

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
January 3, 2022

President Freshley called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 a.m. on January 3, 2022.

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

Committee Members KATHRYN FRESHLEY, KAY HAVENS, MARK MONIN (via zoom), JOSE VERGARA (via zoom), and MIKE GASKINS participated.

Also present were DENNIS P. CAFFERTY, General Manager, JASON HAYDEN, CFO, HANNAH FORD, Engineering Manager, GILBERT J. GRANITO, General Counsel, CAROL MOORE, Laguna Woods Mayor, MARK NORCROSS, NHA Advisors, LESLIE BLOOM, NHA Advisors, BRAD NEIL, Stradling, and POLLY WELSCH, Recording Secretary.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

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

Bond Underwriter RFQ and Selection

Mr. Cafferty stated that NHA Advisors have sent out a Request for Proposals, and staff is comfortable recommending Bank of America Securities to lead the District's debt issuance process. Mr. Hayden included several factors of recommendation in his staff report.

Mr. Hayden stated that all four firms indicated that there are benefits to issuing Revenue Bonds when compared to Certificates of Participation. He further stated that Bank of America is the most favorable when the cost of their proposal is combined with the other attributes in their proposal, and seems most beneficial for the District.

Mr. Cafferty stated that this is an information item at today's meeting.

Ms. Bloom stated that the fees ranged from \$92,600 to \$172,000 based on prices quoted by the four firms.

Director Monin asked how big is Bank of America's support staff. Mr. Hayden replied that they have issued Revenue Bonds in the recent past, and their staff consists of approximately 10 very qualified staff people.

Director Monin asked how many bonds they have issued in the last year. Ms. Bloom replied that over a 2-year period Bank of America was ranked #2 underwriter of water and wastewater bonds with 26 transactions for a total of \$3 billion.

Capital Project Financing Update

Mr. Cafferty stated that staff asked each of the underwriters to express an opinion in writing COP's versus Revenue Bonds. He further stated that all

confirmed that depending on the market, Revenue Bonds would be more favorable.

Mr. Cafferty stated that COP's are largely a California option, and not all bond market participants are as comfortable with them. He further stated that for COP's to be issued the District would establish a finance corporation, and to issue Revenue Bonds the District would have to establish a JPA Agreement.

Mr. Cafferty stated that staff's recommendation is to pursue the issuance of Revenue Bonds. He further stated that staff will bring this back to the Board in January for approval.

Director Monin stated that he agrees with staff that Revenue Bonds are best. Director Vergara and Director Gaskins agreed.

Vice President Havens stated that she is comfortable with using Revenue Bonds. President Freshley agreed that staff should pursue Revenue Bonds.

JTM Project

Mr. Cafferty stated that staff solicited and reviewed proposals from qualified design consultants, and staff has made a recommendation.

Ms. Ford stated that the District received three proposals for this project from Black & Veatch, Tetra Tech, and Dudek. She further stated that the difference between the low and high fee is approximately 11%, and staff is recommending Black & Veatch which offers the advantages of the lowest fee, highest level of quality assurance/quality control, and innovative ideas to optimize design.

Director Vergara stated that Tetra Tech was using lots of sub consultants and the design engineer is an EIT as opposed to a PE. Ms. Ford replied this design engineer has played a key role on other projects for ETWD and is very qualified and competent.

President Freshley asked if they are purchasing a special transformer that takes 4-6 months lead time. Ms. Ford replied that we will need to obtain a new transformer as we don't have adequate capacity in our existing transformer to feed the new pump station.

President Freshley asked what horsepower and amperage the new pump will be. Mr. Cafferty replied that the pump will be in the 50-60 horsepower range.

Motion: Director Gaskins made a Motion, seconded by Vice President Havens and unanimously carried across the Board to authorize the General Manager to enter into a contract with Black & Veatch in the amount of \$177,845 for engineering design services for the JTM Pump Station design.

Roll Call Vote:

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

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 8:25 a.m.

Respectfully submitted,



POLLY WELSCH
Recording Secretary

APPROVED:



KATHRYN FRESHLEY, 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

