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

February 20, 2024

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

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

Committee Members MARK MONIN (7:40 a.m.), MIKE GASKINS, KAY HAVENS, KATHRYN FRESHLEY, and FRED ADJARIAN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Director of Human Resources, HANNAH FORD, Director of Engineering, SCOTT HOPKINS, Operations Superintendent, GILBERT J. GRANITO, General Counsel, VISHAV SHARMA, CFO, MIKE MIAZGA, IT Manager (Zoom), RICHARD BABBE, CAMP Representative (Zoom), KEITH STRIBLING, HighMark Representative (7:40 a.m.), CAROL MOORE, Laguna Woods City Council member (Zoom), and POLLY WELSCH, Recording Secretary.

Determination of a Quorum

Roll Call:

Director Adjarian	present
Director Freshley	present
Director Havens	present
Vice President Gaskins	present

Four Board members are 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

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

Finance and Insurance Committee Meeting

At approximately 7:38 a.m. Director Havens called the Finance and Insurance Committee meeting to order.

Consent Calendar

Director Havens asked for a Motion.

Motion: Director Adjarian made a motion, seconded by Vice President Gaskins to approve the Consent Calendar.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye

Financial Information Items

CAMP Presentation

Mr. Babbe provided an update to the District's investment portfolio. He stated that overall earnings are good.

Mr. Babbe stated that the Fed projected to cut the short-term Fed funds rate by July 2024. He further stated that Treasury yields ended the quarter lower.

Mr. Babbe stated that overall inflation is down from 9.1% in 2022 to 3.4% in December and 3.1% in January. He further stated that core inflation remains elevated.

Mr. Babbe stated that the overall economy is doing well and although consumers continue to support the economy, it is expected to slow down.

Mr. Babbe stated that rate cuts could happen between March and July. He further stated that Interest Rates are moderate but remain high.

Mr. Babbe stated that most individual investments are in US Treasuries. He further stated that no new investments were made and any maturities were transferred into the existing CAMP pools.

At approximately 8:00 a.m. Mr. Babbe left the meeting.

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

Mr. Stribling stated that it was a good quarter with investment returns up across the portfolio. He further stated that they are relatively close to the benchmarks.

Mr. Stribling stated that the only negative was a modest underweight to stocks relative to the Strategic Asset Allocation, which had been reduced significantly last year before the switch over to Empower. He further stated that Alternatives have also been reduced.

Mr. Stribling stated that the 10-year Treasury fell to 3.9% and into Intermediate Bonds which was helpful for the quarter. He further stated that the GIG Fund was a Short-term Fixed Income Alternative and was moved to Intermediate Bonds.

At approximately 8:20 a.m. Mr. Stribling left the meeting.

Update on the Implementation of the Springbrook Software System

Mr. Sharma stated that staff met with Springbrook via zoom and reviewed billing statements and previous calculation issues. He further stated that we are a few months away from implementation of the Utility Billing System.

2024/25 Fiscal Year Budget Status Update

Mr. Cafferty stated that MET is considering an alternative in which some property tax revenue which would reduce the rate itself .

Mr. Cafferty stated that staff is working on the budget and scheduling Budget Committee meetings.

Financial Action Items

Resolution No. 24-2-1 El Toro Water District Administrative Code

Mr. Cafferty stated that there are four existing policies being updated or transferred into the District's Administrative Code.

The Board members had discussion on what month to review the Directors Compensation on an annual basis.

Mr. Cafferty stated that the Travel & Expense Reimbursement Policy has been updated to reflect the similar language as in the Directors Compensation Policy. He further stated that the Directors Benefits Policy has been updated due to some redundancy in language.

Mr. Cafferty stated that the language on lodging for public group rates was amended, as well as the allowable travel time to and from conferences.

Mr. Cafferty stated that the Asset-backed Securities language has been amended in the Investment Policy.

Director Havens asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Adjarian to adopt Resolution No. 24-2-1 which adopts the amended El Toro Water District Administrative Code with the understanding that the date of the annual review of the Directors Compensation Policy will be in December, and the elimination of the Long Term Care Insurance.

Roll Call Vote:

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

Financial Package - Authorization to Approve Payment of Bills for the Month Ending February 20, 2024 and Receive and File Financial Statements as of January 31, 2024

Director Havens asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Adjarian to approve, ratify, and confirm payment of the bills set forth in the schedule of bills for consideration dated February 20, 2024, and receive and file the financial statements for the period ending January 31, 2024.

Roll Call Vote:

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

Comments Regarding Non-Agenda FIC Items

Adjournment

There being no further business the Finance Committee meeting was closed at approximately 8:37 a.m.

Respectfully submitted

Polly Welsch

POLLY WELSCH
Recording Secretary

APPROVED:

MARK MONIN, 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