

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

May 22, 2024 / 4:00 P.M.

Call to Order and Roll Call

Vice President Bob Coghill 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. Director Michael Arthur was absent. Also present were General Manager Matt Shragge, Maintenance Superintendent Mike Minatrea, Treatment/Production Superintendent Robert Shelton, Financial Consultant Scott Nelsen, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Michael Minatrea led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

None

1. Presentation of Draft for Fiscal Year 2024/2025 Annual Budget

Scott Nelsen presented the Board with a draft budget for review. The narrative provides detailed information for the budget schedules. The following expenditures and capital improvement projects were noted:

- There will be approximately \$1.4 million to fund capital expenditures
- This is the last year for the current rates; budget includes money for a rate study
- A decrease in interest revenue of 20% projected due to lower investment returns
- Inflation is set at 4%, with fuel and electricity at 10%
- Source and supply is budgeted at a 9% increase
- Direct Expenses which includes media purchases has been increased to 18%
- Vacation/sick payouts is projected to decrease by 7%
- Direct Expenses under the Board of Directors has decreased to 10.5%
- Tower Revenue funds go towards Pensions and OPEB Trust contributions
- Election expenses are budgeted at \$50,000.
- Salary and Wages include an 11% increase to include two positions, mechanic and service worker I

District Projects

- USGS Study will begin this year
- Local Hazard Mitigation Plan – Generator at Cactus Booster Station
- Standards and Specifications will be updated
- Urban Water Management Plan update
- Chromium 6 at Well 11B, may need treatment with the new standards
- CLA-Valve Replacement Program
- 50% of the District's fleet purchases will need to be electric per new mandates
- 10 year cash projection indicates a minimum rate increase to maintain reserve balances

After discussion, the Board was in agreement to adopt the Draft Budget as the final, without having to bring it back next Board meeting.

Director Woods made a motion to approve the Draft Budget as presented, seconded by Director Leazer, and approved by the following roll call vote:

Ayes: Directors Coghill, Leazer, Woods, and Giannini
Noes: None
Abstain: None
Absent: Director Arthur

2. Consent Calendar

- Minutes of a Regular Meeting held on April 24, 2024
- Audit List

Director Giannini moved to approve the Minutes and Audit List, seconded by Director Leazer, and approved unanimously. Director Arthur was absent.

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

None

4. Management Reports

4.1 Maintenance

Mike reported that the District responded to 64 Underground Service Alerts, had 0 water main leaks, 1 water meter leak, 1 service line leak, 2 fire hydrant repairs/maintenance, installed 0 new services, replaced 24 customer gate valves, performed 2 leak audits, painted 0 fire hydrants, performed 6 customer pressure checks, replaced 2 water meters, Tested and exercised emergency generators and sounded wells for April. 0 water waste inquiries were received. 0 AMI/AMR meters were replaced. There was a total of 598 work orders that were processed during the month. 1.76% decrease from the pay meter consumption.

4.2 Water Quality

Robert reported water production was down 35.19% as compared to the same month in 2013. 50 routine and 14 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.

4.3 Finance

Scott reported on the month ending March. The Budget is at 75% of the year. Total Operating Revenues are at 76% with expenditures at 74%.

4.4 General Manager

Matt reported he met with Ortega Strategies Group. Michael Thomas is working as the District's construction manager overseeing the redundant reservoir project. Matt met with the new City Manager, Stone James and Larry Bowden. The City is working on applying for new grants for the Salt Nutrient Management Plan. Employee Kyle Barnett was thanked for assisting Matt at the Emergency Management event held in Yucca Valley. Mike and Robert were recognized for

identifying a failed original 16" CLA-valve before it became catastrophic. No one was out of water while repairs were made. A new employee was hired this month and two employees were promoted to the Treatment Plant side. Mechanic, Steve Gurney has notified the District of his pending retirement. The Local Hazard Mitigation Plan is online for comment. Scott and Cindy were thanked for their work on the Budget.

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

Title: General Manager

Director Woods moved to enter closed session at 4:42 p.m., seconded by Director Leazer, and unanimously approved.

The Board returned to open session at 6:34 p.m. Director Coghill announced there was no reportable action.

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

Director Woods would like a feasibility study on health insurance for the Board.

7. Adjournment

On motion by Director Woods, seconded by Director Giannini, and approved by the Board, the meeting was adjourned at: 6: 35 p.m.

Carol Giannini, President
Board of Directors

Attest:

Matthew Shragge, Board Secretary
Twentynine Palms Water District