



**BOARD OF DIRECTORS  
REGULAR MEETING**

DATE: Wednesday, September 14, 2016  
TIME: 5:00 p.m.  
PLACE: Leucadia Wastewater District  
1960 La Costa Avenue, Carlsbad, CA 92009

**AGENDA**

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

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

**1. Call to Order**

A. Teleconference with Director Sullivan at the following location:  
913 West Agatite #1  
Chicago, IL 60640

**2. Roll Call**

**3. Pledge of Allegiance**

**4. General Public Comment Period**

**5. Approval of Agenda**

**6. Presentation and Awards**

A. Achievement of Individual Objectives (Pages 5-9)

**CONSENT CALENDAR**

Items 7-11 will be enacted in one motion in accordance with the recommendation unless removed from the Consent Calendar by the Board of Directors, Staff or Public. If a member of the public wishes to remove an item, they should submit a "Request to Address the LWD Board of Directors" form to the Board Secretary prior to the meeting.

Items removed from the Consent Calendar will be considered in the original agenda order immediately following adoption of the Consent Calendar.

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

Minutes of the following meetings:

- August 16, 2016 Investment and Finance Meeting (Pages 10-11)
- August 17, 2016 Regular Board Meeting (Pages 12-17)
- September 6, 2016 Investment and Finance Meeting (Pages 18-19)
- September 7, 2016 Engineering Committee Meeting (Pages 20-21)

**8. Approval of Demands for August/September 2016**

This item provides for Board of Directors approval of all demands paid from LWD during the month of August and a portion in September 2016. (Pages 22-43)

**9. Operations Report**

This report discloses the year-to-date and monthly flow, rainfall, EDU's and reclaimed water averages; along with MGD flow comparisons from FY16 to FY17 and flows by sub-basin. (Pages 44-48)

**10. Finance Report**

This report discloses up-to-date schedule of assets, liabilities, net assets and compares fiscal year-to-date expenditures to the FY17 budget and discloses monthly investments. (Pages 49-56)

**11. Disclosure of Reimbursements**

This report discloses travel expense reimbursements for the month of August 2016. (Pages 57-58)

## **EWA REPORTS**

**12. Encina Wastewater Authority Reports**

- A. A regular EWA Board meeting was held on August 24, 2016 – report by Director Sullivan. (Page 59)
- B. An Encina Member Agencies Manager's Meeting was held on September 6, 2016 – report by GM Bushee. (Verbal)

## **COMMITTEE REPORTS**

**13. Committee Reports**

- A. Investment and Finance Committee meeting was held on September 6, 2016 – report by Director Hanson. (Page 60)
- B. Engineering Committee meeting was held on September 7, 2016 – report by Director Juliussen. (Page 61)

## **ACTION ITEMS**

**14. Leucadia Pump Station Rehabilitation Project – Engineering Design Services**

Authorize the General Manager to execute Task Order No. 29 with Infrastructure Engineering Corporation (IEC) for engineering design services for the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$41,058. (Pages 62-68)

**15. Annual Review of LWD's Investment Policy**

Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2016 through August 31, 2017, adopt Resolution No. 2282 amending LWD's Investment Policy, and receive and file the annual review of the Investment Policy. (Pages 69-80)

**INFORMATION ITEMS**

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

A. None

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

A. CSDA Quarterly Dinner was held on August 18, 2016 at The Butcher Shop Steakhouse in Kearny Mesa, CA. (Page 81)

B. Carlsbad State of the City Luncheon was held on August 26, 2016 at the Carlsbad Sheraton Resort & Spa in Carlsbad, CA. (Page 82)

**18. General Manager's Report**

**19. General Counsel's Report**

**20. Board of Directors' Comments**

**21. Adjournment**

AFFIDAVIT 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, 2016



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Paul J. Bushee, Secretary/General Manager

## MEMORANDUM

**DATE:** September 8, 2016  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Presentation and Awards – Achievement of an Individual Award

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It is my pleasure to announce that three Leucadia Wastewater District (LWD) staff members have met individual performance objectives under LWD's Incentive Program. The individual achievements are as follows:

5 Year Service Award – Gabriel Mendez

On September 12, 2016, Field Services Technician III Gabriel (Gabe) Mendez will pass his 5<sup>th</sup> anniversary of employment at LWD. This milestone is a tribute to Gabe's hard work, dedication, and commitment to LWD. Gabe's exceptional milestone also meets one of the individual objectives under LWD's Incentive Program. Gabe is eligible for an Individual Incentive Award of \$100.

Associate Degree Public Works Management: Public Works Management Level II – Gabriel Mendez

Please join me in congratulating Gabriel (Gabe) Mendez who recently received his Associate Degree from Palomar College in Public Works Management: Level II. To obtain his Associate Degree, Gabe worked hard on his own time for this achievement while maintaining his full time position at LWD. This accomplishment reflects Gabe's desire to excel through continued professional development. As a result of this certification, Gabe is eligible for an Individual Incentive Award of \$750.

California Water Environment Association (CWEA) Collection System Maintenance Grade 1 Certification – Curney Russell

Please join me in congratulating Field Services Technician-In-Training Curney Russell who recently received his Collection System Maintenance Grade 1 certification from CWEA. Curney has been working for the District since April 2016 and this is his first certification since his employment at the District. Curney has worked hard on his own time for this achievement while maintaining his full time position at LWD. This accomplishment reflects Curney's desire to excel through continued professional development. As a result of this certification, Curney is eligible for an Individual Incentive Award of \$500.

Palomar College Certificate of Achievement in Wastewater Technology Education – Marvin Gonzalez

Please join me in congratulating Field Services Supervisor Marvin Gonzalez who recently received a Certificate of Achievement in Wastewater Technology Education from Palomar College. Marvin has been working for LWD since August 2005. Marvin has worked hard on his own time for this achievement while maintaining his full time position at LWD. This accomplishment reflects Marvin's desire to excel through continued professional development. As a result of this certification, Marvin is eligible for an Individual Incentive Award of \$500.

Please join me in congratulating Gabe, Curney, and Marvin for their outstanding accomplishments.

tb:PJB

# Palomar College

*Upon the recommendation of the Faculty and under authorization  
granted by the State Board of Education, the degree of*

*Associate in Science  
Public Works Management: Level II*

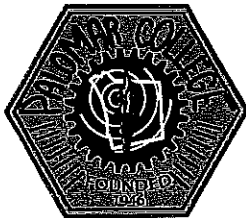
*is hereby conferred upon*

*Gabriel Mendez*

*with all rights, benefits, and privileges pertaining thereto  
in token of the satisfactory completion of the prescribed curriculum.*

*Given at San Marcos, California, this  
twenty-third day of May, two thousand sixteen.*

*Adri Zuel*  
Interim Superintendent/President



*Mark R. Eivinsizer*  
President, Governing Board

# CALIFORNIA WATER ENVIRONMENT ASSOCIATION

*Certification of Competence*

*THIS IS TO CERTIFY THAT*

Curney Russell

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

Collection System Maintenance

Grade 1

Expires: 8/31/2017

*Garry J. Parker*

Garry Parker, President  
California Water Environment Association



Certificate Number 1308214639

*Sam Rose*

Sam Rose, Chair  
Technical Certification Program



# Palomar College

*Upon the recommendation of the Faculty, this*

## *Certificate of Achievement*

*in*

*Wastewater Technology Education*

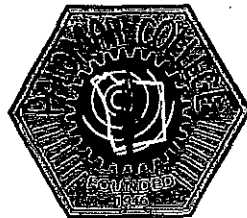
*is hereby awarded to*

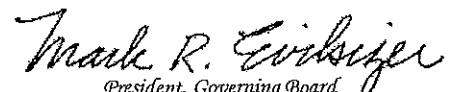
**Marvin A. Gonzalez**

*in token of the satisfactory completion of a concentrated college program.*

*Given at San Marcos, California, this  
twenty-third day of May, two thousand sixteen.*

  
Interim Superintendent/President



  
President, Governing Board

**LEUCADIA WASTEWATER DISTRICT**  
Minutes of an Investment & Finance Committee Meeting  
August 16, 2016

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A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Tuesday, August 16, 2016 at 9:00 a.m. at the District Administration Office 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 Paul Bushee, Administrative Services Manager Richard Duffey, Accounting Technician Maggie McEniry, Executive Assistant Tianne Baity, and CPA Jennifer Farr with Davis Farr, LLP.

**3. Public Comment**

No public comment was received.

**4. New Business**

A. Audit Entrance Meeting with Davis Farr, LLP.

ASM Duffey presented the item and introduced CPA Jennifer Farr with Davis Farr, LLP.

Ms. Farr provided an overview of the audit process discussing the timing of the audit and the planned scope. She noted that a letter was sent to the Directors indicating that the audit process has begun, along with the auditor's responsibilities.

Ms. Farr identified the following three areas they plan to focus on and test for any potential fraud or errors:

- Implementation of GASB Statement No. 72 Investment Fair Value Disclosures;
- Recording the District's OPEB liability in compliance with GASB No. 45; and
- Recording of Encina Wastewater Authority transactions.

Ms. Farr stated that the final phase of the audit will begin October 3, 2016.

The IFC thanked Ms. Farr and Ms. Farr left the meeting at this time.

No action was taken on this item.

B. Revised Procurement Policy – Adopt Resolution No. 2281 approving LWD's revised Procurement Policy and receive and file the annual review of the policy.

ASM Duffey presented the item stating that it is a Fiscal Year 2017 tactical goal. ASM Duffey stated that staff has reviewed the policy and is recommending several minor administrative changes.

Director Omsted suggested a minor change to the Procurement Policy under section 10.2 Emergency. ASM Duffey stated that staff would make the change.

Following discussion, the IFC agreed with staff to recommend that Board of Directors adopt Resolution No. 2281 and receive and file the annual review of the policy with the suggested change under section 10.2.

**5. Information Items**

None.

**6. Directors' Comments**

Director Omsted asked if it is possible to have better dental insurance coverage.

ASM Duffey stated that he would look into this and report back

**7. General Manager's Comments**

None.

**8. Adjournment**

Chairperson Hanson adjourned the meeting at 9:18 a.m.

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Paul J. Bushee  
Secretary/General Manager  
(Seal)

**LEUCADIA WASTEWATER DISTRICT**

Minutes of a Regular Board Meeting  
August 17, 2016

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, August 17, 2016 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, Kulchin, and Juliussen  
 DIRECTORS ABSENT: None  
 OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Richard Duffey, Technical Services Manager Robin Morishita, Field Services Superintendent Jeff Stecker, Executive Assistant Tianne Baity, Administrative Services Supervisor Trisha Hill, and Field Services Technician III Mauricio Avalos.

**3. Pledge of Allegiance**

President Omsted led the pledge of allegiance.

**4. General Public Comment Period**

None.

**5. Approval of Agenda**

President Omsted asked the Board of Directors if there were any objections to the approval of the Agenda, and seeing none, the Board approved the Consent Calendar by the following vote:

Director	Vote
President Omsted	Yes
Vice President Hanson	Yes
Director Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

**6. Presentations and Awards**

**A. Achievement of an Individual Award – Field Services Technician III Mauricio Avalos 5<sup>th</sup> year anniversary.**

GM Bushee introduced FST III, Mauricio Avalos, stating that he recently passed his 5<sup>th</sup> year anniversary at the District. He provided background information about Mauricio and noted that under LWD's incentive program that Mauricio is eligible for a \$100 incentive award.

President Omsted presented Mauricio with his certificate and the Board of Directors congratulated Mauricio for his efforts.

**B. Achievement of an Individual Award – Administrative Services Supervisor Trisha Hill 15<sup>th</sup> year anniversary.**

GM Bushee introduced Administrative Services Supervisor Trisha Hill, stating that she recently passed her 15<sup>th</sup> year anniversary at the District. He provided background information about Trisha and noted that under LWD's incentive program that Trisha is eligible for a \$300 incentive award.

President Omsted presented Trisha with her certificate and the Board of Directors congratulated Trisha for her efforts.

## CONSENT CALENDAR

### 7. Approval of Board and Committee Minutes

Minutes of the following meetings:

July 13, 2016 Regular Board Meeting  
August 3, 2016 Engineering Committee Meeting

### 8. Approval of Demands for July/August 2016

Payroll Checks numbered 18695-18738; General Checking – Checks numbered 48525-48624.

### 9. Operations Report (A copy was included in the original August 17, 2016 Agenda)

### 10. Finance Report (A copy was included in the original August 17, 2016 Agenda)

### 11. Quarterly Treasurer's Investment Report (A copy was included in the original August 17, 2016 Agenda)

### 12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of July 2016.

### 13. Fiscal Year 2017 (FY17) Pay Schedules

Adopt Resolution No. 2280 - Approving the FY17 pay schedules. (A copy was included in the original August 17, 2016 Agenda)

President Omsted asked the Board of Directors if there were any objections to the approval of the Consent Calendar, and seeing none, the Board approved the Consent Calendar by the following vote:

Director	Vote
President Omsted	Yes
Vice President Hanson	Yes
Director Sullivan	Yes
Director Kulchin	Yes
Director Juliussen	Yes

## EWA and COMMITTEE REPORTS

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

A. EWA Board Report – Meeting was held on July 27, 2016.

Director Sullivan reported on EWA's July 27, 2016 Board meeting.

**15. Committee Reports**

A. Engineering Committee (EC) meeting was held on August 3, 2016.

Director Juliussen reported that the EC reviewed the following recommendation: an agreement with Cues Equipment Company for the purchase of a new Closed Circuit Television (CCTV) Van in an amount not to exceed \$199,762.

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

The EC also received a project update on the Pointsettia Station Project.

B. Investment and Finance (IFC) meeting was held on August 16, 2016.

Director Hanson reported that the IFC participated in the Financial Audit Entrance meeting with staff and Jennifer Farr CPA from the accounting firm at Davis Farr, LLP.

Ms. Farr stated that they have begun their preliminary audit review. She went over the auditor's responsibilities, the timing of the audit, and the planned scope. Ms. Farr stated the final phase of the audit will begin October 3, 2016.

There was no action taken.

Director Hanson also reported that the IFC reviewed Resolution No. 2281 revising the LWD Procurement Policy.

The IFC concurred with staff to recommend this item to the Board for adoption and it will be discussed later in the agenda.

**ACTION ITEMS**

**16. Annual Review of LWD's Procurement Policy**

Adopt Resolution No. 2281 – LWD's Revised Procurement Policy and receive and file the annual review of the Procurement Policy

ASM Duffey presented this item stating that it was reviewed by the IFC during its August 16, 2016 meeting and noted it is a Fiscal Year 2017 tactical goal. He provided background information on the Procurement Policy and stated that after staff's and the IFC's review of the policy, there were several minor administrative changes recommended.

Following discussion, upon a motion duly made by Vice President Hanson, seconded by Director Juliussen, and unanimously carried, the Board of Directors adopted Resolution No. 2281 – LWD's Revised Procurement Policy and received and filed the annual review of the Procurement Policy by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Omsted</b>	Yes
<b>Vice President Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Kulchin</b>	Yes
<b>Director Juliussen</b>	Yes

**17. Award Purchase Agreement to Cues Equipment Company for a New Closed Circuit Television (CCTV) Van**

Authorize the General Manager to execute a purchase Agreement with Cues Equipment Company for the purchase of a new CCTV Van in an amount not to exceed \$199,762.

FSSupt Stecker presented staff's and the EC's recommendation noting it is a Fiscal Year 2017 tactical goal. FSSupt Stecker provided background information on the District's CCTV program and noted that the older vehicle was purchased in 2000 and needed to be replaced. He also stated that the new van will be outfitted with the same equipment as the CCTV truck so that equipment and parts can easily be exchanged in an emergency.

FSSupt Stecker noted that staff has been using the Cues CCTV system and equipment since 2000. Therefore, staff is knowledgeable and familiar with the Cues system. He also noted that the Cues system has proven to be very reliable.

FSSupt Stecker said staff obtained quotes from Cues Equipment Company (Cues) and Plumber's Depot. FSSupt Stecker stated that Cues quote of \$199,762 was \$237 less than the Plumber's Depot quote. He continued that staff recommends awarding the CCTV Van purchase to Cues.

Vice President Hanson asked what happens if the CCTV van needs maintenance. FSSupt Stecker responded that the maintenance of the vehicle would be done locally by Quality Chevrolet and maintenance or repair of the Cues equipment would be done in Ontario, California.

Following discussion, upon a motion duly made by Director Juliussen, seconded by Director Sullivan, and unanimously carried, the Board of Directors authorized the General Manager to execute a purchase Agreement with Cues Equipment Company for the purchase of a new CCTV Van in an amount not to exceed \$199,762 by the following vote:

<b>Director</b>	<b>Vote</b>
<b>President Omsted</b>	Yes
<b>Vice President Hanson</b>	Yes
<b>Director Sullivan</b>	Yes
<b>Director Kulchin</b>	Yes
<b>Director Juliussen</b>	Yes

**INFORMATION ITEMS**

**18. Project Status Updates and Other Informational Reports**

- A. CSDA Quarterly Dinner Meeting is scheduled for Thursday, August 18, 2016 at The Butcher Shop Steakhouse in Kearny Mesa, CA.

GM Bushee stated that a carpool will be leaving from the District office at 5:30 p.m. and that he will send an email reminder.

- B. Flu Shot Clinic is scheduled for Thursday, September 22, 2016 from 3pm-5pm.

GM Bushee announced the flu shot clinic date and time.

- C. The 2016 CSDA Annual Conference is scheduled for October 10-13, 2016 at the Sheraton San Diego Hotel and Marina in San Diego, CA.

D. Memo from CSDA requesting volunteers for 2017 CSDA Committee & Expert Feedback Team Participation.

EA Baity presented the item and stated that CSDA is looking for volunteers for CSDA Committee teams or the Expert Feedback Team. She noted that the deadline to submit interest forms is October 14, 2016.

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

A. The 2016 CASA Annual Conference was held on August 9-12, 2016 at the Monterey Marriott in Monterey, CA.

Director Sullivan reported that there were great speakers at the conference. She stated that she especially liked the speaker on Millennials and workforce analysis. She quoted one of the statistics given at the conference noting that in learning a new job, it is 70% doing, 20% coaching, and 10% education.

Director Kulchin reported that he was pleased that GM Bushee will be the next Vice President of the CASA Board of Directors. He noted that aside from the speaker on Millennials, he thought that the conference was poorly executed. He stated that he looks forward to the changes GM Bushee will bring to CASA as Vice President.

Vice President Hanson reported that the CSRMA preconference session was very good. She stated that we are very lucky to have CSRMA as our insurance carrier. She also reported that she enjoyed the session given by the retired City Manager of Palo Alto and noted that the City Manager's Association offers free coaching to any agency free of charge and that LWD should take advantage of this resource.

President Omsted reported that he felt there wasn't very much new information given at the conference.

**20. General Manager's Report**

GM Bushee reported on the following items:

- The Little Hoover Commission is conducting an analysis of the State's special districts to see if any additional State policy or law is needed for special districts. A public hearing will take place at the State Capitol on August 25, 2016.
- GM Bushee will be out of the office August 24 through August 30 visiting family. ASM Duffey will be the acting GM in his absence.
- The Carlsbad State of the City Luncheon is Friday, August 26 and ASM Duffey will be attending in place of GM Bushee. There will be a carpool leaving the District office and an email reminder will be sent.

**21. General Counsel's Report**

GC Brechtel reported on the following items:

- The SWWP Bill that would have caused public agencies to be in charge of erosion protection measures was defeated.
- SB 1069; which would eliminate ability to charge capacity fees for accessory dwelling units.

**22. Board of Directors' Comments**

Director Juliussen thanked the Board for their cooperation in giving staff the tools they need in order to get the job done. He also thanked staff for doing a great job.



Director Sullivan stated that she is proud to be associated with LWD.

Vice President Hanson stated that she will not be able to attend the September Board Meeting.

President Omsted stated that the District is doing a good job at preventing harassment in the work place.

**23. Adjournment**

President Omsted adjourned the meeting at 5:34 p.m.

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Donald Omsted, President

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Paul J. Bushee  
Secretary/General Manager  
(SEAL)

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of an Investment & Finance Committee Meeting  
 September 6, 2016

A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Tuesday, September 6, 2016 at 9:00 a.m. at the District Administration Office 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 Paul Bushee, Administrative Services Manager Richard Duffey, Administrative Services Supervisor Trisha Hill, and Executive Assistant Tianne Baity

**3. Public Comment**

No public comment was received.

**4. New Business**

A. Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2016 through August 31, 2017, adopt Resolution No. 2282 amending LWD's Investment Policy, and receive and file the annual review of the Investment Policy.

ASM Duffey presented the item stating that it is a Fiscal Year 2017 tactical goal. He provided background information on the Investment Policy and stated that after review of the policy by staff and Richard Babbe, LWD's investment advisor from PFM, changes were recommended to the following areas:

1. Permitted Investments (section 8.1): Revise the section on Placement Service Certificates of Deposit to permit all type of Placement Service Deposits rather than limiting placement service deposits to certificates of deposits. Any placement service deposits are required to be insured by federal deposit insurance.
2. Diversification (section 11.0)
  - a. Increase the allowable allocation investment percentage for mid-term corporate notes from 10% to 20% of total LWD funds. California Government Code allows up to 30%. This would provide additional investment opportunity and flexibility.
  - b. List the allowable allocation investment percentage for Placement Service Deposits at 25%. California government code allows up to 30%.
3. Make minor administrative changes to LWD's investment policy, such as formatting and grammar.

ASM Duffey explained that these changes would provide additional investment opportunity and flexibility for LWD. He also noted that the LWD's investment policy is more restrictive than what California Government Code allows.

Staff and the IFC also discussed the practicality of implementing the corporate environmental review portion under section 8.2 "Socially Responsible Investing." Directors Omsted and Hanson concurred with staff's preference on removal of this portion but agreed that this item should be brought to the full Board. GM Bushee and the IFC agreed to present this item to the Board at its September 14, 2016 meeting for approval.

Following discussion, the IFC agreed with staff to recommend that the Board of Directors re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2016 through August 31, 2017, adopt Resolution No. 2282 amending LWD's Investment Policy, and receive and file the annual review of the Investment Policy.

**5. Information Items**

None.

**6. Directors' Comments**

Director Omsted asked how the Carlsbad State of the City Luncheon went and who attended. ASM Duffey stated that he attended the luncheon with Directors Sullivan and Juliussen and he stated that it went well. GM Bushee noted that Director Kulchin also attended the luncheon but on behalf of Scripps. Director Omsted asked if it will be reported on at the September Board Meeting. GM Bushee stated that that he will add this item to the September Board Agenda.

**7. General Manager's Comments**

None.

**8. Adjournment**

Chairperson Hanson adjourned the meeting at 9:23 a.m.

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Paul J. Bushee  
Secretary/General Manager  
(Seal)

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of an Engineering Committee Meeting  
 September 7, 2016

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A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held on Wednesday, September 7, 2016 at 8:30 a.m., at the LWD Administration Office located at 1960 La Costa Avenue, Carlsbad, California.

**1. Call to Order**

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

**2. Roll Call**

DIRECTORS PRESENT: Juliussen and Kulchin

DIRECTORS ABSENT: None

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

**3. Public Comment**

None.

**4. New Business**

- A. Authorize the General Manager to execute Task Order Number 29 with Infrastructure Engineering Corporation (IEC) for engineering design services for the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$41,058.

TSM Morishita presented staff's recommendation. He said that IEC completed the pump station assessment in April 2014. He continued that, as a result, it was recommended that the Leucadia Pump Station be rehabilitated in FY 2016 and a structural assessment be conducted in FY 2019. TSM Morishita said that staff believed it was more efficient and cost effective to combine both projects into a single project.

TSM Morishita listed the major items to be accomplished during the rehabilitation. He also stated that the structural assessment will consist of non-destructive observation methods that rely on visual observations and sounding techniques. He continued that if more extensive evaluation is required that may require destructive testing, which is not included in this scope.

TSM Morishita said that IEC submitted a proposal for project design. He described the scope of work which includes structural and electrical subcontracted services. He said that staff believes IEC proposal is fair and reasonable and recommended that the General Manager be authorized to execute Task Order No. 29 with IEC.

After discussion, the EC concurred with staff to recommend that the Board authorize the execution of Task Order No. 29 with IEC at the September Board meeting.

**5. Information Items**

**A. Using Recycled Water for Collection System Hydro-Cleaning.**

FSSupt Stecker presented an update on efforts to use recycled water during collection system hydro-cleaning operations. He said that staff met with Olivenhain Municipal Water District (OMWD) to discuss the use of recycled water from their recently expanded recycled water distribution system in the Village Park area. FSSupt showed a graphic that displayed the OMWD distribution system within LWD's service area. He stated that during the discussion, OMWD indicated that they are willing to provide recycled water in other areas within LWD's service area covered by their distribution system. FSSupt Stecker noted that LWD and OMWD staff are collectively working on the next steps in the process including selection of refill points, establishing a blended cost for the recycled water and addressing any environmental concerns prior to the next meeting.

The EC was pleased with the progress on this project and the teamwork displayed between OMWD and LWD staff.

**B. Scott's Valley Pipeline Rehabilitation Post Construction Review.**

FSSpec Riffel presented this item. He gave an overview of the recently completed project. He stated that he collected and graphed flow data for the Scott's Valley Gravity Pipeline. He continued that the data indicated that, as a result of the project, inflow and infiltration (I&I) has been significantly reduced in the Scott's Valley gravity line. FSSpec Riffel also graphed the rainfall for the same periods over which the flow data was collected. He stated that post construction flow in the line was lower even during comparative significant rain events. FSSpec Riffel noted that in conclusion the project was successful in reducing I&I in the collection system.

The EC was satisfied with the results of the Scott's Valley rehabilitation project.

**6. Directors' Comments**

None.

**7. General Manager's Comments**


None.

**8. Adjournment**

Chairperson Juliussen adjourned the meeting at approximately 9:07 a.m.

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Paul J. Bushee,  
Secretary/Manager  
(Seal)

**DATE:** September 8, 2016  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Approval of August/September Demands

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**RECOMMENDATION:**

Staff requests that the Board of Directors:

1. Approve checks and electronic payments totaling \$ **1,236,972.29**
2. Discuss and take other action as appropriate.

**DISCUSSION:**

Attached are check registers describing all payments made by LWD for the months August 9, 2016 – September 8, 2016.

Operating expenses totaled \$ **682,749.02** while Capital Improvement Program expenses totaled \$ **450,012.68**.

Payroll for employees and the Board totaled \$ **104,210.59**.

Attached, please find a year to date Employee and Board Payroll Report from August 2015 to September 2016, for your review. The report includes a monthly breakdown of employee and Board payroll expenses for the prior 12 months.

Attachment 1	Summary of Demands by Account August/September 2016
Attachment 2	Accounts Payable Check Register dated August 10, 2016
Attachment 3	Payroll Check Register dated August 16, 2016
Attachment 4	Payroll Check Register dated August 17, 2016
Attachment 5	Accounts Payable Check Register dated August 22, 2016
Attachment 6	Accounts Payable Check Register dated August 26, 2016
Attachment 7	Payroll Check Register dated August 31, 2016
Attachment 8	Board Payroll Check Register dated September 1, 2016
Attachment 9	Accounts Payable Check Register dated September 1, 2016
Attachment 10	Year to Date Employee and Board Payroll Report

## DEMANDS SUMMARY

September 14, 2016

### 1. Demands

Category	Check #'s	Amount	Total
Payroll Check -8/16/2016	18739 - 18758 <b>Incentive</b>	\$6,786.37	
Payroll Check -8/17/2016	18759 - 18777	\$46,135.12	
Payroll Check - 8/31/2016	18778 - 18796	\$45,952.27	
Board Payroll Check - 9/1/2016	18797 - 18801	<u>\$5,336.83</u>	
	<b>Total</b>	<b>\$104,210.59</b>	
General Checking -8/10/2016	48625 - 48667	\$ 900,645.72	
General Checking -8/22/2016	48668 - 48703	\$ 51,816.51	
General Checking -8/26/2016	48704 - 48735	\$ 130,857.16	
General Checking -9/1/2016	48736 - 48751	<u>\$ 49,442.31</u>	
	<b>Total</b>	<b>\$ 1,132,761.70</b>	
	<b>GRAND TOTAL</b>		<b>\$1,236,972.29</b>

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/10/2016 Through 8/10/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
ARC DOCUMENT SOLUTIONS,LLC	48625	8/10/2016	32.00	PLANS/SPECS
	Total 48625		32.00	
AT&T	48626	8/10/2016	190.94	PHONES/ELEVATOR, ETC
	Total 48626		190.94	
BATIQUITOS LAGOON FOUNDATION	48627	8/10/2016	2,500.00	MEMBERSHIP RENEWAL/SPONSORSHIP
	Total 48627		2,500.00	
CITY OF CARLSBAD	48628	8/10/2016	132.78	WATER @ OFFICE/PLANT
CITY OF CARLSBAD		8/10/2016	269.84	WATER @ PLANT/OFFICE
CITY OF CARLSBAD		8/10/2016	311.37	WATER @ VACTOR
CITY OF CARLSBAD		8/10/2016	314.04	WATER @ VACTOR 2
	Total 48628		1,028.03	
CORELOGIC INFORMATION SOLUTIONS,INC	48629	8/10/2016	125.00	REAL QUEST MONTHLY SUBSCRIPTION
	Total 48629		125.00	
COX COMMUNICATIONS SAN DIEGO	48630	8/10/2016	1,424.54	PHONE SERVICE/INTERNET
	Total 48630		1,424.54	
DOANE AND HARTWIG WATER SYSTEMS, INC	48631	8/10/2016	140.81	TUBE ASSEMBLY
	Total 48631		140.81	
DATA NET	48632	8/10/2016	152.00	IS MAINT AND SUPPORT
DATA NET		8/10/2016	931.77	SYMANTEC RENEWAL
	Total 48632		1,083.77	
DION INTERNATIONAL TRUCKS INC	48633	8/10/2016	22.33	TRUCK/VACTOR MAINT/SERVICE
	Total 48633		22.33	
DOWNSTREAM SERVICES, INC.	48634	8/10/2016	70.00	STORM WATER MAINT
	Total 48634		70.00	
ENCINA WASTEWATER AUTHORITY	48635	8/10/2016	846,946.92	ENCINA QTR BILLING-Q/M/CAPITAL
	Total 48635		846,946.92	
EVOQUA WATER TECHNOLOGIES, LLC	48636	8/10/2016	7,948.45	BIOXIDE



**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/10/2016 Through 8/10/2016

<u>Vendor Name</u>	<u>Check Number</u>	<u>Effective Date</u>	<u>Check Amount</u>	<u>Transaction Description</u>
	Total 48636		7,948.45	
GOVERNMENT FINANCE OFFICER ASSOC.	48637	8/10/2016	160.00	MEMBERSHIP RENEWAL-2016/2017
	Total 48637		160.00	
GRAINGER, INC	48638	8/10/2016	497.14	AIR FILTERS
GRAINGER, INC		8/10/2016	50.15	CAP/FILTER
	Total 48638		547.29	
HAAKER EQUIPMENT CO	48639	8/10/2016	3,024.00	VACTOR PRESSURE HOSES
	Total 48639		3,024.00	
HEAVILAND ENTERPRISES, INC	48640	8/10/2016	1,572.00	REPLACE SPRINKLER HEADS
	Total 48640		1,572.00	
ICMA RETIREMENT-303979	48641	8/10/2016	3,885.42	DEFERRED COMP
	Total 48641		3,885.42	
JEFFERY STECKER	48642	8/10/2016	598.35	REIMBURSE FOR CWEA COMMITTEE CONF
	Total 48642		598.35	
AUSTIN KEETH	48643	8/10/2016	1,450.00	LATERAL REIMBURSEMENT
	Total 48643		1,450.00	
MARVIN GONZALEZ	48644	8/10/2016	580.47	REIMBURSE FOR CWEA COMMITTEE CONF
	Total 48644		580.47	
MITSUBISHI ELECTRIC US, INC	48645	8/10/2016	277.41	ELEVATOR MAINTENANCE/SERVICE
	Total 48645		277.41	
NAPA AUTO	48646	8/10/2016	4.85	BATTERY CABLE
NAPA AUTO		8/10/2016	49.55	BRASS FITTINGS
NAPA AUTO		8/10/2016	43.70	MAT, SPRAY, ETC
	Total 48646		98.10	
NATIONWIDE RETIREMENT SOLUTIONS	48647	8/10/2016	247.22	DEFERRED COMP
	Total 48647		247.22	
OFFICE DEPOT, INC.	48648	8/10/2016	194.39	OFFICE SUPPLIES
	Total 48648		194.39	

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/10/2016 Through 8/10/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
OLIVENHAIN MUNICIPAL WATER DIST	48649	8/10/2016	41.13	WATER @ E.ESTATES PS
OLIVENHAIN MUNICIPAL WATER DIST		8/10/2016	313.70	WATER @ TRAVELING
OLIVENHAIN MUNICIPAL WATER DIST		8/10/2016	362.78	WATER @ TRAVELING 2
OLIVENHAIN MUNICIPAL WATER DIST		8/10/2016	41.13	WATER @ VP5 PS
OLIVENHAIN MUNICIPAL WATER DIST		8/10/2016	44.69	WATER @ VP7 PS
	Total 48649		803.43	
PALOMAR WATER, LLC	48650	8/10/2016	247.19	BOTTLED WATER DELIVERED TO OFFICE
	Total 48650		247.19	
PURCHASE POWER	48651	8/10/2016	111.10	SHIPPING
	Total 48651		111.10	
RICHARD STINSON	48652	8/10/2016	5,000.00	CM SERVICES-JULY
RICHARD STINSON		8/10/2016	1,100.00	CME SERVICES-MAY/JUNE
	Total 48652		6,100.00	
ROCKWELL CONSTRUCTION SERVICES, INC	48653	8/10/2016	250.00	CM SERVICES FOR SPS REHAB
	Total 48653		250.00	
CURNEY RUSSELL	48654	8/10/2016	73.00	REIMBURSE FOR CLASS
	Total 48654		73.00	
SAN DIEGUITO WATER DISTRICT	48655	8/10/2016	63.12	WATER @ TANKER
SAN DIEGUITO WATER DISTRICT		8/10/2016	210.40	WATER @ TANKER 2
	Total 48655		273.52	
SAN DIEGO GAS & ELECTIRC	48656	8/10/2016	729.56	ELECTRIC @ SPS
	Total 48656		729.56	
SOUTHERN CONTRACTING COMPANY	48657	8/10/2016	6,700.00	HYDRORANGERS
SOUTHERN CONTRACTING COMPANY		8/10/2016	160.00	LAMPS
	Total 48657		6,860.00	
TERMINIX	48658	8/10/2016	56.00	MONTHLY PEST SERVICE
	Total 48658		56.00	

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/10/2016 Through 8/10/2016

<u>Vendor Name</u>	<u>Check Number</u>	<u>Effective Date</u>	<u>Check Amount</u>	<u>Transaction Description</u>
T.Y. LIN INTERNATIONAL	48659	8/10/2016	6,024.75	POINSETTIA SEWER IMPROVEMENTS
	Total 48659		6,024.75	
UNDERGROUND SERVICE ALERT OF	48660	8/10/2016	165.00	UNDERGROUND ALARM SERVICE
	Total 48660		165.00	
UNIFIRST CORPORATION	48661	8/10/2016	185.34	LAUNDRY SERVICE W/E 7/27/16
UNIFIRST CORPORATION		8/10/2016	188.85	UNIFORM/LAUNDRY SERVICE W/E 8/3/16
	Total 48661		374.19	
VERIZON WIRELESS	48662	8/10/2016	21.27	CELL PHONES-TELEMETRY
	Total 48662		21.27	
WASTE MANAGEMENT	48663	8/10/2016	206.86	TRASH SERVICE-JULY
	Total 48663		206.86	
WATER ENVIRONMENT FEDERATION	48664	8/10/2016	235.00	MEMBERSHIP RENEWAL-R. MORISHITA
WATER ENVIRONMENT FEDERATION		8/10/2016	297.00	RENEWAL MEMBERSHIP-J. STECKER
	Total 48664		532.00	
WOODYS CRANE SERVICE	48665	8/10/2016	500.00	CRANE RENTAL
	Total 48665		500.00	
WORDEN WILLIAMS LLP	48666	8/10/2016	3,070.30	LEGAL FEES-JULY
	Total 48666		3,070.30	
XEROX CORPORATION	48667	8/10/2016	100.11	COPIER MAINT AND REPAIR
	Total 48667		100.11	
Report Total			900,645.72	

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: August 16, 2016  
Incentive

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
18739 - 18758	8/16/2016	\$6,786.37

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: August 17, 2016

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
18759 - 18777	8/17/2016	\$46,135.12

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/22/2016 Through 8/22/2016

<u>Vendor Name</u>	<u>Check Number</u>	<u>Effective Date</u>	<u>Check Amount</u>	<u>Transaction Description</u>
ARC DOCUMENT SOLUTIONS,LLC	48668	8/22/2016	1,052.81	PLANS AND SPECS
	Total 48668		1,052.81	
BIGTUNA INTERACTIVE	48669	8/22/2016	780.00	WEB SITE MAINT
	Total 48669		780.00	
BOOT WORLD, INC	48670	8/22/2016	194.36	SAFETY BOOTS-H. GONZALEZ
BOOT WORLD, INC		8/22/2016	155.50	SAFETY BOOTS-R. EASTON
	Total 48670		349.86	
CARLSBAD FUELS CORPORATION	48671	8/22/2016	1,681.52	VEHICLE GAS
	Total 48671		1,681.52	
CARLSON & BEAULOYE	48672	8/22/2016	1,687.31	COMPRESSORS SERVICES @ LPS/AWT
CARLSON & BEAULOYE		8/22/2016	43.26	OIL FILTERS
	Total 48672		1,730.57	
CHUCKS TIRE CENTER	48673	8/22/2016	25.00	TIRE REPAIR-Unit 158
	Total 48673		25.00	
CORODATA	48674	8/22/2016	76.84	STORAGE-FILES-July
	Total 48674		76.84	
CSDA- SAN DIEGO CHAPTER	48675	8/22/2016	180.00	CSDA QUARTERLY DINNER-AUG
	Total 48675		180.00	
CUMMINS PACIFIC,LLC	48676	8/22/2016	805.86	SERVICE CALL AND LABOR @ LPS
	Total 48676		805.86	
DAVID KULCHIN	48677	8/22/2016	1,085.33	REIMBURSE FOR CASA CONF
	Total 48677		1,085.33	
DONALD OMSTED	48678	8/22/2016	1,132.26	REIMBURSE FOR CASA CONF
	Total 48678		1,132.26	
FIRE SERVICE CORP	48679	8/22/2016	145.00	FIRE EXTINGUISHERS SERVICE
	Total 48679		145.00	
GRAINGER, INC	48680	8/22/2016	75.98	PARTS FOR BPS
	Total 48680		75.98	
SMARTCOVER SYSTEMS	48681	8/22/2016	2,748.09	SMARTCOVER LABOR/WARRANTY

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/22/2016 Through 8/22/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
	Total 48681		2,748.09	
HEAVILAND ENTERPRISES, INC	48682	8/22/2016	840.00	LANDSCAPE FEES FOR AUGUST
	Total 48682		840.00	
I2B NETWORKS, INC	48683	8/22/2016	539.40	WEB CAM REPAIR
I2B NETWORKS, INC		8/22/2016	160.00	WEB CAM- AUG
	Total 48683		699.40	
JUDY HANSON	48684	8/22/2016	1,266.85	REIMBURSE FOR CONF
	Total 48684		1,266.85	
MALLORY SAFETY AND SUPPLY	48685	8/22/2016	505.99	SAFETY ITEMS
	Total 48685		505.99	
MSC JANITORIAL SERVICE, INC	48686	8/22/2016	1,552.92	JANITORIAL SERVICE-AUG
	Total 48686		1,552.92	
NAPA AUTO	48687	8/22/2016	37.20	CAR WASH/WIND SHIELD WASHER
NAPA AUTO		8/22/2016	21.58	FAN BELTS @ LPS
NAPA AUTO		8/22/2016	30.09	TARP STRAPS-VACTOR
	Total 48687		88.87	
NATIONWIDE RETIREMENT SOLUTIONS	48688	8/22/2016	247.22	DEFERRED COMP
	Total 48688		247.22	
NORTH COUNTY TRANSIT DISTRICT	48689	8/22/2016	624.38	NCTD SUBMITTAL FEE
	Total 48689		624.38	
OFFICE DEPOT, INC.	48690	8/22/2016	355.15	CARTRIDGES
OFFICE DEPOT, INC.		8/22/2016	380.14	OFFICE CARTRIGES
OFFICE DEPOT, INC.		8/22/2016	303.63	OFFICE SUPPLIES
	Total 48690		1,038.92	
PAUL BUSHEE	48691	8/22/2016	1,262.03	REIMBURSE FOR CASA CONF
	Total 48691		1,262.03	
PERS RETIREMENT	48692	8/22/2016	113.61	BOARD RETIREMENT 7/31/2016
PERS RETIREMENT		8/22/2016	12,593.43	EMPLOYEE RETIREMENT 7/31/2016
	Total 48692		12,707.04	
PLANT PEOPLE, INC	48693	8/22/2016	158.00	SERVICE LIVE PLANTS IN OFFICE-August
	Total 48693		158.00	

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/22/2016 Through 8/22/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
QUALITY CHEVROLET	48694	8/22/2016	603.02	VEHICLE/TRUCK MAINT AND REPAIR
	Total 48694		603.02	
RISING TIDE PARTNERS	48695	8/22/2016	2,100.00	PUBLIC INFORMATION-JULY/AUG
	Total 48695		2,100.00	
AIR POLLUTION CONTROL DISTRICT	48696	8/22/2016	356.00	DISTRICT FEES
	Total 48696		356.00	
SAN DIEGO GAS AND ELECTRIC	48697	8/22/2016	11,014.71	ELECTRIC @ BPS
	Total 48697		11,014.71	
SAN DIEGO GAS & ELECTIRC	48698	8/22/2016	104.70	ELECTRIC @ AVOCADO PS
SAN DIEGO GAS & ELECTIRC		8/22/2016	458.05	ELECTRIC @ DIANA PS
SAN DIEGO GAS & ELECTIRC		8/22/2016	727.90	ELECTRIC @ E. ESTATES
SAN DIEGO GAS & ELECTIRC		8/22/2016	972.57	ELECTRIC @ LCPS
SAN DIEGO GAS & ELECTIRC		8/22/2016	143.72	ELECTRIC @ RANCHO VERDE PS
SAN DIEGO GAS & ELECTIRC		8/22/2016	314.90	ELECTRIC @ VP5
SAN DIEGO GAS & ELECTIRC		8/22/2016	173.02	ELECTRIC @ VP7
SAN DIEGO GAS & ELECTIRC		8/22/2016	10.00	GAS @ OFFICE
SAN DIEGO GAS & ELECTIRC		8/22/2016	5.30	NAT GAS @EE
	Total 48698		2,910.16	
STATE BOARD OF EQUALIZATION	48699	8/22/2016	300.00	COHEN ANNEX - 0956
STATE BOARD OF EQUALIZATION		8/22/2016	300.00	FRAZEE ANNEX #0955
	Total 48699		600.00	
TERMINIX	48700	8/22/2016	56.00	JULY PEST SERVICE
	Total 48700		56.00	
THE HOME DEPOT CRC/GEFC	48701	8/22/2016	671.91	SUPPLIES
	Total 48701		671.91	
UNIFIRST CORPORATION	48702	8/22/2016	185.59	LAUNDRY SERVICE-W/E 8/10/16
	Total 48702		185.59	
VORTEX INDUSTRIES, INC	48703	8/22/2016	458.38	EMERGENCY SERVICE TO GATE
	Total 48703		458.38	
Report Total			51,816.51	



**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/26/2016 Through 8/26/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
AYALA ENGINEERING	48704	8/26/2016	7,860.00	LABOR/EQUIPMENT TO REPLACE FRAMES
	Total 48704		7,860.00	
CALPERS	48705	8/26/2016	1,300.00	GASB-68 REPORTS-MEASUREMENT PERIOD
	Total 48705		1,300.00	
CARLSBAD FUELS CORPORATION	48706	8/26/2016	1,381.61	VEHICLE FUEL
	Total 48706		1,381.61	
PETTY CASH	48707	8/26/2016	246.70	PETTY CASH-AUGUST
	Total 48707		246.70	
CINTAS FIRST AID AND SAFETY	48708	8/26/2016	143.04	REFILL FIRST AID CABINET
	Total 48708		143.04	
CITY VENTURES HOMEBUILDING	48709	8/26/2016	5,380.56	REIMBURSE DEV #0699
	Total 48709		5,380.56	
CONEXIS	48710	8/26/2016	140.00	SEC 125 FLEX PLAN 7/1-7/31/16
	Total 48710		140.00	
CUES, INC	48711	8/26/2016	3,600.00	SOFTWARE SUPPORT PLAN
	Total 48711		3,600.00	
DATA NET	48712	8/26/2016	680.00	IS MAINT AND SUPPORT
	Total 48712		680.00	
DEXTER WILSON ENGINEERING	48713	8/26/2016	3,427.50	SSMP FY16
	Total 48713		3,427.50	
DUDEK & ASSOCIATES	48715	8/26/2016	1,435.00	GE/3251/100/GRADING
DUDEK & ASSOCIATES		8/26/2016	385.00	GE/3252/0526/FAIR OAKS
DUDEK & ASSOCIATES		8/26/2016	165.00	GE/3252/0593/LC TOWNE
DUDEK & ASSOCIATES		8/26/2016	275.00	GE/3252/0864/FIORE
DUDEK & ASSOCIATES		8/26/2016	630.00	GE/3252/0897/OMWD
DUDEK & ASSOCIATES		8/26/2016	440.00	GE/3252/0930/E. JASON ST
DUDEK & ASSOCIATES		8/26/2016	330.00	GE/3252/0945/RANGE ST
DUDEK & ASSOCIATES		8/26/2016	165.00	GE/3252/0954/EOLUS
DUDEK & ASSOCIATES		8/26/2016	330.00	GE/3252/0955/EOLUS AVE
DUDEK & ASSOCIATES		8/26/2016	110.00	GE/3252/0957/EL CAMINO REAL
DUDEK & ASSOCIATES		8/26/2016	385.00	GE/3252/0959/VILLAGE SQUARE
DUDEK & ASSOCIATES		8/26/2016	430.00	GE/3252/0966/VILLAGE SQUARE
DUDEK & ASSOCIATES		8/26/2016	275.00	GE/3252/0967/HABIT BURGER

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/26/2016 Through 8/26/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
DUDEK & ASSOCIATES		8/26/2016	220.00	GE/3252/0968/HYGEIA AVE
DUDEK & ASSOCIATES		8/26/2016	440.00	GE/3252/0972/BEACON BEACH
DUDEK & ASSOCIATES		8/26/2016	220.00	GE/3252/0973/ANOTHER BROKEN EGG
DUDEK & ASSOCIATES		8/26/2016	<u>440.00</u>	GE/3252/0974/DEER PATH
	Total 48715		6,675.00	
ELAINE SULLIVAN	48716	8/26/2016	<u>75.83</u>	REIMBURSE FOR CASA CONF
	Total 48716		75.83	
EVOQUA WATER TECHNOLOGIES, LLC	48717	8/26/2016	<u>7,953.01</u>	BIOXIDE
	Total 48717		7,953.01	
GREAT AMERICA FINANCIAL SERVICES	48718	8/26/2016	<u>933.23</u>	COPIER LEASE
	Total 48718		933.23	
HACH COMPANY	48719	8/26/2016	<u>5,301.00</u>	SERVICE PARTNERSHIP PROPOSAL
	Total 48719		5,301.00	
ICMA RETIREMENT-303979	48720	8/26/2016	<u>3,885.42</u>	DEFERRED COMP-W/E 8/17/16
	Total 48720		3,885.42	
INFRASTRUCTURE ENGINEERING CORP	48721	8/26/2016	5,535.00	FY17 GRAVITY SEWER REPAIR
INFRASTRUCTURE ENGINEERING CORP		8/26/2016	15,280.63	GAFNER AWT IMPROVEMENTS
INFRASTRUCTURE ENGINEERING CORP		8/26/2016	838.01	L1 FORCE MAIN
INFRASTRUCTURE ENGINEERING CORP		8/26/2016	96.82	SPS REHAB
	Total 48721		21,750.46	
JCI JONES CHEMICAL, INC	48722	8/26/2016	<u>3,983.50</u>	HYPOCHLORITE-CHEMICALS
	Total 48722		3,983.50	
NAPA AUTO	48723	8/26/2016	<u>40.45</u>	OIL
	Total 48723		40.45	
OFFICE DEPOT, INC.	48724	8/26/2016	<u>184.76</u>	OFFICE SUPPLIES
	Total 48724		184.76	
OLIVENHAIN MUNICIPAL WATER DISTRICT	48725	8/26/2016	<u>1,328.16</u>	NSDCRRWP COSTS
	Total 48725		1,328.16	

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 8/26/2016 Through 8/26/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
PEP BOYS	48726	8/26/2016	23.75	SHELL OIL
	Total 48726		23.75	
PERS RETIREMENT	48727	8/26/2016	12,582.63	EMPLOYEE RETIREMENT ENDING 8/14/16
	Total 48727		12,582.63	
QUALITY CHEVROLET	48728	8/26/2016	1,333.26	MAINT ON VEHICLE #148
	Total 48728		1,333.26	
CURNEY RUSSELL	48729	8/26/2016	319.00	REIMBURSE FOR TEST/MEMBERSHIP
	Total 48729		319.00	
SAN DIEGO GAS AND ELECTRIC	48730	8/26/2016	31,091.34	ELECTRIC @ LPS/OFFICE
	Total 48730		31,091.34	
SAN DIEGO GAS & ELECTIRC	48731	8/26/2016	652.54	ELECTRIC @ SPS PS
SAN DIEGO GAS & ELECTIRC		8/26/2016	1,811.47	ELECTRICAL @ EEPS
	Total 48731		2,464.01	
SOUTHERN CONTRACTING COMPANY	48732	8/26/2016	3,025.00	ELECTRICAL WORK @ SPS/LPS
	Total 48732		3,025.00	
TRI COMMUNITY ANSWERING SERVICE	48733	8/26/2016	90.00	ANSWERING SERVICE-SEPT
	Total 48733		90.00	
U.S. BANK	48734	8/26/2016	2,989.98	CONFERENCES,MEETINGS,SUPPLI...
	Total 48734		2,989.98	
VERIZON WIRELESS	48735	8/26/2016	667.96	CELL PHONES-July-Aug
	Total 48735		667.96	
Report Total			130,857.16	

**Leucadia Wastewater District**  
 Vendor Activity - Supplemental Credit Card Report  
 From 8/26/2016 Through 8/26/2016

Vendor Name	Tra... Sou...	Effective Date	Check/Voucher Number	Expenses	GL Code	GL Title	Transaction Description
U.S. BANK	APS	8/26/2016	48734	0.00	1005	UNION BANK GENERAL	CONFERENCES,MEETINGS,...
U.S. BANK	APS	8/26/2016	48734	0.00	1080	DUE TO/FROM OTHER FUNDS	CONFERENCES,MEETINGS,...
U.S. BANK	API	8/26/2016	48734	206.20	4330	BOARD CONFERENCES	Casa-Air-DK
U.S. BANK	API	8/26/2016	48734	216.20	4330	BOARD CONFERENCES	Casa-Air-DO
U.S. BANK	API	8/26/2016	48734	95.20	4330	BOARD CONFERENCES	Cwea-hotel-AJ
U.S. BANK	API	8/26/2016	48734	99.00	4330	BOARD CONFERENCES	Cwea-Reg-AJ
U.S. BANK	API	8/26/2016	48734	55.00	4330	BOARD CONFERENCES	ES-State of City
U.S. BANK	API	8/26/2016	48734	55.00	4330	BOARD CONFERENCES	State of City
U.S. BANK	API	8/26/2016	48734	292.50	5040	SAFETY SUPPLIES	Datco Program
U.S. BANK	API	8/26/2016	48734	115.12	5227	MANAGEMENT SUPPORT SERVICES	Business Lunch
U.S. BANK	API	8/26/2016	48734	25.00	5710	TRAINING, EDUCATION & CONFERN	CSFMO
U.S. BANK	API	8/26/2016	48734	149.00	5710	TRAINING, EDUCATION & CONFERN	Cwea Reg-JS
U.S. BANK	API	8/26/2016	48734	95.20	5710	TRAINING, EDUCATION & CONFERN	Cwea-hotel-JH
U.S. BANK	API	8/26/2016	48734	95.20	5710	TRAINING, EDUCATION & CONFERN	Cwea-hotel-JS
U.S. BANK	API	8/26/2016	48734	95.20	5710	TRAINING, EDUCATION & CONFERN	Cwea-hotel-MG
U.S. BANK	API	8/26/2016	48734	95.20	5710	TRAINING, EDUCATION & CONFERN	Cwea-hotel-SK
U.S. BANK	API	8/26/2016	48734	99.00	5710	TRAINING, EDUCATION & CONFERN	Cwea-Reg-JH
U.S. BANK	API	8/26/2016	48734	149.00	5710	TRAINING, EDUCATION & CONFERN	Cwea-Reg-MG
U.S. BANK	API	8/26/2016	48734	99.00	5710	TRAINING, EDUCATION & CONFERN	Cwea-Reg-SK
U.S. BANK	API	8/26/2016	48734	55.00	5710	TRAINING, EDUCATION & CONFERN	PB-State of City
U.S. BANK	API	8/26/2016	48734	52.39	5735	EMPLOYEE RECOGNITION	Empl Luncheon
U.S. BANK	API	8/26/2016	48734	672.23	5735	EMPLOYEE RECOGNITION	Employee Lunch
U.S. BANK	API	8/26/2016	48734	100.00	5910	TELEPHONE	Web hosting
U.S. BANK	API	8/26/2016	48734	30.00	5910	TELEPHONE	Wifi-RM
U.S. BANK	API	8/26/2016	48734	44.34	6420	ENCINA CAPITAL	EWA-Lunch
Transaction Total				<u>2,989.98</u>			
Total 8/26/2016				<u>2,989.98</u>			
Report Opening/Current Balance				<u>                    </u>			

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ATTACHMENT 6

LEUCADIA WASTEWATER DISTRICT  
EMPLOYEE PAYROLL CHECK REPORT

Payroll Date: August 31, 2016

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
18778 - 18796	8/31/2016	\$49,952.27

**LEUCADIA WASTEWATER DISTRICT  
BOARD PAYROLL CHECK REPORT**

**Payroll Date:** September 1, 2016

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
18797 - 18801	9/1/2016	\$5,336.83

**Leucadia Wastewater District**  
Check/Voucher Register - CHECK REGISTER  
1005 - UNION BANK GENERAL  
From 9/1/2016 Through 9/1/2016

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
AMERICA'S FINEST FIRE PROTECTION	48736	9/1/2016	580.00	ANNUAL SERVICE TO FIRE EXTINGUISHERS
	Total 48736		580.00	
CAL PUBLIC EMPLOYEES' RETIRE SYSTEM	48737	9/1/2016	29,092.46	HEALTH INS-SEPT
	Total 48737		29,092.46	
COX COMMUNICATIONS SAN DIEGO	48738	9/1/2016	1,424.54	INTERNET/PHONES-AUG
	Total 48738		1,424.54	
CUES, INC	48739	9/1/2016	261.67	CABLES
	Total 48739		261.67	
DATA NET	48740	9/1/2016	1,865.80	APC SMART UPS
DATA NET		9/1/2016	677.50	IS MAINT AND SUPPORT
	Total 48740		2,543.30	
HAAKER EQUIPMENT CO	48741	9/1/2016	131.45	HOSE BASKET
	Total 48741		131.45	
HACH COMPANY	48742	9/1/2016	358.84	POCKET PRO
	Total 48742		358.84	
HARTFORD LIFE & ACCIDENT INS.	48743	9/1/2016	441.32	LIFE INS-SEPT
	Total 48743		441.32	
INFRASTRUCTURE ENGINEERING CORP	48744	9/1/2016	5,817.50	VP5 PS REPLACEMENT
	Total 48744		5,817.50	
MES VISION	48745	9/1/2016	379.33	VISION INS-SEPT
	Total 48745		379.33	
NAPA AUTO	48746	9/1/2016	49.64	CAR WASH/SEALANT
	Total 48746		49.64	
NATIONWIDE RETIREMENT SOLUTIONS	48747	9/1/2016	247.22	DEFERRED COMP-8/31/2016
	Total 48747		247.22	
OFFICE DEPOT, INC.	48748	9/1/2016	84.72	OFFICE SUPPLIES
	Total 48748		84.72	

**Leucadia Wastewater District**  
 Check/Voucher Register - CHECK REGISTER  
 1005 - UNION BANK GENERAL  
 From 9/1/2016 Through 9/1/2016

<u>Vendor Name</u>	<u>Check Number</u>	<u>Effective Date</u>	<u>Check Amount</u>	<u>Transaction Description</u>
THE GUARDIAN	48749	9/1/2016	4,116.48	DENTAL/DISABILITY INS-SEPT
	Total 48749		4,116.48	
T.Y. LIN INTERNATIONAL	48750	9/1/2016	3,728.50	POINSETTIA STATION SEWER IMPROV
	Total 48750		3,728.50	
UNIFIRST CORPORATION	48751	9/1/2016	185.34	LAUNDRY SERVICE-W/E 8/24/16
	Total 48751		185.34	
Report Total			49,442.31	



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

<u><b>JULY</b></u>		<b>2015</b>		
7/3/2015	Board			\$1,141.49
7/8/2015	Employee			\$42,280.37
7/9/2015	Employee	<b>Incentive</b>		\$460.23
7/9/2015	Employee			\$2,411.85
7/22/2015	Employee			<u>\$41,341.86</u>
	<b>TOTAL</b>			<b>\$87,635.80</b>

<u><b>AUGUST</b></u>				
8/3/2015	Board			\$2,144.12
8/5/2015	Employee			\$41,795.41
8/12/2015	Employee	<b>Incentive</b>		\$5,219.27
8/19/2015	Employee			<u>\$40,893.42</u>
	<b>TOTAL</b>			<b>\$90,052.22</b>

<u><b>SEPTEMBER</b></u>				
9/2/2015	Employee			\$41,538.06
9/3/2015	Board			\$4,575.80
9/9/2015	Employee	<b>Incentive</b>		\$184.70
9/10/2015	Employee	<b>Incentive</b>		\$4,686.05
9/16/2015	Employee			\$41,215.54
9/30/2015	Employee			<u>41756.24</u>
	<b>TOTAL</b>			<b>\$133,956.39</b>

<u><b>OCTOBER</b></u>				
10/3/2015	Board			\$5,312.42
10/13/2015	Employee	<b>Incentive</b>		\$16,002.53
10/14/2015	Employee			\$42,620.89
10/28/2015	Employee			<u>\$44,099.43</u>
	<b>TOTAL</b>			<b>\$108,035.27</b>

<u><b>NOVEMBER</b></u>				
11/3/2015	Board			\$2,124.85
11/11/2015	Employee			\$44,035.82
11/25/2015	Employee			<u>\$44,605.14</u>
	<b>TOTAL</b>			<b>\$90,765.81</b>

<u><b>DECEMBER</b></u>				
12/3/2015	Board			\$1,975.10
12/4/2015	Employee	<b>Sick Buyback</b>		\$22,529.21
12/9/2015	Employee			\$44,069.21
12/23/2015	Employee			<u>\$42,398.10</u>
	<b>TOTAL</b>			<b>\$110,971.62</b>

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

**JANUARY**

**2016**

1/3/2016	Board		\$1,628.29
1/6/2016	Employee		\$43,385.98
1/13/2016	Employee	Incentive	\$461.75
1/20/2016	Employee		\$41,432.17
1/20/2016	Employee	Chucks's	<u>\$7,460.73</u>
	<b>TOTAL</b>		<b>\$94,368.92</b>

**FEBRUARY**

2/3/2016	Employee		\$41,636.25
2/3/2016	Board		\$4,887.14
2/10/2016	Employee	Incentive	\$1,567.35
2/10/2016	Employee	Incentive	\$879.35
2/17/2016	Employee		<u>\$41,942.42</u>
	<b>TOTAL</b>		<b>\$90,912.51</b>

**MARCH**

3/2/2016	Employee		\$42,292.77
3/2/2016	Board		\$3,136.26
3/9/2016	Employee	Incentive	\$451.61
3/16/2016	Employee		\$42,023.59
3/30/2016	Employee		<u>\$41,286.80</u>
	<b>TOTAL</b>		<b>\$129,191.03</b>

**APRIL**

4/2/2016	Board		\$3,531.16
4/13/2016	Employee		\$44,125.93
4/14/2016	Employee	Incentive	\$11,302.63
4/27/2016	Employee		<u>\$44,434.86</u>
	<b>TOTAL</b>		<b>\$103,394.58</b>

**MAY**

5/2/2016	Board		\$4,924.86
5/11/2016	Employee		\$45,328.93
5/11/2016	Employee	Incentive	\$16,361.17
5/25/2016	Employee		<u>\$45,256.06</u>
	<b>TOTAL</b>		<b>\$111,871.02</b>

**JUNE**

6/2/2016	Board		\$4,900.16
6/8/2016	Employee		\$45,693.96
6/22/2016	Employee		<u>\$44,504.50</u>
	<b>TOTAL</b>		<b>\$95,098.62</b>

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

**JULY**

7/2/2016	Board		\$1,113.05
7/6/2016	Employee		\$45,209.70
7/20/2016	Employee		\$45,447.42
7/21/2016	Employee	<b>Incentive</b>	<u>\$92.35</u>
	<b>TOTAL</b>		<b>\$91,862.52</b>

**AUGUST**

8/1/2016	Board		\$2,494.10
8/3/2016	Employee		\$47,019.66
8/16/2016	Employee	<b>Incentive</b>	\$6,786.37
8/17/2016	Employee		\$46,135.12
8/31/2016	Employee		<u>45952.27</u>
	<b>TOTAL</b>		<b>\$148,387.52</b>

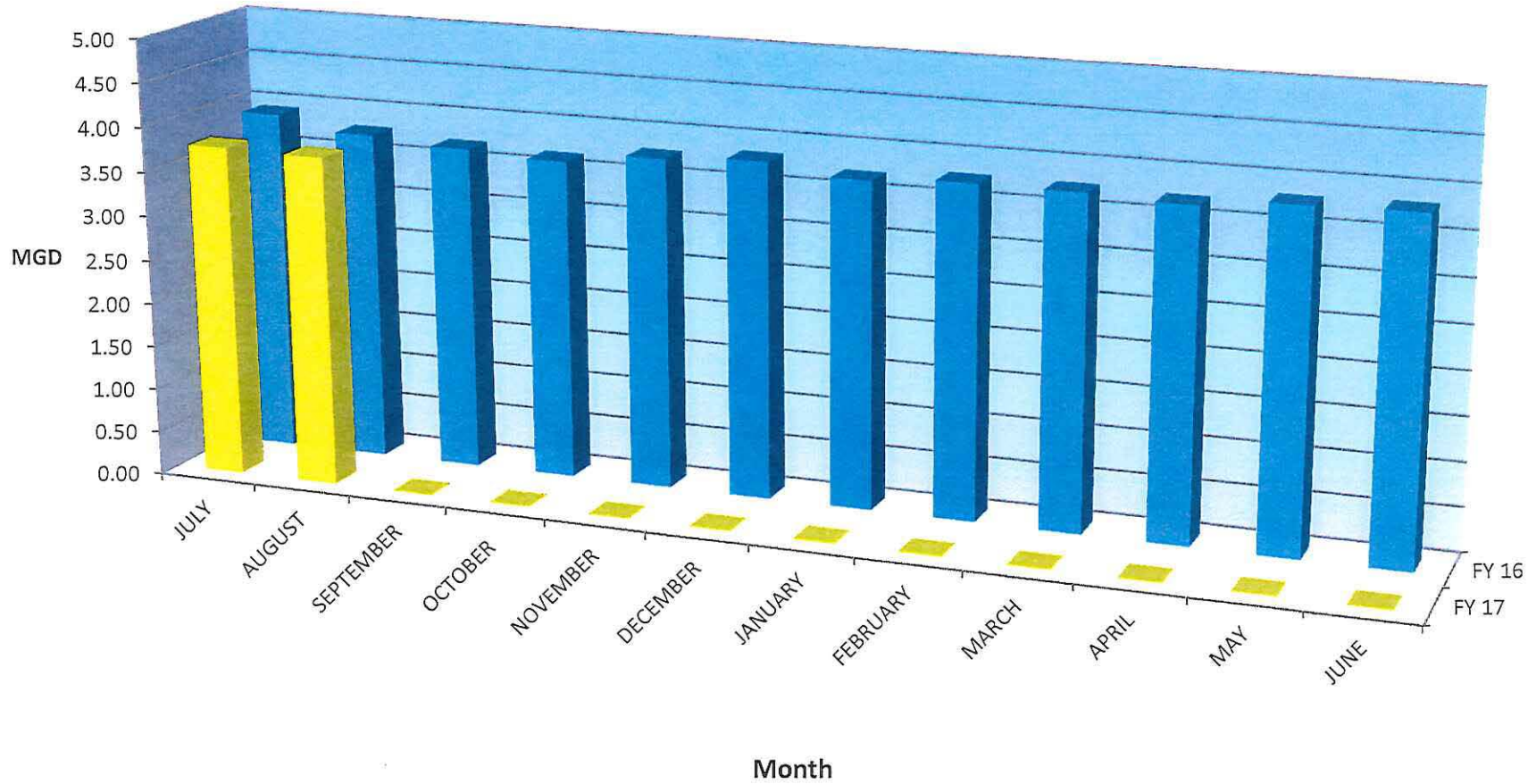
**SEPTEMBER**

9/1/2016	Board		\$5,336.83
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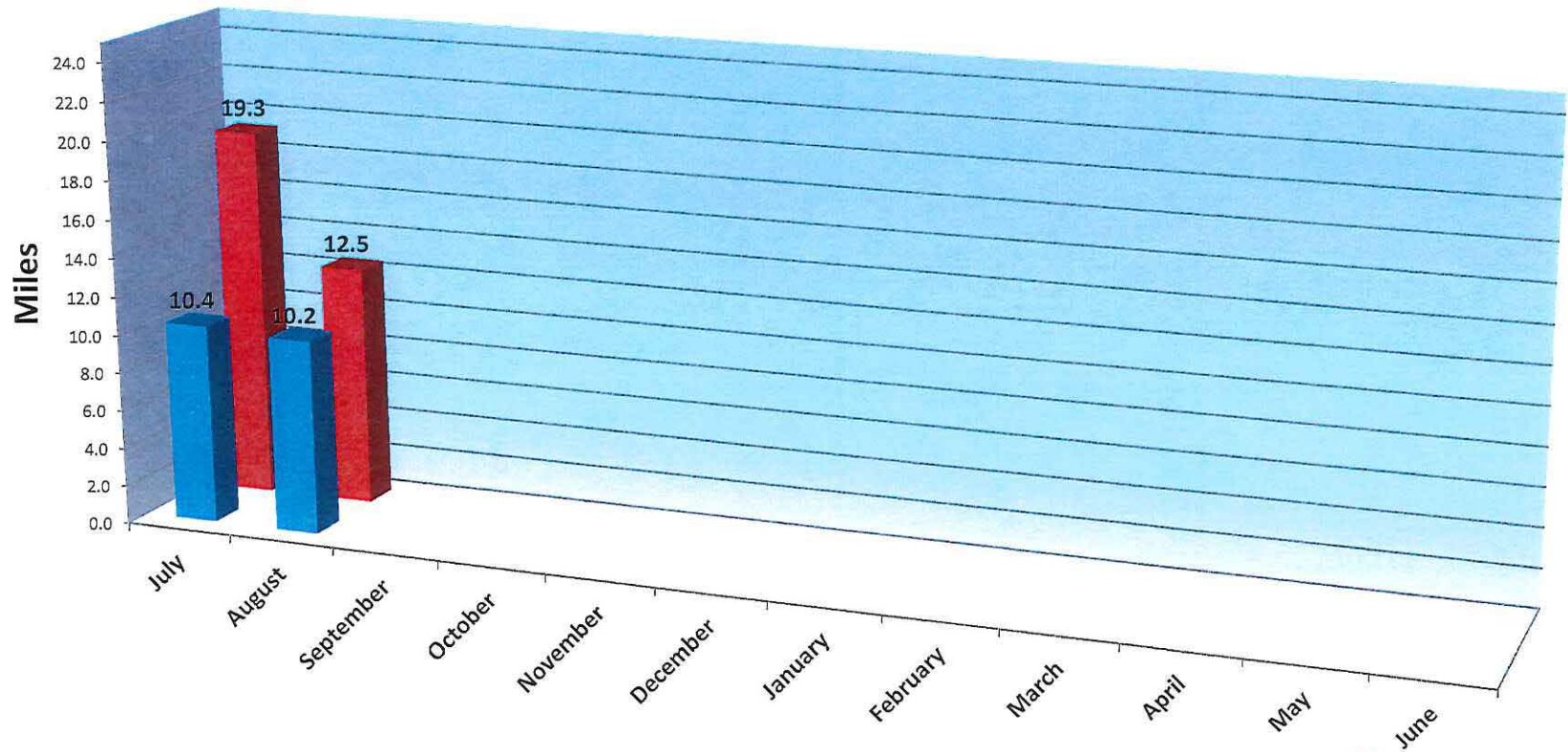
**LEUCADIA WASTEWATER DISTRICT  
OPERATIONS REPORT  
FISCAL YEAR 2017 (July 2016 - June 2017)**

CURRENT MONTH - August 2016							FY 2015-2016
Period	Total Rain Inches	Total Flow MG	Added EDU's 28,560.21	LWD ADF (MGD)	GPD/EDU	RECLAIMED Total (ac-ft/mo)	LWD ADF (MGD)
JULY	0.00	116.87	1.00	3.77	132	54.07	3.92
YTD			28,561.21				
AUGUST	0.00	116.25	1.50	3.75	131	44.02	3.77
YTD			28,562.71				
SEPTEMBER					0		3.70
YTD			28,562.71				
OCTOBER					0		3.65
YTD			28,562.71				
NOVEMBER					0		3.77
YTD			28,562.71				
DECEMBER					0		3.83
YTD			28,562.71				
JANUARY					0		3.71
YTD			28,562.71				
FEBRUARY					0		3.77
YTD			28,562.71				
MARCH					0		3.76
YTD			28,562.71				
APRIL					0		3.72
YTD			28,562.71				
MAY					0		3.81
YTD			28,562.71				
JUNE					0		3.83
YTD			28,562.71				
<b>YTD Totals</b>	0.00	233.12	2.50			98.09	
<b>Mo Average</b>	0.00	116.56	1.25	3.76	21.94	49.05	3.77

# Leucadia Wastewater District Flow Comparison FY 16 to FY 17



# FY-17 CCTV Inspections & Hydro Cleaning Production



### Monthly Target Mileage

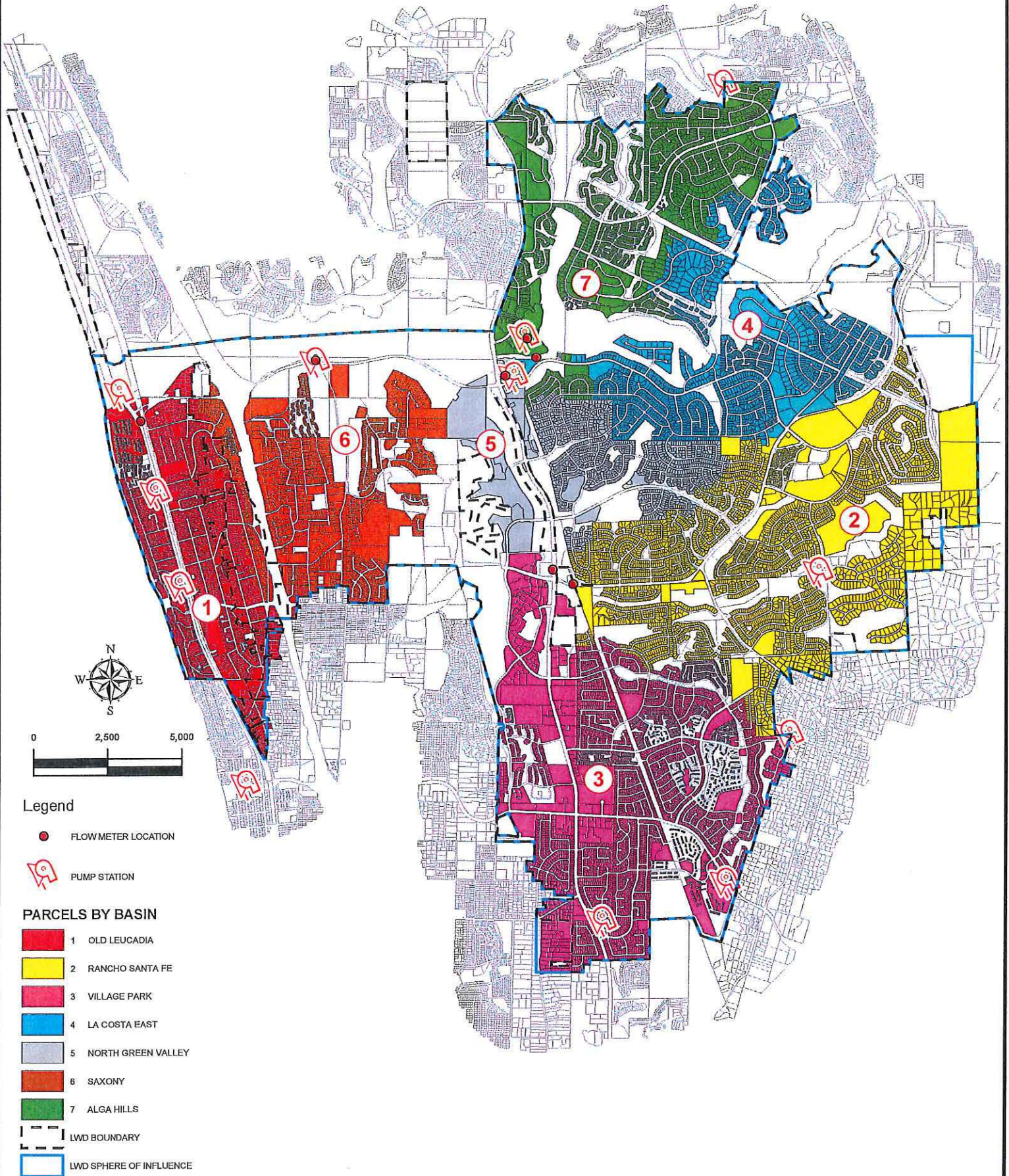
Hydro-Cleaning: 15 Miles/Month

CCTV Inspection: 6.3 Miles/ Month

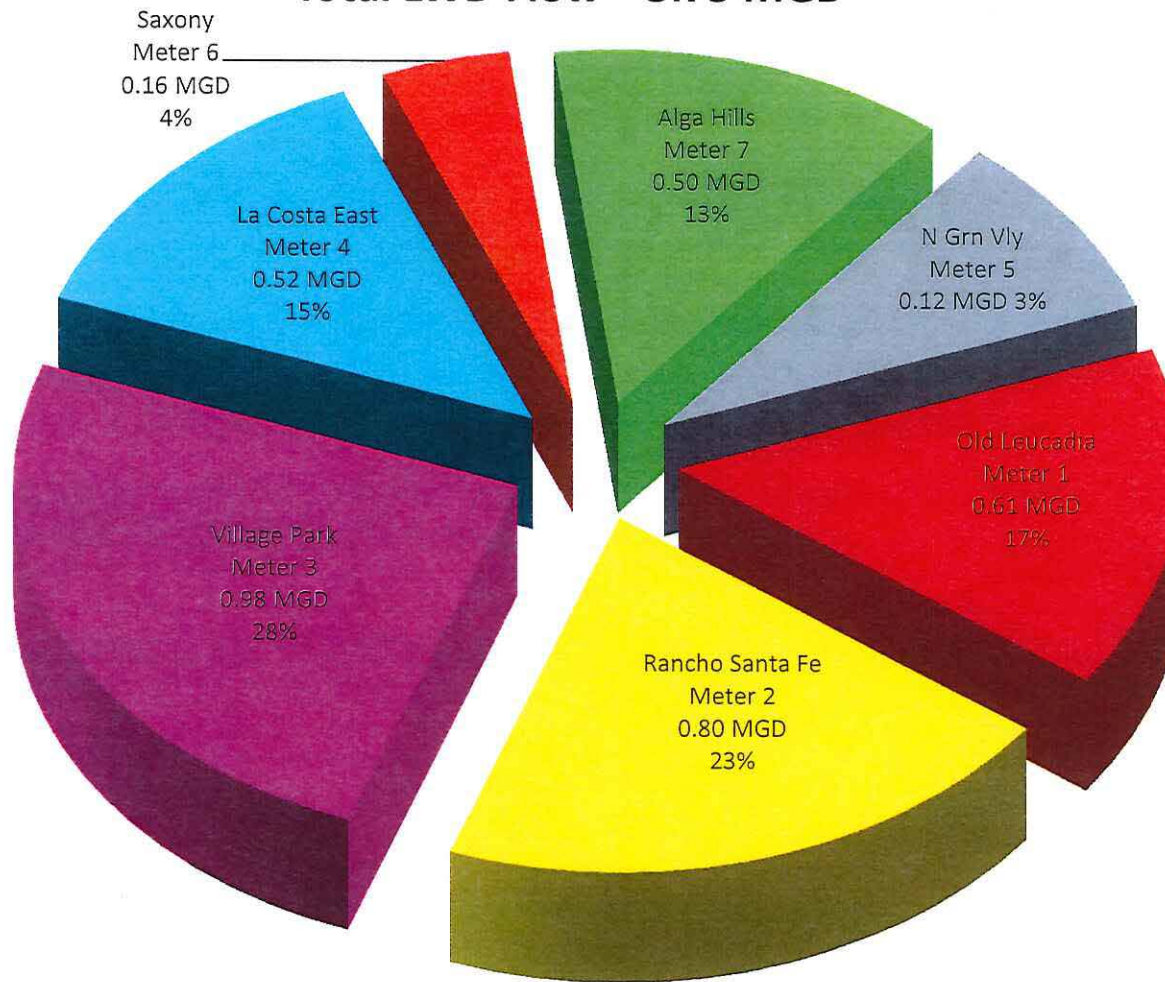
Note: Line Cleaning Down due to 7 Miles of Easement Inspections this Month

■ CCTV Inspections  
■ Total Hydro Cleaning

# LEUCADIA WASTEWATER DISTRICT



**LWD Flows by Sub-Basin  
August 2016  
Total LWD Flow = 3.75 MGD**





# Leucadia Wastewater District

## Balance Sheet

As of 8/31/2016

		Current Year
<b>Assets</b>		
Cash & Investments	1CAS	33,578,531.53
Accounts Receivables	2A/R	165,120.40
Prepaid Expense	3PRE	184,955.64
Funds held with Encinca Wastewater Authority	4EWA	1,486,800.00
Capital Assets	4F/A	152,544,668.03
Less Accumulated Depreciation	6DEP	<u>(52,380,807.32)</u>
Total Assets		<u>135,579,268.28</u>
<b>Deferred Outflows</b>		
PERS Proportions Difference	7D/O	15,754.00
Current Year PERS Employer Contribution	8D/O	242,055.47
Total Deferred Outflows		<u>257,809.47</u>
Total Assets & Deferred Outflows		<u>135,837,077.75</u>
<b>Liabilities</b>		
Accounts Payable & Accrued Expenses	A/P	322,699.15
Developer Deposits	DEV D	101,871.58
Net Pension Liability	LTDB	2,277,414.00
EWA Pension Liability	LTDP	1,816,300.00
Total Liabilities		<u>4,518,284.73</u>
<b>Deferred Inflows</b>		
PERS Actual/Proportion Contribution Difference	D/I2	48,723.00
Projected/Actual PERS Earnings Difference	D/In	765,316.00
Total Deferred Inflows		<u>814,039.00</u>
<b>Net Position</b>		
Beginning Net Position (as of June 30, 2016)		
Investment in Capital Assets	IC/A	102,080,040.50
Reserves	RESV	29,783,956.78
Undesignated Net Position	UNDS	<u>(909,811.43)</u>
Total Beginning Net Position (as of June 30, 2016)		130,954,185.85
Current Change In Net Position		
Other		<u>(449,431.83)</u>
Total Current Change In Net Position		<u>(449,431.83)</u>
Total Net Position		<u>130,504,754.02</u>
Total Liabilities, Deferred Inflows & Net Position		<u>135,837,077.75</u>

# Leucadia Wastewater District

## Summary Budget Comparison - Revenues and Operating Expenses

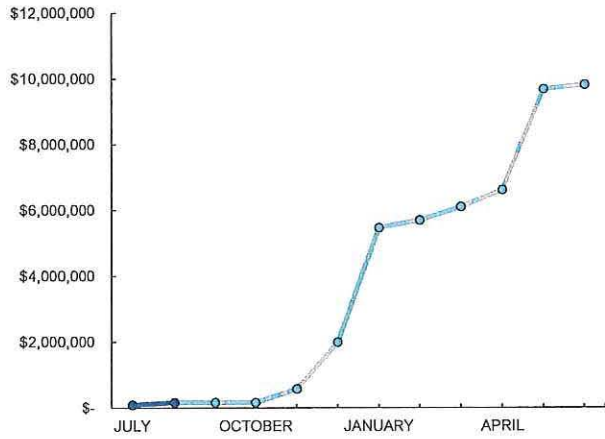
From 7/1/2016 Through 8/31/2016

Account Title	YTD Actual	Total Annual Budget	Remaining Budget	Percentage Total Budget Used
<b>OPERATING REVENUES</b>				
3110 Sewer Service Fees	\$ 163,456.29	\$ 9,819,969.00	\$ 9,656,512.71	1.7%
3150 Recycled Water Sales	20,504.28	269,000.00	248,495.72	7.6%
3100 Misc. Operating Revenue	440.00	223,710.00	223,270.00	0.2%
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 184,400.57</b>	<b>\$10,312,679.00</b>	<b>\$10,128,278.43</b>	<b>1.8%</b>
<b>OPERATING EXPENSES</b>				
4100 Salaries	\$ 264,859.83	\$ 1,747,174.00	\$ 1,482,314.17	15.2%
4200 Employee Benefits	139,094.02	832,488.00	693,393.98	16.7%
4300 Directors Expense	10,996.48	142,400.00	131,403.52	7.7%
4400 Election Expense	0.00	30,000.00	30,000.00	0.0%
4600 Gas, Oil & Fuel	3,694.33	44,000.00	40,305.67	8.4%
4700 Insurance Expense	17,087.70	113,900.00	96,812.30	15.0%
4800 Memberships	4,165.00	25,900.00	21,735.00	16.1%
4900 Office Expense	11,001.28	137,100.00	126,098.72	8.0%
5000 Operating Supplies	22,302.35	227,600.00	205,297.65	9.8%
5200 Professional Services	19,788.85	464,700.00	444,911.15	4.3%
5300 Printing & Publishing	0.00	29,000.00	29,000.00	0.0%
5400 Rents & Leases	4,561.15	15,200.00	10,638.85	30.0%
5500 Repairs & Maintenance	47,360.64	441,600.00	394,239.36	10.7%
5600 Monitoring & Permits	1,428.00	57,300.00	55,872.00	2.5%
5700 Training & Development	5,665.18	47,200.00	41,534.82	12.0%
5900 Utilities	68,957.05	477,900.00	408,942.95	14.4%
6100 LAFCO Operations	6,470.14	9,000.00	2,529.86	71.9%
6200 Encina Operating Expense	0.00	1,911,730.00	1,911,730.00	0.0%
6900 Admin O/H alloc to Capital	0.00	(137,959.00)	(137,959.00)	0.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 627,432.00</b>	<b>\$ 6,616,233.00</b>	<b>\$ 5,988,801.00</b>	<b>9.5%</b>
<b>NON-OPERATING REVENUES</b>				
3130 Capacity Fees	\$ 10,015.00	\$ 240,360.00	\$ 230,345.00	4.2%
3220 Property Taxes	23,760.20	1,550,000.00	1,526,239.80	1.5%
3250 Investment Income	44,838.00	212,000.00	167,162.00	21.2%
3290 Misc. Non Op Revenue	0.00	174,400.00	174,400.00	0.0%
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$ 78,613.20</b>	<b>\$ 2,176,760.00</b>	<b>\$ 2,098,146.80</b>	<b>3.6%</b>

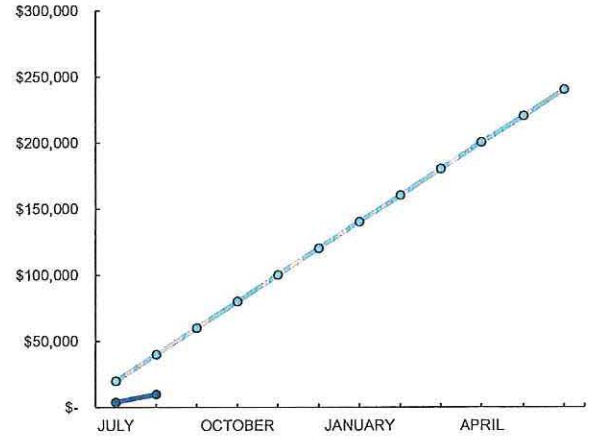
# Leucadia Wastewater District Revenue FY2017

YTD through August 31, 2016

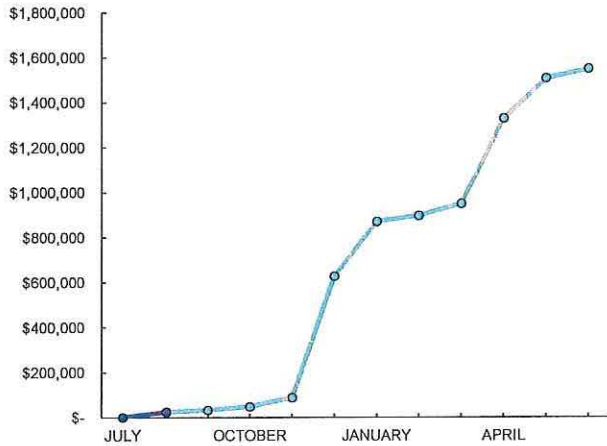
Sewer Service Fees



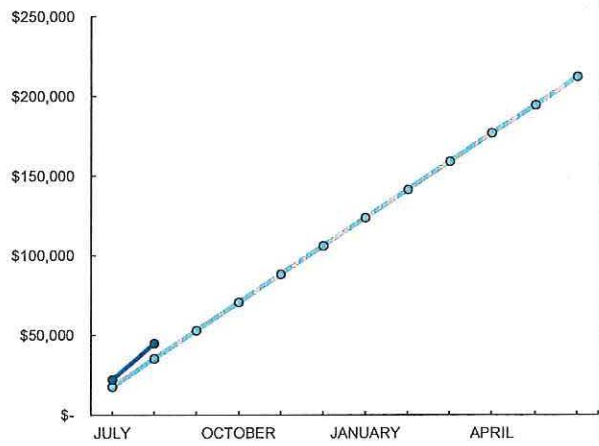
Capacity Charges



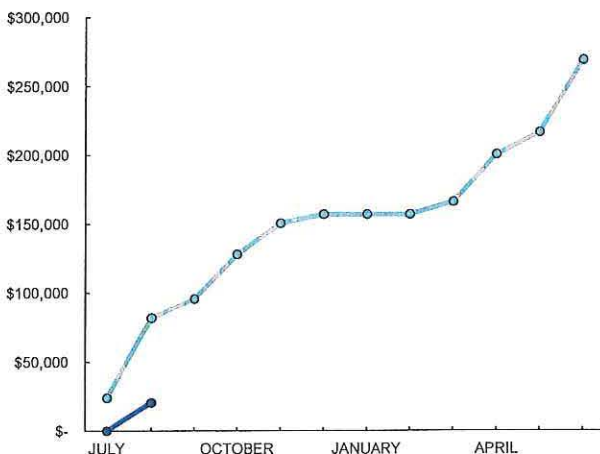
Property Taxes



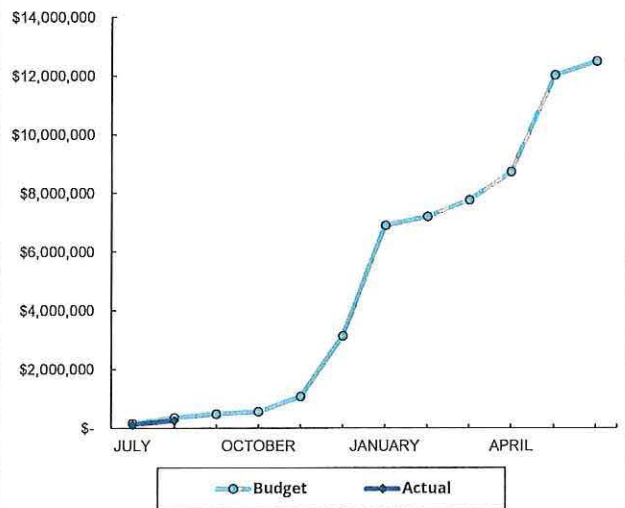
Investment Income



Recycled Wastewater Sales



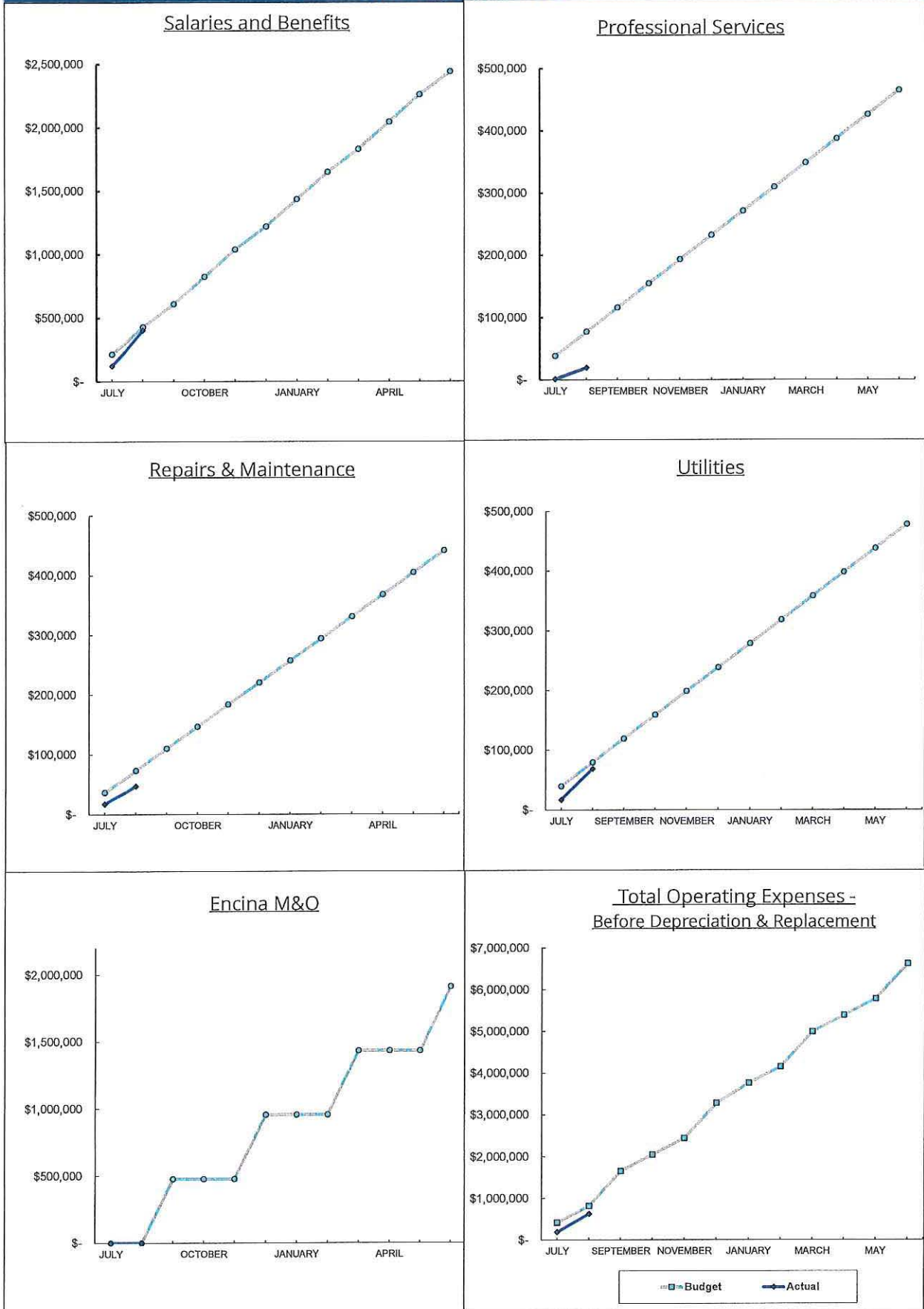
Total Revenue



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

# Leucadia Wastewater District Operating Expenses FY2017

YTD through August 31, 2016

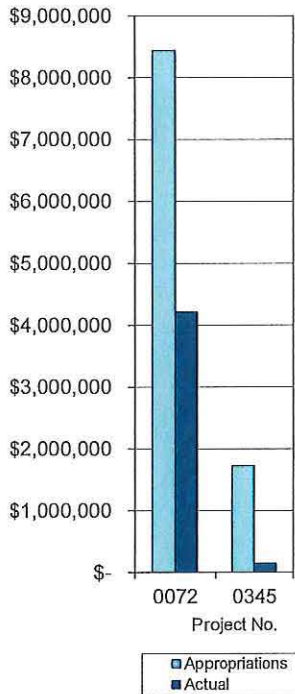


\* Preliminary: subject to future review, reconciliation, accruals, and audit

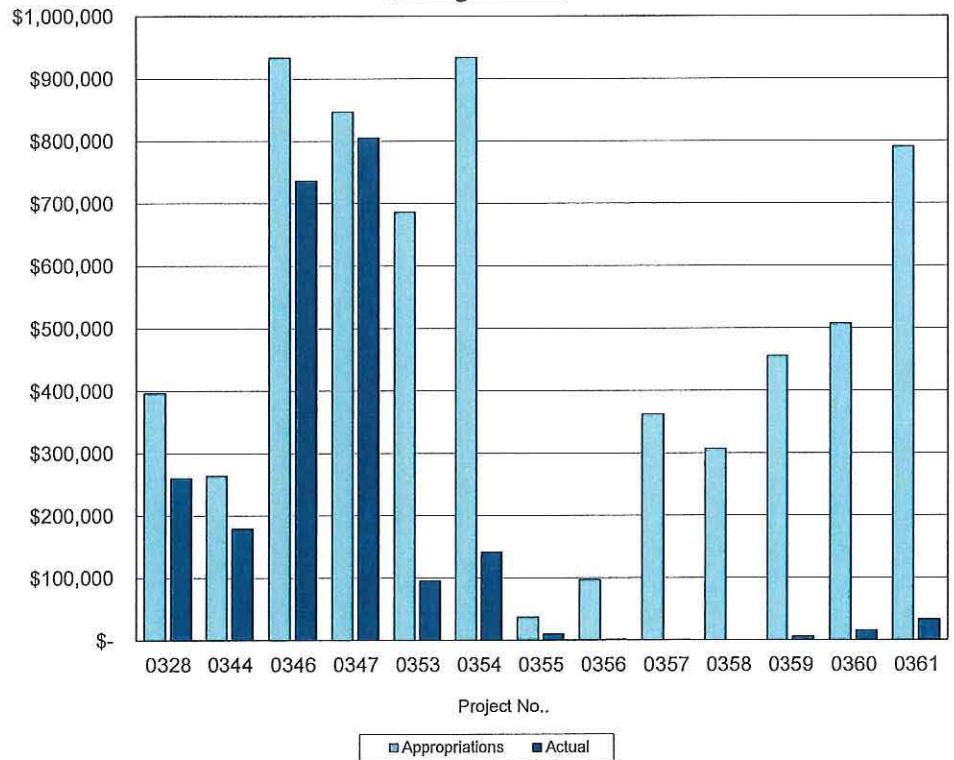
# Leucadia Wastewater District Capital Expenditures

As of August 31, 2016

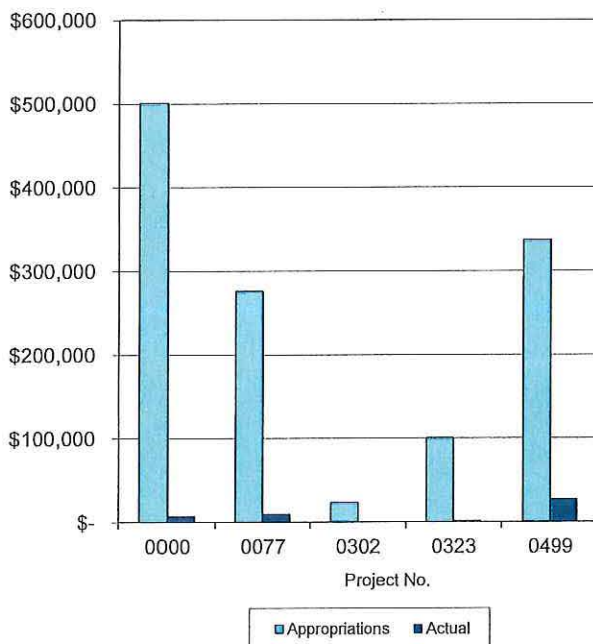
**District Multi Year Capital Expenditures by Project (>\$1M) Through FY2016**



**District Multi Year Capital Expenditures by Project (<\$1M) Through FY2016**



**Single Year Capital Expenditures by Project FY2016**



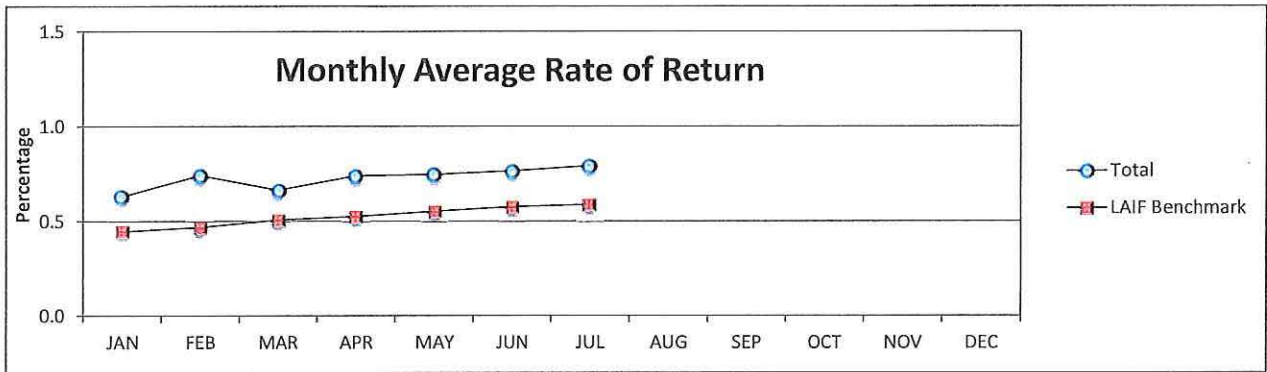
**Project Legend**

Multi-Year Capital Projects	<u>No.</u>
Encina Joint Facility Capital Projects	0072
North SD Water Reuse Coalition Project	0328
Scott's Valley Pipeline Repair	0344
Leucadia PS VFD Replacement	0345
FY2015 Gravity Pipeline Rehabilitation	0346
Saxony Pump Station Rehabilitation	0347
FY2016 Gravity Pipeline Rehabilitation	0353
Village Park No. 5 PS Replacement	0354
Batequitos Pump Station Solar Panels	0355
New Recycled Water Pump Design	0356
La Costa Golf Course Gravity Line Improv	0357
Leucadia Pump Station Rehabilitation	0358
FY2017 Gravity Pipeline Rehabilitation	0359
Gafner AWT Improvements	0360
Poinsettia Station Gravity Pipeline Rehab	0361
Single Year Capital Projects	<u>No.</u>
Equipment	0000
Misc. Pipeline Rehabilitation	0077
District Engineering Services	0302
Lateral Replace/Backflow Prevention	0323
LWD Gen'l Cap Labor & O/H Allocation	0499

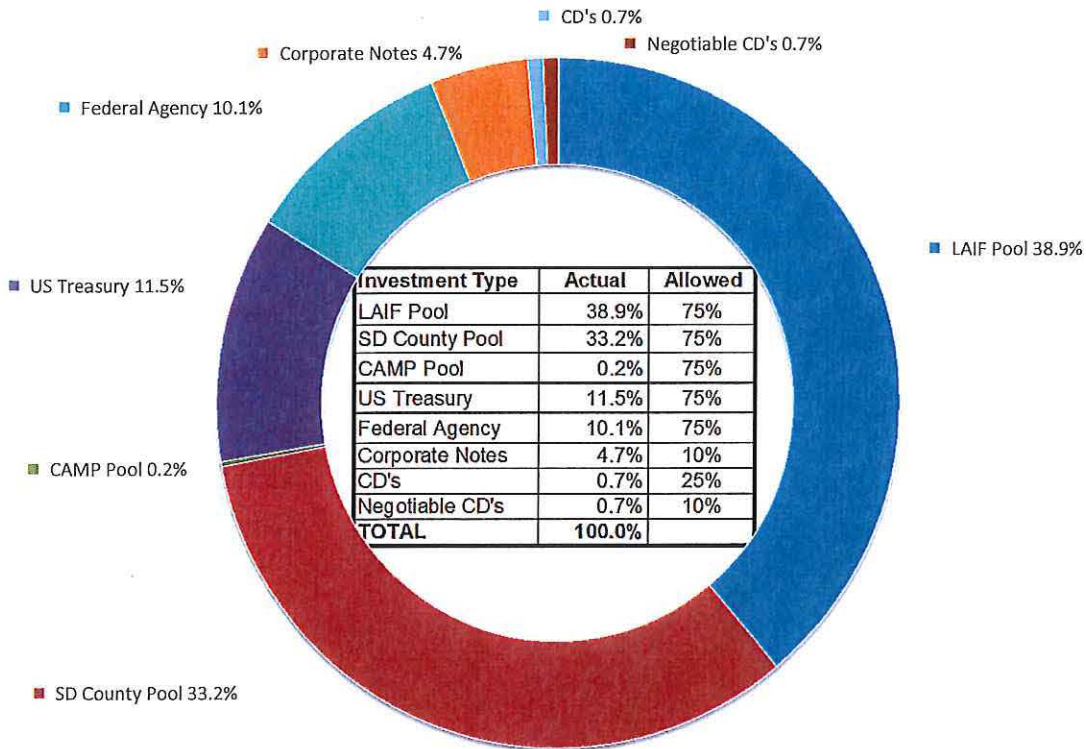
\* Preliminary; subject to future review, reconciliation, accruals, and audit

**LEUCADIA WASTEWATER DISTRICT**  
**Monthly Investment Summary**  
**July 31, 2016**

Cash Equivalents & Investments	Principal (Original Cost)		July Interest	Average Rate
	June 30, 2016	July 31, 2016		
LAIF Pool	\$ 13,864,738	\$ 13,458,988	\$ 6,694	0.588%
SD County Pool	11,485,614	11,502,076	8,429	0.880%
CAMP Pool	67,878	74,645	33	0.550%
CAMP Portfolio				
US Treasury Notes	3,992,305	3,992,305	2,750	0.830%
Federal Agency Mortgage-Backed Securities	6,186	6,153	38	7.370%
Federal Agency Notes	3,488,390	3,488,390	2,895	1.010%
Corporate Bonds/Notes	1,611,640	1,611,640	1,583	1.190%
Certificates of Deposit	250,000	250,000	321	1.540%
Negotiable CD's	250,000	250,000	210	1.010%
Total Camp Portfolio	9,598,520	9,598,488	7,798	0.980%
<b>Totals</b>	<b>\$ 35,016,751</b>	<b>\$ 34,634,197</b>	<b>\$ 22,954</b>	<b>0.791%</b>

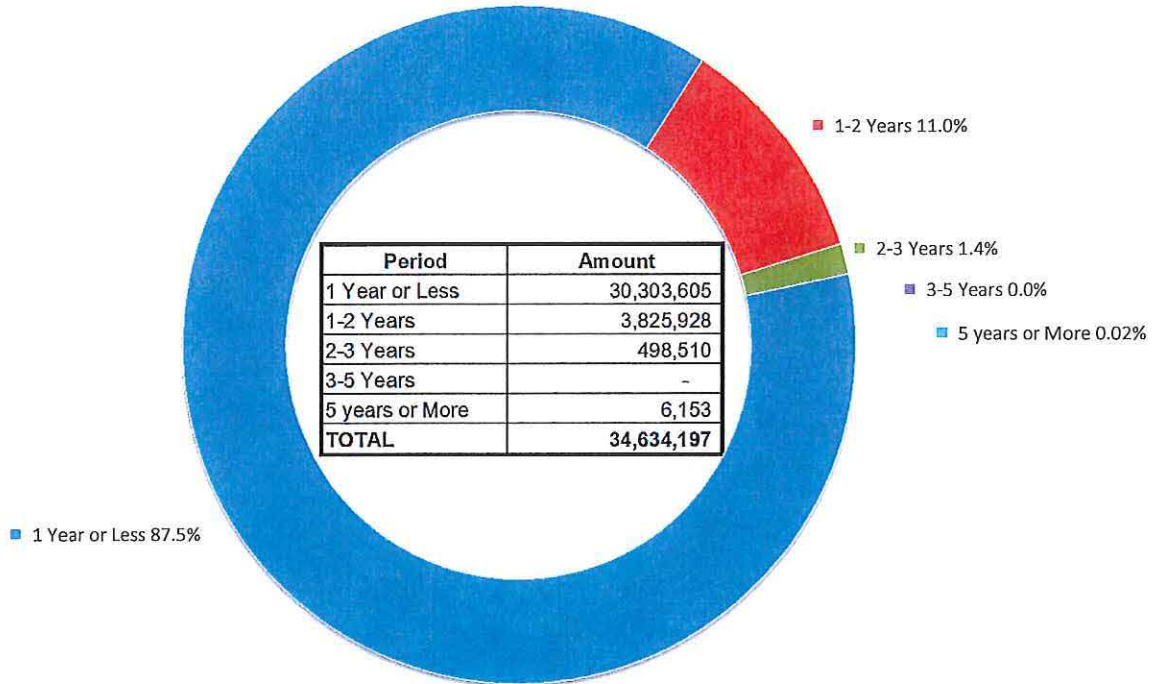


**INVESTMENT DISTRIBUTION BY CATEGORY**

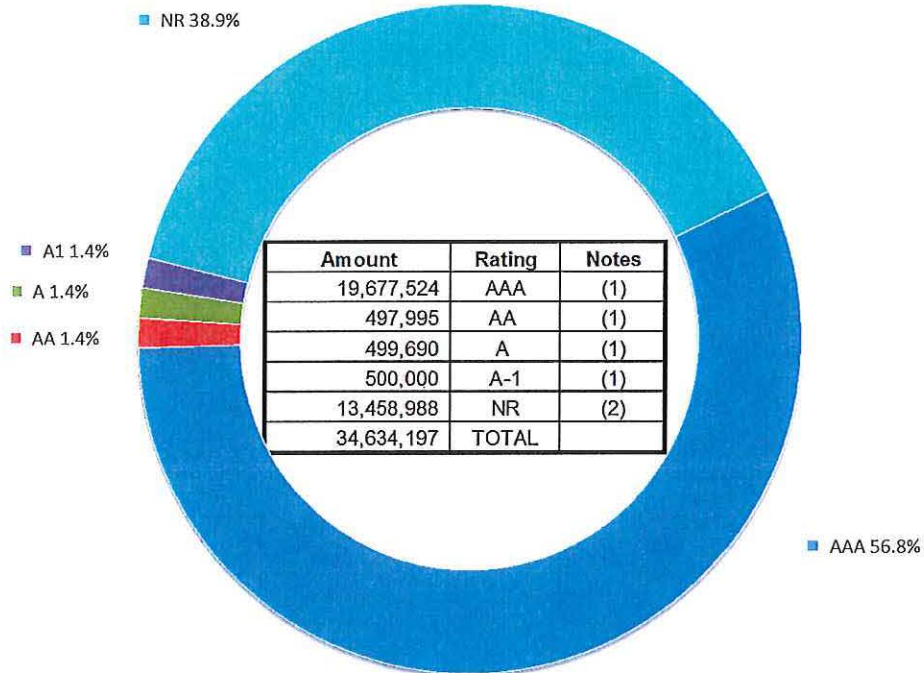


**LEUCADIA WASTEWATER DISTRICT**  
**Monthly Investment Summary**  
**July 31, 2016**  
**(Continued)**

**REMAINING MATURITY**



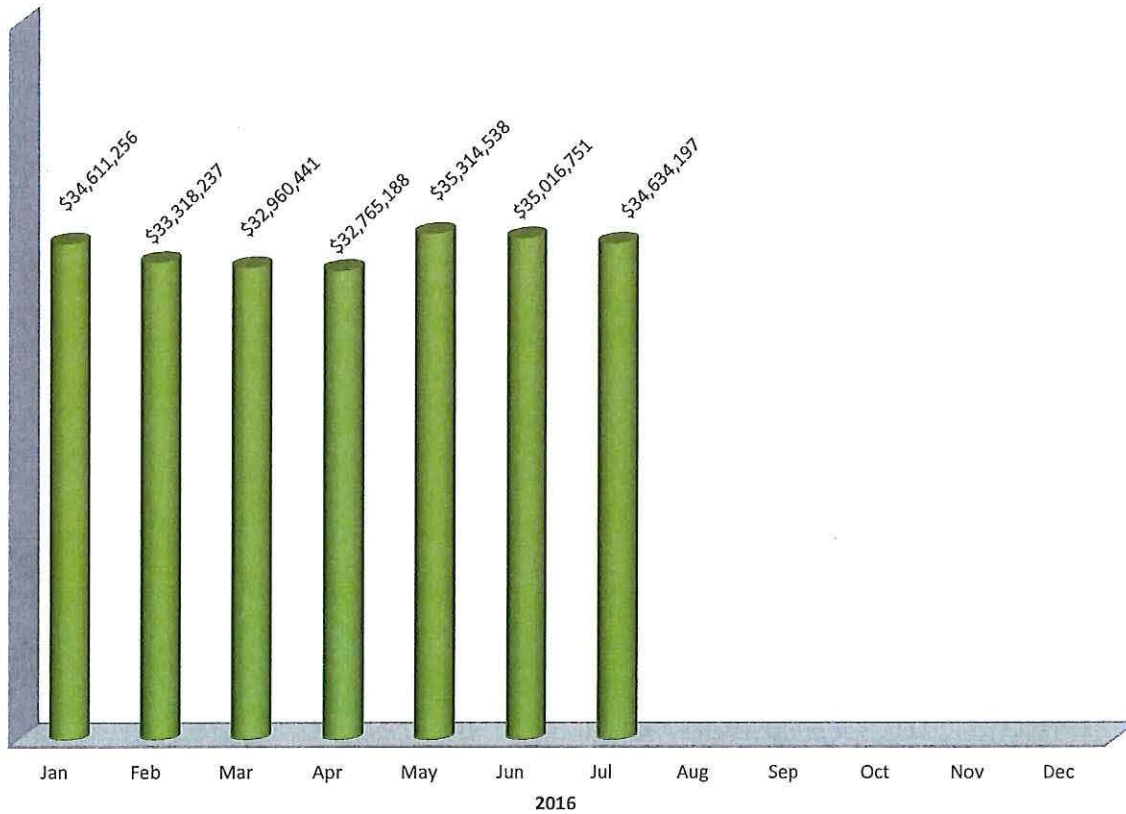
**INVESTMENT RATINGS**



(1) CAMP Pool, SD County Pool, & CD's are rated by Standard & Poors and Investments are rated by Moody's.  
(2) LAIF is not rated

**LEUCADIA WASTEWATER DISTRICT**  
**Monthly Investment Summary**  
**July 31, 2016**  
**(Continued)**

**TOTAL CASH EQUIVALENTS & INVESTMENTS**



**INVESTMENT TRANSACTIONS**  
*For the month of July, 2016*

Investment	Purchases	Maturities	Sales	Notes	YTM at Cost
GNMA MBS 30-yr Pool	\$ -	\$ 31	\$ -	(3)	7.37%
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 31</b>	<b>\$ -</b>		

(3) Monthly principal payments from mortgage pools

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



MEMORANDUM

Ref: 17-5138

**DATE:** September 8, 2016  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** August 2016 Board Disclosure of Reimbursements Report

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**RECOMMENDATION:**

Staff requests that the Board of Directors:

1. Receive and file the Board Disclosure of Reimbursement Report for the month ending August 2016.

**DISCUSSION:**

Government Code Section §53065 stipulates that Special Districts must disclose reimbursements of \$100 or more on at least an annual basis. Leucadia Wastewater District (LWD) prepares the Disclosure Report every month in accordance with Resolution No. 2250 – The Integrated Travel Authorization and Expense Reimbursement Policy, which is above and beyond the requirements of Government Code Section §53065.

Attached please find the Board Disclosure of Reimbursements report for the month of August 2016 for your review.

tb:PJB

Attachment

**Leucadia Wastewater District  
Disclosure of Reimbursements Report  
August 1 - 31, 2016**

Conference Date	Description	Director	Director	Director	Director	Director	GM	ASM	ASuper	FSSupIn	FSSuper
		J. Hanson	E. Sullivan	D. Omsted	D. Kulchin	A. Juliussen	P. Bushee	R. Duffey	T. Hill	J. Stecker	M. Gonzalez
<b>CWEA Collections Committee</b>											
2016 CWEA Collections Committee July 29-31, 2016 Morro Bay, CA	Registration									60.00	60.00
	Hotel									474.22	474.22
	Airfare										
	Meals									8.63	46.25
	Rental Car										
	Parking										
	Tips/Baggage										
	Fuel/mileage/taxi									55.50	
<b>Total</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 598.35	\$ 580.47
<b>2016 CASA ANNUAL CONFERENCE</b>											
2016 Casa Annual Conference August 10-12, 2016 Monterey, CA  CSRMA Session August 9, 2016 (optional)	Registration	550.00	550.00	550.00	550.00		550.00				
	Hotel	1,101.28	1,101.28	1,101.28	825.96		992.28				
	Airfare	216.20	216.20	216.20	206.20		390.96				
	Meals	14.09	125.72	28.36	70.07		62.67				
	Rental Car						259.75				
	Parking	64.43			51.00		39.00				
	Tips	58.00	8.00	20.00	60.00		10.00				
	Fuel/mileage/taxi	29.05	64.80	48.08	78.30		18.85				
	<b>Total</b>	<b>\$2,033.05</b>	<b>\$ 2,066.00</b>	<b>\$ 1,963.92</b>	<b>\$1,841.53</b>	<b>\$ -</b>	<b>\$ 2,323.51</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Payroll Law Seminar</b>										
Payroll Law Seminar August 17, 2016 Carlsbad, CA	Registration								149.00		
	Hotel										
	Airfare										
	Meals								10.31		
	Rental Car										
	Parking										
	Tips										
	Fuel/mileage/taxi				-						
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159.31</b>	<b>\$ -</b>	<b>\$ -</b>

Notes:

- JH, ES, and DO attending Aug 8-12 (CSRMA Session)
- DK and PB attending Aug 9-12
- PB flew into San Jose, hotel bill includes charges for parking at hotel

**Encina Wastewater Authority Report**  
**Regular Board Meeting**  
**August 24, 2016**

**EWA Board of Directors** - Director Sullivan Reporting

**1. Final Acceptance of the Aeration Piping and Diffuser Replacement Project**

The Board of Directors took final acceptance of the contract with Spiess Construction Co. for construction of the Aeration Piping and Diffuser Replacement Project.

The Board of Directors also directed staff to record a Notice of Completion with the San Diego County Recorder.

**2. Authorization to Award Engineering Services for a Water Reuse Feasibility Study**

The Board of Directors awarded a Professional Services Agreement to RMC Water and Environment in the amount not to exceed \$256,982 for Engineering Services for a Water Reuse Feasibility Study.

*There was no Executive Session.*

# Investment & Finance Meeting Report

Presented by Director Hanson

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## **Meeting held September 6, 2016**

### **1. Annual Review of the LWD Investment Policy**

The IFC reviewed staff's recommendation to re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2016 through August 31, 2017.

The IFC also reviewed Resolution No. 2282 revising the LWD Investment Policy.

The IFC concurred with staff to present these recommendations to the Board of Directors and they will be discussed later in the agenda.

# Engineering Committee Meeting Report

Presented by Director Juliussen

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## **Meeting held on September 7, 2016**

1. The EC reviewed Task Order No. 29 with Infrastructure Engineering Corporation (IEC) for engineering design services for the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$41,058.

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

2. The EC also received updates on the following:
  - The status of a cooperative arrangement with the Olivenhain Municipal Water District to use recycled water for collection system hydro-cleaning; and
  - The Scott's Valley Pipeline Project Rehabilitation Post Construction Evaluation.

These items were for informational purposes only. No action was taken.

## MEMORANDUM

DATE: September 8, 2016  
 TO: Board of Directors  
 FROM: Paul J. Bushee, General Manager   
 SUBJECT: **Leucadia Pump Station Rehabilitation Project – Engineering Design Services**

---

**RECOMMENDATION:**

Staff and the Engineering Committee (EC) recommend that the Board of Directors:

1. Authorize the General Manager to execute Task Order No. 29 with Infrastructure Engineering Corporation (IEC) for engineering design services for the Leucadia Pump Station Rehabilitation Project in an amount not to exceed \$41,058.
2. Discuss and take other action as appropriate.

**DISCUSSION:****Tactical Goal: Infrastructure and Technology / Leucadia Pump Station Rehabilitation**

This item was reviewed by the EC at its September 7<sup>th</sup> meeting and the EC concurred with staff to present this item for the Board's consideration.

In April 2014, IEC completed the District's pump stations assessment. As a result of that assessment, IEC recommended the rehabilitation and structural assessment of the Leucadia Pump Station in Fiscal Years (FY) 2016 and 2019, respectively. However, for efficiency and cost effectiveness Staff determined that a prudent approach is to combine both recommended projects into a single rehabilitation project for FY17. The pump station assessment recommended that the following major items be accomplished during the rehabilitation:

- Mechanical:
  - ⊗ Install suction piping in the emergency overflow wet well for by-pass pumping
  - ⊗ Replace diaphragm seals and pressure gauges.
  - ⊗ Install 1" ports prior to 4" valves on force main drain lines.
  - ⊗ Repair drain at surge tank.
  - ⊗ Replace broken valve on surge valve air piping and install unions for disconnection.
  - ⊗ Replace check valves.
- Pump station and site improvements:
  - ⊗ Replace scrubber fan housing and fan.
  - ⊗ Install weatherproofing on door to pump station building and around rain gutter area above door.
  - ⊗ Replace fresh air fan and duct with new Fiberglass Reinforced Plastic (FRP) fan and ductwork.
  - ⊗ Seal manhole cover at Vapex (odor control) injection point.
  - ⊗ Field painting.
  - ⊗ Shop coat pipe stands.
  - ⊗ Spot repair wet well lining.

The recommendation for the structural assessment was based upon comments by District staff during the site visit that parts of the pump station dry well floor sounded hollow. This may indicate a degree of concrete deterioration under the floor paint. Therefore, IEC recommended an assessment of the Leucadia Pump Station floor and walls to evaluate the existence and extent of potential concrete deterioration.

The structural assessment will consist of non-destructive observation methods, primarily involving visual observation with the use of tools such as a hammer, wire brush, or chisel for inspection of concrete surfaces and joints to evaluate the extent of possible deterioration. Non-destructive observations rely on visual observations and sounding techniques, and do not involve drilling, or chipping of concrete to determine extent of damage, location of reinforcement, or actual concrete thickness. This initial survey was recommended for FY 2019 with a subsequent repair project, if required, to be considered during the next 5 year pump station assessment window. If a more extensive evaluation is required as a result of the initial survey, the evaluation would consist of destructive testing (core samples) and is not included in this scope.

To commence project design, staff requested a proposal from IEC. Their proposal, attached, is to develop a Preliminary Design Report (PDR) and complete subsequent project design. The Scope of Work includes:

- Task 1 – Project Management and Administration  
IEC will attend three coordination meetings; project kick-off/site visit, PDR / 75% Design review and Final Design review meetings. Additional coordination will be addressed via e-mail and telephone.
- Task 2 – PDR and Structural Assessment  
IEC will attend a project kick-off site visit. IEC will compile mechanical and structural input to prepare a draft PDR / 75% drawings.
- Task 3 – Final Design  
IEC will prepare one bid package. Plans, specifications, calculations and an engineer's opinion of probable construction cost will be submitted at the Final Design level.

IEC proposed fee for design services is \$41,058 which includes subcontracted services to support project design, such as structural and electrical engineering. Staff believes the proposal is fair and reasonable. Therefore, staff and the EC recommend that the Board authorize the General Manager to execute Task Order No. 29 with IEC for engineering design services for the Leucadia Pump Station Rehabilitation Project.

**FISCAL IMPACT:**

Staff appropriated funds in the FY17 Budget for this project. The budget contains sufficient funds to cover the design services to be provided under this agreement.

rjm:PJB

Attachment



Infrastructure Engineering Corporation

August 31, 2016

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

**RE: Proposal for Engineering Services for Preliminary Design of Leucadia Pump Station Rehabilitation Project**

Dear Mr. Morishita:

Infrastructure Engineering Corporation (IEC) is pleased to provide the Leucadia Wastewater District (LWD) with this proposal for Engineering Services for the preliminary and final design of the Leucadia Pump Station Rehabilitation Project. The proposed scope of services and fee is based on discussions with District staff and a review of the District's 2014 Pump Station Assessment Report.

**PROJECT BACKGROUND AND APPROACH**

As documented in the District's 2014 Pump Station Assessment Report, the Leucadia Pump Station was recommended for rehabilitation in the Fiscal Year 15/16. Recommended improvements include the following:

- Mechanical work including:
  - Install suction piping in the emergency overflow wet well for by-pass pumping
  - Replace diaphragm seals and pressure gauges
  - Install 1" ports prior to 4" valves on force main drain lines
  - Repair drain at surge tank.
  - Replace broken valve on surge tank air piping and install unions for future maintenance
  - Replace pump check valves
- Pump station and site improvements including:
  - Replace scrubber fan housing and fan
  - Install weatherproofing on door to pump station building and around rain gutter area above door
  - Replace fresh air fan and duct with new FRP fan and ductwork.
  - Seal manhole cover at Vapex injection point.
  - Field painting
  - Shop coat pipe stands
  - Spot repair wet well lining

At the preliminary design level, IEC proposes performing a site visit with District field services staff to confirm recommended improvements and identify any additional improvement requests. Following the site visit, IEC will produce meeting minutes from the site visit confirming the list of improvements. After LWD review of the meeting minutes and incorporation of any comments, IEC proposes the preparation of a preliminary design report (PDR) with 75% design level plans and a





Mr. Robin Morishita  
Leucadia Wastewater District  
August 31, 2016  
Page 2 of 4

revised opinion of probable construction cost incorporating updated quotes from manufacturers based on the proposed design.

Following a review of the PDR with 75% Drawings by the LWD, IEC will bring the design to Final Design, incorporating comments from the LWD. The Engineer's Opinion of Probable Cost will also be updated.

#### **SCOPE OF SERVICES**

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

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

In order to expedite the project, we anticipate three coordination meetings will be required during the project, a site visit/kick-off meeting, a PDR review meeting and a Final Design Submittal review meeting. Additional coordination, project status reports and schedule updates will be addressed via e-mail and telephone.

##### ***Task 2 – Preliminary Design Report (PDR) and Structural Assessment***

IEC will attend a project kick-off/site visit. IEC will compile mechanical and structural input to prepare a draft PDR for the District's review. The preliminary design is expected to include the following:

- Mechanical work including:
  - Install suction piping in the emergency overflow wet well for by-pass pumping
  - Replace diaphragm seals and pressure gauges
  - Install 1" ports prior to 4" valves on force main drain lines
  - Repair drain at surge tank.
  - Replace broken valve on surge tank air piping and install unions for future maintenance
  - Replace pump check valves
  
- Pump station and site improvements including:
  - Replace scrubber fan housing and fan
  - Install weatherproofing on door to pump station building and around rain gutter area above door
  - Replace fresh air fan and duct with new FRP fan and ductwork.
  - Seal manhole cover at Vapex injection point.
  - Field painting
  - Shop coat pipe stands
  - Spot repair wet well lining
  
- Structural Condition Assessment Findings



Mr. Robin Morishita  
Leucadia Wastewater District  
August 31, 2016  
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### **Discussion of Structural Evaluation**

The structural condition assessment will consist of non-destructive observation methods, primarily involving visual observation with the use of tools such as a hammer, wire brush, or chisel for inspection of concrete surfaces and joints. Typically, structural defects are indicated by evidence of cracking, spalling, rust and corrosion, delamination of concrete surface due to expansion of rebar where corrosion has occurred, efflorescence, water seepage, leaking, voids, or any other sign of damage or deterioration. Any indication of a structural defect will be documented for its approximate location and condition. All structural elements will be described as in either good, fair, or poor condition.

Sounding techniques will be utilized to assess the quality of the concrete, and locate voids, deterioration or delamination in the concrete surface. Sounding is performed by striking the concrete surface and noting the response or pitch of the impact along with the rebounding reaction. Sound concrete will typically make a high pitched pinging staccato noise and rebound instantaneously. Deteriorated concrete will typically make a dull low pitched noise with minimal rebound indicating deterioration of the concrete surface hardness, or a hollow medium pitched clanking noise that dampens the rebound and indicates delamination of concrete or voids below concrete surface.

Where issues are found during the sounding process, a chisel/screwdriver will be driven into the damaged area to attempt to determine the extent of damage. The color of concrete will be observed and noted as part of the overall concrete condition assessment. Non-destructive observations rely on visual observations and sounding techniques, and do not involve drilling, or chipping of concrete to determine extent of damage, location of reinforcement, or actual concrete thickness. A more extensive evaluation would consist of destructive testing (core samples) and is not included with this scope of work.

Following delivery of the PDR, a meeting will be held after LWD review (2 weeks). After attendance at the draft preliminary review meeting, IEC will incorporate District comments and produce a final PDR.

### ***Task 3 – Final Design***

IEC will prepare one bid package. Plans, specifications, calculations and an engineer's opinion of probable construction cost will be submitted at the Final Design level. It is anticipated that this bid package will consist of D-sized sheets, CSI format specifications, a calculations binder and an engineer's opinion of probable construction cost. The engineer's opinion of probable construction cost will be based on available bid results for similar construction projects and does not include a detailed cost estimate. The proposed drawings include the following:

#### **General**

- Title sheet
- General Notes
- Abbreviations and Legend

#### **Civil**

- Existing Site Conditions and Demolition



Mr. Robin Morishita  
Leucadia Wastewater District  
August 31, 2016  
Page 4 of 4

- Proposed Site Layout and Piping Plan
- Conceptual Bypass/Phasing Plan
- Civil Details (1)
- Mechanical Plan
- Mechanical Section
- Mechanical Details (2)

#### SCHEDULE

It is anticipated IEC will attend a site visit at the Leucadia Pump Station site within two weeks following the notice to proceed. Following the site visit, IEC will prepare a draft PDR within six weeks. Following a two week review period by the District IEC will prepare a final PDR with 75% drawings incorporating District comments within eight weeks. The final design submittal will be completed within three months following the final PDR. Additional drafts or a change in scope from the scope proposed herein will require additional time and budget.

#### FEE

The proposed level of effort and fee is indicated on the attached table. Billing will be in accordance with our current agreement for as-needed engineering services. We sincerely appreciate the opportunity to provide this proposal and assist the District with this project. Please contact me at (858) 842-4425 should you have any questions or need further information.

Sincerely,

Jane Costello, PE  
Project Manager

cc: Jamie Fagnant, PE, IEC, Rob Weber, PE, IEC

**FEE ESTIMATE**  
**LEUCADIA WASTEWATER DISTRICT**  
**Leucadia Pump Station Rehabilitation Project - Design Services**

Task/ Subtask	Task/Subtask Description	<i>Sr. Project Manager (Rob Weber)</i>	<i>Project Manager (Jane Costello)</i>	<i>Project Engineer/ Designer (Bodhan Czarnocki)</i>	<i>Word Processor (Annette Moore)</i>	Subtask Labor-Hours	Subtask Labor Cost	Direct Cost	Subcontract	Total Cost
		\$180.00	\$170.00	\$130.00	\$65.00					
<b>TASK 1</b>	<b>Project Management and Administration</b>									\$2,290
	Site Visit/Kick Off, PDR w/ 75% & Final Review Meetings (3 Total)	1.5	7			8.5	\$1,460	\$150		\$1,610
	Project Status Reports/Coordination		4			4	\$680	\$0		\$680
<b>TASK 2</b>	<b>Preliminary Design Report &amp; Structural Assessment</b>									\$21,848
	Preliminary Design Report with 75% Drawings	1	72	34	8	115	\$17,360	\$0		\$17,360
	Structural Assessment		2			2	\$340	\$0	\$4,148	\$4,488
<b>TASK 3</b>	<b>Final Design</b>									\$16,920
	Final Submittal	1	56	36	16	109	\$15,420	\$0		\$15,420
	Electrical Design								\$1,500	\$1,500
		3.5	141	70	24	238.5				
		\$630	\$23,970	\$9,100	\$1,560		\$35,260	\$150	\$5,648	<b>\$41,058</b>
<b>TOTAL NOT-TO-EXCEED FEE:</b>										<b>\$41,058</b>

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## MEMORANDUM

Ref: 17-5146

**DATE:** September 8, 2016  
**TO:** Board of Directors  
**FROM:** Paul J. Bushee, General Manager   
**SUBJECT:** Annual Review of Leucadia Wastewater District's (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, 2016 through August 31, 2017.
2. Adopt Resolution No. 2282 amending LWD's Investment Policy.
3. Discuss and take other action, as appropriate.

### DISCUSSION:

#### **Tactical Goal: Finance/Financial Policy Reviews/Investment Policy**

This item was reviewed by the IFC at its September 6<sup>th</sup> meeting and the IFC concurred with staff to present this item for the Board's consideration.

On September 8, 2010 the Board adopted LWD's amended Investment Policy. The Policy calls for an annual review by the Board of Directors.

The LWD Investment Policy establishes guidelines to ensure investments are in compliance with California Government Code. 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 Mr. Richard Babbe, LWD's investment advisor from PFM, recently reviewed the Policy to determine if any amendments are warranted. Based on this review, the following revisions are proposed:

#### Section 8.0 Authorized and Suitable Investments

##### Subsection 8.1

Revise the section on Placement Service Certificates of Deposit to permit all types of Placement Service Deposits rather than limiting placement service deposits to certificates of deposit. Placement Service Deposits are like regular bank deposits (such as certificates of deposits and savings accounts) but are placed by a private sector entity that can place deposits with more than one bank at a time. Over the past several years the California Government Code has provided additional flexibility to use all types of placement service deposits. This change would provide LWD with enhanced investment flexibility without increasing LWD's investment risks: Any placement service deposits are required to be insured by federal deposit insurance.

## Section 11.0 Diversification

- Increase the allowable allocation percentage for Medium-Term Corporate Notes from the current 10% to 20% of total LWD funds. In the current investment market Medium-Term Corporate Notes are offering higher yields than most of the other allowed investments. Increasing the allowable percentage would provide additional investment opportunity and flexibility. California Government Code allows up to 30% of an agency funds to be invested in medium-term notes. Purchases are limited to securities rated at least "A-" or equivalent by a Nationally Recognized Statistical Rating Organization (NRSRO).

A sample comparison of maximum allowable allocation percentages for Medium-Term Notes with other local government agencies is as follows:

<b>Government Agency</b>	<b>Medium-Term Note Maximum Allowable %</b>
City of Carlsbad	30%
Encina Wastewater Authority	30%
Leucadia Wastewater District	10%
Olivenhain Municipal Water District	15%
San Diego County Pool	30%
Santa Fe Irrigation District	20%
Vallecitos Water District	20%
<b>California Government Code</b>	<b>30%</b>

- List the allowable allocation percentage for Placement Service Deposits at 25% which mirrors that of Bank Deposits. California Government Code allows up to 30% of an agency funds to be invested in placement services deposits.

## Administrative Changes

Make some minor administrative changes such as formatting, logo, numbering, and grammar.

In addition, staff and the IFC discussed the impracticality of implementing the corporate environmental actions review under section 8.2 "Socially Responsible Investing". Based on that discussion, the IFC concurred with staff's preference to eliminate this language from the policy but wanted full concurrence from the Board prior to taking this action. As such, the draft policy attached has included a strikeout form of this language.

## **CONCLUSION:**

Proposed Resolution No. 2282 with the Amended Investment Policy attached as Exhibit "A" is provided for your review (Attachment 1). The Amended Investment Policy is shown in strikeout format for your convenience. Staff will provide a brief overview of the Policy at the upcoming meeting.

Staff and the IFC recommend that the Board of Directors: (1) re-delegate authority to manage LWD's Investment Program to the General Manager for the period September 1, 2016 through August 31, 2017, (2) adopt Resolution No. 2282, and (3) discuss and take other action as appropriate.

rad:PJB

Attachment

**RESOLUTION NO. 2282**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF LEUCADIA WASTEWATER DISTRICT  
AMENDING THE INVESTMENT POLICY**

---

**WHEREAS**, the Board of Directors of Leucadia Wastewater District (LWD) approved Resolution No. 2211 on September 8, 2010 adopting the District's Amended Investment Policy; and

**WHEREAS**, the Policy requires an annual review by the Board of Directors; and

**WHEREAS**, the Board of Directors desire to modify the Investment Policy;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Leucadia Wastewater District does hereby rescind Resolution No. 2211 and hereby approves in its place the Amended Investment Policy attached hereto as Exhibit "A".

**PASSED AND ADOPTED** by the Board of Directors at a meeting of the Leucadia Wastewater District held September 14, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Donald F. Omsted, President

ATTEST:

\_\_\_\_\_  
Paul J. Bushee, Secretary/Manager

(SEAL)

**LEUCADIA WASTEWATER DISTRICT**

**RESOLUTION NO. 2282**

**EXHIBIT "A"**

**LWD INVESTMENT POLICY**





LEADERS IN  
ENVIRONMENTAL  
PROTECTION



LEADERS IN  
ENVIRONMENTAL  
PROTECTION

## LEUCADIA WASTEWATER DISTRICT INVESTMENT POLICY

Ref: [41-259517-5145](#)

### 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 trust 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, a 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~~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 Deposits.~~ ~~Certificates of d~~Deposits placed through a deposit placement service in accordance with California Government Code Section 53601.8. 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	<del>10</del> 20%
Bankers Acceptances	10%
Commercial Paper	10%
Bank Deposits	25%
<u>Placement Service Deposits</u>	<u>25%</u>
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.



# Directors' Meetings

Presented by Directors Omsted, Hanson, Sullivan, Kulchin, and Juliussen

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## Conference

CSDA Quarterly Dinner

## Dates and Location

August 18, 2016

The Butcher Shop Steakhouse in Kearny Mesa, CA

## List of Attendees

President Donald Omsted

Vice President Judy Hanson

Director Elaine Sullivan

Director David Kulchin

Director Allan Juliussen

The above mentioned Board members heard a presentation by Dr. Steve Albrecht titled "Lessons Learned: Twenty-Five Years in Workplace Violence Prevention".

# Directors' Meetings

Presented by Directors Sullivan, Kulchin, and Juliussen

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## Conference

2016 Carlsbad State of the City Luncheon

## Dates and Location

August 26, 2016

Sheraton Resort Hotel and Spa in Carlsbad, CA

## List of Attendees

Director Elaine Sullivan

Director David Kulchin

Director Allan Juliussen

The above mentioned Board members heard an update on Carlsbad's state of affairs and the city's strategic policy goals.