

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

FEBRUARY 28, 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, Randy Leazer, and Sam Moore. Director Suzi Horn was absent. Also present were General Manager Ray Kolisz, Operations Superintendent Mike Minatrea, and District Secretary Cindy Fowlkes. Financial Consultant Cindy Byerrum was absent.

Pledge of Allegiance

Director Moore led the pledge.

Additions/Deletions to the Agenda

Review and Consideration to Accept Proposal from Kennedy/Jenks Consultants to Perform Bench Scale Testing for Well #11B

Well #11B is being drilled to replace Well #11. The new well will require water treatment to remove elevated levels of arsenic and fluoride. Treatment processes will need to be evaluated for removal efficiency and cost analysis.

Staff recommends accepting the proposal from Kennedy/Jenks in the amount not to exceed \$38,085.00 to perform bench scale testing for Well #11B.

Director Leazer made a motion to accept the proposal from Kennedy/Jenks not to exceed \$38,085.00, seconded by Director Giannini, and approved by the following roll call vote:

Ayes:	Directors Coghill, Giannini, Leazer, and Moore
Noes:	None
Abstain:	None
Absent:	Director Horn

Public Comments

Ed Vallerand, of Twentynine Palms, spoke favorably of the District's qualified and certified staff.

1. Presentation by Kennedy Jenks on the Fluoride Removal Treatment Plant Treated Water Reservoir Seismic Evaluation

Morgan Joel from Kennedy/Jenks was in attendance to answer any questions from the Board. She informed the Board of their findings. It was determined that the steel cross bracing for seismic protection in the underground reservoir is not necessary. The report outlined the possible elimination of the steel bracing to eliminate a pathway of corrosion to the reinforcing steel bars that are contained in the concrete. The estimated cost to remove the bracing, perform concrete patching, and recoat the reservoir is \$285,000, which will increase the longevity of the reservoir and require less maintenance in the future. This was an informational report for future consideration by the Board.

2. Discussion of Energy Feasibility Study Presentation by Climatec and Possible Action to Move Forward with Conceptual Project Development

Frank Mann with Climatec presented the Board with a feasibility assessment of the District's needs. Water meter reading, old lighting systems, and escalating utility rates are just some of the areas that can be improved and modified for more efficiency. There are grant programs, leasing, and low interest municipal financing that can be potential funding measures for these upgrades.

Staff recommends the Board authorize the General Manager to develop a formal Energy Performance Contract (EPC) with an Energy Service Company (ESCO) and authorize the General Manager to negotiate a MOU with Climatec, LLC to begin the detailed audit process.

The Board unanimously agreed to proceed with the concept of the project.

3. Consideration of Resolution 18-01 Adopting Annual Statement of Investment Policy
Staff recommends adopting the policy. There are no changes to the policy this year.

Director Coghill made a motion to approve Resolution 18-01 adopting annual Statement of Investment policy, seconded by Director Giannini, and approved by the following roll call vote:

Ayes: Directors Coghill, Giannini, Leazer, and Moore
Noes: None
Abstain: None
Absent: Director Horn

4. Consideration of Resolution 18-02 Approving an Amended and Updated Employee Manual

The current manual has not been updated since 1997. The updated and amended handbook reflect the ever changing Federal and State laws. The Employee Manual has been reviewed by legal counsel and representatives of the employee's union.

Staff recommends adopting Resolution 18-02.

Director Giannini made a motion to approve Resolution 18-02 approving an amended and updated employee manual, seconded by Director Leazer, and approved by the following roll call vote:

Ayes: Directors Coghill, Giannini, Leazer, and Moore
Noes: None
Abstain: None
Absent: Director Horn

5. Consideration of Resolution 18-03 Declaring Certain Water District Property as Surplus and Authorizing Disposal of Same

Staff recommends approving Resolution 18-03.

Director Coghill made a motion to approve Resolution 18-03 declaring certain Water District property as surplus and authorizing disposal of same, seconded by Director Giannini, and approved by the following roll call vote:

Ayes: Directors Coghill, Giannini, Leazer, and Moore

Noes: None
Abstain: None
Absent: Director Horn

6. Approve Director Leazer to Attend the Special District Leadership Academy Conference (April 15-18, 2018) and to Provide Daily Meeting Stipend

Director Giannini made a motion to approve Director Leazer to attend the Special District Leadership Academy Conference and provide daily meeting stipend, seconded by Director Coghill, and unanimously approved by the Board, with the exception of Director Horn who was absent.

7. Discussion and Review of the District's Organizational Chart

A draft organizational chart was presented to the Board for review. The chart reflects changes to promote professional development, provide more effective cross training, provide growth in certain positions, and to more effectively manage departments. The existing chart has been in place for a number of years and does not reflect current positions.

Staff would like the Board's consensus to continue the process to make recommended changes to the draft organizational chart and bring the chart back for approval at a future date.

The Board was in consensus for staff to continue the process of reviewing and amending the organizational chart to reflect the future needs of the District.

8. Consent Calendar

- Minutes of a Regular Meeting held on January 24, 2018
- Audit List

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

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

None

10. Management Reports

10.1 Operations

The District responded to 33 Underground Service Alerts, had 0 water main leaks, 1 water meter leak, 0 service line leaks, 1 fire hydrant repair, performed 5 customer pressure checks, replaced 9 meters, replaced 8 customer gate valves, and installed 0 new services. 2 water waste complaints were received for leaky irrigation. Water production was down 13.57% as compared to the same month in 2013.

10.2 Finance

Mr. Kolisz reported the budget is tracking as expected. The total expenditures is at 46% with 50% of the budget year completed.

10.3 General Manager

Mr. Kolisz reported the District is working on the budget and hope to bring it to the Board in May. February 7th, Mr. Kolisz and Directors Coghill and Giannini flew to Sacramento with Adan to express concerns on the lack of response for the

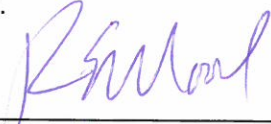
District's grant application from the State Water Resource Control Board. The District has been waiting for three years for a response. Mr. Kolisz thanked California Assemblyman Chad Mayes for his help in expediting a response. The Directors and Ray also attended the Joshua Basin Water District's Board meeting the same night to express the benefits of forming a coalition.

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

Director Moore would like deposits for new accounts included on the March agenda.

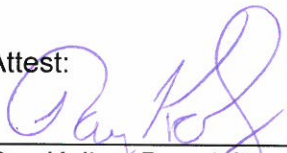
12. Adjournment

On motion by Director Giannini, seconded by Director Leazer, and approved by the Board, the meeting was adjourned at 6:43 p.m.



Kerron E. Moore, President
Board of Directors

Attest:



Ray Kolisz, Board Secretary
Twentynine Palms Water District