

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
AND THE
FINANCE & INSURANCE COMMITTEE MEETINGS.

July 20, 2026

At approximately 7:30 a.m. President Freshley called the regular meeting to order.

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, JUDY CIMORELL, Director of Human Resources, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, Information Technology Manager (Zoom), VU CHU, Water Resources Supervisor (Zoom), ROBERT MONTTOYA, PFM (Zoom), CAROL MOORE, City of Laguna Woods (Zoom), 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 at the meeting and therefore a quorum has been determined.

Oral Communications/Public Comment

There were no comments.

Items Too Late to be Agendized

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

Finance and Insurance Committee Meeting

At approximately 7:33 a.m. Director Monin called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Monin asked for a Motion.

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

Roll Call Vote:

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

Financial Information Items

California Asset Management Program (CAMP)

Mr. Montoya reported that the economy remains resilient, mainly driven by AI investments. Core inflation has remained mostly contained and the labor markets have stayed in balance and steady. He reviewed the Federal Reserve's updated summary of economic projections and the two-year U.S. Treasury Yield Curve. Mr. Montoya stated that the District's portfolio's yield at cost is 4.11%, the yield at market is at 4.24%, and the portfolio credit quality remains strong at AA. He added that there were some maturities in the District' portfolio in corporate and U.S. Treasuries and some reinvestments are in those sectors. The portfolio performance remained steady throughout the quarter.

Mr. Montoya left the Zoom meeting at approximately 8:04 a.m.

Financial Statements and Report

Mr. Sharma followed up on Director Monin's previous inquiries stating that the District's portfolio has a total of 295 covered funds in PIMCO Rae of which 176 funds are actively managed and 119 passively managed. He also reported that the small cap core value growth and percentage are between 1-4%, depending on the fund.

Mr. Sharma reported that the District's cash and investments as of June 30th were \$23,856,503, the Current ratio is 11.0, and days of cash on hand stands at 249 days. He further reported that the Accounts Receivable (AR) balance was \$4,869,981, the AR turnover ratio was 32 days and the accounts payable turnover ratio was 32 days. The District's revenues are at 99.6% of the target including approximately \$200,000 of non-cash activity. Mr. Sharma stated that the total expenses are at 89.6% of the annual budget. However, if the two non-cash items are removed, the total expenses are at nearly 94% of the budget.

Financial Action Items

Financial Package – Authorization to Approve Payment of Bills for the Month Ending June 30, 2026

Director Monin asked for a Motion.

Motion: Director McClean made a motion, seconded by President Freshley to ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending June 30, 2026.

Roll Call Vote:

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

Quarterly Insurance Report

Ms. Cimorell stated that the report closes out the FY noting that the medical insurance and workers compensation rates were lower than expected. She also reported that the District received the \$2,000 wellness grant.

Director Havens asked if the Effluent Transmission Main project will increase the insurance premiums. Mr. Cafferty stated that staff will inquire with JPIA regarding premiums and stated that if there is an increase, the cost will be shared with the other partners.

Director Monin asked for a Motion.

Motion: Vice President Havens made a motion, seconded by Director Gaskins to receive and file the Quarterly Insurance Report for the period of April 1, 2026 through June 30, 2026.

Roll Call Vote:

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

Fortinet Firewalls Replacement Project Change Order

Mr. Cafferty stated that this project was originally within the General Manager's authority and a small change order pushed the total project cost slightly over the threshold requiring Board approval. Mr. Miazga explained the benefits of the proposed Fortinet Firewalls replacement project including reduced costs, and improved overall security and efficiency.

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by Vice President Havens to 1) approve Change Order No. 1 to the purchase order contract with AMS.NET, LLC. d/b/a MGT Impact Solutions in the amount of \$4,165.14 to add the FortiManager Virtual Machine (VM) Appliance to the Fortinet Firewalls Replacement Project, 2) approve Change Order No. 2 to the purchase order contract with AMS.NET, LLC. d/b/a MGT Impact Solutions in the amount of \$3,490.28 to upgrade the Forticlient EMS licenses to Forticlient EPP and 3) approve the total Fortinet Firewalls Replacement Project at a cost, inclusive of the change orders, of \$82,646.35.

Roll Call Vote:

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

Administrative Code Amendment – Purchasing Policy (6100)

Mr. Cafferty reported that the revisions to the Purchasing Policy include updates to the Administrative Code language to be consistent with current practices after the Springbrook implementation. These changes streamline the Policy by increasing the trigger amount for reporting purchases to the Board, clarify approval authority amounts, and add a reference to ACH payments.

Director Monin asked for a Motion.

Motion: President Freshley made a motion, seconded by Director McClean to approve the amendments to Section 6100 of the El Toro Water District Administrative Code – Purchasing Policy.

Roll Call Vote:

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

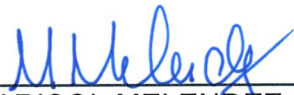
Comments Regarding Non-Agenda FIC Items

There were no comments.

Adjournment

There being no further business the Finance and Insurance Committee meeting was closed at approximately 8:32 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