

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Investment & Finance Committee Meeting
 November 6, 2019

A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Wednesday, November 6, 2019 at 1:30 p.m. at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

Chairperson Hanson called the meeting to order at 1:32 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 from Davis Farr LLP

3. Public Comment

None.

4. New Business

A. Receive and file the Fiscal Year 2019 (FY19) Comprehensive Annual Financial Report (CAFR).

ASM Duffey presented the item. He provided a summary of the CAFR, highlighting the Management's Discussion and Analysis (MD&A). ASM Duffey discussed the District's FY19 Revenues and Expenses, Key Financial Ratios, Net Position, Restricted Reserve Balances, Unrestricted Reserve Balances, Reserves vs. Cash Investment Balances, Operating Revenues by Source, Operating Expenses by Activity, Net Position by Component, and the FY19 Budget to Actual Expenses.

ASM Duffey introduced Shannon Ayala of Davis Farr LLP to provide a summary of the auditor's reports and auditing process.

Ms. Ayala stated that the auditor's internal report indicated that the audit was a clean, unmodified opinion for the year ending FY19. She stated there were no instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that have a material effect on the determination of financial statement amounts. Ms. Ayala noted the areas of audit focus included construction in progress, construction/engineering contract testing, and other post-employment benefit obligations.

In conclusion, Ms. Ayala stated that staff was prepared for the audit, and the auditors had no recommended material audit adjustments and noted no material weaknesses or significant deficiencies in internal controls.

Directors Hanson and Omsted thanked Ms. Ayala for her summary.

Following discussion, the IFC agreed with staff to recommend that the Board of Directors receive and file the FY19 CAFR.

5. Information Items

None.

6. Directors' Comments

None.

7. General Manager's Comments

GM Bushee briefed the committee on the City of Carlsbad recycled water issue.

8. Adjournment

Chairperson Hanson adjourned the meeting at 2:24 p.m.



Paul J. Bushee
Secretary/General Manager
(Seal)