

MINUTES OF THE SPECIAL MEETING AND PUBLIC HEARING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
June 11, 2026

President Freshley called the Special Meeting of the Board of Directors of the EL TORO WATER DISTRICT to order at 1:00 p.m.

Director Gaskins led the Pledge of Allegiance to the flag.

Directors MIKE GASKINS, KATHRYN FRESHLEY, MARK MONIN, KAY HAVENS, WYATT MCCLEAN, and participated.

Also present were DENNIS P. CAFFERTY, General Manager, GILBERT J. GRANITO, General Counsel, MICHAEL COLANTUONO, Special Counsel (Zoom), HANNAH FORD, Director of Engineering, VISHAV SHARMA, CFO, JUDY CIMORELL, Director of Human Resources, VU CHU, Water Use Efficiency Analyst (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 for the meeting. Therefore, a Quorum was determined.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

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

Increases to Certain Water, Sewer and Recycled Water Service Rates and Charges

President Freshley stated that this was the time and place set for a Public Hearing on proposed increases to certain water, sewer, and recycled water service rates and charges.

Mr. Cafferty stated that the notice of today's Public Hearing and the proposed increases to certain water, sewer, and recycled water service rates and charges were provided by direct mail to all of the District's customers within the service area through the Proposition 218 Notice. In addition, notice of availability of the Public Hearing and Proposition 218 Notice were posted on the District's website, in bill inserts, in the District's newsletter, and via an e-blast to the Laguna Woods Village Residents. The customer notices were prepared in strict compliance with the Proposition 218 requirements, including the 45-day mailed written notice, explanation of the proposed rate increases, the purpose and amounts for the proposed rate increases and the Public Hearing Date and access and log in information. The Notice further describes the property or parcel owner procedure for registering a formal protest to the proposed actions. The Notice also states that any written protest that specified grounds for alleged non-compliance with the California Constitution or other applicable law for the increased rates and protests must be submitted prior to the end of the Public Hearing and failure to protest in writing bars any right to challenge that rate or charge in court. The District also scheduled and conducted two community information meetings to engage the public regarding the proposed rate increases.

Mr. Granito stated that the purpose of today's Public Hearing is being held pursuant to the procedural requirements of Proposition 218 and to determine if there are sufficient written protests to preclude the adoption of the proposed increases to certain water, sewer, and recycled water service rates and charges in accordance with the District's adopted guidelines. He further stated that if there are no written protests or insufficient written protests by the close of today's Public Hearing, then the Board may approve the proposed increases by the adoption of Resolution No. 26-6-1.

Mr. Cafferty stated that modifications to the potable water and recycled water commodity rates, the potable water, recycled water, private fire, and sewer operations and maintenance rates, and the potable water, recycled water, and sewer capital charge rates are supported by the detailed evaluation performed by Raftelis and documented in the rate study that is available on the District's website. Each of the water and recycled water commodity rates, the water, recycled water, private fire and sewer O&M rates and the water, recycled water and sewer capital charge rate modifications for the 2026/2027 FY are described in the Proposition 218 Notice as well as in the revised sections of the District's Administrative Code that are included in today's Board material.

Mr. Cafferty stated that the potable water commodity rates are increasing due to rate increases approved and adopted by the District's import water supplier, Metropolitan Water District and due to O&M cost increases of the Baker Water Treatment Plant. The recycled water rate is increasing by 23 cents per billing unit based on the rate study performed by Raftelis. Monthly potable water, recycled water, private fire and sewer O&M rates are increasing to support fixed costs of the water, recycled water, and sewer system operations and are described in the Raftelis rate study. The water, sewer, and recycled capital charges are increasing to support the growing and

necessary costs of reinvestment of aging infrastructure as well as to support the ongoing debt service of the 2022 bond issuance. The capital charge rate increases for the 2026/2027 FY are also described in the Raftelis rate study. The rate study and the Proposition 218 Notice were subject to detailed legal review by Legal Counsel and Special Counsel. All of the rates and changes are described in the various sections of the Administrative Code and are included in the meeting material.

Open Public Hearing

Public Hearing Regarding Adoption of Proposed Increases to Certain Water, Sewer and Recycled Water Service Rates and Charges

At approximately 1:09 p.m. President Freshley opened the Public Hearing.

Public Comments

There were no public comments.

President Freshley asked if the written protests had been tabulated. Mr. Cafferty stated that the District did not receive valid written protests from the majority of the affected parcels. He further stated that none of the written protests received by the District specified any grounds for non-compliance with the California Constitution or any applicable law for the increasing rates or charges.

Close Public Hearing

At approximately 1:11 p.m. President Freshley closed the Public Hearing and regular session resumed.

Regular Session

Resolution No. 26-6-1 Adopting Amendments to the District's Rules and Regulations

President Freshley stated that Resolution No. 26-6-1 adopts the amendments to the District's Administrative Code and provides for an increase to certain water, sewer,

and recycled water rates effective July 1, 2026. She further stated that Resolution No. 26-6-1 is exempt from the requirements from the California Environmental Quality Act.

President Freshley asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director McClean to adopt Resolution No. 26-6-1 which 1) provides for an increase to certain water, sewer and recycled water service rates and charges, effective July 1, 2026, and 2) makes findings and a determination that the action taken in this Resolution is exempt from the requirements of the California Environmental Water Quality Act.

Roll Call Vote:

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

Comments Regarding Non-Agenda Items

There were no comments.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 1:16 p.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