

MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
PARADISE IRRIGATION DISTRICT
JANUARY 16, 2019

The regular meeting of the Board of Directors of the Paradise Irrigation District was called to order at 6:30 p.m. by Vice President Anne Rice, followed by an Invocation and the Pledge of Allegiance to the Flag of the United States of America.

OPENING

BOARD MEMBERS PRESENT: Directors Marc Sulik, Vice-President Anne Rice, Bob Prevot, Bill Kellogg (Dan Hansen appointed & seated as Director, Division 1 – Agenda item 2.b.)

ROLL CALL

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Assistant District Manager Kevin Phillips, Information Systems Manager Mickey Rich, WTP Superintendent Bill Taylor, Distribution Superintendent Jim Ladrini, and Board Secretary Georgeanna Borrayo

ALSO PRESENT: Attorney Emily LaMoe and members of the public

Following the resignation of Dan Wentland on December 6, 2018, the Board directed staff to notice the vacancy in the office of Director, Division 1. On December 26, 2018 the District issued a Press Release seeking qualified applicants to serve as an appointed Director. Persons interested in being considered for appointment to fill the vacancy were required to submit a letter of interest to the Board of Directors no later than 4:00 p.m. on January 10, 2019. The District received letters from two candidates, Ward Habriel and Dan Hansen.

APPOINTMENT OF
DIRECTOR,
DIVISION 1 (Item
2.a.)

Following an opportunity for the Board to present questions to the two candidates, it was moved by Director Rice and seconded by Director Sulik to appoint Dan Hansen to fill the Division 1 vacancy on the Board of Directors of the Paradise Irrigation District to serve the remainder of the term for the seat vacated – until December 4, 2020. Directors votes were polled as follows by roll call:

AYES: Directors Rice, Prevot, and Sulik

NOES: Director Kellogg

ABSENT: Division 1 Director seat vacant

Motion passes 3-1 to appoint Dan Hansen to fill the Division 1 vacancy.

The Oath of Office was administered by the Secretary to Dan Hansen to serve in the Office of Director, Division 1 for the remainder of the term for the seat vacated until December 4, 2020.

OATH OF OFFICE
DAN HANSEN,
OFFICE OF
DIRECTOR, DIV. 1
(Item 2.b.)

Board members reviewed consent calendar items as follows:

3.a. Approval of Meeting Agenda Order

3.b. Approval of Minutes: Regular Meeting of October 17, 2018, Emergency Meeting of November 13, 2018, and Regular Meeting of December 19, 2018.

CONSENT
CALENDAR
APPROVED
(Item 3.a.-3.b.)

CONTINUED –
CONSENT
CALENDAR
APPROVED

It was moved by Director Rice and seconded by Director Prevot to approve the Consent Calendar as presented.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik

NOES: None

ABSENT: None

Motion passes 5-0

PUBLIC
PARTICIPATION
(Item 4)

Public participation included the following: 1) Customer inquiry regarding the water system recovery status for Paradise; 2) Ward Habriel commented on fire flows and increasing pipe size in the distribution system; 3) Jack Hill expressed concerns about transparency regarding water sampling and posting lab test locations and results on the District's web site; 4) Bob Dickinson indicated if you want people to rebuild in Paradise, property owners need to feel confident about water quality information and testing to ensure water is safe to drink; 5) Sean Shingler acknowledged employees for their hard work, and commented on having plans in place to make sure every home that is rebuilt has the correct meter size; and 6) Greg Thomas noted PID has posted the lab test results on the District's web site and through other social media. Perhaps staff may consider an alternative communication for property owners that may not be as technology forward.

FACILITIES STATUS
REPORT UPDATE
(Item 5)

Manager Phillips emphasized the health and safety of customers is of utmost importance to the District. The District will continue to strive to provide more information regarding the benzene contamination as we learn more throughout the water quality investigation process and discussions with water quality experts. District crews are now preparing to perform similar testing in the District's top pressure zone – A Zone. Staff will have more answers on what to do for the rest of the zones after we receive the results from A-Zone samples.

Assistant Superintendent Jim Ladrini added nine samples have been taken. Six samples were on the District's transmission system (large delivery system where water travels from Paradise Lake, through the treatment plant, and into town). The remaining three samples were on the distribution system at PID's water quality sampling sites. Of those three samples, one at the bottom end of the system came back at 1.1 ug/L – microgram per liter (approximately 1 part per billion). The highest sample result was 15.6 ug/L taken on the customer side of the meter. Although some of the tests came back as "Not Detected", the District plans to test many more samples of water as the system is turned on.

Manager Phillips further reported the District is working with California's Division of Drinking Water to develop a sampling plan that will help us find and remove all contamination from the system. PID continues to work closely with CalOES and FEMA to make sure we are meeting the requirements for funding to help recover the water system. Additionally, the District is requesting funding to provide for upgrading meters to the proper size to increase flows for fire protection.

BOARD RECESS

President Sulik called for a Board recess at 7:55 p.m.

MEETING
RECONVENED

President Sulik reconvened the regular meeting at 8:06 p.m.

STAFF REPORT &
COMMUNITY
RELATIONS
REPORT UPDATES
(Item 6.a.&6.b.)

Staff commented on PID employees working together as a group and acknowledged support received from other water agencies providing mutual assistance. The Water Treatment Plant is operating great. Only minor damage occurred at the Water Treatment Plant as a result of the fire, which burned the fill line for the chlorine tank, and landscaping and irrigation piping around the treatment plant.

Public Information Officer Mickey Rich provided a community relations update and indicated it has been a challenging time. Some customers are trying to live in Paradise with no water or internet and for the most part, the public members understand the situation and challenges. The District is experiencing some technical difficulties with AT&T, which has made it difficult for customers to connect with the office due to limited phone service. Monitoring media activity and updating information on the web site has been a non-stop job. The District strives to answer as many of our resident's questions as possible, and will continue to communicate information as we learn more throughout the process. Manager Phillips added staff is working with state agencies and has also reached out to universities for expertise regarding water quality guidance. *Information item only; no Board action taken.*

CONTINUED –
STAFF &
COMMUNITY
RELATIONS
REPORT UPDATE

Manager Phillips reported the District has \$5 million in reserves for the period ending December 31, 2018. Staff continues to evaluate opportunities to reduce costs. All fireflies in inventory for the automated meter reading system have been returned for credit. PID has received \$1.3 million from our insurance provider representing a portion of our business interruption insurance, and staff is working with Cal OES to submit a list of projects based on damaged inventory within the water system to receive additional funding of approximately \$2 million. Manager Phillips added he will be participating as a guest speaker at a luncheon with legislators to discuss revenue replacement needs.

VERBAL
TREASURER'S
REPORT FOR
PERIOD ENDING
DEC. 31, 2018
(Item 7)

It was further noted all water handed out to PID customers at the drive-thru bottled water distribution location has been donated, and a bin to recycle empty water bottles is available in the PID parking lot. *Information item only; no Board action taken.*

Board members reviewed accounts payable reports for the month of December, 2018. It was moved by Director Kellogg and seconded by Director Prevot to approve General Fund check numbers 52627 through 52694 for the month of December, 2018 totaling \$349,792.50, exclusive of voided check numbers 52686 and 52690, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of January.

APPROVAL OF
CHECKS FOR THE
MONTH OF
DECEMBER, 2018
(Item 8)

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik
NOES: None
ABSENT: None

Motion passes 5-0

Attorney Emily LaMoe reported their firm has been working with Manager Phillips and PID's insurance provider to ensure the District is receiving all the coverages under its policy. In reference to the litigation initiated on behalf of PID and other water agencies regarding a Public Records Act request concerning Long-Term Conservation Mandates, their firm is preparing a motion to collect attorney fees.

LEGAL REPORT
(Item 9)

Manager Phillips reported this item is continued from the December 19, 2018 Board meeting following review and discussion of potential amendments to PID Policy & Procedures Chapter 7.7 – Sealed Meter Charge, and Chapter 7.73 – Discontinued Service. The Board provided direction at the December meeting to make draft amendments to the policy for review in January.

UNFINISHED
BUSINESS:

It was moved by Director Kellogg and seconded by Director Rice to adopt amendments to PID Policy & Procedures as presented: Chapter 7.7 – Sealed Meter Charge, 7.8 – Billing Procedures, and title change to "ready to serve" status in Chapters 6.6.4 – Continuity of Service, and 6.12.4 – Active Meters.

AMENDMENT TO
PID POLICY &
PROCEDURES RE:
SEALED METER
CHARGE ADOPTED
(Item 10.a.)

NEW BUSINESS:

Manager Phillips reported inviting Dan Efseaff, District Manager of the Paradise Recreation & Park District (PRPD), to discuss options with regard to redirecting the management and oversight of recreation at Paradise Lake through PRPD.

RECREATION
OPTIONS
REGARDING
MANAGEMENT &
OVERSIGHT OF
RECREATION AT
PARADISE LAKE
(Item 11.a.)

Dan Efseaff indicated that moving forward, PRPD's core business and needs will depend on PRPD becoming more of a destination for parks and recreation. He feels this is a good opportunity to explore some options concerning services PRPD might be able to provide and see if there is a mutually beneficial approach that can be taken to provide solutions for the management and oversight of recreation at Paradise Lake.

Manager Phillips added he is seeking direction on whether the Board is interested in evaluating this idea further. Following discussion, the Board recommended Managers Efseaff and Phillips discuss a scope of what they feel would be involved to explore this further, and perhaps coordinate a committee to include each manager and one Board member from each agency.

AMENDMENT TO PID
POLICY &
PROCEDURES
CHAPTER 6.14 RE:
CROSS
CONNECTION &
BACKFLOW
CONTROL ADOPTED
(Item 11.b.)

Assistant Distribution Superintendent Jim Ladrini indicated damage to PID water service connections caused by the November 8, 2018 Camp Fire, requires immediate attention be directed toward backflow prevention issues. As Paradise repopulates and customers request water service at their properties, there are potential hazards and risk levels for backflow through back pressure and back siphoning associated with use of water on properties, alternative plumbing methods, etc.

The proposed revisions are meant to be an interim solution to final policy, which is intended to be presented to the Board late 2019. Revisions to the section of District Policy regarding cross-connection control and backflow prevention serve to replace outdated requirements and institute requirements, which will provide adequate protection for known and unknown, or potential hazards as allowed by State regulations.

It was moved by Director Kellogg and seconded by Director Rice to adopt proposed revisions to PID Policy & Procedures Section 6.14 Cross-Connection and Backflow.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik

NOES: None

ABSENT: None

Motion passes 5-0

STAFFING UPDATE
(Item 11.c.)

Manager Phillips reported that prior to the November 8, 2018 Camp Fire, PID's staffing level was at 36 employees, which is now down to 28. Four employees retired effective January 1, 2019. Ed Fortner's last day with the District was also in January. Additionally, three distribution employees have resigned and relocated to other areas. The District is working at the minimum staffing level possible, but it may be necessary to backfill some positions. *Informational item only; no Board action taken.*

RESOLUTION NO.
2019-01 ADOPTED
ACKNOWLEDGING
DONATIONS
RECEIVED FROM
AGENCIES
FOLLOWING THE
CAMP FIRE
(Item 11.d.)

Manager Phillips indicated the District has received assistance in the form of donations following the Camp Fire on November 8, 2018 from agencies desiring to help the District and its employees. This resolution acknowledges those agencies for their generosity in support of our organization and employees.

It was moved by Director Rice and seconded by Director Prevot to adopt Resolution No. 2019-01, A Resolution by the Board of Directors acknowledging donations. Directors votes were polled as follows by roll call:

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik
NOES: None
ABSENT: None

Motion passes 5-0

REQUEST FOR
PROPOSAL FOR
PROJECT
MANAGER FOR
DISASTER
RECOVERY
SERVICES
(Item 11.e.)

Manager Phillips reported the District is looking to issue a Request for Proposal (RFP) for project management services. The selected firm would have the experience and ability to manage the entire scope of post disaster recovery planning and coordination. The purpose of the contract will be to support the implementation of a strategic plan to restore water service. It is anticipated proposals may be available to present for consideration at the February Board meeting.

It was moved by Director Rice and seconded by Director Prevot to authorize staff to distribute a Request for Proposal for project management services for post disaster recovery planning and coordination.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik
NOES: None
ABSENT: None

Motion passes 5-0

REQUEST FOR
PROPOSAL FOR
ARBORIST
SERVICES FOR
HAZARDOUS TREE
REMOVAL
(Item 11.f.)

The Camp Fire has damaged trees along approximately 5.5 miles of District maintained roads. As part of the Camp Fire recovery effort, the District would like to issue a Request for Proposal to retain the services of an arborist contractor to evaluate hazardous trees as defined by FEMA and prioritize removal. Trees that may be a hazard, but were not damaged by the fire, will not be included.

It was moved by Director Prevot and seconded by Director Rice to authorize staff to distribute a Request for Proposal to retain the services of a consultant to perform arborist services to evaluate hazardous trees as part of the Camp Fire Recovery effort.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik
NOES: None
ABSENT: None

Motion passes 5-0

WATER QUALITY
SPECIALIST
SERVICES
(Item 11.g.)

Manager Phillips reported he is seeking authorization from the Board to retain the services of a Water Quality Specialist as we work to develop a strategy for identifying and removing potential contaminants introduced as a result of the Camp fire.

It was moved by Director Rice and seconded by Director Prevot to authorize staff to retain the services of a Water Quality Specialist.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik
NOES: None
ABSENT: None

Motion passes 5-0

COMMITTEES OF
THE DISTRICT FOR
2019
(Item 11.h.)

Following review of Board member representation on committees of the District, President Sulik confirmed the following changes for 2019:

Administration & Personnel: Dan Hansen and Bob Prevot (Chairperson)
Finance Committee: Dan Hansen and Bob Prevot (Chairperson)
Ad Hoc Negotiating Committee: Bob Prevot and Anne Rice (Chairperson)
Ad Hoc Treatment Plant Operational Review Committee changed to, "Ad Hoc Water

Quality Review Committee.”

The secretary will distribute an updated list of committee assignments for 2019 as amended.

STATEMENT OF
INVESTMENT
POLICY
(Item 11.i.)

Manager Phillips reported the Statement of Investment Policy is reviewed annually by the Board to amend as appropriate, or otherwise ratify its continuance. He is not recommending any changes at this time.

It was moved by Director Kellogg and seconded by Director Rice to approve and reaffirm continuance and delegation of investment functions as provided in PID Policy and Procedures Chapter 14, Investment Policy.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik

NOES: None

ABSENT: None

Motion passes 5-0

PID
DEMONSTRATION
GARDEN
DISCUSSION
(Item 11.j.)

Director Kellogg stated he placed this item on the agenda to point out to the community the PID Demonstration Garden will provide ideas for landscaping when property owners are ready to redo their landscaping. He added that property owners should avoid planting Oleanders as they are poisonous. *Informational item only; no Board action taken.*

DIRECTORS'
COMMENTS
(Item 12)

Director Hansen: Thanked the Board for their consideration and indicated he will do his best to represent the District and public.

Director Prevot: Commented that any questions about transparency have been answered this evening. Everyone received a lot of information and staff did a great job.

Director Kellogg: Stated he agrees with Director Prevot's comment and added he is glad to see the PID water System Recovery Map will be available soon.

President Sulik: Thanked PID employees and the public for their comments and everyone being flexible.

CLOSED SESSION
(Item 13.a.&13.b.)

President Sulik announced closed session items on the agenda. Following an opportunity for public comment, the Board adjourned to closed session at 9:56 p.m. to discuss the following:

13.a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (a) of subdivision (d) of Government Code section 54956.9): Neil Essila et al v. Paradise Irrigation District et al. Butte County Superior Court Case No. 17CV02546.

Closed Session Announcement: *Direction has been given to Legal Counsel.*

13.b. PUBLIC EMPLOYMENT: Assistant District Manager and District Manager pursuant to Government Code section 54957.

Closed Session Announcement: *No information to report; no action was taken in closed session.*

CLOSED SESSION
ANNOUNCEMENT

President Sulik reconvened the regular meeting at 10:29 p.m. and provided a closed session announcement regarding agenda items 13.a. and 13.b. as listed above in italicized font.

Director Rice stated that during the 1 ½ year period Kevin Phillips represented Paradise Irrigation District as Interim District Manager, he did a very good job and since the fire, he has been exemplary. She is proposing the Board enter into an Employment Agreement with Kevin Phillips for the District Manager position.

OPEN SESSION:
DISTRICT MANAGER
POSITION
(Item 15.a.)

In reference to a compensation package, Director Rice recommended the same contract and compensation Ed Fortner received with an exception for severance pay.
- Beginning salary of \$152,000 per annum and after six months, the Board will conduct a performance evaluation and consider a salary increase to \$157,000 per year.
- Automobile expense of \$500 as a monthly automobile allowance.
- Kevin Phillips' current Employment Agreement regarding severance pay would remain as written with twelve months base salary.

It was moved by Director Rice and seconded by Director Prevot to approve the Employment Agreement with Kevin Phillips as District Manager as recommended above.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik

NOES: None

ABSENT: None

Motion passes 5-0

Manager Phillips requested the Board approve the Finance & Accounting Manager Job Description with a salary range of \$75,000 to \$90,000 per annum. Director Rice indicated a revision is recommended under Examples of Duties to include, "Serves as Controller for the District."

FINANCE &
ACCOUNTING
MANAGER
POSITION
(Item 15.b.)

It was moved by Director Rice and seconded by Director Prevot to approve the Finance & Accounting Manager job description with salary range as proposed and recommended revision stated above.

AYES: Directors Hansen, Rice, Prevot, Kellogg, and Sulik

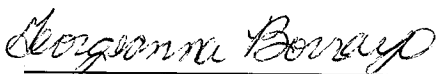
NOES: None

ABSENT: None

Motion passes 5-0

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 10:49 p.m.

ADJOURNMENT


Georgeanna Borrayo, Secretary


Marc Sulik, President