

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

October 20, 2025

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

Vice President Freshley 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), VU CHU, Water Resources Supervisor (Zoom), VICKI TANIOUS, Senior Accountant, ABEL ESTRADA, Billing & Customer Service Supervisor (Zoom, 7:46 a.m.), ROBERT MONTOYA, PFM Asset Management LLC., RILEY GREENLEE, LSL, LLP (Zoom), RYAN DOMINO, LSL, LLP (Zoom), CAROL MOORE, Laguna Woods City Council Member (Zoom), JANET FORDUNSKI, Member of the Public (Zoom, 7:39 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: Vice President Freshley 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

Financial Information Items

California Asset Management Program (CAMP)

Mr. Montoya provided a market update for the quarter ended September 30, 2025. He reported that the U.S. economy remains resilient, with the Federal Reserve beginning an easing cycle despite inflation remaining above the 2% target. Although tariffs have been introduced and negotiated, their short-term impact on inflation has been minimal due to margin compression.

President Gaskins suggested adding a predicted line along with the actual data in future reports to assess forecast accuracy. Mr. Montoya stated that he will forward that suggestion to his team.

Director Monin inquired about the portfolio allocation of the Joint Powers Authority. Mr. Montoya confirmed it includes CAMP and will follow up with details on allocation, duration, and average portfolio price. He also noted that the District's investment portfolio is performing well, supported by staff's guidance on managing maturities. Finally, he explained that the fixed income sector outlook is general to the market, mostly neutral, and based on interest rates and total returns rather than specific to the District's holdings.

Mr. Montoya left the meeting at approximately 7:57 a.m.

#### Financial Statements and Report

Mr. Sharma reported that the District's cash and investment balance increased by approximately \$2 million over the past month, primarily due to higher accounts receivables from utility bills, bringing the days of cash on hand to 235 days. He noted that the Current ratio stands at 7 which is calculated based on debt service principal payments due within the fiscal year.

Director McClean asked whether the increase in receivables indicates an improvement in non-payments shutoffs. Mr. Sharma clarified that shutoff related collections are not included in these figures but noted that customer shutoffs are generally low. He added that commodity supply charge revenue is high due to increased recycled water sales, up approximately 55.71%.

Mr. Cafferty reported that staff is currently reconciling the FY 2024/25 accounts. He explained that the recycled water program operates through normal working capital, and at year-end reconciliation, any surplus in recycled revenue relative to expenses must be used to cover its share of the debt. A portion of these funds will be transferred from the working capital reserve to the tiered conservation fund, which currently has a negative balance. He noted that this transfer supports a long-term reserve restoration goal.

Vice President Freshley inquired about the \$80,000 payment to the City of Laguna Hills and asked for clarification on Western Switches & Controls, Inc. Mr. Cafferty explained that the payment was for the City of Laguna Hills Pavement Rehabilitation Project. Ms. Ford added that Western Switches & Controls, Inc. is a distributor supplying electrical equipment needed for several ongoing District projects.

#### Financial Action Items

#### Comprehensive Financial Statement – Audit – Fiscal Year Ended June 30, 2025

Mr. Greenlee reported that the District's financial statements for the year ending June 30, 2025, were audited in accordance with Generally Accepted Government Auditing Standards. He explained that while management is responsible for preparing and fairly presenting the financial statements, the auditors' role is to provide an independent opinion on them. The audit was conducted in accordance with generally accepted auditing standards, government auditing standards, and the State Controller's minimum audit standards for California Special Districts.

Mr. Greenlee stated that sufficient evidence was obtained to support an unmodified auditor's opinion, representing the highest level of assurance. He added that a separate report on internal controls and compliance found no material weaknesses or instances of noncompliance.

Director Monin inquired whether cybersecurity measures related to fraud, waste, or abuse are reviewed and if a response plan is in place in the event of a breach. Mr. Domino explained that evaluating IT internal controls- including computer programs, software, and the overall IT environment- is a required audit step, and that proper safeguards are in place. Mr. Cafferty added that staff is currently developing an incident response plan.

Director Monin asked for a Motion.

Motion: Director Havens made a motion, seconded by Vice President Freshley to receive and file the District's Comprehensive financial statements for the Fiscal Year ended June 30, 2025.

Roll Call Vote:

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

Mr. Greenlee and Mr. Domino left the meeting at approximately 8:20 a.m.

Financial Package - Authorization to Approve Payment of Bills for the Month Ending September 30, 2025

Director Monin asked for a Motion.

Motion: Vice President Freshley made a motion, seconded by Director McClean to approve, ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending September 30, 2025.

Roll Call Vote:

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

Quarterly Insurance Report

Ms. Cimorell reported that there were no new workers' compensation claims during the quarter. She noted however, that medical plan rates for all plans will increase effective January 1, 2026. Mr. Cafferty added that the District contributes to employees' Health Savings Accounts (HSA) for those enrolled in the high-deductible tax advantaged plan. Since deductibles have increased, the District will raise its HSA contribution by the same amount.

Director Monin asked for a Motion.

Motion: Director Havens made a motion, seconded by President Gaskins to receive and file the quarterly insurance reports for the period from July 1, 2025 through September 30, 2025.

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

There were no comments.

Adjournment

There being no further business the Finance and Insurance Committee meeting was closed at approximately 8:32 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