

**LEUCADIA WASTEWATER DISTRICT**  
 Minutes of a Special Board Meeting  
 Monday, May 5, 2025

A special meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Monday, May 5, 2025 at 2:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

**1. Call to Order**

President Saldana called the meeting to order at 2:00 p.m.

**2. Roll Call**

DIRECTORS PRESENT: Saldana, Brown, Pacilio, Sullivan, Roesink

DIRECTORS ABSENT:

OTHERS PRESENT: General Manager Paul Bushee, General Counsel Wayne Brechtel, Director of Finance and Administration Ryan Green, Executive Assistant Tianne Baity, Administrative Services Supervisor Trisha Hill, Field Services Superintendent Marvin Gonzalez, Field Services Supervisors Mauricio Avalos and Gabe Mendez, Capital Project Manager Ian Riffel, Kathleen Noel of Dexter Wilson Engineering Inc.

**3. Pledge of Allegiance**

Director Sullivan led the pledge of allegiance.

**4. General Public Comment**

No public comment was received.

**5. Approval of Agenda**

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

Director	Vote
President Saldana	Yes
Vice President Brown	Yes
Director Pacilio	Yes
Director Sullivan	Yes
Director Roesink	Yes

**6. Overview of Recommended Fiscal Year 2026 (FY26) Budget**

Review and discuss the recommended FY26 Budget.

GM Bushee introduced the item and thanked staff for their work on the Budget. He then introduced DFA Green to provide the highlights of the FY26 Budget. FY26 Budget highlights included the following items:

- Principal Budget Objectives;
- Summary of Revenue Increases;
- Budget Organization; and
- Summary of Operating Expenses

DFA Green stated that there is a proposed operating budget increase of 8%.

The Board asked various questions regarding the revenue increases and staff answered their questions.

DFA Green then introduced ADS Hill to present the administrative services budget.

ADS Hill stated that the projected administrative expenses total approximately \$2.7 million including non-labor expenses of \$972K. ADS Hill summarized the administrative expenses indicating that total administrative expenses will increase \$264K and non-labor expenses will increase \$53K. She noted that the primary drivers of the increase are insurance cost increases and Board strategic planning and staff team building events, as well as increased Board support costs. She noted that the FY26 Budget does not include election expenses.

ADS Hill then introduced FSS Gonzalez to present an overview of the operating expenses for the LWD Facilities.

FSS Gonzalez stated that the operating expenses for the LWD facilities are projected to be \$9.3 million and non-labor expenses will increase \$76K. He summarized the labor expenses indicating that Repair and Maintenance will increase \$36K, Operating Supplies will increase \$25K, Office Expenses will increase \$10K, and Electricity will increase \$5K. FSS Gonzalez stated that Encina Treatment Plant expenses account for \$3.4 million of the \$9.3 million total. He summarized Encina expenses indicating that they will increase 12% or \$375K.

FSS Gonzalez then introduced FSSup Avalos to present an overview of the operating expenses for the Batiquitos Facilities.

FSSup Avalos noted that total operating expenses for the Batiquitos Facilities are projected to be \$580K which represents a 3% increase over the FY25 Budget. He summarized the non-labor expenses indicating that they will increase 4% or \$16K. FSSup Avalos noted that the main non-labor expense is for SDG&E Utilities, \$221K, which is 12% reduction.

FSSup Avalos then introduced FSSup Mendez to present an overview of the Recycled Water Enterprise.

For the Recycled Water Enterprise, FSSup Mendez indicated that the proposed operating expenses are \$390K which is an increase of 11% over the FY25 Budget. He noted that non-labor expenses will increase 6%, or \$14K, Permits will increase 10%, or \$6K, and Repairs and Maintenance will increase 21%, or \$7K.

FSSup Mendez then introduced CPM Riffel to present the development budget.

CPM Riffel noted that the total operating expenses for development are projected at \$80K and that development pays for development.

CPM Riffel then presented the capital budgets.

CPM Riffel presented an overview of the capital budget for the wastewater program and the recycled water program. He added that capital acquisition items typically cost more than \$10,000 and have a life expectancy greater than one year whereas capital improvement projects are for infrastructure improvements that overlap multiple years. He noted the proposed capital budget total is a little over \$9.5 million, with a proposed capital acquisition budget of \$590K and a capital improvement budget of \$8.9 million.



CPM Riffel provided detailed information on the capital improvement budget by reviewing Leucadia's multi-year capital improvement projects, Leucadia's ongoing rehabilitation projects, and other major projects which have a projected cost of \$8.9 million. He noted the key components include: the Diana Pump Station Upgrade (\$1,470,000), the FY26 Gravity Pipeline Rehabilitation Project (\$1,300,000), the La Costa Pump Station Replacement Design (\$525K), and the Leucadia Force Mains Anode Replacement (\$90K).

Vice President Brown asked if the Diana Pump Station Upgrade appropriated budget amount could be adjusted once the bids are received next week. CPM Riffel answered that it would be, if appropriate.

President Saldana asked if the Lateral Reimbursement Program budgeted amount can be decreased since the District has historically never used the full budgeted amount of \$100K. GM Bushee answered affirmatively and stated staff would decrease the budgeted amount for the Lateral Reimbursement Program to \$70K.

CPM Riffel stated that the capital budget also included the Batiquitos jointly owned facilities costs of \$840K and Encina capital improvement costs of \$3.9 million.

CPM Riffel then introduced FSS Gonzalez to present the capital acquisitions budget.

FSS Gonzalez stated the proposed capital acquisitions for the Leucadia Facilities total \$441K. He noted that this included the purchase of a mini-jetter and a golf cart to replace aged equipment and vehicles. Other items, such as operations equipment and a wellness facility, have also been included. FSS Gonzalez also noted that capital acquisitions for the Batiquitos Pump station is \$60K and Recycled Water is \$89K.

DFA Green then concluded the FY26 Proposed Budget Overview by presenting Reserve Contributions and noting that \$1.52 million is budgeted to be transferred to the Capital Reserves to cover future Wastewater capital expenditures. In addition, approximately \$68K is budgeted to be transferred to the Water Recycling Reserve for future needs.

Director Sullivan congratulated staff for winning the State 2024 CWEA Collection System of the Year Award.

Vice President Brown thanked staff for their presentations and their work on the Budget.

Director Pacilio thanked staff for a transparent and professional Budget.

## **7. Closed Session**


Meet with District representatives General Manager Bushee and Director of Finance and Administration Green to discuss the FY26 Informal Input Process and provide direction regarding salaries, salary schedules and employee benefits, as authorized under Government Code Section 54957.6

General Counsel Brechtel stated that the Board will meet in closed session with District representatives General Manager Bushee and Director of Finance and Administration Green to discuss the FY26 informal input process regarding salaries, salary schedules and employee benefits, as authorized under Government Code Section 54957.6.

The Board of Directors met in closed session and provided direction to the District's representatives. There was no other reportable action.

**8. Adjournment**

President Saldana adjourned the meeting at 4:40 p.m.



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Paul J. Bushee  
Secretary/General Manager (SEAL)



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Rolando Saldana, President