

MINUTES

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

The regular meeting of the Board of Directors of the Paradise Irrigation District was called to order at 6:00 p.m. by President Shelby Boston, followed by 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, and President Shelby Boston
(Director Brian Shaw participating remotely via Zoom Video Conferencing)

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 Representative Dustin Cooper.

No public comments have been received pertaining to matters not scheduled on the agenda.

PUBLIC
PARTICIPATION

President Boston announced the Board will adjourn to closed session to discuss agenda item 3.a. As there were no questions or comments, the Board adjourned to closed session at 6:04 p.m. to discuss the following:

CLOSED SESSION:

- 3.a. REAL PROPERTY NEGOTIATIONS (California Government Code § 54956.8).
Property subject to negotiations: PG&E Miocene Canal
District Negotiators: Minasian Law Firm and Tom Lando, Interim District Manager
Other Party: Pacific Gas & Electric Company
Under Negotiation: District negotiator will be given direction regarding potential interest in real estate negotiations relating to the purchase of real property or interests in real property.

REAL PROPERTY
NEGOTIATIONS
(Government Code
Section 54956.8)
(Item 3.a.)

President Boston reconvened the regular meeting at 6:42 p.m. and announced direction has been given to District negotiators regarding real property negotiations.

CLOSED SESSION
ANNOUNCEMENT
(Item 4)

Board members reviewed consent calendar items as follows:

- 5.a. Approval of Meeting Agenda Order
5.b. Approval of Minutes: Special Meeting of February 16, 2021 and Regular Meeting of February 17, 2021
5.c. Acceptance of Invoice for Election Services: November 3, 2020 General Election
5.d. Authorize Interim District Manager to provide up to 80 additional hours of COVID-19 Leave
5.e. Authorize HVAC Unit Replacement for PID Commercial Rental Property at 6360 Clark Road, Paradise

APPROVAL OF
CONSENT
CALENDAR (Items
5.a. through 5.e.)

CONTINUED –
APPROVAL OF
CONSENT
CALENDAR

It was moved by Director Hansen and seconded by Director Hinman to approve the consent calendar as presented.

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

Motion passes 5-0

PRESENTATIONS:

PARADISE LAKE
PROGRESS
REPORT
(Item 6.a.)

Dan Efseaff, District Manager with the Paradise Recreation & Park District (PRPD) presented an update regarding the partnership between Paradise Irrigation District (PID) and PRPD. Effective June 1, 2020, the PRPD has taken over recreation amenities and operations at Paradise Lake from PID. To date, PRPD has incurred a loss of \$14,000 associated with expenses, developing programs and factors associated with COVID-19.

PRPD is planning to increase activities at the lake with educational and recreational programs and events throughout the year to include astronomy, kayak rental days and programs, coordination of some cross country meets with the Paradise Unified School District, and classes such as hiking, fishing, and nature journaling. Potential improvements and actions noted for future discussion include trail improvements, fuel reduction projects and cleanup of parking areas, kayak rentals and instruction, floating boat dock and improved system, house repairs and deck to utilize as a possible meeting location for classes and short-term rental for a retreat space.

Dan Efseaff further discussed the Electronic Sign Agreement with PRPD, PID, and the Town of Paradise, and the draft plan for the Lakeridge property park site in Magalia. PRPD has received grant funding in the amount of \$500,000 for a loop trail from the Lakeridge property to Paradise Lake.

PRPD is looking to bring further information forward to begin discussions with the PID Board of Directors this summer. **Informational item only; no Board action taken.**

PRESENTATION:

PARADISE
IRRIGATION
DISTRICT 2018
CAMP FIRE AFTER-
ACTION REPORT
PRESENTED BY
CONSTANT
ASSOCIATES, INC.
(Item 6.b.)

The consulting firm of Constant Associates, Inc., provided an overview of the Paradise Irrigation District 2018 Camp Fire After-Action Report (AAR) which included documentation reviews, stakeholder workshops, surveys, and facilitated group discussions. The AAR provides an analysis of PID's response and recovery efforts during and following the 2018 Camp Fire. Best practices and lessons learned are provided in the document to share procedures, tactics, and solutions utilized so that PID, and potentially other jurisdictions, can enhance preparedness and response capabilities in the event of another emergency. Areas highlighted include significant strengths and areas for improvement, as well as a Corrective Action Plan (CAP) to aid PID as it plans for and implements the recommended improvement actions identified in the After-Action Report.

It was moved by Director Sulik and seconded by Director Hansen to accept the Paradise Irrigation District 2018 Camp fire After Action Report.

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

Motion passes 5-0

DISTRICT
MANAGER AND
STAFF/ENGINEER-
ING REPORT
UPDATES (Item 7)

Board members reviewed written staff reports provided in the agenda packet. Interim District Manager Tom Lando provided additional updates regarding the following: 1) Paradise Lake Water Supply graph; 2) Scheduling an Administration & Personnel Committee meeting to review potential positions; and 3) Recently meeting the Developer

for Tuscan Ridge who has indicated plans to file a final map for 160 homes and inquired if PID would be interested in maintaining their water system.

CONTINUED –
STAFF REPORTS

Engineering Consultants Sami Kader and 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. An overview of engineering tasks highlighted: 1) The District's Pump Station 2 location has been approved as one of the sites for the Tesla Battery Backup Program; 2) Bids for the Almond Street Main Replacement Project are due April 9, 2021; and 3) To date, approximately 70% of the system has been surveyed under the Leak Detection Project.

WATER SUPPLY
RECOVERY
PROGRAM AND
DISTRICT
ENGINEERING
REPORT UPDATE

An overview of information highlighted under the Water Supply Recovery Program Update noted: 1) Interim Water Service orders are currently running about 50 per month; 2) Water Quality Assurance Monitoring continues with favorable results of clean water; 3) Service Lateral Replacements continue to tail off in February as the District wraps up the contract with Sutton Enterprises; and 4) The Meter Installation and Phase 2 Service Lateral Replacement Projects will receive bids in April and is anticipated to start up in May.

Informational updates only; no Board action taken.

Board members reviewed a written Treasurer's Report from Finance & Accounting Manager Ross Gilb for the period ending February 28, 2021 highlighting the District's cash position, debt service analysis, operational overview, and recovery funding.

ACCEPTANCE OF
TREASURER'S
REPORT FOR
PERIOD ENDING
FEB. 28, 2021
(Item 8.a.)

It was moved by Director Hinman and seconded by Director Shaw to accept the Treasurer's Report for the period ending February 28, 2021.

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

Motion passes 5-0

Board members reviewed accounts payable expense reports for the month of February 2021. It was moved by Director Hansen and seconded by Director Hinman to approve General Fund check numbers 55920 through 56026 for the month of February 2021 totaling \$1,075,911.97, exclusive of voided check numbers 55943, 55944, and 56023 to 56025, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of March 2021.

APPROVAL OF
EXPENSE REPORT
FOR THE MONTH
OF FEB. 2021
(Item 8.b.)

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

Motion passes 5-0

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

LEGAL REPORT
(Item 9)

Town of Paradise / Paradise Irrigation District Liaison Committee: Directors Boston and Hansen reported meeting on March 1, 2021 to discuss recovery progress updates. The next meeting will be held on June 7, 2021 at 10:00 a.m.

COMMITTEE
REPORTS
(Item 10)

Community Relations Committee: Directors Sulik and Shaw indicated the March 2nd meeting highlighted a draft communications plan and activities update, as well as discussion about issuing a press release to coincide with the American Water Works Association's Drinking Water Week in May. The next meeting is scheduled on May 4, 2021 at 8:00 a.m.

CONTINUED –
COMMITTEE
REPORTS

Ad Hoc Customer Recovery Support Committee: Directors Boston and Shaw reported discussion at the March 4th meeting included the proposed Backflow Maintenance Program and Discontinued Service Policy. Both items are on the agenda for discussion this evening.

UNFINISHED
BUSINESS:

Assistant District Manager Mickey Rich reported decision on this agenda item was tabled at the February Board meeting and direction given to staff to revisit pricing to see if there may be room for negotiation. AquaHawk and WaterSmart declined to submit a price adjustment. DropCountr eliminated the flat fee and is offering a savings in reference to cost per customer/year. For instance, the cost per customer per year is \$1.50 for up to 5,000 customers and for 5,001 – 10,000 customers, the cost is \$1.00 per year per customer.

AUTHORIZATION
FOR SOFTWARE
SERVICE WITH
DROPCOUNTR
FOR CUSTOMER
WATER
MANAGEMENT
PORTAL & LEAK
NOTIFICATION
(Item 11.a.)

It was moved by Director Hinman and seconded by Director Hansen to authorize the Interim District Manager to execute an agreement with DropCountr to provide online customer access to meter data.

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

Motion passes 5-0

NEW BUSINESS:

Assistant District Manager Mickey Rich indicated the proposed Backflow Maintenance Plan supports a policy revision that would provide backflow prevention protection at every service connection and allow the option for PID to maintain the device. FEMA has approved the District's request to mitigate this hazard by funding the purchase and installation of these devices; however, the expected funding does not include annual maintenance costs. The proposed plan allows customers the choice of owning and maintaining their own device or paying an annual maintenance fee for PID to own and maintain the device on their behalf.

PROPOSED
BACKFLOW
MAINTENANCE
PLAN & POLICY
UPDATE
APPROVED
(Item 12.a.)

It was moved by Director Hansen and seconded by Director Hinman to approve the proposed update to Chapter 6.14 Cross-Connection and Backflow Control, of the Paradise Irrigation District Policy and Procedures Manual, the proposed backflow maintenance fee of \$60 per year and the proposed Backflow Maintenance Plan and the fee of \$60 to be reviewed within 12 months and every 24 months thereafter.

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

Motion passes 5-0

DISTRICT
ENGINEERING
SERVICES
AGREEMENT –
AMENDMENT 1
(Item 12.b.)

Consultant Sami Kader reported in July 2020, Water Works Engineers was contracted on a time and materials contract, not to exceed \$150,000 to perform District Engineering services. That Agreement contemplated a need from the District of approximately 60-70 hours per month of District Engineering support. As we approached the later part of 2020, the need for District Engineering support increased, with approximately 150-170 hours being spent per month on District Engineering tasks. This increased level of effort and expenditure is associated with a significant increase in contemplated scope.

Manager Lando indicated staff recommends extending District Engineering services at the current level of service. It was moved by Director Hinman and seconded by Director Hansen to authorize approval of Amendment 1 and direct Staff to increase Water Works Engineers contract not-to-exceed amount to \$450,000 for District Engineering Services

and extend the duration of the contract through December 31, 2021 at the current level of service.

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

Motion passes 5-0

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 to expire March 31, 2021. To date, approximately 2,300 customers have disconnected their service.

A few factors were considered in developing the proposed revisions, which included the cost to maintain the District. Customers who have discontinued their service do not pay a share of costs associated with maintenance as customers that are paying a monthly service rate. Additionally, future planning is a factor. The policy currently allows a customer to disconnect and if they were to come back at some point in the future, retain their capacity. This means the District must reserve system capacity for an unknown number of customers and amount of water. As a result of new flow requirements, a pipeline extension or an upgrade to a particular pipeline may be necessary.

The policy revisions presented for consideration would state that when a customer disconnects, the District will not reserve capacity for the property. If a property owner desires to reactivate service, they would be subject to the fees, and policies and procedures for a new application for service, which would involve an engineering review and confirming the requirements and whether any upgrades to infrastructure are necessary.

If service is reactivated within three years of the date of discontinuance and an engineering review confirms there is sufficient system capacity to provide service, the applicant may resume service by paying the accrued monthly ready-to-serve fee equal to the number of months of disconnect plus an interest rate set to the prime rate of the District's Bank, plus 2%.

Board members further discussed the importance of a strong messaging campaign to communicate information to customers and suggested showing an example with a graphic.

Following discussion and opportunity for comment, it was moved by Director Hansen and seconded by Director Hinman to approve the proposed revisions to the current Discontinued Service Policy (Policy & Procedures Chapter 7.7.3).

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

Motion passes 5-0

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

CONTINUED -
DISTRICT
ENGINEERING
AGREEMENT -
AMENDMENT 1

REVISION TO
POLICY &
PROCEDURES,
CHAPTER 7.7.3
DISCONTINUED
SERVICE
(Item 12.c.)

REINSTATEMENT
OF CUSTOMER
ASSISTANCE
PROGRAM
APPROVED
(Item 12.d.)

CONTINUED –
REINSTATEMENT
OF CUSTOMER
ASSISTANCE
PROGRAM
APPROVED

Should the Board reinstate the program to qualified low-income customers beginning with the July 1, 2021 billing, the estimated annual cost of the program based on the previous 6% customer usage rate is \$32,400.

President Boston commented on the American Rescue Plan Act of 2021 on the federal level, and the Emergency Rental Assistance Program available to households impacted by the COVID-19 pandemic. Eligible households may receive assistance with arrears and/or prospective rent and utility bills. It is timely to consider reinstating the CAP Program and the District would be eligible as a recipient for those utility dollars by having a Customer Assistance Program in place.

It was moved by Director Hansen and seconded by Director Sulik to approve the proposed addition of section 7.10, Customer Assistance Program, to the District's Policy and Procedures Manual and reinstatement of the Customer Assistance Program to be effective on the July 2021 billing.

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

NOES: None

ABSENT: None

Motion passes 5-0

WATER ACCESS
INCENTIVE FOR
READY-TO-SERVE
RATE CUSTOMERS
(Item 12.e.)

Assistant District Manager Mickey Rich reported the proposed water access incentive would provide a billing mechanism that would allow an automatic trigger between ready-to-serve rate and active rate for residential and $\frac{3}{4}$ " businesses based on water use. Property owners have unique situations that sometimes require access to water although their land may be vacant. Examples include water access to meet burn permit requirements and occasional maintenance and inspections.

These property owners continue to support a portion of system maintenance through their monthly ready-to-serve rate which is one-half the rate of an active customer who uses water. This proposal leverages our technology investments to allow the ready-to-serve rate customer to have access to water on their property in case they need it. If they use water, they will pay the same rate as an active customer without incurring additional \$20.00 seal or unseal fees.

It was moved by Director Shaw and seconded by Director Hansen to approve the water access incentive for the ready-to-serve rate.

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

NOES: None

ABSENT: None

Motion passes 5-0

DIRECTORS'
COMMENTS

Director Hinman: Expressed appreciation to Sami Kader, Colleen Boak and the entire Water Works Engineering team for all their work and support.

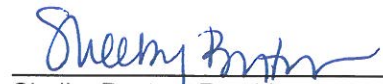
Director Sulik: Thanked employees for participating in the PID After-Action Report. The report pointed out some leadership difficulties and he would like to work on those areas as a board.

Director Boston: Commented she appreciated the board and staff working so hard on the strategic planning process last week. She was pleased with the openness of the board and the amount of work accomplished and looks forward to the next meeting to discuss the objectives and goals. The feedback staff provided to the consultant is appreciated.

There being no further business, it was moved by President Boston to adjourn the meeting. The regular meeting of the PID Board of Directors was adjourned at 8:42 p.m.

ADJOURNMENT
OF MEETING


Georgeanna Borrayo, Secretary


Shelby Boston, President