

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

January 28, 2026 / 4:00 P.M.

AGENDA

This meeting may be viewed on the District's website at www.29palmswater.net
The Board reserves the right to discuss only or take action on any item on the agenda.

Next Resolution #26-02
Next Ordinance #105

Call to Order and Roll Call

Please make sure all cell phones are silenced.

Pledge of Allegiance

Additions/Deletions to the Agenda

Public Comments

Please complete a "Request to be Heard" form prior to the start of the meeting. The public may address the Board for 3 minutes on District-related matters. Government Code prohibits the Board from taking action on matters that are not on the agenda. However, the Board may refer matters for future consideration.

1. Presentation and Consideration to Receive and File the Twentynine Palms Water District's Fiscal Year 2024/2025 Audited Financial Statements
2. Consideration of Resolution 26-01 Adopting Annual Statement of Investment Policy
3. Review Proposals and Award Bid for the Redundant Treated Water Reservoir and Booster Pump Station at the Fluoride Removal Plant
4. Appoint Replacement and Alternate to Legislative Committee
5. Discussion of a Master Service Agreement with Nobel Systems for GeoViewer Software Subscription and Support Services
6. Update on District's Fleet Electric Vehicle Charging Station and Advanced Clean Fleet (ACF) Regulations
7. Consent Calendar
Matters under the Consent Calendar are to be considered routine and will be enacted in a single motion. There will be no separate discussion of these items unless the Board, staff or the public requests specific items be removed for separate discussion and action before the Board votes on the motion to adopt.

- Minutes of the Regular Meeting held on December 17, 2025
 - Audit List
8. Items Removed from the Consent Calendar for Discussion or Separate Action
 9. Management Reports
 - 9.1 Maintenance
 - 9.2 Water Quality
 - 9.3 Finance
 - 9.4 General Manager
 10. Future Agenda Items and Staff Tasks/Directors' Comments and Reports
 11. Adjournment

Notice of agenda was posted on or before 4:00 p.m., January 23, 2026.

Matthew Shragge, General Manager

Upon request, this Agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Cindy Fowlkes at (760) 367-7546 at least 48 hours before the meeting, if possible.

Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at 72401 Hatch Road, Twentynine Palms, CA 92277. In addition, any such writing may also be posted on the District's website.

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TWENTYNINE PALMS WATER DISTRICT
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TO:	BOARD OF DIRECTORS
DATE:	JANUARY 12, 2026
FROM:	MATTHEW SHRAGGE, GENERAL MANAGER
SUBJECT:	PRESENTATION AND CONSIDERATION TO RECEIVE AND FILE THE TWENTYNINE PALMS WATER DISTRICT'S FISCAL YEAR 2024/2025 AUDITED FINANCIAL STATEMENTS

BACKGROUND AND DISCUSSION

The Fiscal Year (FY) 2024/2025 District's audit consists of five parts, which are provided as attachments:

- Independent Auditor's Report: An audit report cover letter from Eadie & Payne outlining the auditor's professional responsibilities, accounting basis, and opinion on whether the financial statements comply with Generally Accepted Accounting Practices (GAAP).
- Management's Discussion and Analysis: This section summarizes the financial statements and explains any major changes from the prior fiscal year to the current fiscal year.
- Twentynine Palms Water District Financial Statements: A depiction of the district's enterprise (Water) activities and each major fund for FY 2024/2025.
- Notes to the Basic Financial Statements: The footnotes provide information in greater detail on the District's financial policies, accounting, retirement plan, and other financial matters.
- Auditor Report on Internal Controls: A report identifying and disclosing any material weaknesses or significant deficiencies in internal controls.

In preparation for and during the audit, District staff and the Contract CPA firm jointly prepared materials and worked directly with the auditing team. In addition to a review of these documents, the audit team performed several days of fieldwork at the District office to complete the audit process.

DISTRICT'S FY 2024/2025 AUDITED FINANCIAL STATEMENTS

The auditor found the District's financial reporting to be in compliance with Generally Accepted Accounting Principles, and as such, issued an Unmodified Opinion, the

highest level opinion an entity can receive. Additionally, the Report on Internal Controls noted that the District had no significant deficiencies or material weaknesses in internal controls. Further, the auditor noted no transactions that were both significant and unusual, and no misstatements were identified during the audit.

RECOMMENDATION

Staff recommends the Board receive and file Twentynine Palms Water District's FY 2024/2025 audited financial statements at this Board meeting.



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December 31, 2025

To the Board of Directors and Management
Twentynine Palms Water District
Twentynine Palms, California

We have audited the financial statements of Twentynine Palms Water District (District) as of and for the year ended June 30, 2025, and have issued our report thereon dated December 31, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 13, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided a separate report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards* dated December 31, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate and our firm have complied with all relevant ethical requirements regarding independence.

Our firm has identified the self-review of nonattest services as a threat to independence. To eliminate this threat, the firm requires review by an independent partner, and acceptance of the report by management.

Significant Risks Identified

Significant risks are risk that requires special audit consideration because of the likelihood and magnitude of the potential misstatement. We have identified the following significant risks and have performed audit procedures to address them:

- Management override of internal controls is considered an inherent risk according to Generally Accepted Auditing Standards

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the entity changed its method of accounting for compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No.101, Compensated Absences. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the financial statements. Additionally the entity changed its method of accounting for certain risk disclosures by adopting Governmental Accounting Standards Board (GASB) Statement No.102, Certain Risk Disclosures. This provides users of financial statements with essential information that currently is not often provided. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

The net pension and OPEB liabilities and the related deferred inflows and outflows of resources are based on amounts determined by an actuarial valuation. Actuarial computations are based on a number of assumptions, such as the rate of return on investments, rate of inflation, and life expectancy. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The allowance for doubtful accounts is calculated based on varying percentages of receivables outstanding. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to OPEB liabilities and the net pension liabilities Notes 6 and 7, respectively.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no identified significant unusual transactions identified during our procedures.

Identified or Suspected Fraud

We did not identify or obtain any information that indicates that any fraud may have occurred.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No such circumstances occurred that affected the form and content of our report.

Representations Requested from Management

We have requested certain written representations from management, which are included in a letter dated December 31, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Eadie and Payne, LLP



Twentynine Palms Water District

Twentynine Palms, California

Annual Financial Report

For the Year Ended June 30, 2025
(with summarized comparative financial information 2024)



TWENTYNINE PALMS WATER DISTRICT
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FINANCIAL SECTION



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Independent Auditor's Report

To the Board of Directors
Twentynine Palms Water District
Twentynine Palms, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Twentynine Palms Water District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the schedules related to the District's pension and other post-employment benefit plans on pages 52 through 54, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eadie and Payne, LLP

Riverside, California
December 31, 2025

TWENTYNINE PALMS WATER DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)
For the year ended June 30, 2025

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Twentynine Palms Water District (District) introduces the financial statements of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

The District's net position increased 0.89%, or \$249,409, from \$28,134,973 to \$28,384,382 for the year ended June 30, 2025.

- Total revenues from all sources for the District for the year ended June 30, 2025, increased by 7.59%, or \$584,131, from \$7,693,471 for the year ended June 30, 2024 to \$8,277,602.
- Total expenses for the District's operations for the year ended June 30, 2025 increased by 10.14% or \$ 738,979, from \$7,289,214 for the year ended June 30, 2024 to \$8,028,193.

Using This Financial Report

These financial statements consist of several interrelated statements designed to provide the reader with relevant, understandable data about the District's financial condition and operating results.

The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position provide information about the activities and performance of the District using accounting methods like those used by private sector companies. The Statements of Net Position includes all the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. The current year's revenue and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness. The Statement of Cash Flows conveys to financial statement readers how the District managed cash resources during the year. This statement converts the Change in Net Position presented on the Statement of Revenues, Expenses and Changes in Net Position into actual cash provided by or used for operations. The Statement of Cash Flows also details how the District obtains cash through financing and investing activities and, conversely, how cash is spent for these purposes.

TWENTYNINE PALMS WATER DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)
For the year ended June 30, 2025

Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All the current year's revenues and expenses are considered regardless of when the cash is received or paid. These two statements report the District's net position and changes in them. Think of the District's net position- the difference between assets and liabilities- as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors; however, such as changes in the District's property tax base to assess the overall health of the District.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension and OPEB activities.

TWENTYNINE PALMS WATER DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)
For the year ended June 30, 2025

Condensed Statements of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Assets:		
Current assets	\$ 13,441,851	\$ 12,277,772
Noncurrent assets	<u>21,322,737</u>	<u>21,851,472</u>
Total Assets	<u>34,764,588</u>	<u>34,129,244</u>
 Deferred Outflows of Resources	 <u>1,386,064</u>	 <u>1,802,873</u>
 Liabilities		
Current liabilities	1,803,109	1,494,154
Long-term obligations	<u>4,566,902</u>	<u>4,688,062</u>
Total Liabilities	<u>6,370,011</u>	<u>6,182,216</u>
 Deferred Inflows of Resources	 <u>1,396,259</u>	 <u>1,614,928</u>
 Net Position		
Net investment in capital assets	19,701,100	19,898,738
Unrestricted Net Position	<u>8,683,282</u>	<u>8,236,235</u>
Total Net Position	<u>\$ 28,384,382</u>	<u>\$ 28,134,973</u>

As of June 30, 2025, the District reported a net position of \$28,384,382. An amount of \$8,683,282 constitutes the District's unrestricted net position balance which is available for future operations at June 30, 2025.

TWENTYNINE PALMS WATER DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)
For the year ended June 30, 2025

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds

Condensed Statements of Revenues, Expenses, and Changes in Net Position		
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Operating Revenue	\$ 7,448,597	\$ 6,965,059
Operating Expenses	(8,028,193)	(7,289,214)
Non-Operating Revenue, Net	<u>829,005</u>	<u>728,412</u>
Total Change in Net Position	249,409	404,257
 Net Position, Beginning of Year	 <u>28,134,973</u>	 <u>27,730,716</u>
Net Position, End of Year	<u>\$ 28,384,382</u>	<u>\$ 28,134,973</u>

The statement shows how the fund's net position changed during the fiscal year. In the case of the District, net position increased by \$249,409 during the fiscal year ended June 30, 2025.

Revenues

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Revenues:		
Water consumption sales	\$ 4,366,349	\$ 3,956,308
Water service charges	2,014,166	1,821,710
Water availability charge	629,887	626,480
Other service charges	438,195	560,561
Rental revenue	182,472	171,593
Investment earnings	447,919	466,453
Other non-operating revenue	<u>198,614</u>	<u>90,366</u>
Total Revenues	<u>\$ 8,277,602</u>	<u>\$ 7,693,471</u>

Revenues increased \$584,131 for the year ended June 30, 2025. Notable increases include water consumption sales of \$410,041 and water service charges of \$192,456 in combination with minor changes in other categories. These notable increases are offset by decreases in other service charges of \$122,366 and investment earnings of \$18,534.

TWENTYNINE PALMS WATER DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)
For the year ended June 30, 2025

Expenses

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Expenses:		
Source of supply	\$ 473,798	\$ 509,258
Pumping	416,698	324,325
Transmission and distribution	2,022,919	1,898,252
Customer accounts	428,526	435,105
General plant	781,997	624,064
General and administrative	2,492,072	2,114,386
Depreciation expense	1,412,183	1,383,824
Total Expenses	<u>\$ 8,028,193</u>	<u>\$ 7,289,214</u>

Expenses increased \$738,979 for the year ended June 30, 2025. Many types of expenses experienced increases with the largest increase found in general plant, general and administrative and transmission and distribution expenses.

Capital Asset Administration

Capital assets were as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Non-depreciable capital assets	\$ 605,077	\$ 391,364
Depreciable capital assets	<u>54,497,261</u>	<u>53,851,486</u>
Total capital assets	55,102,338	54,242,850
Accumulated depreciation	<u>(34,598,773)</u>	<u>(33,327,315)</u>
Total capital assets, net	<u>\$ 20,503,565</u>	<u>\$ 20,915,535</u>

Net investment in capital assets includes structures and improvements, transmission and distribution system and water equipment and construction-in-process, net of related liabilities. At June 30, 2025, the District's net investment in capital assets amounted to \$19,701,100, which is comprised of \$20,503,565 of capital assets, net of related liabilities of \$802,465. Major capital asset additions during the year include various improvements and equipment purchases totaling \$1,004,200. See Note 4 for further information on the District's capital assets.

TWENTYNINE PALMS WATER DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS (UNAUDITED)
For the year ended June 30, 2025

Debt Administration

Changes in long-term liabilities for the year ended June 30, 2025, are as follows:

	Balance at July 1, 2024	Increases	Decreases	Balance at June 30, 2025
Note from direct borrowings	\$ 1,016,797	\$ -	\$ (214,332)	\$ 802,465
Compensated absences	174,344	111,242	-	285,586
Net OPEB liability	197,192	44,052	-	241,244
Net pension liability	3,618,667	-	(32,250)	3,586,417
	<u>\$ 5,007,000</u>	<u>\$ 155,294</u>	<u>\$ (246,582)</u>	<u>\$ 4,915,712</u>

Contacting the District's Financial Management Team

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District at the Twentynine Palms Water District, 72401 Hatch Road Twentynine Palms, California 92277 or (760) 367-7546.

BASIC FINANCIAL STATEMENTS

TWENTYNINE PALMS WATER DISTRICT

STATEMENTS OF NET POSITION

June 30, 2025 (with comparative financial information for 2024)

	2025	2024
ASSETS		
Current Assets		
Cash and investments	\$ 11,596,133	\$ 10,590,899
Restricted - cash and investments	110,437	101,315
Accounts receivable - water sales and services, net	1,139,576	1,053,395
Accrued interest receivable	20,403	20,076
Special assessments receivable	42,417	31,206
Materials and supplies inventory	294,819	274,505
Prepaid items	117,417	91,713
Lease receivable	120,649	114,663
Total Current Assets	13,441,851	12,277,772
Noncurrent Assets		
Lease receivable	819,172	935,937
Capital assets - not being depreciated	605,077	391,364
Capital assets - being depreciated, net	19,898,488	20,524,171
Total Noncurrent Assets	21,322,737	21,851,472
Total Assets	34,764,588	34,129,244
DEFERRED OUTFLOWS OF RESOURCES		
Other post-employment benefits obligation related	192,562	210,004
Pension related	1,193,502	1,592,869
Total Deferred Outflows of Resources	1,386,064	1,802,873
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	562,367	339,845
Accrued salaries and benefits	53,634	35,843
Unearned revenue and deposits	838,298	799,528
Long-term liabilities - due within one year:		
Loan payable	220,919	214,332
Compensated absences	127,891	104,606
Total Current Liabilities	1,803,109	1,494,154
Noncurrent Liabilities		
Long-term liabilities - due in more than one year:		
Loan payable	581,546	802,465
Compensated absences	157,695	69,738
Net other post-employment benefits obligation	241,244	197,192
Net pension liability	3,586,417	3,618,667
Total Noncurrent Liabilities	4,566,902	4,688,062
Total Liabilities	6,370,011	6,182,216
DEFERRED INFLOWS OF RESOURCES		
Lease receivable related	833,821	952,952
Other post-employment benefits obligation related	467,119	503,035
Pension related	95,319	158,941
Total Deferred Inflows of Resources	1,396,259	1,614,928
NET POSITION		
Net investment in capital assets	19,701,100	19,898,738
Unrestricted	8,683,282	8,236,235
Total Net Position	\$ 28,384,382	\$ 28,134,973

The accompanying notes are an integral part of the financial statements.

TWENTYNINE PALMS WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the year ended June 30, 2025 (with comparative financial information for 2024)

	<u>2025</u>	<u>2024</u>
Operating Revenue		
Water consumption sales	\$ 4,366,349	\$ 3,956,308
Water service charges	2,014,166	1,821,710
Water availability charge	629,887	626,480
Other service charges	438,195	560,561
Total Operating Revenue	<u>7,448,597</u>	<u>6,965,059</u>
Operating Expenses		
Source of supply	473,798	509,258
Pumping	416,698	324,325
Transmission and distribution	2,022,919	1,898,252
Customer accounts	428,526	435,105
General plant	781,997	624,064
General and administrative	2,492,072	2,114,386
Total Operating Expenses	<u>6,616,010</u>	<u>5,905,390</u>
Operating Income Before Depreciation	832,587	1,059,669
Depreciation expense	<u>(1,412,183)</u>	<u>(1,383,824)</u>
Operating Loss	<u>(579,596)</u>	<u>(324,155)</u>
Non-Operating Revenues (Expenses)		
Rental revenue	182,472	171,593
Investment earnings	447,919	466,453
Interest expense	(27,795)	(34,248)
Other non-operating revenue	226,409	124,614
Total Non-Operating Revenues (Expenses)	<u>829,005</u>	<u>728,412</u>
Change in Net Position	249,409	404,257
Net Position, Beginning of Year	<u>28,134,973</u>	<u>27,730,716</u>
Net Position, End of Year	<u>\$ 28,384,382</u>	<u>\$ 28,134,973</u>

The accompanying notes are an integral part of the financial statements.

TWENTYNINE PALMS WATER DISTRICT

STATEMENTS OF CASH FLOWS

For the year ended June 30, 2025 (with comparative financial information for 2024)

	2025	2024
Cash Flows From Operating Activities		
Cash receipts from customers and others	\$ 7,620,370	\$ 7,036,153
Cash paid to employees for salaries and wages	(3,135,256)	(2,851,554)
Cash paid to vendors and suppliers for materials and services	(2,846,144)	(2,742,529)
Net Cash From Operating Activities	<u>1,638,970</u>	<u>1,442,070</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,004,199)	(516,430)
Principal and interest payments on long-term debt	(242,127)	(243,810)
Net Cash Used For Capital and Related Financing Activities	<u>(1,246,326)</u>	<u>(760,240)</u>
Cash Flows From Investing Activities		
Proceeds from investment earnings	447,592	466,823
Proceeds from leases	174,120	157,281
Net Cash From Investing Activities	<u>621,712</u>	<u>624,104</u>
Net Increase in Cash and Investments	<u>1,014,356</u>	<u>1,305,934</u>
Cash and Investments		
Beginning of year	10,692,214	9,386,280
End of year	<u>\$ 11,706,570</u>	<u>\$ 10,692,214</u>
Classification on Statements of Net Position		
Cash and investments	\$ 11,596,133	\$ 10,590,899
Restricted - cash and investments	110,437	101,315
	<u>\$ 11,706,570</u>	<u>\$ 10,692,214</u>

The accompanying notes are an integral part of the financial statements.

TWENTYNINE PALMS WATER DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended June 30, 2025 (with comparative financial information for 2024)

Reconciliation of Operating Income to Net Cash From Operating Activities:

Operating Loss	\$ (579,596)	\$ (324,155)
Adjustments to Reconcile Operating Loss to Net Cash From (Used For) Operating Activities		
Depreciation and amortization expense	1,412,183	1,383,824
Provision for bad debt	19,728	(262,517)
Other non-operating revenue	230,395	124,614
Changes in Assets – (Increase) Decrease		
Accounts receivable-water sales and services	(105,909)	193,760
Special assessments receivable	(11,211)	(5,303)
Materials and supplies inventory	(20,314)	(46,739)
Prepaid items	(25,704)	(7,828)
Change in Deferred Outflows of Resources – (Increase) Decrease		
Pension and OPEB related deferred outflows of resources	416,809	50,697
Changes in Liabilities – Increase (Decrease)		
Accounts payable and accrued expenses	222,522	31,997
Accrued salaries and related payables	17,791	6,672
Unearned revenue and deposits	38,770	20,540
Compensated absences	111,242	4,852
Net other post-employment benefits obligation	44,052	(27,751)
Net pension liability	(32,250)	327,469
Change in Deferred Inflows of Resources – Increase (Decrease)		
Pension, OPEB and lease related deferred inflows of resources	(99,538)	(28,062)
Total Adjustments	<u>2,218,566</u>	<u>1,766,225</u>
Net Cash From Operating Activities	<u>\$ 1,638,970</u>	<u>\$ 1,442,070</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The Twentynine Palms Water District (District) was formed in 1954 under the County Water District Law, Division 12 of the Water Code of the State of California, for the purpose of supplying potable water and for other statutory purposes, including fire protection. The District is governed by a five-member Board of Directors whose members are elected by the registered voters in the District to staggered four-year terms.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of U.S. GAAP. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable for a component that has substantively the same governing body as the District's governing body, and additionally (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

The Twentynine Palms Water District Financing Corporation (Corporation) has a financial and operational relationship which meets the reporting entity definition criteria under U.S. GAAP, for inclusion of the Corporation as a component unit of the District. The Corporation is governed by a five-member board appointed by the District board. Although it is legally separated from the District, the Corporation is reported as a blended component unit of the primary government because its sole purpose is to provide financing assistance to the District for construction and acquisition of major capital facilities.

Basis of Accounting and Measurement Focus

The District's financial statements are prepared in conformity with U.S. GAAP. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

The District reports its activities as a proprietary fund (enterprise fund). Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

Investments

Investments are reported at fair value. Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the balance sheet, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Accounts Receivable and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts. Allowance for doubtful accounts was \$224,755 at June 30, 2025.

Special Assessments Receivable

The District contracts with the County of San Bernardino Tax Collector to collect the District's special assessments on the annual tax-roll billings. The County of San Bernardino Tax Collector remits the receipts from these collections to the District throughout the year. The Water Operations Fund receives water availability charge assessments of \$30 for each parcel that is one acre or less, whether serviced or un-serviced. These amounts are increased by amounts ranging from \$7.50 to \$8.00 per acre for incremental acreage.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Materials and Supplies Inventory

Inventories consist of expendable supplies and are valued at the lower of cost or market using first-in first-out basis.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Class	Useful Lives
Buildings and structures	20 - 50 years
Improvements	20 - 70 years
Pumping and treatment equipment	10 - 25 years
Office equipment	3 - 10 years
Other equipment	3 - 20 years
Vehicles	5 - 7 years

Construction in progress includes all capitalized costs for expenditures directly incurred to bring a capital asset to a useable condition. These capitalized costs will be recorded to capital assets when the asset is operational. At that time, the costs will be depreciated or amortized over the respective capital asset's useful life.

Right-to-use Assets

The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets, which are included in capital assets in the statement of net position, are amortized on a straight-line basis over the life of the related lease.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred inflows of resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, will not be recognized as a revenue until that time.

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is recorded in the District's financial statements. The liability for compensated absences includes salary related benefits, where applicable.

Employees are entitled to accumulate vacation leave. The total accumulated vacation time shall not exceed that amount earned by the employee in two years, not to exceed a maximum of 24 days per year, 48 days in a two-year period. The employee will be required to accept compensation in lieu of vacation for the vacation time accrued in excess of the maximum in January of each year. Upon termination of employment for any reason, the District shall compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination.

Sick leave with pay will be granted to each employee at the rate of one day per month. Accumulated sick leave will not be paid to employees upon termination of employment. In December of each year, as long as a water department employee has accrued in excess of 5 days sick leave, he/she may choose to either be paid for any sick leave in excess of the 5 days or leave it to accumulate. Employees who do not utilize unused sick leave accrued in excess of 5 days between December 1st and November 30th each year, may be reimbursed at the rate of 100 percent if they have been employed during the entire period.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CalPERS plan governed by the Public Employees' Medical & Hospital Care Act (PEMHCA) and additions to/deductions from PEMHCA's fiduciary net position have been determined on the same basis as they are reported by PEMHCA. For this purpose, PEMHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS	June 30, 2025
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Net Position

In the statement of net position, net position is categorized as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net amount of assets that are not included in the determination of *restricted* or *net investment in capital assets*.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

New GASB Pronouncements Effective During Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2025:

GASB Statement No. 101, Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligations. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensation absences. Management evaluated the cumulative impact of implementing standard on prior-year financial statements and concluded the effect was immaterial. Accordingly, no adjustment to beginning net position was recorded, and the impact of adoption was recognized in the current year.

GASB Statement No. 102, Certain Risk Disclosures

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2025 consisted of the following:

Cash on hand	\$ 1,350
Demand deposits with financial institutions	1,872,164
Investments	<u>9,833,056</u>
Total Cash and Investments	\$ <u>11,706,570</u>

Demand Deposits

At June 30, 2025, the carrying amount of the District's demand deposits was \$1,872,164 and the financial institution balance was \$1,875,558. The \$3,394 net difference as of June 30, 2025, represents outstanding checks, deposits-in-transit and/or other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 2 – Cash and Investments (Continued)

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy requires that all security transactions are conducted on a delivery versus- payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the District's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and CLASS).

As of June 30, 2025 the District had approximately \$1,625,558 on deposits in excess of FDIC-insured limits.

Investments

Investments as of June 30, 2025, consisted of the following:

Investments	Fair Value Measurement Input	Credit Rating	Fair Value June 30, 2025	Maturity 12 Months or Less
External Investment Pools:				
California Local Agency Investment Fund (LAIF)	Level 2	n/a	\$ 1,864,455	\$ 1,864,455
California Cooperative Liquid Assets Securities System (CLASS)	Level 2	AAAm	7,858,164	7,858,164
Held with Fiscal Agent:				
PARS Pension Trusts	Level 2	n/a	110,437	110,437
Total Investments			<u>\$ 9,833,056</u>	<u>\$ 9,833,056</u>

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 2 – Cash and Investments (Continued)

Authorized Investments and Investment Policy

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions. Investments are to be made in the following areas:

External Investment Pools:

California Local Agency Investment Fund (LAIF)
California Cooperative Liquid Assets Securities System (CLASS)
Non-negotiable certificates of deposit
Governmental agency securities

Held with Fiscal Agent:

PARS Pension Trust

Investment in California - Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the entity's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller's website: www.treasurer.ca.gov/pmia-laif/.

The District's investment with LAIF at June 30, 2025 included a portion of the pool funds invested in structured notes and asset-backed securities in which their terms may cause their fair values to be highly sensitive to interest. As of June 30, 2025 the value of LAIF's portfolio approximated \$24.490 billion. LAIF had invested 2.02% of the pool's investment funds in structured notes and medium-term asset-backed securities at June 30, 2025.

Investment in California Cooperative Liquid Assets Securities System (CLASS)

The District is a voluntary participant in CLASS which is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the entity's pro-rata share of the fair value provided by CLASS for the entire CLASS portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CLASS, which are recorded on an amortized cost basis. Further information about CLASS is available on their website: <https://californiaclass.com/prime/>

The District's investment with CLASS at June 30, 2025 included a portion of the pool funds invested in various money market securities, including U.S. Treasury securities, U.S. agencies, state municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, and repurchase.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 2 – Cash and Investments (Continued)

Public Agency Retirement Services (PARS) Pension Trust

The District established an IRS Section 115 pension irrevocable trust account with the Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District's CalPERS Defined Benefit Safety and Miscellaneous Employees' Pension Plans. The PARS Trust's specific cash and investments are managed by a third-party portfolio manager and invested under a pool arrangement using certain investment guidelines offered by PARS.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2025 the District's investment credit ratings are noted in the table above.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the table above.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. All the District's classes of investments in any one governmental or non-governmental issuer are in excess of 5% percent of the District's total investments.

Note 3 – Lease Receivable

In April 2002, the District entered into a 5-year cell tower lease with T-Mobile with an option to renew every five years for 25 more years. The initial lease payment was \$12,000 per year. The annual lease payment is adjusted annually by an amount not to exceed the rate of inflation as indicated by the change in Consumer Price Index (CPI) or 3%, whichever is greater.

In June 2005, the District entered into a 5-year cell tower lease with AT&T with an option to renew every five years for 20 more years. The initial lease payment was \$26,400 per year. The annual lease payment is adjusted annually by an amount not to exceed the rate of inflation as indicated by the change in Consumer Price Index (CPI) or 3%, whichever is greater.

In February 2013, the District entered into a 5-year cell tower lease with AT&T with an option to renew every five years for 20 more years. The initial lease payment was \$60,000 per year. The annual lease payment is adjusted annually by 3%.

The District recorded the lease receivable as of July 1, 2020 measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.0%.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 3 – Lease Receivable (Continued)

During the year ended June 30, 2025 the District recognized lease revenue related to the above leases of \$119,131. Interest revenue for the year ended June 30, 2025 was \$15,901.

The future minimum lease payments receivable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	120,649	15,901	136,550
2027	126,866	13,832	140,698
2028	139,030	11,649	150,679
2029	134,317	9,349	143,666
2030	141,097	6,925	148,022
2031-2035	230,308	9,936	240,244
2036-2038	73,755	1,154	74,909
	<u>\$ 966,022</u>	<u>\$ 68,746</u>	<u>1,034,768</u>
Less: Present value discount			94,947
Total Lease Receivable			<u>\$ 939,821</u>

Note 4 – Capital Assets

Changes in capital assets for the year ended June 30, 2025 were as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Non-depreciable capital assets:					
Land	\$ 174,626	\$ -	\$ -	\$ -	\$ 174,626
Construction-in-process	216,738	991,624	(777,911)	-	430,451
Total non-depreciable capital assets	<u>391,364</u>	<u>991,624</u>	<u>(777,911)</u>	<u>-</u>	<u>605,077</u>
Depreciable capital assets:					
Source of supply plant	16,883,216	-	147,460	(77,989)	16,952,687
Pumping plant	482,504	-	28,315	-	510,819
Transmission and distribution plant	30,448,304	12,576	106,835	-	30,567,715
Buildings and structures	2,562,040	-	-	-	2,562,040
Office equipment	454,520	-	35,014	(60,001)	429,533
Transportation/heavy equipment	2,098,545	-	460,287	-	2,558,832
Radio and communication equipment	148,616	-	-	-	148,616
Field equipment and tolls	767,019	-	-	-	767,019
Lease asset	6,722	-	-	(6,722)	-
Total depreciable capital assets	<u>53,851,486</u>	<u>12,576</u>	<u>777,911</u>	<u>(144,712)</u>	<u>54,497,261</u>
Less accumulated depreciation	<u>(33,327,315)</u>	<u>(1,412,183)</u>	<u>-</u>	<u>140,725</u>	<u>(34,598,773)</u>
Total depreciable capital assets, net	<u>20,524,171</u>	<u>(1,399,607)</u>	<u>777,911</u>	<u>(3,987)</u>	<u>19,898,488</u>
Total capital assets, net	<u>\$ 20,915,535</u>	<u>\$ (407,983)</u>	<u>\$ -</u>	<u>\$ (3,987)</u>	<u>\$ 20,503,565</u>

Construction in progress consist of several capital projects in which the District has expended \$430,451 as of June 30, 2025. The District estimates that the projects will be completed in the fiscal year 2026 and will need to expend an additional \$2.43 million to bring the projects to completion.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 5 – Schedule of Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025, are as follows:

	<u>Balance at July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2025</u>	<u>Due Within One Year</u>
Note from direct borrowings	\$ 1,016,797	\$ -	\$ (214,332)	\$ 802,465	\$ 220,919
Compensated absences	174,344	111,242	-	285,586	127,891
Net OPEB liability	197,192	44,052	-	241,244	-
Net pension liability	3,618,667	-	(32,250)	3,586,417	-
	<u>\$ 5,007,000</u>	<u>\$ 155,294</u>	<u>\$ (246,582)</u>	<u>\$ 4,915,712</u>	<u>\$ 348,810</u>

In 2019, the District entered into an agreement to finance the purchase of water meters. The District's note from original direct borrowings of \$2,000,000 is secured by collateral of the water meters purchased under the agreement. Variable payments are due semi-annually, including interest at 3.05% per annum, with the final payment due October 2028. The note contains a provision that in an event of default, the equipment purchased under agreement may be repossessed by the lender.

Debt service requirements on long-term debt at June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 220,919	\$ 22,817	\$ 243,736
2027	227,709	16,028	243,737
2028	234,708	9,029	243,737
2029	119,129	1,817	120,946
	<u>\$ 802,465</u>	<u>\$ 49,691</u>	<u>\$ 852,156</u>

Note 6 – Net Other Post-Employment Benefits Obligation

Plan Description - Eligibility and Benefits

The District's defined benefit postemployment healthcare plan, Twentynine Palms Water District Post-Retirement Medical Benefits Program (TPWDPRMBP), provides medical benefits to eligible District employees and spouses. TPWDPRMBP is a single employer defined benefit healthcare plan administered by the District. A menu of benefit provisions is established through the District's group health insurance plan, which covers both the active and retired members. The TPWDPRMBP does not issue a publicly available financial report.

At June 30, 2025 the following employees were covered by the benefit terms:

Active plan members	24
Inactive plan members or beneficiaries currently receiving benefit payments	2
Inactive plan members entitled to but not yet receiving benefit payments	-
Total Participants	<u>26</u>

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

Note 6 – Net Other Post-Employment Benefits Obligation

Plan Description - Eligibility and Benefits (Continued)

Contribution requirements of the District are established by Ordinance and may be amended through board action to update the original Ordinance. For the year ended June 30, 2025, the District’s average contribution rate was 27.22% of covered-employee payroll. Employees are not required to contribute to the plan.

Actuarial Method and Assumptions

Valuation and Measurement Date: The valuation date is June 30, 2023, and the measurement date is June 30, 2024.

Actuarial Cost Method: GASB 74 and 75 require use of the entry age actuarial cost method. Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The actuarial present value of projected benefit payments and present value of future service costs are determined on a participant by participant basis and then aggregated.

Substantive Plan: As required under GASB 74 and 75, the valuation is based on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by the District regarding practices with respect to employer and employee contributions and other relevant factors.

Inflation: Assumed 2.50% per year.

Investment Return/Discount Rate: Assumed 5.25% per year net of expenses. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class for the year ended June 30, 2025 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Rate of Return
Inflation Assets	9.0%	N/A
Fixed Income	51.0%	N/A
Global Equities	23.0%	N/A
REITs	14.0%	N/A
Commodities	3.0%	N/A
Total	100.0%	5.75%

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 6 – Net Other Post-Employment Benefits Obligation (Continued)

Actuarial Method and Assumptions

Trend: Assumed 4.00% per year. The long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation.

Payroll Increase: Assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments.

Mortality Assumptions: Mortality assumptions are based upon the 2021 California Public Employees Retirement System (CalPERS) Mortality for Active Miscellaneous Employees Table and the 2021 CalPERS Mortality for Retired Miscellaneous Employees Table. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. These tables incorporate mortality projection as deemed appropriate based on CalPERS analysis.

Retirement Rates: Retirement Rates are based upon the 2021 CalPERS 3.0%@60 Rates Active Miscellaneous Employees Table and the 2021 CalPERS 2.0%@62 Rates Retired Miscellaneous Employees Table. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Rates: Turnover Rates are based upon the 2021 CalPERS Turnover for Miscellaneous Employees Table. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 6 – Net Other Post-Employment Benefits Obligation (Continued)

Changes in the Net OPEB Liability

Changes in net OPEB liability for the year ended June 30, 2025 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	NET OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2024	<u>\$ 916,522</u>	<u>\$ 719,330</u>	<u>\$ 197,192</u>
Changes for the year:			
Service cost	74,088	-	74,088
Interest	47,339	45,302	2,037
Change in assumptions	(18,726)	-	(18,726)
Experience (gains) losses	-	-	-
Contributions - employer	-	19,085	(19,085)
Expected minus actual benefit payments	5,508	-	5,508
Benefit payments	(19,085)	(19,085)	-
Administrative expense	-	(230)	230
Net changes	<u>89,124</u>	<u>45,072</u>	<u>44,052</u>
Balance at June 30, 2025	<u><u>\$ 1,005,646</u></u>	<u><u>\$ 764,402</u></u>	<u><u>\$ 241,244</u></u>

Sensitivity of the net OPEB liability

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1.00 percentage-point lower or 1.00 percentage-point higher than the current discount rate:

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net OPEB liability	<u>\$ 314,181</u>	<u>\$ 241,244</u>	<u>\$ 177,828</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.00 percentage point lower or 1.00 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.00%)	Current Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability	<u>\$ 139,276</u>	<u>\$ 241,244</u>	<u>\$ 361,676</u>

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 6 – Net Other Post-Employment Benefits Obligation (Continued)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025 the District recognized OPEB expense of \$63,808. At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 49,056	\$ (131,504)
Differences between expected and actual experience	55,556	(335,615)
Net difference between projected and actual earnings on OPEB plan investments	49,721	-
Employer contributions made subsequent to the measurement date	38,230	-
Total	<u><u>\$ 192,563</u></u>	<u><u>\$ (467,119)</u></u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (18,172)
2027	(7,601)
2028	(34,211)
2029	(39,060)
2030	(40,714)
Thereafter	(173,028)
Total	<u><u>\$ (312,786)</u></u>

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan

General Information about the Pension Plans

The Plans' Description Schedule

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	Miscellaneous Plans	
	Classic	PEPRA
	Tier 1	Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% at 60	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefits payments	Monthly for life	Monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a percentage of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required member contribution rates	8.00%	7.75%
Required employer contribution rates	16.51%	7.87%

Plan Description

The District contributes to the Public Employees' Retirement Fund C (PERF C), a cost-sharing multiple employer defined benefit pension plan of public agencies with generally fewer than 100 active members, which is administered by California Public Employees' Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2023 Annual Actuarial Valuation Reports. These reports and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Members Covered by Benefit Terms

At June 30, 2023 (Valuation Date), the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active Members	9	13	22
Transferred and terminated members	17	13	30
Retired members and beneficiaries	25	-	25
Total Plan Members	51	26	77

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A Classic CalPERS Miscellaneous member becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service. Public Employees' Pension Reform Act (PEPRA) Miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation.

Participant members are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

A member's beneficiary may receive the basic death benefit if the member dies while actively employed. The member must be actively employed with the District to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

The basic death benefit is a lump sum in the amount of the members' accumulated contributions, where interest is currently credited annually at the greater of 6 percent or the prevailing discount rate through the date of death, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the measurement period ended June 30, 2024 (Measurement Date), the active member contribution rate for the Classic Miscellaneous Plan and the PEPRA Miscellaneous Plan are based on the Plan's description schedule above. For the year ended June 30, 2025, the contributions made to the Plan were as follows:

Contribution Type	Miscellaneous Plans		
	Classic Tier 1	PEPRA Tier 2	Total
Contributions – employer	\$ 424,734	\$ 80,774	\$ 505,508
Contributions – members	70,741	72,524	143,265
Total Contributions	\$ 495,475	\$ 153,298	\$ 648,773

Actuarial Methods and Assumptions Used to Determine the Total Pension Liability

For the measurement periods ended June 30, 2024 (Measurement Date), the total pension liability was determined by rolling forward the June 30, 2023 total pension liabilities. The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Investment rate of return	6.90%
Inflation	2.30% per annum
Salary Increases	Varies by entry age and service
Mortality Rate ¹	Derived using CalPERS' Membership Data for all Funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2023 was based on CalPERS experience study and review of actuarial assumptions from November 2021. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects expected real rate of return by asset class as of June 30, 2024 (Measurement Date):

Investment Type	Assumed Asset Allocation	Real Return Years ^{1,2}
Global Equity - Cap Weighted	30.00%	4.54%
Global Equity Non-Cap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

¹ An expected price inflation of 2.30% is used for this period.

² Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Discount Rate (Continued)

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percentage-point lower or 1.00 percentage-point higher than the current rate as of June 30, 2025:

Plan Type	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	5.90%	Rate 6.90%	7.90%
CalPERS – Miscellaneous Plan	\$ 5,707,416	\$ 3,586,417	\$ 1,840,523

Pension Plan Fiduciary Net Position

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plans proportionate share of the risk pool collective net pension liability over the measurement periods for the CalPERS Miscellaneous as of June 30, 2025 was as follows:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Miscellaneous Plan			
Balance as of June 30, 2023 (Measurement Date)	\$ 14,696,189	\$ 11,077,522	\$ 3,618,667
Balance as of June 30, 2024 (Measurement Date)	15,718,043	12,131,626	3,586,417
Change in Plan Net Pension Liability	<u>\$ 1,021,854</u>	<u>\$ 1,054,104</u>	<u>\$ (32,250)</u>

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

1. In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date. The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation dates.
2. Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date. Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at the valuation date less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period.
3. The individual plan's TPL, FNP and NPL are also calculated at the valuation date.
4. Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
5. The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
6. The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The District's proportionate share of the net pension liability as of June 30, 2025 was as follows:

<u>CalPERS – Miscellaneous Plan</u>	<u>Percentage Share of Risk Pool</u>
Measurement Date	June 30, 2024
Percentage of Risk Pool Net Pension liability	0.072370%
Percentage of Plan (PERF C) Net Pension Liability	0.001780%

For the year ended June 30, 2025, the District recognized pension expense in the amount of \$797,161 for the CalPERS Miscellaneous Plan.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The EARSL for PERF C for the measurement periods ending June 30, 2024 is 3.8 years, which was obtained by dividing the total service years (the sum of remaining service lifetimes of the active employees) by the total number of participants (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to -0-. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 493,666	\$ -
Difference between actual and proportionate share of employer contributions	-	(83,220)
Adjustment due to difference in proportions	91,113	-
Differences between expected and actual experience	310,079	(12,099)
Differences between projected and actual earnings on pension plan investments	206,466	-
Changes in assumptions	92,178	-
Total Deferred Outflows/(Inflows) of Resources	\$ 1,193,502	\$ (95,319)

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 7 – Net Pension Liability and Defined Benefit Pension Plan (Continued)

Net Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plans (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following year. Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized to pension expense in future periods as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 222,066
2027	453,096
2028	108
2029	(70,753)
2030	-
Total	\$ 604,517

Note 8 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As of June 30, 2025, there was no claims liabilities to be reported. During the year ended June 30, 2025, the District participated in the following public entity risk pool Association of California Water Agencies Joint Powers Insurance Authority (See Note 9)

At June 30, 2025 the District's participation in the self-insurance programs of the JPIA was as follows:

Property loss is insured up to replacement value with deductibles starting from \$1,000: the JPIA is self-insured up to \$10,000,000 and has purchased excess insurance coverage up to \$150,000,000. For general liability, the JPIA self-insured pool covers the first \$5,000,000 per occurrence, and excess insurance coverage has been purchased with aggregated policy limits up to \$55,000,000.

Worker's compensation insurance coverage consists of statutory limits per occurrence for workers compensation and to total of \$2,000,000 per occurrence. JPIA is self-insured up to \$2,000,000, and excess insurance coverage has been purchased.

Cyber security insurance up to \$2,000,000 per occurrence, with an aggregate policy limit of \$5,000,000 with deductibles starting from \$10,000. Employee dishonesty and crime insurance provides coverage of up to \$100,000 per occurrence, subject to a \$1,000 deductible, for losses arising from employee dishonesty, forgery or alteration, and computer fraud. Coverage applies to all employees, the Board of Directors, and the Treasurer.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 9 – Joint Powers Agreements

The District participates in a Joint Powers Agreements (JPA): The Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) and the California Cooperative Liquid Assets Securities System (CLASS). The relationship between the Agency and the JPAs is such that the JPAs are not a component unit of the Agency for financial reporting purposes.

Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)

The District is a participant in the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), which was organized for the purpose of providing liability insurance for the member agencies. The JPIA is a risk-pooling self-insurance authority created under the provisions of California Government Code Section 6500. The JPIA is governed by a board consisting of a representative from each member agency. The board controls the operations of the JPIA, including selections of management and approval of operating budgets. The purpose of the JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

Condensed audited financial information of the ACWA/JPIA for the year ended September 30, 2024 is as follows:

Total assets	\$ 308,144,466
Deferred outflows of resources	3,099,110
Total liabilities	177,706,110
Deferred inflows of resources	4,357,741
Net position	<u>\$ 129,179,725</u>
Total revenues	\$ 222,223,993
Total expenses	253,429,117
Total other income (loss)	<u>39,671,937</u>
Change in net position	<u>\$ 8,466,813</u>

California Cooperative Liquid Assets Securities System (CLASS)

The California Cooperative Liquid Assets Securities System (CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

TWENTYNINE PALMS WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

Note 9 – Joint Powers Agreements (Continued)

CLASS strives to minimize risk by managing its portfolios in a manner that prioritizes principal preservation and only invests in securities that are permitted pursuant to the laws of the state of California and the CLASS Investment Policies. The condensed audited financial information of the CLASS for the year ended March 31, 2025 is as follows:

Total assets	\$ 1,800,404,676
Total liabilities	185,885
Net assets	<u>\$ 1,800,218,791</u>
Total revenues	\$ 80,902,067
Total expenses	<u>1,700,539</u>
Change in net asset	<u>\$ 79,201,528</u>

Note 10 – Commitments and Contingencies

Grants

The District, from time to time, participates in various federal, state and local grant programs, the principal of which are subject to various program compliance audits. Accordingly, the District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District anticipates such amounts, if any, will be will not be significant.

Note 11 – Subsequent Events

Management has evaluated subsequent events through December 31, 2025, the date the financial statements were available to be issued. No events occurred through this date requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

TWENTYNINE PALMS WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17*	2015-16*
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Employer's Proportion of the Net Pension Liability	0.07415%	0.07237%	0.0703%	0.024400%	0.024867%	0.024098%	0.023256%	0.023165%	0.025285%	0.028234%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 3,586,417	\$ 3,618,667	\$ 3,291,198	\$ 1,319,608	\$ 2,705,642	\$ 2,469,343	\$ 2,241,022	\$ 2,297,360	\$ 2,187,905	\$ 1,937,958
Employer's Covered Payroll	\$ 1,813,392	\$ 1,641,225	\$ 1,460,895	\$ 1,474,855	\$ 1,448,972	\$ 1,346,297	\$ 1,084,161	\$ 1,051,407	\$ 1,381,292	\$ 1,341,060
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of Covered Payroll	197.77%	220.49%	225.29%	89.47%	186.73%	183.42%	205.71%	218.50%	158.40%	144.51%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.91%	78.00%	78.19%	90.49%	77.71%	77.73%	77.69%	75.39%	74.06%	78.40%

* Includes safety plan

California Public Employees' Retirement System (CalPERS) Safety Plan**

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Employer's Proportion of the Net Pension Liability	-	-	0.010214%	0.000226%	0.004661%	0.003910%	0.003341%	0.003236%
Employer's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ 701,869	\$ 12,233	\$ 507,129	\$ 400,701	\$ 321,995	\$ 320,883
Employer's Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-	-	-	-	-	-	-	-
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	-	-	75.53%	86.61%	73.12%	73.37%	73.39%	71.74%

** Safety Plan was terminated during fiscal year 2023-24

TWENTYNINE PALMS WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE PENSION PLAN
Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17*	2015-16*
Actuarially Determined Contribution	\$ 493,666	\$ 425,102	\$ 409,195	\$ 383,898	\$ 357,929	\$ 316,780	\$ 264,804	\$ 214,598	\$ 197,902	\$ 245,003
Contribution in Relation to the Actuarially Determined Contribution	(493,666)	(425,102)	(409,195)	(383,898)	(357,929)	(316,780)	(264,804)	(214,598)	(197,902)	(682,065)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (437,062)
Covered Payroll	\$ 1,813,392	\$ 1,641,225	\$ 1,460,895	\$ 1,474,855	\$ 1,448,972	\$ 1,346,297	\$ 1,264,383	\$ 1,084,161	\$ 1,051,407	\$ 1,381,292
Contributions as a Percentage of Covered Payroll	27.22%	25.90%	28.01%	26.03%	24.70%	23.53%	20.94%	19.79%	18.82%	49.38%

* Includes safety plan

California Public Employees' Retirement System (CalPERS) Safety Plan**

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ -	\$ -	\$ 56,889	\$ 38,460	\$ 26,711	\$ 17,414	\$ 7,668	\$ 2,064
Contribution in Relation to the Actuarially Determined Contribution	-	-	(56,889)	(38,460)	(26,711)	(17,414)	(7,668)	(2,064)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	-	-	-	-	-	-	-	-

¹ Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

² Covered Payroll represented above is based on payroll on which contributions to a pension plan are based per GASBS No. 82.

** Safety Plan was terminated during fiscal year 2023-24

Notes to the Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).


TWENTYNINE PALMS WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years ⁽¹⁾


Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Changes in total OPEB liability:								
Service cost	\$ 74,088	\$ 61,489	\$ 59,843	\$ 51,018	\$ 50,524	\$ 37,021	\$ 39,339	\$ 60,309
Interest	47,339	47,262	54,139	70,082	64,684	53,159	49,121	31,862
Difference between expected and actual experience	-	29,009	(79,276)	(382,546)	(17,960)	65,215	-	-
Expected Minus Actual Benefit Payments	5,508	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	(187,021)
Changes in assumptions	(18,726)	(116,922)	63,771	(5,650)	-	(29,981)	(22,970)	-
Benefit payments including refunds*	(19,085)	(37,625)	(15,092)	-	(15,317)	(39,679)	(46,508)	(64,899)
Net changes	89,124	(16,787)	83,385	(267,096)	81,931	85,735	18,982	(159,749)
Total OPEB liability (beginning)	916,522	933,309	849,924	1,117,020	1,035,089	949,354	930,372	1,090,121
Total OPEB liability (ending)	\$ 1,005,646	\$ 916,522	\$ 933,309	\$ 849,924	\$ 1,117,020	\$ 1,035,089	\$ 949,354	\$ 930,372
Changes in plan fiduciary net position:								
Contributions – employer*	\$ (19,085)	\$ (37,625)	\$ 15,092	\$ -	\$ 15,317	\$ 219,679	\$ 148,908	\$ 376,043
Contributions – employee	-	-	-	-	-	-	-	-
Net investment income	35,961	35,413	(85,415)	94,818	41,653	32,102	15,342	17,901
Benefit payments including refunds*	19,085	37,625	(15,092)	-	(15,317)	(39,679)	(46,508)	(64,899)
Administrative expense	(230)	(201)	(202)	(247)	(326)	(96)	(174)	(99)
Investment gains/(losses)	9,341	(24,248)	-	-	-	-	(435)	-
Other expense	-	-	-	-	-	-	-	-
Net changes	45,072	10,964	(85,617)	94,571	41,327	212,006	117,133	328,946
Plan fiduciary net position (beginning)	719,330	708,366	793,983	699,412	658,085	446,079	328,946	-
Plan fiduciary net position (ending)	\$ 764,402	\$ 719,330	\$ 708,366	\$ 793,983	\$ 699,412	\$ 658,085	\$ 446,079	\$ 328,946
Net OPEB liability (ending)	\$ 241,244	\$ 197,192	\$ 224,943	\$ 55,941	\$ 417,608	\$ 377,004	\$ 503,275	\$ 601,426
Plan fiduciary net position as a percentage of the total OPEB liability	76%	78%	75.9%	93.4%	62.6%	63.6%	47.0%	35.4%
Covered employee payroll	1,813,392	1,641,225	\$ 1,736,546	\$ 1,504,856	\$ 1,710,995	\$ 1,464,438	\$ 1,100,000	\$ 1,100,000
Net OPEB liability as a percentage of covered payroll	13%	12%	13.0%	3.7%	24.4%	25.7%	45.8%	54.7%


* Includes implied subsidy benefit payments for the 12-month period.


(1) Historical information is required only for measurement periods for which GASB 75 is applicable.
Additional years will be added as they become available in the future.



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**INDEPENDENT AUSITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors and Management
Twentynine Palms Water District
Twentynine Palms, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Twentynine Palms Water District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eadie and Payne, LLP

Riverside, California
December 31, 2025

Twentynine Palms Water District
SCHEDULE OF FINDINGS AND RESPONSES – PRIOR YEAR
For the year ended June 30, 2025

Significant Deficiency

2024-001 Segregation of Duties over Cash Disbursements

Criteria

According to best practices and applicable standards, including the COSO framework, organizations should implement effective internal controls to safeguard assets and ensure accurate financial reporting. Access to check stock should be restricted to authorized personnel only.

Condition

During the internal control walkthroughs, we noted that the General Manager has access to the blank checks stock and is also the authorized check signer. This creates a lack of segregation of duties over cash disbursements.

Cause

Insufficient internal controls has led to a situation where access to sensitive financial assets is not appropriately restricted. Additionally, there is no current policy or procedure in place specifically addressing the access rights to check stock.

Effect

The General Manager could write and sign checks without appropriate checks and balances. As a result, the District is at a higher risk of financial loss due to fraud or theft.

Recommendation

It is recommended that the District store blank checks in a locked location and assign control of the key or access code to a designated individual who does not have check-signing authority.

Management's Response

The District will store blank check stock in their walk-in vault and establish appropriate controls over the cabinet keys. The vault is always locked during non-business hours.

Status: Resolved

2

TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
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TO:	BOARD OF DIRECTORS
DATE:	JANUARY 15, 2026
FROM:	MATTHEW SHRAGGE, GENERAL MANAGER
SUBJECT:	CONSIDERATION TO APPROVE RESOLUTION 26-01 ADOPTING ANNUAL STATEMENT OF INVESTMENT POLICY

BACKGROUND AND DISCUSSION

Every year the District reviews and adopts an investment policy that authorizes the District to invest funds and outlines criteria for such investments. Currently the District's accounts for investments are the State of California Local Agency Investment Fund (LAIF) and California Cooperative Liquid Assets Securities Systems (California CLASS).

The investment policy and resolution are attached for your review.

RECOMMENDATION

Approve Resolution 26-01 Adopting Annual Statement of Investment Policy.

RESOLUTION NO. 26-01
RESOLUTION OF THE BOARD OF DIRECTORS
OF TWENTYNINE PALMS WATER DISTRICT
ADOPTING ANNUAL STATEMENT OF INVESTMENT POLICY

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code Sections 53600.6 and 53630.1); and

WHEREAS, the legislative body of the Twentynine Palms Water District (the "District") may invest surplus monies not required for the immediate necessities of the District in accordance with the provisions of California Government Code Sections 5920 and 53600 *et seq.*, and California Water Code Section 31335 *et seq.*; and

WHEREAS, the General Manager of the District, as chief fiscal officer, may annually prepare and submit to the Board of Directors of the District ("Board") a statement of investment policy which shall be considered by the Board at a public meeting pursuant to California Government Code Section 53646(a)(2); and

WHEREAS, pursuant to California Government Code Section 53646(a)(2), any changes to the District's Investment Policy (the "Policy") shall be considered by the Board at a public meeting; and

WHEREAS, the Board has been presented with an annual statement of investment policy, attached hereto as Exhibit A and incorporated herein by this reference, and the Board now wishes to consider and approve said statement of investment policy at this public meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Twentynine Palms Water District as follows:

Section 1. Recitals. All of the foregoing recitals are true and correct and the Board hereby finds and determines.

Section 2. Statement of Investment Policy. The statement of investment policy, attached hereto as Exhibit A and incorporated herein by this reference, including all changes thereto, has been considered by the Board at this meeting and is hereby approved and adopted.

Section 3. Delegation of Authority. The Board hereby renews its delegation of authority to the General Manager, as chief fiscal officer of the District, to invest or reinvest funds of the District, or to sell or exchange securities so purchased for a one-year period.

Section 4. Immediate Effect. This Resolution shall take effect immediately after its adoption on the date hereof.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Twentynine Palms Water District this 28th day of January 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bob Coghill, President
Board of Directors

Attest:

Matthew Shragge, Secretary
Board of Directors

EXHIBIT A
STATEMENT OF INVESTMENT POLICY

Twentynine Palms Water District Investment Policy

Section 1. Scope of Policy: This Investment Policy ("Policy") applies to all financial assets of the Twentynine Palms Water District (the "District"). Funds in any deferred compensation plan and/or in a trust for retiree benefits are not included within the scope of this Policy.

Section 2. Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Section 3. Objectives: As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds of the District, the primary objectives, in priority order, of the investment activities shall be:

a. **Safety:** Safety of principal is the foremost objective of the Policy. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

b. **Liquidity:** The investment portfolio of the District will remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated and meet its cash flow requirements.

c. **Return on Investments:** The investment portfolio of the District shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. The objective of maximizing return on investments should be done only after ensuring safety and liquidity.

Section 4. Delegation of Authority: Authority to manage the Policy is derived from California Government Code Section 53600, *et. seq.* Pursuant to California Government

Code Section 53607, management responsibility for the Policy is hereby delegated to the General Manager, as chief fiscal officer. Such delegation of authority is for a one-year period and may be renewed annually by the Board. Pursuant to California Government Code Section 53607, as long as the aforementioned delegation authority is renewed, the Treasurer shall submit a monthly investment report of transactions to the Board, as provided in Section 11 hereof. No person may engage in an investment transaction except as provided under the terms of this Policy. . Under the provisions of California Government Code Section 53600.3, the General Manager is a trustee and a fiduciary subject to the prudent investor standard.

Section 5. Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall fully comply with the District's Conflict of Interest Code in the execution of this Policy. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Section 6. Authorized Financial Institutions and Dealers: The General Manager may maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list may also be maintained of approved security brokers/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the General Manager shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the General Manager shall have received from said firm a signed certification form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Policy and the law.

All funds of the District not placed in FDIC-insured accounts are invested through the State of California Local Agency Investment Fund (LAIF) or California Cooperative Liquid Assets Securities System (California CLASS), the District need not investigate the qualifications of those financial institutions and broker/dealers with whom LAIF or California CLASS transacts business. The District may invest in LAIF and/or California CLASS

Section 7. Authorized and Suitable Investments:

a. **Permitted Investments:** District funds may be invested as authorized by, and subject to the limitations and special conditions of California Government Code Sections 16429.1, 53601, and 53601.8. Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy.

b. **Prohibited Investments:** Under the provisions of California Government Code Sections 53601.6 and 53635, the District shall not invest any funds covered by this Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools. In addition, and more generally, investments are further restricted as follows:

- No investment will be made that has either (1) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (2) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero interest accrual periods.
- No investment will be made that could cause the portfolio to be leveraged.

Where this Policy and the California Government Code do not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five (5) years. Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security. The purchase of a security with a forward settlement date cannot exceed 45 days from the time of investment.

Section 8. Collateralization: All certificates of deposits must be collateralized by U. S. Treasury obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under California Government Code Section 53601(j)(2). Bank deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law, including California Government Code Sections 53651 and 53652.

Section 9. Safekeeping and Custody: All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery

or by third party custodial agreement as required by California Government Code Section 53601.

Section 10. Diversification: The District will diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

a. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.

b. Maturities selected shall provide for stability of income and liquidity.

c. Disbursement and payroll dates shall be covered through maturities investments, marketable U. S. Treasury Bills or other cash equivalent instruments such as money market mutual funds.

Section 11. Reporting: In accordance with California Government Code Section 53646(b)(1), the General Manager, as chief fiscal officer, shall submit to the Board a quarterly investment report within 45 days after the end of the quarter covered by said report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par and dollar amount invested on all securities, investments and moneys held by the District, and a description of any of the District's funds, investments, or programs that are under the management of contracting parties, including lending programs. Additionally, the report shall include the current market values of each component of the portfolio as of the date of the report, including funds managed for the District by third party contracted managers, if applicable, and the source of the valuation. The report will also include a certification that **(1)** all investment actions executed since the last report have been made in full compliance with the Policy or described the manner in which it is not in compliance, and **(2)** the ability of the District to meet its pool's expenditure obligations for the next six months or an explanation as to why sufficient money may not be available, as required by California Government Code Sections 53646(b)(2) and (3), respectively. The General Manager shall maintain a complete and timely record of all investment transactions.

For District investments that have been placed in the LAIF, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the California Financial Code, in FDIC-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination thereof, the most recent statement or statements received by the District from these institutions may be provided to the Board in lieu of the information required in the above paragraph.

Upon the delegation detailed in Section 4 above, the General Manager shall provide to the Board a portfolio report, on a monthly basis, in accordance with the requirements of the Government Code Section 53607.

Section 12. Investment Policy Adoption: The Policy shall be adopted by resolution of the Board. The Policy shall be reviewed on an annual basis, and the General Manager may annually render to the Board a statement of investment policy, which the Board must consider at a public meeting. Any modifications to this Policy must be approved by the Board at a public meeting.

3

TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO: BOARD OF DIRECTORS

DATE: JANUARY 8, 2026

FROM: MATTHEW SHRAGGE, GENERAL MANAGER

SUBJECT: REVIEW PROPOSALS FOR THE REDUNDANT TREATED WATER RESERVOIR AND BOOSTER STATION AT THE FLUORIDE REMOVAL PLANT AND POSSIBLE AWARD OF CONTRACT

BID PROPOSALS

The District received four bids for the Redundant Treated Water Reservoir and Booster at the Fluoride Removal Plant. Four bids were received by the specified time of 2:00 pm on September 25, 2025 at District offices, which were then read out in the board room. Bids were submitted by the Van Dyke Corporation, Pyramid Building and Engineering, Canyon Springs Enterprises, and Cora Constructors Inc. Bid amounts and Engineer's Estimates are as follows:

Engineer's Estimate	Van Dyke Corporation	Pyramid Building and Engineering	Canyon Springs Enterprises	Cora Constructors Inc.
\$2,411,900	\$3,446,641	\$3,308,690	\$3,968,239	\$3,633,608

DISCUSSION

This Redundant Treated Water Reservoir and Pump Station, includes: construction of a new pump station building and construction of a new bolted steel water reservoir; site work includes: inlet and outlet piping and appurtenances, asphalt concrete paving, concrete pad and sidewalk, FRP walkway and stairs, site grading, and miscellaneous site work; Mechanical Work, includes: installation of two (2) 300 HP vertical turbine pumps; pump suction and discharge piping, valving, flow meter installation on discharge piping, miscellaneous mechanical work and field start-up and testing; 10-inch discharge waterline and appurtenances; construction of water reservoir including: concrete ring wall, inlet and overflow piping, static mixer, and miscellaneous appurtenances, electrical and SCADA integration including conduits, wiring, new PLC panel, and integration of new equipment into existing TPWD SCADA systems all in accordance with, in accordance with the Specifications and Drawings.

As indicated, the four bids were fairly close to each other but significantly over the engineer's estimate. After receiving the four bids staff made the recommendation to continue with the project and add additional funding in fiscal year 2026/2027 and add the extra funding into the District current five year rate study. All bidders are considered responsible bidders.

Required bid forms, bid bonds, subcontractors list, bidder's information forms, experience forms, and main contractors fleet compliance certifications were supplied by all four bidders. During the spreadsheet tabulation of the four bids, two of the four bids were found to be arithmetically incorrect. The Van Dyke Corporation and Cora Constructors Inc. bids are the two bids that matched the spreadsheet tabulation and found to be arithmetically correct.

Both The Van Dyke Corporation and Cora Constructors have filed bid protest. The Van Dyke Corporation protested Pyramid Building and Engineering's bid on the grounds that the values in the bid schedule contained math error. Cora Constructors filed the same protest along with a protest that The Van Dyke Corporation was incomplete and non-responsive.

Attached to this Board Report is a Bid Review and Recommended Award from Engineered Solutions Group (ESG) who has represented our District throughout the project. There is also a memorandum from District's legal Best, Best, and Krieger (BBK) to address the filed protest from the contractors. Both ESG and BBK have recommendation/conclusion for the Redundant Finish Water Reservoir and Booster Station in their respective memos.

FISCAL IMPACTS

In the current fiscal year 25/26 Capital Impact Plan (CIP) budget for this project is \$1,670,300. District plans to carry over any remanding balance from the current fiscal year and add an additional \$1,800,000 in fiscal year 26/27 to fund this project

RECOMMENDATION

Staff is making the recommendation to accept the bid from the Van Dyke Corporation at \$3,446,641 (three million four hundred forty-six thousand six hundred forty-one dollars) for the Redundant Finish Water Reservoir and Booster Station at the Fluoride Removal Plant.



Memo

To: Matt Shragge, General Manager, Twentynine Palms Water District

From: Michael Thomas, CEO, Engineered Solutions Group, Inc.

Date: January 14, 2026

Subject: Redundant Treated Water Reservoir and Pump Station at the Fluoride Removal Plant Project – Bid Review and Recommended Award

On September 25, 2025, Twentynine Palms Water District (TPWD or 'District') opened bids for the Redundant Treated Water Reservoir and Pump Station at the Fluoride Removal Plant Project (Project or Tank Project) at District headquarters. Four bids were received with the 'bottom line' bid amount summarized in the following table:

Contractor	Bid Amount
Pyramid Building & Engineering	\$3,308,690.00
Van Dyke Corporation	\$3,446,641.00
Cora Constructors Inc.	\$3,633,608.00
Canyon Springs Enterprises	\$3,978,239.00

Determination of Low Bid

Subsequent to the bid opening, two bid protests were filed. Van Dyke Corporation (Van Dyke) protested Pyramid Building & Engineering's (Pyramid) bid on the grounds that the values in the bid schedule contained a math error. Cora Constructors (Cora) filed the same protest along with a protest that Van Dyke's bid was incomplete and non-responsive.

The District's contract attorney, Best Best & Krieger (BBK), reviewed both protests (letter sent to the District under a separate cover).

Cora and Van Dyke both protested Pyramid's bid on the basis that the total bid price on the bid schedule did not equal the sum of the individual line items. BBK upheld these protests rendering Pyramid's bid non-responsive. Cora also protested Van Dyke's bid on the basis of Van Dyke's bid failing to list subcontractor percentages of work and failing to provide California Air Resources Control Board (CARB) Certificates of Reported Compliance (CRCs) for subcontractors in their bid. This protest was denied by BBK and did not render Van Dyke's bid non-responsive.

Therefore, the lowest responsible bid, as supported by BBK's legal assessment, is Van Dyke with a bid price of \$3,446,641.00.

Bid Comparison with Engineer's Estimate

The Engineer's Estimate, provided by the design engineer Albert A. Webb Associates (Webb), was \$2,411,900. This value was significantly lower than the submitted bids – approximately 70% of the low bid. Three points to be made:

1. The three responsive bids were within approximately 15% of the value of the low bid. This 'clumping' of bid pricing indicates that the cost of the project truly is closer to \$3.5M than the \$2.5M estimated by the design consultant. This is not terribly uncommon, and supports not rejecting all bids based on their comparison with the engineer's estimate. The estimate was low, rather than the bids being unreasonably high.
2. The fact that submitted bids were so close in amount suggests that the design was in fact clear and biddable. Wide varying bids would suggest that the design poorly defined the Project, and contractors would have to increase their price to account for risk and uncertainty. That was not the case here.
3. Engineer's estimates are typically only used in decision making when only one or two bids are received, to either support awarding a contract or rejecting bids – not the case in this instance.

Review of Van Dyke's Bid

TPWD, BBK and ESG all reviewed the bid breakdown included in the bid schedule by Van Dyke and found no mathematical errors. All contractor questions and changes to pre-bid meetings were managed on the publicpurchase.com platform. Van Dyke attended the requisite pre-bid meetings on both July 31, 2025 and August 14, 2025. No addenda was published and all contractor questions were posted on publicpurchase.com. Van Dyke's bid included the required bid bond and completed 'information required of bidders.'

As stated previously, Van Dyke provided a list of subcontractors, but failed to provide the percentage of work. To summarize, as stated by BBK in their letter, "Article 20 of the Instruction to Bidders allow the District to waive any informality or irregularity in any bid. Van Dyke has not gained an advantage over the other bidders by not specifying the percentage of work for subcontractors, and this does not affect the bid amount, therefore, the District may waive this." It is the understanding of ESG that the District has chosen to waive this informality/irregularity. Also, according to BBK, finding the bid non-responsive on grounds that the bid doesn't comply with the Subletting and Subcontracting Fair Practices Act (Act), BBK found that, "... the District has the option of waiving the failure to comply with the Act and assessing a penalty against Van

Dyke in the amount of not more than 10 percent of the amount of the subcontract involved. Van Dyke's bid does not need to be rejected as non-responsive on these grounds."

The bid also failed to provide CARB CRCs at the time of bid. BBK concluded that not having these documents in the bid, "... is an inconsequential deviation from the bid specifications, and District can waive the deviation." It is ESG's understanding that the District will ensure Van Dyke has applicable CARB CRCs from Van Dyke prior to awarding a contract for the Project.

Van Dyke Corporation is currently licensed as a Class A contractor in California, has no Division of Labor Standards Enforcement (DLSE) debarments under the State of California Department of Industrial Relations (DIR). Additionally, Van Dyke has significant contracting experience, and has done considerable contract work in the Yucca Valley.

One further comment, regarding the last line item in the bid schedule is item 21, Contingency to include all work, material, equipment, labor, labels, field, orders, etc. as may be required and directed by Oner, items shall be 10% of the sum for bid items 1 thru 20. This amount should be included in the overall contract award, but the contractor shall not be able to bill any of this amount without demonstrating performance of Extra Work in accordance with the contract. The sum total of the project as specified is \$3,133,310.00 and should be funded as such.

Overall Recommendation

Based on the BBK's legal findings with respect to the two bid protests filed at the District, and based on ESG's review of Van Dyke's bid, ESG recommends that the Board award the project for the Redundant Treated Water Reservoir and Pump Station at the Fluoride Removal Plant to the Van Dyke Corporation in the amount of \$3,446,641.00.



Memorandum

To: Matthew Shragge, General Manager, Twentynine Palms Water District
From: Catherine Achy
Date: December 16, 2025
Re: Protests for Redundant Treated Water Reservoir and Pump Station at the Fluoride Removal Plant Project

Introduction

This memorandum provides a legal analysis of the two protests received in regards to the publicly bid Redundant Treated Water Reservoir and Pump Station at the Fluoride Removal Plant Project (“Project”) for the Twentynine Palms Water District (“District”). The first protest, dated November 11, 2026, is from Cora Constructions, Inc. (“Cora”), the third lowest bidder. The second protest, dated November 7, 2026, is from the Van Dyke Corp. (“Van Dyke”), the second lowest bidder. The District would like to reject the lowest bid from Pyramid Building and Engineering, Inc. (“Pyramid”) as non-responsive and award the Project to Van Dyke. This memorandum analyzes the bases for rejecting Pyramid’s bid, rejecting Cora’s bid protest, and awarding the Project to Van Dyke, as well as additional considerations for the District. The District should also request and obtain from Van Dyke CARB CRCs for its subcontractors prior to awarding the contract, in compliance with the applicable CARB regulations.

Legal Framework for Evaluating Bid Protests

Bidders may submit bid protests on the grounds that a bid is non-responsive or that a bidder is not responsible. Relevant here is the issue of responsiveness.¹ As a threshold matter, a bid must conform to the material terms of the bid package.² A bid is responsive if it promises to do what the bidding instructions demand.³ Responsiveness should be determined from the face of the bid.⁴ However, a bid may be responsive even if there is a discrepancy in the bid, as long as the discrepancy is inconsequential, that is, the discrepancy must not affect the amount of the bid or give a bidder an advantage over others.⁵ A deviation must be capable of facilitating corruption or extravagance, or likely to affect the amount of bids or the response of potential bidders. These considerations must be evaluated from a practical rather than hypothetical standpoint, with

¹ Responsibility is not addressed in this memorandum. In general, finding a bidder not responsible is an involved process and requires the District to, among other things, conduct a hearing.

² *DeSilva Gates Constr. v. Department of Transp.* (2015) 242 Cal.App.4th 1409; *Menefee v. County of Fresno* (1985) 163 Cal.App.3d 1175.

³ *Williams v. Clovis Unified Sch. Dist.* (2007) 146 Cal.App.4th 757; *Valley Crest Landscape Inc. v. City of Davis* (1996) 41 Cal.App.4th 1432, 1438.

⁴ *Great W. Contractors, Inc. v. Irvine Unified Sch. Dist.* (2010) 187 Cal.App.4th 1425, 1454.

⁵ *Ghilotti Constr. Co. v. City of Richmond* (1996) 45 Cal.App.4th 897, 904; *Bay Cities Paving & Grading, Inc. v. San Leandro* (2014) 223 Cal.App.4th 1181, 1188.

reference to the factual circumstances of the case.⁶ That being said, the District has no authority to waive material, as opposed to inconsequential, irregularities in a bidder's bid.⁷ Material deviations also occur where an agency provides a bidder an actual advantage not given to other bidders, or an apparent advantage for instance in a situation where the error would have given the bidder an ability to withdraw its bid without recourse on the bid bond.⁸

Here, in both the Notice Inviting Bids and Article 20 of the Instructions to Bidders, the District reserved "the right to reject any or all bids or to waive any irregularities or informalities in any bids or in the bidding process," which provides the District flexibility to reject bids or waive errors as long as consistent with the law.

Rejection of Pyramid's Bid

Both Van Dyke and Cora protested Pyramid's bid on the basis that Pyramid's total bid price does not equal the sum of the individual line item costs listed in the bid schedule, specifically, Pyramid listed a total bid price of \$3,446,641.00, but the sum of all individual line item costs is \$2,759,889.7. Cora also protested Pyramid's bid for failure to list unit prices.

In this case, Pyramid's bid contains an arithmetical error, specifically, the total bid price listed in Pyramid's bid does not equal the sum of all individual line item costs listed in the bid schedule. Under Public Contract Code Section 5103, a bidder may be relieved of its bid if, among other things, the bidder made a mistake, the mistake made the bid materially different than he or she intended it to be, and the mistake was made in filling out the bid. Courts have interpreted a material mistake to mean typographical or arithmetical errors.⁹ Pyramid's total bid price listed greatly exceeded the sum of the individual line items in its bid. Because of this arithmetical error, Pyramid could have sought relief under Public Contract Code Section 5103 and had an advantage not available to other bidders. Therefore, this error is not waivable by the District and renders Pyramid's bid non-responsive.

Additionally, the instructions on the Bid Schedule Form state that "the costs for any Work shown or required in the Contract Documents, but not specifically identified as a line item are to be included in the related line items and no additional compensation shall be due to Contractor for the performance of the Work." Because Pyramid's total bid amount exceeds the sum of the individual line items, Pyramid's bid is in effect asking for additional compensation that exceeds its line items, which renders the bid non-responsive. Finally, the District reserved the right to reject any bids in the Notice Inviting Bids, and the District may reject Pyramid's bid accordingly.

⁶ *Ghilotti Constr. Co. v. City of Richmond* (1996) 45 Cal.App.4th 897, 908-09, internal citations omitted.

⁷ See *Valley Crest Landscape, Inc. v. City of Davis* (1996) 41 Cal.App.4th 1432, 1443.

⁸ *Id.* at p. 1442.

⁹ *Menefee County of Fresno* (1985) 163 Cal.App.3d 1175, 1181; *MCM Const. Inc. v. County of San Francisco* (1998) 66 Cal.App.4th 359, 376.

The Bid Schedule Form also states “for purposes of evaluating Bids, the District will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.” This gives the District the ability to correct Pyramid’s error, however, after discussions with the District’s General Manager, the District would prefer to reject Pyramid’s bid.

Lastly, Cora also protested Pyramid’s bid for failure to list unit prices. The Bid Schedule Form accounted for this scenario and specified that if unit prices are omitted, the item costs shall prevail and used to obtain unit prices. Thus, a failure to include unit prices does not necessarily render a bid non-responsive and is not a basis to reject Pyramid’s bid.

Rejection of Cora’s Protest

As discussed above, Cora protested Pyramid’s bid and the District intends to reject Pyramid’s bid. Cora also protested Van Dyke’s bid because Van Dyke failed to list the subcontractor percentage of work, and Van Dyke failed to provide California Air Resources Board (“CARB”) Certificates of Reported Compliance (“CRC”) for subcontractors at the time of bid. However, these errors are not material and do not render Van Dyke’s bid non-responsive.

a. Failure to List Subcontractor Percentage of Work Does Not Render Van Dyke’s Bid Non-Responsive

Pursuant to the Subletting and Subcontracting Fair Practices Act (“Act”), a bidder is required to list all subcontractors who will perform any work in excess of 0.5% of its bid amount and the portion of the work that will be done by each subcontractor.¹⁰ Article 9 of the Instructions to bidders required this information in accordance with Public Contract Code Section 4104. The List of Subcontractors Form contained a column for bidders to specify the work to be done by a subcontractor and a column to specify the percentage of work. Van Dyke did not include the percentages of work for its listed subcontractors. While the Act requires a bidder to specify the *portion* of the work to be done by subcontractors, this can be accomplished by specifying the type of work, and the portion “need not be stated as a percentage.”¹¹ Van Dyke specified the type of work to be done by each subcontractor, therefore, the District can determine what portion of work each subcontractor will complete in compliance with the Act. Further, Van Dyke is still bound to use its listed subcontractors. Article 20 of the Instructions to Bidders allows the District to waive any informality or irregularity in any bid. Van Dyke has not gained an advantage over other bidders by not specifying the percentage of work for subcontractors, and this does not affect the bid amount, therefore, the District may waive this.

¹⁰ Pub. Cont. Code, § 4104.

¹¹ *Valley Crest Landscape, Inc. v. City Council* (1996) 41 Cal.Ap.4th 1432, 1432 & 1440.

Additionally, the California Attorney General has opined and concluded that a public entity may accept a bid even where the contractor failed to comply fully with the Act.¹² Relying on Public Contract Code section 4110, the Attorney General found that a local agency has a statutorily prescribed remedy in the event bidders violate any of the provisions of the Act. Specifically, Section 4110 authorizes the awarding body, at its discretion, to cancel the contract or assess the prime contractor a penalty in an amount of not more than 10 percent of the amount of the subcontract involved in the event the prime contractor fails to comply with its obligations under the Act.¹³ Implicit within the public entity's power to cancel the contract for failure to comply with the Act is the power to either accept or reject the bid in the first instance.¹⁴ Therefore, the District has the option of waiving the failure to comply with the Act and assessing a penalty against Van Dyke in an amount of not more than 10 percent of the amount of the subcontract involved. Van Dyke's bid does not need to be rejected as non-responsive on these grounds.

b. Failure to Provide CARB CRCs for Subcontractors Does Not Render Van Dyke's Bid Non-Responsive

While Article 11 of the Instructions to Bidders states that each bidder must submit CARB CRCs for the bidder and its listed subcontractors with their bid, failure to submit the required CRCs *may* render a bid non-responsive (emphasis added). As demonstrated by the use of the term "may", the District is not legally obligated to reject a bid that does not include CARB CRCs at time of bid. In fact, Article 20 of the Instruction to Bidders allows the District to waive any informality or irregularity in any bid. In addition, California Code of Regulations Sec. 2449(i), the basis for Article 11, requires CARB CRCs prior to contract award, but the Regulation does not specify at what time prior to award ("CARB Regulations"). Van Dyke submitted a CARB CRC for its Fleet and signed the Fleet Compliance Certification, subject to penalty for perjury, that their Fleet, which is defined as the bidder's fleet and that of their subcontractors, will comply with the requirements of the CARB Regulations. Van Dyke's bid amount will not change, nor has Van Dyke gained an advantage over other bidders by not submitting specific CARB CRCs for subcontractors at bid time. Thus this is an inconsequential deviation from the bid specifications, and the District can waive the deviation.

Nevertheless, the District should request CARB CRCs from Van Dyke's for its subcontractors prior to award, as this is required per the CARB Regulations. Specifically, California Code of Regulations Sec. 2449(i)(2) states "no prime contractor or public works awarding body, as applicable, shall enter into a contract with a fleet for which it does not have a valid Certificate of Reported Compliance for the fleet and its listed subcontractors, if applicable, prior to entering into a new or renewed contract with that fleet." The District must ensure it has also applicable CARB CRCs from Van Dyke prior to awarding the contract for the Project.

¹² 86 Cal.Ops.Atty.Gen. 90, 90 (2003).

¹³ Pub. Cont. Code § 4110.

¹⁴ 86 Cal.Ops.Atty.Gen. 90, 94 "[t]he permissive authority to cancel the contract necessarily includes the authority to execute the contract".

Conclusion

The District has a legal basis for rejecting Pyramid's bid, rejecting Cora's bid protest, and awarding the contract for the Project to Van Dyke. The District should respond to each of the three bidders accordingly, and make the recommendations at the next Board of Director's meeting.

4

TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO:	BOARD OF DIRECTORS
DATE:	JANUARY 20, 2026
FROM:	MATTHEW SHRAGGE, GENERAL MANAGER
SUBJECT:	DISCUSSION AND POSSIBLE ACTION TO ADD A MEMBER AND AN ALTERNATE TO THE DISTRICT'S LEGISLATIVE COMMITTEE

BACKGROUND AND DISCUSSION

Back in August of 2017, the District formed a legislative committee to monitor, review, and manage legislative priorities. With help from Ortega Strategies and commitment from Director Coghill and Director Giannini, our committee made several trips up to Sacramento and were involved with State Legislators on new water regulations.

Through our legislative committee, we found it important for elected officials to speak to elected officials on new water regulation coming down from Sacramento.

Currently there is an open spot on the District's legislative committee.

RECOMMENDATION

Open discussion in general on the District's legislative committee. If the Board would like to continue with the committee, staff is looking for the appointment of one new member and consideration of appointing an alternate member. The alternate member would step in as a replacement if needed.

5

TWENTYNINE PALMS WATER DISTRICT

72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935

760.367.7546 PHONE 760.367.6612 FAX

TO:	BOARD OF DIRECTORS
DATE:	JANUARY 21, 2026
FROM:	MATTHEW SHRAGGE, GENERAL MANAGER
SUBJECT:	DISCUSSION OF MASTER SERVICE AGREEMENT BETWEEN THE TWENTYNINE PALMS WATER DISTRICT AND NOBEL SYSTEMS FOR GEOVIEWER SOFTWARE SUBSCRIPTION AND SUPPORT SERVICES

BACKGROUND

In 2023, District staff and Nobel Systems worked collaboratively on creating a complete Geographic Information System (GIS) of the District. After completing the District's GIS system, Nobel Systems and the District signed into a service agreement for Nobel's GeoViewer Online and Mobile Hosting solution. This solution includes: GeoViewer online annual subscription, GeoViewer mobile annual subscription, EH Wach valve exercise module, hydrant/dead end flushing integration module, backflow data collection module, and USA Dig Alert application which all integrate with GeoViewer mobile. District staff currently uses all of the Nobel Systems applications provided in this agreement daily.

Additions to the Nobel Systems hosting solutions within the past year have been Unlimited GIS Data Updates, Springbrook Service Orders, and Unlimited Field Forms Development. These three new solutions have been in the development stages and recently gone live. District staff now has the ability to go paperless with Springbrook work orders and have unlimited data updates throughout the month. The unlimited field forms are allowing the District to convert everyday field work into tablet solutions off of iPads that all employees have at their fingertips.

The most recent hosting solution that Nobel Systems and the District have been collaborating on is a Customer Portal. The Customer Portal will integrate the District's meter infrastructure system (NAA- Network Administration Application) with Nobel Systems to allow real time data to the customers. This portal will allow the customer to

take responsibility of water use, even when the customer may not be aware of such use (underground water leak). This will also allow the customer to understand demand water use that goes on at their property daily.

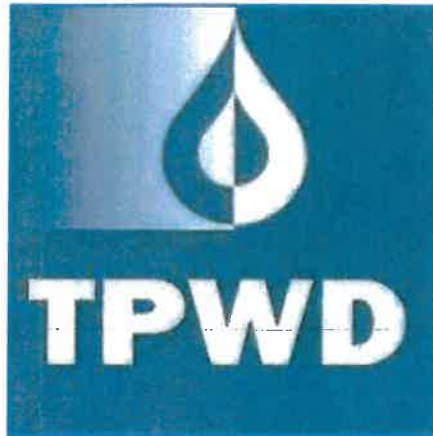
The partnership that Nobel Systems and the District have created in a short period of time has been extremely beneficial to both parties. The District truly believes in the term “Efficiencies through Technology” and has made major strides with Nobel Systems as a partner.

FISCAL IMPACTS

Yearly subscription fees of \$102,800.00 (one hundred two thousand eight hundred dollars) per year with the effective date starting on March 1, 2026. With the first year from March 1, 2026 to February 28, 2027 at the prorated amount of \$72,933.33 (seventy-two thousand nine hundred thirty-three dollars and thirty-three cents). Nobel Systems and the District would be looking at a 5 (five) year service agreement.

RECOMMENDATION

District staff is looking to have an open discussion on a 5 (five) year service agreement with Nobel Systems. Staff is looking to bring back the service agreement for approval at next month's Board of Directors meeting.



PROPOSAL FOR SERVICES:

**PROFESSIONAL MASTER SERVICES AGREEMENT
FOR GEOVIEWER SOFTWARE SUBSCRIPTION AND
SUPPORT SERVICES**

Nobel Systems Inc.
1030 Nevada St, Ste 202
Redlands, CA 92374

January 21, 2026

Matthew Shragge
General Manager
Twentynine Palms Water District
72401 Hatch Rd
Twentynine Palms, CA 92277

**Re: PROFESSIONAL MASTER SERVICES AGREEMENT FOR GEOVIEWER SOFTWARE SUBSCRIPTIONS
AND SUPPORT SERVICES**

Dear Mr. Shragge,

Nobel Systems is pleased to submit this proposal for the above referenced project to Twentynine Palms Water District ("District"). As demonstrated throughout the proposal, we offer an outstanding combination of Mapping, Information Technology and most importantly an in depth understanding of application development.

This proposal is based on District entering a five (5) years agreement to provide these services to you.

The entire project team is very enthusiastic about this project and about the opportunity to work with you to further your information management goals. Should you have any questions concerning this proposal, please feel free to contact me directly by phone (909 -891-0896) or e-mail (kgbalaji@nobel-systems.com)

We look forward to working with the Twenty-Nine Palms Water District for this project.

Sincerely,



Balaji Kadaba
Vice President, Operations
Nobel Systems, Inc.

Exhibit A

Minimum Hardware:

The GeoViewer cloud applications do not require any server infrastructure. Since the GeoViewer Mobile application only works on iOS at this time, field crews will require Apple iPhones or iPads. GeoViewer Desktop application will work on all major browsers, including Microsoft Edge, Google Chrome, Mozilla Firefox.

Nobel has always researched and sought to use the latest and greatest technologies to provide better service to our customers. For this reason, Nobel Systems set out on an extensive R&D effort and decided to shift to the MapBox to host the data. Nobel Systems uses powerful NodeJS servers and utilizes the technologies of top cloud service providers (AWS and Google) and has branched out into the new Internet of Things Space. All these efforts resulted in a dramatic improvement of speed, performance, and overall efficiency of our applications. We are constantly researching and will develop newer tools every month.

The District will have unlimited licenses/users to access GeoViewer Online and GeoViewer Mobile as a part of this agreement.

Exhibit B

Nobel will provide the appropriate licenses to District to access its data using the following software:

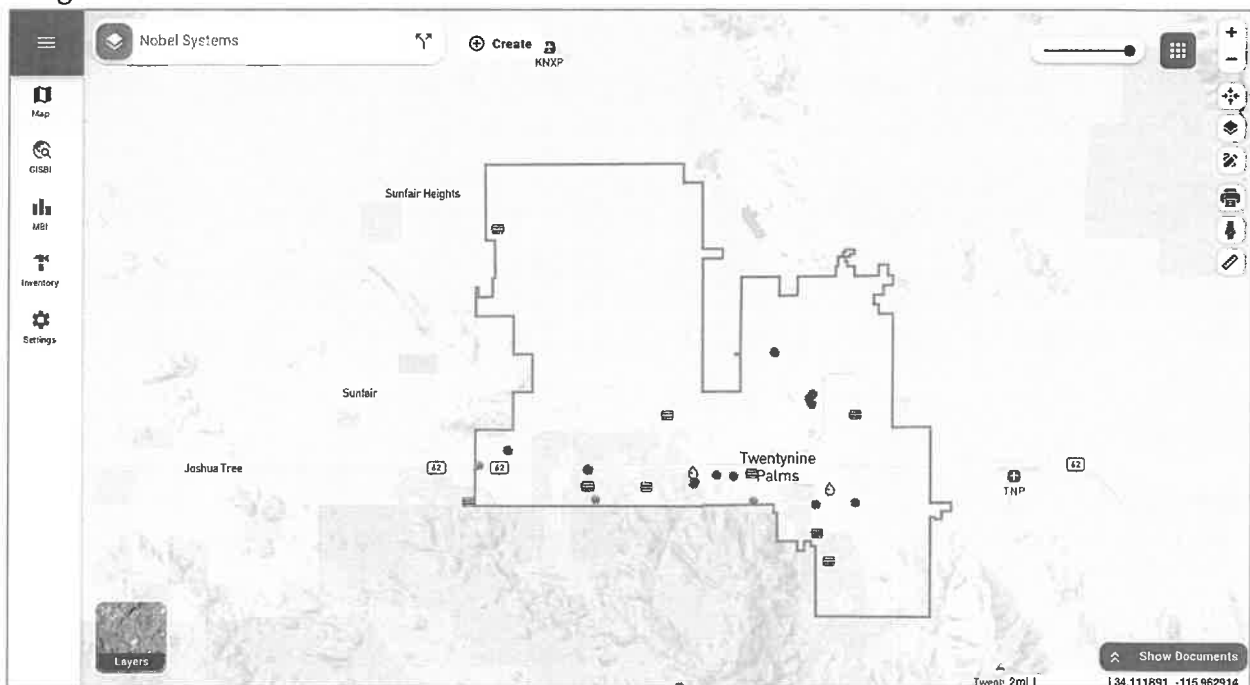
Base GIS application (GeoViewer Online and GeoViewer Mobile) – See description below

The GeoViewer cloud platform utilizes NoSQL as its primary data store to manage big data quickly and efficiently. Most utilities have changing needs as they grow with their enterprise software. They need to add new fields to run reports, modify their business intelligence dashboards, etc. Our NoSQL database allows for these changes to be made quickly and easily. The system shall be capable of allowing public access but shall not allow public access except as directed by the District.

GeoViewer Online:

Nobel's cloud solution, GeoViewer Online, is hosted on servers in a secure tier-4 colocation data facility with an application availability uptime rating of 99.99%. GeoViewer supports the use of several browsers including Google Chrome, Microsoft Edge, Firefox, and Safari.

Nobel will provide enterprise level access to the District with individual secure user ID's to manage and distribute to department employees for accessing the GeoViewer Online service. Based upon user ID and associated Groups the end-users will have access to departmental spatial datasets, Google imagery, Google street view and other local government geospatial data through a user-friendly interface. Each user will have unlimited use of GeoViewer Online for as long as the contract remains in force.



- **Interface:** The system is intuitive, user friendly and graphically oriented so that it could be used by anyone without prior training in GIS
- **Performance:** Quick load of data that averages to less than 5 seconds load and/or refresh time for large datasets such as aerial photographs
- **Flexibility & Scalability:** The system could be easily customized to accommodate the present and future needs of any client
- **Reliability:** Our hosting services and application (GeoViewer Online) are available 24 hours a day and seven days a week (24/7)
- **Accessibility Control:** Access to the application and user rights are protected by password; public (password-free) access to selected or all GIS data layers could be provided, if desirable
- **IT Friendly:** Our GeoViewer Online requires basic IT knowledge and computer technical specifications to install, maintain and update –if hosted in client’s servers
- **Free of Proprietary or Third-Party Software:** It does not require any third party or proprietary software on the client–end (user).

Industry Best practices and platform:

The GeoViewer approach to this objective is quite simple. GeoViewer offer an easy-to-use, intuitive interface to Geographic Information Systems that provides the casual user with the ability to access the information they need with little or no formal training.

The main objectives of the system include,

- Ability for non-GIS staff to use the system effectively with less than four hours of training.
- Provide access to interactive Water atlas maps from staff desktops through web browser.
- Locate and view an area of interest anywhere within the service area.
- Provide secured access to only authorized users.
- Map updates are seamlessly delivered to system users without any lag time.
- Provide an extensible system that can be enhanced to provide broader functionality and adapt to future software and functionality enhancements.
- Enable direct integration with geographic data repositories, asset management information, linked image libraries, and other information associated with water system infrastructures.

The GeoViewer was designed with the following assumptions in mind:

- Casual GIS users want fast, easy access to relevant information.
- Casual GIS users do not have the time or desire to learn about topology, Shapefiles, ARC/INFO, theories of GIS, etc.
- Casual GIS users do not want to have to add themes, assign colors, change theme properties, etc.

- Casual GIS users do not want to be bothered with the task of doing map composition. They would much rather print their maps with a standardized template.
- Casual GIS users do not typically need to make large maps themselves and are perfectly happy printing an 8 1/2 by 11 map on a laser or ink jet printer. For the more advanced users, GeoViewer Online Supports multiple paper sizes that is only restriction is the clients printing device.
- Casual GIS users' needs are simple -- They need GeoViewer
- The GeoViewer is a robust and easy to use Enterprise Geographic Information Interface. The GeoViewer is extremely flexible and can be tailored to any dataset.

We at Nobel Systems strongly believe that the functionality provided by GeoViewer will satisfy the needs of the District. The list of features provided by GeoViewer includes but not limited to:

Standard GeoViewer Features:

- Standard map navigation including pan, zoom in and zoom out, full extent
- Layer Display
- Creation of Spatial Bookmark
- Google Street View
- Vicinity map that can be used to set the extent of main map, pan the main map, and display the current extent of the main map.
- Property Search. Search by parcel number, situs address, or owner name.
- Supports ESRI Shapefiles, Coverages, Geodatabases, and CAD Drawings
- Also supports a wide variety of images including MrSid.
- Intuitive Select Toolbar. Select multiple features in multiple themes and:
- Find features within a specified distance and generate mailing labels.
- Measure area and length
- Display contents of the selected set in a table format.
- Print map with a title, scale, and neat line.
- Link any number of layers to unlimited number of external databases
- Hyperlink scanned documents to features for easy retrieval.
- GPS location
- Legend and Search Option for Parcels, Valve Number etc.

Nobel Systems has customized the application to include the following:

- Water facilities
- Easement GIS database
- Parcel and street Landbase
- District Election boundaries
- Other District GIS layers

GeoViewer Mobile:

By leveraging the latest smart-map and synchronization technology, Nobel's GeoViewer Mobile' is easy to use and was designed to streamline field workflow processes to help manage day-to-day operations. GeoViewer Mobile's advanced technology allows field staff to view, analyze and collect data, online or offline without ever having to worry about impractical syncing procedures. GeoViewer Mobile extends smart map technology beyond the office and provides staff with real-time data to make accurate decisions and collaborate in both office and field environments. Nobel understands the value of mobile mapping to organizations needing immediate access to real-time information, regardless of location, and offers a range of tools that help your staff make informed decisions in the field. GeoViewer is accessible on any device, providing unparalleled service to staff on the go or working in the field. GeoViewer Mobile integrates with existing ERP business systems, SCADA, CMMS, CIS, GPS, LIMS, CCTV, and other enterprise systems. Manage information ranging from open work orders from CMMS to viewing latest SCADA measurements on telemetry equipment.



Powerful Functionality:

- Online/Offline Work Modes
- Search, Display, Redlining, Bookmarks, Pan, Zoom
- Identify & View Object Locations & Asset Data
- View Customer Data, Work History, Service Calls, As-Built De-sign Drawings, and more
- Process Driven Modules for Daily Field Work Order, Inspections and Condition Assessment data collection
- Integrated GPS & Camera for Field Data Collection & Stream-lined GIS Updates
- Custom GeoViewer Modules available for USA Dig Alert, Work/Service Order Management, Valve Isolation Analysis, Leak Data Collection and Hydrant Flushing data collection
- District can view the data that were collected in the field through iPad and generate the reports by using GeoViewer online application.

Exhibit C

Nobel will provide tech support in accordance with Exhibit C

- 1) Types of support
 - a) Phone – From 6.30 AM to 7 PM Monday through Friday
 - b) On-Site – upon request, up to one visit per month at no charge.
 - c) Email - Nobel shall respond to email requests for information within 24 hours.
 - d) Problem Resolution System - Nobel shall provide a problem and resolution (PAR) tracking mechanism, which documents issues or data content anomalies, which require review and resolution by Nobel. Typically, PAR forms are generated as needed, reviewed by the project manager, and then forwarded to Nobel.
- 2) Amount of support shall be unlimited.
- 3) Communication support and configuration - Nobel, while not strictly liable for communication system performance, shall provide a good faith effort to assist the District in configuring a communication system that will interface with Nobel's system and achieve maximum speed of data transfers.
- 4) Training – Annually, Nobel will provide a one-day training seminar once a year at the District's office at no extra charge.

Exhibit D

Nobel will provide map update and data conversion services in accordance with the following:

1) **Annual base map update** – Nobel will update the base map data provided by San Bernardino County within 60 days of receipt of this data on an annual basis. All required database adjustments shall be included in this update process. This annual update shall be performed at no cost to the District.

2) **Hourly Costs for time & materials-based work**

a) Project Director	-	\$180 per hour
b) Project Manager	-	\$160 per hour
c) Systems Architect	-	\$130 per hour
d) Senior Applications Developer	-	\$130 per hour
e) Senior GIS Analyst	-	\$100 per hour
f) Bangalore support services	-	\$75 per hour

All direct costs are included.

Exhibit E

Nobel will provide Data updates in accordance with the following:

- 1) **Digital Images** - Nobel will provide a system that District staff can use to link digital images to various features in the GIS system. We would expect that approximately 250 JPEG images of 5 MB size per each would be uploaded to the system. An indexing system shall be devised so that these images can be retrieved in an orderly manner. The images will be emailed to Nobel Systems, to a predetermined email address, dedicated to receiving image files.
- 2) **Database copies** - Nobel shall provide a complete set of up-to-date data for mapping, imaging, and database systems on an annual basis. These data shall be provided on **Box.com** or any other shared link and shall be labeled with the nature of the data and the date.

Exhibit F

Performance Requirements:

- 1) **System Uptime** – the District shall have access to the GIS data at all times except during allowable maintenance time periods set forth below:
 - a) Weekdays – 12:00 AM to 2:00 AM
 - b) Weekends, holidays – 10:00 PM to 2:00 AM
- 2) **Emergency restart** – If the District has an emergency need for data during one of the allowable maintenance periods, Nobel shall restart the system and provide access within 30 minutes of notification by telephone.
- 3) **Liquidated damages** – Nobel shall not be held liable for any liquidated damages caused by the system being out of service.
- 4) All data on the remote system shall be encrypted. All communication from device to data center shall be encrypted.
- 5) The remote system should provide for multiple backups or checkpoints of District data.

EXHIBIT G

1. SUBSCRIPTION FEES:

YEARLY SUBSCRIPTION FEES: \$102,800 per year with effect from March 1, 2026.

Notes:

- The above subscription fee includes the below listed items.

29 Palms Water District: Hosting Costs until 2/28/2026			
GeoViewer Modules	Hosting Period	Costs	Over Paid / Under Paid for services beyond and until 2/28/2026
GeoViewer Online, GeoViewer Mobile and DigMark	8/1/2025 thru 7/31/2026	\$37,000.00	(\$15,416.67)
Valve Exercise, Hydrant Flushing and Backflow modules	8/1/2025 thru 7/31/2026	\$6,000.00	(\$2,500.00)
Unlimited GIS Data Updates	10/1/2025 thru 9/30/2026	\$15,000.00	(\$8,750.00)
Springbrook Service Order Hosting	10/1/2025 thru 9/30/2026	\$20,000.00	(\$11,666.67)
Unlimited Field Forms Development and Hosting	11/1/2025 thru 10/30/2026	\$9,800.00	(\$6,533.33)
Customer Portal (iOS and Android Compatible) hosting subscription	3/1/2026 to 2/28/2027	\$15,000.00	\$15,000.00
Total Costs			(\$29,866.67)
29 Palms Water District: Hosting Costs from 3/1/2026 thru 2/28/2027			
GeoViewer Modules	Hosting Period	Costs	
GeoViewer Online, GeoViewer Mobile and DigMark	3/1/2026 to 2/28/2027	\$37,000.00	
Valve Exercise, Hydrant Flushing and Backflow modules	3/1/2026 to 2/28/2027	\$6,000.00	
Unlimited GIS Data Updates	3/1/2026 to 2/28/2027	\$15,000.00	
Springbrook Service Order Hosting	3/1/2026 to 2/28/2027	\$20,000.00	
Unlimited Field Forms Development and Hosting	3/1/2026 to 2/28/2027	\$9,800.00	
Customer Portal (iOS and Android Compatible) hosting subscription	3/1/2026 to 2/28/2027	\$15,000.00	
Total Costs		\$102,800.00	
Extra Paid		(\$29,866.67)	
Total Costs to be Paid in March 2026		\$72,933.33	
29 Palms Water District: Hosting Costs from 3/1/2027 thru 2/28/2028 and onwards			
GeoViewer Modules	Hosting Period	Costs	
GeoViewer Online, GeoViewer Mobile and DigMark	3/1 to 2/28	\$37,000.00	
Valve Exercise, Hydrant Flushing and Backflow modules	3/1 to 2/28	\$6,000.00	
Unlimited GIS Data Updates	3/1 to 2/28	\$15,000.00	
Springbrook Service Order Hosting	3/1 to 2/28	\$20,000.00	
Unlimited Field Forms Development and Hosting	3/1 to 2/28	\$9,800.00	
Customer Portal (iOS and Android Compatible) hosting subscription	3/1 to 2/28	\$15,000.00	
Total Costs		\$102,800.00	

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TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO:	BOARD OF DIRECTORS
DATE:	JANUARY 20, 2026
FROM:	RYAN WEBER - MECHANIC
SUBJECT:	UPDATE ON DISTRICT'S FLEET, ELECTRIC VEHICLE CHARGING STATION, AND ADVANCED CLEAN FLEET (ACF) REGULATIONS

BACKGROUND

In September 2023, the California Air Resources Board (CARB) adopted the Advanced Clean Fleets (ACF) regulation. The regulation went into effect on October 1, 2023. The goal of ACF is to reduce air pollution and greenhouse gas emissions by requiring public and private fleets to gradually replace gasoline and diesel vehicles with zero-emission vehicles (ZEVs), such as battery-electric vehicles. The regulation focuses mainly on medium- and heavy-duty vehicles, including trucks used by this district.

For most private fleets, CARB must receive approval (called a waiver) from the U.S. Environmental Protection Agency (EPA) before the regulation can be enforced.

CARB requested this waiver in November 2023 but withdrew the request in January 2025 due to anticipation of it being struck down. However, state and local government agencies are treated differently under federal law. With our District being a local government agency, CARB does not need an EPA waiver to enforce the regulation. This means the ACF regulation **continues to apply to TPWD**, even though enforcement has paused for all private fleets.

Under the current regulation:

- Beginning January 1, 2024, **50% of all vehicle purchase orders placed in a calendar year must be zero-emission vehicles.**
- Beginning January 1, 2027, the requirement increases to **100% of vehicle purchase orders.**

RECENT CHANGES AND PROPOSED UPDATES

In July 2025, CARB announced proposed amendments to the ACF regulation in response to Assembly Bill 1594. These proposed changes are intended to provide additional flexibility for public agencies.

Key proposed changes include:

- Extending the current 50% zero-emission purchasing requirement by several years
- Delaying the 100% zero-emission requirement until approximately 2030

CARB has proposed these amendments, but there is no guarantee this will become law. Therefore, we must still anticipate the 2027 mandatory electrification date.

FISCAL IMPACT

The Advanced Clean Fleets regulation is expected to have significant financial impacts on the district over the next several years. Zero-emission utility and truck vehicles generally cost significantly more than traditional gasoline or diesel vehicles. Many utility-specific vehicle types currently have limited or no zero-emission options available. Compliance will require installation of electric vehicle charging stations. Electrical upgrades will be necessary to support charging equipment. These improvements may require upfront capital costs before vehicles can be purchased. While the proposed regulatory changes may reduce near-term financial impacts, the regulation will continue to increase future capital and infrastructure costs compared to traditional fleet replacement practices.

SUMMARY

The Advanced Clean Fleets regulation represents a major shift in how public agencies in California must plan for vehicle replacement. Although enforcement has paused for many private fleets, the regulation remains enforceable for local government agencies, including our district. The District is currently required to comply with annual reporting and vehicle purchasing requirements. Proposed regulatory amendments may provide relief in the coming years, but until finalized, compliance planning remains necessary.

Staff will continue monitoring CARB rulemaking and evaluate impacts to fleet planning and future budgets.

Attached to this staff report is a memo from York Engineering regarding Regulatory Status of the California Air Resources Board (CARB) Advanced Clean Fleet Regulation. York Engineering has been working with the District for over two year on this matter.

December 3, 2025

Mr. Matt Shragge
General Manager
Twentynine Palms Water District
72401 Hatch Road
Twentynine Palms, CA 92277
Work: (760) 367-7546
E-mail: MShragge@29PalmsWater.org

Subject: Regulatory Status of the California Air Resources Board Advanced Clean Fleet Regulation

Dear Mr. Shragge:

BACKGROUND

On September 29, 2023, the California Air Resources Board (CARB) Advanced Clean Fleet (ACF) regulation was codified into law and went into effect on October 1, 2023.

The ACF regulation complements CARB's Advanced Clean Trucks regulation and aims to assist California in attaining the State's air quality and climate mitigation targets. The purpose of the ACF regulation is to advance the introduction of vehicles that emit no criteria or GHG emissions, i.e., zero emission vehicles (ZEV) into California's truck and bus fleets. The ACF regulation requires fleets to transition to zero emission technologies by requiring both the phase-in of ZEVs for targeted fleets and that manufacturers only sell ZEV trucks in California starting in the 2036 model year. However, to enforce emission standards for new vehicles in California, CARB must be granted a waiver from the EPA.

Waiver Process

The Clean Air Act allows California to seek a waiver of the preemption which prohibits states from enacting emission standards for new motor vehicles. However, the Environmental Protection Agency (EPA) must grant the waiver before California's rules may be enforced. When California files a waiver request, EPA publishes a notice for public hearing and written comments in the Federal Register. The written comment period remains open for a period of time after the public hearing. Once the comment period expires, EPA reviews the comments and the Administrator determines whether the requirements for obtaining a waiver have been met.

On November 15, 2023, CARB filed a waiver request for the ACF regulation.

Withdrawal of Waiver

On January 13, 2025, CARB withdrew its request for a waiver for the ACF regulation.

CARB'S ENFORCEMENT OF ACF

High priority Fleets

Due to CARB withdrawing its request for a waiver for the ACF regulation, CARB cannot take enforcement action on high priority fleet reporting requirements or registration prohibitions. High priority fleets can voluntarily report and comply with ACF but are not required until CARB files a new request for a waiver and that waiver is granted by the EPA.

State and Local Government Fleets

Pursuant to Section 209 of the federal Clean Air Act, CARB is not required to request a waiver to enforce the regulation on State and local government agency (SLGA) fleets. Therefore, the withdrawal of the waiver does not affect SLGA fleets. CARB has been fully enforcing all requirements including reporting and the ZEV purchasing requirements or the option to comply with the ZEV Milestone Option beginning January 1, 2024.

ACF APPLICABILITY OF TWENTYNINE PALMS WATER DISTRICT

As an SLGA fleet, Twentynine Palms Water District (TPWD) is still subject to the ACF regulation and must comply with its requirements. For SLGA fleets, starting January 1, 2024, 50% of the total number of vehicle purchase orders in a calendar year must be ZEVs, which increases to 100% starting January 1, 2027. The ACF regulation provides flexibility for fleets to comply by allowing fleets to opt into the ZEV Milestones Option and follow the ZE percentage schedule instead of the ZEV purchase schedule. Fleets may also seek exemptions to purchase qualified non-ZEVs that are not available as ZEVs.

SLGA fleets are also required to submit a report of their fleet annually. These reports are due April 1.

Penalties

CARB does not require a waiver from the EPA to enforce ACF on SLGA fleets. Penalties for noncompliance with ACF include:

- Beginning January 1, 2025, and until January 1, 2027, failure to submit any information as required for reporting under ACF shall constitute a single, separate violation for each vehicle and each month the information is not submitted past the reporting deadline.
- The maximum penalty for vehicular violations is \$48,788 per violation, meaning the penalty would be for each vehicle that puts the fleet out of compliance. However, CARB reviews several factors before determining the penalty.

RECENT CHANGES TO THE ACF – SLGA REGULATION

On July 29, 2025, CARB provided notice of a public hearing to consider proposed amendments to the Advanced Clean Fleets Regulation. The proposed amendments address Assembly Bill (AB) 1594, which directs CARB to amend the ACF regulation to provide additional flexibility for public agency utilities. The bill defines a “public agency utility” and directs CARB to amend ACF to allow public agency utilities to purchase replacements for traditional utility-specialized vehicles that are at the end of life without regard to the model year of the vehicle being replaced. This

means that public agency utilities would not have to wait for a vehicle to be 13 years old to replace it if the proposed amendments are approved.

CARB will also be moving forward with modifications that ease the entry to ZEVs for public fleets. This includes extending the 50% ZEV purchase requirement by three years and delaying the 100% ZEV purchase requirement to 2030; extending the exemption for small fleets and designated low population counties until 2030; and ensuring all proposed compliance flexibilities apply to all government agencies, not only public agency utilities.

The amendments are expected to be effective before January 2027.

CONCLUSION

Should you have any questions or concerns, please contact me at (949) 248-8490.

Sincerely,

Dolores Rodriguez

Dolores Rodriguez
Yorke Engineering, LLC
DRodriguez@YorkeEngr.com

cc: Ryan Baligad, Twentynine Palms Water District
Stephanie Wien, Yorke Engineering LLC

7

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

December 17, 2025 / 4:00 P.M.

Call to Order and Roll Call

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

Pledge of Allegiance

Cindy Fowlkes led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

None

1. Election of Officers

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

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

2. Adopting Resolution 25-12 Commending Russell Frechette for 16 Year of Public Service
General Manager, Matt Shragge, presented Russell with Resolution 25-12 and thanked him for his years of service to the District.

Director Coghill made a motion to adopt Resolution 25-12 commending Russell Frechette for 16 plus years of public service, seconded by Director Leazer, and approved unanimously.

3. Receive and File Water Resources Economics 2025 Water Rate Study and Direct Staff to Proceed with Scheduling a Public Hearing in Compliance with Proposition 218
Staff is making the recommendation to receive and file the 2025 Rate Study and direct staff to schedule a public hearing in compliance with Proposition 218.

Director Bowden made a motion to receive and file the 2025 Rate Study by Water Resources Economics and directed staff to schedule a public hearing, seconded by Director Leazer, and approved by the following roll call vote:

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

4. Consent Calendar

- Minutes of a Regular Meeting held on November 19, 2025
- Audit List

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

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

6. Management Reports

6.1 Maintenance

Mike reported that the District responded to 57 Underground Service Alerts, had 0 water main leaks, 3 water meter leaks, 1 service line leak, 1 fire hydrant repair/maintenance, installed 1 new service, replaced 8 customer gate valves, performed 4 leak audits, painted 0 fire hydrants, performed 3 customer pressure checks, replaced 3 water meters, Tested and exercised emergency generators and sounded wells for November. 0 water waste inquiries were received. There was a total of 562 work orders processed during the month. Three fire hydrants were hit in the span of one week. Mike thanked both crews for their assistance with the fire hydrant repairs.

6.2 Water Quality

Robert reported water production was down 4.91% as compared to the same month in 2013. 40 routine and 16 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.

6.3 Finance

Ian Berg with Startingline Advisory reported on October financials. Cash investment are just over \$11 million. CLASS and LAIF are very competitive in investment interest. The budget is at 33% of the year with operating revenue at 37% and expenditures at 38%.

6.4 General Manager

Matt gave the Board an update on active/inactive District wells. The youngest active well is 6 years old with the oldest active well being 42 years old. Well failure can happen at any given time. Well rehabs are approximately \$65,000. The legislative committee appointee will be brought back to the Board next month. City of Twentynine Palms staff worked closely with the District in assisting in cleanup of the roads when fire hydrants are hit. The year in review has seen three retirements and the hiring of new personnel. Staff was thanked for their work and commitment to the District. Matt acknowledged consultants Startingline Advisory, Kennedy Jenks, and BB&K for their assistance throughout the year. The Board was thanked for their support. Ratepayers were thanked and wished happy holidays. Rate Increase inserts will be going out in January and February billing. Coffee with the GM will be held in January and February. Ratepayers are encouraged to attend. Matt wished everyone a Merry Christmas.

7. Future Agenda Items and Staff Tasks/Directors' Comments and Reports
Director Bowden congratulated Russell on his retirement and wished him well.

Director Woods thanked Russell for his public service.

Director Arthur congratulated Russell.

Director Leazer thanked Russell for his service to the community.

Director Coghill congratulated Russell on his retirement. Ratepayers were wished happy holidays. .

8. Adjournment
On motion by Director Woods, seconded by Director Arthur, and approved by the Board, the meeting was adjourned at: 4:35 p.m.

Bob Coghill, President
Board of Directors

Attest:

Matthew Shragge, Board Secretary
Twentynine Palms Water District

Twentynine Palms Water District

Check Date Range: 12/1/2025 thru 12/31/2025

Ck No	Ck Date	Payable To	Ck Amt	Ck Detail	GL Acct No	Description
50930	12/03/2025	Customer Refund	100.68	50.34	100-000-0000-2000	Refund Check 031613-000, 73858 Valle Vista Road
				50.34	100-000-0000-2000	Refund Check 031613-000, 73858 Valle Vista Road
50932	12/03/2025	Customer Refund	180.83	90.42	100-000-0000-2000	Refund Check 030359-000, 7069 Estrella Avenue
				90.41	100-000-0000-2000	Refund Check 030359-000, 7069 Estrella Avenue
229203	12/03/2025	Adobe Smogs	540.00	60.00	100-130-0000-5406	BAR smog for #39
				60.00	100-130-0000-5406	BAR smog for #11
				60.00	100-130-0000-5406	BAR smog for #77
				60.00	100-130-0000-5406	BAR smog for #80
				60.00	100-130-0000-5406	BAR smog for #74
				60.00	100-130-0000-5406	BAR smog for #12
				60.00	100-130-0000-5406	BAR smog for #23
				60.00	100-130-0000-5406	BAR smog for #21
				60.00	100-130-0000-5406	BAR smog for #26
50936	12/03/2025	Customer Refund	96.90	48.44	100-000-0000-2000	Refund Check 025023-000, 5401 Encelia Avenue
				48.46	100-000-0000-2000	Refund Check 025023-000, 5401 Encelia Avenue
76407	12/03/2025	Beyond Software Solutions	1,650.00	455.00	100-600-0000-5406	Onsite Consulting Services Nov 2025
				1,000.00	100-600-0000-5406	Monthly IT Bundled Services (Dec)
				195.00	100-600-0000-5406	Offsite Consulting Services Nov 2025
50940	12/03/2025	Customer Refund	118.09	59.05	100-000-0000-2000	Refund Check 032108-000, 74615 Alta Loma Drive
				59.04	100-000-0000-2000	Refund Check 032108-000, 74615 Alta Loma Drive
76413	12/03/2025	Calolympic Safety	512.64	95.78	100-130-0000-5406	Gas Monitor Calibration Test S/N KA420-1047471 (Invoice # 300315)
				117.81	100-130-0000-5406	Gas Monitor Calibration Test S/N KA423-1217694 (Invoice # 300314)
				299.05	100-130-0000-5406	Gas Monitor Calibration Test Sensor Repair/Replace S/N KA423-122
50944	12/03/2025	Customer Refund	123.07	61.54	100-000-0000-2000	Refund Check 008362-019, 6937 Copper Mountain Road
				61.53	100-000-0000-2000	Refund Check 008362-019, 6937 Copper Mountain Road
50946	12/03/2025	Customer Refund	141.24	70.62	100-000-0000-2000	Refund Check 009767-000, 5411 Smoke Tree Avenue
				70.62	100-000-0000-2000	Refund Check 009767-000, 5411 Smoke Tree Avenue
25474	12/03/2025	County Of San Bernardino	578.09	578.09	100-150-0000-5406	Treatment Plant Media (Invoice#540623846)
152850	12/03/2025	Desert Ace Hardware	198.35	29.60	100-150-0000-5220	Drill Bits (Invoice # 24545)
				78.14	100-130-0000-5220	2" Fence Post Cameras Pat (Invoice # 24663)

Twentynine Palms Water District

Check Date Range: 12/1/2025 thru 12/31/2025

				30.04	100-150-0000-5220	Tie Wire 16GA (Invoice # 24585)
				38.75	100-130-0000-5220	#50 Fast -Setting Concrete Mix Cameras Pat (Invoice # 24678)
				11.97	100-130-0000-5220	Hitch pins for trucks
				9.85	100-150-0000-5220	Paint Treatment Plant (Invoice # 24558)
25476	12/03/2025	Dlt Solutions Inc.	3,460.64	3,460.64	100-600-0000-5303	AutoCAD Renewal
25477	12/03/2025	Ferguson Waterworks #1083	21,351.78	21,351.78	100-850-0000-6001	6" CLA VAL 90-01 COA90-01BCPSVYKXF999996 DSSSB150AG
25478	12/03/2025	Frontier Communications	208.19	208.19	100-600-0000-5203	Hatch
50958	12/03/2025	Customer Refund	202.17	46.89	100-000-0000-2000	Refund Check 031628-000, 71775 Siesta Drive
				155.28	100-000-0000-2000	Refund Check 031628-000, 71775 Siesta Drive
25480	12/03/2025	Christopher Grabow	220.00	220.00	100-600-0000-5406	Service Call Heater Check Main Office, Winterization Commercial C.
50962	12/03/2025	Grainger	120.80	95.23	100-130-0000-5220	starter assembly for chop saw
				25.57	100-130-0000-5220	trailer coupler for sign trailer #95
50964	12/03/2025	Hi-Grade Materials Co.	4,031.51	2,117.31	100-850-0000-6001	Treatment Plant Concrete Buckeye Fibers (Invoice # 274290)
				1,914.20	100-850-0000-6001	Treatment Plant Concrete Buckeye Fibers (Invoice # 275683)
101932	12/03/2025	Home Depot Credit Services	1,827.06	615.24	100-150-0000-5220	Charges
				113.96	100-150-0000-5220	Charges
				982.35	100-130-0000-5220	Charges
				115.51	100-130-0000-5220	Charges
50968	12/03/2025	Customer Refund	171.47	85.74	100-000-0000-2000	Refund Check 022213-091, 6326 Mojave Avenue
				85.73	100-000-0000-2000	Refund Check 022213-091, 6326 Mojave Avenue
50970	12/03/2025	Customer Refund	165.46	82.73	100-000-0000-2000	Refund Check 028380-000, 73778 Siesta Drive
				82.73	100-000-0000-2000	Refund Check 028380-000, 73778 Siesta Drive
25486	12/03/2025	Coralyn Lawrence	325.00	325.00	100-130-0000-5406	Bee Removal
50974	12/03/2025	Customer Refund	193.42	96.71	100-000-0000-2000	Refund Check 031560-000, 4729 Round-Up Road
				96.71	100-000-0000-2000	Refund Check 031560-000, 4729 Round-Up Road
50976	12/03/2025	Customer Refund	50.74	25.37	100-000-0000-2000	Refund Check 031192-000, 5126 Verenda Avenue
				25.37	100-000-0000-2000	Refund Check 031192-000, 5126 Verenda Avenue
50978	12/03/2025	Customer Refund	115.17	57.58	100-000-0000-2000	Refund Check 029916-000, 72659 Aspen Avenue
				57.59	100-000-0000-2000	Refund Check 029916-000, 72659 Aspen Avenue
50980	12/03/2025	Customer Refund	41.69	20.85	100-000-0000-2000	Refund Check 023124-000, 6636 Indian Cove Road
				20.84	100-000-0000-2000	Refund Check 023124-000, 6636 Indian Cove Road
50982	12/03/2025	Customer Refund	8.24	4.12	100-000-0000-2000	Refund Check 025752-000, 71552 Juanita Drive

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				4.12	100-000-0000-2000	Refund Check 025752-000, 71552 Juanita Drive
50984	12/03/2025	Customer Refund	85.28	42.64	100-000-0000-2000	Refund Check 032312-000, 75270 Cottonwood Drive
				42.64	100-000-0000-2000	Refund Check 032312-000, 75270 Cottonwood Drive
50986	12/03/2025	Customer Refund	161.66	80.83	100-000-0000-2000	Refund Check 029966-000, 6608 Hillside Avenue
				80.83	100-000-0000-2000	Refund Check 029966-000, 6608 Hillside Avenue
50988	12/03/2025	Customer Refund	75.00	37.50	100-000-0000-2000	Refund Check 027214-000, 71915 Samarkand Drive
				37.50	100-000-0000-2000	Refund Check 027214-000, 71915 Samarkand Drive
25495	12/03/2025	Ditch Witch West The Pape Group, Inc	369.27	369.27	100-130-0000-5222	second 6" hose for boom elbow on #94
50992	12/03/2025	Customer Refund	235.00	35.00	100-000-0000-2000	Refund Check 032580-000, 6555 Indian Cove Road
				200.00	100-000-0000-2000	Refund Check 032580-000, 6555 Indian Cove Road
50994	12/03/2025	Customer Refund	86.75	43.38	100-000-0000-2000	Refund Check 028957-000, 72616 Two Mile Road
				43.37	100-000-0000-2000	Refund Check 028957-000, 72616 Two Mile Road
50996	12/03/2025	Customer Refund	41.14	20.57	100-000-0000-2000	Refund Check 010410-001, 73971 Samarkand Drive
				20.57	100-000-0000-2000	Refund Check 010410-001, 73971 Samarkand Drive
50998	12/03/2025	Customer Refund	175.48	87.74	100-000-0000-2000	Refund Check 029259-000, 5556 Daisy Avenue
				87.74	100-000-0000-2000	Refund Check 029259-000, 5556 Daisy Avenue
25501	12/03/2025	Customer Refund	300.00	300.00	100-130-0000-5226	Employee Reimbursement/Safety Boots - Arizaga
51004	12/03/2025	Customer Refund	184.17	92.08	100-000-0000-2000	Refund Check 022977-001, 5799 Halsey Avenue
				92.09	100-000-0000-2000	Refund Check 022977-001, 5799 Halsey Avenue
51006	12/03/2025	Customer Refund	167.22	83.61	100-000-0000-2000	Refund Check 030666-000, 2701 Bagdad Highway
				83.61	100-000-0000-2000	Refund Check 030666-000, 2701 Bagdad Highway
51008	12/03/2025	Customer Refund	160.78	80.39	100-000-0000-2000	Refund Check 005134-003, 71929 Indian Trail
				80.39	100-000-0000-2000	Refund Check 005134-003, 71929 Indian Trail
51010	12/03/2025	Customer Refund	180.83	90.41	100-000-0000-2000	Refund Check 027649-001, 74824 Serrano Drive
				90.42	100-000-0000-2000	Refund Check 027649-001, 74824 Serrano Drive
51012	12/03/2025	Customer Refund	161.66	80.83	100-000-0000-2000	Refund Check 019705-001, 74943 Serrano Drive
				80.83	100-000-0000-2000	Refund Check 019705-001, 74943 Serrano Drive
51014	12/03/2025	Customer Refund	190.64	95.32	100-000-0000-2000	Refund Check 030885-000, 5580 Bailey Avenue
				95.32	100-000-0000-2000	Refund Check 030885-000, 5580 Bailey Avenue
51016	12/03/2025	Customer Refund	164.68	82.34	100-000-0000-2000	Refund Check 031281-000, 72041 29 Palms Hwy.
				82.34	100-000-0000-2000	Refund Check 031281-000, 72041 29 Palms Hwy.
51018	12/03/2025	Customer Refund	209.06	110.07	100-000-0000-2000	Refund Check 032130-000, 72589 Sullivan Road

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				98.99	100-000-0000-2000	Refund Check 032130-000, 72589 Sullivan Road
51020	12/03/2025	Customer Refund	181.29	90.64	100-000-0000-2000	Refund Check 029464-000, 3904 Agua Avenue
				90.65	100-000-0000-2000	Refund Check 029464-000, 3904 Agua Avenue
51022	12/03/2025	Customer Refund	22.85	11.42	100-000-0000-2000	Refund Check 031045-001, 6248 Adobe Road
				11.43	100-000-0000-2000	Refund Check 031045-001, 6248 Adobe Road
51024	12/03/2025	Customer Refund	150.97	75.49	100-000-0000-2000	Refund Check 031314-000, 5753 La Luna Avenue
				75.48	100-000-0000-2000	Refund Check 031314-000, 5753 La Luna Avenue
51026	12/03/2025	Customer Refund	66.83	33.42	100-000-0000-2000	Refund Check 020966-004, 6439 Desert Knoll Avenue
				33.41	100-000-0000-2000	Refund Check 020966-004, 6439 Desert Knoll Avenue
25514	12/03/2025	Kennedy/Jenks Consultants	6,603.50	6,603.50	100-825-0000-6001	TPWD-Well 11B Treatment Evaluation
51030	12/03/2025	Customer Refund	171.26	85.63	100-000-0000-2000	Refund Check 031579-000, 5316 Pearl Springs
				85.63	100-000-0000-2000	Refund Check 031579-000, 5316 Pearl Springs
51032	12/03/2025	Customer Refund	9.85	4.92	100-000-0000-2000	Refund Check 010841-000, 72736 Larrea Avenue
				4.93	100-000-0000-2000	Refund Check 010841-000, 72736 Larrea Avenue
25517	12/03/2025	McCall's Meter Sales & Service	1,352.36	1,352.36	100-110-0000-5406	Well #14 FlowMeter Repair S/N 93-8-4305
25518	12/03/2025	Merit Oil	11,514.45	11,514.45	100-000-0000-1401	1100 gallons of R99 clear diesel, 2200 gallons of 87 octane unle
51038	12/03/2025	Minolta Business Systems	154.95	116.48	100-600-0000-5223	Monthly Maintenance Agreement Covering 11/1/2025-11/30/2025
				38.47	100-600-0000-5223	Coverage Periods 10/23-25-11/22/25
51040	12/03/2025	Customer Refund	154.42	77.21	100-000-0000-2000	Refund Check 031736-000, 74160 Pinon Drive
				77.21	100-000-0000-2000	Refund Check 031736-000, 74160 Pinon Drive
25521	12/03/2025	Nobel Systems, Inc.	19,800.00	19,800.00	100-875-0000-6001	Customer Portal Project Setup Costs
204176	12/03/2025	Orange County Winwater Works	4,272.64	3,343.85	100-130-0000-5220	lower valve assembly LOWER STEM ASSY.100-30KC 8 DB P/N 274893521
				23.94	100-130-0000-5220	8"ac x di transition gasket
				147.92	100-130-0000-5220	6" b/o bolts hyd 8-3/4x3-1-4
				232.86	100-130-0000-5220	8" standard blind flg dom d-bdf4
				84.30	100-130-0000-5220	8" ring gsk
				325.40	100-130-0000-5220	8" di push on plug
				2.53	100-130-0000-5220	2" drop in meter gasket 1/8 thk
				111.84	100-130-0000-5220	6" b/o bolts hyd
51046	12/03/2025	O'Reilly Automotive Inc.	212.64	154.49	100-130-0000-5222	Front shocks for #75
				58.15	100-130-0000-5220	Wiring adapter, trailer light adapter and hitch lock for shop
51048	12/03/2025	Customer Refund	51.59	25.79	100-000-0000-2000	Refund Check 032491-000, Well 1-D Woodward Avenue

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				25.80	100-000-0000-2000	Refund Check 032491-000, Well 1-D <u>Woodward Avenue</u>
25525	12/03/2025	Pitney Bowes Global Financial Services LLC	457.64	457.64	100-600-0000-5223	Lease Invoice for billing period: 9/30/25- 12/29/25
102104	12/03/2025	Prudential Overall Supply	757.64	231.64	100-130-0000-5253	Hatch
				102.08	100-130-0000-5253	Plant
				102.08	100-130-0000-5253	Plant
				321.84	100-130-0000-5253	Hatch
25527	12/03/2025	Radar Environmental	799.10	799.10	100-130-0000-5406	Disposal of 55 gallon hazmat drum
178696	12/03/2025	S.C.E.	29,253.79	1,291.89	100-120-0000-5201	Booster 11A, Booster 11B
				20,911.71	100-110-0000-5201	Well TP-1
				1,892.14	100-120-0000-5201	Booster Sullivan Road
				684.23	100-110-0000-5201	Well 15
				1,847.17	100-110-0000-5201	Well 12
				3.54	100-120-0000-5201	Booster Sullivan Road
				2,623.11	100-120-0000-5201	Booster Lupine Ave
51058	12/03/2025	Customer Refund	117.22	58.61	100-000-0000-2000	Refund Check 031038-000, 6317 Timothy <u>Avenue</u>
				58.61	100-000-0000-2000	Refund Check 031038-000, 6317 Timothy <u>Avenue</u>
51060	12/03/2025	Customer Refund	41.69	20.85	100-000-0000-2000	Refund Check 027760-000, 7491 Sahara <u>Avenue</u>
				20.84	100-000-0000-2000	Refund Check 027760-000, 7491 Sahara <u>Avenue</u>
25531	12/03/2025	Southern Calif. Gas Co.	18.02	18.02	100-600-0000-5202	Hatch
25532	12/03/2025	Spectrum Enterprise	1,235.00	1,235.00	100-600-0000-5203	La Luna
25533	12/03/2025	Springbrook Holding Company LLC	3,469.00	3,469.00	100-600-0000-5408	CivicPay Transaction Fee Novemeber 2025
178738	12/03/2025	Staples	1,051.06	35.44	100-600-0000-5301	Office Supplies
				32.31	100-600-0000-5301	Office Supplies
				179.60	100-600-0000-5301	Office Supplies
				399.39	100-600-0000-5301	Office Supplies
				51.05	100-600-0000-5301	Office Supplies
				84.02	100-600-0000-5301	Office Supplies
				269.25	100-600-0000-5301	Office Supplies
25535	12/03/2025	Starting Line Advisory	7,710.10	7,710.10	100-600-0000-5401	Advisory Services November 2025
51072	12/03/2025	Swrcb Accounting Office	31,108.00	27,163.00	100-110-0000-5303	Annual Permit Fee for billing period 7/1/25- 6/30/26
				3,945.00	100-110-0000-5303	Annual Permit Fee for billing period 7/1/25- 6/30/26
51074	12/03/2025	Customer Refund	151.29	75.64	100-000-0000-2000	Refund Check 030397-000, 6994 49 <u>Palms Avenue</u>

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				75.65	100-000-0000-2000	Refund Check 030397-000, 6994 49 <u>Palms Avenue</u>
51076	12/03/2025	Customer Refund	175.89	87.95	100-000-0000-2000	Refund Check 029556-000, 1010 Sunrise Road
				87.94	100-000-0000-2000	Refund Check 029556-000, 1010 Sunrise Road
51078	12/03/2025	Customer Refund	192.58	93.99	100-000-0000-2000	Refund Check 014165-002, 72400 El <u>Paseo Drive</u>
				98.59	100-000-0000-2000	Refund Check 014165-002, 72400 El <u>Paseo Drive</u>
51080	12/03/2025	Underground Service Alert	160.16	122.00	100-130-0000-5406	56 TPW01 New Ticket Charges
				38.16	100-130-0000-5406	California State Fee for Regulatory Costs
25541	12/03/2025	Verizon Wireless	710.48	710.48	100-600-0000-5203	Telephone
51084	12/03/2025	Customer Refund	101.80	50.90	100-000-0000-2000	Refund Check 029073-000, 3232 <u>Bluegrass Avenue</u>
				50.90	100-000-0000-2000	Refund Check 029073-000, 3232 <u>Bluegrass Avenue</u>
25543	12/03/2025	Water Resources <u>Economics</u>	16,377.50	16,377.50	100-600-0000-5406	2025 Rate Study
25544	12/03/2025	WestAir Gases & <u>Equipment, Inc.</u>	47.31	47.31	100-130-0000-5406	oxygen tank rental
51090	12/03/2025	Customer Refund	176.15	88.07	100-000-0000-2000	Refund Check 028835-000, 6588 Sahara <u>Avenue</u>
				88.08	100-000-0000-2000	Refund Check 028835-000, 6588 Sahara <u>Avenue</u>
51092	12/03/2025	Customer Refund	174.82	87.41	100-000-0000-2000	Refund Check 023480-000, 6675 Split <u>Rock Avenue</u>
				87.41	100-000-0000-2000	Refund Check 023480-000, 6675 Split <u>Rock Avenue</u>
51094	12/03/2025	Customer Refund	175.38	87.69	100-000-0000-2000	Refund Check 031670-000, 73570 Cedar <u>Drive</u>
				87.69	100-000-0000-2000	Refund Check 031670-000, 73570 Cedar <u>Drive</u>
102192	12/17/2025	ACWA/JPIA	38,158.82	3,203.92	100-310-0000-5144	January 2026 Health Coverage
				1,619.59	100-310-0000-5141	January 2026 Health Coverage
				293.04	100-310-0000-5142	January 2026 Health Coverage
				33,042.27	100-310-0000-5140	January 2026 Health Coverage
51098	12/17/2025	Customer Refund	158.88	79.44	100-000-0000-2000	Refund Check 032304-000, 72263 <u>Sullivan Road</u>
				79.44	100-000-0000-2000	Refund Check 032304-000, 72263 <u>Sullivan Road</u>
25550	12/17/2025	Adobe Smogs	60.00	60.00	100-130-0000-5406	Smog for #24
51102	12/17/2025	Customer Refund	177.78	88.89	100-000-0000-2000	Refund Check 028534-003, 5459 Daisy <u>Avenue</u>
				88.89	100-000-0000-2000	Refund Check 028534-003, 5459 Daisy <u>Avenue</u>
25552	12/17/2025	Ansafone Contact Centers	259.02	259.02	100-160-0000-5406	Answering Services
76659	12/17/2025	Jeff Arwick	6,717.33	706.83	100-120-0000-5220	Pneumatic System Lear Res. BW Controls <u>Electrode Plugs 3 Ea Elec</u>
				4,585.50	100-850-0000-6001	Install New 80 kW Generator and New <u>Transfer Switch, 1 MHP Genera</u>
				1,425.00	100-120-0000-5406	Trouble Shoot Lear Booster Pump Not <u>Cycling Properly, Replacemen</u>
76662	12/17/2025	Axens	49,743.46	2,770.04	100-150-0000-5211	State Tax 6%

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				46,165.60	100-150-0000-5211	Actiquard AA 400G 0.25-0.75MM/BB
				807.82	100-150-0000-5211	700Kq 1544 Lbs 26 Super Sacks. County Tax 1.75%
638875	12/17/2025	Banc of California	3,186.24	149.77	100-600-0000-5301	Charges
				355.58	100-600-0000-5301	Charges
				32.11	100-130-0000-5303	Charges
				136.51	100-600-0000-5303	Charges
				39.99	100-600-0000-5303	Charges
				34.99	100-600-0000-5301	Charges
				28.84	100-130-0000-5222	Charges
				25.31	100-130-0000-5220	Charges
				16.15	100-600-0000-5303	Charges
				30.98	100-600-0000-5408	Charges
				55.50	100-600-0000-5301	Charges
				147.81	100-600-0000-5330	Charges
				86.18	100-130-0000-5330	Charges
				334.98	100-130-0000-5330	Charges
				24.23	100-130-0000-5220	Charges
				60.33	100-600-0000-5330	Charges
				5.00	100-600-0000-5303	Charges
				450.19	100-130-0000-5220	Charges
				34.66	100-130-0000-5220	Charges
				77.19	100-130-0000-5220	Charges
				358.61	100-600-0000-5330	Charges
				159.66	100-150-0000-5203	Charges
				109.66	100-600-0000-5203	Charges
				339.83	100-600-0000-5303	Charges
				92.18	100-600-0000-5330	Charges
25556	12/17/2025	Best Best & Krieger	217.20	217.20	100-600-0000-5403	Professional Services Rendered Through November 30, 2025
51114	12/17/2025	Customer Refund	89.85	44.92	100-000-0000-2000	Refund Check 026950-000, 68467 Sullivan Road
				44.93	100-000-0000-2000	Refund Check 026950-000, 68467 Sullivan Road
51116	12/17/2025	Customer Refund	88.76	44.38	100-000-0000-2000	Refund Check 018024-000, 7495 Saladin Avenue
				44.38	100-000-0000-2000	Refund Check 018024-000, 7495 Saladin Avenue

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51118	12/17/2025	Customer Refund	159.55	79.78	100-000-0000-2000	Refund Check 029487-000, 3770 Timothy Avenue
				79.77	100-000-0000-2000	Refund Check 029487-000, 3770 Timothy Avenue
51120	12/17/2025	Burrtec Waste & Recycling Svcs	307.93	204.85	100-600-0000-5406	Hatch
				103.08	100-150-0000-5406	Plant
51122	12/17/2025	Customer Refund	169.68	84.84	100-000-0000-2000	Refund Check 015595-004, 6586 El Rey Avenue
				84.84	100-000-0000-2000	Refund Check 015595-004, 6586 El Rey Avenue
51124	12/17/2025	Customer Refund	118.40	59.20	100-000-0000-2000	Refund Check 024688-000, 6476 Mesquite Avenue
				59.20	100-000-0000-2000	Refund Check 024688-000, 6476 Mesquite Avenue
25563	12/17/2025	Ca-Nv Section Awwa	100.00	100.00	100-130-0000-5242	Cross-Connection Cert #10614
51128	12/17/2025	Clinical Lab of San Bern.	3,397.50	1,550.00	100-140-0000-5405	11/3/25-11/24/25
				1,847.50	100-140-0000-5405	10/6/25-10/30/25
127825	12/17/2025	Desert Ace Hardware	104.48	8.01	100-130-0000-5220	Black Silicone (Invoice# 24697)
				25.03	100-130-0000-5220	Bits (Invoice# 24819)
				1.99	100-130-0000-5220	Ornament Hooks (Invoice# 24775)
				19.37	100-130-0000-5220	Fast Setting Concrete Mix (Invoice# 24691)
				50.08	100-130-0000-5220	Timer (Invoice# 24771)
51132	12/17/2025	Customer Refund	176.93	88.46	100-000-0000-2000	Refund Check 031970-000, 7030 Juniper Avenue
				88.47	100-000-0000-2000	Refund Check 031970-000, 7030 Juniper Avenue
51134	12/17/2025	Customer Refund	188.85	94.42	100-000-0000-2000	Refund Check 020046-005, 7077 Elm Drive
				94.43	100-000-0000-2000	Refund Check 020046-005, 7077 Elm Drive
25568	12/17/2025	Fedex	6,450.00	6,450.00	100-150-0000-5406	Shipping Only Load Of Media (PO#1245)
25569	12/17/2025	Frontier Communications	256.36	256.36	100-150-0000-5203	Plant
51140	12/17/2025	Customer Refund	170.03	85.02	100-000-0000-2000	Refund Check 030802-000, 69880 Indian Trail
				85.01	100-000-0000-2000	Refund Check 030802-000, 69880 Indian Trail
51142	12/17/2025	Customer Refund	136.69	68.34	100-000-0000-2000	Refund Check 030997-000, 5440 Cahuilla Avenue
				68.35	100-000-0000-2000	Refund Check 030997-000, 5440 Cahuilla Avenue
25572	12/17/2025	Gold Mountain California News Media, Inc.	184.65	184.65	100-600-0000-5409	Help Wanted Ad
25573	12/17/2025	GoldStreet Designs	918.97	918.97	100-600-0000-5409	Rate Incease Bill Insert 2026
127870	12/17/2025	Grainger	2,552.90	96.91	100-130-0000-5226	Absorbent pads for safety kits
				172.42	100-130-0000-5226	Lockout station for office
				1,630.12	100-130-0000-5226	Lockout station for shop
				405.91	100-130-0000-5220	Spare tire and wheel for garden trailer

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				247.54	100-130-0000-5220	Spare tire and wheel for dump trailers
51150	12/17/2025	Customer Refund	12.83	6.42	100-000-0000-2000	Refund Check 030451-001, 72731 Larrea Avenue
				6.41	100-000-0000-2000	Refund Check 030451-001, 72731 Larrea Avenue
25576	12/17/2025	Hi-Grade Materials Co.	1,369.52	1,369.52	100-850-0000-6001	Treatment Plant Concreate Buckeye Fibers
25577	12/17/2025	Home Depot Credit Services	871.02	871.02	100-130-0000-5220	Charges
51156	12/17/2025	Customer Refund	143.21	71.61	100-000-0000-2000	Refund Check 029473-000, 1430 Longview Road
				71.60	100-000-0000-2000	Refund Check 029473-000, 1430 Longview Road
25579	12/17/2025	Infosend Inc.	4,410.61	4,410.61	100-160-0000-5406	Mail Production
51160	12/17/2025	Customer Refund	199.33	99.66	100-000-0000-2000	Refund Check 022213-090, 6187 Chia Avenue
				99.67	100-000-0000-2000	Refund Check 022213-090, 6187 Chia Avenue
51162	12/17/2025	Customer Refund	190.08	95.05	100-000-0000-2000	Refund Check 032216-000, 68317 Poleline Road
				95.03	100-000-0000-2000	Refund Check 032216-000, 68317 Poleline Road
127910	12/17/2025	Kennedy/Jenks Consultants	28,327.50	2,778.75	100-800-0000-6001	Water Loss Audit and Urban Water Objective
				3,445.00	100-800-0000-6001	TPWD-Project Phoenix
				285.00	100-600-0000-5412	Grant Funding & Water Loss Reporting 2024
				14,875.00	100-800-0000-6001	TPWD-2025 Urban Water Management Plan
				6,943.75	100-825-0000-6001	Well 11B Drinking Water SRF Grant
51166	12/17/2025	Customer Refund	171.69	85.85	100-000-0000-2000	Refund Check 032259-000, 5393 Cahuilla Avenue
				85.84	100-000-0000-2000	Refund Check 032259-000, 5393 Cahuilla Avenue
51168	12/17/2025	Customer Refund	194.65	97.32	100-000-0000-2000	Refund Check 022165-002, 6773 Saladin Avenue
				97.33	100-000-0000-2000	Refund Check 022165-002, 6773 Saladin Avenue
51170	12/17/2025	Customer Refund	171.07	85.54	100-000-0000-2000	Refund Check 031872-000, 6878 Ivanpah Avenue
				85.53	100-000-0000-2000	Refund Check 031872-000, 6878 Ivanpah Avenue
51172	12/17/2025	Customer Refund	191.51	95.76	100-000-0000-2000	Refund Check 032584-000, 6476 Mesquite Avenue
				95.75	100-000-0000-2000	Refund Check 032584-000, 6476 Mesquite Avenue
51174	12/17/2025	McMaster-Carr Supply Co.	714.97	292.12	100-150-0000-5220	Tubular Light Bulbs, Bi-Pin Base T-8
				422.85	100-110-0000-5225	Adjustable-Range Pressure Transmitter 0 to 100 PSI (Invoice # 56
51176	12/17/2025	Customer Refund	17.36	8.68	100-000-0000-2000	Refund Check 008608-001, Cntry Irrigation Meter
				8.68	100-000-0000-2000	Refund Check 008608-001, Cntry Irrigation Meter
25589	12/17/2025	Nick Barbieri Trucking, LLC.	932.67	932.67	100-130-0000-5220	1 - 55 gallon drum of 15W-40 engine oil
179130	12/17/2025	O'Reilly Automotive Inc.	730.53	39.09	100-130-0000-5222	DEF for #78
				36.10	100-130-0000-5220	Fuel/water seperator for fuel tanks

Twentynine Palms Water District

Check Date Range: 12/1/2025 thru 12/31/2025

				167.99	100-130-0000-5222	Battery for #77
				459.74	100-130-0000-5220	Brake cleaner and wiper blades for all trucks
				5.79	100-130-0000-5222	lug nuts for #79
				(20.00)	100-130-0000-5222	Battery core return for #77
				41.82	100-130-0000-5222	Ignition coil for #24
25591	12/17/2025	Ortega Strategies Group	2,500.00	2,500.00	100-600-0000-5350	Nov 2025 Advocacy Services
179144	12/17/2025	Palm Springs Motors Inc.	450.44	59.30	100-130-0000-5222	4x4 locker air hoses for #22
				311.74	100-130-0000-5222	Overflow tank and radiator hose for #77
				234.82	100-130-0000-5222	Heater core hoses for #77
				(556.74)	100-130-0000-5222	RETURN - steering arm spindles for #22
				148.46	100-130-0000-5222	Trailer brake controller module for #96
				186.28	100-130-0000-5222	Tailgate handle plastic for #22
				66.58	100-130-0000-5222	Wheel cover for #75
25593	12/17/2025	Paul Associates	1,116.47	1,116.47	100-160-0000-5301	Green Door Hangers
51188	12/17/2025	Customer Refund	137.25	68.63	100-000-0000-2000	Refund Check 030708-000, 5430 Abronia Avenue
				68.62	100-000-0000-2000	Refund Check 030708-000, 5430 Abronia Avenue
25595	12/17/2025	Pro Security Systems	432.00	432.00	100-150-0000-5220	Quarterly Monitoring Fees for January, February, and March 2026
51192	12/17/2025	Prudential Overall Supply	393.39	159.31	100-130-0000-5253	Plant
				234.08	100-130-0000-5253	Hatch
204776	12/17/2025	S.C.E.	19,872.10	1,502.93	100-110-0000-5201	Well 16
				2,287.13	100-110-0000-5201	Well 1
				1,397.55	100-600-0000-5201	Hatch
				6,881.56	100-110-0000-5201	Well 17
				2,114.68	100-150-0000-5201	Plant
				2,356.53	100-110-0000-5201	Well 14
				2,533.65	100-120-0000-5201	Booster TP-1
				798.07	100-120-0000-5201	Booster H1N, Booster H25
25598	12/17/2025	Safety Compliance Company	350.00	350.00	100-130-0000-5406	Safety Meeting
51198	12/17/2025	Customer Refund	233.43	107.84	100-000-0000-2000	Refund Check 032239-000, 5170 Split Rock Avenue
				125.59	100-000-0000-2000	Refund Check 032239-000, 5170 Split Rock Avenue
25600	12/17/2025	San Bernardino County	6.00	6.00	100-130-0000-5301	Monthly Assessor Parcel Map revisions for December 2025
51202	12/17/2025	Customer Refund	158.99	79.50	100-000-0000-2000	Refund Check 032043-000, 5556 Daisy Avenue

Twentynine Palms Water District

Check Date Range: 12/1/2025 thru 12/31/2025

				79.49	100-000-0000-2000	Refund Check 032043-000, 5556 Daisy Avenue
51204	12/17/2025	Customer Refund	184.73	92.36	100-000-0000-2000	Refund Check 021889-002, 74612 Baseline
				92.37	100-000-0000-2000	Refund Check 021889-002, 74612 Baseline
25603	12/17/2025	Customer Refund	100.00	100.00	100-600-0000-5330	Employee Recognition Luncheon Reimbursement
25604	12/17/2025	Susan L. Simmons	1,872.72	1,872.72	100-600-0000-5406	Janitorial Services
25605	12/17/2025	Solv	102.21	102.21	100-600-0000-5301	1099 Forms
51212	12/17/2025	Customer Refund	173.56	86.78	100-000-0000-2000	Refund Check 032407-001, 6680 Indian Cove Road
				86.78	100-000-0000-2000	Refund Check 032407-001, 6680 Indian Cove Road
51214	12/17/2025	Customer Refund	113.88	56.94	100-000-0000-2000	Refund Check 032413-000, 72532 Juanita Drive
				56.94	100-000-0000-2000	Refund Check 032413-000, 72532 Juanita Drive
25608	12/17/2025	Bob Stephenson	250.00	250.00	100-610-0000-5350	Video Recording Board Meeting 11-19-25
51218	12/17/2025	Swrcb Accounting Office	54,950.00	27,163.00	100-110-0000-5303	Annual Permit Fee for billing period 7/1/25-6/30/26
				27,787.00	100-110-0000-5303	Water System Annual Fees 7/1/2025-6/30/2026
51220	12/17/2025	Customer Refund	5.69	2.85	100-000-0000-2000	Refund Check 029870-000, 6446 -48 Palm View Ave.
				2.84	100-000-0000-2000	Refund Check 029870-000, 6446 -48 Palm View Ave.
51222	12/17/2025	Customer Refund	148.96	74.48	100-000-0000-2000	Refund Check 031821-000, 71591 Sunflower Drive
				74.48	100-000-0000-2000	Refund Check 031821-000, 71591 Sunflower Drive
25612	12/17/2025	TPX Communications	532.55	532.55	100-600-0000-5203	Telephone
25613	12/17/2025	Trophy Express	21.01	21.01	100-610-0000-5301	Name Plate
51228	12/17/2025	Usa Blue Book	1,007.28	626.24	100-150-0000-5220	pH Buffer Blue 4 Liters x1=53.63, Ricca Fluoride Standard 1pmm x1
				381.04	100-130-0000-5226	Class 3 Bomber 11 Jacket x1= 56.52, North Half-Face Respirator L
51230	12/17/2025	Customer Refund	175.48	87.74	100-000-0000-2000	Refund Check 031678-000, 72328 Cactus Drive
				87.74	100-000-0000-2000	Refund Check 031678-000, 72328 Cactus Drive
51232	12/17/2025	Customer Refund	173.37	86.68	100-000-0000-2000	Refund Check 026814-001, 72547 Sunnyslope Drive
				86.69	100-000-0000-2000	Refund Check 026814-001, 72547 Sunnyslope Drive
51234	12/17/2025	Customer Refund	162.12	81.06	100-000-0000-2000	Refund Check 027369-002, 6058 -60 Abronia Avenue
				81.06	100-000-0000-2000	Refund Check 027369-002, 6058 -60 Abronia Avenue
51236	12/17/2025	Customer Refund	29.68	14.84	100-000-0000-2000	Refund Check 007199-000, 3054 Desert Flower
				14.84	100-000-0000-2000	Refund Check 007199-000, 3054 Desert Flower
179333	12/29/2025	Avalon Urgent Care	505.00	75.00	100-130-0000-5406	Physical
				70.00	100-600-0000-5406	Drug Screening
				70.00	100-130-0000-5406	Drug Screening

Twentynine Palms Water District

Check Date Range: 12/1/2025 thru 12/31/2025

				70.00	100-130-0000-5406	Drug Screening
				75.00	100-130-0000-5406	Physical
				70.00	100-130-0000-5406	Drug Screening
				75.00	100-130-0000-5406	Physical
76860	12/29/2025	Community Water Systems Alliance	7,500.00	2,500.00	100-600-0000-5350	Q4 December 2025 CWSA Anchor Sponsorship
				2,500.00	100-600-0000-5350	Q4 October 2025 CWSA Anchor Sponsorship
				2,500.00	100-600-0000-5350	Q4 November 2025 CWSA Anchor Sponsorship
281831	12/29/2025	Cyber Photo-Graphics	1,658.93	54.38	100-130-0000-5253	digitizing left for chest
				281.66	100-130-0000-5253	blue polo left of chest logo K568 2XL
				52.65	100-130-0000-5253	shipping
				84.83	100-130-0000-5253	blue polo left of chest logo K568 3XL
				50.00	100-130-0000-5253	digitizing for hats
				25.50	100-130-0000-5253	shipping hats
				548.11	100-130-0000-5253	hats blue flat brim(6006)
				106.03	100-130-0000-5253	blue polo left of chest logo LG
				78.95	100-130-0000-5253	blue polo left of chest logo k398 3XL
				114.19	100-130-0000-5253	blue polo left of chest logo K568 LG
				262.63	100-130-0000-5253	blue polo left of chest logo k398 2XL
76866	12/29/2025	Desert Ace Hardware	191.33	48.06	100-150-0000-5220	Duct Tape (Invoice # 25042)
				124.24	100-150-0000-5220	Film Poly CLR6MIL30X100' For Media Change Out Plastic (Invoice
				19.03	100-130-0000-5220	Valve Inline 1" (Invoice # 25031)
25623	12/29/2025	E.H. Wachs	673.45	673.45	100-130-0000-5220	HD Valve lid buddy, for removing valve lids
25624	12/29/2025	Ellison Systems Inc. Shoplet.Com	69.83	69.83	100-600-0000-5301	Office Supplies
76875	12/29/2025	Ferguson Waterworks #1083	8,465.44	4,325.04	100-000-0000-1499	PIPE COPPER 2 in
				2,780.00	100-000-0000-1499	PIPE COPPER 1 in K SOFT
				1,360.40	100-000-0000-1499	SADDLE A/C 12 in X 1 in BRONZE
25626	12/29/2025	Frontier Communications	208.19	208.19	100-600-0000-5203	Hatch
76881	12/29/2025	Grainger	1,495.70	366.31	100-110-0000-5220	Sealed Lead Acid Battery For Scada PLC (Invoice # 9747431253)
				159.64	100-130-0000-5220	Grease gun coupler and valve stem caps
				969.75	100-150-0000-5220	TEST KITS ARSENIC (Invoice # 9753194282)
25628	12/29/2025	Kennedy/Jenks Consultants	2,354.30	2,354.30	100-800-0000-6001	TPWD Salt Nutrient Management Plan Reporting
25629	12/29/2025	Nick Barbieri Trucking, LLC.	582.89	582.89	100-130-0000-5220	1 Barrel of 15w40 oil for shop

Twentynine Palms Water District

Check Date Range: 12/1/2025 thru 12/31/2025

25630	12/29/2025	Orange County Winwater Works	941.95	941.95	100-000-0000-1499	CLAMP 14.10-14.50X30"
76893	12/29/2025	O'Reilly Automotive Inc.	477.31	6.78	100-130-0000-5220	Power steering fluid for shop
				307.34	100-130-0000-5222	Two batteries for #10
				163.19	100-130-0000-5220	WD-40, Butt splices, white lithium grease, 5 gal hydraulic fluid
51264	12/29/2025	Prudential Overall Supply	494.90	111.87	100-130-0000-5253	Plant
				383.03	100-130-0000-5253	Hatch
25633	12/29/2025	Powerplan OIB Rdo Trust #80-5800	628.19	628.19	100-130-0000-5222	Maintence set for #35
205072	12/29/2025	S.C.E.	14,747.76	737.25	100-110-0000-5201	Well 15
				1,200.03	100-120-0000-5201	Booster 11A, 11B
				117.08	100-120-0000-5201	Desert Heights Res & Hydro
				5,641.57	100-120-0000-5201	Booster Two Mile
				1,920.07	100-110-0000-5201	Well 12
				1,653.11	100-120-0000-5201	Booster Sullivan Road
				1,043.98	100-110-0000-5201	Well 11
				2,434.67	100-120-0000-5201	Booster Lupine Ave
25635	12/29/2025	Safety-Kleen Systems Inc.	409.20	409.20	100-130-0000-5406	Parts Washer Fluid
25636	12/29/2025	Spectrum Enterprise	1,235.00	1,235.00	100-600-0000-5203	La Luna
76911	12/29/2025	Customer Refund	87.82	18.91	100-000-0000-2000	Refund Check 030833-000, 6737 Quail Springs
				18.91	100-000-0000-2000	Refund Check 030833-000, 6737 Quail Springs
				50.00	100-000-0000-2000	Refund Check 030833-000, 6737 Quail Springs
25638	12/29/2025	U.S. Postal Service	5,000.00	5,000.00	100-160-0000-5302	Permit 39
25639	12/29/2025	Verizon Wireless	723.56	723.56	100-600-0000-5203	Telephone
25640	12/29/2025	WestAir Gases & Equipment, Inc.	19.97	19.97	100-130-0000-5406	Oxygen tank rental
			Total	\$465,885.91		

9

9.1

TWENTYNINE PALMS WATER DISTRICT
72401 Hatch Road/P. O. Box 1735
Twentynine Palms, CA 92277-1000
PHONE (760) 367-7546 FAX (760) 367-6612

TO: Board of Directors

FROM: Mike Minatrea, Maintenance Superintendent

DATE: January 9, 2026

SUBJECT: Management Report

A. The Operations and Maintenance Department performed the following tasks during the month of December 2025:

1. Responded to 43 Underground Service Alerts
2. Responded to and repaired
 - a. 0 water main leaks
 - b. 2 water meter leaks
 - c. 1 service line leak
 - d. 4 fire hydrant repair/maintenance
3. Installed 4 new service
4. Replaced 4 customer gate valves
5. Performed 2 leak audits
6. Painted 0 fire hydrants
7. Performed 3 customer pressure checks
8. Replaced 2 water meters
9. Tested and exercised emergency generators
10. Sounded wells for December
11. 0 water waste inquiries reported

B. The following customer service tasks were performed:

1. 377 work orders were generated from reading meters
2. 26 work orders were generated from billing variance list
3. 190 work orders were generated for turn on or turn off
4. 456 termination notices were distributed
5. 47 non-pay turn offs were performed
6. 21 payment schedules have been granted
7. 0 payment schedules failed
8. 3 customer requests and 3 inquiries were logged and investigated

C. Valve and Hydrant Maintenance Update

	Valves Exercised (Began 1/24)	Dead Ends Flushed (Began 1/25)
Current Month	243	32
Year to Date	*3716	493

*Biennial cycle

D. Status of Cross-Connection Control Program (Quarterly)

	In District	2025 Test/Surveys
Cross-Connection Devices	392	392

Twentynine Palms Water District **Maintenance Report**

FY 2025/26

	USA	Leak Audits	Fire Hydrant Painting	Shut Offs	Total Work Orders Completed	Valves Exercised	Customer's Valve Replaced	New Service	Main Line Leaks	Active Account	Prior Year	%Increase (Decrease)
July	76	10	0	38	727	85	10	1	0			
August	72	3	0	38	552	235	3	1	0	7,779	7,866	(1.11)
Sept.	80	9	0	62	772	100	10	1	1			
October	100	10	0	73	710	214	5	4	1	N/A	N/A	
Nov.	57	4	0	56	562	107	8	1	0			
Dec.	43	2	0	51	592	243	4	4	0	7,758	7,764	(0.08)
Jan.												
Feb.										N/A	N/A	
March												
April											7,800	
May												
June										N/A	N/A	
Totals	428	38	0	318	3915	984	40	12	2			

Total Connections in District **ct=** **8,474**

9.2

TWENTYNINE PALMS WATER DISTRICT
72401 Hatch Road/P. O. Box 1735
Twentynine Palms, CA 92277-1000
PHONE (760) 367-7546 FAX (760) 367-6612

TO: Board of Directors

FROM: Robert Shelton, Treatment/Production Superintendent

DATE: January 8, 2026

SUBJECT: Management Report

1. ENGINEERING

A. No items to report.

2. WATER QUALITY

- A. Chlorine Levels: Average levels maintained in the storage and distribution system ranged from a low of 0.15 mg/L to a high of .90 mg/L. Chlorination point (the point where chlorine is introduced into the distribution system) averages ranged from 0.17 mg/L to 2.20 mg/L.
- B. Bacteria Samples: A total of 50 routine bacteria samples were collected at test points for the storage and distribution system during this past month. In addition 15 special bacteria samples were collected. All routine and special samples indicated ABSENT for Colilert.
- C. Fluoride Samples: A total of 15 fluoride samples were collected at established test points for the storage and distribution system, and 18 fluoride samples were taken from potable water production wells. Fluoride levels in the distribution system ranged from a low of .64 mg/L to a high of 1.4 mg/L. Fluoride measurements collected at the wells ranged from a low of 0.35 to a high of 1.8 mg/L.
- D. General Physical: A total of 14 general physical samples were collected from established locations as a part of routine testing requirements. Levels reported for color are <3.0, 1 for threshold odor and <0.10 – 0.19 for turbidity.

TWENTYNINE PALMS WATER DISTRICT Water Production Report FY 2025/2026

Groundwater Source								
	Mesquite Springs Basin	Fortynine Palms Basin	Eastern Basin	Indian Cove Basin	Total Produced	Total Prior Yr	%Increase Decrease prior year	%Increase Decrease from 2013
July	119.565	104.555	12.005	14.003	250.128	267.093	-6.35%	-19.00%
August	122.755	105.854	10.715	12.926	252.250	246.437	2.36%	-13.68%
Sept.	124.542	43.944	21.710	16.818	207.014	219.372	-5.63%	-4.11%
October	114.049	57.498	13.788	10.874	196.209	211.493	-7.23%	-9.11%
Nov.	95.51	50.361	5.673	8.192	159.736	167.989	-4.91%	-14.62%
Dec.	93.176	56.397	4.910	13.393	167.877	162.810	3.11%	1.93%
Jan.								
Feb.								
March								
April								
May								
June								
Totals	669.597	418.609	68.801	76.206	1233.214	1275.194	-3.29%	

Production Totals Expressed in Acre Feet

NOTE: Year to Date Mesquite Springs Basin regeneration production of

5.466

acre feet =

0.81%

9.3

TWENTYNINE PALMS WATER DISTRICT

FINANCIAL REPORT

For The Month Of

November-25

*Preliminary - Subject To Year-End
Audit Adjustments*

Prepared by



**No assurance is provided on the financial statements. The financial statements do not include a statement of cash flows.
Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*



Twentynine Palms Water District
Cash & Investments
As of November 30, 2025
(Unaudited)

	Type	Est. Monthly Yield	Current Balance	Market Value
1 District Cash & Investments				
2 Unrestricted				
3 Local Agency Investment Fund (LAIF) ¹	Investment	4.096%	\$ 373,014	\$ 373,734
4 California CLASS Prime Fund ²	Investment	4.039%	4,930,613	4,931,069
5 Bank of California - Operating	Checking	0.000%	1,688,182	1,688,182
6 Bank of California - Payroll	Checking	0.000%	70,968	70,968
7 Total Unrestricted			7,062,778	7,063,953
8 Restricted				
9 LAIF - Capital Funds for Primary Infrastructure	Investment	4.096%	1,319,339	1,321,885
10 LAIF - Capital Funds for Secondary Infrastructure	Investment	4.096%	210,838	211,245
11 CLASS - Capital Carry Over from PY Budget	Investment	4.039%	2,577,000	2,577,238
12 CLASS - Pension/OPEB	Investment	4.039%	491,172	491,217
13 PARS Post-Employment Benefits	Trust	3.68% ³	115,792	115,792
14 Total Restricted			4,714,141	4,717,377
15 Total District Cash & Investments			\$ 11,776,918	\$ 11,781,330

¹ The LAIF Market Value factor is updated quarterly in September, December, March, and June.

² The CLASS Prime Fund Net Asset Value factor is updated monthly.

³ 5-year annualized return



Twentynine Palms Water District
Summary Statement of Revenues & Expenses
For the Period Ending November 30, 2025
(Unaudited)

	Nov-25	YTD	Budget	YTD 42%
1 Operating Revenues	\$ 572,886	\$ 3,228,185	\$ 7,091,600	46%
2 Non-Operating Revenues	102,547	541,119	1,083,100	50%
3 Total Revenue Available to Fund Operations & Capital	675,433	3,769,304	8,174,700	46%
4 Operating Expenses	412,456	2,294,512	5,954,000	39%
5 Non-Operating Expenses	27,171	135,855	490,100	28%
6 Total Debt Service	-	121,025	243,500	50%
7 Total Expenses & Debt Service	439,627	2,551,392	6,687,600	38%
8 Net Revenues Before Capital Program	235,805	1,217,912	1,487,100	82%
9 District Projects	(23,453)	(59,094)	(580,800)	10%
10 CIP Projects	(13,547)	(69,063)	(1,920,300)	4%
11 Repairs & Replacement	(25,383)	(195,298)	(920,100)	21%
12 Capital Outlay	(23,117)	(63,265)	(540,000)	12%
Total Capital Program	(85,501)	(386,720)	(3,961,200)	10%
13 Transfers in from Special Revenue Fund	11,818	71,266	164,000	43%
14 Increase (Decrease) in Fund Balance	\$ 162,122	\$ 902,458	\$ (2,310,100)	



Twentynine Palms Water District
Detail Statement of Revenues & Expenses
For the Period Ending November 30, 2025
(Unaudited)

	Nov-25	YTD	Budget	YTD 42%
1 Operating Revenues				
2 Water Sales (Volumetric)	\$ 362,150	\$ 2,187,900	\$ 4,702,600	47%
3 Readiness-To-Serve (Fixed)	176,192	879,998	2,115,800	42%
4 Other Operating Revenue	34,544	160,287	305,100	53%
5 Bad Debt Expense	-	-	(31,900)	0%
6 Total Operating Revenues	572,886	3,228,185	7,091,600	46%
7 Non-Operating Revenues				
8 Capital Impact Fees	6,440	64,402	75,000	86%
9 Water Availability Assessment	49,333	246,667	592,000	42%
10 Interest Revenue	27,053	186,812	357,200	52%
11 Other Penalties	3,624	12,415	28,900	43%
12 Reimbursed Expenses	15,746	25,488	20,000	127%
13 Miscellaneous Non-Op Revenue	350	5,335	10,000	53%
14 Total Non-Operating Revenues	102,547	541,119	1,083,100	50%
15 Total Revenues	675,433	3,769,304	8,174,700	46%
16 Operating Expenditures				
17 Source of Supply				
18 Labor & Benefits	-	-	9,700	0%
19 Direct Expenses	39,518	208,014	533,900	39%
20 Total Source of Supply	39,518	208,014	543,600	38%
21 Pumping				
22 Labor & Benefits	-	-	2,700	0%
23 Direct Expenses	14,670	75,395	205,000	37%
24 Total Pumping	14,670	75,395	207,700	36%
25 Transmission & Distribution				
26 Labor & Benefits	99,383	543,082	1,415,700	38%
27 Direct Expenses	26,369	176,894	508,500	35%
28 Total Transmission & Distribution	125,752	719,977	1,924,200	37%
29 Treatment Wells				
30 Labor & Benefits	26,755	139,980	149,600	94%
31 Direct Expenses	3,398	14,649	62,300	24%
32 Total Treatment Wells	30,153	154,629	211,900	73%
33 Treatment Facility				
34 Labor & Benefits	20,025	115,641	286,100	40%
35 Direct Expenses	24,557	176,693	512,900	34%
36 Total Treatment Facility	\$ 44,582	\$ 292,333	\$ 799,000	37%



Twentynine Palms Water District
Detail Statement of Revenues & Expenses
For the Period Ending November 30, 2025
(Unaudited)

	Nov-25	YTD	Budget	YTD 42%
37 Customer Accounts				
38 Labor & Benefits	\$ 29,039	\$ 143,698	\$ 359,000	40%
39 Direct Expenses	4,670	29,837	89,100	33%
40 Total Customer Accounts	33,709	173,535	448,100	39%
41 General & Administration				
42 Labor & Benefits	33,723	202,159	641,600	32%
43 Outside Services	56,087	258,630	593,300	44%
44 Direct Expenses	30,935	175,914	403,500	44%
45 Total General & Administration	120,745	636,703	1,638,400	39%
46 Payouts & Retiree Medical				
47 Vacation / Sick Payouts	-	7,666	127,100	6%
48 Retiree Medical	2,399	13,410	28,500	47%
49 Total Payouts & Retiree Medical	2,399	21,076	155,600	14%
50 Board of Directors				
51 Director Fees	912	6,623	15,000	44%
52 Direct Expenses	18	6,228	10,500	59%
53 Total Board of Directors	930	12,851	25,500	50%
54 Total Operating Expenditures	412,456	2,294,512	5,954,000	39%
55 Non-Operating Expenditures				
56 Debt Service				
57 Debt Principal Payments	-	108,788	220,700	49%
58 Interest Expense	-	12,238	22,800	54%
59 Total Debt Service	-	121,025	243,500	50%
60 CalPERS UAL Payment (Required)	27,171	135,855	326,100	42%
61 Pension & OPEB Trust Contributions	-	-	164,000	0%
62 Election Expense	-	-	-	
63 Total Non-Operating Expenditures	27,171	256,880	733,600	35%
64 Total Expenditures	439,627	2,551,392	6,687,600	38%
65 Net Revenues Before Capital Program	\$ 235,805	\$ 1,217,912	\$ 1,487,100	82%
66 District Projects	(23,453)	(59,094)	(580,800)	
67 Capital Improvement Projects	(13,547)	(69,063)	(1,920,300)	
68 Repair, Rehabilitation, & Maintenance	(25,383)	(195,298)	(920,100)	
69 Capital Outlay	(23,117)	(63,265)	(540,000)	
70 Transfer from Special Revenue	11,818	71,266	164,000	
71 Increase/(Decrease) In Fund Balance	\$ 162,122	\$ 902,458	\$ (2,310,100)	



Twentynine Palms Water District
Capital Expenditures Detail
For the Period Ending November 30, 2025
(Unaudited)

	Budget FY 25/26	Current Year Expenditures	Remaining Budget
1 District Projects			
2 Treatment Feasibility & Exploration Costs	\$ 50,200	\$ -	50,200
3 Salt Nutrient Monitoring Wells/Sampling	45,600	7,862	37,738
4 USGS Study/Feasibility Study	200,000	-	200,000
5 Centralized Sewer Plan/Groundwater Analysis	50,000	3,445	46,555
6 Master Plan Updates	75,000	-	75,000
7 Campbell Reservoir Land Acquisition	30,000	-	30,000
8 Standard Drawings Update	10,000	2,175	7,825
9 Asset Management Plan	20,000	-	20,000
10 GW Mgmt. Plan & Urban Water Mgmt. Plan	100,000	45,612	54,388
11 Total District Projects	580,800	59,094	521,706
12 Capital Improvement Plan			
13 Chromium VI and Flouride for Well 11B	250,000	47,313	202,687
14 Water Reservoir at Treatment Plant	1,670,300	21,750	1,648,550
15 Capital Improvement Plan	1,920,300	69,063	1,851,237
16 Repairs, Rehabilitation, & Maintenance			
17 Distribution SCADA System	195,100	18,943	176,157
18 Emergency Repairs, Unspecified	150,000	71,923	78,077
19 Campbell Reservoir Road Paving/Seal Coating	50,000	-	50,000
20 Treatment Plant Concrete	75,000	13,049	61,951
21 Repiping/Distribution System Upgrades	150,000	41,681	108,319
22 Cactus Booster Station	40,000	-	40,000
23 Reservoir Recoating/Cathodic Protection	40,000	-	40,000
24 Soft Starts Wells/Boosters	50,000	16,525	33,475
25 Valve/CLA-Valve Replacement	150,000	21,352	128,648
26 Leer Booster (LHMP Generator)	15,000	-	15,000
27 Donnell Reservoir Altitude Valve	5,000	11,826	(6,826)
28 Total Repairs & Maintenance	920,100	195,298	724,802
29 Capital Outlay			
30 Vehicle/Equipment Replacements	150,000	-	150,000
31 Electric Vehicle Station	60,000	3,317	56,683
32 Computer/Technology Replacements	75,000	10,348	64,652
33 Geographic Information System (GIS)	50,000	49,600	400
34 Administrative Building/Office Remodel	100,000	-	100,000
35 Energy Efficiency Projects	30,000	-	30,000
36 Parking Lot Seal/Paving	75,000	-	75,000
37 Total Capital Outlay	540,000	63,265	476,735
38 Total Capital Program	\$ 3,961,200	\$ 386,720	\$ 3,574,480



**Twentynine Palms Water District
Special Revenue Fund
For the Period Ending November 30, 2025
(Unaudited)**

	Nov-25		YTD		Budget	YTD 42%
1 Tower Revenues	\$	11,818	\$	71,266	\$ 164,000	43%
2 Less Transfers Out To Water		(11,818)		(71,266)	(164,000)	43%
3 Ending Balance	\$	-	\$	-	\$ -	

9.4

**NO
MATERIAL
PROVIDED**