

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

APRIL 22, 2015 / 6:00 P.M.

Call to Order and Roll Call

Vice President Chambers called the meeting to order at 6:00 p.m., 72401 Hatch Road, Twentynine Palms, California. Those responding to roll call were Directors Chancey Chambers, Carol Giannini, Suzi Horn, and Roger Shinaver. Director Sam Moore was absent. Also present were Interim General Manager/Operations Manager Ray Kolisz, Financial Consultant Cindy Byerrum, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Director Chambers led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

Michael Jaworski, of Twentynine Palms, spoke in regards to the new mandate to reduce water usage by 28%.

1. ACWA Joint Powers Insurance Authority Refund Presentation

Ms. Melody McDonald, Executive Committee member, presented the Board with a refund check in the amount of \$54,448.00 for the District's share of a refund for the close of a pooled liability policy. Losses were less than projected.

2. Public Hearing on Proposed Resolution to Adopt a Mitigated Negative Declaration for Well Site Improvements

Mr. Kolisz informed the Board that Tom Dodson was in attendance to take questions.

2.1 Board to Hear Public Testimony at This Time

Director Chambers opened the public session at 6:08 p.m. There being no public testimony to be heard, the hearing was closed at 6:08 p.m.

3. Consider Adoption of Resolution 15-04 a Resolution to Adopt a Mitigated Negative Declaration for Well Site Improvements and Direct the General Manager to File the Notice of Determination

Staff recommends adopting the resolution.

Director Horn made a motion to adopt Resolution 15-04 adopting a mitigated negative declaration for well site improvements and direct the General Manager to file the notice of determination, seconded by Director Giannini and approved by the following roll call vote:

Ayes: Directors Chambers, Giannini, Horn, and Shinaver

Noes: None

Abstain: None

Absent: Director Moore

4. Consideration of Resolution 15-05 Requesting that the San Bernardino County Board of Supervisors Authorize and Change the Election of Board Members to the Statewide Consolidated Election Cycle of a Polling Place Election Type

The San Bernardino County Registrar of Voters approached the District and indicated that changing from an all-mailed ballot August election to a November general district polling place election could result in an increase in voter turnout and a 10%-20% savings in election costs. In reviewing the election code, the Registrar of Voters and the District's legal counsel were at odds over changing the current August election to a November election by way of resolution. In turn the District was advised by legal counsel to change their recommendation. A revised resolution was presented to the Board. Staff recommends Option #2, staying with the August all-mailed ballot election this year and asking voters to decide to change to a November polling election in future elections by way of a question on this year's ballot.

Director Giannini made a motion to stay with the August all-mailed ballot election for this August and include on the ballot a question asking voters if the District should move to a November general district polling place election, seconded by Director Horn and approved by the following roll call vote:

Ayes: Directors Chambers, Giannini, Horn, and Shinaver
Noes: None
Abstain: None
Absent: Director Moore

5. Consideration of Resolution 15-06 Declaring Certain Water Department Property as Surplus and Authorizing Disposal of Same
Staff recommends the adoption of the resolution.

Director Giannini made a motion to adopt Resolution 15-05, declaring certain water department property as surplus and authorizing disposal of same, seconded by Director Horn and approved by the following roll call vote:

Ayes: Directors Chambers, Giannini, Horn, and Shinaver
Noes: None
Abstain: None
Absent: Director Moore

6. Consent Calendar
- Minutes of the Regular Meeting held on March 25, 2015
 - Audit List

Director Giannini moved to approve the Consent Calendar, seconded by Director Shinaver and approved unanimously.

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

8. Management Reports

8.1 Operations

Mr. Kolisz reported that the District responded to 17 Underground Service Alerts, had 0 water main leaks, 2 water meter leaks, performed 52 customer pressure checks, replaced 7 customer gate valves, performed 1 leak audit, and repaired 1 fire hydrant and painted 22. Water quality levels were normal for the month. There is a 4% reduction compared to this same time last year, with an overall 3% reduction for the year.

8.2 Finance

Ms. Byerrum reported on the February financial statements. The budget will be presented to the Board next month along with payment options for the PERS

unfunded liability. There is a projected 10% decrease in sales for next fiscal year. Some districts are using penalties as means for promoting conservation. The 3% annual rate increase the Board voted in favor of in January will not be enough to sustain the District as previously projected.

8.3 General Manager

Mr. Kolisz provided the Board with an update on Governor Brown's mandate that all urban water suppliers reduce water usage by 25% or be penalized with a \$10,000 a fine for non-compliance. In response, the State Water Resources Control Board assigned each district a mandatory reduction rate, 28% for Twentynine Palms. As a result, the District may have to implement Stage II of the Emergency Water Contingency Plan. The District has issued a comment letter to the Water Resource Board noting that the District is unique in its reliance solely on ground water, not import water. It further emphasized the community's use of water coolers as a means for cooling during the hot summer months. As a disadvantage community, most in Twentynine Palms do not have the financial means to use air conditioners in lieu of water coolers. Dump valves on water coolers can be reduced or shut off, to conserve on water but results in further maintenance. Most water usage can be attributed to landscape irrigation. However, District rate payers typically do not have large areas of turf that can benefit from its removal. The Board was also advised that the state is currently looking at regulating private wells.

Mr. Kolisz advised the Board that as Twentynine Palms is in close proximity of the base, water production can fluctuate with the incoming of troops making it more difficult to meet the reduction mandate. A 28% mandatory reduction in production will have a direct effect on revenue. The Governor and Water Resource Board has been promoting tiered water rates as a means to promote conservation. A recent court decision against San Juan Capistrano's implementation of tiered water rates deemed them illegal due to their inability to substantiate the actual cost for water production and rates correlation.

Ed Vallerand, of Twentynine Palms, spoke regarding the recent ruling against tiered water rates.

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

Director Shinaver requested a copy of the letter sent to the State Water Resources Control Board.

Director Chambers thanked ACWA/JPIA for the refund check.

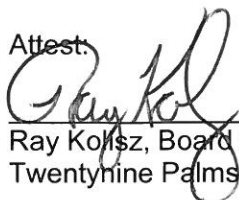
10. Adjournment

On motion by Director Shinaver seconded by Director Horn and approved by the Board, the meeting was adjourned at 6:41 p.m.



Chancey Chambers, Vice President
Board of Directors

Attest:



Ray Kolisz, Board Secretary
Twentynine Palms Water District

APPROVED MAY 27 2015