

MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
PARADISE IRRIGATION DISTRICT
MARCH 15, 2023

The regular meeting of the Board of Directors of the Paradise Irrigation District (PID) was called to order at 5:30 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 Marc Sulik, Chris Rehmann, Vice President Bob Matthews, and President Shelby Boston

ROLL CALL

BOARD MEMBERS ABSENT: The Division 2 director seat is vacant following the resignation of Director Alan Hinman effective March 14, 2023.

STAFF PRESENT: Assistant District Manager Mickey Rich, Finance Manager/Treasurer Brett Goodlin, Administrative Assistant Sarah Fenton, and Secretary Georgeanna Borrayo

ALSO PRESENT: Consultants Sami Kader & Colleen Boak with Water Works Engineers, Nicole Maddox, Project Manager and Steve Kral, Director of Recovery & Mitigation with APTIM, and members of the public

Alice Taylor commented that she purchased property located at 6274 Harvey Road. Escrow closed on October 24, 2022 and she was expecting to receive a utility bill from PID but did not. In February 2023, she contacted PID and was informed in August 2022 the previous owner disconnected PID service entirely. Based on her circumstance where the previous owner disconnected service, Ms. Taylor indicated she is requesting consideration from the Board of Directors to waive the requirement to pay the physical installation cost for PID to install the meter, backflow prevention device, and installation of a new service line from the District Main to the property line.

PUBLIC COMMENT
(Item 2)

Sarah Mattern commented on a letter she wrote to the Board of Directors dated March 14, 2023 regarding property she purchased in June 2022 located at 6857 Quail Way and noted she also has concerns about the cost to reconnect service. President Shelby Boston confirmed the Board members received a copy of her letter in advance and will be discussing discontinued service under new business item 7.g. President Boston recommended moving new business item 7.g. to the beginning of the agenda to address public in attendance interested in discussing proposed policy changes in reference to discontinued service.

Board members reviewed consent calendar items as follows:

- 3.a. Approval of Meeting Agenda Order
- 3.b. Approval of Minutes – Regular Meeting of February 15, 2023
- 3.c. Approval of Equipment Purchase for Use with Masticator
- 3.d. Approval of 2023 ACWA Fall Conference Expense for Attendance of Board Member
- 3.e. Approval of Concept for New Pipeline – Eaglepointe Apartments, 5975 Maxwell Dr., Paradise, California
- 3.f. Approval of Finance & Accounting Manager Job Description

APPROVAL OF
CONSENT
CALENDAR
(Item 3.a. - 3.g.)

CONTINUED –
CONSENT
CALENDAR

3.g. Approval to Release Request for Proposals – Meter Installation & Service Lateral Phase 3 Project

It was moved by Director Rehmann and seconded by Director Sulik to approve the Consent Calendar as amended to move item 7.g to the beginning of the agenda as recommended by President Boston.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant
Motion passes 4-0

SET COST FOR
METER & SERVICE
LATERAL
RECONNECTS –
CHAPTER 7.7.3
DISCONTINUED
SERVICE
(Item 7.g.)

Assistant District Manager Mickey Rich reported the Board is being asked to consider setting May 1, 2023 as the deadline to reconnect for zero meter and service lateral reconnection fee and creating a fixed fee of \$2,000 for reconnections occurring on or after the May 1, 2023 deadline. The meter installation costs are unplanned expenses to some recent new owners who received \$30 meter reconnect estimates during their escrow process. Staff have been evaluating ways that could help improve notification regarding the status of water service prior to the transfer of ownership of a parcel from a seller to a buyer, or from one owner to another.

Following Board discussion and plans for community outreach efforts, as well as public comment, it was moved by Director Matthews and seconded by Director Rehmann to amend the proposed May 1, 2023 effective date to July 1, 2023 and after July 1, 2023 property owners who previously discontinued service will be responsible for \$2,000 of the cost of LEMO as indicated under the proposed policy changes to the Paradise Irrigation District Policy and Procedures Manual, Chapter 7 – Water Rates, Operating Fees and Billing Procedures.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant
Motion passes 4-0

ACCEPTANCE OF
TREASURER'S
REPORT FOR
PERIOD ENDING
FEB. 28, 2023
(Item 4.a.)

Board members reviewed a written Treasurer's Report prepared by Finance Manager / Treasurer Brett Goodlin for the period ending February 28, 2023, highlighting the District's cash position, debt service analysis, and operational overview. Treasurer Goodlin further reported transferring \$21 million from the District's account with Tri Counties Bank to the Local Agency Investment Fund as a cautionary move given the recent bank closures across the banking industry.

It was moved by Director Sulik and seconded by Director Matthews to accept the Treasurer's Report as presented for the period ending February 28, 2023.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant
Motion passes 4-0

Sonny Ventimiglio, Vice President & Commercial Relationship Manager at Tri Counties Bank headquartered in Chico addressed the Board of Directors to provide an updated financial snapshot of Tri Counties Bank and provide information addressed in a letter to their customers dated March 15, 2023, from Richard P. Smith, President, and Chief Executive Officer at Tri Counties Bank. The letter addresses recent headline closures of Silicon Valley Bank and two other banks, resulting in depositor uncertainty and concern.

Further comments indicated the financial condition of Tri Counties Bank is strong and backed by ample capital and liquidity, conservative risk management practices, and sensible credit policies, and Tri Counties will continue to focus on the financial success of the shareholders, customers, communities, and employees.

Board members reviewed accounts payable expense reports for the month of February 2023. It was moved by Director Matthews and seconded by Director Rehmann to approve payments by check in the amount of \$850,093.43 representing check numbers 57837 through 57845 and electronic payments of \$343,264.50 by EFT for the month of February 2023 for total payments of \$1,193,357.93, excluding voided check numbers 57835 and 57836, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of March 2023.

EXPENSE
APPROVAL
REPORT FOR THE
MONTH OF
FEBRUARY 2023
APPROVED
(Item 4.b.)

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant
Motion passes 4-0

Board members reviewed written Staff and Consultant Report updates provided in the agenda packet. Additional discussion included: 1) Advertising to fill the Division 2 director seat vacancy and scheduling a special board meeting on April 24, 2023 at 5:30 p.m. to meet and interview interested candidates; 2) The Classification and Compensation Study has begun with an anticipated 6-9 month review process; 3) Staff has completed the Request for Information in reference to the Municipal Service Review with Butte Local Agency Formation Commission; 4) Water Supply Recovery Program Update from Water Works Engineers; and 4) Post Fire Disaster Public Assistance & Recovery Management Services update from Aptim Environmental & Infrastructure, as well as two program enhancements Aptim is implementing: Staffing of legislative experts to monitor additional grant funding opportunities and a software tool that would allow customers to track or obtain information regarding grant applications.

PID STAFF &
CONSULTANT
REPORT UPDATES
(Items 5.a. – 5.h.)

No unfinished business to report.

UNFINISHED
BUSINESS (Item 6.)

Assistant District Manager Mickey Rich reported the owner of 3344 Inspiration Lane and contiguous property, 195 Wayland Road, is requesting to be placed on the residential irrigation and irrigation rates respectively. An approval of this request reduces the rate for water consumption from \$1.61 per hundred cubic feet to \$0.35 per hundred cubic feet. PID can, and historically has, offset a portion of the costs to serve Local Agency and Irrigation accounts with non-water charge revenues, which has historically accounted for less than \$170,000.

NEW BUSINESS:

It is the District's understanding the crops have not yet been planted at either location and a distillery business located at 195 Wayland Road is in the permit process with the Town of Paradise but is not currently in operation.

CUSTOMER
REQUEST FOR
ADJUSTMENT OF
RATE CATEGORY
FOR
AGRICULTURAL
PURPOSES
(Item 7.a.)

It was moved by Director Rehmann and seconded by Director Matthews to authorize the Residential Irrigation Rate for 3344 Inspiration Lane, and the irrigation rate for 195 Wayland Road subject to staff verification of irrigation on both properties.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant
Motion passes 4-0

ZONE A PUMP
STATION &
TRANSMISSION
MAIN PROJECT –
CONSTRUCTION
MANAGEMENT
(Item 7.b.)

Sealed bids for construction of the Zone A Pump Station and Transmission Main Project were due on February 23, 2023, with the lowest responsible bidder being T&S Construction Co., Inc. at a contract amount of \$5,946,600. Staff is currently working with T&S Construction to finalize the contract and preparation for the notice to proceed.

This agenda item represents a change order on a contract with Water Works Engineers pre-fire, which included design of the Zone A Pump Station and Transmission Main Project. Water Works Engineers has submitted a proposal to provide Construction Management Services for this Project, which is ready to move forward.

It was moved by Director Sulik and seconded by Director Rehmann to authorize the District Manager to execute an Amendment 3 to the contract with Water Works Engineering, LLC in the amount of \$539,480 for a total of \$1,320,544 with an additional contingency of \$107,896 for the construction management services for the Zone A Pump Station and Transmission Main Project.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston

NOES: None

ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

MISLR PROJECT –
RECOMMENDA-
TION FOR TIME
EXTENSION
(Item 7.c.)

The Meter Installation and Service Lateral Replacement (MISLR) Phase 2 Project has experienced some extended timeframes related to weather, installation complexities, and increased backflow preventer installations. Since the MISLR project was originally bid, the Town of Paradise has also taken steps to implement and contract a large-scale paving project throughout Paradise. In order to stay ahead of this planned paving, beginning this spring, staff is recommending the Board approve the addition of service laterals to the existing contract with RCI General Engineering to complete as many as possible to stay ahead of the paving project. Costs are estimated at \$2,500,000 and expected to be reimbursable.

It was moved by Director Matthews and seconded by Director Sulik to authorize approval of staff to execute a second amendment with RCI General Engineering for the addition of up to 400 service lateral replacements including a time extension of 180 calendar days, additional project cost up to \$2,500,000.00, and 10% contingency value of \$250,000 to be executed at the discretion of the District Manager or his representative.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston

NOES: None

ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

METER
REPLACEMENT
PROJECT –
RECOMMENDA-
TION FOR
AMENDMENT 2 TO
CONTRACT WITH
ZENNER USA
(Item 7.d.)

PID's efforts to bring metered service back to the District are supported by a contract with Zenner USA for provision of equipment and related professional services. The original contract with Zenner USA was advertised in July of 2020 and awarded by the Board in September 2020 for a total not to exceed value of \$1,318,597.15.

In July of 2022, a first amendment to Zenner's contract was approved by the Board for expansion of the number of meters by 25% to match the expansion of the installation contract with RCI. At this time, Zenner is scheduled to deliver 960 ¾" meters already purchased by PID in the coming 4-6 weeks. Looking ahead, staff and the project team have determined that additional ¾" meters are needed to support the remainder of the MISLR Phase 2 project completion, estimated to conclude in late summer. Zenner USA has provided a quotation for an additional 500 ¾" meters and associated components to support the project.

It was moved by Director Rehmann and seconded by Director Sulik to authorize staff to execute a second amendment with Zenner USA for the purchase of additional meters and associated components for a not-to-exceed cost of \$126,245.29.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

Staff reported Paradise Irrigation District has pending Petitions filed with the State Water Resources Control Board in reference to its Water Rights Permits. DeNovo Planning Group (environmental consultant) is assisting PID with the preparation of required CEQA compliance documentation for the District's Water Rights Permit applications. Phase 1 under the May 2022 Agreement with DeNovo Planning Group involved review of previous biological studies and field work from 2012 and outlining current findings and recommendations relating to necessary studies and costs. Based on the recommended studies, approximately \$200,000 will be necessary to complete their work.

WATER RIGHTS
PERMIT –
RECOMMENDED
STUDIES
(Item 7.e.)

The memo presented in the agenda packet requests earmarking \$1.1 million, which should be above the amount anticipated as all studies outlined in the consultant's report will not be necessary. This authority is requested as all studies are time sensitive and need to be done in late March to early April 2023.

It was moved by Director Matthews and seconded by Director Rehmann to approve an allocation of \$1.1 million to complete the necessary studies to apply for a Water Rights Permit and authorize the District Manager to execute the necessary contracts and contract amendments to accomplish the required studies for the District's Water Rights process.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

The Butte Local Agency Formation Commission (LAFCO) is holding an election for a Special District Regular "Enterprise" Member. The nomination period closed on Friday, March 3, 2023 and four valid nominations were received. Each Butte County Special District may vote for one nominee.

BUTTE LAFCO
ELECTION OF A
SPECIAL DISTRICT
REGULAR
"ENTERPRISE"
MEMBER
(Item 7.f.)

It was moved by President Boston and seconded by Director Sulik to nominate Bob Matthews for the Special District Regular "Enterprise" Member seat and authorize certification and submittal of the 2023 Election Ballot to Butte LAFCO.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant

Motion passes 4-0

President Boston announced a recommendation is being presented by the Board for approval of the Second Amendment to the Employment Agreement with Brett Goodlin to provide that effective March 18, 2023, the District agrees to pay employee \$110,000.00 per year for his services, payable in installments at the same time as other employees of the District are paid and subject to customary withholdings.

SECOND
AMENDMENT TO
FINANCE &
ACCOUNTING
MANAGER'S
EMPLOYMENT
AGREEMENT
(Item 7.h.)

CONTINUED –
SECOND
AMENDMENT TO
FINANCE &
ACCOUNTING
MANAGER'S
EMPLOYMENT
AGREEMENT

It was moved by Director Sulik and seconded by Director Rehmann to approve the Second Amendment to the Employment Agreement with Brett Goodlin effective March 18, 2023 as presented.

AYES: Directors Matthews, Rehmann, Sulik, and President Boston
NOES: None
ABSENT: Division 2 Director Seat Vacant
Motion passes 4-0

DIRECTORS'
COMMENTS
(Item 8)

Director Rehmann: Commented on the following: 1) While visiting near San Jose there was a noticeable difference in the taste of water. Paradise is fortunate to have great quality water; and 2) He spoke with Director Hinman to express his condolences and prayers for his partner.

Director Matthews: Stated he is happy to see the sunshine today.

Director Sulik: Echoed Director Rehmann's sentiments about Director Hinman's partner and expressed appreciation to PID employees and contractors and consultants for their work.

President Boston: Commented on the recent CSDA magazine distributed to the Board members and encouraged sending one or two board members to the 2023 Special District Leadership Academy Conference October 22 – 25, 2023 in Santa Rosa.

ADJOURNMENT OF
MEETING

There being no further business, it was moved by President Boston to adjourn the regular meeting. The regular meeting of the PID Board of Directors was adjourned at 7:10 p.m.


Georgeanna Borrayo, Secretary


Shelby Boston, President