

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
April 24, 2012

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on April 24, 2012, at 4:06 p.m., at the office of the District, located at 1271 North Hacienda Road, La Habra Heights.

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

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

ABSENT: None

Staff members and others present.

Staff: Michael Gualtieri, Secretary/General Manager and Tammy Wagstaff, Treasurer. Others present: Stephen Blagden, Rich and Jacquie McClish, George Edwardz and Bill Phelps, residents. Steve O'Neill, legal counsel, and Sanjay Gaur and Bryan Lim, Raftelis Financial Consultants, Inc.

Public Communications: Stephen Blagden commented on board meeting room size.

Closed Session Pursuant to Government Code Section 54957: public employment-general counsel.

The closed session began at 4:12 p.m. and the Board of Directors returned to open session at 5:08 p.m.

Steve O'Neill, legal counsel explained item was closed session Pursuant to Government Code Section 54957, and that the board gave instruction to the general manager; no formal action was taken by the Board.

Public Communications Continued: Bill Phelps commented on the wheeling agreement, Stephen Blagden commented on wheeling agreement and moving the meeting to different location. George Edwardz commented on moving meetings to a different location and wheeling agreement.

Consent calendar: Minutes of the regular meeting for March 27, 2012, Minutes of the special meeting for April 12, 2011 and Status of Investment, first quarter 2012. Motion was made by Director McVicar and seconded by Director Heintz to approve Minutes and Status of Investment. The vote was as follows:

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

NOES: None

ABSENT: None

The Financial Statements for March 2012 were removed from the Consent Items. Director McVicar requested information on why engineering cost had increased and General Manager advised that the cost included Well 8 and the master plan. After discussion, motion was made by Director McVicar and seconded by Director Heintz to approve the Financial Statements. Vote was as follows:

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

NOES: None

ABSENT: None

Approval of warrants and authorization of signatures as per the warrant list. There were comments from Stephen Blagden and George Edwardz on board member's reimbursement and per diem checks. Motion was made by Director McVicar and seconded by Director Perumean that the warrants, numbers 36626 and 37616 through 37681 be approved and signatures be authorized. The vote was as follows:

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

NOES: None

ABSENT: None

7.a. Discussion and Action – rate study, proposed rate structure for fiscal years 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2016/2017. Workshop – Discuss rate structure for providing water to District customers. Sanjay Gaur and Brian Lim, Raftelis Financial Consultants, Inc. provided a quick review of previous presentation. Jackie McClish commented on individual property usage and Bill Phelps commented on agricultural parcels and water usage. Director Wilson asked if he could legally vote on this item since he was a member of the Hacienda Golf Club. Steve O'Neill, Legal counsel advised that Director Wilson and Director Cooke should recuse themselves from voting on item until he looks further into the legalities. After discussion, there was a motion by Director Perumean and seconded by Director Heintz to approve the proposed rate structure of five years with a transition to AWWA rate structure standards over the first three years for the rate hearing scheduled June 19, 2012. Vote was as follows:

AYES: Directors Heintz, McVicar, and Perumean

ABSTAIN: Director Cooke and Wilson

NOES: None

ABSENT: None

7.b. Update, Discussion and Action on proposed water production and delivery agreement between the La Habra Heights County Water District and the Rowland Water District. (Agreement to move (wheel) water through LHHWCWD's facilities to RWD). There were comments from George Edwardz and Bill Phelps on this item. After discussion, a motion was made by Director Heintz seconded by Director McVicar to sign the agreement and send it to Rowland Water District and Orchard Dale Water District to sign. Vote was as follows:

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

NOES: None

ABSENT: None

7.c. Discuss and Approve Resolution 12-04, Health Benefits Authority (HBA) move to Joint Powers Insurance Authority (JPIA). After discussion, motion was made by Director McVicar and seconded By Director Perumean to approve Resolution 12-04.

AYES: Directors Cooke, Heintz, McVicar, and Perumean

ABSTAIN: Director Wilson

NOES: None

ABSENT: None

The General Manager informed that Local Agency Formation Committee representative was Don Dear.

8. Report of Individual Directors.

Director Perumean discussed about a water article he had read and would bring it to the next board meeting.

Director McVicar advised that the District website should go live the second week of May 2012.

There being no further business to come before the Board, motion was made by Director Perumean and seconded by Director Cooke that the meeting be adjourned at


7:02 p.m. Vote was as follows:

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

NOES: None

ABSENT: None

Dated: May 22, 2012



Brad Cooke, President

(SEAL)



Michael Gualtieri, Secretary