

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

**MAY 27, 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 Interim General Manager/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. Public Hearing on Proposed Resolution Imposing Stage II Mandatory Restrictions on Water Use to Comply with Statewide Drought Regulations

1.1 Board to Hear Public Testimony at This Time

Director Shinaver moved to open the Public Hearing at 6:02 p.m., seconded by Director Horn, and unanimously approved. There being no public testimony to be heard, Director Shinaver moved to close the public hearing at 6:03 p.m., seconded by Director Horn and unanimously approved.

2. Consider Adoption of Resolution 15-07 Imposing Stage II Mandatory Restrictions on Water Use to Comply with Statewide Drought Regulations

The District submitted comment letters to the State requesting an exemption from the imposed 28% mandatory reduction as the District does not rely on import water. The State chose not to include language dismissing districts who do not import water as the State Water Resource Control Board did not have enough information about groundwater to make a formative decision. Private wells are exempt from state regulations, at this time, and do not fall under the District's jurisdiction. Mr. Kolisz has met with the City Manager, Frank Lukino, and discussed replacing ornamental turf with desert landscape. Staff recommends adopting the resolution to comply with statewide drought regulations

Director Shinaver made a motion to adopt Resolution 15-07 imposing stage II mandatory restrictions on water use to comply with statewide drought

regulations, 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. Budget Workshop

A first draft of the budget was presented to the Board, exemplifying a 10% decrease in water production and revenue. Expenditures and capital improvement projects were discussed including the following:

- Southern California Edison, 8% increase
- Chemical prices continue to rise
- Media costs will increase
- Chrome 6 treatment at \$450,000 with maintenance projected at \$55,000 per year
- Legal costs will increase with Union negotiations, cell tower leases, and drought compliance
- Financial consultant increase due to employee negotiations
- Emergency generator replacements to comply with emission standards

The Board was in agreement with the first draft of the budget and bringing it back for final approval at the June Board meeting.

4. Rate Study Workshop and Possible Action

Ms. Byerrum advised the Board that the 3% rate increase does not look feasible given the present circumstances with increased costs and loss of revenue. Ms. Byerrum is working with NBS to update the rate models for presentation to the Board at a later date.

5. Review Bid Results and Approve Selection of Contractor for Well 7B Contract

Mr. Kolisz advised the Board that there is approximately a \$30,000 savings using PVC pipe versus steel pipe as reflected in the alternative bid schedules. Steel corrodes and requires maintenance of the well casing over time, whereas PVC is not susceptible to corrosion. Staff recommends awarding the contract to Yellow Jacket Drilling for Schedule B in the amount not to exceed \$412,995.00 for the installation of Well 7B and the demolition of the existing well, per San Bernardino County standards.

Director Horn made a motion to award Yellow Jacket Drilling with the contract for Schedule B not to exceed \$412,995.00, seconded by Director Shinaver and approved by the following roll call vote:

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

Absent: Director Chambers

6. Consent Calendar

- Minutes of the Regular Meeting held on April 22, 2015
- Audit List

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

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

8. Management Reports

8.1 Operations

Mr. Kolisz reported that the District responded to 21 Underground Service Alerts, had 0 water main leaks, 0 water meter leaks, performed 1 customer pressure check, replaced 9 customer gate valves, performed 4 leak audits, and repaired 1 fire hydrant. Water quality levels were normal for the month. The first quarter of the calendar year saw an 8-28% reduction in consumption compared to the same time in 2013. The District continues to research and explore Chromium 6 removal methods.

8.2 Finance

Ms. Byerrum reported on the March financial statements. Operating revenues are slightly lower due to conservation methods. The budget is tracking as expected.

8.3 General Manager

Mr. Kolisz commended the community for their diligence in conserving water. Mr. Kolisz will be looking to attend workshops in the near future for grant writing and potential funding for the District.

9. Closed Session - Public Employee Appointment/Employment Pursuant to Government Code Section 54957

Title: General Manager

Director Horn moved to enter closed session at 7:04 p.m., seconded by Director Giannini and unanimously approved.

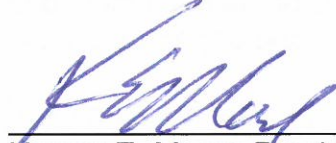
10. Closed Session - Conference with Labor Negotiators Pursuant to Government Code Section 54957.6

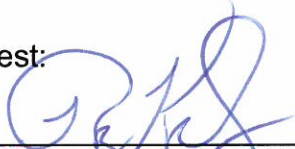
Agency designated representative: Joseph Sanchez, legal counsel  
Unrepresented employee: General Manager

The Board returned to open session at 8:09 p.m. Director Moore announced there was no reportable action.

11. Future Agenda Items and Staff Tasks/Directors' Comments and Reports  
None

12. Adjournment  
On motion by Director Shinaver seconded by Director Horn and approved by the Board, the meeting was adjourned at 8:10 p.m.

  
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Kerron E. Moore, President  
Board of Directors

Attest:  
  
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Ray Kolisz, Board Secretary  
Twentynine Palms Water District