

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
June 27, 2024

President Monin called the meeting of the Board of Directors of the EL TORO WATER DISTRICT to order at 7:42 a.m.

Director Adjarian led the Pledge of Allegiance to the flag.

Directors KAY HAVENS, MIKE GASKINS, MARK MONIN, FRED ADJARIAN, and KATHRYN FRESHLEY participated.

Also present were DENNIS P. CAFFERTY, General Manager, HANNAH FORD, Director of Engineering, VISHAV SHARMA, CFO, SCOTT HOPKINS, Operations Superintendent, SHERRI SEITZ, Public Affairs Manager (Zoom), VU CHU, Water Use Efficiency Analyst, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager (Zoom), RANDALL CRANE, MWDOC (Zoom), Scott Atha, Member of the Public (Zoom), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Five Board members were present for the meeting, therefore a quorum was determined.

Due to technical issues, there was a twelve-minute delay to the start of today's meeting.

Increases to Certain Water, Sewer and Recycled Water Service Rates and Charges

Mr. Cafferty stated that the District is proposing increases to certain water, sewer, and recycled water service rates and charges. Mr. Cafferty stated that customers were notified on their billing statements about the capital and O&M charge increases 30 days before it is planned to take effect, as detailed in last year's published Proposition 218 Notice. He further stated that customers were notified of potable and recycled water commodity charge increases 45 days prior to the increase date by way of a Proposition 218 Notice. Mr. Cafferty stated that the rules and regulations defining the rate increases are in the package and asked if anyone had any questions.

President Monin stated that this was the time and place set for public hearing on proposed increases to certain water, sewer, and recycled water service rates and charges which is being held in accordance with the procedural provisions of Proposition 218 and asked Mr. Cafferty if the notice of hearing was given.

Mr. Cafferty replied stating that the notice of the hearing on proposed increases to certain water, sewer, and recycled water service rates and charges were provided by direct mail to the customers in the Districts service area for the charges that needed the new Proposition 218 Notice and in addition, notice of availability of Proposition 218 was on the Districts website, billing statements, and the District newsletter. Mr. Cafferty also stated that two community information meetings were held live and via zoom on June 12, 2024 and June 19, 2024. He further stated that the Proposition 218 notices were prepared in strict compliance within its requirements including the 45-day notice in advance of today's public hearing.

President Monin asked Mr. Cafferty to describe the purpose of today's hearing and to provide details related to proposed amendments of the District's rules and regulations. Mr. Cafferty replied asking legal counsel to review the purpose of today's hearing.

Mr. Granito reported that the purpose of today's Public Hearing is to determine if there are sufficient written protests to preclude the adoption of the proposed increases to certain water, sewer, and recycled water service rates and charges. He further reported that if there are no written protests or insufficient written protests by the end of today's Public Hearing, then the District may approve the proposed increases by the adoption of Resolution No. 24-6-2.

Mr. Cafferty stated that Raftelis Financial Consultants prepared a Rate Study for the District's potable and recycled water commodity rate modifications which can be found on the District's website. Mr. Cafferty stated that the potable and recycled water commodity rate modifications for the 2024/25 fiscal year are described in the Proposition 218 Notice as well as in the revised rules and regulations schedules that are included in today's Board package. He further stated that the operations and maintenance and capital charge rate increases are consistent as described in the multi-year Proposition 218 Notice published last year.

Open Public Hearing

Public Hearing Regarding Adoption of Proposed Increases to Certain Water, Sewer and Recycled Water Service Rates and Charges

At approximately 7:53 a.m. President Monin opened the Public Hearing.

Public Comments

There were no comments.

President Monin asked Mr. Cafferty if the written protests have been tabulated.

Mr. Cafferty replied yes, the District received one written protest letter.

Close Public Hearing

At approximately 7:54 a.m. President Monin closed the Public Hearing and regular session resumed.

Regular Session

Resolution No. 24-6-2 Adopting Amendments to the District's Rules and Regulations

President Monin stated that the individual schedules that define all of the proposed increases are included with the Resolution in the Board package.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Director Freshley to adopt Resolution No. 24-6-2 which 1) provides for an increase to certain water, sewer and recycled water service rates and charges, effective July 1, 2024, and 2) makes findings and a determination that the action taken in this Resolution is exempt from the requirements of the California Environmental Water Quality Act.

Roll Call Vote:

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

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

President Monin asked if there were any items received too late to be agendized.

Mr. Cafferty replied no.

Consent Calendar

President Monin asked for a Motion.

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

Roll Call Vote:

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

Directors Reports for Meetings Attended

Vice President Gaskins stated that he attended the MWDOC Board meeting, the MWDOC P&O meeting, the MWDOC A&F meeting, the ISDOC Executive meeting, the RRC meeting, the SOCWA Board meeting, the WACO meeting, the President/VP/GM meeting, the ETWD Engineering and Finance meeting, the ETWD regular Board meeting, and the Agenda Review meeting.

Director Freshley stated that she attended the MWDOC P&O Committee meeting, the MWDOC Board Workshop, ETWD's Engineering and Finance and Regular Board meetings, the RRC meeting, the SOCWA Special Board meeting, the SOCWA Finance Committee meeting, the WACO meeting, the Laguna Woods City Council meeting and Laguna Woods TV-6.

Director Havens stated that she attended the MWDOC P&O meeting, Polly's retirement, the MWDOC Met Directors Workshop, the SOCWMA Executive Committee Agenda Review meeting, the SOCWMA Executive meeting, the MWDOC A&F meeting, the MWDOC Board Meeting, Orange County Water Reuse, and the regular ETWD Board Meetings.

Director Adjarian stated that he attended the Mission Viejo Chamber meeting, the WACO meeting, the MWDOC A&F meeting, the WACO planning meeting, ETWD's Regular Board meetings, and Polly's retirement.

President Monin stated that he attended Polly's retirement, ETWD's Engineering and Finance meeting, the MWDOC P&O meeting, the ISDOC Executive Committee meeting, the MWDOC A&F meeting, the Agenda Review meeting, the WACO Planning meeting, the MWDOC Board meeting, ETWD's Regular Board meeting, and ETWD's President/VP/GM meeting.

General Manager Action Items

Resolution No. 24-6-3 El Toro Water District Administrative Code

Mr. Cafferty stated that the current proposal moves the rate schedules that were adopted by Resolution 24-6-2 into the administrative code.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Adjarian to approve Resolution No. 24-6-3 El Toro Water District Administrative Code.

Roll Call Vote:

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

PFAS CERCLA Designation

Mr. Cafferty stated that the recent designation of PFAS as a hazardous material under CERCLA has started to potentially expose wastewater agencies to liability associated with PFAS in waste products including biosolids. He further stated that H.R. 7944, the Water Systems PFAS Liability Protection Act is intended to provide exemption to protected entities defined in the bill from potential third-party litigation related to PFAS in the CERCLA designation. Mr. Cafferty stated the proposed letter advocating for support of the H.R. 7944, the Water Systems PFAS Liability Protection Act is in the board package.

Director Havens stated she read the proposed letter is in favor of its contents.

Director Freshley suggested to include the Board President's signature on the letter to hold a heavier impact of its contents. Ms. Seitz stated she would revise the letter and have it ready by the end of today's meeting.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Freshley to authorize the General Manager to send letters to the District's respective congressional House delegation, advocating for support of the H.R. 7944, Water Systems PFAS Liability Protection Act.

Roll Call Vote

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

California Special Districts Association (CSDA) Board of Directors, Southern Network –

Seat A Election

Mr. Cafferty stated there are three candidates running for the CSDA Seat A Board position for the 2025-2027 term; the incumbent, Jo MacKenzie, Jason Dafforn and Ross Leja.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Vice President Gaskins for the General Manager to cast the Districts vote for Jo MacKenzie for the California Special Districts Association (CSDA) Board of Directors, Southern Network – Seat A Election.

Roll Call Vote

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

General Manager Information Items

General Manager’s Monthly Report

Mr. Cafferty reported his attendance of the CSDA General Managers Summit in Anaheim noting that it was very informative.

Legislative Reports

Mr. Cafferty stated that the standard report is in the package and highlighted ballot Initiative 1935 that was being funded by a relatively small special interest group and would have had a significant impact on Special Districts ability to set rates leading to exposure to lawsuits potentially retroactive for three years. Mr. Cafferty further stated that it went all the way to the Supreme Court where it was determined that the

initiative was a revision of the Constitution and therefore prevented it from being on the November ballot.

Mr. Cafferty stated that the ACWA Coalition letter supporting the Climate Resilience Bond is in the package and an update should be available next week.

Mr. Cafferty stated that SB 937 and AB 2729 will likely require connection fees to be locked in at the pre-building permit stage, prohibit collection until occupancy, and prohibit interest charging on fees if they are spread out, which is currently not impactful to the District.

Mr. Cafferty stated that AB 2257 would create a process of exhaustion of administrative processes and if followed will require timely submittal of written objections on rate making processes.

Mr. Cafferty lastly reported on the legislation intended to force any local government to convert their domain to a dot gov.

Public Education and Outreach Report

Ms. Seitz provided past and upcoming dates on Laguna Woods Village Television presentations.

Ms. Seitz stated that the ETWD website RFP was distributed and staff will present a recommendation at the July Board Meeting.

Ms. Seitz stated customers will be notified by way of flyers of upcoming changes to the billing and payment system.

Ms. Seitz stated the 2024 Water Quality Report was distributed by mail last week.

Water Use Efficiency Report

Mr. Chu stated there is a typical seasonal uptick in usage. He further stated there will be a state water board workshop on July 3, 2024 to consider adopting regulations that will make conservation a way of life.

SOCWA Reports

Director Freshley reported on the June 6, 2024 Board meeting stating that new leadership for the Board was selected, including herself as Vice Chair.

Ms. Ford stated that at the June 13, 2024 SOCWA Engineering Committee Meeting the lab feasibility scope was revised to exclude regional efforts.

Director Freshley stated that the budget was approved at the June 18, 2024 Finance Committee meeting.

Mr. Cafferty stated that the Grand Jury published a report titled "Emerging opportunities in South County Water/Wastewater Systems" in which the topics included the SMWD and SJWD consolidation, recommending that LAFCO perform a post completion review. Mr. Cafferty further stated the other half of the report was related to ongoing SOCWA issues and recommending that LAFCO create a task force comprising representatives from affected water agencies to study the transformation of SOCWA and to prepare a report on the future of water and wastewater of South Orange County. Mr. Cafferty stated that the District is required to respond within ninety days and the draft response will be on a future Board agenda.

MWDOC Reports

President Monin stated that Ricky The Raindrop was the main topic of the MWDOC Board meeting.

South Orange County Agencies Group Meeting

Mr. Cafferty stated that all agency representatives with the exception of San Clemente were in attendance. He further stated that the meeting topics included summary's on agency projects, legislative updates from Christine Compton of Irvine Ranch Water District, and Doheny Plant updates from South Coast Water District.

South Orange County Watershed Management Area

Director Havens stated that the County is very concerned that the state is not going to be funding the Integrated Regional Water Management areas as they previously were doing and that they are counting on the climate bond but they are continuing to administer grants for funding.

LAFCO

Director Freshley stated the LAFCO meeting was cancelled.

ISDOC

President Monin stated that ISDOC's election timeline was reviewed and also provided a reminder of the upcoming quarterly luncheon scheduled on July 25, 2024.

WACO

President Monin reported that the WACO regular meeting is a week late due to the Fourth of July holiday. He further stated that the District will be highlighted in a spotlight presentation later this year in November or December.

COMMITTEE AND GENERAL INFORMATION

There were no comments.

Dates to Remember for June/July

President Monin mentioned the ISDOC Quarterly Luncheon scheduled on July 25, 2024.

Comments Regarding Non-Agenda Items

Mr. Cafferty stated that Keith Stribling followed up with him regarding the questions that were asked at Monday's meeting and that a response with the requested information would be emailed by the end of tomorrow.

Mr. Cafferty stated he will be doing an agency spotlight presentation at the July 17th MWDOC Board meeting.

Mr. Cafferty also stated staff continues to meet with different providers relative to energy efficiency opportunities.

Director Adjarian asked if there was any update on plans for the District's strategic planning. Mr. Cafferty stated the District is looking at early next year.

Attorney Report

Mr. Granito reported that there is a need for a closed session today as reflected on today's agenda.

Closed session

At approximately 9:25 a.m. the meeting went into a closed session. At this time, everyone left the meeting except for the Board members, general counsel, and the General Manager.

Regular session

At approximately 10:06 a.m. regular session resumed. Also, at this time. Ms. Melendez, Ms. Seitz, Mr. Sharma, and Ms. Ford returned to the meeting.

Report on closed session

Mr. Granito reported that in the closed session, the Districts designated negotiator, Mr. Cafferty, provided status of negotiating terms and conditions relative to financial aspects of the subject project. He further stated that no reportable action was taken.

Adjournment


There being no further business to come before the Board, the meeting was adjourned at approximately 10:09 a.m.

Respectfully submitted,




MARISOL MELENDEZ
Recording Secretary

APPROVED:



MARK MONIN, 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

