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

June 24, 2026 / 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 Larry Bowden, Bob Coghill, Randy Leazer, and Amy Woods. Director Arhtur was late. Also present were General Manager Matt Shragge, Director of Operations Mike Minatrea, Financial Consultant Scott Nelsen, and District Secretary Cindy Fowlkes.

Pledge of Allegiance
Mike Minatrea led the pledge.

Additions/Deletions to the Agenda
None

Public Comments
None

1. Public Hearing on Proposed Continuation of Water Availability Assessment

1.1 Board to Hear Public Testimony at this Time
Director Leazer moved to open the Public Hearing at 4:01 p.m., seconded by Director Woods, and unanimously approved.

There being no public comment, Director Woods moved to close the public hearing at 4:02 p.m., seconded by Director Leazer, and unanimously approved.

2. Consider Resolution 26-08 Continuing the Current Existing Level of Water Availability Assessments for Fiscal Year 2026-2027
Director Woods made a motion to adopt Resolution 26-08 continuing the current existing level of water availability assessments for fiscal year 2026-2027, seconded by Director Bowden, and approved by the following roll call vote:

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

3. Consider Resolution 26-09 Amending the District's Reserve Policy
During the Rate Study, Water Resources Economics reviewed the District's Reserve Policy and recommended changing: 1) Capital Reserve from 6% of total capital assets to the annual average of 5 year CIP (Capital Improvement Plan). 2) Create a new Emergency Reserve that will be maintained at a minimum target level of $2.0 million for design, permit, and construction of a replacement well.

Director Woods made a motion to adopt Resolution 26-09 amending the District's Reserve Policy, seconded by Director Bowden, and approved by the following roll call vote:

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

4. Consider Resolution 26-10 Adopting the Proposed Budget and Compensation Plan of the Twentynine Palms Water District for Fiscal Year 2026-2027

Scott Nelsen with Starting Line Advisory gave a presentation on the budget. There were some minor changes from the May draft presentation.

- $29,000 decrease in operating revenue
- $29,000 decrease in operating expenses; projection for electricity costs inadvertently included an additional month
- No changes in capital

Director Leazer made a motion to adopt Resolution 26-10 adopting the proposed budget and compensation plan of the Twentynine Palms Water District for fiscal year 2026-2027, seconded by Director Bowden, and approved by the following roll call vote:

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

5. Approve Budget Augmentation Request from Kennedy Jenks for Well 11B Drinking Water State Revolving Fund (SRF) Application

The budget augmentation includes additional services for the Technical package, Financial Information Application package, application submittal to the State Water Board, project management, and quality assurance/quality control. The District has the funds in the fiscal year budget to cover the augmentation.

Director Leazer made a motion to approve the budget augmentation request from Kennedy Jenks, in the amount of $48,550, for Well 11B Drinking Water State Revolving Fund application, seconded by Arthur, and approved by the following roll call vote:

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

6. Discussion of Letter of Intent to Purchase Interest in Wireless Site from TowerPoint

The District has been contacted regarding the purchase of cell tower leases. Currently the District receives $164,000 revenue with an annual 4% increaser each year. TowerPoint is proposing $2,651,796 for the purchase of the cell tower leases.

- The District is in good financial standing
- There is a possibility that cell tower technology will be replaced by satellites
- The cell tower funds are unrestricted

The Board was in agreement that they would not consider the proposal.

7. Consent Calendar

- Minutes of a Regular Meeting held on May 27, 2026
- Audit List

Director Woods moved to approve the Minutes and Audit List, seconded by Director Arthur, and approved unanimously by all those present.

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

9. Management Reports

9.1 Maintenance
Mike reported that the District responded to 23 Underground Service Alerts, had 0 water main leaks, 1 water meter leak, 0 service line leaks, 1 fire hydrant repair/maintenance, installed 0 new services, replaced 6 customer gate valves, performed 7 leak audits, painted 116 fire hydrants, performed 6 customer pressure checks, replaced 3 water meters, Tested and exercised emergency generators and sounded wells for May. 0 water waste inquiries were received. There was a total of 591 work orders processed during the month.

9.2 Water Quality
Mike reported water production was down 24.49% as compared to the same month in 2013. 40 routine and 14 special water samples were taken. All special samples tested negative for Colilert. All current wells meet the 2.0 mg/L standard fluoride variance set by the State Water Resource Control Board. All samples tested were below the variance.

9.3 Finance
Scott Nelsen reported on April financials. At 83% of the fiscal year, the total revenues were at 83% with non-operating at 104%. Current fiscal year cell tower revenue is $164,000. These funds are invested for future retiree pension/health benefits.

9.4 General Manager
Matt reported staff is prepping for the new fiscal year. The auditors have scheduled the audit and begun fiscal year 2025-2026 review. Interviews were conducted for a Service Work I position. Van Dyke has begun the redundant reservoir project.

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

Title: General Manager

Director Woods moved to enter closed session at 4:54 p.m., seconded by Director Bowden, and unanimously approved.

Coming out of closed session at 5:30 p.m., Director Coghill announced there was no reportable action.

11. Future Agenda Items and Staff Tasks/Directors' Comments and Reports
Director Coghill would like staff to research Fire only parcels to see if the District can charge water availability assessments.

12. Adjournment
On motion by Director Bowden, seconded by Director Woods, and approved by the Board, the regular meeting was adjourned at 5:31 p.m.

Bob Coghill, President
Board of Directors

Attest:

Matthew Shragge, Board Secretary
Twentynine Palms Water District