MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
July 22, 2021

President Gaskins called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 a.m. on July 22, 2021.

Vice President Freshley led in the Pledge of Allegiance to the flag.

Committee Members MIKE GASKINS, KATHRYN FRESHLEY, MARK MONIN, JOSE VERGARA, and KAY HAVENS participated.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, JASON HAYDEN, CFO, SCOTT HOPKINS, Operations Superintendent, SHERRI SEITZ, Public Relations/Emergency Preparedness Administrator, GILBERT J. GRANITO, General Counsel, CATHY GREEN, OCWD, PAM TOBIN, San Juan Water District, and POLLY WELSCH, Recording Secretary

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

President Gaskins asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Consent Calendar

President Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Freshley and unanimously carried across the Board to approve the Consent Calendar.

Roll Call Vote:

Director Havens	aye
Director Vergara	aye
Director Monin	aye
Vice President Freshley	aye
President Gaskins	aye

Director Reports for Meetings Attended

Director Havens stated that she attended the WACO meeting, the ISDOC Executive Committee meeting, the MWDOC Planning/Operations meeting, the MWDOC/MET Directors workshop, the San Juan Basin Authority Board meeting, the MWDOC Admin/Finance Committee meeting, the MWDOC Water Policy Forum Dinner, the MWDOC Board meeting, the Aliso Viejo meeting, the regular Board meetings, and she intends to attend the Special Board meeting on Monday, the ISDOC Quarterly meeting, and the LWV Water Conservation meeting.

Director Vergara stated that he attended the WACO meeting, the WACO Planning Committee meeting, the MWDOC Planning/Operations meeting, the MWDOC/MET Directors workshop, the MWDOC Admin/Finance Committee meeting, the South Orange County Economic Coalition meeting, the regular

Board meetings, and he plans to attend the Special Board meeting on Monday, and the ISDOC Quarterly meeting.

Director Monin stated that he attended the WACO meeting, the WACO Planning Committee meeting, the ISDOC Executive Committee meeting, the MWDOC/MET Directors workshop, the MWDOC Admin/Finance Committee meeting, the MWDOC Water Policy Forum dinner, the OCWA meeting, the Laguna Woods City Council meeting, the regular Board meetings, and he plans to attend the Special Board meeting on Monday, and the ISDOC Quarterly meeting.

Vice President Freshley stated that she attended the WACO meeting, the MWDOC/MET Directors workshop, the MWDOC Planning/Operations meeting, the MWDOC Water Policy Forum dinner, the regular Board meetings, and will attend the Special Board meeting on Monday, the Pres/VP/GM meetings, the Agenda Review meeting, the OCWA meeting, and 2 Laguna Woods City Council meetings.

President Gaskins stated that he attended the WACO meeting, all of the MWDOC meetings, the MWDOC Water Policy Forum dinner, the OCWA meeting, the Pres/VP/GM meetings, the Agenda Review meeting, the regular Board meetings, and he plans to attend the Special Board meeting on Monday.

General Manager Action Items

Adoption of Resolution No. 21-7-1 in Compliance of Senate Bill 1087 (SB 1087)

Mr. Cafferty stated that this bill is designed to reaffirm the Districts position and priority for service in Affordable Housing projects. He further

stated that we don't have any housing projects that we are reviewing, but this Resolution requires review every 5 years.

Mr. Granito added that these guidelines are mandated by State law to accommodate affordable housing.

President Gaskins asked for a Motion.

Motion: Director Vergara made a Motion, seconded by Vice President Freshley and unanimously carried across the Board to adopt Resolution No. 21-7-1 reaffirming the District's Policies and Procedures for providing priority service to Affordable Housing Projects.

Roll Call Vote:

Director Havens	aye
Director Vergara	aye
Director Monin	aye
Vice President Freshley	aye
President Gaskins	aye

CASA Voting Agency Representative

Mr. Cafferty stated that according to their bylaws, CASA is asking for a District Representative and 2 Alternates to vote for the CASA slate and approval of a Resolution approving their dues. He further stated that the dues are not increasing.

Mr. Cafferty suggested that he be appointed as the CASA Representative, and Vice President Freshley and Director Monin be the Alternates.

President Gaskins asked for a Motion.

Motion: Director Vergara made a Motion, seconded by Vice President Freshley, and unanimously carried across the Board to appoint Dennis P. Cafferty as the official voting agency representative for the CASA action items, along with Vice President Freshley and Director Monin as the two alternates, and consent to receive official communications electronically. The Board also moved to adopt the CASA slate and dues Resolution.

Roll Call Vote:

Director Havens	aye
Director Vergara	aye
Director Monin	aye
Vice President Freshley	aye
President Gaskins	aye

Adoption of Resolution No. 21-7-2 Supporting Pam Tobin as a Candidate for the Office of the Association of California Water Agencies President

Ms. Tobin provided some background information about her qualifications, and asked for support from the Board of Directors for her candidacy for the 2022/23 term as ACWA's President.

President Gaskins asked for a Motion.

Motion: Vice President Freshley made a Motion, seconded by Director Havens, and unanimously carried across the Board to adopt Resolution No. 21-7-2 which supports Pam Tobin as the Association of California Water Agencies President.

Roll Call Vote:

Director Havens	aye
Director Vergara	aye
Director Monin	aye
Vice President Freshley	aye
President Gaskins	aye

Adoption of Resolution No. 21-7-3 Supporting Orange County Water District's Cathy Green as the Association of California Water Agencies Vice President

Ms. Green provided a statement regarding her qualifications, and asked for support from the Board of Directors for the 2022/23 term as the ACWA Vice President.

President Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Havens, and unanimously carried across the Board to adopt Resolution No. 21-7-3 which supports Cathy Green as the Association of California Water Agencies (ACWA) Vice President.

Roll Call Vote:

Director Havens	aye
Director Vergara	aye
Director Monin	aye
Vice President Freshley	aye
President Gaskins	aye

COVID-19 Prevention Program

Mr. Cafferty stated that changes were recently made to the COVID-19 Prevention Program. He further stated that the biggest changes were that social distancing as a requirement went away, the mask requirements outdoors

went away, but indoors those not vaccinated must continue to wear masks.

Director Vergara asked what a respirator is. Mr. Cafferty replied that the District provides personal protective equipment such as N95 masks to any employee that request it. Mr. Hayden noted that the N95 masks are considered respirators. Mr. Cafferty added that the term respirator does not refer to a breathing apparatus.

President Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Freshley and unanimously carried across the Board to approve the ETWD COVID-19 Prevention Program as revised.

Roll Call Vote:

Director Havens	aye
Director Vergara	aye
Director Monin	aye
Vice President Freshley	aye
President Gaskins	aye

Revisions to the Employee Handbook

Mr. Cafferty stated that staff reviewed with the Board last month a Consumer Driven Health Plan (CDHP) with a Health Savings Account option. He then provided a slide show presentation on the benefits of having such a Plan.

Mr. Cafferty stated that the CDHP has a high medical deductiblebut lower premium costs. He further stated that there is maximum out-of-pocket cap.

Mr. Cafferty stated that the overall program is a net savings to the District while providing potential significant opportunities for the employees. He further stated that each employee will need to make the choice of what health plan works for them.

Mr. Cafferty stated that the Plan, as an option, would begin during the next benefit enrollment period at the beginning of the calendar year and any contributions to the Health Savings Account (HSA) is contributed on a pre-tax basis for federal income taxes but is subject to State income taxes. He further stated that there is a maximum amount that the employee can contribute, and any interest or returns generated are also tax exempt from the Federal Income Tax.

Mr. Cafferty stated that after age 65 any funds in the HSA can be withdrawn for any reason, but if an employee younger than age 65 withdraws funds from the HSA for anything other than medical expenses, there are significant penalties. He further stated that the management team will explain the features and benefits of the CDHP in greater detail to District employees if the Board approves the Plan.

Mr. Cafferty stated that open enrollment is in October and the new effective date for the new Plan would begin in January.

Vice President Freshley suggested adding the sentence "HSA funds can be used to pay for employee deductibles and any remaining balance rolls over into future years."

President Gaskins asked for a Motion.

Motion: Vice President Freshley made a Motion, seconded by Director Monin, and unanimously carried across the Board to approve the update to the "insurances" section of the existing ETWD Employee Handbook and provide direction to Staff regarding funding levels for the Employee Health Savings Accounts.

Roll Call Vote:

Director Havens	aye
Director Vergara	aye
Director Monin	aye
Vice President Freshley	aye
President Gaskins	aye

Recess

At approximately 8:00 a.m. the Board took a short recess. Also at this time, Ms. Tobin left the meeting.

Regular Session

At approximately 8:45 a.m. the Board returned to Regular Session.

General Manager Information Items

COVID-19 Update

Mr. Cafferty stated that the Delta Variant concerns are largely among the unvaccinated population. He further stated that the numbers change daily, and we continue to monitor guidelines and safety measures here at the District.

General Manager's Monthly Report

Mr. Cafferty stated that the South County Agencies Group has been hosted by Trabuco Canyon Water District, and will now be hosted by ETWD with Director Vergara leading the meetings in the Field Office Multipurpose

Room.

Vice President Freshley stated that the Governor has asked us to conserve 15% of our water use.

Legislative Reports

Vice President Freshley noted that the Lewis Consulting Report said that there was no LAFCO meeting, but there actually was a meeting. She further stated that one of the Grand Jury reports discusses the Toll Road agency which cost billions to build and was built with debt which will continue to be paid long after the construction of the toll roads have been completed.

Public Education and Outreach & Water Conservation Reports

Ms. Seitz stated that President Gaskins discussed Water Quality in an interview with Lisa Hart in July, and Director Havens will be scheduled in August to discuss Water Conservation.

Ms. Seitz stated that the Drought message will be put on the website, social media, and the newsletter.

Ms. Seitz stated that the H2O for HOAs event will be tentative October 19 or 21 at the new Lake Forest Community Center.

Ms. Seitz mentioned the GFOA award and said she is working on a Press Release for distribution to our stakeholders including VMS who will ask to distribute to the residents, the HOA Board members, and the Building Captains.

Mr. Cafferty stated that regarding the next CAG meeting, due to the continuous surge in the pandemic, we are recommending holding off in August

and considering a live meeting in November. The Board concurred.

Ms. Seitz stated that the Regional Rebate Program changes each July and the District sets their supplemental rebate funding. The only change is to the Residential Earth program, as MET is continuing their $2/square foot rebate and MWDOC now has a grant covering a $1 rebate, and in the past ETWD has matched the $1 rebate. She further stated that ETWD will continue to contribute the $1 rebate for the turf removal program.

Mr. Cafferty stated that the rebate program is specific to Residential, but on the Commercial side, MET also does $2/square foot rebate with a 50,000 square foot limit, and we may contribute $1 to the Commercial turf removal too, with a 10,000 square foot limit and a cost limit. Ms. Seitz added that the Commercial rebate from MET may increase to $3/square foot.

MWDOC

Director Monin stated that at the MWDOC Admin/Finance meeting they discussed K-14 education initiatives, and a $90,000 contract to keep digital communication. He further stated that at the MWDOC Water Policy Forum Jeff Kightlinger spoke on the future with drought.

Director Vergara stated that at the MWDOC Board meeting they discussed how MWDOC will operate with the member agencies. Mr. Cafferty replied that they will interview with each member agency's GM and a Board member.

Vice President Freshley stated that at the MWDOC Planning/Operations meeting, they discussed standards being set by the State and ways to improve

efficiency.

LAFCO

Vice President Freshley stated that they discussed the Newport Harbor Tidelands and a potential study on harbor patrol services, and are considering a $100,000 contract with Citygate Associates for preparation of an MSR.

Vice President Freshley stated that there was also discussion on Ladera Ranch's desire to become a city.

ISDOC

Director Monin stated that at the quarterly meeting they plan to discuss what's going on in the State with fires, local Orange County issues, and the Yorba Linda Heli-Hydrant.

WACO

Director Monin stated that Rick Shintaku illustrated the way the District is using the Doheny Desalination and the Tunnel Stabilization and Sewer Pipeline Replacement projects to learn from the past and ensure reliability in the future.

Committee and General Information

Dates to Remember for July/August 2021

There were no comments.

Comments Regarding Non-Agenda Items

There were no comments.

Attorney Report

Mr. Granito reported that there is no need for a Closed Session today, and as such the Regular Session continued.

Mr. Granito reported on the District's Conservation Ordinance, which is still in effect.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:45 a.m.

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

MIKE GASKINS, President of
the El Toro Water District and the
Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and
the Board of Directors thereof