

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

**SEPTEMBER 23, 2015 / 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 Directors Carol Giannini, Suzi Horn, Sam Moore, and Roger Shinaver. Director Chancey Chambers was absent. Also present were General 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 Discussion and Possible Action

Financial Consultant, Cindy Byerrum, addressed the Board and pointed out several factors that have contributed to a loss of revenue in recent years making a rate increase necessary to ensure adequate reserves. Some of those factors included inflationary costs in utilities, unfunded state and federal mandates, and loss of revenue due to the state's 28% conservation mandate.

Two rate study alternatives were presented to the Board for consideration. The Board can choose to increase rates at a lower percentage from year to year as needed. Staff recommends approving Alternative #2 for a 6% rate increase. This will ensure the reserve level is met four out of the five years without a continuous draw down on reserves as would be the result with Alternative #1, a 5% increase.

Alternative #1

5% annual increase; setting aside the required annual contribution for unfunded retiree medical benefits; drawing down on reserves for the next four years but achieving recommended reserve levels in five years; after year five, reserves will fund operations and capital improvement needs.

Alternative #2

6% annual increase; setting aside the required annual contribution for unfunded retiree medical benefits; achieving recommended reserve level in all but one year in the first five years; building reserve levels thereafter.

Terry Hinderliter, of Twentynine Palms, questioned the reasoning behind a rate increase and spoke to the lack of rebates for grass removal.

Ed Vallerand, of Twentynine Palms, spoke in favor of a 6% rate increase and opposed the reduction in commercial meter rate charges.

Director Horn made a motion to approve Alternative #2, seconded by Director Giannini and approved by the following roll call vote:

Ayes: Directors Giannini, Horn, Moore, and Shinaver  
Noes: None  
Abstain: None  
Absent: Director Chambers

2. Urban Water Management Plan Update – Award Contract and Authorize General Manager to Execute Contract

The Urban Water Management Plan must be updated every five years. Staff recommends awarding the contract to Kennedy/Jenks Consultants in the amount of \$59,940.00.

Director Horn made a motion to award the Urban Water Management Plan Update to Kennedy/Jenks Consultants in the amount of \$59,940.00, seconded by Director Giannini and approved by the following roll call vote:

Ayes: Directors Giannini, Horn, Moore, and Shinaver  
Noes: None  
Abstain: None  
Absent: Director Chambers

3. Consideration of Entering into a Mutual Assistance Agreement with the California Water/Wastewater Agency Response Network and the Emergency Response Network of the Inland Empire and Authorizing the General Manager to Execute Same

In the event of a natural disaster, the mutual aid agreements would allow for assistance.

Director Shinaver moved to enter into a Mutual Assistance Agreement with California Water/Wastewater Agency Response Network and the Emergency Response Network of the Inland Empire and authorize the General Manager to execute the same, seconded by Director Horn and approved by the following roll call vote:

Ayes: Directors Giannini, Horn, Moore, and Shinaver  
Noes: None  
Abstain: None  
Absent: Director Chambers

4. The Board of Directors Approve the Creation of a Wastewater Ad Hoc Committee

The Regional Water Quality Control Board is reviewing a collaborative Salt Nutrient Management Plan and Wastewater Master Plan between the District and the City of Twentynine Palms. An Ad Hoc committee will review the next steps associated with these plans and address concerns by the Regional Water Quality Control Board.

Director Moore nominated Directors Horn and Chambers with Director Giannini as an alternate to sit on the Wastewater Ad Hoc committee, seconded by Director Shinaver and unanimously approved.

5. Consent Calendar

- Minutes of the Regular Meeting held on August 26, 2015
- Audit List

Director Shinaver moved to approve the Consent Calendar, seconded by Giannini and approved unanimously.

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

7. Management Reports

7.1 Operations

Mr. Kolisz introduced Mike Minatrea as the Operations Superintendent. The District responded to 32 Underground Service Alerts, had 0 water main leaks, 6 water meter leaks, performed 1 customer pressure check, replaced 13 customer gate valves, performed 5 leak audits, repaired 1 and painted 26 fire hydrants. Water quality levels were normal for the month. Water production is down 14.2% as compared to the same month in 2013. The District continues working to achieve the 28% conservation goal.

7.2 Finance

Ms. Byerrum reported that the budget is tracking as expected with revenues at 9%, continuing the downward trend from the prior year.

7.3 General Manager

Mr. Kolisz informed the Board that a new phone system has been installed. Customers are placed in a queue with calls answered in the order they are received. Senate Bill 385 was recently passed allowing the State Water Resource Control Board the authority to grant a chromium 6 variance at the request of a public water system as long as a compliance plan is prepared, submitted, and accepted by the state board and the system complies with notice and testing requirements. The District is working with the state to get wells 9 and 11, previously shut down due to chromium 6 non-compliance, back online.


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

Director Shinaver would like inactive meter charges placed on the agenda for discussion.

Director Giannini would like next month's agenda to include review of the emergency response plan.

9. Adjournment

On motion by Director Shinaver seconded by Director Horn and approved by the Board, the meeting was adjourned at 7:04 p.m.

  
Kerron E. Moore, President  
Board of Directors

Attest:

  
Ray Kolisz, Board Secretary  
Twentynine Palms Water District

APPROVED OCT 28 2015