

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
December 12, 2017

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on December 12, 2017 at 4:04 p.m., at the office of the District, located at 1271 North Hacienda Road, La Habra Heights.

Item 1. Roll call of Directors by Secretary/General Manager, Michael Gualtieri.

PRESENT: Directors Baroldi, Cooke, McVicar and Wilson

ABSENT: Director Perumean

Staff members and others present.

Item 2. Staff: Michael Gualtieri, Secretary/General Manager and Tammy Wagstaff, Treasurer. Others present: Michael Silander, Attorney at Law, Sanjay Gaur, Raffelis Financial Consultants Inc., John Steele and Stephen Blagden, resident.

(Director Perumean arrived at 4:08 p.m. during the start of the next item.)

Item 3. Public Comments: Mr. Blagden discussed board packets being placed on the website, rate study and red flag warning days. John Steele discussed the Las Palomas shut down.

Item 5.a. Minutes of regular board meeting of November 14, 2017. After discussion, there was a motion by Director McVicar and seconded by Director Cooke to approve the minutes. The vote was as follows:

AYES: Directors Baroldi, Cooke, McVicar, Perumean and Wilson

NOES: None

ABSENT: None

Item 5.b. Financial Reports of October 2017. After discussion, there was a motion by Director McVicar and seconded by Director Baroldi to approve the October 2017 financial reports. The vote was as follows:

AYES: Directors Baroldi, Cooke, McVicar, Perumean and Wilson

NOES: None

ABSENT: None

Item 6. Approval of warrants and authorization of signatures as per the warrant list. After discussion, there was a motion made by Director McVicar and seconded by Director Cooke that the warrant numbers 41694 through 41759 in the amount of \$272,725.61 and EFT Transfers in the amount of \$7,781.15 be approved and signatures be authorized. The vote was as follows:

AYES: Directors Cooke, Baroldi, McVicar, Perumean and Wilson

NOES: None

ABSENT: None

Item 7.b. Presentation, Discussion and Action Rate Study. Sanjay Gaur with Raftelis Financial Consultants Inc. provided a presentation of the rate study. After discussion, this item was continued until the next scheduled board meeting of January 9, 2018.

Item 7.c. Discuss and Approve Winter 2017 "H2O Pipeline" Newsletter. After discussion, there was a motion by Director McVicar and seconded by Director Cooke to approve the "H2O Pipeline" with minor changes. The vote is as follows:

AYES: Directors Cooke, Baroldi, McVicar, Perumean and Wilson

NOES: None

ABSENT: None

Item 7.d. Update on District Activities. The General Manager advised that Best Drilling pulled and inspected the pump assembly from Well 9. They sent a report and recommendation on December 6, 2017. Civiltec is reviewing and will provide feedback on a course of action. Delta Motor completed the inspection of the motor. Lastly, the General Manager discussed the water production in November 2017.

Item 4. Closed Session. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Property: 9257 Mills Avenue, City of Whittier, CA. Agency negotiator: Michael Gualtieri, General Manager, LHHCWD Negotiating parties: Deborah Britton and LHHCWD Under negotiation: Price and terms of payment. No action was taken. Direction was given to staff.

Item 7.a. Discuss and Action Quick Claim Easement to resident on 9257 Mills Avenue. After discussion, there was a motion by Director Cooke and seconded by

Director Wilson to approve the quick claim easement to the resident on 9257 Mills Avenue. The vote was as follows:

AYES: Directors Cooke, Baroldi, McVicar, Perumean and Wilson
NOES: None
ABSENT: None

Item 8. Closed Session. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Discussion of potential initiation of and/or exposure to litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9. One case. No action was taken. Direction was given to staff.

Item 9. Report of Individual Directors.

Director McVicar congratulated the General Manager for completing the Leadership program. The district received the president's award for the property program and were mentioned in the ACWA newsletter for providing training at the district office.

Director McVicar would like staff to research the employee vision plan and consider making it a self-insured like the current dental plan. She would also like to follow the progress on JPIA forming a captive insurance company in Nevada to avoid investment restrictions under California Law. They would be the second non-profit organization to do this.

Director McVicar also discussed that at the ACWA conference they discussed public records act and informed that most districts are going toward giving devices to directors, but most of these directors are directly involved with the vendor or other third parties. She discussed marijuana in the workplace and stated that even though it is legal, employers do not have to accommodate marijuana use. ACWA suggested random testing for safety sensitive jobs. In addition, Director McVicar recommended a marijuana policy to be included in employee policy manual.

Also discussed at ACWA is innovative pricing. This includes a way to lower the issue of high readiness to serve charge. Bangkok system captures the cost of providing the peak demand that is not always used. Instead of setting readiness to serve by meter size they bill for the difference between peak billing and low season billing. One district mentioned billing the city for the cost of fire protection. Director McVicar stated that the district could consider putting fire protection on a separate line. Lastly, there was discussion of subsidence study in groundwater basins in the Mojave.

Item 10. There being no further business to come before the Board, motion was made by Director Perumean and seconded by Director McVicar that the meeting be adjourned at 7:35 p.m. The vote was as follows:

AYES: Directors Baroldi, Cooke, McVicar, Perumean and Wilson

NOES: None

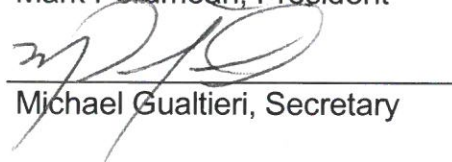
ABSENT: None

Dated: January 9, 2018



Mark Perumean, President

(SEAL)



Michael Gualtieri, Secretary