

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
December 12, 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 December 12, 2016 at the El Toro Water District Administrative Offices, 24251 Los Alisos Boulevard, Lake Forest, California.

Director Monin 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, BRIAN THOMAS, PFM Representative, CHRISTINE DAWOOD, PFM Representative, BRADLEY NEIL, Stradling Agency, JAY CAMPOS, Stifel Representative, 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 were no comments.

Items Received Too Late to be Agendized

President Goldman asked if staff received any items too late to be agendized. Mr. Hill replied no.

Oath of Office

Mr. Hill administered the Oath of Office to the re-elected Board members, Scott Goldman, Jose Vergara, and Mark Monin.

Resolution No. 16-12-1 Approving an Installment Sale Agreement Regarding Refunding the Baker WTP Capacity Agreement with IRWD, Approving Certain Documents and Authorizing Certain Actions in Connection Therewith

Mr. Hill introduced Brian Thomas of PFM, who introduced Jay Campos of Stifel, and Brad Neil of Stradling.

Mr. Thomas stated that the term of the loan will be 20 years, and is locked in at the 3.1% interest rate. He further stated that after 10 years, the District has the option of paying off the loan early with no pre-payment penalty.

Mr. Thomas stated that re-financing the loan will save the District \$1.4 million in net present value over a 20 year period. He further stated that the terms of this loan are subordinate to the current and proposed SRF loans.

Mr. Thomas stated that ETWD has supplied IRWD with the required 15 day notice. He further stated that pre-closure documents will be done on December 19th, and closing documents will be finalized on December 20th.

Director Monin asked if the new loan will change the District's rating. Mr. Thomas replied no.

Director Monin asked if several banks were reviewed. Mr. Thomas stated that only one bank was willing to lock the original rate.

Director Monin asked if they considered any banks with lower rates. Mr. Thomas replied yes, but they were variable rates.

Director Adjarian asked if staff could provide more background information on Texas Capital.

President Goldman asked that when we last submitted our SRF application, did it include the loan to IRWD. Mr. Cafferty replied yes.

Director Vergara asked how does the reputation of the lender affect ETWD in the future if we already have an agreement with them. Mr. Thomas stated that there would not be an impact to ETWD in the future.

President Goldman asked for a Motion.

Motion: Vice President Kahn made a Motion, seconded by Director Adjarian and unanimously carried across the Board to approve Resolution No. 16-12-1 which approves an Installment Agreement regarding refunding the existing Baker WTP Capacity Agreement with IRWD, approving certain documents and authorizing certain actions in connection therewith.

At approximately 7:46 o'clock a.m. Mr. Thomas, Ms. Dawood, Mr. Campos, and Mr. Neil left the meeting.

Baker Water Conveyance System

Mr. Cafferty stated that from the evaluation of an interconnection with IRWD at Trabuco Road, required IRWD to provide hydraulic analysis of their

distribution system to assess the impact of conveying the 5 cfs. He further stated that the process is on-going and results are anticipated soon.

Director Comments/Non-agenda Items

Director Adjarian commented that he attended the tour for the Boy Scouts of the WRP. He stated that the kids were eager to learn about the water recycling process, and staff did a great job.

Director Monin stated that staff should continue with the outreach process and educating the younger generation.

Vice President Kahn stated that MWDOC staff asked him to express their thanks to ETWD staff.

Attorney Report

Mr. Granito reported that a Closed Session is not necessary at today's meeting. Therefore, regular session continued.

Adjournment

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

Motion: Director Kahn moved, seconded by Director Monin and unanimously carried across the Board that today's meeting be hereby adjourned at 8:00 o'clock a.m.

President Goldman called for a Roll Call vote.

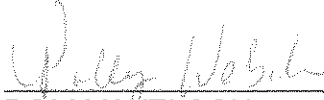
Roll Call Vote

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

Director Vergara

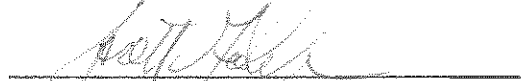
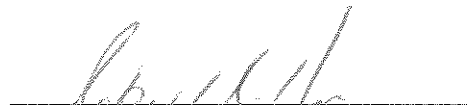
aye

Respectfully submitted,



POLLY WELSCH
Recording Secretary

APPROVED:


M. SCOTT GOLDMAN, 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

