

MINUTES

Thursday, January 19, 2017
Mammoth Community Water District
Regular Board Meeting

The Board of Directors convened in session at the hour of 6:03 p.m. Two (2) brief recesses were taken and the meeting was adjourned at 9:50 p.m.

Prepared by:



Stephanie Hake
Executive Assistant

ATTEST:



Patrick A. Hayes
General Manager

THE REGULAR MEETING of the Board of Directors of the Mammoth Community Water District held on Thursday, January 19, 2017 at 6:03 p.m.

A. ROLL CALL

Board Present

Director: Tom Cage
Director: Robert Creasy
Director: Dennis Domaille
Director: Tom Smith
Director: Eric Kaufman (*sworn in and seated after appointment under Current Business item D-2*)

Board Absent

None

Staff Present

General Manager: Pat Hayes
District Engineer: John Pedersen
Operations Superintendent: Clay Murray
Maintenance Superintendent: Mark Busby
Finance Manager: Jeff Beatty
Public Relations / Environmental Specialist Manager: Irene Yamashita
Information Services Manager: Justin Mulbay
Human Resources Manager: Kay Hartman
Executive Assistant: Stephanie Hake
District Counsel: Joshua Horowitz

Guests Present

Melissa Ness: MCWD Staff	Tom Hodges: MMSA
Eric Kaufman	Julie Aguirre
Peter Bernasconi	Dave Harvey
Rick Phelps: HSEF	Mickey Brown
Pam Bold: HSEF	

Some items were taken out of order to facilitate the meeting

B. PUBLIC FORUM

President Smith opened the public forum at 6:03 p.m.

No one addressed the Board.

President Smith closed the public forum at 6:04p.m.

PUBLIC HEARING

Concerning the Intent to Adopt the 2015 Urban Water Management Plan (UWMP)

President Smith opened the public hearing at 6:04 p.m.

Tom Hodges of Mammoth Mountain Ski Area (MMSA) addressed the Board. He felt there is a lack of clarity relating to recycled water use at the Sierra Star Golf Course and requested that staff verify the data reflected in the UWMP. Mr. Hodges also commented that the 20 year horizon timeframe noted for buildout in the Town of Mammoth Lakes' was somewhat aggressive.

Pat Hayes responded that staff would verify the accuracy of the Sierra Star allocation and usage amounts stated in the UWMP.

President Smith closed the public hearing at 6:13p.m.

C. CONSENT AGENDA

C-1 Approval of December 2016 Check Disbursements (Springbrook #'s 52519 – 52632)

C-2 Approval of Minutes from the Special Board Meeting (1) Held December 14, 2016

C-3 Approval of Minutes from the Special Board Meeting (2) Held December 14, 2016

C-4 Approval of Minutes from the Special Board Meeting Held January 12, 2017

There was no discussion, Director Cage made a motion.

BOARD ACTION – To approve the Consent Agenda items C-1, C-2, C-3, and C-4

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

D. CURRENT BUSINESS

D-1 Adoption of Resolution No. 01-19-17-02 Memorializing Director Earl Henderson for his 12 years of Dedicated Service to the Mammoth Community Water District and the People of Mammoth Lakes

Director Cage read a letter addressed to the MCWD from Director Henderson's wife, Patty, which described Director Henderson's passion and commitment to being a member of the MCWD Board of Directors.

There was no discussion. Director Domaille made a motion.

BOARD ACTION – To adopt Resolution No. 01-19-17-02 memorializing Director Earl Henderson for his 12 years of dedicated service to the Mammoth Community Water District and the people of Mammoth Lakes

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

D-2 Discussion with Ad Hoc Director Selection Committee and Possible Consideration of Recommendation and Possible Appointment of Candidate to Fill the Vacant Director Seat

President Smith opened by briefly describing the process taken by the ad hoc committee to fill the open board seat and that 9 highly qualified candidates applied and were interviewed. Candidates Julie Aguirre, Peter Bernasconi, and Eric Kaufman were chosen as the finalists; all of whom were in attendance at this meeting. The three candidates each provided a brief statement. Directors Cage and Creasy then asked several questions of the candidates.

After a brief discussion, Director Domaille nominated Eric Kaufman. The nomination was seconded by Director Smith and the vote was unanimous.

Following the vote, Patrick Hayes, Secretary to the Board swore Mr. Kaufman in. Mr. Kaufman signed the Oath of Office and took his seat at the Board table for the remainder of the meeting.

BOARD ACTION – To Appoint Eric Kaufman to fill the vacant seat on the MCWD Board of Directors

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

D-3 Election of Board President, Vice President, and Assignment of Committee Members for 2017

There was no discussion. Director Domaille made a motion.

BOARD ACTION – For President and Vice President assignments to remain unchanged for the coming year

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

Following the vote, President Smith recommended the following committee assignments for 2017:

Committee

Finance Committee:
Technical Services Committee:
Investment Committee:
Long Range Planning Committee:
Liaison Committee:
IRWMP Committee:

Members

Directors: Cage and Creasy
Directors: Domaille and Kaufman
Directors: Cage and Creasy
Directors: Domaille and Creasy
Directors: Smith and Kaufman
Directors: Smith and Creasy

Alternate

Director Smith
Director Creasy
Director Smith
Director Cage

D-4 Discussion and Possible Adoption of Resolution No. 01-19-17-03 Appointing a Member of the Board of Directors as Trustee to the Mammoth Community Water District's Money Purchase Pension Plan for 2017 "The trustee shall be determined by the Board of Directors at the first Board of Directors' meeting held in January of each calendar year." (Chapter 2; Section 4.07 (3) District Code)

There was no discussion. President Smith called for a motion.

BOARD ACTION – For Director Cage to remain as the Board Member Trustee to the Mammoth Community Water District's Money Purchase Pension Plan, and adopt Resolution No. 01-19-17-03

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

D-5 Discussion and Possible Adoption of Resolution No. 01-19-17-04 Adopting the 2015 Urban Water Management Plan (UWMP)

Irene Yamashita described that the UWMP is required by the State of California and updated every five years. She reviewed the components used to determine what the future water demand should look like.

The discussion that followed focused on the District's recycled water production and conservation efforts.

In response to comments by Tom Hodges during the public hearing earlier in the evening, staff was directed to amend the reference to the Sierra Star Golf Course on page no. 6-8 of chapter 6 of the draft UWMP to include the maximum amount of deliverable recycled water during the irrigation season per the recycled water service agreement.

BOARD ACTION – To adopt Resolution No. 01-19-17-04 adopting the 2015 Urban Water Management Plan amended to reflect the annual maximum amount of deliverable recycled water to Sierra Star Golf Course

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

D-6 Discussion and Possible Approval of Sponsorship Funding the High Sierra Energy Foundation's Living Wise Program in the Amount of \$4,500

Director Creasy declared a conflict of interest as he is on the Board of Directors of the High Sierra Energy Foundation; therefore he would recuse himself from the discussion and vote. Director Creasy left the room.

Rick Phelps of the High Sierra Energy Foundation (HSEF) addressed the Board saying that effective May 1, 2017, he would be stepping down from his position as Executive Director of the HSEF and introduced Pam Bold as his

replacement. Pam Bold then briefly described the success of the HSEF's Living Wise Program and its impact within the community over the past 11 years.

President Smith congratulated Ms. Bold on her new position. There was no discussion and President Smith called for a motion.

BOARD ACTION – To approve 2017 sponsorship funding for the HSEF's Living Wise Program in the amount of \$4,500

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

D-7 Monthly Water Supply Update

Clay Murray discussed the status of the District's current water supply, which is mainly being provided by surface water. He indicated that the supply is sufficient for the next 120 days.

There was a brief discussion.

BOARD ACTION – None, information only

D-8 Discussion and Possible Approval of a Master Services Agreement (MSA) with Wildermuth Environmental, Inc. (WEI)

John Pedersen opened by commenting on the value that Wildermuth Environmental brings to the MCWD and by approving the MSA, the framework is provided for engaging the consulting services of WEI in task orders for the next three years.

Director Creasy requested that the required amount of Errors and Omissions (E&O) insurance referenced in the MSA be increased from \$1,000,000 to \$2,000,000.

Following a brief discussion, Director Creasy made a motion.

BOARD ACTION – To approve the Master Services Agreement with Wildermuth Environmental, Inc. amended to reflect an increase in Errors and Omissions insurance amount to \$2,000,000

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

E. CONSENT AGENDA NO. 2 – MANAGEMENT REPORTS

- E-1 Operations Superintendent's Report**
- E-2 Maintenance Superintendent's Report**
- E-3 Finance Manager's Report**
- E-4 District Engineer's Report**
- E-5 Information Services Manager's Report**
- E-6 Human Resources Manager's Report**
- E-7 Public Relations / Environmental Specialist's Report**
- E-8 General Manager's Report**

There was no discussion. President Smith called for a motion.

BOARD ACTION – To approve the Consent Agenda No. 2

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

F. BOARD MEMBERS' COMMITTEE REPORTS

Meetings Held During the Month

Pension Committee – *December 15, 2016*

Tom Cage

Investment Committee – *January 18, 2017*

Tom Cage

Robert Creasy

Finance Committee – *January 18, 2017*

Tom Cage

Robert Creasy

Technical Services Committee – *January 18, 2017*

Dennis Domaille

Tom Cage (*Alternate*)

Pension Committee: *Director Cage reported that the Pension Committee met to conduct preliminary interviews of 2 alternate pension providers and that the committee would continue to thoroughly review the options for pension management firms.*

Director Cage added that the MCWD was recently notified that its current pension provider has proposed a reduction of its fees and that direction was given to approve the fee reduction.

Pat Hayes noted that it was brought to the committee's attention that the District's current pension policy is somewhat deficient in meeting the fiduciary responsibility it has to the participants in the plan and that staff was seeking appropriate counsel to review and update the policy if needed.

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Investment Committee: Director Cage reported that the Investment Committee met with the investment advisors, UBS, attending by phone. The discussion focused on the current low interest rate environment and the limitations the District has with investment options; therefore the committee concluded that any change in strategy would not be beneficial.

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Finance Committee: Director Cage reported that the Finance Committee met and along with budget development discussion the committee also discussed cash management strategy and how it ties to the District's investment strategy.

Jeff Beatty elaborated on how the District has accounts with several firms allowing access to funds based on how much is needed and the timing of the need.

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Technical Services Committee: Director Domaille commented that the Technical Services Committee meeting was routine and there was nothing to report.

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There were no other committee meetings held during the month.

G. ATTORNEY REPORT

Attorney Horowitz noted that legislature is back in session and nothing of interest to the District or the water industry has been brought forth at this time.

The Board members went into closed session at 8:06 p.m.

H. CLOSED SESSION

H-1 Conference with Legal Counsel

Existing Litigation – Pursuant to Government Code Section 54956.9 (a) Case: Mammoth Community Water District vs. United States Department of Interior, Bureau of Land Management; Mammoth Community Water District v. United States Department of Agriculture, Forest Service

H-2 Conference with Legal Counsel

Existing Litigation – Pursuant to Government Code Section 54956.9 (a) Case: Mammoth Community Water District vs. Great Basin Unified Air Pollution Control District with ORNI 50, LLC as a Real Party in Interest – Mono County Superior Court

H-3 Conference with Legal Counsel

Pursuant to Government Code Section 54957.6
District Employee Relations Officer: Patrick Hayes
Employee Organization: International Union of Operating Engineers, Local Union No. 12

H-4 Public Employee Performance Evaluation – General Manager

Pursuant to Government Code section 54957

H-5 Conference with Labor Negotiator

Pursuant to Government Code Section 54957.6

District Negotiator(s): Tom Cage and Dennis Domaille

Unrepresented Employee: General Manager

The Board returned to open session at 9:40 p.m. There was no report from closed session.

D. CURRENT BUSINESS (cont.)

D-9 Consideration and Possible Approval of an Adjustment in Compensation Paid to the General Manager Based on Performance Evaluation

President Smith expressed appreciation for the quality of leadership Mr. Hayes has brought to the MCWD.

Following a brief discussion and negotiation, Director Cage made a motion.

BOARD ACTION – To increase the compensation paid to Patrick Hayes, General Manager, by 9% distributed as follows: \$6,400K wage increase to his annual salary, retroactive to the scheduled review date of October 15, 2016; and a \$9,044K performance award

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

I. ADJOURNMENT

BOARD ACTION – To adjourn the meeting

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

President Smith adjourned the meeting at 9:50 p.m.