

MINUTES OF THE REGULAR MEETING
OF THE
FINANCE & INSURANCE COMMITTEE

April 24, 2023

At approximately 7:30 a.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 (Zoom), and MARK MONIN (Zoom) participated.

Also participating were DENNIS P. CAFFERTY, General Manager, SCOTT HOPKINS, Operations Superintendent, HANNAH FORD, Engineering Manager, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager, VU CHU, Water Use Efficiency Analyst, VICKI TANIOUS (Zoom), and CAROL MOORE, Laguna Woods City Council Member (Zoom).

Determination of a Quorum

Roll Call:

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

All five Board members are present for the meeting, therefore a quorum was determined.

Oral Communications/Public Comments

There were no comments.

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.

Resolution No. 23-4-1 Modifying Standing and External Organization Board and Staff Assignments for Calendar Year 2023

Mr. Cafferty stated that this Resolution does two things; one is to change the Alternate for the Budget Committee, and the other is to allow for the Board President to make temporary changes to these assignments if necessary to preserve a Committee quorum without going back to the Board for approval by Resolution.

President Havens asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Freshley and unanimously carried across the Board to approve Resolution No. 23-4-1 Modifying Standing and External Organization Board and Staff Assignments for Calendar Year 2023.

Roll Call Vote:

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

Resolution 23-4-2 Amending El Toro Water District's Policy Statement 1993-10 (IV)

Directors Compensation Policy

Mr. Cafferty stated that the Committee Assignments in Directors Compensation Policy have been aligned to be consistent with the meetings listed in Resolution No. 23-4-1.

Motion: Director Gaskins made a Motion, seconded by Director Freshley and unanimously carried across the Board to approve Resolution No. 23-4-2 amending El Toro Water District's Policy Statement 1993-10 (IV) Directors Compensation Policy.

Roll Call Vote:

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

Finance & Insurance Committee Meeting

At approximately 7:48 a.m. Director Gaskins called the Finance & Insurance Committee meeting to order.

Consent Calendar

Director Gaskins asked for a Motion.

Motion: Director Freshley made a motion, seconded by President Havens 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

Financial Information Items

Update on the Implementation of the Springbrook Software System

Mr. Hayden stated that we have pushed back the schedule one month due to Union Bank being purchased by US Bank with the switchover happening in May. He further stated that staff is testing electronic communications with our system to ensure they work with US Bank's system.

2023-24 Fiscal Year Budget Status Update

Mr. Cafferty stated that the budget status has been challenging as we see historic cost drivers, double digit increases in water, power, electrical, and wastewater.

He further stated that we are considering a rate increase between 9%-10%.

Mr. Cafferty stated that we are increasing Capital Revenue by approximately 25% per year for the next four years. He further stated that we are proposing a Prop 218 Notice that covers a three-year period which will include a rate increase for this year and proposed rates for the next two years, which will allow us to avoid the effort of going through the Prop 218 Notice each year.

Director Freshley asked if there is a risk involved during the next two years of an inflationary period. Mr. Cafferty replied that the risk is if we under estimate the Revenue increase necessary for the next year.

Mr. Granito stated that the risk is if the District lacks the supporting data to justify the rate increases.

Financial Action Items

Quarterly Insurance Report

Director Gaskins noted that the dam insurance increased. Mr. Cafferty replied that JPIA has a difficult time finding carriers for the R-6 dam insurance.

Director Gaskins asked for a Motion.

Motion: Director Freshley made a Motion, seconded by President Havens and unanimously carried across the Board to Receive and File the Quarterly Insurance Report for the period of January 1, 2023 through March 31, 2023.

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 April 24, 2023 and Receive and File Financial Statements as of March 31, 2023

Director Freshley asked what the "interim statement" means. Mr. Hayden replied that it is not a final Balance Sheet, but a projection for the ending period.

Mr. Hayden stated that March was a very good month for the District's investments, and there is a nice unrealized gain on Treasury Investments.

Director Gaskins asked for a Motion.

Motion: Director Freshley made a Motion, seconded by President Havens 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 April 24, 2023, and receive and file the financial statements for the period ending March 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 8:12 a.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