

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

November 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, Maintenance Superintendent Matt Shragge, Financial Consultant Paul Kaymark, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Director Moore led the pledge.

Additions/Deletions to the Agenda

There were none.

Public Comments

There were none.

1. Presentation of Audit Report for Fiscal Year 2017/2018 by Eadie and Payne

Eden Casareno and Brandon Ferrell of Eadie and Payne presented the audit to the Board. The financial statements were found to be in accordance to the Generally Accepted Accounting Principles for State and Local Governments (GAAP) and the audit report reflects a clean and unqualified audit opinion. The following items were highlighted:

- This year there was a new requirement for government agencies to report their OPEB liabilities in the annual audit.
- The auditors found the District's internal controls to have no deficiencies.
- The auditors found no disagreements with management.
- The District will be completely divested from the Fire Department once all residual funds from previous years' delinquencies are posted, and the PERS liabilities are paid off by the City, per the assignment and assumption agreement.

Director Coghill moved to receive and file the audit report as presented, 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. Consideration to Approve Proposal from Kennedy Jenks Consultants to Perform a Condition Assessment of District's Water Pipelines and Storage Tanks

Staff recommends approving the proposal. The evaluation of the District's infrastructure will be the basis for setting future rate structures.

Director Horn, made a motion to approve the proposal from Kennedy Jenks in the amount of \$49,100 to perform phase 1 of a conditional assessment of the District's water pipelines and storage tanks, 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. Consent Calendar

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

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

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

None

5. Management Reports

5.1 Maintenance

Matt Shragge reported that the District responded to 45 Underground Service Alerts, had 0 water main leaks, 2 water meter leaks, 1 service line leak, 0 fire hydrant repairs, performed 9 customer pressure checks, replaced 19 meters, replaced 4 customer gate valves, and installed 4 new services. 0 water waste inquiries were received.

5.2 Water Quality

Mike Minatrea reported Water production was up 1.06% as compared to the same month in 2013. 48 routine and 7 special water samples were taken. All samples tested negative for Colilert. 69,000,000 gallons of water was produced in October.

5.3 Finance

Mr. Kaymark reported that the budget is tracking as expected in the new fiscal year.

5.4 General Manager

Mr. Kolisz informed the Board that AMI/AMR financing options will be presented at the December Board meeting. Engineering for the TP2 project has begun with pilot soil sampling. The Schedule of Fees Ad Hoc committee met and discussed deposit amounts. The \$75 required deposit fee has not been sufficient in covering final closing bills and administrative costs for some accounts resulting in a loss to the District.

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

There were none.

7. Adjournment

On motion by Director Horn, seconded by Director Giannini, and approved by the Board, the meeting was adjourned at: 6:27 p.m.


Kerron E. Moore, President
Board of Directors

Attest:


Ray Kolisz, Board Secretary
Twentynine Palms Water District