

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

**December 20, 2023 / 4:00 P.M.**

Call to Order and Roll Call

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

Pledge of Allegiance

Jim Byerrum led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

Director Coghill read a letter of appreciation by customer, Vanda Stanley, who thanked Mike Minatrea, Austin Murphy, and customer service staff for their assistance on a water leak.

Larry Bowden, with the City of Twentynine Palms, updated the Board on the wastewater project. The City has voted not to accept the money from the state and will not be pursuing a centralized sewer system. City council would like to continue working with the Water District Board and staff in efforts to serve the community. The City is looking into seeking Federal funding for a mutual USGS Study with the Water District.

1. Presentation and Consideration to Receive and File the Twentynine Palms Water District's Fiscal Year 2022/2023 Audited Financial Statements

Brandon Ferrell with Eadie Payne, LLP thanked District staff and Cindy Byerrum for assistance with 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 to GAAP. A new accounting principle, GASB 96 relating to subscriptions, was implemented this year and will be on the books next year.

Director Coghill made a motion to receive and file the Twentynine Palms Water District's Fiscal Year 2022/2023 Audited Financial Statements, seconded by Director Leazer, and approved unanimously by all those present. Director Arthur was absent.

2. Election of Officers

Director Leazer nominated Director Giannini to serve as President, seconded by Director Woods, and unanimously approved.

Director Woods nominated Director Coghill to serve as Vice-President, seconded by Director Leazer, and unanimously approved.

The General Manager will serve as the Board Secretary, which is common practice with most Districts.

3. Discussion and Action to Reallocate CIP Budget Line Items

The pay meter station upgrade was delayed, as the manufacturer experienced equipment delays due to supply chain disruptions. The District, not knowing if the upgrade would be completed in the 2022-2023 budget, placed an additional \$50,000 in the 2023-2024 budget under the same line item. With the upgrade completed, District staff would like to reallocate that additional \$50,000 from the pay meter station upgrade line item to the vehicle/equipment replacements line item in the current 2023-2024 budget.

Director Woods made a motion to reallocate \$50,000 from the Pay Meter Station Upgrade line item to the Vehicle/Equipment Replacements line item, seconded by Director Coghill, and approved unanimously by all those present. Director Arthur was absent.

4. Update on the City of Twentynine Palms Wastewater Project

Matt provided an update on the City's wastewater project. There were several factors not figured into the cost of completing Phase I of the project, including full time inspectors fees, project management costs, road overlays, and land/easement costs. Due to an approximate \$20 million dollar deficit and the projected operation and maintenance costs at \$248-\$275 per month for waste water fees, the City council voted 5-0 to decline the state grant. The City council is now turning their focus to a USGS study and building a septic tank maintenance/management program. The City and the District have a joint Salt Nutrient Management Plan.

5. Consent Calendar

- Minutes of a Regular Meeting held on November 15, 2023
- Audit List

Director Woods moved to approve the Minutes and Audit List, seconded by Director Leazer, 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

Mike Minatrea reported that the District responded to 123 Underground Service Alerts, had 0 water main leaks, 1 water meter leak, 0 service line leaks, 3 fire hydrant repairs/maintenance, installed 1 new service, replaced 1 customer gate valve, performed 4 leak audits, painted 0 fire hydrants, performed 13 customer pressure checks, replaced 2 water meters, Tested and exercised emergency generators and sounded wells for November. 0 water waste inquiries were received. 0 AMI/AMR meters were replaced. There was a total of 602 work orders that were processed during the month. Mike will include the pay meter report with last year's totals at the next Board meeting. Mike wished everyone a Merry Christmas and a Happy New Year. Mike recognized two new hires, Tyler Russell and Eason Cobb, who were in the audience.

7.2 Water Quality

Robert reported water production was down 6.59% as compared to the same month in 2013. 40 routine and 9 special water samples were taken. All special samples tested negative for Colilert. All current wells meet the 2.0 mg/L standard

fluoride variance set by the State Water Resource Control Board. All samples tested were below the variance.

7.3 Finance

Cindy Byerrum wished the Board a Merry Christmas and Happy New Year from her and Jim. There was a \$2 million dollar PERS liability mentioned in the audit. This number will fluctuate due to market trends. Two CDs with Pacific Western will mature in the near future and will be moved over to CLASS, if the returns remain favorable.

7.4 General Manager

Matt reported the District was presented with ACWA/JPIA President's Special Recognition Award for having a loss ratio of 20% or less in the liability and property programs. Matt attended the ACWA Conference in Indian Wells. Matt attended a zoom meeting with the Community Water System Alliance where the District was mentioned as an example for chromium 6 treatment by Laurel Firestone who sits on the California State Water Board. District staff participated in the light parade. Matt thanked staff and all the District consultants for their hard work throughout the year: Cindy Byerrum with Eide Bailly, Ortega Strategies, Community Water Systems Alliance, Best Best & Krieger, Kennedy Jenks, and Gary Sturdivan. Matt wished everyone a Merry Christmas and a Happy New Year.


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

Director Giannini thanked staff for their attendance at the Board meeting, as well as those in the audience.

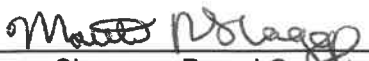
Director Woods thanked Mike Minatrea and Austin Murphy for being stellar representatives in the community. Larry Bowden was thanked for his service. She wished everyone a Merry Christmas, Happy Hanukkah, and Happy Holidays.

9. Adjournment

On motion by Director Woods, seconded by Director Leazer, and approved by the Board, the meeting was adjourned at: 4:50 p.m.

  
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Carol Giannini, President  
Board of Directors

Attest:

  
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Matthew Shragge, Board Secretary  
Twentynine Palms Water District