

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

**May 27, 2020 / 4:00 P.M.**

In accordance with the Governor's Executive Order N-29-20, in an effort to protect the public health and prevent the spread of COVID-19, there was no public location for attending the meeting. The meeting was held telephonically with members of the Board present and the public calling in.

Call to Order and Roll Call

President Giannini called the telephonic Board meeting to order at 4:00 p.m. Those responding to roll call were Directors Bob Coghill, Suzi Horn, Carol Giannini, and Randy Leazer. Director Michael Arthur was absent. Also present were General Manager Ray Kolisz, Treatment/Production Superintendent Mike Minatrea, Maintenance Superintendent Matt Shragge, Financial Consultant Cindy Byerrum, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Director Giannini led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

None

1. Review First Draft of Fiscal Year 2020/2021 Budget

The Board was presented with a draft budget for review. Ms. Byerrum noted the draft budget is based on assumptions that may change once the rate study is complete.

The following expenditures and capital improvement projects were noted:

- Total revenues to fund capital is at \$240,000. The District was denied grant funding for two large projects at \$1 million each. Well 11B and Well TP2 will have significant effects on the bottom line of the budget.
- A 6% rate adjustment that was originally projected may instead require a 9% adjustment due to capital improvement projects and the consequences from COVID-19. Bad debt expenses are projected to be 30% at the highest.
- The District is projecting to start next fiscal year at \$7 million.
- Salary and benefits have a slight increase.
- Fixed revenues is projected to go up using the 9% rate increase model, with total revenue expected to increase 3%.
- Interest revenue will be down as interest rates are projected to be lowered.
- Operating expenses is expected to increase 4%.

2. LAFCO Election Appointment

Two candidates are running for the San Bernardino Local Agency Formation Commission, incumbent Kimberly Cox and T. Milford Harrison.

Director Coghill moved to support Kimberly Cox, seconded by Director Leazer, and approved unanimously by all those present. Director Arthur was absent.

3. Consideration to Approve the Purchase of Equipment

The AMI/AMR project has come in under the \$2 million budget with a total cost of \$1.7 million. The remaining funds can be used outside of the project. The District is in need of a

new water truck and tool telehandler. The current 1981 water truck and 1985 tool telehandler are in need of repairs and are subject to modern emission requirements.

Director Horn moved to approve the purchase of the water truck at \$94,530.79 and the tool telehandler at \$116,236.82, seconded by Director Leazer, and approved unanimously by all those present. Director Arthur was absent.

4. Review and Approve Amendment No. 1 to the Master Equipment Lease and Purchase Agreement

The Master Equipment Lease/Purchase Agreement between the District and Bank of America must be amended to include the purchase of the new equipment.

Director Horn moved to approve Amendment 1 agreement with Bank of America and authorize the General Manager to execute the documents, seconded by Director Coghill, and unanimously approved by all those present. Director Arthur was absent.

5. Consent Calendar

- Minutes of a Regular Meeting held on April 22, 2020
- Audit List

Director Leazer, moved to approve the Minutes and Audit List, seconded by Director Horn, and approved unanimously by all those present. Director Arthur was absent.

6. Items Removed from the Consent Calendar for Discussion or Separate Action  
None

7. Management Reports

7.1 Maintenance

Matt Shragge reported that the District responded to 50 Underground Service Alerts, had 0 water main leaks, 1 water meter leak, 0 service line leaks, 0 fire hydrant repairs/maintenance, performed 2 customer pressure checks, replaced 4 meters, replaced 3 customer gate valves, and installed 2 new services. 0 water waste inquiries were received. 367 work orders were generated and performed during the month. There were no shut offs due to COVID-19. Files are being uploaded to 41 AMI/AMR meters. Matt thanked his crew and Mike Minatrea for their help with Project Phoenix, which was challenging with the staggered personnel shifts due to COVID-19.

7.2 Water Quality

Mike Minatrea reported Water production was down 36.23% as compared to the same month in 2013. 38 routine and 8 special water samples were taken. All samples tested negative for Colilert. The fluoride variance of 3.0 mg/L will expire in 2023. All current wells meet the 2.0 mg/L standard variance set by the State Water Resource Control Board. CCR notices were mailed out with the District bills. Ratepayers can request a hard copy. A link to the latest report is also posted on the website. Mike thanked Matt for getting a crew of employee volunteers together to help with weeding two rows at the Twentynine Palms Cemetery.

7.3 Finance

Ms. Byerrum reported the March financials are right at 75% of the year with 75% revenues and expenditures.

7.4 General Manager

Mr. Kolisz reported that all District staff has returned to normal hours. The lobby is still closed to the public until protective measures can be installed. Shields have been ordered to protect the customer service representatives from exposure to the public.

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

Title: General Manager

Director Horn moved to enter closed session at 4:52 p.m., seconded by Director Coghill, and unanimously approved.

9. Closed Session-Conference with Labor Negotiators Pursuant to Government Code section 54957.6

Agency Designated Representative: Ray Kolisz, General Manager

Employee Organization: American Federation of State, County and  
Municipal Employees ("AFSCME") Local 1902

The Board returned to open session at 6:06 p.m. Director Giannini announced there was no reportable action for both Agenda items 8 and 9.

10. Consider Approval of a Sideletter of Agreement between Twentynine Palms Water District and AFSCME Local 1902


Due to the events of COVID-19, negotiations with the Union have been delayed. The District and the Union feel that the current MOU's expiration should be extended six months, until November 30, 2020, to allow for negotiations to resume.

Director Coghill, moved to approve the Sideletter of Agreement, seconded by Director Horn, and approved unanimously by all those present. Director Arthur was absent.

11. Future Agenda Items and Staff Tasks/Directors' Comments and Reports  
None

12. Adjournment

On motion by Director Leazer, seconded by Director Horn, and approved by the Board, the meeting was adjourned at: 6:07 p.m.

  
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Carol Giannini, President  
Board of Directors

Attest:

  
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Ray Kolisz, Board Secretary  
Twentynine Palms Water District