

MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
PARADISE IRRIGATION DISTRICT
FEBRUARY 19, 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 (Brian Shaw appointed and seated as Director Division 2 – Agenda item 2.a. & 2.b.)

ROLL CALL

BOARD MEMBERS ABSENT: None

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

ALSO PRESENT: Members of the public and PID Legal Counsel – Emily LaMoe and Dustin Cooper

Following the resignation of Bill Kellogg effective December 31, 2019, the Board directed staff to notice the vacancy in the office of Director, Division 2 immediately following the January Board meeting. The District issued a press release announcing the vacancy on January 16, 2020 and received letters of interest from five candidates: Alan Hinman, Jr., Heidi Lange, Henry Martin, Brian Shaw, and Michael Snyder.

APPOINTMENT OF
DIRECTOR,
DIVISION 2
(Item 2.a.)

Following an opportunity for the Board to present questions to the candidates, nominations were accepted by President Sulik. It was moved by Director Hansen and seconded by Director Mowers to nominate Brian Shaw. Directors' votes were polled as follows by roll call vote:

AYES: Directors Hansen, Boston, and Mowers

NOES: Director Sulik

ABSENT: Division 2 Director Seat Vacant

Motion passes 3-1 to appoint Brian Shaw to fill the Division 2 director vacancy.

The Oath of Office was administered by the Secretary to Brian Shaw to serve in the Office of Director, Division 2 until the next general election in November 2020, and thereafter until the person elected to fill the vacancy assumes office in December 2020.

OATH OF OFFICE
BRIAN SHAW,
DIRECTOR, DIV. 2
(Item 2.b.)

Board members reviewed consent calendar items as follows:

3.a. Approval of Meeting Agenda Order

3.b.1&2 Approval of Minutes: Regular Meeting of January 15, 2020 & December 18, 2019 with correction to page 6.

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

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

AYES: Directors Hansen, Boston, Mowers, Shaw, and Sulik

NOES: None

ABSENT: None

Motion passes 5-0

PUBLIC PARTICIPATION (Item 4)

Ward Habriel spoke about Love Paradise, a community involvement program where volunteers undertake projects to maintain and beautify the town, and invited a representative from the PID Board to attend an upcoming meeting on February 24 at 9:00 a.m.

AGENDA ITEM 9, 11.c. & 11.d. MOVED FORWARD ON AGENDA

Based on staff recommendation, President Sulik announced the following three agenda items will be moved forward on the agenda following public participation: Legal Report (item 9); Professional Services Agreement for Lobbyist services (item 11.c.); and Resolution adopting a support position for AB 1957 (item 11.d.).

PROFESSIONAL SERVICES AGREEMENT FOR LOBBYIST SERVICES APPROVED (Item 11.c.)

Attorney Dustin Cooper reported over the last year, the District received services of a lobbyist firm, Broad & Gusman, without charge. The firm was instrumental in helping secure PID's backfill funding of approximately \$14.6 million through its advocacy with the Legislature, Governor's office, state agencies, and other entities. District staff and counsel expect to need the services of professional lobbyists in the current legislative session. The proposed fee of \$4,000 per month is significantly undervalued and the agreement may be terminated at any time.

It was moved by Director Boston and seconded by Director Mowers to authorize the District Manager to execute a Professional Services Agreement with Broad and Gusman to provide legislative representation to the District for a fee of \$4,000 per month, plus necessary expenses on a month-to-month basis until the agreement is terminated.

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

Motion passes 5-0

RESOLUTION NO. 2020-02 ADOPTED AUTHORIZING SUPPORT OF AB 1957, AN ACT TO ADD SECTION 22162.8 TO THE PUBLIC CONTRACT CODE (Item 11.d.)

Attorney Dustin Cooper indicated Assembly Member James Gallagher has introduced Assembly Bill 1957, an act to add Section 22162.8 to the Public Contract Code, relating to Paradise Irrigation District. This bill would authorize the PID to utilize the design-build project delivery process to assign contracts for construction of a water conveyance pipeline from the Town of Paradise to the City of Chico. The PID Board Resolution presented for consideration, would allow the Board to officially take a position of support for AB 1957.

It was moved by Director Boston and seconded by Director Mowers to adopt Resolution No. 2020-02, a resolution of the Board of Directors of the Paradise Irrigation District authorizing support of Assembly Bill 1957. Directors' votes were polled as follows by roll call:

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

Motion passes 4-0 with 1 abstention

LEGAL REPORT (Item 9)

Staff and Legal Counsel provided an update regarding the Sustainability Study, noting that a condition of the state backfill funding was contingent on the District agreeing to participate in a feasibility study to examine the possibility of consolidating the District's operations with one or more neighboring water agencies. The District convinced the state to broaden the focus to include all options. A public process will be held with regard to keeping water affordable and viable. At the conclusion of the public process, the state and project manager will bring in subject matter experts for those options that

rise to the top to prepare a more in-depth analysis. A community relations firm will guide and facilitate the meetings.

CONTINUED –
LEGAL REPORT

If at the end of the options document, there is a further need to look at the Intertie Feasibility Study and the PID Board is interested in pursuing, the Board may revisit at that time. The Agreement between the County of Butte, Paradise Irrigation District, and the California Water Service Company regarding the Intertie Feasibility Study has been cancelled by the County. PID's cost share for the study is 25%, not to exceed \$35,900. Director Boston suggested the Board review whether to unencumber these funds in case PID needs those funds for other purposes. Manager Phillips confirmed this item will be placed on the March agenda for discussion to consider rescinding authorization.

Consultants Sami Kader and Colleen Boak with Water Works Engineers provided an informational update on the PID Water Supply Recovery Program and presented Letters of Appreciation to PID staff who played a role in the 2019-2020 Paradise Irrigation District Water Quality Sampling Program.

RECOVERY
PROCESS STATUS
UPDATE
(Item 5)

Project 1 – Standing Structure & Main Testing and Clearing: As of today, 100% of the 1,459 standing structure service laterals have been sampled, and 92.6% of mainlines cleared. All mains with a standing structure have been cleared. The remaining 200-300 dead end mains which serve no standing structure, are slated for clearing.

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. To date, 115 service laterals have been replaced by Sutton Enterprises. An additional 175 service laterals have been replaced by PID crews since the November 8, 2018 Camp Fire. Sutton Enterprises will be adding a third crew to provide the ability to increase the production rate.

Project 3 – Meter Replacement: Approximately 2,200 replacement meters will need to be set, and new service assembly installed. Of this figure, 1,543 meters represent standing structures and up to 600 meters for rebuilds and temporary housing.

Project 4 – Reservoir B Replacement: The District is continuing to pursue Reservoir B replacement through the FEMA 406 Hazard Mitigation Program (upgrade to damaged facilities).

Manager Phillips provided a written report and update on the following: 1) FEMA claim process and timeline. The District submitted its application for funding under 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 potentially backflow assemblies; 2) Water Works Engineers met with the Regional Water Quality Control Board regarding the NPDES Permit renewal. The draft NPDES permit will be released for public comment on Friday of this week; and 3) Staff has organized Water Service Basics Information Sessions for contractors and DIYers. Sessions will be held on Thursdays at 10:00 a.m. on the following dates: February 27, March 26, and April 30. Sessions will also be livestreamed on PID's Facebook page.

DISTRICT
MANAGER / STAFF
& FACILITY
REPORT UPDATE
FEBRUARY 2020
(Item 6)

The Board reviewed a written report prepared by Treasurer Ross Gilb for the period ending January 31, 2020 highlighting the District's cash position, debt service analysis, and operational update for fiscal year 2019/20. The District's total cash position was \$6,950,948, down approximately \$288,000 from the prior month. Through January 31, 2020, the District has processed 2,057 customer requests to permanently disconnect services, noting the number of requests have slowed down.

ACCEPTANCE OF
TREASURER'S
REPORT FOR
PERIOD ENDING
JAN. 31, 2020

CONTINUED –
TREASURER’S
REPORT FOR
PERIOD ENDING
JANUARY 31, 2020

It was moved by Director Boston and seconded by Director Mowers to accept the Treasurer’s Report as presented for the period ending January 31, 2020.

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

Motion passes 5-0

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH OF
JANUARY, 2020

Board members reviewed accounts payable expense reports for the month of January 2020. It was moved by Director Mowers and seconded by Director Shaw to approve General Fund Check Numbers 54333 through 54432 for the month of January 2020 totaling \$760,037.22, exclusive of voided check numbers 54334, 54364, 54365, 54393, 54403, and 54404, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of February.

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

Motion passes 5-0

UNFINISHED
BUSINESS – DRAFT
LEASE AGREEMENT
WITH PRPD Tabled
(Item 10.a.)

Manager Phillips reported the Draft Lease Agreement between the Paradise Irrigation District and Paradise Recreation & Park District (PRPD) is presently under review with PRPD. Staff recommends tabling this agenda item until PRPD has had an opportunity to complete their review and comment. No action taken; item tabled.

NEW BUSINESS:

PROPOSAL FROM
GENTERRA
CONSULTANTS
ACCEPTED TO
PERFORM INTERIM
RISK-REDUCTION
MEASURES AND
LONG-TERM
REPAIRS OF
MAGALIA SPILLWAY
(Item 11.a.1.)

Pursuant to a request of PID, Genterra Consultants, Inc. has provided a proposal for Interim Risk-Reduction Measures and Long-Term Repairs (Phase IIA) for Magalia Dam in reference to the required scope of work to cover items needed to comply with the request from the State of California Division of Safety of Dams (DSOD) to the existing spillway. (DSOD letter dated April 3, 2019).

It was moved by Director Mowers and seconded by Director Boston to authorize approval to accept the proposal from Genterra Consultants, Inc. to perform the services described in the Proposal – Interim Risk Reduction Measures/Long-Term Repairs Magalia Reservoir Spillway Tasks IIA-1 through IIA-8 for a total cost of \$114,558.00, and authorize the District Manger to execute an agreement with consultant subject to legal review.

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

Motion passes 5-0

PROPOSAL FROM
GENTERRA
CONSULTANTS
ACCEPTED FOR
EVALUATION OF
PIEZOMETERS AT
PARADISE &
MAGALIA DAMS
(Item 11.a.2.)

Staff reported that following the District’s 2018 Annual Dam Inspections, one of the recommendations submitted to the District was to consider reassessment of the target maximum water level elevations for the piezometers based on design and historical data. The consultant will look at the actual piezometers (pipes in the dams that allow PID to measure the water level inside of the dam) and evaluate the data to develop appropriate alert/alarm levels of threshold limits. This would be a significant risk-reduction measure for the dams.

It was moved by Director Boston and seconded by Director Hansen to authorize approval to accept the proposal from Genterra Consultants, Inc. to perform the services described in the Proposal Evaluation of Piezometers at Paradise and Magalia Dams for

a total cost of \$59,015.00, (\$32,442.00 for Magalia Dam and \$26,573 for Paradise Dam), and authorize the District Manager to execute an agreement subject to legal review.

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

Motion passes 5-0

Manager Phillips reported the District currently has four treatment plant operators that rotate shifts throughout the year. The current staffing level covers a day shift operator and a 24-hour shift operator. Three of the current treatment plant operators are nearing retirement age. Staff is requesting the Board open a Water Treatment Plant Operator 3 position to help with the transition of an upcoming retirement. This position will not be backfilled.

It was moved by Director Boston and seconded by Director Shaw to authorize staff to fill a Water Treatment Plant Operator 3 position for succession planning.

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

Motion passes 5-0

Per Board direction, the District received qualifications for strategic planning facilitator services. The District received three written proposals from qualified facilitators for consideration: Leadership Development Network, Shaffer Consulting, and Odyssey Teams.

It was moved by Director Boston and seconded by Director Hansen to accept the proposal from Shaffer Consulting to provide strategic planning facilitator services and authorize the District Manager to execute an agreement on behalf of the District subject to legal review and approval.

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

Motion passes 5-0

In an effort to streamline committee meetings, the Board consolidated some committees with other standing committees at the December 2017 Board of Directors meeting. The PID/Town of Paradise Liaison Committee meeting was consolidated with the Community Relations Committee.

With the recovery and rebuilding of the town, agency staff and two members from PID and the Town Council have been regularly meeting to provide updates. If the Board would like to reestablish the PID/Town of Paradise Liaison as a standing committee, a minor amendment to PID Policies & Procedures Chapter 2.21.D. & E. regarding Standing Committees is provided for consideration.

It was moved by Director Boston and seconded by Director Shaw to establish the PID/Town of Paradise Liaison Committee as a standing committee and amend PID Policy and Procedures Chapter 2.21 as presented to reflect this change.

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

Motion passes 5-0

CONTINUED –
GENTERRA
PROPOSAL FOR
EVALUATION OF
PIEZOMETERS AT
PARADISE &
MAGALIA DAMS

WATER
TREATMENT
PLANT STAFFING:
WTP OPERATOR 3
POSITION
(Item 11.b.)

STRATEGIC
BUSINESS
PLANNING
PROCESS –
FACILITATOR
PROPOSALS
(Item 11.e.)

STANDING
COMMITTEES:
PID/TOP LIAISON
COMMITTEE
FORMED
(Item 11.f.)

CONTINUED –
PID/TOP LIAISON
COMMITTEE
MEETING FORMED

Board members confirmed interest to serve on the PID/Town of Paradise Liaison Committee. Director Mowers will continue to represent PID at these meetings and will be joined by Director Hansen.

CUSTOMER
ASSISTANCE
PROGRAM:

Staff reported the Customer Assistance Program (CAP) was created for low-income households in 2016 and provided a monthly \$10.00 service charge subsidy to the active rate for qualified applicants paid from the District's property tax revenue. The program was dependent on available tax revenue and offered at a first-come, first-serve basis, so as not to exceed a total subsidy amount of \$189,960 annually. Customers were required to reapply each year to continue receiving the subsidy.

AGENDA ITEM
TABLED
(Item 11.g.)

Following the 2018 Camp Fire, all customers were placed on the ready-to-serve rate, which is not a qualifying rate for the subsidy, so no customer has received the subsidy since November 2018. As recovery continues and more customers return to the active rate, we expect to see more interest in the program. The District currently has one applicant. In 2017 there were approximately 630 program participants receiving a bill subsidy amount of \$120.00 per year each, totaling approximately \$75,600.00 for the year.

Staff confirmed a written policy regarding the CAP Program was never formalized. It was suggested to table this item and staff will develop policy language as the program guidelines are written and bring back to the Board at the March meeting for further review and discussion.

DIRECTORS'
COMMENTS
(Item 12.)

Director Hansen: Welcomed Brian Shaw to the Board.

Director Boston: Extended a welcome to Brian Shaw and commented on Board Member training information and an informative article about meeting management provided in the January/February issue of the ACWA Joint Powers Insurance Authority (JPIA) newsletter. Free, online webinar training is available on March 17, 2020 titled, "Board Boot Camp: Being a Better Board Member", and "Chair a Meeting with Confidence" on June 10, 2020.

Director Mowers: Welcomed new Board Member. Stated he left the January meeting with further thoughts in reference to his motion on the Interim Water Supply Program Extension; adding his motion may have set aside another director's feelings about the subject. Recommended having further discussion at the March meeting regarding the possibility of formalizing a statement in reference to reimbursement of those funds to customers in the event the District receives reimbursement by FEMA.

Director Sulik: Welcomed Brian Shaw to the Board and thanked public member Ward Habriel for his participation.

CLOSED SESSION
(Item 13.a. & 13.b.)

President Sulik announced closed session items 13.a. and 13.b. As there were no public comments, the Board adjourned to closed session at 9:11 p.m. regarding the following:

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

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

13.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
CONTINUED

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

President Sulik reconvened the regular meeting at 9:40 p.m. and provided closed session announcement information regarding agenda items 13.a. and 13.b. as listed above on pages 6 and 7 in italicized print.

CLOSED SESSION
ANNOUNCEMENT

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 9:42 p.m.

ADJOURNMENT


Georgeanna Borrayo, Secretary


Marc Sulik, President