

## MINUTES

### REGULAR MEETING BOARD OF DIRECTORS PARADISE IRRIGATION DISTRICT DECEMBER 20, 2017

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

OPENING

BOARD MEMBERS PRESENT: Directors Marc Sulik, Anne Rice, Vice President Cliff Jacobson and President Dan Wentland (Director Kellogg present at 6:35 p.m. during discussion of consent calendar)

ROLL CALL

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Interim District Manager Kevin Phillips, Assistant Distribution Superintendent Jim Ladrini, Information Systems Manager Mickey Rich, and Secretary Georgeanna Borrayo

ALSO PRESENT: PID Legal Counsel Emily LaMoe and members of the public

Board members reviewed consent calendar items as follows:

APPROVAL OF  
CONSENT  
CALENDAR  
(Item 2.a. – 2.d.)

2.a. Approval of Meeting Agenda Order

2.b. Approval of Minutes: Special Meeting of November 8, 2017  
Regular Meeting of November 15, 2017  
Special Meeting of December 6, 2017

2.c. Approval of Invoice from Sylvir Consulting, Inc.: Grant Writing Services

2.d. Award of Sand & Base Rock Contract: 2018 Sand & Base Rock Deliveries

Board members commented on grant writing services and requested agendaizing this topic for the January meeting to further discuss grant writing services and the history of the CalOES grant. It was moved by Director Rice and seconded by Director Jacobson to approve the Consent Calendar as presented.

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland

NOES: None

ABSENT: None

**Motion passes 5-0**

Ward Habriel commented on the following: 1) Acknowledged Director Kellogg for the direction he provided as President in 2017 and extended congratulations to Dan Wentland as the new President for 2018; 2) Information he obtained from the Dublin San Ramon Services District regarding their AquaHawk participation rate; and 3) Annual meeting of the California Garden Club, Inc. where he will be speaking about PID's progress to educate the public about drought tolerant planting and a demonstration garden.

PUBLIC  
PARTICIPATION  
(Item 3.a.)

Board members reviewed Staff and Billing Reports for the month of November 2017. Director Sulik commented on the current recruitment to fill three vacant Utility Worker positions and utilizing the additional workforce to implement a pipe replacement

NOVEMBER STAFF  
& BILLING  
REPORTS

CONTINUED –  
NOVEMBER STAFF  
& BILLING REPORTS  
(Item 4.a. & 4.b.)

program year round. Staff is currently working on a plan and will present information to the Board at a future meeting.

It was moved by Director Rice and seconded by Director Sulik to accept the November Staff and Billing Reports as presented.

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland  
NOES: None  
ABSENT: None

**Motion passes 5-0**

DISTRICT  
MANAGER'S  
REPORT  
(Item 5)

The Board reviewed a written report from Interim Manager Phillips. Additional comments included: 1) The District's new retirement plan provider, ICMA, is in the process of obtaining information from FTJ for the transition of funds; and 2) The Retirement Plan Auditing firm has reached out to FTJ to compare their calculations with the calculations completed by FTJ for the fees that were incorrectly charged.

NEW BUSINESS  
ITEM 10.a.  
LEAK DETECTION  
EQUIPMENT  
PURCHASE FROM  
PINPOINT  
PRODUCTS  
APPROVED

President Wentland announced new business item 10.a., Leak Detection Equipment Purchase, will be moved ahead on the agenda as staff is present for this topic.

Assistant Distribution Superintendent Jim Ladrini provided an overview of their research for leak detection equipment and the basis for their recommendation. Following questions and comments, it was moved by Director Jacobson and seconded by Director Rice to authorize the Interim District Manager to direct appropriate staff to cause the purchase of one LC-2500 SubSurface Leak Correlator and one Zcorr DCL (3) SubSurface Digital Correlating Logger from Pinpoint Products of Rohnert Park, CA in the amount of \$29,946.75.

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland  
NOES: None  
ABSENT: None

**Motion passes 5-0**

TREASURER'S  
MEMO ACCEPTED  
(Item 6)

The Board reviewed a written Treasurer's memo for the period ending November 30, 2017. Director Rice requested adding a total cost column to the Monthly Check Register and Monthly Salary Comparison charts. It was moved by Director Rice and seconded by Director Sulik to accept the Treasurer's memo as presented.

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland  
NOES: None  
ABSENT: None

**Motion passes 5-0**

APPROVAL OF  
NOVEMBER 2017  
CHECKS  
(Item 7)

Board members reviewed accounts payable reports for the month of November 2017. Director Kellogg commented on weed control services and recommended additional weed control at the "B" Reservoir site and near the 42 inch pipeline. Additional inquiries included an expense item payable to the Town of Paradise in the amount of \$7,141.11, and an expense under US Bank in the amount of \$133.28 categorized as Employee Incentive Program.

BOARD RECESS

President Wentland called for a Board recess at 7:54 p.m. Discussion will continue regarding the November check register following recess.

MEETING  
RECONVENED

President Wentland reconvened the regular meeting at 8:04 p.m.

Interim Manager Phillips confirmed the District disbursed a portion of the salary for the Town Fire Prevention Inspector, which is paid out of the Hydrant Fund. The amount of \$7,141.11 is for June 5 to September 30, 2017. The expense under US Bank in the amount of \$133.28 was for lunch that was brought in for the special Board meeting held on October 5, 2017 where Legal Counsel provided an update on multiple closed session items.

CONTINUED –  
APPROVAL OF  
NOVEMBER 2017  
CHECKS

It was moved by Director Sulik and seconded by Director Jacobson to approve General Fund check numbers 51242 through 51351 for the month of November, 2017 totaling \$405,434.47, exclusive of voided check numbers 51247, 51267, and 51296, and authorization of a similar amount allowing or adjusting for extraordinary budget or Board approved items during the month of December.

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland  
NOES: None  
ABSENT: None

**Motion passes 5-0**

Attorney Emily LaMoe reported receiving additional information regarding PG&E's DeSabra Project and Miocene Canal and anticipates a closed session agenda item for discussion soon. Establishing an Ad Hoc Committee with two representatives is recommended in order to respond to future information pertaining to this matter. Directors Jacobson and Sulik expressed interested in this Ad Hoc Committee and were appointed by President Wentland.

LEGAL REPORT  
(Item 9.)

Interim Manager Phillips confirmed at the regularly scheduled meeting held on November 15, 2017, the Board of Directors reviewed the District's current financial status, including anticipated capital improvement projects, reserves, and other expected revenues and expenses of the District for the 2018 calendar year and authorized preparation of this resolution recording a reduction of the previously approved Schedule of Fees and Charges effective January 1, 2018, and delaying full implementation of those fees until January 1, 2019.

UNFINISHED  
BUSINESS:

RESOLUTION NO.  
2017-17 ADOPTED  
TO MODIFY &  
DELAY RATE  
ADJUSTMENT  
APPROVED IN  
APRIL 2016 BY  
REDUCING FEES &  
CHARGES  
EFFECTIVE  
JAN. 1, 2018 &  
DELAYING FULL  
IMPLEMENTATION  
OF THOSE FEES  
UNTIL JAN. 1, 2019  
(Item 9.a.)

It was moved by Director Jacobson and seconded by Director Sulik to adopt Resolution No. 2017-17 to modify and delay the rate adjustment approved in April 2016 by reducing fees and charges effective January 1, 2018 as set forth in Exhibit "B" and delaying full implementation of those fees until January 1, 2019 as set forth in Exhibit "C." Directors' votes were polled as follows by roll call:

AYES: Directors Sulik, Jacobson, and Wentland  
NOES: Directors Rice and Kellogg  
ABSENT: None

**Motion passes 3-2**

Board members reviewed and considered changes as proposed by the Ad Hoc Policy & Procedures Committee as follows:

Chapter 5.4.B – Recreation – Magalia Reservoir

Director Kellogg recommended changing the word, "prohibited" to "*allowed*" pertaining to access around Magalia Reservoir. Based on discussion and concerns regarding liability, the Board consensus was to leave the verbiage as currently stated with no change.

PID POLICY &  
PROCEDURES  
MANUAL – REVIEW  
OF VARIOUS  
CHAPTERS  
(Item 9.b. Continued  
from Nov. 15, 2017)

Chapter 6.5 – Apportionment of Water

Director Kellogg referenced the last sentence and recommended striking the words, "to

UNFINISHED  
BUSINESS  
CONTINUED:  
PID POLICY &  
PROCEDURES  
MANUAL – REVIEW  
OF VARIOUS  
CHAPTERS

the satisfaction of the Manager.” Following discussion and input from Legal Counsel, it was moved by Director Kellogg and seconded by Director Wentland to change the last sentence in Chapter 6.5 to read, “The District reserves the right to refuse delivery of water when it appears to the satisfaction of the Board that the proposed use or method of use will require such excessive quantities of water that will constitute waste.” **Approved unanimously 5-0**

Chapter 6.6 – Water Service: Recommendation to update name of state department identified in the first paragraph. It was moved by Director Rice and seconded by Director Jacobson to update the department name from the State of California, Department of Health Services, to the *Department of Water Resources*. **Approved unanimously 5-0**

Chapter 9.1 – Employee Personnel System: No changes made.

Chapter 9.2 – Adoption of Personnel Rules and Regulations Manual: Director Kellogg suggested striking wording at the end of the first sentence, “as he deems necessary.” It was moved by Director Rice and seconded by Director Jacobson to strike the words, “as he deems necessary” in Chapter 9.2. **Approved unanimously 5-0**

Chapter 12.2.2 – Competitive Process: Director Kellogg recommended a review of approval limits for the District Manager. It was moved by Director Kellogg to change the approval limit of the District Manager from \$25,000 to \$10,000 for any expense necessary in the operation and maintenance of the water treatment and distribution system. **Motion dies for lack of a second.**

Chapter 12.2.6 – Petty Cash Account: It was moved by Director Sulik and seconded by Director Rice to increase the petty cash amount from \$50 to \$100. **Approved unanimously 5-0**

Chapter 14.4.C – Investment Policy – Reports: Treasurer Phillips indicated no changes are recommended at this time. Director Kellogg commented on observing the policy with regard to furnishing a quarterly Investment/Cash Report to the Board. No changes made.

Chapter 14 – Reserve Fund Policy: It was moved by Director Jacobson and seconded by Director Rice to amend the Reserve Fund Policy to update the title from General Manager to “District” Manager. **Approved unanimously 5-0**

Additional discussion regarding the Facility Capacity Fee Fund. A review of the current guidelines may be appropriate. Interim Manager Phillips will review and report back to the Board regarding any recommendations.

NEW BUSINESS  
CONTINUED:  
  
REVIEW &  
RESTRUCTURE OF  
IRRIGATION &  
RESIDENTIAL  
IRRIGATION RATES  
(Item 10.b.)

Director Jacobson reviewed his memo to the Board regarding the reduced rate currently received by Irrigation and Residential Irrigation customers offset by using non water charge revenues (property tax revenue and recreation revenue). The cost is being borne by the balance of PID’s customers, which he does not feel is fair and suggested the District abandon the Irrigation and Residential Irrigation rates and raise those rates to the same rate as all ratepayers.

Interim Manager Phillips indicated that PID receives revenue from sources other than customer rates; i.e., property tax revenue and recreation revenue, and these revenues may be used as a credit against costs of specific classes of customers without shifting those costs to other customers. Through prior Board action, non-rate revenue was carved out to subsidize irrigation, residential irrigation, recreation, and school district

accounts. The non-rate revenue is also used to subsidize the PID Customer Assistance Program.

If the Board is interested in changing the rate for local agency and irrigation customers by imposing a new charge or increasing an existing charge, it must conform to the protest hearing notice and procedure requirements of Proposition 218.

It was moved by Director Jacobson that the District calculate the amount of additional revenue that would be received if the Irrigation rates were raised to \$1.62 per 100 cubic feet, raising the Irrigation rates to the same rate as all ratepayers, and reduce all rates to equal the savings realized by the adjustment.

**Motion dies for lack of a second.**

The Board reviewed a written memo from Director Rice regarding proposed amendments to the PID Policy and Procedures Manual under Section 2.21 – Standing Committees. Currently, there are seven standing committees. In an effort to streamline committee meetings, as well as director and staff time, the work of some committees could be consolidated as follows:

Community Relations – The normal topics discussed by the Water Conservation Committee and Town Liaison Committee could be dealt with by the Community Relations Committee.

Paradise Lake Committee – The normal topics discussed by the Water Supply Committee and Lakeridge Park Botanical Garden Committee could be dealt with by the Paradise Lake Committee.

The Finance Committee and the Administrative and Personnel Committee would remain unchanged. If the Board is interested in implementing these changes, the creation of an Ad Hoc Demonstration Garden Committee composed of present committee members is recommended.

It was moved by Director Rice and seconded by Director Sulik to dissolve the Lakeridge Botanical Garden Committee, the Town Liaison Committee, the Water Conservation Committee, and the Water Supply Committee and to amend the PID Policy and Procedures Manual to reflect the changes as proposed.

AYES: Directors Sulik, Rice, Jacobson, and Wentland

NOES: Director Kellogg

ABSENT: None

**Motion passes 4-1**

As a result of the changes to standing committees, an Ad Hoc Demonstration Garden Committee is recommended comprising of existing members that have been working on the PID Demonstration Garden project. President Wentland appointed Directors Anne Rice and Bill Kellogg (Chairperson), and public members Chuck Bell, Ward Habriel, and Mike Spiess to the Ad Hoc Demonstration Garden Committee as proposed.

The annual membership dues with the Butte County Special Districts Association (BCSDA) are \$25.00. If the Board wishes to continue membership, the Certificate of Liability Coverage form must be signed and returned with the annual dues. The Certificate affirms the following: That the participation of employees and members of the Board of Directors of the PID in the meetings and activities conducted by the BCSDA have been authorized by the District's Board of Directors; and that the Board of Directors has found such activities constitute activities in the course and scope of

CONTINUED –  
REVIEW &  
RESTRUCTURE OF  
IRRIGATION &  
RESIDENTIAL  
IRRIGATION RATES

STANDING  
COMMITTEES  
CHAPTER 2.21 OF  
PID POLICY &  
PROCEDURES  
MANUAL  
(Item 10.c.)

AD HOC  
DEMONSTRATION  
GARDEN  
COMMITTEE  
ESTABLISHED

BCSDA ANNUAL  
DUES &  
CERTIFICATE OF  
LIABILITY  
COVERAGE  
(Item 10.d.1.)

CONTINUED –  
BCSDA ANNUAL  
DUES &  
CERTIFICATE OF  
LIABILITY  
COVERAGE

such individual's employment with or position with the District.

It was moved by Director Rice and seconded by Director Jacobson to authorize payment of the annual membership dues to BCSDA and authorize the Interim District Manager or authorized representative to execute the Certificate of Liability Coverage form on behalf of Paradise Irrigation District.

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland

NOES: None

ABSENT: None

**Motion passes 5-0**

BCSDA EXECUTIVE  
BOARD – CALL FOR  
NOMINATIONS  
(Item 10.d.2)

The Butte County Special Districts Association (BCSDA) is seeking nominations to the Executive Board for a term of two years beginning January 2018. It was moved by Director Rice and seconded by Director Jacobson to submit Director Marc Sulik's name as a nominee to serve as an Enterprise District Director on the BCSDA Executive Board.

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland

NOES: None

ABSENT: None

**Motion passes 5-0**

COMMITTEE  
REPORTS  
(Item 11)

Water Conservation Committee: Board members received a written report summarizing the meeting on November 30, 2017. Topics included an update on AquaHawk registered users and the PID Demonstration Garden Landscape Project.

Administration & Personnel Committee: President Wentland announced a meeting was held on December 6th regarding a closed session subject matter.

BOARD EDUCATION  
(Item 12)

Director Rice presented training material from the California Special District Leadership Academy Conference, "Show me the Money! What do Board Members Need to Know About District Finances?" Highlights from the last module included: The Budget process, evaluating the financial health of the District, red flag indicators, fraud and internal controls, audits, reserves, financing methods, and risk management.

DIRECTORS'  
COMMENTS  
(Item 13)

Director Jacobson: Commented the meeting was productive.

Director Sulik: Indicated he has been on the Board for less than one year, but he has enjoyed himself and is happy with the direction the District is going. Expressed thanks to PID employees, Board of Directors, and the public, and wished everyone a wonderful and safe holiday.

Director Rice: Wished everyone a blessed Christmas and prosperous new year.

Director Wentland: Thanked the Board for the responsibility to serve as President and wished everyone a merry Christmas.

ADJOURNMENT

President Wentland announced the Board will adjourn as the Paradise Irrigation District Board of Directors and convene as the Paradise Irrigation District Public Facilities Financing Corporation Board. The regular meeting of the PID Board of Directors was adjourned at 9:55 p.m.

Georgeanna Borrayo, Secretary

Daniel Wentland, President



MINUTES

ANNUAL MEETING OF THE  
BOARD OF DIRECTORS  
PARADISE IRRIGATION DISTRICT  
PUBLIC FACILITIES FINANCING CORPORATION  
DECEMBER 20, 2017

The annual meeting of the Board of Directors of the Paradise Irrigation District Public Facilities Financing Corporation was called to order at 9:53 p.m. by President Dan Wentland.

OPENING

BOARD MEMBERS  
PRESENT: Directors Marc Sulik, Anne Rice, Bill Kellogg, Vice President  
Cliff Jacobson and President Dan Wentland

ROLL CALL

BOARD MEMBERS  
ABSENT: None

STAFF PRESENT: Interim District Manager Kevin Phillips and Secretary  
Georgeanna Borrayo

ALSO PRESENT: PID Legal Counsel Emily LaMoe and members of the public

It was moved by Director Rice and seconded by President Wentland to approve the January 18, 2017 Minutes of the Annual Meeting of the Paradise Irrigation District Public Facilities Financing Corporation (PFFC).

APPROVAL OF  
MINUTES  
JAN. 18, 2017  
ANNUAL MEETING

AYES: Directors Sulik, Rice, Jacobson, Kellogg, and Wentland

NOES: None

ABSENT: None

**Motion passes 5-0**

There were no comments pertaining to matters not scheduled on the Agenda.

PUBLIC  
PARTICIPATION

Interim Manager Phillips provided an overview regarding the organization, purpose, and use of funds under the Paradise Irrigation District Public Facilities Financing Corporation (PFFC). The PFFC was established June 13, 1993 for the purpose of providing a vehicle for the Board to pledge revenues to acquire debt to purchase assets by financing the acquisition, construction and installation of public facilities for the use and benefit of the Corporation. Under the PFFC, the District has the authority to issue bonds without having to get voter approval. The PFFC takes asset ownership and PID leases the asset back over the same terms as the debt that was issued. An annual meeting of the PFFC Board is held to remain in good standing throughout continuance of the Corporation.

PUBLIC FACILITIES  
FINANCING  
CORPORATION:  
ORGANIZATION,  
PURPOSE, & USE  
OF FUNDS

As there were no further questions or comments, it was moved by President Wentland to adjourn the meeting. The annual meeting of the PID Public Facilities Financing Corporation was adjourned at 9:55 p.m.

ADJOURNMENT

Georgeanna Borrayo, Secretary

Daniel Wentland, President