

MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
PARADISE IRRIGATION DISTRICT
JULY 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 Gregg Mowers, Brian Shaw, Vice-President Shelby Boston, and President Marc Sulik

ROLL CALL

BOARD MEMBERS ABSENT: Division 1 Director Seat vacant following the resignation of Dan Hansen effective June 18, 2020

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

ALSO PRESENT: Attorney Emily LaMoe and members of the public
(Participating Remotely)

President Sulik announced due to risks associated with COVID-19, community members may fully participate in the meeting via Email and Facebook Livestream. Online participants must post their comments regarding items not on the agenda on the Livestream thread by 6:40 p.m. at which time public comments will be read to the Board members. Public comment regarding agenda items will be read directly after the agenda item and before the Board votes on an item. The Board will begin discussion on agenda items until 6:40 p.m. at which time the Board will hear public comments submitted.

Board members reviewed consent calendar items as follows:

APPROVAL OF
CONSENT
CALENDAR
(Item 2)

- 3.a. Approval of Meeting Agenda Order
- 3.b. Approval of Minutes: Special Meeting of June 17, 2020
Regular Meeting of June 17, 2020

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

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director Seat Vacant

Motion passes 4-0

Manager Phillips provided an update on the following: 1) Customer Service continues to receive a lot of calls regarding requests for Interim Water Service (IWS). IWS requests on properties which have a building permit or temporary housing permit continue to be monitored and scheduled as priority; 2) The second year of backfill funding has been reinstated in the State Budget. District staff is currently working with the California Department of Finance to secure the second year of the allocated funds; and 3) The District continues to work with the State of California, FEMA and insurance to fund the recovery of the District's distribution system. Staff is working with the District's consultant,

DISTRICT
MANAGER'S
REPORT
(Item 5)

APTIM, to prepare an appeal pertaining to FEMA's letter denying the project and time extension under the Public Assistance (Section 428) Application.

PUBLIC
PARTICIPATION
(Item 3)

Resident Dan Hansen called to say hello to staff and members of the Board and indicated it is his intent to run for Division 5 in the November 3, 2020 General Election. With support of the community, he hopes to return to participate as a member of the PID Board of Directors.

RECOVERY
PROCESS STATUS
UPDATE (Item 4)

Consultant Sami Kader with Water Works Engineers provided an informational update on the PID Water Supply Recovery Program and Water Works Engineers budget update.

Project 1 – Standing Structure & Main Testing and Clearing Program: Over 1,760 Interim Water Services (IWS) have been installed to date. The current backlog of IWS requests is 368. Over 120 of the outstanding requests have been field surveyed and 70 have been found to be ready for installation. All dead end mains have been cleared on streets where there is an IWS or service lateral replacement request scheduled.

Project 2 – Service Lateral Replacement Program Update: To date, 535 service laterals have been replaced by the contractor, Sutton Enterprises. An additional 274 service laterals have been replaced by PID crews since the November 8, 2018 Camp Fire. 809 letters of potability have been sent or are in the final stages of approval.

Project 3 – Meter and Service Assembly Replacement has two parts:

Part 1 – Meter and Advanced Metering Infrastructure (AMI) system selection and purchase – This project has been advertised this afternoon to receive Request for Proposals, which are due August 11, 2020.

Part 2 – Installation contractor selection and construction (late 2020/early 2021). The Request for Proposal is currently under development.

Project 4 – Reservoir B Replacement Project Update: The District is awaiting FEMA funding decisions regarding the District's project funding application. The District's consultant, APTIM, is assisting to prepare an application for a hazard mitigation grant for the replacement of B Reservoir. A zone pipeline funding may also be forthcoming under the original hazard mitigation grant funding applied for pre-fire.

Recovery Planning – Working with PID staff to define and detail the next phase of the recovery. Focus is shifting from recovery to rebuilding (replacing service laterals for rebuild, replacing meters and returning to a metered system, defining and repairing leaks, replacing mains where needed, replacing Reservoir B).

STAFF REPORT
UPDATE –
COMMUNITY
RELATIONS
(Item 5)

Information Technology Manager Mickey Rich provided updates on the following: 1) The District continues public outreach through the PID newsletter, social media platforms, and email contact information. In the last month, PID received 1,000 likes and shares from Facebook viewers. The most shared post was in reference to PID's communication thanking the community for reaching out to Governor Newsom and the State Budget Committee to reinstate the backfill funding. Staff will be reaching out to the Association of Realtors regarding their newsletter as another resource to communicate information to people who are not in the area and may not be aware of the recovery progress; 2) Staff has reached out to the North Valley Grant Foundation and Paradise Rotary regarding potential funding for the board room audio sound project; and 3) The District's Strategic Planning Consultant developed a survey based on individual comments received from Board members and staff. The survey will be distributed to customers in approximately one week and may also be completed online.

Board members reviewed a written Treasurer's Report from Finance & Accounting Manager Ross Gilb for the period ending June 30, 2020 highlighting the District's cash position, debt service analysis, operational overview, and recovery funding.

TREASURER'S
REPORT
ACCEPTED FOR
PERIOD ENDING
JUNE 30, 2020
(Item 6.a.)

It was moved by Director Boston and seconded by Director Shaw to accept the Treasurer's Report for the period ending June 30, 2020 as presented.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

Finance & Accounting Manager Ross Gilb reported on the District's cash and investments as of June 30, 2020, noting the average return on the District's investments is 1.42%. Total investment earning year-to-date for the fiscal year is \$93,111. All investments as of June 30, 2020 are in compliance with PID's Investment Policy.

INVESTMENT
REPORT
ACCEPTED FOR
THE FISCAL YEAR
ENDING
JUNE 30, 2020
(Item 6.b.)

It was moved by Director Mowers and seconded by Director Boston to accept the Investment Report for the fiscal year ending June 30, 2020.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

Members of the Board reviewed accounts payable expense reports for the month of June 2020. It was moved by Director Boston and seconded by Director Mowers to approve General Fund check numbers 54964 through 55092 for the month of June 2020 totaling \$802,586.69, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of July.

APPROVAL OF
EXPENSE REPORT
FOR JUNE 2020
(Item 7)

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

Attorney Emily LaMoe indicated there is no legal report update for open session this evening.

LEGAL REPORT
(Item 8)

Town of Paradise & Paradise Irrigation District Liaison Committee: Director Mowers reported a meeting was held on June 24, 2020. Discussion included updates from the Town of Paradise regarding sewer, tree removal, and road projects. PID commented on the status of the District's backfill funding, Sustainability Study, water recovery, and COVID-19 response information.

COMMITTEE
REPORTS
(Item 9)

Community Relations Committee: In addition to information shared earlier this evening from IT Manager Mickey Rich, the committee discussed forming a Customer Recovery Support Ad Hoc Committee. This topic is listed on the agenda for discussion under agenda item 11.j.1. The next Community Relations Committee meeting is scheduled on September 8, 2020 at 8:00 a.m.

Finance Committee: Director Mowers indicated the purpose of the July 8th committee meeting was to review and comment on the draft budget for fiscal year 2020-2021. The Board will consider adopting the Budget this evening under agenda item 11.c.

UNFINISHED
BUSINESS:

DISTRICT
ENGINEERING
SERVICES
PROPOSAL WITH
WATER WORKS
ENGINEERS
APPROVED
(Item 10.a.)

Manager Phillips reported at the May 20th Board of Directors meeting, Board members concurred to table this item until the following month when the District may have a better fiscal picture regarding the state backfill funding. With reinstatement of the \$7.3 million second year backfill funding to PID, the proposal for District Engineering Services is provided for consideration this evening.

The proposal from Water Works Engineers is intended to be a flexible tool to support the District as needed and requested for engineering services unrelated to the Recovery Program.

It was moved by Director Mowers and seconded by Director Boston to authorize approval to award contract to Water Works Engineers to provide District Engineering services for (1) year from date of Agreement in an amount not to exceed \$150,000, and authorize the District Manager to execute said agreement subject to legal review.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

GLASS BARRIER
PURCHASE &
INSTALLATION IN
ADMINISTRATION
BUILDING
(Item 10.b)

Manager Phillips confirmed at the May 20th meeting, the Board authorized staff to contract with Miller Glass to install the glass barrier for \$16,400. The Board also directed staff to change the proposed design for additional protection to the customer service personnel. With the redesign, the cost increased to \$14,661.56. The design also has an option for a two-way electronic communicator that would increase the cost to \$18,880.89.

It was moved by Director Boston and seconded by Director Shaw to authorize the purchase and installation of a glass barrier at the PID Administration Building from Miller Glass for an amount not to exceed \$18,880.89.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

NEW BUSINESS:

RESOLUTION NO.
2020-08 ADOPTED
ESTABLISHING
APPROPRIATION
LIMIT OF THE
DISTRICT
(Item 11.a.)

Manager Phillips reported this is an action the Board takes annually to allocate and establish the District's appropriation limit for the property taxes that are received each fiscal year.

It was moved by Director Mowers and seconded by Director Boston to adopt Resolution No. 2020-08 establishing the appropriation limit of the District at \$1,715,768.00 for Fiscal Year 2020-2021 pursuant to Article XIIB of the California Constitution. Directors' votes were polled as follows by roll call:

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

RESOLUTION NO.
2020-09 ADOPTED
TRANSMITTING
DELINQUENT
CHARGES

Finance & Accounting Manager Ross Gilb indicated the balance the District levied last fiscal year, was received this year. Of the unpaid charges reported under Exhibit "A" and attached to Resolution 2020-09, 470 customers were included in last year's levy and account for \$124,000.

It was moved by Director Boston and seconded by Director Mowers to adopt Resolution No. 2020-09 transmitting delinquent water charges to the County of Butte to place on the 2020-2021 secured property tax roll. Directors' votes were polled as follows by roll call:

AYES: Directors Boston, Mowers, Shaw, and Sulik

NOES: None

ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

CONTINUED –
RESOLUTION NO.
2020-09 ADOPTED
TRANSMITTING
DELINQUENT
WATER CHARGES
TO BUTTE
COUNTY
(Item 11.b.)

Finance & Accounting Manager Ross Gilb provided an overview of the District's 2020/21 Budget. Revenue losses projected for fiscal year 2020/21 are the result of a reduced customer base, decreased service rate, and loss of water consumption revenue resulting from the November 8, 2018 Camp Fire. PID staff are actively working with Federal, State, and local partners, as well as insurance, to secure funding for short term and long-term revenues.

PID 2020-2021
FINANCIAL PLAN
ADOPTED
(Item 11.c.)

A few minor adjustments were noted to the Draft Budget. Due to a formula error, the beginning cash balance shown in the agenda packet is incorrect and has been adjusted to reflect the correct cash balance as \$7.2 million. An additional update is noted under paragraph two of the Capital Projects Summary to correct the Fiscal Year from 2018/19 to 2020/21.

Following review of the District's expenditure plan, it was moved by Director Mowers and seconded by Director Boston to adopt the Paradise Irrigation District Budget for Fiscal Year 2020-2021 with the two administrative adjustments noted above.

AYES: Directors Boston, Mowers, Shaw, and Sulik

NOES: None

ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

The District's Reserve Fund Policy requires an annual review of the policy by the Board of Directors at a public meeting to determine appropriate changes, additions, and/or deletions to reserve funds. No changes are recommended to the written Reserve Fund Policy at this time.

PID RESERVE
FUND POLICY
ANNUAL REVIEW
(Item 11.d.)

It was moved by Director Boston and seconded by Director Shaw to authorize approval to reaffirm continuance of the Paradise Irrigation District Reserve Fund Policy as written.

AYES: Directors Boston, Mowers, Shaw, and Sulik

NOES: None

ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

Staff reported due to damage caused by the Camp Fire, substantial water loss is occurring in the distribution mains. Crews have repaired a significant number of the most sizable leaks, but a large number of undetected leaks remain. To identify the extent of additional leak damage caused by the fire, map and prioritize the repair of the leaks, and substantiate the District's FEMA reimbursement claims for leak repairs, a new, comprehensive round of leak detection is needed. The proposal is to perform leak detection on the complete 173 miles of distribution main.

WATER
DISTRIBUTION
MAIN LEAK
DETECTION
PROGRAM –
AWARD OF
CONTRACT TO
UTILITY SERVICES
ASSOCIATES
(Item 11.e.)

CONTINUED –
LEAK DETECTION
CONTRACT
AWARDED TO
UTILITY SERVICES
ASSOCIATES

It was moved by Director Shaw and seconded by Director Boston to authorize award of contract to Utility Services Associates for Water Distribution Main Leak Detection Program for a not to exceed amount of \$67,232.07, plus a \$10,000 contingency to be applied at the discretion of the District Manager and authorize execution of a contract with Utility Services Associates subject to legal review.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

QUITCLAIM DEED –
PID TO WILSON-
DONNETTE-GENE
TRUST
(Item 11.f. Tabled)

Manager Phillips reported staff is recommending this agenda item be tabled as engineering services will be required to review and confirm easement information regarding APN 051-220-012-000.

No Board action taken; agenda item 11.f. tabled for review by Water Works Engineering.

PID INVESTMENT
ACCOUNT:
AUTHORIZATION TO
CLOSE ACCOUNT
WITH WEDBUSH
SECURITIES, INC.
(Item 11.g.)

Manager Phillips reported the District holds an investment account with Wedbush Securities, Inc., which has been acquired by Oppenheimer. Agenda items 11.g. and 11.h. would authorize the District to close the current investment account with Wedbush and open an account with Oppenheimer. It was moved by Director Mowers and seconded by Director Shaw to authorize approval to close the current investment account with Wedbush Securities, Inc.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

INVESTMENT
ACCOUNT WITH
OPPENHEIMER
AUTHORIZED
(Item 11.h.)

It was moved by Director Shaw and seconded by Director Boston to open an investment account with Oppenheimer and authorize Ross Gilb as designated signer on the account.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

SPECIAL BOARD
MEETING DATE SET
JULY 31, 2020, 6 PM
RE: DIVISION 1
DIRECTOR
VACANCY
(Item 11.i.)

Board members considered setting a date to hold a Special Board Meeting to consider candidates for the Division 1 director vacancy. It was moved by Director Boston and seconded by Director Mowers to set a date of July 31, 2020 at 6:00 p.m. to hold a special meeting of the Board of Directors for the Division 1 director vacancy.

AYES: Directors Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: Division 1 Director seat currently vacant

Motion passes 4-0

AD HOC CUSTOMER
RECOVERY
SUPPORT
COMMITTEE
FORMED
(Item 11.j.1.)

Board members discussed forming an Ad Hoc Customer Recovery Support Committee to address upcoming issues and policies that concern customers as the District continues to move forward through the recovery process. Board members recommended inviting a few members of the public to participate on this committee. Following discussion, President Sulik appointed Directors Boston and Shaw to participate on this committee. Staff will announce an opportunity for public participation.

Members of the Board considered appointing a replacement to serve on the standing committees that former director Dan Hansen had participated on (Administration & Personnel, Finance, and PID/TOP Liaison Committee). Board members concurred to revisit committee assignments after the Division 1 director vacancy is filled in August. In the interim, Director Boston will sit in for the Administration & Personnel Committee and Director Shaw on the Finance Committee.

APPOINTMENT OF
A DIRECTOR
REPLACEMENT TO
PARTICIPATE ON
STANDING
COMMITTEES TO
BE REVISITED
(Item 11.j.2)

Director Boston: Commented on being pleased with the progress and is happy Manager Phillips is taking this leap of faith with the Town of Paradise in carrying the community forward, and sad for PID because he has done a stellar job.

DIRECTORS'
COMMENTS
(Item 12.)

Director Mowers: Concurred with Director Boston's comment; noting we are all expanding resume experience in areas never imagined. Expressed appreciation to Finance & Accounting Manager Ross Gilb for his efforts on the budget.

Director Shaw: Echoed Director Boston's comments and added Manager Phillips will make a great addition to the Town of Paradise. PID employees in the trenches are doing great work.

President Sulik: Thanked Manager Phillips for his service to PID. Thinking back to the public meetings following the Camp Fire, he appreciated Manager Phillips' presence at the meetings in the absence of the District Manager at that time. Expressed appreciation to the PID employees for the work they have done and encouraged support through the transition with an Interim Manager and new District Manager.

President Sulik announced closed session discussion. As there were no public comments, the Board adjourned to closed session at 9:01 p.m. regarding the following:

CLOSED SESSION
(Item 13.a., 13.b,
13.c. & 13.d.)

- 13.a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION & PUBLIC EMPLOYEE EMPLOYMENT (California Government Code section 54957). Title: Distribution Superintendent

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

- 13.b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (California Government Code section 54957. Title: District Manager

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

- 13.c. CONFERENCE WITH LABOR NEGOTIATORS (California Government Code section 54957.6). Agency designated representative – Kevin Phillips and PID Legal Counsel.
Negotiations with IBEW Local 1245.

Closed Session Announcement: Direction has been given to the agency designated representative.

- 13.d. 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.

CLOSED SESSION
ANNOUNCEMENT

President Sulik reconvened the regular meeting at 10.00 p.m. and provided closed session announcement information regarding agenda items 13.a., 13.b, 13.c., and 13.d. as listed on the prior page in italicized print.

ADJOURNMENT

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 10:18 p.m.


Georgeanna Borrayo, Secretary


Marc Sulik, President