

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

March 23, 2026

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

Vice President Havens led the Pledge of Allegiance to the flag.

Directors 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, JUDY CIMORELL, Director of Human Resources (Zoom), VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, SHERRI SEITZ, Public Affairs Manager (Zoom), VU CHU, Water Resources Supervisor (Zoom), VICKI TANIOUS, Senior Accountant (Zoom), CAROL MOORE, City of Laguna Woods (Zoom), and MARISOL MELENDEZ, Recording Secretary.

Determination of a Quorum

Roll Call:

Director McClean	Present
Director Monin	Present
Director Gaskins	Present
Vice President Havens	Present
President Freshley	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 Freshley 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 Havens made a motion, seconded by Director McClean to approve the Consent Calendar.

Roll Call Vote:

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

Financial Information Items

Financial Statements and Report

Mr. Sharma reported that the District's total cash and investments as of February 28, 2026, were at approximately \$24.5 million, an increase of \$1.1 million from the previous month, mostly due to improved receivable collections. He stated that the Current ratio was 8.46 and days of cash on hand was 255. The accounts receivable turnover ratio was 35 days for the month and 27.5 days year-to-date, while the accounts payable turnover was 21 days. He highlighted a new line item under net position reflecting depreciation adjustments (change in estimates) of \$783,448, as previously discussed. Mr. Sharma also reported that staff successfully implemented the fixed asset module.

## Fiscal Year 2026-27 Budget Process Update

Mr. Cafferty reported that staff has made significant progress with Raftelis. The third Budget Committee meeting is scheduled for Tuesday afternoon and the Board Budget Workshop will be held in two weeks. Mr. Cafferty explained that staff is proposing a 5-year Proposition 218 Notice and has prepared a draft. He added that a major rate driver is the cost of purchased water from Metropolitan Water District, who has proposed a draft biennial budget including a 9.5% annual increase. The MET budget has not been finalized but staff is preparing to adjust as needed.

Mr. Cafferty explained that, as part of the annual budget process, staff calculates the rates based on the revenue required to support operations for the year. He noted that although rate increases are implemented on July 1, the additional revenue is not realized until August due to the billing cycle, which results in a one-month revenue gap. In order to address this, staff will propose moving the rate implementation date to June 1<sup>st</sup> for the budget years 2027-28 to 2030-2031.

## Financial Action Items

### Quarterly Audit

Mr. Sharma announced that the quarterly audit results were clean with no exceptions found.

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by President Freshley to receive and file the quarterly audit report for the period from October 1, 2025 to December 31, 2025 as presented by LSL, LLP.

Roll Call Vote:

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

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

February 28, 2026

Director Monin asked for a Motion.

Motion: Vice President Havens made a motion, seconded by Director McClean to ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending February 28, 2026.

Roll Call Vote:

Director McClean	aye
Director Monin	aye
Director Gaskins	aye
Vice President Havens	aye
President Freshley	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 7:44 a.m.

Respectfully submitted



MARISOL MELENDEZ  
Recording Secretary

APPROVED:

  
KATHRYN FRESHLEY, 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