

LA HABRA HEIGHTS COUNTY
WATER DISTRICT

BOARD MEETING

MARCH 25, 2025

**AGENDA FOR REGULAR MEETING
BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
March 25, 2025 @ 4:00PM**

- 1. Roll call of Directors by Secretary**
- 2. Notation of staff members and others present**
- 3. Public Communications** (Comments will be limited to 3 minutes)
- 4. Directors Report – Individual, Subcommittees and/or Attended Events**
- 5. Consent Items:** It is recommended these items be acted upon simultaneously unless separate discussion or action is requested by a member of the public or a Director.
 - a. Minutes of regular Board meeting for February 25, 2025 (approve)
 - b. Financial Reports – February 2025 (approve)
- 6. Approval of warrants and authorize signatures per warrant list**
- 7. Report of Superintendent**
- 8. Report and recommendations of General Manager:**
 - a. Discuss and Approve – MOU between Water Replenishment District and the District for funding from the EPA (per the latest version provided by District Counsel)
 - b. Discuss and Adopt – Resolution 25-03 District credit card policy
 - c. Discuss and Adopt – Resolution 25-04 Amend the District’s Employee Policies and Procedures manual to comply with D.O.T. requirements
 - d. Discuss and Adopt - D.O.T. Policy
 - e. Discuss and Action – Proposed Fiscal Year 2025/2026 Budget
 - f. General Manager Monthly report on PFAS

9. Closed Session

- a. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION:**
Potential initiation of litigation pursuant to § 54956.9(c): One case.

10. Adjournment

Any documents that are provided to the Board of Directors regarding items on this agenda less than 72 hours prior to this meeting will be available for public inspection at the front counter of the District office located at 1271 N. Hacienda Road, La Habra Heights, California 90631

MINUTES

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
February 25, 2025

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on February 25, 2025, 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, Joe Matthews.

PRESENT: Directors Baroldi, Cooke, Crabb, and McVicar

ABSENT: Director Perumean

Item 2. Staff members and others present. Staff: Joe Matthews, Secretary/General Manager, Ivan Ramirez, Superintendent, and Tammy Wagstaff, Treasurer. Others present: Michael Silander, District Counsel.

Item 3. Public Communications – None

Item 4. Directors Report – Individual, Subcommittees and/or Attended Events.

Director McVicar reported that she was asked if the PFAS notices can be worded differently.

Item 5.a. & b. Minutes of Regular Board meeting for January 28, 2025, and Financial Reports - January 2025. After discussion there was a motion by Director McVicar and seconded by Director Baroldi to approve minutes and financial reports. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and McVicar

NOES: None

ABSENT: Director Perumean

Item 6. Approval of warrants and authorized signatures per warrant list. After discussion, there was a motion made by Director McVicar and seconded by Director Crabb that warrant numbers 47573 through 47628 in the amount of \$290,675.76 and EFT transfers in the amount of \$13,488.41 be approved and signatures be authorized. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and McVicar

NOES: None

ABSENT: Director Perumean

Item 7. Report of Superintendent. The Superintendent informed that four service leaks were repaired. One fire hydrant was replaced due to rust. Fire hydrant maintenance repair was reprioritized. Troubleshooting portable emergency generator at Plant 1 scheduled on February 26, 2025, with Quinn CAR technician and an GJR electricians. Recently, the District has been unable to operate generator at Plant 1. Plant 5, Booster 1 motor was pulled for repairs, and electrician will set up monitoring surge meters to troubleshoot possible issues related to Southern California Edison.

Item 8.a. Discuss and Approve - Resolution 25-01 for annual Investment Policy update. After discussion, there was a motion by Director McVicar and seconded by Director Crabb to approve Resolution 25-01. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and McVicar

NOES: None

ABSENT: Director Perumean

Item 8.b. Discuss and Approve - Resolution 25-02 authorizing the General Manager to administer the California Office of Emergency Services Fiscal Year 2024 State and Local Cybersecurity Grant Program. After discussion, there was a motion by Director McVicar and seconded by Director Baroldi to approve resolution 25-02. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and McVicar

NOES: None

ABSENT: Director Perumean

(Director Perumean entered the meeting at 4:24 p.m.)

Item 8.c. Discuss and Action – Obtain a credit card for District business use. After discussion there was a motion by Director McVicar and seconded by Director Baroldi to approve subject to bringing a credit card policy to the Board at the next Directors meeting. The vote was as follows:

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

NOES: None

ABSENT: None

Item 8.d. Discuss and Action – Five-day work week. After discussion the Board directed the General Manager to submit a field crew prioritized workplan with results of the fire hydrant maintenance and valve programs at or before the July meeting for the Board to re-consider a five-day workweek. No action was taken.

Item 8.e. Discuss and Approve – Request for Proposals for PFAS Treatment Plant equipment purchase. After discussion, no action was taken but the General Manager was instructed to bring this back to the Board when a funding agreement with Water Replenishment District is finalized. No action was taken.

Item 8.f. Report reorganization of District field work priorities. General Manager provided report on reorganization of District field work priorities.

Item 8.g Report of dental insurance plans. General Manager discussed report on dental insurance plans.

Item 8.h Report on Form 700 emails to Board should have arrived. General Manager advised the Board of Directors to check emails for the Form 700.

Item 9. There being no further business to come before the Board, a motion was made by Director Cooke and seconded by Director McVicar that the meeting be adjourned at 6:18 p.m. The vote was as follows:

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

NOES: None

ABSENT: None

Dated: February 25, 2025

Brad Cooke, President

(SEAL)

Joe Matthews, Secretary

FINANCIAL REPORT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

February 29, 2024 and February 28, 2025

	<u>2024</u>	<u>2025</u>
<u>ASSETS:</u>		
<u>Current Assets:</u>		
CASH-PETTY	300.00	300.00
CASH-CHECKING	849,037.49	1,511,704.96
CASH-SWEEP	601.33	602.00
INVESTMENT-LAIF	4,945,170.01	4,063,709.20
INVESTMENT-TREASURY BILLS	999,398.67	1,051,868.01
ACCOUNTS RECEIVABLE-WATER	258,136.73	371,106.54
ACCOUNTS RECEIVABLE-OTHER	270,334.40	308,796.30
LEASE RECEIVABLE	131,188.00	131,226.00
ACCRUED INTEREST RECEIVABLE	33,685.00	29,706.00
INVENTORY	205,547.11	258,729.91
PREPAID EXPENSES	92,769.35	114,522.16
Total Current Assets	<u>7,786,168.09</u>	<u>7,842,271.08</u>
<u>Noncurrent Assets:</u>		
<u>Capital Assets:</u>		
LAND	532,743.65	532,743.65
WATER RIGHTS	1,640,490.80	1,640,490.80
SOURCE OF SUPPLY	2,271,079.60	2,278,699.92
PUMPING PLANT	1,668,932.77	1,668,932.77
TRANSMISSION & DISTRIBUTION	26,535,449.89	28,040,904.48
GENERAL PLANT	1,648,500.03	1,665,150.78
CONSTRUCTION IN PROGRESS	267,964.40	520,478.11
Total Capital Assets	<u>34,565,161.14</u>	<u>36,347,400.51</u>
Accumulated Depreciation	<u>(20,096,202.34)</u>	<u>(20,810,687.33)</u>
Net Capital Assets	<u>14,468,958.80</u>	<u>15,536,713.18</u>
<u>Other Noncurrent Assets:</u>		
INVESTMENTS-CAL DOMESTIC WATER CO	591.00	591.00
LEASE RECEIVABLE	2,291,188.06	2,167,886.13
Total Other Noncurrent Assets	<u>2,291,779.06</u>	<u>2,168,477.13</u>
Total Assets	<u>24,546,905.95</u>	<u>25,547,461.39</u>
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from pension plan	771,900.00	853,967.00
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from OPEB	225,139.00	199,012.00
Total Deferred Outflows of Resources	<u>997,039.00</u>	<u>1,052,979.00</u>

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION February 29, 2024 and February 28, 2025

	<u>2024</u>	<u>2025</u>
LIABILITIES		
Current Liabilities:		
ACCOUNTS PAYABLE	199,461.20	371,778.00
DEPOSITS-CUSTOMERS	3,817.50	-
DEPOSITS-CONSTRUCTION	45,079.82	-
ACCRUED EMPLOYEE BENEFITS	157,407.33	121,805.03
NET OPEB OBLIGATION	1,038,484.00	1,076,358.00
NET PENSION LIABILITY	1,248,389.00	1,431,442.00
Total Current Liabilities	<u>2,692,638.85</u>	<u>3,001,383.03</u>
Total Liabilities	<u>2,692,638.85</u>	<u>3,001,383.03</u>
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from pension plan	25,928.00	176,276.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from OPEB	1,014,037.00	914,390.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from Leases	2,335,986.57	2,214,126.09
Total Deferred Inflows of Resources	<u>3,375,951.57</u>	<u>3,304,792.09</u>
Net Position:		
INVESTED IN CAPITAL ASSETS, NET RELATED DEBT	14,468,958.80	15,536,713.18
UNRESTRICTED	5,006,395.73	4,757,552.09
RESTRICTED	-	-
Total Net Position	<u>19,475,354.53</u>	<u>20,294,265.27</u>

LA HABRA HEIGHTS COUNTY WATER DISTRICT
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For Eight Months Ending February 29, 2024 and February 28, 2025

	Last Year Current Month Actual 2/29/2024	Current Month Actual 2/28/2025	Last Year YTD Actual 2/29/2024	Current YTD Actual 2/28/2025	Current Budget 2024/25	Actual 2/28/2025 % of budget 2024/25 67%
Operating Revenue:	286,441.52	392,816.58	3,380,179.77	3,926,790.61	5,871,412.00	67%
Operating Expenses:						
Source of Supply	79,343.57	114,705.74	1,175,050.00	1,446,307.00	2,145,853.00	67%
Pumping	35,642.38	6,131.78	84,191.44	75,310.22	133,523.00	56%
Treatment	2,154.89	3,117.03	55,753.91	65,473.83	77,146.00	85%
Transmission & Distribution	73,421.57	13,296.56	483,445.69	285,345.90	723,007.00	40%
Customer Accounts	9,941.41	33,461.25	165,241.23	132,355.63	199,040.00	67%
Administrative and General	134,620.06	140,032.89	1,153,548.90	1,253,877.98	1,851,365.00	68%
Capital Improvements	126,340.58	154,511.75	1,010,724.64	1,236,094.00	1,854,141.00	67%
Other	11,200.73	7,006.62	67,779.08	64,369.76	94,089.00	68%
TOTAL OPERATING EXPENSES	472,665.19	472,263.62	4,195,734.89	4,559,134.32	7,078,164.00	64%
OPERATING INCOME (LOSS)	(186,223.67)	(79,447.04)	(815,555.12)	(632,343.71)	(1,206,752.00)	52%
Non-Operating Revenues	78,794.66	78,377.58	771,686.17	837,813.02	1,351,095.00	62%
Non-Operating Expenses	700.00	864.76	4,209.15	4,506.80	14,424.00	31%
NET NON-OPERATING REVENUES (EXPENSES)	78,094.66	77,512.82	767,477.02	833,306.22	1,336,671.00	62%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(108,129.01)	(1,934.22)	(48,078.10)	200,962.51	129,919.00	155%
SYSTEM BUY IN FEE			48,220.00	36,166.00		
CAPITAL CONTRIBUTIONS			4,242.90	44,528.09		
NET INCOME (LOSS) IN NET POSITION			4,384.80	281,656.60		
NET POSITION-BEGINNING OF YEAR			19,470,969.73	20,012,608.67		
NET POSITION-END OF PERIOD			19,475,354.53	20,294,265.27		

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Eight Months Ending February 29, 2024 and February 28, 2025

	Last Year Current Month Actual 2/29/2024	Current Month Actual 2/28/2025	Last Year YTD Actual 2/29/2024	Current YTD Actual 2/28/2025	Current Budget 2024/25	Actual 2/28/2025 % of budget 2024/25 67%
OPERATING REVENUES						
SALES-WATER	80,347.68	173,577.62	1,730,863.76	2,158,865.56	3,238,075.00	67%
SALES-READINESS TO SERVE	202,821.29	216,111.48	1,618,832.63	1,729,173.83	2,564,254.00	67%
SALES-MISCELLANEOUS	3,272.55	3,127.48	30,483.38	38,751.22	34,462.00	112%
LEASE-WATER RIGHTS	-	-	-	-	34,621.00	0%
TOTAL OPERATING REVENUES	286,441.52	392,816.58	3,380,179.77	3,926,790.61	5,871,412.00	67%
OPERATING EXPENSES						
PURCHASED WATER	4,141.00	2,783.29	53,738.15	37,200.29	273,803.00	14%
GROUND WATER REPLENISHMENT ASSMT	29,525.40	49,271.75	618,269.49	761,446.28	1,105,821.00	69%
POWER	45,677.17	62,650.70	503,042.36	647,660.43	766,229.00	85%
TOTAL SOURCE OF SUPPLY	79,343.57	114,705.74	1,175,050.00	1,446,307.00	2,145,853.00	67%
LABOR-PUMPING	8,624.93	5,894.42	42,578.01	43,565.92	63,706.00	68%
MAINTENANCE-PUMPING	27,017.45	237.36	41,613.43	31,744.30	69,817.00	46%
TOTAL PUMPING	35,642.38	6,131.78	84,191.44	75,310.22	133,523.00	56%
MAINT & LABOR-TREATMENT	2,154.89	3,117.03	55,753.91	65,473.83	77,146.00	85%
TOTAL TREATMENT	2,154.89	3,117.03	55,753.91	65,473.83	77,146.00	85%
LABOR-TRANS & DISTRIBUTION	38,034.66	14,914.58	196,701.78	145,782.82	254,222.00	57%
MAINT-TRANS & DISTRIBUTION	28,062.70	4,373.94	189,077.79	51,834.24	270,102.00	19%
JOINT FACILITIES-WELL,LM CONDUIT&RES	17,124.72	5,441.12	221,014.95	193,412.73	403,284.00	48%
ORCHARD DALE PORTION	(9,800.51)	(11,433.08)	(123,348.83)	(105,683.89)	(204,601.00)	52%
TOTAL TRANSMISSION&DISTRIBUTION	73,421.57	13,296.56	483,445.69	285,345.90	723,007.00	40%
LABOR&MAINT-CUSTOMER ACCOUNTS	9,941.41	33,461.25	161,759.45	129,907.55	195,103.00	67%
UNCOLLECTIBLE ACCOUNTS	-	-	3,481.78	2,448.08	3,937.00	62%
TOTAL CUSTOMER ACCOUNTS	9,941.41	33,461.25	165,241.23	132,355.63	199,040.00	67%
TOTAL OTHER OPERATING EXPENSES	121,160.25	56,006.62	788,632.27	558,485.58	1,132,716.00	49%
TOTAL SOURCE OF SUPPLY & OPERATING EXPENSES	200,503.82	170,712.36	1,963,682.27	2,004,792.58	3,278,569.00	61%
ADMINISTRATIVE & GENERAL EXPENSES						
LABOR-FIELD-SICK,VAC,HOLIDAY	9,079.72	7,756.28	65,866.57	56,372.73	75,125.00	75%
WAGES-MANAGEMENT	20,765.10	13,094.31	112,430.86	100,124.61	158,194.00	63%
WAGES-OFFICE	33,495.95	21,762.33	183,138.47	165,708.61	296,395.00	56%
WAGES-MGMT&OFFICE-SICK,VAC,HOLIDAY	6,529.11	5,606.11	61,810.45	67,080.28	98,527.00	68%
OFFICE SUPPLIES	1,734.55	4,026.25	18,125.06	18,953.29	45,080.00	42%
AUTO SERVICE	3,900.37	4,644.43	36,970.43	32,508.60	52,853.00	62%
BANK SERVICE CHARGE	710.69	694.35	3,747.07	4,427.00	10,527.00	42%
DUES & SUBCRIPTIONS	1,051.00	100.00	22,900.68	26,103.89	29,953.00	87%
BUILDING SERVICE	1,042.74	1,803.51	18,312.43	30,210.90	22,671.00	133%
OFFICE EQUIPMENT MAINT	1,758.54	2,099.58	16,772.27	13,500.29	39,519.00	34%
PROFESSIONAL SERVICES	-	6,677.50	59,131.20	77,086.25	114,604.00	67%
EDUCATION & MEETINGS	450.00	295.85	8,744.20	14,142.10	17,495.00	81%

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Eight Months Ending February 29, 2024 and February 28, 2025

	Last Year Current Month Actual 2/29/2024	Current Month Actual 2/28/2025	Last Year YTD Actual 2/29/2024	Current YTD Actual 2/28/2025	Current Budget 2024/25	Actual 2/28/2025 % of budget 2024/25 67%
LEGAL	5,462.50	9,100.00	32,987.50	33,387.50	61,594.00	54%
UTILITIES	3,679.68	7,016.78	27,120.55	74,939.23	43,622.00	172%
ENGINEERING	288.00	3,782.50	11,405.37	13,247.50	37,995.00	35%
INSUR-AUTO, LIABILITY & PROPERTY	9,101.91	12,364.88	67,977.18	92,924.88	115,065.00	81%
INSUR-GROUP HEALTH & LIFE	16,781.61	17,678.41	125,856.86	136,150.92	223,968.00	61%
EMPLOYEE WORKERS COMPENSATION	2,304.96	590.65	19,639.23	15,031.17	31,273.00	48%
DENTAL	1,469.00	687.20	6,849.60	9,781.12	10,180.00	96%
RETIREMENT-CALPERS	5,118.64	11,571.75	90,210.83	96,436.82	160,053.00	60%
RETIREMENT-DEFERRED COMP	1,627.37	1,558.26	14,053.46	13,028.51	22,088.00	59%
RETIREMENT-CALPERS UNFUND ACCR LIAB	-	-	80,813.00	108,463.00	112,090.00	97%
MAINTENANCE-GENERAL PLANT	8,268.62	7,121.96	68,685.63	54,268.78	72,494.00	75%
CAPITAL IMPROVEMENTS	126,340.58	154,511.75	1,010,724.64	1,236,094.00	1,854,141.00	67%
PROPERTY TAXES	444.73	445.69	3,555.86	3,664.42	5,547.00	66%
PAYROLL TAXES	10,756.00	6,560.93	64,223.22	60,705.34	88,542.00	69%
TOTAL ADMIN & GENERAL EXP	272,161.37	301,551.26	2,232,052.62	2,554,341.74	3,799,595.00	67%
TOTAL OPERATING EXPENSES	472,665.19	472,263.62	4,195,734.89	4,559,134.32	7,078,164.00	64%
OPERATING INCOME (LOSS)	(186,223.67)	(79,447.04)	(815,555.12)	(632,343.71)	(1,206,752.00)	52%
NONOPERATING REVENUES						
INTEREST INCOME	17,994.69	15,563.59	139,784.62	156,413.74	202,727.00	77%
PROPERTY TAX INCOME	49,284.43	49,523.41	533,956.99	578,306.79	1,004,509.00	58%
RENT INCOME	10,556.92	10,606.23	86,696.59	84,349.34	126,683.00	67%
OIL ROYALTIES	958.62	784.35	8,460.75	7,424.11	12,982.00	57%
MISCELLANEOUS INCOME	-	1,900.00	2,787.22	5,659.79	4,194.00	135%
GAIN ON ASSET SOLD	-	-	-	5,659.25	-	0%
TOTAL NONOPERATING REVENUES	78,794.66	78,377.58	771,686.17	837,813.02	1,351,095.00	62%
NONOPERATING EXPENSES						
INTEREST EXPENSE-D/G LOAN	-	-	609.15	-	-	0%
LOSS ON INVESTMENT	-	-	-	-	-	0%
DIRECTORS FEES	700.00	500.00	3,600.00	4,000.00	9,900.00	40%
DIRECTORS EXPENSES	-	75.00	-	217.04	4,524.00	5%
ELECTION	-	289.76	-	289.76	-	0%
TOTAL NONOPERATING EXPENSES	700.00	864.76	4,209.15	4,506.80	14,424.00	31%
NET NONOPER REVENUES(EXPENSES)	78,094.66	77,512.82	767,477.02	833,306.22	1,336,671.00	62%
NET INCOME (LOSS) IN NET POSTION	(108,129.01)	(1,934.22)	(48,078.10)	200,962.51	129,919.00	155%

WARRANTS

La Habra Heights County Water District

AP Check Register (Current by Bank)

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
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BANK ID:

1002852449	02/28/25	M	0130	CALPERS	\$4,969.02
1002852450	02/28/25	M	0130	CALPERS	\$1,560.15
1002862676	03/12/25	M	0130	CALPERS	\$4,969.02
1002862677	03/12/25	M	0130	CALPERS	\$1,560.15
BANK 13100					\$13,058.34

BANK ID:

47629	02/24/25	P	0205	JOE MATTHEWS	\$1,500.60
47630	03/05/25	P	0116	ACWA-JPIA	\$18,052.51
47631	03/05/25	P	0565	ALERT 360	\$106.08
47632	03/05/25	P	0585	ALL STAR GLASS	\$243.88
47633	03/05/25	P	0353	ARCO BUSINESS SOLUTIONS	\$1,899.74
47634	03/05/25	P	0582	BACKGROUNDS ONLINE	\$31.50
47635	03/05/25	P	0354	BEST LAWNMOWER, INC	\$110.68
47636	03/05/25	P	0013	CANNINGS HARDWARE	\$53.57
47637	03/05/25	P	0014	CENTRAL BASIN MWD	\$2,783.29
47638	03/05/25	P	0441	CINTAS CORPORATION	\$196.52
47639	03/05/25	P	0145	CIVILTEC ENGINEERING INC	\$83,613.75
47640	03/05/25	P	0558	CONEXWEST	\$230.42
47641	03/05/25	P	0575	D.L. AUTO, INC.	\$144.00
47642	03/05/25	P	0164	EXCEL TELEMESSAGING	\$150.00
47643	03/05/25	P	0389	FRONTIER COMMUNICATIONS	\$946.28
47644	03/05/25	P	0519	GK CONSULTING	\$585.00
47645	03/05/25	P	0569	GOTO COMMUNICATIONS, INC.	\$326.75
47646	03/05/25	P	0369	HIGHROAD INFO TECHNOLOGY	\$6,245.00
47647	03/05/25	P	0447	IVAN RAMIREZ	\$172.45
47648	03/05/25	P	0205	JOE MATTHEWS	\$406.85
47649	03/05/25	P	0051	LINCOLN FINANCIAL GROUP	\$3,107.21
47650	03/05/25	P	0453	MATTHEW CERDA	\$98.00
47651	03/05/25	P	0430	MICHAEL SILANDER	\$9,712.50
47652	03/05/25	P	0174	MICHELLE PEREZ	\$80.80
47653	03/05/25	P	0503	MICHELLE SAVAGE	\$277.20
47654	03/05/25	P	0576	NAKAE & ASSOCIATES, INC.	\$3,550.00
47655	03/05/25	P	0534	ODP BUSINESS SOLUTIONS, LLC.	\$116.24
47656	03/05/25	P	0092	POLLARDWATER.COM-EAST	\$178.28
47657	03/05/25	P	0221	REGISTRAR-RECORDER OFFICE	\$289.76
47658	03/05/25	P	0258	S&J SUPPLY CO, INC	\$1,802.12
47659	03/05/25	P	0415	SAMUEL MUNOZ	\$2,900.00
47660	03/05/25	P	0069	SOCALGAS	\$68.23
47661	03/05/25	P	0068	SOUTHERN CALIF EDISON CO	\$63,056.96
47662	03/05/25	P	0267	STAMPS BY MAIL	\$146.00
47663	03/05/25	P	0427	TPX COMMUNICATIONS	\$4,323.12
47664	03/05/25	P	0078	UNDERGROUND SERVICE ALERT	\$143.20
47665	03/05/25	P	0268	UNIVAR USA, INC	\$1,828.03
47666	03/05/25	P	0562	VERIZON	\$495.74
47667	03/05/25	P	0386	VERIZON WIRELESS	\$600.42
47668	03/05/25	P	0577	WARE DISPOSAL	\$331.13
47669	03/05/25	P	0094	WECK LABORATORIES, INC	\$305.00
47670	03/05/25	P	0577	WARE DISPOSAL	\$331.13
47671	03/05/25	P	0583	WIENHOFF DRUG TESTING	\$100.00
47672	03/13/25	P	0013	CANNINGS HARDWARE	\$153.96
47673	03/13/25	P	0432	CHARTER COMMUNICATIONS	\$599.00
47674	03/13/25	P	0441	CINTAS CORPORATION	\$409.21
47675	03/13/25	P	0528	CPR IT WORKS, LLC.	\$1,490.00

La Habra Heights County Water District
AP Check Register (Current by Bank)

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
47676	03/13/25	P	0575	D.L. AUTO, INC.	\$1,669.81
47677	03/13/25	P	0389	FRONTIER COMMUNICATIONS	\$103.54
47678	03/13/25	P	0099	GRAINGER INC	\$1,604.16
47679	03/13/25	P	0153	HOME DEPOT CR SERVICES	\$1,332.95
47680	03/13/25	P	0252	INFOSEND, INC	\$1,851.97
47681	03/13/25	P	0033	J A SALAZAR CONSTRUCTION	\$22,936.37
47682	03/13/25	P	0044	JIM BAUCHER	\$240.00
47683	03/13/25	P	0205	JOE MATTHEWS	\$150.00
47684	03/13/25	P	0133	KONICA MINOLTA	\$132.73
47685	03/13/25	P	0579	KONICA MINOLTA BUSINESS SOL.	\$74.25
47686	03/13/25	P	0402	L G HOLDINGS, INC	\$5,738.00
47687	03/13/25	P	0051	LINCOLN FINANCIAL GROUP	\$3,107.21
47688	03/13/25	P	0581	MICHAEL GUALTIERI	\$262.50
47689	03/13/25	P	0231	O'REILLY AUTO PARTS	\$395.09
47690	03/13/25	P	0534	ODP BUSINESS SOLUTIONS, LLC.	\$147.01
47691	03/13/25	P	0175	QUINN COMPANY	\$1,668.00
47692	03/13/25	P	0258	S&J SUPPLY CO, INC	\$8,259.88
47693	03/13/25	P	0068	SOUTHERN CALIF EDISON CO	\$14,606.32
47694	03/13/25	P	0016	WATER REPLENISHMENT DISTRICT	\$80,167.65
47695	03/13/25	P	0094	WECK LABORATORIES, INC	\$1,947.00
BANK 13110					\$360,686.55
GRAND TOTAL :					\$373,744.89

* Check Status Types: "P" - Printed ; "M" - Manual ; "V" - Void (Void Date); "A" - Application; "E" - EFT** Denotes broken check sequence.



Civil, Water, Wastewater, Drainage and Transportation Engineering
Construction Management • Surveying
California • Arizona

February 21, 2025

La Habra Heights County Water District
1271 North Hacienda Road
La Habra Heights, CA 90631

Attention: Joe Matthews, General Manager

Subject: Engineering Activities for the Month of **January 2025**
Invoice Backup Support - Billing Period through January 31, 2025

Dear Mr. Matthews:

The La Habra Heights County Water District requires Engineering Support from **CIVILTEC engineering, inc. (Civiltec)** at times on various projects. This work is provided on a time and materials basis when requested and directed by LHCWD management. Following is an explanation of time spent to back up the **January 2025** invoicing. The numbering system is the **Civiltec** project number and tracking system.

2024140.00 – General Engineering Support FY24-25. This project has been established to aid the District in general engineering inquiries, participate in meetings, hydraulic modeling and calibration and overall engineering support. The total budget for General Engineering Support has been established at \$25,000.00 for each Fiscal Year. Below is an accounting of expenditures under this **Civiltec** job number for FY 2024-25.

There were expenditures in January 2025 of \$825.00. David prepared and issued a memo regarding the Heli Hydrant facility and potential new pipeline at the request of the District. The remaining budget is \$21,200.00.

2024141.00 – Engineering Fire flow Modeling FY24-25. This project has been established to aid the District with computer model simulations for fire flow requests by LHCWD customers. Below is an accounting of expenditures under this **Civiltec** job number for FY 2024-25.

There were expenditures in the month of January 2025 totaling \$580.00. We have set up new project numbers per fire flow simulation. We are using this main number 2024141 and have put extensions starting with .01 for the first request.

2024141.14 Fire Flow Modeling for 235 Avocado Crest Road \$580.00

2022169.00 – Well No. 12 Well Siting Study. LHCWD plans to drill a new well in the Judson Well Field. The overall budget for the project is \$157,770.00. There were no expenditures in



January 2025. The District is currently considering the destruction of Well No. 9 and civil improvements to the Well No. 9 discharge pit. The remaining budget is \$27,946.50.

2024807.00 – PFAS Grant Application. LHHWCWD is working with WRD to secure grant funding for a new PFAS Treatment Plant. Grace Kast is preparing the grant funding applications to WRD and assisting with the EPA grant. *Civiltec* staff is supporting Ms. Kast with as needed cost estimating and preparing exhibits. The budget established for the *Civiltec* effort is \$15,915.00. There were no expenditures in the month of January 2025. The remaining budget is \$1,171.25.

2024814.00 – PFAS Treatment Plant Design. LHHWCWD and *Civiltec* have executed a professional services agreement for the design of the new PFAS Treatment Plant. The design team has completed and submitted the draft PFAS treatment system equipment prepurchase request for proposals (RFP) document to the LHHWCWD project team and received/incorporated their internal review comments. For the next step, the RFP must be reviewed/approved by the LHHWCWD Board. After the LHHWCWD Board approval the RFP would move to the WRD for review and comments, hopefully in April 2025. With LHHWCWD and WRD approvals in hand the RFP will be provided to reputable PFAS treatment system suppliers for proposals/pricing. Because the RFP is on the critical path the design team has focused on expediting the document revisions to keep it moving through the review processes. In addition to the RFP focus, we have submitted for review to LHHWCWD the draft Basis of Design Report and the 60% design documents. At this point we anticipate slowing the development of the final design documents until proposals from treatment systems suppliers are received, a supplier selected, and an equipment purchase order placed. This approach will allow the project team to have in hand the supplier's equipment submittals for incorporation into the final design documents and the procurement schedule which will provide the ability to forecast the required timing of obtaining a general contractor for installation. The budget established for the *Civiltec* effort is \$421,360.00. There were expenditures in the month of January 2025 totaling \$79,006.25. The remaining budget is \$162,911.50.

2025302.00 – Development of Maps for Demand Scenarios. LHHWCWD has requested new water system maps that show Average Day Demand (ADD) and Maximum Day Demand (MDD) pressure residuals. A third map has been requested that will indicate MDD plus Fire Flow (MDD+FF) capability at each fire hydrant in the system. These maps have been produced as a draft and submitted for review by the District. The overall budget for the project is \$5,290.00. There were expenditures in January 2025 of \$3,202.50. The remaining budget is \$2,087.50.

I hope this information helps with your processing of the project invoices. Please let me know if you have any questions.

Very truly yours,

CIVILTEC engineering, inc.

A handwritten signature in black ink, appearing to read 'W. David Byrum', is written over a horizontal line.

W. David Byrum, P.E.
President, Principal Engineer

Michael Silander

Attorney at Law

3625 E. Thousand Oaks Blvd., Suite 224
Westlake Village, CA 91362

INVOICE

DATE: FEBRUARY 23, 2025

TO:

La Habra Heights County Water District
1271 Hacienda Road
La Habra Heights, CA 90631

PLEASE REMIT PAYMENT TO:

Michael Silander
3625 E. Thousand Oaks Blvd., Suite 224
Westlake Village, CA 91362

SPECIFICATIONS:

LHHCWD/TOTAL

Invoice for legal services rendered in January 2025.

OK to pay


MATTER	HOURS	AMOUNT
Transactional - General	28.3	\$3,537.50
Retainer	Flat fee	\$1,250.00
		TOTAL: \$4,787.50

Please make all checks payable to Michael Silander
If you have any questions concerning this invoice,
please email michael@silanderlaw.com or call 805-490-9247

Michael Silander

Attorney at Law

3625 E. Thousand Oaks Blvd., Suite 224
Westlake Village, CA 91362

INVOICE

DATE: MARCH 1, 2025

TO:

La Habra Heights County Water District
1271 Hacienda Road
La Habra Heights, CA 90631

PLEASE REMIT PAYMENT TO:

Michael Silander
3625 E. Thousand Oaks Blvd., Suite 224
Westlake Village, CA 91362

SPECIFICATIONS:

LHHCWD/TOTAL

Invoice for legal services rendered in February 2025.

MATTER	HOURS	AMOUNT
Transactional - General	29.4	\$3,675.00
Retainer	Flat fee	\$1,250.00
		TOTAL: \$4,925.00

Please make all checks payable to Michael Silander
If you have any questions concerning this invoice,
please email michael@silanderlaw.com or call 805-490-9247

OK to pay


REPORT OF SUPERINTENDENT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: 3/17/25

**TO: JOE MATTHEWS, GENERAL MANAGER
& BOARD OF DIRECTORS**

FROM: IVAN RAMIREZ, SUPERINTENDENT

SUBJECT: SUPERINTENDENT'S REPORT FOR MARCH 2025

System and Equipment Maintenance

- Repaired three service leaks.

- One fire hydrant retaining wall was installed allowing the fire department and the District better access for maintenance.

- GJR Electric relocated the transfer switch wiring at Plant 1 pump 1 to work efficiently with our portable emergency generator.

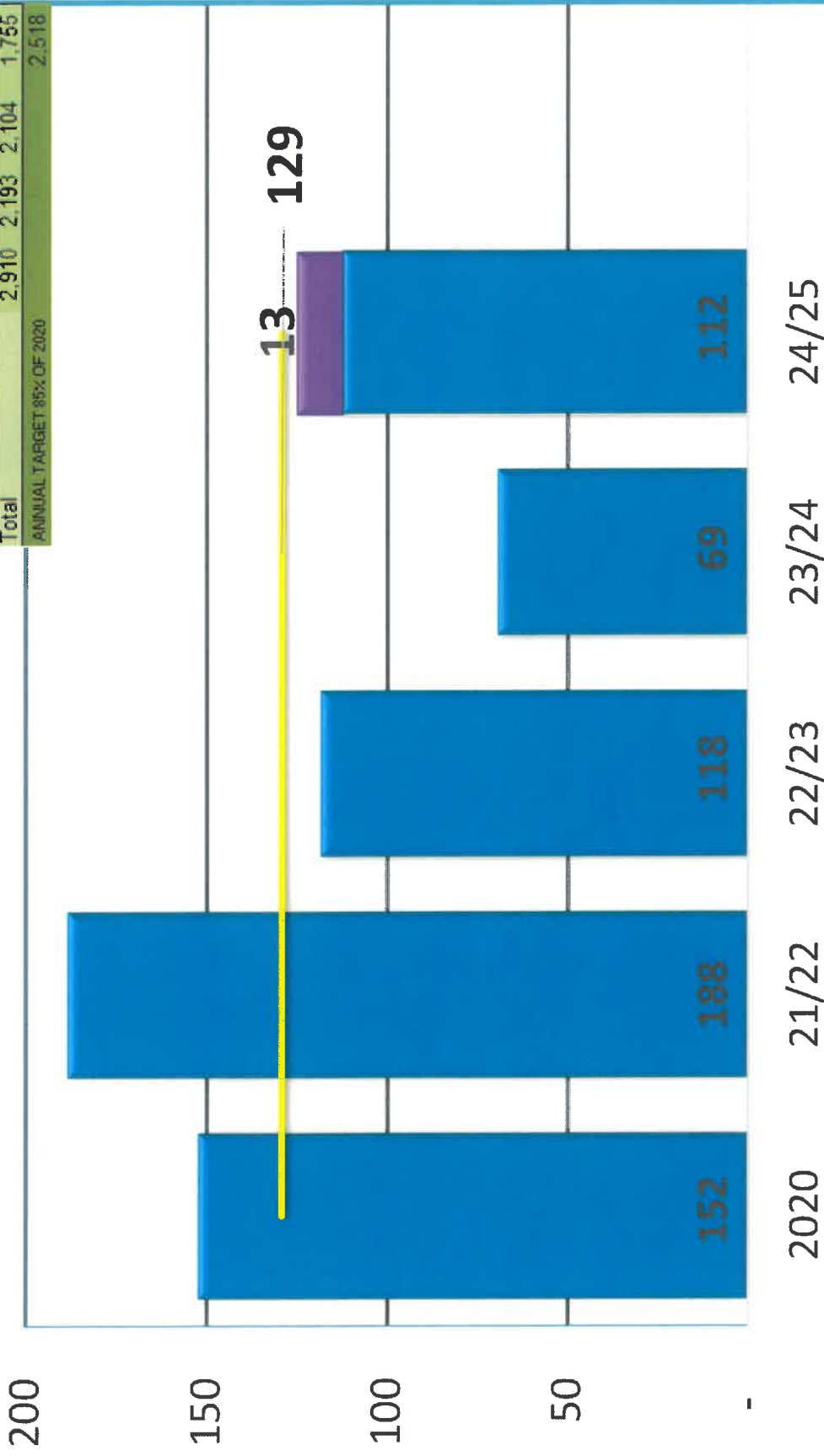
- On March 17, 2025, Plant 5 Booster 1 motor was installed. April 1, 2025, GJR Electric will work with Halco Electrical and the District to measure 30 days of Edison incoming power.

LA HABRA HEIGHTS COUNTY WATER DISTRICT

Production in acre feet for FEBRUARY

Compared to 85% of 2020

ANNUAL WATER USAGE					
Water Source	2021/2022	2022/2023	2023/2024	2024/25 THRU FEB	
Groundwater	2,910	2,193	2,083	1,742	
Import	-	-	13	-	
Import water used by CDWC	-	-	8	13	
Total	2,910	2,193	2,104	1,755	
ANNUAL TARGET 85% OF 2020					2,518



■ Import
■ Import water used by California Domestic Water Company from District's Central Basin Municipal Water District connection
■ Groundwater
— 85% of 2020 Month Target

**DISCUSS AND APPROVE
MOU BETWEEN WRD & THE
DISTRICT FOR FUNDING FROM THE
EPA**

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN LA HABRA HEIGHTS COUNTY WATER DISTRICT AND THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA REGARDING FUNDING UNDER THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY COMMUNITY GRANTS PROGRAM

This Memorandum of Understanding, hereinafter “MOU”, is made and entered by and between La Habra Heights County Water District (“Participant”), and the Water Replenishment District of Southern California (“WRD”), hereinafter collectively referred to as “Parties”.

RECITALS

WHEREAS, in fiscal year 2023, the United States Environmental Protection Agency (“EPA”), through its Community Grants Program, awarded through WRD to an eligible pumper a two million five hundred-thousand-dollar grant (“Grant”); and

WHEREAS, WRD in administering the Grant identified Participant as good candidate for the Grant, notifying Participant of the opportunity on July 27, 2023; and

WHEREAS, Orchard Dale Water District (“ODWD”) is not a party to this Agreement, and will receive no Grant funds, but has certain adjudicated water rights and related obligations to Participant only as determined in a Joint Facilities Agreement between ODWD and Participant; and

WHEREAS, on July 8, 2024, Participant signed and returned the Letter of Intent (“LOI”), attached hereto as Exhibit “A” to this MOU; and

WHEREAS, WRD was selected by the EPA for this Grant to assist the Participant by performing grant administrative tasks, including but not limited to submitting progress reports for the Participant’s eligible project reimbursements under the Grant; and

WHEREAS, once WRD receives the funds from the EPA, WRD will reimburse the Participant for approved eligible costs under the Grant not to exceed a total of \$2,500,000.00; and

WHEREAS, the Grant is for the reimbursement of equipment purchases only, consistent with the Workplan attached hereto as Exhibit “C”; and

WHEREAS, Participant acknowledges that it is its sole responsibility to comply with any and all applicable funding requirements, identified in the attached EPA Subaward Policy, Grants Policy Issuance (GPI) 16-01 Subaward Policy and requirements under the Community Grants Program implementation guidance document, all attached hereto as Exhibit “B” to this MOU; and

WHEREAS, Participant acknowledges that the Grant program participation and compliance is a labor-intensive process and agrees to comply with the documents attached hereto outlining the requirements, along with any additional requirements imposed under the Grant, including but not limited to information required and or requested under the Grant, all necessary data and information required prior to, during and post construction for funding and Grant reporting, complete all required federal and state environmental compliance (including, but not limited to,

the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA)), meeting the requirements of EPA's Competitive Procurement Policy, EPA's Disadvantaged Business Enterprise Program, Davis Bacon Act, and Build America, Buy American (BABA) along with all EPA and Federal cross-cutter requirements as outlined in the most recent Final Implementation Guidance for the Community Grants Program; and

WHEREAS, WRD agrees to provide identified services to assist Participant in its compliance with the Grant as identified in this MOU and Participant agrees to the terms of this MOU; and

WHEREAS, Participant agrees to complete the workplan as submitted with the grant application to EPA dated October 3, 2024, within 5 years of award.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES:

Section 1: The above recitals and the attached exhibits are incorporated herein as provisions of this MOU.

Section 2: Participant hereby accepts the assistance of WRD as set forth herein and accepts the conditions of assistance for the Program, acknowledging that upon award WRD will submit progress reports and invoices to the EPA on behalf of the Participant for reimbursement. Participant acknowledges that all reimbursement decisions will be made by the EPA and WRD shall have no liability to Participant for funding under this MOU or the Grant.

Section 3: Participant agrees to be bound by the terms of this MOU in consideration of the services and assistance of WRD and funding by the EPA. Participant also agrees to comply with all requirements under the Grant set forth in the attachments to this MOU, which are incorporated herein by this reference.

Section 4: Participant hereby agrees to provide WRD with the required information for the Progress Reports within 45 days of request by WRD.

Section 5: Participant hereby acknowledges that if the EPA may requires additional information and compliance with additional requirements not set forth in this MOU, Participant hereby agrees to make all reasonable efforts to comply with the same for funding under the Grant. Participant acknowledges that compliance with Grant requirements is its responsibility, WRD is acting as a third party assisting Participant and assumes no responsibility or liability for the actions or inactions of Participant or its failure to meet Grant requirements or meet associated deadlines.

Section 6: Upon thirty (30) days written notice, the Parties hereto and the EPA may examine, inspect, copy, review and audit any documents or records within the custody or control of the Parties to this MOU relating to any and all aspects of services and/or charges or credits incurred or received in relation to this MOU. The Participant further agrees to maintain records related to the Grant and its expenses in compliance with Grant requirements and comply with any and all applicable audit requirements

Section 7: This MOU only applies to the terms contained herein and is an integrated agreement inclusive of the attached LOI, Exhibits and the referenced materials contained therein. Any amendment as to the terms of this MOU requires the written agreement of the Parties in an amendment to this MOU.

Section 8: Notices Any and all notices related to this MOU shall be made in writing and may be given by personal delivery, by mail, or by facsimile. Such notices sent by mail should be sent of the designated contact person for each Party and addressed as follows:

Participant

La Habra Heights County Water District
Joe Matthews, General Manager
1271 N. Hacienda Road La Habra Heights, CA 90631

WRD

Water Replenishment District of Southern California
Esther Rojas, Manager of Watermaster and Water Resources
4040 Paramount Boulevard Lakewood, CA 90712

Section 9: Authority Each of the Parties hereto represents and warrants to the other that it has full power and authority and has obtained all approvals required by its governing board or governing body necessary to enter into, and perform its obligations under this MOU and that the individual executing this MOU on its behalf has the legal power, rights, and authority to bind such party.

Section 10: Counterparts This MOU may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall, taken together, be considered one and the same agreement.

Section 11: Governing Law This MOU shall be construed and enforced in accordance with the laws of the State of California, without giving effect to rules governing the conflict of laws.

Section 12: No Assignment Neither party shall assign or otherwise transfer this MOU or its right or interest or any part thereof to any third party, without the prior written consent of the other party.

Section 13: Indemnity Participant agrees to release, indemnify, defend and hold WRD harmless from and against any and all loss, damage, claims, expenses or liabilities of any kind (including but not limited to attorneys' fees and costs, and other expenses related thereto) arising out of any act or omission by Participant in implementing the project or complying with the requirements set forth in the LOI and this MOU, except in the event of WRD's gross negligence.

Section 15: Attorneys' Fees If any legal suit, action, or proceeding (collectively, and together with all appeals thereof, each a "Legal Proceeding") is commenced under this MOU or to enforce this MOU, in addition to any other relief to which the successful or prevailing party or

parties are entitled, the successful or prevailing party or parties shall be entitled to recover, and the non-prevailing party or parties shall pay (a) reasonable attorneys' fees and expenses of the successful or prevailing party or parties, (b) court costs, and (c) other out-of-pocket expenses incurred by the successful or prevailing party or parties in such Legal Proceeding.

Section 16: Reimbursement If Participant fails to meet any of the requirements set forth in this MOU or as required by the Grant, Participant agrees to reimburse WRD/or/EPA for any associated funds received, inclusive of any costs imposed. Participant also agrees to reimburse WRD for the costs of any required consultants, including but not limited to required consultants for NEPA/CEQA compliance.

IN WITNESS WHEREOF, the parties thereto have executed this Memorandum of Understanding to be executed by their duly authorized representatives.

PARTICIPANT

Date: _____ By: _____

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Date: _____ By: _____
Joy Langford, President
Board of Directors

Date: _____ By: _____
Vera Robles DeWitt, Secretary
Board of Directors

Date: _____ By: _____
Leal Trejo APC, District Counsel

RESOLUTION NO. 25-03

**A RESOLUTION OF THE BOARD OF
DIRECTORS OF
LA HABRA HEIGHTS COUNTY
WATER DISTRICT
APPROVING A CREDIT CARD POLICY
FOR THE
LA HABRA HEIGHTS COUNTY
WATER DISTRICT**

RESOLUTION NO. 25-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF
LA HABRA HEIGHTS COUNTY WATER DISTRICT
APPROVING A CREDIT CARD POLICY FOR THE
LA HABRA HEIGHTS COUNTY WATER DISTRICT

A. Recitals.

(i) It is necessary that the District authorize employees to handle the use of the District Credit Card and set guidelines for all the credit card holders.

(ii) Attached hereto are Exhibit "A" Credit Card Policy.

NOW THEREFORE, be it resolved by the Board of Directors of the La Habra Heights County Water District hereby adopts Exhibit "A" the Credit Card Policy.

ADOPTED, SIGNED AND APPROVED this 25th day of March 2025.

Brad Cooke, President
Board of Directors of the La Habra
Heights County Water District

ATTEST:

Joe Matthews, Secretary

(SEAL)

I, JOE MATTHEWS, Secretary to the Board of Directors of the La Habra Heights County Water District, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District held on the 25th day of March 2025, and was adopted at that meeting by the following vote:

AYES:

NOES:

ABSENT:

Joe Matthews, Secretary
Board of Directors of the
La Habra Heights County
Water District

EXHIBIT "A"

LA HABRA HEIGHTS COUNTY WATER DISTRICT

CREDIT CARD POLICY

1. This credit card policy, hereinafter the "Policy", shall apply to all La Habra Heights County Water District, hereinafter the "District", employees who are issued a credit card".
2. This policy sets the guidelines for all the credit card holder employees of the District. The guidelines include the procedure, issuance, expectations, application, use, payment, security, and termination of the credit card
3. General Manager/Secretary, Superintendent and Treasurer/Office Manager are eligible to use the card.
4. Cardholders are obligated to use the card only for official purposes. Under no circumstance are cardholders allowed to use the card for personal use.
5. Non-compliance with any of the provisions of this policy will result in the withdrawal of all credit card privileges.
6. The District holds the right to recover any money from any cardholder in cases of misuse and can take disciplinary action against such party.
7. Credit card holders are not allowed to use the card for any cash advance from banks, credit unions, ATMs or any other financial institutions.
8. All credit card expenditures must be reconciled with the account payable within 15 days of the statement date.
9. All credit card holders must submit the original receipt to the District's General Manager within 15 days of the receipt date.
10. Lost or stolen cards must be reported to the District immediately, and accounts payable must be notified.
11. Receipts are required for all expenses and must be turned into the District's General Manager.
12. The credit card balance shall be paid, as with all bills received, before the due date to avoid any fees, penalties and interest.
13. Any purchases made using the credit card is subject to the District's Procurement Policy.
14. All rewards gained from purchases on the card must be used for business purposes.

RESOLUTION 25-04

A RESOLUTION BY THE BOARD OF DIRECTORS OF LA HABRA HEIGHTS COUNTY WATER DISTRICT TO AMEND ITS EMPLOYEE POLICIES AND PROCEDURES MANUAL TO ADD PROCEDURES TO COMPLY WITH DEPARTMENT OF TRANSPORTATION (D.O.T) REQUIREMENTS

RESOLUTION 25-04

A RESOLUTION BY THE BOARD OF DIRECTORS OF LA HABRA HEIGHTS COUNTY WATER DISTRICT TO AMEND ITS EMPLOYEE POLICIES AND PROCEDURES MANUAL TO ADD PROCEDURES TO COMPLY WITH DEPARTMENT OF TRANSPORTATION (D.O.T) REQUIREMENTS

1. RECITALS

WHEREAS La Habra Heights County Water District (“LHHCWD”) amended its Employee Policies and Procedures Manual (“Manual”) on March 25, 2025, by adopting Resolution 25-04;

WHEREAS LHHCWD add procedures to the manual to comply with Department of Transportation requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LHHCWD AS FOLLOWS:

2. RESOLUTION

LHHCWD’s Board of Directors hereby adds procedures to comply with the Department of Transportation requirements.

ADOPTED, SIGNED, AND APPROVED this 25th day of March 2025.

Brad Cooke, President
Board of Directors of
La Habra Heights County Water District

ATTEST:

Joe Matthews, Secretary, La Habra Heights
County Water District

(SEAL)

I, JOE MATTHEWS, Secretary of the Board of Directors of the La Habra Heights County Water District, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the 25th day of March 2025, and was adopted at that meeting by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Joe Matthews, Secretary
Board of Directors of the
La Habra Heights County Water District

F. Alcohol and Drug Free Workplace

I. PURPOSE AND SCOPE

District prohibits the unlawful possession, use, manufacture, distribution, transferring, purchasing, sale, dispensing, or being under the influence of alcohol, intoxicating substances, or illegal drugs (as defined by federal and/or state law) while on District property, during work hours, when performing work duties, or while operating a personal vehicle on District business. District reserves the right to require and conduct drug or alcohol tests whenever reasonable suspicion exists that an employee is under the influence of alcohol or drugs as prohibited by this policy. Such testing will consist of scientifically valid testing which does not screen for nonpsychoactive cannabis metabolites.

Although cannabis may be legally obtained under California law, cannabis is still illegal under federal law. As such, the use, sale, possession, or being impaired by cannabis, whether prescribed or recreational, during working time, while on District property, or while performing District work violates this policy.

Physician-prescribed and over-the-counter medications are permitted, providing they do not adversely affect job performance or the safety of the employee or other individuals in the workplace.

Employees are required to notify District’s General Manager and/or Division Heads if they are taking any prescription or over-the-counter medication which may impair their performance of essential job functions or their ability to safely perform such essential functions. District retains sole discretion as to whether it will be safe for those employees to remain on duty.

Any employee found in violation of this policy is subject to immediate discipline consistent with this Manual and applicable law.

This Section F (entitled “Alcohol and Drug Free Workplace”) of the Manual also incorporates, by this reference, District’s Drug and Alcohol Policy for Safety Sensitive Employees subject to Federal drug and alcohol testing US DOT 49 CFR Part 40 and US DOT Federal Motor Carrier Safety Administration (FMCSA) Part 382 (hereinafter “Commercial License Policy”), which applies to all prospective drivers, safety sensitive employees, and current employees of the District who hold a commercial driver’s license from the State of California (hereinafter “Commercial License Drivers”). Any conflicts between the Manual and the Commercial License Policy regarding the matters contained within this Section F shall be interpreted in favor of the language of the Commercial License Policy.

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II. PROCEDURES

The procedures in this Section II (entitled and hereinafter referred to as "Procedures") of the Manual are limited as follows: The Procedures only apply to District's Commercial License Drivers, i.e., those District-employee drivers who qualify as a "covered employee" and/or a "covered position" as those terms are defined in District's Commercial License Policy, to the extent the Procedures do not conflict with those described in the Commercial License Policy, which will take precedence over these Procedures in case of a conflict.

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A. PRE-EMPLOYMENT TESTING

District requires that all job applicants complete a post-offer, pre-employment drug screening as part of the pre-employment medical examination. This drug screening shall not test for cannabis in any manner.

1. All applications for employment will contain a statement to prospective applicants advising them that the selection procedure includes taking and passing a post-offer pre-employment medical examination, which includes drug screening for the presence of illegal drugs.
2. Any applicant who is referred for a post-offer pre-employment examination will be required to sign consent forms authorizing the testing for illegal drugs and the release of the test results to District.
3. Any applicant who refuses to submit to testing will not be considered for employment by District.
4. Test results are confidential and will not be released except to appropriate District personnel, the applicant upon written request, or pursuant to Court Order or as required by applicable law.
5. Testing will be conducted by a clinical laboratory licensed by the State Department of Health Services, or a public health laboratory certified by the State.
6. Any applicant whose drug screening test results are negative will be deemed to have passed that portion of their post-offer pre-employment medical examination.
7. Test results indicating the presence of an illegal drug will automatically require a re-analysis of the original sample.
8. If the re-analysis reflects a negative indication, the applicant will be deemed to have passed that portion of the post-offer pre-employment medical examination.
9. If the re-analysis results in a second indication of the presence of an illegal drug, District reserves the right to rescind such applicant's conditional offer of employment. Further, such applicant will not be considered for employment by District for a period of one year after the date of the test results.
10. Any applicant who is taking medication prescribed by a physician or over-the-counter medication must list such medication on the examination form, and any positive indications related to the presence of that medication will not prohibit employment.

B. POST-HIRING DRUG-TESTING

An employee may, at the discretion of District, be required to submit to a test for the detection of alcohol, illegal drugs, or other intoxicating substances when the employee:

1. Reports to work and reasonable suspicion exists that the employee is under the influence of alcohol, illegal drugs, or an intoxicating substance; or
2. When any of the following incidents occur and a supervisory investigation indicates the possibility of use of alcohol, illegal drugs, and/or an intoxicating substance by the employee:
 - a. An employee is involved in an accident while using a company vehicle.
 - b. An employee is involved in an accident which causes injury to persons or property.
 - c. An employee's attendance record indicates absenteeism beyond an acceptable rate, and the customary methods of improving attendance have failed to result in a positive change.

Additionally, pursuant to requirements by the Department of Transportation, all employees holding a Commercial and/or Non-Commercial Class A License are subject to random, mandatory drug testing.

C. TEST RESULTS

1. If test results are negative, the employee will continue with his/her employment for District.
2. Test analysis that results in a positive indication of the presence of alcohol, illegal drugs, or an intoxicating substance will automatically require a re-analysis of the original sample.
3. If the re-analysis reflects a negative indication, the employee will continue in service.
4. If the second test results in an indication of the presence of alcohol, illegal drugs, or an intoxicating substance, the employee will be disciplined pursuant to disciplinary procedures set forth in existing District policy and/or applicable memorandum of understanding and may be placed on non-work-related health leave of absence until found to be medically fit to return to work.

**DISCUSS AND ADOPT
D.O.T. POLICY**

La Habra Heights County Water District

Drug and Alcohol Policy for Safety Sensitive Employees subject to Federal drug and alcohol testing US DOT 49 CFR Part 40 and US DOT Federal Motor Carrier Safety Administration (FMCSA) Part 382

Effective March 19, 2025 this Drug Free Workplace Policy will be implemented and will apply to all prospective drivers, safety sensitive employees, and current employees of **La Habra Heights County Water District (hereafter referred to as "The District")** holding a commercial driver's license from the state of California. **This is regulated by DOT (Department of Transportation 49 CFR Part 40 and 382).**

DISTRICT PHILOSOPHY

The District believes that it has an obligation and right to have alert, drug/alcohol free employees on the job and must provide a safe work environment. This means that during working hours, all employees are expected to be free from any substance, whether legal or illegal, that can negatively affect job performance or risk the health and safety of employees or the public.

The purpose of this testing policy is to protect the physical and psychological well-being of all employees at the District's facilities, job sites and protect the safety of the public as well as comply with federal regulations. Use of intoxicants and drugs that alter the ability to function on the job in an effective and safe manner will not be tolerated. The use of or condition of being under the influence of drugs/alcohol while at work can affect the morale of other employees as well as increase accidents, theft, and absenteeism. This testing policy is a critical step in establishing and maintaining an efficient and safe work force and will be applied in conjunction with all established District policies, procedures, and programs.

The District will vigorously pursue the enforcement of this policy and will make efforts to protect the privacy of its employees. It is the intent of this policy to encourage and support employee recovery from substance abuse.

II. DEFINITIONS

Accident

- A fatality; or
- A citation issued by a law enforcement official to the commercial driver AND one or more of the following situations-
 - Bodily injury to a person who, as result of the injury, immediately receives medical treatment away from the scene of the accident; or
 - One or more of the vehicles incurs disabling damage as a result of the accident that renders the vehicle unable to be driven in daylight hours or requires the vehicle to be transported away from the scene by a tow truck or other vehicle.

Alcohol

- The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol.

Alcohol Concentration

- The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test

Direct Observed Collection

- Employee must raise his/her shirt, blouse, or dress/skirt, as appropriate, above the waist; and lower clothing and underpants to show, by turning around, that employee does not have a prosthetic device. Employee must urinate into the collection container. Specifically, the collector must watch the sample go from the employee's body into the collection container.

Commercial motor vehicle

- A motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:
 - Has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or
 - Has a gross vehicle weight rating of 26,001 or more pounds; or
 - Is designed to transport 16 or more passengers, including the driver; or
 - Is of any size and is used in the transportation of materials found to be hazardous for the purpose of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under the Hazardous Materials Regulations.

Confirmation alcohol test

- A subsequent test using an EBT, following a screening test with a result of 0.02 or greater, that provides a quantitative data about the alcohol concentration.

Confirmation drug test

- A second analytical procedure to identify the presence of a specific drug or metabolite which is independent of the initial test, and which uses a different technique and chemical principle from that of the initial test in order to ensure reliability and accuracy. (Gas chromatography/ mass spectrometry (GC/MS) is the only authorized confirmation method for cocaine, marijuana, opioids, amphetamines, and phencyclidine).

Controlled substance

- Controlled substance means the category of drugs as listed in 49 CFR Part 40 including:
 - Marijuana
 - Cocaine
 - Opioids
 - Phencyclidine (PCP)
 - Amphetamines

Covered employee

- Any employee that is subjected to alcohol and drug testing requirements of 49 CFR 382 or this policy.

Covered position

- Covered position is one that is subject to the alcohol and drug testing requirements of 49 CFR 382

or this policy.

Designated Employer Representative (DER)

- The person(s) designated by the Employer to receive confidential test results

Dilute Specimen

- A urine sample with a low Specific Gravity and a low Creatinine level

Driver

- Any person who operates a commercial motor vehicle; this includes, but is not limited to, full time, regularly employed drivers; casual, intermittent, or occasional drivers. For the purpose of pre-employment/pre-duty testing only, the term includes a person applying to an Employer to drive a commercial motor vehicle.

Invalid Test

- A sample with which the laboratory has been unable to obtain a valid test result

Medical review officer (MRO)

- A licensed physician (Medical Doctor or Doctor of Osteopathy) responsible for receiving laboratory results generated by an Employer's drug testing program who has knowledge of substance abuse disorders, possesses a certificate of completion or certification from an approved MRO program and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result together with his or her medical history and any other relevant biomedical information.

On-Duty time

- All time at a carrier or shipper plant, terminal, facility or other property, or on any public property, waiting to be dispatched (as defined by the Employer), unless the driver has been relieved from duty by the District;
- All time inspecting equipment or otherwise inspecting, servicing or conditioning any commercial motor vehicle at any time;
- All driving time, i.e., time spent at the driving controls of a commercial motor vehicle at any time;
- All time, other than driving time, in or upon any commercial motor vehicle;
- All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded, or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded;
- All time spent performing the requirements relating to accidents; or
- All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle

Oral Fluid Testing

- A sample taken from the oral cavity. This is considered an observed sample. In accordance with the employer's decision about the testing methodologies to be used for both oral fluid and urine collections and laboratory testing.

- While the employer may opt for only one methodology, oral fluid testing must be available for directly observed collections for transgender and non-binary individuals.
- The employer has the right to request an oral fluid test for specific categories of DOT required testing.

Performing a Safety-Sensitive Function

- A driver is considered to be performing a safety-sensitive function during any period in which they are actually performing, ready to perform, or immediately available to perform a safety-sensitive function.

Positive Drug Test

- A drug test that is confirmed by G.C./M.S. technology at or above the cut-off levels established by the Department of Health and Human Services (DHHS). These cut-off levels may change from time to time depending upon DHHS rules. The District will always test at the currently required DHHS levels. The District will attempt to notify covered employees if these levels change. Currently, the cut-off levels are (expressed in nanograms per milliliters (ng/ml)):

Urine Drug Screening

<u>Drug</u>	<u>Screening Level</u>	<u>Confirmation Level</u>
Marijuana	50	15
Cocaine	150	100
Opioids	2000	2000
Codeine and Morphine	2000	2000
6-acetylmorphine (6-AM)	10	10
Hydrocodone/Hydromorphone	300	100
Oxycodone/Oxymorphone	100	100
Phencyclidine (PCP)	25	25
Amphetamines	500	250
Methamphetamines	500	
MDMA, MDA	500	

Oral Fluid Drug Screening

<u>Drug</u>	<u>Screening Level</u>	<u>Confirmation Level</u>
Marijuana (THC) ²	4 ng/ml ³	2 ng/ml.
Cocaine/Benzoylecgonine	15 ng/ml	8 ng/ml
Codeine/Morphine	30 ng/ml	15 ng/ml.
Hydrocodone/Hydromorphone	30 ng/ml	15 ng/ml.
Oxycodone/Oxymorphone	30 ng/ml	15 ng/ml.
6-Acetylmorphine	4 ng/ml ³	2 ng/ml.
Phencyclidine	10 ng/ml	10 ng/ml.
Amphetamine/Methamphetamine	50 ng/ml	25 ng/ml.
MDMA ⁴ /MDA ⁵	50 ng/ml	25 ng/ml.

Prohibited Conduct

- No employee shall report to work or engage in work while having alcohol, illegal drugs, or any other disabling or controlled substance in their system;

- Reporting to work or engaging in work with a breath alcohol level of 0.02 BAC or greater;
- The possession, sale, storage, transporting (without manifest) or use of alcohol while on-duty and/or on District property;
- No employee shall perform safety sensitive duties within four (4) hours after using alcohol;
- No employee involved in an accident and required to take a post-accident alcohol test shall use alcohol for eight (8) hours following the accident, or until the employee undergoes a DOT post-accident alcohol test, whichever comes first;
- Refusing to submit to any testing required under this policy or required by 49 CFR Part 382;
- No employee shall report for duty or remain on duty requiring the performance of safety sensitive functions when the employee uses any controlled substance, except when the use is pursuant to the instructions of a physician who has advised the employee that the substance does not adversely affect the employee's ability to safely operate a commercial motor vehicle.

Refusal to Test (refusal to provide an acceptable alcohol or controlled substance test)

- Failing to provide adequate breath for alcohol testing without a valid medical explanation after he or she has received notice of the requirements for breath testing in accordance with the requirements of 49 CFR 382 or this policy.
- Failing to provide adequate sample for controlled substance testing without a valid medical explanation after he or she has received notice of the requirement for sample testing in accordance with the requirements of 49 CFR 382 or this policy.
- Failure to cooperate with the process in a manner that obstructs the collection of the specimen.

Safety-sensitive function

- Any of those duties set forth in 49 CFR Part 382 (See also "on duty time")

Screening alcohol test

- An analytical procedure, to determine whether an employee may have a prohibited concentration of alcohol in a breath sample.

Screening drug test

- An immunoassay screen, to eliminate "negative" specimens from further analysis.

Substance Abuse Professional (SAP)

- A licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) who possesses a certificate of completion or certification from an approved SAP program with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders.

Validity testing

- Laboratory testing of urine samples for the presence of substances not normally found in human urine or naturally occurring substances at levels not consistent with human urine. Validity testing shall be conducted in accordance with the most recently published DOT guidelines.

Waiting to be dispatched

- All other time not specified as on-duty time.

III. PROHIBITIONS

A. Alcohol concentration

- No covered employee shall report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.02 or greater.

B. Alcohol possession

- No covered employee shall perform a safety-sensitive function while the employee possesses alcohol unless the alcohol is manifested and transported as part of a shipment.

C. On-duty use

- No covered employee shall use alcohol or a controlled substance while performing safety-sensitive functions.

D. Pre-duty use

- No covered employee shall perform any safety-sensitive function within four (4) hours after ingesting alcohol.

E. Use following an accident

- No covered employee involved in an accident and required to provide a post-accident alcohol test shall use alcohol for eight (8) hours following the accident, or until he or she undergoes a DOT post-accident test, whichever occurs first.

F. Refusal to submit to required alcohol or controlled substance test

- No covered employee shall refuse to submit to a post-accident alcohol or controlled substance test, a random alcohol or controlled substance test, a reasonable suspicion alcohol or controlled substance test, or return to duty alcohol or controlled substance test, or the follow-up alcohol or controlled substance test as required under 49 CFR 382 or this District's policy and procedures.

G. Controlled substance use

- No covered employee shall report to duty or remain on duty requiring the performance of safety-sensitive functions when the employee uses any controlled substance, except when the use is pursuant to the instructions of a physician who has advised the employee that the substance does not adversely affect the employee's ability to safely operate a commercial motor vehicle. If the safety sensitive employee is taking a controlled substance listed on the DOT prohibited medication listing, the employee is required to submit a signed statement from the prescribing physician stating that the employee may perform safety sensitive functions while taking a prohibited medication. The prescribing physician shall not name the prescribed medication in their report to the Employer.

H. Controlled substance test

- No covered employee shall report to duty, remain on duty or perform any safety sensitive functions if the employee tests positive for controlled substance.

IV. REQUIRED TESTS

1. Pre-employment

- All applicants for employment in a covered position, or promotion into a covered position, will be informed that their employment into a covered position is contingent upon passing a test for controlled substances. Successfully passing the test requires a negative controlled substance as verified by the Medical Review Officer.
- Refusal to test by any applicant and/or employee for a covered position will result in the individual not being hired into that position. Once the collection has commenced, and you leave for any reason, it will be deemed a refusal, which results in the same consequences as a positive test. A refusal will be reported to the FMCSA Clearinghouse and negatively affect the donor's license for up to five years.

2. Post-accident

- A covered employee involved in an accident which involves a commercial motor vehicle shall be tested for alcohol and controlled substance as soon as practicable when the accident criteria meets the following DOT requirements:
 - Covered employee was performing safety-sensitive functions with respect to the vehicle if the accident involved the loss of human life or;
 - Covered employee receives a citation under State or local law for a moving traffic violation arising for the accident AND
 - The commercial vehicle was disabled (such that it cannot be driven in daylight hours), OR anyone involved in the accident was immediately transported from the scene for emergency medical care.
- If the alcohol test is not administered within two (2) hours of the accident the Employer shall follow the requirements of 49 CFR 382. Alcohol testing must be accomplished within eight (8) hours of the request; after eight (8) hours all attempts shall cease to obtain an alcohol test.
- If the controlled substance test is not administered within thirty-two (32) hours or the alcohol test within eight (8) hours of the accident, the Employer shall cease attempts to administer the test and follow the requirements of 49 CFR 382.
- It is the responsibility of any covered employee who is subject to a post-accident testing to remain readily available for such testing. If the covered employee is not readily available, they may be deemed by the Employer to have refused to submit to testing. This provision shall not be construed to require the delay of necessary medical attention for injured people, to prohibit the employee from leaving the scene of an accident to obtain assistance in responding to the accident, or to obtain necessary emergency medical care.

3. Random

The Employer is required to conduct random alcohol and controlled substance tests. The minimum

annual percentage rates for these tests are set, and can be modified, by the Federal Motor Carrier Safety Administration. The required testing rates shall be based on the average number of driver positions in the whole random pool.

The selection of covered employees for random alcohol and/or controlled substance testing shall be made by a scientifically valid method, such as a random table of a computer-based random number generator that is matched with employees' identification numbers. The random selection and testing dates shall be unannounced and spread reasonably throughout the year with each employee having an equal chance of being tested each time the random selections are made.

Each covered employee randomly selected for testing shall immediately, upon notification, report to the testing site.

The number of covered employees selected will be in excess of the actual number required to enable the testing pool to reach the appropriate annualized rate despite absence due to sick-leave, vacations or other valid absences.

4. Reasonable suspicion

A covered employee must submit to testing for alcohol and/or controlled substance if their supervisor or other Employer representative meeting the training requirements of 49 CFR 382 has reasonable suspicion to believe that the employee has violated the driver prohibitions of this policy. The determination must be made by a trained supervisor that reasonable suspicion exists to require the employee to undergo an alcohol and/or controlled substance test must be based on specific, contemporaneous, articulable observation concerning the appearance, behavior, speech, or body odors of the covered employee. Additionally, findings may also include indications of the chronic and withdrawal effects of controlled substances.

If an alcohol test is required under this section the time constraints and documentation if they are not met are the same as those for a post-accident alcohol, (within two (2) hours.) The supervisor shall prepare a report indicating the reason for the delay. Alcohol testing must be accomplished within eight (8) hours of the request; after eight (8) hours all attempts shall cease to obtain an alcohol test.

If a controlled substance test is required under this section. The time constraints and documentation are the same as those for a post-accident alcohol, (within two (2) hours.) The supervisor shall prepare a report indicating the reason for the delay. Controlled substances testing should be accomplished within thirty-two (32) hours of the request; after thirty-two (32) hours all attempts shall cease to obtain a controlled substances test.

A written record shall be made of the observations leading to an alcohol and/or controlled substance reasonable suspicion test and signed by the Department supervisor or other Employer representative that made the observation, within 24 hours of the observed behavior or before the results of the controlled substance test are released, whichever is earlier.

V. HANDLING TEST RESULTS AND CONFIDENTIALITY OF RESULTS

A. Test results, record retention and reports

All reports and documentation generated under the requirements of 49 CFR Part 382 and this policy will be maintained in accordance with the requirements of 49 CFR Part 382.

B. Confidentiality and access to records

A covered employee is entitled, upon written request, to obtain copies of any records pertaining to the employee's use of alcohol or controlled substance. Access to the employee's records shall not be contingent upon payment for records other than those specifically requested.

The Employer shall not release to a third-party information contained in the records required to be maintained under 49 CFR 382, without written consent of the covered employee authorizing the release of the information to the party; except as required or allowed by law, expressly authorized, or required in this section. The release request must specifically identify the individual to whom the information may be released and must specify the terms of the employee's consent for use of this information.

C. Negative Dilute Result

In the case of a reported negative dilute result, the District will require a second specimen to be collected. The employer will pay the cost for the second specimen.

Negative dilute results with a creatinine level greater than or equal to 2 mg/dl but less than or equal to 5 mg/dl requires an immediate recollection under direct observation per the federal regulations.

VI. REQUIREMENT TO SUBMIT TO ALCOHOL AND CONTROLLED SUBSTANCE TESTING

Any covered employee subject to testing under the requirements of 49 CFR 382 or this policy and procedures must submit to being tested for alcohol and/or controlled substances immediately, or as soon as possible, upon notification to do so by their supervisor or other designated Employer representative. Failure to immediately report for a test will result in the driver being deemed as refusing to submit which carries the same consequences as a positive controlled substances test or an alcohol test with a concentration of 0.04 or greater.

VII. TESTING PROCEDURES AND RESULTS

A. Alcohol Testing Procedures

The instrument that will be used to determine the presence of alcohol is the Evidential Breath Testing device (EBT). Only qualified Breath Alcohol Technicians shall be used to conduct breath alcohol testing according to 49 CFR Part 40. If test results are negative, the Breath Alcohol Technician will inform the Employer and the employee, and no further action is needed. If the result of the screening test is an alcohol concentration of 0.02 or greater, a confirmation test shall be performed. If the result of the confirmation test is 0.02 or greater but less than 0.04, the driver will be immediately removed from safety sensitive function and placed on unpaid leave for at least 24 hours. If the result of the confirmation test is 0.04 or greater the employee will be subject to the same consequences as testing positive for a controlled substance.

B. Controlled Substance Procedures

The Employer is required to use the "split sample" method of collection when conducting the test for controlled substances. The collection of samples for controlled substances testing shall be conducted by qualified collection technicians following the guidelines as published in 49 CFR Part 40.

The employee will be required to show the collection technician the contents of their pockets. If the

employee possesses a substance that is obviously intended to adulterate or substitute a specimen, a direct observation shall be immediately conducted in accordance with federal protocols. If, at any time, the employee refuses to submit to an observed collection when it is required under any of the circumstances outlined in 49 CFR Part 40, it will be deemed a refusal to submit. The urine sample will be placed into two (2) separate specimen bottles for shipment to a Department of Health and Human Services (DHHS) certified laboratory. If the screening test indicates a negative result the Employer will inform the employee, and no further action is needed. If the test result of the primary specimen is positive for drugs, adulterated or substituted the MRO shall notify the employee of the verified test result. The employee will be offered the opportunity to request that the MRO direct the split specimen be tested in a different DHHS-certified laboratory to re-confirm the presence of the drug(s), adulterant, or substitution for which a positive result was obtained. The MRO shall honor this request if it is made within 72 hours of the employee having been notified of a verified positive test result. The result on the split specimen will be transmitted back to the MRO. While waiting for the test result to be completed on the split specimen the employee shall **not** be permitted to perform safety-sensitive functions and shall be placed on unpaid leave. If the test results of the split specimen fail to reconfirm the positive result of the primary specimen, the MRO will cancel the test and report the reasons as required by 49 CFR 382. A canceled test is considered neither positive nor negative. If a split sample test fails to reconfirm the positive test result, the employee will be paid for the time that they normally would have worked during the waiting process. In certain cases of a cancelled pre-employment, post-accident, return to duty or follow-up test a recollection may be necessary. If a test is cancelled due to the split sample not being available for testing, the Employer is required to have an immediate direct observation sample conducted. The MRO may also require a direct observation collection on cancelled tests in which the employee has not provided an adequate explanation for an invalid test result. Employees who request a split sample to be tested at a second DHHS laboratory shall bear all costs associated with the split testing unless the test fails to confirm the original positive test result.

C. Shy Bladder or Shy Breath Syndrome

If an employee has a medical condition that prevents an acceptable sample from being collected in accordance with 49 CFR Part 40, the employee will be required to have a medical examination conducted by a physician acceptable to the MRO. The employee will have five (5) business days to obtain a physician's statement verifying that a qualifying medical condition exists that would have prevented the employee from providing an acceptable sample. If the employee has failed to keep the appointment with the physician, the employee may be disciplined up to and including termination. If the employee is unable to get an appointment with a physician in the five (5) day period, the employee is required to notify the Employer immediately of the situation. The Employer will then assist the employee to find a qualified physician to conduct the examination. If, after the examination is completed and the physician has determined that the employee does not have a qualified medical condition that would prevent an acceptable urine/breath sample from being obtained, the test result will be reported as a refusal to submit, which results in the same consequences as a positive test.

D. Requirement to Submit to Observed Urine Specimen Collection

Under certain circumstances, a covered employee may be required to submit to an observed specimen collection. Some situations that will require the specimen collector to conduct an immediate direct observation collection are:

- Providing a sample that is not within the acceptable temperature range.
- Providing an obviously adulterated specimen.
- Conduct that clearly indicates an attempt to adulterate or substitute a specimen.
- All Return to duty and Follow up testing.

In other cases, the Medical Review Officer has the right to require a direct observation in other circumstances such as an invalid or cancelled test result.

The covered employee is required to submit to the observed specimen collection when requested. Failure to permit an observed collection when requested will be deemed a refusal to submit.

VIII. CONSEQUENCES OF ENGAGING IN PROHIBITED ALCOHOL AND/OR CONTROLLED SUBSTANCES USE OR TREATMENT/ FOLLOW-UP VIOLATIONS

.A. Probationary and regular employees

Any covered probationary or regular status employee who violates any provision of this policy shall be subject to discipline.

B. Referral, evaluation, and treatment

The employee must be evaluated by a qualified Substance Abuse Professional ("SAP"). The employee will be financially responsible for any and all costs associated with the SAP process and required follow-up drug/alcohol testing. The Substance Abuse Professional shall determine what assistance, if any, the employee needs in resolving problems associated with alcohol misuse and/or controlled substance use.

If the Substance Abuse Professional requires education, treatment, or a rehabilitation program, the employee must comply. The employee must be re-evaluated by the Substance Abuse Professional to determine that the employee has properly followed, and is in compliance with, the prescribed treatment or rehabilitation program.

The employee shall undergo a return-to-duty drug and/or alcohol test with a result indicating an alcohol concentration less than 0.02 and/or a negative controlled substances test.

Additionally, the employee will be subject to unannounced follow-up alcohol and/or controlled substance tests following his or her return-to-duty. The number and frequency shall be as directed by the Substance Abuse Professional and consist of at least six (6) tests in the first twelve (12) months following the employee's return-to-duty. Such follow-up testing shall not exceed sixty (60) months from the date of the employee's return-to-duty. Providing there have been no breaks in employment. The Substance Abuse Professional may terminate, at his or her discretion, the follow-up tests at any time after the first six (6) tests have been administered. The treatment or rehabilitation program used may not be the Substance Abuse Professional's private practice or be provided by a person or organization from which the Substance Abuse Professional receives remuneration or has a financial interest. All return-to-duty and follow-up tests must be directly observed.

IX. CONSEQUENCES OF AN ALCOHOL TEST RESULT OF AT LEAST 0.02 BUT LESS THAN 0.04

Any covered employee tested under the provisions of 49 CFR 382 or this policy who is found to have an alcohol concentration of 0.02 or greater but less than 0.04 shall not perform or continue to perform safety-sensitive functions. The employee may not return to work until the start of the employee's next regular scheduled duty period, but not less than 24 hours following administration of the test. If the result of the confirmation test is 0.04 or greater the employee will be subject to the same consequences as testing positive for a controlled substance.

The employer may not provide non-safety-sensitive work for a covered employee tested under the provisions of 49 CFR 382 or this policy who is found to have an alcohol concentration of 0.02 or greater but

less than 0.04. Additionally, the employee may be required to pass a District required return-to-duty test, which results in an alcohol concentration of less than 0.02 before he or she begins their next regularly scheduled duty period.

Any employee that has an alcohol concentration of 0.04 or greater on the confirmation test, shall be subject to disciplinary actions as stated in 1st paragraph. A positive breath alcohol will be reported to the FMCSA Clearinghouse and the employee will be provided with a list of SAP's. Once the employee has seen the SAP, the SAP will send a letter to the District to let them know when the employee's return to duty test can be scheduled.

X. PAYMENT OF COSTS ASSOCIATED WITH THE TESTING PROGRAM

A. Pre-employment

The Employer will pay the costs associated with pre-employment testing. The District will not pay the applicant's time for a pre-employment test.

B. Regular status and new probationary employees

The Employer will pay testing costs including paid time for random, reasonable suspicion and post-accident testing. Additional costs, which result from an employee who voluntarily admits use or violates any of the provisions of this policy will be the responsibility of the employee. Such costs include the SAP evaluation, treatment, return-to-duty testing, and follow-up testing. An employee who requests to have a test performed on a split specimen following a positive drug result on the primary specimen must make the arrangements and pay for the test through the District. The Employer will reimburse the employee for the testing cost if the test result does not re-confirm the positive test.

XI. EDUCATIONAL INFORMATION ON EFFECTS OF ALCOHOL AND CONTROLLED SUBSTANCES

All covered employees will receive training and/or education materials on the effects of alcohol and controlled substances on a person's health, work and personal life; signs and symptoms of an alcohol or controlled substance problem; and available methods of intervention when an alcohol or controlled substances program is suspected.

XII. FMCSA Clearinghouse

The District is prohibited from allowing any driver that has committed a testing violation and has not completed the return-to-duty process as outlined in the District's DOT Drug & Alcohol Policy to perform safety-sensitive functions. Drivers will be notified by FMCSA when the District obtains information from the Clearinghouse regarding their violation, or when information concerning the driver is added, revised, or removed.

A. Reporting

The following violations or milestones, on or after January 6, 2020, will be reported to the Clearinghouse for any Drivers who are subject to the Clearinghouse rules. The District, its service providers, its Medical Review Officer(s), and/or its Substance Abuse Professional(s) as required by FMCSA directive to report:

- Any verified positive, adulterated, or substituted DOT drug test
- Any validated DOT alcohol test result of 0.04 or higher
- Any refusal to submit to a DOT required drug or alcohol test

- Any confirmed and recorded “actual knowledge” that the driver violated the DOT drug or alcohol rules, including:
 - Any on-duty alcohol use, including any citation for driving under the influence of alcohol (DUI/DWI) while driving a commercial motor vehicle
 - Any alcohol use within 4 hours before going on duty
 - Any alcohol use within 8 hours of an accident or before a post-accident test is complete (whichever occurs first)
 - Any prohibited drug use while on duty
- Successful completion of the return-to-duty process following treatment
- Any negative DOT return-to-duty test*
- Successful completion of follow-up testing*

**Only reported if the primary violation occurred on or after January 6, 2020.*

B. Granting of Consent

Drivers must grant consent for the District to submit Clearinghouse queries:

- Prior to employment with the District, all drivers must create a Clearinghouse account and log in to permit the District consent to acquire a “full” report.
- Drivers must sign a separate Consent “for Limited Queries” form allowing the District access to “limited” queries each year. Drivers may limit the length of time that such consent is valid but making it valid for the duration of employment with the District is recommended.
- The District will notify the driver that they must immediately log in to the Clearinghouse to provide permission so the District may obtain the driver's full Clearinghouse record if a limited query exposes information about the driver. Such record will be acquired within 48 hours of the limited query.

A driver who refuses to grant the consent described above will not be allowed to perform any safety-sensitive duties as defined in §382.107. The driver will not be allowed to resume the safety-sensitive duties until the driver has granted the mandatory consent, the District then obtains the report, and the Clearinghouse query shows that the driver is eligible to carry out safety-sensitive duties.

C. Driver Accounts

Drivers are required to have an online account at *clearinghousefmcsa.dot.gov* and are highly encouraged to provide an email address so they may be contacted. Drivers are permitted to see their own Clearinghouse records free of charge and may challenge the accuracy of information reported to the Clearinghouse, but not the accuracy of test results or refusals using the procedures listed in §382.717.

D. Queries

The District will conduct queries from the Clearinghouse at these times:

- Once a year for all drivers, and
- Preceding employment of any new drivers.

A query search requires the following information:

- the driver's name

- date of birth
- commercial driver's license number and state of issuance

E. Notice of Violations

Drivers are required to notify the District in writing if they have violated the drug and/or alcohol prohibitions of 49 CFR Parts 40 or 382 while employed with the District. The statement must be received before the end of the business day, the day after the driver received notification of the violation or prior to performing any safety-sensitive duties, whichever comes first.

F. Reports from the Clearinghouse will include:

- the driver's name
- date of birth
- commercial driver's license number and state of issuance
- violation and/or testing data

G. Use of Information

The District will only use the information obtained from the Clearinghouse to determine if the driver is prohibited from performing safety-sensitive duties. The District will not divulge, nor permit any other person or entity to divulge, any driver-specific information from the Clearinghouse to any person or entity not directly involved in making such determination.

XIII. "MEDICINAL MARIJUANA"

The District, as well as the D.O.T., views Marijuana as a Schedule I controlled substance and prohibits employees from having any detectable level in their system while working for this District, despite an employee's possession of a "Medical Marijuana" card or living in a state that has legalized marijuana. Operation of a Commercial Motor Vehicle is prohibited while using Marijuana.

XIV. CBD OIL

It is important for all employers and safety-sensitive employees to know:

1. The Department of Transportation requires testing for marijuana and not specific CBD.
2. The labeling of many CBD products may be misleading because the products could contain higher levels of THC than what the product label states. The Food and Drug Administration (FDA) does not currently certify the levels of THC in CBD products, so there is no Federal oversight to ensure that the labels are accurate. The FDA has cautioned the public that: "Consumers should beware purchasing and using any [CBD] products." The FDA has stated: "It is currently illegal to market CBD by adding it to a food or labeling it as a dietary supplement." Also, the FDA has issued several warning letters to companies because their products contained more CBD than indicated on the product label.
3. The Department of Transportation's Drug and Alcohol Testing Regulation, Part 40, does not authorize the use of Schedule I drugs, including marijuana, for any reason. Furthermore, CBD use is not a legitimate medical explanation for a laboratory-confirmed marijuana positive result. Therefore, Medical Review Officers will verify a drug test confirmed at the appropriate cutoffs as positive, even if an employee claims they only used a CBD product.

XV. PRESCRIPTION MEDICATIONS AND OVER THE COUNTER DRUGS

Employees are responsible to report to duty, free from the effects of any controlled substance or alcohol. Covered employees must report the use of prescriptions and over-the-counter drugs that could have a disabling effect, bears a prescription warning label or otherwise adversely affect the covered employee's fitness for duty or job performance to their immediate supervisor (without giving the name of prescription/over the counter drug).

It is the covered employee's responsibility to determine from the physician, pharmacist, or other health care professional whether or not the prescribed or over-the-counter drugs could affect the covered employee's fitness for duty or impair job performance or if the medication is listed on the prohibited controlled substance listing as published by the Department of Transportation. Covered employees may be required to provide a written medical authorization to work from a physician, upon reporting the use of prescription or over-the-counter drugs. Failure to report the use of prescription or over-the-counter drugs that have disabling effects or otherwise affect the covered employee's fitness for duty while at work and failure to provide proper evidence of medical authorization to work may result in discipline, up to and including suspension and/or discharge.

XVI. CERTIFICATE OF RECEIPT

Each covered employee will be required to sign a certificate of receipt certifying that he or she has received a copy of this policy, which is the basis for implementing the requirements of the U.S. Department of Transportation Federal Motor Carrier Safety Administration rules and regulations pertaining to alcohol and controlled substances testing of covered employees.

XVII. QUESTIONS REGARDING THIS POLICY

The following District representative is available to answer questions regarding the information contained in this policy:

District Contact: Joe Matthews Title: DER General Manager

OPTIONAL PROVISION

EMPLOYEE VOLUNTARY ADMISSION OF ALCOHOL OR CONTROLLED SUBSTANCES USE:

Employees who admit to alcohol misuse or controlled substances use are not subject to the referral, evaluation, or treatment requirements of CFR Part 40 rules, provided that:

1. The employee does not self-identify in order to avoid testing under Part 40 rules;
2. The employee makes the admission of alcohol misuse or controlled substances use prior, or during performing a safety sensitive function (i.e., prior to reporting for duty); and
3. The employee does not perform a safety sensitive function until the Employer is satisfied that the employee has been evaluated and has successfully demonstrated compliance with any education or treatment requirements in accordance with the recommended treatment plan as established by the evaluator.

The District will take no adverse action against an employee making a voluntary admission within the parameters of this policy. The District will allow the employee up to fourteen (14) days to complete the evaluation process. If the employee has failed to complete the evaluation within fourteen (14) days from the date of referral, it will be considered misconduct, and the District will take disciplinary action up to and including termination. Employees who have voluntarily admitted use are not qualified to perform safety sensitive functions and will be placed on unpaid medical leave or assigned non-safety sensitive work duties if available and appropriate.

The employee will be allowed to return to safety sensitive duty when the evaluating SAP determines that the employee is in full compliance with recommended education or treatment and has an established follow-up program in place. The employee will be required to take and pass a DOT return to duty drug and/or alcohol test prior to return to safety sensitive duty.

If during the follow-up period, the employee fails to comply with the recommended treatment or fails a follow-up drug and/or alcohol test, it will be considered prohibited conduct under 49 CFR Part 40. The employee who has engaged in prohibited conduct will be required to comply with all applicable requirements under the DOT rules. Employees who have engaged in prohibited conduct are subject to immediate disciplinary action by the District up to and including termination.

**ACKNOWLEDGEMENT AND RECEIPT
OF DRUG AND ALCOHOL POLICY**

La Habra Heights County Water District

I, _____ have received a copy of the Drug and Alcohol Policy from the above-named District. I understand that the Policy is effective on March 19, 2025.

I will read (or have read to me) the Policy I have received this day.

Signature

Date

Printed Name

Title

**DISCUSS AND ACTION
PROPOSED FISCAL YEAR 2025/2026
BUDGET**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

To: Joe Matthews
From: Tammy Wagstaff
Date: February 20, 2025
RE: 2025/2026 Draft Budget

OPERATING BUDGET

Below reflect some of the assumptions in the attached budget, as well as the proposed water rates. Projected water sales are 2,400-acre feet (AF) for the year.

I used the projected 2023 Water Rate Study projections for Commodity-Upper & Lower Zones and Readiness to Serve rates for fiscal year 2025/26 proposed rate increases.

<u>Zone</u>	<u>2024/25 Board Approved Rate</u>	<u>2025/26 Budget Rate</u>	<u>Difference</u>	<u>Percent Increase</u>
Upper:	3.18	3.39	.21	6.6
Lower:	2.78	2.97	.19	6.8

Readiness to serve charges:

<u>Meter Size</u>				
3/4" & 5/8"	56.22	59.88	\$3.66	6.5
1"	92.14	98.13	5.99	6.5
1-1/2"	181.96	193.79	11.83	6.5
2"	289.73	308.57	18.84	6.5
3"	631.03	672.05	41.02	6.5
4"	1,134.00	1,207.71	73.71	6.5
6"	2,337.52	2,489.46	151.94	6.5
Fire Meter	631.03	672.05	41.02	6.5

The budget reflects 95.0% supply from groundwater of 2,430 AF. It allows for a 6% water loss. Water Replenishment District water rates are projected to increase from \$437 per acre foot to \$453, an 3.7% increase.

Central Basin Municipal Water District's water rates are projected to increase on January 1, 2026, from \$1,616 to \$1,697 which is a 5.0% increase. Water service, capacity and fixed service charges amounted to \$460.20 per cubic feet per second (cfs) each month; last year was \$438.29, which is a 5.0% change.

The budget reflects:

- Inflation projection of 3.3% (Consumer Price Index-All Urban Consumers) (CPI-U)
- Depreciation funded based on 15-year capital improvement plan from Master Water Plan
- Funding GASB 45 Other Post Employment Benefits “pay as you go”
- Wage increase – propose an 3.5% cost of living adjustment (Consumer Price Index-Urban Wage Earners and Clerical Workers) (CPI-W). In addition, it is proposed to implement a merit pool of 2.0% to reward those employees who have high performance results.
- The 6-month average CPI-W from August 2023 through January 2024 is 3.0%. CPI-W 6-month average from last year was 2.4%.

The budget reflects net income of \$11,548. Per the projected 2023 Water Rate Study the water and readiness to serve rates are to be increased to build reserves. These reserves are needed to meet the long-term goals of replacing pipelines and wells identified in the 2022 Master Plan.

OPERATING BUDGET-implementation of:

Cross Connection consultant-backflow inspection	\$50,000
Mapping and asset management software-engineering	\$65,000
Hazard Mitigation Plan	\$ 9,286
Emergency Response Plan	\$ 6,102

CAPITAL BUDGET

- Software for mapping and asset management
- One vehicle
- Well 12
- Electrical improvements-Plant 5
- PFOS treatment plant
- Shop upgrade
- Fire hydrant upgrades

The budget will be discussed at the March Board meeting. You may contact either Joe or myself at any time with questions.

EXHIBIT "A"

LA HABRA HEIGHTS COUNTY WATER DISTRICT
2025/2026 BUDGET

GENERAL LEDGER ACCT #	DESCRIPTION	ACTUAL	PROJECTED ACTUAL	BUDGET	FINAL BUDGET	FINAL
		1/31/2025	FISCAL YEAR 2024/2025	FISCAL YEAR 2024/2025	FISCAL YEAR 2025/2026	2025/26 BUDGET HIGHER (LOWER) 2024/25 PROJ ACT
OPERATING REVENUE						
41100	Water Sales-Consumption	1,985,287	3,058,130	3,238,075	3,289,482	231,352
41200	Water Sales-Readiness to Serve	1,513,062	2,593,821	2,564,254	2,733,327	139,506
42300	Administrative & Turn on fee	35,623	61,068	34,462	35,854	(25,214)
49100	Water Rights Lease	-	30,061	34,621	34,412	4,351
	TOTAL OPERATING REVENUE	3,533,972	5,743,080	5,871,412	6,093,075	349,995
OPERATING EXPENSE						
Source of Supply						
51300	Purchased Water	34,417	56,327	273,803	269,111	212,784
51400	Ground Water Replenishment	712,174	1,096,533	1,105,821	1,100,951	4,418
52300	Power	585,010	895,922	766,229	785,495	(110,427)
	Total Source of Supply	1,331,601	2,048,782	2,145,853	2,155,557	106,775
Other Operating Expenses						
50000	Labor-Vacation, Sick & Holiday	48,616	84,268	75,125	88,243	3,975
52100	Labor-Pumping	37,671	65,296	63,706	69,916	4,620
52200	Maintenance-Pumping	31,507	54,012	69,817	66,790	12,778
53200	Maintenance & Labor-Treatment	62,357	106,898	77,146	110,425	3,527
54100	Labor-Trans & Distribution	130,868	226,838	254,222	300,705	73,867
54200	Maint-Trans & Distribution	47,460	66,789	270,102	209,535	142,746
62000	Joint Facilities-Wells	50,446	86,479	166,325	171,741	85,262
62100	Joint Facilities-Wells-Power	126,853	166,538	203,277	215,968	49,430
72000	Joint Facilities-LaMirada Conduit	1,999	3,427	9,311	9,357	5,930
82000	Joint Facilities-Reservoir	8,673	14,868	24,371	27,098	12,230
82200	Less: Orchard Dale portion	(94,251)	(161,573)	(204,601)	(220,660)	(59,087)
55100;55105	Labor& Maint-Customer Service	93,008	160,392	190,294	254,623	94,231
55110	Labor-Customer Account	3,438	5,959	4,808	5,430	(529)
55200	Uncollectible Accounts	2,448	4,197	3,937	4,335	138
	Total Other Operating Expenses	551,093	884,387	1,207,841	1,313,506	429,119
	TOTAL OPERATING EXPENSES	1,882,694	2,933,168	3,353,694	3,469,063	535,894
ADMINISTRATIVE & GENERAL EXPENSES						
56100;56110	Wages-Mgmt,Office&Sick/Vac/Holiday	292,450	506,913	553,116	561,760	54,847
56200	Office Supplies	14,927	25,589	45,080	29,596	4,007
56201	Auto Service	27,864	47,767	52,853	52,551	4,784
56202	Bank Service Charge	3,733	6,399	10,527	11,085	4,686
56203	Dues & Subscription	26,004	39,006	29,953	40,293	1,287
56204	Building Service	28,407	48,698	22,671	22,674	(26,024)
56205	Office Equipment Maint	11,401	19,545	39,519	37,220	17,675
56206	Professional	70,409	103,451	114,604	122,760	19,309
56207	Education & Meetings	13,846	23,736	17,495	17,946	(5,790)
56208	Legal	24,288	41,637	61,594	61,892	20,255
56209	Utilities	67,922	116,438	43,622	121,726	5,288
56220	Engineering	9,465	16,226	37,995	101,233	85,007
56300	Insurance-Auto, Liability, Property & Bond	80,560	138,103	115,065	154,866	16,763
56310	Insurance-Group Health & Life	118,472	203,095	223,968	229,403	26,308
56400	Employee Workers Compensation	14,441	24,756	31,273	31,488	6,732
56410	Dental	9,094	15,590	10,180	4,877	(10,713)
56420	Retirement-CalPERS	84,865	147,099	160,053	167,810	20,711
56421	Retirement-Deferred Compensation	11,470	19,881	22,088	23,462	3,581
56422	Retirement-CalPERS-Unfunded Accrued Liab.	108,463	108,463	112,090	139,783	31,320
57210	Payroll Taxes	54,144	92,818	88,542	95,870	3,052
56700	Maint-General Plant	47,147	80,823	72,494	83,491	2,668
57100	Capital Improvement	1,081,582	1,854,141	1,854,141	1,876,864	22,723
57200	Property Taxes	3,219	5,518	5,547	5,700	182
	TOTAL ADMINISTRATIVE & GENERAL EXP	2,204,173	3,685,692	3,724,470	3,994,350	308,658
	NET OPERATING INCOME (LOSS)	(552,895)	(875,781)	(1,206,752)	(1,370,337)	(494,557)
NON-OPERATING REVENUE						
49200	Interest Income	140,850	253,530	202,727	281,315	27,785
49300	Property Tax Income	528,783	1,013,525	1,004,509	987,241	(26,284)
49700	Rent Income	2,658	4,557	4,823	5,414	857
49750	Lease Income	71,085	121,860	121,860	121,860	-
49800	Oil Royalties	6,640	11,383	12,982	12,133	750
49810	Miscellaneous Income	3,760	6,446	4,194	1,989	(4,457)

EXHIBIT "A"

LA HABRA HEIGHTS COUNTY WATER DISTRICT
2025/2026 BUDGET

GENERAL LEDGER ACCT #	DESCRIPTION	ACTUAL 1/31/2025	PROJECTED	BUDGET	FINAL	FINAL
			ACTUAL FISCAL YEAR 2024/2025	FISCAL YEAR 2024/2025	BUDGET FISCAL YEAR 2025/2026	BUDGET FISCAL YEAR 2025/2026
49900	Gain on asset sold	5,659	5,659	-	-	(5,659)
	TOTAL NON-OPERATING REVENUE	759,435	1,416,959	1,351,095	1,409,952	(7,007)
	NON-OPERATING EXPENSE					
59120	Interest Expense-Davis Grunsky loan	-	-	-	-	-
59120	Principal-Davis Grunsky loan	-	-	-	-	-
59400	Director's Fees	3,500	6,000	9,900	9,900	3,900
59900	Director's Expenses	142	243	4,524	4,494	4,251
59910	Election Expense	-	-	-	13,673	13,673
	TOTAL NON-OPERATING EXPENSE	3,642	6,243	14,424	28,067	21,823
	NET NON-OPERATING REVENUE(EXP)	755,793	1,410,716	1,336,671	1,381,885	(28,831)
	NET INCREASE (DECREASE) IN NET ASSETS	202,898	534,935	129,919	11,548	(523,387)

SUMMARY OF BUDGET

REVENUE	\$ 7,160,039	\$ 7,222,507	\$ 7,503,027
EXPENSE	\$ 6,625,104	\$ 7,092,588	\$ 7,491,479
NET INCREASE (DECREASE) IN NET ASSETS	\$ 534,935	\$ 129,919	\$ 11,548
	-	-	(0)

CAPITAL IMPROVEMENT PLAN

	NET INC (DEC) NET ASSETS LESS CIP INTEREST INCOME		436,640	(131,175)
49650	SYSTEM BUY IN FEES		-	12,055
	INTEREST INCOME		98,295	142,723
	CAPITAL IMPROVEMENT		927,071	1,876,864
	Pipeline	5,944,000	-	-
	Vehicles*	715,000	-	55,000
	Reservoir Snooks	247,000	-	-
	Well 12	3,740,000	-	68,000
	Electrical Improvement-Plant 5 & Plant 1	100,000	-	100,000
	PFOS Treatment Plant	4,080,000	-	2,040,000
	Shop Upgrade	75,000	-	75,000
	Fire Hydrant upgrades	100,000	-	100,000
	Software-Mapping & Asset management	65,000	-	65,000
	La Mirada Reservoir recoat	1,094,442	-	-
	Add pump capacity Plant 1	1,125,000	-	-
	Reservoir 2 recoat	855,000	-	-
	Reservoir 5A recoat	702,000	-	-
	Greenview PRV & pipeline	611,000	-	-
	Generators-Wells,La Mirada Pit, Plant 1	450,000	-	-
	Install PRV various locations	339,000	-	-
	Vigil Reservoir recoat	739,000	-	-
	Lyon Reservoir recoat	728,000	-	-
	Plant 5 & 6 generator	375,000	-	-
	New well	3,750,000	-	-
	Master Plan*	163,647	-	-
	Water Rate Study*	150,000	-	-
	Water Rights*	128,000	-	128,000
	TOTAL CAPITAL IMPROVEMENTS	26,276,089	-	2,631,000
	BEGINNING CASH AVAILABLE		6,347,504	7,809,510
	ENDING CASH AVAILABLE		7,809,510	7,078,976
	6 months operating expense		3,539,082	3,731,706
	*not in Water Master Plan update			
			2024/2025	2025/2026

The District's 2024/2025 operational budget is not in excess of the Gann Appropriations Limitation, Prop. 4-1979 creating State Constitution Article XIII B, as calculated by staff using factors from 2023/2024

Appropriation Limit	1,052,150
Appropriations Subject to Limit, reduced by construction costs	-1,281,642
Remaining Appropriations Capacity	2,333,792