

MINUTES  
REGULAR MEETING  
BOARD OF DIRECTORS  
PARADISE IRRIGATION DISTRICT  
FEBRUARY 20, 2019

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

OPENING

BOARD MEMBERS PRESENT: Directors Dan Hansen, President Marc Sulik, Vice-President Bob Prevot, and Bill Kellogg

ROLL CALL

BOARD MEMBERS ABSENT: Division 3 Director seat vacant following a letter of resignation submitted from Anne Rice effective today, February 20, 2019.

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

ALSO PRESENT: Attorneys Emily LaMoe and Dustin Cooper and members of the public

Board members reviewed consent calendar items as follows:

APPROVAL OF  
CONSENT  
CALENDAR  
(Item 2.a.-2.d.)

- 2.a. Approval of Meeting Agenda Order
- 2.b. Approval of Minutes: Regular Meeting of January 16, 2019
- 2.c. Approval of ACWA Invoice: 2019 Annual Agency Dues
- 2.d. Acceptance of Invoice for Election Services: Nov. 6, 2018 General Election

Staff requested consideration to move agenda item 8 - Legal Report, forward on the agenda following agenda item 3. It was moved by Director Kellogg and seconded by Director Hansen to approve the Consent Calendar with the recommended change to the meeting agenda order.

AYES: Directors Hansen, Prevot, Kellogg, and Sulik

NOES: None

ABSENT: Division 3 Director seat vacant

**Motion passes 4-0**

Ward Habriel commented on the following: 1) Information communicated at the Town Council meeting by Assistant Distribution Superintendent Jim Ladrini was informative, and 2) Posting a drinking water advisory/warning.

PUBLIC  
PARTICIPATION  
(Item 3)

Attorney Dustin Cooper provided an overview of activities on the legislative front with the objective to secure revenue backfill as a result of the Camp Fire. A week ago, the Governor signed AB 72, which provides for some property tax backfill as a result of wildfires during the 2017, 2018, and 2019 tax years. Of the \$64 million, \$31,331,000.00 is earmarked for Butte County. This will benefit PID, but not as significantly.

LEGAL REPORT  
(Item 8)

Efforts to secure funding for PID continue with ongoing discussions with the county, town, various labor groups, statewide associations and state and federal lawmakers. Our request is that the District would receive revenues to keep the doors open. This

would be funding that insurance, FEMA, or CalOES would not cover. Meetings held with legislators to date have been positive. The next series of discussions will be in Sacramento this Friday.

FACILITIES STATUS  
REPORT UPDATE  
(Item 4)

Staff reported crews have been working extremely hard to make sure the system is up and running and pressurized. PID's ongoing water quality investigation continues and the District is working on a plan to find and isolate contaminated portions of the water system. Once these areas are isolated, PID will clean or replace portions of the piping system until water meets drinking water standards. Staff is working with the state and federal emergency agencies to create and finance a plan to chart the best course of action to recover the water system.

Bottled water distribution is available for Paradise residents Monday to Friday, 10 am to 2 pm, 6332 Clark Road, Paradise. Additionally, a 1 to 5 gallon fill station is now open at the Water Treatment Plant Monday to Friday, 7 am to 4 pm, 13888 Pineneedle Drive, Magalia.

BOARD RECESS

President Sulik called for a Board recess at 7:52 p.m.

MEETING  
RECONVENED

President Sulik reconvened the regular meeting at 8:03 p.m. and announced a request to move agenda item 9.a. forward on the agenda prior to staff reports under item 5.

BUTTE CO. FIRE  
SAFE COUNCIL  
CAMP FIRE TIMBER  
& BIOMASS  
REMOVAL PROJECT  
FOR HAZARDOUS  
FUELS REDUCTION  
(Item 9.a.)

Manager Phillips announced Jim Broshears, Treasurer of the Butte County Fire Safe Council (BCFSC), is in attendance representing the BCFSC approved pilot program they would like to partner with PID on, as well as the Paradise Pines Property Owners Association and Paradise Recreation and Park District.

Jim Broshears commented the pilot project is relating to hazardous fuels reduction in the form of dead and dying trees and biomass removal. The Wildland Urban Interface project area is approximately 30,000 acres within the 156,000 acre footprint of the Camp Fire. A Memorandum of Understanding between PID and the BCFSC would authorize removal of the dead and dying trees on PID's property and to receive value back on the trees that still have value.

It was moved Director Prevot and seconded by Director Kellogg to authorize approval to enter into a Memorandum of Understanding with the Butte County Fire Safe Council for the Camp Fire Timber and Biomass Removal Project, and authorize the District Manager to execute the agreement subject to legal review.

AYES: Directors Hansen, Prevot, Kellogg, and Sulik

NOES: None

ABSENT: Division 3 Director seat vacant

**Motion passes 4-0**

STAFF REPORT  
UPDATES  
(Item 5.a. & 5.b.)

Staff reported Customer Service continues to field calls, which includes questions about the corrected water bills recently distributed. Staff understands contacting PID has presented challenges and we're working on that. PID has contracted with a dispatch company to bridge this gap for incoming calls and relaying information from the customer to PID. The District is waiting for other utilities in order to resume operations at the Paradise office location. As of today, Customer Service has processed address updates for approximately 4,000 accounts and efforts continue to reach additional customers. Staff is working on a newsletter, radio information, print outs to place around town, and other avenues to provide information to the community. Director Kellogg suggested exploring the possibility of conducting all District business using cell phones only, and looking at other options for internet service providers. *Information item only; no Board action taken.*

Manager Phillips reported the District has \$3.5 million in reserves for the period ending January 31, 2019. Payroll expenses over the last month were higher as a result of retirement payouts from vacation accruals and severance payout to some of the retirees for early retirement. Under the Mutual Aid Services Agreement, \$193,000 has been paid to Cal Water. To date, PID has received \$1.3 million from our insurance provider representing a portion of 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 efforts continue to secure revenue for PID through ongoing discussions with state and federal legislators. *Information item only; no Board action taken.*

VERBAL  
TREASURER'S  
REPORT FOR  
PERIOD ENDING  
JANUARY 31, 2019  
(Item 6)

Board members reviewed accounts payable reports for the month of January, 2019. Discussion included the AquaHawk alerting system and whether to continue paying for this service in light of damage to the automated meter reading system from the November wildfire. Staff reported customers have been referring to their water history, so the District is checking with AquaHawk on options to provide a reduced service and fee to PID.

APPROVAL OF  
CHECKS FOR THE  
MONTH OF  
JANUARY, 2019  
(Item 7)

It was moved by Director Kellogg and seconded by Director Hansen to approve General Fund check numbers 52697 through 52784 for the month of January, 2019 totaling \$535,426.05, exclusive of voided check numbers 52700, 52746, 52754, 52765, and 52766, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of February.

AYES: Directors Hansen, Prevot, Kellogg, and Sulik  
NOES: None  
ABSENT: Division 3 Director seat vacant

**Motion passes 4-0**

Manager Phillips reported as part of the Camp Fire recovery effort, the District issued a Request for Proposal for removing hazardous trees along approximately 5.5 miles of District maintained roads and public trails. Eight proposals were received from qualified arborists. Attorney Emily LaMoe added the arborist will identify the hazardous trees as defined by FEMA to be hazardous. Following completion of this work, it will then be necessary to contract with a tree felling company and also with a monitoring company for the tree removal portion of the project.

PROFESSIONAL  
ARBORIST  
SERVICES FOR  
CAMP FIRE  
HAZARDOUS TREE  
EVALUATION  
(Item 9.b.)

It was moved by Director Hansen and seconded by Director Prevot to authorize the District Manager to execute an agreement with Firestorm Wildland Fire Suppression for Arborist Services related to the Camp Fire for a not to exceed amount of \$26,880.00.

AYES: Directors Hansen, Prevot, and Sulik  
NOES: Director Kellogg  
ABSENT: Division 3 Director seat vacant

**Motion passes 3-1**

Manager Phillips reported receiving a letter of resignation from Director Anne Rice effective February 20, 2019; adding staff would like to confirm how the Board of Directors would like to proceed with regard to filling the vacancy. The person appointed to the vacancy would serve until the next general district election in November, 2020, and thereafter until the person elected to fill the vacancy assumes office in December 2020.

DIRECTOR  
VACANCY, DIV. 3 –  
LETTER OF  
RESIGNATION  
FROM ANNE RICE  
EFFECTIVE  
FEBRUARY 20, 2019  
(Item 9.c.)

It was moved by Director Kellogg and seconded by Director Prevot to immediately advertise the director vacancy in Division 3 and accept letters of interest from eligible

CONTINUED –  
DIRECTOR  
VACANCY, DIV. 3

persons wishing to be considered for appointment.

AYES: Directors Hansen, Prevot, Kellogg, and Sulik  
NOES: None  
ABSENT: Division 3 Director seat vacant

**Motion passes 4-0**

ELECTION OF VICE-  
PRESIDENT  
(Item 9.d.)

President Sulik opened nominations for the office of Vice President succeeding Director Anne Rice who resigned from office effective February 20, 2019. It was moved by Director Kellogg and seconded by Director Hansen to nominate Director Prevot as Vice President.

AYES: Directors Hansen, Prevot, Kellogg, and Sulik  
NOES: None  
ABSENT: Division 3 Director seat vacant

**Motion passes 4-0**

INTERNET & PHONE  
SERVICE OPTIONS  
FOR PID  
(Item 9.e.)

Director Kellogg indicated he requested this agenda item. He has no further comments to add as information regarding updates relating to internet and phone service were discussed under agenda item 5 – Staff Reports. *Information item only; no Board action taken.*

MOBILE  
TELEPHONE USE  
(Item 9.f.)

Director Kellogg reported he requested this agenda item. He has no further comments to add as he commented on the possibility of employees conducting all district business from cell phones under agenda item 5 – Staff Reports. Board members also received a copy of the District's Mobile Telephone Use Policy in the agenda packet. *Information item only; no Board action taken.*

DISCUSSION ITEM  
RE: RESTORING  
WATER SERVICE  
FOR CUSTOMERS  
(Item 9.g.)

Director Kellogg stated he submitted this agenda item to discuss water service for customers. Recognizing that PID is currently restoring non-potable water to standing homes only at the customer's request, he would also like the District to consider restoring water service as customers ask; whether they have a standing structure or not; i.e., a travel trailer, etc. He feels this is important as the District generates revenue through water sales.

Manager Phillips indicated the District is finding the majority of contaminants in burned structures. While PID is developing its plan to find and isolate contaminated portions of the water system, it works best to have fewer people on the system in order to isolate the contaminants. Once these areas are isolated, PID will clean or replace portions of the piping system until water meets drinking water standards. The District recognizes selling water is our business model and is working hard toward that goal. *Information item only; no Board action taken.*

DIRECTORS'  
COMMENTS  
(Item 10.)

Director Prevot: Reports this evening were very sobering concerning details and the process to restore clean water to PID's water system. There will be some tough decisions ahead and as time goes on, the pressure is likely to increase.

Director Hansen: Commented there is going to be some really difficult decisions ahead and the situation is going to take time and patience.

Director Kellogg: Confident the District will do what is necessary to figure out a solution.

Director Sulik: There have been a lot of good questions and discussion. It is important to work together as a team – staff, board members, and community.

President Sulik announced the Board will recess as the Paradise Irrigation Board of Directors and convene as the Paradise Irrigation Public Facilities Financing Corporation (PFFC) Board. The Board adjourned to the annual meeting of the PFFC Board at 9:14 p.m.

BOARD RECESS  
FOR ANNUAL  
MEETING OF PFFC  
BOARD (Item 11)

President Sulik reconvened the regular meeting of the Board of Directors of the Paradise Irrigation District at 9:19 p.m.

CONTINUED – PID  
BOARD OF  
DIRECTORS  
REGULAR MEETING

President Sulik announced closed session discussion pertaining to agenda items 12.a., 12.b., and 12.c. Following an opportunity for comments, the Board adjourned to closed session at 9:20 p.m. to discuss the following:

CLOSED SESSION  
(Item 12)

- 12.a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One potential case.

*Closed Session Announcement: The Board has authorized Legal Counsel to initiate a legal action. Once the action is formally commenced, the identities of the defendants and other particulars will be disclosed to any person upon inquiry. Directors' votes were polled as follows by roll call:*

AYES: Directors Hansen, Prevot, Kellogg, and Sulik  
NOES: None  
ABSENT: Division 3 Director seat vacant

- 12.b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Government Code Section 54956.9): Bay-Delta proceedings, including the California WaterFix, the associated environmental document and change petition pending before the State Water Resources Control Board, and the planned update to the Bay-Delta Water Quality Control Plan.

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

- 12.c. PUBLIC EMPLOYMENT: Finance & Accounting Manager pursuant to Government Code section 54957.

*Closed Session Announcement: No action to report from closed session. Discussion will be held under open session agenda item 14.a. regarding the Finance & Accounting Manager position to consider compensation adjustments and an Employment Agreement with Ross Gilb.*

President Sulik reconvened the regular meeting at 9:48 p.m. and provided closed session announcement information regarding agenda items 12.a., 12.b., and 12.c. as listed above in italicized font.

CLOSED SESSION  
ANNOUNCEMENT

Manager Phillips reported at the regular meeting on January 16, 2019, Board authorization was provided to advertise for a Finance & Accounting Manager position with a salary range of \$75,000 to \$90,000 per annum. Interviews for this position were conducted on February 15, 2019. The interview panel selected Ross Gilb for the position. In reference to compensation package, the starting salary recommended is \$75,000 per year with language in the Agreement to provide an annual cost of living adjustment beginning January 1, 2020. Supplemental benefits (holidays, sick leave, vacation leave, retirement benefits, health, vision, dental, disability insurance, and life insurance) will be the same as provided to District management employees. Administrative leave of five days per year.

OPEN SESSION:  
FINANCE &  
ACCOUNTING  
MANAGER  
POSITION  
(Item 14.a.)



It was moved by Director Prevot and seconded by Director Kellogg to approve the Employment Agreement with Ross Gilb subject to successful completion of pre-employment and background screenings.

AYES: Directors Hansen, Prevot, Kellogg, and Sulik

NOES: None

ABSENT: Division 3 Director seat vacant

**Motion passes 4-0**

#### ADJOURNMENT

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 9:50 p.m.

  
Georgeanna Borrayo, Secretary

  
Marc Sulik, President