

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277**

FEBRUARY 27, 2013 / 6:00 P.M.

Call to Order and Roll Call

President Moore called the meeting to order at 6:00 p.m., 72401 Hatch Road, Twentynine Palms, California. Those responding to roll call were Directors Bo Bourikas, Chancey Chambers, Philip Cisneros, Sam Moore and Roger Shinaver. Also present were Interim General Manager Ray Kolisz, Financial Consultant Cindy Byerrum, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Director Moore led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

None

1. Presentation of Audit Report for Fiscal 2011/2012 by Accounting Firm of Rogers, Anderson, Malody & Scott LLP

Scott Manno presented the Directors with an audit statement explaining the firm's responsibilities and levels of audit opinions. The Financials for the Twentynine Palms Water District received an unqualified opinion, meeting all internal controls and compliance. Director Bourikas asked for clarification about the capitalization threshold requirement and also inquired about the segregation of duties.

2. Customer Request to Address Board on High Usage Bill – Account #03-003602

Mr. Kolisz informed the Board that the customer admitted to having a leak and is asking for an extension on water payments to meet the high usage water bill.

Director Cisneros made a motion to grant a payment plan extension from (12) to (24) months, seconded by Director Bourikas and unanimously approved.

3. Tower Revenue Discussion

Director Cisneros advised the Board to make sure it understands the economic impact on the District's ratepayers before making a decision to use cell tower generated funds to help offset the Fire Department's deficit. Director Chambers suggested waiting to make a decision until work has begun on the 2013/2014 draft budget. The Board was in agreement to table discussion until a later date.

4. Appointment of General Manager and Approval of General Manager Contract – the Board Will Consider approving the Appointment of Tamara Alaniz as the New General Manager and Approve the General Manager's Contract

Director Moore made a motion to appoint Tamara Alaniz as the new General Manager and approve the General Manager Contract effective March 11, 2013, seconded by

Director Chambers and approved by the following roll call vote:

Ayes: Directors Bourikas, Chambers, Cisneros, Moore, and Shinaver
Noes: None
Abstain: None
Absent: None

5. Consideration and Possible Action Regarding Designation, Authorization, and Approval for New General Manager to Take Certain Actions Including, but not Limited to, Signature Authority for Certain Accounts or Transactions

Director Cisneros made a motion to delete Ray Kolisz from signing authority and approve the signing authority of the new General Manager, Tamara Alaniz, effective March 11, 2013, seconded by Director Shinaver and approved by the following roll call vote:

Ayes: Directors Bourikas, Chambers, Cisneros, Moore, and Shinaver
Noes: None
Abstain: None
Absent: None

6. Appointment of Board Secretary

Director Moore made a motion to appoint Tamara Alaniz as Board Secretary, seconded by Director Bourikas and unanimously approved by the Board.

7. Consent Calendar

- Minutes of the Regular Meeting held on January 23, 2013, Minutes of the Special Meeting held on February 9, 2013, and Minutes of the Special Meeting held on February 13, 2013
- Audit List

Director Cisneros moved to adopt the Consent Calendar, seconded by Director Shinaver and approved unanimously.

8. Items Removed from the Consent Calendar for Discussion or Separate Action
None

9. Management Reports

9.1 Operations

Mr. Kolisz reported that the District responded to 57 Underground Service Alerts and repaired 1 fire hydrant. Mr. Kolisz informed the Board that there was a typo in the Management Report under water main leaks. The District repaired 2 water main leaks, not 12. Both were transit pipes damaged by tree roots. The District is in the process of seeking reimbursement for the repair of the fire hydrant. The installation of water pipe along Utah Trail has been completed. Production is down less than a half percent for the year. The District has received a draft from Kennedy/Jenks for the ground water protection plan.

9.2 Finance

Ms. Byerrum reported that the District had an IRS Compliance check. The District fared well and any findings will not have financial consequences. There were five unauthorized ACH transactions from the District's account during the month of January. The bank has been notified and charges have been disputed.

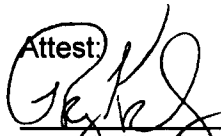
Ms. Byerrum will be meeting with the bank to discuss monthly fees. There were three major pump purchases so far for the fiscal year and an additional media purchase. The budget is trending slightly under for year end.

10. Future Agenda Items and Staff Tasks/Directors' Comments and Reports

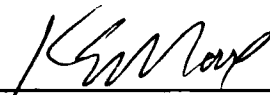
Director Bourikas thanked staff for their remarkable job given the turnover in personnel. He also asked that Ms. Byerrum present an outline to the Board illustrating the delegation of accounting duties. Director Chambers thanked Ray for his work as Interim General Manager and welcomed Tamara Alaniz. Directors Shinaver and Cisneros agreed with Director Chambers comments.

11. Adjournment

On motion by Director Shinaver seconded by Director Moore and approved by the Board, the meeting was adjourned at 6:38 p.m.

Attest:


Ray Kolisz, Board Secretary
Twentynine Palms Water District



Kerron E. Moore, President
Board of Directors

APPROVED MAR 27 2013