

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
February 10, 2015

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on February 10, 2015, at 4:10 p.m., at the office of the District, located at 1271 North Hacienda Road, La Habra Heights.

Item 1. Roll call of Directors by Secretary/General Manager, Michael Gualtieri.

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

ABSENT: None

Staff members and others present.

Item 2. Staff: Michael Gualtieri, Secretary/General Manager and Tammy Wagstaff, Treasurer. Others present: Michael Silander, legal counsel, Lemieux & O'Neill.

Item 3. Public Comments: None

Item 4.a. Consent Calendar: Minutes of the regular meeting for January 13, 2015. After discussion, a motion was made by Director McVicar and seconded by Director McClish to approve the minutes with minor corrections. The vote was as follows:

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

NOES: None

ABSENT: None

Item 4.b. The Financial Statements for December 2014 were removed from the consent items. After discussion, a motion was made by Director McVicar and seconded by Director Wilson to approve the Financial Statements. The vote was as follows:

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

NOES: None

ABSENT: None

Item 4.c. The Status of Investments second quarter was removed from the consent items. Director Cooke requested that Mr. Gualtieri submit in writing his request to

Rowland Water District for their amortization schedule and to place the subject on the March agenda if the schedule is not received. Director Perumean asked if Mr. Gualtieri is going to propose raising rates during the next year and also to research expense reduction solutions and present to the Board. Director McClish asked that the budget discussions be moved forward on the calendar to allow adequate time to discuss the budget issues. Director Cooke requested a mid-cycle update on the Master Plan, and a sub-committee of Director Cooke and Director Perumean was created. To research Emergency Funding Options, a sub-committee was created comprised of Director McVicar and Director McClish with Ms. Wagstaff taking the lead. After discussion, there was a motion by Director McClish and seconded by Director Wilson to approve Status of Investments. The vote was as follows:

- AYES: Directors Cooke, McClish, McVicar, Perumean and Wilson
- NOES: None
- ABSENT: None

(Tammy Wagstaff left the meeting before the start of the next item)

Item 5. Approval of warrants and authorization of signatures as per the warrant list. After discussion, there was a motion made by Director McVicar and seconded by Director Perumean that the warrant numbers 39395 through 39449 be approved and signatures be authorized. The vote was as follows:

- AYES: Directors Cooke, McClish, McVicar, Perumean and Wilson
- NOES: None
- ABSENT: None

Item 6.a. Discuss and Action – Quit Claim requests for old pipeline on Whittier Blvd. After discussion, this item was continued.

- AYES: Directors Cooke, McClish, McVicar, Perumean and Wilson
- NOES: None
- ABSENT: None

Item 6.b. Update on District Activities. The General Manager informed that on January 12th, Layne Christensen started test pumping well 9. They were given a verbal agreement from Los Angeles County Flood Control Department (LACFCD) after they reviewed the discharge permit paperwork. On January 15th, LACFCD objected to the

proposed discharge without a National Pollutant Discharge Elimination System (NPDES) permit and ordered us to cease discharge activities. District is now going through the process of obtaining the NPDES permit and will file with LACFCD once received. This process can take up to 8 weeks. Water production for the month of January was as follows: ground water 153.2 AF and import water 0 AF, for a total of 153.2 AF. Director McClish asked for a summary of expenses for the Well 9 Rehabilitation project and Mr. Gualtieri said he would provide major project expense summaries going forward. Director McClish followed up with Mr. Gualtieri on whether he had contacted The Energy Network regarding alternative energy sources for the District's energy demands. Director McClish asked to place Emergency Customer Notification, perhaps utilizing a Reverse 911 service, on the Agenda for the March 2015 Board Meeting.

Item 7. Report of Individual Directors.

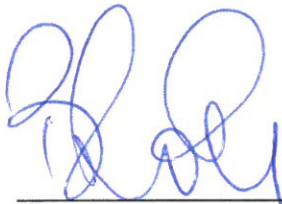
Director McClish discussed the Central Basin Caucus meeting, budget and notifications for emergency shutdowns.

Director McVicar stated she will not be attending the Joint Powers Insurance Associate directors meeting in Sacramento and she attended the Southern California Water Utilities Association meeting.

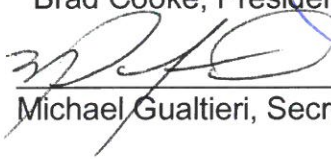
Item 8. There being no further business to come before the Board, motion was made by Director Cooke and seconded by Director McVicar that the meeting be adjourned at 6:45 p.m. The vote was as follows:

- AYES: Directors Cooke, McClish, McVicar, Perumean and Wilson
- NOES: None
- ABSENT: None

Dated: March 10, 2015



 Brad Cooke, President



 Michael Gualtieri, Secretary

(SEAL)