

MINUTES OF THE SPECIAL MEETING  
OF THE  
BOARD OF DIRECTORS  
OF THE  
EL TORO WATER DISTRICT  
July 15, 2016

President Goldman called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 o'clock a.m. on July 15, 2016 at the El Toro Water District Administrative Offices, 24251 Los Alisos Boulevard, Lake Forest, California.

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

Directors M. SCOTT GOLDMAN, WILLIAM H. KAHN, JOSE F. VERGARA, MARK MONIN, and FRED ADJARIAN were present.

Also present were ROBERT R. HILL, General Manager/Assistant Secretary, DENNIS P. CAFFERTY, Assistant General Manager/District Engineer, NEELY SHAHBAKHTI, Finance Manager/Controller, GILBERT J. GRANITO, General Counsel, and POLLY WELSCH, Recording Secretary.

Oral Communications - Public Comments

President Goldman 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 was no public, and there were no comments.

Resolution No. 16-7-1 Amending and Updating ETWD's Drought Response

Actions

Mr. Hill stated that staff has anticipated that the State would come out with new regulations for a self-certification program which we responded to, working with MWDOC to see what ETWD's new standard would be. He further stated that the self-certifications are due on the 22<sup>nd</sup>.

Mr. Hill stated that ETWD ended with a zero standard, looking forward at 3 years of continued drought and MET and MWDOC determined that they could meet our annual average demand for those 3 years, based on the 2013 & 2014 years. He further stated that our Recycled Water project has been a positive impact on our ability to reduce potable demand compared to 2013 and 2014.

President Goldman asked if we suspend the \$2/ccf Drought Penalty and decide later to return to the penalty, will we need to prepare another Prop 218 Notice to rate payers. Mr. Hill replied no, the Prop 218 Notice will only apply if we increase rates.

Vice President Kahn asked if staff should consider calling these "options" and maintain going to "option 1" or "option 2" versions, for example. Mr. Hill replied that it would not be an administrative issue for staff. He further stated that customers are calling and asking for some relief with their water budgets.

Director Adjarian asked if the 10% water production reduction is mandatory or voluntary. Mr. Hill replied that it is not mandatory, but there is a goal for the county as a whole, and staff set the target for our customers at 10%.

President Goldman asked for a Motion.

Motion: Vice President Kahn made a Motion, seconded by Director Monin, and unanimously carried across the Board to adopt Resolution No. 16-7-1

which 1) reaffirms the Level 1 Water Supply Shortage Emergency Declaration, 2) suspends the \$2/ccf Administrative Drought Penalty effective August 1, 2016, 3) increases the Outdoor Drought Factor from 50% to 75%, 4) establishes a 10% water production reduction standard compared to the annual average water production for calendar years 2013 and 2014, and 5) directs Staff to coordinate its local “water use efficiency – not water waste” outreach, education and messaging program with the MWDOC and MET regional programs.

Roll Call Vote:

Director Vergara	aye
Vice President Kahn	aye
President Goldman	aye
Director Monin	aye
Director Adjarian	aye

President Goldman stated that the Board would be addressing the Closed Session at this time.

Attorney Report

General Counsel Pre-Closed Session Statement:

As required by Government Code Section 54956.9(e)(2), the record should reflect that at this time the Board will go into Closed Session pursuant to Government Code Section 54956.9 to consult with legal counsel and the General Manager on a matter of potential/anticipated litigation. One matter concerning objections lodged by the Moulton Niguel Water District relating to South Orange County Wastewater Agency's adopted budget, inclusive of costs allocations to Member Agencies.

Closed Session

At approximately 7:56 o'clock a.m. the Board went into Closed Session. Also at this time Ms. Shahbakhti and Ms. Welsch left the meeting.

Regular Session

At approximately 8:46 o'clock a.m. the Board returned to Regular/Open Session. Also at this time, Ms. Shahbakhti and Ms. Welsch returned to the meeting.

Report on Closed Session

At approximately 7:45 am the Board of Directors went into Closed Session as reflected in item 14 of today's agenda. During the Closed Session, the district's General Counsel and General Manager led a discussion on a matter of potential litigation as reflected in General Counsel's pre-Closed Session statement. No further reportable action was taken. The Closed Session ended at approximately 8:45 o'clock a.m. and the Board returned to Regular Session.

South Orange County Wastewater Authority (SOCWA) 2016/17 Budget

Review/Ratification

President Goldman asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Vice President Kahn, and unanimously carried across the Board to approve/ratify the SOCWA Fiscal Year 2016/17 budget, and that upon such approval/ratification, written notification of such action be prepared and submitted to SOCWA.

Roll Call Vote:

Director Vergara	aye
Vice President Kahn	aye
President Goldman	aye
Director Monin	aye

Director Adjarian                      aye

SOCWA Second Alternate Director Appointment

President Goldman stated that there have been incidences where neither the Representative nor the Alternate were able to attend SOCWA meetings, and today he is asking the Board to appoint a second Alternate to the SOCWA Board, and notify SOCWA of doing so. He further stated that JPIA does allow appointing a second Alternate, and Mr. Hill has volunteered to be the second Alternate.

President Goldman asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Vice President Kahn, and unanimously carried across the Board to appoint the District's General Manager, Bob Hill, as a second Alternate Director and formally notice SOCWA of said appointment.

Roll Call Vote:

Director Vergara	aye
Vice President Kahn	aye
President Goldman	aye
Director Monin	aye
Director Adjarian	aye

Baker Pump Station Pipeline Alignment Study

Mr. Cafferty stated that Tetra Tech has completed their alignment analysis and reviewed 3 alignments as shown in the staff paper in the Board package. He further stated that the Cherry Street alignment is longer, but from a construction standpoint, appears to be the best option.

Mr. Cafferty stated that they will be building a 16" pipeline. He further stated that Tetra Tech is recommending the Cherry Street alignment.

Mr. Cafferty stated that engineering design is anticipated to be complete in October, with construction complete in May 2017. He further stated that the Board has previously approved the design and today staff is providing an update to the Board on the study and cost estimate.

Director Vergara asked if the estimate is \$2 million. Mr. Cafferty replied that the estimate for the pipeline is just over \$2 million when factoring in design and construction support, and \$1.2 million on the pump station, for a total of approximately \$3.2 million total project cost.

#### MNWD Recycled Water Master Plan

Mr. Cafferty stated that MNWD is preparing a Recycled Water Master Plan which includes an evaluation of the concept of recycled water to MNWD in the area where we already have recycled water and bring recycled water from MNWD, in exchange, to serve the potential users in the Los Alisos/Muirlands Blvds area. He further stated that we could supply MNWD with recycled water in the offpeak months that would otherwise go to the ocean, and bring it back to a new system we would build.

Mr. Cafferty stated that AKM is reviewing how to get the water to MNWD. He further stated that staff and Tetra Tech are reviewing options on our side.

President Goldman suggested extending the proposed supply line along Los Alisos, across the freeway, to the proposed distribution system at Muirlands. Mr. Cafferty stated that staff will review this option.

Mr. Cafferty stated that the goal of this project is to define what it would take to make this project happen. He further stated that staff anticipates finalizing the Master Plan analysis in October.

Director Comments/Non-agenda 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: Director Vergara moved, seconded by Director Adjarian and unanimously carried across the Board that today's meeting be hereby adjourned at 9:16 o'clock a.m.

President Goldman called for a Roll Call vote.


Roll Call Vote

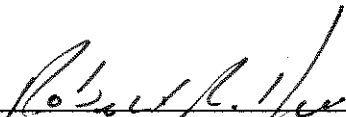
Director Monin	aye
Director Adjarian	aye
President Goldman	aye
Vice President Kahn	aye
Director Vergara	aye

Respectfully submitted,

  
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POLLY WELSCH  
Recording Secretary

APPROVED:

  
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M. SCOTT GOLDMAN, President of  
the El Toro Water District and the  
Board of Directors thereof



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