

LEUCADIA WASTEWATER DISTRICT
 Minutes of a Special Board Meeting
 Thursday, May 2, 2024

A special meeting of the Board of Directors of the Leucadia Wastewater District (LWD) was held Thursday, May 2, 2024 at 10:00 a.m., at the District Administration Office at 1960 La Costa Avenue, Carlsbad, California.

1. Call to Order

President Roesink called the meeting to order at 10:00 a.m.

2. Roll Call

DIRECTORS PRESENT: Roesink (via teleconference), Saldana, Omsted, Pacilio, Sullivan,

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, District Engineer Dexter Wilson, Field Services Supervisors Mauricio Avalos and Gabe Mendez, Project Coordinator Ian Riffel

3. Pledge of Allegiance

Director Omsted 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 Omsted, and unanimously carried, the Board of Directors approved the agenda by the following vote:

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

6. Overview of Recommended Fiscal Year 2025 (FY25) Budget

A. Review and discuss the recommended FY25 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 FY25 Budget. FY25 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 5%.

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

ADS Hill stated that the projected administrative expenses total approximately \$2.4 million including non-labor expenses of \$919K. ADS Hill summarized the administrative expenses indicating that total administrative expenses will increase \$128K and non-labor expenses will increase \$52K. She noted that the FY25 Budget does include election expenses of \$55K and hands-on outreach for \$8K. She stated that the management consulting expense will decrease \$32K since the FY25 Budget will not include Board strategic planning or staff team building.

ADS Hill then introduced FS 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 \$8.6 million and non-labor expenses will increase \$32K. He summarized the non-labor expenses indicating that Electrical will increase \$17K, Fuel will increase \$5K, Office Expenses will increase \$8K, and Permits and Monitoring will increase \$6K. He noted that Professional Services will decrease \$12K. FS Gonzalez stated that Encina Treatment Plant expenses account for \$3.0 million of the \$8.6 million total. He summarized Encina expenses indicating that they will increase 5% or \$156K. FS Gonzalez stated the increase is due primarily to personnel costs.

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 \$562K which represents a 2% increase over the FY24 Budget. He summarized the non-labor expenses indicating that they will increase 6% or \$23K. FSSup Avalos noted that the main non-labor expense is for SDG&E Utilities.

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 \$349K which is an increase of 11% over the FY24 Budget. He noted that non-labor expenses will increase 10%, or \$19K, Professional Services will increase 39%, or \$12K, Permits will increase 7%, or \$4K, and Repairs and Maintenance will increase 8%, or \$2K.

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

PC Riffel noted that the total operating expenses for development are projected at \$81K and that development pays for development.

PC Riffel then presented the capital budgets.

PC Riffel presented the capital acquisition budgets for the wastewater program and the recycled water program. He added that capital acquisition items typically cost more than \$5,000 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 \$9.9 million, with a proposed capital acquisition budget of \$1.1 million and a capital improvement budget of \$8.8 million.

PC 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 \$8.8 million. He noted the key components include: the Rancho Verde Pump Station Rehabilitation Project (\$725K), the San

Marcos Creek Crossing Diversion (\$1.05M), and the FY25 Gravity Pipeline Rehabilitation Project (\$790K). He stated that the capital budget also included the Batiquitos jointly owned facilities costs of \$300K and Encina capital improvement costs of \$5 million.

PC Riffel then introduced FSS Gonzalez to present the capital acquisitions.

FSS Gonzalez stated the proposed capital acquisitions for the Leucadia Facilities total \$1.1 million. He stated that the main driver at the Leucadia Facilities is vehicle Acquisitions at \$778K. He noted that this included the purchase of a new vector truck and a new electric chase truck (\$80K). He noted that the electric truck budgeted amount of \$80K includes the electric vehicle and charging station as well as the installation of the charging station. FSS Gonzalez also noted that capital acquisitions for the Batiquitos Pump station is \$108K and Recycled Water is \$13K.

DFA Green then concluded the FY25 Proposed Budget Overview by presenting Reserve Contributions and noting that \$340K is projected to be pulled from the Reserves to help fund the Wastewater program. He said stated that the Recycled Water Program will add \$334K to the Reserves.

President Roesink and Vice President Saldana thanked staff for their presentations.

7. Closed Session

- A. Meet with District representatives General Manager Bushee and Director of Finance and Administration Green to discuss the FY25 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 FY25 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 Roesink adjourned the meeting at 12:02 p.m.



Chris Roesink, President



Paul J. Bushee
Secretary/General Manager (SEAL)