

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
AND THE  
FINANCE & INSURANCE COMMITTEE MEETINGS.

September 22, 2025

At approximately 7:30 a.m. President Gaskins called the regular meeting to order.

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 participating were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, VISHAV SHARMA, CFO, JUDY CIMORELL, Director of Human Resources, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, IT Manager (Zoom), SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Resources Supervisor, CAROL MOORE, Laguna Woods City Council Member (Zoom), JANET FORDUNSKI, Member of the Public (Zoom, 7:47 a.m.), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Roll Call:

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

Five Board members were present at the meeting and therefore a quorum has been determined.

Oral Communications/Public Comment

There were no comments.

Items Too Late to be Agendized

President Gaskins asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Finance and Insurance Committee Meeting

At approximately 7:32 a.m. Director Monin called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Monin asked for a Motion.

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

Roll Call Vote:

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

Financial Information Items

Financial Statements and Report

Mr. Sharma reported that the District's cash balance decreased by approximately \$2.2 million last month due to a shift in accounts receivables. He noted that the current ratio stands at 13, with 214 days of cash on hand. Additionally, recycled water revenue has performed strongly during the first two months of the fiscal year.

Financial Action Items

Financial Package - Authorization to Approve Payment of Bills for the Month Ending

August 31, 2025

Mr. Cafferty stated that the cash reserves report was updated to reflect the new designated minimum amount for committed reserves.

Director Monin asked for a Motion.

Motion: President Gaskins made a motion, seconded by Director Havens to approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending August 31, 2025.

Roll Call Vote:

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

Quarterly Audit

Mr. Sharma announced that the District received a clean audit approval for the quarter ending June 30, 2025. He added that the annual audit is progressing and is expected to be presented at next month's Finance and Insurance Committee meeting.

Director Monin asked for a Motion.

Motion: Director Havens made a motion, seconded by Vice President Freshley to receive and file the quarterly audit reports for the period from April 1, 2025 through June 30, 2025 as presented by LSL, LLP.

Roll Call Vote:

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

MWDOC Choice Program Invoice

Ms. Seitz explained that the MWDOC Member Agency Choice Program is funded by MWDOC's general fund and allocated to member agencies based on customer rebate participation. She noted that the District participates in the Water Use Efficiency (WUE) and School programs. WUE efforts such as rebates, inspections, and related

programs are based on charges from the prior calendar year and may vary annually. The recent increase was attributed to higher commercial rebate activity in Laguna Woods Village. This action ratifies the General Manager's authorization of the MWDOC invoice payment. Director Havens recommended featuring this information in Laguna Woods Village's the *Breeze* newsletter to highlight the program's benefits to the community.

Director Monin asked for a Motion.

Motion: Director Havens made a motion, seconded by President Gaskins for the Board to ratify the General Manager's authorization of the payment of the MWDOC invoice in the amount of \$98,534.81 for the District's proportional share of water use efficiency and school program costs for the 2024 calendar year.

Roll Call Vote

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

2026-27 Cost of Service and Rate Study

Mr. Cafferty stated that the District has begun work on the 2026-27 rate study earlier than in previous years to allow sufficient time for preparation. He explained that the three-year period for the prior Proposition 218 Notice has expired, requiring issuance of a new Notice for any future rate increases approved by Board. Raftelis, which has provided rate study services to the District for the past 15 years, will assist with the process. If approved, staff will provide preliminary data to Raftelis in early October to begin the budget process, although some details such as MET's rates remain unknown. Staff will use provisional data until finalized information is available.

The goal is to establish rates for a five-year period, with flexibility to adjust as needed.

Director Monin asked for a Motion.

Motion: Vice President Freshley made a motion, seconded by President Gaskins to authorize the General Manager to enter into a consulting contract with Raftelis Financial Consultants in the amount of \$91,175 to conduct a water, recycled water and wastewater rate study and cost of service analysis.

Roll Call Vote:

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

Ms. Seitz and Mr. Chu left the meeting at approximately 8:01 a.m.

Administrative Code Update – Capital Facilities Fees

Mr. Cafferty explained that during the recent update to the Capital Facilities Fees, a question was brought up regarding Accessory Dwelling Units (ADU's) developed on individual lots that could be sold separately without their own water or wastewater service connection. The updated Administrative Code clarifies that if a lot line adjustment separates a parcel, a separate service connection will be required. Additionally, if capacity issues arise, the District may also require a separate service. Otherwise, a new water service connection will be installed only at the owner's request.

Director Monin asked for a Motion.

Motion: Vice President Freshley made a motion, seconded by Director Havens to approve the amendments to Sections 7080 and 7090 of the El Toro Water District Administrative Code.

Roll Call Vote:

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

Comments Regarding Non-Agenda FIC Items

Mr. Cafferty noted that the rebate for non-residential turf replacement, including public agencies, has increased to \$7 per square foot.


Adjournment


There being no further business the Finance and Insurance Committee meeting was closed at approximately 8:05 a.m.

Respectfully submitted

  
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MARISOL MELENDEZ  
Recording Secretary

APPROVED:

  
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MIKE GASKINS, President  
of the El Toro Water District and the  
Board of Directors thereof

  
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DENNIS P. CAFFERTY, Secretary  
of the El Toro Water District and the  
Board of Directors thereof