

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
May 7, 2020

President Monin called the Special meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 o'clock a.m. on May 7, 2020 at the El Toro Water District Administrative Offices, 24251 Los Alisos Boulevard, Lake Forest, California.

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

Directors MARK L. MONIN, MIKE GASKINS, JOSE VERGARA, KATHRYN FRESHLEY, and KAY HAVENS were present via Zoom.

Also present via Zoom were DENNIS P. CAFFERTY, General Manager/Assistant Secretary, NEELY SHAHBAKHTI, Finance Manager/Controller, GILBERT J. GRANITO, General Counsel, JUDY CIMORELL, Human Resources Manager, RICK OLSON, Operations Superintendent, BOBBY YOUNG, Principal Engineer, RORY HARNISCH, Project Engineer, and POLLY WELSCH, Recording Secretary.

ORAL COMMUNICATIONS - PUBLIC COMMENTS

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

Transmittal of Election Information Special District

Mr. Cafferty stated that the Registrar of Voters office requires this form filled out and returned to them each election year. He further stated that there are two choices to make, whether or not the District will pay for candidate statements of qualification, and the number of words that the District authorizes for the candidate statements to be 200 or 400 words.

President Monin asked for a Motion.

Motion: President Monin made a Motion, seconded by Director Freshley and unanimously carried across the Board to 1) the District will not pay for candidate statements of qualification, and 2) the District authorizes the amount of words for the candidate statements of qualification to 200 words.

Roll Call Vote:

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

Review of 2019/20 Fiscal Year Capital Budget

Mr. Cafferty stated that in today's packet there is a detailed description of the Capital projects and equipment acquisition items included in the 2019/20 fiscal year budget. He further stated that staff will review each project and the

Board will instruct staff which projects to proceed and if any are to be suspended at this time.

P-3 Pump Station MCC, Generator and Pump Replacement Project

Mr. Cafferty stated that this project improves the P-3 Pump station with a project cost that could be in the \$500,000 - \$600,000 range.

Mr. Cafferty stated that this project is on hold until we have a better outcome of analyses in the Master Plan project.

WRP Grit Chamber Rehabilitation and Recoating Project

Mr. Cafferty stated that the Grit Chamber is at the headworks at the Plant and collects grit such as coffee grounds and egg shells we don't want in the system. He further stated that the concrete walls have deteriorated due to exposure to hydrogen sulfide gases.

Mr. Cafferty stated that this project will replace coating and repair damaged concrete, and install a urethane coating throughout the grit chamber

Mr. Cafferty stated that the next step will be to have a coating consultant develop a specification and then we could go out to bid. He further stated that the capital budget for this project is \$85,000.

Mr. Cafferty stated that the cost of hiring the consultant would be within the General Managers authority.

Director Freshley asked what is included in the \$85,000. Mr. Cafferty replied that the \$85,000 is a budgeted number that was part of the 2019/20 capital budget and is hopeful that this budgeted amount will entail the entire project, however we won't know for sure until we get bids.

Director Vergara asked if staff recommends moving this project along. Mr. Cafferty replied yes.

Reconstruct Drainage Swale at the WRP Holding Pond

Mr. Cafferty stated that on the west side of the holding pond below the garden center there is a steep slope that goes to the pond. He further stated that halfway down there is an existing drainage swale.

Mr. Cafferty stated that the old concrete swale is deteriorating and cracking due to age, with vegetation growing through the cracks which impedes the flow of storm water. He further stated that the existing system has resulted in failures at the site and the holding pond property.

Mr. Cafferty stated that staff plans to engage a consulting engineer to provide alternative options for reconstruction of the swale. He further stated that the project costs carried over from the 2018/19 capital budget is \$68,250, but could be higher.

President Monin asked if we will gain any other benefit to this area by going forward with this project. Mr. Cafferty replied that it is an investment in protecting the existing facility.

President Monin asked what we could do to prevent further erosion in the future at this site. Mr. Cafferty replied that staff is proposing a small wall or curb to prevent storm water from draining into the holding pond.

President Monin asked if this project could be postponed. Mr. Cafferty stated that we could continue this project at the next step by walking the site wearing masks and practicing social distancing.

Director Havens asked in the interim will someone take care of the root intrusions. Mr. Cafferty stated that staff will keep the vegetation under control.

Director Vergara commented that there are new techniques and new concrete that can last longer now than in the past.

Director Freshley asked if the water is coming from the Garden Center, it could contain fertilizer and chemicals and shouldn't be going through our process and into the holding pond. Mr. Cafferty stated that the water in the holding pond is an open water reservoir with animal and bird life there, so the quality of that water is a challenge when it comes to recycling. He further stated that we would have to make changes to be able for this water to be better suited for recycling, and currently to get the water to reserve level, any excess water goes to the Ocean Outfall.

Mr. Cafferty stated that staff will proceed with engineering work and cost estimates for this project.

Clarifiers No. 3 & 4 Scum Pump Station

Mr. Cafferty stated that the existing scum pumps for clarifiers 3 & 4 are 30 years old and at the end of their useful life. He further stated that floating scum is skimmed off the surface into individual scum.

Mr. Cafferty stated that the new technology will improve reliability of the clarifiers. He further stated that the budget for this project is \$40,000 and we are planning to proceed with this project.

Director Vergara stated that this project needs to be done and staff should proceed. Director Freshley agreed.

Master Plan Update

Mr. Cafferty stated that this project has been delayed by other projects that have taken precedence in completing the RFP and getting it out. He further stated that water and sewer demands in the distribution and sewer systems have changed dramatically.

Mr. Cafferty stated that there is a current lack of an asset management tool and the goal is to incorporate it into the Master Plan Project. He further stated that we will facilitate a plan to replace our equipment and include the costs over the long term to avoid surprises like the R-6 cover, which will help us financially plan for capital needs and requirements.

Mr. Cafferty stated that the Master Plan will update the hydraulic model so it is consistent with current technology allowing us to analyze the system. We will look at the P-3 pump station and identify any other projects or replacement issues we may be dealing with in the future.

President Monin stated that the members of MWDOC are reviewing the MWDOC Master Plan at \$345,000 and our Plan is \$350,000, and are there any other agencies doing a Master Plan that could add to the accuracy of what we are doing. Mr. Cafferty replied that the Master Plan will be unique and specific to ETWD's system reviewing the distribution and wastewater collection systems.

President Monin stated that MNWD is preparing a Master Plan and asked if staff has seen their Plan. Mr. Cafferty replied that MNWD's Master Plan was on their recycled water system and that we participated in the effort which analyzed the ability for us to serve recycled water on the north side of the

freeway in Lake Forest and Mission Viejo. The analysis also included the possibility of tying into their system so we could access seasonal storage in the upper Oso Reservoir.

President Monin asked if there is any benefit of asking MET to work with us on our Master Plan. Mr. Cafferty replied there would not be a mutual benefit.

Director Vergara stated that the Master Plan is a tool that we need to manage how we do business, but that we could wait 6 more months to complete the Plan. Vice President Gaskins agreed that we could postpone this project for a few months, and consider borrowing funds at a low rate to keep for future use.

President Monin stated that the District's current revenues and cash on hand are adequate, but it may not be advisable to take on too much debt even though rates are currently low.

Director Havens stated that she concurs with the discussion, and the \$350,000 is comprised of discrete modules within the Master Plan, and we should see if there is anything critical now that we can proceed with.

Mr. Cafferty stated that the Asset Management Study part of the Master Plan could be done separately.

President Monin asked that staff keep an eye on labor bandwidth. Director Freshley agrees with Mr. Cafferty that we could go forward with the Asset Management Study and should not delay this project.

Director Vergara stated that he agrees that we should continue the Master Plan project. President Monin stated that he recommends we put it out for an Engineering meeting and break out the costs. Mr. Cafferty stated that the cost

was carried over from a previous year's capital budget, and we won't know costs to do either the complete study or just the Asset Management portion until we get proposals from the Consultants.

Mr. Cafferty stated that we could either write up an RFP that focuses solely on an Asset Management Plan, or an RFP that includes the Master Plan and the Asset Management Plan and make it clear to the Consultant that we will potentially do this project in phases.

Director Freshley stated that she would like to proceed with the Master Plan and break out in phases with the Consultant. Mr. Cafferty stated that the RFP is nearly complete.

Mr. Cafferty stated that we could have an award of contract in July or August. He further stated that we could finish the RFP and set it up for Board approval at the June meeting.

The Board members agreed to proceed with this project.

Ocean Outfall Pump Station Emergency Generator Replacement

Mr. Cafferty stated that this generator provides standby power for the pumps that convey treated wastewater effluent to the SOCWA Effluent Transmission Main and the Aliso Creek Ocean Outfall. He further stated that the electrical system at the plant is broken into two parts; one that serves the overall plant, and the Ocean Outfall pump station has its own separate electrical service and emergency generator.

Mr. Cafferty stated that the existing generator is 24 years old and parts are failing and cannot be replaced. He further stated that the radiator also needs to be replaced, but it would be costly on a 24 year old generator.

Mr. Cafferty stated that the budgeted amount for 2019/20 budget is \$220,000. He further stated some conduit and wire between the generator and electrical system may also need to be replaced, and these costs were not included in the original budget.

Mr. Cafferty stated that staff plans to engage an electrical engineer to develop specifications showing the wiring and installation of a new generator so we can go to bid. He further stated that the cost of the engineering would be under the General Manager's authority, but the cost of the generator will need Board approval.

Phase II Recycled Water Retrofit Project

Mr. Cafferty stated that this project is in process, but has been suspended due to the pandemic. He further stated that once the District determines it is safe to resume the project, staff will contact the contractor to schedule remobilization and contact the County to schedule their staff to witness the testing.

Director Vergara asked if the workers are in contact with the customers in Laguna Woods Village. Mr. Cafferty replied that the contractor has little or no contact with the residents, although our staff is required to shut off and drain the potable system for each building, which requires coordination with residents.

Director Freshley stated that the West Side is 3-story buildings, and this area will be more personal. Mr. Cafferty stated that there are 47 meters in the West Side system, and residents are notified of the water disruption periods.

Director Freshley asked if the residents' hot water heaters would need to be drained. Mr. Cafferty replied no, the meters need to show zero pressure, and we should be able to accomplish this without draining water heaters.

Director Havens asked if there is any work around so we don't have to drain the buildings. Mr. Cafferty replied no, the County's regulatory requirement requires draining the buildings.

Mr. Cafferty stated that this project is still suspended.

WRP Aeration Basin Diffuser Replacement Project

Mr. Cafferty stated that we did an alternatives analysis on our solids handling.

Mr. Cafferty stated that through this analysis came a recommendation to operate the plant differently. He further stated that we have 3 aeration basins, and we normally operate 2 of them and have 1 out of service.

Mr. Cafferty stated that the recommendation was to put all 3 basins in operation which would reduce the costs associated with solids handling. He further stated that in order to do this, while working on the basin that is currently out of service staff discovered that some of the diffusers would need refurbishment. When looking further into finding replacements, staff discovered that the diffuser components have become obsolete.

Mr. Cafferty stated that staff has contracted with a consultant to generate alternatives and bid documents. He further stated that once this information is available, staff will move forward with a bid process for construction of the new aeration diffuser components.

Mr. Cafferty stated that this project will be budgeted in the 2020/21 capital budget.

Director Vergara stated that we need to move forward on this project.

Multi-purpose Room HVAC Improvement Project/ Main Office HVAC Replacement Project

Mr. Cafferty stated that the air conditioning systems on both the Main Office and the Field Office have been budgeted for in-kind replacement only. He further stated that the combustion chambers are failing and cannot be replaced, and there are additional deficiencies with the air ducting system.

Mr. Cafferty stated that in preparing to replace the units on the Main Office roof, staff discovered that due to the weight of the HVAC units, the City of Lake Forest will not issue building permits. He further stated that in order to comply with the latest building codes, the roof would need to be reinforced which would have major impact to the working space below.

Mr. Cafferty stated that an alternative approach being considered is to remove the units from the roof and replace them with a ground level system. He further stated that staff is preparing to meet with a mechanical engineer or architect to evaluate the alternatives for the Main Office and Field Office to generate drawings to facilitate a bidding process.

Mr. Cafferty stated that this updated project scope was not anticipated and not included in the budget process, so it will be included in the 2020/21 capital budget.

Director Vergara stated that he feels this project should move forward.

Director Freshley asked if the same requirement applies to the Field Office of not having the units on the roof. Mr. Cafferty replied no, the structural analysis of the roof in the Field Office is sufficient to support the weight of the HVAC units. He further stated that the Field Office project is mainly the ducting modifications.

Director Freshley asked how long this project will take to complete. Mr. Cafferty replied that it will be challenging prior to summer, and will proceed immediately toward completion.

President Monin asked what the cost of these two projects will be. Mr. Cafferty stated that the Field Office project is approximately \$60,000 and the Main Office is over \$100,000.

R-6 Floating Cover

Mr. Cafferty stated that we have done the alternatives analysis and assessment of the cover. He further stated that this project will take 3 years to complete.

Mr. Cafferty stated that this project needs to move forward. He further stated that staff has communicated with SMWD and MNWD and provided them cost estimates and the schedule.

Mr. Cafferty stated that we are currently working on an assessment of doing the cover only as opposed to the cover and liner. He further stated that the deterioration has been in the cover, with some identified deficiencies in the liner.

Mr. Cafferty stated that the intent of the liner was unlimited draw down and the liner was to protect the interior. He further stated that the cost to replace the liner is an additional \$6 - \$7 million on top of the \$10 - \$12 million we plan to replace the cover.

Mr. Cafferty stated that staff is soliciting an assessment from Genterra Consultants to evaluate the impacts if the liner begins to deteriorate.

President Monin suggested that we get a low interest loan to cover costs for this project. Mr. Cafferty stated that the floating cover and liner project estimate was \$19.2 million and ETWD would pay 45% of this which is \$8.6 million. He further stated that the cover only project estimate is \$11.7 million, so ETWD's share would be closer to \$5 million.

Vice President Gaskins commented that we need to consider taking advantage of the low interest rates right now. Mr. Cafferty stated that on the big ticket capital project items, we are likely going to consider some type of financing. He further stated that staff met with Brian Thomas of PFM to discuss options, and one of the challenges in dealing with banks is that they are suggesting we wait until closer to the end of the year.

Director Vergara asked if we could sustain if the R-6 reservoir is out of water. Mr. Cafferty replied yes, in 2000/01 we replaced the liner and cover and the R-6 reservoir was out of commission for a 6-month period. He further stated

that MET is planning put the AMP pipeline out of service for up to a few months for repairs.

Director Vergara stated that this is a large amount of money, and would it be prudent to set up a reserve account for this project so that when the cover needs replacing the funds are available. Mr. Cafferty replied that a reserve account is a great idea moving forward.

I-5 Expansion Project Utility Relocation

Mr. Cafferty stated that this project has 2 groups of relocations, one that Cal Trans has already agreed to pay for and a different set of utility relocations that may be at ETWD's costs.

Mr. Cafferty stated that we expect a response back from Cal Trans stating what position they plan to take. He further stated that SMWD has experienced a similar issue with Cal Trans, so we are taking a similar direction as them.

Mr. Cafferty stated that Cal Trans has a schedule to expand the I-5 freeway and has asked us to relocate our utilities by the end of September, so we would need to go out to bid and award a construction contract at the June Board meeting. He further stated that the responsible party for the costs are still being negotiated with Cal Trans.

Recommendation for the Capital Projects Plan

Mr. Cafferty stated that staff is looking for direction from the Board as whether or not to suspend any pending capital projects or equipment acquisitions. All Board members agreed to proceed with all of these capital

projects, except for the Phase II Recycled Water project, which will remain suspended until further notice.

At approximately 10:15 a.m. the Board took a short recess.

At approximately 10:20 a.m. Regular session resumed.

WRP Sludge Truck Tractor Replacement Project

Mr. Cafferty stated that there is a detailed write up in the package that explains the condition of the existing truck that continues to deteriorate. He further stated that the existing truck has stalled and broken down during transit several times.

Mr. Cafferty stated that this truck will be hauling 5,000 gallon loads of sludge from the Plant to SOCWA three to four times per day, which is very demanding on the vehicle. He further stated that staff proposed to replace this truck with a new tractor specified to accommodate the specific type of loads and driving conditions for the sludge hauling operation.

President Monin asked if there is a way to use an existing pipeline to handle the sludge instead of trucking sludge. Mr. Cafferty replied that solids cannot be put into the effluent transmission main as it goes strictly to the ocean.

President Monin asked what cost to put in a new pipeline could be. Mr. Cafferty replied that a previous alternatives analysis identified the cost of a new pipeline at \$9.6 million.

Mr. Cafferty stated that staff reviewed alternatives such as outsourcing and leasing. He further stated that the District has 2 staff members who drive the sludge truck.

President Monin asked why the current truck breaks down so often. Mr. Cafferty replied that mechanical analyses have thus far been unable to conclude the reasons it breaks down often.

Mr. Cafferty stated that retrofits necessary to meet the AQMD emission standard requirements have contributed to the problems on the current vehicle.

Director Freshley stated that she feels it is important to invest in a new truck as we need to be able to get our sludge to the SOCWA plant.

President Monin stated that he feels we should hold off on purchasing a new truck at this time.

Director Vergara asked that if we contract to an outside source, will JPIA still insure us. Mr. Cafferty replied that our insurance costs on the existing truck are minimal so it wouldn't be a significant impact, but the contract would have to include the insurance liability and personal injury.

Director Vergara asked how many times has the District had an accident with the existing truck. Mr. Cafferty replied zero, our drivers are extensively trained and have exemplary driving records.

Director Havens stated that she understands the risk, but asked if we are adequately insured against risk. Mr. Cafferty replied that the truck and operation are covered by JPIA's liability coverage. President Monin stated that he would like to know how much coverage we have for all of our equipment or just one umbrella that covers all.

Vice President Gaskins stated that everyone in the JPIA pool assume shared risk each year.

Director Freshley suggested that staff prepare a presentation for the Board stating how much insurance coverage we have through JPIA on our vehicles and equipment.

Director Vergara asked if we could install cameras on the truck. Mr. Cafferty stated that there is already a dash cam installed on the existing truck, and one will be installed on the new truck as well.

President Monin stated that he did a quick internet search and found a 2020 Freightliner for \$113,900 and he feels we could get a better price. He further stated that he was going through Commercial Truck Trader, but there are several sites to review. Mr. Cafferty stated that staff will follow up on the cost of the new truck.

President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Vice President Gaskins, to authorize the General Manager to enter into a Purchase Order with Velocity Truck Centers in the amount of \$160,800.23 for the purchase of a 2021 Freightliner 122SD replacement tractor for the District's sludge tanker assembly.

Roll Call Vote:

President Monin	no
Vice President Gaskins	aye
Director Vergara	aye
Director Freshley	aye
Director Havens	aye

Motion passes 4-1.

Dump/Traffic Control Truck

Mr. Cafferty stated that this project is a budgeted replacement of an existing dump truck that is 30 years old and failing, with the bed not properly functioning. He further stated that this vehicle will allow staff to more effectively and safely place safety cones and control traffic in working areas.

Mr. Cafferty stated that the new truck will meet dump truck needs and allow staff to safely install traffic control devices. He further stated that the 2019/20 budgeted cost was \$80,000 and the bid came in just under \$72,000.

Director Vergara stated that the fuel savings should be enough to pay for the new vehicle. Mr. Cafferty replied that it would definitely use less fuel.

President Monin asked what the District will do with the old truck. Mr. Cafferty replied that it would go to auction.

Director Havens asked if the new truck would come with safety equipment. Mr. Cafferty replied yes.

President Monin stated that he does not feel it is the appropriate time to purchase this truck, and feels that we should hold off. He further stated that he would like to see a Truck Master Plan for our District.

Director Freshley stated that she feels we should go ahead and replace the vehicle as the bed is not working properly and jeopardizes the safety of our employees.

Vice President Gaskins stated that he feels safety is a priority and feels that we should replace the truck now.

Director Havens asked if we have similar vehicles we can use in the meantime. Mr. Cafferty stated that we have other dump trucks that are larger, but this is the only small truck that is used for traffic control.

President Monin asked for a Motion.

Motion: Director Freshley made a Motion, seconded by Director Vergara to authorize the General Manager to 1) issue a purchase order to Tuttle Click Automotive Group in the amount of \$38,608.30 for the purchase of a Ford F550 truck chassis, and 2) issue a purchase order to Specialty Equipment in the amount of \$33,140.67 for the fabrication and installation of a truck body.

Roll Call Vote:

President Monin	no
Vice President Gaskins	aye
Director Vergara	aye
Director Freshley	aye
Director Havens	aye

Motion passes 4-1.

ADJOURNMENT

There being no further business to come before the Board, today's meeting was adjourned at 11:30 a.m.

Respectfully submitted,



POLLY WELSCH
Recording Secretary

APPROVED:



MARK L. MONIN, 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