

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

SEPTEMBER 24, 2014 / 6:00 P.M.

Call to Order and Roll Call

President Moore called the meeting to order at 6:00 p.m., 72401 Hatch Road, Twentynine Palms, California. Those responding to roll call were Chancey Chambers, Sam Moore, and Roger Shinaver. Director Horn was absent. Also present were General Manager Tamara Alaniz, Operations Manager Ray Kolisz, Financial Consultant Cindy Byerrum, and District Secretary Cindy Fowlkes.

Pledge of Allegiance

Director Moore led the pledge.

Additions/Deletions to the Agenda

None

Public Comments

None

1. Rate Study Workshop and Possible Action

Kim Boehler from NBS presented the Board with the preliminary findings of the Water Rate Study through a PowerPoint presentation. Two alternative Five Year Plans were presented. Alternative A provides funding for all planned capital improvements, including the Treatment Plant expansion with the use of State Revolving Fund Loans. Alternative B provides funding for all planned capital improvements minus the Treatment Plant expansion. The following were key discussion items.

- The District does not have sufficient funds in Reserves for capital improvement projects over the long term if rates are not increased.
- Capital Rehabilitation and Replacement Reserves (\$830,000-\$1,000,000) should be set aside annually for ongoing and future system repair rehabilitation, and replacement.
- The consultant identified a deficit in the next few years if the District chooses not to implement a rate increase.
- Groundwater Management Plans, Chromium 6 compliance, increased EPA standards, and unfunded PERS contributions were not built in to the current rate structure.

After discussion, the Board agreed to bring back the item in a special workshop in November.

Ed Vallerand, of Twentynine Palms, would like to see a list of assumptions in determining the proposed rate structures.

2. Presentation of Audit Report for Fiscal Year 2013/2014 by Cindy Byerrum
Financial Consultant, Cindy Byerrum, presented the Audit Report on behalf of Rogers, Anderson, Malody & Scott. The financial statements were found to be in accordance to the generally accepted accounting principles (GAAP) and the audit report reflects a clean and unqualified audit opinion. There were no deficiencies or weaknesses in internal controls.

3. Consider the Resignation of Director Nicholas “Bo” Bourikas and Consider Taking Action to Fill Board Vacancy
Ms. Alaniz briefly explained the procedure regarding board action to fill the board member vacancy created by the resignation of Director Bourikas.

Director Shinaver made a motion to accept the resignation of Director Nicholas Bourikas and move forward with filling the Board vacancy, seconded by Director Chambers and approved unanimously.

4. Consent Calendar
 - Minutes of the Regular Meeting held on August 27, 2014
 - Audit List

Director Chambers moved to approve the Meeting Minutes, seconded by Director Shinaver and approved unanimously.

5. Items Removed from the Consent Calendar for Discussion or Separate Action
Director Moore moved to remove the Audit List from the Consent Calendar. After discussion, Director Shinaver moved to approve the Audit List, seconded by Director Chambers and approved unanimously.

6. Management Reports

- 6.1 Operations

Mr. Kolisz reported that the District responded to 18 Underground Service Alerts, had 0 water main leaks, 3 blown meters, installed 1 new service, painted 2 fire hydrants, and had 3 blown meters. The Plant 6 Blending Plan was reviewed by staff. Engineering Resources of California is finalizing the plan for submittal to the State Water Resource Board for approval. The final design for Evaporation Pond 3 is being prepared by Kennedy Jenks.

- 6.2 Finance

Ms. Byerrum reported on the July financial statements. Expenses are trending lower than expected. Ms. Byerrum asked the Board to consider reporting on Financials a month later to allow sufficient time to close the books. The Board was in agreement.

6.3 General Manager

Ms. Alaniz reported that the Springbrook implementation is on schedule with onsite training taking place this week. Three groundwater bills have been signed by Governor Brown. The District is not considered a high or medium priority basin at this point and should not be negatively affected by the new legislation. The District has been proactive in groundwater and salt nutrient planning compliance.

7. Closed Session – General Manager Contract Term – Pursuant to Section 54957 of the California Government Code

Director Chambers moved to enter closed session at 7:05 p.m., seconded by Director Shinaver and unanimously approved.

The Board returned to open session at 7:14 p.m. Director Moore announced that no reportable action was taken.

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

Director Shinaver and Chambers commended staff for their good work. Director Moore would like the General Manager's contract brought back to the November Board meeting with legal counsel present.


9. Adjournment

On motion by Director Shinaver seconded by Director Chambers and approved by the Board, the meeting was adjourned at 7:16 p.m.



Kerron E. Moore, President
Board of Directors

Attest:



Tamara Alaniz, Board Secretary
Twentynine Palms Water District

APPROVED OCT 22 2019