

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

January 23, 2019 / 6:00 P.M.

Call to Order and Roll Call

President Giannini 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 Cindy Byerrum, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Director Leazer led the pledge.

Additions/Deletions to the Agenda

Director Giannini requested Agenda items #4 and #5 be moved after Management Reports.

Public Comments

There were none.

1. Consideration of Resolution 19-01 Adopting Annual Statement of Investment Policy
Staff recommends approving the annual investment policy, outlining criteria for investments and authorizing the District to invest funds.

Director Moore, made a motion to approve Resolution 19-01 adopting an Annual Statement of Investment policy, seconded by Director Coghill, and approved by the following roll call vote:

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

2. AMI/AMR Discussion and Funding Options
Staff is seeking guidance from the Board to continue with the AMI/AMR project and preferred funding choices. Ms. Byerrum confirmed with Holman Capital Corporation that there would be a 3% penalty for the AMR loan if paid off prior to 10 years. She was able to negotiate the waiving of the \$10,000 origination fee.

Ed Vallerand, of Twentynine Palms, spoke in favor of the project, suggested locking in an interest rate, not leasing equipment, and looking into leak detection equipment as a possible alternative.

Director Moore, made a motion to move forward with financing the \$1.5 AMR project at 3.9% over 10 years with Holman Capital Corporation and revisit AMI financing at a later time, seconded by Director Coghill, and approved by the following roll call vote:

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

3. Consider Resolution 19-03 Adopting a Memorandum of Understanding with the California Association of Mutual Water Companies.

Staff recommends approving the resolution. Adan Ortega provided the Board with an update on the California Association of Mutual Water Companies' financial pledges and provided an update on water tax legislation and possible funding.

Director Moore, made a motion to approve Resolution 19-03 adopting a Memorandum of Understanding with the California Association of Mutual Water Companies, seconded by Director Horn, and approved by the following roll call vote:

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

4. Moved after Management Reports.

5. Moved after Management Reports.

6. Consent Calendar

- Minutes of a Regular Meeting held on December 19, 2018
- Audit List

Director Moore, moved to approve the Minutes, seconded by Director Coghill, and approved unanimously. The December Audit List will be presented at the February Board meeting.

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

None

8. Management Reports

8.1 Maintenance

Matt Shragge reported that the District responded to 24 Underground Service Alerts, had 1 water main leak, 2 water meter leaks, 0 service line leaks, 1 fire hydrant repair, performed 1 customer pressure check, replaced 18 meters, replaced 5 customer gate valves, and installed 1 new service. 0 water waste inquiries were received. 224 work orders were performed during the month.

8.2 Water Quality

Mike Minatrea reported Water production was down 2.49% as compared to the same month in 2013. 38 routine and 8 special water samples were taken. All samples tested negative for Colilert. 55,000,000 gallons of water was produced in December.

8.3 Finance

Ms. Byerrum reported that the District is trending higher with revenue and as expected with expenses. The District currently has \$7 million in reserves. Funding the AMR project along with other slated capital improvement projects would bring reserves down to the minimal amount allowed by the Reserve policy, \$4 million. This is an acceptable amount but not recommended given the size of the District.

8.4 General Manager

Mr. Kolisz informed the Board that the total water savings of the District did not rank high enough for state grant funding, nor will it due to the small size of the District.

4. Accept Director Moore's Resignation from the Board of Directors and Consider Process to Fill Vacancy

Staff recommends the Board accept the letter of resignation, post a Notice of Vacancy, and fill the vacancy at the March 27, 2019 Board of Directors Meeting.

Director Horn made a motion to accept the resignation of Director Moore and move forward with filling the Board vacancy as recommended, seconded by Director Leazer, and approved unanimously.

5. Recognizing Kerron "Sam" Moore for Public Service as a Director of the Twentynine Palms Water District

Mr. Moore was recognized for his distinguished public service as the Director of the Twentynine Palms Water District. Mr. Moore served as a Director for nineteen years, providing valuable leadership for the Twentynine Palms Water District and to the Twentynine Palms Fire Department.

Director Coghill made a motion to Adopt Resolution 19-02 recognizing Kerron "Sam" Moore for distinguished public service as a Director and Officer of the Twentynine Palms Water District, seconded by Director Horn and approved unanimously with Director Moore abstaining.

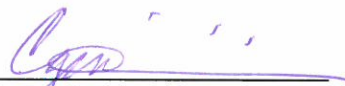
Ray Kolisz presented Director Moore with a commemorative gavel for his nineteen years of service to the Twentynine Palms Water District and community.

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


Director Moore thanked the Twentynine Palms Water District ratepayers for letting him serve and represent them for nineteen years. Staff and the Board was thanked for their hard work and reminded that there is still more work to be done.

10. Adjournment

On motion by Director Moore, seconded by Director Leazer, and approved by the Board, the meeting was adjourned at: 7:38 p.m.


Carol Giannini, President
Board of Directors

Attest:


Ray Kolisz, Board Secretary
Twentynine Palms Water District