

**LA HABRA HEIGHTS COUNTY
WATER DISTRICT**

BOARD MEETING

FEBRUARY 28, 2023

**AGENDA FOR REGULAR MEETING
BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
February 28, 2023 @ 4:00PM**

CALL IN PHONE NUMBER FOR PUBLIC 361 587-6355 PIN: 895137669#

- 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 Regular Board meeting for January 24, 2023 (approve)
 - b. Financial Reports – January 2023 (approve)
- 6. Approval of warrants and authorize signatures per warrant list**
- 7. Report of Superintendent**
- 8. Report and recommendations of General Manager:**
 - a. Discuss and Adopt – Resolution 23-02, Investment Policy
 - b. Discuss and Approve – Purchasing New Truck
 - c. Discuss and Approve – Temporary Position of Assistant General Manager/
Superintendent and For Next Fiscal Year Hire a Temporary Sixth Field Employee
- 9. Closed Session**

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
In re: Aqueous Film-Forming Foams Products Liability. Case No. 2:18-mn-2873-RMG, pending in the United States District Court for the District of South Carolina, Charleston Division. Discussion of existing litigation pursuant to Government Code section 54956.9, paragraph (1) of subdivision (d).
- 10. 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 REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
January 24, 2023

A regular meeting of the Board of Directors of La Habra Heights County Water District ("District") was held on January 24, 2023, at 4:05 p.m., by telecommunication and in person.

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

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

ABSENT: None

Item 2. Staff members and others present. Staff: Michael Gualtieri, Secretary/General Manager and Joe Matthews, Superintendent, in office. Others present Michael Silander, Attorney, in office.

Item 3. Public Communications – None

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

Item 5. a. b. & c. Minutes of Regular meeting for December 27, 2022, Financial Reports for December 2022, and Adopt Resolution 23-01, re: the proclamation of a local emergency, ratification of a state-wide emergency, and authorization of remote teleconference board meetings. After discussion, there was a motion by Director McVicar and seconded by Director Crabb to approve the minutes, financial reports, and Resolution 23-01. The vote was as follows:

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

NOES: None

ABSENT: None

Item 6. Approval of warrants and authorize signatures per warrant list. After discussion, there was a motion made by Director McVicar and seconded by Director Baroldi that the warrant numbers 45765 through 45822 in the amount of \$292,447.63 and EFT transfers in the amount of \$12,274.10 be approved and signatures be authorized. The vote was as follows:

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

NOES: None

ABSENT: None

Item 7. Report of Superintendent. The Superintendent informed that Jesse Cota from ACWA/ JPIA held our annual JPIA claims review via zoom on January 5, 2023. Both Ivan Ramirez, Utility Worker III, and Joe Matthews, Superintendent, attended the meeting. They reviewed the accident investigation and emergency preparedness procedures.

Item 8.a. Discuss and Award – Contract for Greenview Road Pipeline Project. After discussion, there was a motion by Director McVicar and seconded by Director Crabb to award the contract to Brkich Construction with a cost of \$265,285.90. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, McVicar, and Perumean
NOES: None
ABSENT: None

Item 9.a. Closed Session: CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT (Govt. Code section 54957(b)(1). Titles: General Manager, Assistant General Manager, and Superintendent. No reportable action was taken.

Item 9.b. Closed Session: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: In re: Aqueous Film-Forming Foams Products Liability. Case No. 2:18-mn-2873-RMG, pending in the United States Distrt Court for the District of South Carolina, Charleston Division. Discussion of existing litigation pursuant to Government Code section 54956.9, paragraph (1) of subdivision (d). No reportable action was taken.

Item 10. There being no further business to come before the Board, motion was made by Director Cooke and seconded by Director McVicar that the meeting be adjourned at 6:08 p.m. The vote was as follows:

AYES: Directors Baroldi, Cooke, Crabb, McVicar, and Perumean
NOES: None
ABSENT: None

Dated: February 28, 2023

Brad Cooke, President

(SEAL)

Michael Gualtieri, Secretary

FINANCIAL REPORT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

January 31, 2022 and January 31, 2023

	<u>2022</u>	<u>2023</u>
ASSETS:		
<u>Current Assets:</u>		
CASH-PETTY	300.00	300.00
CASH-CHECKING	1,366,146.92	959,264.67
INVESTMENT-LAIF	3,601,250.29	4,899,520.76
ACCOUNTS RECEIVABLE-WATER	257,885.76	290,793.82
ACCOUNTS RECEIVABLE-OTHER	287,619.23	273,156.79
TAXES RECEIVABLE	-	-
LEASE RECEIVABLE	-	127,183.86
ACCRUED INTEREST RECEIVABLE	636.00	8,956.00
INVENTORY	207,101.48	219,206.39
PREPAID EXPENSES	75,613.94	76,087.46
Total Current Assets	<u>5,796,553.62</u>	<u>6,854,469.75</u>
<u>Noncurrent Assets:</u>		
Capital Assets:		
LAND	532,743.65	532,743.65
WATER RIGHTS	1,608,490.80	1,640,490.80
SOURCE OF SUPPLY	2,271,079.60	2,271,079.60
PUMPING PLANT	1,625,877.77	1,625,877.77
TRANSMISSION & DISTRIBUTION	26,047,040.03	26,356,058.47
GENERAL PLANT	1,739,468.59	1,758,917.51
CONSTRUCTION IN PROGRESS	163,354.32	115,219.19
Total Capital Assets	<u>33,988,054.76</u>	<u>34,300,386.99</u>
Accumulated Depreciation	<u>(19,123,294.66)</u>	<u>(19,748,752.49)</u>
Net Capital Assets	<u>14,864,760.10</u>	<u>14,551,634.50</u>
Other Noncurrent Assets:		
CONSTRUCTION ADVANCE RECEIVABLE	19,677.43	9,960.19
INVESTMENTS-CAL DOMESTIC WATER CO	591.00	591.00
LEASE RECEIVABLE	-	2,417,213.07
Total Other Noncurrent Assets	<u>20,268.43</u>	<u>2,427,764.26</u>
Total Assets	<u>20,681,582.15</u>	<u>23,833,868.51</u>
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from pension plan	214,013.00	172,529.00
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from OPEB	<u>139,714.00</u>	<u>259,764.00</u>
Total Deferred Outflows of Resources	<u>353,727.00</u>	<u>432,293.00</u>

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

January 31, 2022 and January 31, 2023

	<u>2022</u>	<u>2023</u>
LIABILITIES		
<u>Current Liabilities:</u>		
ACCOUNTS PAYABLE	323,703.53	174,734.62
CURR PORTION-LONG TERM DEBT	59,938.00	61,359.75
ACCRUED INTEREST-CONTRACT PAYABLE-D/G	237.96	120.45
DEPOSITS-CUSTOMERS	-	6,000.00
DEPOSITS-CONSTRUCTION	620.00	4,500.00
ACCRUED PROPERTY TAXES	-	-
ACCRUED PAYROLL	-	-
ACCRUED EMPLOYEE BENEFITS	138,557.59	150,468.34
DEFERRED RENTAL INCOME	27,509.25	-
ACCRUED RETIREMENT CONTRIBUTIONS	-	-
NET OPEB OBLIGATION	1,455,020.00	1,706,103.00
NET PENSION LIABILITY	924,418.00	125,862.00
Total Current Liabilities	<u>2,930,004.33</u>	<u>2,229,148.16</u>
<u>Long-term Liabilities, net of current portion:</u>		
LOAN PAYABLE-STATE OF CALIF	61,359.75	-
Total Long-term Liabilities	<u>61,359.75</u>	<u>-</u>
Total Liabilities	<u>2,991,364.08</u>	<u>2,229,148.16</u>
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from pension plan	60,916.00	140,358.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from OPEB	451,487.00	385,809.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from Leases	-	2,468,002.09
Total Deferred Inflows of Resources	<u>512,403.00</u>	<u>2,994,169.09</u>
<u>Net Position:</u>		
INVESTED IN CAPITAL ASSETS, NET RELATED DEBT UNRESTRICTED	14,743,462.35	14,490,274.75
UNRESTRICTED	2,768,402.29	4,542,609.32
RESTRICTED	19,677.43	9,960.19
Total Net Position	<u>17,531,542.07</u>	<u>19,042,844.26</u>

LA HABRA HEIGHTS COUNTY WATER DISTRICT
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For Seven Months Ending January 31, 2022 and January 31, 2023

	Last Year Current Month Actual 1/31/2022	Current Month Actual 1/31/2023	Last Year YTD Actual 1/31/2022	Current YTD Actual 1/31/2023	Current Budget 2022/23	Actual 1/31/2023 % of budget 2022/23
Operating Revenue:	274,746.02	306,443.45	3,017,823.23	3,015,252.73	5,423,251.00	56%
Operating Expenses:						
Source of Supply	109,706.08	70,983.40	1,223,358.04	1,023,662.09	2,321,487.00	44%
Pumping	17,697.01	12,321.06	99,324.65	62,235.20	122,928.00	51%
Treatment	2,241.87	3,267.63	28,914.21	37,703.84	37,425.00	101%
Transmission & Distribution	41,818.24	18,363.38	354,625.14	395,875.28	597,780.00	66%
Customer Accounts	8,559.06	11,576.65	108,801.98	119,277.12	168,659.00	71%
Administrative and General	120,433.63	133,938.78	917,000.91	951,144.66	1,652,843.00	58%
Capital Improvements	110,598.41	129,275.08	774,188.87	904,925.56	1,551,301.00	58%
Other	10,959.31	7,724.96	52,555.90	50,698.72	89,851.00	56%
TOTAL OPERATING EXPENSES	422,013.61	387,450.94	3,558,769.70	3,545,522.47	6,542,274.00	54%
OPERATING INCOME (LOSS)	(147,267.59)	(81,007.49)	(540,946.47)	(530,269.74)	(1,119,023.00)	47%
Non-Operating Revenues	100,873.68	118,169.22	567,279.94	636,240.88	1,039,354.00	61%
Non-Operating Expenses	737.96	720.45	5,621.20	5,702.61	36,739.00	16%
NET NON-OPERATING REVENUES (EXPENSES)	100,135.72	117,448.77	561,658.74	630,538.27	1,002,615.00	63%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(47,131.87)	36,441.28	20,712.27	100,268.53	(116,408.00)	-86%
SYSTEM BUY IN FEE			13,593.00	-		
CAPITAL CONTRIBUTIONS			4,410.55	-		
NET INCOME (LOSS) IN NET POSITION			38,715.82	100,268.53		
NET POSITION-BEGINNING OF YEAR			17,492,826.25	18,942,575.73		
NET POSITION-END OF PERIOD			17,531,542.07	19,042,844.26		

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Seven Months Ending January 31, 2022 and January 31, 2023

	Last Year Current Month Actual 1/31/2022	Current Month Actual 1/31/2023	Last Year YTD Actual 1/31/2022	Current YTD Actual 1/31/2023	Current Budget 2022/23	Actual 1/31/2023 % of budget 2022/23 58%
OPERATING REVENUES						
SALES-WATER	97,100.53	113,319.24	1,766,412.38	1,666,729.33	3,139,278.00	53%
SALES-READINESS TO SERVE	174,383.87	189,731.08	1,229,469.79	1,321,567.80	2,226,733.00	59%
SALES-MISCELLANEOUS	3,261.62	3,393.13	21,941.06	26,955.60	28,366.00	95%
LEASE-WATER RIGHTS	-	-	-	-	28,874.00	0%
TOTAL OPERATING REVENUES	274,746.02	306,443.45	3,017,823.23	3,015,252.73	5,423,251.00	56%
OPERATING EXPENSES						
PURCHASED WATER	2,929.64	4,122.17	17,953.42	31,264.19	246,552.00	13%
GROUND WATER REPLENISHMENT ASSMT	57,784.04	34,881.57	687,596.98	607,971.75	1,140,347.00	53%
POWER	48,992.40	31,979.66	517,807.64	384,426.15	934,588.00	41%
TOTAL SOURCE OF SUPPLY	109,706.08	70,983.40	1,223,358.04	1,023,662.09	2,321,487.00	44%
LABOR-PUMPING	4,261.00	5,082.73	28,882.47	30,833.95	68,948.00	45%
MAINTENANCE-PUMPING	13,436.01	7,238.33	70,442.18	31,401.25	53,980.00	58%
TOTAL PUMPING	17,697.01	12,321.06	99,324.65	62,235.20	122,928.00	51%
MAINT & LABOR-TREATMENT	2,241.87	3,267.63	28,914.21	37,703.84	37,425.00	101%
TOTAL TREATMENT	2,241.87	3,267.63	28,914.21	37,703.84	37,425.00	101%
LABOR-TRANS & DISTRIBUTION	14,172.78	16,712.95	112,963.51	141,548.27	241,611.00	59%
MAINT-TRANS & DISTRIBUTION	7,965.45	7,015.15	88,180.40	171,396.70	158,357.00	108%
JOINT FACILITIES-WELL, LM CONDUIT&RES	38,700.52	5,221.30	289,523.51	152,012.29	400,793.00	38%
ORCHARD DALE PORTION	(19,020.51)	(10,586.02)	(136,042.28)	(69,081.98)	(202,981.00)	34%
TOTAL TRANSMISSION&DISTRIBUTION	41,818.24	18,363.38	354,625.14	395,875.28	597,780.00	66%
LABOR&MAINT-CUSTOMER ACCOUNTS	10,355.70	9,945.06	110,598.32	117,490.09	166,021.00	71%
UNCOLLECTIBLE ACCOUNTS	(1,796.64)	1,631.59	(1,796.34)	1,787.03	2,638.00	68%
TOTAL CUSTOMER ACCOUNTS	8,559.06	11,576.65	108,801.98	119,277.12	168,659.00	71%
TOTAL OTHER OPERATING EXPENSES	70,316.18	45,528.72	591,665.98	615,091.44	926,792.00	66%
TOTAL SOURCE OF SUPPLY & OPERATING EXPENSES	180,022.26	116,512.12	1,815,024.02	1,638,753.53	3,248,279.00	50%
ADMINISTRATIVE & GENERAL EXPENSES						
LABOR-FIELD-SICK,VAC,HOLIDAY	10,475.12	12,175.54	45,816.19	53,492.13	77,198.00	69%
WAGES-MANAGEMENT	9,084.92	9,812.11	86,280.38	88,033.80	165,468.00	53%
WAGES-OFFICE	17,036.23	15,885.19	131,838.69	130,609.73	272,120.00	48%
WAGES-MGMT&OFFICE-SICK,VAC,HOLIDAY	12,772.47	16,236.68	58,739.94	60,900.97	95,140.00	64%
OFFICE SUPPLIES	1,761.84	621.49	12,855.09	14,196.23	29,957.00	47%
AUTO SERVICE	375.42	3,047.03	28,807.78	30,047.50	47,734.00	63%
BANK SERVICE CHARGE	1,155.17	611.15	7,025.63	5,321.94	13,990.00	38%
DUES & SUBCRIPTIONS	1,545.90	590.00	23,427.83	23,395.58	29,665.00	79%
BUILDING SERVICE	1,433.82	821.07	10,950.01	13,068.91	23,731.00	55%
OFFICE EQUIPMENT MAINT	8,600.21	2,227.95	19,956.35	12,350.65	27,612.00	45%
PROFESSIONAL	2,294.00	21,966.33	36,942.00	64,319.31	81,196.00	79%
EDUCATION & MEETINGS	354.00	5,678.62	13,472.78	14,475.60	17,354.00	83%

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Seven Months Ending January 31, 2022 and January 31, 2023

	Last Year Current Month Actual 1/31/2022	Current Month Actual 1/31/2023	Last Year YTD Actual 1/31/2022	Current YTD Actual 1/31/2023	Current Budget 2022/23	Actual 1/31/2023 % of budget 2022/23 58%
LEGAL	2,800.00	4,637.50	22,180.78	23,037.50	37,162.00	62%
UTILITIES	691.55	2,930.71	18,463.84	22,572.26	48,932.00	46%
ENGINEERING	6,830.00	1,025.00	14,212.00	11,668.00	28,315.00	41%
INSUR-AUTO,LIABILITY&PROPERTY	5,207.85	6,481.41	34,084.90	44,396.56	67,431.00	66%
INSUR-GROUP HEALTH & LIFE	18,296.39	15,472.67	138,084.38	111,311.14	227,214.00	49%
EMPLOYEE WORKERS COMPENSATION	439.09	837.23	12,127.66	15,747.35	25,279.00	62%
DENTAL	769.12	1,000.00	3,687.84	2,156.00	4,730.00	46%
RETIREMENT-CALPERS	10,351.66	5,024.75	76,435.07	72,969.20	150,485.00	49%
RETIREMENT-DEFERRED COMP	1,474.04	1,596.14	11,172.83	11,589.68	21,456.00	54%
RETIREMENT-CALPERS UNFUND ACCR LIAB	-	-	72,110.00	89,261.00	92,333.00	97%
MAINTENANCE-GENERAL PLANT	6,684.83	5,260.21	38,328.94	36,223.62	68,341.00	53%
CAPITAL IMPROVEMENTS	110,598.41	129,275.08	774,188.87	904,925.56	1,551,301.00	58%
PROPERTY TAXES	443.10	444.06	3,599.95	3,621.35	6,454.00	56%
PAYROLL TAXES	10,516.21	7,280.90	48,955.95	47,077.37	83,397.00	56%
TOTAL ADMIN & GENERAL EXP	<u>241,991.35</u>	<u>270,938.82</u>	<u>1,743,745.68</u>	<u>1,906,768.94</u>	<u>3,293,995.00</u>	58%
TOTAL OPERATING EXPENSES	<u>422,013.61</u>	<u>387,450.94</u>	<u>3,558,769.70</u>	<u>3,545,522.47</u>	<u>6,542,274.00</u>	54%
OPERATING INCOME (LOSS)	<u>(147,267.59)</u>	<u>(81,007.49)</u>	<u>(540,946.47)</u>	<u>(530,269.74)</u>	<u>(1,119,023.00)</u>	47%
NONOPERATING REVENUES						
INTEREST INCOME	881.03	10,349.91	4,898.33	44,042.13	10,272.00	429%
PROPERTY TAX INCOME	88,982.58	94,819.89	464,893.58	496,378.49	892,371.00	56%
RENT INCOME	9,570.96	11,743.86	67,397.93	79,794.66	120,458.00	66%
OIL ROYALTIES	1,154.11	1,255.56	9,356.95	11,290.54	10,589.00	107%
MISCELLANEOUS INCOME	285.00	-	6,027.16	4,735.06	5,664.00	84%
GAIN ON ASSET SOLD	-	-	14,705.99	-	-	0%
TOTAL NONOPERATING REVENUES	<u>100,873.68</u>	<u>118,169.22</u>	<u>567,279.94</u>	<u>636,240.88</u>	<u>1,039,354.00</u>	61%
NONOPERATING EXPENSES						
INTEREST EXPENSE-D/G LOAN	237.96	120.45	2,021.20	1,323.90	1,801.00	74%
LOSS ON INVESTMENT	-	-	-	-	-	0%
DIRECTORS FEES	500.00	600.00	3,600.00	3,700.00	9,900.00	37%
DIRECTORS EXPENSES	-	-	-	678.71	9,711.00	7%
ELECTION	-	-	-	-	15,327.00	0%
TOTAL NONOPERATING EXPENSES	<u>737.96</u>	<u>720.45</u>	<u>5,621.20</u>	<u>5,702.61</u>	<u>36,739.00</u>	16%
NET NONOPER REVENUES(EXPENSES)	<u>100,135.72</u>	<u>117,448.77</u>	<u>561,658.74</u>	<u>630,538.27</u>	<u>1,002,615.00</u>	63%
NET INCOME (LOSS) IN NET POSTION	<u>(47,131.87)</u>	<u>36,441.28</u>	<u>20,712.27</u>	<u>100,268.53</u>	<u>(116,408.00)</u>	-86%

WARRANTS

La Habra Heights CWD
AP Check Register (Current by Bank)
Check Dates: Greater than 1/4/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
BANK ID: 13100 - EFT TRANSFERS					13110
1002284681	01/18/23	M	0130	CALPERS	\$4,966.15
1002284682	01/18/23	M	0130	CALPERS	\$1,157.40
**1002294612	02/01/23	M	0130	CALPERS	\$4,966.15
1002294613	02/01/23	M	0130	CALPERS	\$1,157.40
**1002308607	02/22/23	M	0130	CALPERS	\$4,966.15
1002308608	02/22/23	M	0130	CALPERS	\$1,157.40
BANK 13100 REGISTER TOTAL:					\$18,370.65
BANK ID: 13110 - CHECKING- WELLS FARGO					13110
45823	01/23/23	P	0430	MICHAEL SILANDER	\$1,925.00
45824	01/26/23	P	0538	THREADCRAFT EMBROIDERY	\$728.75
45825	01/31/23	P	0068	SOUTHERN CALIF EDISON CO	\$55.16
45826	01/31/23	P	0005	ACWA	\$650.00
45827	01/31/23	P	0005	ACWA	\$650.00
45827	02/09/23	V	2/9/23 0005	ACWA	(\$650.00)
45828	01/31/23	P	0385	ADMIRAL PEST CONTROL	\$76.00
45829	01/31/23	P	0088	BISHOP COMPANY	\$125.65
45830	01/31/23	P	0013	CANNINGS HARDWARE	\$704.17
45831	01/31/23	P	0014	CENTRAL BASIN MWD	\$4,122.17
45832	01/31/23	P	0441	CINTAS CORPORATION	\$83.94
45833	01/31/23	P	0145	CIVILTEC ENGINEERING INC	\$10,972.50
45834	01/31/23	P	0017	CLINICAL LAB OF SB, INC	\$886.75
45835	01/31/23	P	0283	CONTINENTAL UTILITY SOLUTIONS	\$25.40
45836	01/31/23	P	0282	D&H WATER SYSTEMS	\$711.72
45837	01/31/23	P	ONETIM	FARNOSH MAZANDARANI	\$199.84
45838	01/31/23	P	0389	FRONTIER COMMUNICATIONS	\$799.00
45839	01/31/23	P	0099	GRAINGER INC	\$23.94
45840	01/31/23	P	0170	HACIENDA GOLF CLUB	\$3,794.62
45841	01/31/23	P	0536	IB CONSULTING, LLC	\$17,820.00
45842	01/31/23	P	0521	IMPERIAL CAR WASH	\$25.99
45843	01/31/23	P	0205	JOE MATTHEWS	\$584.00
45844	01/31/23	P	0133	KONICA MINOLTA	\$386.28
45845	01/31/23	P	0051	LINCOLN FINANCIAL GROUP	\$3,683.81
45846	01/31/23	P	0534	ODP BUSINESS SOLUTIONS, LLC.	\$269.41
45847	01/31/23	P	0258	S&J SUPPLY CO, INC	\$529.88
45848	01/31/23	P	0185	S.C.W.U.A.	\$40.00
45849	01/31/23	P	0415	SAMUEL MUNOZ	\$1,400.00
45850	01/31/23	P	0069	SOCALGAS	\$119.27
45851	01/31/23	P	0068	SOUTHERN CALIF EDISON CO	\$8,613.28
45852	01/31/23	P	0466	TRI COUNTY PUMP COMPANY	\$7,166.40
45853	01/31/23	P	0268	UNIVAR USA, INC	\$1,786.78
45854	01/31/23	P	0386	VERIZON WIRELESS	\$1,085.05
45855	01/31/23	P	0012	VULCAN MATERIALS COMPANY	\$3,379.62
45856	02/09/23	P	0116	ACWA-JPIA	\$15,033.45
45857	02/09/23	P	0471	ALEXANDER'S METER READING SOL	\$740.00
45858	02/09/23	P	0353	ARCO BUSINESS SOLUTIONS	\$2,753.04
45859	02/09/23	P	0013	CANNINGS HARDWARE	\$33.16
45860	02/09/23	P	0441	CINTAS CORPORATION	\$83.94
45861	02/09/23	P	0143	CITY OF LA HABRA HEIGHTS	\$258.46
45862	02/09/23	P	0164	EXCEL TELEMESSAGING	\$130.00
45863	02/09/23	P	0389	FRONTIER COMMUNICATIONS	\$77.79
45864	02/09/23	P	0522	FULLERTON FORD	\$68.66
45865	02/09/23	P	0049	GOLDEN METERS SERVICE INC	\$1,710.00
45866	02/09/23	P	0369	HIGHROAD INFO TECHNOLOGY	\$4,923.57
45867	02/09/23	P	0153	HOME DEPOT CR SERVICES	\$219.82

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

La Habra Heights CWD
AP Check Register (Current by Bank)
Check Dates: Greater than 1/4/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
45868	02/09/23	P	0050	LA COUNTY TAX COLLECTOR	\$20,155.09
45869	02/09/23	P	0051	LINCOLN FINANCIAL GROUP	\$3,683.81
45870	02/09/23	P	0120	MICHAEL GUALTIERI	\$1,000.00
45871	02/09/23	P	0430	MICHAEL SILANDER	\$2,712.50
45872	02/09/23	P	0231	O'REILLY AUTO PARTS	\$199.34
45873	02/09/23	P	0534	ODP BUSINESS SOLUTIONS, LLC.	\$166.68
45874	02/09/23	P	0363	RWS OF SOUTHERN CALIFORNIA	\$615.07
45875	02/09/23	P	0258	S&J SUPPLY CO, INC	\$1,260.80
45876	02/09/23	P	0147	SAN GABRIEL VALLEY WATER CO	\$89.31
45877	02/09/23	P	0068	SOUTHERN CALIF EDISON CO	\$23,680.53
45878	02/09/23	P	0267	STAMPS BY MAIL	\$126.00
45879	02/09/23	P	0432	TIME WARNER CABLE(SPECTRUM)	\$550.00
45880	02/09/23	P	0427	TPX COMMUNICATIONS	\$789.37
45881	02/09/23	P	0078	UNDERGROUND SERVICE ALERT	\$116.75
45882	02/22/23	P	0068	SOUTHERN CALIF EDISON CO	\$8,955.08
BANK 13110 REGISTER TOTAL:					\$162,906.60
GRAND TOTAL :					\$181,277.25

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

Michael Silander

Attorney at Law
2629 Townsgate Road, Suite 235
Westlake Village, CA 91361

INVOICE

DATE: JANUARY 1, 2023

TO:

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

PLEASE REMIT PAYMENT TO:

Michael Silander
2629 Townsgate Road, Suite 235
Westlake Village, CA 91361

SPECIFICATIONS:

LHHCWD/TOTAL

Invoice for legal services rendered in December 2022.



MATTER	HOURS	AMOUNT
Transactional 1 – General	4.7	\$587.50
Transactional 2 – PFAS litigation	0.7	\$87.50
Transactional 3 – Well No. 12	0.0	\$0.00
Retainer	Flat fee	\$1,250.00
		TOTAL: \$1,925.00

Please make all checks payable to Michael Silander
If you have any questions concerning this invoice,
please email michael@silanderlaw.com or call 805-490-9247



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

January 9, 2022

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

Attention: Michael Gualtieri, General Manager

Subject: Engineering Activities for the Month of **December 2022**
Invoice Backup Support - Billing Period through December 31, 2022

Dear Mr. Gualtieri:

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 LHCWD management. Following is an explanation of time spent to back up the **December 2022** invoicing. The numbering system is the **Civiltec** project number and tracking system.

2022153.00 – General Engineering Support. 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 2022-23.

There were expenditures of \$360.00 in the month of December 2022. David assisted Joe with the new drain outlet structure for Reservoir 10A. The structure is being checked for adequate sizing. The remaining budget is \$16,610.00.

2022154.00 – Engineering Fireflow Modeling FY22-23. This project has been established to aid the District with computer model simulations for fire flow requests by LHCWD customers. The total budget for this modeling support has been established at \$10,000.00 for each Fiscal Year. Below is an accounting of expenditures under this **Civiltec** job number for FY 2022-23.

There were expenditures of \$665.00 in the month of December 2022. David, Gretel and Tim performed hydraulic analyses and filled out the 195 Form for 1960 Chandos Lane and 2551 Casalero Drive. The remaining budget is \$6,620.00.

2020135.00 – Greenview Pipeline and PRV Station. LHCWD plans to relocate the PRV Station on Greenview to a new, more accessible location and build a new pipeline extension on



Greenview to complete a piping loop. The PRV station has been placed on hold. The Board of Directors authorized the final design of the loop pipeline and service upgrades in their meeting of September 27, 2022. We have completed the necessary updates and issued final plans and bidding documents in December. The overall engineering and construction support budget for the project is \$45,500.00. There were expenditures of \$2,662.50 in the month of December 2022. The remaining budget is \$11,694.47.

2020203.00 – Vigil Reservoir Drain Outlet Repair. LHCWD plans to repair the existing outlet structure that was damaged during a tank overflow event. The drain rock, shotcrete, reinforcing fabric and concrete energy dissipater have been damaged. We had a meeting with Jonovich Construction to field review the project on December 12, 2022. Solutions have been discussed and Jonovich is researching the availability of large rock gradations. The overall engineering and construction support budget for the project is \$39,500.00. There were expenditures of \$1,800.00 in the month of December 2022. The remaining budget is \$9,845.00.

2022169.00 – Well No. 12 Well Siting Study. LHCWD plans to drill a new well in the Judson Well Field. The Board of Directors authorized the *Civiltec* Well Siting Proposal in their meeting of September 27, 2022. We have supported engineering activities through the summer and early fall of 2022 by attending meetings, researching water quality and potential well construction data, conducting meetings with San Gabriel Valley Water Company on behalf of LHCWD, and collaborated with Kear Groundwater. We are presently conducting site research and have conducted the site topographic survey and met with representatives of the Mobile Home Park. David has begun to assemble the well siting study report and is currently working with the team on mapping the site. The topographic and utilities mapping is about 90% complete. The engineering budget for the project is \$86,590.00. There were expenditures \$5,485.00 in December 2022. The remaining budget is \$70,500.00.

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, Principal Engineer

Michael Silander

Attorney at Law

2629 Townsgate Road, Suite 235

Westlake Village, CA 91361

INVOICE

DATE: FEBRUARY 1, 2023

TO:

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

PLEASE REMIT PAYMENT TO:

Michael Silander
2629 Townsgate Road, Suite 235
Westlake Village, CA 91361

SPECIFICATIONS:

LHHCWD/TOTAL

Invoice for legal services rendered in January 2023.



MATTER	HOURS	AMOUNT
Transactional 1 – General	11.7	\$1,462.50
Transactional 2 – PFAS litigation	0.0	\$0.00
Transactional 3 – Well No. 12	0.0	\$0.00
Retainer	Flat fee	\$1,250.00
		TOTAL: \$2,712.50

Please make all checks payable to Michael Silander
If you have any questions concerning this invoice,
please email michael@silanderlaw.com or call 805-490-9247

REPORT OF SUPERINTENDENT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: 02/21/2023

TO: MIKE GUALTIERI, BOARD OF DIRECTORS

FROM: JOE MATTHEWS, SUPERINTENDENT

SUBJECT: SUPERINTENDENT'S REPORT FOR FEBRUARY 2023

System Maintenance and Repairs

The motor repair at Plant 1, Booster #3 was completed. Southern California Edison will perform an efficiency testing after our scheduled annual electrical maintenance is finished. I will provide more information during our meeting.

Three service leaks and one main leak were repaired in January 2023.

Training

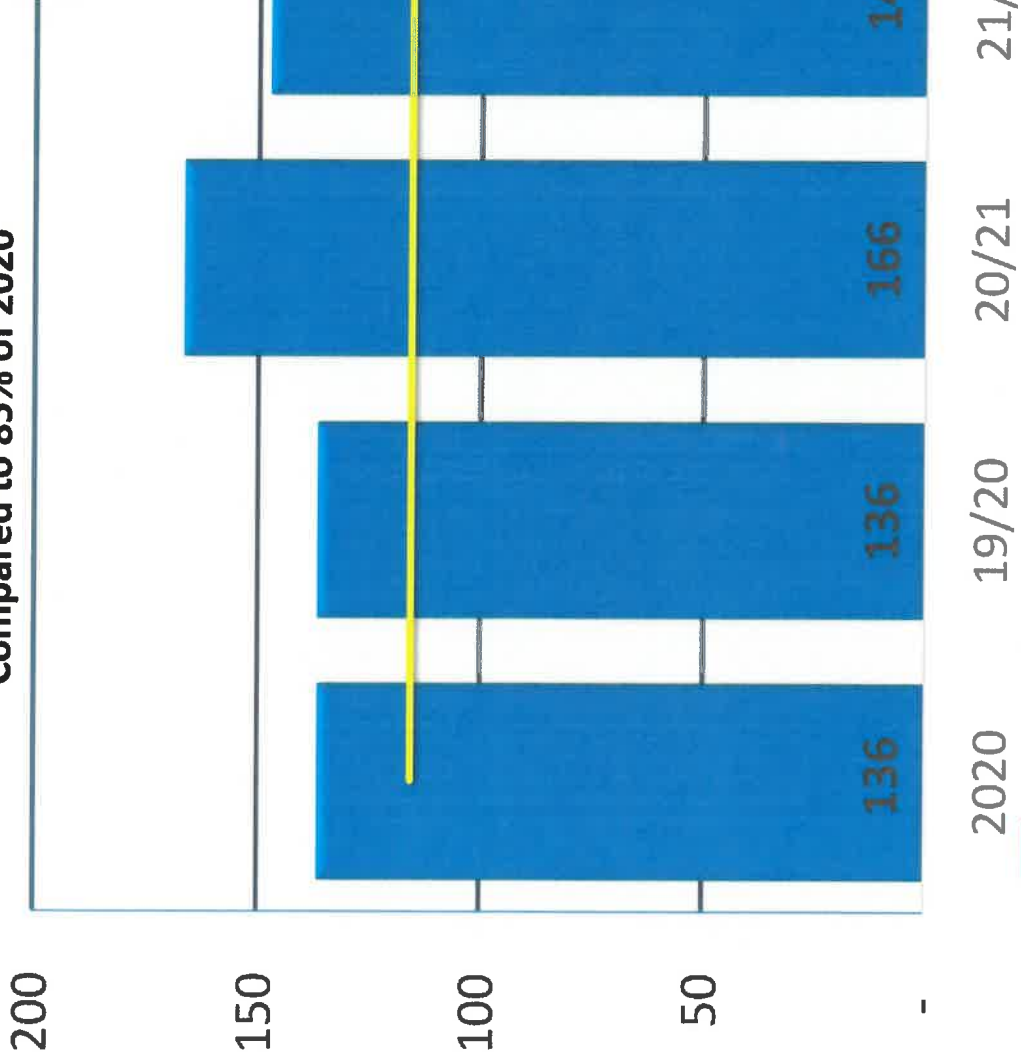
As part of our JPLA's suggested training schedule, the field crew is trained to use our new line locator. As well as trained on updates to Dig-alert requests for marking water lines.

LA HABRA HEIGHTS COUNTY WATER DISTRICT

Production in acre feet for **JANUARY**

Compared to 85% of 2020

ANNUAL WATER USAGE					
Water Source	2019/2020	2020/2021	2021/2022	2022/23 THRU JAN	
Groundwater	2,793	3,070	1,479	136	
Import	-	57	-	-	
Import water used by CDWC	7	-	-	-	
Total	2,800	3,127	1,479	136	
ANNUAL TARGET 80% OF 2019					2,518



2020 Import

19/20 Import water used by California Domestic Water Company from District's Central Basin Municipal Water District connection

20/21 Groundwater

21/22 85% of 2020 Month Target

22/23

RESOLUTION NO. 23-02

**A RESOLUTION OF THE BOARD OF
DIRECTORS OF
LA HABRA HEIGHTS COUNTY
WATER DISTRICT
APPROVING AN ANNUAL
STATEMENT
OF INVESTMENT POLICY FOR THE
LA HABRA HEIGHTS COUNTY
WATER DISTRICT**

RESOLUTION NO. 23-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF
LA HABRA HEIGHTS COUNTY WATER DISTRICT
APPROVING AN ANNUAL STATEMENT
OF INVESTMENT POLICY FOR THE
LA HABRA HEIGHTS COUNTY WATER DISTRICT

WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) Sections 53600.6 and 53630.1); and

WHEREAS; the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53600 et seq.; and

WHEREAS; the Treasurer of the La Habra Heights County Water District may, annually prepare and submit a statement of investment policy as required by CGC 53646;

NOW THEREFORE, be it resolved by the Board of Directors of the La Habra Heights County Water District as follows:

1. Resolution No. 21-01 is rescinded.
2. The La Habra Heights County Water District Investment Policy, which is attached hereto as Exhibit "A", is hereby adopted.

ADOPTED, SIGNED AND APPROVED this 28th day of February 2023.

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

ATTEST:

Michael Gualtieri, Secretary

(SEAL)

I, MICHAEL GUALTIERI, Secretary to the Board of Directors of the La Habra Heights County Water District, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District held on the 28th day of February 2023, and was adopted at that meeting by the following vote:

AYES:

NOES:

ABSENT:

Michael Gualtieri, Secretary
Board of Directors of the
La Habra Heights County
Water District

Exhibit A

LA HABRA HEIGHTS COUNTY WATER DISTRICT INVESTMENT POLICY

1.0 SCOPE

This investment policy applies to all financial assets of the La Habra Heights County Water District (District). These funds are accounted for in the District annual audit.

Funds not included in the investment policy include deferred compensation funds and the District's retirement plan for its employees.

This investment policy is set forth by the District for the following purposes:

- A. To establish a clear understanding for the Board of Directors (Board), District management and responsible employees, citizens and third parties, of the objectives, policies and guidelines for the investment of District's excess funds that are not required for immediate use.
- B. To offer guidance to investment staff, brokers and any external investment advisors on the investment of District funds.

2.0 PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code (CGC) Section 53600.3), which states in relevant part:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Investment officers acting in accordance with the investment procedures and policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Board and appropriate action is taken to control adverse developments.

3.0 OBJECTIVES

Subject to the overriding requirement of compliance with all Federal, State and other applicable laws governing the investment of moneys under the control of the District Treasurer, and, as specified in CGC Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing District funds, the primary objectives, in priority order, of the investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is advisable in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. District shall seek to preserve capital by mitigating credit risk and market risk, as identified below:

1. Credit risk is the risk of loss due to failure of the issuer to repay an obligation. It shall be mitigated by investing in only very safe institutions and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm District's cash flow.
2. Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:
 - a) Structuring the investment portfolio so that securities mature at the same time major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and
 - b) Prohibiting the selling of securities that District does not own (taking short positions); and
 - c) Limiting the maximum maturity of any one security in the investment portfolio to five years.

It is explicitly recognized that in a diversified investment portfolio occasional market value losses may be inevitable even in investments to be held to maturity. Such losses must be considered within the context of overall investment return.

- B. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all operating and emergency requirements which might be reasonably anticipated.

- C. **Return on Investments:** State law requires that the objective of return on investments be subordinate to the objectives of safety and liquidity. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics and requirements of District funds and portfolio.

4.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC Section 53607 which authorizes the Board to delegate authority to invest, reinvest, sell or exchange securities for a period of one year. This responsibility for the investment program may be delegated to the District Treasurer (by Board action) who shall establish procedures for the administration of this investment program. The Board may renew this delegation pursuant to State law each year.

5.0 ETHICS AND CONFLICTS OF INTEREST

Board, Officers and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

6.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

District shall transact business only with commercial banks, savings and loans, Local Agency Investment Fund (LAIF) and registered investment securities dealers. The purchase of any investment, other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State of California (State) as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of the National Association of Securities Dealers, or a member of a Federally regulated securities exchange, a National or State-Chartered Bank, or a saving association or Federal Association (as defined by Section 5102 of the Financial Code).

The District Treasurer shall investigate all institutions that wish to do business with District in order to determine if they are adequately capitalized, make markets in securities appropriate to District's needs and agree to abide by the conditions set forth in this investment policy.

The District Treasurer shall maintain a list of financial institutions authorized to provide investment services and shall conduct an annual review of the financial condition of qualified institutions. In addition, a current financial statement is required to be on file for each qualified institution.

7.0 AUTHORIZED AND SUITABLE INVESTMENTS

The District can only invest in the instruments authorized by law including those listed in the CGC Sections 16429.1, 53601, 53635 and 53649.

Also, see CGC Section 53601 for a detailed summary of the limitations and special conditions that apply to investment securities. CGC Sections 53601(Exhibit A-1) effective January 1, 2023, is attached and included by reference in this investment policy.

Prohibited Investments.

- Borrowing for investment purposes (Leverage) is prohibited.
- Buying or selling securities “on Margin” is prohibited.
- Investing in any instrument that is commonly known as a “derivative” instrument (options, futures, swaps, caps, floors, collars, U.S. Treasury zero coupon bonds, U.S. Treasury strips, interest only bonds, interest-only strips derived from mortgage pools), or any investment that may result in a zero interest accrual, even if held to maturity, is prohibited.
- Under the provisions of CGC Sections 53601.6, District shall not invest any funds covered by this investment program in instruments known as structured notes (e.g., inverse floaters, range notes, or mortgage-derived, interest only strips) except as allowed in 53601.6(b)(2). Any such investments are prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.

8.0 COLLATERALIZATION

The CGC Sections 53652 through 53667, inclusive, requires depositories to post certain types and levels of collateral for public funds above the Federal Deposit Insurance Corporation (FDIC) insurance amounts. The collateral requirements apply to bank deposits, both active (checking and savings accounts) and inactive (non-negotiable time certificates of deposit).

9.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian, acting as an agent for District under the terms of the custody agreement, designated by the District Treasurer and evidenced by safekeeping receipts.

10.0 DIVERSIFICATION

The District will diversify its investments by security type and institution. It is the investment policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of

assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. Maturity dates of portfolio shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- B. Maturities selected shall provide for stability of income and liquidity.
- C. Disbursement and payroll dates shall be covered through maturities investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

11.0 REPORTING

The District Treasurer shall submit a monthly report of investment transactions to the Board in conformance with the CGC Section 53607.

Although no longer required by CGC Section 53646(b)(1), District Treasurer shall submit to each member of the Board and General Manager a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers name, maturity dates, acquisition and current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation.

For local agency investments that have been placed in the LAIF, created by Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the District Treasurer may supply the Board the most recent statement or statements received by the District from these institutions in lieu of the specific investment, security, and money information required under this section.

The report must also include a certification, required by CGC Sections 53646(b) (2) and (3), that:

- A. All investment actions executed since the last report have been made in full compliance with the investment policy or an explanation as to why it is not in compliance.
- B. The District will meet its expenditure obligations for the next six months.

12.0 INVESTMENT POLICY ADOPTION

The Investment Policy of the District may be reviewed and modifications approved by the Board annually at a public meeting (CGC Sections 53646(a)).

EXHIBIT "A-1"

GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607]

(Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]

(Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]

(Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 4. Financial Affairs [53600 - 53997]

(Chapter 4 added by Stats. 1949, Ch. 81.)

ARTICLE 1. Investment of Surplus [53600 - 53610]

(Article 1 added by Stats. 1949, Ch. 81.)

53601.

This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

- (a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- (d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- (e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

EXHIBIT "A-1"

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

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(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

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(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's

EXHIBIT "A-1"

moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(r) Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.

This section shall become operative on January 1, 2026.

(Amended (as added by Stats. 2020, Ch. 235, Sec. 3) by Stats. 2022, Ch. 427, Sec. 9. (SB 1489) Effective January 1, 2023. Section operative January 1, 2026, by its own provisions.)

**DISCUSS AND APPROVE
PURCHASING NEW TRUCK**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: 02/22/2023
TO: MIKE GUALTIERI, BOARD OF DIRECTORS
FROM: JOE MATTHEWS, SUPERINTENDENT
SUBJECT: SERVICE TRUCK REPLACEMENT

The District has budgeted \$55,000.00 to replace one service truck this year. We contacted multiple dealerships and received the following quotes:

Ken Grody Ford: This dealer has the truck we want in stock.

- **F-250 Utility bed truck \$55,803.38**
- **Trade in allowance of (\$14,500)**
- **Total due on delivery \$41,303.38**

The following dealer's trucks would need aftermarket utility bed locks installed.

- **Worthington Ford F-250 Utility bed \$54,432.60**
- **Tuttle Ford F-250 \$66,896.83**

After receiving the truck, the District will purchase a bed liner, vice, traffic safety lights and work lights separately. Based on the considerations, I recommend the Board approve the purchase of a utility truck from Ken Grody Ford.

**DISCUSS AND APPROVE
TEMPORARY POSITION OF
ASSISTANT GENERAL MANAGER
/SUPERINTENDENT AND FOR NEXT
FISCAL YEAR HIRE A TEMPORARY
SIXTH FIELD EMPLOYEE**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: FEBRUARY 23, 2023
TO: BOARD OF DIRECTORS
FROM: MICHAEL GUALTIERI, SECRETARY/ GENERAL MANAGER
**SUBJECT: TEMPORARY ASSISTANT GENERAL MANAGER /
SUPERINTENDENT POSITION AND HIRING A TEMPORARY
SIXTH FIELD EMPLOYEE**

Last month we discussed in closed session the possibility of creating a temporary Assistant General Manager / Superintendent position. In addition, we discussed hiring a temporary sixth field employee during next fiscal year.

I am adding this item to the agenda this month for further discussion and action.