

MINUTES

Thursday, February 18, 2021
Mammoth Community Water District
Regular Board Meeting

The Board of Directors convened in session at the hour of 5:35 p.m. A brief recess was taken and the meeting was adjourned at 8:51 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, February 18, 2021 at 5:35 p.m.

ROLL CALL

Board Present *

Director: Tom Cage (*arrived at 5:37*)
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
Senior Administrative Analyst: Betty Hylton
Principal Administrative Analyst: Chris Weibert
Executive Assistant: Stephanie Hake
District Counsel: Joshua Horowitz

Guests Present *

Pam Bold, High Sierra Energy Foundation
Ryan Glanville, Tesla
Evan Forbes, Tesla
Dave Carlson, MCWD

**** As a result of the threat of COVID-19, the Governor issued Executive Order N-25-20 dated March 12, 2020 allowing for Directors, staff, and members of the public to attend this public meeting via teleconference without strict compliance with the Brown Act's teleconferencing requirements. To maximize public participation, comply with Brown Act requirements, and provide a clear record of the meeting, public comment was made available for each agenda item and all action items were voted on by roll call.***

PUBLIC FORUM

President Smith opened the public forum at 5:35 p.m.

Pam Bold addressed the Board to express support for business item C-5, the Tesla Powerpack System proposal.

No one else addressed the Board. President Smith thanked Ms. Bold for her comments and closed the public forum at 5:40 p.m.

CONSENT AGENDA A

A-1 Approval of January 2021 Check Disbursements (Springbrook #'s 58680 – 58817)

A-2 Approval of Minutes from the Special Board Workshop held January 19, 2021

A-3 Approval of Minutes from the Regular Board Meeting held January 21, 2021

There was no discussion and Director Domaille made a motion.

BOARD ACTION – To approve Consent Agenda A

MOVED BY: Director Domaille
SECONDED BY: Director Cage
AYES: Directors Cage, Creasy, Domaille, Smith, and Thompson
NAYS: 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 Domaille made a motion.

BOARD ACTION – To approve Consent Agenda B

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

CURRENT BUSINESS

C-1 Presentation and Discussion of Draft FY 2022 Capital and Operating Budget

Jeff Beatty provided a thorough review of the draft budget, describing the methodology for the projected expenses and income reflected in the draft. He noted that the coming fiscal year is projected to end up with a credit balance

therefore it is expected that there will be a contribution to the District's reserves. He added that there will still be some changes in the next few weeks, but it is close to being complete.

Director Cage said that the Finance committee thoroughly reviewed the draft budget and the only concern was having such a large financial reserve balance. Although, he noted, that there is the potential for several very expensive projects in the two to ten year range that could significantly impact the balances and it would be prudent for the District to have a substantial reserve balance at this time.

There was no further discussion. President Smith expressed appreciation to Mr. Beatty, the Finance team, and all staff on their thorough work in preparing the budget.

BOARD ACTION – None

C-2 Discussion and Possible Approval of Revised Policy and Agreements between the District and Employees Entering into the Employee Housing Purchase Assistance Program

Mark Busby provided a brief update following the Special Board Workshop and the subsequent Employee Housing Committee meeting held on the previous Tuesday. He noted that the direction from the February 2nd Board workshop had been incorporated into the versions of the Housing Assistance Policy and agreements being presented here.

Director Creasy added that the committee recommended offering a two-month period, for employees currently in the Shared Value Program under the prior version of the agreement, to switch over to the new version of the agreement.

Director Cage made some suggestions about possible program modifications to allow for an employee to more quickly buy-out the District. President Smith suggested that Director Cage provide his comments to the General Manager and Finance Manager to then provide to the Employee Housing Committee for further discussion.

President Smith called for public comment. No one made a comment. He then made note of a letter addressed to the Board from a District employee who was unable to attend the meeting that had been submitted earlier in the week and included in the board packet.

Director Creasy made a motion and then amended the motion to include the direction to offer existing employees in the program a two-month period where they can switch from their current Shared Value Program agreement over to the revised agreement. Additionally, two corrections were noted to be made to the agreement.

BOARD ACTION – To approve the revised EHPAP Policy and Subordinated Loan Agreement as presented and to approve the Shared Value Program Agreement with the two noted amendments, and to allow employees under the existing Shared Value Agreement a two-month period to switch to the new Shared Value Agreement

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

C-3 Discussion and Possible Approval of a Notice of Exemption (NOE) for the Drilling of Monitoring Wells at Laurel Pond

Betty Hylton provided a brief description of the CEQA exemptions that the Laurel Pond project falls under.

There was no discussion and Director Creasy made a motion.

BOARD ACTION – To approve a Notice of Exemption for the drilling of monitoring wells at Laurel Pond

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

C-4 Discussion and Possible Adoption of Ordinance No. 02-18-21-03 Amending Conservation Level Provisions of Division XII of Chapter 12 of the District's Water Code regarding Water Shortage Conditions, Water Conservation Standards and Regulations, and Enforcement

Betty Hylton described to the Board that, as part of the process of producing the 2021 Urban Water Management Plan (UWMP), the state is requiring that the District also produce a Water Shortage Contingency Plan containing six levels of water conservation measures. The District currently has four levels in addition to the permanent baseline regulations. Staff is proposing to label the permanent regulations as Level 0 and insert a Level 4 which would be defined as a 40% reduction in water use, resulting in the required six levels.

There were a few questions and comments by the Board. The Board requested that the Water Shortage Surcharge that is currently an option in the District's Code remain once the water rate study being conducted is complete.

BOARD ACTION – To enact Ordinance No. 02-18-21-03 amending conservation level provisions of Division XII of Chapter 12 of the District's Water Code regarding Water Shortage Conditions, Water Conservation Standards and Regulations, and Enforcement

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

C-5 Discussion and Direction to Staff Regarding the Possibility of Entering into Agreements with Tesla for a Powerpack System to Provide Backup Power to the Wastewater Treatment Plant

Garrett Higerd provided a brief summary of three different backup power system proposals that had been received in the past year; noting that the proposal presented by Tesla was the only one that was worth pursuing. He said that the proposed project had been reviewed by an unbiased third party and the results were favorable. Staff commented on the potential benefits of having an uninterruptable power system, in addition to the backup power system presently in place, to support the equipment at the wastewater treatment plant.

Ryan Glanville of Tesla explained the genesis of the state's program and how it was being funded through the Self-Generation Incentive Program (SGIP) as a result of the statewide PSPS (Public Safety Power Shutoff) events. He answered several questions asked by the Board.

Director Creasy provided more history of the SGIP.

Following a brief discussion and Director questions, Director Creasy made a motion.

BOARD ACTION – To direct staff to enter into an agreement, subject to legal review, with Tesla, Inc. for a Powerpack System to provide backup power to the Wastewater Treatment Plant

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

C-6 Consider Offer Under First Right of Refusal for the Sale of Employee Home Purchased Under Employee Home Purchase Assistance Program and Provide Direction to General Manager for Responding to Offer

Jeff Beatty briefly described the home that is being offered to the District. Director Creasy commented that the item had been discussed in the Finance Committee meeting and that it was determined that the home was not a good fit for the District's rental housing program. Direction was provided to the General Manager to decline the offer to purchase the home.

BOARD ACTION – None, direction only

Committee Meetings Held During the Month

Ad-Hoc Wastewater Rate Fee Study Committee – February 3, 2021

Tom Smith

Tom Cage

Employee Housing Committee – February 16, 2021

Robert Creasy

Gary Thompson

Technical Services Committee – February 17, 2021

Dennis Domaille

Gary Thompson

Finance Committee – February 17, 2021

Tom Cage

Robert Creasy

Ad-Hoc Wastewater Rate Fee Study Committee:

President Smith said that the wastewater rate fee committee met and he expressed frustration regarding the slow progress with the project. The consultant who is conducting the study had to withdraw the presentation due to incorrect data that had been used for the calculations.

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Employee Housing Committee:

Director Creasy said that the committee reviewed a request for some capital improvement projects and that the committee confirmed that an appraisal is the best method for determining the valuation of the project. He also reported that the District has five Recreational Vehicle (RV) pads down by the wastewater treatment plant and that staff and legal counsel are looking into the viability of possibly renting one to a staff member for a temporary period of time.

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Technical Services Committee:

Director Domaille reported that the committee was updated on the following District activities:

- ✓ The ongoing problems with the Neptune Metering System
- ✓ Securing the site for the Center Street monitoring well
- ✓ The status of hauling sludge to the Russell Pass Landfill in Fallon, Nevada
- ✓ The continual problems that are associated with the drilling of Well 32

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Finance Committee:

Directors Cage and Creasy said that there was nothing else to report aside from discussion regarding the draft budget.

DIRECTOR COMMENTS, REQUESTS, AND REPORTS

There were no comments, requests, or reports.

ATTORNEY REPORT

Attorney Horowitz reported that Senate Bill 377 was recently introduced. It would require agencies that treat wastewater to make it "fishable, swimmable and drinkable" by 2050. A coalition of agencies are working diligently to defeat the proposal and the District will likely be asked to submit a letter of opposition, which is recommended.

He also reported that an anticipated COVID relief for local agencies is being discussed in Congress. The state legislature's relief package does not include local agency relief. Attorney Horowitz will provide an update on the federal legislation at the next Board meeting.

A 5-minute recess was taken then the Board members went into closed session at 7:45 p.m.

CLOSED SESSION

D-1 Conference with Real Property Negotiators

Pursuant to Government Code Sections 54954.5(e) and 54956.8

Property Description: Mono County APNs – 035-100-003; 035-010-020; 022-322-035

Under Negotiation: Price and Terms of Payment
MCWD Negotiators: Mark Busby, Garrett Higerd, and Tom Cage
Property Owner Negotiator: Town of Mammoth Lakes

D-2 Conference with Real Property Negotiators

Pursuant to Government Code Sections 54954.5(e) and 54956.8
Property Description: Mono County APNs – 035-090-008
Under Negotiation: Price and Terms of Payment
MCWD Negotiators: Mark Busby, Garrett Higerd, and Tom Cage
Property Owner Negotiator: Scott Voss

D-3 Conference with Legal Counsel

Anticipated litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(2) and (3); consideration of initiating litigation involving one case

REPORT OUT AND ADJOURNMENT

The Board adjourned out of closed session at 8:51 p.m.

There was nothing to report from closed session.

President Smith adjourned the meeting at 8:51 p.m.