



BOARD OF DIRECTORS REGULAR MEETING

Pursuant to the State of California Executive Order N-29-20, and in the interest of public health, the District is temporarily taking actions to mitigate the COVID-19 pandemic by holding Board Meetings by teleconference or videoconference. The general public may not attend this meeting at the District's office due to social distancing requirements.

To join this meeting via Teleconference please dial: 1 (669) 900-6833

Meeting ID: 829 3982 8822 **Password:** 771493

Public Participation/Comment: Members of the public can participate in the meeting by emailing comments to the Executive Assistant at tbaity@lwwd.org by 4:00 p.m. the day of the meeting. The subject line of your email should clearly state the item number you are commenting on. If you desire to have your comment read into the record during the meeting, please note that in the email subject line. All comments will be emailed to the Board of Directors prior to the start of the meeting. Finally, comments may be mailed to the District, but to be considered, must be received on or before the meeting date. Written comments should be mailed to: Leucadia Wastewater District, c/o Executive Assistant, 1960 La Costa Avenue, Carlsbad, CA 92009.

DATE: Wednesday, August 19, 2020

TIME: 5:00 p.m.

PLACE: VIA VIDEOCONFERENCE ONLY

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 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. In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Executive Assistant at (760) 753-0155. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **General Public Comment Period**

5. Approval of Agenda

6. Presentation and Awards

- A. Achievement of Individual Awards – Individual Service Awards for Jeff Stecker and Marvin Gonzalez. (Page 6)
- B. Achievement of Individual Awards – Professional Achievement Awards for Ryan Rodriguez and Hugo Gonzalez. (Pages 7-9)
- C. Achievement of Organizational Award – Six Years No Vehicle Accidents. (Page 10)

CONSENT CALENDAR

Items 7-13 will be enacted in one motion in accordance with the recommendation unless removed from the Consent Calendar by the Board of Directors, Staff or Public. If a member of the public wishes to remove an item, they should submit a "Request to Address the LWD Board of Directors" form to the Board Secretary prior to the meeting. Items removed from the Consent Calendar will be considered in the original agenda order immediately following adoption of the Consent Calendar.

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

- July 8, 2020 Regular Board Meeting (Pages 11-17)
- July 29, 2020 Special Board Meeting (Pages 18-19)
- August 4, 2020 Community Affairs Committee meeting (Pages 20-21)
- August 5, 2020 Engineering Committee Meeting (Pages 22-24)
- August 5, 2020 Investment and Finance Committee meeting (Pages 25-27)

8. Approval of Demands for July/August 2020

This item provides for Board of Directors approval of all demands paid from LWD during the month of July and a portion of August 2020. (Pages 28-45)

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 FY20 to FY21, flows by sub-basin, and staff training. (Pages 46-52)

10. Finance Report

This report discloses up-to-date schedule of assets, liabilities, net assets and compares fiscal year-to-date expenditures to the FY21 budget and discloses monthly investments. (Pages 53-60)

11. Quarterly Treasurer's Investment Report

This report discloses investments for the quarter ending June 30, 2020. (Pages 61-62, Enclosure 11)

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of July 2020. (Pages 63-64)

13. Fiscal Year 2021 (FY21) Pay Schedules

Adopt Resolution No. 2337 - Approving the FY21 pay schedules. (Pages 65-67)

EWA REPORTS

14. Encina Wastewater Authority Reports

- A. A regular EWA Board Meeting was held on July 22, 2020 via video conference – report by Director Sullivan. (Page 68)
- B. An Encina Member Agencies Manager's Meeting was held on August 4, 2020 – report by GM Bushee. (Verbal)

COMMITTEE REPORTS

15. Committee Reports

- A. Community Affairs Committee meeting was held on August 4, 2020 via videoconference – report by Director Sullivan. (Page 69)
- B. Engineering Committee meeting was held on August 5, 2020 via videoconference – report by Vice President Omsted. (Page 70)
- C. Investment and Finance Committee meeting was held on August 5, 2020 via videoconference – report by Director Hanson. (Pages 71-72)

ACTION ITEMS

16. Vehicle Replacement Policy

Adopt Resolution No. 2339 - Adopting LWD's Vehicle Replacement Policy. (Pages 73-87)

17. Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project Award

Recommendation 1: Authorize the General Manager to execute an Agreement with Burtech Pipeline, Incorporated for construction services to complete the Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project in an amount not to exceed \$1,395,000 as the lowest responsive and responsible bidder. (Pages 88-106)

Recommendation 2: Authorize an additional appropriation of \$420K for project construction.

18. Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project Construction Contract

Authorize the General Manager to execute an Agreement with Mavteck for construction management services during construction of the Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project in an amount not to exceed \$45,000. (Pages 107-115)

19. Annual Review of LWD's Procurement Policy

Adopt Resolution No. 2338 - Approving LWD's Revised Procurement Policy. (Pages 116-126)

20. Annual Review of LWD's Investment Policy

Redelegate authority to manage LWD's investment program to the General Manager effective September 1, 2020 through August 31, 2021, adopt Resolution No. 2341 amending LWD's Investment Policy, and receive and file the annual review of the policy. (Pages 127-142)

21. Revised Conflict of Interest Code

Adopt Resolution No. 2336 – Approving LWD's Revised Conflict of Interest Code. (Pages 143-147)

22. Revised CalPERS Employer Paid Member Contributions

Adopt Resolution No. 2340 – Updating the CalPERS Employer Paid Member Contributions. (Pages 148-149)

INFORMATION ITEMS

23. Project Status Updates and Other Informational Reports

A. CSDA Virtual Quarterly Meeting is scheduled for Thursday, August 20, 2020 at 6:00pm.
(Page 150)

B. Flu Shot Clinic is scheduled for Thursday, September 17, 2020 from 3:00pm – 4:00pm.
(Page 151)

24. Directors' Meetings and Conference Reports

The 2020 CASA Annual Virtual Conference was held August 12-13, 2020. (Page 152)

25. General Manager's Report

26. General Counsel's Report

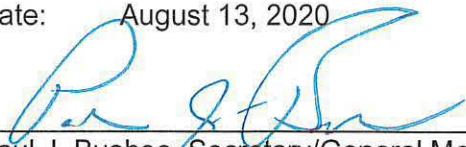
27. Board of Directors' Comments

28. 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: August 13, 2020



Paul J. Bushee, Secretary/General Manager

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **Achievement of an Individual Awards – Jeff Stecker and Marvin Gonzalez**

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

40 Year Service Award – Jeff Stecker

On July 14, 2020, Field Services Superintendent Jeff Stecker will have completed his 40th anniversary of employment at LWD. This milestone is a tribute to Jeff's hard work, dedication, and commitment to LWD. Jeff's exceptional milestone also meets one of the individual objectives under LWD's Incentive Program. Jeff is eligible for an incentive award of \$1,500.

Please join me in congratulating Jeff for his outstanding accomplishment.

15 Year Service Award – Marvin Gonzalez

On August 15, 2020, Field Services Supervisor Marvin Gonzalez will have completed his 15th anniversary of employment at LWD. This milestone is a tribute to Marvin's hard work, dedication, and commitment to LWD. Marvin's exceptional milestone also meets one of the individual objectives under LWD's Incentive Program. Marvin is eligible for an incentive award of \$300.

Please join me in congratulating Marvin for his outstanding accomplishment.

tb:PJB

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Achievement of an Individual Award – Ryan Rodriguez and Hugo Gonzalez

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

California Water Environment Association (CWEA) Collection System Maintenance Grade 3 Certification – Ryan Rodriguez

Field Services Technician III Ryan Rodriguez recently received his Grade 3 Collection System Maintenance certification from CWEA. Ryan has been working for LWD since January 2015. Ryan has worked hard on his own time for this achievement while maintaining his fulltime position at LWD. This accomplishment reflects Ryan's desire to excel through continued professional development. As a result of this certification, Ryan is eligible for an Individual Incentive Award of \$500.

Please join me in congratulating Ryan for his outstanding accomplishment.

California Water Environment Association (CWEA) Collection System Maintenance Grade 3 Certification – Hugo Gonzalez

Field Services Technician III Hugo Gonzalez recently received his Grade 3 Collection System Maintenance certification from CWEA. Hugo has been working for LWD since September 2013. Hugo has worked hard on his own time for this achievement while maintaining his fulltime position at LWD. This accomplishment reflects Hugo's desire to excel through continued professional development. As a result of this certification, Hugo is eligible for an Individual Incentive Award of \$500.

Please join me in congratulating Hugo for his outstanding accomplishment.

tb:PJB

CALIFORNIA WATER ENVIRONMENT ASSOCIATION

Certification of Competence

THIS IS TO CERTIFY THAT

Ryan Rodriguez

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

Collection System Maintenance
Grade 3

Expires: 6/30/2021



Wendy Wert, President
California Water Environment Association



Certificate Number 1308219054



Abigail Gomez, Chair
Technical Certification Program

CALIFORNIA WATER ENVIRONMENT ASSOCIATION

Certification of Competence

THIS IS TO CERTIFY THAT

Hugo Gonzalez

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

Collection System Maintenance
Grade 3

Expires: 6/30/2021



Wendy Wert, President
California Water Environment Association



Certificate Number 1308218948



Abigail Gomez, Chair
Technical Certification Program

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: **Six Years No Vehicle Accidents**



I am pleased to report that the Leucadia Wastewater District (LWD) achieved an organizational objective under the LWD Incentive Program:

Achieve Highest Number of Consecutive Days Without a Vehicle Accident

Under the Incentive Program, an Organizational Objective is met if the District achieves the highest number of consecutive days without a vehicle accident. On July 8, 2020, LWD staff achieved six complete years without a vehicle accident. Vehicle accidents result in economic impacts due to lost productivity, damaged public and private property, workers compensation costs, and undermines employee morale. As a result of this achievement, each employee is eligible for an incentive compensation award in the amount of \$750.

Please join me with congratulating all staff for going six years without a vehicle accident.

tb:PJB

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

July 8, 2020

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, July 8, 2020 at 5:00 p.m. via teleconference.

1. Call to Order

President Juliussen called the meeting to order at 5:03 p.m.

2. Roll Call

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

DIRECTORS ABSENT:

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 District Engineer Dexter Wilson

3. Pledge of Allegiance

Vice President Omsted led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

Upon a motion duly made by Vice President Omsted, seconded by Director Kulchin, and unanimously carried, the Board of Directors approved the agenda by the following vote:

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

6. Presentations and Awards

None.

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

Minutes of the following meetings:

June 10, 2020 Regular Board Meeting

July 1, 2020 Engineering Committee Meeting

8. Approval of Demands for June/July 2020

Payroll Checks numbered 22071-22116; General Checking Checks numbered 54277-54400

9. Operations Report (A copy was included in the original July 8, 2020 Agenda)

10. Finance Report (A copy was included in the original July 8, 2020 Agenda)

11. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of June 2020.

12. Transfer of Capital Funds

Authorize a transfer of \$50,000 in capital funds from the La Cost Golf Course Realignment Project, account 50-51-0357-6499, to the Batiquitos (B3) Force Main Discharge Section Replacement Project, account 50-51-0374-6499.

13. Appropriation Carry Over Purchase ¾ Ton Pick-up Truck

Authorize the General Manger to carry over an appropriated budgeted amount of \$71,500 from the Fiscal Year 2020 (FY20) Capital Acquisition Budget to the FY21 Capital Acquisition Budget for the purchase of a new ¾ Ton Pick-Up Truck.

14. Appropriation Carry Over Purchase Vector Truck

Authorize the General Manger to carry over an appropriated budgeted amount of \$433,000 from the Fiscal Year 2020 (FY20) Capital Acquisition Budget to the FY21 Capital Acquisition Budget for the purchase of the Vector 2110 Combination Truck.

Upon a motion duly made by Director Kulchin, seconded by Director Hanson, and unanimously carried, the Board of Directors approved the Consent Calendar by the following vote:

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

EWA and COMMITTEE REPORTS

15. Encina Wastewater Authority (EWA) Reports

A. A regular EWA Board Meeting was held on June 24, 2020.

Director Sullivan reported on EWA's June 24, 2020 Board Meeting.

B. An Encina Member Agency Manager's (MAM) Meeting was held on July 7, 2020.

GM Bushee reported on EWA's MAM July 7, 2020 meeting.

16. Committee Reports

A. Engineering Committee (EC) Meeting was held on July 1, 2020.

Director Kulchin reported that the EC reviewed the following recommendations:

- Authorize the General Manager to execute a sole source purchase Agreement with Vapex Environmental Technologies to purchase two (2) replacement Vapex odor control units for Batiquitos and Leucadia Pump Stations in an amount not to exceed \$192,000 and;

- Authorize the General Manager to execute a two-year extension to the Dexter Wilson Engineering, Incorporated Professional Services Agreement for engineering consulting services not to exceed \$240,000.

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

The EC reviewed the following recommendation to authorize a transfer of \$50,000 in capital funds from the La Cost Golf Course Realignment Project, account 50-51-0357-6499, to the Batiquitos (B3) Force Main Discharge Section Replacement Project, account 50-51-0374-6499. The EC agreed to add this item to the Consent Calendar for the July Board Meeting.

The EC also received information regarding the Diana Pump Station Emergency Generator Siting. This item was for information purposes and there was no action taken.

ACTION ITEMS

17. Receive and file the Fiscal Year 2020 (FY20) Tactics and Action Plan Report.

GM Bushee presented the item stating that the District has accomplished over 97 goals. He provided highlights of the completed tactical goals from each strategic area listed in the Plan.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors received and filed the FY20 Tactics and Action Plan by the following vote:

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

18. Adopt the Fiscal Year 2021 (FY21) Tactics and Action Plan

GM Bushee presented the item stating the Plan includes over 98 tactical goals. He provided the highlights of the Plan, which included the following:

- Board Team Building;
- Leucadia Pump Station Project; and
- Re-evaluate the Proposed Rate Increase;

Following discussion, upon a motion duly made by Director Sullivan, seconded by Director Hanson, and unanimously carried, the Board of Directors adopted the FY21 Tactics and Action Plan by the following vote:

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

19. Award of Purchase Contract – Ozone Odor Control Units (2)

Authorize the General Manager to execute a sole source purchase Agreement with Vapex Environmental Technologies to purchase two (2) replacement Vapex odor control units for Batiquitos and Leucadia Pump Stations in an amount not to exceed \$192,000.

FSS Stecker presented the item and provided background information noting that two Vapex odor control units need to be replaced due to their age. He then explained how the units provide a great solution for odor control by creating an ozone fog in conjunction with Bioxide and Carbon Scrubbers.

FSS Stecker stated that the purchase of the Vapex units satisfy sole-source procurement requirements because the units are only manufactured and sold by Vapex. He concluded by stating that adequate funds for the purchase of the two Vapex units are included in the FY 2021 Capital Acquisition budget.

Vice President Omsted asked how ozone fog fits into the odor control system. FSS Stecker answered that an ozone fog is generated by the Vapex units upstream of the wet well. He stated that the fog attacks hydrogen sulfides being released into the atmosphere. He noted that the field services staff monitors the amount being released by taking daily readings.

Following discussion, upon a motion duly made by Director Sullivan, seconded by Vice President Omsted, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source purchase Agreement with Vapex Environmental Technologies to purchase two (2) replacement Vapex odor control units for Batiquitos and Leucadia Pump Stations in an amount not to exceed \$192,000 by the following vote:

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

20. Dexter Wilson Engineering Contract Extension

Authorize the General Manager to execute a two-year extension to the Dexter Wilson Engineering, Incorporated (DWEI) Professional Services Agreement for engineering consulting services in an amount not to exceed \$240,000.

TSM Morishita presented the recommendation for a proposed 2-year extension to the DWEI agreement.

TSM Morishita stated that DWEI has performed exceptionally well and is recognized as a valuable asset to the District. He noted that they provide engineering guidance to staff and maintain the District's standard specifications as well as provide Capital Improvement Program support in the form of technical review of projects and update of the Asset Management Plan. In addition, they provide

development support by performing plan checks, construction inspections and annexations.

Director Kulchin thanked DWEI for doing a fabulous job. Directors Omsted, Juliussen, and Sullivan agreed with Director Kulchin.

Following discussion, upon a motion duly made by Director Hanson, seconded by Director Kulchin, and unanimously carried, the Board of Directors authorized the General Manager to execute a two-year extension to Dexter Wilson Engineering, Incorporated Professional Services Agreement for engineering consulting services in an amount not to exceed \$240,000 by the following vote:

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

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

A. Operating Expense Report.

GM Bushee provided a fiscal year 2019 Operating Expense breakdown by program as a follow up to Vice President Omsted's request at the June Board Meeting.

Vice President Omsted asked what percentage of labor costs are included in wastewater collections. GM Bushee answered that it would be roughly 27% including Encina and 40% excluding Encina.

B. CASA Election of Officers Fiscal Year 2020/2021 and Approval of Dues Resolution for Calendar Year 2021.

EA Baity noted that due to the COVID-19 pandemic the CASA Annual Conference has been changed to a virtual conference and the CASA Board Election and Approval of Dues Resolution will be voted on by written electronic ballot. She provided information on the CASA Election of Directors and the Approval of the Dues Resolution and noted that President Juliussen will be the CASA Voting member, Vice President Omsted will be the first alternate, and GM Bushee will be the second alternate.

GM Bushee then provided information on the slate of nominees.

Following discussion, the Board of Directors reached consensus to approve CASA's slate of nominees.

C. The CASA Virtual Annual Conference will be held August 12 – 14, 2020.

EA Baity announced the dates of the CASA Virtual Annual Conference noting that the August Board Meeting has been pushed back a week to August 19th.

22. Directors' Meetings and Conference Reports

The 2020 CA Annual WaterReuse Virtual Conference was held June 24 - 25, 2020.

Director Sullivan stated that the WaterReuse Conference virtual platform was easier to use than CSDA's virtual platform. She noted that she really enjoyed the PFAS session.

President Juliussen stated the second day was easier to navigate. Vice President Omsted agreed with President Juliussen. Vice President Omsted also stated that he liked being able to switch technical sessions.

Director Hanson stated she enjoyed the PFAS session and the awards video.

23. General Manager's Report

GM Bushee reported on the following items:

- LWD's response letter to the Gelson's Claim; and
- He will be on vacation from July 14th – July 28th

Director Kulchin asked when the new Accounting Technician started. GM Bushee answered that the new Accounting Technician, James Whittenburge, started on June 24th.

24. General Counsel's Report

None.

25. Board of Directors' Comments

Director Sullivan thanked EA Baity for her work supporting the Board. Directors Hanson and Juliussen agreed with Director Sullivan.

Vice President Omsted stated he would like to suggest adding some of the FY20 accomplished tactical goals to the next newsletter.

Director Kulchin thanked staff for the LWD gift bags.

26. Closed Session

- A. Closed session pursuant to California Government Code Sec. 54956.8 to confer with Real Property Negotiators regarding potential terms for acquisition of utility easement: Property Location – Diana Street, Leucadia, California; Agency Negotiators – Paul Bushee and Robin Morishita; Property Owner Negotiator – Beachwalk Condominium HOA.

The Board of Directors provided guidance to staff. There was no reportable action.

- B. Personnel matters as authorized by Government Code §54957 to review General Manager Performance.

The Board of Directors met in closed session. General Counsel Brechtel reported that the Board of Directors reviewed GM Bushee's performance. He stated that the Board agreed that the General Manager's performance was overall excellent.

The Board then reviewed the General Manager's compensation in open session.

Upon a motion duly made by Vice President Omsted, seconded by Director Sullivan, and carried, the Board of Directors approved a 3.5% salary increase from \$237,240.02 to \$245,543.42 by the following vote:

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

27. Adjournment

President Juliussen adjourned the meeting at approximately 6:30 p.m.

Allan Juliussen, President

Paul J. Bushee
Secretary/General Manager
(SEAL)

LEUCADIA WASTEWATER DISTRICT

Minutes of a Special Board Meeting

July 29, 2020

A regular meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Wednesday, July 29, 2020 at 1:00 p.m. via teleconference.

1. Call to Order

President Juliussen called the meeting to order at 1:04 p.m.

2. Roll Call

DIRECTORS PRESENT: Juliussen, Omsted, Hanson, and Sullivan

DIRECTORS ABSENT:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Administrative Services Manager Richard Duffey, Technical Services Manager Robin Morishita, Executive Assistant Tianne Baity, Field Services Superintendent Jeff Stecker, and Administrative Services Supervisor Trisha Hill

3. Pledge of Allegiance

Vice President Omsted led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

Upon a motion duly made by Director Hanson, seconded by Director Sullivan, and unanimously carried, the Board of Directors approved the agenda by the following vote:

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

6. Board of Directors Vacancy**A. Discuss options for filling Board vacancy.**

GM Bushee stated as a result of the sudden passing of Director Kulchin, there is a vacant seat on the Board of Directors. He noted that under County Water District regulations, the District has the following options for filling the vacant position:

1. Appointment of a New Director
2. Call for an Election

GM Bushee then provided background information on both options. He noted that should the Board chose to appoint someone, the appointment would occur at the September 9th Board Meeting.

Vice President Omsted asked where the District would advertise the Notice of Vacancy. GM Bushee answered the San Diego Union Tribune, the District Facebook page, the District website, and 3 other conspicuous places as required by County Water District Regulations.

Director Hanson asked if the Notice could be advertised with the Coast News. GM Bushee answered affirmatively.

Following discussion, the Board of Directors chose option 1 and directed staff to notice the vacancy in accordance with California regulations by the following vote:

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

The Board of Directors also scheduled a Special Board Meeting for August 25, 2020 at 10:00 a.m. to consider potential candidates. GM Bushee stated that as part of the agenda packet, staff will submit background information of each applicant.

In addition, the Board of Directors scheduled a Special Board Meeting for September 1, 2020 at 10:00 a.m. to conduct candidate interviews.

B. Board of Directors Committee Assignments.

President Juliussen stated he would like to fill the vacant committee assignments on the Engineering Committee (EC) and on the Community Affairs Committee (CAC). Following discussion, President Juliussen appointed Vice President Omsted to the EC and appointed himself to the CAC.

There was no other action taken.

7. Adjournment

President Juliussen adjourned the meeting at approximately 1:41 p.m.

Allan Juliussen, President

Paul J. Bushee
Secretary/General Manager
(SEAL)

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Community Affairs Committee Meeting
 August 4, 2020

A meeting of the Community Affairs Committee (CAC) of the Leucadia Wastewater District (LWD) was held Tuesday, August 4, 2020 at 10:30 a.m. via video conference.

1. Call to Order

Chairperson Sullivan called the meeting to order at 10:30 a.m.

2. Roll Call

DIRECTORS PRESENT: Sullivan and Juliussen

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, Administrative Services Manager Richard Duffey, Administrative Services Supervisor Trisha Hill, Executive Assistant Tianne Baity, and Neal Bloom of Rising Tide Partners (RTP)

3. Public Comment

No public comment was received.

4. New Business

A. Discussion of the Fall 2020 Newsletter Proposed Article Topics and Production Schedule.

ASsup Hill presented the subject item noting it is a Tactical Goal for fiscal year 2021. Staff and the CAC then reviewed the following proposed newsletter article topics:

- Continue to Provide Essential Services during COVID;
- LWD's FY20 Accomplishments;
- Transmittal of COVID through Sewer is Low Risk;
- Proper Grease Disposal;
- Illegal Connections and What Not to Flush;
- Teacher Grant Applications;
- Watch a Virtual Tour;
- Pump Station Projects;
- Standout Achievements; and
- Call for local photographers

GM Bushee stated that Director Sullivan suggested that an article commemorating Director Kulchin be added to the newsletter. Staff stated that they would add this item to the newsletter.

The CAC made suggested edits and directed staff to move forward with the newsletter and production schedule.

5. Information Items

None.

6. Directors' Comments

President Juliussen stated it was his first time on the CAC and he was very impressed with the work from staff and RTP.

Director Sullivan thanked staff and RTP for their great newsletter ideas.

7. General Manager's Comments

None.

8. Adjournment

Chairperson Sullivan adjourned the meeting at 11:01 a.m.

Paul J. Bushee
Secretary/General Manager
(Seal)

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Engineering Committee Meeting
 August 5, 2020

A meeting of the Engineering Committee (EC) of Leucadia Wastewater District (LWD) was held on Wednesday, August 5, 2020 at 9:00 a.m., via video conference.

1. Call to Order

President Juliussen called the meeting to order at 9:00 a.m.

2. Roll Call

DIRECTORS PRESENT: Juliussen and Omsted

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; Field Services Technician III Richard Easton; Rob Weber of Infrastructure Engineering Corporation; District Engineer Dexter Wilson; and Administrative Specialist Mark Brechbiel

3. Public Comment

None.

4. New Business

A. Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project Award:

Recommendation 1: Authorize the General Manager to execute an Agreement with Burtech Pipeline, Incorporated for construction services to complete the Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project in an amount not to exceed \$1,395,000 as the lowest responsive and responsible bidder.

Recommendation 2: Authorize an additional appropriation of \$420K for project construction.

FSSpec Riffel presented information to the EC pertaining to the FY20 Gravity Sewer Repair / Quebrada Realignment Project. He provided background information on the project along with the two recommendations.

FSSpec Riffel noted that the Quebrada Gravity Line has a significant sag which causes grit, grease and debris to collect in the line, thereby requiring quarterly cleaning. The line is located in an easement and is hard to access. Several alignments were considered during project design. Ultimately, it was decided to realign the Quebrada Gravity Line approximately 10 feet from the existing alignment to eliminate vegetation removal and bypassing operations.

In addition to the Quebrada realignment project, twenty (20) open trench and manhole repairs from the Repair Priority List were included to form a bigger project with the intent to attract greater interest for a more competitive bid.

Director Omsted asked if staff could provide a list of the repairs included in the project. FSSpec Riffel replied that he would email the list of individual projects to the EC.

FSSec Riffel stated that five bids were received with Wier Construction Corporation (Wier) being the apparent low bidder. Upon review by Infrastructure Engineering Corporation (IEC), the bid provided by Wier did not meet the minimum experience requirements for the project. However, Burtech Pipeline Incorporated (Burtech), the second lowest bidder, did meet the minimum requirements and it was recommended that Burtech be awarded the project as the lowest responsive and responsible bidder.

FSSpec Riffel also stated that that he and TSM Morishita met with Wier to discuss the rejection of their bid and to inform Wier that staff was recommending award of the bid to Burtech. Wier stated that they would not contest the bid rejection or District's award to Burtech.

Lastly, due to the addition of 11 items during project design, Staff requested an additional appropriation to the FY21 budget of \$420K to cover the cost for project construction and a 5% contingency.

Following discussion, the EC concurred with Staff to recommend that the Board of Directors authorize the General Manager to execute an Agreement with Burtech Pipeline, Incorporated for construction services to complete the Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project in an amount not to exceed \$1,395,000. In addition, the EC concurred with Staff to recommend that the Board of Directors authorize an additional appropriation of \$420K for project construction.

B. Authorize the General Manager to execute an Agreement with Mavteck for construction management services during construction of the Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project in an amount not to exceed \$45,000.

FSSpec Riffel presented staff's recommendation to execute an agreement with Mavteck for construction management (CM) services. He noted what is entailed in CM services for this project as well as a list of projects in which Mavteck has provided similar services to the District.

GM Bushee indicated that construction management services typically cost between 8%-15% of the construction cost. Mavteck's proposal is approximately 3% of construction cost, which is very reasonable.

Following a brief discussion, the EC concurred with Staff to recommend that the Board of Directors authorize the General Manager to execute an Agreement with Mavteck for construction management services during construction of the Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project in an amount not to exceed \$45,000.

C. Adopt Resolution 2339 the Leucadia Wastewater District Vehicle Replacement Policy.

FSTIII Easton presented staff's recommendation to adopt Resolution 2339 the Leucadia Wastewater District Vehicle Replacement Policy. He provided background information on what has led the recommendation to adopt a formal policy as opposed to the continued use of the current guidelines.

FSTIII Easton outlined the more intricate details of the proposed policy. These included new minimum replacement criteria and an explanation on how the District budgets for vehicle replacement among other items. He stated this update uses engine run time hours instead of "chassis" mileage for Heavy Duty Trucks (greater than 3 tons). This is due in part to the operation of the Vactor trucks. The Vactor uses the engine to power

the hydro-cleaning and vacuum equipment. Therefore, the truck is stationary for a majority of the time reducing the accumulated mileage while increasing the engine run time.

He concluded by stating that the new policy would be an effective tool to consistently and rationally replace fleet vehicles. The policy would assist staff with budgeting for proposed replacement vehicle purchases.

Director Juliussen commended staff on their hard work putting together a much more detailed policy. In addition, he stated that it is appropriate to view District vehicles as First Responder vehicles and therefore it is essential to keep them well maintained, up to date and replaced when necessary.

After discussion, including a revision recommendation to section VII of the policy, the EC concurred with Staff to recommend to the Board of Directors to adopt Resolution No. 2339 the Leucadia Wastewater District Vehicle Replacement Policy.

5. Information Items

A. Batiquitos Pump Station Emergency Basin Project Concept

TSM Morishita presented an explanation of the two Batiquitos Pump Station projects planned for this fiscal year. He explained that two submersible pumps would be purchased for bypassing during the Leucadia Pump Station (LPS) Rehabilitation Project. At the end of the LPS construction one pump will remain in the LPS Emergency Basin and the second pump will be installed into the Batiquitos Pump Station's (BPS) Emergency Basin.

He continued, that after design of the BPS Emergency Basin Rehabilitation project is complete, the District would request a quote from Stanek Constructors (LPS Contractor) to perform the work under a change order. Staff hopes that a reasonable quote for construction will be proposed due to reduced mobilization cost. If the cost is deemed unreasonable, the rehabilitation of the BPS Emergency Basin would be included in the second FY21 BPS Rehabilitation Project.

Director Omsted asked if these pumps would be run occasionally to insure functionality. GM Bushee and FSSup Gonzalez confirmed that this task would be added to the monthly preventative maintenance list.

6. Directors' Comments

President Juliussen commended staff for their continued hard work.

7. General Manager's Comments

GM Bushee mentioned the recent installation of security cameras at the District Headquarters Building and how they have already been beneficial to the District.

8. Adjournment

President Juliussen adjourned the meeting at approximately 9:50 a.m.

Paul J. Bushee,
Secretary/Manager
(Seal)

LEUCADIA WASTEWATER DISTRICT
Minutes of an Investment & Finance Committee Meeting
August 5, 2020

A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Wednesday, August 5, 2020 at 1:30 pm. via video conference.

1. Call to Order

Chairperson Hanson called the meeting to order at 1:31 p.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, Executive Assistant Tianne Baity, and Shannon Ayala of 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 Shannon Ayala with Davis Farr, LLP.

Ms. Ayala provided an overview of the audit process. She noted that the SAS 114 planning letter was sent to the Board of Directors indicating that the audit process has begun, along with the auditor's responsibilities.

Ms. Ayala then reviewed the audit timeline and upcoming changes to the audit process. Ms. Ayala noted that the final phase of the audit will begin September 2020.

The IFC thanked Ms. Ayala. No action was taken on this item.

B. Revised Procurement Policy - Adopt Resolution No. 2338 approving LWD's revised Procurement Policy.

ASM Duffey presented the item and provided background information on the Procurement Policy.

ASM Duffey presented the subject recommendation indicating that staff recently conducted a review of the existing policy. Based on this review, staff is recommending adding a section to address the procurement of highly technical goods or services by competitive negotiations and making some clarification changes in the policy.

Vice President Omsted asked how the District would find bidders for highly technical goods or services. ASM Duffey answered the District would ask for proposals.

Chairperson Hanson asked if the District always accepts the lowest bid. GM Bushee stated that construction projects are normally awarded to the lowest bidder if they meet all the requirements.

Following discussion, the IFC agreed with staff to recommend that the Board adopt Resolution No. 2338 and the revised Procurement Policy.

- C. Revised Investment Policy – Redelegate authority to manage LWD's investment program to the General Manager effective September 1, 2020 through August 31, 2021, and adopt Resolution No. 2341 approving LWD's revised Investment Policy.

ASM Duffey presented this item and provided background information on the Investment Policy. He noted that staff recently reviewed the Policy to determine if any amendments are warranted. In addition, LWD's Investment Policy received certification from the California Municipal Treasurers Association (CMTA) under its Investment Policy Certification Program last year. As part of that review process, CMTA's evaluators made some review comments and staff incorporated some of them into LWD's investment policy this year. ASM Duffey then reviewed the following enhancements to the Investment Policy:

- Expanding the Authorized Investment Chart by adding relevant California Government Code sections and maximum maturities.
- Increasing allowable allocation percentages for certain authorized investment with higher safety and liquidity characteristics, such as US Treasuries.
- Reference LWD's Conflict of Interest Code.
- Limiting amount invested in certain types of securities of any single issuer to 5% of LWD's total portfolio,
- Adding additional information and clarifying some sections of the policy.
- Make some minor administrative changes such as formatting, numbering, and grammar.

Vice President Omsted asked why money market funds were increased from 10% to 20%. ASM Duffey answered that money market funds are liquid and safe investments.

Following discussion, the IFC agreed with staff to recommend that Board of Directors redelegate authority to manage LWD's investment program to the General Manager effective September 1, 2020 through August 31, 2021, and adopt Resolution No. 2341 amending LWD's Investment Policy.

5. Information Items

None.

6. Directors' Comments

None.

7. General Manager's Comments

GM Bushee stated that two security cameras were recently installed at the District Headquarters Building. He noted that last week the cameras caught an intruder attempting to break into District vehicles after hours. GM Bushee stated that staff will make improvements to the fence line between Gelson's and the District property so that it is not as easy to access the District property from the north west perimeter.


8. Adjournment

Chairperson Hanson adjourned the meeting at 2:04 p.m.

Paul J. Bushee
Secretary/General Manager
(Seal)

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Approval of July/August Demands



RECOMMENDATION:

Staff requests that the Board of Directors:

1. Approve checks and electronic payments totaling **\$572,852.56**.
2. Discuss and take other action as appropriate.

DISCUSSION:

Attached are check registers describing all payments made by LWD for the period July 9, 2020 through August 12, 2020.

Operating expenses totaled **\$107,709.67**, Capital Improvement Program expenses totaled **\$300,869.41**, and Payroll expense for District Employees and the Board totaled **\$164,273.48**.

Attachment 1	Summary of Demands by Account July 9, 2020 – August 12, 2020
Attachment 2	Accounts Payable Check Register dated July 9, 2020
Attachment 3	Payroll Check Register dated July 15, 2020
Attachment 4	Accounts Payable Check Register dated July 20, 2020
Attachment 5	Accounts Payable Check Register dated July 24, 2020
Attachment 6	Payroll Check Register dated July 29, 2020
Attachment 7	Board Payroll Check Register dated August 1, 2020
Attachment 8	Accounts Payable Check Register dated August 3, 2020
Attachment 9	Payroll Check Register dated August 12, 2020

DEMANDS SUMMARY

August 19, 2020

1. Demands

<u>Category</u>	<u>Check #s</u>	<u>Amount</u>
Payroll Checks - 7/15/2020	22117 - 22135	\$ 53,528.16
Payroll Checks - 7/29/2020	22136 - 22154	\$ 53,801.05
Board Payroll Checks - 8/3/2020	22155 - 22159	\$ 2,115.07
Payroll Checks - 8/12/2020	22160 - 22180	\$ 54,829.20
		\$ -
Total		\$ 164,273.48
General Checking - 7/9/2020	54401 - 54420	\$ 47,562.40
General Checking - 7/20/2020	54421 - 54448	\$ 25,453.59
General Checking - 7/24/2020	54449 - 54469	\$ 69,015.08
General Checking - 8/3/2020	54470 - 54506	\$ 266,548.01
Total		\$ 408,579.08
GRAND TOTAL		\$ 572,852.56

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 7/9/2020 Through 7/9/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
ADS LLC	54401	7/9/2020	<u>4,340.00</u>	OPEN PO-FLOW MONITORING JUNE
	Total 54401		4,340.00	
BOOT WORLD, INC	54402	7/9/2020	<u>97.40</u>	SAFETY BOOTS FOR H. GONZALEZ
	Total 54402		97.40	
CITY OF CARLSBAD	54403	7/9/2020	27.24	WATER@FIRE LINE
CITY OF CARLSBAD		7/9/2020	<u>414.96</u>	WATER@PLANT
	Total 54403		442.20	
COUNTY OF SAN DIEGO	54404	7/9/2020	<u>6,909.88</u>	LAFCO FEES - FY 21
	Total 54404		6,909.88	
CSDA- SAN DIEGO CHAPTER	54405	7/9/2020	<u>150.00</u>	CSDA MEMBERSHIP FY 21
	Total 54405		150.00	
CWEA	54406	7/9/2020	<u>104.00</u>	CWEA RENEWAL HOYETT - FY21
	Total 54406		104.00	
DOANE AND HARTWIG WATER SYSTEMS, INC	54407	7/9/2020	372.89	CART HOUSINGS & O-RINGS
	Total 54407		372.89	
DATA NET SOLUTIONS GROUP	54408	7/9/2020	525.00	AEROHIVE LICENSES - FY21
DATA NET SOLUTIONS GROUP		7/9/2020	1,735.00	IS MAINT & SUPPORT
DATA NET SOLUTIONS GROUP		7/9/2020	936.00	IS MAINT AND SUPPORT
DATA NET SOLUTIONS GROUP		7/9/2020	115.00	NEW HIRE ACCOUNT SETUP/XFER JW
	Total 54408		3,311.00	
DEXTER WILSON ENGINEERING	54409	7/9/2020	<u>9,960.00</u>	GE/CIP/MAY/200/358/364
	Total 54409		9,960.00	
DRAGER SAFETY, INC.	54410	7/9/2020	<u>1,724.01</u>	SCBA FIT ANNUAL TEST
	Total 54410		1,724.01	
EVOQUA WATER TECHNOLOGIES, LLC	54411	7/9/2020	9,864.05	BIOXIDE - JUNE
	Total 54411		9,864.05	
HAAKER EQUIPMENT CO	54412	7/9/2020	<u>95.81</u>	EQUIPMENT PARTS
	Total 54412		95.81	
PURE WATER PARTNERS, LLC	54413	7/9/2020	<u>135.77</u>	FILTERED WATER FOR OFFICE
	Total 54413		135.77	

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 7/9/2020 Through 7/9/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
SAN DIEGO EMPLOYERS ASSOCIATION	54414	7/9/2020	659.00	MEMBERSHIP SD EMPLOY ASSOC - FY21
	Total 54414		659.00	
San Diego Society for HR Management	54415	7/9/2020	310.00	ANNUAL MEMBERSHIP SD-SHRM FY21
	Total 54415		310.00	
SOUTHERN CONTRACTING COMPANY	54416	7/9/2020	2,297.58	BPS KEYPAD REPLACEMENT
SOUTHERN CONTRACTING COMPANY		7/9/2020	650.00	CABLE INSTALL FOR EMERG GENERATOR
SOUTHERN CONTRACTING COMPANY		7/9/2020	1,040.00	CABLE/EMERGENCY GENERATOR
	Total 54416		3,987.58	
SUNBELT RENTALS, INC	54417	7/9/2020	4,791.56	KW GENERATOR RENTAL
	Total 54417		4,791.56	
TERMINIX PROCESSING CENTER	54418	7/9/2020	67.00	MONTHLY PEST SVC - JUNE
	Total 54418		67.00	
VERIZON WIRELESS	54419	7/9/2020	21.27	TELEMETRY FOR CELL PHONES
	Total 54419		21.27	
WASTE MANAGEMENT	54420	7/9/2020	218.98	TRASH SVC - JUNE
	Total 54420		218.98	
Report Total			47,562.40	

**LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT**

Payroll Date: **July 15, 2020**

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
22117 - 22135	7/15/2020	\$53,528.16

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 7/20/2020 Through 7/20/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
ALLIANT INSURANCE SERVICES	54421	7/20/2020	999.46	APIP Cyber Insurance FY21
	Total 54421		999.46	
AT&T	54422	7/20/2020	137.88	Phone Service @ BPS
	Total 54422		137.88	
CITY OF CARLSBAD	54423	7/20/2020	208.67	Water @ Vactor
CITY OF CARLSBAD		7/20/2020	269.88	Water @ Vactor 2
	Total 54423		478.55	
CORODATA	54424	7/20/2020	131.81	File Storage - June
	Total 54424		131.81	
COSCO FIRE PROTECTION	54425	7/20/2020	225.00	Qtrly Sprinkler Inspection
	Total 54425		225.00	
DATA NET SOLUTIONS GROUP	54426	7/20/2020	230.00	IS Maint and Support
DATA NET SOLUTIONS GROUP		7/20/2020	2,272.66	Netapp FA2240 Warranty Renewal FY21
DATA NET SOLUTIONS GROUP		7/20/2020	77.50	User Profile Programming
	Total 54426		2,580.16	
DODGE DATA & ANALYTICS	54427	7/20/2020	1,385.92	E. Estates Pump Replacement Project
	Total 54427		1,385.92	
GOVERNMENT FINANCE OFFICER ASSOC.	54428	7/20/2020	160.00	Membership Renewal- R Duffey FY21
	Total 54428		160.00	
HEAVILAND ENTERPRISES, INC	54429	7/20/2020	856.67	Landscaping Fees - July
HEAVILAND ENTERPRISES, INC		7/20/2020	304.00	Monthly Veg Cleanup - July
	Total 54429		1,160.67	
HUGO GONZALEZ	54430	7/20/2020	205.00	REIMBURSE HUGO FOR CERTIFICATION TEST
	Total 54430		205.00	
MESA REPROGRAPHICS	54431	7/20/2020	28.00	Email Service - FY20 Gravity Project
MESA REPROGRAPHICS		7/20/2020	806.83	EPS Replacement Project
	Total 54431		834.83	
MINUTEMAN PRESS	54432	7/20/2020	77.31	Address Return Labels
	Total 54432		77.31	

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 7/20/2020 Through 7/20/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
OLIVENHAIN MUNICIPAL WATER DISTRICT	54433	7/20/2020	65.60	Recycled Water @ Traveling
OLIVENHAIN MUNICIPAL WATER DISTRICT		7/20/2020	47.62	Water @ E. Estates PS
OLIVENHAIN MUNICIPAL WATER DISTRICT		7/20/2020	308.73	Water @ Traveling
OLIVENHAIN MUNICIPAL WATER DISTRICT		7/20/2020	621.28	Water @ Travelling 2
OLIVENHAIN MUNICIPAL WATER DISTRICT		7/20/2020	47.62	Water @ VP5 PS
OLIVENHAIN MUNICIPAL WATER DISTRICT		7/20/2020	52.21	Water @ VP7
	Total 54433		1,143.06	
PACIFIC RIM MECHANICAL	54434	7/20/2020	2,395.50	HVAC Maintenance Admin - Q1 FY21
	Total 54434		2,395.50	
Premier Chevrolet of Carlsbad	54435	7/20/2020	314.56	Vehicle Service Truck #155
Premier Chevrolet of Carlsbad		7/20/2020	91.56	Vehicle Service Truck #158
	Total 54435		406.12	
QUADIENT FINANCE USA, INC	54436	7/20/2020	429.20	Postage
	Total 54436		429.20	
ROCKWELL CONSTRUCTION SERVICES, INC	54437	7/20/2020	405.00	Electrical Svc/Maint E. Estates Pump
	Total 54437		405.00	
SAN DIEGO UNION TRIBUNE	54438	7/20/2020	795.67	Newspaper Delivery & Public Notices
	Total 54438		795.67	
SAN DIEGUITO WATER DISTRICT	54439	7/20/2020	125.66	Water @ BPS
SAN DIEGUITO WATER DISTRICT		7/20/2020	159.00	Water @ Tanker 2
	Total 54439		284.66	
SAN DIEGO GAS & ELECTRIC	54440	7/20/2020	729.31	Electric @ E. Estates PS
SAN DIEGO GAS & ELECTRIC		7/20/2020	330.63	Electric @ VP5 PS
	Total 54440		1,059.94	
STAPLES	54441	7/20/2020	58.13	Office Supplies
	Total 54441		58.13	
SUNBELT RENTALS, INC	54442	7/20/2020	325.97	250KW Diesel Generator Rental
	Total 54442		325.97	
THE HOME DEPOT CRC/GEFC	54443	7/20/2020	220.72	Maintenance Tools/Supplies

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 7/20/2020 Through 7/20/2020

<u>Vendor Name</u>	<u>Check Number</u>	<u>Effective Date</u>	<u>Check Amount</u>	<u>Transaction Description</u>
	Total 54443		220.72	
UNIFIRST CORPORATION	54444	7/20/2020	240.73	Laundry Svc Week Ending 7/1/20
UNIFIRST CORPORATION		7/20/2020	<u>236.00</u>	Laundry Svcs - Week Ending 7/8/20
	Total 54444		476.73	
CONCENTRA	54445	7/20/2020	<u>99.00</u>	DOT Re-cert Exam - MG
	Total 54445		99.00	
V&A CONSULTING ENGINEERS	54446	7/20/2020	<u>2,000.00</u>	SM Creek Flow - Apr to Jun
	Total 54446		2,000.00	
SAN DIEGO FREIGHTLINER	54447	7/20/2020	<u>1,098.50</u>	Transmission Svc Vactor #159
	Total 54447		1,098.50	
WORDEN WILLIAMS LLP	54448	7/20/2020	<u>5,878.80</u>	Legal Fees - June
	Total 54448		<u>5,878.80</u>	
Report Total			<u><u>25,453.59</u></u>	

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 7/24/2020 Through 7/24/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
ADS LLC	54449	7/24/2020	<u>1,190.00</u>	Depth Meter Maintenance - June
	Total 54449		1,190.00	
CARLSBAD FUELS CORPORATION	54450	7/24/2020	<u>4,615.12</u>	Vehicle Fuels
	Total 54450		4,615.12	
CORE & MAIN LP	54451	7/24/2020	<u>6,106.73</u>	Valve Install
	Total 54451		6,106.73	
DATA NET SOLUTIONS GROUP	54452	7/24/2020	<u>1,672.15</u>	IS Maint & Support
	Total 54452		1,672.15	
DEXTER WILSON ENGINEERING	54453	7/24/2020	105.00	GE/0941/June/Orpheus Ave
DEXTER WILSON ENGINEERING		7/24/2020	62.50	GE/1010/June/NC Highway
DEXTER WILSON ENGINEERING		7/24/2020	250.00	GE/1037/June/Ryan Annex
DEXTER WILSON ENGINEERING		7/24/2020	270.00	GE/1089/June/Orphan Annex
DEXTER WILSON ENGINEERING		7/24/2020	155.00	GE/1091/June APN 216-071-35
DEXTER WILSON ENGINEERING		7/24/2020	250.00	GE/1094/June/Argonauta
DEXTER WILSON ENGINEERING		7/24/2020	<u>6,013.94</u>	GE/1098/June/Urania Water
	Total 54453		7,106.44	
ELLIOT ASSOCIATES	54454	7/24/2020	<u>462.71</u>	Data Processing Sewer Assessment File
	Total 54454		462.71	
FEDERAL EXPRESS CORPORATION	54455	7/24/2020	<u>30.25</u>	Shipping
	Total 54455		30.25	
INFRASTRUCTURE ENGINEERING CORP	54456	7/24/2020	6,204.50	LPS Rehab Project - June
INFRASTRUCTURE ENGINEERING CORP		7/24/2020	3,907.50	Orchard Wood Sewer - June
	Total 54456		10,112.00	
MSC JANITORIAL SERVICE, INC	54457	7/24/2020	<u>2,004.50</u>	Janitorial Service - July
	Total 54457		2,004.50	
PACIFIC PIPELINE SUPPLY	54458	7/24/2020	<u>855.04</u>	Valve Assembly Parts
	Total 54458		855.04	
RANCHO SANTA FE SECURITY SYSTEMS	54459	7/24/2020	<u>258.00</u>	Alarm Systems Monitoring - Aug to Oct 2020
	Total 54459		258.00	
RISING TIDE PARTNERS	54460	7/24/2020	<u>2,585.00</u>	Public Information - June

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 7/24/2020 Through 7/24/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
	Total 54460		2,585.00	
SAN DIEGO GAS & ELECTIRC	54461	7/24/2020	2,453.14	Electric @ Admin
SAN DIEGO GAS & ELECTIRC		7/24/2020	131.12	Electric @ Avocado PS
SAN DIEGO GAS & ELECTIRC		7/24/2020	12,971.27	Electric @ BPS
SAN DIEGO GAS & ELECTIRC		7/24/2020	421.65	Electric @ Diana PS
SAN DIEGO GAS & ELECTIRC		7/24/2020	1,430.46	Electric @ EEPS (AWT)
SAN DIEGO GAS & ELECTIRC		7/24/2020	731.71	Electric @ LCPS
SAN DIEGO GAS & ELECTIRC		7/24/2020	10,046.54	Electric @ LPS
SAN DIEGO GAS & ELECTIRC		7/24/2020	141.49	Electric @ RV PS
SAN DIEGO GAS & ELECTIRC		7/24/2020	632.78	Electric @ SPS
SAN DIEGO GAS & ELECTIRC		7/24/2020	153.34	Electric @ VP7 PS
SAN DIEGO GAS & ELECTIRC		7/24/2020	15.32	Gas @ Admin
	Total 54461		29,128.82	
STAPLES	54462	7/24/2020	274.95	Office Supplies
	Total 54462		274.95	
SOLANA PALM LLC	54463	7/24/2020	90.00	Answering Service 7/16-8/15/2020
	Total 54463		90.00	
T.S. INDUSTRIAL SUPPLY	54464	7/24/2020	467.20	Hoses & Clamps
	Total 54464		467.20	
UNIFIRST CORPORATION	54465	7/24/2020	245.01	Laundry Svc Week Ending 7/15/20
	Total 54465		245.01	
VAPEX PRODUCTS, INC	54466	7/24/2020	197.40	Filters for BPS & LPS
	Total 54466		197.40	
VERIZON WIRELESS	54467	7/24/2020	996.76	Cell Phone Usage
	Total 54467		996.76	
VORTEX INDUSTRIES, INC	54468	7/24/2020	285.00	Gate Repair - Admin
	Total 54468		285.00	
WATER ENVIRONMENT FEDERATION	54469	7/24/2020	332.00	Membership Renewal - J Stecker
	Total 54469		332.00	
Report Total			69,015.08	

**LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT**

Payroll Date: **July 29, 2020**

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
22136 - 22154	7/29/2020	\$53,801.05

LEUCADIA WASTEWATER DISTRICT
BOARD PAYROLL CHECK REPORT

Payroll Date: August 1, 2020

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>
22155 - 22159	8/3/2020	\$3,222.67

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 8/3/2020 Through 8/3/2020

<u>Vendor Name</u>	<u>Check Number</u>	<u>Effective Date</u>	<u>Check Amount</u>	<u>Transaction Description</u>
ADT/PROTECTION 1	54470	8/3/2020	20,870.58	Cameras & Security System Installation
ADT/PROTECTION 1		8/3/2020	<u>330.00</u>	Security Service 7/17-9/16/20
	Total 54470		21,200.58	
AT&T	54471	8/3/2020	<u>217.33</u>	Phone Service
	Total 54471		217.33	
AUTO PLUS	54472	8/3/2020	8.91	Clamps & Fuses Rodder Truck #126
AUTO PLUS		8/3/2020	<u>16.15</u>	RV Blade & Adapter
	Total 54472		25.06	
BAJA POOL AND SPA SERVICE	54473	8/3/2020	<u>140.00</u>	Fountain Svc - August
	Total 54473		140.00	
CITY OF CARLSBAD	54474	8/3/2020	31.51	Water @ Fire Line
CITY OF CARLSBAD		8/3/2020	<u>359.45</u>	Water @ Plant
	Total 54474		390.96	
COLONIAL LIFE INS	54475	8/3/2020	205.86	Critical Illness/Accident Insurance - July
	Total 54475		205.86	
COX COMMUNICATIONS SAN DIEGO	54476	8/3/2020	517.92	Phone Service
	Total 54476		517.92	
CSRMA	54477	8/3/2020	<u>112.20</u>	Property Insurance - Legal Fees
	Total 54477		112.20	
DATA NET SOLUTIONS GROUP	54478	8/3/2020	<u>652.50</u>	IS Maint & Support
	Total 54478		652.50	

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 8/3/2020 Through 8/3/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
DEXTER WILSON ENGINEERING	54479	8/3/2020	<u>16,304.50</u>	General Engineering/CIP/June
	Total 54479		16,304.50	
DKF SOLUTIONS GROUP, LLC	54480	8/3/2020	<u>300.00</u>	MSO Monthly Subscription - August
	Total 54480		300.00	
ENCINA WASTEWATER AUTHORITY	54481	8/3/2020	<u>2,344.45</u>	Lab Reports - AWT
	Total 54481		2,344.45	
FEDERAL EXPRESS CORPORATION	54482	8/3/2020	<u>39.13</u>	Shipping
	Total 54482		39.13	
Gemini Finance Corporation	54483	8/3/2020	<u>118,657.60</u>	Purchase of Two Portable Generators
	Total 54483		118,657.60	
GRAINGER, INC	54484	8/3/2020	<u>36.93</u>	Air Hose
GRAINGER, INC		8/3/2020	<u>300.63</u>	Pressure Gauges - Diana PS
	Total 54484		337.56	
HAAKER EQUIPMENT CO	54485	8/3/2020	<u>209.07</u>	Solenoid
	Total 54485		209.07	
HARBOR FREIGHT TOOLS	54486	8/3/2020	<u>303.09</u>	Hydraulic Table
	Total 54486		303.09	
HUMANA DENTAL INS.	54487	8/3/2020	<u>3,133.71</u>	Dental Insurance - August
	Total 54487		3,133.71	

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 8/3/2020 Through 8/3/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
INFRASTRUCTURE ENGINEERING CORP	54488	8/3/2020	18,597.50	FY 2020 Gravity Sewer - June
	Total 54488		18,597.50	
INTERSTATE BATTERIES OF SAN DIEGO	54489	8/3/2020	476.94	E Estates PS & Vehicle #154 Batteries
INTERSTATE BATTERIES OF SAN DIEGO		8/3/2020	(48.00)	Saxony & La Costa PS Core Returns
INTERSTATE BATTERIES OF SAN DIEGO		8/3/2020	268.52	Saxony PS & La Costa PS Generator Batteries
	Total 54489		697.46	
KEN GRODY FORD	54490	8/3/2020	409.09	Vehicle #160 Maintenance
	Total 54490		409.09	
MUTUAL OF OMAHA	54491	8/3/2020	1,195.14	Disability Insurance Premium - August
	Total 54491		1,195.14	
NAPA AUTO	54492	8/3/2020	51.66	Bluedef Diesel Additive
NAPA AUTO		8/3/2020	139.43	Cable Ties & Fuel Filters
NAPA AUTO		8/3/2020	206.73	Fuel Filters & Mud Flaps
	Total 54492		397.82	
NORTH COUNTY TRANSIT DISTRICT	54493	8/3/2020	2,504.18	License 236.30-0708 & 235.70-0708 - LWD Easement
	Total 54493		2,504.18	
PACIFIC PIPELINE SUPPLY	54494	8/3/2020	50.17	Pipe Fittings
	Total 54494		50.17	
PLANT PEOPLE, INC	54495	8/3/2020	158.00	Office Plants Maintenance - August
	Total 54495		158.00	

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 8/3/2020 Through 8/3/2020

Vendor Name	Check Number	Effective Date	Check Amount	Transaction Description
PLUMBERS DEPOT, INC	54496	8/3/2020	4,087.88	4" Trash Pump w/Honda Gas Engine 10.7 HP
PLUMBERS DEPOT, INC		8/3/2020	334.44	Cable Assembly & Nozzle
PLUMBERS DEPOT, INC		8/3/2020	<u>576.29</u>	Gloves Bulk
	Total 54496		4,998.61	
RICK EASTON	54497	8/3/2020	<u>248.96</u>	Safety Boots - R Easton
	Total 54497		248.96	
SAN DIEGO UNION TRIBUNE	54498	8/3/2020	<u>158.79</u>	Newspaper Delivery
	Total 54498		158.79	
STANEK CONSTRUCTORS, INC	54499	8/3/2020	<u>67,521.25</u>	LPS Rehab Project - May/June
	Total 54499		67,521.25	
STAPLES	54500	8/3/2020	<u>107.29</u>	Office Supplies
	Total 54500		107.29	
STATE WATER RESOURCES CONTROL BD	54501	8/3/2020	<u>60.00</u>	Drinking Water Operator Cert Renewal - MG
	Total 54501		60.00	
TERMINIX PROCESSING CENTER	54502	8/3/2020	<u>45.00</u>	Monthly Pest Svc - July
	Total 54502		45.00	
UNIFIRST CORPORATION	54503	8/3/2020	236.00	Laundry Svc - Week Ending 7/22/20
UNIFIRST CORPORATION		8/3/2020	<u>240.73</u>	Laundry Svc - Week Ending 7/29/20
	Total 54503		476.73	
UNITED PARCEL	54504	8/3/2020	<u>58.70</u>	Shipping
	Total 54504		58.70	

Leucadia Wastewater District
Check/Voucher Register - CHECK REGISTER
1001 - Opus Bank General Checking
From 8/3/2020 Through 8/3/2020

<u>Vendor Name</u>	<u>Check Number</u>	<u>Effective Date</u>	<u>Check Amount</u>	<u>Transaction Description</u>
UNITED RENTALS	54505	8/3/2020	<u>2,416.80</u>	Generator Rental - 6/29-7/13/20
	Total 54505		2,416.80	
VORTEX INDUSTRIES, INC	54506	8/3/2020	<u>1,355.00</u>	Install Loop Detector
	Total 54506		1,355.00	
Report Total			<u>266,548.01</u>	

**LEUCADIA WASTEWATER DISTRICT
EMPLOYEE PAYROLL CHECK REPORT**

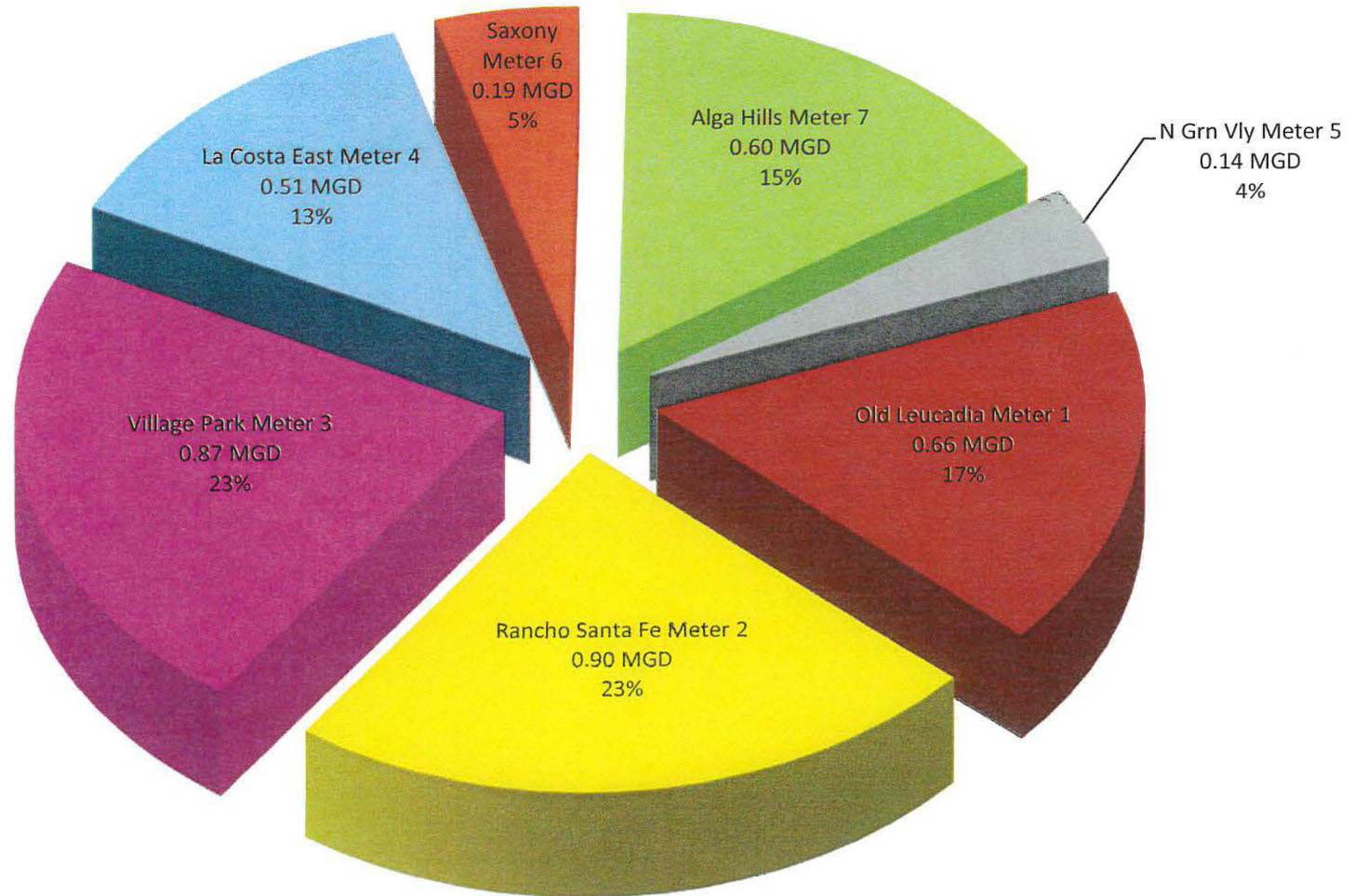
Payroll Date: **August 12, 2020**

<u>Check Nos.</u>	<u>Date</u>	<u>Amount</u>
22160 - 22180	8/12/2020	\$54,829.20

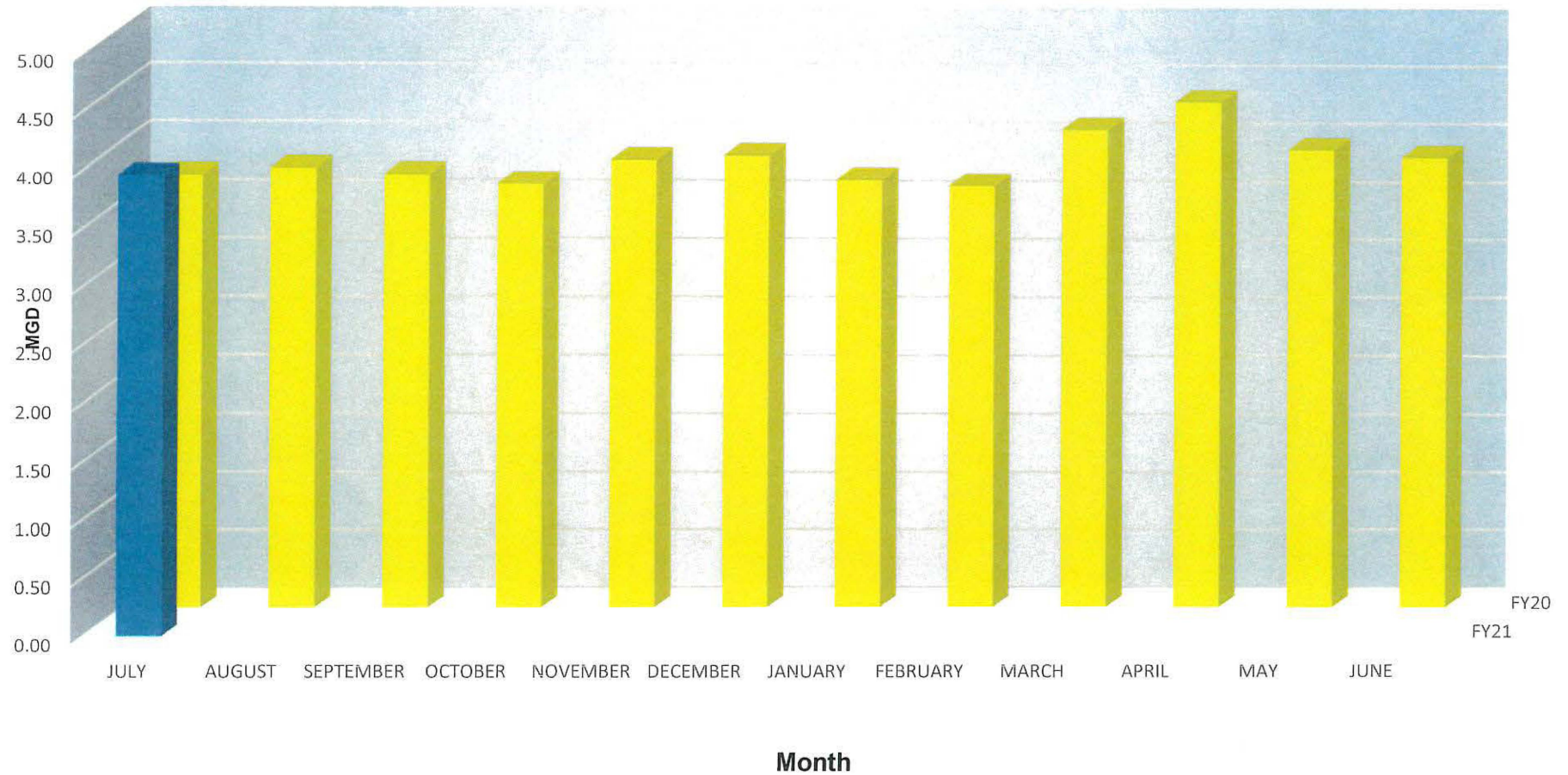
**LEUCADIA WASTEWATER DISTRICT
OPERATIONS REPORT
FISCAL YEAR 2021 (July 2020 - June 2021)**

CURRENT MONTH - July 2020							FY 2020 LWD ADF (MGD)
Period	Total Rain Inches	Total Flow MG	Added EDU's 28,738.54	LWD ADF (MGD)	GPD/EDU	RECLAIMED Total (ac-ft/mo)	
JULY	0.00	122.45	1.05	3.95	137.44	48.21	3.71
YTD			28,739.59				
AUGUST							3.77
YTD							
SEPTEMBER							3.72
YTD							
OCTOBER							3.64
YTD							
NOVEMBER							3.84
YTD							
DECEMBER							3.88
YTD							
JANUARY							3.68
YTD							
FEBRUARY							3.63
YTD							
MARCH							4.11
YTD							
APRIL							4.35
YTD							
MAY							3.94
YTD							
JUNE							3.88
YTD							
YTD Totals	0.00	122.45	1.05			48.21	
Mo Average	0.00	122.45	1.05	3.95	137.44	48.21	3.85

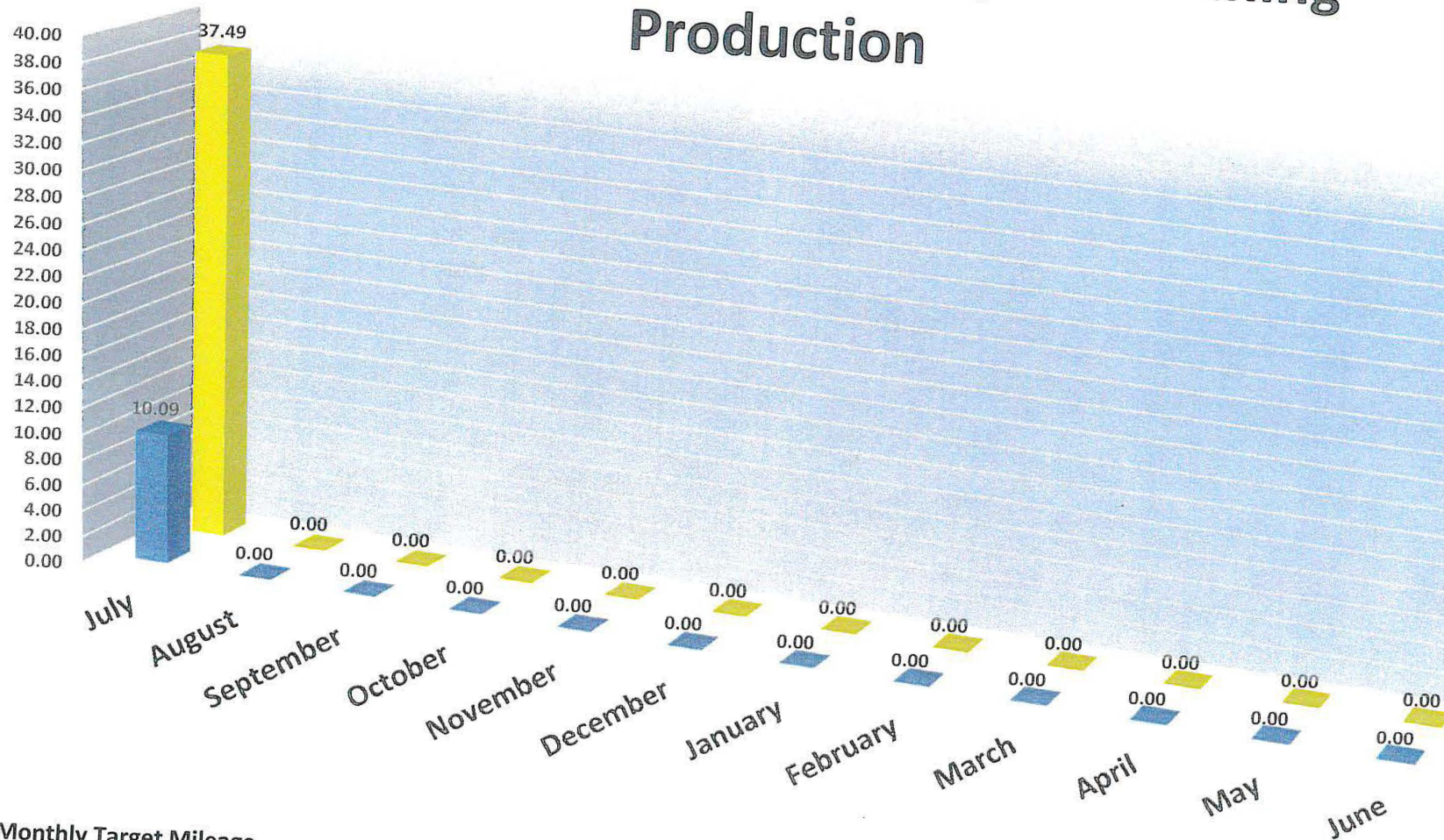
**LWD Flows by Sub-Basin
July 2020
Total LWD Flow 3.87 MGD**



Leucadia Wastewater District Flow Comparison FY20 to FY21



FY-21 CCTV Inspections & Hydro Cleaning Production

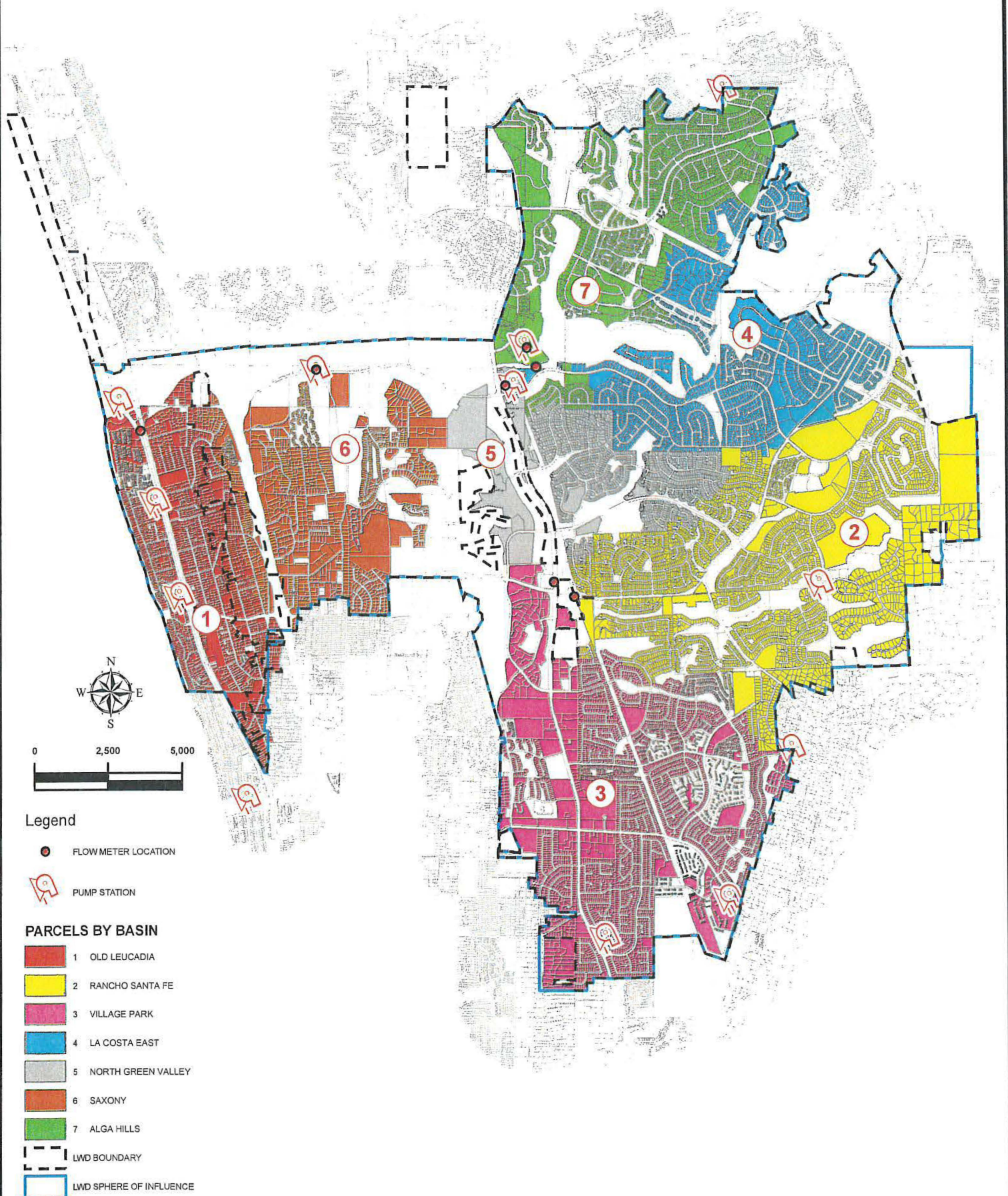


Monthly Target Mileage
 Hydro-Cleaning: 15 Miles/Month
 CCTV Inspections: 6.3 Miles/Month

■ CCTV Inspections (YTD 10.1 Miles)

■ Hydro Cleaning (YTD 37.5 Miles)

LEUCADIA WASTEWATER DISTRICT



Operations and Administration Training Report

July 2020

Training & Safety Events for the month July 2020

Hours

Description	Ops	Admin	Total
CalPERS Employers FY Returns, Cost Impact & Path Forward	0	1.5	1.5
CSFMO Navigating Investment Portfolio through Tumultuous Times	0	1.5	1.5
CSFMO California's Economic Outlook "COVID 19 Series"	0	1.5	1.5
Fire Extinguisher Certification (safety event)	1	0	1
GASB 87 Adoption & Best Practices for Gov't Entities	0	1.5	1.5
HAZWOPER	12	0	12
Respiratory Protection	1	0	1
Rodder Training	4	0	4
Vactor 2100i Training	4	0	4
VP5 Bypass Training	5	0	5
			0
Total Training Hours	27	6	33

Conferences for the month of July 2020

Attendees

Description	Ops	Admin	Total
Total Attended Conferences			0

Notes:

Trainings include web-based, classroom, tailgates and safety events

Operations and Administration Training Report Summary for Fiscal Year 2021

Training		Hours		
Month	Ops	Admin	Total	
Jul-19	27	6	33	
Aug-19	0	0	0	
Sep-19	0	0	0	
Oct-19	0	0	0	
Nov-19	0	0	0	
Dec-19	0	0	0	
Jan-20	0	0	0	
Feb-20	0	0	0	
Mar-20	0	0	0	
Apr-20	0	0	0	
May-20	0	0	0	
Jun-20	0	0	0	
YTD Totals	27	6	33	
YTD Monthly Avg	2	1	3	

Conferences		Attendees		
Month	Ops	Admin	Total	
Jul-19	0	0	0	
Aug-19	0	0	0	
Sep-19	0	0	0	
Oct-19	0	0	0	
Nov-19	0	0	0	
Dec-19	0	0	0	
Jan-20	0	0	0	
Feb-20	0	0	0	
Mar-20	0	0	0	
Apr-20	0	0	0	
May-20	0	0	0	
Jun-20	0	0	0	
YTD Total	0	0	0	
YTD Monthly Avg	0	0	0	

Notes:

Trainings include web-based, classroom, and tailgates

Conferences include CASA, CWEA, CSDA, CSRMA, CSFMO

Leucadia Wastewater District

Balance Sheet

As of 7/31/2020

	Amount
Assets	
Cash & Investments	37,268,461.39
Accounts Receivables	192,955.17
Net OPEB Asset	75,859.00
Prepaid Expense	575,292.97
Funds held with Encina Wastewater Authority	2,041,200.00
Capital Assets	169,719,937.04
Less Accumulated Depreciation	(59,239,580.98)
Total Assets	<u>150,634,124.59</u>
Deferred Outflows	
PERS Pension Deferred Outflows	1,171,962.00
OPEB Health Deferred Outflows	76,648.00
Total Deferred Outflows	<u>1,248,610.00</u>
Total Assets & Deferred Outflows	<u>151,882,734.59</u>
Liabilities	
Accounts Payable & Accrued Expenses	780,692.50
Developer Deposits	187,535.70
Net Pension Liability	4,000,889.00
Total Liabilities	<u>4,969,117.20</u>
Deferred Inflows	
PERS Pension Deferred Inflows	350,054.00
OPEB Health Deferred Inflows	4,397.00
Total Deferred Inflows	<u>354,451.00</u>
Net Position	
Beginning Net Position (as of June 30, 2020)	
Investment in Capital Assets	110,480,356.06
Reserves	34,973,631.83
Undesignated Net Position	1,494,946.28
Total Beginning Net Position (as of June 30, 2020)	<u>146,948,934.17</u>
Current Change In Net Position	
Other	(389,767.78)
Total Current Change In Net Position	<u>(389,767.78)</u>
Total Net Position	<u>146,559,166.39</u>
Total Liabilities, Deferred Inflows & Net Position	<u>151,882,734.59</u>

Leucadia Wastewater District

Summary Budget Comparison - Revenues and Operating Expenses

From 7/1/2020 Through 7/30/2020

Account Title	YTD Actual	Total Annual Budget	Remaining Budget	Percentage Total Budget Used
---------------	------------	---------------------	------------------	------------------------------

OPERATING REVENUES

3110 Sewer Service Fees	\$ 57,082.27	\$ 9,891,110.00	\$ 9,834,027.73	0.6%
3150 Recycled Water Sales	67,494.00	350,000.00	282,506.00	19.3%
3100 Misc. Operating Revenue	-	191,753.00	191,753.00	0.0%
TOTAL OPERATING REVENUES	\$ 124,576.27	\$10,432,863.00	\$10,308,286.73	1.2%

OPERATING EXPENSES

4100 Salaries	\$ 145,288.53	\$ 2,094,973.00	\$ 1,949,684.47	6.9%
4200 Employee Benefits	118,519.89	1,515,744.00	1,397,224.11	7.8%
4300 Directors Expense	3,509.98	151,700.00	148,190.02	2.3%
4400 Election Expense	-	37,000.00	37,000.00	0.0%
4600 Gas, Oil & Fuel	2,052.75	41,000.00	38,947.25	5.0%
4700 Insurance Expense	7,797.46	150,300.00	142,502.54	5.2%
4800 Memberships	1,715.00	37,850.00	36,135.00	4.5%
4900 Office Expense	6,227.08	169,200.00	162,972.92	3.7%
5000 Operating Supplies	481.01	205,500.00	205,018.99	0.2%
5200 Professional Services	2,941.95	439,900.00	436,958.05	0.7%
5300 Printing & Publishing	-	29,600.00	29,600.00	0.0%
5400 Rents & Leases	-	18,300.00	18,300.00	0.0%
5500 Repairs & Maintenance	9,068.31	531,680.00	522,611.69	1.7%
5600 Monitoring & Permits	-	70,800.00	70,800.00	0.0%
5700 Training & Development	300.00	49,500.00	49,200.00	0.6%
5900 Utilities	32,821.63	448,600.00	415,778.37	7.3%
6100 LAFCO Operations	6,909.88	7,700.00	790.12	89.7%
6200 Encina Operating Expense	136,907.00	2,569,500.00	2,432,593.00	5.3%
6900 Admin O/H alloc to Capital	-	(192,756.00)	(192,756.00)	0.0%
TOTAL OPERATING EXPENSES	\$ 474,540.47	\$ 8,376,091.00	\$ 7,901,550.53	5.7%

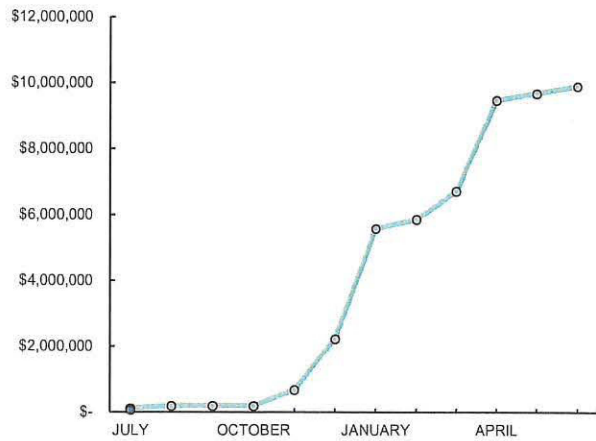
NON-OPERATING REVENUES

3130 Capacity Fees	\$ 7,633.50	\$ 305,340.00	\$ 297,706.50	2.5%
3220 Property Taxes	-	1,870,000.00	1,870,000.00	0.0%
3250 Investment Income	48,329.00	458,000.00	409,671.00	10.6%
3290 Misc. Non Op Revenue	(30.81)	86,200.00	86,230.81	0.0%
TOTAL NON-OPERATING REVENUES	\$ 55,931.69	\$ 2,719,540.00	\$ 2,663,608.31	2.1%

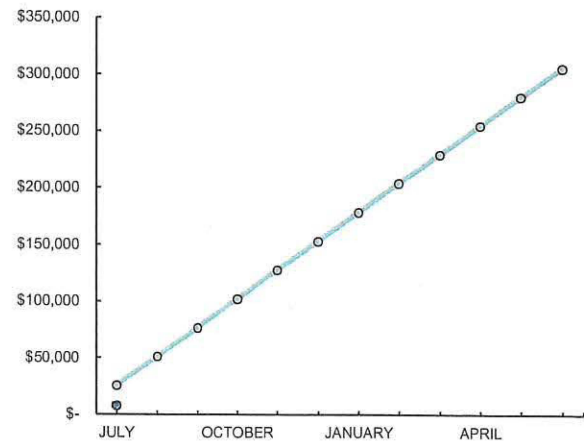
Leucadia Wastewater District Revenue FY2021

YTD through July 31, 2020

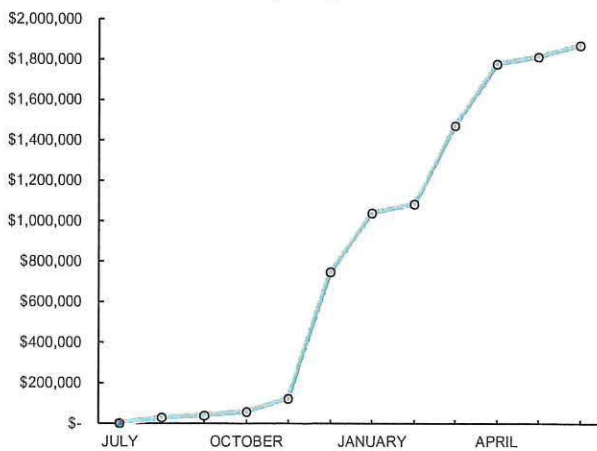
Sewer Service Fees



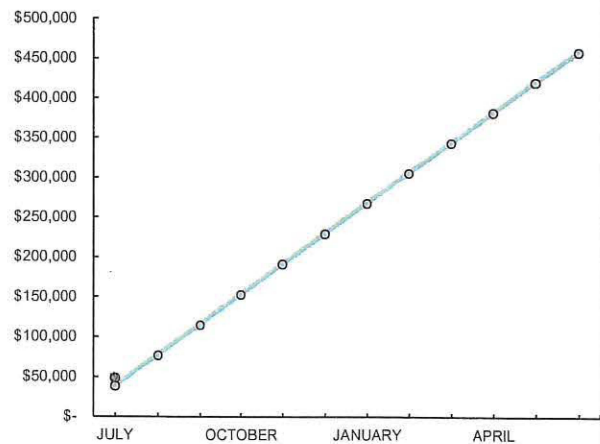
Capacity Charges



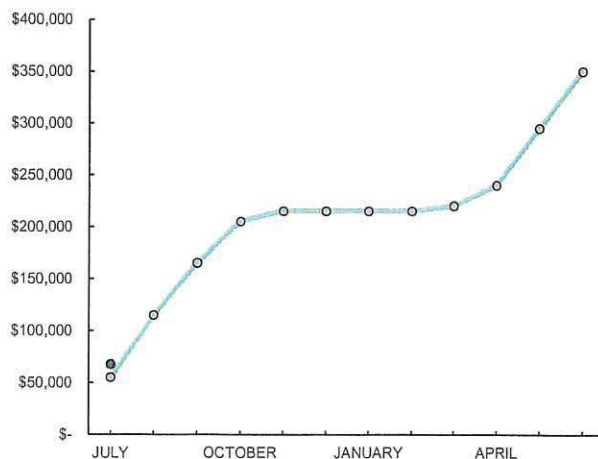
Property Taxes



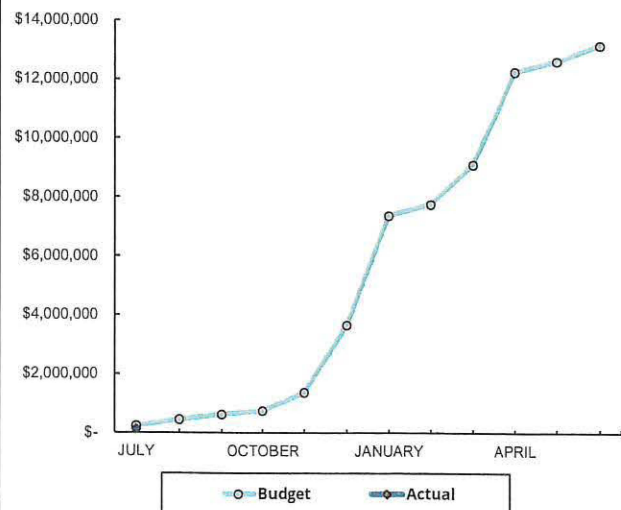
Investment Income



Recycled Wastewater Sales



Total Revenue

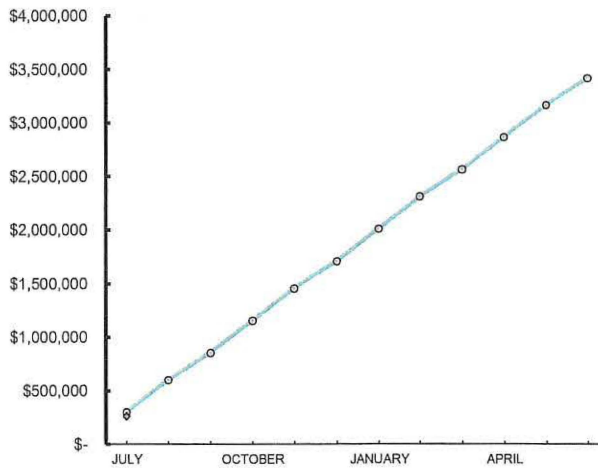


* Preliminary: subject to future review, reconciliation, accruals, and audit

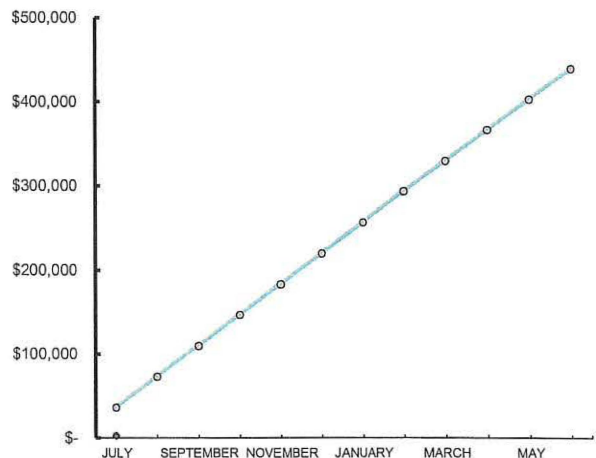
Leucadia Wastewater District Operating Expenses FY2021

YTD through July 31, 2020

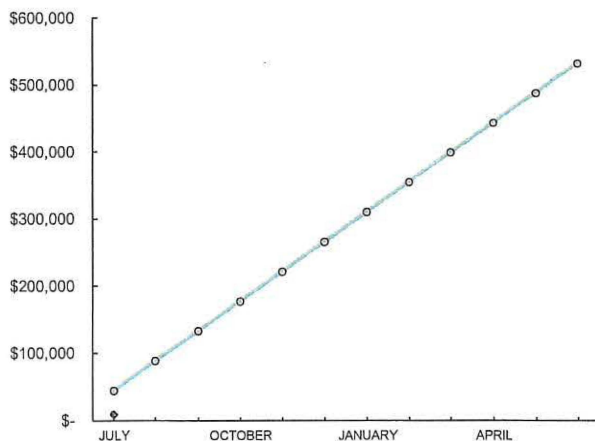
Salaries and Benefits



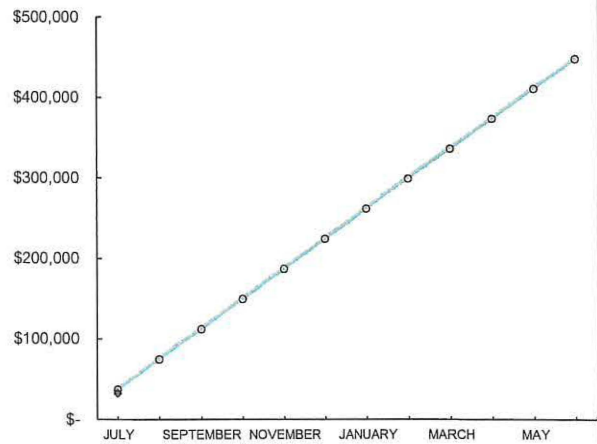
Professional Services



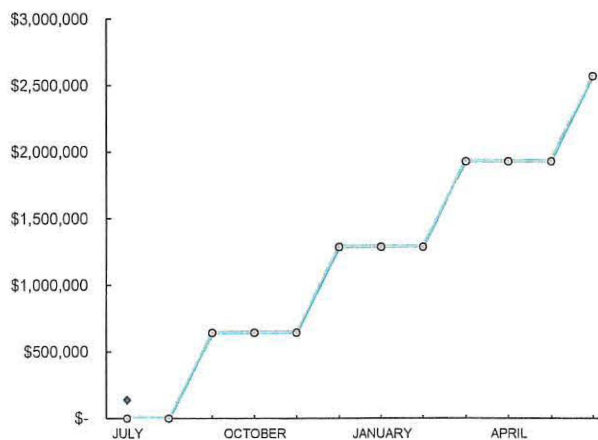
Repairs & Maintenance



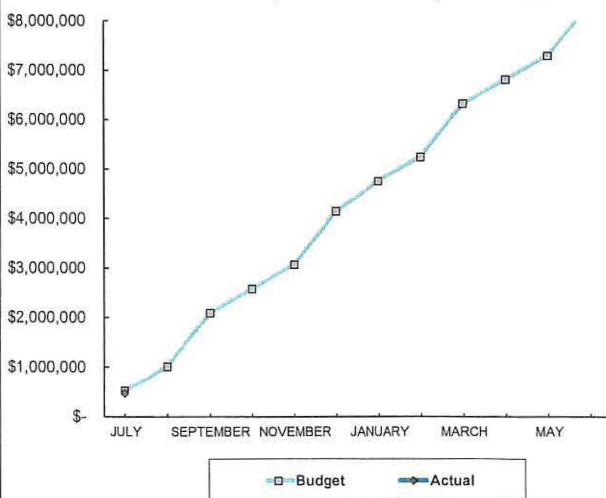
Utilities



Encina M&O



Total Operating Expenses -
Before Depreciation & Replacement

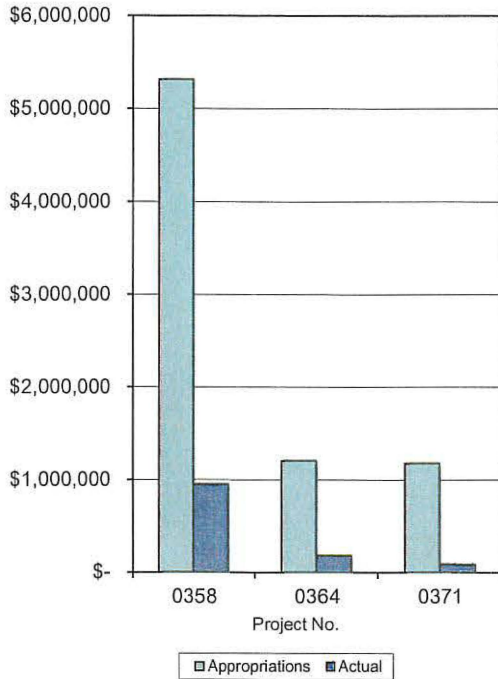


* Preliminary: subject to future review, reconciliation, accruals, and audit

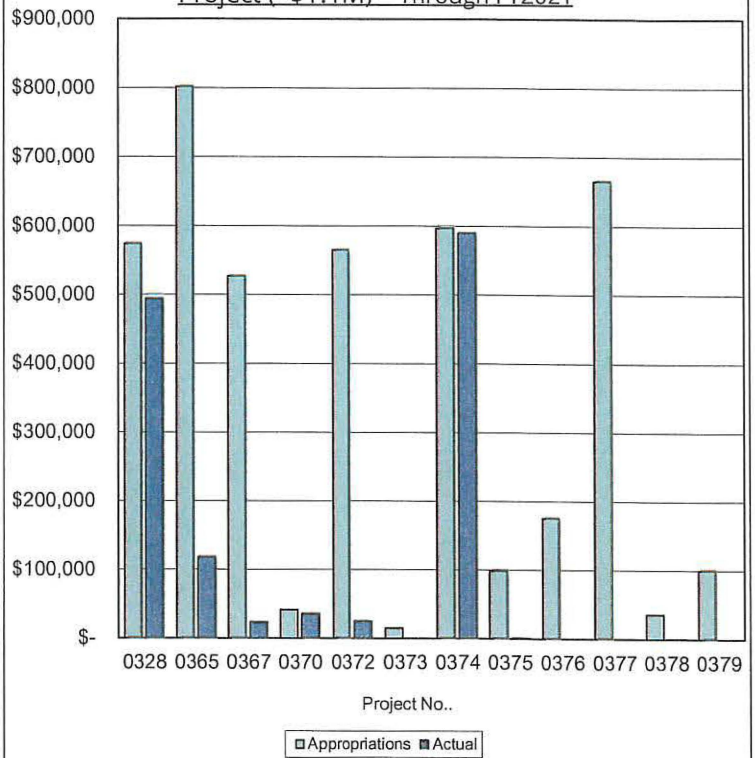
Leucadia Wastewater District Capital Expenditures

As of July 31, 2020

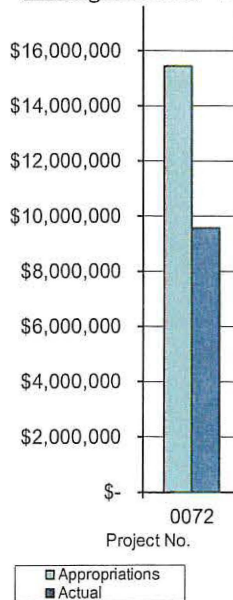
**District Multi Year Capital Expenditures
by Project
(>\$1.1M) Through FY2021**



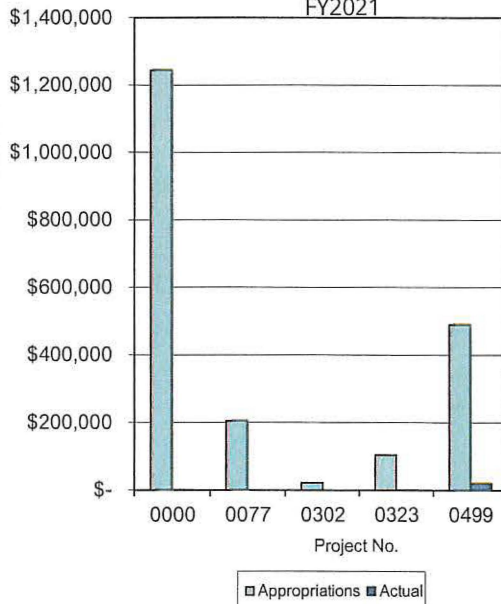
**District Multi Year Capital Expenditures by
Project (<\$1.1M) Through FY2021**



**District's Share of
Encina WPCF
Capital Exp
Through FY2021**



**Single Year Capital Expenditures by
Project
FY2021**



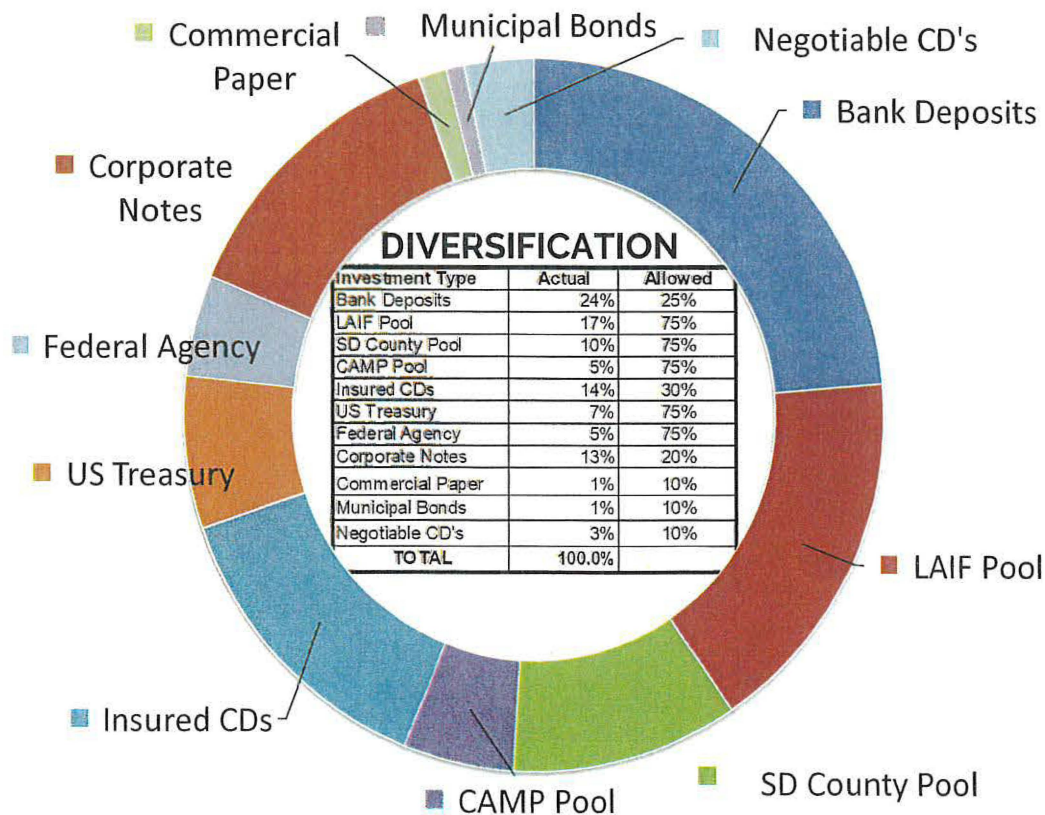
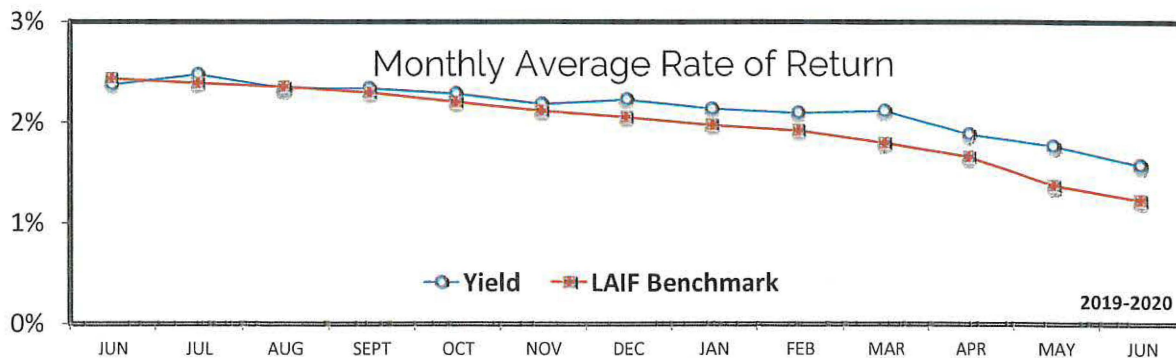
Project Legend

Multi-Year Capital Projects		No.
Encina Joint Facility Capital Projects		0072
North SD Water Reuse Coalition Project		0328
Leucadia Pump Station Rehabilitation		0358
Encinitas Estates Pump Station Rplcmnt		0364
Orchard Wood Rd Sewer Rehab		0365
B1 Force Main - North Section Rplcmnt		0367
Pump Station Assessment		0370
FY20 Gravity Line Rehab/Quebrada Rlgn		0371
Diana Pump Station Upgrade		0372
Hazard Mitigation Plan Update		0373
Bat FM (B3) Discharge Section Rplcmnt		0374
Batiquitos PS Emergency Basin Upgrade		0375
Batiquitos Pump Station Rehabilitation		0376
FY2021 Gravity Pipeline Rehabilitation		0377
FY2021 L1/L2 Force Main Anode Rplcmnt		0378
Village Park 5 PS New Chopper Pumps		0379
Single Year Capital Projects		No.
Equipment - Capital Acquisitions		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

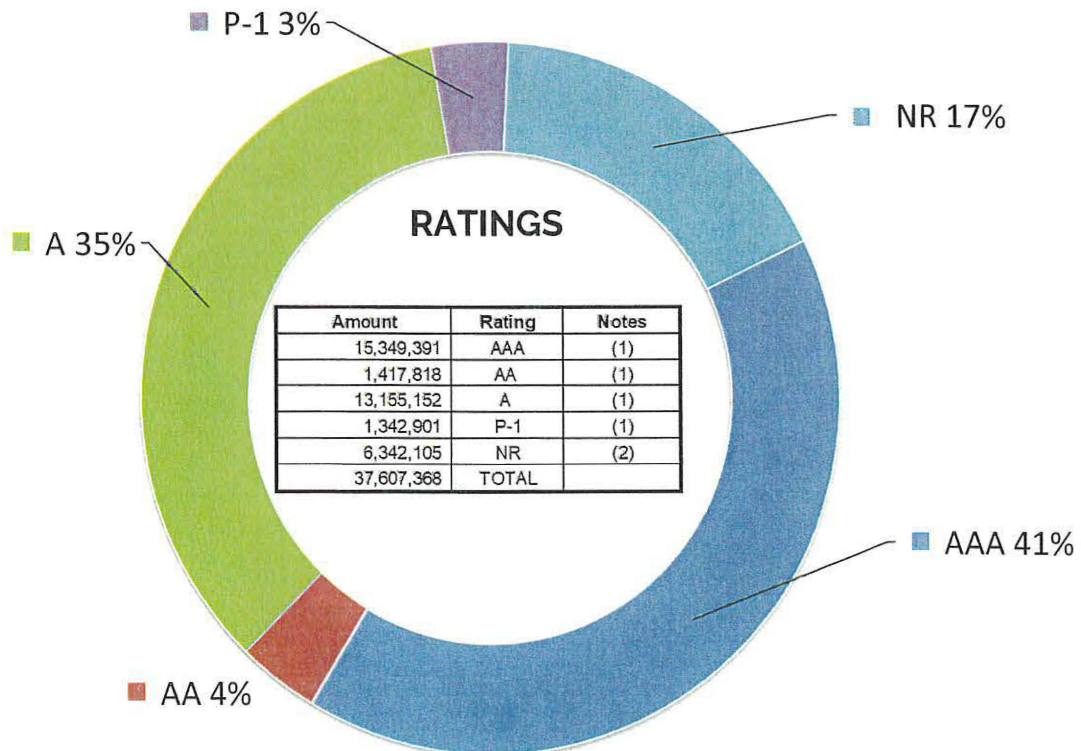
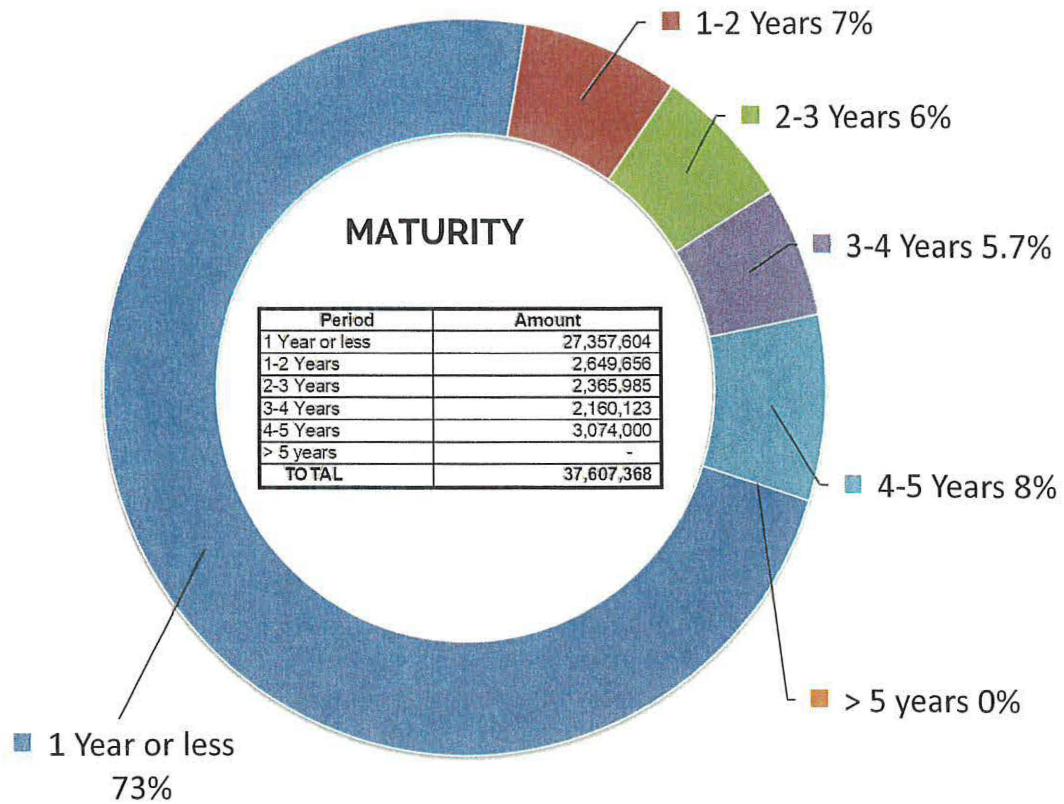
LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
June 30, 2020

Cash Equivalents & Investments	Principal (Original Cost)		June Interest	Average Rate
	May 31, 2020	Jun 30, 2020		
Opus Bank Reserve	\$ 7,673,929	\$ 8,887,679	\$ 8,147	1.240%
LAIF Pool	6,342,105	6,342,105	\$ 6,432	1.217%
SD County Pool	3,924,766	3,939,045	5,333	1.629%
CAMP Pool	3,905,965	1,917,439	1,410	0.510%
Certificates of Deposit - Insured	4,918,000	5,166,000	6,832	1.610%
US Treasury Notes	2,595,234	2,595,234	4,458	2.060%
Federal Agency Notes	2,231,673	1,731,673	3,790	2.016%
Municipal Bonds	318,123	318,123	300	1.113%
Corporate Bonds/Notes	4,417,168	5,017,168	9,679	2.363%
Commercial Paper	492,901	492,901	792	1.930%
Negotiable CD's	1,200,000	1,200,000	2,293	2.290%
Totals	\$ 38,019,865	\$ 37,607,368	\$ 49,466	1.570%



LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
June 30, 2020

(Continued)



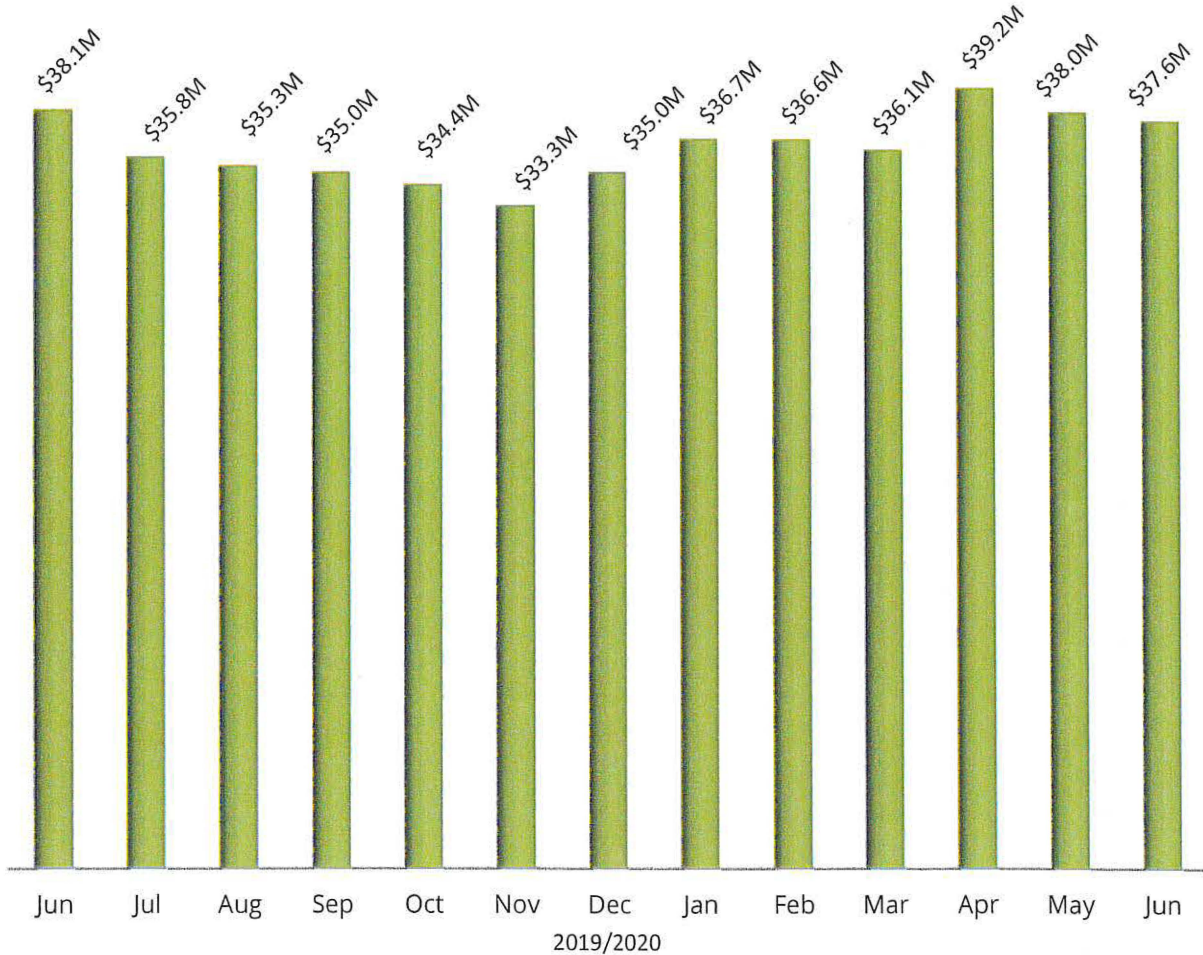
(1) CAMP Pool & SD County Pool, are rated by Standard & Poors. Investments are rated by Moody's.

(2) LAIF is not rated

LEUCADIA WASTEWATER DISTRICT
Monthly Investment Summary
June 30, 2020

(Continued)

CASH & INVESTMENT RESERVES BY MONTH



INVESTMENT TRANSACTIONS

For the months of June, 2020

Investment	Purchases	Sales & Maturities	Maturity Date	CUSIP	YTM at Cost	Notes
FHLMC Notes		\$ 500,000	6/26/2020	3134GVHJO	1.49%	
J(Morgan Chase Bk NA Insured CD	\$ 249,000		6/12/2025	48128UDX4	1.00%	
Wells Fargo & Co Corporate Notes	\$ 300,000		12/30/2023	95001DAJ9	1.00%	
Wells Fargo & Co Corporate Notes	\$ 300,000		12/2/2023	95001DA34	1.50%	
TOTAL	\$ 849,000	\$ 500,000				

Investment transactions above are investment purchases, sales, and maturities during the month. They do not include internal transfers between District's checking a/c's and cash equivalents (pools/reserves)

MEMORANDUM

Ref: 21-7248

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: LWD QUARTERLY TREASURER'S INVESTMENT REPORT

RECOMMENDATION:

Staff requests that the Board of Directors:

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

DISCUSSION:

In accordance with California Government Code Section #53646 LWD is encouraged to render the Quarterly Treasurer's Investment Report to the Board of Directors for its consideration. For your convenience, staff has developed a one-page summary of LWD's investments for the quarter ending June 30, 2020 (see attached). A copy of the full Quarterly Treasurer's Investment Reports has been enclosed for your review.

rad:PJB

Attachment

LEUCADIA WASTEWATER DISTRICT


QUARTERLY TREASURER'S REPORT SUMMARY

6-30-2020

SUMMARY OF CASH & INVESTMENTS at June 30, 2020					
SEE QUARTERLY TREASURER'S REPORT FOR DETAILS					
ASSETS	PAR VALUE 6/30/2020	AMORTIZED COST 6/30/2020	% OF TOTAL		MARKET VALUE 6/30/2020
			Actual	Allowed	
CASH IN BANK (Checking/Reserve Accts)	\$ 9,261,162	\$ 9,261,162	24.4%	25%	\$ 9,261,162
LAIF - STATE INVESTMENT POOL	\$ 6,342,105	\$ 6,342,105	16.7%	75%	\$ 6,373,263
SAN DIEGO COUNTY INVESTMENT POOL	\$ 3,939,045	\$ 3,939,045	10.4%	75%	\$ 3,990,000
CAMP - JPA INVESTMENT POOL	\$ 1,917,439	\$ 1,917,439	5.0%	75%	\$ 1,917,439
FEDERAL AGENCY SECURITIES	\$ 1,750,000	\$ 1,748,557	4.6%	75%	\$ 1,763,711
US TREASURY BONDS/NOTES	\$ 2,600,000	\$ 2,595,983	6.8%	75%	\$ 2,633,188
CORPORATE NOTES	\$ 5,000,000	\$ 5,017,012	13.2%	20%	\$ 5,095,992
COMMERICAL PAPER	\$ 500,000	\$ 497,836	1.3%	10%	\$ 499,750
NEGOTIABLE CERTIFICATES OF DEPOSIT	\$ 1,200,000	\$ 1,200,000	3.2%	10%	\$ 1,214,015
INSURED CERTIFICATES OF DEPOSIT	\$ 5,166,000	\$ 5,166,000	13.6%	30%	\$ 5,354,893
TOTAL CASH & INVESTMENTS	\$ 37,975,751	\$ 38,002,356	100.0%		\$ 38,418,033

As of June 30, 2020		QUARTERLY RESULTS			
Cash & Investments	Avg Days to Maturity	Change in Cash & Inv	Interest Earned	Average Return	LAIF Benchmark
\$38.4M	324	\$1.4M	\$165K	1.74%	1.41%

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: July 2020 Board Disclosure of Reimbursements Report

RECOMMENDATION:

Staff requests that the Board of Directors:

1. Receive and file the Board Disclosure of Reimbursement Report for the month ending July 2020.

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. 2291 – 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 July 2020 for your review.

tb:PJB

Attachment

**Leucadia Wastewater District
Disclosure of Reimbursements Report
July 1 - 31, 2020**

Conference Date	Description	Director J. Hanson	Director E. Sullivan	Director D. Omsted	Director D. Kulchin	Director A. Juliussen	GM P. Bushee	ASM R. Duffey	TSM R. Morishita	Assup T. Hill
	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips									
	Fuel/mileage/taxi/uber									
	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips/Baggage									
	Fuel/mileage/taxi/uber									
	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips/Baggage									
	Fuel/mileage/taxi/uber									
	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Registration									
	Hotel									
	Airfare									
	Meals									
	Baggage									
	Parking/Coaster									
	Tips/Baggage									
	Fuel/mileage/taxi/uber									
	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes:

There were no conferences for the month of July 2020.

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Fiscal Year 2021 (FY21) Pay Schedules



RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt Resolution No. 2337 approving the FY21 pay schedules.
2. Discuss and take other action, as appropriate.

DISCUSSION:

The purpose of this agenda item is to present proposed Resolution No. 2337 to the Board of Directors for consideration. This resolution approves pay schedules for all employee classifications, including the General Manager classification for FY21 in accordance with CalPERS regulations and by California Code of Regulations (CCR) §570.5(a).

Staff recommends that the Board of Directors adopt Resolution No. 2337 approving the FY21 pay schedules to comply with CCR §570.5(a) and CalPERS regulations.

th:PJB

RESOLUTION NO. 2337

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LEUCADIA WASTEWATER DISTRICT
ADOPTING THE FISCAL YEAR 2021 PAY SCHEDULE**

Whereas, the employees of the Leucadia Wastewater District (LWD) are a valuable and important part of the LWD organization and have had the opportunity to participate in an informal input process with designated District representatives on wages, hours, and other terms and conditions of employment; and,

Whereas, the LWD Board of Directors authorized a classification adjustment for all employees, except the General Manager, on June 10, 2020 to be effective July 1, 2020; and,

Whereas, the LWD Board of Directors authorized a 3.5% salary adjustment for the LWD General Manager, adjusting compensation from \$237,240.02 to \$245,543.42 effective July 8, 2020; and,

Whereas, the LWD Board of Directors desires to establish, adopt and publish the FY 2021 Pay Schedule for all LWD employees including the General Manager in accordance with CalPERS requirements and by California Code of Regulations (CCR) §570.5(a).

NOW, THEREFORE, it is resolved as follows:

1. The LWD Board of Directors hereby adopts the LWD Fiscal Year 2021 Pay Schedule attached hereto as Attachment "1" and directs that it be posted and maintained in accordance with CalPERS requirements and CCR §570.5(a).
2. This Resolution supersedes Resolution No. 2317.

Passed and Adopted by the Board of Directors of the Leucadia Wastewater District this 19th day of August, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Allan Juliussen, President

Attest:

Paul J. Bushee, Secretary /Manager

(SEAL)

**LEUCADIA WASTEWATER DISTRICT
FY 2021 SALARY SCHEDULE**

Position	Salary Range	Annual		Hourly	
		Minimum	Maximum	Minimum	Maximum
Vacant	1	\$35,355	\$44,194	\$17.00	\$21.25
Vacant	2	\$37,123	\$46,404	\$17.85	\$22.31
Vacant	3	\$38,979	\$48,724	\$18.74	\$23.42
Vacant	4	\$40,928	\$51,160	\$19.68	\$24.60
Vacant	5	\$42,974	\$53,718	\$20.66	\$25.83
Vacant	6	\$45,123	\$56,404	\$21.69	\$27.12
Vacant	7	\$47,379	\$59,224	\$22.78	\$28.47
Vacant	8	\$49,748	\$62,185	\$23.92	\$29.90
Vacant	9	\$52,236	\$65,295	\$25.11	\$31.39
Vacant	10	\$54,847	\$68,559	\$26.37	\$32.96
Field Services Technician-in-Training Administrative Services Specialist I	11	\$57,590	\$71,987	\$27.69	\$34.61
Vacant	12	\$60,469	\$75,587	\$29.07	\$36.34
Field Services Technician I Administrative Services Specialist II	13	\$63,493	\$79,366	\$30.53	\$38.16
Vacant	14	\$66,667	\$83,334	\$32.05	\$40.06
Field Services Technician II Accounting Technician	15	\$70,001	\$87,501	\$33.65	\$42.07
Vacant	16	\$73,501	\$91,876	\$35.34	\$44.17
Field Services Technician III	17	\$77,176	\$96,470	\$37.10	\$46.38
Field Services Specialist Executive Assistant	18	\$81,035	\$101,293	\$38.96	\$48.70
Vacant	19	\$85,086	\$106,358	\$40.91	\$51.13
Vacant	20	\$89,341	\$111,676	\$42.95	\$53.69
Vacant	21	\$93,808	\$117,260	\$45.10	\$56.37
Field Services Supervisor Administrative Services Supervisor	22	\$98,498	\$123,123	\$47.35	\$59.19
Vacant	23	\$103,423	\$129,279	\$49.72	\$62.15
Vacant	24	\$108,594	\$135,743	\$52.21	\$65.26
Vacant	25	\$114,024	\$142,530	\$54.82	\$68.52
Field Services Superintendent	26	\$119,725	\$149,656	\$57.56	\$71.95
Vacant	27	\$125,711	\$157,139	\$60.44	\$75.55
Vacant	28	\$131,997	\$164,996	\$63.46	\$79.33
Vacant	29	\$138,597	\$173,246	\$66.63	\$83.29
Vacant	30	\$145,527	\$181,908	\$69.96	\$87.46
Technical Services Manager Administrative Services Manager	31	\$152,803	\$191,004	\$73.46	\$91.83
Vacant	32	\$160,443	\$200,554	\$77.14	\$96.42
General Manager	n/a	\$245,543.42	\$245,543.42	\$118.05	\$118.05

Notes:

1. Approved and adopted by LWD Board of Directors August 19, 2020
2. Effective date: July 1, 2020 - All employees, except General Manager
July 8, 2020 - General Manager salary until changed by the Board of Directors
3. Time base for salary amounts indicated is "annual"

Encina Wastewater Authority Report
Regular Board Meeting
July 22, 2020

EWA Board of Directors - Director Sullivan Reporting

1. Resolution 2020-04: Appropriating Funds for Fiscal Year 2021 Pension Policy, Operating and Capital Program Budgets and Establishing Controls Thereon

The Board of Directors adopted Resolution No. 2020-04 appropriating funds for Fiscal Year 2021 for the following:

- Pension Policy in the amount of \$4,096,100;
- Operating funds in the amount of \$19,173,359; and
- Capital funds in the amount of \$24,249,023.

2. Primary Area Improvements Project Change Order

The Board of Directors authorized the General Manager to approve a change order to the construction contract between the Encina Wastewater Authority and Gateway Pacific Contractors, Inc. in the amount of \$424,532.

There was no Executive Session.

Community Affairs Committee Meeting Report

Presented by Director Sullivan

Meeting held August 4, 2020

The CAC reviewed the following recommendations:

1. Discussion of the 2020 Fall Newsletter Proposed Topics and Production Schedule

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

- Continue to Provide Essential Services during COVID;
- LWD's FY20 Accomplishments;
- Transmittal of COVID through Sewer is Low Risk;
- Proper Grease Disposal;
- Illegal Connections and What Not to Flush;
- Teacher Grant Applications;
- Watch a Virtual Tour:
- Pump Station Projects;
- Standout Achievements;
- Call for local photographers; and
- Memorial commemorating Director Kulchin.

The CAC made other suggested edits and following discussion, directed staff to move forward with the newsletter and production schedule.

Engineering Committee Meeting Report

Presented by Vice President Omsted

Meeting held August 5, 2020

The Engineering Committee (EC) reviewed the following recommendations:

- Authorize the General Manager to execute an Agreement with Burtech Pipeline, Incorporated for construction services to complete the Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project in an amount not to exceed \$1,395,000 as the lowest responsive and responsible bidder;
- Authorize an additional appropriation of \$420K for project construction for the Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project; and
- Adopt Resolution No. 2339 - Adopting LWD's Vehicle Replacement Policy

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

The EC also received information regarding the Batiquitos Pump Station Emergency Basin Project Concept. This item was for information purposes and there was no action taken.

Investment & Finance Committee Meeting Report

Presented by Director Hanson

Meeting held August 5, 2020

1. Audit Entrance Meeting with Davis Farr, LLP.

The IFC participated in the Financial Audit Entrance meeting with staff and CPA Shannon Ayala, from Davis Farr, LLP.

Ms. Ayala stated that they have begun their preliminary audit review. She went over the auditor's responsibilities, the timing of the audit, and upcoming changes to the audit process.

Ms. Ayala stated the final phase of the audit will begin September 2020.

There was no action taken.

2. Annual Review of LWD's Procurement Policy – Receive and File the Annual Review of the Procurement Policy.

The IFC reviewed Resolution No. 2338 amending the LWD Procurement Policy.

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

3. 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, 2020 through August 31, 2021 and to adopt Resolution No. 2341 amending 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.

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Resolution No. 2339 Adopting the Leucadia Wastewater District Vehicle Replacement Policy

RECOMMENDATION:

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

1. Adopt Resolution No. 2339 the Leucadia Wastewater District Vehicle Replacement Policy.
2. Discuss and take other action as appropriate.

BACKGROUND:

This item was reviewed at the August 5th EC meeting and the EC concurred with staff to present this item for the Board's consideration.

The Leucadia Wastewater District (District) owns various types of vehicles to perform its mission and effectively maintain its collection system. Vehicles require replacement as they reach the end of their useful life. In the past, staff used vehicle replacement guidelines to replace District vehicles. Staff believes the implementation of a vehicle replacement policy is more appropriate. The purpose of this policy is to establish standardized criteria for the systematic replacement of District vehicles.

DISCUSSION:

The District operates and maintains a safe, reliable, usable and well-conditioned vehicle fleet. Vehicle replacement is based on several factors including years of service, mileage, engine hours, reliability, its ability to efficiently/adequately perform its specific function and repair cost. In order to establish a replacement policy Staff is recommending that the Board adopt Resolution No. 2339 the Vehicle Replacement Policy, attached for your review, which includes the following key components:

1. Establishes minimum replacement criteria for District vehicles:
 - a) Passenger Vehicles - 5 years & 60,000 miles or 7 years & any miles.
 - b) Light Duty Trucks (1/2 ton) - 5 years & 75,000 miles or 7 years & any miles.
 - c) Medium Duty Trucks (3/4 ton - 3 ton) - 5 years & 60,000 miles or 7 years & any miles.
 - d) Heavy Duty Trucks (greater than 3 ton) - 8 years or 4,000 engine run hours.
 - e) Portable Diesel Equipment - 10 years or 4,000 engine run hours.
2. Describes other factors for vehicle replacement due to specialty/mission critical system components.
3. Allows for retaining a vehicle in service beyond the minimum replacement criteria.
4. Allows for damaged or stolen vehicle replaced.
5. Explains how staff normally budgets for vehicle replacement.

The major change from the current guidelines to this new policy is in the minimum replacement criteria for Heavy Duty Trucks. The length of service was reduced from 10 years to 8 years, the mileage criteria was removed and the parameter of 4,000 engine run hours was added. These changes are based on Staff's experience with the Vactor Combination Truck (Vactor). The Vactor is comprised of hydro-

cleaning and vacuum components mounted on a heavy duty truck chassis. The engine not only propels the truck, it powers the operation of both hydro-cleaning and vacuum components. This places a strain on the engine while the truck itself remains stationary. Therefore, it is prudent to separate engine life (run hours) from service years and vehicle mileage criteria because those parameters do not accurately represent the functional age of a Vactor. As a result, the mileage criteria was removed and the service life was reduced to reflect actual Vactor operations and to account for the long lead time to manufacture a Vactor when one is purchased.

The policy will be an effective tool for staff to consistently and rationally replace fleet vehicles and assist with budgeting funds to complete vehicle purchases. Therefore, Staff and the EC recommend the adoption of Resolution 2339, the Vehicle Replacement Policy.

Attachment

jms:PJB

RESOLUTION NO. 2339

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LEUCADIA WASTEWATER DISTRICT
ADOPTING THE VEHICLE REPLACEMENT POLICY**

Whereas, the Leucadia Wastewater District's (District) owns various types of vehicles to perform its mission and effectively maintain the collection system; and

Whereas, it is prudent to establish standardized criteria for the systematic replacement of District vehicles.

NOW, THEREFORE, it is hereby resolved as follows:

1. The LWD Board of Directors adopts the Vehicle Replacement Policy attached hereto as Exhibit "A" and directs that it be implemented consistent with all applicable laws and related District policies.

PASSED AND ADOPTED by the Board of Directors of the Leucadia Wastewater District this 12th day of August, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Allan Juliussen, President

Attest:

Paul J. Bushee, Secretary /Manager

Exhibit A

Vehicle Replacement Policy

Vehicle Replacement Policy

I. Purpose

The Leucadia Wastewater District (District) owns various types of vehicles to perform its mission and effectively maintain its collection system. Vehicles require replacement as they reach the end of their useful life. The purpose of this policy is to establish standardized criteria for the systematic replacement of District vehicles.

II. General

The District operates and maintains a safe, reliable, usable and well-conditioned vehicle fleet. To accomplish this, there are instances that require vehicle replacement. Vehicle replacement schedules are based on several factors including years of service, mileage, engine hours, reliability, maintenance, and repair cost. However, there are circumstances when a vehicle may be retained in service beyond its presumed replacement point based on an overall condition assessment that demonstrates the vehicle continues to meet safety and reliability standards.

III. Routine Replacement Criteria

When a new vehicle is added to the fleet, a replacement schedule is established for that vehicle. The Field Services Superintendent routinely monitors the service and replacement needs for each vehicle. As the vehicle approaches minimum replacement criteria, an assessment is made to determine whether procurement of a new vehicle is warranted. Whenever possible, staff will attempt to extend a vehicle's service life.

The minimum replacement criteria for District vehicles are as follows:

- a. Passenger Vehicles - 5 years & 60,000 miles or 7 years & any miles.
- b. Light Duty Trucks (1/2 ton) - 5 years & 75,000 miles or 7 years & any miles.
- c. Medium Duty Trucks (3/4 ton – 3 ton) - 5 years & 60,000 miles or 7 years & any miles.
- d. Heavy Duty Trucks (greater than 3 ton) - 8 years or 4,000 engine run hours.
- e. Portable Diesel Equipment - 10 years or 4,000 engine run hours.

IV. Replacement Due to Other Factors

In some instances, a vehicle may not meet the District minimum replacement criteria. However, specialty/mission critical system components integral to the special function of the vehicle may require vehicle replacement due to:

- High repair costs of the essential equipment (e.g. CCTV Camera and software)
- Unreliable, end of life or obsolete essential components
- New technology that improves function or efficiency

These factors may be used to justify vehicle replacement when warranted.

V. Retaining a Vehicle in Service

Any vehicle may be kept in service beyond the minimum replacement criteria based on its general condition, reliability, maintenance history, or when it is in the best interest of the District. To retain a vehicle, the Field Service Superintendent will obtain approval from the General Manager to keep the vehicle in service.

Retention of a vehicle may be more applicable to vehicles which transport specialized equipment unique to Field Service activities, for example Close Circuit Televised Equipment (CCTV) or rodder equipment.

VI. Replacement of a Retained Vehicle

A vehicle that has been retained beyond the minimum replacement criteria will be evaluated on an annual basis. Should a vehicle that has been kept in service require replacement at or prior to the completion of the estimated retention period, the Field Services Superintendent will recommend to the General Manager that the vehicle be replaced. Replacement of the vehicle will require General Manager approval.

VII. Damaged or Stolen Vehicles

Any vehicle damaged beyond economical repair (including unusual wear by abnormal operating conditions) or stolen may be replaced without regard to the established standards when recommended by the Field Services Superintendent and approved by the General Manager.

VII. Budget Information

When it is determined that a vehicle should be replaced, the Field Services Superintendent will obtain financial information regarding anticipated cost, budget implications (current FY or future FY) and details of the replacement vehicle. The Field Services Superintendent will ensure that sufficient funds are budgeted for vehicle purchase.

RESOLUTION NO. 2339 - LEUCADIA WASTEWATER DISTRICT VEHICLE REPLACEMENT POLICY

August 2020

RECOMMENDATION

- ▶ Adopt Resolution No. 2339 –
Leucadia Wastewater District
Vehicle Replacement Policy

BACKGROUND

- ▶ District owns various types of vehicles to perform mission and maintain collection system
- ▶ District currently uses "Vehicle Replacement Guidelines"
- ▶ A policy is more appropriate to establish standardized criteria for the systematic vehicle replacement

DISCUSSION

- ▶ The Vehicle Replacement Policy includes the following key components:
 - Defines minimum replacement criteria
 - Describes other replacement factors for essential equipment
 - Allows for retaining a vehicle in service beyond minimum replacement criteria
 - Allows for damaged or stolen vehicles to be replaced
 - Explains how the District budgets for vehicle replacement

VEHICLE REPLACEMENT CRITERIA

► The minimum replacement criteria is as follows:

- a) Passenger Vehicles - 5 years & 60,000 miles or 7 years & any miles.
- b) Light Duty Trucks (1/2 ton) - 5 years & 75,000 miles or 7 years & any miles.
- c) Medium Duty Trucks (3/4 ton – 3 ton) - 5 years & 60,000 miles or 7 years & any miles.
- d) Heavy Duty Trucks (greater than 3 ton) - 8 years or 4,000 engine run hours.
- e) Portable Diesel Equipment - 10 years or 4,000 engine run hours.

COMBINATION TRUCK

- ▶ The Combination truck is designed to be stationary while its working
- ▶ Large majority of use is spent hydro-cleaning sewer lines.
- ▶ Chassis mileage vs. engine hours



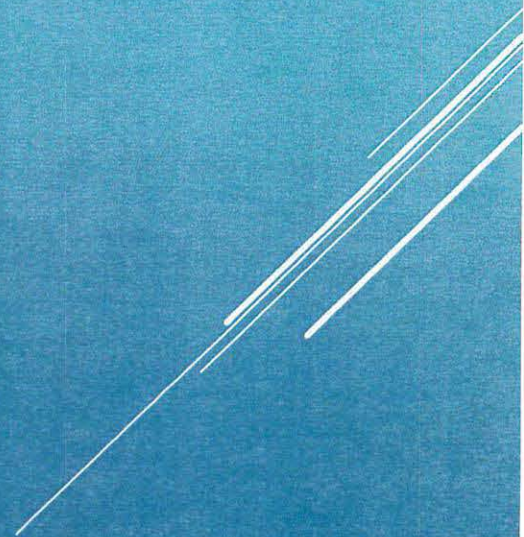
SUMMARY

- ▶ Policy is an effective tool to consistently and rationally replace fleet vehicles
- ▶ Policy assists Staff with Budget implications for proposed vehicle purchases

RECOMMENDATION

- ▶ Adopt Resolution No. 2339 – Leucadia Wastewater District Vehicle Replacement Policy

QUESTIONS?



MEMORANDUM

Ref: 21-7263

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Award of the District's Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project Construction Contract

RECOMMENDATION:

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

1. Authorize the General Manager to execute an Agreement with Burtech Pipeline, Incorporated for construction services to complete the Fiscal Year 2020 Gravity Sewer Repair / Quebrada Realignment Project in an amount not to exceed \$1,395,000 as the lowest responsive and responsible bidder.
2. Authorize an additional appropriation of \$420K for project construction.
3. Discuss and take other action as appropriate.

BACKGROUND:

Tactical Goal: Infrastructure and Technology / FY2020 Gravity Pipeline Rehabilitation – Quebrada Realignment

This item was reviewed at the August 5th EC meeting and the EC concurred with staff to present this item for the Board's consideration.

In July 2019 staff executed a Task Order with Infrastructure Engineering Corporation (IEC) to design the Fiscal Year (FY) 2020 Gravity Sewer Repair Project. The goal of the project was to repair or replace pipelines, manholes and cleanouts that require open trench work. In 2018, the District decided to separate projects that require cured-in-place pipe (CIPP) work from open trench work due to high bids received on projects that included a combination of both methods of pipeline work.

The FY2020 Gravity Pipeline Rehabilitation Project includes the realignment of the Quebrada Gravity Line (Quebrada). This line has a significant sag which causes grit, grease and debris to collect in the line, thereby requiring quarterly cleaning in an easement. The initial design was to reroute the flow and abandon the sagged portion. However, the realignment of Quebrada required a new sewer easement through a resident's property. Although there was an existing storm drain easement on the property, a new sewer easement need to be acquired. The resident refused to allow the addition of the sewer easement through his property. Therefore, the project was revised to include the open trench replacement in place of approximately 500 feet of Quebrada. Originally, this work was included in the La Costa Golf Course / Quebrada Line Realignment Project. However, the Quebrada portion was removed due to the high cost associated with removing the trees and shrubs located over the existing pipeline. Staff elected to revise the plan and realign the pipeline about 10 feet from the existing alignment, placing it in an open walking path, to eliminate vegetation removal expenses and sewer bypass operations.

Additionally, twenty (20) open trench repairs from the Repair Priority List were included to form a bigger project with the intent to attract greater interest for a more competitive bid.

DISCUSSION:

IEC completed project design in May 2020. The project was advertised for bids on June 10th. Bids were due on July 14, 2020. Five (5) bids were received as follows:

<u>Construction Firm</u>	<u>Bid Submitted</u>
Wier Construction Corporation (Wier)	\$1,293,600
Burtech Pipeline, Incorporated (Burtech)	\$1,395,000
CCL Contracting	\$1,598,000
Teichert Energy & Utilities	\$1,688,000
Kay Construction	\$1,996,355

The bids were reviewed by Rob Weber and Viet Duy Vo at IEC. The bid submitted by Wier, the lowest bidder, did not meet the minimum experience requirements for the project. The minimum experience required three (3) projects of the same complexity in the past five (5) years consisting of the installation of at least 1,000 linear feet of 8 inch or greater diameter PVC gravity pipe. Wier submitted one (1) project that met the criteria. The second lowest bidder, Burtech, submitted three (3) projects that satisfied the minimum experience requirements and submitted references for all subject projects. The bid documents clearly stated the experience and reference requirements and all other bidders submitted the required information in their original bid documents. Wier's omissions concern important bid requirements that were not minor or inconsequential such that they could be waived by the District. Staff has consistently applied this standard on all bids for projects.

Wier did provide a list of miscellaneous projects they completed. IEC selected four (4) miscellaneous projects to conduct due diligence reference checks. As a result, three (3) of the four (4) references for Wier provided negative reviews. Furthermore, upon review of the single largest bid item in the project, the Quebrada sewer realignment and installing new manholes, Wier's bid is 55% of the Engineer's Opinion of Probable Construction Cost. This presents a concern with respect to Wier's interpretation of the bid documents and potential risk of exposure to a change order.

Burtech satisfied all bid requirements. Burtech's bid of \$1,395,000 is \$102K more than Wier's bid. Both bids were under the \$1.459M Engineer's Cost Estimate for construction. Upon completion of IEC's review, it was recommended that Burtech be awarded the contract as the lowest responsive and responsible bidder, see attached letter.

Wier was notified of Staff's intent to recommend that Burtech be awarded the contract as the lowest responsive and responsible bidder. Subsequently, Staff met with Wier representatives to discuss rejection of their bid. Wier will not contest the bid rejection or District's award to Burtech.

Burtech's bid price of \$1,395,000 is approximately \$64,000 (4.4%) less than the estimated construction cost. Therefore, Staff and the EC concur with IEC's recommendation and requests that the Board of Directors award the contract to Burtech Pipeline, Incorporated as the lowest responsive and responsible bidder.

FISCAL IMPACT:

Funds totaling \$1.02 million were appropriated in the FY 2021 (FY21) Budget for project construction. This appropriation is sufficient to commence project construction. However, the addition of 11 items during project design resulted in a cost escalation for construction. Therefore, Staff and the EC request an additional appropriation to the FY21 Budget of \$420K to cover the cost for construction and a 5% contingency.

ier:PJB
Attachment



BID REVIEW MEMORANDUM

Date: July 24, 2020

Subject: **Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project**

Prepared By: Sheila McAtee, E.I.T.

Reviewed By: Rob Weber, P.E.

PURPOSE

This memorandum provides a summary of IEC's evaluation of bid results and the responsiveness of the submitted bids for the subject project.

BID RESULTS

Five bids were received and opened on July 14th, 2020. The bids are summarized on Table 1 - Bid Summary (see attached) and characteristics of the bids are as follows:

Apparent Low Bid:	\$1,293,600
Second Lowest Bid:	\$1,395,000
High Bid:	\$1,996,355
Engineer's Opinion of Probable Cost:	\$1,458,072

Wier Construction Corporation (Wier) submitted the lowest bid at \$1,293,600. Burtech Pipeline, Inc. (Burtech) was the second lowest bidder at \$1,395,000. Both Wier and Burtech submitted prices *below* the Engineer Opinion of Probable Construction Cost (EOPCC) of \$1,458,072.

REVIEW OF APPARENT LOW BIDDER

Wier Construction Corporation (Wier) based in Escondido, CA submitted the apparent low bid. The following evaluation was performed:

1. **Experience Requirements – PVC Pipe:** The bid documents require the Contractor to submit three project references, completed in the previous five years, where the Contractor was required to install at least 1,000 linear feet PVC gravity sewer pipe with a minimum diameter of 8 inches. Wier submitted only one properly formatted reference that met this criterion – the Campo Road Sewer Replacement Project. Wier did submit a generic list of additional projects that were not directly applicable to the subject project. In the interest of completeness and due diligence, IEC reviewed the additional provided list and noted two (2) projects that were sewer related, however, Wier did not indicate on the list which projects met the experience required by the bid documents nor was it clear to IEC upon review of the information. In the project descriptions, the length and diameter of sewer pipe was provided, but not the pipe material.
2. **References:** The bid documents provided by Wier only specified one reference. In the general project list, there was contact information available, but none were marked specifically as references. In reviewing the general list, IEC only found one contact that dealt with relevant projects (sewer). IEC first contacted the two references that dealt with similar projects. In these reviews, one provided negative feedback, and the other was



mediocre at best. In the negative review, it was stated that Wier was “very difficult to work with”, making the entirety of the project “painful.” This reference stated that quality of work did meet project requirements in the end, but their opinion was that they would *not* award another contract to Wier. In the second reference, it was stated that Wier did a “good job”, they were a “decent” contractor, and they *would* award them another contract. Due to conflicting information, IEC reached out to two more contacts for projects unrelated to this one; one school modernization, and one roadway improvement. Both additional reviews were negative. One review noted that the Wier was constantly changing project managers, which added the stress of constantly re-building relationships. When asked if the work was performed acceptably, the contact said yes, but they did have to “babysit” them, due to revolving PMs. When asked if they would award another contract to Wier, they stated that “there are better contractors out there”. The final reference stated that when working with Wier, everything was a challenge, stating multiple claims filed that were “not justified”. When asked if they would award another contract to Wier, they stated, “No, never again.” Overall, 3 of 4 reviews were negative, and one minorly positive.

3. **Bid item review:** In reviewing the distribution of bid items, IEC identified an unbalanced distribution of the bids with respect to one of the bid items, specifically with the single largest bid item in the project: the sewer realignment and manhole installations on Quebrada Circle. Below is a comparison of bid amounts. Note that Wier’s bid is \$90,500 less than the second lowest bid amount and 55% of the Engineer’s Opinion of Probable Construction Cost. This presents a concern with respect to how Weir interpreted the contract documents and the District’s potential risk of exposure to a change order.

Cost Estimates for: New 8" & 10" PVC - Sewer Realignment, New Sewer Manholes (Quebrada Cir)					
EOPCC	Wier Construction	Burtech Pipeline	CCL Contracting	Teichert Energy & Utilities	Kay Construction
\$480,000	\$269,500	\$545,000	\$390,000	\$360,000	\$425,770

For the reasons discussed above we have concerns about Weir’s ability to fulfill the contract obligations and deliver a quality project to the District without exposing the District to the risk of unnecessary delays and change orders. We therefore recommend awarding the contract to the second lowest bidder, Burtech Pipeline.

REVIEW OF APPARENT SECOND LOWEST BIDDER

Burtech Pipeline, based in Encinitas, California, submitted the second lowest bid. IEC has reviewed Burtech’s bid, and recommends the District award the project to Burtech for the following reasons:

Contractor’s License: The Contractor holds the required Class A License (No. 718202). The license is current and active.

Bid Bond: A bid bond in the amount of ten percent (10%) of the bid amount was submitted with North American Specialty Insurance Company as surety.

Signatures: The Contractor’s President & CEO, Dominic J Burtech, signed the Closing Statement, Bidder’s Bond, and Non-Collusion Affidavit.



Worker's Compensation Insurance: Policy is in effect through 10/1/2020. The most recent workers' compensation experience modification factor for Burtech is 0.79%.

Experience Requirements – PVC Pipe: The bid documents require the Contractor to submit three project references that included construction of polyvinyl chloride (PVC) gravity sewer of at least 1,000 linear feet of a minimum diameter of 8 inches. Burtech provided documentation in the required format that exceeded the experience requirements.

References: IEC contacted Burtech's four listed references to perform an assessment of the Contractor's prior work. Of four provided references, two were successfully contacted. Both gave highly positive reviews for Burtech for all questions. One reference stated "Burtech was overall good to work with, there were no claims filed, there were change orders, but they were legitimate, work was performed acceptably, and they would award Burtech another contract".

Registration with the Department of Industrial Relations (DIR):

As of 03/01/2015 contractors and their subcontractors are required to be registered with the DIR prior to bidding a public works project. IEC confirmed that both Burtech, and their listed subcontractors, Nu Line Technologies and DB Pipeline, are registered with the DIR.

Contractor Legal Name	Registration Number	Registration Date	Expiration Date
Burtech Pipeline Incorporated	1000006324	07/01/2019	06/30/2022
Nu Line Technologies, LLC.	1000003808	07/01/2020	06/30/2022
DB Pipeline, Inc	1000062288	07/02/2019	06/30/2022

Source: <https://efiling.dir.ca.gov/PWCR/Search.action>

Bid Item Review: No irregularities were found with bid items.

Claims Filed: Burtech has no claims filed in the last five years against them.

RECOMMENDATION

IEC recommends award of the contract to Burtech Pipeline, Incorporated. based on their knowledge and experience record and responsiveness to the bidding requirements.

Attachments
Table 1 – Bid Summary

**Leucadia Wastewater District
FY2020 Gravity Sewer Repairs
Bid Summary**

Bid Item	Quantity	Unit	Article	Engineer's Estimate	Wier Construction	Burtech Pipeline	CCL Contracting	Teichert Energy & Utilities	Kay Construction
1	1	LS	Mobilization, Bonds, Permits, Cleanup and Demobilization	\$52,640	\$64,750	\$55,000	\$80,000	\$70,000	\$95,000
2	1	LS	Sheeting, Shoring and Bracing	\$20,000	\$140,000	\$35,000	\$57,000	\$70,000	\$140,000
3	1	LS	New 8" PVC - New Sewer Manhole and Relocation (Andrew Ave)	\$34,000	\$68,250	\$21,000	\$29,000	\$68,000	\$47,709
4	1	LS	Replace CO and Repair 6 Lateral Connections (Andrew Ave Easement)	\$100,000	\$30,625	\$50,000	\$52,000	\$54,000	\$25,245
5	1	LS	New 8" PVC - Sag Repair, New Sewer Manhole (Village Run E)	\$76,000	\$72,625	\$77,000	\$63,000	\$71,000	\$78,953
6	1	LS	New 8" PVC - Relocate Lateral, New Sewer Manhole (Avenida Joaquin)	\$35,000	\$30,625	\$25,000	\$53,000	\$62,000	\$52,137
7	1	LS	New Sewer Manhole (Glen Arbor Dr)	\$25,000	\$30,625	\$21,000	\$25,000	\$44,000	\$53,433
8	1	LS	New Sewer Manhole (Oak Burl Ln)	\$25,000	\$30,625	\$21,000	\$25,000	\$42,000	\$52,137
9	1	LS	New 8" PVC - Lateral Connection Repair (El Camino Real)	\$35,000	\$17,500	\$16,000	\$28,000	\$57,000	\$30,947
10	1	LS	New Sewer Manhole (Cerro St)	\$25,000	\$30,625	\$22,000	\$29,000	\$48,000	\$52,299
11	1	LS	New 12" PVC - Sewer Realignment, 2 New Sewer Manholes (N Vulcan Ave)	\$58,000	\$72,100	\$140,000	\$111,000	\$82,000	\$147,501
12	1	LS	New 8" PVC - Full Liner, New Sewer Manhole (Alicante Rd)	\$35,000	\$42,000	\$38,000	\$70,000	\$87,000	\$62,505
13	1	LS	New Sewer Manhole (Babilonia st)	\$25,000	\$42,875	\$24,000	\$27,000	\$62,000	\$51,489
14	1	LS	New Sewer Manhole (Dorado Pl)	\$25,000	\$30,625	\$22,000	\$28,000	\$54,000	\$50,409
15	1	LS	New 8" PVC - Spot Repair and Install Liner (El Fuerte)	\$28,000	\$29,750	\$17,000	\$32,000	\$38,000	\$37,103
16	1	LS	New 8" PVC - Sag Repair (Garboso St)	\$100,000	\$91,000	\$53,000	\$101,000	\$98,000	\$56,295
17	1	LS	New 8" PVC - New Sewer Manhole and Install Liner (La Costa Ave Easement)	\$28,000	\$49,000	\$35,000	\$41,000	\$64,000	\$62,505
18	1	LS	New 18" PVC - Sag Repair, Sewer Realignment (La Costa Golf Course Easement)	\$52,000	\$78,750	\$95,000	\$266,000	\$87,000	\$348,165
19	1	LS	Raise Manhole to Grade (Marbella Easement)	\$15,000	\$5,250	\$3,000	\$3,000	\$42,000	\$6,566
20	1	LS	Spot Repair, Install 4 Top Hats (Navarra Dr)	\$65,000	\$21,000	\$37,000	\$38,000	\$63,000	\$18,073
21	1	LS	Sewer Realignment-Abandon-in-Place Existing 8" PVC & Construct New 8" PVC (Quebrada Cir)	\$480,000	\$157,500	\$375,000	\$278,000	\$255,000	\$425,770
22	1	LS	Sewer Realignment-Construct 3 New Manholes (Quebrada Cir)		\$98,000	\$105,000	\$68,000	\$80,000	
23	1	LS	Sewer Realignment-Vegetation/Shrub Removal (Quebrada Cir)		\$14,000	\$65,000	\$44,000	\$25,000	
24	1	LS	New Sewer Manhole (Unicornio St & Zodiac St)	\$25,000	\$22,750	\$21,000	\$25,000	\$27,000	\$51,165
25	1	LS	New Sewer Manhole (Unicornio St & Cacatua Pl)	\$25,000	\$22,750	\$22,000	\$25,000	\$38,000	\$50,949

Total (Engineers Estimate with 5% added contingency)

\$1,458,072

\$1,293,600

\$1,395,000

\$1,598,000

\$1,688,000

\$1,996,355

Check Total (Bids)

\$1,293,600

\$1,395,000

\$1,598,000

\$1,688,000

\$1,996,355

Difference

\$0

\$0

\$0

\$0

\$0

FY20 GRAVITY SEWER REPAIR LINE / QUEBRADA REALIGNMENT PROJECT

Award of Construction Contract

Tactical Goal: Infrastructure and Technology

(AUGUST 2020)

Recommendation

- Authorize the General Manager to execute:
 - An Agreement with Burtech Pipeline Inc. for the construction of the FY20 Gravity Sewer Repair / Quebrada Realignment Project in an amount not to exceed \$1,395,000 as the lowest responsive and responsible bidder.
 - An additional appropriation of \$420K for project construction.

Background

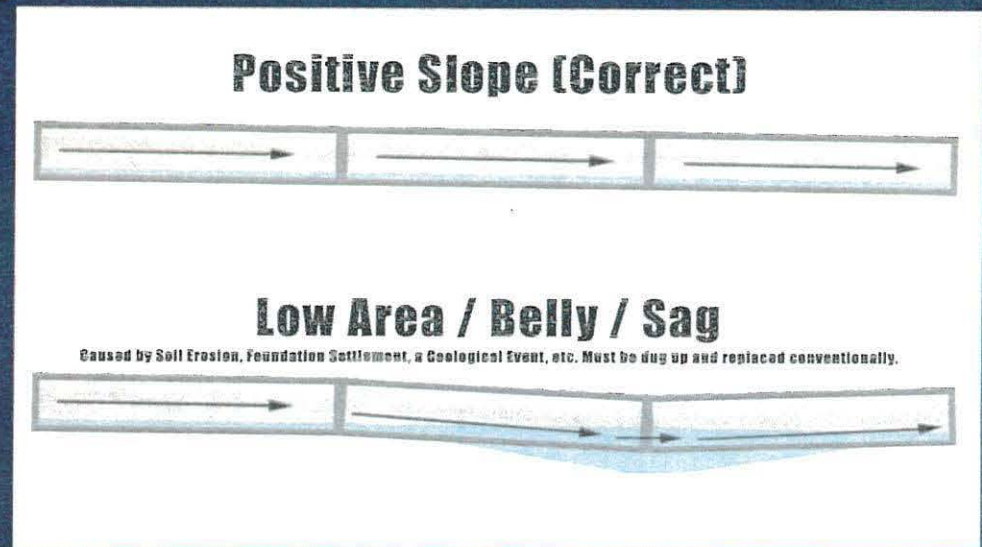
- Goal – Repair or replace Rated 3 gravity lines/manholes discovered by CCTV crew
- FY20 includes projects that require open trench work
- Combined with Quebrada Line



Background

➤ Quebrada Gravity Line

- 500 linear feet of line with a significant sag
- Initial design – reroute
 - Easement not acquired
- Revised plan - include open trench work in place
 - High costs
- Revised plan - relocated 10' from existing alignment



Background

- FY 2020 Gravity Sewer Repair Project
 - 20 open trench repairs

- Quebrada Realignment Project
 - Open trench repair

FY 2020 Gravity Sewer Repair / Quebrada Realignment Project

Bid Schedule

- IEC completed Design in May 2020
- June 10, 2020 Notice Inviting Bids
- July 14, 2020 Bids Due
- August 19, 2020 Award
- Engineer's Estimate - \$1,459,000

Bid Results

Construction Firm	Bid Price
Wier Construction Corporation	\$1,293,600
Burtech Pipeline, Incorporated	\$1,395,000
CCL Contracting	\$1,598,000
Teichert Energy & Utilities	\$1,688,000
Kay Construction	\$1,996,355

Discussion

- Wier Construction (Wier) did not satisfy bid requirements
- **Minimum Bid Requirements:**
 - Complete 3 projects of the same complexity and scope within the past 5 years
- Wier submitted:
 - 1 project that met minimum criteria
 - 3 of 4 references were negative reviews

Discussion

- Burtech Pipeline (Burtech) satisfied bid requirements
- **Burtech submitted:**
 - 4 projects that satisfied minimum criteria
- Bid Documents clearly stated requirements
 - Other bidders submitted requested information
- **Omissions NOT minor or inconsequential, should NOT be waived (consistently applied standard)**

Discussion

- Burtech bid is \$102K more than Wier
- Both bids were under Engineer's Estimate (\$1.459M)
- Wier notified of nonresponsive bid

Summary

- Wier apparent low bidder
- **Wier bid nonresponsive**
- Burtech second low bidder
 - Satisfied bid requirements
 - Bid is 4.4% below Engineer's Estimated Cost
- **Consistently applied standard for bid evaluation**

Recommendation

- Award Contract for the FY20 Gravity Sewer Repair / Quebrada Realignment Project construction to Burtech Pipeline in an amount not to exceed \$1,395,000 as the lowest responsive and responsible bidder

Fiscal Impact

- Sufficient funds to commence construction
- Authorize an additional appropriation of \$420K for project construction



Questions / Comments



MEMORANDUM

Ref: 21-7264

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: **Contract Award for Construction Management Services for the District's Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project**

RECOMMENDATION:

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

1. Authorize the General Manager to execute an Agreement with Mavteck for construction management services during construction of the Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project in an amount not to exceed \$45,000.
2. Discuss and take other action as appropriate.

DISCUSSION:

Tactical Goal: **Infrastructure and Technology / FY2020 Gravity Pipeline Rehabilitation – Quebrada Realignment**

This item was reviewed at the August 5th EC meeting and the EC concurred with staff to present this item for the Board's consideration.

The Leucadia Wastewater District's (District) Fiscal Year 2020 Gravity Sewer Repair/Quebrada Realignment Project (Project) requires construction management (CM) support to oversee construction of the project. The CM services consist of contractor oversight, negotiating change orders, construction inspection and administration. Mr. Maverick Madsen (Mavteck) has a proven track record of providing excellent CM services to the District. Mr. Madsen has provided excellent CM services for the 2017 Village Park No. 5 Pump Station Replacement, Batiquitos (B3) Force Main Discharge Section Replacement, and La Costa Force Main Emergency Repair projects. Additionally, Mr. Madsen has been awarded the CM contract for the current Leucadia Pump Station Rehabilitation Project. For this Project, Mavteck submitted a proposal to provide CM services in an amount not to exceed \$45,000, an estimated 375 hours at \$120 per hour. Based on the estimated two-hundred (200) calendar day construction period and Mr. Madsen's experience and past performance, staff believes this fee is fair and reasonable.

Included in the Project is the installation of over 1,000 linear feet of new PVC pipe, seventeen (17) new sewer manholes, one (1) new sewer cleanout, two (2) spot repairs, and about 100 linear feet of Cured-In-Place-Pipe (CIPP).

Mr. Madsen has consistently provided outstanding CM services on previous District projects. He possesses the requisite knowledge of the District's collection system and operations. Retaining his CM services during construction will provide continuity, efficiency and is in the best interest of

the District. For these reasons, the procurement of these CM services satisfies the criteria for continuity of service under Section 11.4, Continuing Services, of the District's Procurement Policy.

The services provided by the contract will be paid on a time and material basis. Therefore, Staff and the EC recommend that the Board award the contract for CM services for the FY 2020 Gravity Pipeline Rehabilitation Project to Mavteck.

FISCAL IMPACT:

Sufficient funds to cover the proposed cost for construction management services have been budgeted.

ier:PJB

FY20 GRAVITY SEWER REPAIR LINE / QUEBRADA REALIGNMENT PROJECT

Award of Construction Management Services

Tactical Goal: Infrastructure and Technology

(AUGUST 2020)

Recommendation

Authorize the General Manager to execute an Agreement with Mavteck for construction management services during the construction of the FY20 Gravity Sewer Repair / Quebrada Realignment Project in an amount not to exceed \$45,000.

Discussion

Construction Management Services:

- Contractor oversight
- Review / negotiate Change Orders
- Construction Inspection
- Administration:
 - ❖ Payment Requests
 - ❖ Submittals / RFIs
 - ❖ Contractor Payroll



Construction Management

Maverick Madsen (Mavteck) projects:

- Leucadia PS Rehabilitation Project - awarded
- Batiquitos (B3) Force Mains Discharge Section Replacement
- La Costa Force Main Emergency Repairs

Mavteck experience:

- 25 years in heavy construction public works
- Treatment plants, pump stations, pipelines

**Proposal - \$45K (375 hours @ \$120/hour
on a time and materials basis)**

Discussion

- Retaining his service:
 - Provides continuity
 - Efficient
 - Best interest of the District
- Satisfies Procurement Policy
 - Section 11.4 – Continuing Services
- Proposal is fair and reasonable

Recommendation

- Award CM Services Contract to Mavteck

Fiscal Impact


- Sufficient funds budgeted for CM Services

Questions / Comments

MEMORANDUM

Ref: 21-7259

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Annual Review of Procurement Policy



RECOMMENDATION:

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

1. Adopt Resolution No 2338 approving LWD's revised Procurement Policy; and
2. Discuss and take other action, as appropriate.

DISCUSSION:

Tactical Goal: Finance/Financial Policy Reviews/Procurement Policy

This item was reviewed at the August 5th IFC meeting and the IFC concurred with staff to present this item for the Board's consideration.

The Leucadia Wastewater District (LWD) Procurement Policy was adopted by the Board of Directors on March 9, 2005. It was last revised on September 13, 2017. The policy consolidates purchasing requirements under one program and provides a prudent set of controls while maintaining efficiency and flexibility in the procurement process.

Staff recently conducted an annual review of the existing policy. Based on this review, staff is recommending adding a section to address the procurement of highly technical goods or services by competitive negotiations and making some clarification changes in the policy.

Overall, LWD's Procurement Policy (Attachment 1) continues to provide prudent purchasing controls and guidelines for the District. In addition, it establishes spending limits that reflect today's costs and provides staff the needed flexibility to purchase goods and services in the most efficient manner possible.

For these reasons, staff requests and the IFC recommend that the Board of Directors adopt Resolution No. 2338 approving LWD's revised Procurement Policy.

The proposed resolution (Attachment 1) includes a strike-out version of the revised Procurement Policy for the IFC's review.

rad:PJB

Attachment

RESOLUTION NO. 2338

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

WHEREAS, the Leucadia Wastewater District's (LWD) existing Procurement Policy was adopted on September 13, 2017 to establish a prudent set of controls in the procurement process; and

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

NOW, THEREFORE, it is hereby resolved as follows:

1. The LWD Board of Directors adopts the LWD Procurement Policy attached hereto as Exhibit "A" and directs that it be implemented consistent with all applicable laws and related District policies.
2. This Resolution supersedes and rescinds Resolution No. 2290.

PASSED AND ADOPTED by the Board of Directors of Leucadia Wastewater District this 19th day of August, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Allan Juliussen, President

ATTEST:

Paul J. Bushee, Secretary/Manager

(SEAL)

Attachment 1



PROCUREMENT POLICY

Ref: 18-552821-7236

1. Purpose

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

2. Related LWD Board of Directors' PolicyPolicies

2.1. Resolution 2289 authorizing the General Manager to purchase up to \$35,000 of goods, materials, supplies, and services at any one time without specific prior Board approval dated September 13, 2017.

2.2. Resolution 2271 adopting the LWD's current Conflict of Interest PolicyCode.

3. Policy

It is the Policy of the Board of Directors that:

3.1. LWD shall procure required goods and services commensurate with acceptable quality at the lowest possible cost.

3.2. Appropriate internal financial controls shall be exercised over all procurements.

3.3. No procurement shall be authorized unless sufficient funds have been appropriated pursuant to LWD's budgetary processes.

3.4. Cooperative purchasing with other public agencies shall be performed whenever such purchases are feasible and in the best interests of LWD.

3.5. The General Manager shall determine the necessity of insurance and/or appropriate insurance requirements in consultation with the originating department head and risk management advisors, and, with the advice and concurrence of the LWD General Counsel. If insurance is required, a Certificate of Insurance conforming to such requirements, and any applicable insurance industry standards, must be on file before goods are delivered or services are provided.

3.6. The General Manager shall execute and maintain administrative procedures to implement this Policy and to ensure that the procurement of all goods and services are properly documented and that they conform to: this Policy, related internal financial controls, and all applicable administrative procedures.

- 3.7. The General Manager shall maintain all documentation required by this Policy in accordance with LWD's Records Retention Policy.
- 3.8. The LWD shall not discriminate against any person or entity because of race, color, religion, national origin, gender or disability status and shall place, in all procurement related solicitations or advertisements for formal procurement of goods or services, a statement that all qualified bidders will receive consideration without regard to race, color, religion, national origin, gender or disability status.
- 3.9. The General Manager may, at his/her discretion, delegate duties under this Policy.
- 3.10. The Board of Directors may, at its sole discretion, waive all or any part of this Policy.

4. Policy Coverage

This Policy is intended to cover the procurement of the following types of items:

- 4.1. Goods: An item moveable at the time LWD executes the Purchase Order for its procurement; equipment or supplies specially manufactured for LWD; installation of equipment or supplies specifically for LWD; and utilities such as electricity, natural gas, telephone, internet; and, water.
- 4.2. Professional Services: Services that are professional in nature and do not include the physical construction or installation of equipment for the District's infrastructure. Services in this category include, but may not be limited to, engineering design, architectural services, public information services, financial services, strategic planning services and legal services.
- 4.3. Construction Services: Services typically associated with the physical construction and/or installation of equipment necessary to improve or replace the District's infrastructure. For the purposes of this policy, landscape services shall follow the procedures associated with this category.
- 4.4. Other Services: Other Services include all purchases for services not classified as goods, construction services, or professional services, and include janitorial and uniform rental services, but may not be limited to these services.

5. Open Market Procurements for Goods and Other Services (\$10,000 or less) and Professional Services and Construction Services (\$35,000 or less)

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

6. Informal Procurements for Goods and Other Services (\$10,000.01 to \$60,000) and Construction Services (\$35,000.01 to \$60,000)

The following defines an informal procurement for goods:

- 6.1. Minimum Requirements: The procurement of goods or services require that Staff develop a Request for Quote to clarify and standardize the requirements of the procurement. The Request for Quote shall include, as a minimum:

- An appropriately detailed specification considering the value, availability and technical complexity of the items to be procured,
 - A list of at least three (3) possible suppliers, if practicable,
 - The date by which LWD must receive the quote.
- 6.2. Request for Quote Distribution and Evaluation: LWD shall distribute the Request for Quote to at least three (3) suppliers. Staff will evaluate the responses received to determine the best responsive and responsible quote that meets or exceeds the Request for Quote specifications. Although cost is important, it is not the sole source of the award.
- 6.3. Quote Documentation: Staff will document the quotes received and the results of the evaluation. If less than three (3) quotes were received and evaluated, a brief explanatory statement will be provided.
- 6.4. Award: The General Manager shall award the procurement to the best determined responsive and responsible quote, if the total dollar cost of the procurement is \$35,000 or less. If the total dollar cost of the procurement is \$35,000.01 or more, the purchase must be approved by the Board of Directors.
- 6.5. Delegation of Authority to Award: For the purchase of goods or construction services, the General Manager may delegate the authority to award procurements by administrative procedure specifically identifying such delegates and the dollar limit of each delegate's authority.

Nothing in this policy shall prohibit staff from utilizing a formal bid process if deemed to be in the best interest of the District. If a formal bid process is elected, the procedures in Section 8 below shall be followed.

7. Informal Procurements for Professional Services (Contract from \$35,000.01 to \$60,000):

The following defines an informal procurement for professional services:

- 7.1. Minimum Requirements. Staff will develop a Proposal letter to include, as a minimum:
- An appropriately detailed Scope of Work considering the value availability and technical complexity of the services to be procured,
 - A list of at least three (3) possible firms, if practicable,
 - The date by which LWD must receive the proposal,
 - If the proposed project is not identified in the budget, the Board of Directors shall review and authorize the procurement.
- 7.2. Evaluation of Proposals. Staff or a panel of evaluators designated by the General Manager will determine the best qualified proposer based on professional competency and their ability to satisfy the Scope of Work. Whenever possible, dependent on the services required, LWD shall evaluate and document at least three (3) proposals. If less than three (3) proposals were evaluated, a brief explanatory statement will be submitted to the General Manager.
- 7.3. Negotiations. Staff shall negotiate with the best qualified proposer. If unable to successfully complete such negotiations, negotiate with the remaining proposers, in the order that their proposals are most beneficial to LWD, until negotiations are successfully completed.

7.4. Coordination, Review and Approval. The General Manager will assign staff and, if necessary, LWD Counsel to generate a contract or related documents. All informal procurements for professional services will require a written contract.

7.5. Award. The General Manager shall recommend that the Board of Directors award the contract to the best qualified firm with whom LWD successfully completed negotiations. The Board shall award procurements of services with a total dollar cost from \$35,000.01 to \$60,000.

7.6. Documentation of Award. The responsible staff member shall establish a Contract File that contains the Proposal documentation per Sections 7.1 through 7.5 of this Policy, signed contract and any additional documents prescribed by administrative procedure.

8. Formal Procurements for Goods, Construction Services, and Other Services (\$60,000.01 and over):

8.1. Additional Requirements: Formal Request for Sealed Bids (RFB). In addition to this Policy's requirements for awarding Informal Procurements, the initiating department head shall submit for the General Manager's review and approval a RFB that includes:

- An appropriately detailed specification considering the value, availability and technical complexity of the items to be procured,
- Proposed procurement schedule.

8.2. Supplemental Documents: Formal RFB. Along with the RFB, the initiating department head shall submit for the General Manager's review and approval the following Supplemental Documents:

- A draft Notice Inviting Bids for publication and
- A suggested list of at least three (3) prospective vendors, if practicable.

8.3. Public Notice. Public Notice Inviting Bids for a RFB must be published in a newspaper of general circulation at least ten (10) days prior to the bid opening date. For only the formal procurement of goods and other services, if the General Manager determines that publication of a RFB will not enhance the competitiveness of the bid, the General Manager, at his sole discretion, may waive the public notice of the RFB. For example, there is a limited number of vendors and all vendors will be provided with the RFB, then the publication of the RFB can be waived

8.4. Bid Opening. All sealed bids are opened in public and apparent low bidder is identified at the bid opening.

8.5. Bid Evaluation. After the bid opening, all bids will be evaluated to ensure compliance with the bid specifications and for acceptable quality to determine the lowest responsive and responsible bidder. All bids and bid information shall be public unless otherwise specified in the bid specifications.

8.6. Award. All sealed bid procurements shall be awarded to the lowest responsive and responsible bidder who meets or exceeds the specifications of the RFB. All formal procurements must be approved by the Board of Directors.

9. Formal Procurements for Professional Services (\$60,000.01 and over)

- 9.1. Additional Requirements: Formal Request for Proposals (RFP) or Request for Qualifications (RFQ). In addition to this Policy's requirements for awarding Informal Procurements for services, the initiating department head shall submit for the General Manager's review and approval a RFP or RFQ that includes:
- A detailed Scope of Work itemizing the services required,
 - Proposed schedule,
 - Preliminary criteria upon which proposals / qualifications shall be evaluated,
 - A draft public notice, and,
 - A suggested list of prospective consultants to receive the RFP/RFQ.
- 9.2. General Manager Approval of Proposal Publication. No publication of public notice inviting proposals shall be made unless the General Manager has approved the Formal RFP and Supplemental Documents. If the project is not identified in the budget, the Board of Directors shall review and authorize the procurement.
- 9.3. Public Notice. Public notice of a RFP / RFQ must be published in a newspaper of general circulation at least ten (10) days prior to the proposal / Statement of Qualification (SOQ) due date.
- 9.4. RFQ Evaluation. If the implementation of the RFQ process is selected to procure services, additional steps are added to the RFP process. The RFQ calls for submission of a Statement of Qualification (SOQ) instead of a proposal. The SOQs are used to establish the professional competency and capability of each firm to perform and satisfy the project's Scope of Work. Once SOQs are received from interested firms, the General Manager will convene a panel consisting of at least three (3) individuals. The panel will evaluate the SOQs received in response to the RFQ to determine those firms that, in the panel's opinion, are best qualified to meet the Scope of Work identified in the RFQ. The panel will identify at least three (3) qualified firms, if appropriate. Once the qualified firms have been determined, only those firms will be invited by the General Manager to submit proposals (RFP) for evaluation.
- 9.5. Proposal Evaluation. Pursuant to the criteria established for that RFP and any additional criteria necessary and appropriate to advance the best interests of the LWD, the General Manager or a panel of evaluators selected by the General Manager shall review each proposal and may interview each firm to determine an ordinal ranking of the proposing firms. The ordinal ranking will be primarily based on the professional competency of the firms.
- 9.6. Negotiation. The General Manager or his/her designee shall enter into negotiations with the top ranked firm to establish the contract price and fees. If a fair price cannot be reached with the top ranked firm, then that firm shall be eliminated from consideration and negotiations shall be initiated with the next highest ranked firm.

9.7. Award. All formal procurements for services must be approved by the Board of Directors.

10. Competitive Negotiations

10.1. Competitive negotiations may be used for the procurement of highly technical goods or services. Under competitive negotiations cost will be a significant factor, but not the only deciding factor. The General Manager may authorize competitive negotiations when:

- The goods or services are such that suitable technical or performance specifications are not readily available.
- District does not possess the professional expertise necessary to develop suitable technical or performance specifications.
- Proposals for the purchase goods or services would be more advantageous to District.

10.2. In the case of competitive negotiations, the initiating department head shall obtain the General Manager's authorization to proceed under this section using such open market, informal or formal procedures as the General Manager shall, at his sole discretion, deem necessary.

10.3. The use of competitive negotiations is not intended to be used for the purpose of avoiding the Formal RFB or Formal RFP requirements set forth in this policy

10.11. Exceptions:

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

10.1.11.1. Sole Source Procurement

- A. In certain instances, goods and services are obtainable from only one vendor due to unique circumstances. These circumstances include:
- The good or service is of such a unique, proprietary or technical nature that it is only manufactured or provided by a single vendor;
 - The good or service must match or be compatible with other goods or services, currently in use by LWD, obtained from a certain vendor. In this instance, it must be demonstrated that the matching or compatible good or service can only be supplied by this same vendor, or
 - When a vendor or firm possesses unique knowledge of LWD or is providing continuance of service as described in paragraph 11.412.4, Continuing Services.
- B. All sole source purchases for goods over \$10,000 and sole source procurements for services over \$35,000 require an explanation justifying the sole source procurement under this Policy to the General Manager and/or Board of Directors.

C. Sole source procurements shall comply with all award threshold requirements set forth in this Policy.

D. Complex or Unique Items

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

10.2.11.2. Emergency

If an emergency arises and there is insufficient time to comply with the above applicable procurement procedures, an exception shall apply. An emergency situation may be determined by the General Manager if there is no time to convene a Board meeting. In the case of an emergency, the General Manager can authorize procurement(s) that exceeds his designated threshold in order to resolve the situation. The General Manager will inform the Board members of the emergency procurement as soon as possible. If the General Manager determines an emergency existed and authorizes a procurement(s) exceeding his/her approval authority, then a staff report shall be provided to the Board of Directors at its next regular meeting.

11.12. Alternative or Conditional Requirements:

11.1.12.1. Bid Security. Bidder's security may be prescribed in the public notice inviting bids at LWD's sole discretion. Bidders shall be entitled to return of bid security except that a successful bidder shall forfeit his bid security upon the bidder's refusal or failure to execute a contract within ten (10) days after the Notice of Award has been mailed.

11.2.12.2. Rejection of Bids/Proposals. The General Manager or Board of Directors, at their discretion, may reject any and all bids or proposals / SOQs and proceed pursuant to this Policy.

11.3.12.3. Performance Bond. LWD shall retain unilateral authority to require a performance bond before entering a contract. The amount of such a bond shall be set as determined reasonably necessary to protect the best interests of LWD. If LWD requires a performance bond, the form and amount of the bond shall be described in the public notice inviting bids or proposals.

11.4.12.4. Continuing Services. Where a vendor or firm has satisfactorily completed one phase in the development of a project and the General Manager, or as may be required by this Policy, the Board of Directors, determines that it is in the best interest to retain this vendor or firm for a subsequent phase of work, the General Manager, or his designee, shall be authorized to proceed directly with the negotiations for compensation with this entity. If required by this Policy, the Board of Directors must approve the resulting contract or

amendment. In the event that a fair price cannot be reached, then the appropriate procurement requirements set forth in this Policy shall apply.

41.5.12.5. Governing Law. Nothing in this policy is intended nor shall be deemed to supersede any applicable State or Federal laws.

42.13. Definitions:

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

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

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

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

Formal Procurement of Goods and Services: Procurement of goods or services resulting in total payments greater than \$60,000.

Goods: An item moveable at the time LWD executes the Purchase Order for its procurement; equipment or supplies specially manufactured for LWD; installation of equipment or supplies specifically for LWD; and utilities such as electricity, natural gas, telephone, internet, and water.

Informal Procurement of Goods: Purchase of goods resulting in total payments of \$10,000.01 to \$60,000.

Informal Procurement of Services: Procurement of services resulting in contract Not-to-Exceed (NTE) amounts between \$35,000.01 and \$60,000.

Open Market Procurement of Goods: Purchase of goods resulting in total payments by the LWD of \$10,000 or less.

Open Market Procurement of Professional and Construction Services: Procurement of services resulting in contract Not-to-Exceed (NTE) amount of up to \$35,000.

Other Services: Other Services include all purchases for services not classified as goods, construction services, or professional services, and include janitorial and uniform rental services.

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

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

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

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

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

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


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

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

MEMORANDUM

Ref: 21-7260

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Annual Review of LWD Investment Policy



RECOMMENDATION:

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

1. Re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2020 through August 31, 2021
2. Adopt Resolution No. 2341 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 at the August 5th IFC meeting and the IFC concurred with staff to present this item for the Board's consideration.

The Board of Directors last amended Leucadia Wastewater District's (LWD) Investment Policy in August 2019.

The LWD Investment Policy establishes guidelines to ensure investments are in compliance with California governmental code. It also establishes the types of investment vehicles LWD can use, defines 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.

The Investment Policy calls for an annual review by the Board of Directors. Staff recently reviewed the Policy to determine if any amendments are warranted. In addition, LWD's Investment Policy received certification from the California Municipal Treasurers Association (CMTA) under its Investment Policy Certification Program last year. As part of that review process, CMTA's evaluators made some review comments. Although the comments were minor in nature and did not adversely affect the certification, staff considered incorporating some of them into LWD's investment policy this year.

As a result, staff is recommending some enhancements to the investment policy such as

- Expanding the Authorized Investment Chart by adding relevant California Government Code sections and maximum maturities.
- Increasing allowable allocation percentages for certain authorized investment with higher safety and liquidity characteristics, such as US Treasuries.

- Reference LWD's Conflict of Interest Code.
- Limiting amount invested in certain types of securities of any single issuer to 5% of LWD's total portfolio,
- Adding additional information and clarifying some sections of the policy.
- Make some minor administrative changes such as formatting, numbering, and grammar.

CONCLUSION:

Proposed Resolution No. 2341 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.

For these reasons, 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, 2020 through August 31, 2021, and (2) adopt Resolution No. 2341.

rad:PJB

Attachment

RESOLUTION NO. 2341

**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. 2318 on August 14, 2019 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. 2318 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 August 19, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Allan Juliussen, President

ATTEST:

Paul J. Bushee, Secretary/Manager

(SEAL)

LEUCADIA WASTEWATER DISTRICT

RESOLUTION NO. 2341

EXHIBIT "A"

LWD INVESTMENT POLICY



LEADERS IN
ENVIRONMENTAL
PROTECTION

LEUCADIA WASTEWATER DISTRICT INVESTMENT POLICY

Ref: 20-677121-7232

1.0 Purpose

This investment policy is intended to establish guidelines for the prudent management and investment of the Leucadia Wastewater District's available funds in conformance with California Government Code requirements governing the investment of public funds. It is also intended that the Board of Directors review this policy annually.

The District shall invest public funds in a manner which will meet the objectives of this investment policy in priority order of Safety, Liquidity, and Return on investment- Investment while meeting the daily cash flow demands of the District.

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, and return on investment. This investment policy applies to all financial assets of the District, which are accounted for as Enterprise Funds in the District's Comprehensive Annual Financial Report, with the exception of the following funds:

- A. The District's other post-employment benefits trust fund,
- B. Deferred compensation assets held in trust for the benefit of participating employees, and
- C. The proceeds of any debt issued by the District which are invested in accordance with provisions of the applicable debt documents.

3.0 Prudence

The District operates its 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

As specified in California Government Code Section 53600.5, 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 independent financial institutions offering a variety of securities with independent returns.

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. These liquid funds shall be, at a minimum, an amount equal to the Districts Operating Reserve as defined by the Districts Reserve Policy and shall be in cash or cash equivalents.

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 identified in the investment policy 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 as permitted under California Government Code section 53607. 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 investment 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 policy and 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. -All bond issue participants, including but not limited to, underwriters, bond-counsel, financial advisors, brokers and dealers will disclose any fee sharing arrangements or fee splitting to the District's General Manager prior to the execution of any transaction. See District's Conflict of Interest Code for additional disclosures and requirements.

7.0 Authorized Financial Dealers and Institutions

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

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

8.0 Authorized and Suitable Investments

8.1 All investments shall be made in accordance with Sections 53600 *et seq.* of the Government Code of California and described within the Investment Policy. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters will take precedence. To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. The maximum maturity of individual investments shall not exceed the limits set forth below or in the California Government Code. (See authorized investment chart under section 11). 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.

8.2 Permitted investments under the Investment Policy ~~shall include:~~are listed below. Concentration limits are found in section 11.

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. (Code section 53601(b))

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. (Code section 53601(f))

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"). (Code sections 53601(c) & (e))

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, if and in the manner which it is permitted by their governing documents. (Code section 53601(a))

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. (Code section 53601(k))

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. (Code section 53601(q))

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. (Code section 53601(h))

Bank Deposits. FDIC insured or collateralized bank deposits, including, without limitation, savings accounts, and market rate accounts 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. (Code sections 53630 et seq.)

Placement Service Deposits. Deposits placed through a deposit placement service in accordance with California Government Code Section 53601.8 and 53635.8. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. (Code section 53635.8)

Bank Certificates of Deposit - FDIC/NCUA Insured

FDIC or NCUA insured certificates of deposit issued by a nationally or state-chartered bank, a state or federal association, a state or federal credit union, or by a state license branch of a foreign bank This category includes certificates of deposit purchased through a broker/dealer. (Code sections 53630 et seq.)

Negotiable Certificates of Deposit.

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a state or federal association, or by a state-licensed branch of a foreign bank Uninsured purchases are limited to institutions that have a rating of at least "A", "A-1", or its equivalent, by an NRSRO. (Code section 53601(i))

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. (Code section 53601(j))

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). (Code section 53601(l))

State of California Local Agency Investment Fund (LAIF). LAIF is a special fund in the California State Treasury and an investment alternative for California's local governments and special districts created and governed pursuant to California Government Code Section 16429.1 et seq. and managed by the State Treasurer's Office. A maximum of 75% of the portfolio may be invested in this category, however, the amount invested may not exceed the current maximum amount allowed by 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. (Code section 16429.1 et seq.)

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. Code section 53601(p)

San Diego County Treasurer's Pooled Money Fund. This is a 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. Code section 53684)

9.0 Investment Pools/Money Market Mutual Funds

Investment pools include LAIF, county pooled investment funds, and shares of beneficial interest (mutual funds and money market funds), and joint powers authority pools. A thorough investigation of the pool/fund is required prior to investing, and monitoring is required on a continual basis. District staff will periodically perform due diligence analysis of the pool/fund based on a standardized questionnaire developed to address investment policy and practices. The investigation will include review of the following items: 1) Eligible investments: 2) Investment policy and/or investment objectives; 3) Interest calculation, distribution, and treatment of gains/losses: 4) Securities safeguarding and pricing and program audits; 5) Schedule of receiving statements and portfolio listings: 6) Fees; 7) Utilization of reserves/retained earnings; and 8) Eligibility for bond proceeds.

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~~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 provided monthly by these institutions and 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. No more than 5% of the total portfolio to my be invested in securities of any single issuer, excluding US Treasuries, Federal Agencies, Bank Deposits, Money Market Funds, and Pools.

Allowable Allocation of Investments

Authorized Investment	Govt. Code	Max %	Max Maturity
US Treasury Instruments	<u>53601(b)</u>	75 <u>100</u> %	<u>5 yrs*</u>
Federal Agency and Instrumentality Securities	<u>53601(f)</u>	75%	<u>5 yrs*</u>
State of California and Local Debt	<u>53601(c)&(e)</u>	10%	<u>5 yrs*</u>
Bonds Issued by Leucadia Wastewater District	<u>53601(a)</u>	10%	<u>5 yrs*</u>
Medium-Term Corporate Notes	<u>53601(k)</u>	20%	<u>5 yrs</u>
Bankers Acceptances	<u>53601(g)</u>	10%	<u>180 days</u>
Commercial Paper	<u>53601(h)</u>	10%	<u>270 days</u>
Bank Deposits	<u>53630 et seq.</u>	25 <u>30</u> %	<u>5 yrs*</u>
Placement Service Deposits	<u>53635.8</u>	20%	<u>5 yrs*</u>
Bank Certificates of Deposit – Insured	<u>53630 et seq.</u>	30%	<u>5 yrs*</u>
Negotiable Certificates of Deposit - Uninsured	<u>53601(i)</u>	10%	<u>5 yrs*</u>
Repurchase Agreements	<u>53601(j)</u>	10%	<u>30 days</u>
Money Market Funds	<u>53601(l)</u>	40 <u>20</u> %	<u>n/a</u>
State of California Local Agency Investment Pool (LAIF)	<u>16429.1 et seq.</u>	75%	<u>n/a</u>
California Asset Management Program (CAMP)	<u>53601(p)</u>	75%	<u>n/a</u>
San Diego County Treasurer's Pooled Money Fund (SD Pool)	<u>53684</u>	75%	<u>n/a</u>

- This investment may exceed a maturity of five years if approved by the Board of Directors prior to investment (See 8.1)

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, but are not limited to, 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 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 by category, original costs, and average rates of return in accordance with Government Code Section 53607. In addition, he the General Manager shall prepare a quarterly investment report in accordance with Government Code Section 53646 (b) (1) 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 Review of Investment Portfolio and Credit Rating Changes

The securities held by the District must be in compliance with Section 8.0 Authorized and Suitable investments at the time of purchase. Because some securities may not comply with Section 8.0 subsequent to the date of purchase, the General Manager shall at least ~~quarterly~~ monthly review the portfolio to identify those securities that do not comply. In the event a major and critical incidence of noncompliance with this policy is identified through the review of the portfolio, the General Manager shall 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 and any modifications to the 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.

17.0 Glossary of Terms

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together and receives a commission for services rendered.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Negotiable Certificates of Deposit are usually large denomination CDs that can be transferred, sold, bought, or exchanged in the secondary market.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the (entity). It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for its own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury Bills.)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to provide liquidity to the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and a reasonable size transaction can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): The Local Agency Investment Fund is a voluntary investment alternative for California's local governments and special districts authorized by the California Government Code. The LAIF is managed by the State Treasurer's Office with oversight by the Local Agency Investment Advisory Board. All securities in LAIF are purchased under the authority of Government Code Sections 16430 and 16480.8.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

NATIONAL CREDIT UNION ADMINISTRATION (NCUA): A federal agency that insures credit union deposits, currently up to \$250,000 per entity.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PLACEMENT SERVICE DEPOSITS: Deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement

(reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

MEMORANDUM

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: Conflict of Interest Code



RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt Resolution No. 2336 updating and revising Leucadia Wastewater District's Conflict of Interest Code.
2. Discuss and take other action, as appropriate.

DISCUSSION:

On September 13, 1995, Leucadia Wastewater District approved Resolution No. 2027 adopting the Fair Political Practices Commission's Standard Model Conflict of Interest Code. Since then, the Board has periodically updated the Code as required. The District last amended the Code and Appendix A on February 10, 2016 when the Board adopted Resolution No. 2271.

The Leucadia Wastewater District (LWD) is required by California Code to biennially review its Conflict of Interest Code (COIC). No amendments were necessary during the 2020 review. However, the County of San Diego Clerk of the Board of Supervisors (County Clerk) is encouraging agencies to consider amending their COIC to specify that Statements of Economic Interest (Form 700s) be filed directly with LWD, rather than the County Clerk (Attachment 1). By amending the COIC Code LWD would be able to:

- Retain direct access to LWD filers' Form 700s;
- Reduce confusion among filers about filing with the County versus their own agency;
- Easily communicate with LWD filers when there are issues with the Form 700s; and
- Eliminate the need to prepare transmittals to submit filings to the Clerk of the Board and the need to mail the original Form 700s.

Resolution No. 2336 (Attachment 2) and a strike out version of LWD's proposed Conflict of Interest Code (Attachment 3) are attached for the Board's review. If approved, Resolution No. 2336 will rescind all previously adopted resolutions approving LWD Conflict of Interest Codes and adopt in their place the proposed code contained in Attachment 3. LWD Counsel has reviewed both attachments.

Staff therefore recommends that the Board of Directors adopt Resolution No. 2336 updating and revising LWD's Conflict of Interest Code.

tb:PJB

Attachments

RESOLUTION NO. 2336

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LEUCADIA WASTEWATER DISTRICT
ADOPTING A CONFLICT OF INTEREST CODE**

WHEREAS, Leucadia Wastewater District (LWD) Resolution No. 2027, approved on September 13, 1995, adopted the Fair Political Practices Commission's Standard Model Conflict of Interest Code; and

WHEREAS, LWD Resolution No. 2271, approved on February 10, 2016 last amended the Conflict of Interest Code; and

WHEREAS, LWD has completed a review of its Conflict of Interest Code and determined that changes are required to change the place of filing for certain individuals Pursuant to Section 4 of the Standard Code;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Leucadia Wastewater District does hereby rescind all previously adopted resolutions approving Leucadia Wastewater District Conflict of Interest Codes and re-adopts in their place and stead the Fair Political Practices Commission's Standard Model Conflict of Interest Code and Appendix "A" attached hereto.

PASSED AND ADOPTED by the Board of Directors at a meeting of the Leucadia Wastewater District held August 19, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Allan Juliussen, President

ATTEST:

Paul J. Bushee, Secretary/Manager

(SEAL)

**CONFLICT OF INTEREST CODE
OF THE
LEUCADIA WASTEWATER DISTRICT**

Ref: 21-7220

The Political Reform Act of 1974 (Government Code Section 81000, et seq.) requires each state and local government agency to adopt and promulgate a conflict of interest code. The Fair Political Practices Commission (FPPC) has adopted a regulation, California Code of Regulations, Title 2, Division 6, Section 18730 (hereinafter "CCR 18730"), which contains the terms of a standard conflict of interest code. It can be incorporated by reference as an agency's code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.

Therefore, the terms of Title 2, Division 6 of the California Code of Regulations Section 18730 and any future amendments to it duly adopted by the FPPC are hereby adopted and incorporated herein by reference. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of the.

Pursuant to Section 4 of the standard code, ~~designated employees shall file statements of economic interests with the Secretary of the Leucadia Wastewater District. Upon receipt of the statements of the members of the Board of Directors and the General Manager, the Secretary shall make and retain copies and forward the originals of these statements to the Clerk of the San Diego County Board of Supervisors. The Leucadia Wastewater District shall retain statements for all other designated employees. Statements submitted by candidates for elected office shall be filed with the Secretary of the District on or before the deadline for filing the Declaration of Candidacy forms with the Registrar of Voters. The Leucadia Wastewater District shall also retain these statements.~~ individuals holding designated positions shall file their statements of economic interests with the Leucadia Wastewater District, which will make the statements available for public inspection and reproduction (Gov. Code Sec 81008). All statements will be retained by the Leucadia Wastewater District for a period of seven (7) years.

Adopted by the Board of Directors of the Leucadia Wastewater District on the 10th 19th day of February 2016 August 2020.

Allan Juliussen, President

ATTEST:

Paul J. Bushee, Secretary/Manager

APPENDIX A

AMENDED CONFLICT OF INTEREST CODE OF LEUCADIA WASTEWATER DISTRICT DESIGNATED POSITIONS

All District officials who manage the investment of public funds are included in and governed by this Conflict of Interest Code only with respect to its disqualification provisions. For purposes of disclosure, all District officials who manage the investment of public funds are governed by the statutory conflict of interest provisions of Article 2 of Chapter 7 of the Political Reform Act of 1974. (Government Code Section 87200, et seq.)

The persons holding positions listed below are "designated employees" who are subject to the provisions of this Code. Each such designated employee is required to disclose interests only in those categories set forth, which are identified by the numbers following his or her title.

Disclosure Categories

The disclosure categories listed below identify the types of investments, business entities, sources of income, or real property that the designated employee must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and business positions in, and sources of income from, all business entities that do business or own real property in the District, plan to do business or own real property in the District within the next year or have done business or owned real property in the District within the past two years.

Category 2: All interest in real property which is located in whole or in part within, or not more than two (2) miles outside, the boundaries of the District.

Category 3: All investments and business positions in, and sources of income from, business entities subject to the regulatory, permit or licensing authority of the Designated Employee's Department, will be subject to such authority within the next year or have been subject to such authority within the past two years.

Category 4: All investments in, and sources of income from, business entities that are engaged in land development, construction or the acquisition or sale of real property in the District, plan to engage in such activities in the District within the next year or have engaged in such activities in the District within the past two years.

Category 5: All investments and business positions in, and sources of income from, business entities that are banking, savings and loan or other financial institutions.

Category 6: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type purchased or leased by the District.

Category 7: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type used or administered by the Designated Employee's Department.

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Technical Services Manager	6, 7
Field Services Superintendent	6, 7
Field Services Supervisor	6, 7
Administrative Services Supervisor	6, 7

<u>Consultants*</u>	<u>Disclosure Categories</u>
Financial Consultants	1, 2, 4, 5, 6
Engineering Consultants	1, 2, 6
Public Relations Consultants	1, 2, 6

The following positions are *not* covered by the code because they must file under Government Code Section 87200, and, therefore, are listed for informational purposes only:

Board of Directors
General Manager
Administrative Services Manager
General Counsel, Attorney

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations.

* Consultants shall not be required to file disclosure statements where they: (a) conduct research and arrive at conclusions with respect to rendition of information, advice, recommendation or counsel independent of control and direction of the agency or any agency official other than normal contract monitoring; and (b) possess no authority with respect to any agency decision beyond the rendition of information, advice, recommendation or counsel. The determination as to whether a consultant shall be required to file a disclosure statement shall be made by the General Manager or his or her designee.

MEMORANDUM

Ref: 21-7250

DATE: August 13, 2020
TO: Board of Directors
FROM: Paul J. Bushee, General Manager 
SUBJECT: Resolution Changing Employer Paid Member Contributions

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Adopt Resolution No. 2340 changing the Employer Paid Member Contributions to CalPERS; and
2. Discuss and take other action, as appropriate.

DISCUSSION:

LWD contracts with the California Public Employees' Retirement System (CalPERS) for certain benefit programs, including the CalPERS retirement program. The CalPERS defined benefit retirement program classifies payments made into CalPERS as either: (a) employer contributions or (b) employee contributions. Employer contributions must be paid by LWD; however, employee contributions can be paid by LWD, the employee or a combined contribution from both. When the District pays all or a portion of the employee contribution, those contributions are considered "employer paid member contributions" (EPMC) and must be reported to CalPERS via resolution. This requirement applies only to classic members enrolled in CalPERS prior to January 1, 2013.

LWD last reported EPMC in July 2015 when the Board approved Resolution No. 2263. At that time, the District was paying 1% of the 8% employee contribution with the employee paying the remaining 7%. On July 1, 2017 (FY2018), the Board of Directors reduced the EPMC for classic members from 1% to 0%. CalPERS has requested that the District submit a retroactive resolution documenting the EPMC change from 1% to 0% since one was not submitted when the original change occurred.

The proposed resolution (Attachment 1) retroactively documents the changes made to EPMC for classic members from 1% to 0% effective July 1, 2017. It conforms to CalPERS guidelines intended to ensure that all contributions made to CalPERS remain tax deferred – irrespective of whether the CalPERS contribution is funded by LWD or the employee.

tb:PJB

Attachment

RESOLUTION NO. 2340

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

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

WHEREAS, the governing body of the Leucadia Wastewater District has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer;

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

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

- This benefit shall apply to all employees classified as classic members.
- This benefit shall consist of paying 0% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be retroactive to July 1, 2017.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the governing body of the Leucadia Wastewater District elects to pay EPMC, as set forth above.
2. This Resolution supersedes and rescinds Resolution No. 2263

PASSED AND ADOPTED by the governing body of the Leucadia Wastewater District this 19th day of August, 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Allan Juliussen, President

Paul J. Bushee, Secretary/Manager
(SEAL)



San Diego Chapter

Virtual

August 20, 2020
6:00 PM (Pacific Time)

Location:

Zoom Meeting Site: <https://us02web.zoom.us/j/86020511432?pwd=MHJsQUdTYzICVjVvNENUbFdLYnBUQT09>

Meeting ID: 860 2051 1432

Password: 736961

Phone Numbers: 1 669 900 6833
1 346 248 7799
1 253 215 8782

Please **DON'T** send in your RSVP form to our CSDA Treasurer, Rich Stevenson at Sweetwater Authority.

RSVP Deadline:
None. Nada. Zip.



Grossmont
Healthcare District

Join us for a dynamic, interactive, and educational evening as SDCSDA presents:

A Briefing: Impact of COVID-19 on the Healthcare Community

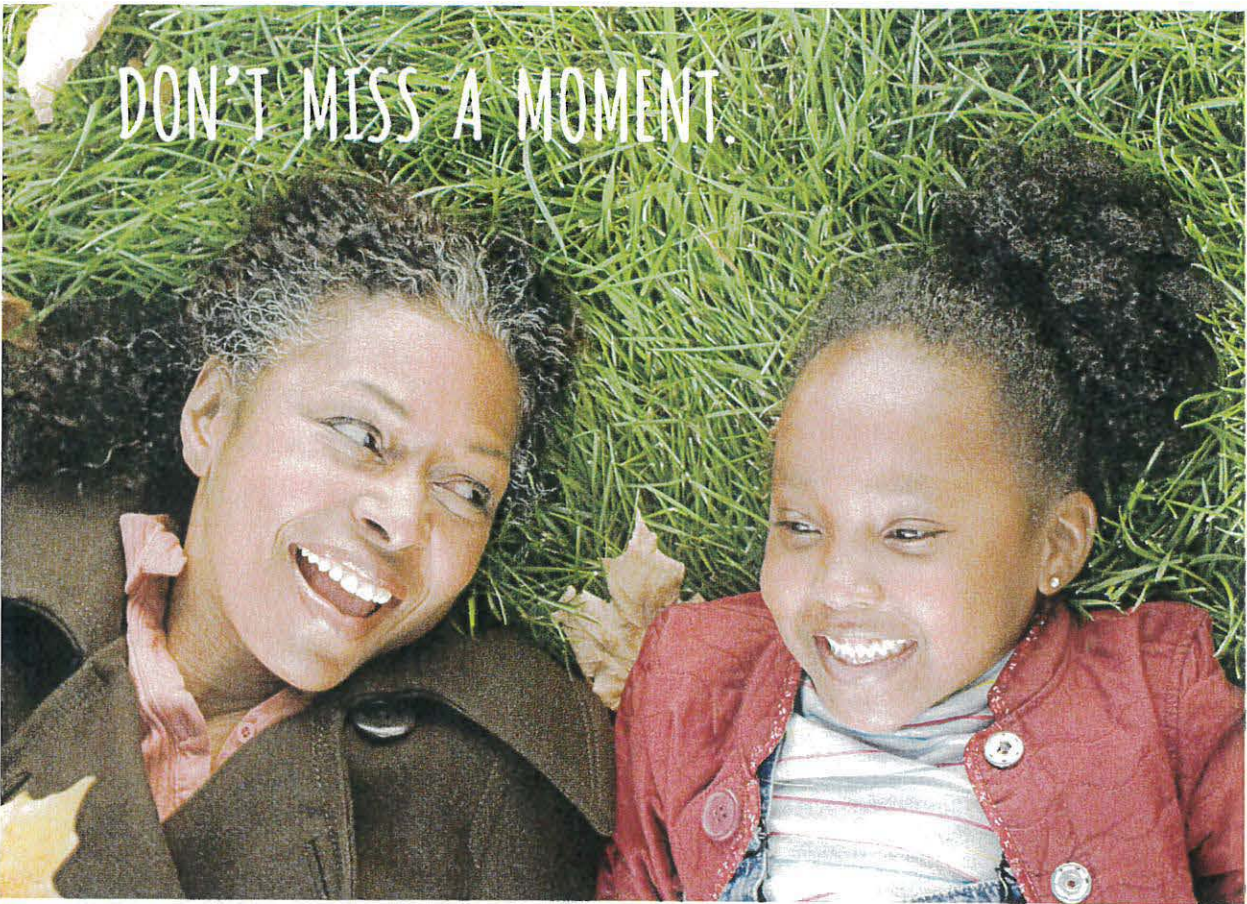


Barry Jantz

Chief Executive Officer—Grossmont Healthcare District
barry.jantz@grossmonthealthcare.org

Barry Jantz was appointed Chief Executive Officer in 2004, after serving as a community relations consultant, managing the District's annual grants program. His prior experience includes financial services manager of the Facilities Development Department at Kaiser Permanente and as district chief of staff to California Assemblyman Jay La Suer. Jantz was a member of the La Mesa City

Council from 1990 to 2006, and currently serves on the boards of the East County Economic Development Council, East County Chamber of Commerce and San Diego County Taxpayers Educational Foundation. His educational background includes journalism and political science at Grossmont College and San Diego State University. In his years as CEO of the District, Jantz led the effort to complete over \$260 million in Proposition G improvements at Grossmont Hospital, as well as a successful 2014 ballot measure to continue the lease of the hospital to Sharp HealthCare until 2051.



FREE FLU SHOTS

with most insurance*

Date:

Time:

Location:

September 17, 2020 3:00pm

Training Room

Additional Information:

Starts at 3:00pm and ends at 4:00pm

MUST bring copy of your insurance card and completed Consent Form

Consent Form will be emailed to all employees

Shots administered by the Pharmacy Team at your neighborhood

VONS

*No co-payment unless required by your plan.

MS-952-16/07/19-V21

Directors' Meetings

Presented by Directors Juliussen, Omsted, Hanson, and Sullivan

Conference

2020 CASA Annual Virtual Conference

Dates and Location

August 11, 2020 – CSRMA Seminar

August 12-13, 2020

List of Attendees

President Juliussen

Vice President Omsted

Director Hanson

Director Sullivan

The above mentioned Board members attended various sessions regarding governance and management of wastewater operations.