

MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
PARADISE IRRIGATION DISTRICT
JUNE 17, 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, Brian Shaw, Vice-President Shelby Boston, and President Marc Sulik

ROLL CALL

BOARD MEMBERS ABSENT: None

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

ALSO PRESENT: Finance & Accounting Manager Ross Gilb, PID Legal Counsel (Participating Attorney Emily LaMoe, Consultants Sami Kader & Colleen Remotely) Boak with Water Works Engineers, and members of the public

President Sulik announced due to risks associated with COVID-19, community members may fully participate in the meeting via 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: Regular Meeting of May 20, 2020

It was moved by Director Mowers and seconded by Director Boston to approve the Consent Calendar with a correction to page 7 of the Minutes as presented.

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 May 2020. It was moved by Director Boston and seconded by Director Mowers to approve General Fund Check Numbers 54835 through 54963 for the month of May 2020 totaling \$891,659.11, exclusive of voided check numbers 54857, 54858, 54960, 54889, and 54952, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of June.

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH
OF MAY 2020
(Item 8)

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

DEBRIS REMOVAL
SERVICES FOR
STORAGE BUILDING
AWARDED TO
DADCO
CONSTRUCTION
(Item 11.d.)

Manager Phillips reported the District has a building located at the B-Reservoir that was used for document storage. During the Camp Fire the building was destroyed and requires removal of the debris and foundation by a licensed contractor. Three bids for debris removal services are presented for consideration. PID Resolution No. 2020-07 was presented during the special meeting this evening adopting a Notice of Exemption from the California Environmental Quality Act for the PID Debris Removal Project.

It was moved by Director Mowers and seconded by Director Shaw to authorize award of contract to DADCO Construction for debris removal services of the storage building located at the Reservoir B property for a not to exceed amount of \$9,950 subject to legal review.

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

PUBLIC
PARTICIPATION
(Item 3)

Customer Dale Keyes commented in July 2019, he paid to have an interim water service (backflow device) installed. To date, the backflow device has not been installed and he is concerned about fire. Board members indicated staff will survey PID facilities to confirm options and contact Mr. Keyes to discuss.

In a follow up to her public comment during the May 20th Board of Directors meeting about a backflow device for interim water service, customer Leslie Cook reported she has water and extended a thank you to PID.

AUDIT
PRESENTATION:

AUDITED FINANCIAL
STATEMENTS FOR
YEAR ENDED JUNE
30, 2018 ACCEPTED
(Item 4.a.)

Finance & Accounting Manager Ross Gilb indicated this audit process was unique compared to prior years for determining some of the circumstances resulting from the Camp Fire on November 8, 2018, which resulted in significant damages to the District's capital assets and material effects to the District's future revenues and finances.

CPA Sandy Sup with Fechter & Company provided an overview of the Independent Auditor's Report accompanying financial statements for Paradise Irrigation District, as of and for the year ended June 30, 2018. Their firm has issued an unmodified opinion, which means the financial statements are materially correct and comply with generally accepted accounting principles, which is the best opinion you can receive.

Two adjustments were posted to the financial statements to record the following: 1) Additional payables of \$50,923 for the current year and 2) A routine adjustment made every year, which is to record the change in the District's unfunded liability for post-employment benefits liability of \$90,317 and to record a prior period adjustment of \$292,642 for the implementation of GASB Statement No. 75.

It was moved by Director Mowers and seconded by Director Boston to accept the Auditor's Report as presented for the year ended June 30, 2018.

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

AUDITED FINANCIAL
STATEMENTS FOR
YEAR ENDED JUNE
30, 2019 ACCEPTED

CPA Sandy Sup with Fechter & Company reported on the Independent Auditor's Report for the year ended June 30, 2019, noting their firm has issued an unmodified opinion for this period as well. The following audit adjustments were posted to the financial statements: 1) Additional payables of \$204,870 for the current year, and 2) Recording

the current year change in the District's unfunded liability for post-employment benefits of \$73,412 and to record a deferred outflow of resources of \$22,404 for other post-employment benefits.

It was moved by Director Mowers and seconded by Director Boston to accept the Auditor's Report as presented for the year ended June 30, 2019.

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

Motion passes 5-0

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

Project 1 – Standing Structure: To date, 100% of mains and meters serving standing structures have been cleared and issued letters lifting the Water Quality Advisory. Approximately 136 dead end mains remain to be cleared (down from 145 last month).

Over 1,600 Interim Water Services have been installed and new requests continue at a rate of 75-90 per month. The current backlog of outstanding Interim Water Requests is 367 (down from 430 the prior month). The District is working to move through the backlog more efficiently by categorizing the requests based on main clearance status. Circumstances that can slow installation include the following factors: 1) Many are on uncleared mains, which have to wait for main clearance, and 2) Many are damaged at the service due to the fire or lot clearing activities.

Project 2 – Service Lateral Replacement Program Update: To date, 408 service laterals have been replaced by the contractor, Sutton Enterprises. An additional 258 service laterals have been replaced by PID crews since the November 8, 2018 Camp Fire. 664 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 AMI system selection and purchase (Spring/Summer 2020)

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

Project 4 – Reservoir B Replacement Project Update: The District is awaiting FEMA funding decisions regarding the District's project funding application. As soon as funding is available, Water Works Engineers will perform the redesign required to meet the FEMA funded project, package the project for bid, procure a construction contractor and execute construction. The targeted completion timeframe is 2021.

Manager Phillips provided a written report and update on the following: 1) PID Backfill Funding - Through support of local legislative representatives, organizations, and community members, PID was successful in getting the \$7.3 million backfill funding restored in the California State Assembly and Senate budgets as a critical step in restoring this funding in the final 2020-2021 Budget Act; 2) FEMA claim process; and 3) Staff suggestion to form an Ad Hoc Committee relating to customer recovery support issues such as providing guidance regarding the Interim Water Service Policy, and billing or water concerns for circumstances that present a delay in delivering water to some customers. In addition to two Board member representatives, it would be beneficial to have the District Manager, Finance & Accounting Manager, and Distribution Superintendent participate on the committee.

CONTINUED –
AUDITED
FINANCIAL
STATEMENTS FOR
YEAR ENDED
JUNE 30, 2019
ACCEPTED
(Item 4.b.)

RECOVERY
PROCESS STATUS
UPDATE
(Item 5)

DISTRICT
MANAGER'S
REPORT
(Item 6)

TREASURER'S
REPORT ACCEPTED
FOR PERIOD
ENDING
MAY 31, 2020
(Item 7)

Board members reviewed a written Treasurer's Report prepared by Treasurer Ross Gilb for the period ending May 31, 2020 highlighting the District's cash position, debt service analysis, and operational and recovery related expenditures. FEMA funds for three smaller projects have been received, which includes 1) Debris removal, \$10,000; 2) Fencing project, \$94,000; and 3) Vehicles and equipment, \$33,000. Additionally, the District has received a notice of obligation of \$1.4 million for water sampling.

The District's year end inventory count is scheduled in July for the next fiscal audit and the Draft Budget for fiscal year 2020-2021 will be presented to the Finance Committee on July 8.

It was moved by Director Hansen and seconded by Director Boston to accept the Treasurer's Report as presented for the period ending May 31, 2020.

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

LEGAL REPORT
(Item 9)

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

COMMITTEE
REPORTS
(Item 10)

Administration & Personnel Committee: Director Mowers reported a meeting was held on June 3, 2020 to review the proposed revisions to the PID Mobile Device Policy, Customer Assistance Program proposed policy, and nomination process for vacancy on Board of Directors. All topics will be presented on the agenda for review and discussion this evening under items 11.a., 11.b., and 12.b.

UNFINISHED
BUSINESS:

PID MOBILE DEVICE
POLICY APPROVED
(Item 11.a.)

Information Systems Manager Mickey Rich reported this item is continued from the March 18, 2020 Board of Directors meeting. The proposed policy has been reviewed by the Administration and Personnel Committee and Legal Counsel. Edits were made to allow for emergency use of a District mobile device and a policy compliance section has been added based on committee input.

It was moved by Director Hansen and seconded by Director Shaw to approve the revisions to the Mobile Telephone Use Policy as presented.

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

CUSTOMER
ASSISTANCE
PROGRAM –
DIRECTION
PROVIDED TO
SUSPEND
PROGRAM AT THIS
TIME
(Item 11.b.)

Information Systems Manager Mickey Rich confirmed this item is continued from the February 14 and March 18, 2020 Board of Director meetings. As requested by the Board, this agenda item was discussed by the Administration and Personnel Committee. The committee supports suspending the program and revisiting creating a policy to support a subsidy program at such time that meters are installed, and the District resumes regular billing. Staff is seeking Board direction regarding the future of the program.

It was moved by Director Shaw and seconded by Director Hansen to suspend the Customer Assistance Program.

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

Manager Phillips indicated the District does not currently have an engineer in-house to provide general engineering support tasks for the District's needs. The proposal provided by Water Works Engineers is intended to be a flexible tool to support the District as needed and requested for services such as project management, engineering support for the District and GIS Maintenance and Water Modeling.

DISTRICT
ENGINEERING
SERVICES
PROPOSAL
(Item 11.c. Tabled
until next month)

As a result of the Governor's new budget proposal to cut \$7.3 million backfill funding to PID, Board members concurred to table this item until next month when the District may have a better fiscal picture regarding the state backfill funding.

Staff reported the Board concurred to table this item at the May 20, 2020 Board of Directors meeting until the Board has a better fiscal picture regarding the state backfill funding. Manager Phillips confirmed an application request has been submitted to Rotary and staff will proceed to seek grant funding from the North Valley Community Foundation.

PURCHASE
REQUEST FOR
UPGRADES TO
BOARD
CONFERENCE
ROOM AUDIO /
VIDEO
(Item 11.e.)

The proposed purchase request is for audio and video upgrades to the District's Board room. The existing system was installed in 2012 and uses outdated technology and was not designed for streaming or telecommunication. The proposed updates include improvements to allow for better sound and video quality for broadcasting and telemeetings, as well as necessary audio and video upgrades to existing equipment. The quote also includes soundproofing to decrease the echo in the room. The proposed not to exceed cost for all upgrades is \$17,987.31. The not to exceed cost for minimum improvements of soundproofing and sound feed for audio only to allow for better communication for distant or online participants is \$4,910.14.

Board members weighed options to postpone the purchase and the importance to have the necessary technology to meet customer and employee needs to conduct business.

Following discussion, it was moved by Director Boston and seconded by Director Shaw to move forward with the purchase and installation request for audio, video and soundproofing upgrades to be provided by Sounds by Dave for an amount not to exceed \$17,987.31, provided Rotary is not eligible to offer funding and the North Valley Community Foundation is also not eligible to provide funding for this request.

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

Finance & Accounting Manager Ross Gilb indicated this process was recommended as best practice by the District's auditors to identify capital assets damaged or destroyed from the Camp Fire and that said property be written off the District's fixed asset ledger.

It was moved by Director Boston and seconded by Director Mowers to adopt Resolution No. 2020-06 declaring property destroyed or damaged by the Camp Fire as assets written off the District's fixed asset ledger. Directors' votes were polled as follows by roll call:

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

RESOLUTION NO.
2020-06 ADOPTED
DECLARING
PROPERTY
DESTROYED OR
DAMAGED BY THE
CAMP FIRE AS
ASSETS WRITTEN
OFF THE
DISTRICT'S FIXED
ASSET LEDGER
(Item 12.a.)

POLICY REVISION
RE: NOMINATION
PROCESS FOR
VACANCIES IN
BOARD OF
DIRECTORS
REFERRED BACK
TO
ADMINISTRATION &
PERSONNEL
COMMITTEE
(Item 12.b.)

Manager Phillips reported the proposed revisions to Chapter 2.4 – Vacancies in Board of Directors under the District's policy and procedures manual, is based on Board input and direction provided at the Board of Directors meeting on March 18, 2020 regarding a formal nomination process for appointment of a director to fill a vacancy. The proposed policy revision has been reviewed with the Administration & Personnel Committee and Legal Counsel.

Board members provided additional input and recommended revising the policy to include information regarding the following: 1) Holding a special Board meeting to consider interested candidates for appointment to fill a director vacancy. The person appointed to fill the vacancy would then participate as a voting director at the following regularly scheduled Board meeting; and 2) Provide a standardized set of questions to ask each candidate with an opportunity to ask follow up questions.

The Board consensus was to refer the proposed policy back to the Administration & Personnel Committee for further revision based on the feedback received this evening.

DIRECTORS'
COMMENTS
(Item 13)

Director Shaw: Commented on attending a morning meeting at the Corporation Yard to learn more about PID's field operations. He expected to see 30 plus employees instead of approximately 15 and noted PID is taking on a monumental task with very limited staffing. Keeping the district's employees happy is very important. He further indicated receiving inquiries about the water being drinkable and recommended continued communications regarding water quality.

Director Hansen: Reported a community member was bitten by a rattle snake on their property in the center of town and cautioned everyone to watch their step and be careful.

Director Boston: Commented on being excited about the Strategic Business planning process and looking forward to the next steps.

Director Mowers: Acknowledged Manager Phillips and Finance & Accounting Manager Ross Gilb for their efforts that went into keeping the District fiscally on track. The audit adjustments made were minor. Addressed a public comment made by Dale Keyes this evening and stated the Board heard his concerns and an update will be provided to him.

President Sulik: Thanked all the people and organizations involved in advocating that the PID backfill funding be restored in the state budget, and extended a thank you to public member Leslie Cook for calling this evening to submit a follow up comment.

CLOSED SESSION:
(Item 14.a. and 14.b.)

President Sulik announced discussion will not be held for closed session items 14.c. and 14.d. on the Agenda. As there were no public comments, the Board adjourned to closed session at 9:05 p.m. regarding the following:

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

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

- 14.b. 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.

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

CONTINUED -
CLOSED SESSION
(Item 14.a. & 14.b.)

Closed Session Announcement: There was no discussion in closed session pertaining to agenda item 14.c. as announced by President Sulik prior to the Board adjourning to closed session.

- 14.d. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (California 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: There was no discussion in closed session pertaining to agenda item 14.d. as announced by President Sulik prior to the Board adjourning to closed session.

President Sulik reconvened the regular meeting at 10:41 p.m. and provided closed session announcement information regarding agenda items 14.a. and 14.b. as listed above in italicized print.

CLOSED SESSION
ANNOUNCEMENT

It was moved by President Sulik to adjourn the meeting. The regular meeting was adjourned at 10:42 p.m.

ADJOURNMENT


Georgeanna Borrayo, Secretary


Marc Sulik, President