

MINUTES

REGULAR MEETING BOARD OF DIRECTORS PARADISE IRRIGATION DISTRICT AUGUST 21, 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, Shelby Boston, President Marc Sulik, and Bill Kellogg

ROLL CALL

BOARD MEMBERS ABSENT: Division 5 Director seat vacant following a letter of resignation submitted to the District Secretary from Bob Prevot on August 15, 2019 effective immediately.

STAFF PRESENT: District Manager Kevin Phillips, Finance & Accounting Manager Ross Gilb, T&D Superintendent Jim Ladrini, and Secretary Georgeanna Borrayo

ALSO PRESENT: Attorney Emily LaMoe, Consulting Firms Water Works Engineers, APTIM, and members of the public

Board members reviewed consent calendar items as follows:

APPROVAL OF
CONSENT
CALENDAR
(Item 2.a. – 2.b.)

- 2.a. Approval of Meeting Agenda Order
- 2.b. Approval of Minutes: Regular Meeting of July 17, 2019

It was moved by Director Boston and seconded by Director Kellogg to approve the Consent Calendar as presented.

AYES: Directors Hansen, Boston, Kellogg, and Sulik

NOES: None

ABSENT: Division 5 Director seat vacant

Motion passes 4-0

Ward Habriel commented on the following: 1) The Paradise Garden Club has acknowledged the Demonstration Garden is one of the areas where they would like to plant additional daffodils in the fall; 2) An architectural rendering is available for the proposed fire safe demonstration structure. The Paradise Fire Safe Council has offered their support of the project; and 3) A report on the progress of recovery work efforts and complaints received relating to various agencies.

PUBLIC
PARTICIPATION
(Item 3)

Consultant Sami Kader with Water Works Engineers provided an informational update on the PID Water Supply Recovery Program, as well as an update on the Reservoir B Replacement.

RECOVERY
PROCESS STATUS
UPDATE
(Item 4)

Water Supply Recovery: To date, 2,352 sites have been sampled. This total includes 459 standing structure service laterals, 488 destroyed structure service laterals, 868 water mains, and 537 other samples (hydrants, field blanks, etc.). For main clearing, 110 of 172 miles of main have been cleared (64%). The remaining uncleared mains are almost entirely dead-end, smaller diameter mains which serve few or no standing structures. These mains will be tested in conjunction with a need to clear a service lateral on them.

Progress on standing structure sampling: Protocols are in place for sampling and clearing. Currently, both hose-overs and customer requested outages are being used for stagnation. New protocol for continuous flow from untested service as a source for stagnation is being developed and tested, and the Recovery Team is exploring options to continue standing structure sampling work; i.e., Mutual Aid, Temporary Workers, Contractors.

CONTINUED –
RECOVERY
PROCESS STATUS
UPDATE
(Item 4)

Standing Structure Clearing: 154 locations currently cleared and sent letters lifting the Water Quality Advisory. 114 additional locations have been tested and are under evaluation. 268 total locations have been cleared or are in the final stages of clearing (20% of standing structures).

Reservoir B Replacement Update: The District is currently working with the U.S. Department of Agriculture (USDA) on grant funding 60% with a 40% cost share. The 40% cost share would be based on insurance proceeds. The goal is to be able to perform site and yard piping work and construct one 2.6 MG bolted steel tank with USDA grant funds. Staff is also working through a Hazard Mitigation Grant Funding Application with FEMA and applying funding for construction of the second 2.6 MG bolted steel tank. The District is working to move the project forward this year for 2020 construction.

Manager Phillips highlighted information outlined in a written District Manager's Report. Additional comments included information regarding the following:

PID STAFF &
FACILITY REPORT
UPDATE FOR JULY
2019
(Item 5)

Long-term Business Plan – Intertie Project: During the rebuilding period of the Town of Paradise, PID's water supply, water treatment plant, and facilities may be underutilized and considered a stranded asset. An intertie project would provide a dual benefit of keeping PID financially viable and improving groundwater sustainability in the Vina sub-basin. A Memorandum of Understanding regarding the Intertie Feasibility Study will be presented to the Board in September.

Legislative Budget Request: The District recently received a letter from the Department of Finance confirming there is \$14,748,660 allocated to offset revenue the Paradise Irrigation District is projected to lose in the 2019-20 and 2020-21 fiscal years due to damage caused by the November 8, 2018 Camp Fire. The authorized backfill for each fiscal year is \$7,374,330. The disbursement of these funds is contingent on certain metrics, which the District is currently reviewing with Legal Counsel.

FEMA/Cal OES: Representatives from APTIM Environmental & Infrastructure are present this evening to listen to discussion on business items for consideration. APTIM is working with the District to provide post-fire disaster public assistance and disaster recovery services to assist in support of the District's recovery efforts for state and federal aid programs.

Finance & Accounting Manager Ross Gilb provided an overview of information presented in a written Treasurer's Report for the period ending July 31, 2019. It was moved by Director Boston and seconded by Director Hansen to accept the Treasurer's Report as presented.

TREASURER'S
REPORT
ACCEPTED FOR
PERIOD ENDING
JULY 31, 2019
(Item 6)

AYES: Directors Hansen, Boston, Kellogg, and Sulik

NOES: None

ABSENT: Division 5 Director seat vacant

Motion passes 4-0

APPROVAL OF
CHECKS FOR THE
MONTH OF JULY
2019 (Item 7)

Board members reviewed accounts payable expense reports for the month of July 2019. It was moved by Director Boston and seconded by Director Hansen to approve General Fund Check numbers 53553 through 53641 for the month of July 2019 totaling \$721,641.17, exclusive of voided check numbers 53553, 53579, 53580, 53588, and 53615, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of August.

AYES: Directors Hansen, Boston, Kellogg, and Sulik
NOES: None
ABSENT: Division 5 Director seat vacant
Motion passes 4-0

LEGAL REPORT

Attorney Emily LaMoe announced there is no open session legal report this evening.

UNFINISHED
BUSINESS:

None to Report.

NEW BUSINESS:

SERVICE LATERAL
REPLACEMENT
PROJECT REVIEW
(Item 10.a.)

Consultant Sami Kader reported the Request for Proposal (RFP) is under development to hire a contractor to replace service laterals to burned lots; adding this is a short-term force augmentation intended to get through the current backlog of need. For the long-term, this work will be performed by PID staff.

The initial thought is to replace 250-300 service laterals using this program with an estimated completion date of April 2020. Estimated cost is \$1.35 million for 250 replacement laterals, which is anticipated to be FEMA/CalOES reimbursable (6.25% PID share).

If the Board desires, the Project could also support temporary housing, which can be estimated by temporary power applications. This would increase the total to 600-650 replacements and would increase costs to approximately \$3.5 million dollars. This would adjust the schedule through September 2020.

Based on Board discussion, Water Works Engineers will issue a RFP to include installation of up to 650 water service laterals, which will support temporary housing as noted in the above paragraph.

DISASTER
RECOVERY
MANAGEMENT
SERVICES –
CONTRACT
AMENDMENT 1
WITH WATER
WORKS ENGINEERS
APPROVED
(Item 10.b.)

Water Works Engineers was contracted on a time and materials contract, not to exceed \$1 million dollars, to perform Recovery Engineering Services starting in March of 2019. As discussed in that meeting, the exact definition to those services has changed over time as the protocols and programs have developed. It is estimated that the testing and clearing of standing structure service laterals will extend through early 2020, and the District will be installing new service lines to support rebuilding using a construction contractor through mid-2020. For these activities, the District will require Water Works Engineers support to carry these activities through March or April of 2020. It is the recommendation of Staff that Water Works Engineers agreement be amended to have a not to exceed amount of \$2 million dollars.

It was moved by Director Hansen and seconded by Director Boston to direct Staff to increase Water Works Engineers contract not to exceed amount to \$2 million dollars for disaster recovery engineering services provided under Agreement dated March 14, 2019.

AYES: Directors Hansen, Boston, Kellogg, and Sulik
NOES: None
ABSENT: Division 5 Director seat vacant
Motion passes 4-0

President Sulik called for a Board recess at 8:15 p.m.

BOARD RECESS

President Sulik reconvened the regular meeting at 8:22 p.m.

MEETING
RECONVENED

Finance & Accounting Manager Ross Gilb provided an overview of the Draft Budget for Fiscal Year 2019-2020 and discussed revenue and expense comparisons to last fiscal year. Revenue losses projected for FY 2019/20 are the result of a reduced customer base, decreased service rate, and loss of water consumption revenue as a result of the Camp Fire. The District is looking at a total operating loss of approximately \$3 million dollars. The substantial decrease in revenue is expected to be compensated by the California State backfill funding, insurance proceeds, and FEMA reimbursements, and the Community Disaster Loan through FEMA. With the additional revenue sources, the projected cash balance for this fiscal year is \$6.5 million dollars above fiscal year 2018/19.

PID FINANCIAL
PLAN FOR FISCAL
YEAR 2019-2020
ADOPTED
(Item 10.c.)

Finance & Accounting Manager Gilb further reviewed the Operating Budget indicating the majority of the District's operating expenses are salaries and benefits (69%). The District had 40 full-time employees and 5 temporary employees budgeted last fiscal year. As of the beginning of FY 2019/20, the District has 34 full-time employees budgeted. The remainder of the Operating Budget includes supplies and materials (15%), outside services (8%), utilities (6%), and insurance (2%).

Following comments and questions, it was moved by Director Hansen and seconded by Director Boston to adopt the PID Budget for Fiscal Year 2019/20.

AYES: Directors Hansen, Boston, Kellogg, and Sulik

NOES: None

ABSENT: Division 5 Director seat vacant

Motion passes 4-0

Manager Phillips reported the District owns a modular house at Paradise Lake where the Lake Patrolman resided prior to retiring on July 19, 2019. The District has made the decision to leave the position vacant at this time and is currently in the process of developing a Memorandum of Understanding (MOU) with the Paradise Recreation & Park District to take over management of the lake recreation. The MOU is anticipated to come before the Board in the next couple months for consideration.

PARADISE LAKE
RESIDENCE
(Item 10.d.)

As a government agency, the District is unable to offer the house to an employee or public with any type of discount as this would be considered a gift of public funds. The District is required to charge the fair market value for housing, which is estimated at \$1,300/month. ACWA-Joint Powers Insurance Authority (JPIA) has confirmed the renter would be required to maintain a liability limit of \$1 million dollars naming PID a loss holder, which could be very pricey. Liability was a factor for the threshold set and risks associated with the location. Board members discussed the expense for a renter to meet this liability limit in addition to rent. Director Kellogg moved to table this agenda item for discussion at the September Board meeting. **Motion dies for lack of second.**

It was moved by Director Hansen and seconded by Director Boston to leave the Paradise Lake residence vacant until a decision is made about management of the lake recreation.

AYES: Directors Hansen, Boston, and Sulik

NOES: Director Kellogg

ABSENT: Division 5 Director seat vacant

Motion passes 3-1

DIRECTOR
VACANCY, DIV. 5
(Item 10.e.)

Staff reported receiving a letter of resignation from Director Bob Prevot on August 15, 2019 effective immediately. The remaining members of the District Board can fill the vacancy by appointment or by calling an election within 60 days of the vacancy. If no action is taken for a period of 60 days immediately subsequent to a vacancy, the Board of Supervisors shall have the authority to fill the vacancy by appointment.

It was moved by Director Hansen and seconded by Director Boston to advertise the Division 5 director vacancy for appointment.

AYES: Directors Hansen, Boston, Kellogg, and Sulik
NOES: None
ABSENT: Division 5 Director seat vacant
Motion passes 4-0

RESOLUTION NO.
2019-08 ADOPTED IN
APPRECIATION OF
MUTUAL AID
SUPPORT AND
VOLUNTEER
SERVICES
RECEIVED FOLLOW-
ING THE NOV. 8,
2018 CAMP FIRE
(Item 10.f.)

Manager Phillips indicated this is a resolution of appreciation to recognize the organizations that have assisted the District through the recovery process by providing mutual aid, equipment and materials, and volunteer services and supplies. It was moved by Director Boston and seconded by Director Hansen to adopt PID Resolution No. 2019-08. Directors votes were polled as follows by roll call:

AYES: Directors Hansen, Boston, Kellogg, and Sulik
NOES: None
ABSENT: Division 5 Director seat vacant
Motion passes 4-0

DIRECTORS'
COMMENTS
(Item 11.)

Director Boston: Provided information cards to distribute about the Wildfire Assistance Program, which provides payments to individuals affected by the 2017 and 2018 wildfires for Basic Unmet Needs that have not been fully compensated. Claimants who qualify for a Basic Unmet Needs payment may also request a Supplemental Unmet Needs payment from the Program. The deadline to file a claim is November 15, 2019.

Director Kellogg: Commented on an article in the July 2019 issue of ACWA News regarding an ACWA-supported bill that would build on Senator Dianne Feinstein's 2016 drought legislation. The article discusses improving water supply and drought resiliency to protect against climate change impacts.

Director Hansen: Indicated he feels it is important to be proactive and keep looking forward as a Board. It is important to continue to look at other avenues to sell water.

President Sulik: Acknowledged Bob Prevot for his service on the Board and encouraged eligible candidates to apply for the vacancy.

CLOSED SESSION
(Item 12.a.)

President Sulik announced closed session item 12.a. As there were no public comments, the Board adjourned to closed session at 9:21 p.m. regarding the following:

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.

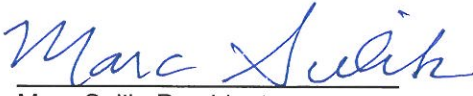
CLOSED SESSION
ANNOUNCEMENT

President Sulik reconvened the regular meeting at 9:31 p.m. and announced direction has been given to Legal Counsel regarding closed session item 12.a. listed above.

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 9:32 p.m.

ADJOURNMENT


Georgeanna Borrayo, Secretary


Marc Sulik, President