

MINUTES OF THE SPECIAL BOARD MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
August 9, 2022

President Freshley called the Special meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 a.m.

Directors KATHRYN FRESHLEY, KAY HAVENS, MIKE GASKINS, MARK MONIN, and JOSE VERGARA participated.

Also present were DENNIS P. CAFFERTY, General Manager, HANNAH FORD, Engineering Manager, GILBERT J. GRANITO, General Counsel, SCOTT HOPKINS, Operations Superintendent, JUDY CIMORELL, Human Resources Manager, CAROL MOORE, Laguna Woods Mayor, and POLLY WELSCH, Recording Secretary.

JASON HAYDEN, CFO was absent.

Oral Communications/Public Comments

There were no comments.

Action Item

JTM Pump Station Project (Reference Material Included)

Ms. Ford stated that this project benefit would prove useful when the District lacks its water supply reliability during the R-6 Reservoir outage, which is planned from October 2022 to July 2023 to replace the floating cover and liner.

She further stated that staff is pre-purchasing equipment and making every effort to expedite construction by requiring the contractor to complete construction by the end of January 2023.

Ms. Ford stated that staff put the project out for bids last month and has received three bids with the lowest bidder being Filanc at a cost very close to the Engineer's estimate. She further stated that the bid is lower than budgeted as part of the revenue bond process due to value engineering design modifications.

Ms. Ford stated that in addition to recommending the award of the construction contract, staff also recommends awarding the designer, Black and Veatch, for Engineering Services during Construction, which will include geotechnical inspection services.

Ms. Ford stated that the District's consultant Dudek prepared the Mitigated Negative Declaration (MND) for CEQA compliance, which the Board adopted. Following adoption, one of the consulted tribes sent an e-mail requesting additional mitigation. The District offered no modified mitigation measures in the MND but did offer to allow tribal observation during excavation; however they did not respond, so the District considers the tribal consultation closed.

Ms. Ford stated that, during construction, Dudek will provide paleontological monitoring services by developing a monitoring plan and witnessing excavation activities during construction.

Director Vergara stated that the budget was \$2.4 million and now the project costs are \$989,546. Ms. Ford replied yes, due to efficient design of the pump station being more cost effective.

President Freshley asked why we are tying into the gravity zone. Ms. Ford replied that the Gravity Zone is the desired location for the JTM pump discharge water; a pipeline connecting to the Gravity Zone already exists near the JTM Pump Station on the R-1 and R-2 Reservoir Site.

President Freshley asked for a Motion.

Motion: Director Vergara made a Motion, seconded by Director Gaskins and unanimously carried across the Board to authorize the General Manager to 1) enter into a contract with J.R. Filanc Construction Company, Inc. in the amount of \$475,000 for the construction of the JTM Pump Station Project, 2) amend the existing contract with Black and Veatch in the amount of \$65,788 for Engineering Services during Construction, and 3) amend the existing contract with Dudek in the amount of \$15,761 for Paleontological Services.

Roll Call Vote:

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

Information Item

Grand Jury Report Regarding MWDOC and OCWD

Mr. Cafferty stated that included in the Board package is the 2022 OC Grand Jury report, the 2013 OC Grand Jury report, the MWDOC Responses to the 2013 OC Grand Jury report, and the OCWD Responses to the 2013 OC Grand Jury report.

Mr. Cafferty stated that this report is clearly focused on MWDOC and OCWD, which are required to respond. He further stated that the water agencies mentioned in the report are requested to respond.

Mr. Cafferty stated that most of the statements in the report used to justify or substantiate a conclusion that there should be one wholesale agency in Orange County are largely without any real foundation. He further stated that the report makes references to “multiple agencies agree”, however during the interviews with water district General Managers, they are admonished about confidentiality.

Vice President Havens stated that the current report compared to the 2013 Grand Jury report it did not have the citation, the documentation of their work process, where they had been and who they had seen, so therefore the current report is highly subjective.

Mr. Cafferty stated that when they speak of missed opportunities on operating efficiency they don’t identify what those opportunities are.

Mr. Cafferty stated that having one wholesale agency won’t change the retail wholesaler’s reliability plans. He further stated that the MWDOC Reliability Study was a specific example of centralized planning where they offer that service to all member agencies.

Mr. Cafferty stated that increased coordination between North and South Counties for water banking would assist in groundwater supply and water projects.

Director Vergara stated that OCWD is considered one of the best water managers and is the largest customer of MWDOC. He further stated that the Board is not here to make an objective decision, we are here to determine what is best for ETWD and our customers.

Director Monin stated that OCWD is an expert at underground water and MWDOC is a wholesaler for MET which are two different functions. He further stated that we should focus on what's best for ETWD.

Director Gaskins stated that when he was elected to the Board he was welcomed at MWDOC and OCWA has not provided any outreach other than to invite public to view their water treatment process. He further stated that he feels that MWDOC and OCWA's functions are so different in what they do.

Vice President Havens stated that there needed to be more backup with facts, and she asked why we were left out of Finding 4 when other water agencies were included. Mr. Cafferty replied that Finding 4 is different in that it is specifically referring to individual retail agencies.

President Freshley stated that we don't know what kind of comments were made when they interviewed other agencies. She further stated that she agrees that these are two different functions where MWDOC selects the representatives for the county. Mr. Cafferty stated that MWDOC has four representatives, one is the representative for South County and one is for North County.

At approximately 8:30 a.m. the Board took a short recess. Also at this time Ms. Cimorell left the meeting.

Regular Session

At approximately 8:35 a.m. Regular session resumed.

Grand Jury Report Regarding MWDOC and OCWD (continued discussion)

Ms. Moore commented that observations made by the OC Grand Jury and by the agencies are not similar. She further stated that she doesn't see why OCWD needs to see the other agencies positions on the report.

Mr. Cafferty stated that the report says that the lack of one voice has had a negative impact on the ability to build projects. He further stated that the MWDOC Reliability Study is available for all member agencies in assisting with projects.

Mr. Cafferty read the Findings and Recommendations from the report. The Board then discussed the potential response to the report findings and recommendations, and provided instruction for Mr. Cafferty to prepare a draft response letter to the OC Grand Jury which will be considered for approval at the August Board meeting.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:30 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

