

MINUTES

Thursday, August 15, 2019
Mammoth Community Water District
Regular Board Meeting

The Board of Directors convened in session at the hour of 5:32 p.m. A brief recess was taken and the meeting was adjourned at 7:37 p.m.

Prepared by:



Stephanie Hake
Executive Assistant

ATTEST:



Mark Busby
Board Secretary (Interim)

THE REGULAR MEETING of the Board of Directors of the Mammoth Community Water District held on Thursday, August 15, 2019 at 5:32 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 (Interim): Mark Busby
District Engineer: John Pedersen
Operations Superintendent: Clay Murray
Finance Manager: Jeff Beatty
Information Services Manager: Justin Mulbay
Human Resources Manager: Kay Hartman
Executive Assistant: Stephanie Hake
District Counsel: Joshua Horowitz

Guests Present

Richard Teaman – Teaman, Ramirez, & Smith, Inc.
Heidi Christensen – MCWD Staff member
Lori Salvador

PLEDGE OF ALLEGIANCE

President Smith led the Pledge of Allegiance at 5:32 p.m.

PUBLIC FORUM

President Smith opened the public forum at 5:33 p.m.

No one addressed the Board.

President Smith closed the public forum at 5:33 p.m.

PUBLIC HEARING

President Smith opened the public hearing to receive comments concerning the filing of reports on delinquent water and sewer charges as of June 30, 2019 at 5:34 p.m.

No one addressed the Board.

President Smith closed the public hearing at 5:34 p.m.

CONSENT AGENDA A

A-1 Approval of July 2019 Check Disbursements (Springbrook #'s 56365 – 56488)

A-2 Approval of Minutes from the Regular Board Meeting held June 20, 2019

A-3 Approval of Minutes from the Continued Board Meeting held June 26, 2019

A-4 Approval of Minutes from the Regular Board Meeting held July 18, 2019

Director Creasy noted that he had pointed out during the Finance Committee meeting that the June 20, 2019 Board meeting minutes mistakenly noted the results of the discussion of agenda item C-3 regarding the home at 1671 Forest Trail owned by an employee under the District's Employee Down Payment Assistance program. Stephanie Hake responded that the correction had been made and the revised draft minutes had been provided to each Board member.

Following a brief discussion, Director Creasy made a motion to approve Consent Agenda A with the amended language in the June 20, 2019 Board meeting minutes.

BOARD ACTION – To approve Consent Agenda A to include the amended minutes from the June 20, 2019 Board meeting

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

CONSENT AGENDA B – STAFF REPORTS

- B-1 July - Operations Department Report**
- B-2 July - Maintenance Department Report**
- B-3 July - Finance Department Report**
- B-4 July - Engineering Department Report**
- B-5 July - Information Services Report**
- B-6 July - Personnel Services Report**
- B-7 July - Regulatory Support Services Report**
- B-8 July - General Manager's Report**

There was no discussion, and Director Domaille made a motion to approve Consent Agenda B.

BOARD ACTION – To approve Consent Agenda B

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

CURRENT BUSINESS

C-1 Discussion and Possible Adoption of Resolution No. 08-15-19-15 Confirming Collection and Requesting Inclusion of Delinquent Rates, Charges and Penalties for Water and Sewer Service on the Mono County Tax Roll for the Forthcoming Fiscal Year in the Same Manner as the District’s General Taxes

It was noted that two of the property owners on the list originally provided to the Board members had paid the delinquent amount; therefore the list had been amended to remove the names. Jeff Beatty noted that most of the properties on the list are vacant and pay only the base charge because they do not use water, which is why the same properties appear on the list year after year.

BOARD ACTION – To adopt Resolution No. 08-15-19-15 confirming collection and requesting inclusion of delinquent rates, charges and penalties for Water and Sewer Service on the Mono County Tax Roll for the forthcoming fiscal year in the same manner as the District’s general taxes with the amended list

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

C-2 Presentation, Discussion and Filing of the 2018-2019 Financial Audit

- **Richard Teaman, CPA, Teaman, Ramirez, & Smith, Inc.**

Richard Teaman addressed the Board by describing the goal of the auditor is to issue an opinion on the District’s financial statements and that his firm was issuing an “unmodified” report on the District’s fiscal year 2019 financial statements, which is the highest rating available in accordance with GAAP (Generally Accepted Accounting Principles) and the same rating as the previous year. An “unmodified” report indicates that financial information is being reported properly and with full disclosures.

Mr. Teaman then provided a thorough review of the Draft 2018-2019 Financial Audit; highlighting the differences from previous years’ audits.

A couple of questions from Board members were addressed.

In closing, Board members expressed compliments to the Finance Department staff for their thorough preparation and appreciation to Mr. Teaman and his team for their time.

President Smith called for a motion.

BOARD ACTION – To accept the Fiscal Year 2018-2019 Draft Financial Audit dated 8/8/19 as presented

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

C-3 Discussion and Possible Approval of Agreement between MCWD and Mammoth Lakes Fire Safe Council for Administration Work on the Lakes Basin Hazardous Fuel Reduction Project

John Pedersen provided a brief background of the fuel reduction project and the District's involvement with the project.

There was no discussion and Director Creasy made a motion.

BOARD ACTION – To approve the agreement between MCWD and Mammoth Lakes Fire Safe Council for administration work on the Lakes Basin Hazardous Fuel Reduction Project

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

C-4 Consider Offers Under First Right of Refusal for the Sale of Employee Homes Purchased Under Employee Down Payment Assistance Program and Provide Direction to General Manager for Responding to Offers Subject Properties: 117 Lake Manor Place #11, Crowley Lake and 1055 Timbers Court, Mammoth Lakes

Jeff Beatty began by clarifying the "fiscal impact" noted in the staff report supporting this agenda item.

Director Creasy reported that the Finance Committee discussed the item and the committee felt that the property in Mammoth was outside the appropriate price-point for the District to consider as a potential rental property. On the other hand, the unit in Crowley Lake would be a much better fit for the District's rental housing inventory.

Following a brief discussion, Director Creasy made a motion.

Heidi Christensen, the owner of the property in Crowley Lake expressed her gratitude to the Board for enabling her to move from Crowley Lake to Bishop.

BOARD ACTION – To recommend the District move forward with purchasing the property at 117 Lake Manor Place, #11; and to direct the General Manager to decline the offer to purchase the property at 1055 Timbers Court

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

Meetings Held During the Month

Pension Committee – July 31, 2019

Tom Cage

Ad Hoc Committee – Wastewater Rate Fee Study – July 31, 2019

Tom Smith

Tom Cage

Employee Housing Committee – July 31, 2019

Robert Creasy

Gary Thompson

Technical Services Committee – August 14, 2019

Dennis Domaille

Gary Thompson

Finance Committee – August 14, 2019

Robert Creasy

Tom Smith (*alternate*)

Pension Committee:

Director Cage reported that the Pension committee met and that the meeting was relatively routine. He noted that it was a good year and quarter for pension investments, and that the committee was happy with the advisor's performance. Mark Busby added that the committee is always looking to encourage more employee participation in the 457 plan.

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Ad Hoc Committee – Wastewater Rate Fee Study:

Director Smith said that the committee met and reviewed the draft study prepared by Raftelis Financial, Inc. He noted that the committee still had questions about the methodology of calculating rates of some of the customer classes and felt there were some inconsistencies in the logic of the proposed rates. The study is back in the hands of the consultant for a thorough review.

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Employee Housing Committee:

Director Creasy reported that the committee met and there were two parts to the meeting. One which was regarding the rental housing policy, which Mark Busby indicated is being reviewed and will be brought back to the Board at the September Board meeting.

The other part of the meeting was a lengthy discussion about the methodology used to determine the value of capital improvements on property owned by employees under version 1 of the Employee Home Purchase Program where the District has a share of the ownership.

The committee determined the following:

- ✓ *Under version 1 of the Housing Assistance Program, it is strongly recommend the employee get pre-approval in writing for any anticipated improvements.*

- ✓ *If the employee didn't get pre-approval then there is a cap of \$25,000 for a single improvement and a cap of \$50,000 on a series of improvements.*
- ✓ *The General Manager has the authority to sign off on any request for pre-approval.*
- ✓ *A condition of pre-approval may be having an appraisal done (at the District's expense).*
- ✓ *The General Manager has the authority to request an appraisal (at the District's expense) for determining the value of an improvement.*
- ✓ *If there was pre-approval (in writing) for an improvement then that amount is allowed as a capital improvement.*
- ✓ *Repair and maintenance is the responsibility of the employee.*
- ✓ *When a maintenance/repair project has been upgraded to a value added improvement i.e. replacing a composition roof with a metal roof, then an appraisal will be requested by the General Manager to determine the difference in added value.*
- ✓ *Credit for value added improvements will be determined by the value the improvement adds to the property, but will not exceed the actual cost of the improvement.*
- ✓ *If an employee and the General Manager disagree on the valuation of improvements, the Housing Committee would make the final determination.*

Mark Busby remarked that the status and value of the improvements for one of the two properties in question had been resolved and there are still details to vet on the second property.

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Technical Services Committee:

Director Domaille reported that the discussions at the Technical Services Committee were about meter testing and the security features that have recently been added to the District's network environment.

Also discussed was the status of the local geothermal power development; noting that the Long Valley Hydrologic Advisory Committee (LVHAC) met in early August, as well as the Groundwater Monitoring and Response Plan (GMRP) group. During the GMRP meeting, BLM staff stated that they are seeking federal funding for the geothermal monitoring wells and will be taking the lead on the project. Additional comments at the GMRP meeting were from Tom Brown of the Lahontan Regional Water Quality Board, who stated that Lahontan is going on record in support of the additional geothermal monitoring that is being requested.

It was also reported that Ormat requested permits (Authority to Construct) for two new production wells associated with the CD-IV project from the Great Basin Unified Air Pollution Control District (GBAPUCD). Part of the permit process is a comment period, during which MCWD submitted a comment letter stating that a supplemental EIR should be prepared based on the new information in the recent USGS report confirming a connection between the shallow groundwater aquifer used by the District and the deep geothermal aquifer used by Ormat. It was noted that GBAPUCD has not yet issued the Authorities to Construct to Ormat.

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Finance Committee:

Director Creasy noted that there was nothing to report from the Finance Committee meeting other than the audit, which was addressed earlier in the meeting.

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There were no other committee meetings held during the month.

ATTORNEY REPORT

Attorney Horowitz said there was nothing to report.

The Board members went into closed session at 7:01 p.m.

CLOSED SESSION

D-1 Conference with Real Property Negotiators

Involving the Acquisition of an Easement on Ranch Road for Access to the Site of Proposed District Well 32, Town of Mammoth Lakes; Mark Busby and John Pedersen, District Negotiators, will negotiate with Representatives of the Snowcreek VI Condominium Owner's Association. Instructions by the Board to the District's Negotiators may include Price, Terms of Payment, or both. (See Government Code sections 54954.5(b) and 54956.8.)

D-2 Conference with Legal Counsel

Anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); significant exposure to litigation involving one case

ADJOURNMENT

The meeting adjourned out of closed session at 7:37 p.m. There was no reportable action from closed session.

President Smith adjourned the meeting at 7:37 p.m.