



Inverness Public Utility District

Fire Department ✧ Water System

50 Inverness Way No., P.O. Box 469, Inverness CA 94937 ✧ (415) 669-1414

Board of Directors

Minutes, Regular Meeting

Wednesday, September 22, 2021, 9:00 a.m.

Teleconference

1. Call to Order; Attendance Report

President Emanuels called the meeting to order on Teleconference at 9:01 a.m.

Directors Present: Kenneth J. Emanuels, Brent Johnson, Dakota Whitney

Directors Absent: Kathryn Donohue, David Press

Staff Present: Shelley Redding, Clerk and Administrator; Jim Fox, Chief of Operations; Wade Holland, Customer Services Manager

2. Public Expression

Jerry Meral asked to speak about the parcel tax document included in the meeting packet as he had another meeting to attend. He noted that the timeline drafted at the request of Shelley Redding should be amended to reflect placing the tax measure on the ballot at the June 2022 election, rather than at a special election in March. Staff member Holland said he recalled a limitation on local agencies that requires tax measures to be submitted to the voters only at the elections at which directors are elected. Mr. Holland will research the matter.

3. Approval of Minutes: Regular Meeting of August 25, 2021

M/S Johnson/Whitney to approve the minutes of the Regular Meeting of August 25, 2021, as submitted.
AYES 3, NOES 0

Staff requested that an item be added to the agenda for the Board to determine whether to conduct the October and November Board meetings by teleconferencing

Staff reported that the District received notification on Monday, September 20, 2021, that the Governor's executive order suspending portions of the Brown Act and enabling Board meetings to be conducted remotely by teleconferencing will be allowed to expire on September 30. Staff stated that this is a matter of urgency that requires Board action before the Board's next scheduled meeting and about which the District was not aware when the agenda for today's meeting was prepared and posted (on Sept. 17).

M/S Whitney/Johnson to add the urgency item to the agenda and to take up the urgency matter at this time to determine how future Board meetings will be conducted. **AYES 3, NOES 0**

President Emanuels asked staff to explain the nature of the urgency matter and the Board's options. Staff explained that part of the urgency is related to the public hearing on changing the water rates that is being proposed for the Board's November 17 meeting. The Prop. 218 notices for that hearing must be mailed to all Water System customers next week (no later than October 1), so staff needs an immediate decision on whether that meeting (as well as the October regular meeting) will be conducted in public at the Firehouse pursuant to the normal Brown Act requirements or if these (and future) meetings will be conducted remotely pursuant to newly enacted legislation (AB 361) that provides a means of continuing to conduct meeting remotely. Staff said that the AB 361 requirements are detailed and difficult to understand (a guide to conforming with AB 361 prepared hurriedly by the California Special Districts

BOARD OF DIRECTORS: **KENNETH J. EMANUELS**, PRESIDENT • **DAKOTA WHITNEY**, VICE PRESIDENT
KATHRYN DONOHUE, TREASURER • **BRENT JOHNSON** • **DAVID PRESS**



SHELLEY REDDING, ADMINISTRATOR • **JAMES K. FOX**, CHIEF OF OPERATIONS

Association is 16 pages long). To conduct a remote meeting pursuant to AB 361, the Board must have passed a resolution within the preceding 30 days that makes specific findings documenting the necessity of conducting the meeting remotely. Such a resolution would have to be renewed every 30 days, which would become a problem for a Board that meets only once a month if the interval between two regular meetings exceeds 30 days; presumably, in such a case, the Board would have to hold a special meeting before the 30-day period expires in order to pass a renewal resolution enabling the upcoming meeting to be held remotely. Staff recommended that the Board revert to holding public meetings, at least until the requirements of AB 361 become better understood. After discussion, it was the consensus of the Board that the October and November meetings be scheduled at the Firehouse in the engine bay where social distancing can be observed.

4. Management Report

Financial Reports: Administrator Redding presented the financial reports for August 2021. She noted that the CERBT Fund reimbursement for OPEB benefits has been received and is shown in revenues. The increase in expenses is largely related to the number of water meters in need of replacement to accommodate installation of Flume devices. She noted that expenditures have been made for the Tenney Tanks Replacement and the Accounting Software capital projects and are reflected in the Capital Projects report.

Audit Update: Administrator Redding reported that the audit for FY 2020/21 is active and the auditor's on-site visit occurred last week; the audit is on track, she said.

Capital Projects Accounting, August 2021: Administrator Redding presented the Capital Projects report for August 2021.

Tenney Tanks Replacement Project Update: Administrator Redding reported that work has resumed. Superintendent Fox reported that the pad for the first tank is being prepared in preparation for the concrete pour. Director Johnson asked when the tank will be filled. Superintendent Fox responded that the timing will be tricky considering the lack of available water due to the drought, but he noted that the level of customer conservation has improved to the point where it may be possible to fill the tank from existing supply. The fallback position is to purchase water from North Marin if necessary (of which North Marin is aware).

MWPA Update: Administrator Redding presented reports that show the projects and activities for the MWPA core programs, the Inverness local and defensible space projects, and the County Fire projects that have been identified and/or are underway. Chief Fox also reported on the activity within MWPA, the rollout of the Zonehaven Evacuation notice platform, and the continued work being done by the environmental consultants for compliance with CEQA requirements. Administrator Redding also noted an E-Blast with material provided by MWPA and FIRESafe Marin was sent out the previous day with information provided by Director Donohue, who is an MWPA Board Member. Chief Fox requested that Board Members familiarize themselves with the Zonehaven application.

MERA Update: Chief Fox reported construction work on the new communication towers continues. He also reported that the MERA meeting being held this afternoon will include discussion of a proposal concerning the savings the member agencies will realize after this year when the original MERA bonds will have been paid off. The proposal is for the agencies to commit a portion of the savings to funding a MERA equipment replacement fund. Since this is a decision that should be brought back to the individual agency boards, he said he will abstain until he can present the matter to the IPUD Board and receive guidance from our Directors.

State of the Water Shortage Emergency: Staff reported that tank levels have been holding steady between 80% and 90%. The daily update on our website appears to have increased visits to our website. Conservation efforts have been successful. President Emanuels asked if the commercial accounts are cooperating with conservation, and Staff responded that they have noticed an increase in conservation, especially at the Tomales Bay Resort and the Cottages at Point Reyes Seashore. Director Johnson asked for an estimate on the number of Flume devices that are in use. Staff reported that 125 devices have been

purchased through the program, but not all have been installed yet. Director Whitney noted that some customers had already purchased Flumes before the IPUD program was introduced. She also noted that she is aware of some residents who have replaced existing appliances once they discovered from their Flume device how much water their old units were using. President Emanuels asked if high users had purchased Flumes. Staff noted that the high-usage commercial customers cannot use Flumes because they have meters larger than one-inch in size, the maximum size that can accept a Flume reader. Staff also noted that in general high-usage residential customers do not seem to be especially interested in installing a Flume. Administrator Redding noted that a tank-levels sign for installation downtown has been ordered and should be ready this week.

5. Water System Report, August 2021

Superintendent Fox presented the monthly report. President Emanuels expressed concern about how the report is formatted and how to compare production vs. usage. There followed a general discussion about the usefulness of the report and how the data is presented. Superintendent Fox reported that the small amount of rainfall hasn't increased the streamflows but it does seem to have reduced customer demand. Staff noted that the provided usage chart makes it easier to see this year's average daily water usage compared to last year's and to the 31-year average.

6. Fire Department Report, August 2021

Chief Jim Fox submitted the Fire Department report. It was noted that call volume was relatively low. The Disaster Council is very active and that the co-coordinators, Sally Fairfax and Connie Morse, are doing a great job moving things along, building the network, and encouraging participation. Chief Fox also noted some new volunteers have signed up and he is conducting weekly training sessions for the new members as well as the regular drills for existing volunteers.

7. Initiate Prop 218 Process for Changing Water Rates and Charges Effective January 1, 2022

Customer Service Manager Wade Holland reported that if the Board wishes to move forward with a proposed increase in water rates to become effective in January 2022, the Prop. 218 notice of the public hearing on the proposal must be mailed to all customers no later than October 1 in order to conduct the public hearing at the regular Board meeting on November 17. The rates increase ordinance must be approved by the Board no later than Dec. 1 in order to go into effect in time for the January/February billing cycle. Thus, he said, the Board must approve the Prop. 218 notice at today's meeting in order to keep to this schedule. President Emanuels asked if the surcharge that is part of the proposal will expire after 18 months. Staff reported that it will according to the proposal now being considered, although nothing would preclude the Board from initiating a new Prop. 218 process somewhere down the line to change that provision. President Emanuels asked if the law allows CPI increases indefinitely. Mr. Holland said that the guidance we are using states a maximum of five years as the life of a Prop. 218 measure that increases rates at a regular interval. Skip Shapiro asked why the proposal doesn't include increases in the usage rates. Mr. Holland responded that we don't have the data to attribute the deficit to variations in usage. Mr. Shapiro then asked about the ratio of the revenue from the fixed charge to the revenue from the variable rates; Mr. Holland said that it was on the order of 80% fixed to 20% variable. He also noted that because we don't have to buy the water and we don't have significant pumping costs (because the system is largely a gravity system), very few of our costs are related directly to the amount of water a customer uses and most of our expenditures are for fixed costs. President Emanuels complimented staff on the preparation of the document. Director Whitney said she feels the community will be supportive and that the customers trust the District to be fair. President Emanuels noted that the surcharge is steep and asked where the money raised by the surcharge will be used. Staff explained that the increase is based solely on closing the deficit anticipated in the current year's adopted budget, projected out to June 2023, largely as a result of diminishing revenue due to drought-driven conservation and increases in personnel costs attributable to management of the water shortage emergency.

M/S Whitney/Johnson to instruct staff to proceed with the Prop. 218 process as proposed. AYES 3, NOES 0

8. Proposal to Submit a Parcel Tax Measure to the Voters

President Emanuels opened a discussion of the parcel tax proposal and the timeline drafted by Jerry Meral at the request of the Administrator. General discussion covered various details of the drafted proposal and the proposed measure's stated goals for how the parcel tax revenue would be spent. It was noted by staff that some of the programs outlined in the drafted proposal appear to duplicate programs the Marin Wildfire Prevention Authority (MWPA) is intended to address and for which the District's property owners are already paying a parcel tax. There was also discussion about administration of the programs being proposed and whether the District can support the staffing that would be needed to implement the proposed programs. Customer Services Manager Wade Holland noted that if the proposed tax had been in effect this year, it would have netted \$253,000 in revenue for the District, which he said the staff believes would be more than the current level of staffing could handle, either administratively or programmatically. He suggested that adding even a half-time new employee to administer and implement the programs could use up as much as one-third of the revenue to support the added personnel costs, even before addressing the question of where space could be found to house an additional employee. The consensus was that the District should take a step back from this process, allow the MWPA the opportunity to address community projects for fire mitigation, and take time for the District to work on preparing a comprehensive multi-year plan for the District's goals, operational needs, and future capital projects. The intention would be to enable the District to identify the specific project and funding goals that would be most beneficial to the District and the community and practical for the District to undertake. It was also suggested that the proposed timing of putting the tax on the ballot is problematic in two respects. The first has to do with going forward with a proposal that would significantly increase homeowners' property tax bills right after the District has implemented a large increase in water rates. The other is the difficulty with proceeding with a measure that mandates specific, long-term programs at the same time that the District's staff leadership is in a state of anticipated change. It was expressed that expected new leadership should be given the opportunity to become familiar with the District, to have time to develop an understanding of the District's needs, and to play a leading role in planning for the District's future.

M/S Johnson/Whitney to not pursue the proposed parcel tax measure at this time and in the future to identify the appropriate mechanisms for financing programs to enhance fire prevention and suppression.

AYES 3, NOES 0

9. Resolution 260-2021: Changing the Employer Contribution for CalPERS Health Care Benefits

Administrator Redding presented a report on the change in CalPERS health benefits that will go into effect January 1, 2022. This resolution sets the maximum employer contribution for employees, retirees, and their eligible dependents at the amount of the applicable premium for PERS Gold Region 1 Basic/Medicare/Combination coverage.

M/S Johnson/Whitney to adopt Resolution 260-2021 as drafted, setting the maximum employer contribution for employee and retiree health care benefits at the amount of the applicable PERS Gold Region 1 Basic/Medicare/Combination premium. **AYES 3, NOES 0**

10. Resolution 261-2021: Amending the Vesting Requirements for Retiree Health Care Benefits (Replacing Resolution 177-2009)

Administrator Redding presented a report and a draft resolution to replace Resolution 177-2009, which is necessitated to conform with changes in law governing the CalPERS system. Resolution 261-2021 sets the District's requirements for health care vesting to be consistent with the provisions of Government Code §22893. The initial health care vesting requirement for eligible retirees would be set at 10 years of PERS service, with five of those years required to be with the Inverness Public Utility District. That level of service would entitle the retiree to having the District pay 50% of the qualifying health care premium for the retiree and 50% of the District's share of the qualifying premium for the retiree's eligible dependents. For each additional year of qualifying service, the District would pay an additional 5% (up to 100% for a person with 20 years of qualifying service).

*M/S Whitney/Emanuel*s to adopt Resolution 261-2021 as drafted, replacing Resolution 177-2009 . **AYES 3, NOES 0**

11. Expenditures: August 2021

Administrator Redding presented the monthly expenditures report for August and the August credit card statements for review and approval. Director Johnson asked about the unfunded accrued liability expense and if that was determined by an actuarial report. Staff affirmed the expenditure is based on an actuarial report. Director Emanuel's asked about the progress of activating the new accounting software. Administrator Redding reported that the first steps for the transition are underway. Administrator Redding also reported that the expenditures for actuarial services were necessitated by GASB reports that are required for the audit. She observed that the reports were received within a week, which was an encouraging turnaround time.

M/S Johnson/Whitney to approve the August 2021 expenditures as presented and the August Cal Card statements for S. Redding and J. Fox as presented. **AYES 3, NOES 0**

12. Announcements, Next Meeting, Adjournment

Director Johnson reported that his employer has been acquired by NV5, which has done business with the County of Marin. Administrator Redding noted the change and said she will research whether Director Johnson needs to file an amended Form 700.

President Emanuel's adjourned the meeting at 10:54 a.m. The next Board meeting is scheduled for October 27, 2021 at the Firehouse.

These minutes were approved by the Board of Directors at the regular meeting on October 27, 2021.

Attest: /s/

Date: 10/27/2021

Shelley Redding, Clerk of the Board