

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
May 13, 2014

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on May 13, 2014, at 4:02 p.m., at the office of the District, located at 1271 North Hacienda Road, La Habra Heights.

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

PRESENT: Directors Cooke, McClish, McVicar, Perumean and Wilson

ABSENT: None

Staff members and others present.

Staff: Michael Gualtieri, Secretary/General Manager and Tammy Wagstaff, Treasurer. Others present: Steve O'Neil, legal counsel, Lemieux & O'Neill, Stephen Blagden, Chester Chang and Rich McClish, residents.

Public Comments: Stephen Blagden commented on Rowland Water, the Habitat and Reservoir 4 site.

Consent Calendar: Minutes of the regular meeting for April 8, 2014, the Financial Statements for March 2014 and Status of Investments first quarter 2014. After discussion a motion was made by Director McVicar and seconded by Director Perumean to approve minutes, financial statements and status of investments. The vote was as follows:

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

NOES: None

ABSENT: None

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 McClish that the warrant numbers 38715 through 38819 be approved and signatures be authorized. Warrant numbers 38717, 38723, 38759, and 38764 were voided. The vote was as follows:

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

NOES: None

ABSENT: None

6.a. Discuss and Approve - Resolution No. 14-03 La Habra Heights County Water District Adopting A Procurement Policy. After discussion this item was continued until the next scheduled board meeting.

6.b. Discuss and Action – Voting on Special District LAFCO Representative. After discussion there was a motion by Director McVicar and seconded by Director Wilson to nominate Jerry Gladbach as the Special District LAFCO Representative. The vote was as follows:

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

NOES: None

ABSENT: None

6.c. Discuss and Action – Fiscal Year 2014-2015 Operating Budget. After discussion there was a motion by Director McVicar and seconded by Director Perumean to approve the operating budget with a rate increase at 50% of the 2013/2014 adopted rates for the ready to serve charge. The commodity rate was approved at the 2013/2014 adopted rate.

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

NOES: None

ABSENT: None

6.d. Discuss and Action – Fiscal Year 2014/2015 Salary Schedule. After discussion there was a motion by Director McVicar and seconded by Director Cooke to approve a 3% increase to the maximum salary range with an authorized limit of \$801,324.00 to salaries. This motion failed. Vote was as follows:

AYES: Directors Cooke and McVicar

NOES: Directors McClish, Perumean and Wilson

ABSENT: None

After further discussion there was a motion by Director Perumean and seconded by Director McClish to approve a 3% increase to the maximum of the salary range with an authorized limit of \$790,000.00 to salaries. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: Director Wilson

ABSENT: None

6.e. Update on District activities. The General Manager discussed that the sub-committee met on May 12, 2014 with the camera company and is waiting for more information. He will update after the next sub-committee meeting. Also, Ken Deck from Rowland Water District proposed drilling a well and having the District pay when the District had scheduled to drill the well in 2018 or 2019.

7. Closed Session.

Closed session began at 7:05pm and ended at 7:37pm

a. Railroad issue - "Government Code sec 54956.9; potential litigation: one case"

b. Kleinberg - "Government Code sec 54956.95; consideration of claim of Kleinberg against La Habra Heights County Water District."

The board reconvened after closed session and District counsel reported that regarding the potential litigation matter, instruction was given to staff, but no formal action was taken. Regarding the Kleinberg claim, District counsel reported that pursuant to a motion by Director McVicar and seconded by Director Perumean, the board rejected the claim of Kali Kleinberg. The vote was as follows:

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

NOES: None

ABSENT: None

8. Report of Individual Directors. This item was continued to the next scheduled meeting of May 27, 2014.

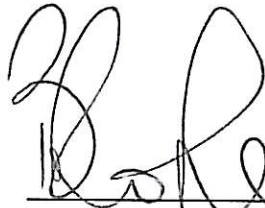
There being no further business to come before the Board, motion was made by Director Cooke and seconded by Director McVicar that the meeting be adjourned at 7:41 p.m. The vote was as follows:

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

NOES: None

ABSENT: None

Dated: May 27, 2014



Brad Cooke, President

(SEAL)



Michael Gualtieri, Secretary