


I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.

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

## AGENDA

### EL TORO WATER DISTRICT REGULAR MEETING OF THE BOARD OF DIRECTORS

### ENGINEERING COMMITTEE MEETING AND FINANCE/INSURANCE COMMITTEE MEETING

June 23, 2015  
7:30 a.m.

**CALL TO ORDER** – Director Vergara

**PLEDGE OF ALLEGIANCE** – Director Kahn

#### **ORAL COMMUNICATION/PUBLIC COMMENT**

Members of the public may address the Committee at this time or they may reserve this opportunity with regard to an item on the agenda, until said item is discussed by the Committee. Comments on other items will be heard at the time set aside for "COMMENTS REGARDING NON-AGENDA ITEMS." The public will identify themselves when called on and limit their comments to three minutes.

#### **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.

### **ENGINEERING COMMITTEE**

#### **1. Approval of Minutes (Minutes included)**

The Engineering and FIC Committee will consider approving minutes for the May 26, 2015 Engineering and Finance/Insurance Committee meeting.

**Recommended Action at the June 25, 2015 Board Meeting:** Approve minutes for the May 26, 2015 Engineering and Finance/Insurance Committee meeting and place on the Engineering and Finance/Insurance Committee's approval list for the June 25, 2015 meeting of the Board of Directors.

**Committee Recommendation:** The Committee will consider placing this item on the Engineering and Finance/Insurance Committee approval list for the regular meeting of the Board of Directors.

## **ENGINEERING ACTION ITEMS**

### **2. R-1/R-2 Reservoir Management System (Reference Material Included)**

Staff will review and comment on construction and engineering construction services costs for the R-1 and R-2 Reservoirs Reservoir Management System Project. The 2015/16 budget for the R-1 & R-2 Reservoir Management System Project is \$500,000.

#### **Recommended Action at the June 25, 2015 Board Meeting:**

Staff recommends that the Board of Directors authorize the General Manager to 1) enter into a construction contract with Schuler Constructors, Inc. in the amount of \$548,188 for the construction of the Reservoir Management Systems at the R-1 and R-2 Reservoirs; 2) enter into an engineering contract with PACE Advanced Water Engineering in the amount of \$35,000 for engineering services during construction; and 3) enter into a purchase order contract with One Source Distributors in the amount of \$48,578.67 for the Motor Control Center and Programmable Logic Controller equipment for the project. Staff further recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

**Committee Recommendation:** The Committee will consider placing this item on the Engineering and Finance/Insurance approval list for the regular meeting of the Board of Directors.

### **3. Recycled Water Retrofit Change Order (Reference Material Included)**

Staff will review and comment on a change order to the existing Trautwein Construction contract to construct on-site recycled water retrofits for the third quarter of 2015. The on-site retrofits are included in the overall Recycled Water Expansion Project budget.

#### **Recommended Action at the June 25, 2015 Board Meeting:**

Staff recommends that the Board of Directors authorize the District's General Manager to enter into a construction contract with Trautwein Construction in the amount of \$300,000 for construction of recycled water retrofits at identified recycled water use sites. Staff also recommends that the Board authorize the General Manager to fund the project costs from the District's Capital Reserves in accordance with the District's adopted Capital Reserve Policy.

**Committee Recommendation:** The Committee will consider placing this item on the Engineering and Finance/Insurance approval list for the regular meeting of the Board of Directors.

## ENGINEERING GENERAL INFORMATION ITEMS

4. **EI Toro Water District Capital Project Status Report** (Reference Material Included)

Mr. Cafferty will review and comment on the EI Toro Water District Capital Project Status Report.

5. **Engineering Items Discussed at Various Conferences and Meetings** (Oral Report)

The Committee will discuss any pertinent Engineering items discussed at Conferences.

## COMMENTS REGARDING NON-AGENDA ENGINEERING COMMITTEE ITEMS

### CLOSE ENGINEERING COMMITTEE MEETING

### FINANCE/INSURANCE COMMITTEE MEETING

### TREASURER ACTION ITEMS

6. **Financial Package - Authorization to Approve Bills for Consideration dated June 23, 2015 and Receive and File Financial Statements as of May 31, 2015** (Reference Material Included)

Staff will review and comment on the Bills for Consideration dated June 23, 2015 and Financial Statements as of May 31, 2015.

**Recommended Action at the June 25, 2015 Board Meeting:** Staff recommends that the Board: 1) Approve, ratify and confirm payment of those bills as set forth in the schedule of Bills for Consideration dated June 23, 2015, and 2) receive and file the Financial Statements for the period ending May 31, 2015 and place on the Engineering and Finance/Insurance Committees approval list for the June 25, 2015 meeting of the Board of Directors.

**Committee Recommendation:** The Committee will consider placing this matter on the Engineering and Finance/Insurance Committee's recommended approval list for the regular meeting of the Board of Directors.

7. **Budget for Fiscal Year 2015/16 – Resolution No. 15-6-2** (Reference Material Included)

Mr. Grandy will review and comment on ETWD's proposed budget for fiscal year 2015/16.

RESOLUTION NO. 15-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EL TORO WATER DISTRICT ADOPTING ITS BUDGET  
FOR THE FISCAL YEAR 2015/16 AND FINDING THE BUDGET  
IN COMPLIANCE WITH ARTICLE XIII B OF  
THE CONSTITUTION OF THE STATE OF CALIFORNIA  
AND THAT THE PROPOSED AD VALOREM  
ASSESSMENTS OF THE DISTRICT ARE NOT  
IN VIOLATION OF SECTIONS 93(a) AND  
96.31 OF THE REVENUE AND TAXATION CODE

**Recommended Action at the June 25, 2015 Board Meeting:** The Board will consider adoption of Resolution No. 15-6-2, which adopts the District's budget for the 2015/16 fiscal year.

**Committee Recommendation:** The Committee will consider placing this matter on the Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

8. **South Orange County Wastewater Authority (SOCWA) 2015/16 Budget Approval** (Reference Material Included)

Staff will review and comment on the proposed South Orange County Wastewater Authority (SOCWA) Fiscal Year 2015/16 Budget. The SOCWA is a Joint Powers Authority (JPA) created for the purpose of providing wastewater treatment, disposal and water reclamation services to its Member Agencies through various General and Project Committees.

ETWD, as a member agency and capacity owner in SOCWA, is obligated to pay its proportionate share of Capital and O&M costs as delineated in the proposed SOCWA 2015/16 Budget. Staff has reviewed and incorporated the elements of the SOCWA Budget, which directly impact ETWD into the ETWD's proposed 2015/16 budget.

**Recommended Action at June 25, 2015 Board Meeting:** Staff recommends approval of the proposed 2015/16 SOCWA Budget as submitted and incorporated into the ETWD 2015/16 Budget. Staff further recommends

that upon such approval, written notification of such action be prepared and submitted to SOCWA.

**Committee Recommendation:** The Committee will consider placing this matter on the Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

9. **South Coast Water District Joint Regional Water Supply System (JRWSS) Fiscal Year Budget 2015/16** (Reference Material Included)

Staff will review and comment on the proposed Joint Regional Water Supply System (JRWSS) fiscal year 2015/16 budget. The JRWSS delivers water from the MWD system to numerous South County Agencies. Capacity Ownership and the Operation and Maintenance (O&M) of the JRWSS is administered in accordance with the terms and conditions of a Joint Powers Agreement (JPA).

ETWD, as a member agency and capacity owner in the JRWSS, is obligated to pay its proportionate share of Capital and O&M costs as delineated in the proposed JRWSS 2015/16 Budget. Staff has reviewed and incorporated the elements of the JRWSS budget, which directly impact ETWD into ETWD's 2015/16 Budget.

**Recommended Action at the June 25, 2015 Board Meeting:** Staff is recommending approval of the proposed 2015/16 JRWSS budget as submitted and incorporated into the ETWD 2015/16 Budget. Staff further recommends that upon such approval, written notification of such action be prepared and submitted to the JRWSS.

**Committee Recommendation:** The Committee will consider placing this matter on the District's Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

10. **Annual Agreements Exceeding \$20,000 - for Fiscal Year 2015/16** (Oral Report)

Mr. Grandy will discuss issuing Purchase Orders for goods and services that exceed \$20,000. The purpose for entering into annual agreements with these vendors is to achieve the best prices for the goods and services. While the cost of individual goods or services may be modest, the cumulative effect of an annual Purchase Order exceeds the authority of staff to enter into same.

**Recommended Action at the June 25, 2015 Board Meeting:** Staff recommends that the Board authorize the District's General Manager to execute Purchase Orders with the following vendors: (1) Spectrum Landscape not to exceed \$79,660, (2) Lou Rose Services (janitorial) not to exceed \$36,372, (3) County of Orange Waste disposal not to exceed

\$25,000, (4) Olin Chlor (chemicals) not to exceed \$28,000, and (5) Siemens Water Technology Corp, not to exceed \$43,344.

**Committee Recommendation:** The Committee will consider placing this matter on the District's Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

**11. Southern California Alliance of Publicly Owned Treatment Works (SCAP) Membership Renewal** (Reference Material Included)

Staff will review and comment on renewing the District's membership in SCAP in the amount of \$3,372.00 for the 2015/16 fiscal year.

**Recommended Action at the June 25, 2015 Board Meeting:** Staff recommends that the Board authorize renewal of the District's membership in SCAP in the amount of \$3,372.00 for the 2015/16 fiscal year.

**Committee Recommendation:** The Committee will consider placing this item on the Engineering and Finance/Insurance Committee approval list for the regular meeting of the Board of Directors.

**12. El Toro Water District's Engagement Letter by the Auditors** (Reference Material Included)

Staff will review and comment on The PUN Group's Engagement Letter by the Auditors.

**Recommended Action at the June 25, 2015 Board Meeting:** Staff recommends that the Board consider approving The PUN Group's Engagement Letter and authorize the General Manager to sign on behalf of the District.

**Committee Recommendation:** The Committee will consider placing this matter on the Engineering and Finance/Insurance Committee recommended approval list for the regular meeting of the Board of Directors.

## TREASURER INFORMATION ITEMS

**13. State Emergency Drought Regulations/Monthly Reporting/Customer Outreach & Water Usage/Sales** (Reference Material Included)

Staff will review and comment on the State Emergency Drought Regulations/Monthly Reporting/Customer Outreach activities and effectiveness & Water Usage/Sales.

## COMMENTS REGARDING NON-AGENDA FIC ITEMS

## CLOSE FINANCE AND INSURANCE COMMITTEE MEETING

## ATTORNEY REPORT

### CLOSED SESSION

At this time the Board will go into Closed Session as follows:

1. In accordance with Government Code Section 54956.9 (a) to consult with legal counsel regarding Existing Litigation: Audrey-Jane Colson vs. El Toro Water District, Golden Rain Foundation, United Laguna Woods Mutual et al - Orange County Superior Court - Case No. 30-2014-00758076-CU-PO-CJC.
2. In accordance with Government Code Section 54956.9 (a) to consult with legal counsel regarding Existing Litigation: Peter Cuthbert vs. DayTripper Tours; City of Lake Forest, El Toro Water District-San Diego Superior Court - Case No. 37-2012-00099780-CU-PO-CTL.
3. In accordance with Government Code Section 54956.9 (d) (2) to consult with legal counsel on one matter of Potential Litigation.

### REGULAR SESSION

#### REPORT ON CLOSED SESSION (Legal Counsel)

Mr. Granito will provide an oral report on the Closed Session.

### ADJOURNMENT TO 7:30 a.m., Tuesday, July 21, 2015.

*The agenda material for this meeting is available to the public at the District's Administrative Office, which is located at 24251 Los Alisos Blvd., Lake Forest, Ca. 92630. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.*

#### Request for Disability-Related Modifications or Accommodations

*If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, Polly Welsch at (949) 837-7050, extension 225 at least forty-eight (48) hours prior to said meeting. If you prefer, your request may be submitted in writing to El Toro Water District, P.O. Box 4000, Laguna Hills, California 92654, Attention: Polly Welsch.*