

AGENDA
REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
LEUCADIA WASTEWATER DISTRICT
Wednesday, September 14, 2011 – 5:00 p.m.
1960 La Costa Avenue, Carlsbad, CA 92009

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

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

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

Anyone wishing to address the Board or bring an agenda item forward may do so.
- 6. Presentations and Awards**
 - A. Achievement Awards for Organizational Objectives. (Pages 1-3)
- 7. Consent Calendar**

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

 - A. Minutes of the following meetings:
 - August 15, 2011 Human Resources Committee Meeting (Pages 4-5)
 - August 17, 2011 Regular Board Meeting (Pages 6-12)
 - September 6, 2011 Engineering Committee Meeting (Pages 13-14)
 - September 7, 2011 Investment & Finance Committee Meeting (Pages 15-16)
 - B. Demands for August – September. (Pages 17-35)
 - C. Operations Report. (Pages 36-39)
 - D. Finance Report. (Pages 40-47)
- 8. Encina Wastewater Authority Reports**

Reports by Directors and staff concerning the Encina Wastewater Authority.

 - A. Encina Wastewater Authority Report.
 - Regular Board Meeting – August 24, 2011 (Page 48)
 - B. Member Agency Manager (MAM) Report.
 - MAM Meeting – August 18, 2011 (verbal)
- 9. Committee Reports**
 - A. Engineering Committee meeting was held on September 6, 2011 – report by Director Juliussen. (Pages 49-50)

- B. Investment & Finance Committee meeting was held on September 7, 2011 – report by Vice President Judy Hanson. (Page 51)

10. Old Business

None.

11. New Business

- A. Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2011 through August 31, 2012; and receive and file the Annual Review of LWD Investment Policy Report. (Pages 52-60)
- B. Adopt Resolution No. 2219 for the Employer Paid Member Contributions to CalPERS. (Pages 61-62)
- C. CSDA Call to Action on Senate Bill 293 (Padilla) Contracting Restriction Bill on Assembly Floor. (Pages 63-64)

12. Informational Items

- A. Status Update on the North San Diego Regional Recycled Water Project (NSDCRRWP). (verbal)

13. Directors' Meetings

- A. Special District Institute (SDI) Finance Conference was held at the Hyatt Regency Monterey Hotel in Monterey, CA on September 7-9, 2011. (Page 65)
- B. Water Reuse Annual Symposium was held at the Sheraton Wild Horse Pass Resort in Chandler, Arizona on September 11-14, 2011. (Page 66)

14. Comments, Questions, or Requests by Directors

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

15. General Manager's Report

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

16. General Counsel's Report

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

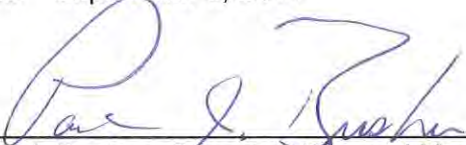
17. Adjournment

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.

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 8, 2011



Paul J. Bushee, Secretary/General Manager

MEMORANDUM

DATE: September 8, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Presentation and Awards – Achievement of Organizational Objectives

I am pleased to report that the Leucadia Wastewater District (LWD) recently achieved three organizational objectives under the District's Incentive Program.

1. Cost Sharing of CSRMA Retrospective Refunds or Dividends

At its August 2011 meeting, the CSRMA Board of Directors approved the distribution of dividend payments from the pooled worker's compensation insurance program to LWD in the amount of \$11,316.00. The dividend reflects LWD's excellent safety record and an ongoing commitment to safety. LWD's Incentive Program authorizes a 50% cost sharing of the CSRMA dividends with employees. Consequently, each employee is eligible for an incentive compensation award of \$314.33. Table 1, below, summarizes the allocation of the CSRMA dividend and calculation of this incentive compensation award.

Table 1

| | |
|---|-------------|
| Dividend Amount | \$11,316.00 |
| 50% of Net Dividend (amount eligible for incentive compensation) | \$5,657.94 |
| Incentive Compensation Award Per Employee (18 positions) | \$314.33 |

Please join me in congratulating LWD for its excellent workers compensation safety record.

2. Achieve Highest Number of Consecutive Work Days Without a Lost Time Injury

On August 16, 2011, LWD staff completed one year without a lost time injury accident. This achievement represents a significant accomplishment since work place injuries result in lost productivity, low morale, and increased worker's compensation costs. Consequently, avoiding workplace injuries is one of the most important accomplishments LWD staff can achieve. By reaching this goal, each employee is eligible for a \$300 incentive compensation award.

3. 2011 CASA Public Outreach Achievement Award

During July 2011, LWD submitted an application for CASA's Achievement Awards Program. LWD's application, in the Public Outreach and Education category, highlighted our Teacher Grant Program and it's unique approach to public outreach by assisting teachers that work at schools located in the District to help to educate students on sustainable practices associated with wastewater, water recycling, or water management. CASA recognized

LWD for this award at its annual conference held last month. LWD competed with several other wastewater organizations throughout California. This award meets an organizational objective of the LWD's Incentive Program; therefore, staff is eligible for a \$300 incentive award.

Please join me in congratulating LWD for these accomplishments.

cal:PJB

Attachment

CALIFORNIA SANITATION
RISK MANAGEMENT AUTHORITY
C/O ALLIANT INSURANCE SERVICES, INC.
100 PINE STREET 11TH FLOOR
SAN FRANCISCO, CA, 94111

UNION BANK OF CALIFORNIA
GOVERNMENT SERVICES #291
SAN FRANCISCO, CA 94104
16-49-1220

8/22/2011

PAY TO THE ORDER OF Leucadia Wastewater District

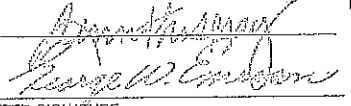
\$ **11,316.00

Eleven Thousand Three Hundred Sixteen and 00/100*****

DOLLARS

Leucadia Wastewater District
1960 La Costa Avenue
Carlsbad, CA 92009

VOID SIX MONTHS FROM DATE DRAWN



AUTHORIZED SIGNATURE

MEMO Work Comp Dividend - Program Yr 1 - 15

⑈00797⑈ ⑆122000496⑆ 7020015599⑈

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY C/O ALLIANT INSURANCE SERVICES, INC.

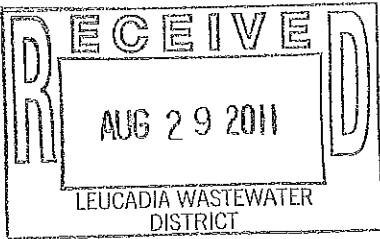
7974

Leucadia Wastewater District

8/22/2011

Work Comp Dividend - Program Yr 1 - 15

11,316.00



General Checking - U Work Comp Dividend - Program Yr 1 - 15

11,316.00

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Human Resource Committee Meeting
 August 15, 2011

A meeting of the Human Resource Committee (HRC) of Leucadia Wastewater District (LWD) was held August 15, 2011 at 8:30 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 8:30 p.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 President Don Omsted attending as a member of the public.

3. Public Comment

Mr. Omsted stated that he would like to comment on the policy. Chairperson Kulchin stated that Mr. Omsted can provide his comments under the new business item.

4. Old Business

None.

5. New Business

A. Review Board of Directors/Staff Relations Policy.

GM Bushee presented this item stating that President Omsted suggested that the Board of Directors/Staff Relations Policy be reviewed. GM Bushee indicated that the policy was developed in 2007 and it would be prudent to review the policy. GM Bushee indicated that staff has reviewed the policy and has no recommended changes.

Chairperson Kulchin asked Mr. Omsted to provide his comments on the policy. Mr. Omsted stated that the policy should include language that states Directors must first contact the General Manager before making an appointment with a staff member to discuss issues relating to District business. He also indicated that the time allowed with a staff member should be determined by the General Manager.

Mr. Omsted stated that he believes a summary of this policy should be developed for all Board members and placed in their monthly agenda binders. Mr. Omsted stated that he believes that the policy should have stronger guidelines for current and future Board members in order to protect staff from a

potential overpowering Board member. He also indicated that a new potential Board member can destroy employee morale if there are no guidelines in place.

Chairperson Kulchin responded stating that a summary of this policy in the agenda binder would not be necessary. He suggested that it would be more meaningful if the Board President would remind the Board members of the policy guidelines. The HRC discussed the policy and determined that the existing language in the policy was sufficient and that no editorial changes were necessary.

GM Bushee suggested that this policy be reviewed by the Board annually. He indicated that an annual review would provide the Board of Directors the opportunity to make revisions or minor edits if needed to the policy.

The HRC reviewed the policy and directed staff to forward the policy to the Board of Directors for review and discussion at the August 17th Board meeting.

6. Information Items

None.

7. Director's Comments

None.

8. General Manager's Comments

GM Bushee reminded Directors Hanson and Kulchin about the CSDA Quarterly dinner meeting on Thursday, August 18th. He indicated that he will carpool to the dinner leaving the office at 5:00 p.m.

9. Adjournment

Chairperson Kulchin adjourned the meeting at approximately 9:40 a.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Regular Board Meeting
 August 17, 2011

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, August 17, 2011 at 5:00 p.m., at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, District Counsel Wayne Brechtel, Technical Services Manager Robin Morishita, Administrative Services Manager Chuck LeMay, Field Services Superintendent Jeff Stecker, Executive Assistant Trisha Hill, Field Services Technician II Ian Riffel, CPA Richard Duffey, District Engineer Steve Deering, Dexter Wilson of Dexter Wilson Engineering, and Jennifer Beales of TRG & Associates

3. Pledge of Allegiance

4. Approval of Agenda

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

5. Public Comment

None.

6. Presentations and Awards

A. Achievement Award for an Individual Objective – Ian Riffel

President Omsted introduced FST II Ian Riffel. He provided background information about Ian and stated that Ian recently received his Master of Business Administration from the University of Phoenix. He indicated that under LWD incentive program Ian is eligible for a \$2,000 award.

B. Achievement Award for an Individual Objective – Trisha Hill

President Omsted introduced EA Trisha Hill. He provided background information about Trisha and stated that Trisha recently passed her 10th year anniversary at the District. He indicated that under LWD's incentive program Trisha is eligible for a \$200 incentive award.

The Board of Directors congratulated Ian and Trisha for their efforts.

7. Consent Calendar

- A. Minutes for the following meetings:
 - July 12, 2011 Community Affairs Committee meeting
 - July 13, 2011 Regular Board meeting
 - August 8, 2011 Engineering Committee meeting
 - August 9, 2011 Community Affairs Committee meeting
- B. Demands for July/August 2011
Payroll Checks Numbered 15573-15631; General Checking – Checks numbered 41242-41392
- C. Operations Report. (A copy was included in the original August 17, 2011 Agenda)
- D. Finance Report. (A copy was included in the original August 17, 2011 Agenda)
- E. Quarterly Investment Report. (A copy was included in the original August 17, 2011 Agenda)

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

8. Encina Wastewater Authority (EWA) Reports

- A. Encina Wastewater Authority Report – July 27, 2011 Board meeting.

Director Juliussen reported on EWA's July 27, 2011 Board meeting.

Member Agency Manager Meeting – July 21, 2011.

GM Bushee reported on the July 21, 2011 Member Agency Manager meeting.

9. Committee Reports

- A. Engineering Committee (EC) meeting was held August 8, 2011.

Director Juliussen reported that the EC reviewed the Sanitary Sewer Management Plan (SSMP) Fiscal Year 2011 Audit conducted by Dexter Wilson Engineering, Inc. He stated that the EC concurred with staff's recommendation to receive and file the report. He noted that this item will be reviewed by the Board later in the agenda.

He also reported that the EC received a status report on the Batiquitos Pump Station Rehabilitation Project update. He noted that the estimated construction cost was reduced by \$1 million and staff anticipates that the project will bid in September 2011 with a January 2013 completion date.

He also reported that the EC received a project update on the Occidental Line repair. He noted that the city of Carlsbad is designing and constructing the project and the project is anticipated to be completed in the next few months.

- B. Community Affairs Committee (CAC) meeting was held August 9, 2011.

Director Sullivan reported that the CAC reviewed the revised open house budget and task list

for the November open house. She provided a summary of the tasks that will be completed for the open house. She also noted that staff suggested that the budget be presented to the Board to appropriate funds that were not included in the FY 2012 budget and that the CAC agreed. She noted this item will be reviewed by the Board later in the agenda.

C. Human Resources Committee (HRC) meeting was held August 15, 2011.

Director Kulchin reported that the HRC reviewed the District's Board of Directors/Staff Relations Policy. He noted that President Omsted attended the meeting as a member of the public and provided comments on the policy. He stated that the HRC discussed potential changes to the policy in detail and that the HRC did not believe there was a strong need to edit the existing language, but the HRC did agree that the policy should be reviewed on an annual basis. He noted that that this item will be reviewed by the Board later in the agenda.

10. Old Business

None.

11. New Business

A. Receive and file the Sanitary Sewer Management Plan (SSMP) Fiscal Year 2011 Audit conducted by Dexter Wilson Engineering, Inc.

TSM Morishita presented the item stating that the SSMP was adopted in June 2009 as a result of the statewide sanitary sewer systems waste discharge requirements (WDR). He stated that Dexter Wilson Engineering, Inc. assisted staff with the development of the SSMP and they conducted the audit last year. TSM Morishita noted that the WDR requires the District to conduct an audit every two years, but LWD decided to be proactive and conduct the audit every year.

He introduced Mr. Dexter Wilson to provide an overview of the SSMP FY 12 audit and its results. Mr. Wilson provided an overview of the FY 2012 audit and he indicated that the general findings of audit indicated that the District activities meet or exceed the SSMP requirements.

Following discussion, upon a motion duly made by Vice President Hanson, seconded by Director Sullivan, and carried, the Board of Directors received and filed the Sanitary Sewer Management Plan (SSMP) Fiscal Year 2011 Audit conducted by Dexter Wilson Engineering, Inc.

President Omsted moved item D forward for discussion.

D. Appropriate funds to the FY 12 LWD Budget in the amount of \$45,000 to cover anticipated expenses for the November 4, 2011 open house event.

ASM LeMay presented this item stating that LWD celebrated its 50th anniversary and the new site improvement project with an open house event. He stated that the success of the 2009 open house encouraged staff to include a similar event in the FY 2012 Tactical Goals.

He indicated that the open house is a good outreach tool, since the District does not bill its customers directly and many customers are unaware that the District provides their sewer

service. The open house allows customers to visit the District and provides an opportunity for staff to interact with customers to show them the District's daily operations. He also stated that at recent conferences, one of the discussion topics is public outreach for special districts and how important it is for special districts to reach out to their constituents.

He indicated that the \$45,000 budget for the open house is reasonable, based on the 2009 open house costs. He stated that the open house was not included in the FY 2012 budget, and the CAC agreed with staff to present this to the Board for approval before moving forward with the open house tasks.

Director Kulchin suggested that the time should be extended to 6 p.m. to allow for working individuals to attend after work. He also indicated that he would support the open house if there is an effort to notify a large portion of the District's rate payers.

Director Juliussen believed the open house budget was excessive without knowing how many individuals will attend the event. He also would prefer to have the open house on a Saturday instead of Friday to attract more attendees. Vice President Hanson agreed with Director Juliussen stating that the program is good, but she can't support appropriating funds for the open house budget because of the high cost. She believed that the public outreach efforts that the District does now is enough.

President Omsted stated, in light of the city of Bell incident, it is very important for LWD to reach out to the public. Director Sullivan agreed with President Omsted and she indicated that extending the time of event would have additional lighting and overtime expenses.

GM Bushee addressed the issue of scheduling the event on a Friday versus a Saturday, indicating that families are normally busy on the weekends. He also addressed the difference between the public forum attendance versus the open house attendance. He indicated that the open house would be an excellent opportunity for the public to learn about LWD and that he is optimistic there will be good attendance at the open house. GM Bushee concurred that the time could be extended to 6 p.m.

Director Kulchin motioned to approve the recommendation provided that the open house be extended to 6:00 p.m. Director Sullivan seconded the motion as amended. The motion carried with Directors Juliussen and Hanson opposing.

B. Review of the Board of Directors/Staff Relations Policy.

ASM LeMay presented this item stating that the Board approved a Board of Directors/Staff Relations Policy in 2007. He indicated that, at a recent Board meeting, President Omsted requested that this policy be reviewed by the Board of Directors. He stated that the HRC and staff reviewed the policy at its August 15, 2011 meeting and the HRC and staff had no proposed changes other than to include an annual review clause to the policy.

The Board discussed this item at length. The discussion focused on whether existing language of the policy needed to be amended. There was no clear agreement on this issue. Director Kulchin suggested that this item be further discussed at a strategic planning workshop. The Board concurred with this approach. GM Bushee noted that he would include this item as part

of a half day strategic planning workshop to be held in late winter or early spring 2012.

C. Adopt the Fiscal Year 2012 (FY 12) Tactics and Action Plan Report.

GM Bushee presented the Tactics and Action Plan report stating that the Board adopted LWD's Strategic Plan in July 2005. He indicated that each year staff develops a Tactics and Action Plan covering LWD's seven strategic areas. He noted that this year's plan includes 53 tactical goals. GM Bushee provided a brief overview of the tactics and action plan.

Director Kulchin recommended that staff include a tactical goal of conducting a compensation and benefit survey using an outside agency. GM Bushee stated that FY 2008/2009 was the last year an outside agency conducted a compensation and benefit survey and staff can add this item to the tactical goals.

The Board of Directors requested additional information on the following tactical goals:

- Evaluate Payoff of PERS "sidefund" obligation
- Evaluate the need to procure an Easement Crawler

ASM LeMay provided additional information on the goal to evaluate payoff of PERS "sidefund" obligation. FSS Stecker provided additional information on the goal to evaluate the need to procure an easement crawler.

Following discussion, upon a motion duly made by Vice President Hanson, seconded by Director Juliussen, and carried, the Board of Directors adopted and filed the FY 12 Tactics and Action Plan Report. GM Bushee noted that the compensation survey goal will be added to the report.

E. Appropriate funds to the FY 12 LWD Budget in the amount of \$445,835.64 to cover the District's apportioned cost for EWA's West Influent Pipeline overflow that occurred on October 7, 2010.

ASM LeMay presented the subject item stating that staff has been working with EWA and other member agencies to monitor the costs for EWA's pipeline incident. He indicated that the total cost of the incident was \$1,638,731.58. ASM LeMay indicated that the District's share is 26.1% or \$445,835.64. He also noted that since EWA was invoiced and paid for the work from their reserves, that it was necessary to invoice member agencies to replenish the reserves.

GM Bushee explained that the agency's managers agreed to allocate the costs based on the contributing agency's prorated share of flow into the west influent line for the past three years. He noted that the member agency managers are presently developing an agreement for the maintenance and ownership of the pipeline.

Following discussion, upon a motion duly made by Director Kulchin, seconded by Director Juliussen, and carried, the Board of Directors appropriated funds to the FY 12 LWD Budget in the amount of \$445,835.64 to cover the District's apportioned cost for EWA's West Influent Pipeline overflow that occurred on October 7, 2010.

12. Information Items

- A. Special District and Local Government Institute conference is scheduled for September 8-9, 2011 at the Hyatt Regency Monterey Hotel in Monterey, CA.

EA Hill announced the conference dates and which Board member will be attending.

- B. Water Reuse Symposium is scheduled for September 11-14, 2011 at the Sheraton Wild Horse Pass Resort in Phoenix, AZ.

EA Hill announced the conference dates and which Board members will be attending.

- C. CWEA Tri-State Conference is scheduled for October 10-13, 2011 at the Monterey Marriott in Monterey, CA.

EA Hill announced the conference dates and which Board member will be attending. GM Bushee noted that several field services employees will also be attending the conference.

- D. WEFTEC Conference is scheduled for October 16-19, 2011 at the L.A. Convention Center.

EA Hill announced the conference dates and which Board members will be attending. GM Bushee noted that this is a technical conference and some employees will be attending.

- E. Thank you email to Field Services Specialist Frank Reynaga from a resident regarding LWD's Lateral Reimbursement program.

GM Bushee stated that the District recently received an email thanking Frank for assistance with a Lateral Reimbursement Grant.

13. Directors' Meetings

- A. California Special District Association (CSDA) Board's Role in Human Resources Workshop was held at the Sweetwater Authority in Chula Vista, CA on July 29, 2011.

Directors Kulchin and Juliussen reported that they attended the conference. Director Kulchin also stated that Harry Ehrlich was the presenter and it was a good seminar. He noted that he plans to attend all four CSDA Governance seminars.

- B. California Association of Sanitation Agencies (CASA) Conference was held at the Mission Bay Hilton Hotel in San Diego on August 10-13, 2011.

All the Board members attended this conference. President Omsted stated that the District received a public outreach award. President Omsted also stated that he attended CSRMA workshop the day before the conference and it was an excellent workshop.

14. Comments, Questions or Requests by Directors

Director Kulchin stated that the Carlsbad State of City Luncheon is scheduled for Friday, August 26th, but that there are no seats available and the Directors are on a waiting list for open seats. GM Bushee stated that staff will follow up with the Chamber of Commerce regarding the event.

15. General Manager's Report

The following items were reported:

- The CSDA Quarterly Dinner meeting is scheduled for tomorrow evening at 6:00 p.m. and a carpool will leave the District office at 5:00 p.m.
- The District was notified by a plumber yesterday regarding a clogged line on Grandview Street. The District will be working in that area over the next few days to repair the line.

16. General Counsel's Report

General Counsel Brechtel provided an update on the CASA Legal Committee meeting regarding CSRMA's draft model ordinance for regulations on private laterals and backflow devices. He indicated that CSRMA's concern with the majority of lateral overflow claims is that agency ordinances don't clearly define who owns laterals. He stated that the District's ordinance already defines that laterals are owned by the homeowners and that the District is not responsible for maintaining laterals. He also noted that the committee is planning on providing additional comments to the draft ordinance later this month.

In addition, General Counsel Brechtel provided an update on AB 741 which allows public wastewater agencies to offer voluntary liens to private property owners to finance sewer lateral replacements and repairs as well as conversions from septic to sewer systems.

17. Adjournment

President Omsted adjourned the meeting at 6:39 p.m.

Donald Omsted, President

Paul J. Bushee
Secretary/General Manager
(SEAL)

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Engineering Committee Meeting
 September 6, 2011

A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held Tuesday, September 6, 2011 at 8:30 a.m., at the LWD Administration Office located at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

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

2. Roll Call

DIRECTORS PRESENT: Juliussen and Kulchin

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, Technical Services
 Manager Robin Morishita, Field Services Supervisor
 Marvin Gonzalez, and District Engineer Steve Deering.

3. Public Comment

No public comment was received.

4. Old Business

None.

5. New Business

None.

6. Information Items

A. Occidental Line Repair Project Update

DE Deering briefed the Engineering Committee on the status of project design by the City of Carlsbad. DE Deering reviewed the scope of the project and presented an example of a corroded manhole that will be repaired.

He stated that the revised estimated project cost increased the District's 40.3% share from \$206,392 to \$341,895. The primary reason for the cost increase is the addition of approximately 700 linear feet of Cured-In-Place Pipe lining instead of a spot repair of the line. The revised estimated cost exceeds the amount appropriated in the Fiscal Year 2011 Budget. However, staff intends to wait until the actual cost is determined before requesting any increase of the appropriation.

B. Leucadia and Batiquitos Force Main Corrosion Control Design Status

TSM Morishita presented the findings and recommendations of the Force Main Corrosion Study completed in May 2010 by Dexter Wilson Engineering and RFYeager Engineering. He stated that staff is finalizing an agreement with RFYeager Engineering to provide cathodic protection engineering services to implement the recommendations in an amount not to exceed \$23,900.

C. Grandview Street Pipeline Repair

TSM Morishita presented a brief of the completed repairs and modifications to the gravity sewer lines in Grandview Street in the old Leucadia area.

D. Status Update on the North San Diego County Regional Recycled Water Project (NSDCRRWP)

GM Bushee provided a status update on the project. He noted that Camp Pendleton has joined the group, increasing it to 9 participants. Representatives from the NSDCRRWP went to Washington DC to meet with members of Congress; Representatives Bilbray, Issa, Filner and Senator Feinstein to lobby for the project. The group continues to seek project funding. The Engineering Committee requested that the NSDCRRWP status report be placed on the Board Agenda.

7. Director's Comments

None.

8. General Manager's Comments

None.

9. Adjournment

Chairperson Juliussen adjourned the meeting at approximately 9:26 a.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Investment & Finance Committee Meeting
 September 7, 2011

A meeting of the Investment & Finance Committee (IFC) of Leucadia Wastewater District (LWD) was held Wednesday, September 7, 2011 at 9:00 a.m., at the LWD Administration Office located at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

Chairperson Hanson called the meeting to order at 9:00 a.m.

2. Roll Call

DIRECTORS PRESENT: Hanson and Omsted

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager (GM) Paul Bushee, Administrative Services Manager Chuck LeMay, Executive Assistant Trisha Hill and CPA Richard Duffey with Brownell & Duffey

3. Public Comment

No public comment was received.

4. Old Business

None.

5. New Business

A. Recommend that the Board of Directors Adopt Resolution No. 2219 for Employer Paid Member Contributions to CalPERS.

ASM LeMay presented the item stating that the resolution is an administrative requirement. He stated that the resolution's purpose is to ensure that all employee contributions remain tax deferred.

Chairperson Hanson asked if ASM LeMay could verify that the resolution does not imply an increase in benefits. ASM LeMay stated that the resolution does not increase benefits or cost to the District.

Following discussion, the IFC concurred with staff to forward this recommendation to the Board of Directors for adoption at the September Board meeting.

B. Recommend that the Board of Directors re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2011 through August 31, 2012 and receive and file the Annual Review of LWD's Investment Policy Report.

ASM LeMay presented the item stating that staff has reviewed the Investment Policy and has no recommended changes. He also noted that the policy requires the Board

of Directors to delegate authority to manage the investment program each year. In previous years, that authority has been delegated to the General Manager.

President Omsted had several questions relating to the third party custodian section of the policy and the allowable allocation of investments. CPA Duffey responded to his questions.

Following discussion, the IFC concurred with staff to forward this recommendation to the Board of Directors for approval at the September Board meeting.

6. Information Items

None.

7. Comments, Questions or Requests by Directors

President Omsted noted that since LWD sponsored the Batiquitos Lagoon Foundation Walk/Run event, that the Foundation was going to upgrade the District's sponsorship level.

8. Comments by General Manager


None.

9. Adjournment

Chairperson Hanson adjourned the meeting at approximately 9:32 a.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

MEMORANDUM

DATE: September 8, 2011
 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 \$ **1,417,412.54**
2. Discuss and take other action as appropriate.

DISCUSSION:

Attached are check registers describing all payments made by LWD for the months August 12, 2011 – September 8, 2011.

Operating expenses totaled \$**1,316,285.63** while Capital Improvement Program expenses totaled \$**16,859.75**.

Payroll for employees and the Board totaled \$ **84,267.16**.

Attached please find a year to date Employee and Board Payroll Report from August 2010 to September 2011 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, Aug/Sept 2011 |
| Attachment 2 | Accounts Payable Check Register dated August 17, 2011 |
| Attachment 3 | Payroll Check Register dated August 24, 2011 |
| Attachment 4 | Accounts Payable Check Register dated August 26, 2011 |
| Attachment 5 | Accounts Payable Check Register dated September 1, 2011 |
| Attachment 6 | Board Payroll Check Register dated September 2, 2011 |
| Attachment 7 | Payroll Check Register dated September 7, 2011 |
| Attachment 8 | Accounts Payable Check Register dated September 8, 2011 |
| Attachment 9 | Year to Date Employee and Board Payroll Report |

DEMANDS SUMMARY

September 14, 2011

1. Demands

| <u>Category</u> | <u>Check #'s</u> | <u>Amount</u> | <u>Total</u> |
|----------------------------------|--------------------|-----------------------|-----------------------|
| Payroll Check - 08/24/2011 | 15632 - 15648 | \$ 39,304.20 | |
| Board Payroll Check - 09/02/2011 | 15649 - 15653 | \$ 5,941.62 | |
| Payroll Checks - 09/07/2011 | 15654 - 15670 | \$ 39,021.34 | |
| | Total | \$ 84,267.16 | |
| General Checking - 08/17/2011 | 41393 - 41427 | \$ 1,164,009.90 | |
| General Checking - 08/26/2011 | 41428 - 41455 | \$ 77,130.37 | |
| General Checking - 09/01/2011 | 41457 - 41469 | \$ 52,528.08 | |
| General Checking -09/08/2011 | 41470 - 41502 | \$ 39,477.03 | |
| | Total | \$1,333,145.38 | |
| | Grand Total | | \$1,417,412.54 |

Voided Check/Unused

41456

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|-------------|------|-----------|--|--------------|----------------|
| 41393- 2514 | 1 | 8/17/2011 | 11314 BERGELECTRIC CORP | | |
| | 1 | | 44063 OPEN PO-ELECTRICAL | 336.36 | 12698.STM-10 |
| | 1 | | 44076 OPEN PO-ELECTRICAL | 184.54 | 12698.5TM-11 |
| | 1 | | 44078 OPEN PO-ELECTRICAL | 1,870.93 | 12698.5TM-12 |
| 41393- 2514 | 1 | 8/17/2011 | Logged *** Total *** | 2,391.83 | |
| 41394- 2514 | 2 | 8/17/2011 | 12112 JEFF BILLS | | |
| | 2 | | 44070 CONTRACT-CONSULTING SERVICES | 3,000.00 | 0805114 |
| 41394- 2514 | 2 | 8/17/2011 | Logged *** Total *** | 3,000.00 | |
| 41395- 2514 | 3 | 8/17/2011 | 12514 CONEXIS | | |
| | 3 | | 44085 SEC 125 FLEX PLAN-JULY | 130.00 | 0711-OR5179 |
| 41395- 2514 | 3 | 8/17/2011 | Logged *** Total *** | 130.00 | |
| 41396- 2514 | 4 | 8/17/2011 | 12631 CORODATA | | |
| | 4 | | 44067 OPEN PO-STORAGE | 76.40 | RS1440384 |
| 41396- 2514 | 4 | 8/17/2011 | Logged *** Total *** | 76.40 | |
| 41397- 2514 | 5 | 8/17/2011 | 13072 DATA NET | | |
| | 5 | | 44065 SYMANTEC ANTI-VIRUS RENEWAL | 914.77 | 9740558 |
| | 5 | | 44082 IS MAINT AND SUPPORT | 210.00 | 9740559 |
| 41397- 2514 | 5 | 8/17/2011 | Logged *** Total *** | 1,124.77 | |
| 41398- 2514 | 6 | 8/17/2011 | ** unused ** | | |
| 41399- 2514 | 7 | 8/17/2011 | 13822 DUDEK & ASSOCIATES | | |
| | 7 | | 44105 GE/3252/826/THAI SOCIETY | 1,000.00 | 20112371 |
| | 7 | | 44106 GE/3252/821/KOHL'S | 616.25 | 20112368 |
| | 7 | | 44107 GE/3252/827/KEBAB SHOP | 1,000.00 | 20112372 |
| | 7 | | 44108 GE/3252/816/L.C. GOLF | 973.38 | 20112423 |
| | 7 | | 44109 GE/3251/200/GRADING PLANS | 715.82 | 20112354 |
| | 7 | | 44110 GE/3252/828/PANDORA PIZZA | 510.83 | 20112373 |
| | 7 | | 44111 GE/3252/584/L.C. CONDOS | 1,894.15 | 20112355 |
| | 7 | | 44112 GE/3252/647/DAPHNE ST | 1,015.00 | 20112356 |
| | 7 | | 44113 GE/3252/648/SHERIDAN RD | 129.16 | 20112357 |
| | 7 | | 44114 GE/3252/669/LEUCADIA GROVE | 122.50 | 20112358 |
| | 7 | | 44115 GE/3252/699/HYMETTUS | 1,369.99 | 20112360 |
| | 7 | | 44116 GE/3252/697/L.C. GREENS | 175.55 | 20112359 |
| | 7 | | 44117 GE/3252/791/TARGET | 217.50 | 20112361 |
| | 7 | | 44118 GE/3252/804/TAYLOR RES. | 345.00 | 20112379 |
| | 7 | | 44119 GE/3252/807/WALMART | 167.85 | 20112363 |
| | 7 | | 44120 GE/3252/808/SEASIDE | 1,108.59 | 20112364 |
| | 7 | | 44121 GE/3252/809/VILLAS DE LA COSTA | 278.75 | 20112365 |
| | 7 | | 44122 GE/3252/813/DOS PALMAS | 241.05 | 20112366 |
| | 7 | | 44123 GE/3252/822/JERSEYS MIKES | 565.00 | 20112369 |
| | 7 | | 44124 GE/3252/824/DUSTY TRAILS | 282.50 | 20112370 |
| 41399- 2514 | 7 | 8/17/2011 | Logged *** Total *** | 12,728.87 | |
| 41400- 2514 | 8 | 8/17/2011 | 14530 ENCINA WASTEWATER AUTHORITY | | |
| | 8 | | 44058 ENCINA 4TH QTR -CAPITAL/OM | 1,117,773.64 | 864/865 |
| 41400- 2514 | 8 | 8/17/2011 | Logged *** Total *** | 1,117,773.64 | |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Obligat'n | Name / Description | Net amount | INVOICE NUMBER |
|-------------|------|-----------|-----------------------|--------------------------------|------------|-----------------|
| 41401- 2514 | 9 | 8/17/2011 | 14840 | EWING IRRIGATION PRODUCTS | | |
| | 9 | | 44094 | PARTS FOR LPS/BPS | 137.35 | 3687102 |
| | 9 | | 44095 | PARTS | 108.18 | 3722546 |
| | 9 | | 44096 | PARTS | 108.27 | 3673202 |
| 41401- 2514 | 9 | 8/17/2011 | Logged | *** Total *** | 353.80 | |
| 41402- 2514 | 10 | 8/17/2011 | 17010 | HAAKER EQUIPMENT CO | | |
| | 10 | | 44062 | OPEN PO-REPAIRS TO VACTOR | 184.79 | C82185 |
| 41402- 2514 | 10 | 8/17/2011 | Logged | *** Total *** | 184.79 | |
| 41403- 2514 | 11 | 8/17/2011 | 17058 | JUDY HANSON | | |
| | 11 | | 44091 | REIMBURSE JH FOR CONFERENCE | 1,005.14 | JH-CASA-S.D. |
| 41403- 2514 | 11 | 8/17/2011 | Logged | *** Total *** | 1,005.14 | |
| 41404- 2514 | 12 | 8/17/2011 | 18150 | ICMA RETIREMENT-303979 | | |
| | 12 | | 44083 | DEFERRED COMP-8/10/11 | 3,104.72 | ICMA-8/10/2011 |
| 41404- 2514 | 12 | 8/17/2011 | Logged | *** Total *** | 3,104.72 | |
| 41405- 2514 | 13 | 8/17/2011 | 18212 | INFRASTRUCTURE ENGINEERING COR | | |
| | 13 | | 44100 | BPS FINAL DESIGN | 959.75 | 5875 |
| | 13 | | 44101 | LINK SCANS @ FULVIA | 400.00 | 5883 |
| 41405- 2514 | 13 | 8/17/2011 | Logged | *** Total *** | 1,359.75 | |
| 41406- 2514 | 14 | 8/17/2011 | 18561 | U.S. BANK | | |
| | 14 | | 44104 | C.C.-CONFERENCES,MEETINGS,SUPP | 4,264.24 | US BANK-7/22/11 |
| 41406- 2514 | 14 | 8/17/2011 | Logged | *** Total *** | 4,264.24 | |
| 41407- 2514 | 15 | 8/17/2011 | 18711 | I2B NETWORKS, INC | | |
| | 15 | | 44059 | WEBCAM INSTALLED @ BPS | 4,050.00 | SO-0713-2022 |
| 41407- 2514 | 15 | 8/17/2011 | Logged | *** Total *** | 4,050.00 | |
| 41408- 2514 | 16 | 8/17/2011 | 19775 | ALLAN JULIUSSEN | | |
| | 16 | | 44090 | REIMBURSE A.J. FOR CONFERENCE | 50.18 | CSDA-BRD ROLE |
| 41408- 2514 | 16 | 8/17/2011 | Logged | *** Total *** | 50.18 | |
| 41409- 2514 | 17 | 8/17/2011 | 20842 | DAVID KULCHIN | | |
| | 17 | | 44089 | REIMBURSE DK FOR CONFERENCE | 44.96 | CSDA-BRD ROLE |
| 41409- 2514 | 17 | 8/17/2011 | Logged | *** Total *** | 44.96 | |
| 41410- 2514 | 18 | 8/17/2011 | 21102 | CASH | | |
| | 18 | | 44103 | PETTY CASH-AUGUST | 222.29 | PETTY-8/16/2011 |
| 41410- 2514 | 18 | 8/17/2011 | Logged | *** Total *** | 222.29 | |
| 41411- 2514 | 19 | 8/17/2011 | 21510 | CHUCK LEMAY | | |
| | 19 | | 44093 | REIMBURSE CLM-CONFERENCE | 55.06 | CASA-SAN DIEGO |
| 41411- 2514 | 19 | 8/17/2011 | Logged | *** Total *** | 55.06 | |
| 41412- 2514 | 20 | 8/17/2011 | 23068 | NATIONWIDE RETIREMENT SOLUTION | | |
| | 20 | | 44088 | DEFERRED COMP-NATIONWIDE | 195.46 | NATION-8/10/11 |
| 41412- 2514 | 20 | 8/17/2011 | Logged | *** Total *** | 195.46 | |
| 41413- 2514 | 21 | 8/17/2011 | 24224 | OFFICE DEPOT, INC. | | |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|-------------|------|-----------|--|------------|-----------------|
| | 21 | | 44071 OPEN PO-OFFICE SUPPLIES | 63.58 | 574514265001 |
| | 21 | | 44074 OPEN PO-OFFICE SUPPLIES | 98.10 | 574033347001 |
| 41413- 2514 | 21 | 8/17/2011 | Logged *** Total *** | 161.68 | |
| 41414- 2514 | 22 | 8/17/2011 | 24528 DONALD OMSTED | | |
| | 22 | | 44092 REIMBURSE D.O. -CONFERENCE | 35.98 | CASA-SAN DIEGO |
| 41414- 2514 | 22 | 8/17/2011 | Logged *** Total *** | 35.98 | |
| 41415- 2514 | 23 | 8/17/2011 | 25010 AT&T | | |
| | 23 | | 44099 PHONE @ BPS | 452.02 | 76094235880012- |
| 41415- 2514 | 23 | 8/17/2011 | Logged *** Total *** | 452.02 | |
| 41416- 2514 | 24 | 8/17/2011 | 25011 PACIFIC PIPELINE SUPPLY | | |
| | 24 | | 44060 TREADED BUSHINGS @ LPS/BPS | 662.51 | 148181 |
| | 24 | | 44061 GATE VALVE, GASKET | 687.21 | 148139 |
| | 24 | | 44102 PARTS @ LPS | 169.80 | 148305 |
| 41416- 2514 | 24 | 8/17/2011 | Logged *** Total *** | 1,519.52 | |
| 41417- 2514 | 25 | 8/17/2011 | 25032 PALOMAR WATER | | |
| | 25 | | 44084 WATER @ OFFICE | 152.16 | 2013587 |
| 41417- 2514 | 25 | 8/17/2011 | Logged *** Total *** | 152.16 | |
| 41418- 2514 | 26 | 8/17/2011 | 25425 PLANT PEOPLE | | |
| | 26 | | 44068 OPEN PO-CONTRACT-MAINTAIN PLAN | 158.00 | 811030 |
| 41418- 2514 | 26 | 8/17/2011 | Logged *** Total *** | 158.00 | |
| 41419- 2514 | 27 | 8/17/2011 | 26804 QUALITY CHEVROLET | | |
| | 27 | | 44064 OPEN PO-VEHICLE TRUCK REPAIRS | 506.61 | CTCS416531 |
| | 27 | | 44075 OPEN PO-VEHICLE TRUCK REPAIRS | 288.80 | CTCS416596 |
| | 27 | | 44077 OPEN PO-VEHICLE TRUCK REPAIRS | 96.74 | CTCS416676 |
| | 27 | | 44079 OPEN PO-VEHICLE TRUCK REPAIRS | 69.95 | CTCS416744 |
| | 27 | | 44080 OPEN PO-VEHICLE TRUCK REPAIRS | 72.22 | CTCS417086 |
| 41419- 2514 | 27 | 8/17/2011 | Logged *** Total *** | 1,034.32 | |
| 41420- 2514 | 28 | 8/17/2011 | 27729 RICHARD STINSON | | |
| | 28 | | 44097 CONSULTING FEES-JULY | 1,500.00 | #47 |
| 41420- 2514 | 28 | 8/17/2011 | Logged *** Total *** | 1,500.00 | |
| 41421- 2514 | 29 | 8/17/2011 | 29225 TELEPACIFIC COMMUNICATIONS | | |
| | 29 | | 44086 PHONE SERVICE-AUGUST | 1,009.78 | 30583330 |
| 41421- 2514 | 29 | 8/17/2011 | Logged *** Total *** | 1,009.78 | |
| 41422- 2514 | 30 | 8/17/2011 | 30515 UNIFIRST CORPORATION | | |
| | 30 | | 44072 OPEN PO-CONTRACT-UNIFORMS | 132.79 | 3600864492 |
| | 30 | | 44073 OPEN PO-CONTRACT-UNIFORMS | 134.51 | 3600866179 |
| 41422- 2514 | 30 | 8/17/2011 | Logged *** Total *** | 267.30 | |
| 41423- 2514 | 31 | 8/17/2011 | 30580 UNITED WAY | | |
| | 31 | | 44087 EMPLOYEE CONTRIBUTIONS | 5.00 | UNITED-8/10/11 |
| 41423- 2514 | 31 | 8/17/2011 | Logged *** Total *** | 5.00 | |
| 41424- 2514 | 32 | 8/17/2011 | 32271 WEST COAST SAFETY SUPPLY CO., | | |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Obligat'n | Name / Description | Net amount | INVOICE NUMBER |
|-------------|------|-----------|--------------------|-------------------------------|------------|----------------|
| 41424- 2514 | 32 | 8/17/2011 | 44069 | OPEN PO-CALIBRATIONS/DAFETY | 1,884.26 | 170683170 |
| | | | Logged | *** Total *** | 1,884.26 | |
| 41425- 2514 | 33 | 8/17/2011 | 32347 | DEXTER WILSON ENGINEERING | | |
| 41425- 2514 | 33 | 8/17/2011 | 44066 | SSMP AUDIT - FY 2012 | 1,382.50 | 0711.01.1454 |
| | | | Logged | *** Total *** | 1,382.50 | |
| 41426- 2514 | 34 | 8/17/2011 | 32500 | WORDEN WILLIAMS, APC | | |
| 41426- 2514 | 34 | 8/17/2011 | 44081 | LEGAL FEES-JULY | 2,185.50 | 30390 |
| | | | Logged | *** Total *** | 2,185.50 | |
| 41427- 2514 | 35 | 8/17/2011 | 35222 | ZEE MEDICAL SERVICES | | |
| 41427- 2514 | 35 | 8/17/2011 | 44098 | MEDICAL FIRST AID KIT REFILLS | 145.98 | 0140020226 |
| | | | Logged | *** Total *** | 145.98 | |

** Total check discount ** .00
 ** Total check amount ** 1,164,009.90
 ** Total void discount ** .00
 ** Total void amount ** .00

LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: August 24, 2011

| <u>Check Nos.</u> | <u>Date</u> | <u>Amount</u> |
|-------------------|-------------|---------------|
| 15632 - 15648 | 8/24/2011 | \$39,304.20 |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|-------------|------|-----------|--|---------------|-----------------|
| 41428- 2515 | 1 | 8/26/2011 | 10100 NAPA AUTO | | |
| | 1 | | 44169 PARTS @ LPS | 57.59 | 026669 |
| 41428- 2515 | 1 | 8/26/2011 | Logged | *** Total *** | 57.59 |
| 41429- 2515 | 2 | 8/26/2011 | 13072 DATA NET | | |
| | 2 | | 44159 IS MAINT AND SUPPORT | 648.75 | 9740623 |
| | 2 | | 44160 IS MAINT AND SUPPORT | 185.00 | 9740621 |
| | 2 | | 44161 IS MAINT AND SUPPORT | 850.00 | 9740664 |
| 41429- 2515 | 2 | 8/26/2011 | Logged | *** Total *** | 1,683.75 |
| 41430- 2515 | 3 | 8/26/2011 | 14105 EL CAMINO RENTAL | | |
| | 3 | | 44166 RENTAL SERVICE USED @ GRAND VI | 60.48 | 405768-1 |
| 41430- 2515 | 3 | 8/26/2011 | Logged | *** Total *** | 60.48 |
| 41431- 2515 | 4 | 8/26/2011 | 18150 ICMA RETIREMENT-303979 | | |
| | 4 | | 44157 DEFERRED COMPOICMA | 3,094.52 | ICMA-8/24/11 |
| 41431- 2515 | 4 | 8/26/2011 | Logged | *** Total *** | 3,094.52 |
| 41432- 2515 | 5 | 8/26/2011 | 19775 ALLAN JULIUSSEN | | |
| | 5 | | 44171 REIMBURSE AJ-CONFERENCE | 878.76 | CASA-S.D.-AJ |
| 41432- 2515 | 5 | 8/26/2011 | Logged | *** Total *** | 878.76 |
| 41433- 2515 | 6 | 8/26/2011 | 20842 DAVID KULCHIN | | |
| | 6 | | 44172 REIMBURSE DK FOR CONFERENCE | 979.91 | CASA-S.D.-DK |
| 41433- 2515 | 6 | 8/26/2011 | Logged | *** Total *** | 979.91 |
| 41434- 2515 | 7 | 8/26/2011 | 23068 NATIONWIDE RETIREMENT SOLUTION | | |
| | 7 | | 44164 DEFERRED COMP-NATIONWIDE | 195.46 | NATION-8/24/11 |
| 41434- 2515 | 7 | 8/26/2011 | Logged | *** Total *** | 195.46 |
| 41435- 2515 | 8 | 8/26/2011 | 24224 OFFICE DEPOT, INC. | | |
| | 8 | | 44135 OPEN PO-OFFICE SUPPLIES | 16.65 | 575453618001 |
| | 8 | | 44139 OPEN PO-OFFICE SUPPLIES | 95.55 | 575443081001 |
| 41435- 2515 | 8 | 8/26/2011 | Logged | *** Total *** | 112.20 |
| 41436- 2515 | 9 | 8/26/2011 | 25010 AT&T | | |
| | 9 | | 44155 OFFICE ELEVATOR PHONE-FIRE PAN | 124.84 | 6333461538-9 |
| | 9 | | 44156 ODOR CONTROL MODEM | 31.13 | 760436400093315 |
| 41436- 2515 | 9 | 8/26/2011 | Logged | *** Total *** | 155.97 |
| 41437- 2515 | 10 | 8/26/2011 | 25011 PACIFIC PIPELINE SUPPLY | | |
| | 10 | | 44168 PARTS AND SUPPLIES | 157.97 | 148394 |
| 41437- 2515 | 10 | 8/26/2011 | Logged | *** Total *** | 157.97 |
| 41438- 2515 | 11 | 8/26/2011 | 25046 PALOMAR INVESTIGATIVE GROUP | | |
| | 11 | | 44170 BACKGROUND CHECK-NEW EMP-MENDE | 95.00 | 9569 |
| 41438- 2515 | 11 | 8/26/2011 | Logged | *** Total *** | 95.00 |
| 41439- 2515 | 12 | 8/26/2011 | 25260 PERS RETIREMENT | | |
| | 12 | | 44173 BOARD RETIREMENT-7/31/2011 | 93.05 | 7-2011-0 |
| | 12 | | 44174 EMPLOYEE RETIREMENT 8/7/2011 | 13,721.85 | 8-2011-3 |
| 41439- 2515 | 12 | 8/26/2011 | Logged | *** Total *** | 13,814.90 |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|-----------|------|------|--|------------|-----------------|
| 41440- | 2515 | 13 | 8/26/2011 25260 PERS RETIREMENT | | |
| | | 13 | 44175 EMPLOYEE RETIREMENT -8/21/2011 | 14,073.53 | 8-2011-4 |
| 41440- | 2515 | 13 | 8/26/2011 Logged *** Total *** | 14,073.53 | |
| 41441- | 2515 | 14 | 8/26/2011 25265 PEP BOYS | | |
| | | 14 | 44167 SUPPLIES AND PARTS | 45.72 | 07010027608 |
| 41441- | 2515 | 14 | 8/26/2011 Logged *** Total *** | 45.72 | |
| 41442- | 2515 | 15 | 8/26/2011 25618 PRIZM JANITORIAL SERVICES, INC | | |
| | | 15 | 44132 OPEN PO -JANITORIAL SERVICES | 1,281.15 | 67175 |
| 41442- | 2515 | 15 | 8/26/2011 Logged *** Total *** | 1,281.15 | |
| 41443- | 2515 | 16 | 8/26/2011 27028 RANCH AND SEA POOL CARE | | |
| | | 16 | 44134 FOUNTAIN MAINT 2011-2012 | 160.00 | 8742 |
| 41443- | 2515 | 16 | 8/26/2011 Logged *** Total *** | 160.00 | |
| 41444- | 2515 | 17 | 8/26/2011 28020 SAN DIEGO GAS AND ELECTRIC | | |
| | | 17 | 44142 ELECTRIC @ AVOCADO PS | 151.07 | 1552124652-AUG |
| | | 17 | 44143 ELECTRIC @ DIANA PS | 431.92 | 3800994220-AUG |
| | | 17 | 44144 ELECTRIC @ EEPS | 1,444.83 | 61411009747-AUG |
| | | 17 | 44145 ELECTRIC @ SAXONY PS | 796.50 | 8334721227-AUG |
| | | 17 | 44147 GAS @ OFFICE | 20.91 | 7923713729-AUG |
| | | 17 | 44148 ELECTRIC @ LPS | 11,476.91 | 4789838637-AUG |
| | | 17 | 44149 ELECTRIC @ RANCHO VERDE PS | 153.77 | 3686084321-AUG |
| | | 17 | 44150 ELECTRIC @ L.C. PS | 1,088.97 | 7065765295-AUG |
| | | 17 | 44151 ELECTRIC @ VP7 | 152.03 | 8129456255-AUG |
| | | 17 | 44152 ELECTRIC @ EEPS | 749.90 | 4750940744-AUG |
| | | 17 | 44153 GAS @ E.E. | 1.79 | 4750941474-AUG |
| | | 17 | 44154 ELECTRIC @ VP5 | 297.38 | 8126868-AUG |
| 41444- | 2515 | 17 | 8/26/2011 Logged *** Total *** | 16,765.98 | |
| 41445- | 2515 | 18 | 8/26/2011 28020 SAN DIEGO GAS AND ELECTRIC | | |
| | | 18 | 44146 ELECTRIC @ BPS | 12,248.10 | 2675562046-AUG |
| 41445- | 2515 | 18 | 8/26/2011 Logged *** Total *** | 12,248.10 | |
| 41446- | 2515 | 19 | 8/26/2011 28537 SMITH & LOVELESS, INC | | |
| | | 19 | 44141 DISCHARGE ELBOW @VP5 | 5,082.36 | 78073 |
| 41446- | 2515 | 19 | 8/26/2011 Logged *** Total *** | 5,082.36 | |
| 41447- | 2515 | 20 | 8/26/2011 28617 SEA POINT TENNIS HOA | | |
| | | 20 | 44137 LATERAL REIMBURSEMENT-VISTA RI | 977.00 | SEA POINT-WR |
| 41447- | 2515 | 20 | 8/26/2011 Logged *** Total *** | 977.00 | |
| 41448- | 2515 | 21 | 8/26/2011 28631 SEA POINT TENNIS CLUB HOA | | |
| | | 21 | 44138 LATERAL REIMBURSEMENT-VISTA GR | 3,000.00 | SEA POINT-VG |
| 41448- | 2515 | 21 | 8/26/2011 Logged *** Total *** | 3,000.00 | |
| 41449- | 2515 | 22 | 8/26/2011 29630 TRI COMMUNITY ANSWERING SERVIC | | |
| | | 22 | 44162 MONTHLY ANSWERING SERVICE-AUG | 90.00 | TRI-8/20/11 |
| 41449- | 2515 | 22 | 8/26/2011 Logged *** Total *** | 90.00 | |
| 41450- | 2515 | 23 | 8/26/2011 29814 TIERRA VERDE RESOURCES, INC | | |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|----------------------------|------|-----------|--|------------|----------------|
| | 23 | | 44133 DISTRCIT CAMPUS LANDSCAPE MAIN | 730.00 | 055833 |
| 41450- 2515 | 23 | 8/26/2011 | Logged *** Total *** | 730.00 | |
| 41451- 2515 | 24 | 8/26/2011 | 30515 UNIFIRST CORPORATION | | |
| | 24 | | 44136 OPEN PO-CONTRACT-UNIFORMS | 130.04 | 3600867831 |
| 41451- 2515 | 24 | 8/26/2011 | Logged *** Total *** | 130.04 | |
| 41452- 2515 | 25 | 8/26/2011 | 30560 UNITED PARCEL | | |
| | 25 | | 44158 SHIPPING | 23.89 | 000025YY37331 |
| 41452- 2515 | 25 | 8/26/2011 | Logged *** Total *** | 23.89 | |
| 41453- 2515 | 26 | 8/26/2011 | 30580 UNITED WAY | | |
| | 26 | | 44163 EMPLOYEE CONTRIBUTION | 5.00 | UNITED-8/24/11 |
| 41453- 2515 | 26 | 8/26/2011 | Logged *** Total *** | 5.00 | |
| 41454- 2515 | 27 | 8/26/2011 | 31232 VERIZON WIRELESS | | |
| | 27 | | 44165 CELL PHONES USAGE | 581.84 | 1001788778 |
| 41454- 2515 | 27 | 8/26/2011 | Logged *** Total *** | 581.84 | |
| 41455- 2515 | 28 | 8/26/2011 | 32271 WEST COAST SAFETY SUPPLY CO., | | |
| | 28 | | 44140 OPEN PO-CALIBRATIONS/DAFETY | 649.25 | 170683186 |
| 41455- 2515 | 28 | 8/26/2011 | Logged *** Total *** | 649.25 | |
| | | | | .00 | |
| ** Total check discount ** | | | | .00 | |
| ** Total check amount ** | | | | 77,130.37 | |
| ** Total void discount ** | | | | .00 | |
| ** Total void amount ** | | | | .00 | |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|-----------|------|------|--|---------------|----------------|
| 41456- | 2517 | 0 | 9/01/2011 ** unused ** | | |
| 41457- | 2516 | 1 | 9/01/2011 12589 CA SDU | | |
| | | 1 | 44186 CHILD SUPPORT-AUG-A.B. | 516.12 | AB-SUPPORT-AUG |
| 41457- | 2516 | 1 | 9/01/2011 Logged | *** Total *** | 516.12 |
| 41458- | 2516 | 2 | 9/01/2011 12718 CHUCKS TIRE CENTER | | |
| | | 2 | 44183 TIRES | 396.18 | 62121 |
| 41458- | 2516 | 2 | 9/01/2011 Logged | *** Total *** | 396.18 |
| 41459- | 2516 | 3 | 9/01/2011 16806 THE GUARDIAN | | |
| | | 3 | 44185 DENTAL/DISABILITY INS-SEPT | 3,566.31 | 324226-SEPT'11 |
| 41459- | 2516 | 3 | 9/01/2011 Logged | *** Total *** | 3,566.31 |
| 41460- | 2516 | 4 | 9/01/2011 17060 HARTFORD LIFE & ACCIDENT INS. | | |
| | | 4 | 44187 LIFE INS-SEPT | 337.99 | 5535900-4 |
| 41460- | 2516 | 4 | 9/01/2011 Logged | *** Total *** | 337.99 |
| 41461- | 2516 | 5 | 9/01/2011 23241 NELCO INC. | | |
| | | 5 | 44178 W'2 /1099 FORMS AND ENVELOPES | 114.87 | 3685251 |
| 41461- | 2516 | 5 | 9/01/2011 Logged | *** Total *** | 114.87 |
| 41462- | 2516 | 6 | 9/01/2011 24440 OLIVENHAIN MUNICIPAL WATER DIS | | |
| | | 6 | 44188 FURMAN GROUP AGREEMENT | 8,000.00 | FURMAN-2011 |
| 41462- | 2516 | 6 | 9/01/2011 Logged | *** Total *** | 8,000.00 |
| 41463- | 2516 | 7 | 9/01/2011 25011 PACIFIC PIPELINE SUPPLY | | |
| | | 7 | 44189 REPAIRS @ LPS | 177.79 | 148580 |
| 41463- | 2516 | 7 | 9/01/2011 Logged | *** Total *** | 177.79 |
| 41464- | 2516 | 8 | 9/01/2011 25018 MES VISION | | |
| | | 8 | 44182 VISION INS-SEPT | 325.11 | 112172183001 |
| 41464- | 2516 | 8 | 9/01/2011 Logged | *** Total *** | 325.11 |
| 41465- | 2516 | 9 | 9/01/2011 25261 PUBLIC EMPLOYEES HEALTH | | |
| | | 9 | 44190 BRD HEALTH INS-SEPT | 2,227.44 | H2011097247000 |
| | | 9 | 44191 EMPLOYEE HEALTH INS-SEPT | 20,166.12 | H201109123100 |
| 41465- | 2516 | 9 | 9/01/2011 Logged | *** Total *** | 22,393.56 |
| 41466- | 2516 | 10 | 9/01/2011 25265 PEP BOYS | | |
| | | 10 | 44184 SUPPLIES FOR TRUCKS | 37.48 | 07010027609 |
| 41466- | 2516 | 10 | 9/01/2011 Logged | *** Total *** | 37.48 |
| 41467- | 2516 | 11 | 9/01/2011 25612 PIPERIN CORPORATION | | |
| | | 11 | 44180 REPAIR WATER LINE IN TREATMENT | 14,000.00 | #1 |
| 41467- | 2516 | 11 | 9/01/2011 Logged | *** Total *** | 14,000.00 |
| 41468- | 2516 | 12 | 9/01/2011 28590 SOUTH BAY FOUNDRY | | |
| | | 12 | 44179 FRAME AND COVER | 461.17 | 0117863-IN |
| 41468- | 2516 | 12 | 9/01/2011 Logged | *** Total *** | 461.17 |
| 41469- | 2516 | 13 | 9/01/2011 30551 CARLSBAD FUELS CORPORATION | | |

Run date: 08/29/2011 @ 14:51
Bus date: 09/01/2011

Leucadia Waste Water District
Check - Complete Detail

OCCKHST.L10 Page 2

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Obligat'n | Name / Description | Net amount | INVOICE NUMBER |
|----------------------------|------|--------------|-----------------------|-------------------------|------------|----------------|
| | 13 | | 44181 | OEPN PO - VEHICLE FUELS | 2,201.50 | 20110819 |
| 41469- | 2516 | 13 9/01/2011 | Logged | *** Total *** | 2,201.50 | |
| | | | | | .00 | |
| ** Total check discount ** | | | | | .00 | |
| ** Total check amount ** | | | | | 52,528.08 | |
| ** Total void discount ** | | | | | .00 | |
| ** Total void amount ** | | | | | .00 | |

LEUCADIA WASTEWATER DISTRICT
BOARD PAYROLL CHECK REPORT

Payroll Date: September 2, 2011

| <u>Check No.</u> | <u>Date</u> | <u>Amount</u> |
|------------------|-------------|---------------|
| 15649 - 15653 | 9/2/2011 | \$5,941.62 |

LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: September 7, 2011

| <u>Check Nos.</u> | <u>Date</u> | <u>Amount</u> |
|-------------------|-------------|---------------|
| 15654 - 15670 | 9/7/2011 | \$39,021.34 |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|-------------|------|-----------|--|---------------|-----------------|
| 41470- 2518 | 1 | 9/08/2011 | 10100 NAPA AUTO | | |
| | 1 | | 44231 SUPPLIES AND CREDIT | 15.62 | 30008/30124 |
| 41470- 2518 | 1 | 9/08/2011 | Logged | *** Total *** | 15.62 |
| 41471- 2518 | 2 | 9/08/2011 | 10128 THE LAWTON GROUP | | |
| | 2 | | 44217 TEMP- W/E 8/28/2011 | 270.00 | IVC05000046436 |
| 41471- 2518 | 2 | 9/08/2011 | Logged | *** Total *** | 270.00 |
| 41472- 2518 | 3 | 9/08/2011 | 10221 ADS LLC | | |
| | 3 | | 44195 CONTRACT-DATA COLLE FLDW METER | 3,570.00 | 12562.22-0811 |
| 41472- 2518 | 3 | 9/08/2011 | Logged | *** Total *** | 3,570.00 |
| 41473- 2518 | 4 | 9/08/2011 | 10627 ARROW PIPELINE | | |
| | 4 | | 44194 REPAIR MAINLINE ON HILLCREST | 3,010.00 | 8946 |
| | 4 | | 44214 REPAIR @ GRANDVIEW | 495.00 | 102793 |
| 41473- 2518 | 4 | 9/08/2011 | Logged | *** Total *** | 3,505.00 |
| 41474- 2518 | 5 | 9/08/2011 | 10720 AT&T | | |
| | 5 | | 44216 L.D. @ BPS | 31.41 | PHONE @BPS-0472 |
| 41474- 2518 | 5 | 9/08/2011 | Logged | *** Total *** | 31.41 |
| 41475- 2518 | 6 | 9/08/2011 | 11314 BERGELECTRIC CORP | | |
| | 6 | | 44203 OPEN PO-ELECTRICAL | 659.77 | 12698.5TM-13 |
| 41475- 2518 | 6 | 9/08/2011 | Logged | *** Total *** | 659.77 |
| 41476- 2518 | 7 | 9/08/2011 | 11650 BROWNELL AND DUFFEY CPA | | |
| | 7 | | 44204 CONTRACT-ACCOUNTING SERVICES | 11,397.00 | 09/04/11 |
| 41476- 2518 | 7 | 9/08/2011 | Logged | *** Total *** | 11,397.00 |
| 41477- 2518 | 8 | 9/08/2011 | 12510 WASTE MANAGEMENT | | |
| | 8 | | 44209 TRASH SERVICE | 190.27 | 10697380274-2 |
| 41477- 2518 | 8 | 9/08/2011 | Logged | *** Total *** | 190.27 |
| 41478- 2518 | 9 | 9/08/2011 | 12718 CHUCKS TIRE CENTER | | |
| | 9 | | 44211 TIRES FOR TRUCK | 368.61 | 62184 |
| 41478- 2518 | 9 | 9/08/2011 | Logged | *** Total *** | 368.61 |
| 41479- 2518 | 10 | 9/08/2011 | 14410 EL CAMINO REAL SHELL ENCINITAS | | |
| | 10 | | 44201 OPEN PO-VEHICLE FUELS | 65.54 | 8599 |
| 41479- 2518 | 10 | 9/08/2011 | Logged | *** Total *** | 65.54 |
| 41480- 2518 | 11 | 9/08/2011 | 14514 ENCINITAS CHAMBER OF COMMERCE | | |
| | 11 | | 44230 2012 RENEWAL MEMBERSHIP | 300.00 | 8253 |
| 41480- 2518 | 11 | 9/08/2011 | Logged | *** Total *** | 300.00 |
| 41481- 2518 | 12 | 9/08/2011 | 16021 GREAT AMERICA LEASING CORP | | |
| | 12 | | 44228 COPIER LEASE | 1,002.74 | 11297125 |
| 41481- 2518 | 12 | 9/08/2011 | Logged | *** Total *** | 1,002.74 |
| 41482- 2518 | 13 | 9/08/2011 | 17247 U.S. HEALTH WORKS MEDICAL GROU | | |
| | 13 | | 44221 OPEN PO-PHYSICALS | 185.00 | 1949374-CA |
| 41482- 2518 | 13 | 9/08/2011 | Logged | *** Total *** | 185.00 |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|-------------|------|-----------|--|---------------|-----------------|
| 41483- 2518 | 14 | 9/08/2011 | 18150 ICMA RETIREMENT-303979 | | |
| | 14 | | 44233 DEFERRED COMP-ICMA-9/7/11 | 3,094.52 | ICMA-9/7/11 |
| 41483- 2518 | 14 | 9/08/2011 | Logged | *** Total *** | 3,094.52 |
| 41484- 2518 | 15 | 9/08/2011 | 18711 I28 NETWORKS, INC | | |
| | 15 | | 44208 ADDITIONAL WORK @BPS | 278.23 | 15072 |
| 41484- 2518 | 15 | 9/08/2011 | Logged | *** Total *** | 278.23 |
| 41485- 2518 | 16 | 9/08/2011 | 19550 JCI JONES CHEMICAL, INC | | |
| | 16 | | 44200 OPEN PO-SODIUM HYPOCHLORIDE | 4,104.81 | 519748 |
| 41485- 2518 | 16 | 9/08/2011 | Logged | *** Total *** | 4,104.81 |
| 41486- 2518 | 17 | 9/08/2011 | 21121 LA COSTA LOGO, LLC | | |
| | 17 | | 44197 ADDITIONAL JACKETS | 613.27 | LA COSTA LOGO |
| 41486- 2518 | 17 | 9/08/2011 | Logged | *** Total *** | 613.27 |
| 41487- 2518 | 18 | 9/08/2011 | 21227 LEE'S LOCK & SAFE | | |
| | 18 | | 44206 KEYS/LOCKS | 13.31 | CT00058316 |
| 41487- 2518 | 18 | 9/08/2011 | Logged | *** Total *** | 13.31 |
| 41488- 2518 | 19 | 9/08/2011 | 22116 TIANNE BAITY | | |
| | 19 | | 44210 REIMBURSE FOR CLASS/TUITION-20 | 484.03 | TUITION-AUG |
| 41488- 2518 | 19 | 9/08/2011 | Logged | *** Total *** | 484.03 |
| 41489- 2518 | 20 | 9/08/2011 | 22214 MITSUBISHI ELECTRIC & ELECTRON | | |
| | 20 | | 44207 MAINT/SERVICE-ELEVATOR | 255.00 | 216501 |
| 41489- 2518 | 20 | 9/08/2011 | Logged | *** Total *** | 255.00 |
| 41490- 2518 | 21 | 9/08/2011 | 23068 NATIONWIDE RETIREMENT SOLUTION | | |
| | 21 | | 44226 DEFERRED COMP-9/7/11 | 195.46 | NATION-9/7/11 |
| 41490- 2518 | 21 | 9/08/2011 | Logged | *** Total *** | 195.46 |
| 41491- 2518 | 22 | 9/08/2011 | 24224 OFFICE DEPOT, INC. | | |
| | 22 | | 44199 OPEN PO-OFFICE SUPPLIES | 49.11 | 576252108001 |
| | 22 | | 44222 OPEN PO-OFFICE SUPPLIES | 88.31 | 577208196001 |
| | 22 | | 44225 OPEN PO-OFFICE SUPPLIES | 43.82 | 576581543001 |
| 41491- 2518 | 22 | 9/08/2011 | Logged | *** Total *** | 181.24 |
| 41492- 2518 | 23 | 9/08/2011 | 25010 AT&T | | |
| | 23 | | 44212 DIAL IN MODEM-OLD | 136.06 | 632704700628/11 |
| | 23 | | 44213 DIAL IN MODEM-NEW | 117.38 | 4792130272-8/11 |
| | 23 | | 44227 PHONE SERVICE @ BPS | 108.23 | 9423588001-2 |
| 41492- 2518 | 23 | 9/08/2011 | Logged | *** Total *** | 361.67 |
| 41493- 2518 | 24 | 9/08/2011 | 25425 PLANT PEOPLE | | |
| | 24 | | 44223 OPEN PO-CONTRACT-MAINTAIN PLAN | 158.00 | 911219 |
| 41493- 2518 | 24 | 9/08/2011 | Logged | *** Total *** | 158.00 |
| 41494- 2518 | 25 | 9/08/2011 | 29716 TRG & ASSOCIATES | | |
| | 25 | | 44196 OPEN PO-PUBLIC INFORMATION | 6,877.50 | 05-0811 |
| 41494- 2518 | 25 | 9/08/2011 | Logged | *** Total *** | 6,877.50 |

UNION BANK GENERAL

| Check-Run | Seq# | Date | Vendor / Name / Obligat'n Description | Net amount | INVOICE NUMBER |
|----------------------------|------|-----------|--|---------------|-----------------|
| 41495- 2518 | 26 | 9/08/2011 | 29730 T.S. INDUSTRIAL SUPPLY | | |
| | 26 | | 44232 GREEN PAINT | 45.35 | 1042277 |
| 41495- 2518 | 26 | 9/08/2011 | Logged | *** Total *** | 45.35 |
| 41496- 2518 | 27 | 9/08/2011 | 30515 UNIFIRST CORPORATION | | |
| | 27 | | 44202 OPEN PO-CONTRACT-UNIFORMS | 154.65 | 3600869500 |
| | 27 | | 44215 OPEN PO-CONTRACT-UNIFORMS | 155.39 | 3600871145 |
| 41496- 2518 | 27 | 9/08/2011 | Logged | *** Total *** | 310.04 |
| 41497- 2518 | 28 | 9/08/2011 | 30520 UNDERGROUND SERVICE ALERT OF | | |
| | 28 | | 44220 UNDERGROUND SERVICE ALERT | 493.50 | 820110374 |
| 41497- 2518 | 28 | 9/08/2011 | Logged | *** Total *** | 493.50 |
| 41498- 2518 | 29 | 9/08/2011 | 30580 UNITEO WAY | | |
| | 29 | | 44229 EMPLOYEE CONTRIBUTIONS | 5.00 | UNITED-9/7/2011 |
| 41498- 2518 | 29 | 9/08/2011 | Logged | *** Total *** | 5.00 |
| 41499- 2518 | 30 | 9/08/2011 | 31232 VERIZON WIRELESS | | |
| | 30 | | 44205 CELL PHONES | 51.73 | 1007019077 |
| | 30 | | 44218 CELL PHONES | 266.01 | 1007019078 |
| 41499- 2518 | 30 | 9/08/2011 | Logged | *** Total *** | 317.74 |
| 41500- 2518 | 31 | 9/08/2011 | 31263 AMERICAN MESSAGING | | |
| | 31 | | 44219 PAGERS | 9.95 | L141752111 |
| 41500- 2518 | 31 | 9/08/2011 | Logged | *** Total *** | 9.95 |
| 41501- 2518 | 32 | 9/08/2011 | 32271 WEST COAST SAFETY SUPPLY CO., | | |
| | 32 | | 44198 OPEN PO-CALIBRATIONS/DAFETY | 55.28 | 170683191 |
| 41501- 2518 | 32 | 9/08/2011 | Logged | *** Total *** | 55.28 |
| 41502- 2518 | 33 | 9/08/2011 | 33227 XEROX CORPORATION | | |
| | 33 | | 44224 OPEN PO-SERVICE/MAINT CONTRACT | 62.17 | 057035255 |
| 41502- 2518 | 33 | 9/08/2011 | Logged | *** Total *** | 62.17 |
| | | | | .00 | |
| ** Total check discount ** | | | | .00 | |
| ** Total check amount ** | | | | 39,477.03 | |
| ** Total void discount ** | | | | .00 | |
| ** Total void amount ** | | | | .00 | |

LEUCADIA WASTEWATER DISTRICT
YEAR TO DATE EMPLOYEE AND BOARD PAYROLL AMOUNTS
2010

AUGUST

| | | | |
|-----------|--------------|--|--------------------|
| 8/2/2010 | Board | | \$999.54 |
| 8/11/2010 | Employee | | \$40,139.81 |
| 8/25/2010 | Employee | | \$39,202.75 |
| | TOTAL | | \$80,342.10 |

SEPTEMBER

| | | | |
|-----------|--------------|--|--------------------|
| 9/2/2010 | Board | | \$5,665.17 |
| 9/8/2010 | Employee | | \$38,989.08 |
| 9/22/2010 | Employee | | \$38,612.32 |
| | TOTAL | | \$83,266.57 |

OCTOBER

| | | | |
|------------|--------------|-----------|--------------------|
| 10/1/2010 | Board | | \$4,565.69 |
| 10/6/2010 | Employee | | \$39,437.79 |
| 10/13/2010 | Employee | Incentive | \$3,421.59 |
| 10/20/2010 | Employee | | \$43,807.41 |
| | TOTAL | | \$91,232.48 |

NOVEMBER

| | | | |
|------------|--------------|--|--------------------|
| 11/1/2010 | Board | | \$2,871.92 |
| 11/3/2010 | Employee | | \$43,672.40 |
| 11/17/2010 | Employee | | \$38,406.55 |
| | TOTAL | | \$84,950.87 |

DECEMBER

| | | | |
|------------|--------------|---------------|---------------------|
| 12/1/2010 | Employee | | \$39,986.79 |
| 12/2/2010 | Employee | Sick buy back | \$14,550.21 |
| 12/2/2010 | Board | | \$2,034.33 |
| 12/9/2010 | Employee | Incentive | \$1,362.67 |
| 12/15/2010 | Employee | | \$40,517.81 |
| 12/29/2010 | Employee | | \$39,453.83 |
| | TOTAL | | \$137,905.64 |

2011

JANUARY

| | | | |
|-----------|--------------|-----------|--------------------|
| 12/3/2010 | Board | | \$1,330.17 |
| 1/7/2011 | Employee | | \$3,006.87 |
| 1/12/2011 | Employee | | \$36,417.03 |
| 1/19/2011 | Employee | Incentive | \$461.75 |
| 1/26/2011 | Employee | | \$37,321.04 |
| | TOTAL | | \$78,536.86 |

FEBRUARY

| | | | |
|-----------|--------------|--|--------------------|
| 2/3/2011 | Board | | \$4,282.06 |
| 2/9/2011 | Employee | | \$38,219.37 |
| 2/23/2011 | Employee | | \$37,028.16 |
| | TOTAL | | \$79,529.59 |

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

MARCH

| | | | |
|-----------|--------------|--|--------------------|
| 3/2/2011 | Board | | \$1,676.17 |
| 3/9/2011 | Employee | | \$37,952.87 |
| 3/23/2011 | Employee | | <u>\$37,171.26</u> |
| | TOTAL | | \$76,800.30 |

APRIL

| | | | |
|-----------|--------------|-----------|--------------------|
| 4/1/2011 | Board | | \$4,613.80 |
| 4/6/2011 | Employee | | \$37,487.77 |
| 4/20/2011 | Employee | | \$37,145.73 |
| 4/21/2011 | Employee | Incentive | <u>\$6,462.38</u> |
| | TOTAL | | \$85,709.68 |

MAY

| | | | |
|-----------|--------------|--|--------------------|
| 5/2/2011 | Board | | \$2,960.88 |
| 5/4/2011 | Employee | | \$37,859.69 |
| 5/9/2011 | Board | | \$997.33 |
| 5/18/2011 | Employee | | <u>\$37,100.15</u> |
| | TOTAL | | \$78,918.05 |

JUNE

| | | | |
|-----------|--------------|-----------|---------------------|
| 6/1/2011 | Board | | \$4,579.00 |
| 6/1/2011 | Employee | | \$39,253.23 |
| 6/6/2011 | Employee | Incentive | \$448.18 |
| 6/15/2011 | Employee | | \$40,868.97 |
| 6/29/2011 | Employee | | <u>\$39,945.20</u> |
| | TOTAL | | \$125,094.58 |

JULY

| | | | |
|-----------|--------------|--|--------------------|
| 7/6/2011 | Board | | \$2,989.12 |
| 7/13/2011 | Employee | | \$40,077.78 |
| 7/19/2011 | Employee | | \$4,884.18 |
| 7/27/2011 | Employee | | <u>\$37,584.03</u> |
| | TOTAL | | \$85,535.11 |

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> |
| | TOTAL | | \$80,695.81 |

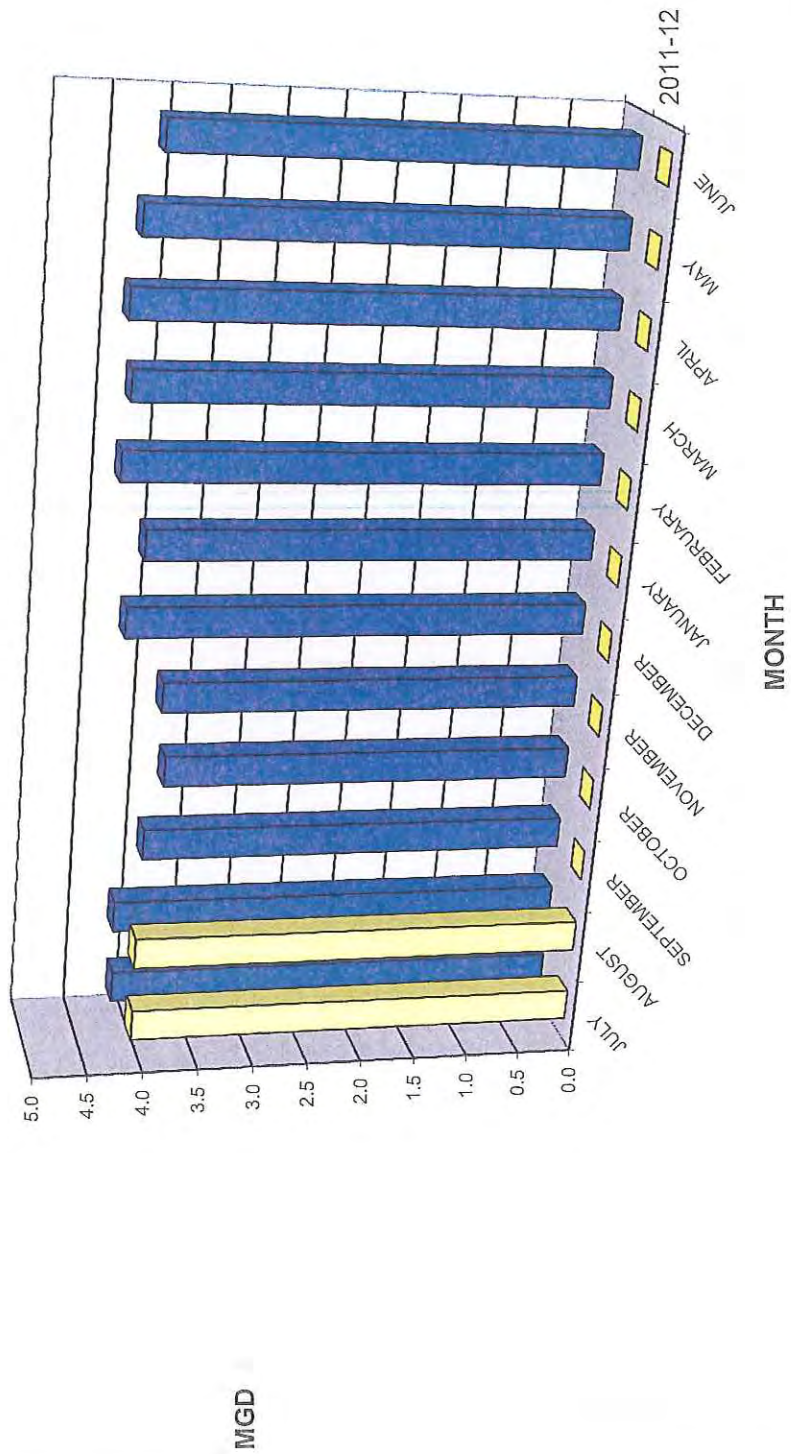
SEPTEMBER

| | | | |
|----------|--------------|--|--------------------|
| 9/2/2011 | Board | | \$5,941.62 |
| 9/7/2011 | Employee | | <u>\$39,021.34</u> |
| | TOTAL | | \$44,962.96 |

**LEUCADIA WASTEWATER DISTRICT
OPERATIONS REPORT
FISCAL YEAR 2011-2012**

| CURRENT MONTH - August 2011 | | | | | | | | | | FY 2011-2012 | |
|-----------------------------|----------------------|------------------|-----------------------|------------------|---------|-----------------------------|--------------|--|--|--------------|--|
| Period | Total Rain Inches | Total Flow MG | Total EDU's 27,738 | LWD ADF (MGD) | GPD/EDU | RECLAIMED ADF (ac-ft/mo) | ADF (MGD) | | | | |
| JULY | 0.02 | 126.48 | -1 | 4.08 | 147 | 38.01 | 4.14 | | | | |
| YTD | | 126.48 | 27,737 | | | | | | | | |
| AUGUST | 0 | 126.79 | 58 | 4.09 | 147 | 35.48 | 4.16 | | | | |
| YTD | | 126.79 | 27,795 | | | | | | | | |
| SEPTEMBER | | | | | | | 3.93 | | | | |
| YTD | | | | | | | | | | | |
| OCTOBER | | | | | | | 3.78 | | | | |
| YTD | | | | | | | | | | | |
| NOVEMBER | | | | | | | 3.84 | | | | |
| YTD | | | | | | | | | | | |
| DECEMBER | | | | | | | 4.21 | | | | |
| YTD | | | | | | | | | | | |
| JANUARY | | | | | | | 4.08 | | | | |
| YTD | | | | | | | | | | | |
| FEBRUARY | | | | | | | 4.33 | | | | |
| YTD | | | | | | | | | | | |
| MARCH | | | | | | | 4.28 | | | | |
| YTD | | | | | | | | | | | |
| APRIL | | | | | | | 4.34 | | | | |
| YTD | | | | | | | | | | | |
| MAY | | | | | | | 4.27 | | | | |
| YTD | | | | | | | | | | | |
| JUNE | | | | | | | 4.12 | | | | |
| YTD | | | | | | | | | | | |
| Annual Total | 0.02 | 253.27 | 57 | | | 73.49 | | | | | |
| Mo Average | 0.01 | 126.64 | 29 | 4.09 | 147 | 36.75 | 4.12 | | | | |

LEUCADIA WASTEWATER DISTRICT
FLOW COMPARISON FY 11 to FY12

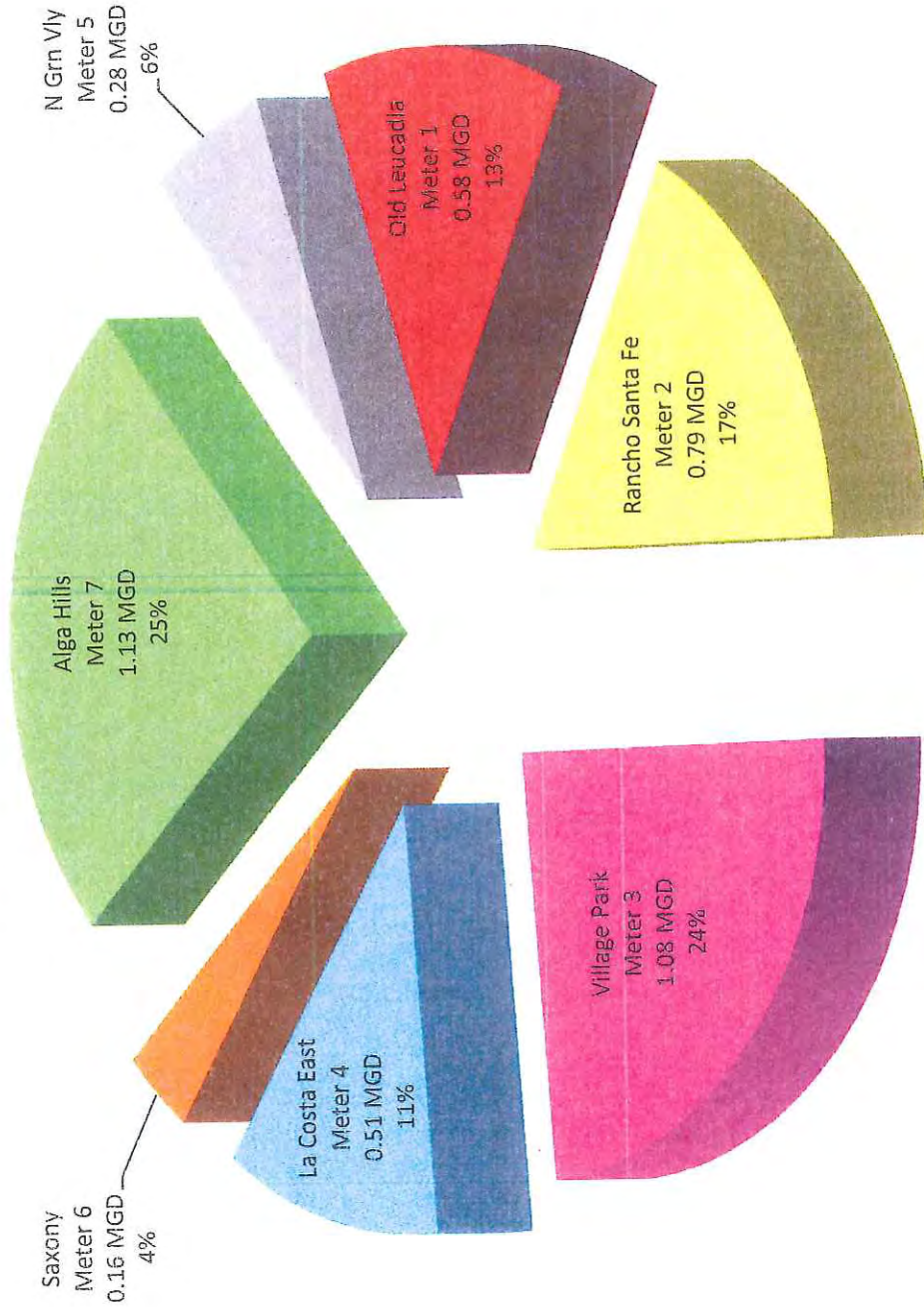


MGD

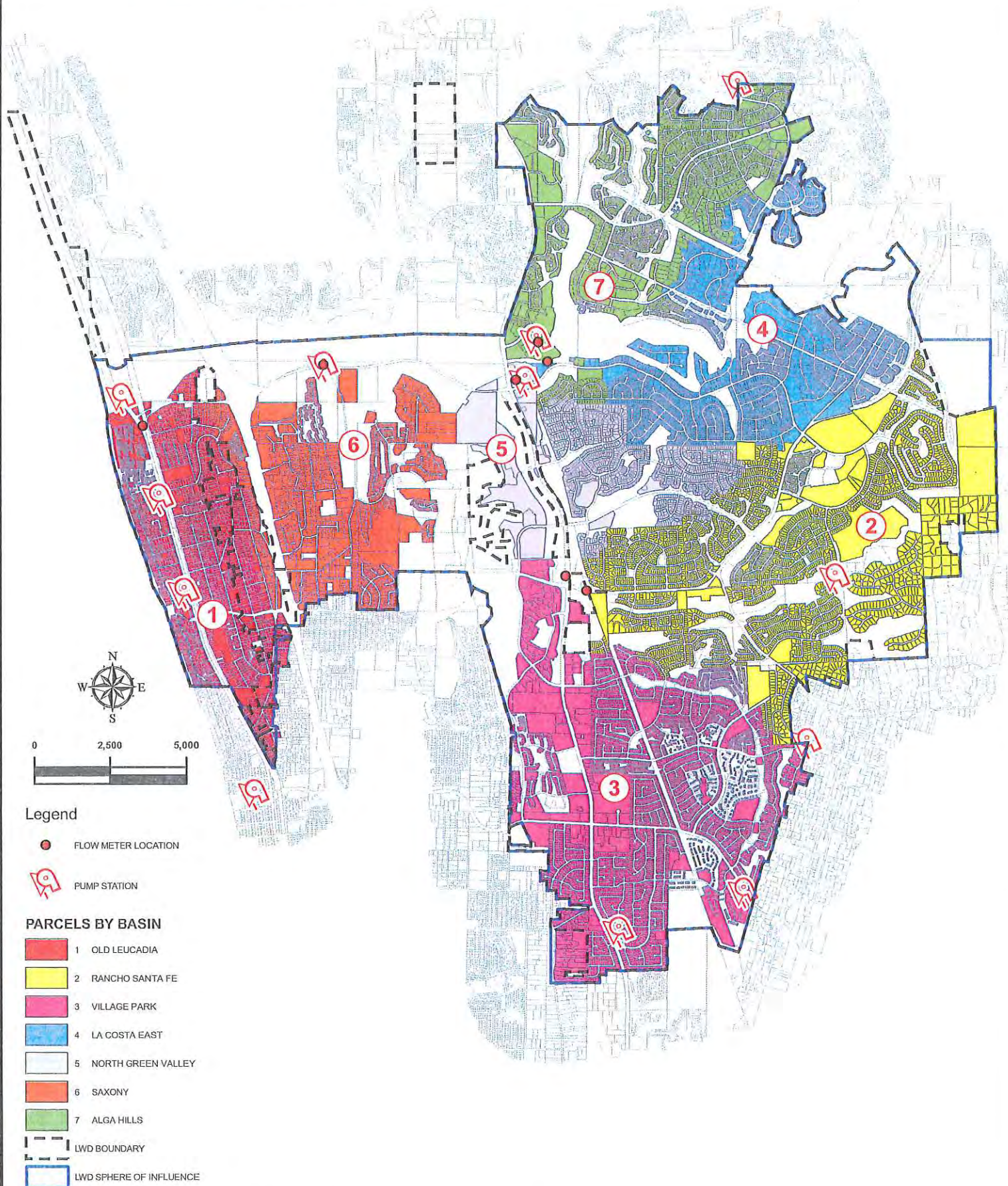
LWD Flows by Sub-Basin

August 2011

Total LWD Flow = 4.52 MGD



LEUCADIA WASTEWATER DISTRICT



LEUCADIA WASTEWATER DISTRICT
SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS
As of August 31, 2011

| ASSETS | |
|--|--------------------------|
| Cash and Investment Pools | \$ 27,875,512.32 |
| Investments | 9,155,837.65 |
| Accounts Receivable | 282,919.40 |
| Funds Held with Encina Wastewater Authority | 906,849.00 |
| Prepaid Expenses | 47,094.02 |
| Capital Assets | 127,105,524.26 |
| Less Accumulated Depreciation | (40,444,070.50) |
| TOTAL ASSETS | \$ 124,929,666.15 |
| LIABILITIES | |
| Accounts Payable and Accrued Expenses | 210,137.39 |
| Developer Deposits | 142,156.96 |
| TOTAL LIABILITIES | \$ 352,294.35 |
| NET ASSETS | |
| Net Investment in Capital Assets | 83,253,949.61 |
| Restricted Reserves | 3,703,767.80 |
| Unrestricted Operating Reserve | 2,184,721.45 |
| Unrestricted Non-Operating Reserves (Designated) | 28,810,370.07 |
| Unrestricted Emergency Reserve | 7,500,000.00 |
| Capital Contributions | - |
| YTD Revenue over (under) Expenditures | (875,437.13) |
| TOTAL NET ASSETS | \$ 124,577,371.80 |

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

LEUCADIA WASTEWATER DISTRICT
BUDGET PERFORMANCE REPORT
YTD Revenue and Expenditures Through 8/31/2011 with Annual Budget

| OPERATING REVENUES AND EXPENSES | | | | | |
|---|-------------|------------------------|------------------------|------------------------|---------------|
| DESCRIPTION | A/C No. | YTD ACTUAL AMOUNT | ANNUAL BUDGET | REMAINING BALANCE | % USED |
| OPERATING REVENUES AND TRANSFERS | | | | | |
| OPERATING REVENUES | | | | | |
| SEWER SERVICE | 3110 | \$ 121,906.73 | \$ 7,154,741.00 | 7,032,834.27 | 1.70% |
| RECLAIMED WATER SALES | 3150 | 23,056.44 | 458,000.00 | 434,943.56 | 5.03% |
| OTHER OPERATING INCOME | | 784.18 | 205,654.00 | 204,869.82 | 0.38% |
| TOTAL OPERATING REVENUE | | \$ 145,747.35 | \$ 7,818,395.00 | \$ 7,672,647.65 | 1.86% |
| OPERATING EXPENSES | | | | | |
| WAGES AND BENEFITS | 4100 & 4200 | \$ 322,123.85 | \$ 2,266,113.00 | \$ 1,943,989.15 | 14.21% |
| BOARD EXPENSES AND ELECTION | 4300 & 4400 | 16,935.68 | 130,350.00 | 113,414.32 | 12.99% |
| DEPRECIATION EXPENSE | 4510 | 510,000.00 | - | (510,000.00) | n/a |
| REPLACEMENT EXPENSE | 4515 | - | 1,537,968.00 | 1,537,968.00 | n/a |
| FUELS | 4600 | 2,376.80 | 57,000.00 | 54,623.20 | 4.17% |
| INSURANCE | 4700 | 14,556.24 | 117,000.00 | 102,443.76 | 12.44% |
| MEMBERSHIP & DUES | 4800 | 1,101.00 | 23,500.00 | 22,399.00 | 4.69% |
| OFFICE EXPENSE | 4900 | 8,263.59 | 107,000.00 | 98,736.41 | 7.72% |
| OPERATING SUPPLIES | 5000 | 15,082.31 | 169,750.00 | 154,667.69 | 8.89% |
| PROFESSIONAL SERVICES | 5200 | 36,778.29 | 506,500.00 | 469,721.71 | 7.26% |
| PRINTING & PUBLISHING | 5300 | 9,596.98 | 33,000.00 | 23,403.02 | 29.08% |
| RENTS & LEASES | 5400 | 2,730.77 | 19,200.00 | 16,469.23 | 14.22% |
| REPAIR & MAINTENANCE | 5500 | 32,268.20 | 313,650.00 | 281,381.80 | 10.29% |
| MONITORING & PERMITTING | 5600 | 918.00 | 44,800.00 | 43,882.00 | 2.05% |
| TRAINING & DEVELOPMENT | 5700 | 8,722.94 | 41,400.00 | 32,677.06 | 21.07% |
| UTILITIES | 5900 | 64,307.46 | 428,250.00 | 363,942.54 | 15.02% |
| LAFCO OPERATIONS | 6100 | 5,325.00 | 6,200.00 | 875.00 | 85.89% |
| ENCINA | 6200 | - | 1,862,075.00 | 1,862,075.00 | 0.00% |
| TOTAL OPERATING EXPENSES | | \$ 1,051,087.11 | \$ 7,663,756.00 | \$ 6,612,668.89 | 13.72% |

| NON-OPERATING REVENUES AND EXPENSES | | | | | |
|--|------------|----------------------|------------------------|-----------------------|----------------|
| DESCRIPTION | A/C No. | YTD ACTUAL AMOUNT | ANNUAL BUDGET | REMAINING BALANCE | % USED |
| NON OPERATING REVENUES | | | | | |
| CAPACITY CHARGES | 3130 | \$ 41,052.00 | \$ 160,476.00 | \$119,424.00 | 25.58% |
| PROPERTY TAXES | 3220 | 14,142.42 | 1,200,000.00 | 1,185,857.58 | 1.18% |
| INTEREST INCOME | 3250 | 10,456.00 | 435,000.00 | 424,544.00 | 2.40% |
| OTHER NON OPERATING INCOME | | 280.85 | 643,079.00 | 642,798.15 | 0.04% |
| TOTAL NON OPERATING REVENUES | | \$ 65,931.27 | \$ 2,438,555.00 | \$2,372,623.73 | 2.70% |
| DEBT SERVICE | | | | | |
| INTEREST EXPENSE AND FEES | 6500 | \$ - | \$ - | 0.00 | #DIV/0! |
| PRINCIPAL PAYMENTS | 6500 | - | - | 0.00 | #DIV/0! |
| TOTAL DEBT SERVICE | | \$ - | \$ - | \$ - | #DIV/0! |

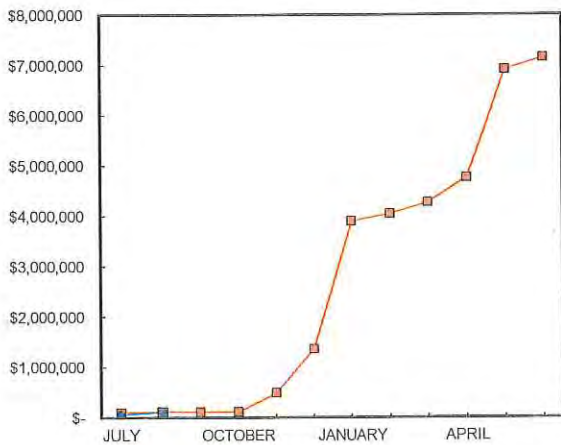
Preliminary: subject to future review, reconciliation, accruals, and audit.

Leucadia Wastewater District

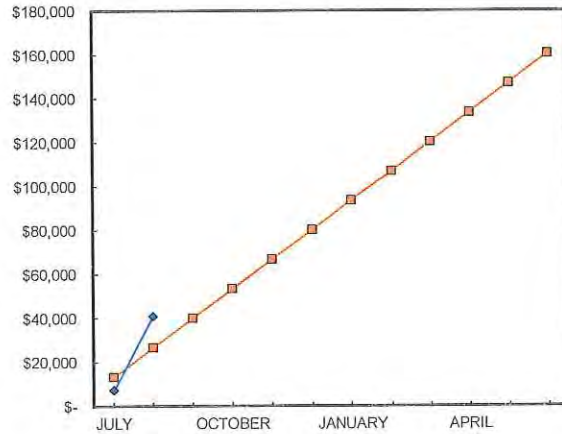
Revenue FY 2012

YTD through August 31, 2011

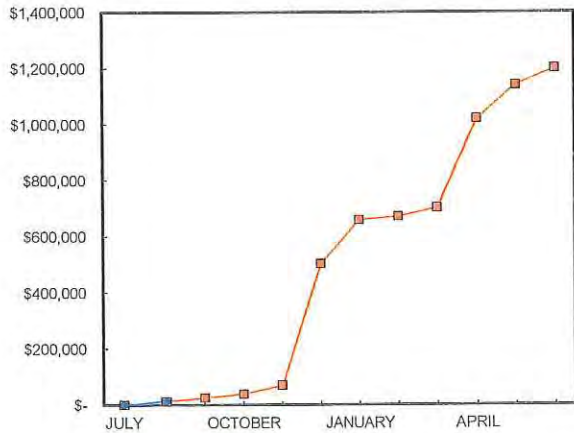
Sewer Service Fees



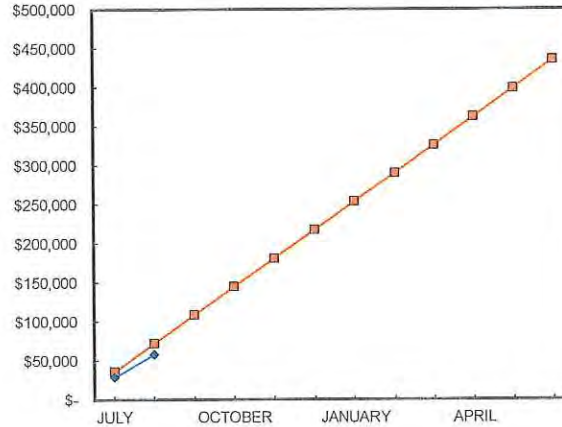
Capacity Charges



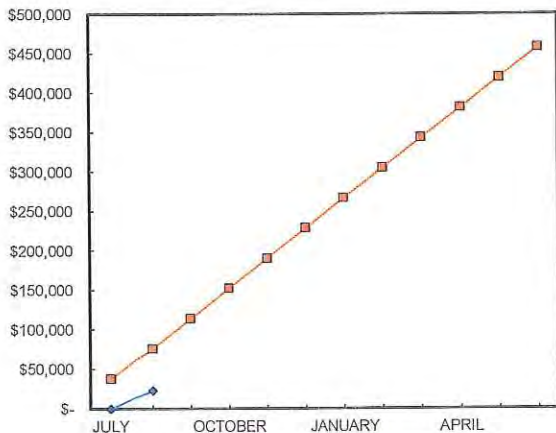
Property Taxes



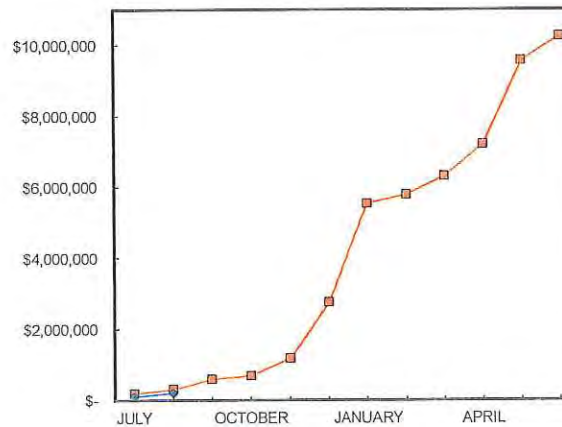
Investment Income



Recycled Wastewater



Total Revenue



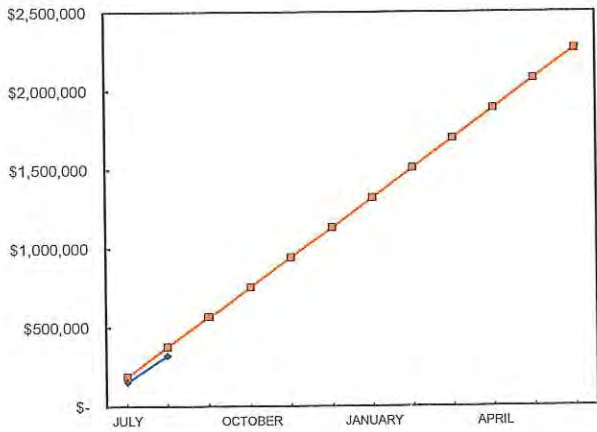
— Budget — Actual

— Budget — Actual

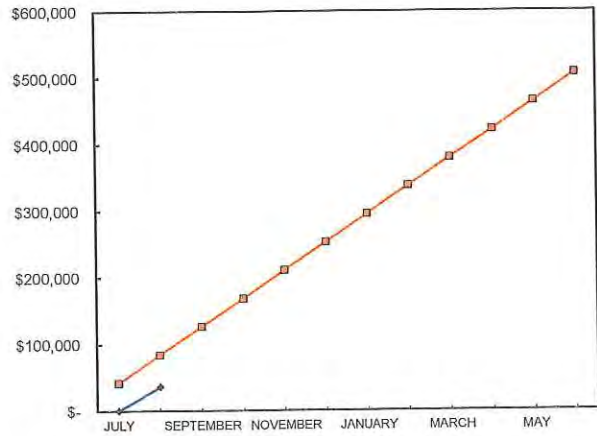
* Preliminary: subject to future review, reconciliation, accruals, and audit

Leucadia Wastewater District Operating Expenses FY 2011 YTD through August 31, 2011

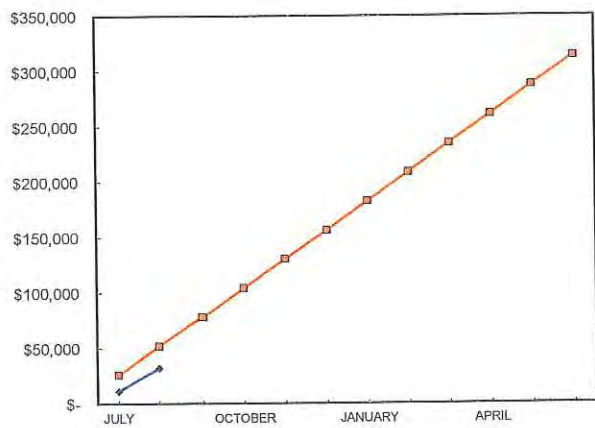
Salaries and Benefits



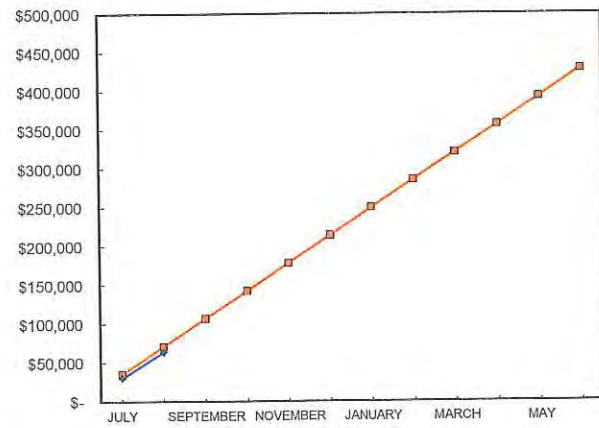
Professional Services



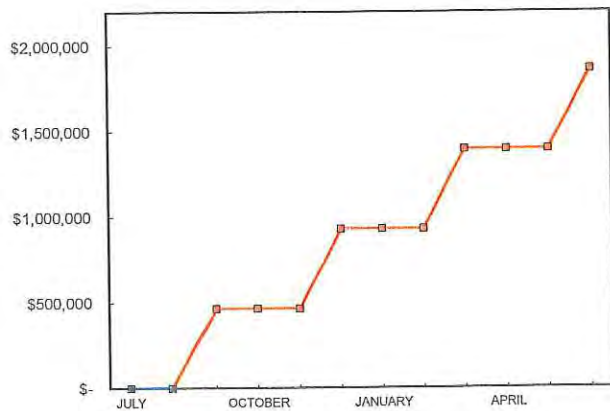
Repairs & Maintenance



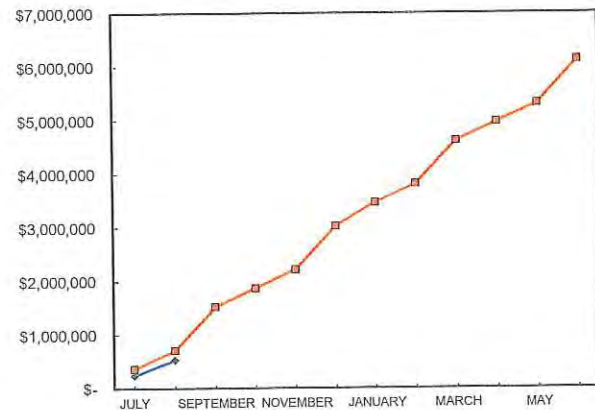
Utilities



Encina M&O



**Total Operating Expenses -
Before Depreciation & Replacement**



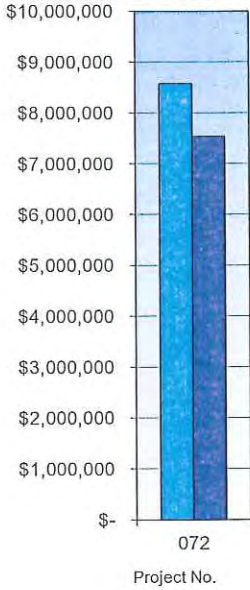
— Budget — Actual

— Budget — Actual

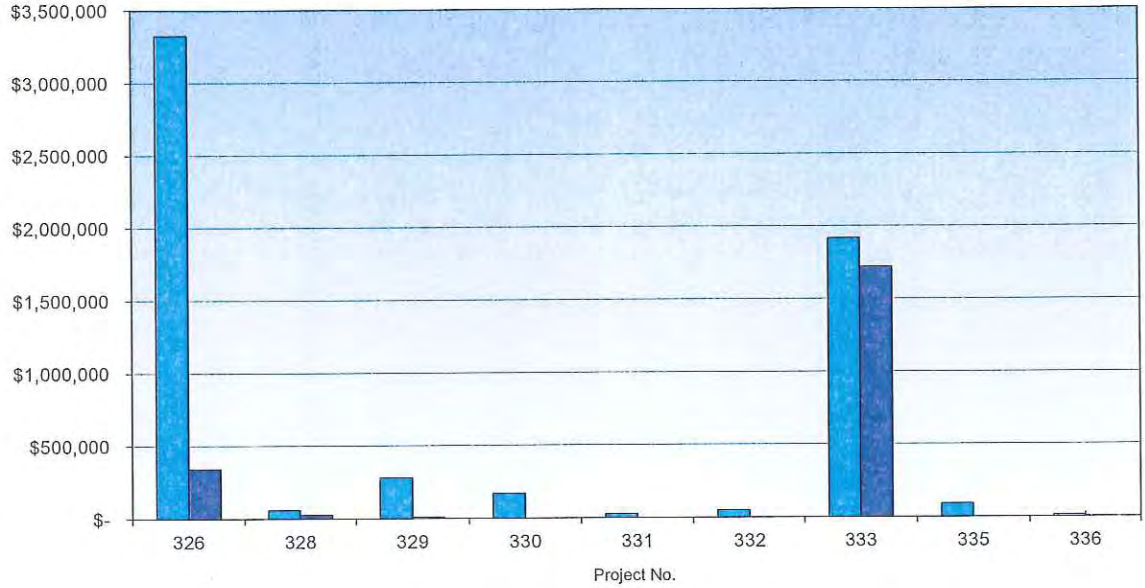
* Preliminary: subject to future review, reconciliation, accruals, and audit

Leucadia Wastewater District Capital Expenditures As of August 31, 2011

**Encina W.A.
Multi Year
Capital Exp.
FY2003-FY2012**



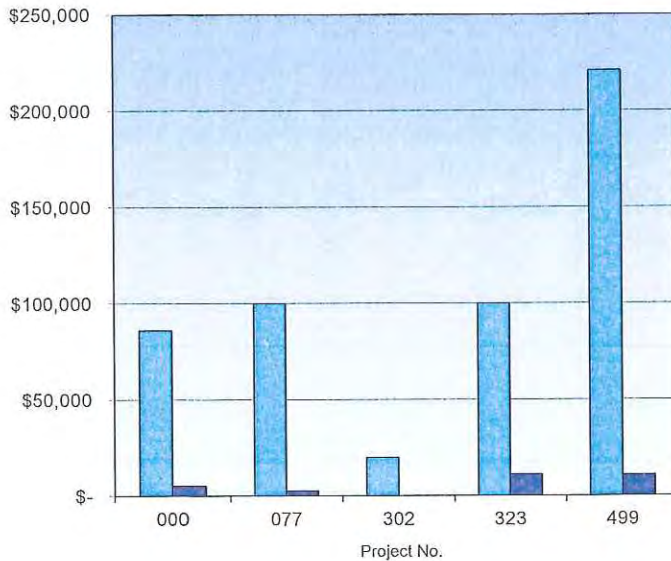
**District Multi Year Capital Expenditures by Project
FY2009-FY2012**



■ Appropriations
■ Actual

■ Appropriations ■ Actual

**Single Year Capital Expenditures by Project
FY2012**



■ Appropriations ■ Actual

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 |
| New Meter Installation | 336 |

| 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 |

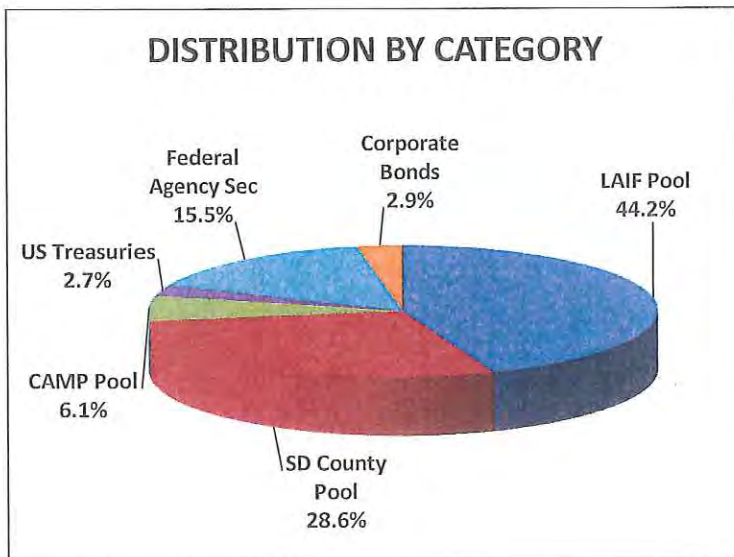
* Preliminary: subject to future review, reconciliation, accruals, and audit

LEUCADIA WASTEWATER DISTRICT

Monthly Investment Summary

July 31, 2011

| Cash Equivalents & Investments | Principal (Original Cost) | | July Interest | Average Rate |
|--|---------------------------|----------------------|------------------|---------------|
| | June 30, 2011 | July 31, 2011 | | |
| LAIF Pool | 14,041,540 | 15,863,855 | 4,747 | 0.381% |
| SD County Pool | 10,246,188 | 10,260,084 | 7,160 | 0.838% |
| CAMP Pool | 3,162,502 | 2,192,235 | 229 | 0.110% |
| CAMP Portfolio | | | | |
| Corporate Notes | 1,034,035 | 1,034,035 | 1,637 | 1.900% |
| Federal Agency Bonds/Notes | 6,024,763 | 4,977,083 | 6,761 | 1.630% |
| Federal Agency Discount Notes | - | - | - | - |
| GNMA mortgage pools | 17,484 | 17,321 | 130 | 8.940% |
| US Treasury Bonds/Notes | 985,781 | 985,781 | 1,544 | 1.880% |
| Total Camp Portfolio | 8,062,063 | 7,014,220 | 10,072 | 1.550% |
| US Bank Custodial Account | | | | |
| Resolution Funding Corp Strips at cost | 777,704 | 579,503 | 8,118 | 14.355% |
| Total Bond Funds | 777,704 | 579,503 | 8,118 | 14.355% |
| Totals | \$ 36,289,996 | \$ 35,909,897 | \$ 30,326 | 1.008% |

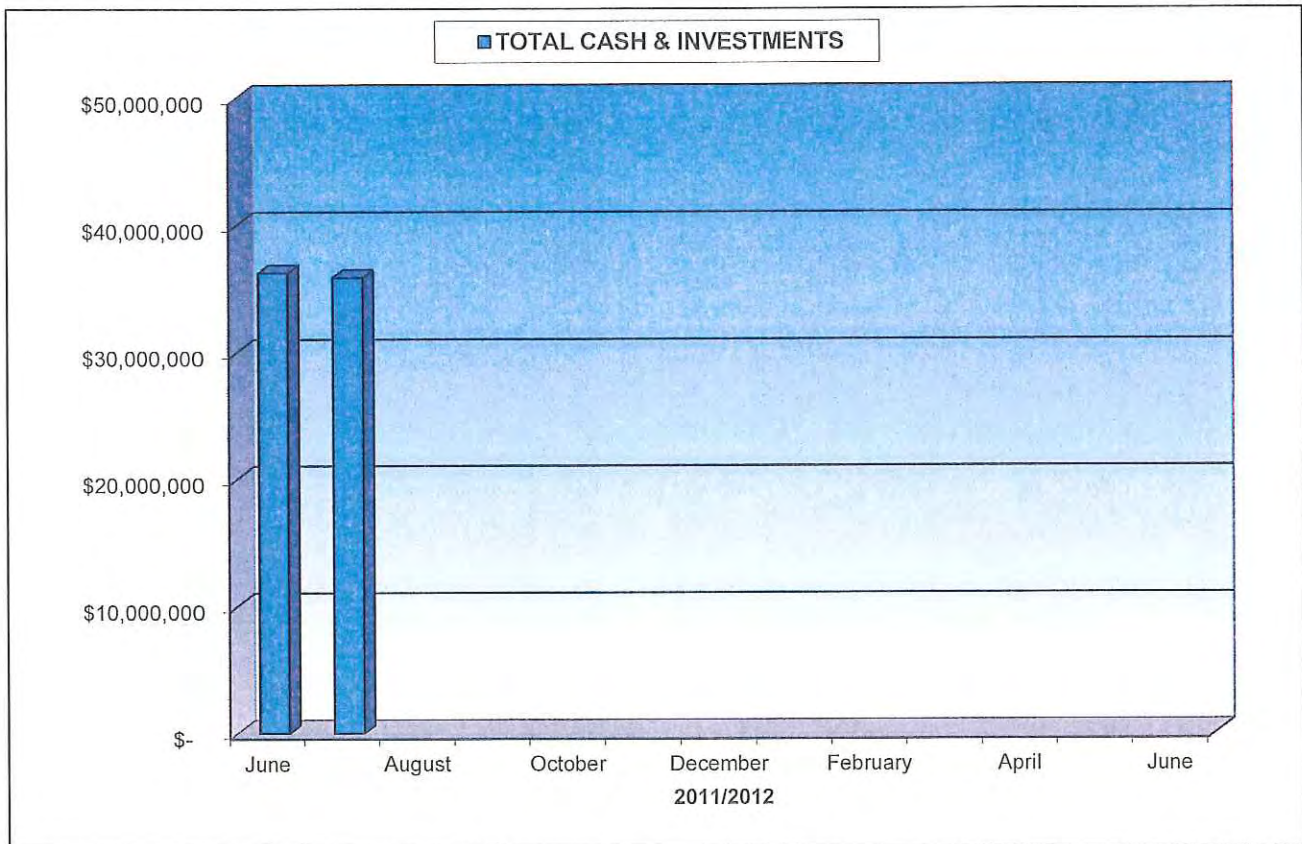


Allocation Percentages of LWD Investments by Type (Actual and Allowable)

| Investment Type | Actual % | Allowed % |
|--------------------|---------------|-----------|
| LAIF Pool | 44.2% | 75% |
| SD County Pool | 28.6% | 75% |
| CAMP Pool | 6.1% | 75% |
| US Treasuries | 2.7% | 75% |
| Federal Agency Sec | 15.5% | 75% |
| Corporate Bonds | 2.9% | 10% |
| TOTAL | 100.0% | |

LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
July 31, 2011
(Continued)

| TOTAL CASH & INVESTMENTS | | |
|-------------------------------------|---------------|-----------------|
| Month 2011/2012 | Amount | Average Rate |
| June | \$ 36,289,996 | 1.07% |
| July | \$ 35,909,897 | 1.01% |
| August | | |
| September | | |
| October | | |
| November | | |
| December | | |
| January | | |
| February | | |
| March | | |
| April | | |
| May | | |
| June | | |



LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
July 31, 2011
(Continued)

INVESTMENT TRANSACTIONS

For the month of July, 2011

| Investment | Purchases | Maturities | Redemptions | Notes | YTM at Cost |
|---------------------------------|-----------|--------------|-------------|-------|----------------|
| FHLB Federal Agency Global Bond | | \$ 1,000,000 | | | 1.20% |
| TOTAL | \$ - | \$ 1,000,000 | \$ - | | |

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

Encina Wastewater Authority Report
Regular Board Meeting
August 24, 2011

EWA Board of Directors - Directors Juliussen and Sullivan reporting

EWA Board Meeting Action Items

1. Report of Compensation and Reimbursement for Fiscal Year Ended June 30, 2011.

The Board of Directors received and filed the information contained in the "Report of Compensation and Reimbursements for Fiscal Year ended June 30, 2011.

2. Agency Risk Assessment Update.

The Board of Directors received and filed the Agency Risk Assessment Update Report.

Engineering Committee Meeting Report

Presented by Director Juliussen

Meeting held on September 6, 2011

1. Occidental Line Repair Project Update.

The Committee received a project update on the Occidental Line Repair. DE Deering presented the scope of the project and noted that the estimated project cost increased the District's 40.3% share from \$206,392 to \$341,895. He noted the cost increase was due to lining the 700 linear feet with cured-in-place pipe instead of a spot repair.

The project is scheduled to bid in the fall of 2011. Staff plans to request additional budget appropriation for the project once the bids are received.

2. Leucadia and Batiquitos Force Main Corrosion Control Design Status

The Committee was presented with the findings of the corrosion control study and staff is finalizing an agreement with RFYeager Engineering to provide cathodic protection engineering services in an amount not to exceed \$23,900.

3. Grandview Street Pipeline Repair

The Committee received an update on the Grandview Street Pipeline Repair. Staff was notified in early September of roots in the pipeline. Staff was able to avert a spill by clearing the roots from the line. The pipeline repairs are complete and staff explained the modifications that were made to the pipeline.

4. Status Update on the North San Diego Regional Recycled Water Project (NSDCRRWP)

The Committee received an update on the project. Staff reported that Camp Pendleton has joined the group and that representatives from NSDCRRWP went to Washington D.C. to lobby for the project. The

group will continue to seek funding.

This item will be discussed at tonight's meeting.

Investment & Finance Meeting Report

Presented by Vice President Hanson

Meeting held September 7, 2011

1. Adopt Resolution No. 2219 for Employer Paid Member Contributions to CalPERS.

The IFC reviewed resolution no. 2219 for the employer paid member contribution to CalPERS. The IFC directed staff to forward to the Board of Directors for adoption of resolution no. 2219.

This item will be reviewed later in the agenda.


2. Review of LWD's Investment Policy and re-delegate authority to the General Manager to manage LWD's investment program.

The Committee reviewed the Investment Policy and they directed staff to forward the recommendation that the Board of Directors re-delegate authority to the General Manager to manage LWD's investment program. In addition, the IFC directed staff to forward the recommendation to receive and file LWD's annual review of the investment policy.

This item will be reviewed later in the agenda.

MEMORANDUM

Ref: 12-2985

DATE: September 8, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Annual Review of LWD Investment Policy

RECOMMENDATION:

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

1. Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2011 through August 31, 2012.
2. Receive and file the Annual Review of LWD Investment Policy Report.
3. Discuss and take other action, as appropriate.

DISCUSSION:

This item was reviewed by the IFC at its September 7, 2011 meeting. The committee recommended that this item be forwarded to the Board of Directors for discussion. No changes are recommended by the IFC.

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

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 and the IFC recommend that the Board of Directors re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2011 through August 31, 2012, receive and file the annual review of the Investment Policy Report and discuss and take other action, as appropriate.

cal:PJB

Attachment



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

| Authorized Investment | % |
|---|----------|
| 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: 12-2987

DATE: September 1, 2011
TO: Investment and Finance Committee
FROM: Paul J. Bushee, General Manager 
SUBJECT: Resolution for Employer Paid Member contributions

RECOMMENDATION:

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

1. Adopt Resolution No. 2219 for Employer Paid Member Contributions to CalPERS.
2. Discuss and take other action, as appropriate.

DISCUSSION:

This item was reviewed by the IFC at its September 7, 2011 meeting. The IFC concurred with staff's recommendation and agreed to forward this item to the Board of Directors for consideration.

LWD contracts with the California Public Employees' Retirement System (CalPERS) for certain retirement benefit programs including the CalPERS retirement program. The CalPERS defined benefit retirement program classifies payments made into CalPERS as either: (a) employer contributions or (b) employee contributions. Employer contributions must be paid by LWD; however, employee contributions can be paid by either LWD or the employee. Currently, LWD pays 5% of the 8% employee contribution and the employee pays the remaining 3%.

The proposed resolution (Attachment 1) conforms to CalPERS guidelines intended to ensure that all contributions made to CalPERS remain tax deferred – irrespective of whether the CalPERS contribution is funded by LWD or the employee.

cal:PJB

Attachment

RESOLUTION NO. 2219

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LEUCADIA WASTEWATER DISTRICT
REGARDING EMPLOYER PAID CONTRIBUTIONS TO THE CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM**

WHEREAS, the governing body of the Leucadia Wastewater District has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the Leucadia Wastewater District has specifically agreed to provide a portion of the normal member contribution to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Leucadia Wastewater District of a resolution to commence said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the Leucadia Wastewater District has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all employees of Leucadia Wastewater District.
- This benefit shall consist of paying 5% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be September 14, 2011.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Leucadia Wastewater District elects to pay EPMC, as set forth above.

PASSED AND ADOPTED by the Board of Directors of Leucadia Wastewater District this 14th day of September, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Donald Omsted, President

ATTEST:

Paul J. Bushee, Secretary/Manager

(SEAL)

MEMORANDUM

Ref: 12-3000

DATE: September 8, 2011
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: **CSDA Call to Action**



RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Discuss and provide direction, as appropriate.

DISCUSSION:

The California Special District Association (CSDA) has requested special district assistance to stop an initiative that has the potential to adversely affect special district operations. Senate Bill 293 (Contract Restrictions) has been specifically targeted by CSDA for its negative impact on special districts. CSDA is requesting that LWD and other special districts communicate with legislators and Governor Brown to oppose the following initiative:

A. SB 293 Contracting Restriction Bill on Assembly Floor

Senate Bill 293 (Padilla) shifts costs and burdens to special districts and other public agencies at a time when budgets and public services are already cut deep and stretched thin. SB 293 limits retentions on public projects to just 5%, down from the current 10% standard.

Attached please find a brief summary of this issue from CSDA. Staff requests that the Board of Directors discuss this initiative and provide direction. If a letter of opposition is desired, staff will prepare and forward it to appropriate legislative contacts.

cl:PJB

SB 293 Contracting Restriction Bill on Assembly Floor



Senate Bill 293 (Padilla) shifts costs and burdens to special districts and other public agencies at a time when budgets and public services are already cut deep and stretched thin. SB 293 limits retentions on public projects to just 5%, down from the current 10% standard. Send your opposition letter today and copy Governor Brown's office.

After passing out of the Senate, SB 293 was substantially amended to include a similar 5% retention restriction to the one that CSDA opposed in AB 1354 (Huber) earlier this year and AB 2216 (Fuentes) late last year. It is critical that your legislators and the Governor hear about how this bill will impact local projects.

SB 293 has passed all committees and is now on the Senate Floor for its final vote. Your letters of opposition to your legislators and the Governor are critical to CSDA's success in protecting special districts from this bill.

Take Action:

Download Sample SB 293 Opposition Letter [here](#)

Useful Information:

Read SB 293 Coalition Assembly Floor Alert [here](#)

Read the full text and Committee Analyses of SB 293 [here](#)

Read CSDA's SB 293 Letter of Opposition [here](#)

Read Coalition SB 293 Letter of Opposition [here](#)

Directors' Meetings

Presented by President Omsted

Conference

2011 Special District Institute Finance Seminar

Dates and Location

September 7-9, 2011

Monterey Hyatt in Monterey, CA

List of Attendees

President Don Omsted

The above mentioned Board member attended various sessions regarding solutions to financial matters.

Directors' Meetings

Presented by Directors Omsted, Juliussen, Kulchin and Sullivan

Conference

2011 26th Annual Water Reuse Symposium

Dates and Location

September 11-14, 2011

Sheraton Wild Horse Pass Resort in Chandler, AZ

List of Attendees

President Omsted

Director Sullivan

Director Juliussen

Director Kulchin

The above mentioned Board member attended various sessions regarding recycled water issues.