

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
December 13, 2016

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on December 13, 2016, at 4:00 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, McVicar, Perumean and Wilson

ABSENT: Director Cooke

Staff members and others present.

Item 2. Staff: Michael Gualtieri, Secretary/General Manager. Others present: Michael Silander, legal counsel, Lemieux & O'Neill, David Song, Civiltec Engineering, Steve Phillips, Architect, Stephen Blagden and John Steele, resident.

Item 3. Public Comments: Stephen Blagden discussed the board packet being posted to the web page, pipeline projects, fire code requirements for the City of La Habra Heights and election consolidation. John Steele discussed payment policy and water for green, which is for marijuana growers.

Item 4.a. Minutes of Regular Board meeting of November 8, 2016. After discussion, there was a motion by Director McVicar and seconded by Director Wilson to approve the minutes with minor changes. The vote was as follows:

AYES: Directors Baroldi, McVicar, Perumean and Wilson

NOES: None

ABSENT: Director Cooke

Item 4.b. Financial Statements for October 2016. The financial statements were removed from the consent items. After discussion, there was a motion by Director McVicar and seconded by Director Wilson to approve the financial statements. The vote was as follows:

AYES: Directors Baroldi, McVicar, Perumean and Wilson

NOES: None

ABSENT: Director Cooke

(Director Cooke arrived at 4:11 pm)

Item 5. 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 40861 through 40936 be approved and signatures be authorized. Warrants 40609, 40535 and 40927 were voided. The vote was as follows:

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

NOES: None

ABSENT: None

Item 6. a. Discuss and Award – Contract for pipeline projects Hacienda Road, West Road, Subtropic Drive, Tumin Road and Casalero Drive. After discussion, there was a motion by Director Cooke and seconded by Director McVicar to award the contract to Brkich Construction in the amount of \$858,610.00 with a contingency in the amount of \$85,861.00 and not to exceed \$944,471.00. The vote was as follows:

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

NOES: None

ABSENT: None

Item 6.b. Discuss and Action – Puente Hills Habitat Preservation Authority request For a Water Restoration Area within the Habitat. This item was removed from discussion.

Item 6.c. Discuss and Adopt – Resolution 06-06, Consolidation of Election with State's General Education. This item was continued until the January 10, 2017 board meeting.

Item 6.d. Discuss and Action – Request to send in Application for Grant Money from WaterSMART Grants. This item was continued until the January 10, 2017 board meeting.

Item 6.e. Discuss and Approve H2O Pipeline – Winter 2016. After discussion, there was a motion by Director Cooke and seconded by Director Perumean to approve the H2O Pipeline with Director McVicar re-writing the section on the 40th anniversary and sending the newsletter as a separate mailer. The vote was as follows:

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

NOES: None

ABSENT: None

Item 6.a. Update on District Activities. The General Manager stated that Lee Paton with JPIA will be visiting the District on January 12, 2017. He also discussed critical repairs and cost for the following; electrical work to repair breaker in office with a cost of \$1227.00, repair emergency generator with a cost of \$1,247.54, repair 6" and 12" water meter with cost of \$5,021.40 and repair the thermostat and bypass valve on vehicle with cost of \$788.83. Lastly, the General Manager discussed the water production in November 2016.

Item 7. 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. Two cases. Direction given to staff. No action was taken.

Item 8. Report of Individual Directors.

Director McVicar stated that at the JPIA meeting they discussed health insurance that focused on high deductible plans and she advised JPIA they should speak directly to district staff. There were no health care changes for 2017 because the contracts have all been signed. She was the only Director to vote against the investment plan because it still allows the pool to invest 20% of its portfolio in asset backed securities including mortgages and car loans. However, her vote was not counted by the electronic system. New laws require all directors to take sexual harassment prevention training every two years, in addition to ethics training. She also attended a Badger Meter presentation on how to maximize payback of AMI by implementing it on 36 largest customers. In addition, she met a Director from Mission Hills Community Service District who implemented AMR and are happy with the system. They have 1200 meters over six square miles and they did it over ten years to reduce financial impact. The General Manager signed up to take JPIA'S Leadership Essentials for Water Industry class with 12 people in the class. Lastly, La Habra Heights County Water received the president's award for the property program.

Director Baroldi informed she attended the ACWA/JPIA conference and she also attend the ethics and sexual harassment prevention training.

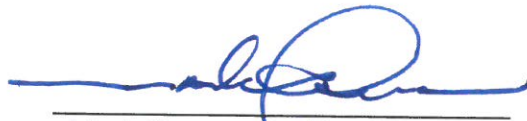
Item 9. There being no further business to come before the Board, motion was made by Director Perumean and seconded by Director McVicar that the meeting be adjourned at 6:25 p.m. The vote was as follows:

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

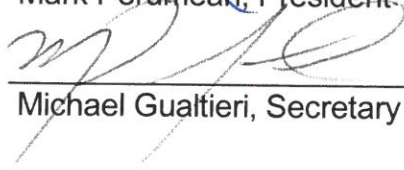
NOES: None

ABSENT: None

Dated: January 10, 2017



Mark Perumean, President



Michael Gualtieri, Secretary

(SEAL)