

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
EL TORO WATER DISTRICT

August 27, 2026

President Freshley called the meeting of the Board of Directors of the EL TORO WATER DISTRICT to order at 7:30 a.m.

Director McClean led the Pledge of Allegiance to the flag.

Directors MARK MONIN, MIKE GASKINS, KAY HAVENS, KATHRYN FRESHLEY, and WYATT McCLEAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, VISHAV SHARMA, CFO, JUDY CIMORELL, Director of Human Resources, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, Information Technology Manager (Zoom), SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Resources Supervisor, RANDALL CRANE, MWDOC (Zoom), KEITH STRIBLING, PFM Asset Management LLC, JENNI PANCAKE, Special Counsel (Zoom, 8:45 a.m.), JANET FORDUNSKI, Member of the Public (Zoom), MICHAEL MILLER, Member of the Public (Zoom), Participant ID: 823 0115 5075 (Zoom, 7:45 a.m.), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Roll Call:

Director McClean	Present
Director Monin	Present
Director Gaskins	Present
Vice President Havens	Present
President Freshley	Present

Five Board members were present for the meeting. Therefore, a Quorum was determined.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

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

Presentations of Awards, Recognition, Certifications and Introductions

Mr. Cafferty recognized and congratulated Hannah Ford, Director of Engineering, for 5 Years of Service.

Consent Calendar

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director McClean to approve the Consent Calendar.

Roll Call Vote:

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

Quarterly Review of the District's 401(k) Retirement Savings Plan

Mr. Stribling reported that the District's investment portfolio had a strong quarter on an absolute basis, with returns ranging from 3.85% to 11.50% for growth and 8.25% to 19.25% for the one-year period. Returns since inception on a compounded basis ranged from 8.77% to 18.70%. He noted that relative performance was less favorable, which also impacted the one-year results and with some of the performance differential

was attributable to equity funds. Mr. Stribling noted that the S&P 500 has returned approximately 15.5% on a compounded basis over the past 10 years, representing a strong period but will likely slow over time. He reviewed the District's asset allocation and quarterly performance, noting that some funds underperformed. However, several of the funds are invested in cyclical industries that impacted the relative performance.

Mr. Stribling left the meeting at approximately 8:13 a.m.

Directors Reports for Meetings Attended

Director Gaskins stated that he attended the CASA Conference, the Special RRC meeting, the MWDOC P&O meeting, the SOCWA Board meeting, the CAG meeting, the MWDOC Board meeting, the MWDOC Administration & Finance meeting, the Engineering and Finance committee meeting, and the District's regular Board meeting.

Director Monin stated that he attended the ISDOC Executive meeting, the MWDOC/Met Directors Workshop, the MWDOC P&O meeting, the MWDOC A&F meeting, the MWDOC Board meeting, the CASA Conference, the WACO meeting, the CAG meeting, the Urban Water Institute Conference, the CSDA Conference, and both District Board meetings.

Director McClean stated that he attended the District's regular Board meeting, the District's Engineering and Finance meeting, the TV-6 Interview, the Urban Water Institute Conference, the MWDOC Admin/Finance meeting, the CAG meeting, the CASA Conference and the MWDOC P&O meeting.

Vice President Havens stated that she attended the MWDOC/Met Directors Workshop, the MWDOC P&O meeting, the MWDOC Admin/Finance meeting, the WACO meeting, the CAG meeting, the OC ReUse meeting, the Agenda Review

meeting, the MWDOC Board meeting, the District's Engineering and Finance meeting, and the District's regular Board meeting.

President Freshley stated that she attended both ETWD's regular Board meetings, the Agenda Review meeting, the Laguna Woods City Council meeting, the WACO meeting, the MWDOC/Met Directors Workshop, the MWDOC P&O meeting, the LAFCO meeting, the SOCWA Board meeting, the Urban Water Institute Conference, and the CAG meeting.

General Manager Action Items

Administrative Code Amendment – Policy on Discontinuation of Residential Water Service (§7170)

Mr. Cafferty reported that the policy originated following the passage of SB 998 in 2018. The Board adopted the original Policy on the Discontinuation of Residential Water Service as Schedule 7-W of the District's Rules and Regulations in 2020. Staff carefully reviewed the policy and found significant revisions were needed as a result of SB 3 which was passed in 2023. Staff also reviewed the Customer Service department's standard procedures for service discontinuation to ensure consistency with the policy and to ensure compliance with the law. He noted that staff goes above and beyond requirements to minimize customer shut-offs. Mr. Granito has reviewed the revised policy and agrees with the changes.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director McClean to add Section 7170 – Policy on Discontinuation of Residential Water Service to the District Administrative Code.

Roll Call Vote:

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

Administrative Code Amendment – Section 2090 Committees of the Board

Mr. Cafferty stated that the District's 457 Plan is self-directed and employees who participate have the ability to choose investment allocations within the fund options. Staff and the Board are proposing to create a Retirement Plan Committee to allow the District to provide input, consider recommendations from Empower, and to evaluate plan performance. The committee would potentially meet quarterly and would be timed with the production of the investment performance reports. The committee would consist of two Board members and several staff members. This action item establishes the Retirement Plan Committee and also changes the name of the Regional Reclamation Committee to the SOCWA Planning Committee.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Gaskins to approve amendments to Section 2090 of the El Toro Water District Administrative Code regarding Committees of the Board.

Roll Call Vote:

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

Resolution No. 26-8-1 Modifying Standing and External Organization Board and Staff Assignments for Calendar Year 2026

Mr. Cafferty stated that Resolution No. 26-8-1 assigns President Freshley and Director Monin to the Retirement Plan Committee. The Resolution also renames the Regional Reclamation Committee as the SOCWA Planning Committee.

President Freshley asked for a Motion.

Motion: Director McClean made a Motion, seconded by Director Gaskins to approve Resolution No. 26-8-1 modifying Standing and External Organization Board and Staff Assignments for the calendar year 2026.

Roll Call Vote:

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

General Manager Information Items

General Manager's Monthly Report

Mr. Cafferty noted the lengthy Will Serve Summary Report includes the various redevelopment projects happening in the District.

Legislative Reports

Mr. Cafferty reported that staff added a Legislative Matrix to the beginning of the usual report to identify the status of significant legislation that the District has been involved with.

Public Education and Outreach Report

Ms. Seitz reported that Director McClean participated in the Laguna Woods Television *This Day* program on August 25, 2026. She noted that the report includes a Project Alert for the Hydraulic Modification Project which was distributed to residents near Gate 4. She also reported that District staff provided the water trailer and offered complimentary drinking water to attendees at the City of Lake Forest National Night out.

Water Use Efficiency Report

Mr. Chu reported that the potable water demand increased approximately 7% in July compared to the prior year. Recycled Water sales also increased by approximately 3.5% and will likely surpass the demand for July 2025.

SOCWA Reports

President Freshley reported that PC-23 and the Ocean Outfall declaration was discussed. Ms. Ford reported that a cost allocation policy was discussed at the SOCWA Engineering meeting.

South Orange County Agencies Group Meeting

Mr. Cafferty reported that IRWD provided a detailed regulatory update.

MWDOC

There were no comments.

LAFCO

President Freshley reported that the Board appointments took place. She also stated that a Public Hearing was held for the Municipal Service Review (MSR) and Sphere of Influence reviews for agencies within the North MSR Region.

ISDOC

Director Monin reported that Jim Fisler provided the LAFCO report.

WACO

Director Monin noted that the next WACO meeting is on September 11 due to Labor Day.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for August/September 2026

There were no comments.

Comments Regarding Non-Agenda Items

Mr. Cafferty followed up on Director McClean's inquiry confirming that the language on the District's Policy on Discontinuation of Residential Water Service matches exactly to SB 998.

Attorney Report

Mr. Granito reported that there is a need for a Closed Session today in regards to the item on today's Closed Session Agenda.

Closed Session

At approximately 9:36 a.m. everyone left the open session except the Board, General Counsel, Mr. Cafferty, Ms. Ford, and Special Counsel; Ms. Pancake.

Regular Session

At approximately 10:12 a.m., the meeting returned to Regular Session. Also, at this time, Ms. Melendez returned to the meeting.

Open Session Report

Mr. Granito reported that the Board went into Closed Session to discuss the item on today's Closed Session Agenda. No reportable action was taken.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 10:13 a.m.

Respectfully submitted,


MARISOL MELENDEZ
Recording Secretary

APPROVED:


KATHRYN FRESHLEY, 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