

**MINUTES OF THE
TWENTYNINE PALMS WATER DISTRICT FINANCING CORPORATION
ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE CORPORATION
AUGUST 25, 2004**

CALL TO ORDER AND ROLL CALL

The meeting was called to order by President Anthony at 5:30 p.m. at 72401 Hatch Road, Twentynine Palms, California. Those responding to roll call were Directors Alan Anthony, Edith Carter, Philip Cisneros, Sam Moore and Milford Yockey. Also present were Secretary and Chief Financial Officer Tina Johnson, Financial Consultant Wayne Jones, and Administrative Assistant Paula Rogers.

PUBLIC COMMENTS

None

A. ELECTION OF OFFICERS

Nominations were opened at 5:32 p.m.

1. President
Director Yockey nominated Alan Anthony, seconded by Director Carter and approved by the following roll call vote:

Ayes: Directors Anthony, Carter, Cisneros, Moore and Yockey
2. Vice President
Director Carter nominated Sam Moore, seconded by Director Cisneros and approved by the following roll call vote:

Ayes: Directors Anthony, Carter, Cisneros, Moore and Yockey
3. Chief Financial Officer
It was the consensus of the Board that Tina Johnson remain as Chief Financial Officer.

Nominations were closed at 5:35 p.m.

B. APPROVAL OF MINUTES

Director Cisneros moved the minutes be approved as submitted, seconded by Director Moore and unanimously approved by the Board.

C. STATEMENT OF INVESTMENTS AND ACTIVITIES

Mr. Jones presented an account recap of investments and activities focusing on debt pay down. Mr. Jones stated that the amount allocated for debt pay down may have to decrease due to the delay in commencement of the reservoir projects and the potential rise in construction fees since these costs were projected 4-5 years ago. Mr. Jones also responded to questions from the Board.

D. STATUS OF PROJECTS

There was no discussion regarding the status of projects.

E. ADJOURNMENT

Director Cisneros moved to adjourn the meeting at 5:41 p.m., seconded by Director Moore and unanimously approved by the Board.

Alan R. Anthony, President
Board of Directors

Attest:

Mike Wright, Corporate Secretary
Twentynine Palms Water District
Financing Corporation