

MINUTES OF THE REGULAR MEETING
OF THE
FINANCE & INSURANCE COMMITTEE

February 21, 2023

At approximately 1:00 p.m. President Havens called the regular meeting to order.

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

Committee Members KAY HAVENS, KATHRYN FRESHLEY, MIKE GASKINS, JOSE VERGARA, and MARK MONIN participated.

Also participating were DENNIS P. CAFFERTY, General Manager, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager, KEITH STRIBLING, HIGHMARK Representative, JOE LUDIN, Auditor from Clifton, Larsen, & Allen, CAROL MOORE, Laguna Woods City Council Member (zoom), and POLLY WELSCH, Recording Secretary.

SCOTT HOPKINS, Operations Superintendent, and JUDY CIMORELL, Human Resources Manager were absent.

Oral Communications/Public Comments

Ms. Moore commented on the use of galvanized and lead pipes to haul water.

Items Received Too Late to be Agendized

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

Finance & Insurance Committee Meeting

At approximately 1:05 p.m. Director Gaskins called the Finance & Insurance Committee meeting to order.

Consent Calendar

Director Gaskins asked for a Motion.

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

Roll Call Vote:

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

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

Mr. Stribling stated that report is partially a disclosure and partially a report as funds were transferred from US Bank to Empower at the end of December 2022. He further stated that the funds were only in the account from December 22 to December 31, which was when the transfer of custodial and record keeping services was made to Empower.

Mr. Stribling stated that the Securities in the 401(k) Plan were sold December 19th, and on the 21st and 22nd the cash was settled and transferred to Empower where it was reinvested. He further stated that the report reflects HighMark's assets through December 19th which US Bank was holding as custodian.

Mr. Stribling stated that most of the benchmarks were up between 20 and 100 basis points. He further stated that the funds didn't perform as well as the benchmarks.

Mr. Stribling stated that he is working with Empower's staff to complete the transition of the District's 401(k) funds.

President Havens stated that she would like to see a cover sheet to go with the report showing what happened when the switchover took place. Mr. Cafferty replied that he will schedule an Employee meeting to discuss the switchover with staff.

Mr. Stribling stated that small cap stocks and international stocks were both down.

Director Monin asked if Mr. Stribling could work on keeping the management fees low.

Mr. Stribling stated that HighMark will be working with the suite of funds to Empower's system, and will continue to work on solutions to carry through year-to-date returns.

At approximately 1:30 p.m. Mr. Stribling left the meeting.

Financial Information Items

Update on the Implementation of the Springbrook Software System

Mr. Hayden provided an update on the implementation of the Springbrook Software System.

2023-24 Fiscal Year Budget Status Update

Mr. Cafferty stated that staff is reviewing the possibility of issuing a multi-year Prop 218 Notice. He further stated that Raffelis is assigning a different person to work on our Rate Study as the person who was handling our project has now moved to other employment.

Mr. Cafferty stated that a Rate Hearing will not be practical until August and implementation of a rate increase in September. He further stated that we will be working on scheduling Board Budget Workshop meetings.

Director Freshley asked if other agencies are issuing multi-year Prop 218 Notices. Mr. Cafferty replied yes.

Recess

At approximately 2:00 p.m. the Board took a short recess.

Regular Session

At approximately 2:05 p.m. the Board returned to Regular Session.

Financial Action Items

Comprehensive Financial Statement – Audit – Fiscal Year Ended June 30, 2022

Mr. Hayden introduced Mr. Ludin, Principal at the District's audit firm, Clifton Larson & Allen, who provided a presentation on the District's Comprehensive Financial Statements for the Fiscal Year ended June 30, 2022.

Director Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Vice President Vergara and unanimously carried across the Board to receive and file the District's Comprehensive Financial Statements for the Fiscal Year ended June 30, 2022.

Roll Call Vote:

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

Financial Package - Authorization to Approve Bills for Consideration Dated February 21, 2023 and Receive and File Financial Statements as of January 31, 2023

Director Monin asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Freshley and unanimously carried across the Board to approve, ratify, and confirm payment of the bills set forth in the schedule of bills for consideration dated February 21, 2023, and receive and file the financial statements for the period ending January 31, 2023.

Roll Call Vote:

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

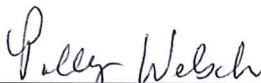
Comments Regarding Non-Agenda FIC Items

There were no comments.

Close Finance and Insurance Committee Meeting


There being no further business the Finance Committee meeting was closed at approximately 2:40 p.m.

Respectfully submitted,




POLLY WELSCH
Recording Secretary

APPROVED:



KAY HAVENS, 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

