

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
June 12, 2014

President Martin called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 o'clock a.m. on June 12, 2014 at the El Toro Water District Administrative Offices, 24251 Los Alisos Boulevard, Lake Forest, California.

Director Vergara led in the Pledge of Allegiance to the flag.

Directors TED F. MARTIN, M. SCOTT GOLDMAN, WILLIAM H. KAHN, JERARD B. WERNER, and JOSE F. VERGARA were present.

Also present were ROBERT R. HILL, General Manager/Assistant Secretary, MICHAEL P. GRANDY, Chief Financial Officer/Assistant Treasurer, DENNIS P. CAFFERTY, Director of Operations and Engineering, GILBERT J. GRANITO, General Counsel, POLLY WELSCH, Recording Secretary, and BERT HACK, Laguna Woods City Council member.

Oral Communications - Public Comments

President Martin 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.

MWDOC/MET Director Candidate

Mr. Hill stated that today's meeting is to review and discuss a formal letter of interest and statement of qualifications submitted by Mr. Bert Hack for the purpose of determining whether Mr. Hack meets the eligibility requirements to be considered as a candidate for the open MWDOC "South County" MET Director seat.

Mr. Hill stated that in accordance with the terms of the Settlement Agreement, the south County Agencies prepared and unanimously agreed upon a Nominating Process by which candidates would be considered by a Nominating Committee of the South County Agencies.

Mr. Hill stated that included in the Board package is a formal letter of interest submitted by Mr. Hack, an excerpt from the South Orange County MET Selection Guidelines, a current list of candidates put forth by certain South County Agencies, and Mr. Hill's May 20, 2014 memo to Mr. Hack.

Mr. Hill stated that each of the ten South County Agencies can name a representative to the nomination committee, and currently 9 agencies have appointed representatives to the nomination committee.

Mr. Hill stated that candidates must submit a letter of interest to the governing body of at least one of the ten South County Agencies.

Mr. Hill stated that each agency will conduct a background check on its candidate(s), and each agency's board will submit it's candidate(s) to the nomination committee accompanied by a brief written statement and/or material that addresses the five criteria and how the candidates meet those criteria.

Mr. Hill stated that depending upon the number of candidates, the nomination committee will interview the candidates or form a subgroup to further narrow the candidate pool for the interviews.

Mr. Hill stated that a simple majority vote will be used to determine the nomination to MWDOC, which will be signed by all members of the nomination committee.

Mr. Hill stated that the selection process will be guided by five criteria as described below:

1. Ability to effectively represent the interest of Met
2. Ability to effectively represent MWDOC interest
3. Ability to effectively represent the interest of South County
4. Ability to forge relationships and partnerships
5. Ability reliably meet the time commitment requirement

Mr. Hill stated that the Process also identified "Pass/Fail" criteria and a suggested "Weighted Ranking System":

Pass/Fail: Time Commitment
Criminal record
Conflict of Interest (Incompatibility of Offices)

Criteria 1	30 points
Criteria 2	20 points
Criteria 3	10 points
Criteria 4	40 points
Criteria 5	Pass/Fail

Mr. Hill stated that not surprising, ETWD's HR Manager completed a Background Check on Mr. Hack and there were no records found that would constitute a Fail grade.

Mr. Hill stated that staff is recommending that subsequent to review and discussion of Mr. Hack's formal letter of interest and statement of qualifications,

the Board will consider authorizing the General Manager to prepare and submit a letter to the South County Nominating Committee indicating that the ETWD Board has vetted and determined that Mr. Hack meets the eligibility requirements to be considered as a candidate for the open MWDOC "South County" Met Seat.

Vice President Goldman stated that the plan is to select a date in July where each candidate will be given an opportunity to make a statement to the Committee, and the Committee will then choose a date for interviews with the selected candidates.

Mr. Hack introduced himself to the Board, and stated that he is interested in being nominated as a candidate for the MET Director seat. He further stated that he has the ability to effectively represent the interest of MET.

Mr. Hack stated that he also has the ability to effectively represent MWDOC's interest, and the interest of South County. He further stated that he has the ability to forge relationships and partnerships.

Mr. Hack stated that his term on the Laguna Woods City Council will end in early November, and he has no concerns about the time commitment, and looks forward to his potential service.

Director Vergara stated that the success of MET's Board depends on how well they do with the legislation, and asked Mr. Hack how he plans to deal with that. Mr. Hack replied that he is bipartisan.

Director Werner stated that MET's Board consists of 27 members, and Mr. Hack would be the new seat on the Board, and asked how many years it takes to be an effective member of the Board. Mr. Hack replied that he has sat on

numerous Boards with political leaders from all over Orange County, and is confident he could be a long running member of the MET Board.

Director Vergara stated that he appreciated Mr. Hack's interest letter.

Director Kahn stated that he has seen interaction with Mr. Hack at other meetings and he is very well informed, and Director Kahn appreciates his efforts. Mr. Hack thanked the Board for their consideration.

Vice President Goldman stated that July 9th will be the screening date, which will be open to the Public.

Director Kahn asked Mr. Hack for his views on MET getting involved in Desal rather than letting Poseidon run the project. Mr. Hack replied that we must take advantage of the availability of water resources, and he supports the Desal projects.

President Martin asked for a Motion.

Motion: Director Werner made a Motion, seconded by Director Vergara and unanimously carried across the Board to authorize the General Manager to prepare and submit a letter to the South County Nominating Committee indicating that the ETWD Board has vetted and determined that Mr. Bert Hack meets the eligibility requirements to be considered as a candidate for the open MWDOC "South County" Met Seat.

President Martin asked for a Roll Call Vote.

Roll Call Vote:

Director Vergara	aye
Director Kahn	aye
President Martin	aye
Vice President Goldman	aye

Director Werner aye

At approximately 8:13 o'clock a.m. Mr. Hack left the meeting.

Mr. Hill stated that the memo must be addressed to Sandra Jacobs who is the Nominating Committee Chair.

Vice President Goldman stated that the Committee will make a selection and given the timing none of the representatives are required to report back to their Boards to ratify votes. He further stated that he will report back, but there is no obligation to vote for your nominated candidate.

Director Kahn stated that if Vice President Goldman does not have to report back to the Board, he would be voting on his own rather than representing the ETWD Board.

Vice President Goldman stated that whoever was represented to the Committee has the authority to vote how they choose.

Mr. Hill stated that the list of nominating candidates is included in today's Board package.

Vice President Goldman stated that the candidates will have 10 minutes to make their statement to the Nominating Committee.

Attorney Report

Mr. Granito reported that a Closed Session will be necessary at today's meeting to discuss item #1, a matter of potential litigation.

Closed Session

President Martin called for a Closed Session at approximately 8:26 o'clock a.m. Also at this time, Ms. Welsch left the meeting.

Open/Regular Session

At approximately 8:44 o'clock a.m. the Board returned to Open Session. Also at this time, Ms. Welsch returned to the meeting.

Report on Closed Session

Mr. Granito reported that at approximately 8:26 o'clock a.m. the Board went into Closed Session as reflected on today's agenda to discuss item #1, a matter of potential litigation.

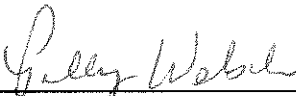
Mr. Granito reported that during the Closed Session, General Counsel, General Manager, and the Assistant General Manager led a discussion on a matter of potential litigation. No further reportable action was taken.

Adjournment

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


Motion: Director Werner moved, seconded by Director Vergara and unanimously carried across the Board that today's meeting be hereby adjourned at 8:45 o'clock a.m.

Respectfully submitted,

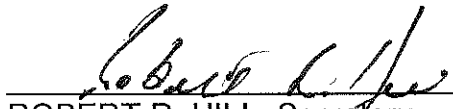


POLLY WELSCH
Recording Secretary

APPROVED:



TED F. MARTIN, President of
the El Toro Water District and the
Board of Directors thereof



ROBERT R. HILL, Secretary
of the El Toro Water District and
the Board of Directors thereof