

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
LA HABRA HEIGHTS COUNTY WATER DISTRICT  
June 9, 2015

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on June 9, 2015, 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, Michael Gualtieri.

PRESENT: Directors Cooke, McClish, McVicar and Perumean

ABSENT: Director Wilson

Staff members and others present.

Item 2. Staff: Michael Gualtieri, Secretary/General Manager and Tammy Wagstaff, Treasurer. Others present: Steve O'Neill, legal counsel, Lemieux & O'Neill. Residents present were as follows: Carole Engelhardt, Chester Jeng, Stephen Blagden, Kyle Miller, George Cooke, John Steele, Bill Feiler, and Les Brewer.

Item 3. Public Comments: Stephen Blagden discussed ordinance, agenda, budget and conservation. Les Brewer discussed drought ordinance. Carole Engelhardt discussed agricultural allowance. Bill Feiler discussed drought ordinance. John Steele discussed reclaim water. Kyle Miller discussed the drought ordinance. George Cooke discussed Governor Brown comments on June 9, 2015. Director Cooke requested that the General Manager and the Treasurer research grants and funds for reclaim water.

Item 4. Discuss and Approve – Ordinance 15-01, Water Conservation. After discussion, there was a motion by Director McVicar and seconded by Director Perumean to approve Ordinance 15-01, with changes that include residents are subject to two day watering on designated watering days. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 5.a. Consent Calendar: Minutes of Regular Board meeting for April 28, 2015. After discussion, there was a motion by Director McVicar and seconded by Director Perumean to approve the minutes. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 5.b. Minutes of Regular Board meeting of May 12, 2015. After discussion, there was a motion by Director McVicar and seconded by Director McClish to approve the minutes with a change to include Director Cooke's request for the amortization of Rowland Water District capital cost and also include Director McVicar's request to have Civiltec Engineering Inc provide more detail on invoices. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 5.c. Financial Reports – April 2015. After discussion, there was a motion by Director McVicar and seconded by Director McClish to approve the financial reports. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 6. Approval of warrants and authorization of signatures as per the warrant list. After discussion, there was a motion made by Director McVicar and seconded by Director McClish that the warrant numbers 39643 through 39721 be approved and signatures be authorized. However, Director McVicar requested more documentation on warrant number 39690 for Civiltec Engineering Inc. Check number 39654 was voided. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 7.a. Discuss and Action – Resolution 15-02, 2015/2016 Annual Budget. Director McClish requested that the General Manager research recycled water from Rowland Water District for the District or for the Hacienda Golf Course use. After discussion, there was a motion by Director McVicar to approve a 5% increase to 1" meters and the remainder of the meters adding the AWWA allowance and to include a

2% increase to the salaries. After discussion, Director McVicar withdrew motion.

After further discussion, there was a motion by Director McVicar and seconded by Director Perumean to approve the annual budget with the 1" meters approved at \$45.54 and the rest of the meters approved as presented to the Board. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 7.b. Discuss and Action – Salaries and Benefits for Employees for Fiscal Year 2015/2016 (excluding General Manager). After discussion, there was a motion by Director McVicar and seconded by Director McClish to approve a 2% increase to the salaries with the General Manager having the discretion of distributing increases and a 2% increase to overall salary schedule. The vote was as follows:

AYES: Directors Cooke, McClish and McVicar

NOES: Director Perumean

ABSENT: Director Wilson

Item 7.c. Discuss and Action – CalPERS Employer Payment of Unfunded Accrued Liability. After discussion, Director Cooke instructed the General Manger and the Treasurer research funding options and bring back results in 6 months to the board. No action was taken on this item.

Item 7.d. Discuss and Action – Choosing Auditor for Fiscal Years 14/15, 15/16 and 16/17 with a two year option for Fiscal Years 17/18 and 18/19. After discussion, there was a motion by Director Cooke and seconded by Director McVicar to approve White Nelson Diehl Evans LLP as the auditor. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 7.e. Update on District Activities. The General Manager informed that on May 22, 2015 well 9 was put back into service and was designed for 600 GPM with all 4 wells running. Director McClish requested to know what the Board of Directors originally approved for cost of the well rehabilitation versus actual cost. Water production total for April 2015 was 258.8 AF and in May 2015 it was 202.4 AF.

Item 8. Closed Session – Public Employee Performance Evaluation. Title: Secretary/General Manager. (Closed session pursuant to Government Code Section 54957) Closed session began at 7:35 p.m. and concluded at 8:26 p.m. Open session began at 8:26 p.m. After discussion, there was a motion by Director Cooke and seconded by Director McVicar to approve a 2% increase to General Managers salary and a \$5000.00 bonus. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Item 9. Report of Individual Directors.

Director McClish discussed the ACE Conference, social media and suggested that when literature is sent to the customer regarding water increase to use dollar figures and not a percentage.

Director McVicar suggested including the ordinance in the “H2O Pipeline” newsletter.

Director Cooke requested that the drought ordinance be placed on the District website and a statement be placed on nextdoor.com advising ordinance was available for residents on the District website.

Director Perumean would like to view the letter of notification for non-compliance customers.

Item 10. There being no further business to come before the Board, motion was made by Director McVicar and seconded by Director Cooke that the meeting be adjourned at 8:40 p.m. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

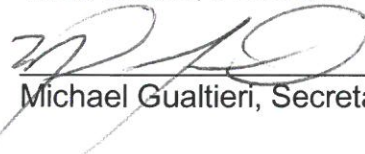
NOES: None

ABSENT: Director Wilson

Dated: July 14, 2015



Brad Cooke, President



Michael Gualtieri, Secretary

(SEAL)