



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, August 25, 2021, 9:00 a.m.

Teleconference

1. Call to Order; Attendance Report

President Emanuels called the meeting to order on Teleconference at 9:05 a.m.

Directors Present: Kenneth J. Emanuels, Kathryn Donohue, Brent Johnson, David Press, Dakota Whitney

Directors Absent: None

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

2. Public Expression

Jerry Meral asked if the Parcel Tax Committee should be discussed now or wait until the committee reports later in the meeting. Ken Emanuels asked it be addressed at the time committee reports are heard.

3. Approval of Minutes: Regular Meeting of July 28, 2021

M/S Donohue/Press to approve the minutes of the Regular Meeting of July 28, 2021, as submitted. AYES 4, NOES 0, Abstain 1 (Whitney)

4. Resolution 259-2021: Public Hearing on Water Rationing and Adoption of Resolution 259-2021 Declaring Activation of Water Rationing.

President Emanuels introduced the item. Customer Services Manager Wade Holland noted two edits in documents provided in the meeting packet. On the attachment listing non-residential customers, the name "Boathouse" should be changed to "Boatworks." In Resolution 259-2021, page 3, Option #3 in Section 8 should be corrected to read "...overall water consumption in the Water System's service area has resulted in the volume of water stored in the System's tanks dropping to less than 50% based on a 7-day running average."

Public Hearing: President Emanuels opened the public hearing at 9:13 a.m. and asked staff to present their recommendation for adopting Resolution 259-2021 and to confirm that the rationing daily allotments would be set as specified for Track 5 in the adopted Ordinance 101-2021. Customer Services Manager Holland summarized the current stage of the water shortage emergency and the options for consideration by the Board in adopting the resolution. Staff recommended for residential customers a base allotment of 50 gallons per meter per day plus an allotment of 25 gallons per day per full-time occupant. He said that staff also recommends that Option 3 in Section 8 be selected for when water rationing would come into effect. Option 3 states that rationing will be declared by the District Administrator to be in effect when the seven-day running average of the tank levels falls below 50%. The resolution also allows the District Administrator to reduce rationing allotments by up to 25% if needed to safeguard the District's water supply. The Staff answered questions posed by members of the public relating to storage capacity and if capacity could be expanded. Staff responded that the current Tenney Tanks replacement project will expand capacity by 26,400 gallons, but site and operational constraints at the Tenney property preclude any greater expansion than that. Staff was asked why water rationing is not

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

being recommended to be placed in effect immediately and how allocations would be determined for commercial customers. Staff responded that none of the metrics (streamflows, demand, treatment capacity, tank levels) justify immediate implementation of rationing, but it is important to have the mechanisms for rationing in place in the event swift action to institute rationing becomes necessary. Because of noticing and public hearing requirements for adopting a rationing resolution, it is better to have such a resolution already in place with a stated trigger for declaring rationing. Staff explained that non-residential customers will receive an allotment based on a percentage of their consumption during a designated base year; it is being proposed that for most non-residential customers the applicable percentage will be determined by means of a negotiation between IPUD staff and the customer, and that those percentages must be reviewed and accepted by the Board of Directors.

The Public Hearing was closed at 9:48 a.m. Director Press asked how the District is messaging customers who are not in Inverness regularly. Staff reported that our email address list includes 94% of the customers in addition to a large number of tenants and others who are not a customer of record. If needed, outreach could also be targeted at property owners whose homes are registered as short-term rentals to encourage messaging to their customers about our water shortage and the applicable mandatory water usage restrictions. Currently, there are only 4 or 5 homeowners with whom we have issues about their high water usage, and we have contacted them directly. Director Johnson asked about a catastrophic event that reduces the water supply significantly. Staff responded that a catastrophic event would enable us to ask for emergency water from North Marin Water District through the Intertie.

Staff also noted that two objections have been raised by customers. One was strongly in favor of using Track 1 (a fixed amount of water per day per meter) instead of Track 5. The other was critical that the District had not done enough to increase availability of water so that gardens could be maintained; this person also opined that the water the District provides is not safe to drink or to bathe in.

M/S Johnson/Whitney to approve Resolution 259-2021 as submitted with the language of Option 3 set in Section 8. AYES 5, NOES 0

5. Management Report

Financial Reports: Administrator Redding presented the revised financial reports for June 2021 and the current reports for July 2021. She noted that staff is still in process of closing out the fiscal year in preparation for the audit; final reports for June 30, 2021 should be available for the Board's August meeting. President Emanuels noted that the actuals compared to budget show personnel costs over budget by \$100,000 and water revenue below budget. Staff explained that these were due to increased staffing needs and because the Chief of Operations has delayed his retirement and has remained on full-time employment. Water customer revenue is down because of drought conservation.

Audit Update: Administrator Redding reported that the audit for FY 2020/21 is underway and the auditor will be on-site in early September.

Special Fire Tax Revenue for 2021-2022: Staff presented the documentation showing the expected revenue from the District's Special Fire Tax for the current fiscal year is \$75,385.06.

Capital Projects Accounting, June and July 2021: Administrator Redding presented a corrected Capital Projects report for June 2021 as there were some expenses for the Tenney Tank Project in previous years that had not been categorized correctly. The July 2021 capital projects report was presented as well, showing capital projects that will be booked as assets at the end of the 2020/21 fiscal year.

Tenney Tank Project Update: Administrator Redding reported that the project continues to be delayed due to supply chain issues and noted that changes to the engineering for the tank pads had to be performed because of recent changes in the AWWA Standards. Administrator Redding reported that the first reimbursement request was being prepared for submission.

MWPA Update: Administrator Redding presented the year-end financial report that was submitted to MWPA's Finance Committee. Directors Emanuels and Donohue asked for a report on projects to be undertaken with MWPA funds. Administrator Redding reported that this year's Defensible Space inspections were being completed in the Inverness area for the year and any homes that were not inspected

this year will be inspected first next year. The evacuation routes clearing project is in the process of environmental review. Directors requested that a report be provided at the next Board meeting that outlines the local projects, the regional core projects, and the results of the inspections.

MERA Update: Administrator Redding reported that there has not been any activity other than the continued construction of communication towers and completion of installation of the new radios in all the IPUD vehicles.

State of the Water Shortage Emergency: Most items were covered under item #4, but it was reported that repairing the leak in the remaining Tenney Tank and the effort to get Well 5 online will help to maintain levels.

6. Water System Report, July 2021

Staff presented the monthly report. Senior Water Operator Ken Fox clarified the report and noted that usage is running slightly above supply. It was also noted that the motels have decreased their normal average usage by 28%, despite their high occupancy rates this season.

7. Fire Department Report, July 2021

Chief Jim Fox submitted the Fire Department report. It was noted that call volume was up in July over the previous month.

8. Ordinance 103-2021: Compensation of the District Administrator

Administrator Redding presented the ordinance providing for the compensation of the District Administrator effective September 1, 2021.

M/S Whitney/Johnson to approve Ordinance 103-2021 providing for the compensation of the District Administrator as presented. AYES 5, NOES 0

9. Letter to Marin Municipal Water District's Board of Directors about Purchasing Supplemental Water During Emergencies

Customer Services Manager Wade Holland reported on a preliminary meeting, facilitated by Jerry Meral, with MMWD's General Manager Ben Horenstein. Our staff inquired about the possibility of including for Inverness a small amount of water (around 40 acre feet) in the 15,000 acre feet MMWD is contemplating buying from agriculture water rights holders in the Sacramento Delta and Central Valley for delivery into Marin via a pipeline on the Richmond-San Rafael Bridge. He said the staff response at MMWD was favorable, and that the next step would be for the IPUD Board to write directly to MMWD's Board and ask that they include our request in the planning for their proposed supplemental water project. Administrator Redding reported that Drew McIntyre, General Manager of North Marin Water District, has also been contacted because the water would have to be wheeled via North Marin's facilities in Point Reyes Station in order to reach Inverness; Mr. McIntyre has the matter under advisement and consultation with this staff. Staff provided the Board with a draft of a proposed letter from the IPUD Board to the MMWD Board.

M/S Donohue/Johnson to approve the letter to the Marin Municipal Water District's Board of Directors as drafted and to authorize and direct the President to sign and send it. AYES 5, NOES 0

10. Approve Expenditures and Credit Card Charges: July 2021

Administrator Redding presented the monthly expenditures report for July and the July credit card statements for review and approval.

M/S Donohue/Press to approve the July 2021 expenditures as presented and the July Cal Card statements for S. Redding and J. Fox as corrected. AYES 5, NOES 0

11. Committee Meetings/Reports

Parcel Tax Committee: Director Johnson reported on a recent meeting with himself, Jerry Meral, Director Donohue, and Administrator Redding. He reported that they discussed what the parcel tax could

achieve for the District and potential programs that could be considered to be undertaken with the funds. Director Emanuels expressed concern about staff time constraints and how the process of pursuing a new parcel tax would impact the staff's workload. Jerry Meral offered his assistance and suggested that a citizens committee could provide assistance. Director Press also voiced his concern about the impact of the tax preparation process on staff time, as well as the messaging and outreach that would need to be handled by such a committee. Director Donohue requested that a timeline be presented at the next meeting to understand the activities that need to take place to move forward with a parcel tax election. It was also suggested that another meeting be held with Jerry Meral to identify priorities for use of the funds. Administrator Redding indicated she would contact Jerry and set up a time to meet.

Personnel Committee: Staff presented a summation of the items considered by the Personnel Committee, including recruitment options for the Fire Chief and the Water Superintendent positions, a recommendation to suspend recruitment of a Fire Chief (Chief Fox has delayed his retirement), administrative staffing needs (recruitment of an office assistant to eventually take over the customer services functions), and changes at CalPERS that will impact the health benefits the District provides its employees and annuitants. With respect to the CalPERS changes, the health care benefits the District provides to its employees and annuitants will be affected beginning on January 1, 2022, and the District must make some decisions and adopt new resolutions in a specific timely manner. Currently, CalPERS offers three PPO (Preferred Provider Organization) health plans, called PERS Care, PERS Choice, and PERS Select (in addition to offering plans such as Anthem Blue Cross, Blue Shield, Kaiser, and others). CalPERS is reducing its three PPO plans to two plans, which it is calling PERS Gold and PERS Platinum. Any of our employees or annuitants who is currently enrolled in one of the existing plans that is being discontinued must choose a new plan during this year's Open Enrollment period, which is from Sept. 20 to Oct. 15. Also, the District currently specifies that the amount of an employee's or annuitant's health insurance premium that the District will pay will not exceed the amount of the applicable PERS Choice premium; if an employee/annuitant elects a more expensive plan, the employee/annuitant must pay the difference. With PERS Choice going away, the District must now determine (by resolution) the plan whose premiums will determine the caps on the District's contribution to employee and annuitant health care premiums. The default if an employee or annuitant or employer does not designate a successor for PERS Choice will be PERS Platinum. The premiums for PERS Platinum will be substantially higher than would be the case if PERS Gold were selected. For example, for an employee alone, the 2022 monthly premium will be \$701.23 under PERS Gold, but \$1,057.01 under PERS Platinum (an increase of 50.7%). After discussion of staff's written report and consideration of possible alternatives to remaining with CalPERS for health benefits, the sense of the Board was for staff to prepare the necessary resolutions for (1) remaining with CalPERS, (2) amending the vesting period for post-employment retirement benefits to 10 years (from 5 years), (3) setting the maximum employer-contribution premium at the CalPERS Gold PPO rate, (4) changing the probationary period for new employees from three months to one year, and (3) stating that the percentage of the District's contribution payable for post-retirement health benefits for an employee will be based on the employee's completed years of credited service at retirement, as shown in the table in Government Code Section 22893 (and providing that at least five of those years must have been with the District).

12. Announcements, Next Meeting, Adjournment

President Emanuels adjourned the meeting at 11:08 a.m. The next Board meeting is scheduled for September 22, 2021.

These minutes were approved by the Board of Directors at the regular meeting on September 22, 2021.

Attest: /s/

Date: 9/22/2021

Shelley Redding, Clerk of the Board