

MINUTES

REGULAR MEETING BOARD OF DIRECTORS PARADISE IRRIGATION DISTRICT DECEMBER 16, 2020

The regular meeting of the Board of Directors of the Paradise Irrigation District was called to order at 6:32 p.m. by President Marc Sulik, followed by a Reflection and the Pledge of Allegiance to the Flag of the United States of America.

OPENING

BOARD MEMBERS PRESENT: Directors Dan Hansen, Alan Hinman, Vice-President Shelby Boston, President Marc Sulik
Director Brian Shaw (participating remotely via GoToMeeting)

ROLL CALL

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Interim District Manager Tom Lando, Assistant District Manager Mickey Rich, Finance & Accounting Manager Ross Gilb, and Secretary Georgeanna Borrayo

ALSO PRESENT: Consultants Sami Kader and Colleen Boak with Water Works Engineers. Joining the meeting remotely via GoToMeeting: PID Legal Counsel Representatives Jeffrey O'Neal and Emily LaMoe, and members of the public

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 7:00 p.m. At 7:10 p.m. the President of the Board will request public comments 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.

President Sulik announced the Board will adjourn to closed session to discuss Agenda items 2.a. and 2.b. As there were no questions or comments, the Board adjourned to closed session at 6:40 p.m. to discuss the following:

CLOSED SESSION
(Items 2.a. & 2.b.)

2.a. 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.

2.b. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (Government Code section 54957).

President Sulik reconvened the regular meeting at 7:18 p.m. and announced there is no information to report from closed session.

CLOSED SESSION
ANNOUNCEMENT

Board members reviewed consent calendar items as follows:

- 5.a. Approval of Meeting Agenda Order
- 5.b. Approval of Minutes: Special Meeting of November 19, 2020
Special Meeting of December 7, 2020
- 5.c. Approval of Award of Contract: Sand and Base Rock Deliveries for 2021

CONSENT
CALENDAR
APPROVED
(Item 5.a. – 5.c.)

CONSENT
CALENDAR
APPROVED
(Item 5.a. – 5.c.)

It was moved by Director Boston and seconded by Director Shaw to approve the consent calendar as presented.

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

TIME TO SUBMIT
PUBLIC COMMENTS
EXTENDED

President Sulik indicated the timeframe to submit public comments on the Livestream thread for matters not on the agenda will be extended to 7:30 p.m. at which time the Board will hear public comments received.

ELECTION &
APPOINTMENT OF
OFFICERS FOR 2021
(Item 6.a. & 6.b.)

President Sulik turned the meeting over to Interim District Manager Tom Lando to open Agenda item 6, Election & Appointment of Officers.

Office of President: Interim District Manager Tom Lando accepted nominations for the office of President.

OFFICE OF
PRESIDENT:
SHELBY BOSTON

1. Director Hansen nominated Director Shelby Boston for consideration as President.
2. Director Hinman nominated Brian Shaw; Director Shaw declined nomination.

Manager Lando called for a vote on the nomination to elect Director Shelby Boston to serve as President for 2021.

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

Manager Lando turned the meeting over to incoming President Shelby Boston.

OFFICE OF VICE
PRESIDENT:
DAN HANSEN

Office of Vice President: President Boston opened nominations for the office of Vice President. President Boston nominated Director Hansen; seconded by Director Sulik. As there were no further nominations, President Boston called for a vote on the nomination to elect Director Hansen for the office of Vice President for 2021.

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

Appointment of Treasurer and Secretary:

It was moved by Director Hansen and seconded by Director Shaw to appoint Ross Gilb as Treasurer and Georgeanna Borrayo as Secretary.

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

WATER SUPPLY
RECOVERY
PROGRAM UPDATE
(Item 7)

Consultants Sami Kader and Colleen Boak with Water Works Engineers provided a Water Supply Recovery Program Update, which included information on the following:

Project 1: Standing Structure and Main Testing & Clearing Program: Interim Water Service (IWS) installation progress continues to outpace IWS orders.

Water Quality Assurance Monitoring continues with no further MCL exceedances of any fire related VOCs. Data is available on the PID website for this program for customers to view.

CONTINUED –
WATER SUPPLY
RECOVERY
PROGRAM
UPDATE

Project 2: Service Lateral Replacement Program

Progress in November continued at approximately 80 service lateral replacements per month. The District is well caught up with demand for all approved building permits.

Project 3: Meter Replacement Project

The meter purchase contract with Zenner USA has been finalized. The meter replacement construction contract is in the final phases of development. It will include the installation of new service laterals, meters, and permanent backflow preventers at all locations.

Project 4: Reservoir B Replacement Project

Cal OES has approved the District's version request letter, and this has been moved on to FEMA for review. The District anticipates hearing back in January 2021.

Information item only; no Board action taken.

Board members reviewed written staff reports provided in the agenda packet. Interim District Manager Tom Lando and Assistant District Manager Mickey Rich provided additional updates regarding the following: 1) Water Works Engineers has begun a preliminary assessment for the District's Urban Water Management Plan Update, which is due in July 2021; 2) The Request for Proposals for the Sustainability Study is out with proposals requested the end of January 2021; 3) At the request of the Board, staff is restarting the Strategic Planning effort; 4) PG&E has extended the timeframe to February for accepting claims; and 5) After-Action Report - Staff has held two group meetings with Constant Associates to gather information and review actions performed during the 2018 Camp Fire. Constant Associates is currently reviewing the discussions and feel they are on track to have a report ready for review the end of February 2021.

DISTRICT
MANAGER &
STAFF REPORT
UPDATES
(Item 8)

Staff reported no public comments have been submitted pertaining to matters not scheduled on the agenda.

PUBLIC
PARTICIPATION

Engineering Consultant Colleen Boak with Water Works Engineers provided an informational update regarding the status of engineering support services to the Paradise Irrigation District, as well as budget information regarding project expenditures and projections. ***Information item only; no Board action taken.***

DISTRICT
ENGINEERING
REPORT
(Item 9)

Board members reviewed a written Treasurer's Report from Finance & Accounting Manager Ross Gilb for the period ending November 30, 2020 highlighting the District's cash position, debt service analysis, operational overview, and recovery funding relating to FEMA/CalOES reimbursements and insurance claim updates.

TREASURER'S
REPORT
ACCEPTED FOR
PERIOD ENDING
NOV. 30, 2020
(Item 10.a.)

It was moved by Director Hansen and seconded by Director Hinman to accept the Treasurer's Report as presented for the period ending November 30, 2020.

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

FIVE-YEAR CASH
FLOW PROJECTION
REVIEW
(Item 10.b.)

Finance & Accounting Manager Ross Gilb provided a written report outlining the District's Current Reserves Cash Flow Projections showing a five-year analysis based on California Backfill Funding received in FY 2020/21, FEMA and Insurance funds received, FEMA funds projected to be received, and PG&E Settlement Projections covering three different scenarios. **Information item only; no Board action taken.**

RECOVERY
PROJECTS
FUNDING UPDATE
(Item 10.c.)

Board members received a Recovery Project Funding Summary through November 2020 prepared by Finance & Accounting Manager Ross Gilb. Details outlined the status of each FEMA Project estimated cost, funding source, project description and status, as well as an Insurance Claim Summary noting funds received and pending claims. **Information item only; no Board action taken.**

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH OF
NOVEMBER 2020
(Item 10.d.)

Board members reviewed accounts payable expense reports for the month of November 2020. It was moved by Director Hinman and seconded by Director Hansen to approve General Fund Check Numbers 55560 through 55669 for the month of November 2020 totaling \$893,189.85, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of December.

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

NOES: None

ABSENT: None

Motion passes 5-0

LEGAL REPORT

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

UNFINISHED
BUSINESS

None to report.

NEW BUSINESS:

SERVICE LATERAL
REPLACEMENT
PROJECT –
EXTENSION OF
SUTTON
ENTERPRISES
CONTRACT
THROUGH
MARCH 31, 2021
(Item 13.a.)

Consultant Colleen Boak with Water Works Engineers reported on the Service Lateral Replacement Project and current contract with Sutton Enterprises. The current contract duration is 420 days, beginning with the Notice to Proceed issued on November 7, 2019, with an end date of December 31, 2020. Current expenditures have totaled \$2,989,309.85, or approximately 70% of the originally approved not-to-exceed value. As work under the currently scheduled contract nears the end, the building permit influx rate still presents a challenge.

It is the intention of staff to advertise a Phase 2 Service Lateral Replacement Project in the spring of 2021 to continue to support PID's ability to keep abreast of community rebuilding. As this new project is under development, staff recommends a time extension to the current contract with Sutton Enterprises to bridge the gap and continue service lateral replacements as needed through March 31, 2021.

It was moved by Director Hansen and seconded by Director Shaw to approve the recommended contract extension for Sutton Enterprises for the Service Lateral Replacement Project from 420 days to 510 days and authorize the District Manager to execute the amended construction agreement for the District.

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

NOES: None

ABSENT: None

Motion passes 5-0

ALMOND ST. MAIN
REPLACEMENT
PROJECT –
RECOMMENDATION
(Item 13.b.)

Consultant Colleen Boak with Water Works Engineers and PID Staff members confirmed in 2018, PID worked with design consultant Mark Thomas to develop a project for the replacement of 3,890 feet of 8" steel water main through the Almond Street corridor. During that time, this project had been coordinated with the Town of Paradise Almond Street Gap Closure Project to complete full depth asphalt restoration through this same corridor. The November 8, 2018 Camp Fire caused a necessary shift in priorities for staff and resources, resulting in the Almond Street Main Replacement Project being shelved.

At this time, the Town of Paradise is moving forward with the Almond Street Gap Closure Project to take advantage of funding opportunities which have become available. Planned construction for the Town's project is anticipated to begin in summer, 2021.

PID funding for this project has not been determined at this time. Possible funding sources for the projected \$1.075 million total project budget are through the District's general fund, which would present a drop in the District's reserves of approximately \$100,000 per month. There may be funds available through the Additional Supplemental Appropriations for Disaster Relief (ASADRA) program that staff is planning to apply to for local cost shares on FEMA projects; however, further research and discussion will be required to determine if this project is eligible. Staff recommendation is to provide authority to go out to bid for this project and when further funding options are determined, bring back to the Board for review and consideration.

It was moved by Director Shaw and seconded by Director Sulik to approve the advertisement of the Almond Street Main Replacement Project and authorize staff to solicit bids on behalf of the District.

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

Motion passes 5-0

Assistant District Manager Mickey Rich reported there are approximately 1,500 surviving structures included in the meter installation project. Water Works Engineering, to properly advertise the meter installation project, is seeking clarification as to whether the Board would like meter installation contractors to install permanent backflow devices at surviving structures as part of the project.

The Ad Hoc Customer Recovery Support Committee have expressed desire to include permanent backflow device installation in the metering project. Staff recommendation and course of action to support permanent backflow program:

- Approve the installation of the backflow devices serving standing structures.
- Continue to allow the customer to choose between private-sector and PID maintenance.
- Direct staff to present at January's meeting a backflow maintenance program and a revised backflow policy to require backflow protection at all water connections.

It was moved by Director Sulik and seconded by Director Hansen to approve Water Works Engineers to include installation of backflow devices for existing structures during the meter installation project and direct staff to present at the January 2021 regular meeting, a backflow maintenance program and amendment to the backflow policy requiring backflow protection for all water connections.

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

METERING
PROJECT –
INSTALLATION OF
PERMANENT
BACKFLOWS AT
SURVIVING
STRUCTURES
(Item 13.c.)

EXTENSION OF
INTERIM WATER
SUPPLY FEE-BASED
SERVICES
(Item 13.d.)

Assistant District Manager Mickey Rich indicated in May of 2019, the PID Board of Directors unanimously voted to authorize approval to add Interim Water Supply fee-based services to District operations to include fees as described in the Cost-of-Service Analysis, Interim Water Supply with the ability to credit the customer upon reimbursement of these funds to the District, and with a timeline for this interim fee to be no more than 8 months. In January, the board extended the service through December 31, 2020.

The Ad Hoc Customer Recovery Support Committee recommends extending this fee-based service for three months while the District awaits outcome to its request for hazard mitigation funding from FEMA.

It was moved by Director Hinman and seconded by Director Hansen to authorize an extension of the Interim Water Supply fee-based service through March 31, 2021 with no change to the fees as described in the Cost-of-Service Analysis, Interim Water Supply.

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

Motion passes 5-0

TEMPORARY
POLICY REVISION
EXTENSION:
POLICY &
PROCEDURES,
CHAPTER 7.73
DISCONTINUED
SERVICE
(Item 13.e.)

Staff reported directly after the 2018 Camp Fire, the Board voted for the benefit of the affected community to replace the actual cost to reconnect after discontinuing water service with a maximum cost to reconnect of \$500.00 to expire December 31, 2020. To date, approximately 2,300 customers have disconnected their service.

This item was discussed by the Ad Hoc Customer Recovery Support Committee. The committee would like to bring a policy recommendation forward in early 2021. To allow for the development of the policy changes and legal review, it is suggested the current policy be extended until March 31, 2021.

It was moved by Director Hansen and seconded by Director Shaw to extend the current Discontinued Service Policy (Policy & Procedures Chapter 7.7.3) until March 31, 2021.

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

Motion passes 5-0

INTERIM WATER
SERVICE METERING
(Item 13.f.)

Assistant District Manager Mickey Rich reported this agenda item is a request to meter. Currently, there are approximately 1,300 customers potentially using non-potable water who are not currently metered or paying an active service fee. Water Works Engineering, to properly advertise the meter installation project, is seeking clarification as to whether the Board would want the meter installation project to include metering at these properties not currently served potable water.

The District's rate structure is based on cost-of-service attributable to each parcel within the District. The current monthly rate of \$21.49 paid by the non-potable customers is below the cost of service because it is limited to PID's cost for continued operations and maintenance for customers not receiving any water (potable or non-potable).

The residential irrigation rate in PID's 2016 Cost of Service Study established a cost for customers that use PID water, but do not need or require it to be potable. In 2016, these customers were the park district (for outdoor irrigation) and a few remaining large

irrigation customers who irrigated orchards. The rate simulated the cost for capture and delivery of raw, non-potable water by removing the added cost of treatment. Staff added that due to PID's ongoing recovery efforts following the Camp Fire, certain customers are using water, but it is non-potable. Since these customers do not have potable water service, staff believes they should not be charged added cost for treatment; however, should pay the cost for capture and delivery of raw, non-potable water without the added cost of treatment, which is in alignment with PID's 2016 Cost of Service Study.

CONTINUED –
INTERIM WATER
SERVICE
METERING

It was moved by Director Hinman and seconded by Director Hansen to approve the temporary amendment to the residential-irrigation rate, as proposed, and to authorize that the metering project include installing meters at all locations where water service is received and to temporarily place customers receiving non-potable water on the residential-irrigation rate until such time that the May 2019 water advisory is lifted for the property.

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

Motion passes 5-0

Board members reviewed a Resolution of Appreciation to Gregg Mowers for his service to the District and the public as a member of the Board of Directors from September 18, 2019 to December 4, 2020.

RESOLUTION OF
APPRECIATION TO
GREGG MOWERS,
RESOLUTION NO.
2020-16 ADOPTED
(Item 13.g.)

It was moved by Director Hansen and seconded by Director Hinman to adopt Resolution No. 2020-16, a resolution of appreciation by the Board of Directors of the Paradise Irrigation District presented to Gregg Mowers. Directors' votes were polled as follows by roll call:

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

Motion passes 5-0

Director Hansen: Expressed appreciation to Gregg Mowers for his service on the Board of Directors and commented on the work Gregg does to prepare for meetings and that he would welcome his participation on any of the PID committees.

DIRECTOR
COMMENTS
(Item 14)

Director Sulik: Commented on the following: 1) Thanked Gregg Mowers for his work and service as a director; 2) Appreciated serving as President of the Board; and 3) The amount of work that has been accomplished since November 2018 is amazing.

Director Hinman: Thanked Gregg Mowers for his service and wished everyone a happy holiday.

Director Shaw: Indicated it was great serving with Gregg Mowers and he appreciated his experience and dedication to the District. Expressed congratulations to President Boston and Vice President Hansen, and thanked Director Sulik for his service and time as Board President.

President Boston: Stated she appreciates all the work Director Sulik has done. He puts a lot of time and energy into this Board and it has not gone unrecognized.

ADJOURNMENT

President Boston announced the Board will adjourn as the Paradise Irrigation District Board of Directors and convene as the Paradise Irrigation District Public Facilities Financing Corporation (PFFC) Board. The regular meeting of the PID Board of Directors was adjourned at 8:41 p.m.


Georgeanna Borrayo, Secretary


Shelby Boston, President