burn rate.
- Diesel fuel degradation and fuel management techniques for long term storage.
- Required permits.
- Existing Diesel fuel retail and bulk purchase costs including the possibility of purchasing red-dye diesel for use by the emergency generators in order to save money by avoiding the road tax on clear diesel fuel.
- Multiple tank configurations including tanks sized from 1000 to 4000 gallons.

#### *Selection of Preferred Configuration*

At the outset of this study it was expected that purchasing fuel in bulk with the option to purchase red dye diesel for the generators, thereby avoiding the road tax on clear diesel, would yield a discount over retail prices. However, it was found that the small delivery quantities necessary to keep the fuel tank in a nearly full condition and limitations on the quantity of fuel that may be stored at any given time without major maintenance operations (fuel polishing) would incur a substantial cost increase over current cost of retail purchase. In addition, the District's main concern of fuel availability after the September 2011 power outage was the low storage capacity of the fuel tank for the existing emergency generator at the Leucadia Pump Station site. With the installation of the new generator and associated larger fuel storage tank as discussed in Technical Memorandum 1 this concern is largely mitigated. It is our understanding that the District considers the current 26 hours of storage an acceptable level of storage, given the low probability of a reoccurrence of the September 2011 county wide power outage, and does not wish to pursue installation of an additional fuel storage tank onsite at this time.

#### *Opinion of Probable Cost*

IEC in conjunction with Moraes/Pham & Associates has developed a planning level cost for the recommended generator configuration of \$500,000. Overall project design and implementation time is estimated to be six to nine months.

**MEMORANDUM**

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Leucadia Pump Station Generator Replacement Project – Design Services

---

**RECOMMENDATION:**

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

1. Authorize the General Manager to execute an Agreement with Infrastructure Engineering Corporation for engineering design services for the Leucadia Pump Station Generator Replacement Project in an amount not to exceed \$34,363.
2. Discuss and take other action as appropriate.

**DISCUSSION:**

This item was reviewed by the Engineering Committee at its September 4, 2012 meeting. This item was included as a goal on the Fiscal Year 2013 Tactics & Action Plan.

In August 2012 Infrastructure Engineering Corporation (IEC) completed the Preliminary Engineering Report (PER) for the Leucadia Pump Station Generator Replacement Project. Included in this project is a replacement emergency generator with additional capacity to power the District's Headquarters Building (District's Incident Command Center), the Field Service Workshop and equipment storage buildings with emergency power. The PER recommended that the existing circa 1970's 600 kilowatt (kw) diesel generator be replaced with a new 800 kw latest tier emission generator and acoustical enclosure.

The next phase of the project is the design phase. IEC has submitted a proposal, attached, to complete project design. The Scope of Services includes:

- Project Management and Administration
- Data Collection and Utility Coordination
- Site Visit
- Structural Assessment of Wet Well Roof
- Preparation of Plans, Specifications and Cost Estimate (PS&E)

The proposed IEC fee is \$34,363 which includes services to support project design, such as electrical subcontractor services. Staff believes the proposal is fair and reasonable.

**FISCAL IMPACT:**

There are sufficient funds appropriated in the Fiscal Year 2013 (FY13) Budget to cover project design costs.

rym:PJB  
Attachment

August 29, 2012

Mr. Robin Morishita  
Leucadia Wastewater District  
1960 La Costa Avenue  
Carlsbad, California 92009

**RE: Proposal for Engineering Services for the Leucadia Pump Station Generator Replacement Project – Design Phase**

Dear Mr. Morishita:

Infrastructure Engineering Corporation (IEC) is pleased to provide the Leucadia Wastewater District with this proposal for Design Engineering Services for the Leucadia Pump Station Generator Replacement Project. The proposed scope of services and fee is based on the project alternative as described in the Preliminary Engineering Report (PER) dated August 2012. The recommended project consists of constructing a new 800 kw generator in place of the existing generator at the Leucadia Pump Station. The new generator will provide backup power to not only the pump station but the Administration Building as well.

**SCOPE OF SERVICES**

The following detailed scope of services describes the specific tasks and deliverables that will be performed.

***Task 1 – Project Management and Administration***

We anticipate two coordination meetings will be required during the project to review and discuss project submittals. Additional coordination can be addressed via telephone conferences or emails.

***Task 2 – Data Collection and Utility Coordination***

Because the existing pump station is located on District property, we do not anticipate the presence of significant public or franchise utilities. It is expected the majority of utility record drawings will be available from the District (for District facilities). However, as a matter of standard practice and for thoroughness, IEC will complete a USA DigAlert Design request and contact and request record drawings from utility companies that may have utilities in the project area. Follow-up requests for review will be performed at the 50%, 90%, and final submittal to assess correct location of facilities and that new facilities are shown on the plans.

***Task 3 – Site Visit***

A site visit will be made to inspect the existing electrical manhole where the conduit tie in will be made per Exhibit B of the PER. It is assumed District personnel will facilitate by opening the manhole and providing access.

***Task 4 – Prepare Plans, Specifications and Estimate (PS&E)***

IEC will prepare plans, technical specifications, and a cost estimate (PS&E) for the work. The plans are expected to contain the following:

Title sheet w/ General Notes, Legend, Abbreviations (2)  
Existing Site Plan (1)  
Standard Electrical Symbols and Abbreviations (1)  
Overall Electrical Site Plan/Schedules (1)  
Single Line Diagram/Elevations (1)  
Pump Station Electrical Area Plan (1)  
Electrical Details (2)  
Generator pad plan (1)

We will provide review submittals to the District at the 50% and 90% completion levels, followed by preparation of the final bid-ready set of documents. Specifications and contract documents will be prepared based on the District's standard front end contract documents. It is assumed that previously provided AutoCAD plans from the site improvement project will be used for base mapping purposes; no new survey will be performed at this time.

***Task 5 – Structural Assessment of Wet Well Roof***

The PER identified a tentative location for the proposed 800 kw generator roughly in the same location as the existing 600 kw unit. The existing 600 kw unit appears to encroach slightly onto the roof of the existing pump station wet well. The 800kw unit is larger and will have substantially more fuel storage. Therefore, we recommend a structural evaluation of the potential impact to the wet well roof. If the evaluation suggests the need for wet well roof strengthening this will be discussed with the District and an additional scope and budget requested.


**SCHEDULE**

It is anticipated that after the notice to proceed, we estimate data collection and the site visit can be completed in two weeks and that 50% plans, specifications and cost estimates (PS&E) produced within another four weeks with two weeks in between each submittal for review by the District. Upon receipt of comments, IEC will prepare a 90% PS&E package within two weeks. After another two week review period for the District, final plans and specifications will be produced within one week of receipt of the District's final comments. The total project schedule is approximately twelve to fourteen weeks.

**FEE**

The proposed level of effort and fee is indicated on the attached table. Billing will be in accordance with our current agreement for as-needed engineering services. We appreciate the opportunity to provide this proposal and assist the District with this project.

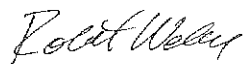




Mr. Robin Morishita  
Leucadia Wastewater District  
August 29, 2012  
Page 3 of 3

We sincerely appreciate the opportunity to provide this proposal and assist the District with this project. Please contact me at (858) 413-2400 should you have any questions or need further information.

Sincerely,



Robert S. Weber, P.E.  
Senior Project Manager

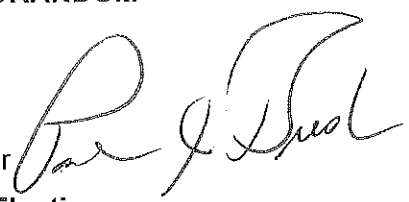
**FEE ESTIMATE**  
**LEUCADIA WASTEWATER DISTRICT**  
**Leucadia Pump Station Generator Replacement Final Design**

Task/ Subtask	Task/Subtask Description	Sr. Project Manager (Jim Ashcraft)	Sr. Project Manager (Rob Weber)	Sr. Project Engineer (Dave Padilla)	Engineer II/ CAD II Designer (Ross Maxwell)	Word Processor (Annette Moore)	Subtask Labor-Hours	Subtask Labor Cost	Direct Cost	Subcontract	Total Cost
<b>TASK 1</b>	<b>Project Management and Administration</b>	\$180.00	\$180.00	\$147.00	\$110.00	\$65.00					
	Project Status Reports/Coordination/Meetings		6		6	1	13	\$1,805	\$100	\$0	\$2,265
	Additional coordination/phone conferences		2				2	\$360	\$0	\$0	\$1,905
<b>TASK 2</b>	<b>Data Collection and Utility Coordination</b>										
	Data Collection Review/Coordination		1		4	1	6	\$685	\$50	\$0	\$735
<b>TASK 3</b>	<b>Site Visit</b>										
	Site Visit				4		4	\$440	\$50	\$1,213	\$1,703
<b>TASK 4</b>	<b>Prepare Plans, Specifications and Estimate (PS&amp;E)</b>										
	50% PS&E	2	4	4	16	1	27	\$3,493	\$60	\$8,135	\$25,100
	90% PS&E	1	4	4	16	2	27	\$3,378	\$60	\$6,508	\$11,688
	Final PS&E	1	2	2	8	1	14	\$1,779	\$60	\$1,627	\$9,946
<b>TASK 5</b>	<b>Structural Assessment of Wet Well Roof</b>										
	Structural Assessment		2				2	\$360	\$0	\$4,200	\$4,560
		4	21	10	54	6	95				
		\$720	\$3,780	\$1,470	\$5,940	\$390		\$12,300	\$380	\$21,683	\$34,363

**TOTAL NOT-TO-EXCEED FEE: \$34,363**

**MEMORANDUM**

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager  
**SUBJECT:** LAFCO 2012 Special Districts Election

**RECOMMENDATION:**

Staff requests that the Board of Directors:

1. Discuss and provide direction, as appropriate.

**DISCUSSION:**

During April 2012, the Local Agency Formation Commission (LAFCO) solicited nominations for one LAFCO Regular (Primary) Commission member and eight positions on the Special Districts Advisory Committee with one short-term expiring in 2012. LAFCO received two nominations for the Regular Commission member and nine nominations for the Advisory Committee by the June 8, 2012 deadline. Attached please find the LAFCO's letter, along with attachments with detailed information on the election process and request for LWD's votes.

In accordance with LAFCO's Selection Committee Rules, all nominations were forwarded to LAFCO's Nominating Committee. Following the committee's review, they provided a report and their recommendations in Attachment 1.

LAFCO has provided LWD with a ballot (Attachment 2) requesting the District's vote for one LAFCO Regular Commission member and eight votes for the Special Districts Advisory Committee no later than October 10, 2012. The Board of Directors may vote for up to nine candidates.

The purpose of this agenda item is to present the Board of Directors with resume information on the nominees (Attachment 4) so that the Board of Directors may vote for up to one individual for the Regular Commission member and eight individuals for the Advisory Committee members.

Staff requests that the Board of Director's discuss and provide direction as appropriate. Staff has no recommendation on this agenda item.

---

cal:PJB

Attachments



9335 Hazard Way • Suite 200 • San Diego, CA 92123  
Phone (858) 614-7755 • Fax (858) 614-7766

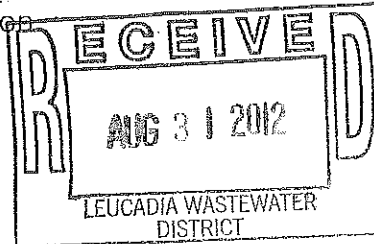
San Diego Local Agency Formation Commission

Website: [www.sdlafco.org](http://www.sdlafco.org)

**Chairwoman**

Dianne Jacob  
County Board of  
Supervisors

August 29, 2012



**Vice Chairman**

Andrew L. Vanderlaan  
Public Member

TO: Independent Special Districts of San Diego County

FROM: Executive Officer  
Local Agency Formation Commission

**Members**

Bill Horn  
County Board of  
Supervisors

SUBJECT: 2012 Special Districts Election

Bud Pocklington  
South Bay  
Irrigation District

Mark Lewis  
Mayor  
City of El Cajon

John Ingalls  
Santa Fe  
Irrigation District

Lorie Zapf  
Councilmember  
City of San Diego

Jim Janney  
Mayor  
City of Imperial Beach

**Alternate Members**

Greg Cox  
County Board of  
Supervisors

Sherri Lightner  
Councilmember  
City of San Diego

Sam Abed  
Mayor  
City of Escondido

Jo MacKenzie  
Vista Irrigation District

Harry Mathis  
Public Member

**Executive Officer**

Michael D. Ott

By our letter of April 27, 2012, we solicited nominations for one regular district commission position on the Local Agency Formation Commission (LAFCO), and eight positions on LAFCO's Special Districts Advisory Committee. By the deadline of June 8, 2012, two nominations for the regular Commission member, and nine nominations for eight positions on the Advisory Committee were received. As required by the Selection Committee Rules, all eligible nominations were forwarded to the Nominating Committee. The 2012 Nominating Committee was comprised of Gary Croucher (Otay Water District), Judy Hanson (Leucadia Wastewater District), and Kimberly Thorner (Olivenhain Municipal Water District). After the Candidates Forum held on August 16, 2012 at the San Diego Chapter of the California Special District Association's Quarterly Dinner Meeting, LAFCO Consultant Harry Ehrlich met with the Nominating Committee on August 22, 2012 to discuss a recommended slate of nominees for the open positions. A copy of the Nominating Committee's Report and Recommendations is attached (**Attachment 1**). Special District Election Ballots and Vote Certification forms on which to record your votes are also attached (**Attachment 2**). A list of the eligible independent special districts is provided for your convenience (**Attachment 3**). Please note that LAFCO staff has not included any of the candidates' promotional materials with the election materials. Lastly, attached are the Special District Summary of Nominations and copies of Nomination Forms (**Attachment 4**).

With respect to ballots, there is a separate ballot for each position: **yellow** for the LAFCO regular special district member, and **blue** for the advisory committee members. **Be sure each ballot is marked only for the number of positions to be voted for in that category. A ballot that is cast for more than the indicated number of positions will be disregarded.**

**Counsel**

Thomas Bosworth

The ballots should be considered by your full district board. State Law and the Selection Committee Rules require a district's vote to be cast by its presiding officer, or an alternate member of the legislative body appointed by the other members. Therefore, the certification form has been incorporated with the ballot forms to be signed by the person who casts your district's votes. **A ballot received without a signed certification form will not be counted.**

All nominees are listed on the respective ballot. An asterisk indicates the nominating committee recommendations, and incumbents have been *italicized*. Write-in candidates are permitted, and spaces have been provided for that purpose.

The deadline for receipt of the ballots by LAFCO is **October 10, 2012**. The Selection Committee Rules require that marked ballots be returned **by certified mail, return receipt requested**. Facsimile (FAX) ballots and certification forms will be accepted, **if necessary to meet the ballot deadline**, but originals must be submitted as soon as possible thereafter.

The Selection Committee Rules stipulate that a majority of the districts shall constitute a quorum for the conduct of committee business. There are 61 independent special districts in the county; therefore, a minimum of **31** ballots must be received to certify that a legal election was conducted. A candidate for the LAFCO member position must receive at least a majority of the votes cast to be elected. Election to the Special Districts Advisory Committee requires only a plurality vote. The ballots will be kept on file in this office, and will be made available upon request.

Please call me or Tamaron Luckett if you have any questions.



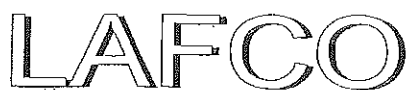
MICHAEL D. OTT  
Executive Officer

MDO:trl

---

**Attachments:**

- (1) Nominating Committee Report and Recommendations
- (2) Special District Election Ballot and Vote Certification Form
- (3) Independent Special District List
- (4) Independent Special District Summary of Nominations and Copies of Nomination Forms



9335 Hazard Way • Suite 200 • San Diego, CA 92123  
Phone (858) 614-7755 • Fax (858) 614-7766

San Diego Local Agency Formation Commission

Website: [www.sdlafco.org](http://www.sdlafco.org)

#### Chairwoman

Dianne Jacob  
County Board of  
Supervisors

August 29, 2012

#### Vice Chairman

Andrew L. Vanderlaan  
Public Member

TO: Independent Special Districts in San Diego County

#### Members

FROM: 2012 Special Districts Election Nominating Committee

Bill Horn  
County Board of  
Supervisors

SUBJECT: Nominating Committee Report and Recommendations

Bud Pocklington  
South Bay  
Irrigation District

Mark Lewis  
Mayor  
City of El Cajon

John Ingalls  
Santa Fe  
Irrigation District

Lorie Zapf  
Councilmember  
City of San Diego

Jim Janney  
Mayor  
City of Imperial Beach

#### Alternate Members

Greg Cox  
County Board of  
Supervisors

Sherri Lightner  
Councilmember  
City of San Diego

Sam Abed  
Mayor  
City of Escondido

Jo MacKenzie  
Vista Irrigation District

Harry Mathis  
Public Member

In 2012, independent special district nominations were solicited for: (1) one Regular District member on the Local Agency Formation Commission (LAFCO) Commission with a term expiring in 2016, and (2) eight Special Districts Advisory Committee members with eight terms expiring in 2016. By the deadline of June 8, 2012, our office received two nominations for the LAFCO regular member position, and nine nominations for the eight Special Districts Advisory Committee positions.

As required by the Selection Committee Rules, a nominating committee was appointed to review the nominations submitted, and to prepare a list of recommended candidates. According to the Selection Committee Rules, the nominating committee is appointed by the chairperson or vice chair of the Special Districts Advisory Committee. A Candidates Forum, moderated by LAFCO Consultant Harry Ehrlich was scheduled on August 16<sup>th</sup> as part of the quarterly dinner meeting of the San Diego Chapter, California Special Districts Association. All candidates were invited to attend and present a brief statement of qualifications. In the interest of impartiality, the Nominating Committee decided to conclude its deliberations after the Candidates Forum. In evaluating the nominations, the committee considered special district experience, interest, and knowledge of LAFCO issues. For those nominees who are incumbents, the committee further considered attendance records and meeting participation. The committee also wanted to ensure representation from those types of districts that most often are involved in making recommendations to LAFCO. The nominating committee's recommendation for each category follows:

#### Executive Officer

Michael D. Ott

#### Counsel

Thomas Bosworth

Attachment 1

## NOMINATING COMMITTEE RECOMMENDATIONS

### LAFCO Regular Member

The Nominating Committee recommended **Bud Pocklington** (South Bay Irrigation District.)

### Special Districts Advisory Committee Members

The Nominating Committee recommended the following nominees for the Advisory Committee (incumbents are *italicized*):

**James Archer** (Alpine Fire Protection District)

***Dennis Shepard*** (North County Cemetery District)

***Augie Scalzitti*** (Padre Dam Municipal Water District)

***Douglas Humphrey*** (Resource Conservation District of Greater San Diego County)

**Teresa Thomas** (South Bay Irrigation District)

***Gary Arant*** (Valley Center Municipal Water District)

***Tom Bumgardner*** (Valley Center Parks and Recreation District)

***Margarette Morgan*** (Vista Fire Protection District)

Copies of all nominations are attached following this report.

---

## 2012 NOMINATING COMMITTEE

GARY CROUCHER  
OTAY WATER DISTRICT

JUDY HANSON  
LEUCADIA WASTEWATER DISTRICT

KIMBERLY THORNER  
OLIVENHAIN MUNICIPAL WATER DISTRICT

2012 SPECIAL DISTRICTS ELECTION  
BALLOT and VOTE CERTIFICATION  
FOR REGULAR LAFCO SPECIAL DISTRICT MEMBER

VOTE FOR ONLY ONE

\* **Bud Pocklington** [   ]  
(South Bay Irrigation District)

**Jon J. Lorenz** [   ]  
(Lakeside Fire Protection District)

Write-Ins

\_\_\_\_\_ [   ]

\_\_\_\_\_ [   ]

I hereby certify that I cast the votes of the \_\_\_\_\_  
(Name of District)  
at the 2012 Special Districts Selection Committee Election as:

[   ]      the presiding officer, or

[   ]      the duly-appointed alternate board member.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

*Please note: The order in which the candidates' names are listed was determined by random selection.*

\* = Nominating Committee's Recommendation



**VOTE FOR ONLY ONE**

11

[ ]

## [ ]

111

93

**2012 SPECIAL DISTRICTS ELECTION  
BALLOT and VOTE CERTIFICATION  
FOR SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBER**

**VOTE FOR ONLY EIGHT** (Incumbents are *italicized*)

- |   |  |       |
|---|--|-------|
| * | <b><i>Dennis Shepard</i></b> (North County Cemetery District)                            | [   ] |
|   | <b><i>William Haynor</i></b> (Whispering Palms Community Services District)              | [   ] |
| * | <b>James Archer</b> (Alpine Fire Protection District)                                    | [   ] |
| * | <b><i>Douglas Humphrey</i></b> (Resource Conservation District Greater San Diego County) | [   ] |
| * | <b><i>Gary Arant</i></b> (Valley Center Municipal Water District)                        | [   ] |
| * | <b><i>Augie Scalzitti</i></b> (Padre Dam Municipal Water District)                       | [   ] |
| * | <b><i>Margarette Morgan</i></b> (Vista Fire Protection District)                         | [   ] |
| * | <b><i>Tom Bumgardner</i></b> (Valley Center Parks and Recreation District)               | [   ] |
| * | <b>Teresa Thomas</b> (South Bay Irrigation District)                                     | [   ] |

**\*\* Write-Ins**

	[   ]
	[   ]

I hereby certify that I cast the votes of the \_\_\_\_\_  
(Name of District)  
at the 2012 Special Districts Selection Committee Election as:

[   ]      the presiding officer, or  
[   ]      the duly-appointed alternate board member.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

*Please note: The order in which the candidates' names are listed was determined by random selection.*

\* = Nominating Committee's Recommendation

## LIST OF ELIGIBLE INDEPENDENT SPECIAL DISTRICTS

Alpine Fire Protection District	San Diego Rural Fire Protection District
Bonita-Sunnyside Fire Protection District	San Luis Rey Municipal Water District
Borrego Springs Fire Protection District	San Miguel Consolidated Fire Protection District
Borrego Water District	Santa Fe Irrigation District
Canebrake Water District	South Bay Irrigation District
Cuyamaca Water District	Tri-City Healthcare District
Deer Springs Fire Protection District	Upper San Luis Rey Resource Conservation Dist
Descanso Community Services District	Vallecitos Water District
Fairbanks Ranch Community Services District	Valley Center Cemetery District
Fallbrook Healthcare District	Valley Center Parks and Recreation District
Fallbrook Public Utility District	Valley Center Fire Protection District
Grossmont Healthcare District	Vista Fire Protection District
Helix Water District	Vista Irrigation District
Jacumba Community Services District	Whispering Palms Community Services District
Julian Community Services District	Wynola Water District
Julian-Cuyamaca Fire Protection District	Yuima Municipal Water District
Lake Cuyamaca Recreation and Park District	
Lakeside Fire Protection District	
Lakeside Water District	
Leucadia Wastewater District	
Lower Sweetwater Fire Protection District	
Majestic Pines Community Services District	
Mission Resource Conservation District	
Mootamai Municipal Water District	
Morro Hills Community Services District	
North County Cemetery District	
North County Fire Protection District	
Olivenhain Municipal Water District	
Otay Water District	
Padre Dam Municipal Water District	
Palomar-Pomerado Healthcare District	
Pauma Municipal Water District	
Pauma Valley Community Services District	
Pine Valley Fire Protection District	
Pomerado Cemetery District	
Questhaven Municipal Water District	
Rainbow Municipal Water District	
Ramona Cemetery District	
Ramona Municipal Water District	
Rancho Santa Fe Community Services District	
Rancho Santa Fe Fire Protection District	
Resource Conservation District of Greater SD Co	
Rincon del Diablo Municipal Water District	
Rincon Ranch Community Services District	

**2012 SPECIAL DISTRICTS ELECTION  
SUMMARY OF NOMINATIONS  
REGULAR SPECIAL DISTRICT LAFCO COMMISSIONER and  
ADVISORY COMMITTEE POSITIONS**

**LAFCO Regular Special District Member Candidates**

Bud Pocklington \*  
(South Bay Irrigation District)

Jon J. Lornez  
(Lakeside Fire Protection District)

**Special Districts Advisory Committee Candidates**

Gary Arant (Valley Center Municipal Water District) \*  
James Archer (Alpine Fire Protection District) \*  
William Haynor (Whispering Palms Community Services District)  
Dennis Shepard (North County Cemetery District) \*  
Douglas Humphrey (Resource Conservation District of Greater San Diego County) \*  
Augie Scalzitti (Padre Dam Municipal Water District) \*  
Teresa Thomas (South Bay Irrigation District) \*  
Tom Bumgardner (Valley Center Parks and Recreation District) \*  
Margarette Morgan (Vista Fire Protection District) \*

\*= Nominating committee's recommendation

*Please note: The order in which the candidates' names are listed was determined by random selection.*

DATE RECEIVED  
BY LAFCO:

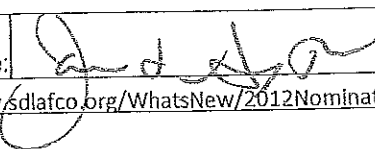
RECEIVED

JUN 06 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

SAN DIEGO LAFCO

<b>NOMINATED BY:</b>	
District Name:	South Bay Irrigation District
District Phone:	(619) 427-0868
<b>NAME OF NOMINEE:</b>	
Name:	Bud Pocklington
Address:	505 Garrett Avenue, Chula Vista, CA 91910
Phone:	(619) 409-6703
<b>NOMINATED FOR:</b>	
<i>Please mark only one</i>	<b>LAFCO REGULAR (X)</b> <b>ADVISORY COMMITTEE ( )</b>
<b>DISTRICT EXPERIENCE:</b>	Bud was elected to the South Bay Irrigation District and Sweetwater Authority in 1986. He has served many times as President of South Bay Irrigation District and as Chair of the Sweetwater Authority. Bud has also served on the Board of Directors of the San Diego County Water Authority for over ten years and on the Board of Directors of the Metropolitan Water District for six years.
<b>LAFCO EXPERIENCE:</b>	Bud was elected in 1989 to LAFCO's Special District Advisory Committee. While serving as Chairman of the Advisory Committee, he was elected as the Alternate District Member of LAFCO in 1997 and became a LAFCO Regular Member in 2000. He is very knowledgeable and supportive of special districts and has frequently demonstrated this when reviewing proposals to advise and/or make recommendations to the Commission.
<b>ADDITIONAL INFORMATION:</b>	In the past four years, the LAFCO Commission has elected Bud to be its LAFCO Vice Chair and Chair. Bud is an enthusiastic supporter of special district government and knowledgeable of its role and function in local government. The Directors of South Bay Irrigation District urge your support in reelecting Bud to serve as the LAFCO Regular Member.
Authorized Signature: 	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

RECEIVED

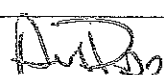
DATE RECEIVED  
BY LAFCO:

JUN 04 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

## SAN DIEGO LAFCO

NOMINATED BY:	
District Name:	Lakeside Fire Protection District
District Phone:	(619) 390-2350
NAME OF NOMINEE:	
Name:	Jon J. Lorenz
Address:	8031 Winter Gardens Blvd. #13
Phone:	(619) 733-3012
NOMINATED FOR:	
Please mark only one	LAFCO REGULAR <input checked="" type="checkbox"/> ADVISORY COMMITTEE ( )
DISTRICT EXPERIENCE:	Director - Lakeside Fire Board. Elected Nov. 2010. Regional Fire Advisory Committee - Since Feb. 2011. Heartland Communications Facility Authority - Feb. 2011 CSA-69 Ambulance District Advisory Committee - Feb. 2011 LAFCO Special Districts Advisory Committee - Oct. 2011
LAFCO EXPERIENCE:	LAFCO Special Districts Advisory Committee.
ADDITIONAL INFORMATION:	Mr. Lorenz currently serves as Lead Manager in the U.S. Navy.
Authorized Signature: 	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

DATE RECEIVED  
BY LAFCO:


RECEIVED

JUN - 6 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

SAN DIEGO LAFCO

<b>NOMINATED BY:</b>	
District Name:	Valley Center Municipal Water District
District Phone:	(760)735-4515
<b>NAME OF NOMINEE:</b>	
Name:	Gary Arant
Address:	P.O. Box 67, Valley Center, CA 92082
Phone:	760-735-4515
<b>NOMINATED FOR:</b>	
<i>Please mark only one</i>	LAFCO REGULAR ( ) ADVISORY COMMITTEE ( x )
DISTRICT EXPERIENCE:	Assistant to the General Manager, Walnut Valley Water District (Los Angeles County) 1973-1980.  General Manager, Rincon del Diablo MWD, 1980-1989.  General Manager, Valley Center MWD, 1989 to Present.
LAFCO EXPERIENCE:	Member, LAFCO Special District Advisory Committee Member, 1981 to Present.
ADDITIONAL INFORMATION:	Masters of Public Administration, CSU Fullerton.  Member, California Regional Water Quality Control Board, San Diego, Region, 1983-1997  Member, SDCWA Board of Directors (currently).  Member, ACWA, Board of Directors (currently)
Authorized Signature:  President, Board of Directors	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

ATTACHMENT 2

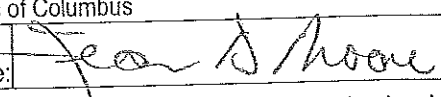
DATE RECEIVED  
BY LAFCO:

RECEIVED  
MAY 18 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

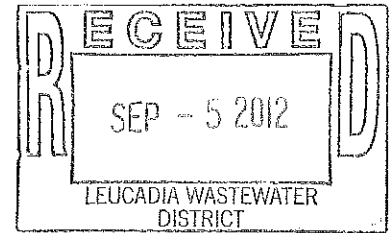
SAN DIEGO LAFCO

<b>NOMINATED BY:</b>	
District Name:	Alpine Fire Protection District
District Phone:	(619) 445-2635
<b>NAME OF NOMINEE:</b>	
Name:	James (Jim) Archer
Address:	1461 Alpine Grove Lane, Alpine California 91901
Phone:	(619) 722-1358
<b>NOMINATED FOR:</b>	
<i>Please mark only one</i>	<b>LAFCO REGULAR ( ) ADVISORY COMMITTEE ( X )</b>
<b>DISTRICT EXPERIENCE:</b>	Sitting member of the Alpine Fire Protection District Sitting member of the Alpine Planning Group Sitting Member of the Alpine Fire District Board of Directors Chairman of the Alpine Parks and Recs subcommittee Sitting Member of three Homeowners Associations; President of two. Overseeing Three million dollar per year budget.
<b>LAFCO EXPERIENCE:</b>	Dealt with planning and zoning as a Building and Electrical Contractor.
<b>ADDITIONAL INFORMATION:</b>	Retired Electrical Contractor Retired Labor Consultant Studied Economics at the University of Southern Illinois For six years I was a sitting member of two HMO State public policy advisory committees, PDS and Vista Hills. Member of the Alpine Kiwanis and The Knights of Columbus
Authorized Signature: 	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

ATTACHMENT 2





Dear Special Districts Board Members;

My name is **Jim Archer**: I am married to my wife of 47 years, Glenda;

After leaving the Navy in 1960, I went to school on the GI Bill and studied Economics

I am a Retired Electrical Contractor.

The last 10 years prior to retirement, I was the Asst. Business Manager for the International Brotherhood of Electrical Workers.

For several years I sat on The IBEW Health and Welfare Trust with assets of 160, Million Dollars.

I served on the Public Policy Advisory Board for Personal Dental Services a California HMO

I served on the Public Policy Advisory Board for Vista Hill Health Care a California HMO.

I am a Director for the Alpine Fire Board.

A member of the Alpine Planning Group.

Chairman of the Alpine Parks and Recs subcommittee.

A member of the Alpine Kiwanis club.

A member of the Knights of Columbus.

I serve on 3 Home Owners Association boards, two in which, I serve as president.

I volunteer a minimum of 500 hours per year to the community of Alpine and the community of Lakeside.

**I would like your Vote and the ability to gain your trust and respect.**

Regards, **Jim Archer**

A handwritten signature in dark ink, appearing to be "Jim Archer", written in a cursive style.

RECEIVED

DATE RECEIVED  
BY LAFCO:

JUN - 8 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

SAN DIEGO LAFCO

(Office Use)

NOMINATED BY:	
District Name:	Whispering Palms Community Services District
District Phone:	760-942-5147
NAME OF NOMINEE:	
Name:	Bill Haynor
Address:	PO Box 9911, Rancho Santa Fe, CA 92067
Phone:	858-229-5451
NOMINATED FOR:	
Please mark only one	LAFCO REGULAR ( ) ADVISORY COMMITTEE (X)
DISTRICT EXPERIENCE:	<p>1. Whispering palms Community Services District, San Diego County CA Board Member since November 2010. The District is responsible for providing wastewater collection and treatment services to the Whispering Palms community, as well as landscape maintenance services for several areas within the Whispering Palms community.</p> <p>2. Strawberry Recreation District, Marin County, CA. Board Member for 6 years. Worked with LAFCO and the County Planning Department on the potential incorporation of Strawberry which was put on hold.</p> <p>3. Chairman of a committee of the Richardson Bay Development Committee, Marin County, CA. responsible for permit approval of development along the waterfront including the Cities of Sausalito, Tiburon, Mill Valley, and Belvedere.</p> <p>4. Marin Municipal Water District, Marin County, CA. Elected as the Southern Marin County Representative.</p>
LAFCO EXPERIENCE:	<p>Appointed as a member of the LAFCO Advisory Committee in February 2012.</p> <p>As a board member of the Strawberry Recreation District, Marin County, CA, worked with LAFCO and the County Planning Department on the potential incorporation of Strawberry, which was eventually put on hold.</p>
ADDITIONAL INFORMATION:	<p>Education: BS in Biology, Denison University; MS in Aerospace Systems Management and MBA, USC; Military: Captain in the USAF as an Avionics Officer. Corporate experience: VP Corporate Financial Planning, Bank of America; Executive VP and Chief Administrative Officer, Bank of San Francisco; Founding Director of Selectquote Insurance Services, Inc; Founding Bank Director of the STAR System; Past Vice Chairman of the UCSD Cancer Center Board.</p>
Authorized Signature: <i>William W. Ayman</i>	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

ATTACHMENT 2

DATE RECEIVED  
BY LAFCO:

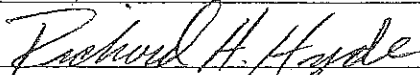
RECEIVED

MAY 30 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

SAN DIEGO LAFCO

NOMINATED BY	
District Name:	North County Cemetery District
District Phone:	760*745*1781
NAME OF NOMINEE:	
Name:	Dennis L. Shepard
Address:	2640 Glen Ridge Road, Escondido, CA 92027-4532
Phone:	760*745*1781
NOMINATED FOR:	
<i>Please mark only one</i>	LAFCO REGULAR ( ) ADVISORY COMMITTEE (XX)
DISTRICT EXPERIENCE:	Dennis served as Trustee of the District for 15 years. In 2006, he left the Board and took a management job in the District. He has served as the District General Manager since 2007.
LAFCO EXPERIENCE:	Dennis has served on the Advisory Committee since 1995.
ADDITIONAL INFORMATION:	Dennis earned his Special District Administrator Certification from California Special Districts Association in 2010.
Authorized Signature:	 Chair of the Board, North County Cemetery District

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

ATTACHMENT 2

JUN 07 2012

(Office Use)

SAN DIEGO LAFCO

NOMINATED BY:

District Name:	Resource Conservation District of Greater San Diego County
District Phone:	619-562-0096

NAME OF NOMINEE:

Name:	Douglas Humphrey, Director, RCD of Greater San Diego County
Address:	2732 Lange Ave., San Diego, CA 92122
Phone:	(w) 858-674-5411

NOMINATED FOR:

<i>Please mark only one</i>	LAFCO REGULAR ( ) ADVISORY COMMITTEE ( X )
-----------------------------	---

DISTRICT  
EXPERIENCE:

Mr. Humphrey has been a member of the RCD of GSDC Board of Directors Since 2001 and had prior experience on another RCD board for several Years prior to that. He has served on several committees and is Committed to the RCD's mission.

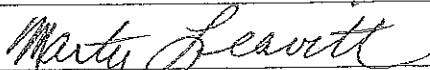
LAFCO EXPERIENCE:

Mr. Humphrey has served on the LAFCO Advisory Board since 2008:

DATE RECEIVED  
BY LAFCO:

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

ADDITIONAL INFORMATION:	Mr. Humphrey is a licensed Architect, currently employed as Senior Principal Architect with the California Division of State Architect and is a lifetime resident of San Diego County.
Authorized Signature: 	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

ATTACHMENT 2

DATE RECEIVED  
BY LAFCO:


RECEIVED

JUN 04 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

SAN DIEGO LAFCO

<b>NOMINATED BY:</b>	
District Name:	Padre Dam Municipal Water District
District Phone:	(619) 448-3111
<b>NAME OF NOMINEE:</b>	
Name:	Augie Scalzitti
Address:	P.O. Box 719003, Santee, CA 92072
Phone:	(619) 258-4614
<b>NOMINATED FOR:</b>	
<i>Please mark only one</i>	LAFCO REGULAR ( ) ADVISORY COMMITTEE ( X )
DISTRICT EXPERIENCE:	Member of the Padre Dam MWD Board of Directors. During his 14 years on the Board he has served on the following Board Committees: Public Affairs, Finance, Facilities Development, Personnel, Park, Customer Appeals, and the Employee Involvement Team (part of the District's Workforce Partnership). He has also served as the District's representative on the Metro Commission/Metro Wastewater Joint Powers Authority, San Diego Area Wastewater Management District, and the Upper San Diego River Improvement Committee.
LAFCO EXPERIENCE:	Has served on the Advisory Committee since July 2003.
ADDITIONAL INFORMATION:	Philosophically, Director Scalzitti believes in local control and is a strong advocate for special districts, which have historically proven to be effective service providers. He is a strong believer in regional partnerships and joint ventures; recycled water optimization; local government accountability to the customers served; and agency consolidation where appropriate. Director Scalzitti represents the District at various special meetings and conferences, including Association of California Water Agencies; California Special District Association, San Diego Chapter; Water; Council of Water Utilities; and the Santee Chamber of Commerce.
Authorized Signature: 	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

ATTACHMENT 2

DATE RECEIVED  
BY LAFCO:

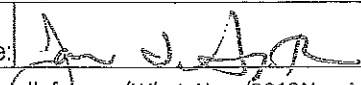
RECEIVED

JUN 06 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

SAN DIEGO LAFCO

<b>NOMINATED BY:</b>	
District Name:	South Bay Irrigation District
District Phone:	(619) 409-6703
<b>NAME OF NOMINEE:</b>	
Name:	Teresa "Terry" Thomas
Address:	1339 Second Avenue, Chula Vista, CA 91911-4404
Phone:	(619) 427-3181      FAX (619) 422-4686      Terrythomas4water@cox.net
<b>NOMINATED FOR:</b>	
Please mark only one	LAFCO REGULAR ( ) ADVISORY COMMITTEE ( X )
DISTRICT EXPERIENCE:	Director, Gov. Board, South Bay Irrigation District 2006-2014, Past President 2009, 2010 Director, Gov. Board, Sweetwater Authority, 2006-2014, Chair, Sweetwater Authority Operations Committee since 2008. Serves on Association of California Water Agencies, Water Quality Committee, 2009-14 Serves on ACWA Groundwater Committee, 2012-2014. Served on the local Community Colleges "Project Water Works" Advisory Board. Awarded Recognition in Special District Governance by the California Special District Assoc. Leadership Fdn.
LAFCO EXPERIENCE:	Served on San Diego LAFCO Special Districts Advisory Committee 2008-2010 International Boundary and Water Commission Citizens Forum Board for the San Diego/ Tijuana Region two terms. Served on the San Diego County Solid Waste Hearing Panel for two terms. Served on the Chula Vista General Plan Update Steering Committee until 2005, representing the CV GPU Environment, Open Space and Sustainable Development GPU Subcommittee, Served on the Chula Vista Resource Conservation Committee for 9 years and two terms as Chairperson, & Ethics Board. Served on the San Diego Unified Port District/ City of Chula Vista Master Plan Committee representing the CV. GPU Steering Committee first as GPU ALT & delegate.
ADDITIONAL INFORMATION:	Prof. Emeritus, Microbiology/Env. Biol., Southwestern College, Chula Vista, CA. Member, Chula Vista Chamber of Commerce, Bonita Business and Professional Assoc. Chula Vista Southwest Civic Association, Crossroads II, Sister Cities International, Chula Vista Charitable Foundation Founding Board Member (part of SD Fdn.) Southwest San Diego County LIONS Past president, Melvin Jones Humanitarian Fellow, past International Director District 4-L6, and SW Lions LION of YEAR twice. Highly involved in Sister Cities people-to-people programs with Mexico, Japan, and Cebu Philippines for three decades on local, regional and national level.
Authorized Signature: 	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

ATTACHMENT 2

DATE RECEIVED  
BY LAFCO:

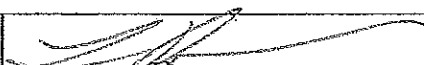
RECEIVED

JUN 04 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

SAN DIEGO LAFCO

NOMINATED BY:	
District Name:	Valley Center Parks + Rec.
District Phone:	1-760
NAME OF NOMINEE:	
Name:	Tom Bungardner
Address:	P.O. Box 2213 Valley Center, CA 92082-2213
Phone:	1-760-419-2717
NOMINATED FOR:	
Please mark only one	LAFCO REGULAR ( ) ADVISORY COMMITTEE (X)
DISTRICT EXPERIENCE:	Board Member V.C. Parks + Rec. 10 yrs + V.P. Board Member Deer Springs Fire 10 years (Part)
LAFCO EXPERIENCE:	Fire + Emergency Medical committee 2003 Fire.
ADDITIONAL INFORMATION:	
Chamber President for 2 yrs. Western Basin Community 25 yrs. Pres Senior Transport 50103 Valley Ctr.	
Authorized Signature: 	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>



DATE RECEIVED  
BY LAFCO:

RECEIVED

MAY 18 2012

2012 LAFCO AND SPECIAL DISTRICTS  
NOMINATION / RESUME

(Office Use)

SAN DIEGO LAFCO

NOMINATED BY:	
District Name:	VISTA Fire Protection District
District Phone:	760-758-3815
NAME OF NOMINEE:	
Name:	Margarette Morgan
Address:	2056 Camino Cantera Vista, CA 92084
Phone:	760-630-7070
NOMINATED FOR:	
Please mark only one	LAFCO REGULAR ( ) ADVISORY COMMITTEE (X)
DISTRICT EXPERIENCE:	Board member since Dec, 2008 up for reelection Nov., 2012.
LAFCO EXPERIENCE:	Current Committee member
ADDITIONAL INFORMATION:	
John D. Sherman Authorized Signature: Clerk of the Board	

This form can be downloaded at the following link: <http://www.sdlafco.org/WhatsNew/2012Nomination.doc>

## MEMORANDUM

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Discussion of Management Support Services with Confidence Consulting

---

Staff requests that the Board of Directors:

- 1) Discuss and take action, as appropriate

#### DISCUSSION

At its June 2012 meeting, the Board of Directors requested that the Confidence Consulting agreement be reviewed by the Human Resources Committee (HRC) and the full Board. Mr. Jeff Bills is the founder and chief executive of Confidence Consulting and he has been providing management and Board support services to LWD since 2007.

#### *HRC Review:*

As a follow-up to the Board's request, the HRC reviewed a recommended agreement with Confidence Consulting at its August 20, 2012 meeting. Staff's recommendation was to authorize the General Manager to execute an agreement with Confidence Consulting at a cost of \$3,000 per month plus expenses.

The HRC discussed the recommendation at length. Mr. Bills was on-hand and answered several of the HRC's questions. The discussion focused on the value and cost of Mr. Bill's services. The HRC was somewhat split on the issue: one member indicated that the services were valuable to LWD, but was concerned about the contract pricing; while the other member indicated the services had value, but believed staff can now perform these services in-house.

At the conclusion of the discussion, the HRC chose to not recommend approval of the Confidence Consulting agreement to the Board, but instead directed staff to place this topic on today's agenda for discussion.

#### *Staff's Perspective:*

Overall, staff has been very pleased with Mr. Bills' services and believes his work has played an important role with the LWD's many successes. Mr. Bills' professional background as a chief executive officer offers LWD a unique perspective on how organizations function effectively and he is able to provide an objective "third party" perspective that helps balance the management team's role in the organization. For these reasons, staff would like to continue to utilize Mr. Bills' services and would recommend that the Board execute the contract under the existing scope and compensation terms of \$3,000 per month plus expenses.

*Confidence Consulting History with LWD:*

Jeff Bills was first brought in to conduct a half-day teambuilding session for LWD staff in 2007. The event was received so favorably that, based on that success, he followed up with an employee satisfaction survey using his unique confidential interview format.

During the period from 2007 to 2009, Mr. Bills continued to provide management coaching and teambuilding services to LWD using a series of smaller task driven contracts. During this timeframe, Mr. Bills also facilitated the 2009 LWD Board Strategic Planning session.

Staff continued to find Mr. Bills' services to be very effective and beneficial to LWD and, in 2009, executed a longer term agreement with Confidence Consulting at a cost of \$2,000 per month plus expenses. The terms of the agreement called for the fee to be paid on a retainer basis. This approach was taken as a compromise based on the fact that Mr. Bills standard fee for services are typically \$7,000 per day. The agreement was amended in 2011 to increase Mr. Bills' fee by \$1,000 per month for a new retention amount of \$3,000 per month plus expenses.

A brief summary of the services provided by Confidence Consulting since 2007 is as follows:


- 3 All Hands Staff Teambuilding Sessions
- 3 Board of Director Strategic Planning Sessions
  - Included 2 interview sessions with the Board of Directors
- 3 Employee Satisfaction Surveys
- Management Training on how to develop effective personnel evaluations
- Regular Management Coaching Sessions
- All Hands Transitional Training regarding Organizational Changes
- Consulted via telephone on a number of sensitive personnel and other LWD issues

Based on the positive input and results LWD has had with Mr. Bills, staff recommended to the HRC that LWD continue its contractual relationship with Confidence Consulting under the same scope and terms and conditions.

This item is placed on today's agenda for the Board of Directors to discuss and take action, as appropriate.

PJB:

**MEMORANDUM**

**DATE:** September 6, 2012  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Assembly Bill 340 – California Public Employees' Pension Reform Act

---

**RECOMMENDATION**

- 1) This item is for information purposes.

**DISCUSSION**

Assembly Bill 340, which is known as the California Public Employees' Pension Reform Act (PEPRA), was passed by the California Legislature on August 31, 2012. This was a relatively quick turnaround considering PEPRA was released from the Conference Committee on Public Employee Pensions for public review on August 28<sup>th</sup>. PEPRA has been sent to Governor Brown's office for signature and it is anticipated that the Governor will sign the bill into law in the near future. The bill would take effect on January 1, 2013.

PEPRA would bring about sweeping changes in pension systems affecting state and local governments in California, including the Leucadia Wastewater District (LWD). PEPRA incorporates 10 of the 12 pension reform proposals sought by Governor Brown. Overall, PEPRA will introduce new benefit formulas, cap pensionable compensation and eliminate pension spiking practices.

Attached for your review please find a summary of PEPRA's reform measures from Best Best & Krieger via CSDA. Staff is also in the process of analyzing its specific impacts on LWD and will provide a brief overview at the upcoming meeting.

PJB:

Attachment

---



**SUMMARY OF PENSION REFORM MEASURES  
AB 340 (Furutani)**

**I. GENERAL INFORMATION**

1. Status of AB 340
2. Effective January 1, 2013
3. What Public Agencies are Subject to Pension Reform?
4. Key Definitions:
  - a. New Employee
  - b. New Member
  - c. Normal Cost
  - d. Normal Cost Rate
  - e. Public Employee
  - f. Public Employer

**II. PENSION REFORM MEASURES**

1. Cap on Pensionable Compensation – Applies to New Members
  - a. Pensionable compensation used in calculating the defined benefits of a *new member* is limited to 100% of the social security wage base, \$110,100 for 2012, or 120% of the social security wage base, \$132,120 if not covered by social security. Adjusted annually based on changes in the CPI for all Urban Consumers.
2. Equal Sharing of Normal Cost
  - a. New members, except State or state entities other than CSU and judicial branch
    - i. Pay at least 50% of normal cost or the current contribution rate of similarly situated employees, whichever is greater.
    - ii. Public employer cannot pay any part of the required employee contribution.
    - iii. Can agree to greater employee contribution rate if agreed to through collective bargaining process if certain requirements met.
    - iv. Temporary exemption for MOUs in effect on January 1, 2013.



- b. PERS: Cost Sharing Provisions – Potentially All Employees
  - i. Contracting agencies and its employees may agree to share the costs of the employer contribution. Cost sharing pursuant to this section may also apply for related nonrepresented employees as approved in a resolution passed by the contracting agency.
  - ii. Equal sharing of normal cost. As of January 1, 2018, generally, a contracting agency may require that members pay 50% of the normal cost of benefits.
- c. CERL: Cost Sharing Provisions – Potentially All Employees
  - i. Members' payment of member and/or employer contributions.
  - ii. Sharing of normal cost.
- 3. PERL - Responsibility for Actuarial Liability
- 4. Required Retirement Benefit Formulas – Applies to New Members
  - a. Local Miscellaneous – 2% at 62, early retirement at 52 years of age - Starts at 1% at 52 years of age and tops out at 2.5% at 67 years of age; increases 2.5 hundredths for every quarter year after 52.
  - b. Local Safety
    - i. Three new defined benefit formulas with normal retirement age at 50 years of age:
      - 1) Basic Safety Plan: 2% at 57 years of age.
      - 2) Safety Option Plan One: 2.5% at 57 years of age.
      - 3) Safety Option Plan Two: 2.7% at 57 years of age.
- c. Exceptions to Implementation of Preceding Retired Formulas for New Members.
- 5. Thirty-Six Consecutive Month Final Compensation Period – Applies to New Members
  - a. Final compensation is the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months.
  - b. Appears to prohibit changing the final compensation period for current members to less than a 36 consecutive month period, if they were subject to the 36 consecutive month final compensation period prior to January 1, 2013.



6. Pensionable Compensation Limited to Regular, Reoccurring Pay – Applies to New Members
  - a. Pensionable Compensation of new member is defined as the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group of class of employment for services rendered on a full-time basis during normal working hours, pursuant to a publicly available pay schedule.
  - b. Pensionable Compensation exclusions.
  - c. CERL
    - i. Definition of “compensation earnable.”
    - ii. Board determination if compensation was paid to enhance a member’s benefit.
    - iii. Reporting compensation to the board.
    - iv. Right to audit.
7. Limitation on Post-retirement Employment – Applies to All Retirees
  - a. Retired person may not be employed by a public employer in the same public retirement system from which the retiree receives benefit without reinstatement except as permitted.
  - b. Retiree may serve without reinstatement upon appointment by the appointing power of a public employer either during an emergency to prevent stoppage of public business or because the retired person has skills needed to perform work of limited duration.
  - c. Requirements: (1) 960 hour limitation; (2) rate of pay; (3) unemployment insurance compensation limitation; (4) 180 day waiting period – exceptions.
  - d. If retiree accepted a retirement incentive, retiree is not eligible to be employed for 180 days following the date of retirement. No exceptions.
  - e. Appointment of Retiree to State Board or Commission.
8. Felons to Forfeit Pension Benefits – Applies to All Employees
  - a. Current Government Code Section 1234 continues to apply with respect to certain felony convictions of public officers subject to Sections 7522.72 or 7522.74.
  - b. CPEPRA expands existing felony forfeiture provision to apply to all current and future public employees and would expand the list of felonies covered to include:



- i. A felony for conduct arising out of or in the performance of the public employee's official duties, in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement or other benefits; and
    - ii. A felony that was committed within the scope of a public employee's official duties against or involving a child who he or she has contact with as part of his or her official duties.
  - c. Forfeits all accrued rights and benefits, as of the earliest date of the commission of the felony to the date of forfeiture, in any public retirement system and shall not accrue further benefits effective on the date of the conviction.
  - d. Employee contributions returned to the public employee without interest.
9. Prohibition of Retroactive Benefit Enhancements – All Employees
10. Prohibition on Purchase of “Airtime” – Applies to All Employees
11. Prohibition of Pension Funding Holidays
12. Miscellaneous Pension Reform Measures
- a. Prohibits New Supplemental Defined Benefits Plans – All Employees.
  - b. Equal Health Benefits – All Employees.
  - c. Prohibits Replacement Plan – New Employees; Current Employees (if not covered).
  - d. Final Compensation of Elective or Appointed Officer – First elected or appointed on or after January 1, 2013.
  - e. Industrial Disability Retirement.