

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
December 19, 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 McClean led the Pledge of Allegiance to the flag.

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

Also present were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, VISHAV SHARMA, CFO, JUDY CIMORELL, Director of Human Resources, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, IT Manager (Zoom), VICKI TANIOUS, Senior Accountant (Zoom), SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Use Efficiency Analyst, STEVE WINGEN, Cross Connection Control Program Supervisor, 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

Mr. Cafferty recognized and congratulated Steve Wingen, Cross Connection Control Program Supervisor for 35 years of service with the District.

Mr. Wingen left the meeting at approximately 7:37 a.m.

Consent Calendar

President Monin asked for a Motion.

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

Roll Call Vote:

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

Directors Reports for Meetings Attended

Director Havens stated that she attended the MWDOC P&O meeting, the ACWA Conference, the Special Board meeting, the MWDOC A&F meeting, the Santiago Aqueduct Commission meeting, the Orange County Reuse meeting, the WACO meeting, the two ETWD Board meetings, and the MWDOC Board meeting.

Director Freshley stated that she attended ETWD’s regular Board meeting, ETWD’s Engineering and Finance meeting, the Special Board meeting, the SOCWA Board and Special Meeting, the RRC meeting, the WACO meeting, two Laguna Woods

City Council meetings, the JPIA and ACWA Conference, and the MWDOC Board meeting.

Director McClean stated he attended the SOCWA Signing Ceremony, the Districts Holiday Luncheon, two District meetings, and the Special Board meeting.

President Monin stated that he attended the JPIA and ACWA Conference, the Special Board meeting, the Agenda Review meeting, the ISDOC Executive Committee meeting, the MWDOC A&F meeting, the SOCWA Special Board meeting, the WACO meeting, the WACO Planning meeting, the two District regular Board meetings, the MWDOC Board meeting, the MWDOC Executive Committee meeting.

Vice President Gaskins stated that he attended the JPIA meeting, the ACWA Conference, the Special Board meeting, the SOCWA signing ceremony, the ISDOC Executive meeting, the RRC meeting, the MWDOC Admin/Finance meeting, the Districts Holiday luncheon, the SOCWA Board meeting, the WACO meeting, the District's Engineering and Finance meeting, and the MWDOC Board meeting.

General Manager Action Items

Resolution No. 24-12-3 Amending Schedules Nos. 4-S and 5-S of the ETWD Rules and Regulations – Wastewater Capital Facilities Fees

Mr. Cafferty shared that the District engaged Raffelis to review the three capital facilities fees and assess the need for adjustments. The capital facilities fees are designed for new customers and developers contribute to the infrastructure costs that have already been paid for by existing customers. The wastewater capital facilities fee was updated in 2012 at which time the water capital facilities fee was adopted, while the water supply charge component of the water capital facilities fee was adopted in 2016.

None of these fees have been revised since those dates. The water capital facilities fee calculation was found to be close to the existing fee and staff are not recommending any changes.

Mr. Cafferty explained that the water supply charge was implemented to address potential future water supply projects needed to meet the increased demand from development. Raftelis initially calculated the water supply charge based on recycled water projects at \$8,900.00/afy. However, after analyzing future water projects, which are considerably more expensive, Raftelis proposed an increase to \$47,782/afy. Staff are not recommending an adjustment to the water supply charge.

Mr. Cafferty explained that the wastewater capital facility fee has been set at \$9.31/gpd since 2012. Raftelis has recommended increasing the fee to \$10.66/gpd, which is also staff's current recommendation.

President Monin asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Freshley to adopt Resolution No. 24-12-3 which adopts the increased wastewater capital facilities fee.

Roll Call Vote:

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

Resolution 24-12-4 El Toro Water District Administrative Code

Mr. Cafferty stated that the proposal moves the new rate schedules Nos. 4-S and 5-S of the Rules and Regulations into the Administrative Code, with the Table of Contents restructured to include the wastewater capital facilities fee and consolidates them into a single document within the Code. He noted that other minor, non-

substantive changes were also made. Additionally, the Los Angeles County Sanitation District tables are included in the schedules as an exhibit in the Administrative Code.

President Monin asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Freshley to adopt Resolution 24-12-4 which adopts the amended El Toro Water District Administrative Code.

Roll Call Vote:

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

Resolution 24-12-5 El Toro Water District Administrative Code

Mr. Cafferty explained that the changes to the Employee Handbook include legal updates to ensure compliance with revisions to the labor code, as well as the addition of a few new District policies. Ms. Cimorell confirmed that the updated handbook is available to all employees on the shared drive and provided to new employees upon hire. Mr. Cafferty also noted that these updates will be presented to staff at the next employee meeting.

President Monin asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Havens to adopt Resolution 24-12-5 which amends the District's Employee Handbook.

Roll Call Vote:

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

City of Laguna Woods Easement – Fire Station

Mr. Cafferty reported that he and General Counsel have been working with the City Manager of Laguna Woods and their attorney to develop an easement. The City of Laguna Woods and the Orange County Fire Authority (OCFA) have identified a response time challenge and concluded that an additional fire station is needed. In order to provide OCFA the ability to use the District's road for access to the fire station the City is requesting an easement for access rights for OCFA and other proposed occupants of the site. The easement will be issued to the City, which will license these rights to the other entities. The City will indemnify the District for all activities related to the other uses of the site. The easement's language ensures that the District does not need to enter into separate contractual relationships with other entities. Importantly, the easement is contingent on a specific agreement that will provide further details about the project. Following the City's approval of the easement, the next step will be the design phase during which the District will work closely with the City to ensure that the project meets the District's needs and requirements.

Mr. Cafferty explained that several questions and concerns have been raised with the City of Laguna Woods. The easement clearly stipulates that if an agreement is not reached by the end of 2026, the easement will terminate. He emphasized that staff recognizes the benefits to both the community and the District, while ensuring that access to the critical facilities remains viable. Staff's recommendation is to approve the easement and authorize its execution.

President Monin asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Havens to approve the final terms and conditions of a non-exclusive conditional easement, to be granted to the City of Laguna Woods across the P-1 Pump Station access road, related to the operation and maintenance of a fire station and public safety/municipal services building and further authorize the President to execute the easement on behalf of the District.

Roll Call Vote:

Director McClean	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 highlighted that the District received two Special Recognition Awards from ACWA JPIA for maintaining a low claims history.

Director Havens inquired about the reason for the increase in water sales. Mr. Cafferty explained that recycled water sales have been strong this year due to lack of precipitation. He added that the District's largest recycled water customer, Third Laguna Hills Mutual, recently changed their landscaping procedures. Regarding potable water sales, he noted that a significant portion of usage comes from single-family homes and dedicated irrigation.

Public Education and Outreach Report

Ms. Seitz stated that the District's educational outreach flyer on AB 1572 was distributed through ACWA eNews. Additionally, she stated that staff met with the United Board last week to discuss the implications of the implementation of AB 1572.

Water Loss Annual Report

Mr. Chu presented the Water Loss Annual Report, explaining that it is driven by regulations, audit components, and standards.

Water Use Efficiency Report

Mr. Chu reported that water usage continues to trend upward compared to the same time last year and shared year-to-year data.

SOCWA Reports

Mr. Cafferty shared that he attended a SOCWA managers meeting, where managers discussed efforts to reduce administration and overhead expenses at SOCWA moving forward.

MWDOC

There were no comments.

South Orange County Agencies Group Meeting

Mr. Cafferty reported that one topic of discussion was the OCWD MSR. He explained that all agencies have differing perspectives, and it is recognized that LAFCO will receive and file the report. There are also varying opinions on whether OCWD will take further action. IRWD proposed a joint letter at this meeting on behalf of the South County Agencies Group regarding the issue of consolidation. Mr. Cafferty emphasized that the letter does not take a strong stand stance but expresses that South County does not particularly see a benefit in consolidation. He further noted that Vice President Gaskins, as Chair of SOCAG, has been asked to sign the letter on behalf of the group.

LAFCO

There were no comments.

ISDOC

President Monin reported that there will be a new President and Vice President in the upcoming year.

WACO

President Monin reported that there was an update on the development of Post-2026 Colorado River Operations, and YLWD was featured as the agency spotlight.

Election of Officers

Office of President

Mr. Cafferty stated that according to the District's Bylaws, the Vice President automatically ascends up to the position of President. Therefore, Vice President Gaskins will succeed to the role of President effective January 1, 2025.

Election of Vice President

Mr. Cafferty stated that the Board will now accept nominations for Vice President.

President Monin asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Havens to elect Director Freshley for the position of Vice President of the Board of Directors of the El Toro Water District.

Roll Call Vote:

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

Ratification of Existing Officer Appointments

Mr. Cafferty stated this item ratifies appointments of existing officers; himself as Secretary, Ms. Cimorell as Assistant Secretary, and Mr. Sharma as Treasurer.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Freshley to ratify the existing appointments for the offices of Dennis Cafferty as Secretary, Judy Cimorell as Assistant Secretary, and Vishav Sharma as Treasurer.

Roll Call Vote:

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

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for September/October

There were no comments.

Comments Regarding Non-Agenda Items

Director Havens reported attending the SAC Quarterly meeting, where it was discussed that \$20,000 in maintenance is needed for the new rectifier on the Baker pipeline. Additionally, 3,300 sq. ft. will be realigned at no charge due to development, which will allow for pipeline inspection.

Mr. Cafferty stated that, effective January 1, 2025, the State’s “Conservation as a California Way of Life” regulation will set the indoor water use standard at 47 gallons per person per day. Currently, the District’s Tier 1 budget is based on 55 gallons per person per day, which is still within compliance with the overall urban water use objective. If the District decides to adopt 47-gallon standard, it will have rate

implications that will need to be addressed during the budget and rate setting process. No changes will be made until the Board can review the matter as part of the budget and rate-setting process.

Attorney Report

Mr. Granito reported that there is a need for a Closed Session today to discuss the second phase of the item on the Closed Session Agenda.

Closed Session

At approximately 8:55 a.m. the Board went into Closed Session to discuss the second phase of the item on the Closed Session Agenda. Also, at this time everyone left the meeting except the Board members, General Counsel, and Mr. Cafferty.

Open Session Report

At approximately 9:01 a.m. the Board returned to Regular Session. Also, at this time, Ms. Cimorell and Ms. Melendez returned to the meeting.

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

General Manager Compensation

President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by President Monin to grant the District's General Manager, Mr. Cafferty, a superior performance award of 25% effective January 1, 2025.

Roll Call:

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

Adjournment


There being no further business to come before the Board, the meeting was adjourned at approximately 9:02 a.m.

Respectfully submitted,




MARISOL MELENDEZ
Recording Secretary

APPROVED:



MIKE GASKINS, 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