

MINUTES

REGULAR MEETING BOARD OF DIRECTORS PARADISE IRRIGATION DISTRICT FEBRUARY 17, 2021

The regular meeting of the Board of Directors of the Paradise Irrigation District was called to order at 6:30 p.m. by President Shelby Boston, followed by a Reflection and the Pledge of Allegiance to the Flag of the United States of America.

OPENING

BOARD MEMBERS PRESENT: Directors Alan Hinman, Marc Sulik, Vice-President
Dan Hansen, President Shelby Boston
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, Legal Counsel Representatives Emily LaMoe and
Jeffrey O'Neil.

President Boston announced the meeting this evening will begin with closed session. Online participants will have an opportunity to post their comments on the Livestream thread through the end of closed session. The Board cannot take action on any matter not on the agenda. Public comments specific to agenda items will be read directly after the agenda and before the Board votes on an item.

President Boston announced the Board will adjourn to closed session to discuss agenda items 3.a. through 3.e. As there were no questions or comments, the Board adjourned to closed session at 6:35 p.m. to discuss the following:

CLOSED SESSION
(Items 3.a. to 3.e.)

- 3.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.

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

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

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

- 3.c. CONFERENCE WITH LABOR NEGOTIATORS: Conference with PID Labor Negotiator Emily LaMoe regarding unrepresented position, Interim District Manager (California Government Code section 54957.6).

Closed Session Announcement: Direction has been given to Labor Negotiator.

CONTINUED –
CLOSED SESSION

- 3.d. CONFERENCE WITH LABOR NEGOTIATORS: Conference with PID Labor Negotiator Emily LaMoe regarding Unrepresented Position, Temporary Assistant District Manager (California Government Code section 54957.6).

Closed Session Announcement: Direction has been given to the District's Labor Negotiator.

- 3.e. CONFERENCE WITH LABOR NEGOTIATORS (California Government Code section 54957.6).
Agency Designated Representative: Tom Lando, Interim District Manager
Employee Organization: Teamsters Local 137

Closed Session Announcement: Direction has been given to the Agency Designated Representative.

CLOSED SESSION
ANNOUNCEMENT

President Boston reconvened the regular meeting at 7:12 p.m. and provided closed session announcement information regarding agenda items 3.a. through 3.e. as listed in italicized print under each closed session item above.

PUBLIC
PARTICIPATION
(Item 2)

Staff reported no public comments have been submitted via the Livestream thread as of the end of closed session, and no comments have been received prior to the meeting via email or telephone pertaining to matters not scheduled on the agenda.

IBEW LOCAL 1245
CONTRACT
RATIFICATION
EFFECTIVE JULY 1,
2020 THROUGH
JUNE 30, 2022
(Item 12.i.)

Board members concurred to move agenda item 12.i. – IBEW Local 1245 Contract Ratification, to the front of the agenda before the Consent Calendar as this item involves participation from legal counsel.

Legal Counsel reported Proposal No 2 to add a new section under Article V – Benefits, was inadvertently omitted from the November 19, 2020 Agenda packet and as such, is presented for this meeting in open session to formally approve for ratification under the terms of the agreement with IBEW.

It was moved by Director Hinman and seconded by Director Hansen to move to ratify the Proposed Tentative Agreement between Paradise Irrigation District and IBEW Local Union 1245 to include all proposals as presented and update the terms of the agreement in the Rules and Regulations Governing Employment Conditions, Salaries, and Benefits for Employees of the Paradise Irrigation District General Unit effective July 1, 2020 through June 30, 2022.

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

NOES: None

ABSENT: None

Motion passes 5-0

APPROVAL OF
CONSENT
CALENDAR
(Items 5.a., 5.b., &
5.c.)

Board members reviewed consent calendar items as follows:

- 5.a. Approval of Meeting Agenda Order
5.b. Approval of Minutes: Regular Meeting of January 20, 2021
Special Meeting of January 27, 2021
5.c. Quitclaim of Existing PID Easement – APN 051-220-012, 5541 Schmale Lane

It was moved by Director Sulik and seconded by Director Shaw to approve the consent calendar. Directors' votes were polled as follows by roll call vote:

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

CONSENT
CALENDAR
APPROVED

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, 2020. Their firm has issued an unmodified opinion, which means the financial statements are materially correct and comply with generally accepted accounting principles.

PRESENTATION
OF ANNUAL AUDIT
REPORT:

Under the Management's Discussion and Analysis regarding Statement of Net Position, highlights from the financial statement note the current assets increased significantly compared to the prior year. In 2020, the District's net position increased 47.79% or \$6,956,795 from \$14,557,874 to \$21,514,669 due to the state backfill funding of \$7.4 million and insurance proceeds relating to the 2018 wildland Camp Fire. Capital assets increased as a result of recovery efforts, and the District's Non-current liabilities have decreased, in large part due to forgiveness of debt by the State Water Resources Control Board of approximately \$750,000.

FINANCIAL
STATEMENTS FOR
PID FOR THE
YEAR ENDED
JUNE 30, 2020
ACCEPTED
(Item 6.)

A summary of the highlights noted for Statement of Revenues, Expenses, and Changes in Net Position reported operating revenues were down significantly from the prior year due to the fire and damage sustained. The District's operating revenues decreased 27.30% or \$1,367,853 from \$5,010,556 to \$3,642,703.

The District's operating expenses increased 1.98% or \$183,524 from \$9,289,371 to \$9,472,895 due to a rise in professional services by \$587,000, primarily due to the recovery efforts. The District's depreciation expense decreased due to significant disposals of capital assets in the prior year from damages to the District's capital assets and infrastructure caused by the 2018 Camp Fire.

Following financial highlights, it was moved by Director Sulik and seconded by Director Hinman to accept the Financial Statements for the year ended June 30, 2020.

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

Board members reviewed written staff reports provided in the agenda packet. Interim District Manager Tom Lando provided additional updates regarding the following: 1) The District received special recognition from ACWA Joint Powers Insurance Authority for a Loss Ratio of 20% or less in the Liability and Workers' Compensation Programs; and 2) The District has submitted comments regarding the updated draft on the Fire Safe Regulations published by the State. A public hearing will be held on February 24, 2021.

DISTRICT
MANAGER &
STAFF REPORT
UPDATES

AND

Engineering Consultant Colleen Boak with Water Works Engineers provided an informational update regarding the Water Supply Recovery Program and status of engineering support services to the Paradise Irrigation District. Highlights include: 1) Interim Water Service orders continue to trend down to the lowest they have been to date; 2) Water Quality Assurance Monitoring continues with nothing unexpected coming to light; and 3) The Meter Install and Service Lateral Replacement Project will be advertised in the coming weeks with construction anticipated to begin this spring.

WATER SUPPLY
RECOVERY
PROGRAM AND
DISTRICT
ENGINEERING
REPORT UPDATE
(Item 7)

CONTINUED –
ENGINEERING
REPORT UPDATE
(Item 7)

Under the District Engineering Support Tasks, consultant Coleen Boak commented on the Leak Detection Project noting to date, Utility Services has surveyed 50 miles of the system with a leak rate of around 1.5 leaks per mile. Completion of the leak detection survey is anticipated in March. Additionally, the Town of Paradise has awarded the contract for their paving project for the Almond Street Gap Closure Project. PID's Main Replacement Project on Almond Street will be advertised the week of February 15th with bids to be received in March. Funding is being pursued under the Additional Supplemental Appropriations for Disaster Relief (ASADRA) application process.
Information items only; no Board action taken.

TREASURER'S
REPORT
ACCEPTED FOR
PERIOD ENDING
JAN. 31, 2021
(Item 8.a.)

Board members reviewed a written Treasurer's Report from Finance & Accounting Manager Ross Gilb for the period ending January 31, 2021 highlighting the District's cash position, debt service analysis, operational overview, and recovery funding.

It was moved by Director Hansen and seconded by Director Hinman to accept the Treasurer's Report for the period ending January 31, 2021 as presented.

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

Motion passes 5-0

MID-YEAR BUDGET
REVIEW: FISCAL
YEAR 2020/21
(Item 8.b.)

Finance & Accounting Manager Ross Gilb presented a mid-year budget report for fiscal year 2020/21, which includes an in-depth analysis of actual revenues and expenses incurred through December 2020, as compared to the original budgeted values. Based on review of revenues and expenditures incurred during FY 2020/21 through December 31, 2020, an additional decrease in cash of \$232,463 is projected through the end of the fiscal year.

Following review of recommended budget adjustments as outlined in the Mid-Year Budget Summary, it was moved by Director Hansen and seconded by Director Hinman to accept the Mid-Year Budget Review for Fiscal year 2020/21 and the recommended changes to the Fiscal Year 2020/21 Budget.

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

Motion passes 5-0

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH
OF JANUARY 2021
(Item 8.c.)

Board members reviewed accounts payable expense reports for the month of January 2021. It was moved by Director Hansen and seconded by Director Hinman to approve General Fund Check Numbers 55804 through 55919 for the month of January 2021 totaling \$525,583.38, exclusive of voided check numbers 55813, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of February 2021.

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

Motion passes 5-0

LEGAL REPORT
(Item 9)

There is no information to report this evening for open session.

Ad Hoc Customer Recovery Support Committee: Business at the February 3rd committee meeting included: 1) Discussion with Town of Paradise Fire Chief Garrett Sjolund regarding proposed language for presentation to the Town of Paradise (TOP) regarding burn permits; 2) Updates on interim water backflow devices and Discontinuance Policy; and 3) Smart Meter options. The next meeting is scheduled on March 4th at 3:00 p.m.

COMMITTEE
REPORTS
(Item 10)

Finance Committee: Director Hinman indicated business included: 1) Presentation of the Draft Mid-Year Budget Review; 2) A guest presenter representing Wells Fargo Investment Services; and 3) Discussion regarding Request for Proposals for investment advisory services. Director Hinman further discussed placing an informational item on the March regular meeting agenda for a presentation from the representative with Wells Fargo Investment Services.

Assistant Manager Mickey Rich reported this item is continued from the January Board Meeting where proposals were presented by three vendors to provide software services for customer water management and leak notification.

UNFINISHED
BUSINESS:
CUSTOMER WATER
MANAGEMENT
PORTAL / LEAK
NOTIFICATIONS
(item 11.a. tabled;
further direction
provided to staff)

Based on Board direction, further analysis has been completed by customer service team members. Staff recommends authorizing an agreement with DropCountr based on value for the customers and ease of use. Additionally, DropCountr has many other Zenner meter customers, and the cost represents the best value over time as more customers activate their water accounts.

Board members discussed whether there may be room for negotiation to see if the vendor will come down on the starting cost per customer. Direction has been provided to staff to consult with legal counsel and bring this item back to the Board with an update on further negotiation of cost. **Agenda item tabled; direction provided to staff.**

Interim District Manager Tom Lando provided an update regarding AR 6061, which represents the Community of Paradise Options Study. Engineering Consulting Services to support Sacramento State to evaluate long-term options for improvements to the PID water system infrastructure has been awarded to GEI Consultants, Inc. Manager Lando confirmed he has emailed a copy of GEI's proposal to the Board as information. **Informational item only; no Board action taken.**

NEW BUSINESS:
AR 6061 –
COMMUNITY OF
PARADISE OPTIONS
STUDY UPDATE
(Item 12.a.)

Staff recommended tabling this agenda item regarding the Backflow Maintenance Program and Policy Update for further review of options and financial considerations and bringing this item back to present to the Board at a later date. **Agenda item tabled; no Board action taken.**

BACKFLOW
MAINTENANCE
PROGRAM &
POLICY UPDATE
(Item 12.b. Tabled)

Consultant Colleen Boak with Water Works Engineers reported the following:

- 1) The contract with Sutton Enterprises is approaching the originally approved not-to-exceed value of \$4,282,452.50 with six weeks remaining in the contract. The contract is structured for unit price work as each service lateral requires a unique combination of work activities to install, depending on site conditions. At this time staff is recommending the Board approve an adjustment to the contract not-to-exceed value of \$250,000 to provide sufficient funding to continue the same level of service through March 31, 2021.
- 2) On January 5, 2021, Sutton Enterprises submitted two change order requests to PID totaling \$1,111,310.55. The first change order submitted is regarding variation in unit quantities in excess of 25% - \$556,830.55. The second change order request

REQUEST FOR
CHANGE ORDER
AUTHORIZATION –
SERVICE LATERAL
REPLACEMENT
PROJECT
CONSTRUCTION
CONTRACT WITH
SUTTON
ENTERPRISES
(Item 12.c.)

CONTINUED:
REQUEST FOR
CHANGE ORDER
AUTHORIZATION –
SERVICE LATERAL
REPLACEMENT
PROJECT
CONSTRUCTION
CONTRACT WITH
SUTTON
ENTERPRISES

is for extended overhead for additional project duration - \$554,480.00. Staff is requesting the Board authorize an additional contingency funding value of \$1,120,000.00 and authorize staff to negotiate these change orders.

It was moved by Director Hinman and seconded by Director Hansen to:

- 1) Approve the recommended adjustment to the construction contract with Sutton Enterprises for the new not-to-exceed value of \$4,532,452.50 to continue service lateral replacements through March 31, 2021; and
- 2) Approve an additional \$1,120,000.00 in contingency funding for the purpose of change order negotiation and authorize the District Manager to execute negotiated change orders on behalf of the District in accordance with FEMA requirements for a total not-to-exceed contract value of \$5,654,452.50.

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

NOES: None

ABSENT: None

Motion passes 5-0

MAGALIA DAM
ENGINEERING
STUDY –
CONTRACT FOR
PROFESSIONAL
SERVICES
AWARDED TO
SLATE
GEOTECHNICAL
CONSULTANTS
(Item 12.d.)

Consultant Colleen Boak with Water Works Engineers reported PID received two proposals in response to the Request for Proposals originally circulated on December 21, 2020 for professional services to conduct an engineering study of Magalia Dam inclusive of site investigation and analysis, examination of environmental considerations and constraints, as well as an alternatives analysis and recommendation.

It was moved by Director Hansen and seconded by Director Sulik to accept the proposal from Slate Geotechnical Consultants, Inc. for a not-to-exceed cost of \$395,319.00 and authorize the District Manager to execute the professional services agreement on behalf of the District.

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

NOES: None

ABSENT: None

Motion passes 5-0

INTERIM DISTRICT
MANAGER –
SECOND
AMENDMENT TO
EMPLOYMENT
AGREEMENT
(Item 12.e.)

In a memo to the Board, Interim District Manager Tom Lando indicated that shortly after he was appointed for this interim position, he requested the Board appoint Mickey Rich as Temporary Assistant Manager and the Board agreed. Ms. Rich is here full time and continues to take on more of the management and administrative duties and he feels it would be appropriate to increase her salary by \$300 bi-weekly. To ensure no financial impact to the District and if the Board agrees, his salary would be reduced by the same amount.

President Boston reported the Board recommends that the Interim District Manager's employment agreement be amended to provide a reduction in salary to \$142,069 per annum, payable in installments at the same time as other employees of the District are paid and subject to customary withholdings.

It was moved by Director Sulik and seconded by Director Hansen to authorize approval of the Second Amendment to Employment Agreement with Tom Lando to provide a reduction in salary to \$142,069 per annum effective February 27, 2021.

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

NOES: None

ABSENT: None

Motion passes 5-0

President Boston reported the Board recommends that the Temporary Assistant Manager's employment agreement provide compensation in the amount of \$3,600 bi-weekly, payable in installments at the same time as other employees of the District are paid and subject to customary withholdings.

TEMPORARY
ASSISTANT
MANAGER
AMENDMENT TO
TERMS OF
ASSIGNMENT
(Item 12.f.)

It was moved by Director Hinman and seconded by Director Sulik to accept the Terms of Assignment as Temporary Assistant Manager for District employee Mickey Rich effective February 27, 2021 to provide compensation in the amount of \$3,600 bi-weekly as provided under number 4, and with an amendment to this paragraph to include, "Compensation subject to standard deductions and withholding."

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

NOES: None

ABSENT: None

Motion passes 5-0

Staff reported the quote presented contains two sections for the proposed upgrade to the Supervisory Control and Data Acquisition (SCADA) system originally installed in the Water Treatment Plant (WTP) in 1995 and later upgraded in 2007/2008. Section 1 of the price proposal represents 2 new PCs and the Wonderware software which would allow staff to run the WTP - \$45,689.00. Section 2 of the price proposal is to update the software in the actual computer that runs the treatment plant (PLC), which would allow staff to not only run the treatment plant, but also make changes to the programming - \$29,711.00.

TREATMENT
PLANT SCADA
COMPUTER AND
SOFTWARE
UPGRADE
(Item 12.g.)

It was moved by Director Hansen and seconded by Director Shaw to authorize approval for the Interim District Manager to enter into an agreement with Glenmount Global to install the new PCs and software for the Water Treatment Plant SCADA system for a price not to exceed \$75,400.00.

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

NOES: None

ABSENT: None

Motion passes 5-0

On November 19, 2020, the Board authorized a short-term contract with Keith O'Brien to provide safety and operation training consulting services for two to four weeks to assist Transmission & Distribution staff. The training provided has been extremely valuable and staff recommends extending the agreement with Keith O'Brien.

EXTENSION OF
SHORT-TERM
CONSULTING
SERVICES –
SAFETY &
OPERATIONS
(Item 12.h.)

It was moved by Director Hansen and seconded by Director Shaw to authorize an extension to the short-term consultant contract with Keith O'Brien to provide operations and safety training consulting services at a cost not to exceed \$8,500 and authorize the Interim District Manager to execute an addendum to consulting agreement.

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

NOES: None

ABSENT: None

Motion passes 5-0

Assistant District Manager Mickey Rich indicated with the recent departure of the District's Office & Customer Service Manager staff is recommending the services of a Human Resources (HR) consulting firm to ensure the District meets HR requirements while staff works to fill the vacant position.

CONTRACTED
HUMAN
RESOURCES
CONSULTING
FIRM (Item 12.j.)

CONTINUED:
CONTRACTED
HUMAN
RESOURCES
CONSULTING FIRM

It was moved by Director Hansen and seconded by Director Shaw to authorize a contract with Brooke Winter HR Consulting to provide human resources consulting services in an amount not to exceed \$10,000 and authorize the Interim District Manager to execute an agreement for this contract assignment.

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

NOES: None

ABSENT: None

Motion passes 5-0

DIRECTOR
COMMENTS
(Item 13)

Director Shaw: Commented the Board recognizes the work performed by the employees and extended appreciation for the assistance he has received from District Secretary Georgeanna Borrayo.

Director Hinman: Acknowledged Finance & Accounting Manager Ross Gilb for his work. The work he performs on managing all the financial accounting records is amazing.


Director Sulik: Expressed agreement with the director comments, adding he feels the District has a great management team and appreciates all the efforts. Thanked WTP Superintendent Bill Taylor for preparing the information for the Treatment Plant SCADA computer and software upgrade.

Director Boston: Echoed comments of the other directors and stated she feels very fortunate to serve on this board and it has been a positive experience.

ADJOURNMENT

It was moved by President Boston to adjourn the meeting. The regular meeting of the PID Board of Directors was adjourned at 9:09 p.m.


Georgeanna Borrayo, Secretary


Shelby Boston, President