

A Community Supported Publication

## Sheriff Service Cut to 15 Hours a Day



At the August City Council meeting, Councilmember Westerhoff reported that the Sheriff service had been reduced to 15 hours per day from 19 in 2010-11, effective July 1, 2011.

The \$175,000 cut in Sheriff service freed funds to finance a Builder's Subsidy, an intern, new accounting software and balance the City's budget.

The Council voted to set Building Fees at only 70% of what it cost the city to provide the service. This leaves non-building residents to foot the bill for the \$80,000 difference with cuts in other parts of the budget.

Building Fees are on the agenda for final approval at the October Council meeting.

The Sheriff service cuts have not gone unnoticed by residents who report longer wait times for routine Sheriff's requests. In addition, recent reports of mail theft has left many wondering if the cuts to Sheriff patrols are to blame. City staff is now recommending that the State's restoration of \$100,000 in COPS funding to the city go toward Sheriff services to restore part of the cuts. The City has not identified how they would fund the remaining \$75,000 in cuts. The issue is on the October Council agenda.

**More Information on All Stories can be found at [www.LaHabraHeights.net](http://www.LaHabraHeights.net)**

### Correction and Retraction Policy

To report errors or omissions requiring correction or clarification, e-mail the editor at [LHHnet@aol.com](mailto:LHHnet@aol.com) or mail to the address on the back of this newsletter.

## City Manager Gets Vehicle & iPad in New Contract



City Manager Shauna Clark receives a new vehicle to use, iPad, \$500 for a DSL line at home, \$1400 for gasoline, and other items in her new three year contract proposed for the October City Council meeting. Ms. Clark maintains her current salary of \$160,000, which costs the City about \$204,000 excluding the new high tech perks.

### New City Hall..... Again?

Undergrounding of utilities has been underway on Hacienda Rd, between Avocado Crest and West Rd, since April.

When first asked why, the Contractor said it was for the new City Hall. When asked again a few weeks later, he said he didn't know why it was being done.

After the City Public Works Dept. said the City had no plans, this reporter went to the work site and was shown the plans, which showed "Future City Hall".

The 2006 Ordinance initiating the undergrounding said it was for a new Civic Center.

Despite the documentary evidence, city staff and officials deny there are plans for a new city hall, but voted in August to fund \$20,000 for a needs assessment study to determine if the City needs a new City Hall

## Top Story Water District Faces Deficit for Second Year in a Row



**Seated L to R: Board Members Mark Perumean, Pam McVicar, President Brad Cooke, Robert Wilson, Jeffrey Heintz**

For the second year in a row, the La Habra Heights County Water District faces red ink, leaving many to wonder if a rate increase is in the works after the November election. The District's 2011-12 Final Budget shows a projected deficit of over \$89,000 for the 2010-11 fiscal year. The Board made an unusual request at its May meeting. They directed that the revenue from an unsigned, incomplete, draft agreement with Rowland Water District be included for the 2011-12 fiscal year changing an approximately \$84,000+ deficit to a surplus.

Multiple years of deficit spending without budget cutting suggests a possible rate increase. Significant cuts to water district expenses are needed to balance the budget. Board members for re-election tout the lack of rate increases, raising the question of whether using revenue from the unsigned Water Trafficking Agreement with Rowland Water District to bring the 2011-12 budget from deficit to surplus had a possible political motivation. Each Board member is paid \$100 per meeting, which can include up to 6 meetings a month and 36 per year. A

"meeting" can include a function where water board business is a subject of discussion. Lunches, attendance at a conference, or another agency gathering could all constitute a meeting.

Board member Pam McVicar stated in a La Habra Journal article that in order to be taken seriously by other water companies they need to be paid.

In 2009, our investigation found Board members wining, dining, and traveling on the ratepayers dime, buying Chivas Regal, Filet Mignon, Swordfish and half-Chicken, among other entrées.

Public records provided for a 2011 meal and travel expenses request revealed that Robert Wilson was the only Board member submitting those expenses for a total of just under \$2,000 between January and May 2011. Three members of the Water Board, Jeffrey Heintz, Pam McVicar and Mark Perumean, were originally appointed rather than elected to fill vacancies on the board.

Ratepayers and residents have become increasingly concerned with the lack of transparency of the Water District. Meetings are held at 4:00 P.M., when few can attend, and are neither recorded nor televised. The Board does not feel that televising meetings is necessary. The District maintains no web site and at the February 2011 meeting the Board voted 4-1 (McVicar opposed) not to set up a web site. While open and transparent government is not currently high on the Water Board's agenda, Water Board candidate Judy Hathaway-Francis plans to challenge that if she wins one of three open seats.

**Attend a Water District Q&A Workshop on the Water Trafficking Deal at the City Hall MultiPurpose Room on October 24th at 6 P.M.**

**Water Board Election  
November 8, 2011  
Your Vote Counts**

## Controversial Water Trafficking Agreement Called Into Question



Of several LHH residents in attendance at the October 4th meeting of Rowland Water District, Judy Hathaway-Francis addresses the board

On September 27th, about 40 residents and ratepayers attended a 4 P.M. meeting of the Water District Board to hear about a proposed draft Water Trafficking agreement (called “wheeling” in the industry) between La Habra Heights County Water District (LHHCWD) and Rowland Water District (RWD).

RWD wants to transport potable water from the Central Basin (by the San Gabriel River in Whittier) to their facility on Fullerton Rd in Rowland Heights.

RWD currently is 100% dependent on Metropolitan Water District (MWD) water, which is the most expensive water in the region. As such, RWD seeks to diversify their sources. Under the proposal LHHCWD would pump RWD water from LHHCWD’s three active wells and transport RWD’s water through the LHHCWD system, using a new ratepayer funded water tank on Skyline Dr. The tank constructed in 2009 was needed, per district officials, to provide emergency water storage and enhanced water supply for firefighting. A new pipeline would be constructed from the intersection of East Rd and Fullerton Rd. to the RWD facility at Fullerton Rd and Harbor Blvd.

Construction of the line would be done at no cost to LHHCWD. Part of the draft agreement is adding seven hydrants along Fullerton Rd, also at no cost to LHHCWD. For use of LHHCWD facilities, RWD would pay \$50 per acre foot of water, plus the electricity cost for pumping it, and a percentage of equipment maintenance and repairs proportional to the water they receive.

RWD would receive water only when LHHCWD has excess capacity, and certain thresholds of water levels are met. In winter time La Habra Heights demands are not at full capacity.

After RWD recoups their construction costs, estimated to occur 7-15 years into the agreement, the acre-foot charge would increase to \$75, plus a percentage of RWD’s net savings over the cost of MWD water.

RWD seeks about 2000 acre-feet per year. Board President

Brad Cooke said this would produce about \$200,000, with \$100,000 of that in the acre-foot fees. For reference, 2000 acre-feet of water can supply the water needs of a community of about 4,000 homes.

While the agreement described appeared superficially favorable to LHHCWD, documents obtained via the California Public Records Act, including the unreleased DRAFT agreement, revealed logistical shortcomings and raised serious accounting questions.

### Water District Plans to Spend What It Does Not Yet Have

The 2011-12 LHHCWD Budget already includes revenue from the proposed agreement even though no agreement has been finalized or signed and the new pipeline is not in place. Without the revenue from the Trafficking Deal, LHHCWD has a deficit for the second year in a row.

In addition, a letter from Rowland Water District to LHHCWD dated September 1st informs the Water District that the RWD board has lowered priority of pursuing the water production and moving agreement, but leaves the option for both districts to work together down the road. Inclusion of indefinite funds, without qualification, in the district budget raises questions if the district’s actions were in keeping with governmental accounting practices.

### Water for New Development?

The Water District Board told the Public that the purpose of the proposed agreement was solely to reduce the dependence of Rowland Water District on MWD water, not to provide any additional water which might be used for new development, including Aera.

However, the first page of the draft agreement states one of the purposes is, “to provide additional sources of water to Rowland’s service area.”

RWD signed another agreement in January 2011 with Cal Domestic Water to supply, what RWD desires will be, 3,000-5,000 acre-feet of water via another new pipeline to be installed in Harbor Blvd. through La Habra Heights.

It is feared that additional water facilities will bring more development in the already congested Rowland Heights, Hacienda Heights, and Industry area and endanger open space conservation efforts.

### AERA is Not Dead!

Most residents are opposed to Aera, the proposed 3500 home & commercial development in the 3000 acres just east of Harbor Blvd. Some were concerned the water trafficking deal could indirectly supply Aera.

Board President Brad Cooke said the Aera project had

died, there are no plans for future development, and was told so by Aera Development.

On September 28, 2011, when asked if the Aera project is dead, Jeff Maisch, Land Development Project Manager for Aera, said laughing, “News of our death is greatly exaggerated.” He said the project is very much alive. Mr. Maisch said Aera is continuing to pursue the project. He said with the current economy things have slowed down. In an interview, Mr. Ken Deck, General Manager of RWD, said that while they did do a water study for Aera in 2007, the changes in the water market make it likely Aera would need to do a new water availability study in the future. There are concerns the additional water supplied through LHHCWD could be identified as potential Aera water.

### 70% More Water Through the Pipes but Not a Drop for the Heights

LHHCWD supplies about 2800 acre-feet of water per year to serve La Habra Heights and the Los Angeles County island opposite City Hall. While ratepayers are told pumping to RWD would occur during the winter months, the facts contradict this statement. In order to supply 2000 acre-feet of water at the 1800 gallons per minute specified in the agreement, it will require moving water to them 24 hours a day, 7 days a week, for 8.4 months a year. This uses about 60% of the entire pumping capacity of the upper zone, which supplies higher elevation properties of the City.

### Lost Water Costs Paid by LHHCWD

Under the Draft Agreement RWD pays only for water delivered to its district and the variable costs to get it there. Ken Deck said that 10% system water loss is considered good.

Water lost in transport and the costs along the way would be borne by LHHCWD. A 10% loss could cost LHHCWD up to \$42,000 in electricity alone, reducing potential revenue. In addition, the \$50 per acre-foot “wheeling fee”, \$100,000 per year at the 2000 acre-feet desired, has been represented as all additional revenue to LHHCWD. However, the Draft Agreement says it is for all indirect and incidental costs including maintenance and repair of LHHCWD pipelines and reservoirs.

### LHHCWD Attorney Concerns

When asked what concerns he had over the agreement, the LHHCWD attorney, Terry Dixon, said it is unusual for a small district to use almost half its capacity to serve another district.

A legal challenge from “some resident being concerned about the district using capacity for some other agency.” was also mentioned by Mr. Dixon.

### Increased Water Cost to Residents

With RWD looking for water in the same basin LHHCWD gets theirs, Mr. Deck admitted that market forces could drive up the cost of additional water rights and leases for LHHCWD.

### Alternative to a Questionable Deal

The Draft Agreement would result in up to 70% more water through the system for about 6% more revenue. If residents reject the deal, the district may have to reduce spending, pay raises, board member pay and perks and elimination of three district paid cars (hybrids) for staff to take home. If the District does not reduce costs it could result in an approximately \$7 per month rate increase.



### Don't Be Fooled

Some Residents were surprised to find, what looked like a bill from the La Habra Heights Improvement Association in their mail marked “SECOND NOTICE”.

You don't have to pay! It is only a solicitation.

It is a violation of the US Postal Code to mail something that appears like a bill, without qualifying language.

The Improvement Association used a similar tactic in 2009, when they sent mailers claiming your contributions and dues were tax deductible, when, in fact, they were not. At the time, the Postal Inspector said a mailer like that was Mail Fraud. Subsequently, LHHIA changed their status from the 501c4 they had been since 1966 to a 501c3.

### Population Decline

While the population of Los Angeles County continues to grow, not so for the Heights says the 2010 U.S. Census. The population of La Habra Heights is 5325, down 387 from the 2000 population of 5712. Most of the decline was children.