

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

May 26, 2026

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

Director Monin 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), ROBERT MONTOYA, PFM Relationship Manager, 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 7:33 a.m. Director Monin called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Monin asked for a Motion.

Motion: Director Gaskins 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

California Asset Management Program (CAMP)

Mr. Montoya provided a quarterly market update, reporting that the economy remained resilient, supported mostly by business spending. He noted that inflation has trended upward while unemployment has remained relatively stable. The District's portfolio performed well during the quarter, with the non-discretionary position aiding the portfolio performance. As of quarter-end, treasury yields and fixed income returns remained positive and above average historical returns. The portfolio yield at cost was at 4.42%, the yield at market was 3.74%, and the portfolio maintained a AAA credit quality.

Vice President Havens inquired about the long-term stability of the account given planned expenditures. Mr. Cafferty reported that no additions to the reserves are planned in the 26/27 fiscal year budget due to the amount of the rate increases. In the short-term reserves will drop because of the capital projects spending earmarked but are projected to be replenished further in the plan.

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

#### Quarterly Review of the District's 401(k) Retirement Savings Plan

Mr. Sharma stated that staff will communicate with Mr. Stribling about attending next month's Finance committee meeting.

#### Deferred Compensation Plan (457 Plan) Quarterly Performance Report

There were no comments.

#### Financial Statements and Report

Mr. Sharma reported that, as of April 30, the District's total cash and investments were \$25.8 million, with a current ratio of 6.45 and 268 of days of cash on hand. He noted that the accounts receivable turnover ratio was 30 days for the month and 28 days year to date while the accounts payable turnover ratio was 25 days. This month's year to date revenue was approximately 80% of budget, including recycled water revenues, and investment income achieved 100% of the budgeted amount. The year to date return on investment was 3.65%.

President Freshley inquired about collection efforts and how frequent the District pays the agency. Mr. Sharma reported that the agency has collected a few hundred recently. Mr. Cafferty stated the collection agency is compensated through a percentage of the amounts collected rather than a base fee.

Fiscal Year 2026-27 Budget Process Update

Mr. Cafferty reported that the budget has been adopted and the Proposition 218 Notice was mailed on April 24. Staff is currently receiving and reviewing public comments. He noted that the first community information meeting was held with no attendees and that a second meeting is scheduled for later this week.

Financial Action Items

Quarterly Audit

Mr. Sharma reported that the quarterly audit found no exceptions for the third quarter.

Director Monin asked for a Motion.

Motion: Vice President Havens made a motion, seconded by President Freshley to approve receive and file the quarterly audit report for the period from January 1, 2026 to March 31, 2026 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

April 30, 2026

There were no comments.

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by Vice President Havens to ratify and confirm payment of those bills as set forth in the Payment Summary for the month ending April 30, 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

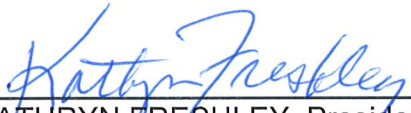
There being no further business the Finance and Insurance Committee meeting was closed at approximately 8:11 a.m.

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