

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
May 10, 2016

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on May 10, 2016, at 4:05 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, Steve Phillips, Architect, Michael Ting, future resident, Stephen Blagden, Chester Jeng, Serge Mayer and John Steele, residents.

Item 3. Public Comments: Stephen Blagden discussed agenda packets, System-buy-in-fee, possible 24% increase to 1" meters, amortization of Rowland Water District and Rowland Water Districts cost to the budget. John Steele discussed Yorba Linda Water District's recall efforts from residents.

Item 6.a. Discuss and Action – 1763 Subtropic Drive request to waive system buy-in-fee. After discussion, there was a motion by Director Cooke and seconded by Director McClish to approve 1763 Subtropic Drive to install a water line starting at the intersection of Virazon Drive and Subtropic Drive to 100 feet passed the southern border of property line. The vote was as follows:

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

NOES: None

ABSENT: None

Item 4. a. b.& c. Minutes of Regular Board meeting for April 12, 2016, Financial Reports for March 2016 and Status of Investment First Quarter 2016. After discussion, there was a motion by Director McVicar and seconded by Director Wilson to approve the minutes, financial report and status of investments, with a minor correction to the minutes. The vote was as follows:

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

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 McClish that the warrant numbers 40395 through 40436 be approved and signatures be authorized. Warrant number 40424 was voided. The vote was as follows:

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

Item 6.b. Discuss and Action – Paying CalPERS Unfunded Accrued Liability (UAL). Director's McVicar and McClish provided an update regarding their sub-committee tele-conference with CalPERS. After discussion, there was a motion by Director McVicar to pay down \$300,000.00 to the best bucket to reduce the district's overall liability in the future with the General Manager and Treasurer making the decision after conferring with CalPERS, this was seconded by Director Wilson. The vote was as follows:

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

Item 6.c. Discuss and Action – 2016/2017 Proposed Draft Budget. After discussion, there was a motion to set the ready-to-serve charge at 10% for every meter except the 1" meter and 1" meter increasing 12%. Director Cooke requested to add lines to our budget that separate retirement funds. This item was continued until the next scheduled board meeting of June 14, 2016.

(Director Wilson left the meeting before the start of the next item)

Item 6.d. Discuss and Action – 2016/2017 Salary and Benefits. After discussion, there was a motion by Director McVicar and seconded by Director McClish to approve a 2% increase but not to exceed \$822,000.00 of total salaries. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar, and Perumean
NOES: None

ABSENT: Director Wilson

Item 6.e. Update on District Activities. The General Manager provided an update on Well 11. After the test pumping the pump was designed to pump 2500 gallons per minute with all four wells running. Best Drilling is still on schedule to have the Well rehabilitation completed by May 27, 2016. Also, staff conducted a generator test run on April 27, 2016. It took approximately one hour to do a complete switch over of the La Mirada Plant, beginning from the District office to the La Mirada Plant site. The General Manager also informed there had been some issues with Well 10 regarding high plate counts and are working to get this issue resolved. Lastly, the General Manager provided an update on water production.

Item 7. Closed Session. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Discussion of potential initiation of and/or exposure to litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9. One case. Direction given to staff. No action was taken.

Item 8. Report of Individual Directors.

Director McVicar discussed JPIA, the request from Central Basin Municipal Water District to rejoin JPIA and this discussion was tabled until the next conference. She also, discussed the ACWA conference.

Director McClish discussed fliers she collected regarding ACWA JPIA workshops such as “Leadership Essential for Water Industry, and a free workshop “Leadership through Decision-Making and Communication for Small Water Systems”. Director McClish also suggested donating any surplus parts and equipment to Mexicali.

Item 9. There being no further business to come before the Board, motion was made by Director Perumean and seconded by Director McVicar that the meeting be adjourned at 8:42 p.m. The vote was as follows:

AYES: Directors Cooke, McClish, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Dated: May 10, 2016



Mark Perumean, President



Michael Gualtieri, Secretary

(SEAL)