

MINUTES

Thursday, October 21, 2021
Mammoth Community Water District
Regular Board Meeting

The Board of Directors convened in session at the hour of 5:31 p.m. A brief recess was taken, and the meeting was adjourned at 8:31 p.m.

Prepared by:



Stephanie Hake
Executive Assistant

ATTEST:



Mark Busby
Board Secretary

THE REGULAR MEETING of the Board of Directors of the Mammoth Community Water District held on Thursday, October 21, 2021 at 5:31 p.m.

ROLL CALL

Board Present *

Director: Tom Cage
Director: Robert Creasy
Director: Dennis Domaille
Director: Tom Smith
Director: Gary Thompson

Board Absent

None

Staff Present *

General Manager: Mark Busby
District Engineer: Garrett Higerd
Operations Superintendent: Clay Murray
Maintenance Superintendent: Jerry Baker
Finance Manager: Jeff Beatty
Information Services Manager: Justin Mulbay
Principal Administrative Analyst: Chris Weibert
Executive Assistant: Stephanie Hake
District Counsel: Joshua Horowitz

Guests Present *

Patricia Robertson – Mammoth Lakes Housing
Kevin Kostiuk – Raftelis Consultants, Inc.

PUBLIC FORUM

President Smith opened the public forum at 5:32 p.m.

No one addressed the Board and President Smith closed the public forum at 5:32 p.m.

CONSENT AGENDA A

A-1 Consider finding by a majority vote under Gov. Code, section 54953, subd. (e)(1)(B) that, as a result of the COVID-19 emergency: (i) meeting in person would present imminent risks to the health or safety of attendees: and (ii) the meeting is authorized to be held by teleconference pursuant to Gov. Code, section 54953, subd. (e)(1)(C)

A-2 Approve September 2021 Check Disbursements (Incode10 #'s 1465 – 1609)

A-3 Approve Minutes from the Regular Board Meeting held September 16, 2021

There was no discussion and Director Thompson made a motion.

BOARD ACTION – To approve Consent Agenda A

MOVED BY: Director Thompson
SECONDED BY: Director Cage
AYES: Directors Cage, Creasy, Domaille, Smith, and Thompson
NAYS: None
ABSENT: None

CONSENT AGENDA B – STAFF REPORTS

B-1 Operations Department Report

B-2 Maintenance Department Report

B-3 Finance Department Report

B-4 Engineering Department Report

B-5 Information Services Report

B-6 Personnel Services Report

B-7 Regulatory Support Services Report

B-8 General Manager's Report

Director Creasy made a motion.

BOARD ACTION – To approve Consent Agenda B

MOVED BY: Director Creasy
SECONDED BY: Director Cage
AYES: Directors Cage, Creasy, Domaille, Smith, and Thompson
NAYS: None
ABSENT: None

CURRENT BUSINESS

C-1 Discuss and Consider a Request from Mammoth Lakes Housing for the District to Make a Short-term or Fee-deferral Loan for the Cost of Water and Sewer Connection Fees for the Access Apartments Affordable Housing Project, and Provide Direction to the General Manager for Responding to this Request

Patricia Robertson opened the discussion with a brief PowerPoint presentation. A lengthy discussion followed between board members, staff, and Ms. Robertson regarding the various scenarios available to MCWD for providing a short-term loan or deferring the connection fees for the affordable housing project; the primary concern being how to secure the loan and setting a precedent.

Initially, Director Cage made a motion that Director Creasy seconded. After further discussion Director Cage modified his motion to add language that the payment of the deferred fees must be secured by the Town of Mammoth Lakes signing the fee deferral agreement as a guarantor/co-signor.

Direction was given to the District's legal counsel, Joshua Horowitz, to prepare a draft agreement stating that MCWD would defer the water and wastewater connection fees and associated costs for a maximum of one year after the Access Apartment Project receives a Certificate of Occupancy. Additional terms are that the deferral of fees will not exceed a total of five years, will be 0% interest, and secured by the Town of Mammoth Lakes. It was noted that the board would only need to ratify the agreement if there were any problems or changes with the agreed upon terms.

Ms. Robertson expressed her appreciation to the MCWD Board for showing support for the community by working with the non-profit organization to reach an agreement to enable the construction of the affordable housing project.

BOARD ACTION – To approve deferral of connection fees and associated costs until one year following a Certificate of Occupancy, not to exceed five years, at 0% interest, and secured by a guarantee provided by the Town of Mammoth Lakes

MOVED BY: Director Cage
SECONDED BY: Director Domaille
AYES: Directors Cage, Creasy, Domaille, Smith, and Thompson
NAYS: None
ABSENT: None

C-2 DRAFT Water and Wastewater Rate Study Report Prepared by Raftelis Financial Consultants for Proposed 2022-2026 Water and Wastewater Rates

A. Representatives of Raftelis Will Make a Presentation to the Board on the Draft Rate Study Report

B. The Board Will Discuss and Provide Direction to Staff and Raftelis on the Draft Report and Proposal to Adjust the District's Water and Wastewater Service Rates and Charges Through April 1, 2026 including mailing of a Proposition 218 rate hearing notice and fixing a date for that hearing

Jeff Beatty summarized the changes to the draft report that had been requested by the Board at the September 16 meeting. He noted that the methodology for calculating rates for the Out-of-District campgrounds (OOD) had been updated due to not having winter water usage to use as a base for calculating.

Kevin Kostiuk of Raftelis, Inc. pointed out that the models in the report had been updated to align with the revised assumptions for growth and the recently completed Urban Water Management Plan. Mr. Kostiuk also commented that there was recent legislation passed that affects the Proposition 218 notification process and that staff should work with legal counsel to ensure compliance.

Following a few clarifying questions and comments by the Board, Director Cage made a motion to adopt the study and begin customer outreach and the Proposition 218 notification process for holding a public hearing in January 2022 and implementation of the new rates beginning April 1, 2022.

BOARD ACTION – To accept the Water and Wastewater Rate Study Report and direct staff to begin the Proposition 218 notification process in order to implement the new rates on April 1, 2022

MOVED BY: Director Cage

SECONDED BY: Director Domaille
AYES: Directors Cage, Creasy, Domaille, Smith, and Thompson
NAYS: None
ABSENT: None

C-3 Discuss and Possible Direction Regarding the Fiscal Year 2022 Mid-Year Financial Forecast

Jeff Beatty provided the Board with a high-level financial review of the past six months and what might be expected in the remainder of the fiscal year. He noted that revenue is projected to end the year very close to the originally budgeted amount and that personnel and operating expenses should end the year slightly under budget.

Mr. Beatty also reported on the capital projects and that the projected schedule had changed due to the construction crew being reassigned to assist with other priorities and delays in the supply chain.

Directors Creasy and Cage both said that the Finance Committee had reviewed the presentation and complimented staff for the hard work in creating the original budget which resulted in being close to projections at this time.

BOARD ACTION – None, discussion only

C-4 Update on Status of the Fiscal Year 2022 Strategic Plan

Mark Busby and the department managers led the Board through the strategic plan document, discussing the mid-year status of most of the strategic objectives in the eight categories.

President Smith thanked Mr. Busby and staff for the comprehensive update.

BOARD ACTION – None, discussion only

C-5 Discuss and Consider Adopting Resolution 10-21-21-18 – Third Amended FY22 Salary and Authorized Positions Resolution No. 06-17-21-14

- 1. Amending and Adding Class Titles and Salary Ranges for the Engineering Series Classifications; and**
- 2. Adding the Class Title and Salary Range for a Laboratory Supervisor Classification**

Chris Weibert provided a brief summary of the proposed changes, noting that staff had done their due diligence in notifying the International Union of Operating Engineers, Local 12 and received no response.

There was no discussion and Director Domaille made a motion.

BOARD ACTION – To adopt Resolution No. 10-21-21-18 Third Amended FY22 Salary and Authorized Positions Resolution No. 06-17-21-14

- 1. Amending and Adding Class Titles and Salary Ranges for the Engineering Series Classifications; and**
- 2. Adding the Class Title and Salary Range for a Laboratory Supervisor Classification**

MOVED BY: Director Domaille
SECONDED BY: Director Creasy
AYES: Directors Cage, Creasy, Domaille, Smith, and Thompson

NAYS: None
ABSENT: None

C-6 Quarterly Water Supply Update

Clay Murray described the current status of the water supply, focusing on surface water. He recommended remaining at the current water conservation level, Level 1 for the next three months. There was no discussion.

BOARD ACTION – None, discussion only

C-7 Consider and Possibly Approve Adjustments in Compensation and Benefits provided to the General Manager (to be considered after closed session)

The Board returned from closed session at 8:24 p.m. President Smith stated that the ad hoc committee and Board had completed its performance review of Mark Busby and opened the discussion of a compensation increase to align with the outstanding performance review.

Director Cage made a motion to give Mr. Busby a wage increase of 6% retroactive to the contract renewal date of October 1, 2021. There was no further discussion.

BOARD ACTION – To approve a 6% wage increase to the annual salary paid to Mark Busby, the General Manager, retroactive to the scheduled review date of October 1, 2021.

MOVED BY: Director Cage
SECONDED BY: Director Domaille
AYES: Directors Cage, Creasy, Domaille, Smith, and Thompson
NAYS: None
ABSENT: None

Committee Meetings Held During the Month

Ad Hoc Water and Wastewater Rate Study Committee – September 29, 2021

Tom Smith

Tom Cage

Investment Committee – October 18, 2021

Tom Cage

Robert Creasy

Finance Committee – October 18, 2021

Tom Cage

Robert Creasy

Technical Services Committee – October 19, 2021

Dennis Domaille

Gary Thompson

Water and Wastewater Rate Study Committee:

Director Cage said there was nothing to report that had not been discussed during agenda item C-2.

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Investment Committee:

Director Cage reported that the committee complied with the provisions of AB 361 and approved the meeting to proceed via teleconference. He then gave a brief overview of the meeting.

Jeff Beatty asked for clarification regarding the committee's direction for short-term cash flow needs.

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Finance Committee:

Director Cage reported that there was nothing discussed at the committee meeting that had not already been discussed this evening.

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Technical Services Committee:

Director Domaille reported the committee complied with the provisions of AB 361 and approved the meeting to proceed via teleconference. He commented that everything had already been covered in tonight's meeting.

DIRECTOR COMMENTS, REQUESTS, AND REPORTS

Director Cage complimented staff for the professional work done in completing the Slocum's lateral replacement on Old Public Road.

ATTORNEY REPORT

Attorney Horowitz reported that the 120-day statute of limitations language required by SB 323 which Kevin Kostiuk mentioned in the rate study item must be added to the Proposition 218 notice that will be mailed to customers prior to the public hearing in January 2022 in order to permit the District to take advantage of the new short statute of limitations on challenges to new water and wastewater rates.

Attorney Horowitz also reported that an initiative measure likely for the June 2022 ballot has been proposed. The measure is targeting public agencies' ability to raise revenues. He will continue to monitor and advise staff if it moves forward.

CLOSED SESSION

D-1 Public Employee Performance Evaluation – General Manager
Pursuant to Government Code sections 54954.5(e) and 54957

D-2 Conference with District Labor Negotiators
Pursuant to Government Code sections 54954.5(f) and 54957.6
District Negotiators: Tom Smith and Tom Cage
Direction concerning proposed terms of General Manager Employment agreement, including compensation and benefits

ADJOURNMENT

Following closed session and the Board's discussion and action on current business item C-7, President Smith said that there was no reportable action from closed session and adjourned the meeting at 8:31 p.m.