

LEUCADIA WASTEWATER DISTRICT
Minutes of an Investment & Finance Committee Meeting
September 8, 2015

A meeting of the Investment & Finance Committee (IFC) of Leucadia Wastewater District (LWD) was held Tuesday, September 8, 2015 at 9:30 a.m., at the LWD Administration Office located at 1960 La Costa Ave., Carlsbad, California.

1. **Call to Order**

Chairperson Hanson called the meeting to order at 9:30 a.m.

2. **Roll Call**

DIRECTORS PRESENT: Hanson and Omsted

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager (GM) Paul Bushee,
Administrative Services Manager Chuck LeMay
and Executive Assistant Trisha Hill

3. **Public Comment**

No public comment was received.

4. **New Business**

- A. Recommend that the Board of Directors re-delegate authority to manage LWD's investment program to the General Manager effective September 1, 2015 through August 31, 2016 and receive and file the Annual Review of LWD's Investment Policy Report.

GM Bushee presented the item stating that staff has reviewed the Investment Policy and that there are no recommended changes. He also noted that the policy requires the Board of Directors to delegate authority to the General Manager to manage the investment program each year. He added that the annual policy review provides the IFC an opportunity to make any recommended changes.

Vice President Omsted asked for clarification on section 8.2 of the policy regarding socially responsible investing. GM Bushee stated that PFM follows the policy and to staff's knowledge LWD has not invested in a company that is not socially responsible. He also indicated that majority of LWD's funds are held in LAIF and in the CAMP and San Diego County pools.

Vice President Omsted also asked for clarification on the Allowable Allocation of Investments section of the policy. He indicated that there are several ten percentages that add up to eighty percent of the total investments, asking if there is an opportunity for a loss of funds due to the type of investments. He provided Orange County's bankruptcy as an example.

GM Bushee stated that LWD is limited to the ten percent and that the District does not invest in derivatives, noting that Orange County had invested in that

type of investment that aided in their bankruptcy. He also provided examples of the types of investments that the District currently has in its portfolio, noting that the policy calls for only the highest rating investments.

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

5. **Information Items**

None.

6. **Comments, Questions or Requests by Directors**

Vice President Omsted asked about an item listed in the September Board agenda's demands. GM Bushee answered his question regarding the cost to repair a manhole indicating that staff would follow up with the details of the manhole repair.

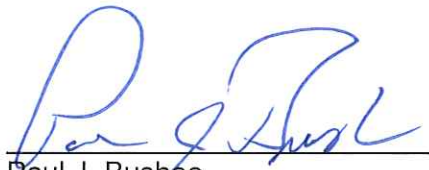
7. **Comments by General Manager**

GM Bushee stated that last week San Diego KPBS was at the District to do a follow up video on the L.A. Times news article about the impacts of the drought on the sewer system. He presented the KPBS Friday evening news video to the IFC.

The IFC indicated that they were pleased with the video.

8. **Adjournment**

Chairperson Hanson adjourned the meeting at approximately 10:07 a.m.



Paul J. Bushee,
Secretary/Manager
(Seal)