MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
November 22, 2022

President Freshley called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 a.m.

Director Monin led in the Pledge of Allegiance to the flag.

Directors KATHRYN FRESHLEY, KAY HAVENS, MIKE GASKINS, MARK MONIN, and JOSE VERGARA (zoom) participated.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, HANNAH FORD, Engineering Manager, SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Use Efficiency Analyst, SCOTT HOPKINS, Operations Superintendent, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, STEVE HANCOCK, Electrical Systems/SCADA Tech III, KEITH STRIBLING, HIGHMARK (zoom), ADRIANNE GIBBONS, Empower (zoom), KIRK LEBEC, Empower (zoom), MICHELLE NGUYEN, Cal State Fullerton Journalist Student, and POLLY WELSCH, Recording Secretary.

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.

Presentation of Awards, Recognitions, Certifications, and Introductions

Service Award

Mr. Cafferty recognized and congratulated Steve Hancock, Electrical Systems/SCADA Tech III, for 10 years of service with the District.

At approximately 7:35 a.m. Mr. Hancock left the meeting.

Consent Calendar

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Gaskins and unanimously carried across the Board to approve the Consent Calendar.

Roll Call Vote:

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

Director Reports for Meetings Attended

Director Vergara stated that he attended the MWDOC/MET Directors workshop, the WACO meeting, the MWDOC Admin/Finance meeting, the CAG meeting, the MWDOC Planning/Operations meeting, the MWDOC Board meeting, the WACO Planning meeting, the regular Board meeting, and will be attending the ACWA Fall conference.

Director Monin stated that he attended the ISDOC Executive Committee meeting, the MWDOC/MET Directors workshop, WACO, the MWDOC Admin/Finance meeting, the CAG meeting, the MWDOC Board meeting, the MWDOC Planning Committee meeting, the WACO Planning Committee meeting, the regular Board meetings, and will be attending the South OC Economic Coalition meeting, and the ACWA conference.

Director Gaskins stated that he attended the RRC meeting, the MWDOC/MET Directors workshop, the SOCWA Board meeting, the WACO meeting, the MWDOC Admin/Finance meeting, the CAG meeting, the MWDOC Planning/Operations meeting, the regular Board meetings, and will be attending the South OC Agencies meeting and the ACWA JPIA meetings.

Vice President Havens stated that she attended the MWDOC/MET Directors workshop, the WACO meeting, the MWDOC Admin/Finance meeting, the Pres/VP/GM meetings, the CAG meeting, the MWDOC Planning/Operations meeting, the Agenda Review meeting, the MWDOC Board meeting, the OCWA meeting, the South OC Water Management meeting, the regular Board meetings, and will be attending the South OC Economic Coalition, and the ACWA conference.

President Freshley stated that she attended the WACO meeting, the MWDOC Planning/Operations meeting, the MWDOC Board meeting, the MWDOC/MET Directors workshop, the CAG meeting, the Agenda Review meeting, the Pres/VP/GM meetings, the RRC meeting, the SOCWA Board meeting, the Laguna Woods City Council meeting, the regular Board meetings.,

and will be attending the South OC Agencies meeting, and the ACWA/JPIA conference and Energy Committee meeting.

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

Mr. Stribling provided an update of the District's 401(k) Retirement Savings Plan. He further stated that both stocks and bonds are negative for the year end.

Update on 457 Retirement Plan Options

Mr. Cafferty stated that staff was asked to check into the possibility of adding a money market investment option to the 457 Plan. He further stated that Empower will not offer both a money market and GIF (Guaranteed Income Fund) in the same plan because they could compete with each other.

Mr. Cafferty stated that Empower can provide a portal which participants can invest in money markets as well as ETF's (Exchange Traded Funds) for an annual fee. He further stated that these funds can be purchased through a PCRA (Personal Choice Retirement Account) through Schwab.

Mr. Cafferty stated that staff will bring this option back to the Board as an Action item at the December meeting.

General Manager Action Items

ETWD 401(k) Retirement Savings Plan Investment Policy Statement (IPS)

Mr. Cafferty stated that HighMark has provided some proposed amendments to the District's Investment Policy Statement (IPS) to accommodate the change in Custodian from US Bank to Empower. He further stated that the proposed changes have been reviewed by staff and ERISA Counsel. Mr. Cafferty

stated that negotiations with Highmark to resolve the final language in the IPS is ongoing.

Mr. Cafferty stated that this item will be brought back next month for consideration.

ETWD 401(k) Retirement Savings Plan

Mr. Cafferty stated that there are several documents the District must execute to continue the process for the change in Custodian, which include an Advisor Goal Maker Portfolio Directive, Investment Change Summary, and Delegation of Authority for 3(38) Fiduciary Form.

Mr. Cafferty stated that going forward Empower proposes to serve as both the Record Keeper and Custodian, while HighMark continues to be the Investment Advisor.

President Freshley asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by President Freshley and unanimously carried across the Board to authorize the General Manager to 1) execute the Advisor Goal Maker Portfolio Directive, 2) execute the Investment Change Summary, and 3) execute the Delegation of Authority for 3(38) Fiduciary Form.

Roll Call Vote:

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

At approximately 8:40 a.m. Ms. Gibbons, Mr. Stribling, and Mr. Lebec left the meeting.

Virtual or Hybrid Board Meetings per AB 361

Mr. Cafferty stated that staff recommends that the Board extend Resolution No. 22-7-4 for the continuation of virtual or hybrid meetings for the next 30 days.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Havens and unanimously carried across the Board to reaffirm the findings and determinations under Assembly Bill 361 and extend Resolution No. 22-7-4 for the continuation of virtual or hybrid meetings for the next 30 days based on the findings that 1) it has reconsidered the circumstances of the state of emergency for COVID-19, and 2) state and local officials continue to impose or recommend measures to promote social distancing.

Roll Call Vote:

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

COVID-19 Update

Mr. Cafferty stated that staff is recommending the Board authorize the General Manager to provide an additional 160 hours of Emergency Administrative Leave per month per employee.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Havens and unanimously carried across the Board to grant the General Manager discretion to extend the use of Emergency Administrative Leave, as necessary up to 160 hours per employee per month, until the February 23, 2023 meeting of the Board of Directors.

Roll Call Vote:

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

Resolution No. 22-11-1 Regular Board Meetings Schedule

Mr. Cafferty stated that included in the Board package are the proposed meeting dates for the 2023 calendar year.

President Freshley asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Monin and unanimously carried across the Board to adopt Resolution No. 22-11-1 which adopts the District's schedule of Regular Board meetings for the 2023 calendar year.

Roll Call Vote:

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

Resolution No. 22-11-2 Justin McCusker Resolution

Mr. Cafferty stated that Mr. McCusker has been on the Board of Santa Margarita for 10 years.

President Freshley asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Havens and unanimously carried across the Board to approve Resolution No. 22-11-2 which commends Justin McCusker on his 10 years of service with the Santa Margarita Water District.

Roll Call Vote:

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

Assignment and Assumption Agreement (ETWD – IRWD SOCWA Facilities)

Mr. Cafferty stated that this agreement is where IRWD proposes to assign its capacity in the SOCWA Effluent Transmission Main and Aliso Creek Ocean Outfall to ETWD. He further stated that on page 2 of the Agreement, there is a slight change to the language in item I.

Director Vergara suggested changing "will give notice" to "shall give notice".

President Freshley asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Vice President Havens and unanimously carried across the Board to approve the Assignment and Assumption Agreement (ETWD – IRWD SOCWA Facilities) as amended,

and authorize President Freshley and the General Manager to make minor non-substantive changes to the Agreement, and to direct the General Manager to execute the Agreement.

Roll Call Vote:

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

Recess

At approximately 9:05 a.m. the Board took a short recess.

Regular Session

At approximately 9:10 a.m. Regular session resumed.

General Manager Information Items

General Manager's Monthly Report

There were no comments.

Legislative Reports

There were no comments.

Public Education and Outreach Report

Ms. Seitz introduced Melanie Nguyen, a journalist student at Cal State Fullerton who is here to observe our Board meeting and interview Board members.

Ms. Seitz stated that the Main Office will be closed from November 28th through approximately January 20th for structural repairs.

Ms. Seitz stated that ETWD held a tour for the Third Mutual Board members on October 25th of the water recycling process and efforts made to bring a drought proof supply of water to LWV.

Ms. Seitz stated that Vice President Havens and Director Gaskins gave presentations at the CAG meeting on November 10th on Transforming SoCal Landscapes and Dihydrogen Monoxide.

Ms. Seitz stated that the OC Registrar of Voters held an early vote center in the Multi-purpose room from November 4th through November 9th, with an estimated 450 residents voting.

Ms. Seitz stated that staff spoke with 2 companies who provide customer engagement surveys.. Director Monin requested Staff contact other agencies to determine who has conducted surveys and what their experiences and costs have been.

Ms. Seitz stated that staff will have a booth and provide drinking water at the Elf Yourself 5K on November 19th at the Lake Forest Sports Park.

Water Use Efficiency Report

Mr. Vu Chu provided an update on the Water Use Efficiency report.

Mr. Cafferty reminded the Board that the LWV golf course is on recycled water and therefore not included in the numbers in this report.

SOCWA Reports

President Freshley stated that discussion was held on PC-2 and who is going to operate the JB Latham plant.

Ms. Ford stated that at the SOCWA Engineering Committee meeting discussion was held on the lack of emergency power at the Regional Treatment Plant.

MWDOC Reports

Vice President Havens stated that at the MWDOC/MET Directors workshop there was a Delta Conveyance and tunnel alignment update.

Director Monin stated that at the MWDOC Admin/Finance meeting they discussed the Treasurer's report, financial statements, the MWDOC budget schedule, reserve fund policy update, monthly water usage, Tier 2 projection, and water supply information.

SOCWMA Reports

Vice President Havens stated that the meeting dates for 2023 will be March 9, June 8, and November 9.

LAFCO

President Freshley stated that the retirement system was discussed along with the audited financials, and the protest results from the annexation areas.

ISDOC

Director Monin stated that at the ISDOC quarterly meeting there were presentations from the ETWD as an Associate Member Agency and OC Sanitation District. He further stated that they also discussed the election results, and are waiting on getting a Secretary.

WACO

Director Vergara stated that they will hold elections in December.

Director Monin stated that at a future meeting they will be discussing earthquake resiliency.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for November/December

There were no comments.

Comments Regarding Non-Agenda Items

There were no comments.

Attorney Report

Mr. Granito reported that there is no need for a Closed Session and as such Regular Session continued.

General Manager Compensation

There were no comments.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:55 a.m.

Respectfully submitted,

POLLY WELSCH
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