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News, Information & Analysis on the City and the Issues

October 2009

Water Board Election November 3rd Dining & Drinking at Public Expense an Issue

Two seats are up for election to the La Habra Heights County Water District Board of Directors, November 3. Incumbent Brad Cooke, appointed member Jeffrey Heintz (also Improvement Association Treasurer) and Co-Founder of La Habra Heights Fire Watch, George Edwards, are candidates. Cooke and Heintz candidate statements ask to maintain the status quo, with fiscal restraint, and provide water for fire protection.

Candidate Edwards calls for transparency in Water District business, elimination of Board perks, installing back-up generators to keep pumps working in a fire or disaster, and installation of more hydrants.

Fiscal restraint and Board perks are subjects of a recent investigation that uncovered Board dining and drinking, some with spouses, at Water customer expense. Mrs. Heintz was noted present at the \$470 "meal" below. Charging alcohol consumption and spouse meals to the District are both violations of 2006 Board Policy.

A Public Records Request revealed that Board members partook in "Dinner Meetings" with tabs, including alcohol, of nearly \$500. Reimbursement receipts range from \$18.93 to Jeffrey Heintz for a lunch, to a hotel bill totaling \$623.25. (Continued next page)

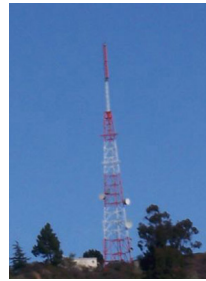


555 EAST STEAKHOUSE LONG BEACH	
GL Tiefenbrunner P Grigio (2 @9.00)	18.00
GL Bennett Chardonnay (2 @9.50)	19.00
Rum (2 @7.50)	15.00
Ronrico	
Ronrico Mixed	
Tequila (2 @9.00)	18.00
Montezuma	
Montezuma Cadillac	
Tequila (2 @7.50)	15.00
Montezuma	
Montezuma Margarita	
Scotch (2 @8.50)	17.00
Chivas Regal	
Fillet Mignon 8 oz D (4 @51.95)	127.80
Chicken Grilled D	18.95
Swordfish Grilled D (2 @26.95)	53.90
Chocolate Souffle (3 @9.25)	27.75
Balance Due	471.80

Actual Water Board Dinner & Drinks Receipt (Excerpt) charged to Water District Customers

Briefs

Tower Stays



On June 22, 2009, the 25 story tall Broadcast Tower was to be removed per the 2004 Use Permit. At the August City Council meeting, residents unanimously called for the tower removal as agreed, citing blight and antennae alternatives. The tower owner previously indicated plans to expand the facility. The Council approved a

10 year permit keeping the Tower; Baroldi, Viperman, and Westerhoff in favor; Bergman and Carroll opposed.

Bikes Must Go

Bicycles were banned from the Park and City Hall sidewalks and parking areas at the August City Council meeting (Baroldi opposed), despite objection from residents that the ban was over-kill and mean spirited. A suggestion, limiting the restriction to when pedestrians are present was not accepted. The ban was prompted by a couple of incidents at Music in the Park.



Building Projects to Grow



Code changes, exempting parts of driveways, private roads, parking and pools from hardscape and/or grading limits passed the City Council in September.

Residents opposed the changes as violating the General Plan, and infringing on existing residents' rights. The Council said that changes were needed to allow people to build, yet could not cite an example of the Codes preventing building. The City Manager has reported a backlog of Planning Applications, and more staff was added to handle the workload with the existing Code. The actual effect of the changes will be to enable more grading, building and cement. Passed 4-1 Bergman opposed.

More details on all stories at www.LaHabraHeights.net

Get Involved

Improvement Association Fraud?

The La Habra Heights Improvement Association has mailed Heights Life magazines and membership dues notices stating that it is a 501(c)3 non profit, and that contributions to the organization are tax deductible.

La Habra Heights Improvement Association, Inc., is an independence, tax-deductible 501(c)3 non-profit corporation (tax ID #95 2455456) registered with the State of California and the Federal Government. LHHIA does not receive funding from the City of La Habra Heights.

From May 2009 Heights Life

However, according to the IRS, the Improvement Association is a 501(c)4 and has been since October 1966. Donations to a 501(c)3 are tax deductible, those to a 501(c)4 are generally not.

The Treasurer has stated that LHHIA is a tax deductible 501(c)3, while signing returns that say it is a 501(c)4.

The image shows a portion of a 990 form. The 'Organization type' field is marked with '501(c)4'. The signature line is signed by 'JEFFREY L. HEINTZ - TREASURER' with the date '3.18.09' written next to it. There are red circles and lines highlighting these specific areas.

Excerpts from LHHIA 990 Form Filing

Suspicious were raised in June 2009 when Treasurer Jeffrey Heintz did not provide the Annual Income statement to members at the La Habra Heights Improvement Association's Annual Public Meeting at City Hall, as had been done in the past. The Board subsequently did not respond to a written (email) request.

At the June meeting it was also disclosed that members' voting rights had been taken away in a by-law change. The Improvement Association Board refused to let members see the revised by-laws, stating the By-Laws could only be seen by the Board.

A refusal to provide members with requested information appears to violate several sections of the California Corporation Code requiring disclosure of finances and by-laws upon request.

When questioned about the status of an organization mailing solicitations for tax deductible contributions, representing itself as a 501(c)3, when the organization is actually a 501(c)4, Kevin at the United States Postal Service, Postal Inspectors Division, stated,

"That is definitely Mail Fraud."

The office of Joe Mericle, CPA for the Improvement Association, referred questions regarding the Association's 501(c) status to Treasurer Jeffrey Heintz. When contacted by a resident seeking answers, Treasurer Heintz hung up on the caller. When the resident called back, Heintz directed that all questions be asked through the Improvement Association website. Repeated attempts have been made to obtain any documentation from the LHHIA showing their 501(c)3 status, and confirming that donations are tax deductible. No response had been received at press time. Contributors should be aware of the deductibility issue.

Water Board Election (Continued from first page)

Wine & Dine District "Meetings" with a majority of the Board, without Public Notice, violates the Brown Act. Water Supply infrastructure is another issue in the election, with Jeffrey Heintz advocating "pay as you go", and George Edwards calling for analysis of pipes and equipment now to prevent future failure and property damage.



Recent L. A. Sinkhole due to aged Water Pipe failure

Hacienda closed for 3 days in 2008 due to pipe failure. The Water District Fiscal Year 2008 Revenue of \$3.8 million exceeds the City of La Habra Heights General Fund revenue of \$3 million. Be sure to Vote!

See more Meal & Drink receipts and find out about other issues at www.LaHabraHeights.net