MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
August 27, 2020

President Monin called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order via Zoom at 7:30 a.m. on August 27, 2020.

President Monin led in the Pledge of Allegiance to the flag.

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

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, GILBERT J. GRANITO, General Counsel, BOBBY YOUNG, Principal Engineer, RORY HARNISCH, Project Engineer, SHERRI SEITZ, Public Relations/Emergency Preparedness Administrator, POLLY WELSCH, Recording Secretary, and CAROL MOORE, Laguna Woods City Council Member.

Oral Communications - Public Comments

President Monin stated that at this time members of the public may address the Board or they may reserve this opportunity with regards to an item on the agenda, until the Board discusses said item later in today's meeting.

There were no comments.

Items Received Too Late To Be Agendized

President Monin asked if there are any items that came to the attention of the District after the agenda was posted that require consideration and action at today's meeting. Mr. Cafferty replied yes, there is a matter that arose after the agendas were posted, which requires immediate action in Closed Session concerning a matter of potential litigation.

Following deliberations, President Monin asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Freshley and unanimously carried across the Board which determines (1) that the need to take action on a Closed Session matter (potential litigation) arose after today's agenda was prepared and posted, and (2) that said matter be added to today's Closed Session pursuant to Government Code Section 54959.2(d)(2) to consult with legal counsel and staff on a matter of potential litigation (one matter).

Roll Call Vote:

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

ETWD's Waste Discharge Pretreatment and Source Control Program Ordinance 2020-1

President Monin stated that this is the time and place set for the public hearing on Resolution No. 20-8-1 which replaces in its entirety the District's

Pretreatment and Source Control Program Ordinance 2015-2 effective August 27, 2020.

Mr. Cafferty stated that the notice of this Public Hearing was posted in the Orange County Register on August 12 and August 19, 2020.

President Monin asked the General Manager to describe the proposed amendments which have been incorporated into the restated Ordinance.

Mr. Cafferty stated that this update is due to a pretreatment compliance audit of SOCWA's Pretreatment Ordinance performed by the Regional Water Quality Control Board. He further stated that all agencies have their own Pretreatment Ordinances under the umbrella of SOCWA's Pretreatment Ordinance and SOCWA's NPDES permit for the ocean outfalls.

Mr. Cafferty stated that all agencies are responsible for operating their Pretreatment programs to ensure compliance with the NPDES requirements for the effluent that we are discharging.

Mr. Cafferty stated that there were some terms that were modified, and some terms were added. He further stated that references to the Enforcement Response Plan were added to the Ordinance, and staff took the opportunity while making modifications to review the Plan and correct any inconsistencies in terminology or procedures.

Mr. Cafferty stated that we need to adopt the new Ordinance in its entirety to replace the previous Ordinance.

Director Havens asked if we regularly review SOCWA's process of following regulations. Mr. Cafferty replied that SOCWA is the lead agency for

the pretreatment program because they hold the NPDES permit, and they have a dedicated staff person to run their pretreatment program who monitors the requirements of the program and works with the member agencies to ensure compliance throughout SOCWA.

Open Public Hearing

At approximately 7:40 a.m. President Monin stated that if there is nothing further from staff or legal counsel, he declares the Public Hearing open.

Public Hearing Regarding Adoption of ETWD's Waste Discharge Pretreatment and Source Control Program Ordinance 2020-1

President Monin asked if there is anyone wishing to speak, and if so, please identify yourself and limit your comments to 3 minutes.

Public Comment

There were no comments.

Close Public Hearing

At approximately 7:42 a.m. President Monin closed the Public Hearing.

Regular Session

At approximately 7:43 am. The Board returned to Regular Session.

Resolution No. 20-8-1 Adopting ETWD's Waste Discharge Pretreatment and Source Control Program Ordinance 2020-1

Director Freshley asked if we have had any past issues of being in violation of the pretreatment Ordinance. Mr. Cafferty replied no, there was an issue almost 20 years ago where we were considering discontinuing service, but there have been no issues for several years since.

Director Freshley asked if we have released any permits in the last few years. Mr. Cafferty replied nothing specific, but if there are they would be infrequent.

President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Vergara and unanimously carried across the Board to adopt Resolution No. 20-8-1 which adopts ETWD's Waste Discharge Pretreatment and Source Control Program Ordinance 2020-1 effective August 27, 2020.

Roll Call Vote:

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

Consent Calendar

All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item.

1. Consider approving the July 23, 2020 Board meeting minutes.

Motion: Director Vergara made a Motion, seconded by Director Freshley, and unanimously carried across the Board to approve the Consent Calendar with Director Havens' corrections.

Roll Call Vote:

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

Director Vergara aye

Director Reports for Meetings Attended

Director Vergara stated that he attended the MWDOC/MET workshop, the Southern California Economic Coalition meeting, the WACO meeting, the CASA conference where they had a presentation on the National Economic Forecast, and a presentation on leading consciously and identifying bias. He also attended the CAG meeting, the WACO Planning Committee meeting, the MWDOC Board meeting, the OCWA meeting, the South County Agencies meeting, the ETWD Special Board meeting, the regular Engineering/FIC meetings, the regular Board meeting, and the WateReuse meeting.

Vice President Gaskins stated that he attended the ISDOC meeting, the RRC meeting, the SOCWA Board meeting, the WACO meeting, the President/Vice President/GM meetings, the MWDOC Public Affairs meeting, the ACWA Water Quality Committee, the LAFCO meeting, the CASA conference, the CAG meeting, the Agenda Review meeting, the OCWA meeting, the Special Board meeting, the regular Engineering/FIC meetings, and the regular Board meeting.

Director Freshley stated that she attended the WACO meeting, the MWDOC Planning and Operations meeting, the MWDOC/MET workshop, the MWDOC Board meeting, the Special Board meeting, the regular Engineering/FIC meetings, the regular Board meeting, the SOCWA Finance meeting, the SOCWA Board meeting, the Laguna Woods City Council meeting, the OCWA meeting, the CASA conference, and the ACWA

Engineering Committee meeting where they had an SCE presentation on the energy issues, and a presentation by a representative from the California Public Utilities Corporation's Planning group, and they are planning to put in 27,000 megawatts of additional electricity capacity of natural gas powered generators in order to avoid rolling blackouts. She also attended the LAFCO meeting, and the CAG meeting.

Director Havens stated that she attended the MWDOC/MET workshop, the South Orange County Watershed Executive Committee meeting, the WACO meeting, the CASA conference, the CAG meeting, the MWDOC Board meeting, the OCWA meeting, the Special Board meeting, the regular Engineering/FIC meetings, the regular Board meeting, and the Orange County Reuse meeting.

President Monin stated that he attended the ISDOC Executive Committee meeting, the MWDOC/MET workshop, the WACO meeting, the President/Vice President/GM meetings, the MWDOC Admin/Finance meeting, the CASA conference, the CAG meeting, the Agenda Review meeting, the WACO Planning Committee meeting, the Special Board meeting, the regular Engineering/FIC meetings, the regular Board meeting, the OCWA meeting, the ACWA Finance Committee meeting, the South Orange County Coalition meeting where they are looking at current issues such as salinity and how it could affect Baker, and the twin tunnels. He also attended the Laguna Woods City Council meeting where they discussed the blackouts and which areas are affected. He also attended the Emergency Fire and Police

meeting, and he will be attending OCCOG today.

General Manager Action Items

COVID-19 Update

Mr. Cafferty stated that we continue to monitor any revenue impacts and are dealing with child care challenges with schools being online.

President Monin asked for a Motion.

Motion: Director Vergara made a Motion, seconded by Director Havens and unanimously carried across the Board to grant the General Manager discretion to extend the use of Emergency Administrative Leave, as necessary up to 160 hours per employee, until the September 24, 2020 meeting of the Board of Directors.

Roll Call Vote:

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

Resolution No. 20-8-2 Biennial Review of Conflict of Interest Code

Mr. Cafferty stated that this is a review of our existing Conflict of Interest Code which is reviewed biennially and filed with the Board of Supervisors. He further stated that there were title changes made.

President Monin asked for a Motion.

Motion: Vice President Gaskins made a Motion, seconded by Director Havens and unanimously carried across the Board to approve and adopt Resolution No. 20-8-2, and authorize the Recording Secretary to disclose to

the County Board of Supervisors office using e-disclosure that the District's Conflict of Interest is being amended in 2020.

Roll Call Vote:

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

Motion passes 4-0.

Resolution No. 20-8-3 Nominating Director Monin on the ISDOC Executive Committee

Mr. Cafferty stated that the ISDOC Committee elections are in progress. He further stated that Director Monin is interested in being elected for the ISDOC President.

President Monin stated that he has enjoyed being on the ISDOC Committee and moving his way up. He further stated that he is on the EOC group, OCCOG, and he has brought in some good topics and speakers.

President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Vergara and unanimously carried across the Board to adopt Resolution No. 20-8-3 which nominates Director Mark Monin to hold the following position: President on the ISDOC Executive Committee, and to authorize the District's General Manager/Secretary to forward Director Monin's Letter of Interest and said Resolution to Heather Baez at MWDOC.

Roll Call Vote:

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

General Manager Information Items

General Manager's Monthly Report

Mr. Cafferty stated that the Water Savings Charts have been published since June 2015 and the numbers are getting harder to read. He further stated that we added another chart showing a single bar for each fiscal year completed and will provide the individual monthly bar for the current fiscal year.

President Monin stated that on the Customer Service report the numbers keep going down. Mr. Cafferty stated that some of the numbers are due to seasonal issues such as fogged registers.

Director Havens stated that the potable water addback to the recycled water was high this month, and asked if this is within our normal range, or did we have less recycled water in the tank. Mr. Cafferty replied that our goal is that we don't have to put potable water in the system or tank, however there are operational challenges that are sometimes out of our control, and in this particular case, they were doing a replacement of the cloth media in one of the filters. He further stated while one of the filters was being serviced, it required some potable water supplement.

Mr. Cafferty stated that our recycled water goes to three different places; the distribution system which is all new users and displaces the use of potable water, the Laguna Woods Village golf course which was a previous recycled water user, and use at the Plant for irrigation and process water.

Vice President Gaskins asked for an update on filling the CFO vacancy. Mr. Cafferty replied that staff, with assistance of the Alliance recruiting agency, has identified six highly qualified candidates, and we will be conducting interviews on September 9th.

President Monin stated that he would like to see more closed circuit TV coverage of cameras that could be remotely accessed. Mr. Cafferty stated that we are in the process of evaluating options to do this.

Legislative Reports

Director Vergara asked about the status of Senator Moorlach's bill. Mr. Cafferty stated that it has passed unanimously every other portion of the legislature and is now on the Assembly's Consent Calendar for approval.

Public Education and Outreach & Water Conservation Reports

Ms. Seitz stated that Laguna Woods Village TV-6 conducted a zoom interview with Director Freshley on ETWD's 2020/21 budget which will be aired on August 25th. She further stated that we are now working on an interview with Director Havens to be aired in late September with a tentative topic being Urban Drool.

Ms. Seitz stated that ETWD's 60th anniversary is in September; however due to the pandemic we will not be holding any events, but we are going to share the message through our newsletter, social media, our website, Laguna Woods TV-6, and additional outlets.

Director Vergara stated that by law the District cannot publish the Directors names in any mailings of more than 200, but the law doesn't say anything about social media.

Ms. Seitz stated that we are sponsoring the City of Lake Forest and the Lake Forest Chamber of Commerce's drive-in movie night on September 18th at the Lake Forest Towne Centre. She further stated that our 60th anniversary logo will be shown on the screen before the movie and will be included on event advertisements.

Ms. Seitz stated that the bill stuffer message includes information on the drought tolerant landscape transformation program and outdoor water conservation.

Ms. Seitz stated that we are working with MNWD and some of the south county cities on the H2O for HOAs, which will be a 2-hour virtual presentation on Thursday, October 29th. She further stated that we might be working on additional breakout sessions with each agency.

Ms. Seitz stated that we are also working with the Registrar of Voters on holding an OC Votes Center here at the District from October 20th through November 4th.

President Monin asked what time is the H2O for HOA's event. Ms. Seitz replied that it is 8:30 am – 10:30 am.

SOCWA Reports

Mr. Cafferty stated that the August 4th Finance meeting was a brief meeting only to consider some budget amendments that were for project committees of which we have no financial commitment.

Director Freshley stated that at the August 25th Finance meeting they discussed OPEB costs, which our unfunded liability is $500,000. She further stated that they discussed what the effect would be on the remaining agencies should IRWD decide to pay off their liability.

Director Freshley stated that cash flow was discussed at the SOCWA Board meeting. Mr. Cafferty stated that he has asked for a spreadsheet of potential projects and how much money is earmarked for each project.

Mr. Cafferty stated that at the SOCWA Managers meeting they discussed the Joint Powers Agreement and what SOCWA may look like in the future. He further stated that they also discussed sub-committees that look at alternative delivery mechanisms for SOCWA's services, and options for an individual member agency to exit SOCWA if they so desire.

MWDOC

Director Freshley stated that at the MWDOC Planning & Operations meeting they discussed the 2020 Urban Water Management Plan, the CDM-Smith contract for interim reliability modeling for $60,000, impacts of climate change, changes in water demands, MET water transfers, and groundwater

banking. She further stated that they also had a WEROC report, and are preparing an updated plan on agency reuse, and the budget based tiered rate report by Raftelis. Director Freshley stated that there were comments on the Poseidon project.

Director Vergara stated that at the MWDOC/MET workshop the MWDOC Board appointed Sat Tamarabuchi to the MET Board. He further stated that they also discussed the Integrated Resources Plan (IRP) and management strategies.

Director Vergara stated that at the MWDOC Board meeting they approved the consultant Arcadis to assist in the development of MWDOC's and participating agencies' 2020 Urban Water Management Plans. He further stated that they approved the $60,000 contract for CDM-Smith for interim reliability modeling.

Director Vergara stated that there are currently 250 mgd going to the ocean and LA Sanitation is okay with this so when they were approached by MET, they did not want to pay anything to build a new outfall. President Monin does not feel that it benefits Orange County or our District.

Vice President Gaskins stated that at the MWDOC Public Affairs meeting the Washington lobbyists discussed PFAS and PFOS which are not going away, and who is responsible for the groundwater cleanup.

President Monin stated that at the MWDOC Admin/Finance meeting they discussed appointing Sat Tamarabuchi to the MET Board, an award construction contract for administration building seismic retrofit and remodel,

approval of the Allen McColloch pipeline capacity flow waiver for the city of San Clemente, revisions to the Administrative Code, and an update on construction and design flexibility to address COVID-19 safety issues.

LAFCO

Director Freshley stated that they discussed recruiting and how much money to spend on the Assistant Executive Officer position, and recognition for staff's work accomplishments. She further stated that they are still discussing the San Juan Capistrano issue with SMWD, and another project moving forward is what happens in South Orange County, Ladera Ranch, Rancho Mission Viejo, Coto de Caza, unincorporated areas to see if and how they will be incorporated or become cities or Special Districts.

SOCWMA

Director Havens stated that they had a presentation on the Urban Drool Tool application that MNWD is developing with the County. She further stated that there was a presentation given by the California Data Consortium regarding AB 1765 the open and transparent water data set required to collaborate on all of our data.

Director Havens stated that Amber Baylor gave an update on the salt and nutrient plan and the San Diego Regional Board who oversees this program. She further stated that there was an update on the Water Quality Improvement Plan which includes a human waste sampling data test.

ISDOC

President Monin stated that ISDOC updates are on CSDA, LAFCO, ACWA, OCCOG, OCOA, the Emergency Committee, and the upcoming ISDOC elections.

WACO

Director Vergara stated that Brenda Burman, Commissioner from the U.S. Bureau of Reclamation provided an update. He further stated that for the next meeting they invited Nancy Vogle, Director of the Governor's Reliance & Resilience portfolio on climate change.

Director Vergara stated that Shasta Lake collects water for the Central Valley project which is a Federal aqueduct that serves farmers and is subsidized by the Federal government and Oroville is connected to the State Water project but they all come together at the Delta, so the proposal by Westland was to increase the height of the Shasta Dam, and it was immediately opposed due to the impact on the habitat. He further stated that he asked what the State's position was on enlarging the Shasta Dam, and the State does not approve.

Director Vergara stated that they are discussing inviting someone from the panel of the Colorado River Salinity Control Board to discuss the future and proposed changes.

City Coordination Efforts

There was no meeting.

Committee and General Information

Mr. Cafferty stated that we are working on a replacement for our Operations Superintendent. He further stated that we have been trying to streamline the Directors Compensation form.

Dates to Remember for August/September 2020

There were no comments.

Carry Over Pending Matters

There were no comments.

Comments Regarding Non-Agenda Items

Attorney Report

Mr. Granito reported that there is a need for a Closed Session today to discuss the new item that was added at the outset of today's meeting by appropriate Board action.

Closed Session

As such, at approximately 9:15 a.m. the Board went into Closed Session pursuant to Government Code Section 54956.9(d)(2) to consult with Legal Counsel and staff on a matter of potential litigation (one matter).

Also at this time, Ms. Cimorell, Ms. Seitz, Ms. Moore, Mr. Young, Mr. Harnisch, and Ms. Welsch left the meeting.

Open Session/Report

At approximately 9:40 a.m. the Board returned to Regular Session. Also at this time Ms. Welsch returned to the meeting.

Mr. Granito reported that the Board did go into Closed Session with regard to the newly added item pursuant to Government Code Section 54956.9(d)(2) during which the General Manager and Legal Counsel led a discussion on a matter of potential litigation. No reportable action was taken.

Adjournment

There being no further business to come before the Board the meeting was adjourned at 9:45 a.m. to Thursday, September 24, 2020 at 7:30 a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

MARK L. MONIN, 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