

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
May 23, 2017

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on May 23, 2017 at 4:02 p.m., at the office of the District, located at 1271 North Hacienda Road, La Habra Heights.

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

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

ABSENT: None

Staff members and others present.

Item 2. Staff: Michael Gualtieri, Secretary/General Manager, Tammy Wagstaff, Treasurer. Others present: Lloyd Pilchen, legal counsel, Olivarez, Madruga, Lemieux & O'Neill, David Song, Civiltec Engineering, Michael Silander, prior legal counsel and Stephen Blagden and Elizabeth Broadbent, residents.

Item 3. Public Comments: Elizabeth Broadbent discussed concerns regarding the condition of asphalt on entire private road on West Road. Stephen Blagden discussed the board packet being posted to the web page, salary and benefits, and budget.

Item 4.a.b.c. Minutes of regular board meeting of April 25, 2017, financial reports for March 2017 and status of investments first quarter 2017. After discussion, there was a motion by Director Cooke and seconded by Director McVicar to approve the minutes, financial reports, and status of investments. The vote was as follows:

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

NOES: None

ABSENT: None

Item 5. Approval of warrants and authorization of signatures as per the warrant list. After discussion, there was a motion made by Director McVicar and seconded by Director Wilson that the warrant numbers 41233 through 41305 be approved and signatures be authorized. Check number 41081 was voided. The vote was as follows:

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

NOES: None

ABSENT: None

Item 6.a. Discuss and Action – 2017/2018 Proposed Draft Budget. After discussion, there was a motion by Director Cooke and seconded by Director McVicar to approve proposed draft budget with a change to ground water at 95% and purchase water at 5% for proposed water usage. The vote was as follows:

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

NOES: None

ABSENT: None

Item 6.b. Discuss and Action – 2017/2018 Salary and Benefits. After discussion, there was a motion by Director McVicar and seconded by Director Perumean to approve a 2.5% increase to current wages but not to exceed \$800,000.00 of total salaries. The General Manager has the discretion of distributing wage increases. In addition, a 1.7% merit increase based on a performance objective plan developed by the General Manager. The vote was as follows:

AYES: Directors Baroldi, Cooke, McVicar and Perumean

NOES: Director Wilson

ABSENT: None

Item 6.c. Discuss and Approve – May 2017 “H2O Pipeline” Newsletter. After discussion, there was a motion by Director Cooke and seconded by Director Perumean to approve the newsletter with minor changes. The vote was as follows:

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

NOES: None

ABSENT: None

Item 6.d. Election Notification. After discussion, there was a motion by Director McVicar and seconded by Director Cooke to approve the election notification for LAVOTE.NET The vote was as follows:

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

NOES: None

ABSENT: None

Item 6.e. Update on District activities. The General Manager discussed the retirement of Rick Vigil, noting that the bonus pay netted \$6,400.00, representing \$200.00 per each service year, the gross amount was \$10,582.20. This check was presented to Mr. Vigil on May 6, 2017 at his retirement dinner.

Scott Ratigan, Industrial Hygiene Consultant with Cal OSHA, visited the District office on May 16, 2017 for an on-site consultation.

Emergency repair costs for the month of April 2017 are as follows: Alpha & Omega Roofing \$17,919.49, Northrop Grumman \$1,931.00, Commercial Door of OC \$4,488.10, JA Salazar \$78,580.00, Valley Collision 2 Inc. \$4,053.46, Fuller Truck Accessories \$1,561.56, Griswold Industries \$1,280.86.

Lastly, the General Manager discussed the water production in April 2017.

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

Closed session pursuant to government code section 54957: public employment – general counsel. No action was taken.

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

Closed Session - Public Employee Performance Evaluation. (Title: Secretary/General Manager) (Closed session pursuant to Government Code Section 54957). Closed session concluded at 7:30 p.m. Open session began at 7:30 p.m. After discussion, there was a motion by Director Perumean and seconded by Director Cooke to approve a \$5,000.00 bonus for General Manager. The vote was as follows:

AYES: Directors Baroldi, Cooke, McVicar and Perumean

NOES: None

ABSENT Director Wilson

Item 8. Report of Individual Directors. None

Item 9. There being no further business to come before the Board, motion was made by Director Perumean and seconded by Director McVicar that the meeting be adjourned at 7:50 p.m. The vote was as follows:

AYES: Directors Baroldi, Cooke, McVicar and Perumean

NOES: None

ABSENT: Director Wilson

Dated: June 27, 2017



Mark Perumean, President



Michael Gualtieri, Secretary

(SEAL)