

MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
PARADISE IRRIGATION DISTRICT
JANUARY 15, 2020

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: Division 2 Director Seat Vacant following the resignation of Bill Kellogg effective December 31, 2019.

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

ALSO PRESENT: PID Legal Counsel – Attorney Emily LaMoe, 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 December 18, 2019

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

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Ward Habriel commented on closed session agenda item 11.b. regarding existing litigation and stated he is on record with Judge Mosbarger that he will speak on behalf of the PID employees in their favor.

PUBLIC
PARTICIPATION
(Item 3)

Distribution Superintendent Jim Ladrini commented on the outstanding work of many individuals and agencies that have contributed greatly to the recovery efforts of the District's water system. An overview of progress to date included the following:

DISTRICT
MANAGER / STAFF
& FACILITY
REPORT UPDATE
FOR DEC. 2019
(Item 4)

Standing Structure Progress: 1,330 standing structure service laterals sampled with a target completion date of Spring 2020.

Service Lateral Replacement Program: To date, a total of 151 service laterals have been replaced. Sutton Enterprises, hired by PID to accelerate the service lateral replacements in support of rebuild sites and temporary housing, have installed over 60 service laterals. Contractor will replace up to 650 service laterals.

Interim Water Supply: The District continues to receive approximately six requests per day for interim water supply. As of today, 1,250 Interim Backflow Assemblies have been installed and 1,040 insulated green covers placed over the backflow devices.

CONTINUED –
MANAGER / STAFF &
FACILITY REPORT
UPDATE FOR DEC.
2019

Superintendent Ladrini added as the District continues to move forward in the recovery process, crews will embark on main replacements, leak detection, and water meter installation, etc.

Manager Phillips provided an update regarding the following: 1) FEMA claim process and timeline; 2) Meeting with a representative with the Northern California Division of Drinking Water who will be managing the feasibility study, which will evaluate options to sustain PID through the Town of Paradise rebuild process. The District is looking to hold a pre-kickoff meeting in February to discuss the feasibility study parameters; 3) Working with Legal Counsel to see if there is an opportunity for a raw water sale outside the district next year; and 4) The District anticipates issuance of the National Pollutant Discharge Elimination System (NPDES) Permit by the end of April 2020.

ACCEPTANCE OF
TREASURER'S
REPORT FOR
PERIOD ENDING
DEC. 31, 2019
(Item 5.a.)

The Board reviewed a written report from Treasurer Ross Gilb for the period ending December 31, 2019. Fechter & Company will be on site the first week in February to audit the financial statements of the District for the years ending June 30, 2018, and 2019. Treasurer Gilb further commented on plans to schedule a mid-year budget review after the audit is complete.

It was moved by Director Hansen and seconded by Director Mowers to accept the Treasurer's Report for the period ending December 31, 2019.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

STATEMENT OF
INVESTMENT
POLICY
(Item 5.b.)

Treasurer Gilb reported the District's Investment Policy requires an annual review of the policy to amend as appropriate, or otherwise ratify its continuance. No changes are recommended at this time.

It was moved by Director Mowers and seconded by Director Boston to reaffirm continuance and delegation of investment functions as provided in PID Rules and Regulations Chapter 14, Investment Policy.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

INVESTMENT
REPORT THROUGH
THE PERIOD
ENDING
DEC. 31, 2019

The Board reviewed a written Investment Report prepared by Treasurer Gilb, reporting the District has \$7,239,466 in cash and investments as of December 31, 2019. The average return on the District's investments is 2.02%. Total investment earning year-to-date is \$42,618. Investments are in compliance with all aspects of PID's Investment Policy.

It was moved by Director Mowers; seconded by Director Boston to accept the Investment Report as presented.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Board members reviewed accounts payable expense reports for the month of December 2019. It was moved by Director Boston and seconded by Director Mowers to approve General Fund Check numbers 54232 through 54331 for the month of December 2019 totaling \$809,889.59, exclusive of voided check number 54243, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of January.

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH
OF DEC. 2019
(Item 6)

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Attorney Emily LaMoe indicated she does not have further information to add to the summary provided by Manager Phillips under his District Manager's Report.

LEGAL REPORT
(Item 7)

No unfinished business to report.

UNFINISHED
BUSINESS

Distribution Superintendent Jim Ladrini reported in August 2019 the District entered into a rental agreement for a vacuum excavator with the option to purchase the equipment at the end of December 2019. The agreement allows 100% of the rental cost to be applied toward the purchase of the equipment. The equipment is vital to field operations in the replacement of service laterals, leak repairs and emergency responses.

NEW BUSINESS:

PURCHASE OF
VACUUM
EXCAVATOR
APPROVED
(Item 9.a.)

It was moved by Director Mowers and seconded by Director Hansen to authorize the District Manager to execute the purchase of a 2018 Vermeer Vactron LP573SDT vacuum excavator from RDO Equipment Company for the remaining balance due of \$59,739.60.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Staff reported at a special meeting of the Board of Directors on May 3, 2019, an Interim Water Supply fee-based service to District operations was approved, with the ability to refund the customer when reimbursement of these costs by FEMA occurs, and with a timeline for the interim fee to be no more than 8 months. The District continues to receive approximately six request per day for Interim Water Supply. Staff recommends extending the program, which will allow PID staff to work through permanent service connections and provide customers the ability to use water in the interim on destroyed parcels where crews may not necessarily be able to get meters to, or focus on for some time.

INTERIM WATER
SUPPLY
PROGRAM
EXTENSION
APPROVED
THROUGH
DEC. 31, 2020

Director Boston noted at the May 3, 2019 meeting, the motion stipulated that when reimbursement by FEMA occurs, customers will be reimbursed those funds. She would like to see this codified for the proposed extension. Manager Phillips indicated he will speak with the consultant regarding the District's FEMA claim and report back to the Board regarding codification of the FEMA reimbursement.

It was moved by Director Mowers and seconded by Director Hansen to authorize an extension of the Interim Water Supply Program through December 31, 2020 with no change to the fees as described in the Cost of Service Analysis, Interim Water Supply.

AYES: Directors Hansen, Mowers, and Sulik
NOES: Director Boston
ABSENT: Division 2 Director Seat Vacant

Motion passes 3-1

APPOINTMENT OF
BOARD MEMBERS
TO COMMITTEES OF
THE DISTRICT FOR
2020 (Item 9.c.1.)

Following review of Board member representation on committees of the District, President Sulik confirmed committee assignments will remain the same for 2020 with a minor change regarding the Paradise Lake & Recreation Committee. President Sulik indicated there is one director opening on this committee following Bill Kellogg's resignation on the Board of Directors. This committee opening will remain vacant until a new director is appointed to the Division 2 vacancy. In the interim, Director Mowers offered to fill in on this committee. Board member committee assignments are as follows:

Administration & Personnel: Gregg Mowers and Dan Hansen (Chairperson)
Finance: Gregg Mowers and Dan Hansen (Chairperson)
Paradise Lake & Recreation: Marc Sulik (Chairperson), plus one director opening
Community Relations: Shelby Boston and Marc Sulik (Chairperson)
Ad Hoc Negotiating Committee: Gregg Mowers and Shelby Boston (Chairperson)
ACWA/JPIA Director Representative: Gregg Mowers

COMMITTEES OF
THE DISTRICT -
APPOINTMENT OF
PUBLIC COMMITTEE
MEMBERS
(Item 9.c.2.)

Staff confirmed in December 2019, the District distributed information inviting members of the public interested in participating on the Community Relations or Finance Committees, to submit a letter of interest for consideration of public member committee appointments at the January Board meeting. Five letters of interest were received.

It was moved by Director Boston and seconded by Director Mowers to appoint Alan Hinman and Chris Rehmann to the Community Relations Committee, and Gary Ledbetter, Steven Oehler, and Amanda Sherman to the Finance Committee.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

DIRECTOR
VACANCY –
DIVISION 2
(Item 9.d.)

Staff reported receiving a letter of resignation from Director Bill Kellogg effective December 31, 2019. 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 Butte County Board of Supervisors shall have the authority to fill the vacancy by appointment. The obligation to call an election becomes mandatory if the seat remains vacant for 90 days.

It was moved by Director Mowers and seconded by Director Boston to authorize staff to distribute a press release after the Board meeting announcing the Division 2 Director Vacancy and setting a deadline to apply no later than 4:00 p.m., February 12, 2020 for possible appointment to fill the vacancy at the February 19, 2020 Board of Directors meeting.

AYES: Directors Hansen, Boston, Mowers, and Sulik
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

RESOLUTION NO.
2020-01 ADOPTED –
APPRECIATION TO
BILL KELLOGG
(Item 9.e.)

President Sulik read a Resolution of Appreciation to acknowledging Bill Kellogg for his service as a PID Board of Director from April 20, 2005 to December 31, 2019.

It was moved by Director Mowers and seconded by Director Boston to adopt Resolution No. 2020-01, A Resolution of Appreciation by the Board of Directors of the Paradise Irrigation District Presented to W. H. "Bill" Kellogg.

Directors' votes were polled as follows by roll call:

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Board members and staff discussed succession planning for executive personnel and reviewing the District's Strategic Business Plan to evaluate and move forward with the planning process and setting goals. Direction was given to staff to distribute a Request for Quote to facilitators and report back to the Board for review when information is received.

Members of the Board reviewed a written memo from Treasurer Ross Gilb indicating the Stafford Act authorizes FEMA to provide direct loans to local governments who have suffered a substantial loss in revenue as a result of a major presidentially declared disaster, through the Community Disaster Loan (CDL) Program. The amount of the CDL is limited to a maximum cap of 25% of the District's annual operational expenditure budget for the year of the disaster. Under these terms, PID has qualified for a \$1,329,504 loan.

It was moved by Director Hansen and seconded by Director Mowers to authorize Kevin Phillips, District Manager, to sign the Promissory Note for the Community Disaster Loan in an amount not to exceed \$1,329,504, and for Ross Gilb, Finance and Accounting Manager, to submit the forms necessary to apply for the Community Disaster Loan subject to Legal Council review before execution, and if any draw on the loan is necessary, authorization will be required by the Board for approval.

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Attorney Emily LaMoe reported at the December 18, 2019 Board of Directors meeting, direction was given to amend the District Manager's Employment Agreement providing the following: Employee's salary shall increase to \$157,000 per year retroactive to July 17, 2019. \$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.

It was moved by Director Mowers and seconded by Director Hansen to approve the Amendment to the Employment Agreement with Kevin Phillips as presented.

AYES: Directors Hansen, Boston, Mowers, and Sulik

NOES: None

ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Director Boston: Appreciates Superintendent Jim Ladrini coming forward with all his good comments and appreciates Manager Phillips' hard work.

Director Mowers: Acknowledged former Director Bill Kellogg for his service on the Board and to the community and announced the arrival of a new grandchild on New Year's Eve.

Director Hansen: Thanked the current and new committee members for their interest in participating on a PID committee, and expressed appreciation to Jim Ladrini and his crews for their work.

CONTINUED –
RESOLUTION OF
APPRECIATION TO
BILL KELLOGG
ADOPTED

STRATEGIC
BUSINESS
PLANNING
DISCUSSION
(Item 9.f.)

APPLICATION FOR
COMMUNITY
DISASTER LOAN
APPROVED
(Item 9.g.)

AMENDMENT TO
DISTRICT
MANAGER
EMPLOYMENT
CONTRACT
APPROVED
(Item 9.h.)

DIRECTORS'
COMMENTS
(Item 15)

President Sulik: Thanked the public committee members for submitting letters of interest to serve on a PID committee.

CLOSED SESSION
CANCELLED
(Item 11.a. & 11.b.)

President Sulik announced closed session will not be held this evening regarding the following:

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

None - No closed session held.

ADJOURNMENT

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 9:20 p.m.


Georgeanna Borrayo, Secretary


Marc Sulik, President