

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
May 22, 2025

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

Director Monin led the Pledge of Allegiance to the flag.

Committee Members 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, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, JUDY CIMORELL, Director of Human Resources, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Use Efficiency Analyst, VICKI TANIOUS, Senior Accountant (Zoom), 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 Gaskins asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Consent Calendar

President Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director McClean to approve the Consent Calendar.

Roll Call Vote:

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

Directors Reports for Meetings Attended

Director McClean stated that he attended the CAG meeting, a CSDA Webinar on Board Member and District Liability Issues, a CSDA Webinar on Legislative, Legal & Local Response to PFAS, the District's Engineering and Finance meeting, and the District's regular Board meeting.

Vice President Freshley stated that she attended both ETWD's regular Board meetings, the SOCWA Board meeting, the RRC meeting, the Agenda Review meeting, the WACO meeting, the Laguna Woods City Council meeting, the MWDOC P&O and Admin/Finance Joint meeting, the MWDOC/MET Directors Workshop, the MWDOC Board meeting, the ACWA Conference, and the SOCAG meeting.

Director Havens stated that she attended the WACO Meeting, the MWDOC P&O and Admin/Finance Joint meeting, the MWDOC Met Directors Workshop, the CAG meeting, the ACWA Conference, the Engineering and Finance meeting, the District's regular Board meeting, the South OC Watershed Management Area Executive Committee Agenda Review meeting, and the MWDOC Board meeting.

Director Monin stated that he attended the District's Board meeting, the Engineering and Finance meeting, the CAG meeting, the MWDOC Met Directors Workshop, the ISDOC Executive Committee meeting, the MWDOC P&O and Admin/Finance Joint meeting, the WACO meeting, and the WACO Planning meeting.

President Gaskins stated that he attended the SOCWA Board meeting, the MWDOC P&O and Admin/Finance Joint meeting, the MWDOC Met Directors Workshop, the SOCWA Engineering meeting, the CAG meeting, the Agenda Review meeting, the ACWA JPIA meeting, the ACWA Conference, the District's Engineering and Finance meeting, the MWDOC Board meeting, today's Board meeting, and will be attending the SOCAG meeting today.

General Manager Action Items

Mr. Cafferty announced that AWCA is seeking candidates for its upcoming President and Vice President terms, along with Region 10 Board elections. Interested District Board members may submit their candidacy. Each member agency must also designate a voting representative, which defaults to the General Manager unless otherwise stated.

No District Board members expressed interest in running for the open positions. The Board designated Mr. Cafferty as the District's voting representative.

President Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Freshley to designate the District's General Manager as a voting representative and direct staff to complete and submit the 2025 ACWA Elections Authorized Voting Representative Form by the June 20 deadline.

Roll Call Vote:

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

Purchasing Policy

Mr. Cafferty explained that staff is recommending a few updates to the District's purchasing policy. Proposed revisions include syncing up contract signing authority with existing purchasing authority and also adding purchasing authority to the Director of Human Resources to match that of other management staff. The revision also includes raising the threshold for performance and bid bonds from \$50,000 to \$75,000 for consistency with the General Manager's authority, and clarifying the contract execution amount with the spending authority.

Vice President Freshley recommended clarifying the purchasing authority granted to the Director of Human Resources to define which responsibilities fall under the HR department.

Mr. Cafferty stated that staff will revise the purchasing policy language and present the updated version to the Board next month.

No Motion was carried.

General Manager Information Items

AB 2561 Workforce Trends

Mr. Cafferty explained that AB 2561 mandates all agencies to conduct at least one public hearing to identify recruitment challenges, retention trends, and vacancies. He noted this requirement will be integrated into the annual budget process in the future during the Board Budget Workshop.

OPEN PUBLIC HEARING

Public Hearing Regarding AB 2561

At approximately 7:52 a.m. President Gaskins opened the Public Hearing.

PUBLIC COMMENT

There were no comments.

CLOSE PUBLIC HEARING

At approximately 7:53 a.m. President Gaskins closed the Public Hearing and regular session resumed.

Regular Session

Memorandum of Understanding for the Use of the Countywide Public Mass Notification System (Alert OC)

Ms. Seitz provided an overview of the Countywide Mass Notification System. She noted that the District has participated in the program since 2013. The General Manager recently executed a non-financial Memorandum of Understanding (MOU) with the County of Orange to continue participation through December 30, 2029.

General Manager's Monthly Report

Mr. Cafferty reported that staff held a kickoff meeting with Mr. Ed Means to initiate the strategic plan process. Mr. Means will conduct individual meetings with each Director as well as sessions with staff.

Mr. Cafferty provided an update on Laguna Woods Village's request to explore a storage opportunity at the WRP. Staff has identified existing material storage bins available for immediate use upon an agreement, eliminating the need for constructing a permanent facility. The City has also expressed interest in warehouse space, and staff is assessing options within the existing vehicle storage building at the WRP. The proposed arrangement would generate revenue while addressing the City's storage challenges. Staff will continue discussions with the City to work through the details.

Mr. Cafferty discussed the emerging issue of microplastics, noting it is an evolving topic with ongoing research into potential human health impacts. He recently attended an AWWA webinar on the subject and stated that, to date, no studies have definitively established causation. He also attended a webinar on PFAS and noted that staff will continue to monitor both issues closely.

Mr. Cafferty reported attending the Terra Verde Energy Efficiency RFP kickoff meeting. Terra Verde is preparing an RFP focused on the battery projects at P-1 Pump Station and the Ocean Outfall Pump Station at the WRP, as well as evaluating a potential solar project at the WRP.

Mr. Cafferty provided an update on retirement plan changes under the Secure 2.0 Act, specifically regarding catch-up contribution requirements for employees within a certain age group.

Legislative Reports

There were no comments.

Public Education and Outreach Report

Ms. Seitz reported that a draft version of the new District website will be presented at the next Board meeting. She also noted significant customer service outreach efforts related to upcoming credit card processing changes. Additionally, Ms. Seitz highlighted recent community events, including the Children's Water Education Festival and the City of Mission Viejo Earth Day Event.

Water Use Efficiency Report

Mr. Chu reported that total water usage increased by approximately 21% compared to the same month last year, and is up about 12.5% on a fiscal year to date basis. He also noted that the District remains approximately 24.6% below the Urban Water Use objective, as reflected in their compliance summary.

SOCWA Reports

Mr. Cafferty reported that recent finance committee meetings have primarily focused on finalizing the budget, which is scheduled for approval at the next Board meeting. Vice President Freshley announced that the employee association agreement was approved. Ms. Ford noted that staff is currently working on the HMGP applications for the ETM projects.

MWDOC

There were no comments.

LAFCO

Vice President Freshley reported that the MOU was agreed upon in response to OC LAFCO's decision to withdraw from CALAFCO.

ISDOC

Director Monin noted that the Secretary position remains unfilled.

WACO

Director Monin reported a presentation on the Pure Water San Diego project was provided.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for May/June

Director Havens noted that the South OC Watershed Management Area Executive Committee is scheduled for June 5.

Comments Regarding Non-Agenda Items

Mr. Cafferty reported that Raffelis conducts an efficiency analysis for Mesa Water District measuring spending per capita. El Toro Water District ranked as the most efficient agency among those reviewed. He highlighted that, despite having low property tax revenue, the District remains competitive in its rate structure.

Attorney Report

Mr. Granito reported that Oral Argument before the California Court of Appeals in Patz v. City of San Diego had taken place on May 6, 2025. The Trial Court on this matter had invalidated the City's Tiered Water Rates.

Mr. Granito reported that Oral Argument indicates that a united decision by the Court of Appeals is not likely. The point of contention during Oral Argument was what Legal Test/standard applies when a Court rules on whether the tiered rate

methodology before the Court is calculated & apportioned in conformance with Proposition 218. Is the Test "Reasonable" e.g. reasonable supporting data and reasonable apportionment or is the Test one of strict-precise supporting data of peaking costs & apportionment to each individual parcel. The Court's Ruling is due in early August.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 9:10 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