

MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF DIRECTORS  
OF THE  
EL TORO WATER DISTRICT  
August 22, 2024

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

Director Freshley 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, GILBERT J. GRANITO, General Counsel, JUDY CIMORELL, Director of Human Resources, HANNAH FORD, Director of Engineering, VISHAV SHARMA, CFO, SCOTT HOPKINS, Operations Superintendent, SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Use Efficiency Analyst, MIKE MIAZGA, IT Manager (Zoom), ROBERT HAZZARD, Customer Service Crew Chief, RAYMOND LLADA, Electrical Ins. Technician II (Joined at 8:44 a.m.), STEVE HANCOCK, Pump Stations Crew Chief (Joined at 8:44 a.m.), MICHAEL SNOW, Chief Plant Operator (Joined at 8:44 a.m.), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

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

Mr. Cafferty replied no.

Presentation of Awards, Recognition, Certifications and Introductions

Service Awards

Mr. Cafferty recognized and congratulated Robert Hazzard, Customer Service Crew Chief, for 35 years of service with the District.

Mr. Hazzard left the meeting at approximately 7:40 a.m.

Consent Calendar

Director Freshley asked if the District typically donates annually to the CASA Education Foundation. Mr. Cafferty replied yes.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Director Freshley 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

Director Freshley stated that she attended the MWDOC P&O Committee meeting, the MWDOC Workshop, the MWDOC Board meeting, ETWD's Engineering and Finance meeting, ETWD's regular Board meeting, the SOCWA Board meeting, the SOCWA Finance committee meeting, the RRC meeting, the WACO meeting, the LAFCO meeting, the Laguna Woods City Council meeting, the Orange County Water Association luncheon, the CAG meeting, and the Southern California Water Conference.

Vice President Gaskins stated that he attended the WACO meeting, two President/VP/GM meetings, the ISDOC Executive Meeting, the RRC meeting, the MWDOC P&O meeting, the SOCWA meeting, the Agenda Review meeting, the LAFCO meeting, the ETWD Engineering and Finance meeting, the MWDOC Board meeting, the ETWD regular Board meeting today, the State of the County event, and the Grand Jury Tour next week.

Director Adjarian stated that he attended the WACO meeting, the CAG meeting, the two ETWD Board meetings, the MWDOC meeting, the ACWA seminar, and the Grand Jury Tour next week.

President Monin stated that he attended the CASA conference which was partially in August, the President/VP/GM meeting, the MWDOC P&O meeting, the ISDOC Executive Committee meeting, the MWDOC Board Workshop, the CAG meeting, the State of the County event, the Agenda Review meeting, the MWDOC A&F meeting, the MWDOC Board meeting, ETWD's Engineering and Finance meeting, ETWD's Regular Board meeting, the WACO Planning meeting, the R-6 Grand Jury Tour next week, and the OCWA meeting.

Director Havens stated that she attended the WACO meeting, the MWDOC P&O meeting, the MWDOC Met Directors Workshop, the CAG meeting, the State of the County event, the MWDOC A&F meeting, the OC WaterReuse meeting, the two ETWD Board Meetings, the ACWA Webinar on CA Conservation is a Way of Life, TV-6, the MWDOC Board meeting, and will be attending the Grand Jury Tour next week.

General Manager Action Items

Resolution No. 24-8-1 ISDOC Executive Committee Nominations

Mr. Cafferty announced that President Monin has expressed interest in being a candidate for the Secretary Position on the ISDOC Executive Committee; Resolution No. 24-8-1 formally nominates him for this role.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Director Havens to approve Resolution No. 24-8-1 nominating Director Mark Monin to the position of secretary on the ISDOC Executive Committee.

Roll Call Vote:

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

Resolution No. 24-8-2 El Toro Water District Administrative Code

Mr. Cafferty explained the ongoing effort to consolidate all existing policies into a single Administrative Code, which involves reviewing and updating current policies. He detailed the changes to the purchasing policy, which include granting Mr. Miazga, the IT Manager, a purchasing authority of \$10,000, aligning him with other department heads.

Mr. Cafferty added that Mr. Miazga will manage the IT budget and is responsible for exercising this authority.

Mr. Cafferty explained the proposed update also increases the General Manager's purchasing authority from \$50,000 to \$100,000. He explained that rising costs have changed the value of the current limit and the proposed increase would set a higher threshold for Board approval of projects. Mr. Cafferty noted that inquiries with other agencies indicated that most have General Manager purchasing authorities at or above \$100,000, except for Moulton Niguel Water District, which has a limit of \$75,000.

President Monin inquired about the number of department heads with a \$10,000.00 purchasing authority. Mr. Cafferty stated that Ms. Ford, Mr. Hopkins, and Mr. Sharma each hold this purchasing authority amount.

President Monin noted that, under the proposed changes, the District could potentially authorize \$140,000 in spending without Board approval. While he emphasized that trust is not a concern, he suggested that the Board might be able to provide insight to consider alternative strategies that could lead to more cost-effective solutions for significant expenditures.

Mr. Cafferty explained that the current purchasing policy already permits similar spending but on a smaller scale. He noted that staff carefully manages change orders that exceed the existing threshold and brings these cases to the Board. He emphasized that District staff is accountable for financial oversight and that his role is to guide the organization in alignment with the Board's directives through ongoing communication.

President Monin requested additional time to consider the matter and suggested either revisiting the topic next month or increasing the purchasing authority to \$75,000.

Director Freshley expressed support for the updates to the purchasing policy, mentioning inflation and Mr. Cafferty's historical diligence as key factors. She affirmed her full confidence in his abilities and judgment.

Director Adjarian stated that, while he has confidence in Mr. Cafferty's abilities as General Manager, he agrees with President Monin's recommendation to proceed with caution. He suggested waiting a month to conduct further research on practices from additional agencies.

Director Adjarian requested a motion to table the discussion until additional information is presented.

Director Havens agreed with most of Director Freshley's points and stated that the information provided was sufficient for a decision. She noted that inflation justifies the proposed increase.

Vice President Gaskins expressed agreement with Director Havens' points and stated he has full confidence in Mr. Cafferty based on his past communication with the Board. He stated that a month's delay might lead to price changes or missed opportunities.

Mr. Cafferty stated that the resolution includes all the policy updates but noted that the Board can modify the action after reviewing the rest of the Administrative Code updates. He offered the potential options: approve the resolution as is, maintaining the General Manager's purchasing authority at \$50,000, approve the resolution as presented increasing the authority to \$100,000, or approve the resolution with an alternate agreed-upon purchasing authority amount.

Director Adjarian withdrew the motion to table the discussion.

Mr. Cafferty continued with the discussion, noting that the Development Procedures Policy historically governed the fees the District recovered from developers for fire flow tests and plan checks and inspections. He indicated that these fees are now outdated and the updated Development Procedures Policy revises these fees allowing staff to adjust them as costs increase over time.

Mr. Cafferty explained that the IT Acceptable Use Policy was previously known as the Data Processing Policy, last updated in 1998. He noted that, with Mr. Miazga's assistance, the old policy has been integrated with the new one to retain original concepts and incorporate necessary updates.

Director Havens found the IT Acceptable Use Policy valuable and suggested creating a cheat sheet for staff and the Board to enhance system security. Mr. Miazga stated he would put something together and make it available to everyone.

Mr. Cafferty noted that the Public Records Request Policy is new, as the previous reference to this topic was contained in a 1987 Resolution. He explained that the new policy integrates information from the old resolution, a CSDA template, and comments from Mr. Granito.

Mr. Cafferty repeated the options for approving the motion.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by President Monin to adopt Resolution No. 24-8-2 Amending the El Toro Water District Administrative Code with the revised General Manager purchasing authority amount to \$75,000.00 in Section 6100 of the Purchasing Policy.

Roll Call Vote

|                        |     |
|------------------------|-----|
| Director Adjarian      | aye |
| Director Freshley      | no  |
| Director Havens        | aye |
| Vice President Gaskins | aye |
| President Monin        | aye |

General Manager Contract

Mr. Cafferty explained that this item was presented at the Board's request, following last month's discussion regarding the General Manager's contract relative to the benefits defined in the District Employee Handbook and whether or not those benefits apply to the General Manager. He added that everything that is not explicitly noted in the contract is listed in the staff report included in the board package and a Motion is only needed if modifications to the contract are required.

Director Freshley confirmed that the contract clearly specifies that the General Manager is entitled to the same benefits as regular full-time District employees.

Orange County Grand Jury Report "Emerging Opportunities in South County Water/Wastewater Systems"

Mr. Cafferty stated a response to the Orange County Grand Jury report is due by September 20, 2024 and a draft response letter is in the package for review.

President Monin asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Freshley to approve the District's response letter on the Orange County Grand Jury's findings and recommendations and authorize staff to submit the response letter to the Presiding Judge of the Superior Court before September 20, 2024.



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

Director Havens inquired whether the arrearage payment program figure on page 249 of the package is an annual or monthly amount and suggested adding an annotation for clarification. Mr. Cafferty clarified that the figure is a year-to-date total. He added that since the program has concluded, this information will likely not be included in next month's report.

Director Freshley noted the low amount of uncollectible accounts and inquired if this was due to the arrearage and assistance programs. Mr. Cafferty stated that these programs contributed to the low figures.

President Monin questioned the significant increase in telephone calls on the Customer Service Activity Report, from 617 to 997. Mr. Cafferty attributed this increase to the Springbrook Billing Software transition, which resulted in a rise of customer inquiries to the Customer Service Department.

Transparency Certificate of Excellence

Mr. Cafferty announced that ETWD recently received the District Transparency Certificate of Excellence. He highlighted the extensive application requirements, which included a 173-page packet demonstrating the District's commitment to transparency. Additionally, he noted that Director Adjarian achieved his certificate in Special District Governance, elevating the District's DOD status to Gold. Mr. Cafferty

also shared that, as of August 19, 2024, he earned the Certified Special District Manager designation, advancing the District to DOD Platinum Status which only a small number of other agencies in the State hold. He added that President Monin will receive the Transparency Certificate of Excellence award at the upcoming CSDA conference.

#### Legislative Reports

There were no comments.

#### Public Education and Outreach Report

Ms. Seitz stated that a link to the Laguna Woods Television interview featuring Vice President Gaskins is in the package and Director Havens is scheduled for next Tuesday.

Ms. Seitz reviewed the selection process for the District's website redesign vendor and announced that Big Wig Monster Media was chosen. She noted that the total cost of \$41,940.00 is within the \$50,000.00 budget and the project is scheduled to begin next month and be completed by next spring. Ms. Seitz provided an overview of the enhancements and services that Big Wig Monster Media will deliver. She also offered to arrange a presentation by the vendor at next month's meeting if desired.

President Monin inquired about the possibility of holding the CAG meeting via Zoom in addition to the live meeting. Mr. Cafferty responded that staff will explore the feasibility of hosting the CAG meeting in a hybrid format.

Ms. Seitz reviewed upcoming community events including the OC Grand Jury Inspection Trip, the Laguna Woods Village 60<sup>th</sup> Anniversary event, the Third Mutual Gate 11 Fall meeting, the CAPIO budget and rate communications webinar, the H2O for HOA's event, and the City of Lake Forest Leadership Academy.

## Water Use Efficiency Report

Mr. Chu reported that total consumption for July was up approximately 6% compared to the same month last year. He noted that dedicated irrigation increased by 9%, and Laguna Woods Village (excluding irrigation) experienced a significant rise of 23%.

Mr. Chu noted that turf removal rebates have increased for both public agencies and commercial sectors. He anticipates further increases once the AB 1572 messaging becomes more widespread.

Director Havens inquired about the potential risks of publicly promoting the objectives of AB 1572. Mr. Chu responded that there would be no significant advantage to being proactive, mainly due to the current evolving pace of the regulation.

Mr. Cafferty explained that the key takeaway from AB 1572 is that potable water cannot be used to irrigate non-functional turf. However, he noted that there is some ambiguity regarding the precise definition of non-functional turf.

Director Havens highlighted the importance of noting that AB 1572, along with the recently enacted regulation "Making Conservation a California Way of Life," imposes an administrative burden on the agency, including reporting requirements and other responsibilities.

## SOCWA Reports

Director Freshley stated that SOCWA was also required to reply to the OC Grand Jury Report and the draft response is expected to be on their September Board meeting agenda.

## MWDOC

There were no comments.

## SOCAG

Mr. Cafferty noted that the meeting was well-attended, with one of the highlights being Ms. Compton's legislative review.

## LAFCO

Director Freshley stated there was discussion regarding the OC Grand Jury Report and updates on personnel policies and procedures.

## ISDOC

President Monin stated that the OCCOG dues were approved.

## WACO

President Monin stated his term for WACO Chair will end soon.

## COMMITTEE AND GENERAL INFORMATION

### Dates to Remember for August/September

There were no comments.

### Comments Regarding Non-Agenda Items

Mr. Cafferty stated that he and Mr. Sharma met with Mr. Babbe yesterday and will report back next month with follow-up answers to President Monin's inquiries.

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

### Closed Session

At approximately 9:35 a.m. the meeting went into a closed session. At this time, everyone left the meeting except for the Board members, general counsel, Mr. Llada, Mr. Hancock, Mr. Snow, and the General Manager.

Regular Session

At approximately 10:12 a.m. regular session resumed. Also, at this time Ms. Melendez, Ms. Seitz, and Ms. Cimorell returned to the meeting.

Ms. Seitz stated that the District will be holding an OC Vote Center in the Districts multipurpose room from October 31- November 6.

Attorney Report

Mr. Granito reported that no reportable action was taken during the closed session.

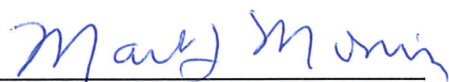
Adjournment


There being no further business to come before the Board, the meeting was adjourned at approximately 10:16 a.m.

Respectfully submitted,

  
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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

