

**Minutes**  
Regular Meeting  
Aliso Water District  
Tuesday July 26, 2022

**Board members present:**

President Roy Catania      Secretary Ross Franson      Treasurer Michael Logoluso  
Director Jeremy Seibert      Director Bernard Puget

**Public present or by telephone:**

Joe Hopkins      Summer Rooks      Dave Holland      Rick Iger  
Matthew O'Neill      Will Gleason      Maryse Supiger      Kristi Robinson

President Roy Catania called the meeting to order at 1:30 P.M.

**Consideration of the adoption of resolution authorizing use of teleconferencing in compliance with Gov. Code Section 54953(e):**

Dave Holland provided summary of the resolution and read the resolution recommendation into the record. No discussion/questions.

M/S Ross Franson and Bernard Puget to approve resolution as presented.

Director Mike Logoluso	Aye
Director Ross Franson	Aye
Director Jeremy Seibert	Aye
Director Roy Catania	Aye
Director Bernard Puget	Aye

The President then publicly announced the Board approved the motion.

**Approval of the minutes for the Regular Board Meeting held April 26, 2022:**

President Catania announced an amendment of the minutes to include Director Puget's voting record for the meeting in the minutes.

M/S Bernard Puget and Ross Franson to approve the minutes as amended.

Director Mike Logoluso	Aye
Director Ross Franson	Aye

Director Jeremy Seibert	Aye
Director Roy Catania	Aye
Director Bernard Puget	Aye

The President then publicly announced the Board approved the motion.

**Treasurer’s Report and the Approval of Resolution to approve the budget and fees/assessments for 2022/2023:**

Michael Logoluso provided handouts for both the General Administration and Capital Projects Account. The General Administration Account had a beginning balance of \$796,244.73 on 4/26/2022 with income of \$221,825.99 and expenses of \$79,033.88 through 7/26/2022 with an ending balance of \$939,036.84. The Capital Projects Account had a beginning balance of \$623,626.32 on 4/26/2022 with income of \$241,893.12 and expenses of \$92,139.74 with an ending balance of \$773,379.70 on 7/26/2022.

Joe Hopkins provided a summary of the budget and fees/assessments being recommended. Hopkins explained all reserve funds desired by the District are still underfunded, therefore max assessments and extraction fees will still be required through 2023. Therefore the FY2023 Operations Assessment is recommended at \$21.59 per acre and the Extraction Fee will be \$13.44 per acre foot.

Puget and Franson questioned whether there was any reconciliation of the funds to understand what actual expenditures have drawn from these reserves. Hopkins advised this is still in process between staff and the Treasurer and will continue to be worked on collaboratively prior to the adoption of an investment policy. Hopkins added that costs such as administrative, GSP revisions, etc. have become more predictable and staff will present a cash flow analysis and recommendation to the board at the next board meeting.

President Catania asked if staff would begin processes like the GSP revisions now, or wait until DWR has reviewed and provided comments on the most recent Amended GSP. Hopkins explained that some aspects of the plan would be worked on as they are fresh in everyone’s mind.

M/S Bernard Puget and Ross Franson to approve treasurer’s report and resolution to approve the budget and fees/assessments for 2022/2023.

Director Jeremy Seibert	Aye
Director Ross Franson	Aye
Director Michael Logoluso	Aye
Director Roy Catania	Aye
Director Bernard Puget	Aye

The President then publicly announced the Board approved the motion.

**Investment Policy Discussion:**

Hopkins provided a brief background to frame the investment policy discussion. The board has voiced concerns about the security of the District’s funds and therefore directed staff to research its financial standing and investment options. Hopkins explained the banking institution in which the District houses their money is FDIC insured for up to \$250,000 and the bank is required to maintain 110% collateral for what funds it holds. Staff and counsel believed an investment policy was already adopted by the District, but no policy could be located during staff research. Therefore, staff recommends moving forward with the crafting of a new policy and will present investment options (like a LAIF—Local Agency Investment Fund) to the board at the next meeting.

Puget asked what other options are there other than the LAIF and are there any concerns with the state taking money from these funds? Hopkins explained that he doesn’t believe the state can act in such a way anymore, but more research will be done and options can be presented to the board in October.

**Insurance Update:**

Catania provided an update to the District’s insurance policy. The insurance policy has increased by 6% to \$5,648 (an increase of ~\$353). General Liability (Errors and Omissions) is \$1m with \$5m in excess umbrella coverage. Previously a question was raised if this was sufficient for the District, therefore Catania requested quotes for other levels of coverage. To increase the umbrella coverage to \$7m, the cost would increase by \$1,300/year. An increase to \$10m will be an extra \$3,300/year.

Franson asked if the insurance broker knew what Districts similar to Aliso were doing. Catania advised that the broker informed him that most districts were at the \$10m threshold. Franson asked what this would cover, for example, would it cover any damages from the new governor’s executive order? Holland advised that the umbrella coverage was an extension of the E&O insurance and includes negligence of the board, not necessarily results of direct actions. The potential liability in the governor’s order is if something could be viewed as a “taking” by the District, otherwise, it seems like a low-risk activity.

Logoluso asked if the flow meter was currently covered under our policy. The answer is yes. Logoluso then advised that future increases in insurance may be warranted as the District acquires new assets.

M/S Bernard Puget and Mike Logoluso to approve moving forward with the insurance coverages as they are now (\$5,648/year).

Director Michael Logoluso	Aye
Director Jeremy Seibert	Aye
Director Ross Franson	Aye
Director Roy Catania	Aye
Director Bernard Puget	Aye

The President then publicly announced the Board approved the motion.

**Public Comment:**

No public comment.

**Other business to come before the board:**

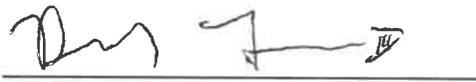
CalSpa Lawsuit – No update.

Millerton Daily Operations report was reviewed.

Next Meeting October 25, 2022 at 1:30 P.M.

Meeting adjourned at 2:10 P.M.

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Ross Franson", written over a horizontal line.

Ross Franson, Secretary

APPROVED BY:

A handwritten signature in black ink, appearing to read "Roy Catania", written over a horizontal line.

Roy Catania, President