

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
November 26, 2024

President Monin called the meeting of the Board of Directors of the EL TORO WATER DISTRICT to order at 7:31 a.m.

Director Freshley led the Pledge of Allegiance to the flag.

Directors KAY HAVENS, MIKE GASKINS, MARK MONIN, and KATHRYN FRESHLEY 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, WYATT MCCLEAN, City of Lake Forest community member, RANDALL CRANE, MWDOC (Zoom), JULIE SCHROCK, Member of the public, and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

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

Oral Communications/Public Comments

Mr. McClean provided positive feedback on the Hazard Mitigation presentation at the recent CAG meeting.

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 Freshley to approve the Consent Calendar.

Roll Call Vote:

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 WACO meeting, the MWDOC P&O meeting, the MWDOC Met Directors Workshop, the South OC Watershed Management Area Executive Committee meeting, the MWDOC A&F meeting, the CAG meeting, the MWDOC Board meeting, the Districts Special Board meeting, and the two ETWD Board meetings.

Director Freshley stated that she attended the MWDOC P&O Committee meeting, the MWDOC Workshop, ETWD's Engineering and Finance meeting, ETWD's regular Board meeting, ETWD's Special Board meeting, the SOCWA Executive Committee meeting, the RRC meeting, the WACO meeting, the Laguna Woods City Council meeting, and the OCWA luncheon.

Vice President Gaskins stated that he attended the MWDOC P&O meeting, ISDOC Executive meeting, the RRC meeting, the MWDOC Board meeting, the SOCWA Board meeting, two President/VP/GM meetings, the LAFCO meeting, the CAG meeting, the Agenda Review meeting, the MWDOC Board Workshop, the OCWA luncheon, ETWD's Special Board meeting, the ETWD Engineering and Finance meeting, the ETWD regular Board meeting, and will be attending SOCAG this afternoon.

President Monin stated that he attended two President/VP/GM meetings, the WACO meeting, the ISDOC Executive Committee meeting, the MWDOC Board meeting, the MWDOC A&F meeting, the CAG meeting, the Agenda Review meeting, the WACO Planning meeting, and the MWDOC Board meeting.

General Manager Action Items

Resolution No. 24-11-1 Board and Committee Meetings Schedule for the 2025

Calendar Year

Mr. Cafferty stated the 2025 Board and Committee meetings schedule is in the package, noting that the Agenda Review meetings will be held at 10:00 a.m.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Freshley to adopt Resolution No. 24-11-1 which adopts the District's schedule of Board and Committee Meetings for the 2025 calendar year.

Roll Call Vote

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

Resolution 24-11-2 El Toro Water District Administrative Code

Mr. Cafferty stated this item modifies the Employee Handbook, incorporated by reference in the Administrative Code, to include a flexible spending account (FSA) option for employees. He outlined two types of FSAs: The Healthcare FSA, which allows employees to defer pre-tax earnings for healthcare expenses, and the Dependent Care FSA, which can be used for pre-tax deferrals for childcare or adult care, both with qualifying conditions. He noted that both FSAs have annual limits and are at minimal costs to the District. Mr. Cafferty stated a detailed explanation will be provided to staff at an upcoming employee meeting.

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by President Monin adopt Resolution 24-11-2 which adopts the amended El Toro Water District Administrative Code.

Roll Call Vote

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

Resolution 24-11-3 El Toro Water District Administrative Code

Mr. Cafferty explained that the Water Capital charge is being incorporated into the Administrative Code with no substantive changes, except for the the removal of a header. He also mentioned that staff engaged with Raftelis who evaluated the Water Supply Charge, Water Capital Facilities fee and Sewer Capital Charge. Raftelis proposed a slight modification to the Sewer Capital Charge which will require a Public Hearing in December. He further stated that when Raftelis evaluated the Water Supply

charge they considered future recycled water projects, which were estimated at a high cost and while this charge will not be modified at this time, there will be opportunity to revisit it in the future.

President Monin asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Freshley to adopt Resolution 24-11-3 which adopts the amended El Toro Water District Administrative Code.

Roll Call Vote

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

General Manager Information Items

Strategic Plan Status Report

Mr. Cafferty presented the biannual update on the strategic plan noting that the updates are in red text in the package. Key topics included the South County Pipeline turnout, successful infrastructure improvements, control system modifications, the IT Master Plan, and succession planning.

Director Freshley inquired about the status of SOP development under Objective D2.2. Mr. Cafferty explained that staff has been focusing on the implementation of Springbrook and will begin the SOP's once the Springbrook items have been worked through.

General Manager's Monthly Report

Mr. Cafferty stated he earned the Essential Leadership Skills Certificate from the Special District Leadership Foundation.

President Monin inquired about the increase in billing and payment graph inquiries on the Customer Service Activity report. Mr. Cafferty explained that the billing software change has increased customer questions and inquiries.

Local Agency Formation Commission – Feasibility Analysis of the Potential Consolidation of Orange County Water District and Municipal Water District of Orange County

Mr. Cafferty provided an update on a study evaluating the potential consolidation of Orange County Water District and Municipal Water District of Orange County. He led a discussion on the report, covering the advantages and disadvantages of the consolidation. He noted that LAFCO is accepting comments until the end of December. The Board collectively agreed that no comment is necessary at this time.

Legislative Reports

There were no comments.

Public Education and Outreach Report

Ms. Seitz announced that the newsletter will be published in December, featuring the "Adopt a Channel" program. She also highlighted recent and upcoming events that District staff has participating in and will be involved with. Mr. Cafferty added that staff will be meeting with VMS staff and United to discuss AB 1572.

Water Use Efficiency Report

There were no comments.

SOCWA Reports

Vice President Gaskins commented on the upcoming signing ceremony on December 9, 2024 at the Ocean Institute. Mr. Cafferty added that all associated agencies have considered and approved the agreements. However, all agencies approved a slightly different version of the agreements so there will be final edits and executables ready for the signing ceremony.

Director Freshley reported on the Executive Committee meeting where the operating bylaws were reviewed.

Mr. Cafferty stated he attended the Finance Committee meeting, where the use audit was discussed. The District is expecting a \$100,000.00 refund early next year.

MWDOC

Mr. Cafferty explained that the Reverse Cyclic Program, approved by the MET Board, allows agencies to purchase water at the current rate and defer the delivery to a future year. MET is proposing to run the program for 2024 and 2025, and with a limit of 100,000 AF. The timing of water delivery will depend on MET but will be within 5 years. Mr. Cafferty noted that several factors of the program need to be evaluated and he will provide further details soon.

LAFCO

There were no comments.

ISDOC

President Monin stated the 2025 Calendar and associate member dues were discussed.

WACO

President Monin reported that the election of officers will be conducted soon. He also stated that The Pure Water Southern California Program was discussed.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for September/October

There were no comments.

Comments Regarding Non-Agenda Items

Director Havens reported attending the South Orange County Watershed Management Area Executive Committee meeting, where the US Bureau of Reclamation presented a recent study opportunity for cost sharing. The meeting also included an update on the workshop operating the basin. She mentioned that Supervisor Foley attended the meeting and inquired about potential funding challenges due to the election results and agreed to continue pursuing the basin study. Additionally, IRWM is no longer receiving funding and will decide whether to continue operating to keep stakeholders involved until funding becomes available.

Attorney Report

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

Closed Session

At approximately 9:03 a.m. the Board went into Closed Session to discuss the item on the Closed Session Agenda. Also, at this time everyone left the meeting except the Board members, General Counsel, and Ms. Cimorell.

Open Session Report

At approximately 9:13 a.m. the Board returned to Regular Session. Also, at this time, Mr. Cafferty and Ms. Melendez returned to the meeting.

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

Adjournment

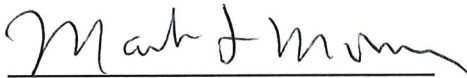
There being no further business to come before the Board, the meeting was adjourned at approximately 9:14 a.m.

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