

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

May 25, 2022 / 4:00 P.M.

Call to Order and Roll Call

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

Pledge of Allegiance

Retired Colonel CJ Horn led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

None

1. Presentation of Draft for Fiscal Year 2022/2023 Annual Budget

The Board was presented with a draft budget for review. Scott Nelsen with Eide Bailly presented the Board with a revised budget. The following expenditures and capital improvement projects were noted:

- \$1.2 million is budgeted for CPI projects such as SCADA upgrades; USGS Study; Well 11B treatment
- Bad debt is projected to be \$86,000
- 6% inflation was included in the budget for direct expense items
- Training and travel costs are projected to go up 14% from last year due to COVID and shutdowns from previous year where training was not available
- Cell Tower revenues are used for Pension and OPEB contributions
- Election expenses are projected to be \$50,000
- The 10 year projection looks very good with the District exceeding reserve targets which will result in lower water rate increases in the future

2. Consideration to Accept Project Phoenix Water Improvements

Staff recommends accepting the water improvements. On April 26, 2022, the City of Twentynine Palms dedicated the water improvements to the District. As the contractor for the project, the Van Dyke Corporation met all the District's standards and specifications for the installation of water improvements within Project Phoenix.

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Director Leazer moved to accept Project Phoenix water improvements, seconded by Director Horn , and unanimously approved by all those present. Director Arthur was absent.

3. Discussion of United States Geological Survey Study (USGS)

The Study is a cooperative agreement for studying the groundwater and impacts from septic tanks, including depth dependent water levels and aquifer recharge from natural sources. Equipment will be installed to evaluate nitrate loads and transformations in the unsaturated zone. A \$1 million grant was given to the City by the State Water Resource Control Board for the study. The Study is over \$1.1 million, with the City asking the District to participate and contribute funds. The Study is expected to take 4-5 years to complete. The District is under the impression that it is a co-applicant on the grant.

After discussion, the Board was in agreement that they are in favor of the study, as it will provide data regarding the saturated zones and determine the need for a centralized wastewater system. The Board would consider contributing funds with the following stipulations; amortizing the \$100,000 over the next few years; and the City contributing funds if additional monies are needed.

4. Consent Calendar

- Minutes of a Regular Meeting held on April 27, 2022
- Audit List

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

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

6. Management Reports

6.1 Maintenance

Mike Minatrea reported that the District responded to 53 Underground Service Alerts, had 0 water main leaks, 0 water meter leaks, 0 service line leaks, 1 fire hydrant repair/maintenance, installed 3 new services, replaced 3 customer gate valves, performed 3 leak audits, painted 63 fire hydrants, performed 8 customer pressure checks, replaced 15 meters, Tested and exercised emergency generators and sounded wells for April. 0 water waste inquiries were received. 0 AMI/AMR meters were installed. There was a total of 580 work orders that were processed during the month.

6.2 Water Quality

Mike Minatrea reported water production was down 26.39% as compared to the same month in 2013. 40 routine and 9 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. Pay meter station produced 579,000 gallons of water for the month.

6.3 Finance

Scott Nelsen referenced the draft budget.

6.4 General Manager

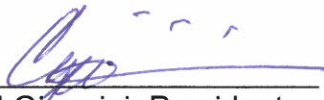
Matt Shragge reported that employee Robert Shelton has been named the new Treatment/Production Superintendent. Robert has been with the District 27 years in different positions. Mike Minatrea will come back to the maintenance side as the Maintenance Superintendent and assist Matt with various projects. The shade structure project is going out to bid. On May 30th, 2022, the District has been invited to the memorial at the Cemetery. Matt will be in attendance. Matt attended coffee with Supervisor Dawn Rowe where the marijuana task force was discussed. Matt will be on vacation beginning June 15th.

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

None

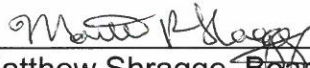
8. Adjournment

On motion by Director Coghill seconded by Director Horn, and approved by the Board, the meeting was adjourned at: 4:55 p.m.



Carol Giannini, President
Board of Directors

Attest:



Matthew Shragge, Board Secretary
Twentynine Palms Water District