MINUTES OF THE REGULAR MEETING
OF THE
ENGINEERING COMMITTEE MEETING

October 22, 2019

President Vergara called the Meeting of the Board to order at 7:30 a.m. on October 22, 2019.

Present at today's meeting were Committee Members JOSE F. VERGARA, MARK MONIN, KATHRYN FRESHLEY, MIKE GASKINS, and KAY HAVENS.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, NEELY SHAHBAKHTI, Finance Manager/Controller, RICK OLSON, Operations Superintendent, BOBBY YOUNG, Project Engineer, NANCY LAURSEN, Accountant/Insurance Administrator, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, RICK SHINTAKU, SCWD General Manager, WYATT MCCLEAN, Customer, and CAROL MOORE, Laguna Woods City Councilmember.

Pledge of Allegiance

President Vergara led in the Pledge of Allegiance.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

President Vergara asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Call Engineering Committee Meeting to Order

Director Freshley called the Engineering Committee meeting to order at approximately 7:39 o'clock a.m.

Consent Calendar

1. Consider approving the minutes of the September 24, 2019 Engineering Committee meeting.

Director Freshley asked for a Motion.

Motion: Vice President Monin made a Motion, seconded by Director Gaskins, and unanimously carried across the Board to approve the Consent Calendar.

Roll Call Vote:

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

South Coast Water District Presentation on Doheny Ocean Desalination Plant

Mr. Rick Shintaku, General Manager of South Coast Water District provided a presentation on the Doheny Ocean Desalination Plant. He further provided a project description, an economic model, and next steps and key milestones.

Mr. Shintaku stated that the member agencies of the South Coast Water District Joint Regional Water Supply System include California State Parks, Camp Pendleton, City of San Clemente, City of San Juan Capistrano, ETWD, IRWD, MNWD, SCWD, and Southern California Edison.

Mr. Shintaku stated that a community-based Public Workgroup formed to review the SCWD's draft Water Reliability Study and provide feedback. He further stated that the findings included that SCWD has a responsibility to its customers to address its system and supply reliability vulnerabilities in an effective and financially feasible manner, and that the Doheny Project would provide water reliability that is under SCWD's control and least affected by external events, with a continuous supply well over 60-days.

Mr. Shintaku stated that SCWD's drinking water supplies would come from Doheny Ocean Desalination of 59%, Groundwater Recovery of 10%, Storm Water Capture of 2%, and MWD Imported Water of 29%. He further stated that their total water supplies would be MWD Imported Water of 20%, Doheny Ocean Desalination of 37%, Storm Water Capture of 2%, Groundwater Recovery of 6%, Water Use Efficiency of 20%, and Recycled Water of 15%.

Mr. Shintaku stated that the Desalination facility Phase 1 would receive approximately 10 mgd of ocean water to produce 5 mgd of potable water. He further stated that the ultimate capacity is 15 mgd, and the location is in the City of Dana Point at the District's existing San Juan Creek property.

Mr. Shintaku stated that the Subsurface Water Intake System is the preferred method by regulators and the California Ocean Plan Desalination Amendment, and the wells draw in ocean water from below the ocean floor. He further stated that the slant wells are fully buried near the beach at Doheny State Beach with submersible pumps that reduce noise.

Mr. Shintaku stated that the Reverse Osmosis Concentrate (brine) Disposal System consists of diluting the brine with treated wastewater through the existing San Juan Creek Ocean Outfall more than 2 miles offshore. He further stated that the blended effluent would ensure a negligible impact on coastal and marine water quality.

Mr. Shintaku stated that Project Costs for Phase 1 include:

- Estimated Construction Cost of $107 M
- Cost of Water $1,465/AF
- Estimated Customer Impact of $5-$7 per month average

Mr. Shintaku stated that these costs assume a MWD rebate of $475/AF, and will be escalated from 2016 to 2020 as part of a Peer Review by Cal Am with preliminary results that indicate a 10-15% cost increase.

Mr. Shintaku stated that the estimated power consumption varies according to production, and they have an alternative power study in progress.

Mr. Shintaku stated that the District is committed to 100% carbon neutral by buying carbon credits on the open market. He further stated that features include rooftop solar and state-of-the-art energy recovery devices.

Mr. Shintaku stated that they are considering soliciting partners in the project by way of a Water Purchase Agreement with SCWD.

President Vergara stated that Phase 1 is 5 mgd, of which they are planning to use 3 mgd, and inquired as to what is planned for the remaining 2 mgd. Mr. Shintaku replied that the potential partners could use the remaining 2 mgd.

Vice President Monin asked if we have an earthquake and/or tsunami, would you have the possibility of being offline. Mr. Shintaku replied that the design is being planned around potential casualties of this manner.

Director Havens asked if longitude studies have been done on the effects of storm surge in the areas where the slant wells will be located. Mr. Shintaku replied that due to the potential of higher water levels, the pumps are fully submerged in a vault. He further stated that they will probably sink 2 wells per year, due to the drilling, and will need 4 wells for this project, with 3 functioning and 1 standby well.

President Vergara asked where they will store the water. Mr. Shintaku replied that they have access to a large storage area on the Joint Regional Water Supply System.

President Vergara asked what is the deadline for taking applications for purchasing water. Mr. Shintaku replied that ultimately the deadline would be Spring of next year, but realistically they will not be awarding the project until late 2020.

Engineering Action Items

Agreement for Acquisition of Real Property

Mr. Cafferty stated that in order to accommodate the new facilities associated with the Oso Lift Station Improvement Project, the project site will need to expand 10 feet northeast onto land that is owned by the City. He further stated that, due to a pre-existing agreement, the property transfer requires the approval of the State Coastal Conservancy.

Mr. Cafferty stated that this real property is approximately 350 square feet which the District will be acquiring for $2,009.

Director Freshley asked for a Motion.

Motion: Vice President Monin made a Motion, seconded by Director Havens and unanimously carried across the Board to approve and authorize the Board President and General Manager to execute the Agreement for Acquisition of Real Property between ETWD and the City of Laguna Woods.

Roll Call Vote:

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

Agreement Between ETWD and MNWD Providing for Emergency Wastewater Overflow Connection

Mr. Cafferty stated that the construction of the Oso Lift Station will require the bypass of influent flows to the existing lift station. He further stated that staff worked with MNWD staff to determine that MNWD had available capacity in its wastewater collection system at the Aliso Creek Lift Station to accommodate the Oso Lift Station flows on a limited basis. The legal counsels at each agency developed the agreement.

Director Freshley asked about the term in the Agreement which states "MNWD is not obligated to accept flows under certain operational conditions including rain events or failures within the MNWD wastewater collection system." Mr. Cafferty replied that if they are having some issue with their system, they wouldn't accept the additional flow.

Director Freshley asked what would be our alternative if this happens. Mr. Cafferty replied that depending on what type of failure we could divert to our emergency bypass system.

Director Freshley asked for a Motion.

Motion: Vice President Monin made a Motion, seconded by Director Havens and unanimously carried across the Board to approve and authorize the General Manager to execute the agreement between ETWD and MNWD providing for emergency wastewater overflow connection.

Roll Call Vote:

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

America's Water Infrastructure Act (AWIA) Compliance – Phase II

Mr. Cafferty stated that the AWIA Act requires agencies to review the Risk and Resilience Assessment of their community water systems and develop an Emergency Response Plan (ERP). He further stated that upon completion of the ERP, the utility is to submit self certification to the US Environmental Protection Agency indicating we are in compliance with AWIA.

Mr. Cafferty stated that the District sent a letter of commitment to MWDOC indicating participation in Phase 1 crosswalk and anticipated participation in Phase II and Phase III pending ETWD Board approval. He further stated that upon approval of the agreement with MWDOC and ETWD, Herndon Solutions Group (HSG) will complete Phase II based on results of the Phase I crosswalk analysis.

Director Freshley asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Vice President Monin and unanimously carried across the Board to approve and authorize the General Manager to execute the "Agreement for Sharing Consultant Costs for the 2019 AWIA Compliance Risk and Resiliency Assessments and Emergency Response Plans for Participating Agencies (Phases II and III)" between ETWD and MWDOC.

Roll Call Vote:

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

Engineering General Information Items

Capital Project Status Report

Oso Lift Station Project

Mr. Cafferty stated that as soon as the agreements are signed by all the agencies, we will go out for bids, hopefully in December.

Director Freshley asked when this project should be completed. Mr. Young replied there is a 6-month schedule from award to completion.

Phase II Recycled Water Distribution System Expansion Project

Mr. Young stated that there are currently 3 recycled water meters in service for irrigation uses in the United Mutual Gate 5/6 area. He further stated that testing in the field has been done, and we hope to have a 4th recycled water meter on line by the end of this week.

Mr. Young stated that staff submitted applications for the MET On-site Retrofit Rebate Program for all sites in the East Side System.

Director Freshley asked when this project is expected to be complete. Mr. Young replied that it could take a significant amount of time at this current pace.

Aliso Creek Lift Station Skid Pump and Trailer Mounted Emergency Pump

Mr. Olson stated that the pumps have been ordered and are expected at the end of October.

Director Freshley asked who is manufacturing the pumps. Mr. Olson replied Rain for Rent is the parent company using their own subcontractor to build the pumps.

Engineering Items Discussed at Various Conferences and Meetings

There were no comments.

Comments Regarding Non-Agenda Engineering Committee Items

There were no comments.

Adjournment

There being no further business to come before the Board, the following motion was duly made and passed.

Motion: President Vergara made a Motion, seconded by Director Havens and unanimously carried that today's meeting be adjourned at 8:56 o'clock a.m. to Monday, November 25, 2019 at 7:30 o'clock a.m. at the District's Administrative Offices at 24251 Los Alisos Blvd, Lake Forest, CA. 92630.

Roll Call:

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

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

JOSE F. VERGARA, 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