



Community-Wide Informational Meeting

September 30, 2021 | 6:00 – 8:00 PM

Meeting Summary

Meeting Purpose: Provide an update on the draft Options Identification Report which outlines the PID Option Study goal, objectives, a list of options for further consideration, and options evaluation criteria.

BACKGROUND

The second public meeting related to the Paradise Community Drinking Water Supply Options Study was held on the evening of September 30, 2021. Participants joined the meeting both in person, at the PID Office, and remotely via zoom. Following the meeting, stakeholders had an opportunity to continue the discussion with the GEI consultant team and PID staff. Comments and questions shared during that informal discussion have been woven into the meeting summary below. In addition to sharing feedback during the meeting, stakeholders were invited to share comments on the 23 options identified and the evaluation criteria documented in the Paradise Options Study through an online comment form:

<https://forms.gle/ytzxpCiWZgHEo7C49>.

WELCOME AND INTRODUCTION

Orit Kalman, Senior Facilitator with Sacramento State Consensus and Collaboration Program (CSUS-CCP) opened the meeting and reviewed remote participation guidelines.

Tom Lando, Paradise Irrigation District (PID) Manager, welcomed participants and provided background on the Paradise Community Drinking Water Supply Options Study. Mr. Lando informed the participants that the PID Board received funding from the State Water Resources Control Board (Board) to support a study on the District's operations and capital needs as it rebuilds after the fire. Per the grant, the Study will include wide range of options including consolidation with the Town of Paradise, an intertie with the City of Chico. The Options Study will present the options identified and their evaluation based on the criteria established. The final decision about whether and how to proceed with one or more options will be made by the PID Board of Directors. The Board is awaiting study completion before making any decisions. The Board has indicated its desire for PID to remain independent and will ensure that any option chosen will be implemented in such a way that PID would retain its water rights.

A meeting participant asked Mr. Lando to clarify the focus of the PID study and said that a letter received by Paradise residents about the State funding for the study only states one specific option required for inclusion – consolidation with one or more neighboring water districts and questioned why the Study is including a wide range of options. Mr. Lando responded that the letters PID received from the Board specifically required that the study evaluate all possible



options include the two options mentioned above. Mr. Lando said that he would provide copies of the letter PID received to interested stakeholders.

PID OPTIONS STUDY GOALS AND OBJECTIVES

Satya Gala, GEI Consultants, Inc., shared an overview of the Options Study, which was also shared during the first community meeting. The goal of the Options Study is to formulate and evaluate options that provide short-term and long-term sustainability for PID. The objectives are water supply reliability, safe and affordable drinking water, short- and long-term financial sustainability, and supporting community development. These objectives were considered in identifying the options and developing evaluation criteria.

PID Options Study has two components, an options identification report, which identifies all possible options that PID could pursue, and an options evaluation report detailing evaluation of each of the options based upon the evaluation criteria established.

THE DRAFT PID OPTIONS IDENTIFICATION REPORT

Mr. Gala explained the process through which the consultant team identified the set of options included in the draft Options Identification Report and reviewed each of the options. Based on the existing conditions, opportunities, and constraints, as well as the Study goals and objectives, an comprehensive list of possible options were identified within eight categories:

1. Baseline conditions (pre-camp fire)
2. No project (existing conditions)
3. Financial claims
4. Agency reorganization
5. Water transfers
6. Infrastructure
7. Funding augmentation
8. Other

The GEI consultant team identified a total of 23 options, including multiple options within many of the categories. Mr. Gala noted that some options may not achieve all the goals and objectives of the Study on their own, and the Study would consider combining multiple options to meet the objectives. The 23 options with their description and rationale, as described in the meeting, are provided in Table 1 below.

Table 1. Draft PID Options Report Options for Consideration

Category	Option Number & Name	Description	Rationale
Baseline	1. Rebuild to pre-Camp Fire conditions	Rebuild to pre-Camp Fire conditions	In 2018, pre-Camp Fire, PID operations expenses were \$5 million, and revenue was \$8.5 million. In 2020, post-Camp Fire, PID had lost much of its customer base and operational expenses had increased slightly:



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Category	Option Number & Name	Description	Rationale
			operations expenses were \$5.5 million, and revenue was \$3.5 million. The baseline condition would include generating revenue to a level equal to or greater than expenses.
No project	2. Do nothing	No action is taken, no claims received, and no projects implemented	Used for comparative purposes when evaluating other options.
Financial claims	3. PG&E	Litigation with PG&E for \$227 million in damages	Litigation is currently in progress, with an unknown timeline. Could support short- and long-term financial sustainability.
	4. FEMA funding	Pursuing FEMA funding for several projects totaling \$80.3 million, with a federal cost share of 75%	Would support community redevelopment objective. Some projects have already been approved by FEMA.
	5. Insurance reimbursement	Pursuing insurance reimbursement of \$5.8 million to replace 4,652 damaged meters	Would allow PID to move away from a flat-rate water charge. Insurance claims have been submitted.
	6. ASADRA (Additional Supplemental Appropriation for Disaster Relief Act)	PID has applied for \$7 million through ASADRA	PID anticipates receiving ASADRA funds as part of the State Water Resources Control Board’s Drinking Water State Revolving Fund.
Agency reorganization	7. PID into other agency	PID reorganized into Town of Paradise or South Feather Water and Power Agency	Reorganization into either agency would allow the two entities involved to leverage existing managerial and technical capacities, as well as existing funding, and optimize operating expenses.
	8. Del Oro into PID	Del Oro, which serves areas surrounding PID, including Lime Saddle, Paradise Pines, and Magalia	Reorganization of Del Oro into PID would allow the two entities involved to leverage existing managerial, technical, and financial capacities, optimize operating expenses, and generate additional revenue to close the financial deficit.



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Category	Option Number & Name	Description	Rationale
Water transfers	9. Butte County	Enter into in-county water transfer agreements, for example with the City of Chico or other agencies	Water transfers can provide a source of revenue for PID while maintaining associated water rights.
	10. North of Delta	Enter into water transfer agreements with entities outside of Butte County and north of the Delta, for example Sacramento, Yolo, or Solano Counties	Water transfers can provide a source of revenue for PID while maintaining associated water rights. Revenue is likely to be slightly higher than transfers within Butte County.
	11. South of Delta	Enter into water transfer agreements with entities outside of Butte County and south of the Delta	Water transfers can provide a source of revenue for PID while maintaining associated water rights. Water transfers south of the Delta have the potential to generate higher revenue than in-County or north of the Delta.
Infrastructure	12. Miocene Canal	PID assume ownership of the Miocene Canal and its facilities	PG&E is seeking opportunities to release ownership of the Canal. It would provide a potential opportunity for revenue generation through sale of treated drinking water, water transfer opportunities, and operation of the Lime Saddle and Coal Canyon powerhouses.
	13. Chico intertie	Intertie between the City of Chico and PID	The intertie would create an opportunity for long-term revenue generation. This option has been investigated during previous planning efforts, but further evaluation is needed. The intertie could be constructed concurrently with the Paradise Sewer Project.
	14. Magalia Dam raise	Increase storage levels in Magalia Dam by 2,000 acre-feet by 2030	Raising the storage levels would provide additional water that could be used by PID during droughts and could be used to increase revenue.



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Category	Option Number & Name	Description	Rationale
Others	15. Paradise sewer project	Collect and convey raw wastewater from the Town of Paradise to the water pollution control plant in the City of Chico	The project is in the preliminary planning phase. It would assist with community redevelopment as well as has the potential for revenue generation through operation of sewer services.
	16. Metering	Replace 4,000 water meters by 2022 and an additional 2,500 meters in the by 2028	This project is already underway. It provides an opportunity to generate revenue through volumetric water consumption rates.
	17. Water bottling	Bottle and sell water using PID's water supply	Potential for revenue generation from the profits of bottled water sales.
	18. Voluntary agreements	Contribute an agreed-upon amount of water to protect beneficial uses in the Sacramento and San Joaquin Rivers and the Bay-Delta	Contributions would be agreed upon based on the water year, for above-normal, below-normal, and dry years. PID could generate generation through compensation for those deliveries. This option also has ancillary benefits for the beneficial uses.
Funding agreement	19. Rate increases	PID could increase the current flat rate or increase the unit price in tandem with metering.	This option can be implemented in the near-term and can be used in conjunction with other options to provide short- and long-term financial sustainability.
	20. Assessments	Assessment levied on benefactor properties, as an annual property tax.	This option can be implemented in the near-term and can be used in conjunction with other options to provide short- and long-term financial sustainability. Assessments would require voter approval, in accordance with Proposition 218.
	21. Taxes	Impose a new tax.	This option can be implemented in the near-term and can be used in conjunction with other options to provide short- and long-term financial sustainability. A new tax would require voter approval, in accordance with Proposition 218.



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Category	Option Number & Name	Description	Rationale
	22. Grants and loans	Apply for grants or a financial loan	There are grant opportunities for disadvantaged communities, such as the State Revolving Fund, the Drinking Water Revolving Fund, and others. These can be implemented in the near-term as well as provide short- and long-term financial sustainability.
	23. SWRCB funding assistance	Apply for additional funding from the SWRCB to provide assistance for 2-3 years	PID received funding for 2019-2021. PID could apply for additional funding to provide short-term financial sustainability, allowing time for an increase in population and demand.

During the next phase of the Options Study development, GEI consultants will evaluate each of the above options according to a set of criteria, including:

- Technical feasibility
 - Can they be implemented using current engineering practices?
- Economic feasibility
 - Cost, including capital and lifecycle
 - Do the benefits exceed the costs?
 - Affordability
- Financial feasibility
 - Is there enough capital from the beneficiaries to pay or is there other funding available?
- Regulatory feasibility
 - Environmental compliance and assessment of the environmental impacts to endangered species, cultural, and other resources
 - How readily can the alternative meet regulatory (permitting, California Environmental Quality Act (CEQA)) requirements?
- Environmental Impacts
 - Potential Impacts – Positive and Detrimental
 - CEQA and National Environmental Policy Act (NEPA) Categories and Criteria
- Legal
 - Are there legal obstacles (e.g., water rights modifications)?
- Stakeholder/Public Acceptance
 - Does the alternative garner support from ratepayers, or those who would be impacted?
 - Is there political support at the local, state, federal level if needed?



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- Implementation Timeline
 - Can the alternative be readily implemented in a timeframe that meets the goal and objectives?

PUBLIC DISCUSSION ON THE PROPOSED OPTIONS AND EVALUATION CRITERIA

Meeting participants shared the following questions, considerations, and priorities:

Feedback on identified options

- Voluntary agreements:
 - There is concern that voluntary agreements for environmental benefit would lead to loss of water rights.
 - How do the voluntary agreement and water transfer categories differ?
Response: Mr. Gala said that a water transfer would be an agreement with a particular agency, whereas a voluntary agreement is made with the Water Board, setting a predetermined rate for a predetermined amount of water based upon the water year, with water dedicated to environmental benefits.
- Water transfers:
 - It is a bad idea to sell water outside of the County given that there are local groundwater sustainability issues. Though there are potential financial benefits, these can be gained through other means as well.
 - There is funding available to purchase water for release in Butte creek. This option would be less precarious than selling water south of the Delta, would allow PID to determine the term length, and would benefit the local community.
 - Water should be kept local to avoid losing water rights based on reasonable use.
 - How is water delivered under a water transfer or voluntary agreement?
Response: Mr. Gala said it depends on the specifics of each case, for example where it is being delivered to. Transfers are not done by literally moving water from the location A to B but it can be transferred by water exchange as well.
- Metering: Prioritize metering to generate revenue in the short term.
- Magalia Dam raise:
 - The idea of raising the Magalia Dam has been considered over the years. Note that for this to be pursued, environmental review will be required, including in stream flow studies. These could lead to a requirement that more water be released below the dam, which would likely negate the amount of water gained or even lead to a loss in overall amount of water available from the dam.
 - A benefit of the Magalia dam raise is that the storage system could be gravity fed.



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- If the Magalia Dam raise option is implemented, PID should work with Butte County to consider widening the Skyway to four lanes across.
- There is significant funding, including at the federal level, available to support storage capacity infrastructure. This should be pursued for the Magalia Dam raise.
- Paradise sewer project:
 - The short-term benefits of this project are outweighed by the costs, both financial and of water not remaining on the ridge.
 - The Paradise sewer pipeline is not a short-term option – it will likely take at least 10 years to be implemented and functional.
- Miocene Canal:
 - Working with PG&E generally takes a significant amount of time, so this option would not confer short-term benefits, only long-term.
 - Given the financial liability the Miocene Canal poses for PG&E, PG&E may be willing to pay PID to take ownership of it.
- Chico intertie:
 - While this could be a good option, and its feasibility was evaluated pre-fire, it should not be implemented before PID has solid footing to ensure that the water does not get lost.
 - Though this option was studied prior to the fire, a lot has changed, and the option has not been evaluated since the fire.
 - The Chico intertie would create an incentive for others to pursue the same approach.
- Financial claims
 - If PID wins the litigation currently underway with PG&E, would the funds for the claim come from the Victims Trust Fund?
Response: Mr. Lando affirmed that the claim is part of the same fund that the residents are also eligible to apply for.
 - The Town of Paradise has settlement funds that could support PID's recovery through reorganization into the Town.
 - Mr. Gala mentioned that this would be evaluated during the next step, i.e., evaluation process.



Additional options for consideration

- Add an option related to utilizing water locally for environmental benefits.
 - Water transfers for in-stream uses are becoming more common and there are tremendous uses and benefits. The California Department of Fish and Wildlife is actively looking to address fish passage issues, and a 20 cubic feet per second release from April-June would support protection of salmon and steelhead trout in Butte Creek. Additionally, the added water would support additional recharge into the groundwater basin.
 - By creatively combining options, it may be possible to achieve multiple benefits, such as supporting the salmon run on Butte Creek and using water within the Vina Groundwater Sustainability Agency.
 - There is significant funding available to pursue this approach that would provide full protection of water rights and flexibility as to term length.
 - Friends of Butte Creek is developing a concept proposal for the Wildlife Conservation Board Streamflow Enhancement Program Proposition 1 funding. PID could explore involvement in this project.
 - Mr. Gala mentioned that environmental benefits are part of evaluation criteria and will be used for evaluation of the Options identified.
- Add an option for reintegrating treated effluent into the water system, for example for environmental benefit in Butte Creek. Consider whether reclaimed wastewater from the Chico Wastewater Treatment Plant could be used for agricultural applications and/or groundwater recharge rather than released into the Sacramento River.
- Add an option to establish an irrigated green belt through coordination between the Town of Paradise Parks and Recreation and incentives for agricultural customers. This would support redevelopment, bringing in new customers by creating jobs.
- Would it be possible to reorganize with both the Town of Paradise and Del Oro?
Response: Mr. Gala said that the Options Report conceptualizes the reorganization as one or the other.

Evaluation criteria & priorities

- Consider potential vulnerabilities and conflicts between water uses and users related to reorganizing PID with another agency. It would be best for PID to consolidate with the Town of Paradise, since they serve the same customers.
- Financial viability is a critical consideration. For example, the Town of Paradise is also in the process of its own redevelopment and is unlikely to have excess funds to dedicate to redeveloping PID.



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- The legality of implementation should be included as an evaluation criterion. For example, there may be some legal issues related to water transfers.
Response: Mr. Lando said that PID counsel assured the Board unequivocally that PID could conduct water transfers legally.
- The evaluation should examine both positive and negative environmental effects of each project.
- The evaluation report should include detailed costs and other financial details.
 - Mr. Gala mentioned that detailed costs for some of the options identified can not be developed as it is a significant effort, and the Study is not scoped to do that.
- Keeping water on the ridge, and in natural ground and surface water systems to the greatest extent possible, should be the top priority.
- It is critical that there is water available to support future growth of the Town of Paradise as well as stream health.
- Consider infrastructure, community recovery, environmental, and Tribal grants for water conservation, watershed restoration, and sustainability efforts, forming regional partnerships that will help PID be solvent.
- Regardless of the location of other entities, PID should not sell water to entities if there is a risk that the water rights may be lost.
- Transfers out of county are completely unacceptable to many in the community. While it is important that the full spectrum of options be identified in this report, do not spend resources on options that are infeasible, unreliable, or politically unacceptable.
- Risk of the project not being fully implemented should be included as a criterion, for example changes to assumptions might derail certain projects.
- Assess the complexity of each project as an evaluation criterion, including how many stakeholders will need to be involved and how often those stakeholders work together. Consider that the broader the coalition needed, the higher the risk the option will not be fully implemented.



Other considerations and clarifications

- What is the reorganization process?
Response: Steve Lucas, Butte County Local Agency Formation Commission (LAFCo), said that reorganization would first require LAFCo approval of establishment of a subsidiary district, then the reorganization would be put to a protest vote, and depending on the outcome of the protest vote it would then go to broader vote.
- George Barber, California Water Service (CalWater), noted that the City of Chico does not operate a water system; rather CalWater operates the water system for the City of Chico. There are no current negotiations directly between CalWater and PID and there are significant considerations related to upgrades that would be needed in CalWater's system if an intertie were pursued.
- Ensure that the California Department of Water Resources (DWR) will not be able to override local efforts related to water sales. DWR has been very involved in water sales to contractors elsewhere and it is important that this not happen with PID.
- Focus on building resiliency and infrastructure on the ridge, using available water to support important issues such as fire mitigation and recharging the groundwater basin.
- Consider the potential benefits of extending the water system in conjunction with adding the sewer system down the skyway.
- What considerations are the basis for PID's Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) application?
Response: Mr. Lando said that there were multiple items, including drinking water quality, burned reservoir, and others.
- There are concerns about political pressure from the State level being applied to the Study, particularly in support of the Chico intertie through legislation written to support that option though the options study is not yet complete. The fact that the Study is funded by the State also increases concerns that it could influence the outcome.
Response: Mr. Lando said that any decisions will be made independently by the PID Board. The Board has not yet made any decisions and will debate which options to pursue once the Study is complete.

WRAP UP AND NEXT STEPS

Participants were invited to share further comments on the options and evaluation criteria by Friday October 15, 2021 through an online comment form (<https://forms.gle/ytxpciWZgHEo7C49>).



MEETING PARTICIPATION

The information meeting was held simultaneously in person at the PID office and remotely via Zoom. Remote meeting participants are listed below, based on the names provided by participants within the remote meeting platform.

- Aimee Raymond
- Allen
- Amy
- Amy Ochello
- Bill
- Bob Smith
- Caitlin Dalby
- Carol S
- Carolyn Shorti
- Cindy Smith
- Colleen Boak
- Debra Lucero
- Donna
- Ed Cox
- Emily Lamoe
- Eric Wright
- Evan Markey
- Gayland Taylor
- George Barber
- Helynn
- John Scott
- Kenneth Fleming
- Kevin Kasprzak
- Laura Dohojda
- Lauren Short
- Mary Kay Benson
- Mike Crump
- Richard Harriman
- Rick
- Sami Kader
- Steve Lucas
- Sue Hilderbrand
- Tasha
- Tavis
- Taylor