

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

APRIL 24, 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 Chancey Chambers, Philip Cisneros, Sam Moore and Roger Shinaver. Director Bo Bourikas was absent. Also present were General Manager Tamara Alaniz, Operations 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

General Manager Tamara Alaniz would like to strike the word "Approval" in Agenda item #1 and replace with "Consideration". The Board was in agreement to approve the amendment.

Public Comments

None

1. ~~Approval~~ Consideration of Resolution 13-03 Amending the Fixed Asset Capitalization Policy

Staff recommends waiving the second reading and changing the capitalization threshold from \$500 to \$5,000 or greater.

Director Chambers made a motion to waive the second reading of the resolution, seconded by Director Shinaver and approved by the following roll call vote:

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

Director Shinaver made a motion to approve resolution 13-03 amending the fixed asset capitalization policy, seconded by Director Cisneros and approved by the following roll call vote:

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

2. Discussion of High Bill Amortization Practices

Staff recommends not amending Ordinance 87 and, at the discrepancy of the Board, only grant amortization extensions up to 24 months when the customer's bill is ten times or greater than the regular monthly amount and the extension is requested by the owner.

Director Chambers made a motion to amend Ordinance 87 to allow 24 months of amortizations for bills ten times greater than the regular amount. Motion was not seconded. Motion defeated.

Director Chambers withdrew his motion and would like to revisit the item next month.

3. AT&T Expansion and Lease Amendment

Staff recommends the Board approve the amended option and lease agreement allowing AT&T to install additional facilities on the Donnell Hill reservoir. The new agreement would generate an additional \$7,300 in revenues the first year and \$4,800 each year after that.

Director Shinaver made a motion to approve the AT&T expansion and lease agreement, seconded by Director Chambers and unanimously approved by present Board members.

4. Expenditure of Tower Revenues

Retaining control of tower revenues will give the Board the ability to decide where to apply the revenues for the 2013/2014 fiscal year budget while maintaining the flexibility to appropriate those funds as needed in future budgets. Legal counsel has advised that there is a potential risk for a lawsuit for using such funds. Staff recommends the Board retain the current status of the tower revenue funds.

After discussion, the Board agreed to table the item until the June Board Meeting. Staff was asked to research the legality of transferring LAIF funds into a Special Revenue Fund.

5. Consent Calendar

- Minutes of the Regular Meeting held on March 27, 2013.
- Audit List

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

6. Items Removed from the Consent Calendar for Discussion or Separate Action

None

7. Management Reports

7.1 Operations

Mr. Kolisz reported that the District responded to 54 Underground Service Alerts, had 1 water main leak at Hwy 62 and Bermuda, 5 blown meters, and performed 2 leak audits. Investigation into the leak audits indicated a small leak on the customer's side. The other leak was attributed to an irrigation problem. Southern California Edison has been conducting efficiency tests with positive results. There has been an increase in production attributed to the Dollar General and commercial water sales.

7.2 Finance

Ms. Byerrum reported that the Operating Revenues are at 80% of the budget and on track for the year.

8. Future Agenda Items and Staff Tasks/Directors' Comments and Reports
Director Chambers commented that tower revenue is not monies allocated from water sales.
9. Adjournment
On motion by Director Shinaver seconded by Director Cisneros and approved by the Board, the meeting was adjourned at 6:52 p.m.



Kerron E. Moore, President
Board of Directors

Attest:



Tamara Alaniz, Board Secretary
Twentynine Palms Water District

APPROVED MAY 22 2013