

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Special Board Meeting
 Tuesday, April 28, 2026

A special meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Tuesday, April 28, 2026 at 2:00 p.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

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

2. Roll Call

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

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 Rick Easton, Capital Project Manager Ian Riffel, Accounting Technician Ashley Bobb, and District Engineer Dexter Wilson

3. Pledge of Allegiance

Director Saldana 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 Vice President Pacilio, and unanimously carried, the Board of Directors approved the agenda by the following vote:

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

6. Overview of Recommended Fiscal Year 2027 (FY27) Budget

Review and discuss the recommended FY27 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 FY27 Budget. FY27 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 3%.

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 \$2.8 million including non-labor expenses of \$1,003K. ADS Hill summarized the administrative expenses indicating that total administrative expenses will increase \$109K and non-labor expenses will increase \$31K. She noted that the primary drivers of the increase are insurance cost increases and election expenses. She noted that the FY27 Budget does not include Board strategic planning and staff team building events.

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 \$9.7 million and non-labor expenses will increase \$358K. He summarized the non-labor expenses indicating that ADS flow monitoring will increase \$6K to \$80K, CCTV equipment will increase slightly to \$26K, and buildings and grounds will increase \$8K. FSS Gonzalez stated that Encina Treatment Plant expenses account for \$3.6 million of the \$9.7 million total. He summarized Encina expenses indicating that they will increase 6% or \$210K.

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 \$538K which represents a 7% decrease over the FY26 Budget. He summarized the non-labor expenses indicating that they will decrease 14% or \$57K. He stated that the odor control system will decrease \$26K and the surge tank condition assessment will decrease \$15K. FSSup Avalos noted that the main non-labor expense is for SDG&E Utilities, \$215K, which is 3% reduction.

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

For the Recycled Water Enterprise, FSSup Easton indicated that the proposed operating expenses are \$398K which is an increase of 2% over the FY26 Budget. He noted that non-labor expenses total \$228K and operating supplies will increase 17%, or \$10K, Repairs and Maintenance will decrease 16%, or \$7K, and SCADA will decrease 38% or \$2K.

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

CPM Riffel noted that the total operating expenses for development are projected at \$83K 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 carry over multiple years. He noted the proposed capital budget total is a little over \$14.2 million, with a proposed capital acquisition budget of \$1.2 million and a capital

improvement budget of \$13 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 \$7.9 million. He noted the key components include: the La Costa Pump Station Replacement (\$7,045,000), the FY27 Gravity Pipeline Rehabilitation Project (\$790K), the Hazard Mitigation Plan Update (\$25K), the Leucadia Pump Station Force Mains Anode Replacement (\$70K), and the Misc. Pipeline/Manhole/Pump Station Rehab (\$185K).

CPM Riffel stated that the capital budget also included the Batiquitos jointly owned facilities costs of \$250K with the key components being the Batiquitos Force Main Anode Replacement for \$150K and the Batiquitos Force Main Condition Assessment for \$100K. CPM Riffel stated that the Encina capital improvement costs are \$4 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 \$1.1 million. He noted that this included the purchase of a vactor and a CCTV van to replace aged equipment and vehicles. FSS Gonzalez also noted that capital acquisitions for the Batiquitos Pump station is \$81K and Recycled Water is \$98K.

DFA Green then concluded the FY27 Proposed Budget Overview by presenting Reserve Contributions and noting that \$726.5K is budgeted to be transferred to the Capital Reserves to cover future Wastewater capital expenditures. In addition, approximately \$49K is budgeted to be transferred to the Water Recycling Reserve for future needs.

Director Sullivan thanked staff for a great presentation.

7. Closed Session

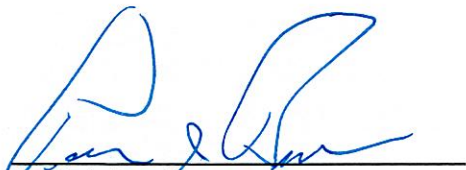
Meet with District representatives General Manager Bushee and Director of Finance and Administration Green to discuss the FY27 Informal Input Process and provide direction regarding salaries, salary schedules and employee benefits, as authorized under Government Code Section 54957.6

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 FY27 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 Brown adjourned the meeting at 4:28 p.m.



Paul J. Bushee
Secretary/General Manager (SEAL)



Matthew Brown, President