

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

July 23, 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 Gaskins 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, SHERRI SEITZ, Public Affairs Manager, CAROL MOORE, City of Laguna Woods (Zoom), RANDALL CRANE, MWDOC (Zoom), MICHAEL MILLER, Member of the Public (Zoom), HEYDEN ENOCHSON, Madison AI (Zoom, 8:04 a.m.), CONNOR FERRIS, Madison AI (Zoom, 8:47 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.

Consent Calendar

President Freshley asked for a Motion.

Motion: Vice President Havens made a Motion, seconded by Director Monin to approve the Consent Calendar.

Roll Call Vote:

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

Directors Reports for Meetings Attended

Director Gaskins stated that he attended the MWDOC/MET Directors Workshop, the MWDOC P&O meeting, the RRC meeting, the SOCWA meeting, the MWDOC Admin/Finance meeting, the WACO meeting, the MWDOC Board meeting, the Engineering and Finance committee meeting, the District's regular Board meeting, will attend the SOCAG meeting today, the ACWA Water Quality committee meeting next week, and the ISDOC Quarterly Luncheon next week.

Director Monin stated that he attended the MWDOC/Met Directors Workshop, the MWDOC P&O meeting, the ISDOC Executive meeting, the MWDOC A&F meeting, the WACO meeting, the MWDOC Board meeting, the OCWA meeting, both District Board meetings, and will be attending the ISDOC Quarterly Luncheon.

Director McClean stated that he attended the District's regular Board meeting, the District's Engineering and Finance meeting, the ISDOC Quarterly Luncheon, the OCWA meeting, the WACO meeting, the MWDOC Admin/Finance meeting, MWDOC P&O meeting, and the MWDOC/Met Directors Workshop.

Vice President Havens stated that she attended the MWDOC/Met Directors Workshop, the MWDOC P&O meeting, the MWDOC Admin/Finance meeting, the Agenda Review meeting, the WACO meeting, the MWDOC Water Policy Dinner, the MWDOC Board meeting, the District's Engineering and Finance meeting, the District's regular Board meeting, will be attending the ACWA Water Quality Committee meeting next week, and the Pres/VP/GM 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 MWDOC Admin/Finance meeting, the SOCWA Board meeting, will attend the South Orange County Agencies meeting, and will attend the ISDOC Quarterly luncheon.

General Manager Action Items

Administrative Code Amendment – Artificial Intelligence Policy (9060)

Mr. Cafferty stated that Artificial Intelligence (AI) has advanced and AI related tools can be leveraged to improve efficiencies. He stated that staff participated in an AI committee where they identified use cases and to establish a policy describing the overall use parameters. The policy encourages the use of AI while providing guardrails to ensure the safety and security of the implementation and certain types of data used in day to day operations. The policy will likely evolve and will be updated as necessary with the Board's approval.

Ms. Ford added that the policy began with a template provided by the Gov.AI Coalition. However, the policy was a team effort as many District staff provided input and modified the policy before finalizing. Mr. Cafferty also stated staff will receive training for AI use in the coming months.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Havens to add Section 9060 – Artificial Intelligence Policy 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 – IT Acceptable Use Policy (9040)

Mr. Cafferty stated that staff modified the artificial intelligence section that was within the IT Acceptable Use Policy to reference the stand-alone AI policy.

President Freshley asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Monin to approve amendments to Section 9040 of the El Toro Water District Administrative Code – IT Acceptable Use Policy.

Roll Call Vote:

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

Orange County Grand Jury Report

Mr. Cafferty stated that the Grand Jury released a report regarding PFAS and the response letter addresses their findings. He further stated that staff is considering adding a PFAS topic in the District's annual Water Quality Report. Mr. Cafferty noted that the District receives treated water from suppliers and makes great efforts to ensure that water quality is maintained as it travels through the system. Mr. Cafferty also stated staff revised the letter in response to Finding 8, to reference a PFAS article which will be included in the ETWD Summer 2026 Newsletter.

Ms. Moore left the zoom meeting at approximately 8:21 a.m.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director McClean to approve the District's response letter with the changes outlined by the General Manager on the Orange County Grant Jury's findings and recommendations and authorize staff to submit the updated response letter to the Presiding Judge of the Superior Court.

Roll Call Vote:

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

SOCWA PC-21 – Effluent Transmission Main

Mr. Cafferty stated that last month staff discussed the potential acquisition of the Effluent Transmission Main (ETM) from SOCWA. He stated that the necessary agreement revisions are a work in progress and include risks, liabilities, and protections to liabilities.

Ms. Ford provided a presentation on the potential ownership transfer of the Effluent Transmission Main (ETM). She reviewed its significance and what the next ten years may look like in terms of capital. Vice President Havens inquired about having a risk assessment done in the case of significant storm events. Ms. Ford explained that a benefit cost analysis was performed as part of the grant funding process where the risks were studied. Ms. Ford explained why District ownership of the ETM makes sense in regards to easements, grant funding, staff time, and decision-making. The Board discussed the potential ETM acquisition inquiring about maintenance, processes, and risks. Following the discussion, the Board agreed to direct staff to proceed with detailed development of an agreement that memorializes the topics of today's discussion.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Gaskins to direct staff to further engage with SOCWA in the effort to acquire the Effluent Transmission Main for ownership and operation by the District.

Roll Call Vote:

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

Resolution No. 26-7-1 Commemorating the United States of America's 250th

Anniversary

Mr. Cafferty stated that Ms. Seitz developed the Resolution to commemorate the significant milestone of the Country.

President Freshley asked for a Motion.

Motion: Vice President Havens made a Motion, seconded by Director McClean to approve Resolution No. 26-7-1 which commemorates the 250th Anniversary of the United States of America.

Roll Call Vote:

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

General Manager Information Items

Madison AI / Team Solve – Knowledge Twin Artificial Intelligence Platforms

Mr. Cafferty stated that staff has been discussing potential AI platform opportunities with Madison AI and Team Solve for the District's administrative and operational processes. Ms. Ford and Mr. Miazga each provided presentations on the benefits these tools would provide to the District. Both platforms are within the General Manager's authority but today's presentation informs the Board on the tools staff is considering.

General Manager's Monthly Report

Mr. Cafferty noted that the District's Senior Engineer position is in the process of being filled. He also commented on the growing project list on the Will Serve summary report.

Legislative Reports

There were no comments.

Public Education and Outreach Report

Mr. Cafferty congratulated Ms. Seitz on receiving the professional distinction of being Accredited in Public Relations.

Ms. Seitz reported that staff is coordinating the next LWT "This Day" program. She also noted that staff is working on the next edition of the District Newsletter which will include America's 250th Anniversary and District staff who are military veterans. Ms. Seitz also highlighted recent and upcoming community speaking engagement events.

Water Use Efficiency Report

There were no comments.

SOCWA Reports

President Freshley reported that there was a presentation on PC-15 and the Regional Treatment Plant. She also stated the contract extension to include the Effluent Transmission Main, Reach B design was approved.

MWDOC

There were no comments.

LAFCO

There were no comments.

ISDOC

Director Monin reported that elections for 2027-2028 are coming soon.

WACO

Director Monin reported that the program included a discussion on the Family Farm Alliance on the Western Water Policy.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for July/August 2026

There were no comments.

Comments Regarding Non-Agenda Items

Mr. Cafferty reported that Matt Collings is expected to be the new General Manager of Moulton Niguel Water District.

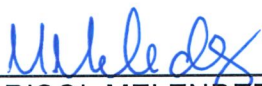
Attorney Report

Mr. Granito reported that there is no need for a Closed Session today.

Adjournment

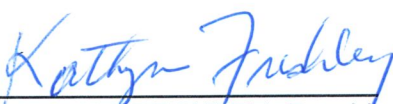
There being no further business to come before the Board, the meeting was adjourned at approximately 9:33 a.m.

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