

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

April 20, 2026

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

Director Gaskins 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, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, Information Technology Manager (Zoom), VU CHU, Water Resources Supervisor (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 reported that the Proposition 218 Notice and the Cost of Service Rate Study had been distributed to the Board and posted on the District's website.

AB 2561 Workforce Trends

Ms. Cimorell reported that AB 2561 requires that public agencies to hold a Public Hearing prior to the budget adoption to review staffing vacancies and ensure adequate personnel levels to fulfill customer needs. She provided the vacancy, recruitment and retention overview from January 2025-January 2026.

OPEN PUBLIC HEARING

Public Hearing Regarding AB 2561

At approximately 7:44 a.m. President Freshley opened the Public Hearing.

PUBLIC COMMENT

Ms. Moore complimented District staff on their dedication and hard work.

CLOSE PUBLIC COMMENT

At approximately 7:46 a.m. President Freshley closed the Public Hearing.

Finance and Insurance Committee Meeting

At approximately 7:47 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 President Freshley 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

SAS 114 Letter

Mr. Sharma stated that the Auditing Standard's Board (ASB) requires that the auditor has communication with the District's Board related to the annual audit.

Financial Statements and Report

Mr. Sharma reported that the District's total cash and investments as of March 31 were \$24,242,705.00. The current ratio is 8.86, and days of cash on hand is 253 days. He stated that the accounts receivable turnover ratio was 34 days for the month and 27 days year to date while the accounts payable turnover ratio was 17 days. Mr. Sharma further reported that total revenues year-to-date were \$29.3 million, representing 74.5% of the budgeted revenue for the fiscal year. Year-to-date commodity supply charge revenues totaled \$9.5 million, and recycled water revenues were \$1.5 million.

Fiscal Year 2026-27 Budget Process Update

Mr. Cafferty reported that staff presented the available data at the Board Budget Workshop. The Metropolitan Water District (MWD) has since approved its budget, and staff have incorporated final updates into the District's Cost of Service Rate Study, FY 2026-2027 Operating & Capital Budget, and Proposition 218 Notice. The final Proposition 218 Notice will be mailed to customers in order to meet the 45-day requirement prior to the scheduled Public Hearing on June 11, 2026.

Financial Action Items

El Toro Water District 2026-2027 Fiscal Year Budget

Mr. Sharma stated that the final rates from MWD have been incorporated into the District's proposed budget, which staff and the Budget Committee recommend for Board approval.

Director Monin asked for a Motion.

Motion: Vice President Havens made a motion, seconded by Director Gaskins to approve the 2026-2027 Fiscal Year Operating & Capital Budget.

Roll Call Vote:

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

2026-2027 Fiscal Year Water, Recycled Water and Wastewater Rate Study Report

Mr. Cafferty stated that the revisions to the purchased water expense were provided to Raffetis and have been incorporated into the Cost of Service Rate Study included in the package. He stated that he will conduct a final review of the report for any non-substantive changes, after which the final report will be posted on the District's website along with the distribution of the Proposition 218 Notice.

Director Monin asked for a Motion.

Motion: President Freshley made a motion, seconded by Director McClean to approve the 2026-2027 Fiscal Year Water, Recycled Water and Wastewater Rate Study Report reviewed today inclusive of the General Manager's final non-substantive changes thereto, before it is posted on the District's website.

Roll Call Vote:

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

Quarterly Insurance Report

Ms. Cimorell reported that there was one new workers' compensation claim during the quarter. She also confirmed that the Long-Term Care program has been canceled, as previously discussed.

Director Monin asked for a Motion.

Motion: Director McClean made a motion, seconded by Director Gaskins to receive and file the quarterly insurance report for the period of January 1, 2026 through March 31, 2026.

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 March 31, 2026

Mr. Sharma reported that the total disbursement including payroll expense and ACH/Direct debits for the month is \$2.4 million. These disbursements also include four checks over \$75,000 totaling \$689,434.99.

Director Monin asked for a Motion.

Motion: Vice President Havens made a motion, seconded by President Freshley to ratify and confirm payment of those bills as set forth in the Payment Summary for the

month ending March 31, 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 8:26 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