

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

June 22, 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, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, MIKE MIAZGA, Information Technology Manager (Zoom), SHERRI SEITZ, Public Affairs Manager (Zoom, 7:47 a.m.), VU CHU, Water Resources Supervisor (Zoom), KEITH STRIBLING, PFM, 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 McClean made a motion, seconded by Vice President Havens 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

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

Mr. Stribling reported that the quarter was generally negative, ranging anywhere between -22 basis points to -2.2%, mostly occurring in March. He noted that there will be improvements in the market reflected in the next quarterly report through April and May. Over the one-year period, portfolio performance ranged from approximately 7.9% to 17.1%, slightly below the benchmark. He further stated that since transitioning to Empower, portfolio returns have ranged from approximately 8.5% to 16% on a compounded basis, and the portfolios have shifted toward a more passive investment rather than active.

Mr. Stribling reviewed a few recent changes in the portfolio and will be following up on inquiries made by Director Monin related to the number of covered funds, small cap core value and growth, and how much of the portfolio is passive versus active.

Mr. Stribling left the meeting at approximately 7:52 a.m.

Government Finance Officers Association (GFOA) Certificate of Achievement

Mr. Cafferty reported that the District received the GFOA Certificate of Achievement, recognizing staff's hard work and diligence. Mr. Sharma added that the review process evaluates various aspects of the District's financials and additional information related to budget and financial aspects will be incorporated.

Financial Statements and Report

Mr. Sharma reported that the District's cash balance decreased by approximately \$3.4 million from the previous month, mainly due to a \$2.4 million debt payment and a reduction in accounts payable as additional invoices were paid. He noted that the Current ratio was 14 and days of cash on hand was 232 days. Accounts receivable balance increased by approximately \$900,000 compared to the prior month due to timing of payments, with an accounts receivable turnover ratio of 37 days. On the revenue side, the commodity supply charge was at 88.7% of budget year-to-date, while recycled water revenue exceeded budget at 111%. The District's year-to-date return on investment was approximately 3.82%. Expense categories were reported as follows: salary expenses at 87.9% of budget, benefits at 89.4%, and water purchase sales at 82.8% of budget.

Financial Action Items

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

May 31, 2026

President Freshley commented on the District's benefits being well managed relative to employees' compensations.

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 May 31, 2026.

Roll Call Vote:

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

JCI Jones

Mr. Cafferty stated that the District purchases Sodium Hypochlorite used for disinfection at the Tertiary Treatment Plant, the R-6 Reservoir, and the R-1/R2-Reservoirs.

Director Monin asked for a Motion.

Motion: Director Monin made a motion, seconded by Vice President Havens to approve the purchase order contract for JCI Jones in the amount not to exceed \$265,000 for the purchase of Sodium Hypochlorite.

Roll Call Vote:

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

Nieves Landscape

Mr. Cafferty stated that this contract includes weekly, monthly, or clean up maintenance at District sites. This year's proposal includes a reasonable 3.6% increase from the previous contract.

Director Monin asked for a Motion.

Motion: Director Gaskins made a motion, seconded by President Freshley to approve the purchase order contract with Nieves Landscape in the amount not to exceed \$160,621.39.

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.

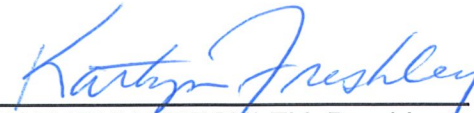
Adjournment

There being no further business the Finance and Insurance Committee meeting was closed at approximately 8:25 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