

MINUTES

REGULAR MEETING BOARD OF DIRECTORS PARADISE IRRIGATION DISTRICT DECEMBER 18, 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, Gregg Mowers, Vice-President Shelby Boston, and President Marc Sulik

ROLL CALL

BOARD MEMBERS ABSENT: Director Bill Kellogg

STAFF PRESENT: District Manager Kevin Phillips, Finance & Accounting Manager Ross Gilb, Information Systems Manager Mickey Rich, and Secretary Georgeanna Borrayo

ALSO PRESENT: PID Legal Counsel – Attorney Emily LaMoe, and members of the public

President Sulik announced closed session item 2.a. As there were no public comments, the Board adjourned to closed session at 6:34 p.m. regarding the following:

CLOSED SESSION:
CONFERENCE
WITH LEGAL
COUNSEL –
EXISTING
LITIGATION
(Item 2.a.)

2.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.

President Sulik reconvened the regular meeting at 6:48 p.m. and announced direction has been given to Legal Counsel in reference to closed session item 2.a. listed above.

CLOSED SESSION
ANNOUNCEMENT

Board members reviewed consent calendar items as follows:

APPROVAL OF
CONSENT
CALENDAR
(Item 3.a. &
3.b.1.&2.)

3.a. Approval of Meeting Agenda Order

3.b. Approval of Minutes: Special Meeting of November 20, 2019
Regular Meeting of November 20, 2019

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

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Director Kellogg

Motion passes 4-0

Karen and Leroy Gallegos commented they own property on Lind Lane in Paradise, which is serviced by a private distribution pipeline (pipelines on the District's side of the meter, but not owned by the District). They plan to rebuild their home and there is not enough pressure to meet the flow demand for the fire sprinkler system requirement per California Residential Code. Customer service line improvements are the responsibility of the owner(s) of the parcel to be served. Mr. & Mrs. Gallegos indicated they would like to see the Board consider a revision to PID Policy & Procedures, so the customer is not solely

PUBLIC
PARTICIPATION
(Item 4)

ELECTION &
APPOINTMENT OF
OFFICERS FOR 2020
(Item 5.a. and 5.b.)

responsible for this expense and PID would take on some of the cost. Members of the Board recommended the property owner submit a letter in writing indicating their request and pertinent property information. Their request will be placed on the Agenda for review and consideration.

Office of President: District Manager Kevin Phillips opened nominations for the office of President.

1. Director Mowers nominated Director Sulik to serve a second one-year term as President; seconded by Director Boston.
2. Director Sulik nominated Director Boston; seconded by Director Hansen.

Manager Phillips called for a vote on the first nomination to elect Director Sulik to serve a second term as President.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Director Kellogg

Nomination of Director Sulik as President passes 4-0

Manager Phillips turned the meeting over to President Sulik.

Office of Vice President: President Sulik opened nominations for the office of Vice President. Director Mowers nominated Director Boston; seconded by Director Hansen. As there were no further nominations, President Sulik called for a vote on the nomination to elect Director Boston for the office of Vice President for 2020.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Director Kellogg

Motion passes 4-0

Appointment of Treasurer: Director Boston nominated Ross Gilb as Treasurer; seconded by Director Hansen.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Director Kellogg

Motion passes 4-0

Appointment of Secretary: Director Boston nominated Georgeanna Borrayo as Secretary; seconded by Director Hansen.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Director Kellogg

Motion passes 4-0

RECOVERY
PROCESS STATUS
UPDATE
(Item 6)

Consultants Michael Lindquist and Colleen Boak with Water Works Engineers provided an informational update on the PID Water Supply Recovery Program.

Project 1 – Standing Structure: To date, approximately 75% standing structure service laterals have been sampled, and 86% for mainlines. The District is on track to complete sampling on standing structures by March 2020.

Progress on standing structure clearing includes: 857 locations currently cleared and issued letters lifting the Water Quality Advisory. 170 additional locations have been tested and are under evaluation.

CONTINUED –
RECOVERY
PROCESS STATUS
UPDATE

Project 2 – Service Lateral Replacement Program Update: Scope of project is to replace 650 service laterals by September 2020. Work began on November 12, 2019, which has included mobilizing materials and equipment, underground service locating and potholing, and developing a process for dealing with a variety of underground conditions. To date, 20 service laterals have been replaced with 60 more laterals in progress.

Manager Phillips provided a verbal update on the following: 1) Currently advertising to fill a vacant Utility Worker I position; 2) Working through the FEMA claim process. The District is looking at performing a leak detection investigation of the entire system, so we can use this data for FEMA's Section 428 Alternative Public Assistance Program, which would apply to replacement of disaster-damaged facilities such as PID's service line and main lines, water meters and boxes, and backflow assemblies; 3) Received notification from CalOES confirming approval granted for the District's A zone pipeline generator upgrade; 4) The Regional Water Quality Control Board is in the process of writing PID a conditional NPDES Permit, which is anticipated to be finalized by April 2020; and 5) Participated in a meeting with the Division of Drinking Water who will be managing the feasibility study to evaluate consolidation with neighboring water districts.

DISTRICT
MANAGER / STAFF
& FACILITY
REPORT UPDATE
NOV. 2019
(Item 7)

Manager Phillips read information regarding Agenda item 8 as stated in the agenda as follows: "Notice of Proposed Settlement of Class Action and Final Fairness Hearing in the matter of Neil Essila, et al. v. Paradise Irrigation District et al. A class action settlement involving FTJ Fundchoice, LLC, Dean Cook and Richard Mootz will provide cash deposits and non-monetary relief to participants and beneficiaries of the 401(a) and 457(b) retirement plans of Paradise Irrigation District who qualify as class members."

NOTICE OF
PROPOSED
SETTLEMENT OF
CLASS ACTION &
FINAL FAIRNESS
HEARING IN THE
MATTER OF NEIL
ESSILA, ET AL. V.
PID (Item 8)

Manager Phillips indicated copies of the Class Action Settlement Notice are available in the back of the Board room.

Board members reviewed a written Treasurer's Report for the period ending November 30, 2019. It was moved by Director Boston and seconded by Director Mowers to accept the Treasurer's Report as presented for the period ending November 30, 2019.

TREASURER'S
REPORT
ACCEPTED FOR
PERIOD ENDING
NOV. 30, 2019
(Item 9)

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Director Kellogg

Motion passes 4-0

Board members reviewed accounts payable expense reports for the month of November 2019. It was moved by Director Boston and seconded by Director Mowers to approve General Fund Check Numbers 54034 through 54231 for the month of November 2019 totaling \$1,124,118.63, exclusive of voided check numbers 54089, 54090, 54174, 54229, and 54230, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of December.

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH
OF NOV. 2019
(Item 10)

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Director Kellogg

Motion passes 4-0

LEGAL REPORT
(Item 11)

Attorney Emily LaMoe reported she and Manager Phillips have been working with the Paradise Recreation and Park District (PRPD) to develop a draft lease agreement in reference to turning over management and oversight of recreation at Paradise Lake to PRPD. PID staff anticipate bringing a draft to the Board in January 2020.

COMMITTEE
REPORTS
(Item 12.1. & 2.)

Town of Paradise (TOP) / Paradise Irrigation District (PID) Liaison Committee Meeting: President Sulik and Director Mowers reported a meeting was held on Wednesday, December 11, 2019 at 10.00 a.m. in the Town Council Chambers. In addition to staff members, two elected officials from each agency participated in the meeting. Discussion included an update from the Town of Paradise and PID, information regarding the proposed intertie pipeline project to Chico, plans for Forest Service Road, Backflow Device Program, and Sewer Project Update. The next committee meeting will be held on January 22, 2020 at 10:00 a.m. in the Town Council Chambers.

Community Relations Committee: President Sulik and Director Boston provided an update regarding the December 3, 2019 committee meeting. Topics included: 1) Securing materials to build the demonstration building at the PID garden site; 2) PID Newsletter; 3) Bottled water distribution outreach – PID received notification confirming a grant award to PID in the amount of \$25,000 to distribute 1,000 five gallon water jugs; 4) Customer Service update; and 5) Increasing consumer confidence through video, communication with zone fire captains, and developing a brochure with information to provide to the public. The next committee meeting is scheduled on Tuesday, February 4, 2020 at 8:00 a.m. in the PID Conference Room.

UNFINISHED
BUSINESS:
PID COMMERCIAL
PROPERTY AT 6360
CLARK ROAD,
PARADISE
(Item 13.a.)

Treasurer Ross Gilb reported receiving a valuation of the PID commercial building located at 6360 Clark Road regarding comparable sales for commercial space vs. rental values. The current fair market value range is \$165,000 to \$185,000. The mid-range fair value sales price of \$175,000 would provide a return just above 7%.

Rental price estimates range from .75 cents to \$1.10 per square foot, which equates to approximately \$1,100 to \$1,600 per month. If the District were to rent this property at the low estimate, the annual rental income would be approximately \$13,000. The District's insurance cost is \$144.00 per year as a member agency participating in the ACWA-Joint Powers Insurance Authority pooled program.

It was moved by Director Boston and seconded by Director Mowers to rent the property located at 6360 Clark Road giving Manager Phillips latitude to negotiate between \$1,100 to \$1,600 per month when a potential tenant is secured.

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Director Kellogg

Motion passes 4-0

NEW BUSINESS:
RESOLUTION NO.
2019-09 ADOPTED
FOR ACCEPTANCE
OF BUTTE CO.
LOCAL HAZARD
MITIGATION PLAN
(Item 14.a.)

Manager Phillips indicated an adopted Local Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple FEMA pre- and post-disaster mitigation grant programs.

It was moved by Director Mowers and seconded by Director Hansen to adopt PID Resolution No 2019-09, a Resolution of the Board of Directors of the Paradise Irrigation District adopting the Butte County Local Hazard Mitigation Plan.

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Director Kellogg

Motion passes 4-0

Manager Phillips confirmed as a dam owner, PID is required to have an engineer conduct an annual evaluation of the safety of dams and report to the State Department of Safety of Dams (DSOD). The engineering proposal also includes inspection of Magalia and Paradise Dams for fire related damage, which is reimbursable through insurance.

PROFESSIONAL
ENGINEERING
SERVICES-
MAGALIA &
PARADISE DAM
FIELD
EVALUATIONS
FOR FIRE
DAMAGE &
SAFETY
(Item 14.b.)

It was moved by Director Hansen and seconded by Director Mowers to approve and authorize the District Manager, with review of legal counsel, to execute an agreement with Genterra Consultants, Inc. to perform the services described in Task 1 for the years of 2019 and 2020 for a cost not to exceed \$29,960.00.

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Director Kellogg

Motion passes 4-0

Manager Phillips reported Director Kellogg requested this agenda item. While Director Kellogg is absent this evening, Manager Phillips noted the District organization will be evaluated, along with ongoing review of business model options. March 2020 is the target completion date for sampling standing structures and recommends evaluating the district's organization after March. He does not feel any changes to the District's organization are necessary at this time. An evaluation of revenue and district structure will also be recommended by PID as part of the Feasibility Consolidation Study to be conducted by the California Division of Drinking Water.

DISTRICT
ORGANIZATION
(Item 14.c.)

Director Mowers: Recommended holding a special meeting after January 4, 2020 should a meeting be necessary.

DIRECTORS'
COMMENTS
(Item 15)

Director Hansen: Indicated he has talked to PID staff and crews and is impressed with the recovery process. Sutton Enterprises, (consultant performing the Service Lateral Replacement Project), has embraced the town and enjoys working with the crews.

Director Boston: Echoed Director Hansen's comments and wished everyone a happy holiday.

President Sulik: Stated he is honored to have served in this position. After the Camp Fire in November 2018, he was uncertain about the future. The progress that has been made since the fire is amazing.

President Sulik announced the Board will recess as the Paradise Irrigation District Board of Directors and convene as the Paradise Irrigation District Public Facilities Financing Corporation (PFFC) Board. The Board adjourned to the annual meeting of the PFFC Board at 8:42 p.m.

BOARD RECESS
FOR ANNUAL
MEETING OF PFFC
BOARD (Item 16)

President Sulik reconvened the regular meeting of the Board of Directors of the Paradise Irrigation District at 8:49 p.m. and announced the Board will continue with the next item of business listed on the PID Agenda as item 17 – Closed Session.

CONTINUED – PID
BOARD OF
DIRECTORS
REGULAR
MEETING

President Sulik announced closed session items 17.a. and 17.b. As there were no public comments, the Board adjourned to closed session at 8:52 p.m. regarding the following:

CLOSED SESSION
(Item 17.a. & 17.b.)

17.a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (California Government Code section 54957). District Manager.

- 17.b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (California Government Code section 54956.9). Paradise Irrigation District v. Pacific Gas & Electric.

CLOSED SESSION
ANNOUNCEMENT

President Sulik reconvened the regular meeting at 9:43 p.m. and announced the following regarding closed session discussion:

- 17.a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (California Government Code section 54957). District Manager.

Announcement: A performance evaluation was completed for the District Manager.

- 17.b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (California Government Code section 54956.9). Paradise Irrigation District v. Pacific Gas & Electric.

Announcement: Direction has been given to Legal Counsel.

OPEN SESSION:
DISTRICT MANAGER
POSITION
(Item 19.a.)

Members of the Board considered compensation adjustments for the District Manager. Legal Counsel was given direction to prepare an Amendment to the Employment Agreement with Kevin Phillips for review and approval at the January 15, 2020 Board of Directors meeting providing the following:

Retroactive to July 17, 2019, Employee's Salary shall increase to \$157,000 per year. \$157,000 per year shall be the base salary for the January 1, 2020 adjustment provided for in paragraph 5(b) of the January 16, 2019 Agreement. All other provisions of the January 16, 2019 Employment Agreement shall remain in full force and effect.

ADJOURNMENT

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 9:45 p.m.


Georgeanna Borrayo, Secretary


Marc Sulik, President