

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

APRIL 25, 2018 / 6:00 P.M.

AGENDA

This meeting may be viewed on the District's website at www.29palmswater.net

Next Resolution #18-07
Next Ordinance #98

Call to Order and Roll Call

Pledge of Allegiance

Additions/Deletions to the Agenda

Public Comments

Please complete a "Request to be Heard" form prior to the start of the meeting. The public may address the Board for 3 minutes on District-related matters. Government Code prohibits the Board from taking action on matters that are not on the agenda. However, the Board may refer matters for future consideration.

1. Special District Governance Certificate Presentation by Chris Palmer to Directors Coghill, Giannini, and Horn
2. Authorize General Manager to Execute Contract with Eadie and Payne for Professional Auditing Services
3. Customer Request to Address Board for a High Usage Water Bill
4. Consider Resolution 18-05 Adopting the Twentynine Palms Water District Local Hazard Mitigation Plan
5. Consider Resolution 18-06 Authorizing the District's Submittal of a Grant Application with the United States Bureau of Reclamation
6. Consent Calendar

Matters under the Consent Calendar are to be considered routine and will be enacted in a single motion. There will be no separate discussion of these items unless the Board, staff or the public requests specific items be removed for separate discussion and action before the Board votes on the motion to adopt.

 - Minutes of the Regular Meeting held on March 28, 2018
 - Audit List
7. Items Removed from the Consent Calendar for Discussion or Separate Action

8. Management Reports
 - 8.1 Operations
 - 8.2 Finance
 - 8.3 General Manager
9. Future Agenda Items and Staff Tasks/Directors' Comments and Reports
10. Adjournment

The Board reserves the right to discuss only or take action on any item on the agenda.

Notice of agenda was posted on or before 4:00 p.m., April 20, 2018.



Ray Kolisz, General Manager

Upon request, this Agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Cindy Fowlkes at (760) 367-7546 at least 48 hours before the meeting, if possible.

Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at 72401 Hatch Road, Twentynine Palms, CA 92277. In addition, any such writing may also be posted on the District's website.

1

**NO
MATERIAL
PROVIDED**

2

TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO:	BOARD OF DIRECTORS
DATE:	APRIL 25, 2018
FROM:	RAY KOLISZ, GENERAL MANAGER
SUBJECT:	DISCUSSION AND SELECTION OF AUDITOR FIRM

SUMMARY/DISCUSSION:

In February 2018 the District issued a Request for Proposal to provide Auditing Services for FY 17/18, 18/19, and 19/20, with a two-year option to extend the contract. The RFP was sent to six highly qualified audit firms in Southern California.

All six of the audit firms responded. All proposals were well thought out, detailed, and adequate in form, technical audit experience, audit approach/workplan, knowledge of the industry, and professionalism. All six firms had special district experience along with water utility experience.

After evaluating the proposals, staff narrowed the selection down to the three firms that provided the lowest cost. The three costs proposals were an average of \$19,500, \$19,000, and \$18,050 to complete the annual audit for the three fiscal years.

Eadie and Payne's proposal provided the lowest cost to conduct audit services for the District for fiscal years 2018, 2019 and 2020. Their proposal is attached for your review.

RECOMMENDATION:

Staff recommends accepting the low bid proposal from Eadie and Payne to provide professional auditing services for fiscal years 2018, 2019, 2020 and authorize the General Manager to execute said contract in the amount of \$54,150 (\$18,050 annual average).



Proposal for Professional Auditing Services to the Twentynine Palms Water District



March 30, 2018

RECEIVED

MAR 30 2018

TWENTYNINE PALMS WATER DISTRICT

Eden C. Casareno
Co-Client Service Executive
ecasareno@eadiepaynellp.com
Direct: (951) 241-7805
Cell: (909) 809-7662

Donald N. Ecker
Co-Client Service Executive
decker@ceos2.com
Direct: (951) 241-7803
Cell: (310) 962-6736

**3880 Lemon St., Suite 300
Riverside, CA 92501**

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March 30, 2018

Twentynine Palms Water District
Attn: Cindy Byerrum - Audit RFP 2018
72401 Hatch Road
Twentynine Palms, CA 92277

Dear Ms. Byerrum:

We are pleased to submit our proposal to provide professional auditing services to Twentynine Palms Water District (TPWD) for the fiscal years ending June 30, 2018 through 2020, with an option to extend the contract through June 30, 2022.

Our proposal includes the following:

- Audit of the basic financial statements of TPWD performed in accordance with Governmental Accounting, Auditing, and Financial Reporting (GAAFR), the GAAFR Update Supplement, and subsequent National Council on Government Accounting (NCGA) and Governmental Accounting Standards Board (GASB) pronouncements;
- Single Audit in accordance with the Single Audit Act and the Uniform Guidance, if necessary;
- Preparation of the basic financial statements; and
- Presentation, in person, of the results of the audit to the Finance Committee.

Eadie + Payne is a leading governmental practice team with over 130 years' experience in government services. We have a proven track record in serving local government agencies including: cities, redevelopment agencies (and their successor agencies), community college districts, water districts, and joint powers authorities. We are committed to meeting the deadlines as noted in the RFP and will issue the reports no later than October 31st each year.

We are authorized to make representations for the Firm and sign a contract with TPWD.



Thank you for your consideration of our Firm. We look forward to the opportunity to be of service to TPWD.

Very truly yours,

EADIE AND PAYNE, LLP

Eden C. Casareno
Co-Client Service Executive
Partner-in-charge of Attest
and Government Services
951-241-7805
California CPA Certificate Number:
#89066

Donald N. Ecker
Co-Client Service Executive
Director of Risk Management/
Chief Operating Officer
951-241-7803
California CPA Certificate Number:
#16943E

P.O. Box 1529
Riverside, CA 92501





INDEPENDENCE

Eadie + Payne meets the independence requirement of the U.S. General Accountability Office (GAO) and the American Institute of Certified Public Accountants with respect to TPWD.

License to Practice in the State of California

Eadie and Payne, LLP is licensed to practice as a certified public accounting firm in the State of California, license number 411. All Eadie + Payne's partners and key engagement team members are certified public accountants (CPAs) licensed to practice in the State of California.

State of California
Department of Consumer Affairs

Board of Accountancy

Pursuant to the provisions of Chapter 1, Division 2 of the Business and Professions Code, the firm of

EADIE AND PAYNE, LLP

is duly registered and entitled to practice as a partnership of

Certified Public Accountants

in the State of California

In Witness Whereof, the President and Secretary affix their hands and the seal of the Board
on this eighteenth day of February, 1997



Roger J. [Signature]
PRESIDENT
N. E. [Signature]
SECRETARY



Nº PAR 411





FIRM PROFILE

Eadie + Payne is a leading regional public accounting and business advisory firm serving the Inland Empire since 1919. Our office is located at 3880 Lemon St., Ste. 300, Riverside, CA 92501. The Firm has five partners and staff of approximately 30 members. Our governmental audit team consists of three partners and 10 staff members. All members of TPWD engagement team are full-time employees.

We have decades of experience in serving cities, special districts, and joint powers authorities. We will use our depth of governmental experience, knowledge, and resources to provide TPWD high-quality professional auditing and attestation services.

State Controller's Office Quality Control Review

The quality of Eadie + Payne's audits was recently affirmed by the State Controller's Office. The State Controller's Office conducted a Quality Control Review of our audit of the City of Oxnard. Their stated conclusion in their review reports was "*Eadie and Payne, LLP's audit was performed in accordance with the standards and requirements set forth in GAGAS, GAAS, OMB Circular A-133, and the California Business and Professions Code.*" This type of independent quality review report validates our motto "Expect Quality."

Audit Quality

We enhance the quality of our audits by being active members of the Government Audit Quality Center and the Private Companies Practice Section of the American Institute of Certified Public Accountants.



**Governmental Audit
Quality Center Member**

As members of the American Institute of CPAs Governmental Audit Quality Center, we are committed to staying on top of government audit regulations and providing the highest quality audit services for our clients.



The following are governmental clients we have served:

➤ **Cities**

- City of Barstow
- City of Compton
- City of Compton Successor Agency
- City of Oxnard
- City of Oxnard Successor Agency
- City of Riverside
- City of Stockton
- City of Hemet
- City of Hemet Successor Agency
- City of Highland Successor Agency
- City of Indio Successor Agency
- City of Industry
- City of Industry Civic-Recreational-Industrial Authority
- City of Industry Public Utilities Commission
- City of Industry Property and Housing Management Authority
- City of Industry Public Facilities Authority
- City of Industry Urban-Development Agency
- City of Industry Successor Agency of the IUDA
- City of Montebello
- City of Montebello Successor Agency
- City of Moreno Valley
- City of Pomona Successor Agency
- City of San Fernando Successor Agency
- City of San Jacinto

➤ **Special Districts & Joint Powers of Authorities**

- Hesperia Recreation and Park District
- Inland Valley Development Agency
- Inland Empire Resource Conservation District
- Law Library for San Bernardino County
- Riverside County Law Library
- San Bernardino Public Safety Authority
- San Bernardino Regional Emergency Training Center
- San Gorgonio Pass Water Agency
- West Valley Water District
- Big Bear Municipal Water District
- San Bernardino Valley Water Conservation District
- Victor Valley EDA Successor Agency

➤ **Counties**

- Riverside County Department of Public Social Services
- Riverside County Sheriff's Department
- County of Los Angeles
- County of San Bernardino Auditor-Controller/Treasurer/Tax Collector
- County of San Bernardino Special Districts
- County of San Bernardino Purchasing Department
- Successor Agency to the County of San Bernardino



San Gorgonio Pass Water Agency



San Gorgonio Pass Water Agency is a water wholesaler and one of 29 State Water Contractors. The Agency's service area extends from Calimesa to Cabazon. We provided a financial statement audit to the Agency for the year ended June 30, 2017 through the present.

Co-client Service Executives
Total Staff Hours
Contact

Eden Casareno and Don Ecker
100
Jeff Davis, General Manager
(951) 845-2577
jdavis@sgpwa.com
Thomas Todd, CFO
(951) 845-2577
ttodd@sgpwa.com

"Eadie + Payne were very efficient and prompt in handling our audit. The Agency Board is anxious to complete the audit each year, and they met our timeline for completion with time to spare. This was the first year we used their firm, and the transition was seamless. They made the whole process seem easy! Personable and professional. I highly recommend them."

Thomas W. Todd, Jr.
 Finance Manager
 San Gorgonio Pass Water Agency



Hesperia Recreation and Park District



Hesperia Recreation and Park District is an independent special district that offers programs and activities for residents of Hesperia and surrounding communities. The District operates eight park sites and 13 facilities such as community centers, recreation facilities, and a golf course. We provided financial statement audits to the District and its blended component unit, the Hesperia Area Recreation District Foundation, for the years ended June 30, 2011 through the present. We also assisted the District in the preparation of its financial statements and State Controller's report, preparation of the Foundation's tax return, and agreed-upon procedures related to its golf course operations.

Co-client Service Executives
Total Staff Hours
Contact

Eden Casareno and Hong Nguyen
300
Lindsay Woods, General Manager
(760) 244-5488
l_woods@hesperiaparks.com
Shiella Abreo, Admin Manager
(760) 244-5488
s_abreo@hesperiaparks.com

"Eadie + Payne has served as our auditors for the past three years. I believe their services exceed a standard audit for the following reasons:

- They have taken the time to learn how our organization operates.
- They focus on our needs and prepare financial reports that are meaningful to our board and management team.

Lindsay D. Woods
 General Manager
 Hesperia Recreation and Park District



Inland Valley Development Agency



Inland Valley Development Agency was created for the purpose of acquiring the former Norton Air Force Base, facilitate the successful reuse of the property, and to promote economic development within the area surrounding the Air Base. We provided financial statement audits and Single Audits to the Agency for the years ended June 30, 2012 through the present. We also assisted the Agency in the preparation of its financial statements and Data Collection Form. In addition, we assisted the Agency to reconcile the Successor Agency's ROPS through June 30, 2017.

Co-client Service Executives
Total Staff Hours
Contact

Eden Casareno and Don Ecker
500
Mike Burrows, Executive Director
(909) 382-4100
mburrows@sbdairport.com
William Garay, CFO
(909) 454-5375
wgaray@sbdairport.com

"Our organization retained the firm amidst one of the most difficult periods in our operational history. Facing the myriad of confusion over dissolution of redevelopment agencies in California and an impending need to complete a comprehensive tax allocation bond refinancing, the team at Eadie + Payne rose to the occasion, completing two complex independent annual financial audits within months of one another. I found their staff to be extremely knowledgeable, professional, and customer-focused – traits of a truly excellent firm. I would strongly recommend Eadie + Payne to any public sector organization."

Michael Burrows
 Executive Director
 Inland Valley Development Agency

City of Oxnard



The City of Oxnard is a general law city in Ventura County. We have provided financial statement audits for the City, and its component units (including the successor agency to the redevelopment agency, a financing authority, and a housing authority) for fiscal years ended June 30, 2015 through the present. We assisted in the preparation of the City's comprehensive annual financial report and annual State Controller's report. We are also contracted to perform agreed-upon procedures related to Gann appropriations limit and the Single Audit. For the past three years, City management had acknowledged the expertise, hard work, and problem solving skills of the Eadie + Payne audit team in its CAFR.

Co-client Service Executives
Total Staff Hours
Contact

Eden Casareno and Hong Nguyen
2,500
Deanne Purcell, Assistant CFO
(805) 200-5400
deanne.purcell@oxnard.org
Christine Williams, Controller
(805) 385-7468
christine.williams@oxnard.org

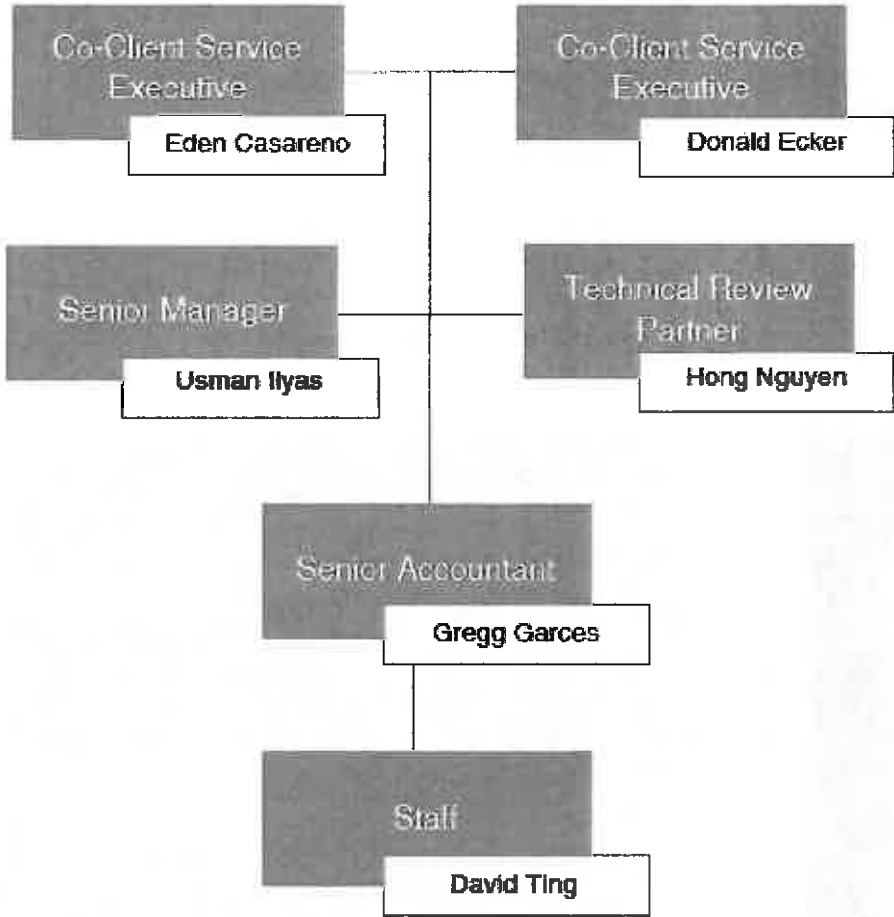
"As our independent auditing firm, Eadie + Payne, identified an unprecedented number of internal control deficiencies and other findings that were of concern to our city leaders, the general public, and the State Controller's Office (SCO). Because of the engagement team's expertise and experience in working with municipal entities, with similar challenges and their ability to work with our finance team to improve our procedures, the SCO allowed us to implement our own corrective action plan to strengthen our internal controls without state oversight."

Christine Williams
 Controller
 City of Oxnard



ENGAGEMENT TEAM

Your engagement team will consist of the following key personnel. Their resumes are located in the following pages. We assure the quality of our staff by providing adequate education and training in governmental auditing and accounting and by developing their analytical, communication and other business skills.





CO-CLIENT SERVICE EXECUTIVE

Ms. Casareno joined Eadie + Payne in 2002 and became a partner in 2009. Ms. Casareno will ensure continual communication and high-quality execution, leveraging her over 17 years of experience performing financial statement audits, assisting clients with complex governmental accounting and reporting requirements, evaluating internal control design and implementation, and developing solutions for government clients in Southern California.

Ms. Casareno served as the engagement partner for the following entities:

- Big Bear Municipal Water District
- City of Industry
- City of Oxnard
- City of Stockton (Measure A audit)
- Hesperia Recreation and Park District
- Inland Empire Resource Conservation District
- Inland Valley Development Authority
- Law Library for San Bernardino County
- Riverside County Law Library
- San Bernardino Public Safety Authority
- San Gorgonio Pass Water Agency
- West Valley Water District

Ms. Casareno also served as technical review partner for the audits of:

- Consolidated Fire Agencies of the East Valley (CONFIRE JPA)
- Riverside County Department of Public Social Services
- Riverside County Sheriff's Department
- San Bernardino County Special Districts
- San Bernardino Regional Emergency Training Center
- San Bernardino Valley Water Conservation District

She served as lead partner in providing agreed-upon procedures and consulting services to former redevelopment agencies in eight cities in Los Angeles County, Riverside County, and San Bernardino County, and assisted these agencies with the unique and complex compliance and financial reporting requirements related to the dissolution of redevelopment agencies in California. She also provided consulting services to the City of Moreno Valley, City of Eastvale, and County of San Bernardino, among others.

As the engagement partner, Ms. Casareno will be responsible for meeting all deadlines requested by TPWD. Having managed large, complex projects, she will lead your engagement team and maintain communication with the management and the Board.

Recent Relevant CPE:

- CSMFO Conference: 2018, 2017, 2016
- CSMFO Panel: Case in Point: Restoring Fiscal Credibility to your City 2018
- Fundamentals of Single Audit: 2018
- AICPA Government Audit Quality Center Update: 2017, 2016, 2015
- Financial Statement, Tax, and Government Fraud: 2016
- League of California Cities Annual Conference: 2016
- E+P Audit and Accounting Update: 2017, 2016, 2015
- CalCPA Governmental Accounting and Auditing Conference: 2017, 2016, 2015
- AICPA's Webinar Series on GASB's Pension Standard: 2015



Eden C. Casareno, CPA
Partner
Head of Attest and Government
Services

Education

BS Degree in Business
Administration, emphasis in
accounting, from University of
California, Riverside

Professional Organizations

- American Institute of Certified
Public Accountants
- California Society of Certified
Public Accountants
- California Society of Municipal
Finance Officers
- California Special
Districts Association

Licensed by the State of California
Years of Experience: 17

ecasareno@eadiepaynellp.com
Cell (909) 809-7662





Donald N. Ecker, CPA
(Inactive)
Chairman

Education

BS Degree in Business Administration,
emphasis in Business from California
Polytechnic University, Pomona

Executive MBA from Northwestern
University, Kellogg School of Management

Young Presidents University Programs,
Stanford, Buckhead, Georgia, Chicago,
Monterey, Newport, Greece, Sweden, Taiwan,
New Zealand, Colorado Springs, and Australia

Professional Organizations

- American Institute of Certified
• Public Accountants
- California Society of Certified
• Public Accountants

Licensed by the State of California
Years of Experience: 49

decker@ceos2.com
Cell (310) 962-6736

CO-CLIENT SERVICE EXECUTIVE

Mr. Ecker joined Eadie + Payne in 2015 as Director of Risk Management. He serves as Risk Advisor and Leader in Communication with boards and top management in assuring clients that commitments are delivered consistent with engagement letters.

Mr. Ecker is, and has been, an active and influential member of the Inland Empire community and understands the business environment. He is the founder and governing board member of March LifeCare, a base-reuse project, and worked closely with the March Joint Powers Authority throughout the development approval process for the 300 acre medical campus. For 30 years he served as a member and past president of the Monday Morning Group of Western Riverside County, and served on the University of California, Riverside Foundation board member for 27 years.

Mr. Ecker is a Retired Senior and Managing Partner/Practice Leader of EY, a global professional services firm, including Managing Partner of the Riverside Office. While Managing Partner of EY Riverside, he was the coordinating/Relationship Partner on RCTC as well as the County of Riverside. He has played a key role in transportation dating back to Measure A in 1988 as well as Measure AA in 1992. He also led the bond analysis of RCTC Toll Road original 1st placement.

He also assisted in the passage of Measure I in San Bernardino County.

In 1999, he founded CEO Strategic Solutions, LLC. He works with CEOs in clarifying mission and giving objective solutions for business success. He served on two public boards; having qualified as a "financial expert" for SEC reporting, and chaired both audit committees.

Mr. Ecker's career in the public sector includes:

- City of Compton
- City of Oxnard
- City of Stockton
- Mission Inn, City of Riverside Transaction
- Orange County - post bankruptcy
- Riverside County
- Riverside County Transportation Commission

Private Sector Includes:

- Baker's Burgers
- Guthy Renker
- Press Enterprise
- Stater Bros.
- Yeager Construction



Hong N. Nguyen, CPA
 Vice Chair
 Partner Attest

Education

BS Degree in Business
 Administration, emphasis in
 accountings, from University of
 California, Riverside

Professional Organizations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers

Licensed by the State of California
 Years of Experience: 10

hnguyen@eadiepaynell.com
 Cell (909) 809-9061

**TECHNICAL STANDARDS
 REVIEW PARTNER**

Ms. Nguyen joined Eadie + Payne in 2008 and was promoted to partner in 2018. Ms. Nguyen possesses a comprehensive understanding of governmental auditing standards and an ability to apply technical accounting and auditing knowledge to real-life situations of the clients she serves. She demonstrates professional judgment, makes sound decisions, and possesses strong project management and interpersonal skills.

Ms. Nguyen served on the audits of:

- Big Bear Municipal Water District
- City of Compton
- City of Oxnard
- City of Stockton
- Hesperia Recreation and Park District
- Inland Valley Development Agency
- Law Library for San Bernardino County
- San Bernardino County Special Districts
- San Bernardino Valley Water Conservation District

She served as the in-charge accountant in providing agreed-upon procedures to multiple former redevelopment agencies in Los Angeles County, Riverside County, and San Bernardino County. She gained a thorough understanding of the unique and complex compliance and financial reporting requirements related to the dissolution and consequent presentation of redevelopment agencies in California and continues to remain updated with current developments and regulations.

She has been appointed technical standards review partner, serving as a second set of eyes to ensure that the financial statements are presented in accordance with appropriate accounting pronouncements.

Recent Relevant CPE:

- CSMFO Conference: 2018, 2017, 2016
- CSMFO Panel, Case in Point: Restoring Fiscal Credibility to Your City: 2018
- E+P Audit and Accounting Update: 2017, 2016, 2015
- Quarterly Yellow Book Update - Q3: 2017
- Preparing for a Single Audit: 2016
- AICPA Government Audit Quality Center Update: 2016, 2015
- CalCPA Governmental Accounting & Auditing Conference: 2016, 2015
- An Auditor's responsibility for Fraud in Government: 2015
- Demystifying Lean Six Sigma for Government Accountants and Auditors: 2015
- New COSO Framework: 2015





Usman Ilyas, CPA
Senior Manager

Education

BS Degree in Accounting, from
Purdue University, West Lafayette,
Indiana

Professional Organizations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Licensed by the State of California
Years of Experience: 16

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Cell: (909) 809-7795

SENIOR MANAGER

Mr. Ilyas joined Eadie + Payne in 2018 as senior manager, leveraging his 16 years of auditing and accounting experience. Mr. Ilyas gained significant experience in Illinois where he worked for a CPA firm focused on school districts, municipalities, and nonprofit organizations. He moved to California in 2007 where he progressed to manage audits of municipalities and special districts. Mr. Ilyas possesses extensive experience in conducting compliance audits of federal programs in consonance with the Uniform Guidance (Single Audits).

Mr. Ilyas served as the manager for the audits of:

- City of Carson
- City of Cerritos
- City of Compton
- City of Hawthorne
- City of Hermosa Beach
- City of Huntington Park
- City of Industry
- City of Lynwood
- City of Moreno Valley
- City of Oxnard
- City of Pomona
- City of Simi Valley
- City of Southgate
- County of San Bernardino - Risk Assessment Study
- Darien Woodridge Fire Protection District
- Los Angeles Community College District
- Menlo Park Fire Protection District
- Riverside Law Library
- West Valley Water District

Mr. Ilyas will be the senior manager of the audit team of TPWD.

Recent Relevant CPE:

- AICPA Government Audit Quality Center Update: 2017
- AICPA Audit Quality Discussion: 2016
- AICPA Single Audit Fundamentals: 2016
- Audits of State and Local Government: 2016
- Ethics for California CPAs: 2016
- Fraud Auditing and Investigation: 2016
- School District Webcast- Cal CPA: 2015
- Governmental Accounting and Auditing Update: 2015
- Preparation of CAFR & A-133 Reports – Municipalities: 2015

SENIOR ACCOUNTANT

Mr. Garces joined Eadie + Payne, LLP in 2018. He has two years of auditing experience.

Mr. Garces has been the staff accountant on several not-for-profit audit engagements and has assisted in the financial statement audits of our largest governmental and privately-owned business clients. His industry experience includes: governmental entities, not-for-profit, and medical centers.

He was a key team member on the audits of the following entities:

- Casitas Water District
- City of Huntington Park
- City of Laguna Nigel
- City of Lakewood
- City of Placentia
- City of Pomona
- City of Seal Beach
- City of Stockton
- East Orange County Water District
- El Toro Water District
- Farm Mutual Water Company
- Fontana Union Water Company
- Gold Coast Transit
- Las Virgenes Municipal Water District
- Palmdale Water District
- Riverside County Flood Control District
- The Port of Hueneme, Oxnard Harbor District
- Trabuco Canyon Water District

Recent Relevant CPE:

- CSMFO Federal and State Legislative and Regulatory Update: 2018
- CSMFO Cybersecurity and Fraud Protection: 2018
- CSMFO Risk Management: 2018
- CSMFO Debt Disclosure Policies, Practices, and Pitfalls: 2018
- CSMFO How do you put a Price on the Cost of Wasting Water?: 2018
- CSMFO Who is Balancing the Balance Sheet?: 2018
- CSMFO Déjà vu All Over Again! GASB Revisits Financial Reporting Model: 2018
- AICPA - Basic Concepts of Governmental Accounting, Financial Reporting and Auditing Conference Webcast: 2017
- Auditing of State and Local Governments: 2017
- Applying the Risk Assessment Standards: 2017
- Advanced Single Audit: 2017



Gregg Garces
Senior Accountant

Education

BA Degree in Business Administration with a Concentration in Accounting, Pomona California State University, Fullerton

Professional Organizations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

License Pending
Years of Experience: 2

ggarces@eadiepaynellp.com



David Ting
Staff Accountant

Education

BA Degree in Economics with Minor in Accounting, from University of California, San Diego

Professional Organizations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

License Pending
Years of Experience: 3

dting@eadiepaynelLP.com

STAFF ACCOUNTANT

Mr. Ting joined Eadie + Payne in 2018 as a staff accountant.

He has one year of experience in public accounting and two years of experience in private accounting. He performed bookkeeping, AR, AP, bank reconciliations, sales tax, payroll tax, income tax return, and financial compilations to high net worth clients in various industries.

He has performed audits and financial reviews for nonpublic organizations. He is currently serving as a key member of the audit team on the audit of the City of Compton which is one of our largest governmental business clients at Eadie + Payne.

He passed the California CPA Exam in 2016 and expects to have his license in 2018.

Recent Relevant CPE:

Professional Ethics for CPAs PETHOL 13: 2018

CSMFO - The Coleman Report: 2018

CSMFO - Avoiding the Pitfalls: Common Financial Reporting Deficiencies and Latest GASB Implementation Guidance: 2018

CSMFO - Capital Asset Common Deficiencies: 2018

CSMFO - Risk Management: What Finance Professionals Need to Know: 2018

CSMFO - Benchmark: A Public Fund's Play Book: 2018

CSMFO - Debt Disclosure Policies: 2018

CSMFO - The Seven Deadly Sins: Control over Cash Collection: 2018

REFERENCES

Name of Organization	Dates of Service Provided	Type of Services Provided	Name, Title, Phone #, Email, Office Address
San Geronio Pass Water Agency	June 30, 2017 - present	Financial audit, preparation of financial statements; assistance with GASB 68	Thomas Todd, Chief Financial Officer (951) 845-2577 ttodd@sgpwa.com 1210 Beaumont Avenue Beaumont, CA 92223
Hesperia Recreation and Park District	June 30, 2012-present	Financial audits, preparation of financial statements, and SCO report, assistance with GASB 68, and special procedures	Lindsay Woods, General Manager (760) 244-5488 l_woods@hesperiaparks.com Shiella Abreo, Admin. Manager (760) 244-5488 s_abreo@hesperiaparks.com P.O. Box 401055 Hesperia, CA 92340
Inland Empire Resource Conservation District	June 30, 2017-present	Financial audit, preparation of financial statements; assistance with GASB 68	Mandy Parkes, District Manager (909) 283-7779 mparkes@iercd.org 25864-K Business Center Drive Redlands, CA 92374
Inland Valley Development Agency	June 30, 2012-present	Financial and single audits, preparation of financial statements, and special procedures	Mike Burrows, Executive Director (909) 382-4100 mburrows@sbdairport.com William Garay, CFO (909) 382-4100 wgaray@sbdairport.com 1601 E. Third Street, Suite 100 San Bernardino, CA 92408
City of Oxnard	June 30, 2015-present	Financial audits, single audit, CAFR preparation, SCO report preparation, Gann Appropriations Limit agreed-upon procedures, assistance with GASB 68	Deanne Purcell, Assistant CFO (805) 200-5400 deanne.purcell@oxnard.org Christine Williams, Controller (805) 385-7468 christine.williams@oxnard.org 300 W. Third Street Oxnard, CA 93030
County of San Bernardino	June 30, 2017 - present	Financial audits of 90 special districts, preparation of financial statements; SCO report preparation	Menaka Burkitt, Audits Manager (909) 382-3117 menaka.burkitt@atc.sbcounty.gov 268 West Hospitality Lane, 4th Floor San Bernardino, CA 92416



SPECIFIC AUDIT APPROACH

Our proposal includes the audit of the basic financial statements of TPWD performed in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

The following reports will be issued upon completion of the audit:

- An Independent Auditor's Report expressing an opinion on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America;
- A report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards* describing the scope and results of testing of internal controls over financial reporting and compliance; this report will also describe all reportable conditions noted as a significant deficiency and/or material weakness;
- A management letter describing nonreportable conditions discovered during the audit, which will also be referenced in the reports on internal control; and
- A report to those charged with governance in accordance with AU-C 260, which will identify significant audit findings and other matters; and
- If we become aware of any irregularities, illegal acts, or indications of illegal acts during the performance of our audits, we will immediately report all such acts in writing to the appropriate management personnel and the Board of Commissioners/Audit Committee.

When applicable, we will also perform a Single Audit in accordance with the Office of Management and Budget (OMB) Uniform Guidance, including submission of the data collection form to the Federal Audit Clearinghouse.

We will issue the following reports upon completion of the Single Audit:

- Report on the schedule of expenditures of federal awards (SEFA);
- Report on compliance for each major federal program and report on internal control over compliance; and
- Schedule of findings and questioned costs.





We expect TPWD to prepare the schedule of expenditures of federal awards for the period covered by the financial statements, management responses to current-year audit findings (if any), as well as a summary schedule of prior audit findings, if applicable.

We will also provide nonaudit services as follows:

- We will assist TPWD in the preparation of its financial statements to ensure it is prepared in compliance with all current GASB requirements; and
- We will prepare the Special Districts Financial Transactions Report to the State Controller's Office.

We will assist you with the preparation of the Comprehensive Annual Financial Report (CAFR). Eadie + Payne will prepare the general purpose financial statements, including notes to the financial statements. TPWD will be responsible for preparing the transmittal letter, management's discussion and analysis, and statistical sections. We will assemble the CAFR, internal control and compliance report, and management letters, and produce the required electronic and paper copies.

Eadie + Payne is experienced in meeting the needs and expectations of our clients. Our goal is to perform a quality audit that will provide assurance to TPWD's leaders whether the financial statements are free from material misstatements due to error or fraud. Our approach will be differentiated by the following:

1. Focus on internal control over financial reporting;
2. Communication; and
3. Commitment to timely service delivery.

Focus on Internal Control

Our audit approach reflects the **risk assessment standards** applicable for governmental audits. These standards require that we assess inherent risk, internal control over financial reporting and compliance, and the likelihood that a material misstatement may occur. Our audit begins with documenting our understanding of TPWD and its environment, including its internal control. We will evaluate the design and implementation of internal control over financial reporting and compliance based on the framework contained in the State Controller's Office Internal Control Guidelines for Local Agencies (2015).

1. Control environment - Is the environment favorable to internal control?
2. Risk assessment - Does TPWD have a risk assessment process at appropriate levels?
3. Control activities - Do control activities contribute to the mitigation of risks and include a mixture of control activity types that address the following:
 - a. Authorization and approval;
 - b. Verification;
 - c. Physical control;
 - d. Reconciliations;
 - e. Supervisory controls; and
 - f. Segregation of duties?



4. Information and communication - Does TPWD provide, share, and obtain information continually, up, down, and across the organization?
5. Monitoring - How does TPWD perform ongoing evaluations to ascertain whether the components of internal control are present and functioning?

Depending on the complexity of the internal controls and the extent to which we intend to rely on them, various test of controls and/or walk-throughs will be performed to provide evidence regarding the design and operating effectiveness of your internal control. Tests of controls will be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and compliance.

We will communicate any reportable conditions found during the audit. Reportable conditions that are also significant deficiencies or material weaknesses will be identified as such in the report. Nonreportable conditions discovered will be reported in a separate letter to management, which will be referred to in the report on internal controls.

Our internal control procedures will be designed around provisions of the new Statement on Auditing Standards (SAS) No. 130, *An Audit of Internal Control over Financial Reporting that is Integrated with an Audit of Financial Statements* (AICPA, Professional Standards, AU-C Sec. 940). Under SAS No. 130, you are able to obtain reasonable assurance about whether material weaknesses exist and you can rely on our opinion issued on the effectiveness of internal control over financial reporting. If desired, we can apply additional procedures to provide a separate opinion on internal control over financial reporting in accordance with SAS No. 130.





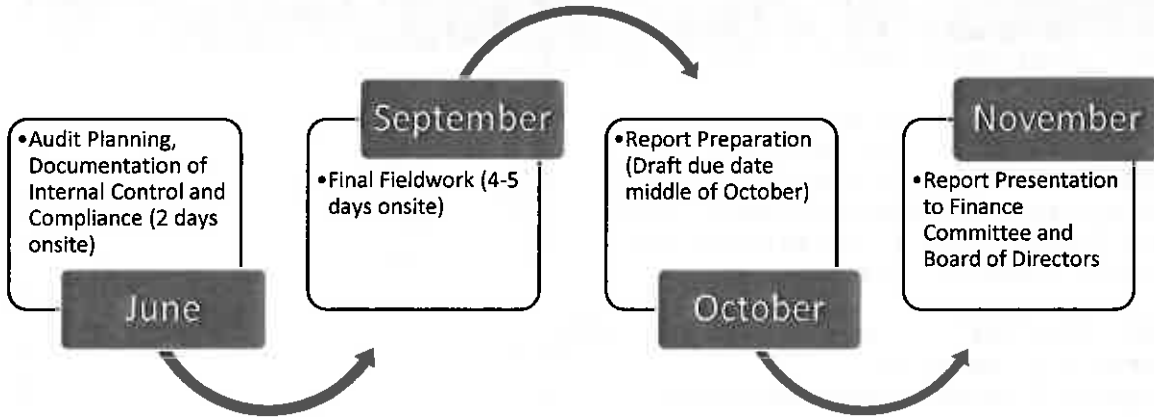
Please refer to table below for proposed segmentation of the audit and the level of staff and number of hours to be assigned to each proposed segment:

Description	Level of Staff	Estimated Hours First Year
Phase 1 - Audit Planning and Interim Audit Fieldwork (June – 2 days onsite)		
Entrance conference; planning meeting by audit team; engagement team to provide PBC list shortly after entrance conference; interviews and walk-throughs of significant accounting and financial reporting areas; tests of internal control and compliance; agreed-upon procedures; meeting with District management/staff to discuss preliminary findings and recommendations	Client Service Executives Senior Manager Senior Staff	5 5 10 10
Phase 2 - Audit Fieldwork, including Single Audit, if needed (September - 1 week onsite)		
Meeting with District management/staff to discuss audit fieldwork; audit testing, analytical procedures, and sampling; partner review and quality assurance; meeting with District management/staff to discuss audit findings and recommendations	Client Service Executives Senior Manager Senior Staff	5 10 40 20
Phase 3 - Report Preparation and Delivery (October – November)		
Preparation of statements and audit reports; provide draft statements and auditor's reports/letters to the Finance Department by October 15th; issue final statement and letters by October 31st; auditor presentation to Finance Committee and Board of Directors in November	Client Service Executives Senior Manager Senior Staff	10 5 20 10
Total		150



Commitment to Timely Service Delivery

We are committed to adhere to the following timeline as stated in Q & A Responses:



Communication

We will meet with the Board of Directors/Finance Committee at least twice during our audit, once at the beginning and another at the end of the audit. We will be available to meet with the Board year-round, when requested.

We work with management in the performance of our audit. Our engagement will commence with an entrance conference with key TPWD personnel. At this meeting, we will discuss engagement objectives, expectations from TPWD and E+P, and provide an initial request list. Our goal is to achieve a clear, mutual understanding regarding the project timeline.

Throughout the engagement, our team will provide status reports and stay in close communication with management to discuss steps performed, significant issues, conclusions, and recommendations.

Auditing Procedures

Computer-assisted Auditing Techniques

Eadie + Payne has been using a **paperless audit approach** for many years. We use electronic data processing software to gather, process, and store data for all of our engagements. All members of the Eadie + Payne audit team are assigned personal computers that include the latest updates of professional accounting and auditing software, search engines, word processing, and spreadsheet software. We will utilize computer-assisted auditing techniques thereby increasing our audit efficiency and effectiveness, saving you time and money and increasing the reliability of the results of audit tests. We also offer our clients web-based portals that provide a secure, convenient, and easy way to exchange and share files with us.

Sampling

Sampling is one of many audit procedures we use to provide sufficient appropriate audit evidence to support our auditor's opinion. We may use audit sampling procedures to obtain audit evidence during our testing of your internal controls and compliance and in our tests of details. We will select our sample sizes based on the characterization of the population, our materiality levels, and our risk assessments performed in the planning phase of our audit. Statistical as well as nonstatistical sampling may be used. Sample sizes will generally range from 25-60 items depending on the nature of transactions and purpose of the test. We may also use dual- or multi-purpose samples if the situation permits.

Single Audit

The single audit will be performed in accordance with the Single Audit Act and the Uniform Guidance. In a single audit, our objectives are to audit the District's financial statements and report on the supplementary schedule of expenditures of federal awards and to perform a compliance audit of federal awards. The compliance audit includes gaining an understanding of and testing internal control over compliance for major programs.

In the single audit, our goal is to determine whether the District has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs. We will use a risk-based approach to determine which federal programs are major programs. Our determination of the programs to audit is based on an overall evaluation of the risks of noncompliance occurring that could be material to the individual federal programs.

The Compliance Supplement is the primary source for identifying compliance requirements for federal programs. We will use professional judgment to determine which of the 12 types of compliance requirements may have a direct and material effect on each major program.





Analytical Procedures

We will use analytical procedures during the planning, performance, and review phases of our audit. We will analyze current and prior-year amounts to ensure changes from year to year are reasonable and proper. Variances will be followed up until we are satisfied that the current-year financial statements are fairly presented. We may also use specific ratio analyses and trend analyses of these ratios.

Consideration of Laws and Regulations

As part of the risk assessment process, Eadie + Payne will obtain an understanding of laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts, design tests of compliance with those laws, regulations, and provisions of contracts and grant agreements, and evaluate the results of those tests. Because governments are subject to many laws, regulations, and provisions of contracts or grant agreements, we will identify those that directly relate to specific aspects of the government within the context of our audit objectives. This process will involve discussions with management, legal counsel, or grant administrators about your compliance requirements and reviewing relevant laws, regulations, contracts, and agreements.

Consideration of Fraud

Eadie + Payne will perform brainstorming sessions, inquiries, and interviews of management and other personnel, analytical procedures, and other appropriate procedures to obtain reasonable assurance that TPWD's financial statements are free from material misstatements due to fraud. We will apply computer-assisted fraud detection techniques, focusing on areas susceptible to fraud. We will consider TPWD's management programs and controls to identify and act on fraud risks.

Quality Assurance

Our internal quality assurance process requires the review of significant audit workpapers and the financial statements by the engagement partner. The **engagement partner** will release our report on the financial statements only after she believes the assignment has been completed in full compliance with the code of professional ethics, generally accepted and other applicable auditing standards, and Firm policies.

After the engagement partner completes her review, a **technical standards review** will be performed by a partner unrelated to, and otherwise independent of, the audit engagement. The technical standards review is intended to further ensure that your financial statements are in conformity with generally accepted accounting principles, including adequate and informative disclosures, and that Firm policies have been complied with. Our independent quality control program provides additional assurance that all reports meet the ever-increasing requirements of regulatory agencies and others.



Other Services

We can assist in activities such as establishing internal controls, implementing audit recommendations, and implementing current and proposed GASB statements. We will provide at least one formal updating session per fiscal year with TPWD's Finance and Accounting staff. We can also answer any technical questions you may have related to governmental financial reporting and other areas of our expertise throughout the year.

Our audit plan is based on the assumption that the accounting records will be in good order. We expect all elements of the financial statements and schedules to be ready when we start final fieldwork or shortly thereafter. The general ledger and subsidiary ledgers for receivables and payables should be in balance and cash accounts should be reconciled. Capital assets and the related depreciation expense should be properly recorded. Revenue and expenses/expenditures should be properly accounted for on the full accrual or modified accrual basis as appropriate. There should be knowledgeable personnel available to assist us in retrieving documents, answer questions concerning the records, and prepare, under our direction, lists and schedules of certain accounts. We should have reasonable access to the personnel and items that we believe are needed to complete our work.

We look forward to teaming with your designated person with appropriate Skill, Knowledge and Experience (SKE) which is critical to our assessment of overall risk within TPWD.



EXTERNAL QUALITY CONTROL REVIEW REPORTS

Audit Quality Control Review Report



BETTY T. YEE
California State Controller

October 6, 2016

Eadie + Payne, LLP
Deborah Crowley, CPA, Partner
1839 West Redlands Boulevard
Redlands, CA 92373

Dear Ms. Crowley:

The State Controller's Office (SCO) completed a quality control review of Eadie + Payne, LLP. We reviewed the audit working papers for the firm's audit of the City of Oxnard for the fiscal year ended June 30, 2015.

The Eadie + Payne, LLP audit was performed in accordance with the standards and requirements set forth in *Government Auditing Standards*, issued by the Comptroller General of the United States, often referred to as generally accepted government auditing standards; auditing standards generally accepted in the United States of America; Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the California Business and Professions Code.

If you have any questions, please contact Jim L. Spano, CPA, Chief, Financial Audits Bureau, at (916) 323-5849.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey V. Brownfield".

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

Peer Review Report

Our peer review conducted in 2016, resulted in the issuance of an opinion that the system for quality control for the auditing practice of Eadie + Payne met the objectives established by the AICPA and was being complied with during the period under review. The quality control review included engagements performed under *Government Auditing Standards* and OMB Circular A-133.



System Review Report

To the Partners of Eadie & Payne, LLP
& the California Society of CPAs Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP (the Firm) in effect for the year ended April 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards* and an audit of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Eadie & Payne, LLP in effect for the year ended April 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eadie & Payne, LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 16, 2016

Postlethwaite & Netterville • 215 St. Patrick St. • Donaldsonville, LA 70346 • Tel: 225-473-4479 • Fax: 225-473-7204



COST PROPOSAL

The annual fee for the audits of fiscal year 2018 through 2022 shall not exceed the following:

	2018	2019	2020	2021	2022	Total
Financial Statement Audit	\$17,200	\$17,700	\$18,200	\$18,700	\$19,200	\$91,000
Travel and Other Expenses	\$300	\$350	\$400	\$450	\$500	\$2,000
Total All-Inclusive Maximum Price	\$17,500	\$18,050	\$18,600	\$19,150	\$19,700	\$93,000
Single Audit Report (if required)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Total (Not to Exceed)	\$22,500	\$23,050	\$23,600	\$24,150	\$24,700	\$118,000

Hourly Rates by Personnel

Partner	\$285
Senior Partner	\$300
Senior Manager	\$180
Supervisor	\$150
Senior	\$120
Staff	\$95
Clerical	\$90

Billing rates are determined annually.





Affirmation and Authorization

NAME OF BIDDER: Eden Casareno | Donald Ecker

TITLE: Co-Client Service Executive | Co-Client Service Executive

FIRM NAME: Eadie and Payne, LLP

STREET ADDRESS: 3880 Lemon Street, Suite 300

CITY, ZIP: Riverside, CA 92501

FEDERAL TAX I.D.: 95-1754234

TELEPHONE NUMBER: (951) 241-7805 | (951) 241-7803

FAX NUMBER: (951) 241-7726

EMAIL ADDRESS: ecasareno@eadiepaynellp.com | decker@ceos2.com

The undersigned declares that he/she is authorized to enter into an agreement on behalf of the above named Company.

Signatures:

Eden C Casareno



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TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO:	BOARD OF DIRECTORS
DATE:	APRIL 25, 2018
FROM:	RAY KOLISZ, GENERAL MANAGER
SUBJECT:	CUSTOMER REQUEST TO ADDRESS BOARD FOR A HIGH USAGE WATER BILL FOR ACCOUNT # 007354-000

BACKGROUND AND DISCUSSION

Customer for account #007354-000 would like to address the Board for a high usage water bill in the amount of \$7,136.41 for the water used during the time period of January 9, 2108 to March 14, 2018.

Upon reading the meter, on March 14, 2018, associated with the above referenced account number, it was discovered that a large amount of water had been used since the last meter reading cycle in January and the water meter was actively spinning at a rate of approximately 20 gallons per minute. The meter reader contacted the office with the information and the property owner was contacted to be made aware of the water consumption and active leak. After speaking with the property owner the water was turned off and staff promptly met with the owner on March 14, 2018. Upon investigation, a broken water pipe was found on the property causing the high usage of water. The total amount of water that was lost from the leak was 2,403 units or 1,797,444 gallons of water.

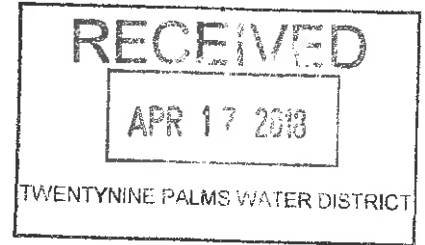
Attached for review is the letter from the customer requesting a partial forgiveness of the debt or consideration for payment terms for the amount due.

RECOMMENDATION

To consider options outlined in customer's letter or offer alternative options determined by the Board.

Edward C. Vallerand

16-April-2018



Twentynine Palms Water District
72401 Hatch Road
Twentynine Palms, Ca 92277-2935

Account # 007354-000

The Problem:

My last Bill was for \$7,136.41, reflecting 2403.87 Units of usage.

The previous bill reflected only one unit of usage, and the previous 7 years reflected no usage. I attributed the one unit of usage to the turn on turn off to check that the meter was operating properly. I thought that the accumulation of years of cycling the meter on/off with a small usage resulted in the one unit of consumption. I checked the house and found no problems other than part of the south fence was down.

↳ AFTER THE 1 UNIT BILL

Some background:

I turn off the water at my side of the meter on all my inactive usage accounts, to protect from any leaks, like the one less than 10 feet from the meter that cost me over \$700.00 back in 2003. I kept the water on as proof that the property was unoccupied (i.e. not rent) to protect against any IRS questions such as prove the property was vacant and I was not hiding rental income. (This was a suggest from my mother who worked for the IRS from the 50's until retiring in the 70's.)

When Matt and I checked the Ramona property we found an external broken pipe and an out building was emptied of almost its entire contents. The fence to the south of the property was also down. It looked like a squatter might have moved in during the cold months and probably turned the water on to use an exterior faucet not far from the out building. When the pipe broke, the squatter probably left without turning off the water at the meter.

I checked with Bob Dunn, State Farm Insurance, and the loss is not covered by my policy.

Request:

- 1. Be allowed to pay off the debt at a rate of \$150.00 per month, with the first payment already made on 10 April 2018.**
- 2. A partial forgiveness of the debt.**

At \$150 per month it will take 4 years to pay off the debt. A forgiveness of \$3,600 (half the debt) will reduce the payoff period to 2 years and a forgiveness of \$1,800 (a quarter of the debt) will reduce the payoff period to 3 years.

Thank You for considering the request.

Sincerely yours

Edward C. Vallerand
Edward C. Vallerand

[REDACTED]

[REDACTED]

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TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO: BOARD OF DIRECTORS
DATE: APRIL 25, 2018
FROM: RAY KOLISZ, GENERAL MANAGER
SUBJECT: CONSIDERATION TO APPROVE RESOLUTION 18-05 ADOPTING A
LOCAL HAZARD MITIGATION PLAN FOR THE TWENTYNINE PALMS
WATER DISTRICT

BACKGROUND

At the July 26, 2017 Board of Directors meeting, Mr. Gary Sturdivan presented to the Board a Local Hazard Mitigation Plan (LHMP) that was developed for the Twentynine Palms Water District. At that time the Board approved the plan which allowed the LHMP to be submitted to the California Governor's Office of Emergency Services (CalOES) and the Federal Emergency Management Agency (FEMA) for their review and approval.

Staff is pleased to report that the LHMP has been approved by both CalOES and FEMA. With this approval the Board can now adopt the LHMP by Resolution.

RECOMMENDATION

Approve Resolution 18-05 Adopting a Local Hazard Mitigation Plan for the Twentynine Palms Water District.

RESOLUTION NO. 18-05

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TWENTYNINE PALMS WATER DISTRICT
ADOPTING A LOCAL HAZARD MITIGATION PLAN**

WHEREAS, the Twentynine Palms Water District is committed to protect the constituents of the District from potential harm from natural and human caused disasters;

WHEREAS, the preservation of life, property and the environment an inherent responsibility of local, state and federal government;

WHEREAS, the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (OES) require that all governmental entities within the state have a Hazard Mitigation Plan;

WHEREAS, the Twentynine Palms Water District has developed an HMP that conforms to the State of California and Federal emergency Agency HMP guidelines;

WHEREAS, this HMP is an extension of the County of San Bernardino's Hazard Mitigation Plan and the State of California Hazard Mitigation Plan; that the HMP is only good for a term of 5-years and that the plan must be up-dated and re-approved by FEMA;

WHEREAS, upon adopting this Plan and approval by FEMA, the District is eligible to receive and write Federal and State grants for Mitigation projects and is eligible for pre and post disaster funding;

WHEREAS, upon adoption of the 2017 HMP all other previous Hazard Mitigation Plans are no longer valid;

NOW, THEREFORE BE IT RESOLVED the Twentynine Palms Water District Board of Directors gives its support to this plan and urges staff and employees to collectively incorporate mitigation measures into all District planning and facilities and funding opportunities;

PASSED, APPROVED AND ADOPTED this 25th day of April 2018, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Kerron E. Moore, President
Board of Directors

Attest:

Ray Kolisz, Board Secretary
Twentynine Palms Water District

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TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO: BOARD OF DIRECTORS

DATE: APRIL 25, 2018

FROM: RAY KOLISZ, GENERAL MANAGER

SUBJECT: CONSIDERATION TO APPROVE RESOLUTION 18-06 AUTHORIZING THE DISTRICT'S SUBMITTAL OF A GRANT APPLICATION, AND APPROVING NEGOTIATION AND EXECUTION OF A COOPERATIVE AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION FOR A WATERSMART WATER AND ENERGY EFFICIENCY GRANT (FUNDING OPPORTUNITY NO. BOR-MP-18-F006)

BACKGROUND

The District is seeking grant funds from the Bureau of Reclamation for a Watersmart Water and Energy Efficient project related to the Automated Metering Infrastructure (AMI) for the District in the amount of up to \$1M.

A requirement for the grant application is to include an official resolution adopted by the applicant's Board of Directors authorizing the submittal of the application.

The AMI project has been discussed with Board on several occasions and has benefits for the rate payers and District to include improved monitoring of water consumption resulting in water conservation measures, leak detection alerts, and operational cost savings to the District. Estimated cost for the AMI project is \$1.4M.

There are two options for applications related to maximum funding:

Option 1-funding up to \$300K with project completion within 2 years

Option 2-funding up to \$1M with project completion within 3 years

Option 2 has the largest funding opportunity but it is also more competitive as many agencies apply for this.

Both grant options have a matching fund element that would come from District reserves.

RECOMMENDATION

Approve Resolution 18-06 Authorizing the District's Submittal of a Grant Application with the Bureau of Reclamation for Funding Up to \$1M.

RESOLUTION NO. 18-06

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TWENTYNINE PALMS WATER DISTRICT OF SAN
BERNARDINO COUNTY, AUTHORIZING THE DISTRICT'S SUBMITAL
OF A GRANT APPLICATION, AND APPROVING NEGOTIATION AND
EXECUTION OF A COOPERATIVE AGREEMENT WITH THE UNITED
STATES BUREAU OF RECLAMATION FOR A WATERSMART WATER
AND ENERGY EFFICIENCY GRANT
(FUNDING OPPORTUNITY NO. BOR-MP-18-F006)**

WHEREAS, Twentynine Palms Water District of San Bernardino County ("District") is a municipal water district established pursuant to Section 71000 et seq. of the California Water Code; and

WHEREAS, the District seeks to match local funds with federal funds provided by the United States Department of the Interior Bureau of Reclamation to increase efficient use of water, reduce energy demands; and

WHEREAS, the Board of Directors of the District is supportive of the submittal of an application for funding from the Department of the Interior Policy and Administration, Bureau of Reclamation WaterSMART Grant Program: Water and Energy Efficiency Grants FY 2018, Funding Opportunity Announcement # BOR-DO-18-F006 for the Advanced Meter Infrastructure/Advanced Meter (AMI/AMR) "Smart" Meter Project; and

WHEREAS, the District agrees to the administration and cost sharing requirements of the WaterSMART Grant criteria; and

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Directors of the Twentynine Palms Water District, as follows:

Section 1. The District is hereby authorized to receive, if awarded, the WaterSMART Grant Program: Water and Energy Efficiency Grant funding in the amount up to \$1,000,000 and to enter into an agreement with the Bureau of Reclamation for the receipt and administration of said grant funds.

Section 2. If awarded, the General Manager, or his designee, is hereby authorized to take any and all action which may be necessary for the completion and execution of the project agreement and to take any and all other action which may be necessary for the receipt and administration of the grant funding in accordance with the requirements of the Bureau of Reclamation.

Section 3. This resolution officially becomes a component part of the District's grant application.

Section 4. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, sentences, clauses or phrases or the application thereof be held invalid.

PASSED, APPROVED, AND ADOPTED this 25th day of April 2018, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Kerron E. Moore, President
Board of Directors

Attest:

Ray Kolisz, Board Secretary
Twentynine Palms Water District

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

MARCH 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, Suzi Horn, Randy Leazer, and Sam Moore. Also present were General Manager Ray Kolisz, Operations Superintendent Mike Minatrea, 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. Consideration of Resolution 18-04 Intention to Continue Currently Existing Water Availability Assessments of the Twentynine Palms Water District in the Upcoming Fiscal Year 2018/2019

Staff recommends adopting the resolution.

Director Giannini made a motion to adopt Resolution 18-04 intention to continue currently existing water availability assessments for the fiscal year 2018/2019, seconded by Director Horn, and approved by the following roll call vote:

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

2. Review Legislative Committee's Recommendation to Oppose SB 998; Support in Concept ACA 21; Support AB 2060; and Authorize the General Manager to Submit Letters

The committee has been discussing legislative bills that will have an impact on the District, if passed. Adan Ortega, was present to answer questions from the Board. The committee recommends opposing SB 998. This bill would prohibit residential service from being shut off under specified circumstances resulting in the District/rate-payers subsidizing non-paying or delinquent customers. The committee supports ACA 21, in concept, allowing funds to be allocated for specified infrastructure investments. The committee also supports AB 2060. This bill would allow advance payments, 50% of the grant award, for projects in which the project proponent is a nonprofit organization, disadvantage community or the project benefits a disadvantaged community. This will permit the State Water Resources Control Board to expedite the awarding of grants.

Staff recommends supporting the committee's stance on the bills.

Director Horn made a motion to support the Legislative Committee's recommendations, seconded by Director Giannini, and approved by the following roll call vote:

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

3. Review and Discussion of General Manager Evaluation Form

The Board expressed a desire to change the General Manager's evaluation form. The Board was presented with three different evaluation forms for review. The Board favored the simplicity of Form C and agreed to use it for the next evaluation.

4. Discussion of Customer Required Deposit

At a previous Board meeting, Director Moore asked that customer required deposits be included for discussion. The District currently requires a \$75 deposit upon the implementation of water service. Service that has been turned off for non-payment constitutes a new service when reconnected. The policy currently has no language allowing the waiver of the deposit fee.

5. Consent Calendar

- Minutes of a Regular Meeting held on February 28, 2018
- Audit List

Director Coghill moved to approve the Consent Calendar, seconded by Director Leazer, 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 29 Underground Service Alerts, had 0 water main leaks, 0 water meter leaks, 0 service line leaks, 2 fire hydrant repairs, performed 3 customer pressure checks, replaced 11 meters, replaced 4 customer gate valves, and installed 1 new service. 3 water waste complaints were received. Water production was down .02% as compared to the same month in 2013. The District has been testing 20 AMI meters for the past two months, purposely stressing them, to see if they fail. So far, all meters are performing very well.

7.2 Finance

Ms. Byerrum reported, total operating revenue and budget expenses are on track for this time of the year with expenses at 58%. A full media change out was performed at the Treatment Plant resulting in an unforeseen expenditure. The budget will be presented to the Board in May for review. The District received a reimbursement check from ACWA/JPIA for the asphalt repair at the 801 housing.

7.3 General Manager

Mr. Kolisz reported testing at Well 11B was conducted. Water treatment options will be reviewed. The annual Landscape Tour will be held on April 28-29. Ray will be in Sacramento on April 5th for a Water Affordability workshop with Adan sitting

on the panel. On April 11th Ray will be part of a Shaping Legislation panel at Victor Valley College.

8. Future Agenda Items and Staff Tasks/Directors' Comments and Reports
Director Moore questioned the District's obligations to 801 housing should the government discontinue their housing contract.
9. Adjournment
On motion by Director Horn, seconded by Director Coghill, and approved by the Board, the meeting was adjourned at 6:58 p.m.

Kerron E. Moore, President
Board of Directors

Attest:

Ray Kolisz, Board Secretary
Twentynine Palms Water District

Twentynine Palms Water District

Check Date Range: 3/1/2018 thru 3/31/2018

Ck No	Ck Date	Payable To	Ck Amt	Ck Detail	GL Acct No	Description
10152	03/07/2018	Accela, Inc. #774375	1,555.00	1,555.00	100-600-0000-5408	Web Payments February 2018
10153	03/07/2018	ACWA/JPIA	35,167.77	1,704.69	100-600-0000-5399	Medical Benefits April 2018
				1,858.51	100-310-0000-5141	Medical Benefits April 2018
				28,110.64	100-310-0000-5140	Medical Benefits April 2018
				365.93	100-310-0000-5142	Medical Benefits April 2018
				3,128.00	100-310-0000-5144	Medical Benefits April 2018
10154	03/07/2018	Ansafone Contact Centers	139.47	139.47	100-160-0000-5406	Answering Service
10155	03/07/2018	Autozone Inc.	114.28	27.39	100-130-0000-5228	Small Tools-50 Ft PVC Air Hose.
				15.45	100-130-0000-5220	Shop Supplies-Windshield Washer Fluid.
				9.69	100-130-0000-5228	Small Tools-Scraper.
				11.99	100-130-0000-5228	Small Tools-Male Brass Coupler.
				5.98	100-130-0000-5228	Small Tools-Female Brass Coupler.
				17.79	100-130-0000-5228	Small Tools-Two Way Swivel Splitter.
				25.99	100-130-0000-5228	Small Tools-50 Ft Rubber Air Hose.
10156	03/07/2018	Beyond Software Solutions	240.00	240.00	100-600-0000-5406	IT Services
10157	03/07/2018	Builders Supply - 29 Palms	67.18	16.11	100-130-0000-5220	5 Gallon Buckets
				32.22	100-150-0000-5220	5 Gallon Paint buckets for treatment plant.
				18.85	100-130-0000-5220	Tapper screws for new meter transmitter
10158	03/07/2018	Burrtec Waste & Recycling Svcs	202.36	137.74	100-600-0000-5406	Hatch
				64.62	100-150-0000-5406	Amboy
10159	03/07/2018	Centurylink Business Services	22.36	22.36	100-600-0000-5203	Hatch
10160	03/07/2018	Chem-Tech International Inc.	18,521.37	6,208.09	100-150-0000-5211	Load of Acid (Treatment Plant)
				12,313.28	100-150-0000-5211	Load of Caustic (Treatment Plant)
10161	03/07/2018	County Of San Bernardino	701.28	101.90	100-130-0000-5406	Trash
				41.77	100-130-0000-5406	Trash and yard debris
				23.06	100-130-0000-5406	O&M Waste
				47.83	100-130-0000-5406	O&M Waste
				145.66	100-150-0000-5406	FEES FOR TREATMENT WASTE
				341.06	100-150-0000-5406	Fees for treatment waste
10162	03/07/2018	E.H. Wachs	385.97	275.87	100-130-0000-5222	Veh #40 Battery, Recon Controller (Valve Trailer)

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				110.10	100-130-0000-5222	Veh. #40 Suction With Strainer (Valve Trailer)
10163	03/07/2018	Engineering Resources	108.50	108.50	100-825-0000-6001	Professional Services
10164	03/07/2018	Frontier Communications	142.45	142.45	100-600-0000-5203	Hatch
10165	03/07/2018	Customer Refund	530.10	530.10	100-000-0000-2000	AR Refund
10166	03/07/2018	Hi-Grade Materials Co.	45.39	45.39	100-130-0000-5220	#3 Rock (Pea Gravel)
10167	03/07/2018	Kvac	805.00	805.00	100-130-0000-5406	Kvac Environmental Disposal Fee
10168	03/07/2018	Mcmaster-Carr Supply Co.	30.72	30.72	100-130-0000-5220	Misc, Parts Spacer.
10169	03/07/2018	Merit Oil Company	7,381.17	5,782.11	100-000-0000-1401	2500 Gallon of Unleaded 87
				1,572.06	100-000-0000-1401	600 Gallons of Diesel #2 Clear
				27.00	100-000-0000-1401	Fuel Surcharge
10170	03/07/2018	Minolta Business Systems	69.70	69.70	100-600-0000-5223	01/23/2018 - 02/22/2018
10171	03/07/2018	O'Reilly Automotive Inc.	41.35	41.35	100-130-0000-5222	Veh. #10 Wiper Blades
10172	03/07/2018	Office Supplies Plus Inc.	14.77	14.77	100-130-0000-5406	Sent in battery for exchange.
10173	03/07/2018	Palm Springs Motors Inc.	100.83	47.93	100-130-0000-5222	Veh. #18 Gas Spring.
				52.90	100-130-0000-5222	Veh. #18 Gas Spring.
10174	03/07/2018	Parkhouse Tire Inc.	1,249.79	1,138.13	100-130-0000-5222	Veh. #37 Front Tires.
				8.16	100-130-0000-5222	Veh. #37 Front Tire Valve Stems.
				3.50	100-130-0000-5222	Veh. #37 Ca. Recycling Fee.
				70.00	100-130-0000-5222	Veh. #37 Tire Dismount/Mount.
				30.00	100-130-0000-5222	Veh. #37 Environmental/Disposal.
10175	03/07/2018	Paul Associates	486.11	486.11	100-600-0000-5301	Work Orders
10176	03/07/2018	Pitney Bowes	458.85	458.85	100-600-0000-5223	12/30/2017 - 03/29/2018
10177	03/07/2018	Prudential Overall Supply	527.23	211.78	100-130-0000-5253	Uniforms
				48.35	100-130-0000-5253	Uniforms
				218.75	100-130-0000-5253	Uniforms
				48.35	100-130-0000-5253	Uniforms
10178	03/07/2018	S.C.E.	17,172.38	33.90	100-110-0000-5201	Michel's
				1,183.62	100-150-0000-5201	Plant
				2,152.16	100-110-0000-5201	Well 17
				984.39	100-600-0000-5201	Hatch
				33.32	100-110-0000-5201	Well 4
				11,166.92	100-110-0000-5201	Well TP-1

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				760.39	100-120-0000-5201	Booster 11A, 11B
				808.86	100-110-0000-5201	Well 6, 12
				48.82	100-110-0000-5201	Well 9, Booster 6A, 6B
10179	03/07/2018	Satmodo LLC	129.88	129.88	100-600-0000-5203	Iridium Monthly Minute Plans
10180	03/07/2018	Shoplet.Com	174.56	174.56	100-600-0000-5301	Office Supplies
10181	03/07/2018	Susan L. Simmons	712.50	712.50	100-600-0000-5406	Janitorial Services
10182	03/07/2018	Southern Calif. Gas Co.	180.77	180.77	100-600-0000-5202	Hatch
10183	03/07/2018	Spectrum Business	139.98	139.98	100-600-0000-5203	La Luna
10184	03/07/2018	The Pun Group	2,450.00	2,450.00	100-600-0000-5402	Professional Services
10185	03/07/2018	Trophy Express	28.98	28.98	100-600-0000-5301	Name Badges - Board
10186	03/07/2018	Underground Service Alert	69.40	69.40	100-130-0000-5406	36 New Tickets
10187	03/07/2018	Usa Blue Book	103.70	103.70	100-150-0000-5220	Midnight Powder free nitrile gloves for media exchange
10188	03/07/2018	Verizon Wireless	625.09	625.09	100-600-0000-5203	Wireless
10189	03/07/2018	Water Education Group	485.00	485.00	100-600-0000-5350	Conservation Materials
10190	03/21/2018	Jeff Arwick	20,005.00	185.00	100-150-0000-5406	Connect New Flow Meter (Treatment Plant)
				11,900.00	100-825-0000-6001	Well #11-B Install new: 480V Panel Board, 120/208V Transformer.
				7,920.00	100-825-0000-6001	Install new service panel, with transfer switch.
10191	03/21/2018	Customer Refund	42.64	42.64	100-000-0000-2000	Refund Check
10192	03/21/2018	Customer Refund	26.65	26.65	100-000-0000-2000	Refund Check
10193	03/21/2018	Customer Refund	23.63	23.63	100-000-0000-2000	Refund Check
10194	03/21/2018	Customer Refund	36.31	36.31	100-000-0000-2000	Refund Check
10195	03/21/2018	Customer Refund	69.18	69.18	100-000-0000-2000	Refund Check
10196	03/21/2018	Beck Oil Inc.	8,642.19	5,723.46	100-000-0000-1401	2,400 Gallon of Unleaded 87
				1,221.40	100-000-0000-1401	500 Gallon of Diesel #2 Clear
				6.59	100-000-0000-1401	Regulatory Compliance Fee
				1,690.74	100-000-0000-1401	Taxes/Fees
10197	03/21/2018	Customer Refund	34.85	34.85	100-000-0000-2000	Refund Check
10198	03/21/2018	Customer Refund	38.21	38.21	100-000-0000-2000	Refund Check
10199	03/21/2018	Best Best & Krieger	4,126.95	523.85	100-600-0000-5403	Professional Service Feb 2018
				1,078.30	100-600-0000-5403	Professional Service Feb 2018
				2,524.80	100-600-0000-5403	Professional Service Feb 2018
10200	03/21/2018	Customer Refund	13.95	13.95	100-000-0000-2000	Refund Check

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10201	03/21/2018	Customer Refund	41.80	41.80	100-000-0000-2000	Refund Check
10202	03/21/2018	Customer Refund	11.16	11.16	100-000-0000-2000	Refund Check
10203	03/21/2018	Benjamin D. Brewer	925.00	925.00	100-110-0000-5406	Block Wall Repair, Coat Block Wall, and Concrete Floor With Floor
10204	03/21/2018	Customer Refund	53.80	53.80	100-000-0000-2000	Refund Check
10205	03/21/2018	Customer Refund	28.05	28.05	100-000-0000-2000	Refund Check
10206	03/21/2018	Builders Supply - 29 Palms	38.66	38.66	100-150-0000-5220	5 gallon Paint pails
10207	03/21/2018	Customer Refund	15.87	15.87	100-000-0000-2000	Refund Check
10208	03/21/2018	Byrd Industrial Electron	263.40	263.40	100-110-0000-5225	Power supply + shipping
10209	03/21/2018	Customer Refund	37.21	37.21	100-000-0000-2000	Refund Check
10210	03/21/2018	Customer Refund	66.32	66.32	100-000-0000-2000	Refund Check
10211	03/21/2018	Centurylink Business Services	42.76	42.76	100-600-0000-5203	Hatch
10212	03/21/2018	Customer Refund	60.07	60.07	100-000-0000-2000	Refund Check
10213	03/21/2018	Customer Refund	24.93	24.93	100-000-0000-2000	Refund Check
10214	03/21/2018	City of Twentynine Palms	318.00	159.00	100-130-0000-5303	City Permit Fee #427 (74353 Pinion)
				159.00	100-130-0000-5303	City Permit Fee #428 (F.H. #1810 Diamond Bar)
10215	03/21/2018	Clinical Lab of San Bern.	1,314.00	1,314.00	100-140-0000-5405	Water Samples
10216	03/21/2018	Customer Refund	61.36	61.36	100-000-0000-2000	Refund Check
10217	03/21/2018	Customer Refund	51.51	51.51	100-000-0000-2000	Refund Check
10218	03/21/2018	County Of San Bernardino	120.48	120.48	100-150-0000-5406	Treatment Plant waste
10219	03/21/2018	Customer Refund	26.24	26.24	100-000-0000-2000	Refund Check
10220	03/21/2018	Customer Refund	61.36	61.36	100-000-0000-2000	Refund Check
10221	03/21/2018	Customer Refund	37.72	37.72	100-000-0000-2000	Refund Check
10222	03/21/2018	Desert Hardware	34.01	3.97	100-130-0000-5220	Shop Supplies Teflon Tape.
				9.29	100-150-0000-5220	Leaf skimmer head aluminum
				20.75	100-150-0000-5220	8-16" DLX telepole
10223	03/21/2018	Customer Refund	56.86	56.86	100-000-0000-2000	Refund Check
10224	03/21/2018	Customer Refund	24.95	24.95	100-000-0000-2000	Refund Check
10225	03/21/2018	Customer Refund	43.92	43.92	100-000-0000-2000	Refund Check
10226	03/21/2018	Customer Refund	29.11	29.11	100-000-0000-2000	Refund Check
10227	03/21/2018	Engineering Resources	3,680.00	3,680.00	100-825-0000-6001	Professional Services
10228	03/21/2018	Customer Refund	42.79	42.79	100-000-0000-2000	Refund Check
10229	03/21/2018	Frontier Communications	301.53	158.95	100-150-0000-5203	Plant

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				142.58	100-600-0000-5203	Hatch
10230	03/21/2018	Customer Refund	75.00	75.00	100-000-0000-2000	Refund Check
10231	03/21/2018	Customer Refund	23.08	23.08	100-000-0000-2000	Refund Check
10232	03/21/2018	Customer Refund	22.29	22.29	100-000-0000-2000	Refund Check
10233	03/21/2018	Customer Refund	41.59	41.59	100-000-0000-2000	Refund Check
10234	03/21/2018	Customer Refund	40.00	40.00	100-000-0000-2000	Refund Check
10235	03/21/2018	Customer Refund	23.26	23.26	100-000-0000-2000	Refund Check
10236	03/21/2018	Customer Refund	26.71	26.71	100-000-0000-2000	Refund Check
10237	03/21/2018	Customer Refund	71.90	71.90	100-000-0000-2000	Refund Check
10238	03/21/2018	Customer Refund	57.69	57.69	100-000-0000-2000	Refund Check
10239	03/21/2018	Home Depot Credit Services	54.36	54.36	100-130-0000-5220	Water filter
10240	03/21/2018	Customer Refund	46.43	46.43	100-000-0000-2000	Refund Check
10241	03/21/2018	Inland Water Works	23,570.31	23,570.31	100-850-0000-6001	5/8" multi jet meter, visual read (Meter Replacement Program CIP
10242	03/21/2018	Customer Refund	29.58	29.58	100-000-0000-2000	Refund Check
10243	03/21/2018	Customer Refund	41.90	41.90	100-000-0000-2000	Refund Check
10244	03/21/2018	Customer Refund	19.35	19.35	100-000-0000-2000	Refund Check
10245	03/21/2018	Customer Refund	18.80	18.80	100-000-0000-2000	Refund Check
10246	03/21/2018	Kennedy/Jenks Consultants	8,405.53	125.00	100-600-0000-5412	Professional Services
				461.25	100-600-0000-5412	Professional Services
				7,819.28	100-150-0000-5406	Seismic Evaluation Treatment Plant
10247	03/21/2018	Customer Refund	59.80	59.80	100-000-0000-2000	Refund Check
10248	03/21/2018	Customer Refund	20.16	20.16	100-000-0000-2000	Refund Check
10249	03/21/2018	Konica Minolta Premier	474.00	155.97	100-150-0000-5223	3/1/2018-3/31/2018
				318.03	100-150-0000-5223	3/1/2018-3/31/2018
10250	03/21/2018	Layne Christensen	245,595.15	245,595.15	100-825-0000-6001	Well 11B
10251	03/21/2018	Customer Refund	20.66	20.66	100-000-0000-2000	Refund Check
10252	03/21/2018	Customer Refund	55.54	55.54	100-000-0000-2000	Refund Check
10253	03/21/2018	Customer Refund	16.00	16.00	100-000-0000-2000	Refund Check
10254	03/21/2018	Mark Speer Automotive	1,466.29	1,466.29	100-130-0000-5407	Veh. #21 A/C Repair.
10255	03/21/2018	Customer Refund	7.51	7.51	100-000-0000-2000	Refund Check
10256	03/21/2018	Mcmaster-Carr Supply Co.	845.69	103.20	100-150-0000-5220	Thick wall pvc pipe fitting for water, union connector. 2 pipe s
				9.02	100-150-0000-5220	Deionized water 100% 1 gallon bottle

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				437.27	100-150-0000-5220	desiccant for 1/2 npt, 25 scfm @ 45 degree F compressed Air Drive
				20.60	100-150-0000-5220	replacement filter element for 3/8, 1/2 and 3/4 npt
				138.20	100-150-0000-5220	filter element for 1/2 and 3/4 NPT compressed air filter for wat
				137.40	100-150-0000-5220	pleated panel air filters, 12 each pack 2" thick, 24" x 24", mer
10257	03/21/2018	Medina Construction	7,300.00	2,300.00	100-130-0000-5406	Base Pave up to 3.5", Grind and Cap Pave up to 1.5" With 1/2" Asp
				5,000.00	100-130-0000-5406	Base Pave up to 3.5" , Grind and cap up to 1.5" with 1/2" Aspha
10258	03/21/2018	Customer Refund	7.51	7.51	100-000-0000-2000	Refund Check
10259	03/21/2018	Customer Refund	36.01	36.01	100-000-0000-2000	Refund Check
10260	03/21/2018	Napa Auto Parts	17.05	17.05	100-130-0000-5228	Small Tools-Pocket Ruler
10261	03/21/2018	O'Reilly Automotive Inc.	10.03	10.03	100-130-0000-5222	Veh. #17 Check Valve.
10262	03/21/2018	Customer Refund	54.38	54.38	100-000-0000-2000	Refund Check
10263	03/21/2018	Palm Springs Motors Inc.	1,100.42	371.66	100-130-0000-5222	Veh. #21 A/C Compressor.
				14.45	100-130-0000-5222	Veh. #21 A/C Compressor O-Ring Kit.
				12.03	100-130-0000-5222	Veh. #21 A/C Condensor O-Ring Kit.
				11.90	100-130-0000-5222	Veh. #21 A/C Valve.
				284.55	100-130-0000-5222	Veh. #21 A/C Condensor.
				46.72	100-130-0000-5222	Veh. #21 A/C Accumulator.
				28.90	100-130-0000-5222	Veh. #21 A/C Accumulator O-Ring Kit.
				43.55	100-130-0000-5222	Veh. #21 A/C Expansion Valve.
				222.18	100-130-0000-5222	Veh. #21 A/C Evaporator.
				2.93	100-130-0000-5222	Veh. #21 A/C Valve.
				45.27	100-130-0000-5222	Veh. #18 Pins.
				16.28	100-130-0000-5222	Veh. #18 Windsheild Washer Nozzle Kit.
10264	03/21/2018	Parkhouse Tire Inc.	885.83	33.94	100-130-0000-5222	Veh. #25 Tire Disposal.
				851.89	100-130-0000-5222	Veh. #21 Tires.
10265	03/21/2018	Platinum Consulting Group	6,000.00	6,000.00	100-600-0000-5401	Monthly Retainer Feb 2018
10266	03/21/2018	Customer Refund	1.08	1.08	100-000-0000-2000	Refund Check
10267	03/21/2018	Customer Refund	137.65	137.65	100-000-0000-2000	Refund Check
10268	03/21/2018	Customer Refund	38.06	38.06	100-000-0000-2000	Refund Check
10269	03/21/2018	Pro Security Systems	432.00	144.00	100-130-0000-5406	Quarterly Monitoring
				144.00	100-150-0000-5406	Quarterly Monitoring
				144.00	100-600-0000-5406	Quarterly Monitoring

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10270	03/21/2018	Customer Refund	16.28	16.28	100-000-0000-2000	Refund Check
10271	03/21/2018	Proforma	66.11	66.11	100-600-0000-5301	Director Business Cards
10272	03/21/2018	Prudential Overall Supply	473.25	46.95	100-130-0000-5253	Uniforms
				167.33	100-130-0000-5253	Uniforms
				48.35	100-130-0000-5253	Uniforms
				210.62	100-130-0000-5253	Uniforms
10273	03/21/2018	Customer Refund	26.42	26.42	100-000-0000-2000	Refund Check
10274	03/21/2018	Customer Refund	45.93	45.93	100-000-0000-2000	Refund Check
10275	03/21/2018	Regional Government Services	126.50	126.50	100-600-0000-5406	Contract Services
10276	03/21/2018	Customer Refund	48.61	48.61	100-000-0000-2000	Refund Check
10277	03/21/2018	Customer Refund	75.00	75.00	100-000-0000-2000	Refund Check
10278	03/21/2018	Customer Refund	50.27	50.27	100-000-0000-2000	Refund Check
10279	03/21/2018	Customer Refund	6.49	6.49	100-000-0000-2000	Refund Check
10280	03/21/2018	S.C.E.	9,966.20	879.98	100-120-0000-5201	Two Mile Booster
				41.49	100-120-0000-5201	Desert Heights Reservoir
				43.41	100-110-0000-5201	Well 11
				2,574.21	100-110-0000-5201	Well 14
				1,114.90	100-120-0000-5201	Booster H1N, H2S
				1,409.39	100-110-0000-5201	Well 16
				35.65	100-110-0000-5201	Donnell
				730.21	100-110-0000-5201	Well 1
3,136.96	100-120-0000-5201	Booster TP-1				
10281	03/21/2018	Customer Refund	39.11	39.11	100-000-0000-2000	Refund Check
10282	03/21/2018	Customer Refund	27.17	27.17	100-000-0000-2000	Refund Check
10283	03/21/2018	Customer Refund	41.98	41.98	100-000-0000-2000	Refund Check
10284	03/21/2018	Shoplet.Com	254.06	217.25	100-600-0000-5301	Office
				36.81	100-600-0000-5301	Office
10285	03/21/2018	Customer Refund	42.28	42.28	100-000-0000-2000	Refund Check
10286	03/21/2018	Customer Refund	18.12	18.12	100-000-0000-2000	Refund Check
10287	03/21/2018	Customer Refund	55.08	55.08	100-000-0000-2000	Refund Check
10288	03/21/2018	Spectrum Business	149.99	149.99	100-150-0000-5203	Joe Davis
10289	03/21/2018	Customer Refund	6.51	6.51	100-000-0000-2000	Refund Check

Twentynine Palms Water District

Check Date Range: 3/1/2018 thru 3/31/2018

10290	03/21/2018	Customer Refund	51.57	51.57	100-000-0000-2000	Refund Check
10291	03/21/2018	Sturdivan Emergency Management Consulting	725.00	725.00	100-600-0000-5412	Consulting
10292	03/21/2018	Customer Refund	15.65	15.65	100-000-0000-2000	Refund Check
10293	03/21/2018	Customer Refund	23.26	23.26	100-000-0000-2000	Refund Check
10294	03/21/2018	Customer Refund	43.06	43.06	100-000-0000-2000	Refund Check
10295	03/21/2018	Customer Refund	35.00	35.00	100-000-0000-2000	Refund Check
10296	03/21/2018	TPX Communications	700.25	700.25	100-600-0000-5203	Hatch
10297	03/21/2018	Customer Refund	7.39	7.39	100-000-0000-2000	Refund Check
10298	03/21/2018	Customer Refund	41.05	41.05	100-000-0000-2000	Refund Check
10299	03/21/2018	Union Bank	2,132.59	32.01	100-600-0000-5330	fuel
				500.00	100-130-0000-5407	Veh. #16 Adjusted Warranty Repair of A/C
				96.00	100-600-0000-5406	Microsoft
				184.81	100-130-0000-5301	Supplies
				154.26	100-160-0000-5301	HR Forms
				52.76	100-160-0000-5301	Kitchen Supplies
				600.00	100-610-0000-5330	CSDA-Director Leazer
				100.40	100-600-0000-5330	Lunch Meeting
				323.22	100-600-0000-5301	Office Chairs
				89.13	100-130-0000-5406	Surveying & Drafting
10300	03/21/2018	Usa Blue Book	1,379.52	344.40	100-150-0000-5220	Flouride Standard 1 ppm with TISAB 475 ml
				428.49	100-150-0000-5220	Flouride Standard 10 ppm with TISAB 475 ml
				129.88	100-130-0000-5226	Grey teneted safety glasses
				35.90	100-130-0000-5226	Clear safety glasses
				43.90	100-130-0000-5226	Class 3 short sleeve safety vest xxlg
				43.90	100-130-0000-5226	Class 3 short sleeve safety vest lg
				69.20	100-130-0000-5226	class 3 short sleeve safety vest xlg
				283.85	100-110-0000-5220	well depth gauge
10301	03/21/2018	Customer Refund	31.71	31.71	100-000-0000-2000	Refund Check
10302	03/21/2018	Vwr Scientific Products Corp.	352.00	352.00	100-150-0000-5220	Buffer TSAB II Supply
10303	03/21/2018	Customer Refund	28.31	28.31	100-000-0000-2000	Refund Check
10304	03/21/2018	Customer Refund	52.44	52.44	100-000-0000-2000	Refund Check
10305	03/21/2018	Customer Refund	105.51	105.51	100-000-0000-2000	Refund Check

Twentynine Palms Water District

Check Date Range: 3/1/2018 thru 3/31/2018

10306	03/21/2018	Customer Refund	75.00	75.00	100-000-0000-2000	Refund Check
10307	03/21/2018	Beyond Software Solutions	1,260.00	1,260.00	100-600-0000-5406	IT Services
10308	03/21/2018	Susan L. Simmons	712.50	712.50	100-600-0000-5406	Janitorial Services
			Total	\$448,709.44		

8

8.1

TWENTYNINE PALMS WATER DISTRICT

72401 Hatch Road/P. O. Box 1735
Twentynine Palms, CA 92277-1000
PHONE (760) 367-7546 FAX (760) 367-6612

TO: Board of Directors
FROM: Mike Minatrea, Operations Superintendent
DATE: April 12, 2018
SUBJECT: Management Report

A. The Operations and Maintenance Department performed the following tasks during the month of March 2018:

1. Responded to 42 Underground Service Alerts
2. Responded to and repaired
 - a. 0 water main leaks
 - b. 1 water meter leak
 - c. 1 service line leak
 - d. 0 fire hydrant repairs/maintenance
3. Installed 1 new service
4. Replaced 2 customer gate valves
5. Performed 2 leak audits
6. Painted 0 fire hydrants
7. Performed 3 customer pressure checks
8. Replaced 9 water meters
9. Tested and exercised emergency generators
10. Sounded wells for March
11. 0 water waste complaints reported

B. The following customer service tasks were performed:

1. 164 work orders were generated from reading meters
2. 80 work orders were generated from billing variance list
3. 331 work orders were generated for turn on or turn off
4. 59 termination notices were distributed
5. 52 non-pay turn offs were performed
6. 328 extensions were granted
7. 10 extensions were shut off for non-payment
8. 0 payment schedules have been granted
9. 0 payment schedules failed, total outstanding \$0
10. 9 customer requests and 3 complaints were logged and investigated

C. Valve and Hydrant Maintenance Update

	Valves Exercised (Began 06/15)	Dead Ends Flushed (Began 7/17)
Current Month	0	26
Year to Date	*3,238	180

*Triennial cycle

D. Status of Cross-Connection Control Program (Quarterly)

	In District	2018 Test/Surveys
Cross-Connection Devices	339	39

TWENTYNINE PALMS WATER DISTRICT
MARCH WATER QUALITY AND ENGINEERING REPORT

1. **ENGINEERING**

A. No items to report.

2. **WATER QUALITY**

A. **Chlorine Levels:** Average levels maintained in the storage and distribution system ranged from a low of 0.12 mg/L to a high of 0.32 mg/L. Chlorination point (the point where chlorine is introduced into the distribution system) averages ranged from 0.24 mg/L to 0.64 mg/L.

B. **Bacteria Samples:** A total of 41 routine bacteria samples were collected at test points for the storage and distribution system during this past month. In addition 11 special bacteria samples were collected. One routine sample indicated "POSITIVE" for Colilert, which is an indicator that coliform bacteria may be present. All repeat and source water samples triggered by the positive routine sample indicated ABSENT for Colilert.

C. **Fluoride Samples:** A total of 15 fluoride samples were collected at established test points for the storage and distribution system, and 6 fluoride samples were taken from potable water production wells. Fluoride levels in the distribution system ranged from a low of .85 mg/L to a high of 1.7 mg/L. Fluoride measurements collected at the wells ranged from a low of 0.33 to a high of 1.9 mg/L.

D. **General Physical:** A total of 12 general physical samples were collected from established locations as a part of routine testing requirements. Levels reported for color are <3.0, 1 for threshold odor and <0.1 – 0.5 for turbidity.

TWENTYNINE PALMS WATER DISTRICT
Water Production Report
FY 2017/2018

Groundwater Source													
	Mesquite Springs Basin	Fortynine Palms Basin	Eastern Basin	Indian Cove Basin	Total Produced	Total Prior Yr	%Increase Decrease prior year	%Increase Decrease from 2013	New Service	Active Account	Prior Year	%Increase (Decrease)	Main Leaks
July	99.119	128.442	41.659	23.565	292.785	281.965	3.84%	-5.60%	2				1
August	123.835	94.006	30.503	20.795	269.139	275.286	-2.23%	-7.90%	0	7,750	7,703	0.63%	0
Sept.	115.034	80.942	22.277	13.753	232.006	241.554	-5.20%	-5.20%	0				0
October	122.11	58.325	23.787	9.666	213.888	214.323	-0.30%	-0.01	0	7,678	7,610	0.90%	0
Nov.	103.169	55.519	20.440	10.813	189.941	185.785	2.25%	1.50%	1				0
Dec.	85.121	63.505	19.980	7.235	175.841	169.662	3.64%	6.76%	0	7,660	7,497	2.17%	2
Jan.	112.239	40.548	10.997	4.040	167.824	143.544	16.90%	-13.57%	0				0
Feb.	78.907	57.006	19.118	7.808	162.839	146.290	11.31%	-0.02%	1	7,675	7,535	1.85%	0
March	115.697	35.134	16.649	10.385	177.865	180.367	-1.38%	-18.49%	1				0
April													
May													
June													
Totals	955.231	613.427	205.410	108.060	1882.128	1838.776	2.36%		5				3

Production Totals Expressed in Acre Feet

NOTE: Year to Date Mesquite Springs Basin regeneration production of **16.512** acre feet = **1.70%** treatment loss.

Total Connections in District = 8,092

8.2

TWENTYNINE PALMS WATER DEPARTMENT

FINANCIAL REPORT

For The Month Of

February 2018

***PRELIMINARY -SUBJECT TO YEAR-END
AND AUDIT ADJUSTMENTS***

**TWENTYNINE PALMS WATER DEPARTMENT
STATEMENT OF INVESTMENTS AND RESERVES
For the Period Ending February 28, 2018
(Unaudited)**

<u>Operating Funds & Internal Reserves:</u>	<u>Prior Balance</u>	<u>Deposits</u>	<u>Disbursements</u>	<u>Current Balance</u>	<u>Market</u>
Operating Funds - LAIF	\$ 3,260,308	\$ -	\$ (200,650)	\$ 3,059,658	\$ 3,053,825
Election Fund Reserve - LAIF	20,925	-	-	20,925	20,885
Internal Operating Reserve - LAIF	167,113	-	-	167,113	166,795
Internal Debt Retirement Reserve - LAIF	-	-	-	-	-
Capital Funds for Primary Infrastructure - LAIF	58,056	650	-	58,706	58,594
Capital Funds for Secondary Infrastructure - LAIF	50,023	-	-	50,023	49,928
Investment Funds - CalTrust	1,016,686	-	(1,016,686)	-	-
Total Investments	\$ 4,573,111	\$ 650	\$ (1,217,336)	\$ 3,356,425	\$ 3,350,026

CERTIFICATION

I certify that (1) all investment actions executed since the last report have been made in full compliance with the District's Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by California Government Code Sections 53646(b)(2) and (3), respectively.

Cindy Byerrum, CPA
Contract CPA

***** Market values are adjusted on this report on a quarterly basis and recorded in the District's financials statements at the end of the fiscal year***

**Twentynine Palms Water Department
Statement of Revenues and Expenses
For the Period Ending February 28, 2018
(Unaudited)**

	Feb-18	Jan-18	YTD	Budget	YTD 67%	Prior YTD
1 Operating Revenues	\$ 298,508	\$ 291,845	\$ 2,755,285	\$ 3,880,260	71%	\$ 2,561,568
2 Non-Operating Revenues	65,308	116,274	535,037	654,200	82%	488,226
Total Revenue Available to						
3 Fund Operations & Capital/R&R	363,816	408,119	3,290,321	4,534,460	73%	3,049,794
4 Operating Expenses	271,011	452,190	2,437,083	3,709,380	66%	2,151,964
5 Non-Operating Expenses	17,366	25,360	140,871	199,400	71%	118,295
Net Revenues Available to Fund						
6 Capital Related Expenditures	75,440	(69,431)	712,368	625,680	114%	779,536

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

Twentynine Palms Water Department
Detail Statement of Revenues and Expenses
For the Period Ending February 28, 2018
(Unaudited)

	Feb-18	July 2017	YTD	Budget	YTD 67%	Prior YTD
1 Operating Revenues						
2 Water Sales	\$ 194,289	\$ 186,001	\$ 1,905,245	\$ 2,580,500	74%	\$ 1,769,266
3 RTS	95,105	96,577	765,100	1,185,800	65%	712,447
4 Other Operating Revenue	9,113	9,267	84,939	113,960	75%	79,856
5 Total Operating Revenues	298,508	291,845	2,755,285	3,880,260	71%	2,561,568
6 Non-Operating Revenues						
7 Capital Impact Fees	650	-	3,375	-	0%	1,950
8 Water Availability Assessment	49,258	49,258	394,067	591,100	67%	394,067
9 Interest Revenue	2,688	13,380	38,263	30,700	125%	13,857
10 Other Penalties	1,851	1,005	29,624	23,700	125%	19,459
11 Reimbursed Expenses	10,736	45,453	68,495	5,000	1370%	3,955
12 Other Non-Operating Revenue	124	7,178	1,214	3,700	33%	54,938
13 Total Non-Operating Revenues	65,308	116,274	535,037	654,200	82%	488,226
14 Total Revenues	363,816	408,119	3,290,321	4,534,460	73%	3,049,794
15 Operating Expenditures						
16 Source of Supply						
17 Labor & Benefits	1,086	775	4,371	9,700	45%	6,744
18 Direct Expenses	20,292	58,432	210,772	323,300	65%	189,862
19 Total Source of Supply	21,378	59,208	215,143	333,000	65%	196,606
20 Pumping						
21 Labor & Benefits	81	209	2,841	2,000	142%	900
22 Direct Expenses	9,245	10,094	86,567	139,100	62%	66,512
23 Total Pumping	9,326	10,303	89,408	141,100	63%	67,411
24 Transmission & Distribution						
25 Labor & Benefits	68,767	85,913	525,624	835,700	63%	414,917
26 Direct Expenses	28,150	18,195	168,661	294,900	57%	158,681
27 Total Transmission & Distribution	96,918	104,108	694,285	1,130,600	61%	573,598
28 Treatment Wells						
29 Labor & Benefits	4,336	3,998	29,059	50,700	57%	23,792
30 Direct Expenses	2,023	3,734	17,137	25,800	66%	17,228
31 Total Treatment Wells	6,358	7,732	46,196	76,500	60%	41,020
32 Treatment Facility						
33 Labor & Benefits	16,250	15,135	123,974	186,000	67%	90,892
34 Direct Expenses	31,845	144,563	396,686	401,400	99%	251,965
35 Total Treatment Facility	48,094	159,697	520,660	587,400	89%	342,857
36 Customer Accounts						
37 Labor & Benefits	13,939	19,485	129,453	241,500	54%	94,203
38 Direct Expenses	192	376	11,681	51,700	23%	23,629
39 Total Customer Accounts	14,131	19,861	141,134	293,200	48%	117,832
40 General Administration						
41 Outside Services	23,267	16,709	215,342	299,400	72%	198,301
42 Direct Expenses	12,197	16,516	159,576	319,780	50%	133,889

Twentynine Palms Water Department
Detail Statement of Revenues and Expenses
For the Period Ending February 28, 2018
(Unaudited)

	Feb-18	July 2017	YTD	Budget	YTD 67%	Prior YTD
43 Fire Department Reimbursements	-	-	-	-	0%	-
44 Total General Admin.	35,463	33,226	374,918	619,180	61%	332,190
45 Employee Salaries						
46 Direct Labor	83,683	126,445	771,988	1,169,500	66%	722,866
47 Less Transfer to Operations	62,666	95,318	575,600	894,400	64%	537,377
48 Total General & Admin. Salaries	21,017	31,127	196,388	275,100	71%	185,489
49 Employee Benefits						
49 Health Benefits	14,990	10,913	90,093	149,900	60%	44,024
50 Vacation / Sick Payouts	2,264	11,272	34,140	34,300	100%	124,023
51 Retirement Expenses	(338)	3,712	20,890	47,600	44%	114,278
52 Total Employee Benefits	16,917	25,896	145,123	231,800	63%	282,325
53 Board of Directors						
54 Directors' Fees	400	1,025	7,300	12,600	58%	7,000
55 Direct Expenses	1,009	7	6,527	8,900	73%	5,637
56 Total Board of Directors	1,409	1,032	13,827	21,500	64%	12,637
57 Total Operating Expenditures	271,011	452,190	2,437,083	3,709,380	66%	2,151,964
58 Non-Operating Expenditures						
59 N/A	-	-	-	-	0%	-
60 Miscellaneous Expense	1,008	9,003	10,011	-	0%	-
61 Miscellaneous Expense	1,008	9,003	10,011	-	0%	-
62 Depreciation Expense	-	-	-	-	0%	-
63 Unfunded PERS	7,824	7,824	62,593	97,000	65%	53,914
64 Unfunded OPEB Liability	8,533	8,533	68,267	102,400	67%	64,381
65 Total Non-Operating Expenditures	17,366	25,360	140,871	199,400	71%	118,295
66 Total Expenditures	288,376	477,550	2,577,954	3,908,780	66%	2,270,259
Net Revenues Available to Fund Capital						
67 Related Expenditures	75,440	(69,431)	712,368	625,680	114%	779,536
68 Carryover Projects	-	(170)	(77,963)	(425,000)	18%	(54,762)
69 Capital Improvement Projects	(11,709)	(170,476)	(206,764)	(2,350,000)	9%	-
70 Repair, Rehabilitation, & Maintenance	-	(3,445)	(74,205)	(185,000)	40%	(109,724)
71 Capital Outlay	(991)	(588)	(114,411)	(300,000)	38%	(90,117)
72 Transfer To CalPERS	-	-	-	-	0%	-
73 Transfer From Special Revenue	7,682	11,987	64,624	80,700	80%	52,693
74 Transfers in from SRF for Election	-	-	-	-	0%	-
75 Debt Retirement	-	-	-	-	0%	-
76 Increase (Decrease) In Fund Balance	\$ 70,423	\$ (232,123)	\$ 303,649	\$ (2,553,620)	-12%	\$ 577,627

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

**Twentynine Palms Water Department
Special Revenue Fund
For the Period Ending February 28, 2018
(Unaudited)**

	<u>Feb-18</u>	<u>Jan-18</u>	<u>YTD</u>	<u>Budget</u>	<u>YTD 67%</u>	<u>Prior YTD</u>
1 Tower Revenues	\$ 11,015.04	\$ 15,320.64	\$ 91,290.42	\$ 117,400.00	78%	\$ 79,360.07
2 Less Transfers Out to Fire	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
3 Less Transfers Out To Water	\$ (7,681.71)	\$ (11,987.31)	\$ (64,623.78)	\$ (77,400.00)	83%	\$ (52,693.43)
4 Transfer to PARS Trust	\$ (3,333.33)	\$ (3,333.33)	\$ (26,666.64)	\$ (40,000.00)	67%	\$ (26,666.64)
Ending Balance To Retain In LAIF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>

**Twentynine Palms Water Department
 Carryover CIP/Current CIP and R&M/Capital Outlay
 For the Period Ending February 28, 2018
 (Unaudited)**

Carryover Capital Approved in Previous Years	Budget FY 17/18	Current Year Expenditures	Remaining Budget / (Over Budget)
District Projects			
1 USGS Study	150,000	\$ -	150,000
2 Hazard Mitigation Plan	-	4,525	(4,525)
3 Treatment Feasibility & Exploration Costs	100,000	51,588	48,412
4 SGMA	75,000	-	75,000
5 Salt Nutrient Monitoring Wells	100,000	21,849	78,151
6 Total Carryover Capital Approved in Previous Years	425,000	77,963	347,037
7 Capital Improvement Plan			
8 Chromium VI and Flouride for Well 11B	1,000,000	634	999,366
9 Fluoride Variance (Expiring) - TP-2, W12, W16	600,000	-	600,000
10 Well 11B	750,000	206,130	543,870
11 Total Capital Improvement Plan	2,350,000	206,764	2,143,236
12 Repairs, Rehabilitation, & Maintenance			
13 Plant 6 Electrical and Well Upgrade	-	1,148	
14 Emergency Repairs, Unspecified	50,000	20,522	29,478
15 Repiping/Distribution System Upgrades	50,000	1,716	48,284
16 Meter Replacement Program	75,000	3,445	71,555
17 Asphalt Repair Vista Del Sol	-	47,374	(47,374)
18 Fluoride Plant Instrumentation\Coating	10,000	-	10,000
19 Total Repairs & Maintenance	185,000	74,205	111,943
20 Capital Outlay			
21 Vehicle/Equipment Replacements	100,000	94,316	5,684
22 Computer/Technology Replacements	30,000	1,972	28,028
23 GIS	30,000	165	29,835
24 Lobby Remodel	100,000	1,958	98,043
25 Fencing Upgrade	15,000	16,000	(1,000)
26 One-Time Existing Conditions Sampling Event	25,000	-	25,000
27 Total Capital Outlay	300,000	114,411	185,589
28 TOTAL	\$ 3,260,000	\$ 473,343	\$ 2,787,805

8.3

**NO
MATERIAL
PROVIDED**