

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

August 21, 2023

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

Director Monin 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, JUDY CIMORELL, Human Resources Manager, HANNAH FORD, Engineering Manager, GILBERT J. GRANITO, General Counsel, VISHAV SHARMA, CFO, SHERRI SEITZ, Public Affairs Manager, RORY HARNISCH, Senior Engineer, BILL MOORHEAD, MNWD, SCOTT GOLDMAN, SCWD, MARC SERNA, SCWD, RICK SHINTAKU, SCWD, WYATT MCCLEAN, Lake Forest Resident, KEITH STRIBLING, HIGHMARK Representative, CAROL MOORE, Laguna Woods City Council member (Zoom), and POLLY WELSCH, Recording Secretary.

Determination of a Quorum

Roll Call:

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

All five Board members are present at the meeting and therefore a quorum has been determined.

### Oral Communications/Public Comment

Mr. Moorhead introduced himself and stated that he would like to thank Vice President Vergara for his years of dedicated service in the water industry.

Mr. McClean introduced himself and stated that as a resident of Lake Forest for 35 years, he's had a chance to review ETWD's Board and appreciates Vice President Vergara's professionalism and leadership.

### Items Too Late to be Agendized

Mr. Cafferty stated that on the Engineering agenda the Freeway Lift Station Project's recommended action has changed since the agendas were posted.

### SCWD Presentation on SOCWA and the Doheny Ocean Desalination Project

Mr. Serna, Assistant General Manager of South Coast Water District introduced himself and gave a presentation on South Coast Water District's Doheny Ocean Desalination Project. He further stated that they are looking to secure partnerships for this project, and are planning to fund the project through municipal bonds and grants.

Mr. Goldman provided some information on SOCWA's PC agreements that expire after 50 years, and the PC-2 agreement for the Latham plant that expired June 2023 and was extended through September 2023. He further stated that through the SOCWA Facilitated Discussions options were provided for the current operation issues at SOCWA.

At approximately 8:44 a.m. Mr. Goldman, Mr. Shintaku, Mr. Moorhead, and Mr. Serna left the meeting.

### Finance and Insurance Committee Meeting

At approximately 8:44 a.m. Director Gaskins called the Finance and Insurance Committee meeting to order.

### Consent Calendar

Director Gaskins asked for a Motion.

Motion: Director Freshley made a motion, seconded by Vice President Vergara 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 provided an update on the District's 401(k) Retirement Savings Plan. He further stated that it was a good quarter relative to the benchmark.

Mr. Stribling stated that the economy is holding steady and this is reflected in the stock market.

At approximately 9:00 a.m. Mr. Stribling left the meeting.

### Financial Action Items

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

Director Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by President Havens to approve, ratify, and confirm payment of the bills set forth in the schedule of bills for consideration dated August 21, 2023, and receive and file the financial statements for the period ending July 31, 2023.

Roll Call Vote:

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

Director Freshley asked on page 64 of the package, what is “Commodity Purchased for Re-sale” and why are there no purchases for the month. Mr. Sharma replied that the item refers to purchased water for which we have not yet received the MWDOC bill and we haven’t accrued any expenses for July.

At approximately 9:00 a.m. Mr. Stribling left the meeting.

Resolution No. 23-8-1 Amending ETWD’s Policy Statement 1985-3 (IV) Investment Policy

Mr. Cafferty stated that staff is recommending some minor changes to the District’s Investment Policy.

Director Gaskins asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Freshley to approve Resolution No. 23-8-1 amending El Toro Water District’s Policy Statement 1985-3 (IV) Investment Policy.

Roll Call Vote:

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



## Resolution No. 23-8-2 Adopting Policy Statement 2023/24 (IV) Electronic Funds

### Transfer Policy

Mr. Cafferty stated that this is a new Policy as staff is finding there are a number of reasons we need to use wire transfers. He further stated that staff realized there are some other electronic type transfers we need the option to provide.

Director Gaskins asked for a Motion.

Motion: Vice President Vergara made a Motion, seconded by Director Freshley to approve Resolution No. 23-8-2 adopting Policy Statement 2023/24 (IV) Electronic Funds Transfer Policy.

#### Roll Call Vote:

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

### Revisions to the Employee Handbook

Mr. Cafferty stated that some of the changes incorporate labor requirements, language changes, and employee input.

Mr. Cafferty stated that the District pays a flat rate to the on-call person which equates to \$60/day, and in reviewing nearby agencies is proposing increasing the stipends to \$70/day.

Mr. Cafferty stated that shift differentials for the workweeks that include weekend days is \$0.75 and has not been updated for more than 20 years. He further stated that this shift differential is being increased to \$3.00/hour.

Mr. Cafferty stated that the Family Rights Leave of Absence was expanded to allow employees to care for a designated person to be identified at the time of the

request for leave.

Mr. Cafferty stated that the vacation accrual has been increased and the period of employment for the maximum accrual changed from 15 years to 10 years to be more consistent with neighboring agencies.

Mr. Cafferty stated that the Sick Leave policy now allows for care for a designated person which is someone other than the family members that has a blood or family-like relationship with the employee.

Mr. Cafferty stated that the Bereavement Leave requirement changed to reflect prohibiting leave days to be consecutive, but must be taken within three months of the family members death.

Mr. Cafferty stated that Education and Certification Program has been modified from a one-time award upon achievement to an annual award based on the individual achievement.

Mr. Cafferty stated that Meal Allowances were modified, and Safety Shoes allowance was increased from \$300 to \$400 and allows for reimbursement of orthopedic insoles.

Mr. Cafferty stated that Punctuality and Attendance language was modified.

Director Gaskins asked for a Motion.

Motion: President Havens made a Motion, seconded by Director Monin to adopt Resolution No. 23-8-3 which amends the Districts Employee Handbook, Section II of the Policy Statement Manual.

### 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. Sharma stated that staff is utilizing the General Ledger, Bank Reconciliation, Project Management, Accounts Payable, Payroll, Cash Receipting, Accounts Receivable, and Human Resources modules on a daily basis and getting more comfortable with the functionality of Springbrook.

Mr. Sharma stated that staff will be training on report writing and data extraction using Springbrook. He further stated that the Utility Billing Module is scheduled to begin on August 28<sup>th</sup> and may take between three and five months to fully implement.

#### Empower – Secure 2.0 Act Implementation

Mr. Cafferty stated that Secure 2.0 is a new congressional act with the intent to facilitate additional catch-up provisions to tax deferred retirement plan contributions. He further stated that currently the limit is \$22,500 and the District's current plan allows for \$22,500 catch-up in each of its retirement plans for those over 50 years of age.

Mr. Cafferty stated that this act will state that any employee who used the catch-up provision and is making more than \$145,000 a year, the catch-up has to go into a Roth account and will no longer be able to go into our 401(k) or 457 Plans. He further stated that we may need to make a modification to our retirement plans.

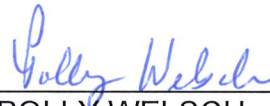
#### Comments Regarding Non-Agenda FIC Items

There were no comments.

Adjournment

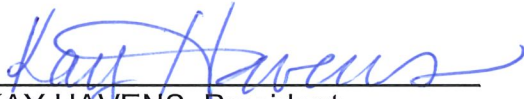
There being no further business the Finance Committee meeting was closed at approximately 9:37 a.m.

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