

**MINUTES
SANTA MARGARITA/DANA POINT AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
NOVEMBER 7, 2023
12:30 PM**

**SANTA MARGARITA WATER DISTRICT BOARDROOM
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688**

To join the meeting online at Microsoft Teams or Telephone Audio:

Telephone Audio: +1-530-414-9890 fees may apply

Telephone Audio ID: 101 055 203#

<https://tinyurl.com/y8crdb46>

ATTENDEES

William L. Green	Chairman
Charles T. Gibson	Vice Chairman
Saundra F. Jacobs	Director
Joe Muller	Director
Allison Burns	General Counsel/Stradling Yocca Carlson & Rauth
Kelly Radvansky	Secretary to the Board of Directors/Santa Margarita Water District
Erica Castillo	Authority Treasurer
Jennifer Wilt	Secretary of the Authority
Daniel R. Ferons	General Manager/Santa Margarita Water District
Christine McIlrevey	Controller/Santa Margarita Water District
Brett Robbins	IT Specialist/Santa Margarita Water District
Pamela Arends-King	Assistant General Manager/Chief Financial Officer/South Coast Water District
Linda Hurley	Partner/Macias, Gini & O'Connell

1. CALL TO ORDER

The meeting was called to order at 12:30 p.m. by Chairman William Green.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Director Charles T. Gibson.

3. ADMINISTRATION OF OATH OF OFFICE

Ms. Allison Burns, Legal Counsel, administered the oath of office to Director Joe Muller during Item 6.1.

4. **PUBLIC FORUM**

There were no requests to speak.

5. **CONSENT CALENDAR**

Motion: Approve Consent Calendar Item 4.1 as recommended.

Moved by: Saundra F. Jacobs

Seconded by: Charles T. Gibson

Ayes: Jacobs, Gibson, Green

Absent: Muller

Unanimously approved

Director Gibson thanked the Board for adjourning the November meeting in memory of his wife, Kathleen Gibson. There was no further discussion on this item.

- 5.1 Consideration and Action on the Minutes of the November 1, 2022 Board of Directors Meeting

Recommendation: Approve the Minutes.

6. **ACTION ITEMS**

- 6.1 Consideration and Action on the Santa Margarita/Dana Point Authority's Conflict of Interest Code Designated Positions List; and Resolution No. 2023-11-01 Amending the Conflict of Interest Code Pursuant to the Political Reform Act of 1974

Recommendation: Approve the Authority's Conflict of Interest Code including the revised designated positions list; and adopt Resolution 2023-11-01.

Motion: Approve as recommended.

Moved by: Saundra F. Jacobs

Seconded by: William Green

Ayes: Jacobs, Green, Gibson

Absent: Muller

Unanimously approved

Director Joe Muller entered the meeting at 12:40 p.m., and General Counsel administered his Oath of Office.

The Authority's General Counsel, Ms. Allison Burns, informed the Board that the biennial review of the Authority's Conflict of Interest Code was conducted and recommends removing from reporting the Secretary position.

In response to Director Saundra F. Jacobs' question, Ms. Burns noted the scope of the Secretary's role doesn't fall within the scope of the requirements of the Political Reform Act and is not required to file a Form 700. Additionally, removal of this position is consistent with other agencies' practices.

6.2 Consideration and Action on the Santa Margarita/Dana Point Authority Preliminary Audited Financial Statements for the Fiscal Year 2022-2023

Recommendation: Approve the finalization of the audited financial statements and submission to the County of Orange Auditor-Controller's Office by December 31, 2023.

Motion: Approve as recommended.

Moved by: Saundra F. Jacobs

Seconded by: Joe Muller

Ayes: Jacobs, Muller, Gibson, Green

Unanimously approved

The Authority's Treasurer, Erica Castillo, presented the Preliminary Audited Financial Statements for the period ended June 30, 2023.

Partner at Macias, Gini & O'Connell (MGO), Ms. Linda Hurley, announced an unmodified opinion will be issued and noted the required communication letter form has changed from last year but includes the same content.

In response to Chairman William Green's question, Ms. Hurley clarified there were no significant or insignificant judgements in the Authority's Fiscal Year 2023 financial statements.

In response to Director Jacobs' question, Ms. Castillo noted the outstanding bonds related to J.B. Latham Plant were fully redeemed in 2020 and do not appear in the Authority's or the Santa Margarita Water District's financial statements.

In response to Vice Chairman Gibson's question, Ms. Hurley clarified the difference between owning capacity (intangible asset) and owning the asset (physical asset).

Ms. Castillo responded to Vice Chairman Gibson's question, that the deferred loss discussed in Footnote 16 is calculated based on accounting measures and not projected cash flow. This is a mathematical calculation but never resulted in a loss to the customers.

7. GENERAL COUNSEL REPORT

No report.

8. DIRECTORS' REPORTS OF OUTSIDE MEETINGS AND EVENTS

No Director reports.

Mr. Daniel Ferons, Santa Margarita Water District General Manager, noted Santa Margarita Water District is reviewing with Legal Counsel the opportunity to look at the organization of the Authority and will approach South Coast Water District in the future.

9. ADJOURNMENT

The next Regular Board of Directors' Meeting is scheduled for January 2, 2024 at 12:30 p.m.

The meeting adjourned at 12:58 p.m.