

MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
STRATEGIC PLAN WORKSHOP

August 4, 2025

At approximately 12:02 p.m. President Gaskins called the Special Board meeting to order.

Director Monin led in the Pledge of Allegiance to the flag.

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

Also participating were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, HANNAH FORD, Director of Engineering, VISHAV SHARMA, CFO, JUDY CIMORELL, Director of Human Resources, SHERRI SEITZ, Public Affairs Manager (Zoom, 12:46 p.m.), MIKE MIAZGA, IT Manager (Zoom, 12:43 p.m.), VU CHU, Water Resources Supervisor (Zoom), ED MEANS, Means Consulting, and MARISOL MELENDEZ, Recording Secretary.

Oral Communications/Public Comment

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.

Attorney Report

Mr. Granito reported that the California Court of Appeal had issued its final Opinion in Patz v. City of San Diego on July 30, 2025. As anticipated, the Appellate Court affirmed the Trial Court's Judgement. Mr. Granito reported that it was not a united Opinion and that the Dissenting Judge, had written a very strong worded Dissenting

Opinion. Mr. Granito indicated that he was hopeful that the City would Petition the California Supreme Court for Review. If such a Petition were to be filed and if the California Supreme Court was to grant Review, it could bode well to resolve the degree of proof required for a defendant entity to prove its rates are in compliance with Prop 218.

#### El Toro Water District Strategic Planning Workshop

Mr. Cafferty introduced Mr. Means of Means Consulting. He outlined the objectives of the Strategic Planning Workshop which included: (1) Review and discuss current strategic issues, (2) Verify the District's vision, mission, goals and values, and (3) Provide input on potential plan revisions.

Mr. Means led a discussion with the Board and staff to identify priority issues facing the District today and in the future.

Director Monin suggested using the aging infrastructure data in a future CAG meeting.

A recess was taken from approximately 1:47 p.m. to 2:00 p.m.

Mr. Cafferty led a discussion on the following four special topics: rates and reserves, water supply, fire preparedness, and advanced metering infrastructure.

Mr. Cafferty presented a committed reserves recommendation to stay aligned with the Districts Cash Reserves Policy and proposed a target of 120-180 days of cash on hand. In response to Vice President Freshley's inquiry, Mr. Cafferty explained that the calculation is based on total reserves rather than working capital.

Director Monin inquired whether the Laguna Hills Mall project revenue is accounted for in the 10-year reserves analysis. Mr. Cafferty stated that the revenue from the Laguna Hills Mall project is not included in the 10-year reserves analysis

projections due to insufficient information. He added that the recycled water enterprise is one factor influencing the days of cash on hand, which is an important consideration for rating agencies and impacts the District's financial stability.

Mr. Cafferty discussed the District's diverse water supply portfolio and future challenges, noting that MET plans to modify its rate structure to include fixed charges for the treated water surcharge as part of the next budget cycle. He also reviewed potential recycled water expansion project options. Director Monin suggested to consider lessons learned from previous recycled water projects. Mr. Cafferty stated that staff will provide a detailed financial analysis of the options.

Director Havens expressed concern about the fight for urban forests and the potential impacts, including litigation, fire hazards, and increased environmental heat.

Mr. Cafferty also discussed other water supply options including direct potable reuse and regional water supply projects.

Mr. Cafferty reviewed the District's wildfire preparedness measures, including interconnections, fire hardening programs, storage capacity, backup power, and fire hydrant maintenance programs.

Mr. Cafferty discussed advanced metering infrastructure (AMI), outlining its benefits and costs. Staff does not recommend AMI implementation at this time.

The Board of Directors provided initial direction to staff and Mr. Means to prepare for future discussions. Mr. Means will work with the District's executive team to develop strategies and objectives and prepare a draft plan for the Board's consideration.


### Adjournment


There being no further business the Special Board meeting was closed at approximately 4:17 p.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