

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

MAY 23, 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. Presentation of First Draft for Fiscal Year 2018/2019 Budget

The Board was presented with a draft budget for review. Ms. Byerrum explained the budget reflects a continuation of the 6% increase as adopted by the Board in 2015. The Budget yields a decrease in cash of \$2.31 million, due primarily to the Capital Improvement Projects. Water consumption is projected to remain consistent with last year's numbers. Employee benefits are projected to increase 10% due to rising health care costs and the anticipation of adding two more positions. The pursuance of grant funds may offset the expenses of some projects. The following expenditures and capital improvement projects were noted:

- Expiring Fluoride variance
- \$1.2 million for TP2
- Vehicle fleet replacements; two additional trucks; emergency mounted pumps
- Funding for the proposed revised organizational chart
- Matching grant funds were not considered in the current draft and will be addressed at a later date
- Uncollected debt is a growing concern for the District

The Board was in consensus to bring the budget back without changes.

2. Discussion of the District's Revised Organizational Chart and Job Descriptions

The District proposes needed changes to the current organizational chart that has been in place for numerous years. These changes would allow for more effective department management; provide more effective cross training; promote professional development; and promote growth through the organization. The separation of the O&M from the Treatment/Production department necessitates some of the changes with the organizational chart, eliminating some positions that haven't been filled in many years

and creating positions that best meet the needs of the District. Management has been meeting with the Union to discuss the proposed changes.

3. Consider Resolution 18-07 Designation of Applicant's Agent for the Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program

Gary Sturdivan, of Sturdivan Emergency Management Consulting, was present. Ray provided the Board with an update on grant funding. The District submitted Notice of Intents to the California Governor's Office of Emergency Service (CalOES) to determine status eligibility for three projects: 1) Emergency generator adaptors and manual switch control upgrades. 2) Emergency pipeline connection with JBWD to provide emergency water. 3) Back-up portable booster pumps to be mobilized and used at booster stations. The District received confirmation that Projects #1 and #2 have been accepted as eligible projects.

Staff recommends moving forward on the accepted projects by approving Resolution 18-07.

Director Coghill made a motion to adopt Resolution 18-07 designating the agent for the Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program, seconded by Director Horn, and approved by the following roll call vote:

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

4. Update on the Sustainable Management Affordability and Reliability for Twentynine Palms Plan (SMART Plan)

Adan Ortega, from Ortega Strategies Group, addressed the Board providing an update on the SMART Plan and the Legislative Committee.

- The District has been in discussion with the City of Twentynine Palms regarding ground water quality.
- Engaging representatives in Sacramento to oppose and/or support bills that are in the District's best interest.
- Working in partnership with the Marine base to educate 801 residents in water conservation.
- Providing Assemblyman Chad Mayes with a tour of the Treatment Plant.
- The District will be applying for a swamp cooler variance for AB1668 and SB606.

5. Consent Calendar

- Minutes of a Regular Meeting held on April 25, 2018
- Audit List

Director Horn 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 34 Underground Service Alerts, had 0 water main leaks, 3 water meter leaks, 0 service line leaks, 0 fire hydrant repairs, performed 2 customer pressure checks, replaced 37 meters, replaced 2 customer gate valves, and installed 0 new services. 0 water waste complaints were received. Water production was down 27.28% as compared to the same month in 2013.

7.2 Finance

Ms. Byerrum reported that the District is at 80% of the budget for the fiscal year.

7.3 General Manager

Mr. Kolisz reported that Kennedy Jenks consultants will be meeting with the District to offer treatment options for Well 11B. Assemblyman Chad Mayes was thanked for taking time out of his busy schedule to come to the District. The Regional Water Quality Control Board has required the City to adopt permitting requirements (LAMP) for existing and newly installed septic tanks.

8. Closed Session: Public Employee Performance Evaluation (Per Government Code § 54957)

Title: General Manager

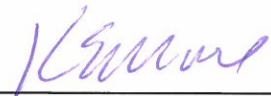
Director Horn moved to enter closed session at 7:21 p.m., seconded by Director Giannini, and unanimously approved. The Board returned to open session at 8:49 p.m. Director Moore announced Ray received an excellent on his evaluation.

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

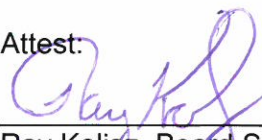
Director Moore would like management to examine the District's bad debt.

10. Adjournment

On motion by Director Coghill, seconded by Director Horn, and approved by the Board, the meeting was adjourned at 8:51 p.m.


Kerron E. Moore, President
Board of Directors

Attest:


Ray Kolisz, Board Secretary
Twentynine Palms Water District

APPROVED JUN 27 2016

The District reported to the Board that the 1997-98 budget was approved by the Board on June 15, 1997. The Board also approved the 1997-98 budget on June 15, 1997. The Board also approved the 1997-98 budget on June 15, 1997.

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District Director

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District Director

APPROVED JUN 15 1997