

LEUCADIA WASTEWATER DISTRICT

Minutes of a Regular Board Meeting

November 12, 2025

A regular meeting of the Board of Directors of the Leucadia Wastewater District was held Wednesday, November 12, 2025 at 5:00 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 5:00 p.m.

2. Roll Call

DIRECTORS PRESENT:

Saldana, Brown, and Pacilio

DIRECTORS ABSENT:

Sullivan, Roesink

OTHERS PRESENT:

General Manager Paul Bushee, General Counsel Wayne Brechtel, Director of Finance and Administration Ryan Green, Capital Project Manager Ian Riffel, Administrative Services Supervisor Trisha Hill, Executive Assistant Tianne Baity, Field Services Superintendent Marvin Gonzalez, Kathleen Noel of Dexter Wilson Engineering, Scott Manno of Rogers, Anderson, Malody & Scott

3. Pledge of Allegiance

Vice President Brown led the pledge of allegiance.

4. General Public Comment Period

None.

5. Approval of Agenda

Upon a motion duly made by Vice President Brown, seconded by Director Pacilio, 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	Absent
Director Roesink	Absent

6. Presentations and Awards

Achievement of Organizational Award – Achieve Highest Number of Consecutive Work Days Without a Lost Time Injury.

GM Bushee reported that on October 14, 2025 staff completed six years without a lost time injury accident. This achievement meets an organizational objective under the incentive program. He noted each employee is eligible for a \$1,200 compensation award. He stated this award reflects staff's excellent attention to safety.

The Board congratulated staff and thanked them for their efforts.

CONSENT CALENDAR

7. Approval of Board and Committee Minutes

Minutes of the following meetings:

October 8, 2025 Regular Board Meeting
October 29, 2025 Community Affairs Committee Meeting
October 30, 2025 Human Resources Committee Meeting
November 4, 2025 Engineering Committee Meeting
November 5, 2025 Investment & Finance Committee Meeting

8. Approval of Demands for October / November 2025

Payroll Checks numbered 251008-1 – 251103-4; General Checking Checks numbered 27542 - 27670

9. Operations Report (A copy was included in the original November 12, 2025 Agenda)

10. Finance Report (A copy was included in the original November 12, 2025 Agenda)

11. Quarterly Treasurer's Investment Report

This report discloses investments for the quarter ending September 30, 2025.

12. Disclosure of Reimbursements

This report discloses travel expense reimbursements for the month of October 2025.

Upon a motion duly made by Director Pacilio, seconded by Vice President Brown, and unanimously carried, the Board of Directors approved the Consent Calendar by the following vote:

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

EWA and COMMITTEE REPORTS

13. Encina Wastewater Authority (EWA) Reports

A. A regular EWA Board Meeting was held on October 22, 2025.

President Saldana reported on EWA's Board Meeting.

B. An Encina Member Agency Manager's (MAM) Meeting was held on November 4, 2025.

GM Bushee reported on EWA's MAM Meeting.

14. Committee Reports

A. A Community Affairs Committee (CAC) Meeting was held on October 29, 2025.

Vice President Brown reported that the CAC reviewed and commented on the final draft layout of the fall 2025 newsletter. The CAC suggested some minor edits and staff stated

they would make the changes.

The CAC directed staff to move forward with the production of the newsletter and forward the final draft to the Board for their review prior to printing.

B. A Human Resources Committee (HRC) Meeting was held on October 30, 2025.

President Saldana reported that the HRC reviewed LWD's Compensation Policy. The HRC made changes to the objectives for the Organizational Incentive Program and the Individual Incentive Program as well as some minor clerical updates.

The HRC concurred to forward this recommendation to the Board for consideration and it will be discussed later in the agenda.

C. An Engineering Committee (EC) Meeting was held November 4, 2025.

Vice President Brown reported that the EC reviewed the following recommendations:

- Authorize the General Manager to execute Task Order No. 11 to the Engineering Design Services Agreement with Water Works Engineers for final design services for the FY26 Gravity Pipeline Rehabilitation Project in an amount not to exceed \$84,887; and
- Authorize the General Manager to execute a sole source contract with SCW Contracting Corporation for the construction of the Batiquitos Pump Station Concrete Drywell Repair Project in an amount not to exceed \$520,000.

The EC concurred to forward these recommendations to the Board for consideration and they will be discussed later in the agenda.

The EC also received updates on the Leucadia Pump Station L1/L2 and Batiquitos Pump Station B3 Force Mains Anode Replacement Projects. These items were for informational purposes only. No action was taken.

D. An Investment and Finance Committee (IFC) Meeting was held November 4, 2025.

GM Bushee reported that the IFC reviewed a recommendation to receive and file the Fiscal Year 2025 Annual Comprehensive Financial Report.

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

ACTION ITEMS

15. Receive and file the Fiscal Year 2025 (FY25) Annual Comprehensive Financial Report conducted by Rogers, Anderson, Malody & Scott, LLP

DFA Green introduced Mr. Scott Manno from Rogers, Anderson, Malody & Scott, LLP (RAMS) to provide a summary of the auditor's reports and auditing process.

Mr. Manno reviewed the responsibilities of the auditor and the audit process. He stated that the auditor's internal report indicated that the audit was a clean, unmodified opinion for the year ending FY25. He 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.

In conclusion, Mr. Manno 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.

President Saldana asked where does LWD stand versus other similar agencies. Mr. Manno answered that LWD has a really strong finance department and had no audit adjustments where as some of their clients can have 5 to 15 adjustments.

Vice President Brown asked what the main focus of the audit was on. Mr. Manno answered that it was on the data analytics, disbursements, and the risk of theft of assets.

DFA Green then presented background information on the Annual Comprehensive Financial Report (ACFR). He provided a summary of the ACFR, highlighting the District's MD&A, FY25 Revenues and Expenses, Unrestricted Reserve Balances, and FY25 Budget to Actual Expenses.

Vice President Brown stated that the audit looks really good and he is very happy with the audit results. He asked DFA Green if the District still leases the copiers. DFA Green answered affirmatively noting that there is a new 5 year lease for the copiers and it is not considered an operating lease because it is below the \$30K threshold.

Director Pacilio thanked staff for their work on the audit.

Following discussion, the Board of Directors reached unanimous consensus to receive and file the Fiscal Year 2025 Annual Comprehensive Financial Report conducted by Rogers, Anderson, Malody & Scott, LLP.

16. FY26 Gravity Pipeline Rehabilitation Project – Final Design Services

Authorize the General Manager to execute Task Order No. 11 to the Engineering Design Services Agreement with Water Works Engineers for final design services for the FY26 Gravity Pipeline Rehabilitation Project in an amount not to exceed \$84,887.

CPM Riffel presented the item and provided background information. CPM Riffel stated that the District uses a prioritized list of sewer pipelines and sewer manholes, known as the Repair Priority List, to form annual gravity rehabilitation projects that are grouped together based on the construction method.

CPM Riffel said that the goal of the FY26 Gravity Pipeline Rehabilitation Project (FY26 Project) is to replace about 1,000 linear feet of 18-inch VCP trunk sewer due to a major sag and proximity to the eroding San Marcos Creek. He mentioned that the pipeline is located on the Omni La Costa Resort (Resort) property and staff is coordinating with Omni on the project.

CPM Riffel stated that Water Works' proposed cost to complete the preliminary and final design is \$84,887. The project is expected to take about 12 months to complete design and construction, which staff believes is fair when compared to the construction cost estimate of \$1M.

President Saldana asked if this is a rehab or more relevant to a replacement. CPM Riffel answered replacement. President Saldana asked if the old line would be removed or abandoned. CPM Riffel answered abandoned in place.

Upon a motion duly made by Director Pacilio, seconded by Vice President Brown, and unanimously carried, the Board of Directors authorized the General Manager to execute Task Order No. 11 to the Engineering Design Services Agreement with Water Works Engineers for final design services for the FY26 Gravity Pipeline Rehabilitation Project in an amount not to exceed \$84,887 by the following vote:

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

17. Batiquitos Pump Station Concrete Drywell Repair Project – Award of Sole Source Construction Contract

Authorize the General Manager to execute a sole source contract with SCW Contracting Corporation for the construction of the Batiquitos Pump Station Concrete Drywell Repair Project in an amount not to exceed \$520,000.

CPM Riffel presented the item and provided background information noting that the project design was completed in October 2025. He stated that the project's unique structural repair and lack of a full condition assessment do not make this project a good fit for a traditional Design-Bid-Build project. This approach would likely result in inflated bid prices due to the high level of contractor risk associated with the unknown subsurface conditions. Staff believes that a more cost effective and flexible approach is to proceed with a Time and Materials contract with a qualified contractor. CPM Riffel stated the contract will be structured in two phases with a not to exceed amount.

CPM Riffel noted that SCW Contracting Corporation (SCW) is the recommended contractor and has successfully completed two recent capital projects for the District. SCW provided a proposal of \$520k which will be further broken down into two phases: Phase 1 will have a \$125k budget to cover mobilization, shoring, and light exploratory work. Phase 2 will have a \$395k budget to cover heavy demo, restoration, and new improvements.

President Saldana asked how can the District prevent the degradation of the drywell in the future. CPM Riffel answered that in 2006 a surge tank was installed in the drywell and staff believes the weight of the tank caused pressure points and this led to the cracks in the drywell. CPM Riffel noted that water intrusion and moisture in the drywell could have made the cracks worse. GM Bushee added that portions of the drywell were constructed using concrete block which allowed moisture to get into the drywell and the structural beam.

President Saldana asked if this project poses any risk for a spill. CPM Riffel stated that the drywell walls are 30 inches thick and there should not be any risk to the lagoon. GM Bushee clarified that the work is in the drywell to the west of both the wetwell and the overflow basin. GM Bushee noted that project work will be done on the ceiling area of the drywell and should not pose any spill risk.

Upon a motion duly made by Director Pacilio seconded by Vice President Brown, and unanimously carried, the Board of Directors authorized the General Manager to execute a sole source contract with SCW Contracting Corporation for the construction of the Batiquitos Pump Station Concrete Drywell Repair Project in an amount not to exceed \$520,000 by the following vote:

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

18. Adopt Resolution No. 2436 – Updating LWD’s Compensation Policy

GM Bushee presented the item and provided background information on the policy noting that it was reviewed by the Human Resources Committee (HRC) on October 30th. GM Bushee stated that the Compensation Policy is composed of two parts; base compensation and the Incentive Program. The proposed changes are related to the Incentive Program. GM Bushee said that several awards under Organizational Incentives are listed as “TBD.” He continued that the District is approaching one such threshold — six or more consecutive years without a reportable spill — for which no award amount has been defined. GM Bushee noted that establishing a value for this incentive would ensure consistency and timely recognition of this organizational achievement.

GM Bushee then reviewed the remainder of the objectives for the Organizational Incentive Program and the Individual Incentive Program and the following changes which had been reviewed by the HRC:

- Update the award amount of 6+ years without a reportable spill from TBD to \$2,000;
- Update the competitive based local award amount from \$100 to \$200;
- Update the competitive based state award amount from \$300 to \$500;
- Update the highest number of consecutive years without a lost time injury from 10-14 years to 10+years with the amount of \$1,500 (remove 15+ years TBD);
- Update the highest number of consecutive years without a vehicle accident from 10-14 years to 10+years with the amount of \$1,000 (remove 15+ years TBD);
- Eliminate the Exceptional Service Award under the Individual Incentive Program;
- Increase each Years of Service milestone accomplishment by \$100;
- Increase each Professional Achievement accomplishment by \$100; and
- Make minor clerical and formatting updates.

Vice President Brown asked if financial awards are included in the policy. GM Bushee answered that financial awards, such as GFOA, are not included in the policy

Upon a motion duly made by Director Pacilio, seconded by Vice President Brown, and unanimously carried, the Board of Directors adopted Resolution No. 2436– Updating LWD’s Compensation Policy by the following vote:

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

19. Calendar Year 2026 Board of Directors’ Meeting

EA Baity presented the item stating that the Board approved a resolution in 2009 that indicates that the Board meetings will be held on the second Wednesday of each month at 5:00 PM.

EA Baity noted that staff has developed the proposed calendar year 2026 Board meeting schedule and coordinated the meetings with upcoming conferences in 2026. She also noted that staff suggests moving the January, April and November Board meetings to the third Wednesday of the month so they would not conflict with the CASA Annual Conference, CWEA Annual Conference, CSDA Legislative Days, and the Veterans Day holiday.

Following discussion, upon a motion duly made by Vice President Brown, seconded by Director Pacilio, and unanimously carried, the Board of Directors approved the CY26 Board of Directors' meeting schedule by the following vote:

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

20. 2025 Batiquitos Lagoon Foundation Board Members Election

EA Baity presented the item stating that the Batiquitos Lagoon Foundation is requesting its members to vote for candidates for its 2025 Board Election. She noted the candidate's names and that staff has no recommendation.

The Board of Directors reached unanimous consensus to vote for Chris Ross (Incumbent), Joe Hull (Incumbent), and Deb Mossa (Incumbent) for the Batiquitos Lagoon Foundation Board.

INFORMATION ITEMS

21. Project Status Updates and Other Informational Reports

A. CSDA Quarterly Dinner Meeting is scheduled for Thursday, November 20, 2025 at The Butcher Shop in San Diego, CA.

EA Baity announced the date and time of the CSDA Quarterly Dinner Meeting.

B. LWD Holiday Dinner is scheduled for Saturday, December 6, 2025 at the Green Dragon Tavern and Museum in Carlsbad, CA.

EA Baity announced the date and time of the LWD Holiday Dinner.

C. 2026 CASA Winter Conference is scheduled for January 13 - 16, 2026 at the Renaissance Esmeralda Resort & Spa in Indian Wells, CA.

EA Baity announced the date and location of the 2026 CASA Winter Conference.

22. Directors' Meetings and Conference Reports

None.

23. General Manager's Report

None.

24. General Counsel's Report

GC Brechtel provided an update on the following:

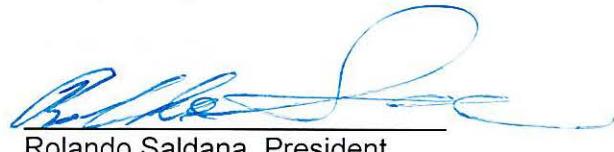
- SB 707 – the Brown Act update does not have a large impact on the District; and
- AB 538 – public works and payroll records

25. Board of Directors' Comments

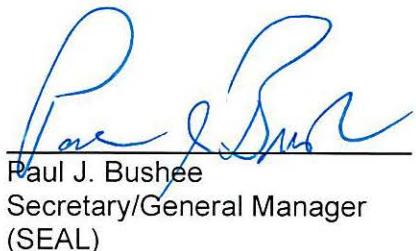
None.

26. Adjournment

President Saldana adjourned the meeting at approximately 6:31 p.m.



Rolando Saldana, President



Paul J. Bushee
Secretary/General Manager
(SEAL)