

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

January 25, 2023 / 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, Michael Arthur, Bob Coghill, Suzin Horn, Carol Giannini, and Randy Leazer. Also present were General Manager Matt Shragge, Maintenance Superintendent Mike Minatrea, Financial Consultant Cindy Byerrum, and District Secretary Cindy Fowlkes. Treatment/Production Superintendent Robert Shelton was absent.

Pledge of Allegiance

Retired Colonel C.J. Horn, led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

None

1. Presentation and Consideration to Receive and File the Twentynine Palms Water District's Fiscal Year 2021/2022 Audited Financial Statements

Eden Casareno with Eadie and Payne presented the audit. The District had no significant or material deficiencies with internal control, no disagreements with management, and the financial statements presented fairly in accordance with GAAP. The auditors issued an "unqualified opinion," which is the highest level an entity can receive.

Director Horn made a motion to receive and file the 2021/2022 audited financial statements, seconded by Director Leazer, and approved unanimously.

2. Consideration of Resolution 23-01 Adopting Annual Statement of Investment Policy

The Annual Statement of Investment policy authorizes the District to invest funds, outlines criteria for such investments, and stipulates reporting guidelines.

Director Arthur made a motion to adopt Resolution 23-01 Annual Statement of Investment Policy, seconded by Director Horn, and approved unanimously.

3. Discussion of Investment Strategies

Cindy Byerrum presented the Board with an investment strategy for consideration. Currently the District holds money, \$3,845,770.77, in a LAIF account which is only yielding 2.41%. A newly formed California Cooperative Liquid Assets Securities System (CLASS), is a JPA by and among California public agencies. It functions similar to LAIF, but has features that make it an attractive alternative. The daily effective yield, as of January 12, 2023, for the CLASS Prime fund was 4.55%. There is no minimum amount to invest, no transaction fees, and same day availability. CLASS is backed by CSDA and was involved in its formation.

4. Discussion of Board of Director's Stipend
The Board was presented with a comparison of local area water district director stipends and benefits. The Twentynine Palms Water District board has not increased stipend pay since 2006 and receives no other benefits in comparison to other districts. The Board was in agreement to bring back the agenda item for consideration with \$150 stipend per meeting and a 5% annual inflator, in accordance with water code section 20202.

5. Consent Calendar

- Minutes of a Regular Meeting held on December 14, 2022
- Audit List

Director Arthur, moved to approve the Minutes and Audit List, seconded by Director Coghill, and approved unanimously.

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

7. Management Reports

7.1 Maintenance

Mike Minatrea reported that the District responded to 69 Underground Service Alerts, had 0 water main leaks, 0 water meter leaks, 1 service line leak, 0 fire hydrant repairs/maintenance, installed 0 new services, replaced 9 customer gate valves, performed 6 leak audits, painted 0 fire hydrants, performed 7 customer pressure checks, replaced 17 meters, Tested and exercised emergency generators and sounded wells for December. 0 water waste inquiries were received. 2 AMI/AMR meters were replaced. There was a total of 659 work orders that were processed during the month.

7.2 Water Quality

Mike Minatrea reported water production was down 1.15% as compared to the same month in 2013. 40 routine and 9 special water samples were taken. All routine 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.

7.3 Finance

Cindy Byerrum reported the District is trending as budgeted. Consumption revenues are down by 5%. Expenses are also down. Shut-off numbers are down significantly since implementing monthly billing. SB998 is adversely affecting Districts, as reserves are having to cover revenue shortfalls due to outstanding balances.

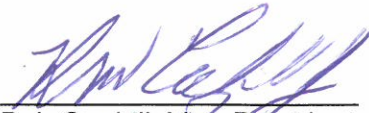
7.4 General Manager

Matt Shragge reported he attended Adan Ortega's swearing in at the Metropolitan Water District. Matt attended the City's Strategic Planning meeting, where he asked for more wastewater ad hoc meetings between the City and District. Matt attended the Farmer's Market last weekend. He also attended Coffee with County Supervisor Dawn Rowe. Well 15 rehab continues with it being brushed and bailed. The new mcl for chromium 6 is expected to come out in the next month, 10 parts per billion. The Community Water System Alliance is closely monitoring the new chromium mandate and looking at a feasibility study.

8. Future Agenda Items and Staff Tasks/Directors' Comments and Reports
Director Coghill would like to discuss collections as an agenda item for next month.

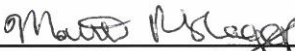
Director Giannini would like to see more Directors attending the Farmer's Market.

9. Adjournment
On motion by Director Horn, seconded by Director Arthur, and approved by the Board, the meeting was adjourned at: 5:00 p.m.



Bob Coghill, Vice President
Board of Directors

Attest:



Matthew Shragge, Board Secretary
Twentynine Palms Water District