

MINUTES

REGULAR MEETING BOARD OF DIRECTORS PARADISE IRRIGATION DISTRICT MARCH 18, 2020

The regular meeting of the Board of Directors of the Paradise Irrigation District was called to order at 6:31 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, Brian Shaw, Vice-President Shelby Boston, and President Marc Sulik

ROLL CALL

BOARD MEMBERS ABSENT: None

STAFF PRESENT: District Manager Kevin Phillips, Finance & Accounting Manager Ross Gilb, IT Manager Mickey Rich, Customer Service Representative Jessica Patterson, and Secretary Georgeanna Borrayo

ALSO PRESENT: PID Legal Counsel – Attorney Dustin Cooper, and members of the public

Attorney Dustin Cooper presented an item for Board consideration to add Resolution No. 2020-03 to the Agenda as an urgency item. The Resolution is in reference to emergency conditions prevailing because of the “coronavirus disease 2019”, abbreviated “COVID-19.” A super majority vote of the Board Members present, finding the circumstances justify there is a need to take immediate action, is required to add this item to the Agenda.

RESOLUTION NO.
2020-03 ADDED TO
AGENDA AS
URGENCY ITEM
BY MAJORITY
VOTE OF BOARD

It was moved by Director Mowers and seconded by Director Boston to add Resolution No. 2020-03 to the Agenda prior to discussion of item 2 – Approval of Consent Calendar.

AYES: Directors Hansen, Boston, Mowers, Shaw, and Sulik
NOES: None
ABSENT: None
Motion passes 5-0

Attorney Dustin Cooper indicated Resolution No. 2020-03 delegates the District Manager to take action as the need arises to implement the information and directives of federal, state, and local health officials regarding COVID-19.

PID RESOLUTION
NO. 2020-03
DECLARING
LOCAL
EMERGENCY
(COVID-19)
ADOPTED
(Item 2)

It was moved by Director Boston and seconded by Director Mowers to adopt Resolution No. 2020-03, A Resolution by the Board of Directors of the Paradise Irrigation District Declaring Local Emergency (COVID-19). Directors’ votes were polled as follows by roll call:

AYES: Directors Mowers, Boston, Hansen, Shaw, and Sulik
NOES: None
ABSENT: None
Motion passes 5-0

PUBLIC
PARTICIPATION RE:
MATTERS NOT
SCHEDULED ON
AGENDA MOVED
AHEAD OF
CONSENT
CALENDAR

President Sullik announced an opportunity for public comment regarding matters not scheduled on the agenda will be moved ahead of agenda item 2 - Approval of Consent Calendar. As a result of elevated risks associated with COVID-19, the District has provided the option for community members to join the Facebook Livestream to participate instead of attending the meeting in person. Comments from online participants regarding items not on the agenda will be read to the Board of Directors beginning at 6:40 p.m. Public comment in reference to agenda items will be read directly after the agenda item and before the Board votes on an item.

PUBLIC
PARTICIPATION
(Item 3)

An online Facebook viewer commented he appreciates the District's hard work and efforts.

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

Board members reviewed consent calendar items as follows:

- 2.a. Approval of Meeting Agenda Order
- 2.b. Approval of Minutes: Regular Meeting of February 19, 2020

It was moved by Director Boston and seconded by Director Shaw to approve the Consent Calendar.

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

Motion passes 5-0

RECOVERY
PROCESS STATUS
UPDATE
(Item 4)

Consultant Colleen Boak with Water Works Engineers provided an informational update on the PID Water Supply Recovery Program.

Project 1 – Standing Structure: To date, 100% standing structure service laterals have been sampled, and 95% standing structures cleared and issued letters lifting the Water Quality Advisory. For mainlines, 93.2% have been cleared.

Project 2 – Service Lateral Replacement Program Update: To date, 151 service laterals have been replaced by the contractor, Sutton Enterprises. An additional 191 service laterals have been replaced by PID crews since the November 8, 2018 Camp Fire. Sutton Enterprises has added a third crew to provide the ability to increase the production rate. Clear weather in February presented an opportunity for the contractor to complete asphalt patching several months ahead of schedule. Continuing challenges that arise include locating mains and service laterals, weather conditions, completing asphalt restoration when possible, and making adjustments to accommodate builds near completion.

DISTRICT
MANAGER'S
REPORT
(Item 5)

Manager Phillips provided a written report and update on the following: FEMA claim process and timeline; 2) Work performed on a major leak at Wagstaff and Delores Drive; 3) PID Sustainability Study; and 4) Supply order placed in anticipation of potential manufacturing delays due to impacts to businesses regarding COVID-19.

TREASURER'S
REPORT ACCEPTED
PERIOD ENDING
FEBRUARY 29, 2020
(Item 6.a.)

Board members reviewed a written Treasurer's Report prepared by Treasurer Ross Gilb for the period ending February 29, 2020 highlighting the District's cash position, debt service analysis, and operational overview for fiscal year 2019/2020. Treasurer Gilb noted the January and February billing cycle contained approximately 1,100 customers who have been returned to the active rate. There are currently an estimated 400 additional customer accounts that will be returned to the active rate for the next bill cycle.

It was moved by Director Boston and seconded by Director Shaw to accept the Treasurer's Report as presented for the period ending February 29, 2020.

CONTINUED –
TREASURER'S
REPORT
ACCEPTED

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

Motion passes 5-0

Treasurer Gilb presented a Mid-Year Budget Review Financial Summary for Fiscal Year 2019/20 highlighting recommended budget adjustments pertaining to operating revenue and expenses and recovery related services. Based on revenues and expenditures incurred during FY 2019/20 through February 29, 2020, an additional decrease in cash of approximately \$1,592,500 is projected through the end of the fiscal year.

MID-YEAR
BUDGET REVIEW
FOR FY 2019/2020
(Item 6.b.)

It was moved by Director Mowers and seconded by Director Boston to accepted the Mid-Year Budget Financial Summary for fiscal year 2019/20 with recommended budget adjustments.

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

Motion passes 5-0

Members of the Board reviewed accounts payable expense reports for the month of February 2020. It was moved by Director Mowers and seconded by Director Shaw to approve General Fund Check Numbers 54433 through 54628 for the month of February 2020 totaling \$1,204,555.75, exclusive of voided check numbers 54449, 54451, 54506, 54507, and 54595 to 54598, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of March.

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH
OF FEB. 2020
(Item 7)

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

Motion passes 5-0

Attorney Dustin Cooper commented on the following: 1) Support letters have started to come in for Assembly Bill 1957, an act to add section 22162.8 to the Public Contract Code, relating to Paradise Irrigation District. The ACWA State Legislative Committee has considered this item and is issuing a support position; and 2) Examining the possibility for PID to partner in a raw water transfer to potentially sell water through the delta to agencies south of the delta for a one year contract period. This is a complex transaction and would most likely be 2021 before this would be a possibility.

LEGAL REPORT
(Item 8)

Ad Hoc Demonstration Garden: Chairperson Sulik indicated a meeting was held to discuss maintenance of the demonstration garden.

COMMITTEE
REPORTS
(Item 9.1 – 5.)

Community Relations Committee: Directors Boston and Sulik reported meetings were held in February and March. Discussion at the February meeting included a recommendation to establish an Ad Hoc Demonstration Garden Committee, Grant funding for the distribution of 5 gallon water jugs, and ideas on how to rebrand PID in regard to the best way to inform the community their drinking water is good.

The March committee meeting focused on an update on the Sustainability Study, brainstorming ideas relating to water education with grade school children, partnering for

CONTINUED -
COMMITTEE
REPORTS

the Gold Nugget Parade, strategizing on ways to connect with customers that have not been responsive to their billing statements, and PID's presence at the Building Resiliency Center.

Town of Paradise (TOP) / Paradise Irrigation District (PID) Liaison Committee Meeting: Directors Mowers and Hansen reported a meeting was held on Wednesday, March 11, 2020 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 focused on updates from the Town of Paradise and PID regarding rebuilding and recovery of the town. The next committee meeting will be held on May 27, 2020 at 10:00 a.m. in the Town Council Chambers.

Finance Committee: Directors Hansen and Mowers indicated the committee met to review and provide comments on the Draft Mid-Year Budget Financial Summary, which Treasurer Gilb presented to the Board earlier in the agenda this evening.

Ad Hoc Strategic Planning Committee: Director Boston reported a meeting was held via telephone conference with the District's Strategic Planning Consultant to discuss visioning, what the District wants to accomplish, and the timeline. Given the challenges of the COVID-19 pandemic and how meetings are being changed, the timeline will be extended. The next step will be to interview each of the directors regarding thoughts and experiences as they relate to PID.

UNFINISHED
BUSINESS:

DRAFT LEASE
AGREEMENT
BETWEEN PID &
PARADISE
RECREATION &
PARK DISTRICT
APPROVED BY PID
BOARD

(Item 10.a.)

Manager Phillips indicated that during the January 2019 Board meeting, the PID Board of Directors decided to investigate the possibility of transitioning the recreation to the Paradise Recreation & Parks District (PRPD). The Board felt PRPD could benefit from the additional recreation resources and allow the District to concentrate on recovery of the water system and support the rebuild of Paradise. A Lease Agreement between PID and PRPD is provided for Board consideration.

It was moved by Director Mowers and seconded by Director Boston to approve the Lease Agreement between Paradise Irrigation District and Paradise Recreation & Park District and authorize the District Manager to execute the Agreement on behalf of PID.

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

NOES: None

ABSENT: None

Motion passes 5-0

DIRECTION FOR PID
CUSTOMER
ASSISTANCE
PROGRAM – DRAFT
POLICY REFERRED
TO PID
ADMINISTRATION &
PERSONNEL
COMMITTEE

(Item 10.b.)

Staff confirmed the Customer Service 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. 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, staff anticipates there to be more interest in the program.

At the February 19, 2020 Board meeting, direction was given to staff to develop policy language based on program guidelines authorized by the Board when the CAP was initially approved in 2016. If the Board desires to continue the program, the proposed policy language (Chapter 7.10 – Customer Service Program) has been prepared as an amendment to the District's Policy and Procedures Chapter 7 – Water Rates, Operating Fees and Billing Procedures.

Members of the Board indicated support of the Customer Assistance Program; however, noted concerns about continuing the program at this time due to current economic uncertainties associated with the 2018 Camp Fire and COVID-19 pandemic. Further discussion included: 1) Consider aligning the renewal period with PG&E's CARE Program, which is set at two years; 2) Reviewing the residency requirement; 3) Additional workload on Customer Service staff; and 4) Providing suggestions to a sub-committee to tighten up the program and then bring back to the Board.

Based on director input, staff will refer the Draft Policy to the Administration & Personnel Committee for review and editing and bring back to the Board in April.

Engineer Colleen Boak with Water Works Engineers reported on the current contract with Sutton Enterprises for the Service Lateral Replacement Project. The current contract duration is 180 days, beginning with the Notice to Proceed issued on November 7, 2019, with an end date of May 5, 2020. Challenges including locating existing underground utilities, working through the retrofit of a wide variety of main and valve conditions, as well as limitations on PID crew availability for site prep and reconnection, have resulted in a current project completion date of August 2020 for the originally scoped 650 service laterals. Staff is recommending the Board consider extending the contract duration through the end of the calendar year.

It was moved by Director Boston and seconded by Director Shaw to approve the recommended contract extension for Sutton Enterprises for the Service Lateral Replacement Project from 180 days to 420 days and authorize the District Manager to execute the amended construction agreement for the District.

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

NOES: None

ABSENT: None

Motion passes 5-0

President Sulik called for a Board recess at 8:35 p.m.

President Sulik reconvened the regular meeting at 8:45 p.m.

Manager Phillips reported Aptim Environmental & Infrastructure (APTIM) was contracted to perform public assistance and disaster recovery management services beginning in June 2019. The services described in the original proposal included an array of FEMA public assistance management services. To help with reimbursement of management cost associated with APTIM services, the Scope of Work and Cost Proposal have been modified to better reflect the work necessary to close out all of the District's FEMA claims. No price change is proposed. The proposed amendment is to refine the details in the scope of work to match the project.

It was moved by Director Boston and seconded by Director Mowers to approve Amendment No. 1 and authorize the District Manager to execute the Amendment to the Professional Services Agreement dated July 26, 2019 with Aptim Environmental & Infrastructure, LLC.

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

NOES: None

ABSENT: None

Motion passes 5-0

CONTINUED –
DIRECTION RE:
CUSTOMER
ASSISTANCE
PROGRAM:
DRAFT POLICY
REFERRED TO PID
ADMINISTRATION
& PERSONNEL
COMMITTEE

NEW BUSINESS:

SERVICE LATERAL
REPLACEMENT
PROGRAM –
CONTRACT TIME
SCHEDULE
EXTENSION WITH
SUTTON
ENTERPRISES
(Item 11.a.)

BOARD RECESS

MEETING
RECONVENED

CONTRACT
AMENDMENT #1
WITH APTIM
APPROVED FOR
POST FIRE
DISASTER PUBLIC
ASSISTANCE &
RECOVERY
MANAGEMENT
SERVICES
(Item 11.b.)

BOARD
AUTHORIZATION TO
RESCIND PRIOR
APPROVAL OF
INTERTIE
FEASIBILITY
AGREEMENT
BETWEEN PID,
BUTTE COUNTY &
CAL WATER
(Item 11.c.)

Attorney Dustin Cooper reported providing an update under his Legal Report at the February Board meeting regarding the transition to the Sustainability Report and how a public process will be held to develop options that will then be selected for further analysis by the subject matter experts. This was originally a three-party cooperation among the County of Butte, Paradise Irrigation District, and the California Water Service Company. County support of the study was later withdrawn, so the Agreement is cancelled. This agenda item is a formality for the Board to consider rescinding its prior approval.

It was moved by Director Mowers and seconded by Director Hansen to rescind the Agreement between the County of Butte, Paradise Irrigation District, and the California Water Service Company regarding the Intertie Feasibility Study.

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

NOES: None

ABSENT: None

Motion passes 5-0

PID RESIDENTIAL
PROPERTY –
POTENTIAL
IMPROVEMENTS
(Item 11.d.)

President Sulik indicated he placed this item on the agenda for discussion and possible direction to staff regarding potential improvements to exterior paint and windows for the PID residential property located at 6350 Clark Road, Paradise. During the November 2018 Camp Fire, the fire burned close to the house and the paint shows signs of peeling on the siding.

Board members concurred to provide direction to staff to further assess damages and upgrades to windows and exterior paint. Staff will also review the inspection report completed by American Technologies, Inc. for fire and smoke damage services to confirm if the report noted any damage to the roof, and examine whether the windows have lost their integrity as a result of the fire and should be replaced.

PROPOSED
REVISION TO PID
MOBILE DEVICE
POLICY –
REFERRED TO
ADMINISTRATION &
PERSONNEL
COMMITTEE
(Item 11.e.)

Staff reported the District's Mobile Telephone Use Policy was created in 2012 and is out of date. The proposed policy revision is more inclusive of all electronic mobile devices, reflects current laws and security challenges and reduces risks associated with employee use of cell phones used for business purposes.

With the change to providing District supplied devices only, Board members suggested adding further clarification that personal cell phone or mobile device use is prohibited. Additional suggestions included language prohibiting social media use; i.e., posting, commenting, etc., and including additional wording in reference to mobile device use while driving to indicate being in a safe and legal spot when taking or placing a call.

Staff will incorporate the suggested revisions and review with the Administration & Personnel Committee prior to bringing back to the Board for further review at a future meeting.

DISCUSSION
REGARDING
DIRECTOR HEALTH
BENEFITS &
COMPENSATION –
INFORMATION ITEM
ONLY
(Item 11.f.)

President Sulik indicated he placed this item on the agenda as an informational item to provide some history regarding Director Health Benefits and Compensation and the reasoning behind certain considerations to help save the District money.

President Sulik noted that following the November 8, 2018 Camp Fire, the financial future of the District looked very bleak, so the Board majority at this time opted to decline or continue to waive their meeting stipend and health benefits. He further added that during the PID recall election in 2017, there was a lot of angst in town regarding a proposed rate increase and director benefits and compensation was brought up as a

cost savings measure. The two newly elected Board Members supported by the recall effort waived participation in Director Health Benefits and Compensation.

Informational item only; no Board action taken.

President Sulik indicated the purpose of this item is to discuss the nomination process for members of the Board of Directors when filling a vacancy on the Board by appointment. Board members discussed ideas regarding the nomination process and having written procedures available.

VACANCY ON
BOARD OF
DIRECTORS –
NOMINATION
PROCESS
(Item 11.g.)

While not a legal requirement, Attorney Dustin Cooper suggested asking each candidate the same questions. As a courtesy to each of the candidates, the Board may ask candidates to step out of the room while each candidate responds to the interview questions. Following candidate questions, the Board President may indicate they want to have each Board member provide their feedback on the candidates. After the Board speaks, this would be a good place to ask for public comment.

Additional suggestions included: 1) A voting process where each director would write down their candidate selection and randomly draw from those ballots to determine the order for voting purposes; 2) Incorporating policy language to state each candidate will be provided an agenda packet and is encouraged to meet with the District Manager or designee to walk through the agenda items of business; and 3) Formal application process for candidates with information and reporting requirements for elected officials.

Staff will work with Legal Counsel to draft policy language to bring back to the full Board for review.

Staff reported the Butte Local Agency Formation Commission (LAFCO) is holding an election for a Special District Alternate "Enterprise or Non-Enterprise" Member. Each Butte County Special District may vote for one nominee or may indicate a write-in candidate on the election ballot.

BUTTE LAFCO
ELECTION OF
SPECIAL DISTRICT
ALTERNATE "NON-
ENTERPRISE"
MEMBER
POSITION
(Item 11.h.)

It was moved by Director Boston and seconded by Director Hansen to nominate Tom Lando (Chico Area Recreation & Park District Representative) for the Special District Alternate "Non-Enterprise" Member position and authorize certification and submittal of the 2020 Election Ballot to Butte LAFCO.

AYES: Directors Hansen, Boston, Mowers, and Shaw

NOES: Director Sulik

ABSENT: None

Motion passes 4-1

Director Boston: Expressed appreciation to the District's consultants and PID staff for their hard work and indicated it is incredible to see the progress that has been made, acknowledging the leadership of Manager Phillips, Jim Ladrini, Bill Taylor, and all PID team members.

DIRECTORS'
COMMENTS
(Item 12)

Director Hansen: Indicated he has had an opportunity to see the crews working on leaks in his neighborhood, adding he is in awe of the PID organization and leadership and is proud to play a role in the recovery process.

Director Shaw: Thanked everyone for their vote of confidence last month. As a builder, he feels PID and the Consultants on board to assist with the recovery process are doing a great job. Wished everyone good health in the coming months amidst COVID-19 concerns.

CONTINUED –
DIRECTORS’
COMMENTS

President Sulik: Acknowledged IT Manager Mickey Rich and Customer Service Representative Jessica Patterson for their coordination and assistance with remote meeting access and publishing information on the District’s website. Stated it is an honor to represent the District and work together to make decisions to keep the District moving forward.

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

President Sulik announced closed session items 13.a., 13.b. and 13.c. As there were no public comments, the Board adjourned to closed session at 9:58 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 (California Government Code section 54956.9). Neil Essila e al v. Paradise Irrigation District et al. Butte County Superior Court Case No. 17CV02546.

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 – PID Legal Counsel. Negotiations with IBEW Local 1245.

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

CLOSED SESSION
ANNOUNCEMENT

President Sulik reconvened the regular meeting at 10.49 p.m. and provided closed session announcement information regarding agenda items 13.a., 13.b., and 13.c. as listed above in italicized print.

ADJOURNMENT

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 10:52 p.m.


Georgeanna Berrayo, Secretary


Marc Sulik, President