

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
August 28, 2012

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on August 28, 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, and Wilson

ABSENT: Director Perumean

Staff members and others present.

Staff: Michael Gualtieri, Secretary/General Manager, Tammy Wagstaff, Treasurer. Others present: Steve O'Neill, legal counsel, Lemieux & O'Neill, Jane Yee, legal counsel, Howard Rome Martin & Ridley LLP. George Edwardz, Rich McClish, and Stephen Blagden, residents.

Public Communications. There was a comment from Mr. Edwardz.

(Director Perumean arrived at 4:30 p.m. during closed session)

Closed Session Pursuant to Government Code Section 54956.9: Conference with Legal Counsel- Existing Litigation- (Government Code section 54956.9) David Martinez v La Habra Heights County Water District.

The closed session began at 4:08 p.m. and the Board of Directors returned to open session at 5:05 p.m.

Steve O'Neill, legal counsel explained: The board met in closed session to discuss the Martinez matter. Special counsel briefed the board; no formal action was taken.

Consent calendar: Minutes of the regular meeting for July 10, 2012 and Financial Statements for July 2012. Motion was made by Director McVicar and seconded by Director Wilson to approve Minutes and Financial Statements. The 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. After discussion there was a motion made by Director McVicar and seconded by Director Heintz that the warrants, numbers 37867 through 37971 be approved and signatures be authorized. The vote was as follows:

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

NOES: None

ABSENT: None

7. Receive and file 2011-2012 District Audit Report- White Nelson Diehl Evans LLP. Mr. Nitin Patel provided an overview of Audit. After discussion, District Audit Report for 2011-2012 was received and filed.

8.a. Discussion and action-Paying off Davis-Grunsky Loan. After discussion, no action was taken on this item.

8.b. Discussion and action- Well #8 rehabilitation. There were comments from Mr. Blagden and Mr. Edwardz on this item. After discussion, there was a motion by Director Cooke and second by Director Perumean to proceed with repairs either with a fixed-fee less than amount asked for or time and material but not to exceed \$81,000. Vote was as follows:

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

NOES: None

ABSENT: None

8.c. Update on District Activities. The General Manger provided an update on leak that occurred August 6, 2012 on Dorothea Road, GM Sager repaired asphalt at Tank 5A, and informed that a stopped 4" meter at Hacienda Golf Club had been repaired and an estimated bill had been provided to them.

(Director Wilson left the meeting at 6:45 p.m.)

9. Report of Individual Directors.

Director McVicar informed the Board about Metropolitan Tour at the end of September and welcomed anyone who would like to join. Also she informed them about an article she read from ACWA/JPIA regarding how to deal with difficult public comments.

There being no further business to come before the Board, motion was made by Director Cooke and seconded by Director McVicar that the meeting be adjourned at 6:50 p.m. Vote was as follows:

AYES: Directors Cooke, Heintz, McVicar, Perumean

NOES: None

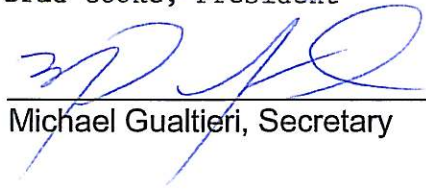
ABSENT: Director Wilson

Dated: September 25, 2012



Brad Cooke, President

(SEAL)



Michael Gualtieri, Secretary