

**LA HABRA HEIGHTS COUNTY
WATER DISTRICT**

BOARD MEETING

MAY 26, 2026

**AGENDA FOR REGULAR MEETING
BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
May 26, 2026 @ 4:00 PM**

- 1. Roll call of Directors by Secretary**
- 2. Notation of staff members and others present**
- 3. Public Communications** (Comments will be limited to 3 minutes)
- 4. Directors Report – Individual, Subcommittees and/or Attended Events**
- 5. Consent Items:** It is recommended these items be acted upon simultaneously unless separate discussion or action is requested by a member of the public or a Director.
 - a. Minutes of Special Board Meeting for May 7, 2026 (approve)
 - b. Financial Reports – April 2026 (approve)
- 6. Approval of warrants and authorize signatures per warrant list**
- 7. Report from Superintendent**
- 8. Report and recommendations of General Manager:**
 - a. Discuss and Award – Carrie Hills Lane Pipeline Project
 - b. Discuss and Approve – Proposed Fiscal Year 2026/2027 Salary and Benefits
 - c. Discuss and Adopt – Resolution 26-04, Fiscal Year 2026/2027 Annual Budget
 - d. Discuss and Approve – Revisions to the District’s Procurement Policy increasing the General Manager’s approval limits
 - e. Discuss and Approve – Revising the District’s Rates, Rules, and Regulations to address Proposed changes to Section 45 (Claims Procedures) and Section 39 (Returned Checks)

f. Discuss and Action – General Manager’s Salary

9. Monthly PFAS Report

10. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL

LIABILITY CLAIM (Govt. Code Section 54956.95(d):

Claimant: Jose Rangel.

Agency claimed against: La Habra Heights County Water District.

b. CONFERENCE WITH LEGAL COUNSEL

LIABILITY CLAIM (Govt. Code Section 54956.95(d):

Claimant: Chris L. Gallant on behalf of Francis J. Gallant

Agency claimed against: La Habra Heights County Water District.

c. Public Employee Performance Evaluation

Title : Secretary/General Manager

(Closed Session pursuant to Government Code Section 54957)

11. Adjournment

Any documents that are provided to the Board of Directors regarding items on this agenda less than 72 hours prior to this meeting will be available for public inspection at the front counter of the District office located at 1271 N. Hacienda Road, La Habra Heights, California 90631

MINUTES

MINUTES OF THE SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
May 7, 2026

A special meeting of the Board of Directors of La Habra Heights County Water District was held on May 7, 2026, at 4:42 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, Joe Matthews.

PRESENT: Directors Baroldi, Crabb, and Perumean

ABSENT: Director Cooke and McVicar

Item 2. Staff members and others present. Staff: Joe Matthews, Secretary/General Manager, Tammy Wagstaff, Treasurer and Ivan Ramirez, Superintendent. Others present: Michael Silander, District Counsel.

Item 3. Public Communications – None

Item 4. Directors Report – Individual, Subcommittees and/or Attended Events.
None

(Director Cooke arrived at 5:01 p.m. at the meeting)

Item 5.a.b.c. & d. Minutes of Regular Board meeting for March 10, 2026, Financial Reports- February & March 2026 and Status of Investments March 2026. After discussion, there was a motion by Director Baroldi and seconded by Director Crabb to approve minutes, financial reports and status of investments. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and Perumean

NOES: None

ABSENT: Director McVicar

Item 6. Approval of warrants and authorized signatures per warrant list. After discussion, there was a motion made by Director Perumean and seconded by Director Crabb that warrant numbers 48529 through 48621 in the amount of \$817,067.81 and EFT transfers in the amount of \$21,787.09 be approved and signatures be authorized. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and Perumean

NOES: None

ABSENT: Director McVicar

Item 7. Report of Superintendent. The Superintendent reviewed the Superintendent's Report for March and April 2026.

Item 8.a. Discuss and approve – Proposed Fiscal year 2026-2027 Budget. After discussion, there was a motion by Director Baroldi and seconded by Director Crabb to approve the budget. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and Perumean

NOES: None

ABSENT: Director McVicar

Item 8.b. Discuss and adopt Resolution 26-03 Designating the General Manager as Civil Rights Coordinator of La Habra Heights County Water District. After discussion, there was a motion by Director Cooke and seconded by Director Crabb to approve Resolution 26-03. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and Perumean

NOES: None

ABSENT: Director McVicar,

Item 8.c. General Manager monthly PFAS status report. The general manager provided an update.

Item 8.d. General Manager report on key deadlines for 2026 election. The general manager provided an update.

Item 8.e. General Manager report on Highroad IT and cyber security. The general manager provided an update.

(Entered closed session 6:38 p.m.)

Item 9.a. CONFERENCE WITH LEGAL COUNSEL LIABILITY CLAIM (Govt. Code Section 54956.95(d): Claimant: Jose Rangel. Agency claimed against: La Habra Heights County Water District. No reportable action was taken.

Item 9.b. CONFERENCE WITH LEGAL COUNSEL LIABILITY CLAIM (Govt. Code Section 54956.95(d): Claimant: Chris L. Gallant on behalf of Francis J. Gallant Agency claimed against: La Habra Heights County Water District. No reportable action was taken.

(Adjourned closed session at 6:50 p.m.)

Item 10. There being no further business to come before the Board, a motion was made by Director Cooke and seconded by Director Perumean that the meeting be adjourned at 6:50 p.m. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, and Perumean

NOES: None

ABSENT: Director McVicar

Dated: May 26, 2026

Brad Cooke, President

(SEAL)

Joe Matthews, Secretary

FINANCIAL REPORT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

April 30, 2025 and April 30, 2026

	2025	2026
<u>ASSETS:</u>		
<u>Current Assets:</u>		
CASH-PETTY	300.00	300.00
CASH-CHECKING	1,911,349.21	1,442,986.49
CASH-SWEEP	701.24	96.42
INVESTMENT-LAIF	4,108,696.85	8,672,135.35
INVESTMENT-TREASURY BILLS	1,062,565.27	-
ACCOUNTS RECEIVABLE-WATER	358,666.45	470,999.05
ACCOUNTS RECEIVABLE-OTHER	408,485.04	322,091.83
TAXES RECEIVABLE	-	-
LEASE RECEIVABLE	131,188.00	131,226.00
SETTLEMENT RECEIVABLE	-	713,119.70
ACCRUED INTEREST RECEIVABLE	14,725.00	106,655.18
INVENTORY	296,788.17	335,896.20
PREPAID EXPENSES	89,777.44	128,697.49
Total Current Assets	<u>8,383,242.67</u>	<u>12,324,203.71</u>
<u>Noncurrent Assets:</u>		
<u>Capital Assets:</u>		
LAND	532,743.65	532,743.65
WATER RIGHTS	1,640,490.80	1,641,081.80
SOURCE OF SUPPLY	2,278,699.92	2,275,481.80
PUMPING PLANT	1,668,932.77	1,668,932.77
TRANSMISSION & DISTRIBUTION	28,048,251.33	28,101,649.51
GENERAL PLANT	1,666,220.78	1,726,886.96
CONSTRUCTION IN PROGRESS	408,281.08	510,223.42
Total Capital Assets	<u>36,243,620.33</u>	<u>36,456,999.91</u>
Accumulated Depreciation	<u>(21,119,710.83)</u>	<u>(21,647,798.62)</u>
Net Capital Assets	<u>15,123,909.50</u>	<u>14,809,201.29</u>
<u>Other Noncurrent Assets:</u>		
INVESTMENTS-CAL DOMESTIC WATER CO	591.00	-
LEASE RECEIVABLE	2,169,345.97	1,913,651.95
SETTLEMENT RECEIVABLE	-	289,100.00
Total Other Noncurrent Assets	<u>2,169,936.97</u>	<u>2,202,751.95</u>
Total Assets	<u>25,677,089.14</u>	<u>29,336,156.95</u>
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from pension plan	853,967.00	595,613.00
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from OPEB	199,012.00	472,335.00
Total Deferred Outflows of Resources	<u>1,052,979.00</u>	<u>1,067,948.00</u>

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

April 30, 2025 and April 30, 2026

	<u>2025</u>	<u>2026</u>
LIABILITIES		
Current Liabilities:		
ACCOUNTS PAYABLE	360,465.41	370,972.93
DEPOSITS-CUSTOMERS	1,500.00	4,000.00
DEPOSITS-CONSTRUCTION	5,000.00	14,950.00
ACCRUED EMPLOYEE BENEFITS	121,805.03	218,320.83
NET OPEB OBLIGATION	1,076,358.00	1,450,712.00
NET PENSION LIABILITY	1,431,442.00	1,407,148.00
Total Current Liabilities	<u>2,996,570.44</u>	<u>3,466,103.76</u>
Total Liabilities	<u>2,996,570.44</u>	<u>3,466,103.76</u>
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from pension plan	176,276.00	140,658.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from OPEB	914,390.00	782,327.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from Leases	2,193,816.01	2,071,955.53
Total Deferred Inflows of Resources	<u>3,284,482.01</u>	<u>2,994,940.53</u>
Net Position:		
INVESTED IN CAPITAL ASSETS, NET RELATED DEBT	15,123,909.50	14,809,201.29
UNRESTRICTED	5,325,106.19	9,133,859.37
RESTRICTED	-	-
Total Net Position	<u>20,449,015.69</u>	<u>23,943,060.66</u>

LA HABRA HEIGHTS COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For Ten Months Ending April 30, 2025 and April 30, 2026

	Last Year Current Month Actual 4/30/2025	Current Month Actual 4/30/2026	Last Year YTD Actual 4/30/2025	Current YTD Actual 4/30/2026	Current Budget 2025/26	Actual 4/30/2026 % of budget 2025/26 83%
Operating Revenue:	409,596.09	494,248.20	4,717,483.29	4,780,637.02	6,092,986.00	79%
Operating Expenses:						
Source of Supply	143,638.61	155,342.52	1,735,439.59	1,611,554.45	2,160,412.00	75%
Pumping	43,823.35	4,070.45	150,526.84	187,813.69	133,495.00	141%
Treatment	6,354.41	4,157.04	77,332.03	69,551.99	95,582.00	73%
Transmission & Distribution	71,891.40	67,545.70	416,110.40	580,549.72	700,407.00	83%
Customer Accounts	13,139.40	5,251.43	158,190.20	205,347.49	223,294.00	92%
Administrative and General	154,949.83	172,225.78	1,552,853.56	1,836,399.33	2,072,614.00	89%
Capital Improvements	154,511.75	158,484.75	1,545,117.50	1,557,036.50	1,874,006.00	83%
Other	7,073.88	8,111.33	78,414.66	85,137.44	98,875.00	86%
TOTAL OPERATING EXPENSES	595,382.63	575,189.00	5,713,984.78	6,133,390.61	7,358,685.00	83%
OPERATING INCOME (LOSS)	(185,786.54)	(80,940.80)	(996,501.49)	(1,352,753.59)	(1,265,699.00)	107%
Non-Operating Revenues	469,651.21	382,721.59	1,358,121.22	2,025,383.28	1,446,658.00	140%
Non-Operating Expenses	700.00	500.00	5,906.80	5,706.20	28,014.00	20%
NET NON-OPERATING REVENUES (EXPENSES)	468,951.21	382,221.59	1,352,214.42	2,019,677.08	1,418,644.00	142%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	283,164.67	301,280.79	355,712.93	666,923.49	152,945.00	436%
SYSTEM BUY IN FEE			36,166.00	48,222.00		
CAPITAL CONTRIBUTIONS			44,528.09	33,725.50		
NET INCOME (LOSS) IN NET POSITION			436,407.02	748,870.99		
NET POSITION-BEGINNING OF YEAR			20,012,608.67	23,194,189.67		
NET POSITION-END OF PERIOD			20,449,015.69	23,943,060.66		

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For Ten Months Ending April 30, 2025 and April 30, 2026

	Last Year Current Month Actual 4/30/2025	Current Month Actual 4/30/2026	Last Year YTD Actual 4/30/2025	Current YTD Actual 4/30/2026	Current Budget 2025/26	Actual 4/30/2026 % of budget 2025/26 83%
OPERATING REVENUES						
SALES-WATER	192,578.12	261,459.31	2,514,627.43	2,445,181.92	3,289,482.00	74%
SALES-READINESS TO SERVE	214,420.98	230,399.45	2,158,437.11	2,299,038.22	2,733,327.00	84%
SALES-MISCELLANEOUS	2,596.99	2,389.44	44,418.75	36,416.88	35,854.00	102%
LEASE-WATER RIGHTS	-	-	-	-	34,323.00	0%
TOTAL OPERATING REVENUES	409,596.09	494,248.20	4,717,483.29	4,780,637.02	6,092,986.00	79%
OPERATING EXPENSES						
PURCHASED WATER	5,425.03	4,643.81	74,270.49	79,570.19	271,633.00	29%
GROUND WATER REPLENISHMENT ASSMT	78,681.85	88,915.90	897,641.70	851,799.34	1,103,284.00	77%
POWER	59,531.73	61,782.81	763,527.40	680,184.92	785,495.00	87%
TOTAL SOURCE OF SUPPLY	143,638.61	155,342.52	1,735,439.59	1,611,554.45	2,160,412.00	75%
LABOR-PUMPING	5,318.22	3,897.96	53,499.86	50,157.11	66,869.00	75%
MAINTENANCE-PUMPING	38,505.13	172.49	97,026.98	137,656.58	66,626.00	207%
TOTAL PUMPING	43,823.35	4,070.45	150,526.84	187,813.69	133,495.00	141%
MAINT & LABOR-TREATMENT	6,354.41	4,157.04	77,332.03	69,551.99	95,582.00	73%
TOTAL TREATMENT	6,354.41	4,157.04	77,332.03	69,551.99	95,582.00	73%
LABOR-TRANS & DISTRIBUTION	20,323.97	24,881.09	187,150.80	209,807.35	287,603.00	73%
MAINT-TRANS & DISTRIBUTION	42,236.47	56,992.24	102,593.74	262,719.82	208,926.00	126%
JOINT FACILITIES-WELL,LM CONDUIT&RES	26,806.65	11,488.96	262,902.47	280,356.26	423,601.00	66%
ORCHARD DALE PORTION	(17,475.69)	(25,816.59)	(136,536.61)	(172,333.71)	(219,723.00)	78%
TOTAL TRANSMISSION&DISTRIBUTION	71,891.40	67,545.70	416,110.40	580,549.72	700,407.00	83%
LABOR&MAINT-CUSTOMER ACCOUNTS	13,139.40	5,251.43	155,376.83	201,280.97	219,817.00	92%
UNCOLLECTIBLE ACCOUNTS	-	-	2,813.37	4,066.52	3,477.00	117%
TOTAL CUSTOMER ACCOUNTS	13,139.40	5,251.43	158,190.20	205,347.49	223,294.00	92%
TOTAL OTHER OPERATING EXPENSES	135,208.56	81,024.62	802,159.47	1,043,262.89	1,152,778.00	91%
TOTAL SOURCE OF SUPPLY & OPERATING EXPENSES	278,847.17	236,367.14	2,537,599.06	2,654,817.34	3,313,190.00	80%
ADMINISTRATIVE & GENERAL EXPENSES						
LABOR-FIELD-SICK,VAC,HOLIDAY	2,409.67	14,985.47	61,827.82	90,843.62	84,398.00	108%
WAGES-MANAGEMENT	12,850.96	14,538.46	124,717.81	133,358.43	160,333.00	83%
WAGES-OFFICE	17,348.88	22,486.38	205,041.45	237,295.72	296,733.00	80%
WAGES-MGMT&OFFICE-SICK,VAC,HOLIDAY	7,511.43	4,902.23	81,274.28	79,422.17	99,073.00	80%
OFFICE SUPPLIES	1,741.97	293.35	21,600.58	22,946.49	29,511.00	78%
AUTO SERVICE	2,558.40	999.08	38,128.62	40,010.22	52,399.00	76%
BANK SERVICE CHARGE	1,581.32	1,633.62	7,360.10	16,895.56	11,052.00	153%
DUES & SUBSCRIPTIONS	599.00	599.00	27,900.89	29,820.15	43,107.00	69%
BUILDING SERVICE	1,923.87	1,246.13	34,205.60	23,010.26	22,609.00	102%
OFFICE EQUIPMENT MAINT	16,767.44	20,448.92	33,107.15	82,179.13	37,112.00	221%
PROFESSIONAL SERVICES	10,616.10	5,101.50	93,759.20	91,412.75	126,760.00	72%
EDUCATION & MEETINGS	397.00	2,123.62	16,840.64	15,968.00	17,894.00	89%

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For Ten Months Ending April 30, 2025 and April 30, 2026

	Last Year Current Month Actual 4/30/2025	Current Month Actual 4/30/2026	Last Year YTD Actual 4/30/2025	Current YTD Actual 4/30/2026	Current Budget 2025/26	Actual 4/30/2026 % of budget 2025/26 83%
LEGAL	1,537.50	-	39,137.50	31,670.00	61,712.00	51%
UTILITIES	8,102.41	6,319.47	89,676.38	97,509.28	109,604.00	89%
ENGINEERING	4,250.00	13,021.60	20,992.50	106,796.60	66,949.00	160%
INSUR-AUTO, LIABILITY&PROPERTY	12,454.88	21,405.83	117,744.64	128,360.87	154,417.00	83%
INSUR-GROUP HEALTH & LIFE	17,864.29	19,598.26	171,879.50	192,337.62	229,403.00	84%
EMPLOYEE WORKERS COMPENSATION	807.68	480.90	22,709.10	22,495.20	30,356.00	74%
DENTAL	126.40	569.60	12,925.92	7,769.28	12,754.00	61%
RETIREMENT-CALPERS	24,899.16	12,200.58	126,306.08	129,115.41	164,700.00	78%
RETIREMENT-DEFERRED COMP	1,675.46	1,466.59	17,054.40	18,314.79	22,828.00	80%
RETIREMENT-CALPERS UNFUND ACCR LIAB	-	-	108,463.00	136,345.88	139,783.00	98%
MAINTENANCE-GENERAL PLANT	6,926.01	7,805.19	80,200.40	102,521.90	99,127.00	103%
CAPITAL IMPROVEMENTS	154,511.75	158,484.75	1,545,117.50	1,557,036.50	1,874,006.00	83%
PROPERTY TAXES	445.69	428.67	4,555.80	4,902.64	5,630.00	87%
PAYROLL TAXES	6,628.19	7,682.66	73,858.86	80,234.80	93,245.00	86%
TOTAL ADMIN & GENERAL EXP	<u>316,535.46</u>	<u>338,821.86</u>	<u>3,176,385.72</u>	<u>3,478,573.27</u>	<u>4,045,495.00</u>	<u>86%</u>
TOTAL OPERATING EXPENSES	<u>595,382.63</u>	<u>575,189.00</u>	<u>5,713,984.78</u>	<u>6,133,390.61</u>	<u>7,358,685.00</u>	<u>83%</u>
OPERATING INCOME (LOSS)	<u>(185,786.54)</u>	<u>(80,940.80)</u>	<u>(996,501.49)</u>	<u>(1,352,753.59)</u>	<u>(1,265,699.00)</u>	<u>107%</u>
NONOPERATING REVENUES						
INTEREST INCOME	21,533.76	53,061.07	210,206.66	311,302.83	268,764.00	116%
PROPERTY TAX INCOME	303,803.53	318,752.07	885,453.91	914,359.22	1,036,498.00	88%
RENT/LEASE INCOME	142,914.92	11,089.44	237,870.49	106,657.58	127,274.00	84%
OIL ROYALTIES	799.00	746.52	9,136.90	7,748.12	12,133.00	64%
MISCELLANEOUS INCOME	600.00	(927.51)	9,259.79	692,015.84	1,989.00	0%
GAIN ON ASSET SOLD	-	-	6,193.47	(6,700.31)	-	0%
TOTAL NONOPERATING REVENUES	<u>469,651.21</u>	<u>382,721.59</u>	<u>1,358,121.22</u>	<u>2,025,383.28</u>	<u>1,446,658.00</u>	<u>140%</u>
NONOPERATING EXPENSES						
LOSS ON INVESTMENT	-	-	-	-	-	0%
DIRECTORS FEES	700.00	500.00	5,400.00	5,500.00	9,900.00	56%
DIRECTORS EXPENSES	-	-	217.04	206.20	4,481.00	5%
ELECTION	-	-	289.76	-	13,633.00	0%
TOTAL NONOPERATING EXPENSES	<u>700.00</u>	<u>500.00</u>	<u>5,906.80</u>	<u>5,706.20</u>	<u>28,014.00</u>	<u>20%</u>
NET NONOPER REVENUES(EXPENSES)	<u>468,951.21</u>	<u>382,221.59</u>	<u>1,352,214.42</u>	<u>2,019,677.08</u>	<u>1,418,644.00</u>	<u>142%</u>
NET INCOME (LOSS) IN NET POSTION	<u>283,164.67</u>	<u>301,280.79</u>	<u>355,712.93</u>	<u>666,923.49</u>	<u>152,945.00</u>	<u>436%</u>

WARRANT LIST

La Habra Heights County Water District
AP Check Register (Current by Bank)

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
48668	05/12/26	P	0579	KONICA MINOLTA BUSINESS SOL.	\$67.64
48669	05/12/26	P	0051	LINCOLN FINANCIAL GROUP	\$3,130.36
48670	05/12/26	P	0503	MICHELLE SAVAGE	\$106.40
48671	05/12/26	P	0231	O'REILLY AUTO PARTS	\$138.76
48672	05/12/26	P	0470	SALINAS TIRES & WHEELS	\$347.13
48673	05/12/26	P	0229	SOUTH COAST AQMD	\$172.49
48674	05/12/26	P	0068	SOUTHERN CALIF EDISON CO	\$53,167.52
48675	05/12/26	P	0243	TAMMY WAGSTAFF	\$249.60
48676	05/12/26	P	0427	TPX COMMUNICATIONS	\$4,430.57
48677	05/12/26	P	0078	UNDERGROUND SERVICE ALERT	\$343.25
48678	05/12/26	P	0562	VERIZON	\$513.19
48679	05/12/26	P	0608	WATER RESOURCES ECONOMICS	\$1,292.50
48680	05/12/26	P	0094	WECK LABORATORIES, INC	\$1,145.00
48681	05/12/26	P	0604	WEST YOST WATER	\$571.50
48682	05/15/26	P	ONETIM	FRANCIS J. GALLANT	\$10,463.69
BANK 13110 REGISTER TOTAL:					\$261,352.47
GRAND TOTAL :					\$274,534.31

* Check Status Types: "P" - Printed ; "M" - Manual ; "V" - Void (Void Date); "A" - Application; "E" - EFT** Denotes broken check sequence.



Civil, Water, Wastewater, Drainage and Transportation Engineering
Construction Management • Surveying
California • Arizona

April 27, 2026

La Habra Heights County Water District
1271 North Hacienda Road
La Habra Heights, CA 90631

OK to pay

Attention: Joe Matthews, General Manager

Subject: Engineering Activities for the Month of **March 2026**
Invoice Backup Support - Billing Period through March 31, 2026

Dear Mr. Matthews:

The La Habra Heights County Water District requires Engineering Support from **CIVILTEC engineering, inc. (Civiltec)** at times on various projects. This work is provided on a time and materials basis when requested and directed by LHHCWWD management. Following is an explanation of time spent backing up the **March 2026** invoicing. The numbering system is the **Civiltec** project number and tracking system.

2025143.00 – General Engineering Support FY25-26. This project has been established to aid the District in general engineering inquiries, participate in meetings, hydraulic modeling and calibration and overall engineering support. The total budget for General Engineering Support has been established at \$25,000.00 for each Fiscal Year. Below is an accounting of expenditures under this **Civiltec** job number for FY 2025-26.

There were no expenditures in March 2026. The remaining budget is \$4,722.50.

2025144.00 – Engineering Fire flow Modeling FY25-26. This project has been established to aid the District with computer model simulations for fire flow requests by LHHCWWD customers. Below is an accounting of expenditures under this **Civiltec** job number for FY 2025-26.

There were expenditures in the month of March 2026 of \$2,400.00. We have set up project numbers per fire flow simulation. We are using this main number 2025144 and have put on extensions starting with .01 for the first request.

2025144.13	Fire Flow Modeling – 962 Reposado Rd.	\$600.00
2025144.14	Fire Flow Modeling – 2402 Ardsheal Dr.	\$600.00
2025144.15	Fire Flow Modeling – 1900 Tumin Rd.	\$600.00
2025144.16	Fire Flow Modeling – 1491730 Kanola Rd.	\$600.00



2022169.00 – Well No. 12 Well Siting Study. LHHCWD plans to drill a new well in the Judson Well Field. The overall budget for the project is \$157,770.00. There were no expenditures in March 2026. The District is currently considering the destruction of Well No. 9 and civil improvements to the Well No. 9 discharge pit. The remaining budget is \$27,946.50.

2024807.00 – PFAS Grant Application. LHHCWD is working with WRD to secure grant funding for a new PFAS Treatment Plant. Grace Kast is preparing the grant funding applications to WRD and assisting with the EPA grant. *Civiltec* staff is supporting Ms. Kast with as needed cost estimating and preparing exhibits. The budget established for the *Civiltec* effort is \$15,915.00. There were no expenditures in the month of March 2026. The remaining budget is \$906.25.

2024814.00 – PFAS Treatment Plant Design. We have stopped the development of the final design documents until proposals from treatment systems suppliers are received, a supplier selected, and supplier equipment data sheets obtained. This approach will allow the project team to have in hand the supplier's equipment submittals for incorporation into the final design documents and the procurement schedule which will provide the ability to better forecast the required timing of obtaining a general contractor for installation. We are on standby awaiting the District's decision to move forward with the RFP. The budget established for the *Civiltec* effort is \$421,360.00. There were no expenditures in the month of March 2026 totaling. The remaining budget is \$111,427.00.

2023149.00 – Reservoir 10A Rehabilitation. The Reservoir 10A project is complete and was placed into service in mid January 2025. The Notice of Completion has been signed by all parties and was recorded in February 2025. The overall budget is \$149,630.00. The one-year warranty inspection has been completed by Dive Corr. J. Colon has mobilized to the site and has completed the coatings repair. The Reservoir has been refilled and based upon water quality results; the Reservoir was placed back into service. PRT has signed an agreement to extend the warranty period for another year (February 2027). There were expenditures in the month of March 2026 totaling \$500.00. The remaining budget is \$504.65.

2023330.00 – Carrie Hills Lane Pipeline Redesign. LHHCWD plans to construct approximately 260 LF of 8" pipeline and a new fire hydrant to serve a new house construct on Carrie Hills Lane. *Civiltec* issued the District an updated proposal to resurrect the design phase Scope of Services with a budget that includes design and bidding services. The proposal adds \$9,950.00 to the original design total of \$23,860.00. There is also a new construction phase budget of \$29,870.00 that brings the overall budget to \$63,680.00. *Civiltec* has completed the redesign and placed the project out to bid. There were expenditures in the month of March 2026 of \$4,252.50. The remaining budget is \$33,925.00.

2025335.00 – AWIA Risk and Resiliency Assessment. An AWIA Risk and Resiliency Assessment (RRA) is a federally required evaluation that drinking water utilities must complete under the America's Water Infrastructure Act of 2018 (AWIA). Its purpose is to help utilities identify risks, assess vulnerabilities, and strengthen resilience against both intentional attacks and natural or man-made hazards. Gretel Ochoa-Nhac, PE, and her team are performing this assessment and the work is complete. The District has been given instructions on how to upload the assessment prior to June 30, 2026. The overall budget for the project is \$9,840.00. There were no expenditures in March 2026. There is no remaining budget.



2026101.00 – Plant 1 Structural and Electrical Analysis. LHHCWD plans to assess the structural condition of the Plant 1 Forebay and deck where the pumps and electrical gear are located. The existing motor control center and switch gear are also being assessed. The goal of the study is to determine the scope of the necessary upgrade work that will be designed and constructed in another phase. The *Civiltec* team has begun the work on the study and has staged up the geotechnical investigation which will provide current design parameters. The geotechnical report has been issued with recommendations. Our Survey Manager has completed the assembly of the parcel and easement maps, so we have a better understanding of the land area available to the District. The map has been issued to the District for review. The topo survey and map have been completed. The overall budget for the project is \$153,490.00. There were expenditures of \$20,480.00 in March 2026. The remaining budget is \$112,582.06.

2026102.00 – Gualtieri Reservoir Seismic Analysis. LHHCWD plans to rehabilitate the Reservoir based upon a Harper dive report. In this phase, the tank's seismic stability and structural condition are being assessed. The goal of the study is to determine the scope of the rehabilitation work that will be designed and constructed in another phase. The *Civiltec* team has begun the work on the study and has staged up the geotechnical investigation. The geotechnical work is complete, and the report has been issued along with recommendations. This study provides current seismic design parameters. The overall budget for the project is \$85,585.00. There were expenditures of \$23,721.25 in March 2026. The remaining budget is \$58,135.00.

I hope this information helps with your processing of the project invoices. Please let me know if you have any questions.

Very truly yours,

CIVILTEC engineering, inc.

A handwritten signature in black ink, appearing to read 'W. David Byrum', is written over a horizontal line.

W. David Byrum, P.E.
President/CEO, Principal Engineer

Credit Card Transactions

ACCOUNT ACTIVITY

Date of Transaction	Merchant Name or Transaction Description	\$Amount
04/05	- Payment Thank You- Check	-478.98
03/17	- Amazon MKTPL *BP6510U70 Amzn.com/bill WA - <i>Phone and Screen cases for new cell phones</i>	107.39
03/18	- APPLE.COM/BILL 800-275-2273 CA- <i>Purchased additional data plan Ivan's district phone.</i>	9.99
03/18	- APPLE.COM/BILL 800-275-2273 CA- <i>Purchased additional data plan Joe's district phone.</i>	9.99
03/24	- SCWUA April 21, 2026, C 162-6385715 CA - <i>SCUWA Training for Joe</i>	40.00
04/06	- TOWN AND COUNTRY - F&B 619-2917131 CA - <i>AWWA Conf. Meal expense for Joe</i>	28.24
04/07	- TOWN AND COUNTRY - F&B 619-2917131 CA - <i>AWWA Conf. Meal expenses for Joe</i>	21.93
04/07	- TOWN AND COUNTRY - F&B 619-2917131 CA - <i>AWWA Conf. Meal expense for Joe</i>	22.40
04/08	- TOWN AND COUNTRY - F&B 619-2917131 CA - <i>AWWA Conf. Meal expense for Joe</i>	8.54
04/08	- TOWN AND COUNTRY - F&B 619-2917131 CA - <i>AWWA Conf. Meal expense for Joe</i>	8.35
04/09	- TOWN AND COUNTRY - F&B 619-2917131 CA - <i>AWWA Conf. Meal expense for Joe</i>	15.20
04/09	- TOWN AND COUNTRY - LOD SAN DIEGO CA - <i>AWWA Conf. Hotel expense for Joe</i>	1,053.03

REPORT FROM SUPERINTENDENT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: 5/20/26

**TO: JOE MATTHEWS, GENERAL MANAGER
& BOARD OF DIRECTORS**

FROM: IVAN RAMIREZ, SUPERINTENDENT

SUBJECT: SUPERINTENDENT'S REPORT FOR MAY 2026

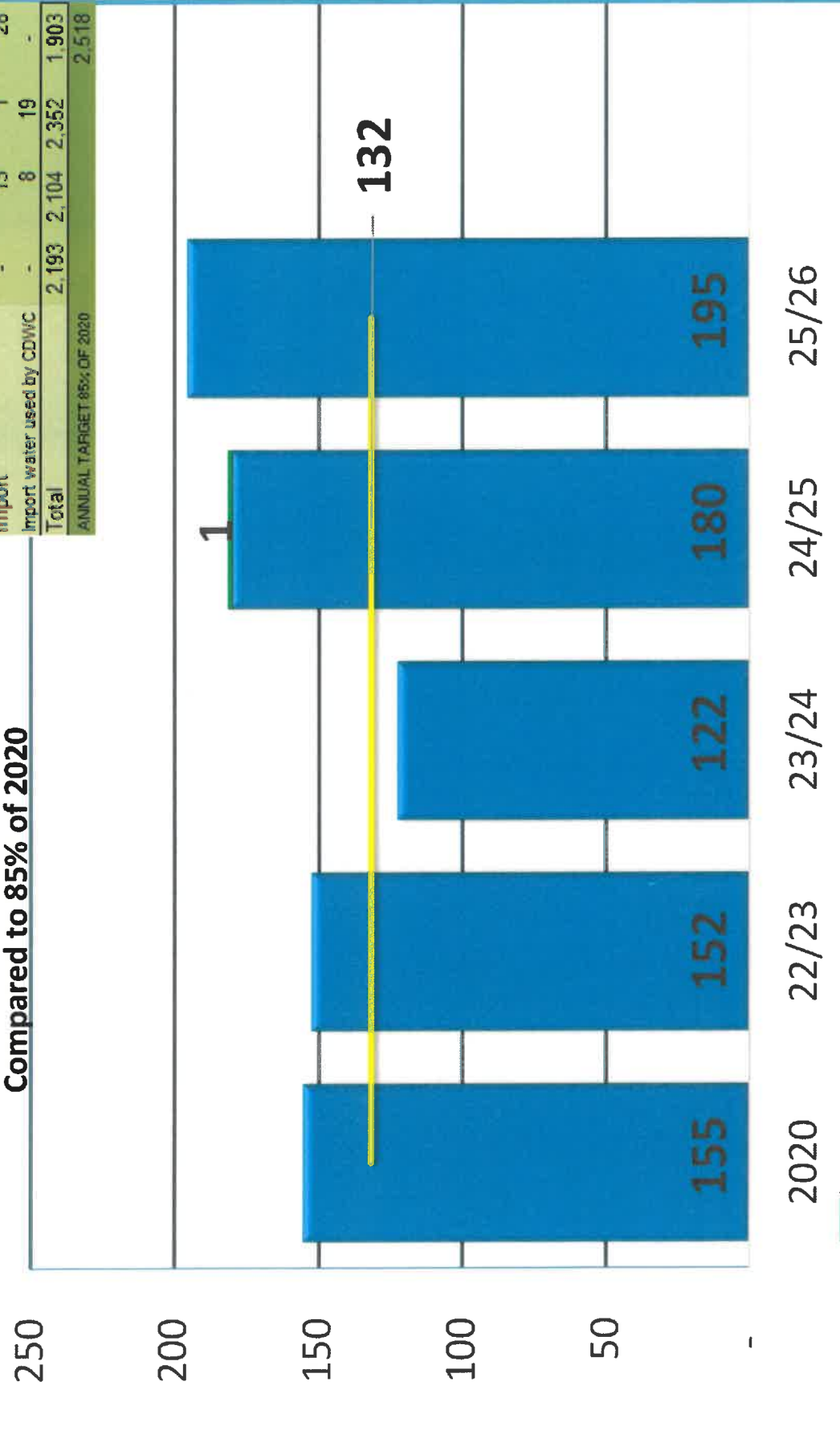
System and Equipment Maintenance

- Repaired two service leaks and one main leak.
- Well 8 waste pit was dug out to improve its drainage.
- Completed annual weed abatement at all of our reservoir and plant sites for fire protection.

LA HABRA HEIGHTS COUNTY WATER DISTRICT

Production in acre feet for **APRIL**
Compared to **85% of 2020**

ANNUAL WATER USAGE					
Water Source	2022/2023	2023/2024	2024/2025	2024/2025	2025/26 THRU APR
Groundwater	2,193	2,083	2,332	2,332	1,875
Import	-	13	1	1	28
Import water used by CDWC	-	8	19	19	-
Total	2,193	2,104	2,352	2,352	1,903
ANNUAL TARGET 85% OF 2020					
					2,518



■ Import
■ Import water used by California Domestic Water Company from District's Central Basin Municipal Water District connection
■ Groundwater
— 85% of 2020 Month Target

**CARRIE HILLS LANE
PIPELINE PROJECT**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: MAY 26, 2026
TO: BOARD OF DIRECTORS
FROM: JOE MATTHEWS, SECRETARY/GENERAL MANAGER
SUBJECT: CARRIE HILLS PIPELINE PROJECT

We received bids for a pipeline project consisting of a new fire hydrant installation on Carrie Hills Lane and a new water service installation on Dorothea Road. This project will be funded in full prior to construction by Mr. and Mrs. Quintanar, the property owners building a home on Carrie Hills Lane.

On January 27, 2026, the Board granted the Quintanar's a variance to Section 23 of the District's Rates, Rules, and Regulations waving the District's 10% mark-up.

I have included Civiltec's review and recommendation of the four bids received for the pipeline installation. Bid results with contingencies are as follows:

Doty Brothers	\$230,127.70
Robert Brkich Construction	\$260,353.83
J.A. Salazar Construction	\$207,548.00
TE Roberts	\$268,011.70
Engineer's Estimate	\$272,602.00

I recommend the Board approves awarding the Carrie Hills Pipeline project to J.A. Salazar Construction in the amount of \$188,680 plus \$18,868.00 in contingencies for a total of \$207,548.00.



*Civil, Water, Wastewater, Drainage, Transportation and
Electrical/Controls Engineering • Construction Management • Surveying
California • Arizona*

MEMORANDUM LA HABRA HEIGHTS COUNTY WATER DISTRICT



TO: Joe Matthews, General Manager
FROM: W. David Byrum, P.E., District Engineer
DATE: May 19, 2026
SUBJECT: Recommendation for the Award of Contract, Carrie Hills Lane Pipeline Project.

LHHCWD has identified the need for a new water pipeline on Carrie Hills Lane from the intersection of Chota Road to a new terminal fire hydrant. The new pipeline consists of installing approximately 260 linear feet of new 8-inch ductile iron pipe on Carrie Hills Lane along with a new public fire hydrant, a new service meter on Dorothea, a new air vac assembly, hot tapping an existing pipe and AC pavement. The project is being funded by a developer. The estimated construction cost for the Project is \$272,602.00 with 10% contingencies included as presented at the end of the design phase.

Bidding Documents and Specifications for the subject project were issued on March 31, 2026 and bids were received May 19, 2026. A pre-bid field walk was not mandated for the Project. One addendum was issued in the bidding phase to update the Bidding Schedule with additional square footage of AC replacement to cover the T-cut outside the service lateral trench line. The Bidding Documents were sent to four contractors. Four contractors submitted bids as follows:

Bidder's Name	Bid	Bid w/ Contingencies
Doty Brothers	\$209,207.00	\$230,127.70
Robert Brkich Construction	\$236,685.30	\$260,353.83
J A Salazar Construction	\$188,680.00	\$207,548.00
TE Roberts	\$243,647.00	\$268,011.70
Engineer's Estimate	\$247,820.00	\$272,602.00

RECOMMENDATION

The low bidder, J A Salazar Construction, and the bids received were reviewed in detail for compliance with the Bidding and Contract Documents. J A Salazar Construction has been engaged in pipeline projects for almost 30 years and complies with all requirements established for this project. It is recommended to award the Contract for the Carrie Hills Pipeline Project to J A Salazar Construction in the amount of \$188,680.00 plus \$18,868.00 in contingencies for a total of \$207,548.00.

LHHCWD CARRIE HILLS LANE WATER LINE IMPROVEMENTS
BIDS RECEIVED MARCH 14, 2024

Item #	Description	Qty	Unit	Engineer's Estimate		Doty Brothers		J A Salazar		Robert Brkich Construction		TE Roberts	
				Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization and Demobilization	1	LS	\$30,500.00	\$30,500.00	\$11,052.00	\$11,052.00	\$12,000.00	\$12,000.00	\$3,480.00	\$3,480.00	\$44,550.00	\$44,550.00
2	Provide Public Convenience and Safety	1	LS	\$6,070.00	\$6,070.00	\$972.00	\$972.00	\$12,000.00	\$12,000.00	\$6,500.00	\$6,500.00	\$12,025.00	\$12,025.00
3	Provide construction safety measures	1	LS	\$5,000.00	\$5,000.00	\$1,823.00	\$1,823.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$9,620.00	\$9,620.00
4	Sawcut, Remove and Dispose AC on Carrie Hills Lane	650	SF	\$25.00	\$16,250.00	\$10.00	\$6,500.00	\$15.00	\$9,750.00	\$11.31	\$7,351.50	\$11.00	\$7,150.00
5	Trenching and Resurfacing in Carrie Hills Lane	1,250	SF	\$54.00	\$67,500.00	\$19.00	\$23,750.00	\$29.00	\$36,250.00	\$22.08	\$27,600.00	\$23.00	\$28,750.00
6	Furnish and Install new 8" DIP Piping in Carrie Hills Lane	260	LF	\$225.00	\$58,500.00	\$302.00	\$78,520.00	\$218.00	\$56,680.00	\$397.13	\$103,253.80	\$205.00	\$53,300.00
7	Furnish all labor, material and equipment to construct 8 by 8" turn wrap	1	EA	\$6,000.00	\$6,000.00	\$9,223.00	\$9,223.00	\$9,800.00	\$9,800.00	\$12,200.00	\$12,200.00	\$10,592.00	\$10,592.00
8	tapping sleeve with 8-inch tapping valve including street resurfacing per LHHCWD Standard Detail 12 and all other appurtenances necessary to install tapping sleeve	1	EA	\$15,000.00	\$15,000.00	\$20,234.00	\$20,234.00	\$8,500.00	\$8,500.00	\$12,450.00	\$12,450.00	\$23,788.00	\$23,788.00
9	Furnish and Install new 6" Fire Hydrant Assembly with Bollards	1	EA	\$14,000.00	\$14,000.00	\$13,626.00	\$13,626.00	\$18,000.00	\$18,000.00	\$32,400.00	\$32,400.00	\$17,323.00	\$17,323.00
10	Compaction testing and asphalt paving density testing	1	LS	\$5,500.00	\$5,500.00	\$4,010.00	\$4,010.00	\$3,600.00	\$3,600.00	\$2,500.00	\$2,500.00	\$8,788.00	\$8,788.00
11	Pressure test and disinfect	1	LS	\$3,500.00	\$3,500.00	\$18,032.00	\$18,032.00	\$4,100.00	\$4,100.00	\$4,150.00	\$4,150.00	\$17,232.00	\$17,232.00
12	Furnish all labor, material, paving and equipment to install the 1-inch service on Dorothea (Paving per Addendum 1)	1	LS	\$20,000.00	\$20,000.00	\$21,465.00	\$21,465.00	\$13,000.00	\$13,000.00	\$19,800.00	\$19,800.00	\$10,529.00	\$10,529.00
Estimated Construction Budget					\$247,820.00		\$209,207.00		\$188,680.00		\$236,685.30		\$243,647.00
10% Contingency					\$24,782.00		\$20,920.70		\$18,868.00		\$23,668.53		\$24,364.70
Total Estimated Construction Budget					\$272,602.00		\$230,127.70		\$207,548.00		\$260,353.83		\$268,011.70

**PROPOSED FISCAL YEAR 2026/2027
SALARY AND BENEFITS**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: MAY 26, 2026
TO: BOARD OF DIRECTORS
FROM: JOE MATTHEWS, SECRETARY/GENERAL MANAGER
SUBJECT: PROPOSED SALARY INCREASE FOR DISTRICT EMPLOYEES

Attached you will find this year's comparable salary survey, actual pay for District employees, and comparable benefits. Over the past year two employees in the field positions have left the District for other agencies. Both cited overtime pay, on call pay, and available time off as factors in their decision.

The benefits survey shows we can address two of these three areas. I believe we can improve this situation by addressing on-call pay and holiday time off. Referring to the survey, our agency ranks last in available holiday time off and two days under the average. To address this, I propose adding two additional days off to align the District with the average holiday time off.

- Option one - add two additional floating holidays allowing each employee to determine when they will take off. This option allows the office to remain open, as no two employees in the same department are allowed to take the same day off.

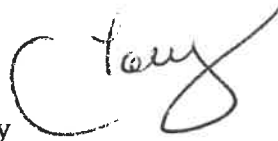
- Option two – add two additional regular holidays and close the office.

The second area I recommend revising is our on-call pay per day. Average on-call pay for the surveyed agencies is \$281 per week (\$40.14 per day) with a 2-hour minimum pay. District staff is paid \$175 per week (\$25 per day) with a 2-hour minimum pay. I propose increasing our per-day on-call pay to \$40 per day with a minimum call time of two hours.

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

To: Joe Matthews
 From: Tammy Wagstaff
 Date: May 13, 2026
 RE: 2026 Salary Survey



Attached is the Comparable Salary Survey which includes agencies considered to be in rivalry for our current employees.

If the number in the last row is negative it indicates the District's current pay maximum should be evaluated for a decrease/no change; a positive number indicates an increase should be evaluated. Annual Consumer Price Index-Wage Earners and Clerical Workers (CPI-W) for Los Angeles area for April 2026 is 3.90%. The 6 month average for November 2025 through April 2026 is 3.37%

In addition, the Board's salary schedule is attached. This schedule reflects the actual wages by position as of June 2026 in the first column. The second column reflects the maximum wage level for the position. Third column adds 3.37% to actual wages representing cost of living adjustment (COLA). The fourth column adds 5.87%; 3.37% COLA plus 2.50% merit to the actual wages. Column five through eight reflect the percentage increase to the maximum wage level as indicated in the heading.

Historical Salary Increases:

	<u>Employee</u>			<u>General Manager(GM)</u>	
	<u>% Increase</u>	<u>Merit</u>	<u>Dollar Limit</u>	<u>% Increase</u>	<u>Bonus</u>
2025/26	3.0%	-0-	\$1,125,000	5.0%	\$4,000
2024/25	3.9%	2.0%	\$1,092,000	NA, hired new GM	
2023/24	5.0%	-0-	\$1,092,000	2.0%	\$6,000
2022/23	6.0%	2.0%	\$1,040,000	8.0%	NA
2021/22	3.0%	3.0%	NA	5.0%	\$5,000
2020/21	2.0%	-0-	\$918,000	2.0%	\$3,000
2019/20	2.7%	3.0%	\$889,960	5.7%	NA
2018/19	5.0%	-0-	\$863,100	5.0%	\$2,000
2017/18	2.5%	1.7%	NA	-0-	\$5,000
2016/17	2.0%	-0-	\$822,000	-0-	\$8,000
2015/16	2.0%	-0-	NA	2.0%	\$5,000
2014/15	3.0%	-0-	\$790,000	3.0%	NA
2013/14	2.0%	-0-	\$801,324	5.0%	NA
2012/13	2.0%	-0-	NA	2.0%	\$5,000
2011/12	2.0%	-0-	no employee gets same increase	3.6%	\$3,000

LA HABRA HEIGHTS COUNTY WATER DISTRICT
COMPARABLE BENEFITS- DENTAL COVERAGE, HOLIDAYS & SAFETY SHOE ALLOWANCE
2026

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AGENCY	ORCHARD DALE WATER DISTRICT MAXIMUM	PICO WATER DISTRICT MAXIMUM	ROWLAND WATER DISTRICT MAXIMUM	SAN GABRIEL COUNTY WATER DISTRICT MAXIMUM	VALLEY COUNTY WATER DISTRICT MAXIMUM	WALNUT VALLEY WATER DISTRICT MAXIMUM	LA HABRA HEIGHTS COUNTY WATER DISTRICT MAXIMUM	AVERAGE
Vacation days by year-General Employee	1-4 yr 10; 5-9 11; 10-14 15; 15-30 20	1 yr 5; 2-4 10; 5-14 15; 15-30 20	1-4 yr 10; 5-14 15; 15-30 20	1-4 yr 10; 5-11 15; 12-16 17; 17-30 20	1-8 yr 15; 9-18 20; 19 21; 20 22; 21 23; 22-30 24	1-5 yr 10; 6-14 15; 15-24 20; 25-30 25	1-4 10; 5-14 15; 15-30 20	240
Vacation days by year-Management Employee	1-4 yr 10; 5-9 11; 10-14 15; 15-30 20	1 yr 5; 2-4 10; 5-14 15; 15-30 20	1-4 yr 10; 5-14 15; 15-30 20	1-4 yr 10; 5-11 15; 12-16 17; 17-30 20	1-8 yr 15; 9-18 20; 19 21; 20 22; 21 23; 22-30 24	1 yr 10; 2 11; 3 12; 4 13; 5 14; 6 15; 7 16; 8 17; 9 18; 10 19; 11-24 20; 25-30 25	1-4 10; 5-14 15; 15-30 20	240
Admin Leave	10 days	-	7-10 days	-	6 days	6 days	5 days	8
Holidays:	11 +2 Floating	10 +2 Floating	13 +0 Floating	13 +1 Floating	14 +0 Floating	10 +3 Floating	9 +2 Floating	13
Paid time off:								14
Sick/Yr; Maximum	12	10	12	25	200	240	10	254
Personal business	5	3	-	-	-	-	-	4
Bereavement Leave Days	Varies	5	5	NA	5	6	3	5
Cash Out:								
Vacation	No	max 40 hours/6 months	Yes	No	Yes	Yes	No	
Sick-annual	Yes	>240 hours	Yes	280, 1/2 pay	No	Yes	Yes	
Sick-termination	Yes	Yes	No	280, 1/2 pay	25%	1/4 of leave	Yes	>400
Sick-retirement	Yes	Convert to service years	Yes	280, 1/2 pay	25%	Yes	Yes	
Sick-death	Yes	NA	No	280, 1/2 pay	25%	Yes	Yes	
On Call Pay	1 hour minimum; \$15 weekday, \$60 weekend	2 hour minimum	2 hour minimum; 2 hours standby	2 hour minimum, 5% all year	\$35/weekday; \$70/weekend; \$80/holiday	2 hour minimum, \$70 Mon-Thurs, \$90 Fri-Sun	2 hour minimum, \$25/day	66% - 2 hour minimum
Uniforms	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%
Certification Pay	None	None	None	Yes	\$200	Cross connection & Backflow \$750	Class A license 3%	
Auto Allowance	None	General Manager \$230.77/mo	General Manager, Operations & Finance Director	None	General Manager \$700; Operations Manager \$500	None	General Manager and Superintendent auto provided	50%

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LA HABRA HEIGHTS COUNTY WATER DISTRICT
COMPARABLE SALARY SURVEY
2026

AGENCY	# OF EMPLOYEES	COST OF LIVING	GENERAL MANAGER		TREASURER		SUPERINTENDENT		UTILITY WORKER III		UTILITY WORKER II		UTILITY WORKER I		MANAGEMENT ASSISTANT/ACCOUNTANT		CUSTOMER SERVICE/ACCOUNTING CLERK	
			MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
Orchard Dale Water District	8	3.1%	11,029	18,750	10,417	11,667	7,752	14,898	5,306	10,245	4,143	7,685	3,744	6,405	5,008	9,166	3,659	5,844
Pico Water District	12	5.0%		16,555			11,554	14,044	9,740	11,839	5,897	7,166	5,105	6,207	9,220	11,206	5,094	6,192
Rowland Water District	28	# 3.4%	25,694	31,231	17,744	21,568	17,744	21,568			7,670	9,322	6,666	8,103			6,559	7,972
San Gabriel County Water District	16	3.0%	17,023	20,692	12,043	14,638	10,845	13,182	7,901	9,604	6,757	8,213	5,306	6,449	6,805	8,272	6,751	8,206
Valley County Water District	31	# 3.0%		23,239	12,592	16,522	12,907	16,935	7,497	9,837	6,465	8,482	5,714	7,497	9,597	12,592	6,465	8,482
Walnut Valley Water District	57	4.0%	23,487		11,617	16,015	11,617	16,015			5,964	8,222	5,272	7,267			5,819	8,021
MAXIMUM AVERAGE		3.6%	22,326		16,082		16,107		10,381		8,182		6,988		10,309		7,453	
La Habra Heights County Water District	10		13,460	17,188	11,372	14,888	10,709	14,016	7,481	9,793	6,263	8,197	5,214	6,826	6,400	8,377	5,500	7,201
Percentage Difference Under average: -Over average				29.9%		8.0%		14.9%		6.0%		-0.2%		2.4%		23.1%		3.5%
Dollar Difference				5138		1194		2091		588		-15		162		1932		252
Increase: -Decrease																		
MAXIMUM AVERAGE EXCLUDING HIGH/LOW			21,542		15,725		15,473		10,041		8,151		6,905		10,186		7,598	
Percentage Difference Under average: -Over average				25.3%		5.6%		10.4%		3%		-0.6%		1.2%		21.6%		5.5%
Dollar Difference				4354		837		1457		248		-47		79		1809		397
Increase: -Decrease																		

* Position is part time, recalculated for full time

Increases are made in January

LA HABRA HEIGHTS COUNTY WATER DISTRICT 2026/2027

Position	June 2026	**Budgeted wage		**Budgeted wage		CPI 2%	CPI 3%	CPI 4%	CPI 5%
	Current Wage	Current Max Wage	3.37% COL increase 7/2026 of Current Wage	3.37% COL increase plus 2.5% merit 7/2026 of Current Wage	increase to Max Wage	increase to Max Wage	increase to Max Wage	increase to Max Wage	increase to Max Wage
General Manager	189,000	206,256	195,369	200,094	210,381	212,444	214,506	216,569	
Treasurer	171,660	178,656	177,445	181,736	182,229	184,016	185,802	187,589	
Management Assistant/Accountant *	100,524	100,524	103,912	106,425	102,534	103,540	104,545	105,550	
Customer Service/Accounting Clerk *	86,412	86,412	89,324	91,484	88,140	89,004	89,868	90,733	
Admin. & General Expenses subtotal	547,596	571,848	566,050	579,739	583,284	589,004	594,721	600,441	
Superintendent	160,548	168,192	165,958	169,972	171,556	173,238	174,920	176,602	
Utility Worker II	86,760	98,364	89,684	91,853	100,331	101,315	102,299	103,282	
Utility Worker II	89,184	98,364	92,189	94,419	100,331	101,315	102,299	103,282	
Utility Worker II	73,248	98,364	75,716	77,547	100,331	101,315	102,299	103,282	
Utility Worker I *	81,912	81,912	84,673	86,720	83,550	84,369	85,188	86,008	
Utility Worker I	62,568	81,912	64,677	66,241	83,550	84,369	85,188	86,008	
Operating Expenses subtotal	554,220	627,108	572,897	586,752	639,649	645,921	652,193	658,464	
TOTAL	1,101,816	1,198,956	1,138,947	1,166,491	1,222,933	1,234,925	1,246,914	1,258,905	

** Budgeted not actual

* These positions are at maximum of current salary schedule

This spreadsheet does not include overtime - budgeted \$66,979 overtime

Budget reflects 40 hours each for General Manager, Treasurer and Superintendent of executive leave contributed to 457 deferred compensation plan

RESOLUTION NO. 26-04

**RESOLUTION OF THE BOARD OF
DIRECTORS OF
LA HABRA HEIGHTS COUNTY WATER
DISTRICT
ADOPTING THE OPERATION AND
MAINTENANCE BUDGET
AND THE APPROPRIATIONS LIMIT FOR
FISCAL YEAR JULY 1, 2026 THROUGH
JUNE 30, 2027**

RESOLUTION NO. 26-04

RESOLUTION OF THE BOARD OF DIRECTORS OF
LA HABRA HEIGHTS COUNTY WATER DISTRICT
ADOPTING THE OPERATION AND MAINTENANCE BUDGET
AND THE APPROPRIATIONS LIMIT FOR
FISCAL YEAR JULY 1, 2026 THROUGH JUNE 30, 2027

THEREFORE, BE IT RESOLVED BY THE BOARD OF
DIRECTORS OF THE LA HABRA HEIGHTS COUNTY WATER DISTRICT as
follows:

1. The Operation and Maintenance Budget for fiscal year July 1, 2026, through June 30, 2027, which is attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby adopted.
2. The Appropriations Limit for fiscal year July 1, 2026, through June 30, 2027, which is included in Exhibit "A", is hereby adopted.

ADOPTED AND APPROVED this 26th day of May 2026.

(SEAL)

Brad Cooke, President
Board of Directors, La Habra
Heights County Water District

ATTEST:

Joe Matthews,
Secretary/General Manager

I, JOE MATTHEWS, Secretary to the Board of Directors of La Habra Heights County Water District, hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the 26th day of May 2026, and was adopted at that meeting by the following vote:

AYES:

NOES:

ABSENT:

Joe Matthews, Secretary
Board of Directors, La Habra
Heights County Water District

EXHIBIT "A"

LA HABRA HEIGHTS COUNTY WATER DISTRICT

2026/2027 BUDGET

GENERAL LEDGER ACCT #	DESCRIPTION	ACTUAL	PROJECTED ACTUAL	BUDGET	FINAL BUDGET	FINAL
		4/30/2026	FISCAL YEAR 2025/2026	FISCAL YEAR 2025/2026	FISCAL YEAR 2026/2027	2026/27 BUDGET HIGHER (LOWER) 2025/26 PROJ ACT
OPERATING REVENUE						
41100	Water Sales-Consumption	2,445,182	3,036,878	3,289,482	3,459,373	422,495
41200	Water Sales-Readiness to Serve	2,299,038	2,758,846	2,733,327	2,911,051	152,205
42300	Administrative & Turn on fee	36,417	43,700	35,854	40,409	(3,291)
49100	Water Rights Lease	-	34,222	34,323	34,323	101
	TOTAL OPERATING REVENUE	4,780,637	5,873,646	6,092,986	6,445,156	571,510
OPERATING EXPENSE						
Source of Supply						
51300	Purchased Water	79,570	88,334	271,633	292,501	204,167
51400	Ground Water Replenishment	851,799	1,052,043	1,103,284	1,149,072	97,029
52300	Power	680,184	834,577	785,495	872,485	37,908
	Total Source of Supply	1,611,553	1,974,953	2,160,412	2,314,058	339,105
Other Operating Expenses						
50000	Labor-Vacation, Sick & Holiday	90,844	112,474	84,398	90,336	(22,138)
52100	Labor-Pumping	50,157	62,099	66,869	69,437	7,338
52200	Maintenance-Pumping	137,657	165,188	66,626	80,204	(84,984)
53200	Maintenance & Labor-Treatment	69,552	83,462	95,582	86,207	2,745
54100	Labor-Trans & Distribution	209,807	259,761	287,603	297,973	38,212
54200	Maint-Trans & Distribution	262,720	311,184	208,926	283,369	(27,815)
62000	Joint Facilities-Wells	91,651	109,981	171,243	144,115	34,134
62100	Joint Facilities-Wells-Power	158,101	191,412	215,968	219,074	27,662
72000	Joint Facilities-LaMirada Conduit	9,890	11,868	9,357	8,719	(3,149)
82000	Joint Facilities-Reservoir	20,714	24,857	27,033	25,657	800
82200	Less: Orchard Date portion	(172,334)	(206,801)	(219,723)	(208,405)	(1,604)
55100;55105	Labor & Maint-Customer Service	195,582	237,356	214,623	237,336	(20)
55110	Labor-Customer Account	5,699	7,056	5,194	6,067	(989)
55200	Uncollectible Accounts	4,067	4,880	3,477	5,027	146
	Total Other Operating Expenses	1,134,107	1,374,779	1,237,176	1,345,116	(29,663)
	TOTAL OPERATING EXPENSES	2,745,660	3,349,732	3,397,588	3,659,174	309,442
ADMINISTRATIVE & GENERAL EXPENSES						
56100;56110	Wages-Mgmt,Office&Sick/Vac/Holiday	450,076	557,237	556,139	589,211	31,974
56200	Office Supplies	22,946	27,535	29,511	29,486	1,951
56201	Auto Service	40,010	48,012	52,399	54,499	6,487
56202	Bank Service Charge	16,895	20,274	11,052	20,882	608
56203	Dues & Subscription	29,820	35,784	43,107	36,858	1,074
56204	Building Service	23,010	27,612	22,609	24,992	(2,620)
56205	Office Equipment Maint	82,179	98,615	37,112	101,573	2,958
56206	Professional	91,412	109,694	126,760	119,270	9,576
56207	Education & Meetings	15,968	19,162	17,894	19,736	574
56208	Legal	31,670	38,004	61,712	60,357	22,353
56209	Utilities	97,509	117,011	109,604	120,521	3,510
56220	Engineering	106,797	116,296	66,949	96,816	(19,480)
56300	Insurance-Auto, Liability, Property & Bond	128,361	154,033	154,417	154,417	384
56310	Insurance-Group Health & Life	192,338	230,806	229,403	247,050	16,244
56400	Employee Workers Compensation	22,495	26,994	30,356	27,622	628
56410	Dental	7,769	9,323	12,754	12,152	2,829
56420	Retirement-CalPERS	129,115	159,857	164,700	174,143	14,286
56421	Retirement-Deferred Compensation	18,315	22,676	22,828	23,971	1,295
56422	Retirement-CalPERS-Unfunded Accrued Liab.	136,346	136,346	139,783	155,766	19,420
57210	Payroll Taxes	80,235	96,282	93,245	97,268	986
56700	Maint-General Plant	102,522	123,026	99,127	126,717	3,691
57100	Capital Improvement	1,557,037	1,868,444	1,874,006	1,899,506	31,062
57200	Property Taxes	4,903	5,884	5,630	6,060	176
	TOTAL ADMINISTRATIVE & GENERAL EXP	3,387,728	4,048,907	3,961,097	4,198,873	149,967
	NET OPERATING INCOME (LOSS)	(1,352,751)	(1,524,992)	(1,265,700)	(1,412,892)	112,101
NON-OPERATING REVENUE						
49200	Interest Income	311,303	373,564	268,765	292,531	(81,033)
49300	Property Tax Income	914,358	1,097,230	1,036,498	1,044,804	(52,426)
49700	Rent Income	5,107	6,128	5,414	5,606	(522)
49750	Lease Income	101,550	121,860	121,860	121,860	-

LA HABRA HEIGHTS COUNTY WATER DISTRICT
2026/2027 BUDGET

GENERAL LEDGER ACCT #	DESCRIPTION	ACTUAL 4/30/2026	PROJECTED ACTUAL FISCAL YEAR 2025/2026	BUDGET FISCAL YEAR 2025/2026	FINAL BUDGET FISCAL YEAR 2026/2027	FINAL 2026/27 BUDGET HIGHER (LOWER) 2025/26 PROJ ACT
49800	Oil Royalties	7,747	9,296	12,133	11,790	2,494
49810	Miscellaneous Income	692,015	694,385	1,989	1,989	(692,396)
49900	Gain (Loss)on asset	(6,700)	(6,700)	-	-	6,700
	TOTAL NON-OPERATING REVENUE	2,025,380	2,295,763	1,446,659	1,478,580	(817,183)
	NON-OPERATING EXPENSE					
59400	Director's Fees	5,500	6,600	9,900	9,900	3,300
59900	Director's Expenses	206	247	4,481	4,481	4,234
59910	Election Expense	-	-	13,633	13,633	13,633
	TOTAL NON-OPERATING EXPENSE	5,706	6,847	28,014	28,014	21,167
	NET NON-OPERATING REVENUE(EXP)	2,019,674	2,288,916	1,418,645	1,450,566	(838,350)
	NET INCREASE (DECREASE) IN NET ASSETS	666,923	763,923	152,945	37,674	(726,249)

SUMMARY OF BUDGET

REVENUE	\$ 8,169,409	\$ 7,539,645	\$ 7,923,736
EXPENSE	\$ 7,405,486	\$ 7,386,700	\$ 7,886,062
NET INCREASE (DECREASE) IN NET ASSETS	\$ 763,923	\$ 152,945	\$ 37,674
	(0)	(0)	0

CAPITAL IMPROVEMENT PLAN

	NET INC (DEC) NET ASSETS LESS CIP INTEREST INCOME		645,392	(136,986)
49650	SYSTEM BUY IN FEES		-	12,055
	INTEREST INCOME		118,531	174,660
	CAPITAL IMPROVEMENT		312,334	1,899,506
	Pipeline	5,944,000	-	-
	Vehicles*	715,000		
	Reservoir Snooks	247,000		
	Well 12	3,740,000		
	Electrical Improvement-Plant 5	320,000		320,000
	PFOS Treatment Plant	4,080,000		2,040,000
	Shop Upgrade*	100,000		100,000
	Fire Hydrant upgrades*	100,000		100,000
	Automatic backup power-Office*	40,000		40,000
	Gualtieri (La Mirada) Reservoir recoat	1,294,442		647,221
	Add pump capacity Plant 1	1,125,000		1,125,000
	Office building new carpet	25,000		25,000
	Reservoir 2 recoat	855,000		
	Reservoir 5A recoat	702,000		
	Greenview PRV & pipeline	611,000		
	Generators-Wells,La Mirada Pit, Plant 1	450,000		
	Install PRV various locations	339,000		
	Vigil Reservoir recoat	739,000		
	Lyon Reservoir recoat	728,000		
	Plant 5 & 6 generator	375,000		
	New well	3,750,000		
	Master Plan*	163,647		
	Water Rate Study*	150,000		
	TOTAL CAPITAL IMPROVEMENTS	26,593,089		4,397,221
	BEGINNING CASH AVAILABLE EXCLUDING PFOS FUNDS		8,674,766	9,751,024
	ENDING CASH AVAILABLE		9,751,024	7,303,039
	6 months operating expense		3,679,343	3,929,024
	*not in Water Master Plan update			
			7,630,373	8,527,031
			2025/2026	2026/2027

The District's 2026/2027 operational budget is not in excess of the Gann Appropriations Limitation, Prop. 4-1979 creating State Constitution Article XIII B, as calculated by staff using factors from 2026/2027

Appropriation Limit	1,217,386
Appropriations Subject to Limit, reduced by construction costs	-8,871,707
Remaining Appropriations Capacity	10,089,093

**REVISIONS TO
PROCUREMENT POLICY**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: MAY 26, 2026

TO: BOARD OF DIRECTORS

FROM: JOE MATTHEWS, SECRETARY/GENERAL MANAGER

SUBJECT: REVISION OF PROCUREMENT POLICY AWARD LIMITS

I was asked to place the District Procurement Policy on the agenda for Board consideration of increasing the General Manager's dollar amount limits.

I have included a Summary of the Procurement Policy and the entire Procurement Policy for review. Additionally, the District's Procurement Policy limits sole source approval by the General Manager to \$15,000.

RESOLUTION NO. 19-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
LA HABRA HEIGHTS COUNTY WATER DISTRICT
ADOPTING AN AMENDED PROCUREMENT POLICY**

A. Recitals

i) California law requires all local agencies to formally adopt policies and procedures governing the acquisition of materials, supplies, equipment and services as referenced below. Government Code section 54202 states that “[e]very local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency. Purchases of supplies and equipment by the local agency shall be in accordance with said duly adopted policies and in accordance with all provisions of law governing same. No policy, procedure, or regulation shall be adopted which is inconsistent or in conflict with statute”.

ii) The Board of Directors of the La Habra Heights County Water District (“District”) adopted a procurement policy by Resolution No. 14-03 on May 27, 2014. That resolution was repealed by the adoption of Resolution 17-05 on October 10, 2017.

iii) The Board of Directors wishes to amend and clarify the written procurement policy pertaining to the solicitation and purchase of goods and services.

iv) This resolution repeals and replaces Resolution 17-05.

B. Resolution

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
LA HABRA HEIGHTS COUNTY WATER DISTRICT as follows:**

The District hereby revises and adopts its procurement policy to read in full as follows:

I. PURCHASING OF GOODS AND SERVICES

- A. Except as provided for elsewhere within this Resolution, the District shall purchase or enter into agreements through a competitive bid process. Purchases and agreements shall be made at the lowest possible cost commensurate with acceptable quality.
- B. The procurement of goods and services may be made by authorized staff as outlined below:
1. Single Items up to \$5,000: No quote and no purchase order necessary.
 2. Single Items from \$5,000 up to and including \$15,000: Require at least one price quote and purchase order with the approval of the General Manager. If the General Manager is unavailable, the Treasurer may approve the purchase. If the General Manager and the Treasurer are unavailable, the Superintendent may approve the purchase.
 3. Single Items over \$15,000 up to and including \$50,000: Require informal solicitation with at least three competitive bids and approved purchase order by the General Manager. If the General Manager is unavailable, the Treasurer may approve the purchase.
 4. Single Items over \$50,000: Require formal solicitation process and Board approval prior to execution of contract by the General Manager.
 5. All contracts for services require Certificates of Insurance as specified in District's contract. Services over \$1,000 require an approved contract.
- C. Except as set forth elsewhere in this resolution, competitive bids shall be obtained by the District in writing or by electronic format through individual quotes or from the product catalog.

- D. Splitting or separating of agreements for and/or the provision of goods or services to avoid required bidding process is prohibited.

II. FORMAL SOLICITATION

- A. The formal solicitation process requires an advertised written Request for Proposal (“RFP”) covering the following (as applicable):
 - 1. Scope of work on construction projects.
 - 2. A list of basic questions regarding each firm (including but not necessarily limited to address, number of personnel, qualifications, and experience).
 - 3. An explanation of the District’s insurance requirements.
 - 4. A model contract that the bidder will be required to execute, if selected.
- B. All proposals submitted in response to a formal solicitation process will be reviewed by District staff.
- C. The General Manager may approve amendments or change orders that do not exceed the original contract amount by more than \$50,000 or 10% of the original contract amount, whichever is less. Change orders in excess of these amounts or reflecting a change in the scope or the nature of the project shall be submitted to the Board for approval.

III. GENERAL EXCEPTIONS TO COMPETITIVE BID REQUIREMENTS

Purchases exempt from the competitive bid process include:

- A. Sole brand - when a given brand or product specifically meets the form, fit, and function of the required procurement

B. Standardization of certain parts, designs, or features

C. Asphalt

D. Water meters

Purchases or services over \$50,000 will be reported to the Board of Directors at the next regularly scheduled Board meeting for critical repairs and acquisitions that are unplanned and unexpected purchases, that are essential to the continued operation of District facilities.

**IV. SPECIFIC EXCEPTIONS TO COMPETITIVE BID REQUIREMENTS:
SOLE SOURCE PROCUREMENTS**

A. Regardless of the estimated cost of the procurement, the General Manager is not required to obtain bids, either formal or informal, when procuring materials, supplies, equipment or services for which there exists only one suitable, in the General Manager's discretion, source of supply. For sole source procurements, the General Manager need only solicit a quote, bid or proposal from one source.

B. The General Manager may proceed with a sole source procurement when the requirements for the items or services to be procured are so unusual or distinct as to narrow the possible sources down to one, for example, with the procurement of replacement parts for brand name equipment or machinery, or with a contract amendment or change order that is not within the scope of the original contract. The General Manager may also proceed with a sole source of procurement if, after solicitation from a number of sources, competition is determined to be inadequate.

- C. Where the estimated cost of any sole source procurement for professional services, materials or supplies and construction does not exceed \$15,000, the General Manager may award the contract
- D. Where the estimated cost of a sole source procurement for professional services, materials or supplies and construction exceeds \$15,000 per year, the General Manager shall submit the contract to the Board of Directors to award contract.
- E. For all sole source procurements, the General Manager shall document the basis for proceeding with the sole source procurement.

**V. SPECIFIC EXCEPTIONS TO COMPETITIVE BID REQUIREMENTS:
WAIVERS**

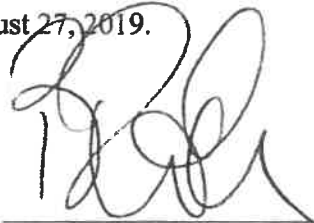
- A. Board Waiver: The Board of Directors may waive any or all the requirements within this resolution when the Board determines it is in the best interest of the District.
- B. General Manager Waiver for Emergencies: For contracts that would otherwise have required Board approval, the General Manager may waive any or all the procedural requirements set forth in this policy without prior Board approval in an "emergency." An "emergency" includes, but is not limited to:
 - 1. Breakdown of essential District services, and
 - 2. Field conditions that indicate an immediate threat to the public or employee safety or other significant impact to District facilities.

The General Manager shall advise the President of the Board or other Director, as soon as practicable, of any emergency. The General Manager must provide a full report of the action taken due to an emergency to the Board of Directors at the next regular, special, or emergency board meeting.

VI. CONTRACT TIME EXTENSIONS

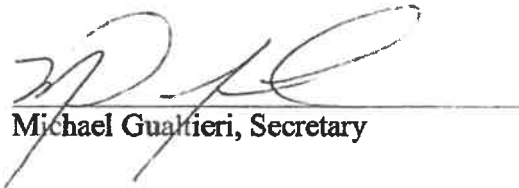
The General Manager, or his/her designee, may extend the term of a District agreement so long as the contract has not expired and there are no other material changes to the agreement, including but not necessarily limited to scope of work, consideration, method of payment, insurance, and indemnity requirements. This provision applies to time extensions only of unexpired contracts.

PASSED, APPROVED AND ADOPTED on August 27, 2019.



Bradley Cooke, President
Board of Directors, La Habra
Heights County Water District

ATTEST:



Michael Gualtieri, Secretary

[Seal]

LA HABRA HEIGHTS COUNTY WATER DISTRICT
SUMMARY OF PROCUREMENT POLICY FOR GOODS AND SERVICES
RESOLUTION 19-05, ADOPTED 08/27/19

\$ LIMITATIONS	UP TO \$5,000		\$5,000 TO \$15,000		\$15,000 TO \$50,000		OVER \$50,000
	Goods	Service	Goods	Service	Goods	Service	Goods & Service
Purchase Order Required	NO		YES		YES		NO
Quote	NA		1		3 - INFORMAL		FORMAL
Approval	GENERAL MANAGER OR TREASURER/ SUPERINTENDENT		GENERAL MANAGER OR TREASURER/ SUPERINTENDENT		GENERAL MANAGER OR TREASURER/ SUPERINTENDENT		BOARD
Contract	NO	YES, IF OVER \$1,000	NO	YES	NO	YES	YES, GENERAL MANAGER
Certificate of Insurance	NO	YES	NO	YES	NO	YES	YES, SERVICE ONLY
Change order	GENERAL MANAGER *		GENERAL MANAGER *		GENERAL MANAGER *		GENERAL MANAGER *

Other Information:

* Not exceeding \$50,000 or 10% of original contract amount, whichever is less, otherwise must be approved by Board
 Any purchases over \$50,000 will be reported to Board of Directors that are Critical repairs and acquisitions.

Exception to Competitive Bid Requirements:

General Exceptions: Sole brand, Standardized items, Asphalt, Water Meters, Critical repairs and acquisitions

Sole Source: Under \$15,000 General Manager may award; over \$15,000 Board must award

Waiver: Board waiver as determined; General Manager waiver for emergencies (essential services and immediate threat)-notifi Board

THIS IS A SUMMARY OF THE PROCUREMENT POLICY, REFER TO PROCUREMENT POLICY TO SPECIFICALLY IDENTIFY CATEGORIES

REVISING DISTRICT'S RATES, RULES & REGULATIONS

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: MAY 26, 2026
TO: BOARD OF DIRECTORS
FROM: JOE MATTHEWS, SECRETARY/GENERAL MANAGER
SUBJECT: REVISION OF THE DISTRICT'S RATES, RULES, AND REGULATIONS

I was asked to place the District's Rates, Rules, and Regulations Section 45-Claims Procedures on the agenda for Board consideration of increasing the General Manager's dollar amount limit for claims approvals.

The District's Rates, Rules, and Regulations Section 45-Claims Procedures states, "The General Manager may allow compromise or settle a claim against the District if the amount to be paid pursuant to such allowance, compromise or settlement does not exceed \$10,000. The General Manager shall advise the Board when there has been allowance, settlement or compromise on such claim".

In addition, I would like the Board to consider changing Section 39-Returned Checks to "Returned Payment Charge" for all forms of payments received from customers. The current policy only references paid by check.

I have included Section 39-Returned Checks and Section 45-Claims Procedures for review.

Section 39 - Returned Payment Charge Checks

Whenever a bill or charge is paid by a check, credit card, or other form of payment that is not honored by a bank or credit card company and returned to the District for any reason customer will be notified.

If water service was subject to termination customer will be required to redeem the returned check, credit card or other form of payment in three (3) days with cash, money order or a cashier's check.

If water service was not subject to termination the customer has until due date to redeem the check, credit card, or other form of payment returned to District to avoid late fees.

Additionally, a returned payment ~~check~~-charge will be added to the amount to be paid as provided elsewhere herein. Any late fees that were averted by the customer presenting a returned check, credit card, or other form of payment ~~by the bank~~ may be charged to the customer.

If a customer has two returned ~~checks~~ payments within a twelve-month period, it will be required that payments be made in cash, money order or cashier's check during the 12 months following the last returned check.

Section 45 – Claims Procedures

This section applies to claims filed against District for money or damages otherwise exempted by Government Code Section 905 and which are not governed by other statutes or regulations. A claim not covered by Government Claims Act as set forth in the Government Code shall be presented in accordance with this section. A claim, or amendment thereto, shall be presented to the District by delivering it to the District's offices.

A claim presented pursuant to this section shall be presented by the claimant or by a person acting on his behalf and shall show:

- (a) The name and mailing address of the claimant;
- (b) The mailing address to which the person presenting the claim desires notice to be sent;
- (c) The date, place and other circumstances of the occurrence or transaction which gave rise to the claim asserted;
- (d) The general description of the indebtedness, obligation, injury, damage or loss incurred so far as may be known at the time of presentation of the claim;
- (e) The name or names of the public employee or employees causing the injury, damage or loss if known;
- (f) The amount claimed as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss insofar as it may be known at the time of presentation of the claim, together with the basis of computation of the amount claimed; and

(g) The signature of the claimant or some person on his behalf.

A claim filed pursuant to this section relating to a cause of action for death or for injury to person or to personal property or growing crop shall be presented not later than six months after accrual of cause of action. A claim relating to any other cause of action shall be presented not later than one year after the accrual of the cause of action.

An application may be made to the District for leave to present a late claim when a claim required to be presented within a period of less than six months after the accrual of the cause of action is not presented within the required time.

Government Code Section 911.4(b) and Section 911.6 through 912.2 inclusive, and Sections 946.4 and 946.6 shall govern the application. The time specified in this section shall be the time specified in Government Code Section 911.2 within the meaning of Sections 911.6 and 946.6.

The Board shall act on the claim or application to file late claim within 45 days after the claim or application has been presented to the District. Written notice of action taken pursuant to this section rejecting an application or a claim in whole or in part shall be given to the person who presented the claim.

No suit for money or damages may be brought against the District on a cause of action for which a claim is required until the written claim therefore has been presented to the District and has been acted upon by the Board. No suit may be brought against the District on any cause of action for which a claim is required unless such suit is commenced within six months after the date the claim is acted upon by the Board or is deemed to have been rejected by the Board.

The General Manager may allow compromise or settle a claim against the District if the amount to be paid pursuant to such allowance, compromise or settlement does not exceed \$10,000. The General Manager shall advise the Board when there has been allowance, settlement or compromise on such claim.

The provisions of Code of Civil Procedure Section 1094.6 shall be applicable to the judicial review of the decisions of the Board of Directors.

The General Manager may commence actions within the jurisdiction of the small claims court to recover damages to District property. The General Manager may defend small claims court actions on behalf the District.

GENERAL MANAGER'S SALARY

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: MAY 26, 2026
TO: BOARD OF DIRECTORS
FROM: JOE MATTHEWS, SECRETARY/ GENERAL MANAGER
SUBJECT: RECAP OF FISCAL YEAR 2025/2026, PROJECTS AND GOALS FOR FISCAL YEAR 2026/2027

Recap of fiscal year 2025/2026

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

The initial Environmental Protection Agency (EPA) compliance date for MCL's for PFOA and PFOS, set by the EPA at 4.0 Parts per Trillion (ppt), is in the process of being rolled back to April 2031, giving the District two more years to comply with some additional requirements. Additional MCL's for four more PFAS's – GenX, PFBS, PFNA, and PFHxS, are planned to be removed and will be reconsidered by the EPA in the future.

Water Replenishment District (WRD) was disqualified as the lead agency in a Federal Appropriation Grant from the EPA. We re-submitted the grant application in March and received EPA approval for the grant in April. The grant applies to purchase of equipment, and we can apply for reimbursement once the equipment is delivered to our site.

Projects and Activities

We initiated projects this year with the objectives of enhancing security and promoting efficiency were possible as part of long-term IT planning. While doing so, we began moving to a digital environment to increase data collection and storage and transitioning physical document retention to a digital environment where possible. Projects with these objectives are highlighted below.

1) An agreement with Nobel Systems was made to provide digital Geographic Information Systems (GIS) mapping services. The service included scanning and archiving the District's old mapping system and as-builts while providing a new digital platform for mapping, Dig Alert marking, and an asset management function used for maintenance planning and records for valves, fire hydrants, leak reporting, and our backflow prevention device testing program. A third-party Global Positioning System (GPS) locating device and software that works with this platform were purchased and we have begun collecting GPS coordinates of assets. This platform also can expand to needs in the future, such as transitioning to digital service orders and work orders to increase efficiency. This purchase also improves our response to fire hydrant maintenance concerns the Board raised in January of 2025.

2) Began using a digital time keeping platform customized for the District for data storage of all time keeping records. Reporting from this platform helps track the time needed for workload completion and allows for better planning and evaluation of our time usage.

3) Completed EPA and CISA cybersecurity assessments of our IT and SCADA OT systems that started in fiscal year 2024/2025, and we now receive weekly CISA cyber hygiene reports at no cost to the District. This was done in preparation for required cybersecurity

assessments updates to comply with the American Water Infrastructure Act. These EPA and CISA assessments provided us with action plans to address any vulnerabilities that may have been found.

4) Windows 10 became obsolete and made us assess cyber security needs of our SCADA operating system. After planning with consultants, we entered into an agreement with our IT vendor to replace our SCADA computer and provide all our Windows operating system, security and updates, and another agreement with our SCADA vendor to install upgraded SCADA software. Both agreements address all known security vulnerabilities and increase the security strength of our SCADA operating system, which are part of the EPA and CISA assessment action plans.

5) We initiated an IT infrastructure improvement that was originally part of our longer-term cyber security plans after we were awarded an unplanned cyber security improvement grant in fiscal year 2024/2025. The grant award amount was \$216,349.00 which fully paid for the purchase and installation of on-site servers and system security hardening. This improvement allows for continued business continuity in the event of internet outages and allows for rapid change over to our cloud-based server in the event of system failure of any reason. The project also provides other enhancements to reinforce our security posture. Many of these changes also improved our SCADA security posture and reduced the required funding needed for the remainder of the ongoing SCADA system improvements previously mentioned. We are on schedule to complete the project this fiscal year.

6) The above grant project did not cover the expense of physical security improvements that our EPA and CISA assessments found we needed. Office improvements were moved up from our longer-term plans for continuity with this project. This included enclosing our new server room behind a wall and fire rated door, replacing the water line serving our shop drinking water and ice maker, and re-painting the office interior, and portions of the exterior. The office is scheduled to have new carpet installed before the close of fiscal year 2025/2026. We have included the purchase and installation of an automatic emergency generator to power the server room and its air conditioning in fiscal year 2026/2027 budget.

7) Our IT vendor suffered a security breach in mid-April that affected its remote support platform. The District was instrumental in reporting the incident to our IT vendor, validating what they had already found through its platform. Once the incident was contained, our vendor contacted Cal OES's California Cybersecurity Integration Center (CSIC), the federal government's Cybersecurity and Infrastructure Security Agency (CISA), the Water Emergency Response Organization of Orange County (WEROC) and the Federal Bureau of Investigations (FBI) to assist with investigating and mitigating any problems. These agencies all confirmed our IT vendor's advanced planning and design prevented any losses. The District's long-term cyber security planning and training was based on the possibility of such an event, and our current IT infrastructure improvement project is on track to meet or exceed recommendations made by the multiple agencies involved in the investigation.

8) We completed required revisions of our Local Hazard Mitigation Plan and submitted it to Cal OES for approval. We continued our scheduled revision of American Water Infrastructure Act and Emergency Response Plan documents and are on track to complete them this fiscal year, per federal requirements.

9) We expanded our use of Verizon's vehicle GPS monitoring platform to include asset management for emergency generators and other District equipment. State required inspections of emergency generator usage and equipment inspections are now done and stored digitally. California required Class A equipment inspections are also done with this platform.

10) We have progressed in converting all physically stored documents to digital storage per their required retention rules and are on schedule to fully abandon the file retention storage trailer this calendar year. Files we must physically keep will be moved inside after replacing office carpeting.

11) We replaced obsolete water meter reading machines and software with a platform using smart phones, saving the District over \$11,000.00 in hardware costs.

Rainfall and Drought

The year's rainfall is 18.06 inches from October 1, 2025, through April 30, 2026. Last year's total rainfall was 6.04 inches; the rainy season starts October 1 and ends September 30. Attached please find from Department of Water Resources (DWR) Statewide Summary of Snow Water Content map dated May 20, 2026, and water levels at State Reservoirs Current Conditions graph generated May 20, 2026. Also, DWR's press release about State Water Project Increased Allocation Dated May 16, 2026.

Water Production

Our water production from July 2025 through April 2026 is:

Groundwater 1,876.21 AF
import water 28.80 AF
total 1,905.01 AF

2024/2025 water production was:

Groundwater 2,512.68 AF
import water 20.95 AF
total 2,533.63 AF

Recap of routine maintenance activities in the water system

Performed maintenance of 253 fire hydrants

Cleared dirt from around a fire hydrant at 1950 Cypress Street

Relocated a fire hydrant on Fullerton Road due to multiple leaks and possible slope creep

Two fire hydrants were replaced

A wood or block retaining wall was installed to prevent dirt from burying Two fire hydrants them

Operated 254 system valves

Performed electrical preventative maintenance on all high voltage equipment

Test ran emergency generators at all plants

Performed preventative maintenance on emergency generators

Performed diesel fuel and tank cleaning on all emergency generators

Performed production meter testing on all well and water plant meters

Performed annual testing on all compound meters in the system, including oil company, golf course, and Habitat meters

Performed maintenance of all Cla-Val's in this year's schedule. Cla-Val's are maintained every three years, per manufacturer recommendations, and annually at our wells and plant 1.

Our field crew was 20% understaffed from December 2025 through February 2026, and again presently since April 2026.

Recap of Mainline and Service Repairs, Meter Exchanges, and Shutdowns (May 2025 – May 2026)

13 - mainline leak repairs

32 - service leak repairs

103 - meter exchanges

20 - mainline shutdowns

5 - planned mainline shutdowns

15 - emergency mainline shutdowns

300 - mainline and fire hydrant valves turned

Monthly, Quarterly, and Yearly Maintenance Programs

Emergency generator monthly testing & preventative maintenance and emergency generator annual testing of connecting and running power to all plants, wells, and office

Diesel fuel testing and cleaning and fuel tank polishing and sediment removal

Tank inspections

Blowing off dead end lines

15-year-old meter exchanges

Testing compound and production meters

Cla-Val automatic valve maintenance

Water sample station maintenance

Booster pump motor and panel electrical preventative maintenance

Hazard Inspections at all District facilities

Electrical systems maintenance

Major Activities Recap by Month

May 2025

Exchanged 19 water meters

Collected first round of EPA required water samples from our system

Performed an emergency training exercise addressing SCADA system failure or compromise including running the water system manually

Repaired three service leaks

Replaced 2" air vent at 855 Reposado Drive (emergency shutdown required)

Repaired 4" main leak at 1847 Descanso Drive (planned shutdown required)

Repaired 4" main leak at 1870 Kashlan Road (emergency shutdown required)

Maintained 37 hydrants

Exercised 53 mainline valves

June 2025

Repaired six service leaks

Replaced three water services (2- planned shutdown required, 1-emergency shutdown required))

Exchanged two water meters

Relocated water service and meter on Lupin Hill Road

Replaced fire hydrant on Encanada Drive

Field staff attended safety training of lock out/tag out process for electrical and water

Maintained 38 hydrants

Exercised 43 mainline valves

July 2025

Exchanged 15 water meters

Repaired five service leaks (two-emergency shutdowns required)

Rehabbed pump and motor of pump 2 at Plant 1

Built a wood retaining wall for a fire hydrant on Dorothea Road

Repaired 8" main leak at 1950 Tumin Road

Repaired 8" main leak at 1508 Coban Road

Repaired 2" main leak at 1052 Dorothea Road

Replaced fire hydrant on White Hill Drive

Maintained six hydrants

Exercised 12 mainline valves

August 2025

Abandoned three-inch steel water main and installed 2 copper services at 2085 & 2111 El Cajonita Drive (planned shutdown required)

Repaired 4" main leak at 2151 West Road (emergency shutdown required)

Repaired 4" main leak at 1672 El Travesia Drive

Exchanged 10 water meters

Maintained 29 hydrants

Exercised 30 mainline valves

Collected second (last) round of EPA required water samples in our system

Trained field crew to perform California required cross connection control hazard inspections

September 2025

Repaired three service leaks, replacing one of the services

Relocated service at 1650 El Travesia Drive

Exchanged 13 water meters

Maintained 20 hydrants

Exercised 21 mainline valves

Trained staff in annual workplace violence prevention

October 2025

Repaired two service leaks

Exchanged seven water meters

Installed new water service at 1429 La Riata Drive

Replaced service at 1654 El Travesia Drive that was determined bad in September during service relocation of neighbor's service (planned shutdown required)

Field staff attended annual asbestos pipe safety and trench excavation and shoring training

Maintained 24 hydrants

Exercised 22 mainline valves

November 2025

Repaired two service leaks (1 emergency shutdown required)

Field staff attended traffic control and flagger training

Rebuilt motor for pump 2 at Plant 2

Maintained 28 hydrants

Exercised 12 mainline valves

December 2025

Repaired two service leaks (one emergency shutdown required)

Exchanged seven water meters

Relocated hydrant at 2261 Fullerton Road

Maintained 11 hydrants

Exercised 14 valves

January 2026

Repaired one service leak

Exchanged three water meters

Rehabbed pump 3 and motor at Plant 2

Well 10 motor was removed for rewinding after failure

Repaired 18 water main leak at 1760 West Road (emergency shutdown required)

Exercised 18 mainline valves

February 2026

Repaired three service leaks

Repaired 16" main leak at 1886 Nueva Vista Drive (emergency shutdown required)

Repaired 6" main leak at 530 Vista Del Llano Drive

Repaired 2" air vent on El Terraza Drive (emergency shutdown required)

Chlorinated and flushed Well 8 due to a positive bacteria sample

Well 10 motor was installed and diagnosed with electrical problems that caused motor failure

Exchanged 17 water meters

Maintained 14 hydrants

Exercised 20 mainline valves

March 2026

Repaired three service leaks

Reservoir 10A warranty work was completed

Well 10 electrical problems repaired

Repaired 4" main leak at 1307 Rincon Drive (planned shutdown required)

New servers installed in office

Office interior and partial exterior were painted

Exchanged six water meters

Maintained 28 hydrants

Exercised 25 mainline valves

April 2026

Repaired one service leak (emergency shutdown required)

Repaired 2" main leak at 1982 Chandos Lane

Replaced leaking air vent line at 718 East Road (emergency shutdown required)

Entered and inspected all utility vaults on Norwalk Blvd. for future road work by L.A. County

Staff received CPR & AED training

Exchanged two water meters

Maintained 16 hydrants

Exercised 24 mainline valves

May 2026

Repaired one service leak (emergency shutdown required)

Repaired 6" main leak at 2151 Las Palomas Drive caused by utility pole replacement (emergency shutdown required)

Completed first successful vendor testing of advanced metering infrastructure (AMI) signals to office

Dug out Well 8 pit to improve drainage

Exchanged seven meters

Maintained two hydrants

Exercised six mainline valves

My Commitments:

SCWUA – Assisting as needed

Director for Central Basin Water Association

Member of Central Basin Small Water Producers Association

Volunteered for AWWA Small Water Utility Committee

Projects & Goals Completed and/or Started Fiscal Year (FY) 2025/2026

American Water Infrastructure Act revisions – **ongoing and on schedule for completion by June 1, 2026**

Hazard Mitigation Plan revisions – **completed and submitted to Cal OES for 1st round review process**

Emergency Response Plan revisions – **ongoing and on schedule for completion by end of calendar year, per federal requirements**

Cybersecurity enhancements through Cal OES grant – **on schedule for completion by June 30, 2026**

SCADA system EPA cybersecurity assessment – **completed**

SCADA system CISA cyber security assessment – **completed**

Complete revision of our fire hydrant operation & maintenance program, including upgrades to select fire hydrants along Hacienda Rd – **This program has been revised but fire hydrants on Hacienda Road have not been addressed. One other fire hydrant was relocated, two were replaced, and two walls were built to prevent dirt from building up around them.**

Replace obsolete mapping of the District's water system - completed

Use our completed EPA and CISA SCADA cybersecurity assessment to prepare a cybersecurity masterplan for needed improvements for the District's IT and SCADA system – **Assessment completed and recommended mitigation work was accelerated and is now on schedule for completion with IT cybersecurity enhancements. Cybersecurity masterplan in progress in coordination with AWAI assessment requirements**

Complete implementation of the District's revised cross connection control plan per legislative requirements - **completed**

Goals and Projects for Fiscal Year 2026/2027

Complete cybersecurity master plan and cyber incident response plan

Complete District AI policy

Initiate public communications improvements including automated and mass communications platforms

Complete initial maintenance of remaining fire hydrants in system and plan for upgrades at some locations

Complete data collection for AMI metering and testing of AMI meters/platforms

Complete document storage trailer removal and revise document retention policy

Install concrete behind shop to mitigate sliding towards the creek and build walls around shop to increase storage capacity

Purchase and install made-to-order parts to reinforce portion of 18-inch asbestos pipe at 1760 West Road

Collect GPS coordinates of all water meters in system and for our Nobel GIS platform

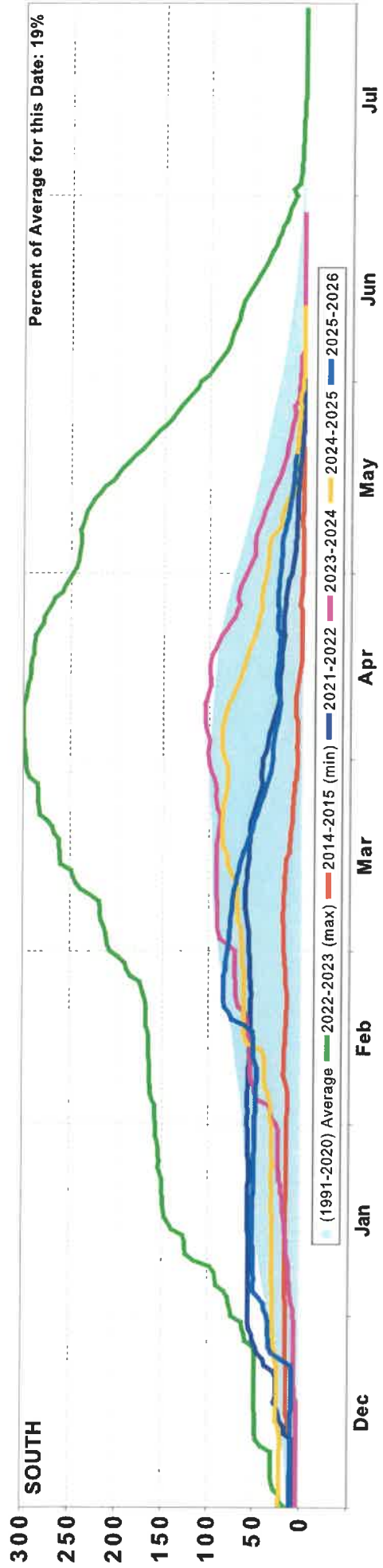
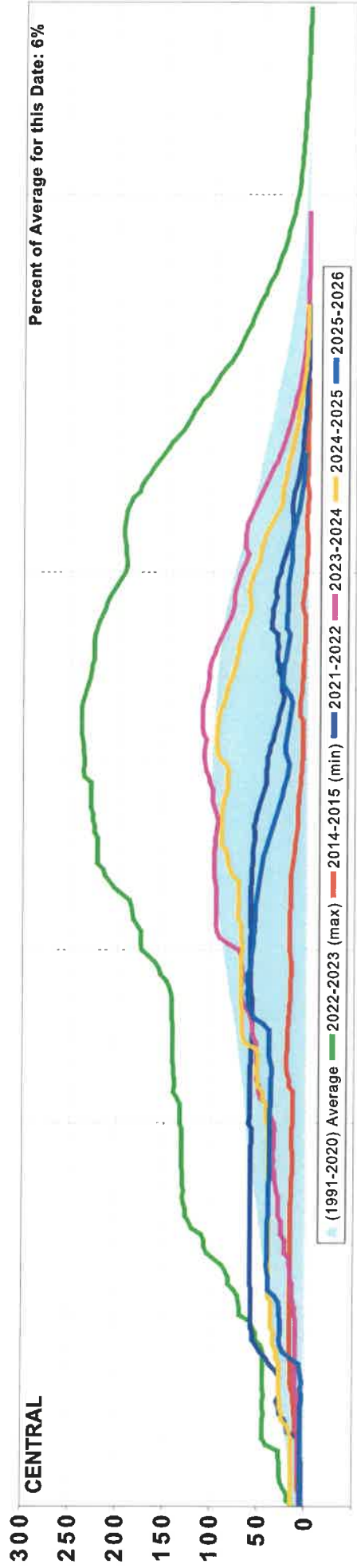
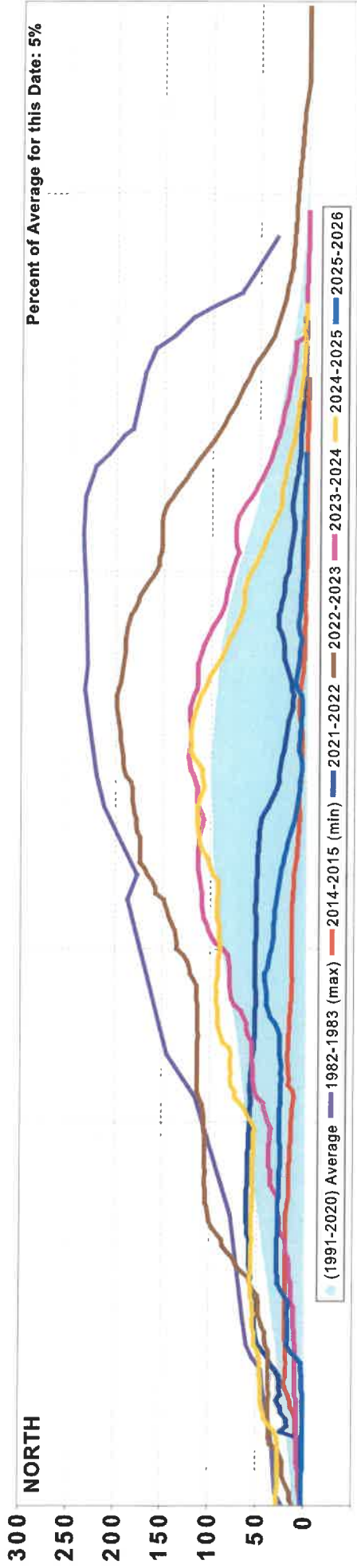
Purchase PFAS treatment equipment

Install soft starters and improved emergency generator transfer switch at Plant 5 to prolong booster motors life expectancy

Install emergency generator and automatic transfer switch at office

Complete any maintenance and repair work that may be suggested by Civiltec at Plant 1 and Gualtieri Reservoir

California Snow Water Content, May 20, 2026, Percent of April 1 Average



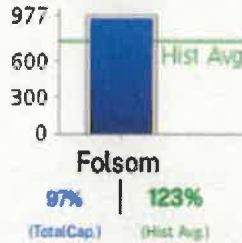
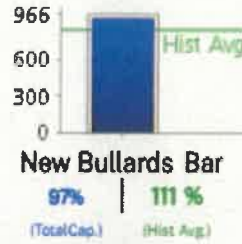
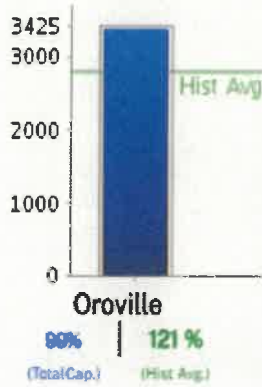
Statewide Percent of April 1: 4.0%

Statewide Percent of Average for Date: 9.0%

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:20-MAY-2026

Data as of Midnight: 20-May-2026

Change Date:

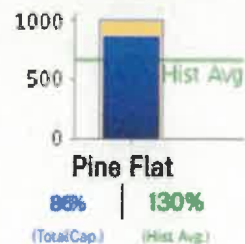
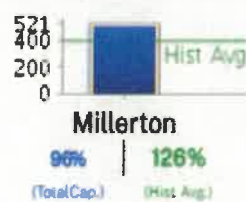
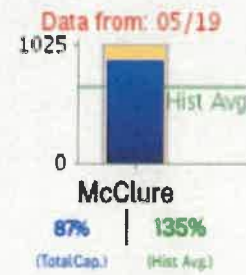
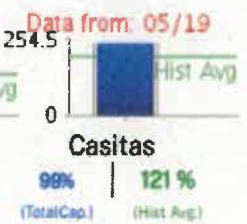
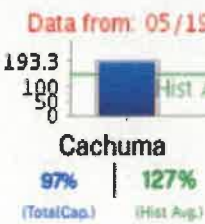
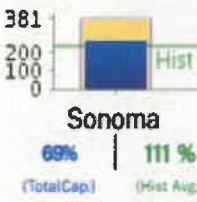
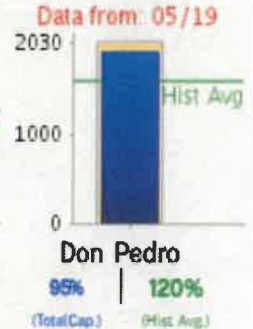
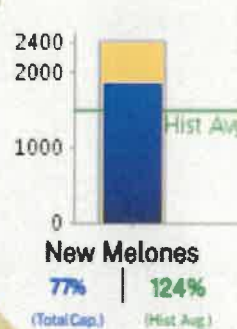
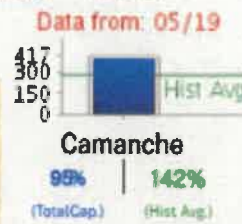
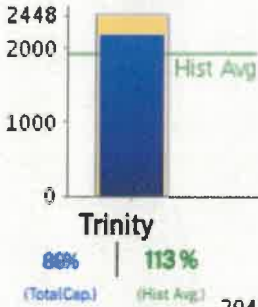


LEGEND

Blue Bar: Storage level for date
 Gold Bar: Total reservoir capacity
 Green Line: Historic level for date

Capacity (TAF) | Historical Avg Mark

% of Capacity | % Hist Avg.
 (Click res. 3 char. code for details)



[Click to download printable version of current data](#)

Report Generated 21-May-2026 6:14 AM

The CSI link has been disabled to zoom in, for the lack of historical data.

State Water Project Allocation Increases Heading into Summer Months

Published: May 15, 2026



A south-facing drone view of the California Aqueduct near Crows Landing, located in Stanislaus County. Photo taken March 9, 2026.

SACRAMENTO, Calif. – Today, the Department of Water Resources (DWR) announced an increase to the State Water Project (SWP) allocation for 2026. The allocation is now 45 percent of requested supplies, up from the previous allocation of 30 percent announced on January 29. The allocation establishes how much water the State plans to deliver to the 29 public water agencies served by the SWP, which provides water to 27 million Californians and 750,000 acres of farmland.

In the spring, SWP allocations are based on current hydrological conditions, existing reservoir storage, and remaining snowpack. While California saw record heat in March and early snowmelt, consistent rainstorms in April provided critical runoff through the system that allowed DWR to capture more water and meet environmental regulations without using stored water. Currently, the SWP's largest reservoir, Lake Oroville, is at 99 percent of capacity. Statewide, reservoirs are 117 percent of average for this time of year.

The challenge remains that California's snowpack, the state's frozen reservoir, is essentially gone. As of today, the statewide snowpack is just 12 percent of average. The snowpack peaked in mid-February and has since melted off.

"California's reservoirs are full, but most snowpack melted off weeks ago. We must use this stored water carefully because there's no backfill until next season," said DWR Director Karla Nemeth.

Learn more about how snowmelt impacts State Water Project allocations: <https://youtu.be/vXdP6s8Kq0E>.

The SWP utilized real-time operational flexibility to benefit water users and the environment despite the fact that so much of this year's precipitation came as rain instead of snow. Water managers at Lake Oroville coordinated closely with the U.S. Army Corps of Engineers to capture as much water as possible while still providing flood protection to downstream communities. These flexible operations, coupled with the improved runoff in the system resulted in an additional 400,000 acre-feet of storage in Lake Oroville. This puts the SWP in a better position to provide water supply to contractors this year while maintaining robust carryover storage to meet water supply and environmental needs should next year be dry.

Each year, DWR provides an initial SWP allocation in December based on available water storage, projected water supply and water demands. Allocations are updated monthly as snowpack, rainfall and runoff data is analyzed, with a final allocation typically determined near the end of the season in May or June. This season, the initial allocation was 10 percent on December 1, updated to 30 percent on January 29, and increased to 45 percent today.

Historical data on SWP allocations is available at <https://water.ca.gov/programs/state-water-project/management/swp-water-contractors>.

Contact:

Ryan Edean, Public Affairs, Department of Water Resources

media@water.ca.gov