

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

JANUARY 24, 2018 / 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 Bob Coghill, Carol Giannini, Suzi Horn, Randy Leazer, and Sam Moore. Also present were General Manager Ray Kolisz, Financial Consultant Cindy Byerrum, Operations Superintendent Mike Minatrea, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Director Moore led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

Aaron Kyle, of Twentynine Palms, spoke in favor of a monthly billing cycle, solar installation, and water filtration systems.

1. Election of Officers

Director Horn nominated Director Moore to serve as President, seconded by Director Giannini, and approved unanimously.

Director Moore nominated Director Coghill to serve as Vice-President, seconded by Director Leazer. Director Coghill declined.

Director Moore nominated Director Giannini to serve as Vice-President, seconded by Director Horn, and approved unanimously.

The General Manager, Ray Kolisz, will serve as the Board Secretary, which is common practice with most Districts.

2. Presentation of Audit Report for Fiscal Year 2016/2017 by Cindy Byerrum

Financial Consultant, Cindy Byerrum, presented the Audit Report on behalf of The Pun Group. The report is in draft format awaiting final technical review from the technical audit partner. The final draft will be submitted at the February Board meeting, if changes have been made. The financial statements were found to be in accordance to the Generally Accepted Accounting Principles for State and Local Governments (GAAP) and the audit report reflects a clean and unqualified audit opinion. The following items were highlighted:

- The PARS pension trust for the Fire Department will stay on the District's books until it is paid off.
- There is money on the books for the Fire Explorers fund that will be paid out once the District is given direction from legal counsel.
- PERS is requiring an increase in unfunded payments each year, depending on several factors including mortality rates and the plans projected rate of return.

- Accounting Standards will be changing next year.

Director Coghill moved to receive and file the audit report as presented, seconded by Director Horn, and approved unanimously.

3. Discussion and Review of Projects Submitted for Grant Funding Consideration through Integrated Regional Water Management Program

The District submitted five projects for consideration to the Mojave Water Integrated Regional Water Management Plan Technical Advisory Committee. These projects are eligible for grant funding consideration through the Department of Water Resources.

1. Salt and Nutrient Management Plan Groundwater Monitoring Project (SNMP) - Develop a strategy for the District and City of Twentynine Palms to monitor and protect groundwater resources. Estimated cost \$1.0 Million
2. Sustainable Management, Affordability, & Reliability for Twentynine Palms Plan (SMART Plan) – Objectives of the plan is to protect water quality, maintain affordability, and supply. Estimated cost \$100,000
3. AMI/AMR Smart Meter Upgrade Project – Upgrading current meters with this technology will allow for highly accurate meter reading, identify leaks and unusual water usage, and increase water use efficiency and water management. Real time data will be accessible for customers and the District to monitor accounts and identify leaks as they occur. The District is starting a pilot program to collect data to be used for grant funding consideration. Estimated cost \$1.0 Million
4. Redundancy Well for Fluoride Treatment Plant Project – TP-1 is the only supply well for the plant which provides approximately 40% of the District’s supply. An additional well will ensure a redundant supply in the event TP-1 goes down and additional funding is needed in anticipation of the MCL variance expiration in 2023. Estimated Cost \$1.2 Million
5. Development of Well 11B – Drilling and construction of the well has begun. The District will be seeking funding for the required treatment processes to remove hexavalent chromium, arsenic, and fluoride removal. Estimated cost \$1.75 Million

4. Discussion of District Recognized Holidays

Mr. Kolisz explained the District’s policy for observing holidays when they fall on weekends. Director Moore would like to give more thought on the Thanksgiving and Christmas holiday schedule.

5. Consent Calendar

- Minutes of a Regular Meeting held on December 20, 2017
- Audit List

Director Coghill moved to approve the Consent Calendar, seconded by Director Horn, and approved unanimously.

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

None

7. Management Reports

7.1 Operations

The District responded to 32 Underground Service Alerts, had 2 water main leaks, 3 water meter leaks, 0 service line leaks, 0 fire hydrant repairs, performed 3 customer pressure checks, replaced 20 meters, replaced 5 customer gate valves, and installed 0 new services. Water production was up 6.76% as compared to the same month in 2013.

7.2 Finance

Ms. Byerrum reported the budget is trending favorably. The next rate study will take place in 1-2 years.

7.3 General Manager

Mr. Kolisz reported the soil conditions for Well 11B were very favorable and the District drilled deeper. Zone tests were performed and preliminary data suggests the water has elevated fluoride and arsenic levels. Ray met with Climatec who seeks grants for electrical efficiency by way of solar installation, upgraded motors, and lighting upgrades. They will be performing an assessment of the District. Ray and Adan met with the Phelan Water District and will be going to Joshua Basin Water District in anticipation of forming a coalition of special districts to raise awareness in Sacramento.


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

Director Leazer was given an impromptu tour of the District this week and thanked Ray and Mike.

Director Giannini asked for an update on last month's request from an audience member, Kyle Kolisz, regarding bring your kid to work day.

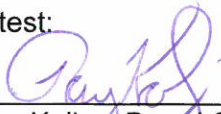
9. Adjournment

On motion by Director Horn, seconded by Director Coghill, and approved by the Board, the meeting was adjourned at 7:11 p.m.



Kerron E. Moore, President
Board of Directors

Attest:



Ray Kolisz, Board Secretary
Twentynine Palms Water District