

LEUCADIA WASTEWATER DISTRICT
Minutes of an Investment & Finance Committee Meeting
February 4, 2015

A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Wednesday, February 4, 2015 at 2:30 p.m. at the District Administration Office at 1960 La Costa Ave., Carlsbad, California.

1. Call to Order

Chairperson Hanson called the meeting to order at 2:30 p.m.

2. Roll Call

DIRECTORS PRESENT: Hanson and Omsted

DIRECTORS ABSENT: None.

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

3. Public Comment

No public comment was received.

4. New Business

- A. Recommend that the Board of Directors Receive and File the Annual Review of Reserve Policy Review Report.

CPA Duffey presented the subject recommendation indicating the purpose of the policy and that it was last revised in February 2014. He noted that the policy calls for annual review by the Board of Directors.

GM Bushee noted that staff had reviewed the Reserve Policy and is not recommending changes to the policy.

CPA Duffey also provided an overview of the reserve balances for fiscal year ending June 30, 2014.

The committee asked questions relating to the reserve balances and CPA Duffey answered their questions.

GM Bushee stated that staff is planning on presenting an overview of the Updated Financial model to the Board at the March meeting.

Following discussion, the IFC concurred with staff to recommend that the Board of Directors receive and file the Reserve Policy Annual Report.

B. GASB Update.

CPA Duffey presented a summary of the new GASB Standards Statement No. 68. He stated that Statement No. 68 will be effective in Fiscal Year 2015 and requires public agencies to include pension liabilities in their financial report. It also requires public agencies to complete an actuarial valuation of their pension liabilities every two years. He noted that CalPERS will provide the actuarial valuation at a cost.

The Committee asked several questions relating to the new GASB 68 requirements. CPA Duffey answered their questions.

He also provided information on new auditing standards relating to leases and the disclosure of fair value measurements of investments.

C. Recommend that the Board of Directors authorize the General Manager to execute a one-year contract amendment with White Nelson Diehl Evans, LLP for Financial Auditing Services for Fiscal Year 2015 (FY15) in an amount not to exceed \$22,000.

CPA Duffey presented the item stating background information on White Nelson Diehl Evans' contract. He stated that due to the new GASB 68 requirement, new audit standards, and the transition of the District's financial software; staff believes it is in the District's best interest to execute a one-year extension.

Following discussion, the IFC concurred with staff to forward the contract amendment with White Nelson Diehl Evans, LLP for Financial Auditing Services for FY 15 in an amount not to exceed \$22,000.

5. Information Items

None.

6. Directors' Comments

None.

7. General Manager's Comments

None.

8. Adjournment

Chairperson Hanson adjourned the meeting at 3:15 p.m.



Paul J. Bushee
Secretary/General Manager
(Seal)