VALLEY CENTER MUNICIPAL WATER DISTRICT
MINUTES
Regular Meeting of the Board of Directors
Monday, May 5, 2025 — 2:00 P.M.

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Ferro at 2:00 PM. In the Board Room at 29300 Valley Center Rd.; Valley Center, CA 92082, and livestreamed on the District's website at www.vcmwd.org.

ROLL CALL

Board Members Present: *Directors* Ferro, Holtz, Ness, and Stehly.

Board Members Absent: *Director* Smith.

Staff Members Present: *General Manager* Arant, *District Engineer* Grabbe, *Director of IT* Pilve, *Director of Operations and Facilities* Lovelady, *Manager of Accounting/Deputy Director of Finance & Administration* Velasquez; *Executive Assistant/Board Secretary* Peraino, and *General Counsel* de Sousa present in-person.

PUBLIC COMMENT(S)

President Ferro established for the record the process by which public comments are received by the Board; this process was also described in the Agenda for the meeting.

CONSENT CALENDAR ITEMS

Consent calendar items will be voted on together by a single motion unless separate action is requested by a Board member, staff or member of the audience.

1. **Minutes of the Regular Board Meeting Held Monday, April 21, 2025;**
2. **Audit Demands for Check Nos. 171460 – 171553 from April 11–25, 2025;**
3. **Treasurer's Report for Month Ending March 31, 2025 and the Financial Statements for the Quarter Ended March 31, 2025;** and
4. **Approval of Resolution No. 2025-12, Adopting 2025 Revisions to Local Guidelines for Implementing the California Environmental Quality Act (CEQA).**

Action: Upon motion by Stehly, seconded by Ness; and carried with four (4) affirmative votes, the previously listed consent calendar items were approved as amended.

INFORMATION ITEM / POSSIBLE ACTION ITEM(S)

5. **Budget Assumptions and Projections – Fiscal Year 2025-26:**

To keep the Board apprised of what to anticipate in the proposed Fiscal Year ("FY") 2025-26 Budget, Manager of Accounting Velasquez gave an overview of major assumptions, capital projects, and modifications to the budgeting process approach. It was noted that the District's wholesale water provider – the San Diego County Water Authority (SDCWA) – has yet to provide specific details regarding the proposed rate increases for Calendar Year ("CY") 2026. They have, however, provided notice that the rate increase will likely be in the double digits and are considering 12%-15%. When SDCWA staff make available additional details, those figures will be updated and factored into the budget.

WATER

The District relies on the San Diego County Water Authority (SDCWA) as its sole source provider for treated potable water. The SDCWA imports water through the Metropolitan Water District of Southern California (MWD) system and its own aqueduct, storage, and treatment system. Ms. Velasquez gave an overview of the following costs associated with imported water:

Imported Wholesale Fixed Costs – The District's average price per acre foot is impacted by the SDCWA Wholesale Imported Fixed Costs, costs the District must pay regardless of the volume of water purchased. These fixed components' capacity and readiness-to-serve charges from Metropolitan Water District (MWD) and the customer service, emergency storage, supply reliability, and fixed transportation charges, all of which are paid directly to SDCWA.

For CY 2025 rates, the SDCWA collected 40% of its Transportation Costs as a fixed charge to their member agencies. As a result, VCWMD was billed $1,450,000 in Fixed Transportation Charges. The SDCWA intends to continue this charge for the CY 2026, but it will be based on having 50% of their transportation rate fixed rather than 40%. This will raise the charge to VCMWD by at least $360,000, to a total of $1,812,500. Aside from that, the SDCWA has not provided specific information regarding the proposed fixed charges for CY 2026.

The District began collecting the MWD Fixed Charge Passthroughs for capacity and readiness-to-serve as a fixed charge on the customer water bills effective Jan. 1, 2025. The current MWD Fixed Charges are set up to recover 100% of the $1,081,000 that will be billed to the District in CY 2025.

At the April 21, 2025 Board Meeting, the Board requested staff develop a proposal for the FY 2025-26 budgeting and rate setting process to consider collecting the SDCWA, fixed portion, of the Transportation charge, fully as a fixed charge on the water bill, similar to the MWD Fixed Charge.

SDCWA Infrastructure Access Charge (IAC) – Annually, the SDCWA assesses the District a separate fixed charge based on the number and size of the active meters within the District. The charge to the District is passed through and collected from active customers. The current IAC charge for a ¾-inch meter is $4.55 per month. The SDCWA has not provided any information regarding whether or not a rate increase to the IAC is proposed for CY 2026. As soon as information becomes available, updates to the Fiscal Year 2025-26 Budget will be made.

Agricultural Discount – Based on the current CY 2025 rate structure, VCMWD Permanent Special Agricultural Water Rate (PSAWR) customers pay a retail rate that is $909, or 29% lower than their domestic counterparts. To summarize, the current PSAWR rate differential is comprised of:

$ 472 / AF	avoided in paying the MWD supply rate and not paying the melded SDCWA melded supply rate; and
$ 250 / AF	avoided in not paying the SDCWA Storage Charge; and
$ 187 / AF	avoided in not paying the SDCWA Supply Reliability Charge.
$ 909 / AF	

The PSAWR rate differential for CY 2026 will be developed as soon as information from SDCWA is made available regarding the rates and charges for CY 2026.

Wholesale Utility Costs Wholesale utility costs, including electricity and natural gas are estimated to increase 7% over the current year's estimated actual. The Pumping Rate Reserve was depleted in FY 2016-17. For several years after that, energy costs had exceeded pumping revenues at a rate higher than the District could or was willing to raise rates. In FY 2023-24, the Board approved a 5-year plan to close the gap, with the ultimate goal of having pumping revenues cover the total utility costs.

LOCAL OPERATING EXPENSES

Total Local Operating Expenses, excluding Source of Supply, are budgeted at a total of $16.8M compared to $15.5M for the current FY, a net increase of $1.3M or 8% year-over-year. Ms. Velasquez provided a review of the District's local operating expenses, separated by department, and by type of cost. In addition to being categorized by Department the District's local operating costs are also categorized by type of cost, stated Ms. Velasquez. Direct expenses are variable costs that change based on the volume of water sold or the number of new meters installed (i.e., pump station maintenance, meter installation costs, system operation, quality control, and chlorine).

Local Direct Costs are estimated at $2.3M (no changes from prior FY).

Local Indirect Costs are fixed costs and represent the costs that must be incurred regardless of how much water the District sells (i.e., labor and benefits, insurance, legal, regulatory permits, training and education, maintenance of facilities, and software support). Local Indirect Costs are estimated at $14.5M, an estimated increase of 9.8%, or $1.3M, compared to the prior FY. A summary of personnel-related expenses was also provided.

WATER SALES

For the current FY, it is projected that the District will sell 13,800 acre feet of water, which is 6.2% over the budgeted 13,000 acre feet. The last time the District recorded water sales that low was in FY 1968-69, with a total of 11,416 acre feet. The increase in water sales compared to budget is due to drier weather conditions in the first half of the year. As a result, agricultural sales were higher than expected. For FY 2025-26, staff feels reducing the estimated sales to 12,500 acre feet would be prudent and reflective of the gradual decline of agricultural land in production.

Recovering SDCWA Fixed Charges –

The wholesale fixed costs from SDCWA are included as a cost component in the Imported Water Costs above. The district calculated the per-acre-foot equivalent of the wholesale fixed charges that the District must pay to SDCWA by dividing the total charges by projected sales, less a 10% reserve for sales levels under budgeted amounts. For the FY ending 2025, budgeted sales are estimated at 12,500 acre feet, and the fixed charges totaling $5,801,200 are allocated over 11,250 acre feet.

Similar to how MWD Fixed Charges are recovered, an alternative approach is to include the SDCWA Fixed charges on the water bill as a fixed charge. Included in the preliminary budget is a 15% increase, across the board, to the SDCWA Fixed Charges, as that is the most recent information the District has. Staff proposes to start with the Transportation Fixed Charge of $1.8M. The first year of implementation would be a transition year, as any proposed fixed charge would not go into effect until February 2026, 7 months into the new fiscal year. Consequently, the first 7 months, or $902,600, of SDCWA Fixed Transportation Charges in FY 2025-26 still need to be collected through the wholesale commodity rate. The last 5 months, or $865,000, would be collected with a proposed fixed charge, based on meter size. Below is a chart showing the proposed SDCWA Transportation Fixed Charge Passthrough, with 100% full recovery.

<u>Proposed monthly SDCWA Transportation Fixed Charge Passthrough</u>

Meter Size	Current	Proposed
¾"	$ 0	$ 14.25
1"	$ 0	$ 19.00
1.5"	$ 0	$ 28.50
2"	$ 0	$ 38.00
3"	$ 0	$ 57.00
4"	$ 0	$ 76.00
6"	$ 0	$114.00
8"	$ 0	$152.00

In the first year of implementation, it will generate an estimated $865,000. Annually, this charge will generate an estimated $2,080,000. This will set the rate up to recover the SDCWA Fixed Transportation Charge, estimated at $2,080,000 for Calendar Year 2025, fully through a fixed charge on the water bill beginning in year 2. The effect it has on the water rate is a reduction of about $185 per acre foot.

LOCAL WATER REVENUES

Current Board policy states that the District's local water rates and charges, which include but are not limited to the District's Local Commodity Charges and Monthly Meter Service Charge, be set so that revenue from these sources would fully cover the District's local operating costs, excluding wholesale water and power costs. Presently, the combination of the two revenues is not sufficient to fully cover the District's local operating costs. As a result, other non-operating revenues, including investment income, lease revenues, and delinquent penalties, make up the difference.

<u>Local Commodity Rate</u> –

The District's local commodity rate is proposed at $321.17 per acre foot in the preliminary Budget for Fiscal Year 2025-26. This represents an increase of 9.8%, or $28.66, over the current rate of $292.51. This 9.8% increase would generate additional service charges of approximately $358,250 over 12 months to free more of the property tax revenue for capital improvements or other uses as directed by the Board. Again, in the first year, it would be significantly less, as the rate would not be proposed to go into effect until February 2026.

The preliminary budget assumes 12,500 acre feet of sales and a 9.8% increase on both the local commodity charge and the monthly service charge. Under those assumptions, the District would recover 57% of all local indirect costs with the monthly service charge, 19% with the local commodity charge, and the remaining 24% would be covered with the other income mentioned previously (investment income, lease revenues, and delinquent penalties).

<u>Pumping Rates</u> – Included in the preliminary Budget for FY 2025-26 is a 17.3% increase to the pumping rates, as planned, with an effective date of January 1, 2026, concurrent with the wholesale increases. The combined 17.0% increase that went into effect on January 1, 2025, along with the proposed increase, will reduce the gap by an estimated $673,000. This will reduce the deficit from the current year, $(441,371) up to a surplus of $232,300. Ms. Velasquez reminded that, in FY 2023-24, the Board approved a 5-year plan to close the gap in deficits by FY 2028-29. The plan requires a 17%-18% increase in the pumping rate for each of the 5 years.

Staff recommendation is to stay the course in FY 2025-26 with the 17.3% rate increase and continue to evaluate annually thereafter. If any excess or surplus actually exists at the end of the year, it will be set aside in the Pumping Rate Reserve for future years.

OTHER REVENUES

Secured Property Taxes are budgeted at $3,568,000 for FY 2025-26, 2% more than the estimated actual for the current FY. The District will also receive $564,000 in water availability charges. The revenues collected entirely from both sources will fund the proposed new Depreciation Expense and, ultimately, the capital program, unless otherwise directed by the Board.

Investment Income is budgeted at $1,500,000 for FY 2025-26, 10% lower than the current year's estimated actual. The estimated rate of return is 3.75%. The current year's estimated average rate of return is 4.30%. On March 19, 2025, the Federal Reserve decided to maintain the target range for the Federal Funds Rate at 4-¼ – 4-½ %. The District uses the 12-mo. rolling Treasury Bond average as its benchmark. At March 31, 2025, the Benchmark was 4.506%, while the District's average rate of return for the month was 4.390%, just 11.6 basis points below the benchmark.

Backflow Inspection Charge – Revenue from the Backflow Inspection Charge is used to cover the cost of annual inspections and repairs to the devices as necessary. The charge is meant to cover all costs, including labor and benefits, parts, supplies, and outside services when required. The total costs have increased by 6% from an estimated actual of $289,300 in FY 2024-25, up $16,000, to $305,800 in FY 2025-26. A 6% increase to the Backflow Inspection Charges is included in the preliminary budget.

Proposed Monthly Backflow Inspection Charge

Meter Type	Current	Increase	Proposed
Water	$ 4.25	+$ 0.25	$ 4.50
Fire	$ 2.83	+$ 0.17	$ 3.00

DEBT

The District currently has three Clean Water State Revolving Fund (CWSRF) Loans with an outstanding balance in the amount of $16,109,155 at 2.2% interest. The funds were used solely for the Woods Valley Ranch Wastewater Expansion Project. In FY 2025-26, Debt Service payments against this loan amount to $1,542,388.

In addition, a Safe Drinking Water State Revolving Fund loan for the Cool Valley Reservoir Cover/Liner replacement was obtained by the District. At June 30, 2025, the outstanding amount of the loan will be $2,397,943 at 1.6% interest. The Debt Service payment is $220,421 for FY 2025-26.

On March 21, 2022, the Board authorized an SRF Financing Agreement totaling $8,500,000 to fund the following three projects: 1. Oat Hill Pump Station Discharge; 2. Gordon Hill Rd Pipeline; and 3. Lilac Road Pipeline. The term of the loan will be 30 years at an interest rate of 1.2%. Construction periods vary for the three projects, with the first beginning in March 2022 and the final completion in November 2025. Debt service payments of approximately $339,000 are expected to begin in November 2025.

WATER CAPITAL PROJECTS

Many of the District's facilities were installed over 50 years ago. The large investment in the utility plant required to provide service underscores the importance of setting aside replacement reserves for those aging facilities. Depreciation of utility plant assets is an annual non-cash expense that needs to be given specific and systematic recognition as the cost of providing service. The District began including Depreciation as a budgeted item in FY 2024-25. The estimate is based on the prior year's estimated actual Depreciation Expense of $3.7M plus 2.0% for a total of $3.8M. The total of which will be reserved for future Capital Improvement Projects.

There is currently $4,024,780 in continuing projects, including $94,014 of which are unappropriated budgeted funds from prior year projects that will not be used and will not be carried forward to FY 2025-26. New water capital improvement projects and expenditures total $2,740,000, all of which is estimated to be funded with revenues set aside from the current year's Depreciation.

Additionally, there are an estimated $13.55M in capital projects that require outside funding sources (Bonds or SRF loans). The projects include: North Broadway Pipeline Replacement Project for $3,995,000 and the Old Castle Phase 2 Pipeline Replacement Project for $9,555,000. Although neither project will be included in the budget, details about both projects will be included in Appendix E of the budget. When the funding plan is finalized and staff is prepared to move forward with the projects, they will be presented to your Board for review and approval. At which point a budget adjustment will be required.

Water Capital Improvement Charge – Similar to the current Lower Moosa Canyon Capital Charge, the Board has authorized staff to explore the development and implementation of the Water General Fund Capital Improvement Charge. As presented by staff, this charge would be dedicated to either "pay-go" or leveraged financing of the various water system capital improvements identified in the District's June 2020 Update of the January 2019 Water Master Plan. As envisioned, if such a charge were to be implemented, it would provide capital funding supplemental funds to finance an expanded or accelerated capital improvement program in future years, as such will not impact rate components being considered for the FY 2025-26 Budget. This concept will be brought back to the Board post FY 2025-26 Budget adoption.

WASTEWATER:

- Lower Moosa Canyon:

  Operating Expenses increased 3.1% from $1,714,460 in Fiscal Year 2024-25, up $52,340 to $1,766,800 in FY 2025-26. The increases are due to increased labor and benefits, outside professional services, insurance, and maintenance of facilities. The increases were partially offset by decreases in temporary labor, interest expense on the Interim Loan from the General Fund, and administrative overhead.

  The preliminary budget indicates that in order to cover the increased expenses of $52,340, a 3.1% increase in the wastewater service charge is necessary for operating revenues to continue to fully cover the operating expenses, as well as ensure funding of the Replacement Reserve at about $390,000 per year. The monthly Moosa wastewater service charge is proposed to increase $2.01 per month from $64.86 per Equivalent Dwelling Unit (EDU) to $66.87/EDU.

  The monthly low-pressure wastewater collection system maintenance fee is proposed to increase by 10% in the preliminary budget. This is necessary because the budgeted expenses total $99,300 while the estimated revenues, with a 10% increase, total $71,580, a shortfall of approximately $27,720. This shortfall has historically been supplemented with interest revenues. However, that cannot be sustained as interest rates decrease. The current low-pressure wastewater collection system maintenance fee is $53.52/EDU, a 10% increase would increase it $5.33, up to $58.85/EDU/month.

  Lower Moosa Canyon Capital Improvement Charge: The Capital Improvement Charge is $12/month/EDU and no change is proposed. The charge generates approximately $360,000 annually, which is necessary to meet the debt coverage requirements of the State Water Resources Control Board for future Clean Water State Revolving Fund (CWSRF) Loans. The Moosa Master Plan, approved in February 2023, outlines the capital improvement requirements over the next 20 years and discusses the need for leveraging the net sewer service charge revenues through short-term funding from the District's General Fund and long-term Clean Water State Revolving Fund (CWSRF) Loans.

Staff is projecting that with the rate increases, the Moosa operating revenues will be sufficient to meet the anticipated operating expenditures for FY 2025-26. .

- **Lower Moosa Canyon Wastewater Capital Projects**: There are no new capital project appropriations for Moosa proposed for FY 2025-26. There is currently $434,300 in continuing projects, including $146,118 in unappropriated budgeted funds from prior year projects that will not be used and will not be carried forward into FY 2025-26.
- Additionally, there is an estimated $10.3M in capital projects that require outside funding sources either through the sale of bonds or with SRF loans. The projects include: Lower Moosa Canyon Priority Projects for $8,975,000 and the Meadows Lift Station Project for $1,325,000. Although neither project will be included in the budget, details about both projects will be included in Appendix E of the budget. When the funding plan is finalized and staff is prepared to move forward with the projects, they will be presented to your Board for review and approval. At which point a budget adjustment will be required.

- <u>Woods Valley Ranch</u>:

Operating Expenses increased 3.9% from $1,651,850 in FY 2024-25 up $64,550 to $1,716,400 in FY 2025-26. The increases are due to increased labor and benefits, insurance, regulatory permits and fees, and outside professional services, which were partially offset by decreases in electricity. It's anticipated that revenues for Woods Valley Ranch WRF will not be sufficient to cover the operating expenses and will require approximately $365,000 from the replacement reserve. This essentially means that the Standby Fee revenue is being used to supplement the operating fund, rather than being reserved for future capital projects.

The sewer service charge is set to increase for the first time since its inception by 5.1% from $98.60 per month up to $103.50 per month, on July 1, 2025. In the current year budget for Fiscal Year 2024-25 staff estimated that approximately $200,000 would be needed from the replacement reserve to cover operating expenses at Woods Valley for the year. The estimated actual results appear to be on target. For the preliminary FY 2025-26 Budget, in order to cover the entire operating deficit of $365,000, the rate would need to be increased by 36%. Staff does not recommend doing so. Instead, staff will recommend increasing the rate by 10% per year until operating revenues are sufficient to cover operating expenses. It is believed that it would take approximately 3 years to do so. The sewer service charge is collected on the property tax roll. If a proposed 10% rate increase is approved by the Board during the upcoming Prop 218 process, the rate would not go into effect until July 1, 2026. A 10% increase to the sewer service charge would increase the rate from $103.50 per month, up $10.35, to $113.85 per month.

Sewer standby fees for properties not yet connected to the sewer system will remain unchanged in both Fiscal Years 2025-26 and 2026-27 at $550.32 per EDU and will be utilized to fund the replacement reserve.

The grinder pump maintenance charge for those properties requiring a grinder pump unit is also set to increase by 5.1% effective July 1, 2025, from the current rate of $50.93 per month to $53.52 per month. A rate increase of 10.0% will be proposed to be effective July 1, 2026. It is proposed to increase the rate from $5.33 to $58.85 per month.

All fees and charges related to the Woods Valley Ranch Wastewater service area will be collected as fixed charge special assessments on the annual property tax roll.

  - **Woods Valley Ranch Wastewater Capital Projects**: New capital project appropriations for Woods Valley Ranch are proposed at $655,000 for 2 projects; the HMI Upgrade, $415,000, and the Chlorine Room Modification, $240,000.

- **Woods Valley Ranch Expansion**: It is anticipated that the WVR Expansion will have sufficient revenues to meet all anticipated costs for FY 2025-26.

NEXT STEPS:

Ms. Velasquez concluded her presentation by reviewing the next steps in the budget process. On June 26, 2025, the SDCWA will hold a public hearing to consider recommended rates and charges to its Board. The VCMWD Board will receive the first review of the revenue and expense projections at the July 21, 2025 Board Meeting, with adoption scheduled for the August 4, 2025 Board Meeting.

Action: Informational item only, no action required.

6. **Capacity Allocation Transfer from North to South Village – Conceptual Approval:**

District Engineer Grabbe introduced, for conceptual approval, a proposed capacity allocation transfer from the proposed Indian Creek Development ("Indian Creek") in the North Village area to the Park Circle Community Facilities District No. 2020-1 ("CFD") in the South Village area. The original Woods Valley Ranch Assessment District (AD 2012-1) included provisions for transferring capacity allocations between properties. As such, a Capacity Allocation Transfer Policy was established in the District Administrative Code §171.11 (c). Such a transfer has been proposed between the Indian Creek and the CFD, noted Mr. Grabbe.

Initially, a 425.5 EDU capacity allocation was secured by the developer of the Park Circle East/West Project ("Touchstone") as part of Assessment District 2012-1 and the Woods Valley Ranch Wastewater Expansion Project. However, an additional treatment capacity allocation of 218.5 EDUs is still needed from the Woods Valley Ranch Water Reclamation Facility ("WVRWRF") to meet the developments ultimate needs. The CFD was formed, in part, to provide the financial security to fund its share of a future Phase 3 Expansion to provide the needed capacity. Touchstone provided an additional financial security to fund the balance of the Phase 3 Expansion.

At this time, the ownership of the Indian Creek Development has expressed a desire to transfer a portion of its current capacity allocation and its corresponding financial responsibility to the CFD, in an effort to reduce their ongoing costs until development approvals are obtained. While there are two willing parties to affect the capacity allocation transfer, the CFD does not have the financial capacity at this time to fully reimburse Indian Creek for its equity in the proposed capacity transfer, nor does the CFD have the bonding capacity to issue additional debt to affect the transfer of the all the needed capacity at one time.

Indian Creek is willing to agree to transfer their capacity allocation of 218.5 EDUs to the CFD over time on a scheduled basis, reducing Indian Creek's annual assessments for the capacity transferred each year and receiving incremental payments as the CFD's available special tax revenues increase 2% each year, pursuant to the RMA approved with formation of the CFD, and retirement of the outstanding SRF loans and bonded indebtedness. The CFD will then be able to meet its treatment capacity needs without participating in the Phase 3 Expansion of the WVRWRF and Touchstone's financial security can be released. It is anticipated that all capacity allocations will be transferred and financial obligations from the CFD to Indian Creek will be fully met by 2043.

Staff proposed a capacity allocation transfer concept that would include establishing a long-term reimbursement agreement, under the authority of VCMWD, between the CFD and Indian Creek, based upon the CFD's projected availability of special tax revenues above its current loan and bond obligations. The incremental capacity transfers and reimbursement agreement would be administered by VCMWD (just as it would administer an SRF Loan or Bond repayment).

It was recommended that the Board direct staff to work with District General Counsel to develop the agreement(s) necessary to implement this capacity allocation transfer concept and return to the Board in the June timeframe to be considered for approval and implementation.

Action: Informational item only, no action required.

7. **San Diego County Water Authority (SDCWA) Board Meeting Summary:**

A report on the SDCWA's Board of Directors' Meeting of April 24, 2025 was provided.

Action: Informational item only, no action required.

8. **General Information:**

General Manager Arant provided highlights of the District's February 2025 Status Report.

Action: Informational item only, no action required.

DISTRICT GENERAL COUNSEL'S ITEM(S)

None.

BOARD OF DIRECTORS' AB1234 REPORTS ON MEETINGS ATTENDED

None.

CLOSED SESSION ITEM(S)

At any time during the regular session, the Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege and may be held in closed session (per Government Code § 54956.9).

9. **A Closed Session was called by President Ferro at 3:35 PM pursuant to the following two (2) items:**

- **Government Code §54957 − Public Employee Appointment:**
  Title: General Manager

- **Government Code §54956.9 (d)(1) − Conference with Legal Counsel – Existing Litigation:**
  HOLLOWAY V. SAN DIEGO GAS & ELECTRIC COMPANY et al.,
  Case No. 37-2023-00053167-CU-OR-NC.

RECONVENE

Action: The Board came out of closed session at 4:40 PM with no reportable action.

ADJOURNMENT

Action: Upon motion by Holtz, seconded by Stehly; motion passed with four (4) affirmative votes, the regular meeting of the Board of Directors was adjourned at 4:40 PM.

ATTEST:	**ATTEST:**
______________________________	______________________________
Kirsten N. Peraino, *Secretary*	**Enrico P. Ferro,** *President*

Approved at a regularly scheduled Board Meeting on Monday, May 19, 2025