

INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT  WATER SYSTEM

50 INVERNESS WAY NORTH • P.O. BOX 469 • INVERNESS CA 94937 • (415) 669-1414

Board of Directors

AGENDA

Regular Meeting

Wednesday, January 26, 2022

9:05 a.m.

Video/Teleconference

MODIFIED BROWN ACT REQUIREMENTS IN LIGHT OF STATE OF EMERGENCY

The health and safety of community members, public officials, and employees is a top priority for the IPUD. Pursuant to CA Assembly Bill 361, members of the Board of Directors, IPUD staff, and members of the public will participate in this meeting by teleconference. The IPUD will not offer an in-person meeting location for the public to attend this meeting. Members of the public are encouraged to participate remotely from a safe location as described below.

Join Zoom meeting from your computer, tablet, or smartphone:

<https://us06web.zoom.us/j/82250964551?pwd=akFRRTQxTFAvSGZTbnpHelVKbzV4UT09>

Meeting ID: 822 5096 4551

Passcode: 385866

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Opening 9:05 a.m.

- 1. Call to Order; Attendance Report**
- 2. Election of Officers for 2022 (President, Vice President, Treasurer; ex officio officers)**
- 3. Public Expression:** Opportunity for members of the public to address the Board on matters under the Board's jurisdiction but not on the posted agenda. Directors or staff "*may briefly respond to statements made or questions posed*" during Public Expression, but "*no action or discussion shall be undertaken on any item not appearing on the posted agenda*" (Gov. Code §54954.2(a)(3)). Members of the public may comment on any item listed on the posted agenda at the time the item is considered by the Board.
- 4. Proposed Voter Initiative Parcel Tax:** Review and provide comments on proposed initiative ordinance to levy a special parcel tax for increased fire protection and control and water supply.
- 5. Approval of Minutes:** Regular meeting of November 17, 2021

The State of the District

- 6. Management Report:** Shelley Redding, Jim Fox
 - Financial Reports
 - FY 2021/2022 Finance Reports
 - Capital Projects Accounting – November & December 2021

Material provided in the meeting packet is available on the District's website, www.invernesspub.org, or by contacting the District office.

Items may not be taken up in the order shown on this Agenda.

For assistance in participating in this event due to a disability as defined under the ADA, please call in advance to (415) 669-1414.

THE PUBLIC IS CORDIALLY INVITED TO PARTICIPATE AND TO COMMENT ON AGENDA ITEMS

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



**SHELLEY REDDING, ADMINISTRATOR/CLERK OF THE BOARD
JAMES K. FOX, CHIEF OF OPERATIONS (FIRE CHIEF, WATER SYSTEM SUPERINTENDENT)**

- Tenney Tanks Replacement Project Update
- Marin Wildfire Prevention Authority (MWPA) Update
- Marin Emergency Radio Authority (MERA) Update
- State of the Water Shortage Emergency
- Community Outreach

7. Water System Reports: October, November, and December 2021: Superintendent Fox

8. Fire Department Reports: November and December 2021: Chief J. Fox

The Business of the District

9. Approve Expenditures and Credit Card Charges: November and December 2021

10. Accept and Approve the Fiscal Year 2020/2021 Audit

11. Accept and Approve Auditor's 2020/2021 Management Report Recommendations and Response Letter

12. Approval of Selection Process of Auditor for Fiscal Years 2021/22, 2022/23, and 2023/24

13. Closed Session: Public Employee Evaluation (District Administrator) pursuant to Gov. Code Sec. 54957

14. Reconvene in Open Session; Report on Actions Taken in Closed Session

15. Committee Meetings/Reports; Board Committee Assignments for Calendar Year 2022

Closing

16. Announcements, Next Meeting, Adjournment

Posted: January 21, 2022



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 1

Call to Order;

Attendance Report



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 2

Officer Elections

(President, Vice President, Treasurer;

ex officio officers)

Year 2022



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 3

Public Expression

Opportunity for members of the public to address the Board on matters under the Board's jurisdiction but not on the posted agenda.

Directors or staff “*may briefly respond to statements made or questions posed*” during Public Expression, but “*no action or discussion shall be undertaken on any item not appearing on the posted agenda*” (Gov. Code §54954.2(a)(3)).

Members of the public may comment on any item listed on the posted agenda at the time the item is considered by the Board.



Inverness Public Utility District
Board Meeting November 17, 2021

Agenda Item No. 4

Proposed Voter Initiative Parcel Tax

Review and provide comments on proposed
initiative ordinance to levy a special parcel tax

DRAFT

FULL TEXT OF MEASURE “*”

Dec 11 version

ORDINANCE NO. ****

FULL TEXT OF THE INVERNESS PUBLIC UTILITY DISTRICT INCREASED FIRE PREVENTION AND CONTROL AND WATER SUPPLY MEASURE THROUGH AN ORDINANCE SUBMITTED TO THE VOTERS IN THE INVERNESS PUBLIC UTILITY DISTRICT TO AUTHORIZE THE LEVY OF A SPECIAL PARCEL TAX

THE PEOPLE OF THE INVERNESS PUBLIC UTILITY DISTRICT DO ORDAIN AS FOLLOWS:

SECTION 1. STATEMENT OF PURPOSE AND INTENT.

(a) It is the purpose and intent of the voters of the Inverness Public Utility District in adopting this Ordinance to authorize the levy of a special, non-ad valorem tax on parcels of real property on the secured property tax roll of Marin County that are located within the jurisdiction of the District.

(b) Pursuant to the authority of Chapter 4 of Division 9 of the California Elections Code and other applicable law, following the certification of the results of the election, if a majority of the voters vote “yes,” it is the purpose and intent of the voters that there shall be levied and assessed a special parcel tax by the District on all taxable parcels of real property in the District for each fiscal year.

(c) It is the purpose and intent of the voters that the proceeds of the special parcel tax be expended only for fire protection and prevention services and water supply improvement, including, but not limited to, all of the following:

(1) Improvements to the District water supply system to improve the ability of the system to fight fires.

(2) Improvements to District and customer water use efficiency to make more water available to fight fires and survive droughts.

(3) Fire fuel reduction, including fuel reduction projects within and near the boundaries of the District in partnership with state and federal park agencies and Marin County.

(4) Administering the implementation of this Ordinance.

SECTION 2. DEFINITIONS.

The following definitions shall apply for purposes of this Ordinance:

(a) “Board of Directors” means the Board of Directors of the Inverness Public Utility District.

(b) “Consumer Price Index” means the Consumer Price Index for all Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward Area (1982-84=100) as published by the U.S. Department of Labor, Bureau of Labor Statistics. If the Consumer Price Index is discontinued or revised, another similar government index or computation shall be utilized, as determined by the District.

(c) “District” means the Inverness Public Utility District.

(d) "Fiscal year" means the period of July 1 through the following June 30.

(e) "Parcel" means the land and any improvements thereon, designated by an assessor's parcel map and parcel number and carried on the secured property tax roll inside the boundaries of the District. "Parcel" does not include any land or improvements owned by any governmental agency.

(f) "Special parcel tax" means the tax imposed under Section 3.

(g) "Use Code" means the two-digit number created by the Marin County Assessor's Office to define classes of properties.

SECTION 3. SPECIAL PARCEL TAX IMPOSED.

(a) A special parcel tax is hereby imposed on all taxable parcels of real property within the jurisdictional boundaries of the District, as described in subdivision (b).

(b) The amount of the special parcel tax for each fiscal year shall be as follows, as adjusted annually pursuant to subdivision (c):

(1) Agricultural Preserve Farmland Security Zone (Use Code 35): None in District. 

(2) Attached Single Family Residential (includes condominiums, townhouses, attached Planned Unit Developments, and co-ops) (Use Code 14): \$0.20 per square foot of each structure.

(3) Commercial (Use Code 51): \$0.20 per square foot of each structure.

(4) Historical Property (Mills Act) (Use Code 38): \$.0.20 per square foot of each structure

(5) Industrial (Use Code 41): \$.0.20 per square foot of each structure

(6) Manufactured Home (Use Code 12): \$0.20 per square foot of each structure.

(7) Multiple Family Residential (Use Code 21): \$0.20 per square foot of each structure.

(8) Open Space Contract (Use Code 37): \$150 per parcel.

(9) Rural (Use Code 31): Only for developed property, \$0.20 per square foot of each structure.

(10) Single Family Residential; Single Family Residential, one living unit; Single Family Residential, one living unit with second dwelling unit (Use Code 11): \$0.20 per square foot of each structure.

(11) Subject to Exemption — Improved (Use Code 61): \$0.20 per square foot of each structure.

(12) True Duplex (Use Code 21): \$0.20 per square foot of each structure.

(13) Unimproved — All Non-Exempt vacant, (Use Codes 10, 20, 30, 32, 34, 36, 40, 50, 60): \$\$150.00 per parcel.

(c) Before the beginning of each fiscal year, the Board of Directors shall adjust the maximum parcel tax to be levied upon parcels for the upcoming fiscal year to reflect any change in the Consumer Price Index beyond the first fiscal year the parcel tax is levied. Change in the Consumer Price Index shall be calculated for the immediately preceding calendar year, but not to exceed an increase of 3% each year.

(d) The records of the Marin County Tax Collector, as provided by the County Assessor, each year shall provide the basis for determining the calculation of the special parcel tax applicable to each parcel, with such corrections as deemed necessary by the Board of Directors to reflect the actual use and improvement of any parcel.

SECTION 4. EXEMPTIONS.

(a) (1) Except as provided in paragraph (2), the special parcel tax shall not be imposed upon any parcel that is exempt from ad valorem property taxes pursuant to any provision of state or federal law.

(2) The exemptions from ad valorem property taxes under state law for homeowners and disabled veterans shall not apply to the special parcel tax.

(b) Parcels that are classified by County Assessor Use Codes 13, 15, 53-59, and 80-90 are exempt from the special parcel tax.

(c) The special parcel tax shall not be imposed upon any parcel which cannot receive water service from the District due to a lack of District water supply at or near the parcel.

(d) The Board of Directors may implement a special parcel tax fee waiver or reduction program for low-income households by ordinance.

SECTION 5. COLLECTION.

(a) Insofar as is feasible and not inconsistent with this Ordinance, the special parcel tax shall be collected in the same manner in which the County of Marin collects secured roll ad valorem property taxes. All laws, regulations, and procedures regarding due dates, installment payments, corrections, appeals, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes shall be applicable to the collection of the special parcel tax.

(b) The special parcel tax on each parcel shall be billed on the secured roll tax bills for ad valorem property taxes and shall be due to the District. Notwithstanding anything to the contrary in subdivision (a), the secured roll tax bill shall be the only notice required for collection of the special parcel tax.

(c) The amount of the special parcel tax for each parcel each fiscal year shall constitute a lien on such property in accordance with California Revenue and Taxation Code Section 2187 and shall have the same effect as an ad valorem real property tax lien until fully paid. The special parcel tax, together with all penalties and interest thereon, shall constitute until paid, to the extent authorized by law, a personal obligation to the District by the person or persons who own the parcel on the date the tax is due.

SECTION 6. SPECIAL FUND.

The proceeds of the special parcel tax shall be placed in a designated fund to be used solely for the purposes of this Ordinance.

SECTION 7. USE OF FUNDS.

(a) Funds generated by this Ordinance shall be used only for the following purposes:

(1) Fire fuel reduction programs to reduce the risk of loss of life and property due to fire through the reduction of fuels on public and private property within the District and on state and federal park lands near the District, including, but not limited to, all of the following:

(A) Creation, restoration, and maintenance of shaded fuel breaks.

(B) Removal of trees and branches which could fall on electrical wires and cause fires, where removal of such trees and branches is not the obligation of other utilities or public agencies.

(C) Matching grants for home hardening and fuel reduction to improve defensible space on private property, if the private property owner agrees to create and maintain defensible space.

(D) Removal of fuels which impair the utility of roads and trails needed for access by firefighters or for evacuation.

(2) Programs to increase the availability of water to fight fires and survive drought, including, but not limited to, all of the following:

(A) Implementing consumer water conservation programs, including leak detection, on a cost sharing basis.

(B) Making existing irrigation systems more efficient.

(C) Replacing inefficient water using appliances with more efficient appliances.

(D) Construction of rainwater and graywater collection and storage systems, including equipment to make the water available to firefighters.

(E) Leak detection and elimination in District facilities.

(F) Purchasing water for health and sanitation purposes in extremely dry years.

(G) Construction of water storage facilities.

(b) Projects funded pursuant to this Ordinance shall comply with all of the following:

(1) All projects shall comply with the California Environmental Quality Act.

(2) Fuel reduction projects of more than 3 acres shall use the California Department of Forestry and Fire Protection Vegetation Treatment Plan as guidance for project implementation.

(3) No work shall be done on private property without the property owner's permission.

(c) No more than 5% of the revenue generated by this Ordinance may be spent for administrative costs, as authorized by the Board of Directors 

SECTION 8. AUDITS.

Pursuant to Section 50075.3 of the California Government Code, the chief fiscal officer of the District shall file an annual report with the Board of Directors describing both of the following:

(a) The amount of funds collected and expended pursuant to this Ordinance.

(b) The status of any project required or authorized to be funded by this Ordinance. 

SECTION 9. AMENDMENT AND IMPLEMENTATION OF ORDINANCE.

(a) Except as provided in subdivision (b), the Board of Directors may amend this Ordinance by an affirmative unanimous vote of its members to carry out the general purposes of this Ordinance, to conform the provisions of this Ordinance to applicable state law, to modify the methods of collection of the special parcel tax, or to assign the duties of public officials under this Ordinance.

(b) Unless approved by a majority of the District's voters voting thereon, the Board of Directors shall not amend this Ordinance to increase the maximum amount of the special parcel tax, except as provided in subdivision (c) of Section 3, or to modify the uses for which the tax proceeds are authorized, as provided in Section 7.

(c) In addition to amendment of this Ordinance pursuant to subdivision (a), the Board of Directors may adopt by resolution procedures and definitions for the implementation and administration of the special parcel tax, consistent with this Ordinance.

SECTION 10. SEVERABILITY.

If any provision, section, subdivision, sentence, phrase, or clause of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of the Ordinance. The voters hereby declare that they would have adopted the remainder of this Ordinance, including each provision, section, subdivision, sentence, phrase, or clause, irrespective of the invalidity of any other provision, section, subdivision, sentence, phrase, or clause.



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 5

Approval of Meeting Minutes

- **Regular Meeting November 17, 2021**



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, November 17, 2021, 9:00 a.m.

Inverness Firehouse

1. Call to Order; Attendance Report

President Emanuels called the meeting to order at 9:00 a.m.

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

Directors Absent: None

Staff Present: Shelley Redding, Clerk and Administrator; Jim Fox, Chief of Operations (departed at 9:45 am), Wade Holland (departed at 9:30)

2. Public Expression

Jerry Meral reported that the application for Inverness to become a FIREWise Community was successful.

3. Approval of Minutes: Regular Meeting of October 27, 2021

Director Donohue asked about follow-up on arranging CPR classes for the community. Administrator Redding responded that there are classes that can be arranged and she is looking into the possibility of scheduling in-person classes. Director Donohue also asked about potential Grant opportunities and Administrator Redding reported that she would provide information later in the meeting.

M/S Whitney/Press to approve the minutes of the Regular Meeting of October 27, 2021, as submitted. AYES 5, NOES 0

4. WATER RATES: Public Hearing pursuant to Prop. 218 on Proposed Changes in Water Rates and Charges; Adoption of Ordinance 104-2021 Amending Water System Regulation 301, "Rates and Charges"

a. **Public Hearing on Proposal to Change Water System Rates and Charges as of January 1, 2022:** President Emanuels opened the public hearing at 9:10 a.m. for comments on the proposed changes in water rates to become effective January 1, 2022. Jerry Meral urged the Board to "Go for it." There being no one else expressing a desire to be heard, President Emanuels closed the public hearing at 9:13 a.m.

b. **Determination of Number of Protests Received to Proposed Increase in Water System Rates and Charges:** Administrator Redding reported that one (1) written protest has been received. Director Emanuels expressed appreciation to the staff for their preparation for the public hearing and noted that the proposed drought surcharge will be in effect for only 18 months and that minimal cost-of-living rate increases are scheduled over the next 5 years. Director Emanuels declared that the number of protests received does not constitute a majority of the customers.

c. **Adoption of Ordinance 104-2021, Amending Water System Regulation 301, "Rates and Charges":** Director Emanuels called for a motion.

M/S Johnson/Whitney to adopt Ordinance 104-2021 Amending Water System Regulation 301 ("Water Rates"), as proposed. AYES 5, NOES 0.

Customer Services Manager Holland departed. President Emanuels agreed to a request from Chief of

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

Operations Fox that the Water System and Fire Department reports be heard next to accommodate his need to attend a scheduled meeting at the worksite of the Tenney Tanks Replacement Project.

5. **Water System Report, October 2021:** Superintendent Fox reported on the current water system operations and the ongoing water shortage emergency. He noted that the October rains have increased streamflows, presumably resulting in good saturation in the watershed, but continued rainfall will be essential in order to avoid drought conditions in 2022. He said that continued conservation and maintenance of the restrictions on outdoor watering need to remain in effect until we see how the winter's precipitation develops.

Superintendent Fox also reported on the progress of the Tenney Tanks Replacement Project and distributed a picture of the first tank, which has been erected and is scheduled next for piping, filling, and sampling. It can then be filled and put into service, at which point the existing 60,000-gallon tank will be taken out of service and dismantled in preparation for its replacement. He also offered to take Board Members to the site for a tour. There followed a discussion about the project timeline and environmental impacts.

6. **Fire Department Report, October 2021**

Chief Fox reported on the Fire Department's activities. He reported that the Inverness Disaster Council conducted a successful drill with the neighborhood liaisons. The Directors noted the remarkable job Sally Fairfax and Connie Morse have done in organizing the Disaster Council and expressed an interest in recognizing their efforts.

Chief of Operations Fox departed.

7. **Management Report**

Financial Reports: Administrator Redding presented the financial reports for October 2021.

Audit Update: Administrator Redding reported that the audit is almost complete, pending some final analysis reviews.

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

10-year Capital Projects Planning Document: Administrator Redding presented an updated document for review and suggestions. Director Johnson suggested that the amount to be set aside for distribution system pipeline replacement should probably be increased, because those types of projects tend to be expensive. Administrator Redding said that she will consult with Chief of Operations Fox.

Tenney Tanks Replacement Project Update: In addition to the progress reported already provided by Chief of Operations Fox, Administrator Redding noted that the first reimbursement request to Water Boards was approved and we should be receiving the reimbursement check soon. Because of delays with the tank manufacturing, we may have to ask for an extension of the project completion date beyond April 30, 2022.

MWPA Update: Director Donohue asked to defer a report until next meeting. She did note that the MWPA has its annual report posted on the MWPA website and encouraged everyone to review it.

MERA Update: Administrator Redding noted that tower leases and construction continue. More information will be available after a MERA Board meeting later today.

State of the Water Shortage Emergency: Administrator Redding noted the previous discussion and had nothing further to add.

8. **Expenditures: October 2021**

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

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

9. Approve Board Meeting Calendar for 2022

Administrator Redding presented the proposed Board Meeting Calendar for 2022, noting that the meetings in November and December are scheduled a week earlier to accommodate holidays.

M/S Whitney/Johnson to approve the 2022 Board Meeting Calendar as presented. AYES 5, NOES 0

10. Volunteer Appreciation

Administrator Redding submitted a request to provide gift cards in lieu of an annual party to the Fire Department’s volunteers. A suggestion was made to purchase gift cards from the Palace Market.

M/S Whitney/Press to approve the purchase up to \$1,500 in gift cards to be presented to the Fire Department volunteers in lieu of the annual Holiday party. AYES 5, NOES 0

11. Committee Meetings/Reports

There were no reports.

12. Announcements, Next Meeting, Adjournment

Administrator Redding announced that the next Board Meeting is scheduled one week early because of the Christmas holiday.

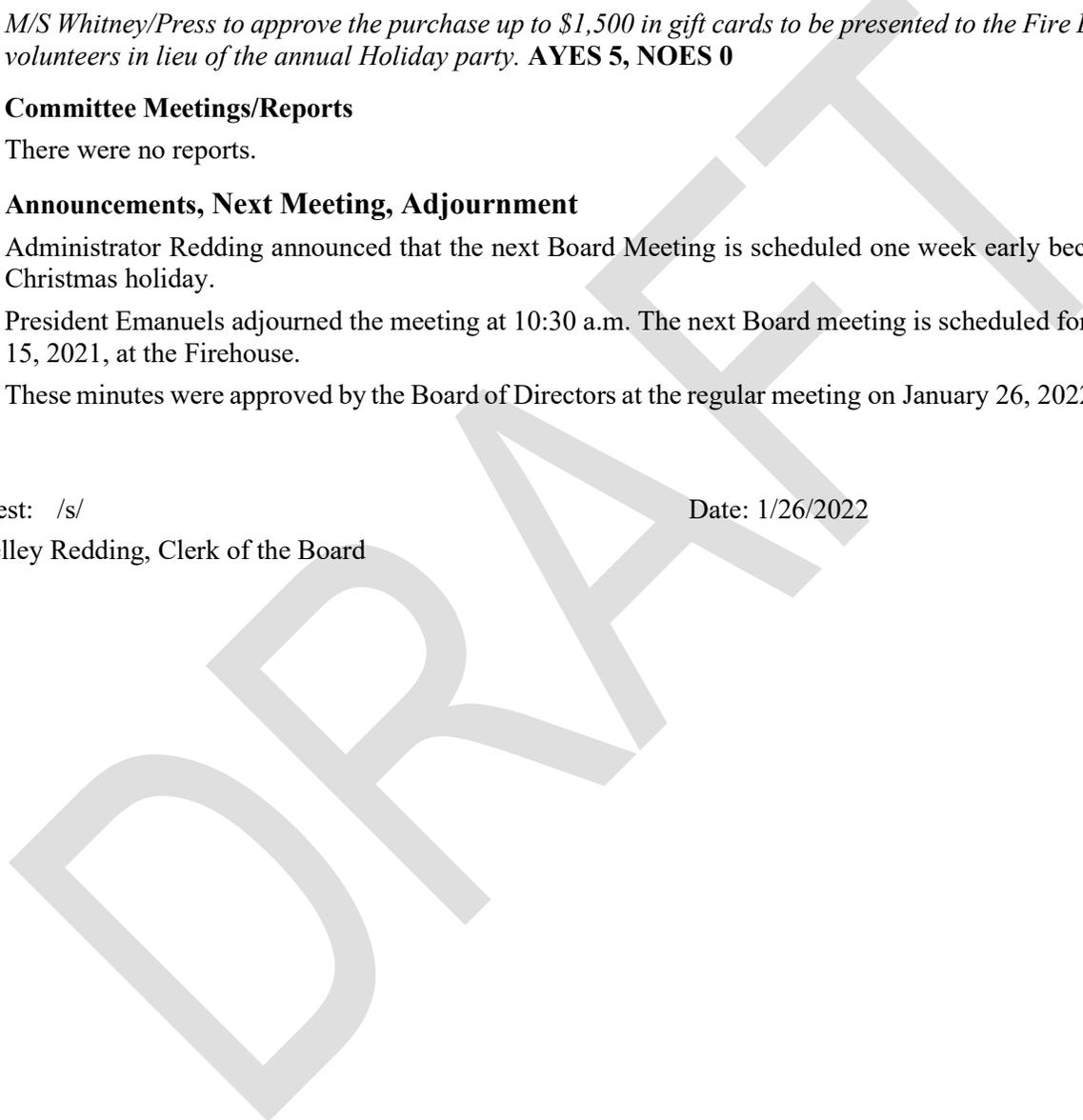
President Emanuels adjourned the meeting at 10:30 a.m. The next Board meeting is scheduled for December 15, 2021, at the Firehouse.

These minutes were approved by the Board of Directors at the regular meeting on January 26, 2022.

Attest: /s/

Date: 1/26/2022

Shelley Redding, Clerk of the Board





Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 6

Management Report

Clerk S. Redding & J. Fox

Financial Reports

- **FY 2021/2022 Finance Reports**
- **Capital Projects Accounting – November & December 2021**

Tenney Tanks Replacement Project Update

Marin Wildfire Prevention Authority (MWPA) Update

Marin Emergency Radio Authority (MERA) Update

State of the Water Shortage Emergency

Community Outreach

Inverness PUD
2-Profit & Loss- Month
November through December 2021

	Nov 21	Dec 21	TOTAL
Ordinary Income/Expense			
Income			
N 600 · Property Tax Income			
600-01 · Ad Valorem Property Taxes	37.10	261,827.29	261,864.39
600-02 · Special Fire Tax Assessment	0.00	42,219.68	42,219.68
600-03 · Excess ERAF	0.00	63,069.54	63,069.54
Total N 600 · Property Tax Income	37.10	367,116.51	367,153.61
N 650 · Other Agency Income			
650-04 · WMES (Burton Funds)	0.00	7,490.00	7,490.00
Total N 650 · Other Agency Income	0.00	7,490.00	7,490.00
N 700 · Water Charges			
700-01 · Basic Charges	0.00	75,007.50	75,007.50
700-02 · Usage Charges	0.00	3,262.00	3,262.00
700-03 · Cross Connection Fees	0.00	216.00	216.00
700-04 · Miscellaneous Charges	0.00	200.00	200.00
Total N 700 · Water Charges	0.00	78,685.50	78,685.50
N 710 · Misc. Income			
710-02 · Other Income	0.00	3,229.31	3,229.31
N 710 · Misc. Income - Other	0.00	0.03	0.03
Total N 710 · Misc. Income	0.00	3,229.34	3,229.34
Total Income	37.10	456,521.35	456,558.45
Gross Profit	37.10	456,521.35	456,558.45
Expense			
Void Check	0.00	0.00	0.00
N 810 · Personnel Expenses			
810-01 · Management	18,479.73	8,705.89	27,185.62
810-02 · Operations Personnel	18,853.88	13,567.04	32,420.92
810-03 · Administrative Personnel	2,848.86	2,872.80	5,721.66
810-04 · Employer Payroll Taxes	3,241.14	2,730.17	5,971.31
810-07 · Health Insurance Premiums	17,502.72	-296.85	17,205.87
810-08 · Retirement Premiums	4,818.00	3,560.32	8,378.32
810-10 · Accrued Vacation	1,748.16	2,437.20	4,185.36
810-11 · Workers Comp Insurance	0.00	-328.24	-328.24
Total N 810 · Personnel Expenses	67,492.49	33,248.33	100,740.82
N 830 · Dispatch & Communications			
830-02 · Commo Supplies	98.84	0.00	98.84
Total N 830 · Dispatch & Communications	98.84	0.00	98.84
N 833 · Collection & Treatment			
833-01 · Chemicals	221.42	995.54	1,216.96
Total N 833 · Collection & Treatment	221.42	995.54	1,216.96
N 835 · Lab & Monitoring			
835-01 · BacT & Raw Samples	385.00	294.00	679.00
Total N 835 · Lab & Monitoring	385.00	294.00	679.00

Inverness PUD
2-Profit & Loss- Month
November through December 2021

	Nov 21	Dec 21	TOTAL
N 840 · Maintenance & Utilities			
840-02 · Building Maintenance	2,300.41	0.00	2,300.41
840-03 · Grounds Maintenance	0.00	43.00	43.00
840-04 · Tank Maintenance	85.61	0.00	85.61
840-06 · Distribution System Maintenance	490.00	0.00	490.00
840-07 · Collection-Treatment Utilities	3,009.57	2,344.81	5,354.38
840-08 · Distribution System Utilities	84.31	85.55	169.86
840-09 · Firehouse Utilities	760.29	263.79	1,024.08
840-10 · SCADA Maintenance	90.00	892.00	982.00
Total N 840 · Maintenance & Utilities	6,820.19	3,629.15	10,449.34
N 844 · Storage & Distribution			
844-01 · Telemetry	188.62	188.62	377.24
Total N 844 · Storage & Distribution	188.62	188.62	377.24
N 845 · Supplies & Inventory			
845-01 · Supplies and Inventory	2,445.68	2,060.94	4,506.62
Total N 845 · Supplies & Inventory	2,445.68	2,060.94	4,506.62
N 850 · Training			
850-01 · Volunteer Training	143.38	130.30	273.68
850-02 · Certification & Courses	0.00	75.00	75.00
850-03 · Volunteer Appreciation	0.00	1,500.00	1,500.00
850-04 · Volunteer Stipends	0.00	1,890.00	1,890.00
Total N 850 · Training	143.38	3,595.30	3,738.68
N 860 · Vehicle Operations			
860-01 · Gas & Oil	1,075.80	1,106.23	2,182.03
860-02 · Repairs & Service	1,598.93	51.75	1,650.68
Total N 860 · Vehicle Operations	2,674.73	1,157.98	3,832.71
N 870 · Administration			
870-01 · Telephone, Internet, Cable	392.90	405.04	797.94
870-02 · Dues & Publications	18.00	318.00	336.00
870-04 · Financial Reporting/Audit	5,225.00	0.00	5,225.00
870-05 · Office Supplies, Postage, Fees	701.44	666.94	1,368.38
870-06 · Bank & Payroll Charges	1,383.94	239.60	1,623.54
870-08 · Board & Election Expenses	0.00	339.37	339.37
870-10 · Public Relations & Outreach	347.39	260.00	607.39
870-11 · Office IT Support	180.00	210.00	390.00
870-12 · Billing & Collections	706.56	715.53	1,422.09
870-13 · Disaster Council	981.31	0.00	981.31
870-14 · Miscellaneous	0.02	0.00	0.02
870-15 · Other Agency Assessments	0.00	4,303.44	4,303.44
870-16 · Property Tax Admin. Fees	0.00	4,120.76	4,120.76
Total N 870 · Administration	9,936.56	11,578.68	21,515.24
Total Expense	90,406.91	56,748.54	147,155.45
Net Ordinary Income	-90,369.81	399,772.81	309,403.00
Net Income	-90,369.81	399,772.81	309,403.00

Inverness PUD
2-Profit & Loss- Month
July through December 2021

	DISTRICT	FIRE	WATER	TOTAL
Ordinary Income/Expense				
Income				
N 600 - Property Tax Income				
600-01 - Ad Valorem Property Taxes	270,616.54	0.00	0.00	270,616.54
600-02 - Special Fire Tax Assessment	0.00	42,219.68	0.00	42,219.68
600-03 - Excess ERAF	79,881.20	0.00	0.00	79,881.20
600-04 - Prior Year Taxes	2,192.00	614.11	0.00	2,806.11
Total N 600 - Property Tax Income	352,689.74	42,833.79	0.00	395,523.53
N 650 - Other Agency Income				
650-02 - MWPA Defensible Space Program	0.00	983.00	0.00	983.00
650-03 - MWPA Local Specific Prevention	0.00	982.99	0.00	982.99
650-04 - WMES (Burton Funds)	0.00	7,490.00	0.00	7,490.00
Total N 650 - Other Agency Income	0.00	9,455.99	0.00	9,455.99
N 700 - Water Charges				
700-01 - Basic Charges	0.00	0.00	224,876.50	224,876.50
700-02 - Usage Charges	0.00	0.00	28,875.00	28,875.00
700-03 - Cross Connection Fees	0.00	0.00	648.00	648.00
700-04 - Miscellaneous Charges	0.00	0.00	753.50	753.50
Total N 700 - Water Charges	0.00	0.00	255,153.00	255,153.00
N 710 - Misc. Income				
710-02 - Other Income	218.68	3,445.74	64.89	3,729.31
710-04 - Merchandise Sales	0.00	65.00	0.00	65.00
710-07 - Interest Income	35.40	0.00	0.00	35.40
710-08 - CERBT OPEB Reimbursement	39,983.88	0.00	0.00	39,983.88
N 710 - Misc. Income - Other	0.03	0.00	0.00	0.03
Total N 710 - Misc. Income	40,237.99	3,510.74	64.89	43,813.62
Total Income	392,927.73	55,800.52	255,217.89	703,946.14
Gross Profit	392,927.73	55,800.52	255,217.89	703,946.14
Expense				
N 810 - Personnel Expenses				
810-01 - Management	57,625.31	24,743.09	21,084.79	103,453.19
810-02 - Operations Personnel	0.00	-2,466.61	108,783.65	106,317.04
810-03 - Administrative Personnel	17,039.80	0.00	6,004.00	23,043.80
810-04 - Employer Payroll Taxes	5,986.35	2,201.59	11,003.38	19,191.32
810-07 - Health Insurance Premiums	18,032.72	5,690.60	20,630.83	44,354.15
810-08 - Retirement Premiums	5,678.37	5,401.33	15,636.73	26,716.43
810-09 - Unfunded Accrued Liability	30,679.08	1,695.75	1,036.17	33,411.00
810-10 - Accrued Vacation	1,436.40	0.00	7,196.43	8,632.83
810-11 - Workers Comp Insurance	-3,380.73	5,619.84	7,428.02	9,667.13
Total N 810 - Personnel Expenses	133,097.30	42,885.59	198,804.00	374,786.89
N 830 - Dispatch & Communications				
830-02 - Commo Supplies	0.00	406.75	0.00	406.75
830-03 - MERA Operations	0.00	11,915.00	0.00	11,915.00
830-05 - MERA New Financing	0.00	1,121.00	0.00	1,121.00
Total N 830 - Dispatch & Communications	0.00	13,442.75	0.00	13,442.75
N 833 - Collection & Treatment				
833-01 - Chemicals	0.00	0.00	2,723.81	2,723.81
Total N 833 - Collection & Treatment	0.00	0.00	2,723.81	2,723.81
N 835 - Lab & Monitoring				
835-01 - BacT & Raw Samples	0.00	0.00	2,191.00	2,191.00
835-02 - Periodic Samples	0.00	0.00	3,744.00	3,744.00
835-03 - Lead & Copper	0.00	0.00	590.00	590.00
Total N 835 - Lab & Monitoring	0.00	0.00	6,525.00	6,525.00

Inverness PUD
2-Profit & Loss- Month
July through December 2021

	DISTRICT	FIRE	WATER	TOTAL
N 840 · Maintenance & Utilities				
840-01 · Equipment Maintenance	0.00	0.00	439.48	439.48
840-02 · Building Maintenance	0.00	185.23	0.00	185.23
840-03 · Grounds Maintenance	0.00	276.00	403.04	679.04
840-04 · Tank Maintenance	0.00	0.00	3,485.61	3,485.61
840-05 · Collection & Treatment Maint.	0.00	0.00	293.18	293.18
840-06 · Distribution System Maintenance	0.00	0.00	2,620.83	2,620.83
840-07 · Collection-Treatment Utilities	0.00	0.00	18,445.88	18,445.88
840-08 · Distribution System Utilities	0.00	0.00	506.74	506.74
840-09 · Firehouse Utilities	0.00	2,519.42	0.00	2,519.42
840-10 · SCADA Maintenance	0.00	0.00	2,512.00	2,512.00
Total N 840 · Maintenance & Utilities	0.00	2,980.65	28,706.76	31,687.41
N 843 · Fire Prevention				
843-01 · Public Education and Awareness	0.00	181.19	0.00	181.19
Total N 843 · Fire Prevention	0.00	181.19	0.00	181.19
N 844 · Storage & Distribution				
844-01 · Telemetry	0.00	0.00	1,131.72	1,131.72
844-03 · Miscellaneous	0.00	0.00	12.94	12.94
Total N 844 · Storage & Distribution	0.00	0.00	1,144.66	1,144.66
N 845 · Supplies & Inventory				
845-01 · Supplies and Inventory	685.00	4,344.37	6,576.92	11,606.29
845-02 · Personal Protective Equipment	0.00	846.06	0.00	846.06
845-03 · Resale Merchandise	0.00	2,360.52	0.00	2,360.52
845-04 · Uniforms	0.00	0.00	92.89	92.89
Total N 845 · Supplies & Inventory	685.00	7,550.95	6,669.81	14,905.76
N 850 · Training				
850-01 · Volunteer Training	0.00	1,003.88	0.00	1,003.88
850-02 · Certification & Courses	0.00	0.00	75.00	75.00
850-03 · Volunteer Appreciation	0.00	1,500.00	0.00	1,500.00
850-04 · Volunteer Stipends	0.00	1,890.00	0.00	1,890.00
Total N 850 · Training	0.00	4,393.88	75.00	4,468.88
N 860 · Vehicle Operations				
860-01 · Gas & Oil	0.00	2,045.55	3,985.78	6,031.33
860-02 · Repairs & Service	0.00	3,029.71	2,402.10	5,431.81
Total N 860 · Vehicle Operations	0.00	5,075.26	6,387.88	11,463.14
N 870 · Administration				
870-01 · Telephone, Internet, Cable	1,559.36	298.17	618.97	2,476.50
870-02 · Dues & Publications	5,062.75	499.00	1,192.25	6,754.00
870-03 · Insurance	0.00	12,651.62	15,463.08	28,114.70
870-04 · Financial Reporting/Audit	17,435.50	0.00	0.00	17,435.50
870-05 · Office Supplies, Postage, Fees	2,441.07	113.69	786.60	3,341.36
870-06 · Bank & Payroll Charges	5,210.90	0.00	0.00	5,210.90
870-07 · Legal Expenses and Attorneys	2,067.00	0.00	960.00	3,027.00
870-08 · Board & Election Expenses	-110.45	0.00	0.00	-110.45
870-09 · Travel & Meetings	0.00	0.00	0.00	0.00
870-10 · Public Relations & Outreach	2,353.84	0.00	3,850.40	6,204.24
870-11 · Office IT Support	1,080.00	0.00	0.00	1,080.00
870-12 · Billing & Collections	0.00	0.00	4,848.18	4,848.18
870-13 · Disaster Council	0.00	1,754.77	0.00	1,754.77
870-14 · Miscellaneous	589.76	3,301.14	0.00	3,890.90
870-15 · Other Agency Assessments	1,016.54	700.00	4,653.44	6,369.98
870-16 · Property Tax Admin. Fees	4,120.76	0.00	0.00	4,120.76
Total N 870 · Administration	42,827.03	19,318.39	32,372.92	94,518.34
Total Expense	176,609.33	95,828.66	283,409.84	555,847.83
Net Ordinary Income	216,318.40	-40,028.14	-28,191.95	148,098.31
Net Income	<u>216,318.40</u>	<u>-40,028.14</u>	<u>-28,191.95</u>	<u>148,098.31</u>

Inverness PUD
Summary Balance Sheet
As of December 31, 2020

	Dec 31, 20
ASSETS	
Current Assets	
Checking/Savings	477,332.38
Accounts Receivable	91,985.02
Other Current Assets	1,058,023.19
Total Current Assets	1,627,340.59
Fixed Assets	1,505,979.40
Other Assets	729,016.71
TOTAL ASSETS	3,862,336.70
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	14,177.17
Credit Cards	-2,456.38
Other Current Liabilities	1,528,172.07
Total Current Liabilities	1,539,892.86
Long Term Liabilities	116,081.00
Total Liabilities	1,655,973.86
Equity	2,206,362.84
TOTAL LIABILITIES & EQUITY	3,862,336.70

**Inverness Public Utility District
TENNEY TANK CAPITAL PROJECT REPORT**

		FY1617	FY1718	FY1819	FY1920	FY2021	FY2122	Active Projects	Completed Projects	Capitalized		
No.	Project Name	Total Budget						Total Am't Spent	Amount Remaining	Total Spent	Total Unspent	Total
Water												
1-371-22	Tenney Tank Replacement Project	\$865,000	-\$4,000	-\$49,316	-\$5,745	-\$5,758	-\$156,826	-\$201,946	-\$423,592	\$441,408		\$0
Totals		\$865,000	-\$4,000	-\$49,316	-\$5,745	-\$5,758	-\$156,826	-\$201,946	-\$423,592	\$441,408	\$0	\$0
Grand Totals		\$865,000						-\$423,592	\$441,408	\$0	\$0	\$0

Date	Description	Expense Amount	5% Retention	Invoiced Receivable	Balance	FY Total						
	Beginning Balance	0.00			0.00							
6/30/2017	<i>Fiscal Year Expenses</i>	4,000.00										
6/30/2017	<i>End of year balance</i>					(4,000.00)	FY 16/17					
6/30/2018	<i>Fiscal Year Expenses</i>	49,316.32										
6/30/2018	<i>End of year balance</i>					(53,316.32)	FY 17/18					
6/30/2019	<i>Fiscal Year Expenses</i>	5,745.38										
6/30/2019	<i>End of year balance</i>					(59,061.70)	FY 18/19					
6/30/2020	<i>Fiscal Year Expenses</i>	5,757.60										
6/30/2020	<i>End of year balance</i>					(64,819.30)	FY 19/20					
6/30/2021	<i>Fiscal Year Expenses</i>	154,159.17										
6/30/2021	<i>End of year balance</i>	154,159.17	(4,840.13)	91,962.46		(221,645.76)	FY 20/21					
7/16/2021	<i>Brelje & Race Engineers</i>	2,621.25		2,621.25	(224,267.01)							
8/6/2021	<i>Bauer & Associates - Geotech</i>	3,378.00		3,378.00	(227,645.01)							
8/16/2021	<i>Brelje & Race Engineers</i>	860.00		860.00	(228,505.01)							
9/16/2021	<i>Brelje & Race Engineers</i>	3,051.25		3,051.25	(231,556.26)							
10/4/2021	<i>Piazza Construction</i>	62,637.05	(3,131.85)	59,505.20	(291,061.46)							
10/15/2021	<i>Brelje & Race Engineers</i>	1,290.00		1,290.00	(292,351.46)							
10/28/2021	<i>Bauer & Associates - Geotech</i>	740.00		740.00	(293,091.46)							
10/31/2021	<i>J Fox Project Mgmt</i>	2,980.82		2,980.82	(296,072.28)							
11/11/2021	<i>Piazza Construction</i>	24,099.60	(1,204.98)	22,894.62	(318,966.90)							
11/15/2021	<i>Brelje & Race Engineers</i>	1,502.50		1,502.50	(320,469.40)							
11/30/2021	<i>Piazza Construction</i>	90,889.96	(4,544.50)	86,345.46	(406,814.86)							
12/3/2021	<i>Bauer & Associates - Geotech</i>	2,486.00		2,486.00	(409,300.86)							
12/14/2021	<i>J Fox Project Mgmt</i>	5,227.54		5,227.54	(414,528.40)							
12/15/2021	<i>Brelje & Race Engineers</i>	4,682.50		4,682.50	(419,210.90)							
12/25/2021	<i>Staff Costs to December 25 '21</i>	4,380.79		4,380.79	(423,591.69)							
YTD Balance		210,827.26	(8,881.33)	201,945.93		(423,591.69)	Project Cost Total					



TENNEY TANK PROJECT QUARTERLY PROGRESS REPORT

PROJECT SUMMARY

REPORT DATE	PROJECT NAME	PREPARED BY
12/30/2021	Inverness PUD SWRCB0000000000D1902046 / 2110001-001C	Shelley Redding, District Administrator

STATUS SUMMARY

The foundation work for the first tank continued in early October with Geological testing and soil testing, The early rains in October from the 17th to the 24th delayed the concrete pad pour until the contractor came out on October 26th to check the foundation excavation and rebar forms for the first tank pad. He determined that the rain had not impacted the work done to date and was able to get the concrete delivery scheduled for the 28th of October, in between rainstorms.

The concrete delivery was coordinated by our Project Manager after obtaining permission from an adjacent property owner to run pumping lines up a hill from an access road to the tank site. The concrete delivery occurred over a nearly 10-hour timeframe. Upon completion of the pad pour and the allowed curing time, geological soil testing was conducted again as well as testing on the concrete. The testing was successful, and the tank construction began on November 10th and continued through November 16th. On November 17th, the contractor met with the project manager to view the new tank and then the Holiday testing was scheduled for the 18th and the tank floor vacuum test was conducted on the 19th. The contractor started installing the valves on November 29th. The new tank went through the sanitization, bacteriologic testing required in consultation with the regional Waterboards representative for our water system and was then brought online over the weekend of December 18th and 19th. On December 20th, the 2nd tank deconstruction began in preparation for the foundation excavation and continued up through December 30th in between the Christmas Holiday and heavy rains.

The project will continue in January with the foundation site work in preparation for the next concrete pour and the next tank installation. The contractor is confident that they will be able to complete the project within the allowed timeframe and therefore do not think an extension request will be required.

PROJECT OVERVIEW

TASK	%	DUE DATE	NOTES
Construction Completion	54%	April 30, 2022	
Bid Process	100%	February 17, 2021	Completed
Final Budget Approval	100%	4/28/2021	Approval Received from SWRCB
Contractor Invoiced	51%	12/31/2021	*Last invoice received 12/3/21
Schedule Elapsed	80%	April 30, 2022	Measured from 8/17/2020

BUDGET OVERVIEW

CATEGORY	SPENT	% OF TOTAL	EST. BUDGET	NOTES
Construction	\$274,429.20	51%	\$539,000	
Contingency	\$0.00	0%	\$107,880	
Construction Management	\$0.00	0%	\$35,000	
Administration	\$53,290.00	45%	\$117,720	For Engineering services thru 11/21, staff expenses thru 12/25/21.

ENVIRONMENTAL REQUIREMENTS COMPLIANCE

ENVIRONMENTAL REQUIREMENT	STATUS	DATE(S)
Spotted Owl Breeding Season	Season Ended at 8/31/2021	Feb 1 - Aug 31

ENVIRONMENTAL REQUIREMENTS COMPLIANCE DESCRIPTIONS

The project, as of August 31, 2021 was outside of the Spotted Owl breeding season. There is no change to the special conditions at this time. We have reviewed the measures required to address the special conditions. Construction should be completed outside of the bird breeding season. If construction occurs during the breeding season, we will again conduct a pre-construction survey for nesting birds within the project footprint by a qualified biologist no more than one week before ground disturbing activities. Depending on the outcome of the survey, we will implement the appropriate measures as outlined in **Exhibit D – Special Conditions**. Additionally, if there is a discovery of any archeological significance, we will notify the Project Manager at the State Water Board immediately.

CHANGE ORDERS

DESCRIPTION OF WORK	AMOUNT	CHANGE IN CONTRACT AMOUNT	SCHEDULE	NOTES
Wage Determination Document	0.00	0.00		Updated document from original bid document

PROBLEMS/RESOLUTIONS

Problems encountered: N/A

Proposed Resolution: N/A

Schedule for Resolution: N/A

Status of Previous Problem Resolution: N/A



NEXT GENERATION PROJECT **November 2021 Governing Board UPDATE:**

- **Construction Bid Packages**

Fidato is nearing completion of construction on MERA sites included in Bid Package 1, with Motorola installation beginning at EOF. Construction will be wrapping up at Civic Center shortly and then turned over to Motorola for additional installation. Construction is currently underway on the third site, Mt. Barnabe with the MERA sites included in Bid Package 1A (Dollar Hill, Tiburon and Stewart Point). Bid Package 2 (Big Rock, San Pedro and Sonoma Mountain) is expected to be released to bid during winter 2021, based on the project schedule provided by Arcadis. The remaining site construction schedule is being revised, assessing delays due to changes in engineering subcontractors.

- **Proposed Change Orders**

Change Orders 1 & 2 for Bid Package 1 were approved by the Governing Board on October 27, 2021. This included additional grounding requirements at the Civic Center site location and to address specific needs for the Mt. Barnabe redesign. Motorola has now issued specification changes to equipment details and will require some off-hours work to accommodate construction, resulting in the proposed Change Order 3 to cover these adjustments.

Change Order 1 for Bid Package 1A was approved by the Governing Board on October 27, 2021. This covered adjustments at the Tiburon site. Proposed Change Order 2 reflects a \$1,924 credit resulting from the redesign of the lattice tower structural upgrades at the Dollar Hill site. Proposed Change Order 3 addresses current structural design deficiencies for the monopole tower at the Stewart Point site. Motorola has issued revised drawings for the tower to meet code compliance standards.

- **Wi-Fi Reprogramming**

Remote Wi-Fi reprogramming of the new Next Gen System equipment has begun. Marin County Fire Department has now been completely connected to this feature, allowing for remote system updates via Wi-Fi connection. This will allow future radio programming changes to be made faster, more conveniently and less expensively than in the past. This feature is now being expanded to the remaining fire agencies. Local government and police agencies will have this prior to our cutover to the Next Gen System. More to follow.

- **Talkgroup Templates**

Talkgroup Template design is nearing completion with technical details being added to the plan. MERA is currently looking at using over 400 talkgroups and channels across the various users on the Next Gen System.

Questions? Contact Deputy Executive Officer for the Next Gen System David Jeffries at dave@jeffriespsc.com.

MARIN EMERGENCY RADIO AUTHORITY

c/o Town of Corte Madera
300 Tamalpais Drive
Corte Madera, CA 94925
Phone: 415.927.5050
WWW.MERAONLINE.ORG



NEXT GENERATION PROJECT

December 2021 Governing Board UPDATE:

- **Site Construction**

Construction at Bid Package #1 sites is wrapping up, with work being completed at Civic Center and Mt. Barnabe, and installation of Motorola equipment has started at EOF. Bid Package #1A sites (Tiburon, Dollar Hill and Stewart Point) are also under construction. Bid Package 2 is expected to be released in early 2022. The remaining site construction schedule is currently being updated.

- **Training Committee**

MERA has established a Training Committee, co-chaired by a law enforcement and fire co-chairs. The committee is working on draft materials provided by Motorola to ensure they are customized to match how the Next Gen System is being set up.

- **Connectivity**

Wi-Fi programming of radios has started at some fire agencies. Wi-Fi access for the remaining MERA agencies is currently being developed. In addition, details on connectivity for the Dispatch Centers and Fire Station Alerting system are also being developed.



EOF antenna work by Fidato's climbing crew



Fidato crew installing ground plate at Mr. Barnabe

Questions? Contact Deputy Executive Officer for the Next Gen System David Jeffries at dave@jeffriespsc.com.

MARIN EMERGENCY RADIO AUTHORITY

c/o Town of Corte Madera
300 Tamalpais Drive
Corte Madera, CA 94925
Phone: 415.927.5050
WWW.MERAONLINE.ORG

From: [Inverness Public Utility District](#)
To: [Shelley Redding](#)
Subject: Drought? What drought?
Date: Wednesday, November 24, 2021 4:51:05 PM



That's the question we've been asking as we gauge our tank levels (full-up!) and we tally the rain received already this year (copious!).

On the other hand, federal climate experts at the National Oceanic and Atmospheric Administration reported last week that the La Niña in the equatorial Pacific is strengthening, which likely promises that drought conditions will prevail in California through February, historically our area's wettest months.

In essence, they concluded, **the opportunity for drought recovery is lost.**

With this sort of ominous uncertainty, we feel we must keep our water shortage emergency in effect for at least the next 90 days. By late February or so, we'll be better able to evaluate our water availability prospects for next year's dry season and make a better informed decision on how to proceed.



In the meantime, it is important that we underscore just how grateful we all are here, Directors and staff alike, for your supportive response to conserving water during these past months. You've cut overall usage by almost 45 percent -- at a time when other water agencies are struggling to achieve even 15 and 20 percent reductions!

So many of you have elected to participate in our Flume program that, according to Flume, we have the highest percentage of Flume-connected customers of any water system in the entire country.

There was record-setting participation in Chipper Days this year, and our Fire Department is heartened by the efforts of so many of you to create defensible space and remove hazardous trees.

It all adds up to this: We know we can count on our residents to face up to the challenges of both drought and wildfire threat and to pull together as a community to get through whatever is thrown at us. Thank you!

P.S. You may have noticed that the tank levels sign in the village center seems to be stuck at around 94 percent. That's because anything above 93 or 94 percent shows that we are managing to keep the tanks essentially full. If we get lucky and our area experiences a normal winter rainfall pattern over the next two to three months, the sign will likely stay at around 94%. But, if the weather turns dry and the percentage on the sign begins to drop, that will be the signal that things are not looking good for next year. You can track this data daily in more detail on our website (invernesspud.org). On our homepage, click on the header "Today's

Water System Tank Levels.“

Inverness Public Utility District
PO Box 469, Inverness, CA, 94937

We know your time is valuable and we only want to send information you are interested in. If you decide you no longer want to receive emails from us, you can [unsubscribe](#).

Powered by [Streamline](#).

From: [Inverness Public Utility District](#)
To: [Shelley Redding](#)
Subject: Our 2021 Year-End Wrap-Up
Date: Thursday, December 30, 2021 1:00:30 PM



Saying goodbye is never easy, but in the case of 2021, we at IPUD are happy to send it on its way down memory lane. This is not to say that we have not met each challenge with determination and resolve, but surely we would all agree that we can do with a little "less" in 2022.

The drought and pandemic presented a unique situation for the Water System as many sought refuge in our special spot. But we had no doubt that with the tremendous cooperation of the folks of our community we would be able to manage the diminishing availability of water and avoid the extreme step of rationing. Together with the drought came the extreme threat of fire, which required heightened awareness and vigilance. Our community once again was attentive, alert, and responsive.

The Rainfall Enigma

We wish we had a crystal ball to tell us how the current rainfall year is going to turn out. As we close in on the rainfall year's halfway point, the auguries are looking more and more promising with the passing of each soggy day. Inverness's 91-year average for the first half of the rainfall year (July – December) is 14.15 inches (full-year average is 37.32 inches). Already this year, as of December 29, we've seen 24.77 inches, which eclipses decisively last year's anemic full-year total of just 15.51 inches (which made 2020-21 the driest year on record in Inverness).

The question on everyone's mind is what all this encouraging news tells us about the prospects for easing the drought. So far, the rain has fallen in a pattern that looks to be well-suited for recharging our watershed; the rain has been slow and steady, falling so that it soaks in rather than as gully-washers that carry most of the downfall into Tomales Bay. We're reserving judgment on the effect this early-season rain will have during the dry months next summer and fall. But we are becoming cautiously more hopeful that by spring we may be able to consider relaxing the drought restrictions that continue to be in effect.

Tenney Tanks Replacement Project

This important project to replace two 38-year-old wooden tanks at the key Tenney site on the upper Mesa got underway in May and was scheduled to be completed in October. However, crippling supply-chain issues, as well as a sudden change in the engineering standards for water tank foundations, delayed the project. Work is now back on track, and a new 52,700-gallon bolted-steel tank (replacing a 10,000-gallon tank) went into service shortly before Christmas. The next phase, to replace the old 60,000-gallon tank with a 43,700-gallon tank, is now in progress. We expect the entire project to wrap up in 60-90 days, increasing total storage at the site from 70,000 gallons to 96,400 gallons. Preliminary projections indicate that

total cost will be noticeably below our \$800,000 borrowing limit, thus reducing both long-term debt and interest costs.

Looking for Additional Supply

The IPUD Board initiated in August an outreach to Marin Municipal Water District about their plans to import during dry years up to 4.9 billion gallons of water a year from the Sacramento Valley. We asked about their willingness to set aside a tiny fraction of that water to sell to us during dry periods. We calculated our maximum annual need at 40 acre-feet (13 million gallons), or about the amount of water that would flow through the proposed pipeline across the Richmond-San Rafael Bridge during 1/375th of each second (!). Our Board's letter was well received, but the MMWD Board has not yet made a final decision on proceeding with the project.

In the meantime, we have moved forward with the State permitting process to put a new well in Third Valley into service. This is a very low-yield well, but the intent is to have it available when it is essential that we squeeze out every little bit of additional water.

New Fire Department Volunteers

For the first time in years, the Fire Department has welcomed so many new volunteers into its ranks that weekly training sessions for the newcomers have been underway since early in the year. The roster now stands at 24 members, and most promising is that the trainee crew is dominated by young folks.

Inverness Disaster Council

The Inverness Disaster Council, which functions under the guidance of the Inverness Fire Chief, has been revitalized under the spirited guidance of Sally Fairfax and Connie Morse. They have worked tirelessly to recruit and train volunteers, improve resources, update resident information, and establish procedures for a range of potential disaster response scenarios.

Marin Wildfire Prevention Authority

Our Fire Department continues to work closely with the newly-established MWPA and local community members to take full advantage of the opportunities membership in the MWPA provides to undertake fire protection projects in our neighborhoods. A logjam that surfaced was the requirement that even minor maintenance-type projects require environmental review. We supported MWPA's decision to add a CEQA (California Environmental Quality Act) specialist on its staff. As a volunteer fire department, our limited staffing is a barrier to pursuing CEQA clearances, so we hope that having CEQA handled at the MWPA level will expedite the many projects we have in mind for clearing evacuation routes, creating a network of shaded fuel breaks, improving defensible space, supporting home-hardening endeavors, etc.

Firewise Inverness

The Inverness Fire Department and IPUD supported the effort spearheaded by the Inverness Association to have Inverness designated by Firewise USA as a Firewise community. The local application was approved recently, enabling Inverness to join with 70 other Firewise communities in Marin County. The

Inverness Firewise organization is forming now, and volunteers are needed. For information and to sign up to help, contact Inverness Association Director Jerry Meral at jerrymeral@gmail.com.

Inverness Public Utility District
PO Box 469, Inverness, CA, 94937

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Re: Our 2021 Year-End Wrap-Up



Charles Ziegler <chasziegler.33@gmail.com>
To Shelley Redding

Reply Reply All Forward ...

Thu 12/30/2021 1:18 PM

Follow up. Start by Thursday, December 30, 2021. Due by Thursday, December 30, 2021.
If there are problems with how this message is displayed, click here to view it in a web browser.

Hi This was a great letter. Thank you for everything, Chuck

Re: Our 2021 Year-End Wrap-Up



Michael and Trish McEneaney <mceneaney50@gmail.com>
To Shelley Redding

Reply Reply All Forward ...

Fri 12/31/2021 8:32 PM

If there are problems with how this message is displayed, click here to view it in a web browser.

Shelly,
Happy New Year!
Congratulations on a successful 2021. The list of accomplishments is very impressive. That you are successfully getting out the word is laudable. Regular, clear and transparent communication with the community is something that we did not excel at when I sat on the IPUD board. Your outreach is very welcome and should do much to unite Inverness residents in efforts to respond to climate change and move forward with needed upgrades to the system. Please pass this on to the Board and Staff.
Many thanks,
Michael McEneaney

Re: Our 2021 Year-End Wrap-Up



terry nordbye <terry@visionroad.us>
To Shelley Redding

Reply Reply All Forward ...

Fri 12/31/2021 2:50 PM

If there are problems with how this message is displayed, click here to view it in a web browser.

Shelley,
You put out a great newsletter !
Thank you so much for your service in 2021. And yes, it was a challenging and stressful year for us Invernessians. Who took that incoming tide.2020 picture? Very cool !
.....Terry - 325 Vision Road

Re: Our 2021 Year-End Wrap-Up



Mike Durrie <mikebin@horizoncable.com>
To Shelley Redding
Cc Catherine Lucas

Reply Reply All Forward ...

Thu 12/30/2021 6:17 PM

If there are problems with how this message is displayed, click here to view it in a web browser.
We could not verify the identity of the sender. Click here to learn more.

Shelley, Great job, and thank you for this effort. Mike and Catherine



Inverness Public Utility District
Board Meeting November 17, 2021

Agenda Item No. 7

Water System Report

**October, November, and December 2021
Water System Report**

Water Customer Accounts Receivable Totals, November/December 2021

- The Accounts Receivable balance on Nov. 1, 2021, consisted of:

Current balances (from bills sent out on October 27)	85,879.50	
Past-due balances (2.4%)	<u>2,116.21</u>	
Total Accounts Receivable balance on Nov. 1, 2021:		<u>87,995.71</u>
- During Nov/Dec, we received the following **payments** from our customers:

Electronic payments:	57,628.00	(70.4%)	
Payments by check:	<u>24,195.34</u>	(29.6%)	
Total payments received:			- 81,823.34
- During Nov/Dec, we posted the following **charges** to our customers' accounts:

Write-offs:	--		
Adjustments:	--		
Basic charges (future):	76,987.50	(517 Basic charges billed 12/23 for Jan/Feb*)	
Drought surcharges (future):	15,397.50	(517 Drought surcharges billed 12/23 for Jan/Feb*)	
X-C charges (future):	216.00	(18 Cross-Connection charges billed 12/23 for Jan/Feb)	
Usage charges:	3,262.00	(Usage charges billed 12/23 for 10/22/21 to 12/17/21†)	
Misc. charges:	200.00		
Refused payments:	--		
Refunds:	<u>134.23</u>	(3 closed account credit balance refunds)	
Total charges posted:			+ 96,196.73
- Thus, the Accounts Receivable balance on December 31 (the end of the period) was: **102,369.60**
(of which 5.9%, or \$6,306.60, is past due)

* Bimonthly Basic Charges (for Jan/Feb): 512 customers @ \$150.00; 3 Lifeline customers at \$37.50; 1 Lifeline customer at \$75.00; 1 suspended customer @ \$0.00

† Total billed usage was \$4,975.00, less one credit for \$1,713.00 (for prior-period leak adjustment).

Reconciliation with BofA checking account:

There were no deposits in transit on 12/31/2021. Thus, the A/R balance on the District's books as of 12/31 should also be \$102,369.60.

Scheduled ACH receipts: \$51,485.89 on January 13, 2022 (from 278 customers, which is 53.8% of the total of 517 customers).

A temporary security debit to IPUD's checking account in the amount of \$51,485.89 will be made on or about January 11, 2022 (subject to adjustments).

Report on Number of Discontinuations of Residential Service (pursuant to paragraph (g) of IPUD Water System Regulation 303 and in compliance with Chapter 6, "Discontinuation of Residential Water Service," of Part 12, Division 104, of the Health and Safety Code (HSC) of the State of California)

Period covered: Nov/Dec 2021

Number of residential services discontinued for inability to pay during the covered period: 0

Number of residential services discontinued for inability to pay during a previous period and still on discontinued status at the close of the covered period: 1



INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT • WATER SYSTEM

POST OFFICE BOX 469

INVERNESS, CA 94937

(415) 669-1414 • FAX (415) 669-1010 • INFO@INVERNESSPUD.ORG

October 2021 - WATER SYSTEM REPORT -

End of October Stream-Flows

End of October Statistics	Oct. 2021	Oct. 2020	DIVERSION	Oct. GPM	Oct 2021 GPD	Oct. 2020 GPM
RAINFALL @ F1	Recorded at F1	(@ F1)	D1	21	30,240	2.5
Monthly total (in inches)	11.40"	0.09"	D2	23	33,120	9.5+
For Year 7/1//2021 -> thru Oct	12.11"	0.39"	D3	23	33,120	8-
Avg. yearly since 1925 (inches)	37.32"	37.57"	D4	46	66,240	3-
*Comparative EoM Streamflow	August 2021	Sept. 2021	D5	45	64,800	9.5-
*upper diversions total gpd ->	57,600	61,920	D6	46	66,240	9.5-
Jun2020>July21 (gpm)63½;54;119½;72;112;155;110;102½;68;53½;55;40	40 gpm	43 gpm	D7	32	46,080	8-
MONTHLY PRODUCTION:	July 2021	Aug 2021	D8	15	21,600	2+
Sept 2021: 1,544,300 gal	2,177,400 gal	1,924,800	TOTALS--	251	361,440	52.0 gpm
51,477 Avg. gallons per day -	70,239gal	62,100gal	O C T O B E R			
35.7 Avg. gallons per minute -	48.8 gpm	43.1 gpm	SYSTEM PATTERNS			
SOURCES USED	(Oct 2021)	(Oct 2020)	USE BY	ZONE	2021	2020
1 st Valley High Intakes (D 1,2,3)	35 %	27 %	Colby -	779,200 +	52% +	38.4 %
2 nd Valley High Intakes (D 4,5,6)	24 %	21 %	Tenney -	472,400 -	30% -	36.2%
3 rd Valley Intakes (2) (D 7,8)	10 %	13 %	Conner -	19,500 -	2% -	3+ %
1 st Valley lower intake	11 %	16 %	Stockstill -	148,400 +	10% +	14.0 %
2 nd Valley lower (L2)	12 %	18 %	Sea Haven	94,600 -	6% -	8.4 %
Wells (W1, W3,W4)	8 %	5%	TOTAL Prod	1,544,300-	100.0 %	100.0 %
TOTAL	100 %	100.0 %				

(* gpd = gallons per day; gpm = gallons per minute; ppm=parts per million)

October average 48.2 kpd => 33.5 gpm

Note: useage decrease systemwide, except Colby & Stockstill zones

Water Quality

All sources Ultra and Nano filtered; chlorine and turbidity correct continuously; no positive coliform bacteria samples from distribution sample grabs. Samples of distribution water tested twice monthly and influent raw water are being collected once a month for lab analysis of coliform content. Average CL₂ dose at F1→ 0.63 parts per million (ppm); F3→ > 0.5 ppm

Major Activities

- Monthly reports sent to CA RWQCB
- Filter Plants: F1 Chemical cleaning all 4 units,
- F3 CIP cleaning of both Ultra and Nano unit. Water heater failed during end process. (water heater is still on warranty)
- F2 feeding Colby system from Tenney distribution most of month while removing debris and reducing leaks in Colby wood tanks. Leaks were persistent, augmenting increased use within Colby system from increased visitors in town
- Removed weir at L1. Both L1 and L2 lower intakes out of service as result of higher streamflows and conservation
- Sign installed downtown indicating Water system 7-day tank levels
- Working on D7 trail, third valley
- Several reports of leaks and customers requested us to check for leaks
- Well 5 tested, running to waste F3 for much of month



INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT • WATER SYSTEM

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November 2021 - WATER SYSTEM REPORT -

End of November Stream-Flows

End of November Statistics	Nov. 2021	Nov. 2020	DIVERSION	Nov. GPM	2021 GPD	Nov. 2020 GPM
RAINFALL @ F1	Recorded at F1	(@ F1)	D1	18	25,920	4
Monthly total (in inches)	2.81"	2.02"	D2	17.5	25,200	12
For Year 7/1//2021 -> thru Nov	14.92"	2.41"	D3	17.5	25,200	10
Avg. yearly since 1925 (inches)	37.32"	37.57"	D4	27	38,880	5
*Comparative EofM Streamflow	Sept. 2021	Oct. 2021	D5	28	40,320	12
*upper diversions total gpd ->	61,920	361,440	D6	24	34,560	12
July2020>Aug21 (gpm) 54;119%;72;112;155;110;102%;68;53%;55;40;40	43 gpm	251 gpm	D7	19	27,360	12
MONTHLY PRODUCTION Trends:	Sept 2021	Aug 2021	D8	14	20,160	5
Oct 2021: 1,495,100 gal	1,544,300 gal	1,924,800	TOTALS--	165	237,600	72 gpm
48,200 Avg. gallons per day - 33.5 Avg. gallons per minute -	51,500 gal 35.7 gpm	62,100gal 43.1 gpm	N O V E M B E R S Y S T E M P A T T E R N S			
SOURCES USED	(Nov 2021)	(Nov 2020)	USE BY	ZONE	2021	2020
1 st Valley High Intakes (D 2,3)	56 %	27 %	Colby -	597,300 -	47%	35.2 %
2 nd Valley High Intakes (D 6)	29 %	21 %	Tenney -	437,800 -	34% -	37.8%
3 rd Valley Intakes (2) (D 7)	15 %	13 %	Conner +	33,100 +	3% +	4.4 %
1st Valley lower intake	0 %	16 %	Stockstill -	118,100 -	9% -	14.4 %
2 nd Valley lower (L2)	0 %	18 %	Sea Haven	84,500 -	7% -	8.2 %
Wells (W1, W3,W4)	nil %	5%	TOTAL Prod	1,270,800-	100.0 %	100.0 %
TOTAL	100 %	100.0 %				

(* gpd = gallons per day; gpm = gallons per minute; ppm=parts per million)

November Production 42,360 gal/day => 29.4 gpm

Note: usage decrease systemwide

Water Quality

All sources Ultra and Nano filtered; chlorine and turbidity correct continuously; no positive coliform bacteria samples from distribution sample grabs. Samples of distribution water tested twice monthly and influent raw water are being collected once a month for lab analysis of coliform content. Average CL₂ dose at F1-> 0.70 parts per million (ppm); F3-> > 0.8 ppm

Major Activities

- Monthly reports sent to CA RWQCB
- Filter Plants: F3 still dealing with manufacturer re: failed water heater. Well 5 at F3 exercised occasionally
- Reducing persistent leaks in Colby wood tanks continued with some success. Utilizing transfer to Colby at F2
- Increased stream flows allowing resumed flushing of Via de la Vista old steel main and Kehoe spur
- Continued work on water bars and brush clearing of watershed roads
- New Tenney Tank foundation finished and tank constructed by Superior Tank company. Should be in service next month
- Procured battery powered cordless chain saw
- Leak discovered on Inverness Way at Glen way.
- End of Laurel Way fire hydrant buried by small slump. Excavated and erected new retaining wall.
- Conner tank: installed new locks on container and equipment to keep more secure
- L-1 electric service to shed knocked out by fallen tree. Shed weather head needs repair



INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT • WATER SYSTEM

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December 2021 - WATER SYSTEM REPORT

| **End of December Stream-Flows** |

End of December Statistics	Dec. 2021	Dec. 2020	DIVERSION	DEC. GPM	2021 GPD	Dec. 2020 GPM
RAINFALL @ F1	Recorded at F1	(@ F1)	D1	@ 90	129,600	9
Monthly total (in inches) 8.17	8.17"	2.88"	D2	150	216,000	16
For Year 7/1//2021 -> thru Dec 2021	23.09"	5.29"	D3	105	151,200	15
Avg. yearly since 1925 (inches)	37.32"	37.57"	D4	130	187,200	10
*Comparative EofM Streamflow	Oct. 2021	Nov. 2021	D5	150	216,000	20
*upper diversions total gpd ->	361,440	237,600	D6	150	216,000	19
Sep2020>Sept 21 gpm)119%;72;112;155;110;102%;68;53%;55;40;40;43	251 gpm	165 gpm	D7	160	230,400	14
MONTHLY PRODUCTION Trends:	Oct 2021	Sept 2021	D8	@ 40	57,600	9
Nov 2021: 1,270,800 gal	1,495,100 gal	1,544,300	TOTALS--	975	1,404,000	112 gpm
42,360 Avg. gallons per day 29.4 Average gpm	48,200 gal 33.5 gpm	51,500 gal 35.7 gpm	D E C E M B E R			
SOURCES USED	(Dec 2021)	(Dec 2020)	S Y S T E M U S A G E P A T T E R N S			
1 st Valley High Intakes (D 3,2)	70 %	29 %	USE BY	ZONE	2021	2020
2 nd Valley High Intakes (D 6)	13 %	31 %	Colby -	523,800 --	40.4%	32.2 %
3 rd Valley Intakes (D 7)	17 %	16 %	Tenney -	524,800 ++	40.5%	43.9%
1 st Valley lower intake	0 %	19 %	Conner +	19,400 --	1.5%	3.1 %
2 nd Valley lower (L2)	0 %	0 %	Stockstill -	118,800 +	9.2%	13.7 %
Wells (W1, W3,W4)	nil %	5%	Sea Haven	108,500++	8.4%	7.1 %
TOTAL	100 %	100.0 %	TOTAL Prod	1,295,300+	100 %	100.0 %

(* gpd = gallons per day; gpm = gallons per minute; ppm=parts per million)

December Production 40,994 gal/day => 28.5 gpm

Note: slight daily usage decrease

Water Quality

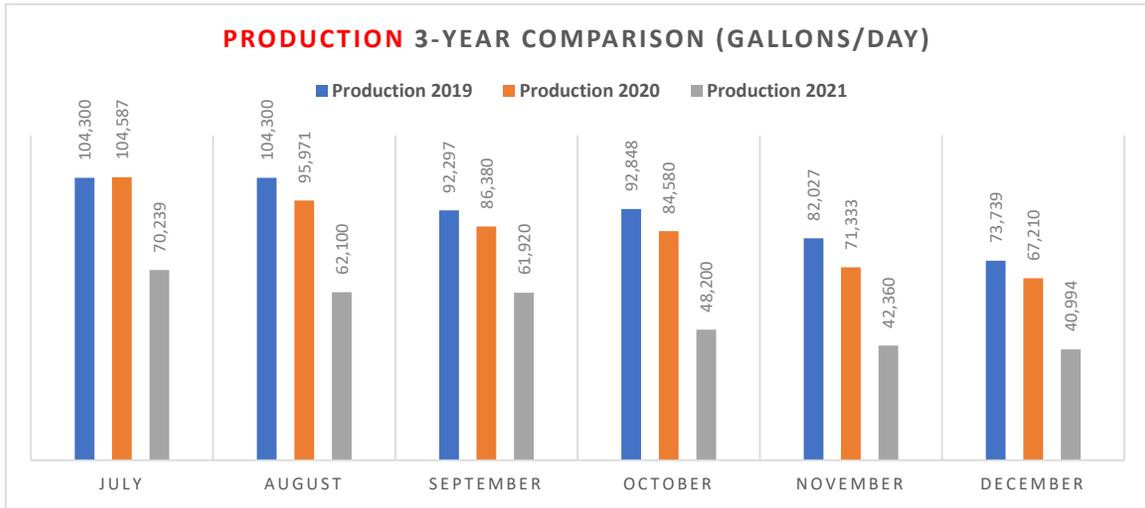
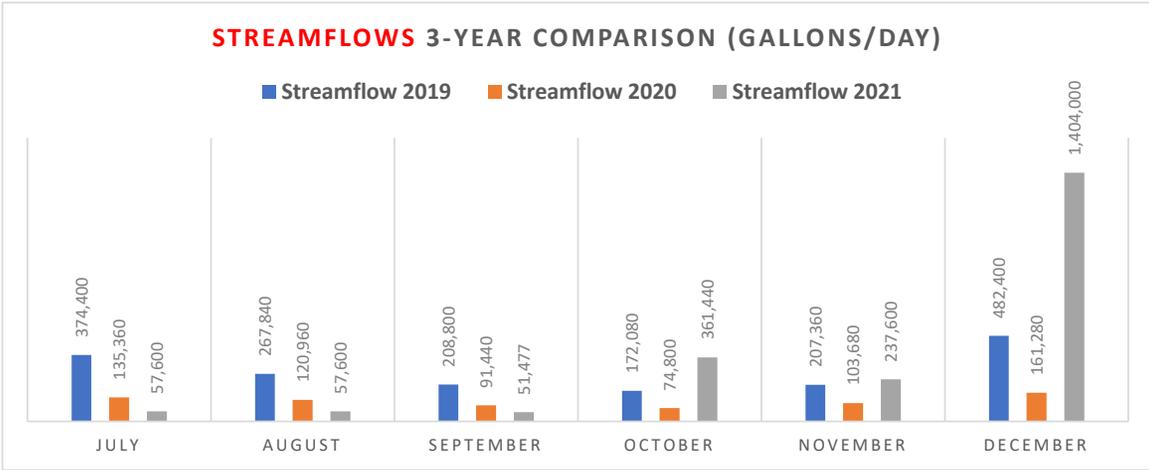
All sources Ultra and Nano filtered; chlorine and turbidity correct continuously; no positive coliform bacteria samples from distribution sample grabs. Samples of distribution water tested twice monthly and influent raw water are being collected once a month for lab analysis of coliform content. Average CL₂ dose at F1→ 0.6 parts per million (ppm); F3→ > +.9 ppm

Major Activities

- Monthly reports sent to CA RWQCB
- Filter Plants: F1: Both Ultra Units cleaned (CIP) Changed prefilters on Nano Units
F3: CIP Ultra Unit. Still dealing with manufacturer of failed water heater, which continues to fail.
Break tank between Ultra and Nano units at F3 disinfected.
- Reducing leaks in Colby wood tanks continued with more success.
- Continued work on water bars and brush clearing of watershed roads
- New Tenney Tank #1 finished. Disinfected and tested ok and subsequently put into service. Moved solar array and telemetry equipment. 40 year-old 60,000 wooden tank out of service and deconstruction commenced
- Service (blue polybutylene) replaced with copper service by contractor Piazza at 125 Inverness Way, near Glen way
- Samples grabbed from all three valley sources for General physical chemical and Total Organic Carbon testing
- Customer complaint of low pressure/flow investigated. Residence has old and occluded pipes
- All customer meters read

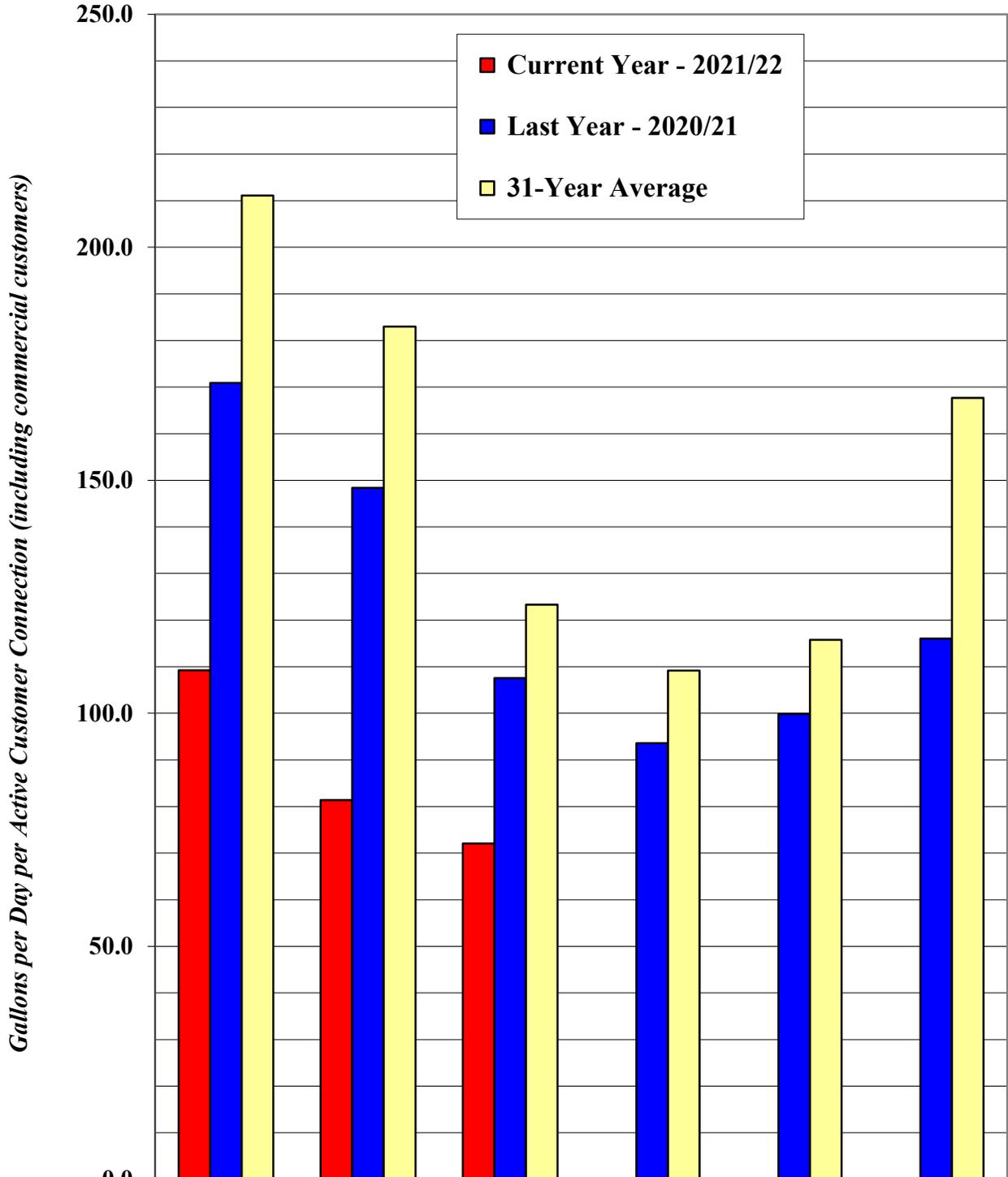
Kenneth J. Fox

IPUD Water Data Charts 3-year comparison
July - December



Inverness Public Utility District Water System

Average Daily Water Usage per Active Customer



	Jul/Aug	Sep/Oct	Nov/Dec	Jan/Feb	Mar/Apr	May/June
■ Current Year - 2021/22	109.2	81.4	72.1	0.0	0.0	0.0
■ Last Year - 2020/21	170.9	148.4	107.5	93.6	99.9	116.1
■ 31-Year Average	211.1	183.0	123.3	109.2	115.8	167.7



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 8

Fire Department Report

November and December 2021



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 9

Review and Approve Expenditures

- **November & December 2021 Expenditures**
- **November & December 2021 Credit Card Charges**

1:25 PM

12/28/21

Accrual Basis

Inverness PUD
Monthly Expense Ledger Report
November 2021

Date	Num	Name	Memo	Amount
Nov 21				
11/01/2021	eft	BB & T- CPS Operations	10/1/21 - 10/31/21 AR Box	-1.56
11/01/2021	EFT	PG&E	Account 9408018479-2 Utilities 9/20 - 10/18/21	-3,168.00
11/02/2021	14330	U. S. Bank Corporate Payment Syste...	Cal Card	-1,077.63
11/02/2021	EFT	Paychex	S125 Fee	-40.00
11/03/2021	EFT	CalPERS Health	Health Insurance November 2021	-8,554.20
11/03/2021	EFT	Bank of America	Service charges	-157.55
11/04/2021	EFT	CalPERS - Retirement	October 2021	-4,818.00
11/05/2021	14331	Bauer Associates	Tenney Tank - Geotech Engineering Services	-740.00
11/05/2021	14332	Building Supply Center	Inverness PUD Account 155	-102.30
11/05/2021	14333	Hach Company	Customer # 108425	-108.74
11/05/2021	14334	Horizon Cable TV Inc.	005-003907	-90.79
11/05/2021	14335	John's Dairy Equipment & Supply, Inc.	Chemicals	-95.95
11/05/2021	14336	Quill Corporation	VOID:Check Lost - Paid Online-Stop Payment ...	0.00
11/05/2021	14337	Void		0.00
11/05/2021	14338	Streamline	November 2021 Website w/Engage	-260.00
11/09/2021	14339	Brelje and Race Laboratories, Inc.	Lab Testing Fees	-385.00
11/09/2021	14340	Cheda's Garage	Jeep - Repairs	-1,041.56
11/09/2021	14341	CORE	October services	-270.00
11/09/2021	14342	Flume, Inc.	Rebate for Flume 2 Smart Home Water Meter	-102.84
11/09/2021	14343	McPhail Fuel Co.	Account INVPUD 143814	-745.38
11/09/2021	14344	Quill Corporation	Office Supplies	-183.93
11/10/2021	EFT	Diversified Technology	Billing Service-New Rate	-705.00
11/15/2021	14345	Cassidy, Russell,	Payroll 10/26 - 11/10/2021	-993.71
11/15/2021	PR 01		Tax Payment Payroll 11/15/2021	-6,699.12
11/15/2021	PR 01		Direct Deposit Payroll 11/15/2021	-14,810.96
11/15/2021	PR 01	Leyva, Jacob	Garnishment	-402.00
11/15/2021	EFT	Paychex	Payroll Fees	-199.60
11/19/2021	14346	Amazon Business	Account A10CPJEJGNV6Y	-62.92
11/19/2021	14347	AT&T CalNet	Telemetry and Phones	-453.37
11/19/2021	14348	Brelje & Race Engineers	Project # 02630.05	-1,502.50
11/19/2021	14349	Connie Morse	Disaster Council Reimbursement	-338.02
11/19/2021	14350	Flume, Inc.	Rebate for Flume 2 Smart Home Water Meter	-617.03
11/19/2021	14351	Hach Company	Customer # 108425	-221.42
11/19/2021	14352	Marin County Department of Public W...	Encroachment Permit Fee 2022	-490.00
11/19/2021	14353	PG&E	VOID: Paid online	0.00
11/19/2021	14354	Piazza Construction	Contract No. 2630.05	-22,894.62
11/19/2021	14355	Verizon Wireless	Account 942336110-00001 Cell Phones	-193.96
11/22/2021	14356	DeCarli's	Account # 2-45217	-487.82
11/22/2021	14357	Fire Safety Supply Inc.	1 Extinguisher	-71.41
11/22/2021	14358	Quill Corporation	Office Supplies	-215.71
11/26/2021		H2O Customers	Armin Rosencranz returned payment	-434.00
11/26/2021		H2O Customers	Tom Malarkey returned payment	-149.00
11/26/2021		H2O Customers	Paul Ekman returned payment	-151.00
11/26/2021	14359	Amazon Business	Account A10CPJEJGNV6Y	-143.29
11/26/2021	14360	UPS	Shipping Fees	-22.17
11/30/2021	14361	Cassidy, Russell,	Payroll 11/11 - 11/25/2021	-993.70
11/30/2021	PR 02		Tax Payment Payroll 11/30/2021	-6,855.37
11/30/2021	PR 02		Direct Deposit Payroll 11/30/2021	-14,451.93
11/30/2021	PR 02	Leyva, Jacob	Garnishment	-402.00
11/30/2021	14362	CORRPRO	Customer # 4259650 Contract No. 81612 3/1/...	-650.00
11/30/2021	14363	U. S. Bank Corporate Payment Syste...	Cal Card	-3,600.98
11/30/2021	EFT	Paychex	Payroll Fees	-199.60
11/30/2021	EFT	Bank of America	Service charges	-787.19

Nov 21

-102,142.83

Inverness PUD
Monthly Expense Ledger Report
December 2021

	Date	Num	Name	Memo	Amount
Dec 21					
	12/01/2021	EFT	Paychex	Payroll Fees - S125	-40.00
	12/01/2021	EFT	AT&T U-verse	Internet November 2021	-69.55
	12/03/2021	EFT	CalPERS Health	December 2021 Health	-8,554.20
	12/06/2021	EFT	Quill Corporation	Office Supplies	-515.47
	12/07/2021	14364	Bauer Associates	Tenney Tank - Geotech Svcs-Concrete Test Tank 1	-2,486.00
	12/07/2021	14365	Building Supply Center	Firehouse Replacement Doors (2)	-648.67
	12/07/2021	14366	Frey's Automotive, Inc.	Jeep and 335 Smog	-108.50
	12/07/2021	14367	Friedman's Home Improvement	Customer # 343	-378.67
	12/07/2021	14368	Grainger	Batteries	-98.84
	12/07/2021	14369	Marin County Central Collecti...	Customer # 21595	-1,075.80
	12/07/2021	14370	Piazza Construction	Contract No. 2630.05	-86,345.46
	12/07/2021	14371	Point Reyes Light Publishing ...	Legal Notice Ord 104-2021	-300.00
	12/07/2021	14372	Streamline	December 2021 Website w/Engage	-260.00
	12/07/2021	14373	Good & Clean, Inc.	Janitorial Services - November	-220.00
	12/07/2021	14374	Horizon Cable TV Inc.	005-003907	-89.29
	12/07/2021	14375	R.J. Ricciardi, Inc., CPAs	Audit and Accounting Fees	-5,225.00
	12/07/2021	EFT	PG&E	Account 9408018479-2 Utilities 10/19 - 11/16/21	-2,467.51
	12/09/2021	14376	Riley F. Hurd III	Prop 218 review - Water Rates	-560.00
	12/10/2021	EFT	CalPERS - Retirement	November 2021	-4,468.80
	12/10/2021	EFT	BB & T - CPS Operations	11/1/21 - 11/30/21 AR Box	-10.53
	12/10/2021	EFT	Diversified Technology	Billing Service-New Rate	-705.00
	12/10/2021	14377	AT&T CalNet	Telemetry and Phone	-458.21
	12/10/2021	14378	Pace Supply Corp.	Customer# 09035-00	-790.23
	12/10/2021	14379	Barbara Gault	Closed account refund	-68.29
	12/10/2021	14380	Cheda's Garage	2007 Chevy	-432.87
	12/15/2021	PR 121...		To record 12/15/21 payroll	-6,497.57
	12/15/2021	PR 121...		To record 12/15/21 payroll	-15,028.07
	12/15/2021	PR 121...	Leyva, Jacob	Deduction - child support	-402.00
	12/15/2021	EFT	Paychex	Payroll Fees - S125	-199.60
	12/17/2021	14381	Amazon Business	Account A10CPJEJGNV6Y	-238.58
	12/17/2021	14382	Brelje and Race Laboratories,...	Bac-T's	-294.00
	12/17/2021	14383	CORE	October services	-270.00
	12/17/2021	14384	Grainger	Supplies	-19.80
	12/17/2021	14385	Verizon Wireless	Account 942336110-00001 Cell Phones	-202.50
	12/17/2021	14386	Gordon Bennett	Closed account refund	-42.39
	12/17/2021	14387	Pitts, Roy	To replace check no. 14146 issued on 5/28/21	-100.00
	12/17/2021	14388	Dick Lemon	Closed account refund 119-010-19	-16.68
	12/27/2021	14389	Brelje & Race Engineers	Project # 02630.05	-4,682.50
	12/27/2021	14390	Frey's Automotive, Inc.	300 Smog	-51.75
	12/27/2021	14391	Grainger	Supplies	-298.90
	12/27/2021	14392	Marin County Central Collecti...	Customer # 21595	-1,106.23
	12/27/2021	14393	Quill Corporation	Account # 645751	-24.67
	12/27/2021		U. S. Bank Corporate Payme...	VOID: printed in error	0.00
	12/27/2021	14395	Palace Market	20 \$75.00 Gift Cards - Volunteer Appreciation	-1,500.00
	12/28/2021	14396	Tom Fox	2021 Volunteer Training Stipend	-170.00
	12/28/2021	14397	Cassel, Brian	2021 Volunteer Training Stipend	-100.00
	12/28/2021	14398	Eubank, Burton	2021 Volunteer Training Stipend	-100.00
	12/28/2021	14399	Brett Miller	2021 Volunteer Training Stipend	-30.00
	12/28/2021	14400	Holton, Dennis	2021 Volunteer Training Stipend	-140.00
	12/28/2021	14401	Pitts, Roy	2021 Volunteer Training Stipend	-110.00
	12/28/2021	14402	David Briggs	2021 Volunteer Training Stipend	-150.00
	12/28/2021	14403	David Wright	2021 Volunteer Training Stipend	-60.00
	12/28/2021	14404	Tim Olson	2021 Volunteer Training Stipend	-180.00
	12/28/2021	14405	Nikki Spencer	2021 Volunteer Training Stipend	-140.00
	12/28/2021	14406	Greg Eastman	2021 Volunteer Training Stipend	-280.00
	12/28/2021	14407	Jay Borodic	2021 Volunteer Training Stipend	-200.00
	12/28/2021	14408	Fiona Pettigrew	2021 Volunteer Training Stipend	-140.00
	12/28/2021	14409	Jack Von Thaeer	2021 Volunteer Training Stipend	-20.00
	12/28/2021	14410	Liam Riley	2021 Volunteer Training Stipend	-70.00
	12/31/2021	PR		To record 12/11/21 - 12/25/21 payroll (pay date 12/...	-6,903.55
	12/31/2021	PR		To record 12/11/21 - 12/25/21 payroll (pay date 12/...	-15,656.61
	12/31/2021	PR	Leyva, Jacob	Child support deduction	-402.00
	12/31/2021	14411	Mary Kroninger	Closed account credit balance refund	-23.55
	12/31/2021	14412	Horizon Cable TV Inc.	005-003907	-90.04
	12/31/2021	14413	SWRCB Accounting Office	7/1/21 - 6/30/22 Water System Connection Fees/ ...	-4,303.44
	12/31/2021	14414	U. S. Postal Service	PO Box Fee/ 469 94937	-210.00
Dec 21					-176,831.32

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11/30/21

Inverness PUD Reconciliation Detail

XX-6591 · Fox, Jim - Cal Card, Period Ending 11/22/2021

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Beginning Balance								481.54
Cleared Transactions								
Charges and Cash Advances - 14 items								
Credit Card Charge	10/26/2021	1026	Palace Market	Volunteer Training / Drill	X	850-01 · Volunteer Training	-64.08	-64.08
Credit Card Charge	10/27/2021	112-6637248	Amazon	Boot Jack (3)	X	845-01 · Supplies and Inventory	-32.43	-96.51
Credit Card Charge	10/27/2021	112-5623003	Amazon	1.5 Lithium AA Batteries	X	830-02 · Commo Supplies	-25.97	-122.48
Credit Card Charge	10/27/2021	112-5623003	Amazon	1.5 Lithium AAA Batteries	X	830-02 · Commo Supplies	-20.84	-143.32
Credit Card Charge	10/29/2021	112-0046392	Amazon	Keyless Deadbolt Door Lock	X	845-01 · Supplies and Inventory	-46.53	-189.85
Credit Card Charge	10/29/2021	112-7341914	Amazon	Battery Disconnect Switch	X	845-01 · Supplies and Inventory	-32.46	-222.31
Credit Card Charge	11/02/2021	271352	BWS Distributors	Oxygen Sensor	X	845-01 · Supplies and Inventory	-131.10	-353.41
Credit Card Charge	11/03/2021	1489441	Golden State Lumber	2 Replacement Entry Doors - Fir...	X	840-02 · Building Maintenance	-1,933.35	-2,286.76
Credit Card Charge	11/06/2021	1106	Inverness Store	Supplies	X	850-01 · Volunteer Training	-21.24	-2,308.00
Credit Card Charge	11/07/2021	1107	Olema Campground	Propane for F3	X	840-07 · Collection-Treatment Utilities	-43.25	-2,351.25
Credit Card Charge	11/13/2021	1526343783	Adobe	1 month Adobe Online J Fox	X	870-05 · Office Supplies, Postage, Fees	-24.99	-2,376.24
Credit Card Charge	11/14/2021	1114	Palace Market	Volunteer Training / Drill	X	850-01 · Volunteer Training	-61.27	-2,437.51
Credit Card Charge	11/17/2021	112-0834736	Amazon	Truck Window Crank Handles	X	860-02 · Repairs & Service	-16.00	-2,453.51
Credit Card Charge	11/18/2021	112-9508029	Amazon	4 Night Vision Security Camera...	X	845-01 · Supplies and Inventory	-376.60	-2,830.11
Total Charges and Cash Advances							-2,830.11	-2,830.11
Payments and Credits - 1 item								
Bill	10/10/2021		U. S. Bank Corporat...	Managing Account XX-0662	X	20000 · Accounts Payable	481.54	481.54
Total Cleared Transactions							-2,348.57	-2,348.57
Cleared Balance							2,348.57	2,830.11
Register Balance as of 11/22/2021							2,348.57	2,830.11
Ending Balance							2,348.57	2,830.11

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01/06/22

Inverness PUD Reconciliation Detail

XX-6591 · Fox, Jim - Cal Card, Period Ending 12/22/2021

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Beginning Balance								2,830.11
Cleared Transactions								
Charges and Cash Advances - 7 items								
Credit Card Charge	11/23/2021	876154	Recreonics Inc.	WEB54747	X	840-04 · Tank Maintenance	-85.61	-85.61
Credit Card Charge	11/26/2021	34594...	Amazon	Airhose Parts	X	845-01 · Supplies and Inventory	-29.20	-114.81
Credit Card Charge	11/30/2021	1130	Palace Market	Volunteer Training / Drill	X	850-01 · Volunteer Training	-60.87	-175.68
Credit Card Charge	12/02/2021	0198	Marin Resource Rec...	Tank Site Cleanup/Recycle	X	840-03 · Grounds Maintenance	-43.00	-218.68
Credit Card Charge	12/06/2021	1206	Palace Market	Office Supplies	X	870-05 · Office Supplies, Postage, Fees	-24.67	-243.35
Credit Card Charge	12/11/2021	1211	Palace Market	Volunteer Training	X	850-01 · Volunteer Training	-130.30	-373.65
Credit Card Charge	12/13/2021	15474...	Adobe	1 month Adobe Online J Fox	X	870-05 · Office Supplies, Postage, Fees	-24.99	-398.64
Total Charges and Cash Advances							-398.64	-398.64
Payments and Credits - 1 item								
Bill	11/18/2021		U. S. Bank Corporat...	Managing Account XX-0662	X	20000 · Accounts Payable	2,830.11	2,830.11
Total Cleared Transactions							2,431.47	2,431.47
Cleared Balance							-2,431.47	398.64
Register Balance as of 12/22/2021							-2,431.47	398.64
Ending Balance							-2,431.47	398.64

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11/30/21

Inverness PUD Reconciliation Detail

XX-7757 · Redding, Shelley - Cal Card, Period Ending 11/22/2021

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Beginning Balance								596.09
Cleared Transactions								
Charges and Cash Advances - 8 items								
Credit Card Charge	10/25/2021	102521	U. S. Postmaster	Postage for SDRMA Safety Video Returns	X	870-05 · Office Supplies, Postage, Fees	-5.80	-5.80
Credit Card Charge	11/02/2021	10160...	FedEx Office	IDC Emergency Resources brochure (550)	X	870-13 · Disaster Council	-606.86	-612.66
Credit Card Charge	11/02/2021	1102	Costco	Office Supplies	X	870-05 · Office Supplies, Postage, Fees	-31.98	-644.64
Credit Card Charge	11/10/2021	03235	Canva	Monthly Subscription	X	870-05 · Office Supplies, Postage, Fees	-12.95	-657.59
Credit Card Charge	11/10/2021	1110	U. S. Postmaster	Postage for Tenney Tank Reimbursement P...	X	870-05 · Office Supplies, Postage, Fees	-1.36	-658.95
Credit Card Charge	11/12/2021	1121	Marin Independent Journal	1 month Digital Subscription	X	870-02 · Dues & Publications	-18.00	-676.95
Credit Card Charge	11/14/2021	1114	Costco	Office Supplies	X	870-05 · Office Supplies, Postage, Fees	-179.82	-856.77
Credit Card Charge	11/19/2021	10641...	John Scheepers	Firehouse Maintenance	X	840-02 · Building Maintenance	-147.06	-1,003.83
Total Charges and Cash Advances							-1,003.83	-1,003.83
Payments and Credits - 2 items								
Bill	10/10/2021		U. S. Bank Corporate Pay...	Managing Account XX-0662	X	20000 · Accounts Payable	596.09	596.09
Credit Card Credit	10/26/2021	02025...	Carhartt	Returned 4 pairs pants	X	845-04 · Uniforms	232.96	829.05
Total Cleared Transactions							-174.78	-174.78
Cleared Balance							174.78	770.87
Register Balance as of 11/22/2021							174.78	770.87
Ending Balance							174.78	770.87

Inverness PUD Reconciliation Detail

XX-7757 · Redding, Shelley - Cal Card, Period Ending 12/22/2021

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Beginning Balance								770.87
Cleared Transactions								
Charges and Cash Advances - 5 items								
Credit Card Charge	11/30/2021	NDLM...	Vistaprint	Holiday Cards & Office Supplies	X	870-10 · Public Relations & Outreach	-87.39	-87.39
Credit Card Charge	12/02/2021	1202	U. S. Postmaster	Postage for Tenney Tank Reimbursement Packet #3	X	870-05 · Office Supplies, Postage, Fees	-1.36	-88.75
Credit Card Charge	12/06/2021	03617...	American Water Works Association	Safety Training Video - Digital Download	X	850-02 · Certification & Courses	-75.00	-163.75
Credit Card Charge	12/10/2021	03265	Canva	Monthly Subscription	X	870-05 · Office Supplies, Postage, Fees	-12.95	-176.70
Credit Card Charge	12/13/2021	1213	Marin Independent Journal	1 month Digital Subscription	X	870-02 · Dues & Publications	-18.00	-194.70
Total Charges and Cash Advances							-194.70	-194.70
Payments and Credits - 1 item								
Bill	11/18/2021		U. S. Bank Corporate Payment Systems	Managing Account XX-0662	X	20000 · Accounts Payable	770.87	770.87
Total Cleared Transactions							576.17	576.17
Cleared Balance							-576.17	194.70
Uncleared Transactions								
Payments and Credits - 1 item								
Bill	12/13/2021		U. S. Bank Corporate Payment Systems	Managing Account XX-0662		20000 · Accounts Payable	194.70	194.70
Total Uncleared Transactions							194.70	194.70
Register Balance as of 12/22/2021							-770.87	0.00
Ending Balance							-770.87	0.00



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 10

Fiscal Year 2020-2021 Audit



Inverness Public Utility District

Board Agenda Item Staff Report

Subject: 2020-2021 Audit Report, Audit Management Report and Audit Letter Response
Meeting Date: January 26, 2022
Date Prepared: January 13, 2022
Prepared by: Shelley Redding, Administrator
Attachments: R.J. Ricciardi, CPA DRAFT Audit Report, DRAFT Management Letter; and IPUD Draft Response Letter

Recommended Action: Approve Audit Report, Audit Management Report and Response Letter

The 2020-2021 DRAFT Audit Report and DRAFT Audit Management Report is being presented to the Board at this January 26, 2022 Board meeting.

Staff has reviewed the Audit Report and concurs with the final report. Staff has also reviewed the Management Letter and concurs with the Management Report.

DRAFT

12/13/2021

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. **Report/Letter date is TENTATIVE-TBD**

**INVERNESS PUBLIC UTILITY DISTRICT
(A California Special District)**

INVERNESS, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Inverness Public Utility District
Inverness, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Inverness Public Utility District (a California special district), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Inverness Public Utility District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for Special Districts*; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Inverness Public Utility District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Inverness Public Utility District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and, where applicable, cash flows of Inverness Public Utility District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for Special Districts*.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-7) and the pension plan information, schedule of change in the net OPEB liability and related ratios, and budgetary comparison information (pages 38-42), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California

DRAFT

Inverness Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Inverness Public Utility District (the District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Independent Auditor's Report and with the basic financial statements and related notes, which follow this section.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Activities. These statements measure the success of the District's operations and can be used to determine the District's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is: "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in them. Think of the District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources - as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax bases and the types of grants for which the District applies to assess the *overall financial health* of the District.

Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheets and the governmental fund statements of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Inverness Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2021

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17 through 33.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budgetary information, pension plan information, and schedule of change in the net OPEB liability and related ratios. Required supplementary information can be found on pages 38 through 42.

Government-wide Financial Analysis - *Governmental Activities*

Statement of Net Position

The following table is a condensed summary of the statements of net position at June 30, 2021, with prior year comparative information:

Table 1
Governmental Net Position at June 30

	2021	2020
Current assets	\$ 2,976,489	\$ 2,649,076
Capital assets, net of depreciation	8,973	16,829
Total assets	2,985,462	2,665,905
Deferred outflows	110,244	40,498
Current liabilities	95,690	94,203
Long-term liabilities	379,752	439,537
Total liabilities	475,442	533,740
Deferred inflows	110,757	13,995
Net position:		
Invested in capital assets, net of debt	8,973	16,829
Restricted	571,730	478,034
Unrestricted	1,928,804	1,663,805
Total net position	\$ 2,509,507	\$ 2,158,668

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$2,509,507 as of June 30, 2021. Compared to the prior year, net position of the District increased \$350,838. The District's net position is made-up of three components: (1) net investment in capital assets, (2) restricted net position (3) unrestricted net position.

Statement of Activities

The following table is a condensed summary of the statement of activities for the year ended June 30, 2021, with prior year comparative information

Inverness Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2021

Table 2
Changes in Governmental Net Position

	Governmental Activities 2021	Governmental Activities 2020
<u>Expenses</u>		
General government (operations and fire protection)	\$ 242,743	\$ 263,730
Public safety	<u>239,285</u>	<u>426,261</u>
Total expenses	<u>482,028</u>	<u>689,991</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	-	-
Operating grants and contributions	-	-
Total program revenues	<u>-</u>	<u>-</u>
General revenues:		
Taxes	694,924	714,493
Other revenues	137,902	39,652
Interest income	40	-
Total general revenues	<u>832,866</u>	<u>754,145</u>
Total revenues	<u>832,866</u>	<u>754,145</u>
Change in net position	<u>\$ 350,838</u>	<u>\$ 64,154</u>

Table 3
Business-type Net Position at June 30

	Business-type 2021	Business-type 2020
Current assets	\$ (652,745)	\$ (511,580)
Capital assets, net of accumulated depreciation	<u>1,692,966</u>	<u>1,638,800</u>
Total assets	<u>1,040,221</u>	<u>1,127,220</u>
Deferred outflows	<u>257,236</u>	<u>94,496</u>
Current liabilities	87,767	88,617
Long-term debt outstanding	<u>909,636</u>	<u>1,044,500</u>
Total liabilities	<u>997,403</u>	<u>1,133,117</u>
Deferred inflows	<u>258,432</u>	<u>32,655</u>
Net position:		
Invested in capital assets	1,692,966	1,638,800
Unrestricted	<u>(1,651,344)</u>	<u>(1,582,856)</u>
Total net position	<u>\$ 41,622</u>	<u>\$ 55,944</u>

Inverness Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2021

Table 4
Changes in Business-Type Net Position

	Business-Type Activities 2021	Business-Type Activities 2020
<u>Expenses</u>		
Water	\$ 611,104	\$ 908,864
Total expenses	<u>611,104</u>	<u>908,864</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	582,436	534,114
Total program revenues	<u>582,436</u>	<u>534,114</u>
General revenues:		
Interest income	14,346	25,160
Total general revenues	<u>14,346</u>	<u>25,160</u>
Total revenues	<u>596,782</u>	<u>559,274</u>
Change in net position	<u>\$ (14,322)</u>	<u>\$ (349,590)</u>

Table 5
Capital Assets at Year-end

	Balance at June 30, 2021	Balance at June 30, 2020
<u>Governmental Activities</u>		
Buildings	\$ 237,515	\$ 237,515
Tankers and vehicles	381,811	381,811
Equipment and furnishings	298,802	294,452
Less: accumulated depreciation	<u>(909,155)</u>	<u>(896,949)</u>
Governmental activity capital assets, net	<u>\$ 8,973</u>	<u>\$ 16,829</u>
<u>Business-type Activities</u>		
Non-depreciable assets	\$ 288,337	\$ 215,969
Wells	71,499	71,499
Plant and equipment	4,114,377	4,025,804
Less: accumulated depreciation	<u>(2,781,248)</u>	<u>(2,674,472)</u>
Business-type activity capital assets, net	<u>\$ 1,692,965</u>	<u>\$ 1,638,800</u>

At June 30, 2021, the District's investment in capital assets amounted to \$1,701,939 net of accumulated depreciation. This investment in capital assets includes land, buildings, fire apparatus, furnishings and equipment, collection and distribution systems, tanks, wells, water treatment facilities and construction-in-process. The capital assets of the District are more fully analyzed in Note 3 to the basic financial statements.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present and future.

Inverness Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial conditions. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Administrator at P.O Box 469, Inverness, California 94937 or (415) 669-1414.

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Inverness Public Utility District
STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,604,280	\$ -	\$ 1,604,280
OPEB Trust restricted cash and investments	571,730		571,730
Accounts receivable	180	90,236	90,416
Interfund accounts	773,170	(773,170)	-
Prepaid items	27,129	30,189	57,318
Non-depreciable capital assets	-	288,337	288,337
Depreciable capital assets, net	8,973	1,404,629	1,413,602
Total assets	<u>2,985,462</u>	<u>1,040,221</u>	<u>4,025,683</u>
<u>DEFERRED OUTFLOWS</u>			
Deferred outflows related to retiree health	76,680	178,920	255,600
Deferred outflows related to pensions	33,564	78,316	111,880
Total Deferred outflows of resources	<u>110,244</u>	<u>257,236</u>	<u>367,480</u>
<u>LIABILITIES</u>			
Accounts payable	83,805	1,610	85,415
Deposits	-	9,025	9,025
Unearned income	-	77,132	77,132
Compensated absences	11,885	23,548	35,433
Long-term liabilities			
OPEB Liability	247,549	577,615	825,164
Net pension liability	132,203	308,473	440,676
Total liabilities	<u>475,442</u>	<u>997,403</u>	<u>1,472,845</u>
<u>DEFERRED INFLOWS</u>			
Deferred inflows related to retiree health	105,688	246,605	352,293
Deferred inflows related to pensions	5,069	11,827	16,896
Total Deferred inflows of resources	<u>110,757</u>	<u>258,432</u>	<u>369,189</u>
<u>NET POSITION</u>			
Investment in capital assets, net of related debt	8,973	1,692,966	1,701,939
Restricted	571,730		571,730
Unrestricted net position	<u>1,928,804</u>	<u>(1,651,344)</u>	<u>277,460</u>
Total net position	<u>\$ 2,509,507</u>	<u>\$ 41,622</u>	<u>\$ 2,551,129</u>

The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
STATEMENT OF ACTIVITIES
For the year ended June 30, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Governmental activities:						
General government	\$ 242,743	\$ -	\$ -	\$ (242,743)		\$ (242,743)
Public safety	239,285	-	-	(239,285)		(239,285)
Total governmental activities	<u>482,028</u>	<u>-</u>	<u>-</u>	<u>(482,028)</u>		<u>(482,028)</u>
Business-type activities:						
Water	611,104	582,436	-		\$ (28,668)	(28,668)
Total business-type activities	<u>611,104</u>	<u>582,436</u>	<u>-</u>		<u>(28,668)</u>	<u>(28,668)</u>
Total	<u>\$ 1,093,132</u>	<u>\$ 582,436</u>	<u>\$ -</u>	<u>(482,028)</u>	<u>(28,668)</u>	<u>(510,696)</u>
General revenues:						
Property taxes				694,924	-	694,924
Other revenues				137,902	-	137,902
Interest income				40	14,346	14,386
Total general revenues				<u>832,866</u>	<u>14,346</u>	<u>847,212</u>
Change in net position				350,838	(14,322)	336,516
Net position beginning of period				<u>2,158,669</u>	<u>55,944</u>	<u>2,214,613</u>
Net position ending of period				<u>\$ 2,509,507</u>	<u>\$ 41,622</u>	<u>\$ 2,551,129</u>

The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
 GOVERNMENTAL FUNDS
BALANCE SHEET
 June 30, 2021

ASSETS

Cash and investments	\$ 1,604,280
OPEB Trust restricted cash and investments	571,730
Accounts receivable	180
Prepaid items	27,129
Due from other funds	<u>1,748,899</u>
Total assets	<u><u>\$ 3,952,218</u></u>

LIABILITIES

Accounts payable	\$ 83,805
Compensated absences	11,885
Due to other funds	<u>975,729</u>
Total liabilities	<u>1,071,419</u>

FUND BALANCES

Nonspendable	27,129
Restricted OPEB Trust	571,730
Assigned for:	
Specific purposes	2,909,387
Unassigned	<u>(627,447)</u>
Total fund balances	<u>2,880,799</u>

Total liabilities and fund balances	\$ <u><u>3,952,218</u></u>
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The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
 Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
 with the Governmental Activities
STATEMENT OF NET POSITION
 For the year ended June 30, 2021

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	2,880,799
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital Assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.		8,973
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LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Deferred outflows pension		33,564
Deferred outflows OPEB		76,680
Deferred inflows pension		(5,069)
Deferred inflows OPEB		(105,688)
OPEB liability		(247,549)
Net pension liability		(132,203)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	2,509,507
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The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
 GOVERNMENTAL FUNDS
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
 For the year ended June 30, 2021

Revenues:	
Taxes	\$ 694,924
Other revenues	137,902
Total revenues	<u>832,866</u>
Expenditures:	
Current:	
General government	247,093
Public safety	259,847
Total expenditures	<u>506,940</u>
Excess (deficit) of revenues over (under) expenditures	325,926
Fund balances, beginning of period	<u>2,554,873</u>
Fund balances, end of period	<u>\$ 2,880,799</u>

The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
 Reconciliation of the
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 with the
STATEMENT OF ACTIVITIES
 For the year ended June 30, 2021

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	325,926
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p>		
CAPITAL ASSETS TRANSACTIONS		
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		4,350
Depreciation expense is deducted from the fund balance		(12,207)
ACCRUAL OF NON-CURRENT ITEMS		
<p>The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds (net change):</p>		
OPEB expense		39,769
Pension expense		<u>(7,000)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>350,838</u></u>

The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
 PROPRIETARY FUNDS
STATEMENT OF NET POSITION
 June 30, 2021

	Water
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ -
Accounts receivable	90,236
Prepaid items	30,189
Total current assets	120,425
Non-current assets:	
Capital assets, net of accumulated depreciation	1,692,966
Total assets	1,813,391
<u>DEFERRED OUTFLOWS</u>	
Deferred outflows related to retiree health	178,920
Deferred outflows related to pensions	78,316
Total Deferred outflows of resources	257,236
<u>LIABILITIES</u>	
Current liabilities:	
Accrued expenses	1,610
Customer deposits	9,025
Unearned income	77,132
Compensated absences	23,548
Due to other funds	773,170
Total current liabilities	884,485
Long-term liabilities	
OPEB liability	577,615
Net pension liability	308,473
Total liabilities	1,770,573
<u>DEFERRED INFLOWS</u>	
Deferred inflows related to retiree health	246,605
Deferred inflows related to pensions	11,827
Total Deferred inflows of resources	258,432
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	1,692,966
Unrestricted	(1,651,344)
Total net position	\$ 41,622

The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
 PROPRIETARY FUNDS
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND NET POSITION
 For the year ended June 30, 2021

	Water
Operating revenues:	
Charges for services	\$ 582,436
Total operating revenues	582,436
Operating expenses:	
Personnel services	360,908
Collection and treatment	69,880
Distribution	44,000
Depreciation	106,775
Administration	29,541
Total operating expenses	611,104
Operating income (loss)	(28,668)
Nonoperating revenues and expenses:	
Interest income	14,346
Change in net position	(14,322)
Net position, beginning of period	55,944
Net position, end of period	\$ 41,622

The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
 PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 For the year ended June 30, 2021

	Business-type Activities <u>Enterprise Funds</u> <u>Water</u>
Cash flows from operating activities:	
Receipts from customers	\$ 598,995
Payments to suppliers	(19,665)
Payments to employees	<u>(432,735)</u>
Net cash provided (used) by operating activities	<u>146,595</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(160,941)</u>
Net cash provided (used) by capital and related financing activities	<u>(160,941)</u>
Cash flows from investing activities:	
Interest income	<u>14,346</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents - beginning of period	<u>-</u>
Cash and cash equivalents - end of period	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:	
Operating income (loss)	<u>\$ (28,668)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	106,775
Changes in certain assets and liabilities:	
Accounts receivable	16,559
Prepaid items	18
Accounts payable	(850)
Deposits	-
Unearned income	-
Due to/from other funds	124,588
Compensated absences	4,635
OPEB	(160,480)
Pension expense	<u>84,018</u>
Total adjustments	<u>175,263</u>
Net cash provided (used) by operating activities	<u>\$ 146,595</u>

The accompanying notes are an integral part of these financial statements.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Description of District

The Inverness Public Utility District (the District) was formed in 1948 with the intent to purchase the water system serving the Inverness Valley community. In 1949 and 1950, the District attempted to purchase the water system serving the community; however, the District did not receive the required votes from the community to make the purchase. In 1951, the District took over the operations of the Inverness Volunteer Fire Department. In 1980, the District purchased the water system serving the community. The District is governed by a five-member Board of Directors who serve four-year terms and are elected at large. The directors entrust the responsibility for the efficient execution of District policies to their designated representative, the General Manager. The District is subject to the laws, regulations and guidelines as set forth by the State Controller's Office. Major sources of revenue for the District include water service charges and property taxes.

B. The Reporting Entity

The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. The District has no blended or discretely presented component units.

C. Basis of Accounting and Measurement Focus

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Statements: These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for both governmental and business-like activities. Accordingly, all of the District's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the operating expenses of a given function are offset by operating revenues. Operating expenses are those that are clearly identifiable with a specific function. The types of transactions reported as operating revenues for the District are charges for services directly related to the operations of the District. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes, operating grants and other items not properly included among operating revenues are reported instead as non-operating revenues. Contributed capital and capital grants are included as capital contributions.

Fund Financial Statements: The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting and Measurement Focus (concluded)

The fund financial statements provide information about the District's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental* and *proprietary* are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule may include principal and interest on debt, which are recognized when due.

The accrual basis of accounting is followed by the proprietary fund. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Unbilled water receivables are recorded at year end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Operating revenues, such as water sales, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as grant funding and investment income, result from non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) value in exchange.

D. Major Funds

GASB Statement 34 defines major funds and requires that the District's major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Major Funds (concluded)

The District reported the following major governmental funds in the accompanying financial statements:

General Fund: This fund accounts for the operations of the District. The General Fund is used for all the general revenues of the District not specifically levied or collected for other District funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit that are not accounted for in another fund.

Water Enterprise Fund: This fund accounts for the water operations of the District.

E. Net Position

Net Position is the excess of all the District's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Invested in Capital, net of related debt describes the portion of Net Position that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued for the acquisition, construction or improvement of those assets.

Restricted describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter.

Unrestricted describes the portion of Net Position that does not meet the definition of restricted or net investment in capital assets. This may include amounts Board-designated to be reported as being held for a particular purpose.

F. Fund Balance

The financial statements - governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Balance (concluded)

Assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the District's special revenue funds.

Unassigned fund balance is the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

G. Accounts Receivable

The District bills the local residents for water usage on a bi-monthly basis. Estimated unbilled water revenue through June 30 has been accrued at year-end for the Water Enterprise Fund. Management believes all amounts are collectible and, accordingly, there is no provision for uncollectible accounts reflected herein.

H. Deferred Revenue

Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. The District bills for its fixed service charge in advance. Therefore, the portion of customers' bills that is for the fixed charge is deferred.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

J. Budgetary Policies

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each April, the District's General Manager prepares and submits a capital and operating budget to the Board of Directors for adoption no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1.

The Board of Directors must approve all supplemental appropriations to the budget and transfers between major funds. The legal level of budgetary control is at the fund level. Budget information is presented as required supplementary information for the general fund.

K. Compensated Absences

The District's policy is to permit employees to accumulate an unlimited amount of earned vacation leave. Accumulated vacation time is accrued at year-end to account for the District's obligation to the employees for the amount owed. Sick leave, which is limited to 80 hours per year for full-time employees and is pro-rated for part-time employees, is unearned and does not carry over to the following fiscal year.

Governmental fund types recognize the vested vacation as an expenditure in the current year to the extent it is paid during the year. Accrued vacation relating to governmental funds is included as a long-term liability in the Statement of Net Position as those are payable from future resources and within the Balance Sheet - Water Enterprise Fund for amounts relating to the proprietary fund type.

L. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for recording capital assets at \$1,000 (\$3,000 prior to June 30, 2017). Donated assets are recorded at estimated fair market value at the date of donation and/or historical cost. Upon retirement or other disposition of capital assets, the cost and related accumulation depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Governmental Activities

- Buildings and improvements - 5 to 30 years
- Fire apparatus - 3 to 20 years
- Furnishings and equipment - 3 to 7 years

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets (concluded)

Business-Type Activities

- Collection and distribution system - 5 to 50 years
- Tanks - 5 to 40 years
- Water treatment - 5 to 40 years
- Wells - 40 years
- Vehicles and equipment - 5 to 7 years

M. Investments and Investment Policy

The District has adopted an investment policy directing the District's General Manager to deposit funds in financial institutions. Investments are to be made in the following areas:

- Financial institution checking and savings accounts
- California Local Agency Investment Fund (LAIF)

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Local Agency Investment Fund - LAIF is regulated by California Government Code (Code) Section 16429 and is under the management of the State of California Treasurer's Office with oversight provided by the Local Agency Investment Advisory Board.

LAIF is carried at fair value based on the value of each participating dollar as provided by LAIF. The fair value of the District's position in the LAIF is the same as the value of its pooled share. Investment in securities of the U.S. government or its agencies are carried at fair value based on quoted market prices. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the District's deposits with the bank in accordance with the Code.

N. Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

O. Use of Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

P. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Inverness Public Utility District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District maintains an operating account at Bank of America, and all other funds are on deposit with the California Local Agency Investment Fund (LAIF) investment pool (see Note 1M, Investments and Investment Policy).

These funds have been segregated into various accounts and, at June 30, 2021 the balances were as follows:

Deposits held with LAIF	\$ 1,062,691
California Employers Retirees Benefit Trust	571,730
Deposits held with financial institutions	<u>541,589</u>
Total cash, cash equivalents, and investments	<u>\$ 2,176,010</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (concluded)

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the District's name and places the District ahead of general creditors of the institution.

Fair Value Reporting - Investments

The District categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the District's investment manager based on a review of the investment class, structure and what kind of securities are held in the portfolio. The District's holdings are classified in Level 1 of the fair value hierarchy.

NOTE 3 - CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2021:

<i>Governmental Activities</i>	Balance 7/1/20	Additions	Deletions/ Transfers	Balance 6/30/21
<u>Depreciable assets</u>				
Buildings	\$ 237,515	\$ -	\$ -	\$ 237,515
Vehicles	381,811	-	-	381,811
Furnishings and equipment	294,452	4,350	-	298,802
Total depreciable assets	913,778	\$ 4,350	\$ -	918,128
Total accumulated depreciation	(896,949)			(909,155)
Total capital assets, net	\$ 16,829			\$ 8,973

Depreciation expense under governmental activities (district operations/fire protection) totaled \$12,207.

<i>Business-Type Activities</i>	Balance 7/1/20	Additions	Deletions/ Transfers	Balance 6/30/21
<u>Non-depreciable assets</u>				
Land	\$ 66,320	\$ -	\$ -	\$ 66,320
Construction in progress	149,649	72,368	-	222,017
Total non-depreciable assets	215,969	72,368	-	288,337
<u>Depreciable assets</u>				
Wells	71,499	-	-	71,499
Collection system	375,590	7,377	-	382,967
Distribution system	1,083,066	81,196	-	1,164,262
Tanks	1,062,276	-	-	1,062,276
Water treatment	1,371,899	-	-	1,371,899
Vehicles and equipment	132,973	-	-	132,973
Total depreciable assets	4,097,303	\$ 88,573	\$ -	4,185,876
Total accumulated depreciation	(2,674,472)			(2,781,248)
Total depreciable assets, net	1,422,831			1,404,628
Total capital assets, net	\$ 1,638,800			\$ 1,692,965

Depreciation expense under business-type activities (retail water enterprise) totaled \$106,775.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PREPAID/(PAYABLE)

A. General Information about the OPEB Plan

Plan Descriptions- The District provides other post-employment benefits (OPEB) through CalPERS health. Eligible retirees have access to medical plan coverage for life.

Benefits Provided - The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS. Employees are eligible to retire and receive District-paid benefits after attaining age 50 and completing at least 5 years of service. District-paid benefits are capped at the PERS Choice premiums. Eligible retirees are provided District-paid benefits for their lifetime. District-paid benefits are also provided for the lifetime of any eligible surviving spouses. In addition, the District pays the CalPERS administrative fees.

Employees Covered by Benefit Terms

Retirees or beneficiaries receiving benefit payments as of June 30, 2020	4
Active eligible employees as of June 30, 2020	7
Total	11

The District's required contribution is based on projected pay-as-you-go financing requirements. The District has an irrevocable OPEB trust with California Employers' Retiree Benefit Trust (CERBT).

B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 30, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions- The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.75%
Salary increases	3.00%
Discount rate	2.63%
Investment rate of return	6.00%, net of OPEB plan investment expense
Healthcare cost trend rate	5.20% for 2020 through 2049; 5.00% for 2050 through 2064; and 4.00% for 2065 and later years.
Medicare cost trend rate	3.50% in all years

Mortality rates were based on the CalPERS mortality rates for miscellaneous and safety employees from the most recent experience study (1997-2015). The actuarial assumptions used in the June 30, 2020 valuation were based on the CalPERS experience study and a review of plan experience during the period June 30, 2018 to June 30, 2020.

Discount Rate – GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PREPAID/(PAYABLE) (continued)

B. Net OPEB Liability (concluded)

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are not expected to be sufficient. The blended discount rate used to measure the total OPEB liability is as follows:

Reporting Date Fiscal Year End	Measurement Date Fiscal Year End	Long-Term Expected Rate of Return	Fidelity GO AA 20 Years Municipal Index	GASB 75 Discount Rate
June 30, 2020	June 30, 2019	6.00%	3.13%	4.134%
June 30, 2021	June 30, 2020	6.00%	2.45%	2.63%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	40.0%	5.5%
U.S. Fixed	43.0%	1.5%
TIPS	5.0%	1.2%
Real Estate	8.0%	3.7%
Commodities	4.0%	0.6%

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PREPAID/(PAYABLE) (continued)

C. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020	\$ 1,303,055	\$ 477,891	\$ 825,164
Changes for the year:			
Service cost	127,780	\$ -	127,780
Interest	58,068	-	58,068
Changes of benefit term	-	-	-
Difference between expected and actual experience	(487,791)	-	(487,791)
Changes in assumptions or other inputs	350,704	-	350,704
Contributions – employer	-	44,705	(44,705)
Net investment income	-	24,546	(24,546)
Benefit payments	(44,705)	(44,705)	-
Administrative expenses	-	(224)	224
Net changes	4,056	24,322	(20,266)
Balances at June 30, 2021	\$ 1,303,055	\$ 477,891	\$ 825,164

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.63%)	Discount Rate (2.63%)	1% Increase (3.63%)
Net OPEB liability (asset)	\$ 1,037,638	\$ 825,164	\$ 657,223

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.20% current, 3.00% ultimate, 2.50% Medicare)	Discount Rate (5.20% current, 4.00% ultimate, 3.50% Medicare)	1% Increase (6.20% current, 5.00% ultimate, 4.50% Medicare)
Net OPEB liability (asset)	\$ 660,753	\$ 825,164	\$ 1,029,515

D. OPEB Plan Experience

Reporting period	July 1, 2020 to June 30, 2021
Measurement period	July 1, 2019 to June 30, 2020

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PREPAID/(PAYABLE) (continued)

D. OPEB Plan Experience (concluded)

Benefit Payments and Contributions

	Benefit Payments
Benefits paid from the trust	\$ -
Benefits paid outside of trust	38,885
Implicit benefits paid	5,820
Total benefit payments	\$ 44,705
	Contributions
Contributions to the trust - employer	\$ -
Contributions – benefits paid outside of trust	38,885
Contributions – implicit benefits paid	5,820
Total contributions	\$ 44,705

Investment Rate of Return - The District's policy regarding the allocation of the plan's invested assets is established and may be amended by District management. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the District has selected is CERBT Strategy 2. The asset class allocations and benchmarks for this objective are listed below:

Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	40.0%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	43.0%	± 5%	Bloomberg Barclay Long Liability Index
Treasury Inflation-Protected Securities (TIPS)	5.0%	± 3%	Bloomberg Barclay US TIPS Index, Series L
Real Estate Investment Trusts (REITs)	8.0%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	4.0%	± 3%	S&P GSCI Total Return Index
Cash	-	± 2%	91-Day Treasury Bill

For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 5.40 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

E. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

Annual OPEB Expense - The annual OPEB expense is the sum of the change in Net OPEB Liability, the change in deferred outflows, and the change in deferred inflows, reduced by the employer contributions.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PREPAID/(PAYABLE) (concluded)

E. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (concluded)

Net OPEB liability at beginning of measurement period (a)	\$ 845,430
Net OPEB liability at end of measurement period (b)	\$ 825,164
Change in net OPEB liability (b)-(a)	(20,266)
Change in deferred outflows	(255,600)
Change in deferred inflows	352,293
Employer contributions	44,705
Net OPEB expense from June 30, 2019 to June 30, 2020	<u>\$ 121,132</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the reporting year ending June 30, 2021, the District recognized deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ 352,293
Changes in assumptions or other inputs	253,286	-
Differences between projected and actual return investments	2,314	-
Total	<u>\$ 255,600</u>	<u>\$ 352,293</u>

The District has a lookback measurement date. For the reporting year ending June 30, 2021, the District uses a measurement year ending June 30, 2020. The deferred resources listed above do not include any District contributions made after the measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Reporting Fiscal Year Ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2022	\$ 97,996	\$ (135,498)	\$ (37,502)
2023	97,996	(135,498)	(37,502)
2024	59,028	(81,297)	(22,269)
2025	580	0	580
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - PENSION PLAN

A. General Information about the Cost-Sharing Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the District's separate Safety (fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations.

The Plan provisions and benefits in effect at June 30, 2021, are summarized as follows:

	District Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.092% to 2.418%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	6.709%	6.533%
	District Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55
Monthly benefits, as a % of eligible compensation	1.426% to 2.0%	1.426% to 2.0%
Required employee contribution rates	7%	9.5%
Required employer contribution rates	11.530%	9.513%

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - PENSION PLAN (continued)

A. General Information about the Cost-Sharing Pension Plan (concluded)

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Miscellaneous Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions to the pension plan from the District were as follows:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Reporting Date	June 30, 2021
Miscellaneous Plan Contributions	\$51,495
Safety Plan Contributions	\$22,259

Contributions to the pension plan from the District after the measurement date of June 30, 2020 were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$ 41,434	\$ 19,993

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities – The net pension liability was measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2021, the District reported proportionate shares of the net pension as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 286,215
Safety	154,460
Total Net Pension Liability	<u>\$ 440,675</u>

The District's proportionate share of each plan as of June 30, 2020 and 2021 were as follows:

<u>All Plans</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Safety</u>
Proportionate share at June 30, 2020	0.00678%	0.00223%	0.00401%
Proportionate share at June 30, 2021	0.00679%	0.00232%	0.00405%
Increase (decrease) in proportionate share	0.00001%	0.00009%	0.00004%

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - PENSION PLAN (continued)

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (concluded)

Pension Expense - For the year ended June 30, 2021, the District recognized pension expense of \$84,478

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 26,727	\$ -
Changes in assumptions	-	2,556
Net differences between projected and actual earnings on pension plan investments.	11,860	-
Differences between District contributions and proportionate share of contributions	4,449	11,597
Changes in proportion	7,418	2,742
District contributions subsequent to the measurement date	61,427	-
Total	\$ 111,880	\$ 16,895

Contributions subsequent to the measurement date, reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Reporting Fiscal Year Ended June 30:	Miscellaneous Net Deferred Outflows(Inflows) of Resources	Safety Net Deferred Outflows(Inflows) of Resources	Total Net Deferred Outflows(Inflows) of Resources
2022	\$ (920)	\$ 2,698	\$ 1,778
2023	8,264	5,457	13,720
2024	7,450	4,849	12,299
2025	4,078	1,682	5,760
2026	-	-	-
Thereafter	-	-	-
Total	\$ 18,872	\$ 14,686	\$ 33,558

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - PENSION PLAN (continued)

C. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%, net of pension plan investment expense, including inflation
Post retirement benefit increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Preretirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits of cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 ^(a)</u>	<u>Real Return Years 11+ ^(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92)%
Total	<u>100%</u>		

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 - PENSION PLAN (concluded)

C. Actuarial Assumptions (concluded)

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Miscellaneous net pension liability (asset)	\$ 459,695	\$ 286,215	\$ 142,874
Safety net pension liability (asset)	235,234	154,460	88,178
Total net pension liability (asset)	\$ 694,928	\$ 440,675	\$ 231,052

NOTE 6 - PROPERTY TAXES

Property taxes are assessed, collected and distributed by the County of Marin in accordance with legislation. Secured property taxes are attached as an enforceable lien on real property located in the County of Marin as of March 1. Secured property taxes are levied each November 1 on the assessed value of the real property as of prior March 1. Taxes are due in two equal installments on December 10 and April 10 following the levy date.

Under California law, secured property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes are pooled and then allocated to the District based upon complex formulas.

Unsecured property taxes are levied throughout the year beginning March 1 on the assessed value of personal property as of March 1. For unsecured property tax bills issued between March 1 and June 30, the amount is payable by August 31. For unsecured property tax bills issued after June 30, the amount of the tax is due 30 days after the bill is issued, but no later than February 28/29. Special assessment charges are incorporated on the property tax bill, and therefore are attached as an enforceable lien on real property located within the District.

Special assessment charges are due in two installments on December 10 and April 10 following the assessment date. The special assessments are collected and distributed to the District by the County of Marin.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - PROPERTY TAXES (concluded)

Effective July 1, 1993, the District, in addition to other districts, entered into an agreement (hereafter known as the “Teeter Plan”) with the County of Marin whereby the County agreed to purchase without recourse all previously outstanding (net of all adjustments) secured delinquent property tax and special assessment receivables, penalties and interest of the districts as of June 30, 1993. Additionally, the County agreed to advance each district its share of the annual gross levy of secured property taxes and special assessments (net of adjustments) billed through the County’s Tax Collector for the fiscal year ended June 30, 1996, and for each subsequent fiscal year of the agreement. In consideration, the District gives the County of Marin its right to penalties and interest on delinquent property tax receivables and actual proceeds collected. This agreement is still operational as of the fiscal year ended June 30, 2021.

NOTE 7 - RELATED PARTY TRANSACTIONS

The District employs a relative of a member of management staff. This transaction is approved annually by the Board of Directors as part of the budget process. For the year ended June 30, 2021, \$85,197 was paid in salaries under his employment.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs from California Special Districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2021, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees’ errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence. The District purchased additional excess coverage layers: \$2,500,000 for general, auto and public officials liability, which increases the limit on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$400,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1.0 billion per occurrence, subject to a \$2,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible per occurrence.
- Public officials’ personal liability up to \$500,000 each occurrence, with an annual aggregate of \$100,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim. Workers’ compensation insurance up to \$100 million per occurrence and Employer’s Liability Coverage up to \$5 million.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 - RISK MANAGEMENT (concluded)

There were no reductions in insurance coverage in fiscal years 2021 and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2021.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Nuclear Free Zone - The Board of Directors of Inverness Public Utility District adopted an ordinance on November 6, 1990, declaring the District as a Nuclear Free Zone and thereby joined in with other Nuclear Free Zone communities in eliminating the profit incentive for nuclear weapons makers by means of an economic boycott. As a result of this ordinance, the District shall purchase no product or service of or from any nuclear weapon maker, except that the District may purchase such a product or service where required by law or where no other product or service can be found in sufficient quality or suitability and at a low enough price to be consistent with good management practice and safety. The District shall include a copy of the ordinance with all requests for proposals and all purchase orders. The Board of Directors of the District shall meet annually to review the investment options and determine if the transfer of District funds to a financial institution that makes no investments in nuclear weapons makers ("Nuclear Free Fund") is consistent with State law and prudent management.

Marin Emergency Radio Authority - During fiscal year 1999, the District became a member of the Marin Emergency Radio Authority (Authority). The Authority is a joint exercise of powers agency created on February 28, 1998, pursuant to the California Government Code and a Joint Powers Agreement, by and among the County of Marin and twenty-five local agencies within the County (collectively, the "Members"). The Authority's purpose is to plan, finance, implement, manage, own and operate a multi-jurisdictional and County-wide public safety and emergency radio system. During 1999, the Authority issued bonds to finance the acquisition and installation of a County-wide public safety and emergency radio system (the "Project"), to fund a reserve fund, to fund capitalized interest on the 1999 bonds and to pay the costs incurred in issuing the 1999 bonds. The Project will be owned and operated by the Authority. The Members will use the radio service provided by the Project to carry out public safety and emergency functions in their individual service areas.

The 1999 bonds are special obligations of the Authority payable solely from revenues consisting generally of the service payments to be made by the County and the Members within the County under an operating agreement. Scheduled payments began in August 2001. In addition, the District is obligated to pay a share of the Authority's annual operating costs. For the year ended June 30, 2021, the debt service costs associated with the District's participation in the Authority were \$12,010.

A copy of the Authority's financial statements is available upon request from the Marin County Administrator's office at 3501 Civic Center Drive, Room 325, San Rafael, CA 94903.

Grant Awards - Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Inverness Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 - COMMITMENTS AND CONTINGENCIES (concluded)

Coronavirus Pandemic - In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including California, declared a state of emergency and issued shelter-in-place orders in response to the outbreak. The immediate impact to the District's operations included restrictions on employees' and volunteers' ability to work, and it is anticipated that the impacts from this pandemic will continue for some time. As of the report date, the financial impact of the coronavirus outbreak cannot be measured.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

Inverness Public Utility District
Required Supplemental Information
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Budget and Actual
For the year ended June 30, 2021
(Unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 665,623	\$ 665,623	\$ 694,924	\$ 29,301
Use of money and property	4,500	4,500	40	(4,460)
Other revenues	80,322	80,322	137,902	57,580
Total revenues	750,445	750,445	832,866	82,421
Expenditures:				
Current:				
General government	239,458	239,458	247,093	(7,635)
Public safety	285,966	285,966	259,847	26,119
Total expenditures	525,424	525,424	506,940	18,484
Excess of revenues over (under) expenditures	\$ 225,021	\$ 225,021	325,926	\$ 100,905
Fund balance, beginning of period			2,554,873	
Fund balance, end of period			\$ 2,880,799	

Inverness Public Utility District

As of June 30, 2021

Last 7 Years

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Schedule of the Proportionate Share
of the Net Pension Liability
(Reporting fiscal year ended)

Safety Plan

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.2320%	0.2230%	0.2050%	0.7070%	0.0027%	0.0027%	0.0015%
Proportionate share of the net pension liability	\$ 154,460	\$ 139,169	\$ 120,488	\$ 120,488	\$ 106,929	\$ 76,909	\$ 90,873
Covered - employee payroll	\$ 109,225	\$ 138,419	\$ 128,841	\$ 128,841	\$ 218,410	\$ 44,712	\$ 87,737
Proportionate share of the net pension liability as a percentage of covered-employee payroll	141.41%	100.54%	93.52%	93.52%	48.96%	172.01%	103.57%
Plan fiduciary net position as a percentage of the total pension liability	74.03%	76.81%	76.81%	76.81%	78.72%	84.31%	81.46%

Schedule of the Proportionate Share
of the Net Pension Liability
(Reporting fiscal year ended)

Misc. Plan

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.6790%	0.6780%	0.7070%	0.2090%	0.0071%	0.0070%	0.0037%
Proportionate share of the net pension liability	\$ 286,215	\$ 271,534	\$ 266,448	\$ 266,448	\$ 246,696	\$ 200,453	\$ 231,036
Covered - employee payroll	\$ 333,080	\$ 308,500	\$ 270,881	\$ 270,881	\$ 93,762	\$ 236,606	\$ 257,863
Proportionate share of the net pension liability as a percentage of covered-employee payroll	85.93%	88.02%	98.36%	98.36%	263.11%	84.72%	89.60%
Plan fiduciary net position as a percentage of the total pension liability	78.04%	78.61%	75.39%	75.39%	75.76%	78.89%	74.15%

NOTES TO SCHEDULE:

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Inverness Public Utility District
As of June 30, 2021
Last 6 Years
SCHEDULE OF CONTRIBUTIONS

SCHEDULE OF CONTRIBUTIONS

<u>Fiscal Year End</u>	<u>Safety Plan</u>					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 22,259	\$ 10,770	\$ 4,216	\$ 23,601	\$ 12,041	\$ 6,663
Contributions in relation to the actuarially determined contributions	<u>(22,259)</u>	<u>(10,770)</u>	<u>(4,216)</u>	<u>(23,601)</u>	<u>(12,041)</u>	<u>(6,663)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll during the fiscal year	\$ 109,225	\$ 138,419	\$ 128,841	\$ 218,410	\$ 44,712	\$ 87,737
Contributions as a percentage of covered-employee payroll	20.38%	7.78%	3.27%	10.81%	26.93%	7.59%

<u>SCHEDULE OF CONTRIBUTIONS</u>	<u>Misc.</u>					
	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>
<u>Fiscal Year End</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 51,495	\$ 40,249	\$ 20,942	\$ 8,518	\$ 54,094	\$ 31,622
Contributions in relation to the actuarially determined contributions	<u>(51,495)</u>	<u>(40,249)</u>	<u>(20,942)</u>	<u>(8,518)</u>	<u>(54,094)</u>	<u>(31,622)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll during the fiscal year	\$ 333,080	\$ 308,500	\$ 270,881	\$ 93,762	\$ 236,606	\$ 257,863
Contributions as a percentage of covered-employee payroll	15.46%	13.05%	7.73%	9.08%	22.86%	12.26%

NOTES TO SCHEDULE:

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Inverness Public Utility District
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY
AND RELATED RATIOS

For the year ended June 30, 2021

Total OPEB Liability	<u>2021</u>
Service cost	\$ 127,780
Interest	58,068
Effects of economic/demographic gains or losses	(487,791)
Benefit payments, included refunds of employee contributions	(44,705)
Effects of Assumptions changes or inputs	<u>350,704</u>
Net change in total OPEB liability	4,056
Total OPEB liability - beginning of year	<u>1,298,999</u>
Total OPEB liability - end of year	<u><u>\$ 1,303,055</u></u>
Plan Fiduciary Net Position	
Net investment income	\$ 24,546
Contributions	
Employer - explicit subsidy	44,705
Employer - implicit subsidy	-
Benefit payments, included refunds of employee contributions	(44,705)
Implicit rate subsidy fulfilled	-
Administrative expense	<u>(224)</u>
Net change in plan fiduciary net position	24,322
Plan fiduciary net position - beginning of year	<u>453,569</u>
Plan fiduciary net position - end of year	<u><u>\$ 477,891</u></u>
District's net OPEB liability - end of year	<u><u>\$ 825,164</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	36.67%
Covered-employee payroll	\$ 446,919
Net OPEB liability as a percentage of covered-employee payroll	184.63%

The schedules present information to illustrate changes in the District's changes in the net OPEB liability over a ten-year period when the information is available.

Inverness Public Utility District
SCHEDULE OF CONTRIBUTIONS

As of June 30, 2021

(GASB 75 Note Disclosures and Required Supplementary Information)

Schedule of District Contributions

	2021
Reporting fiscal year ending	
Actuarially determined contribution	\$ 44,705
Contributions in relation to the actuarially determined contribution	(44,705)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	446,919
Contributions as a percentage of covered-employee payroll	10.00%

Notes to Schedule

Valuation Date	June 30, 2020
Reporting period	July 1, 2020 to June 30, 2021
Measurement period	July 1, 2019 to June 30, 2020
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Market Value
Inflation	2.75 percent
Healthcare cost trend rates	5.20 percent for 2020 through 2049; 5.00 percent for 2050 through 2064; and 4.00 percent for 2065 and later years
Salary increases	3.00 percent
Investment rate of return	6.00 percent, net of OPEB plan investment expense
Retirement Age	10 percent for ages 50 and 51; 20 percent for ages 52 and 53; 25 percent at 54; 50 percent for ages 55-60; 60 percent at age 61; 70 percent at age 62; 80 percent at age 63; 90 percent at age 64; and 100 percent at age 65
Mortality	CalPERS mortality rate for miscellaneous and safety employees from the most recent experience study (1997-2015)



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 11

2020-2021 Auditor Management Report

and

Response Letter

DRAFT

12/13/2021

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. ****Report/Letter date is TENTATIVE-TBD****

INVERNESS PUBLIC UTILITY DISTRICT

**BOARD OF DIRECTORS
&
MANAGEMENT REPORT**

**For the Year Ended
JUNE 30, 2021**

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DRAFT

Board of Directors
Inverness Public Utility District
Inverness, California

In planning and performing our audit of the basic financial statements of Inverness Public Utility District for the fiscal year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Inverness Public Utility District's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider material weaknesses, as defined above.

During our audit, we noted certain matters involving internal controls and other operational matters that are presented for your consideration in this report. We will review the status of these comments during our next engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are not intended to be all-inclusive, but rather represent those matters that we considered worthy of your consideration. Our comments and recommendations are submitted as constructive suggestions to assist you in strengthening controls and procedures; they are not intended to reflect on the honesty or integrity of any employee. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist Inverness Public Utility District in implementing the recommendations.

This report is intended solely for the information and use of management and Board of Directors of Inverness Public Utility District and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank Inverness Public Utility District's staff for its cooperation during our audit.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California

Board of Directors
Inverness Public Utility District
Inverness, California

We have audited the basic financial statements of Inverness Public Utility District for the year ended June 30, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 7, 2021, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Inverness Public Utility District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Inverness Public Utility District are described in Note 1 to the basic financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by Inverness Public Utility District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole. The most sensitive estimate(s) affecting the basic financial statements were:

- Accrual and disclosure of compensated absences;
- Capital asset lives and depreciation expense;
- Actuarial assumptions for pension and retiree health plan disclosure;
- Accrual and disclosure of leases;
- Fair value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Of the 11 audit adjustments detected as a result of audit procedures and approved by management, most were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December XX, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Inverness Public Utility District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Inverness Public Utility District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis, the Pension Plan information, Schedule of Change in Net OPEB Liability and Related Ratios, and Budgetary Comparison Schedule for the General Fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This report is intended solely for the information and use of management and Board of Directors of Inverness Public Utility District and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Inverness Public Utility District
BOARD OF DIRECTORS & MANAGEMENT REPORT
For the Year Ended June 30, 2021

Current Year Observations

There were no current year observations.

Prior Year Observations

1) Separation of Duties

Observation:

During the course of the audit we noted that Inverness Public Utility District's (the District's) accountant and General Manager is the same person. The General Manager/Accountant is also a check signer.

Recommendation:

We recommended District checks be signed by Board Members whenever possible to reduce the risk of fraud and error.

Status:

This recommendation is being implemented when feasible.

2) Review of Bank Statements

Observation:

During the course of the audit we noted that monthly bank statements and reconciliations of the District are not reviewed by someone other than the preparer.

Recommendation:

We recommended bank statements and related reconciliations be reviewed by a knowledgeable District staff or Board member each month and that this individual document the review by initialing the statements and reconciliations.

Status:

Board Treasurer reviews the bank statements and reconciliations quarterly.

3) Fund Accounting

Observation:

During our audit we noted the District's Water, Fire and General Funds do not balance. The transactions for these funds should be recorded in separate self-balancing funds. The District's accountant does record some transactions separately but should set up completely separate funds or departments. The allocation of District expenses between the General and Water Fund could be inaccurate.

Inverness Public Utility District
BOARD OF DIRECTORS & MANAGEMENT REPORT
For the Year Ended June 30, 2021

Recommendation:

We recommended the District set up completely separate self-balancing funds or departments in Quickbooks for the General, Fire and Water funds.

Status:

This District has purchased new software.

4) Accounts Receivable Summary, Vendor Invoices and Credit Card Statements Approval

Observation:

During the course of our audit, we noted the District's accounts payable invoices, credit card bills and accounts receivable summary were not initialed by a supervisor or Department Head.

Recommendation:

We recommended the supervisory approval of the above noted documents be documented by initialing the related documents.

Status:

This recommendation has been implemented

DRAFT



INVERNESS PUBLIC UTILITY DISTRICT

POST OFFICE BOX 469
50 INVERNESS WAY NORTH
INVERNESS, CA 94937-0469

(415)669-1414  INVERNESSPUD.ORG  ADMIN@INVERNESSPUD.ORG

R.J. Ricciardi, Inc.
Certified Public Accountants
1101 Fifth Ave., Suite 360
San Rafael, CA 94901

We are providing this letter in connection with your audit of the basic financial statements of Inverness Public Utility District as of June 30, 2021 and for the year then ended for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Inverness Public Utility District and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned basic financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

We understand that you prepared the trial balance for use during the audit and that your preparation of the trial balance was limited to formatting the information in Inverness Public Utility District's summary trial balance into a working trial balance. Also, as part of your audit, you prepared the draft basic financial statements, calculated depreciation expense and drafted the related notes from the trial balance. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved and accepted responsibility for those basic financial statements, audit adjustments, depreciation calculations and related notes and believe they are adequately supported by the books and records of Inverness Public Utility District.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit(s):

1. The basic financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by U.S. generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all:
 - a. Financial records and related data [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b. Minutes of the meetings of Inverness Public Utility District Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

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 (FIRE CHIEF, WATER SYSTEM SUPERINTENDENT)

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the basic financial statements.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
6. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.
7. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
8. We have no knowledge of any fraud or suspected fraud affecting Inverness Public Utility District involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the basic financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting Inverness Public Utility District received in communications from employees, former employees, analysts, regulators, or others.
10. We have no knowledge of any employees or governing board members working in collusion in an effort to circumvent or override internal controls.
11. Inverness Public Utility District's assets are properly insured against the risk of loss and damage from acts of employee dishonesty and fraud.
12. Bank and investment statements and related reconciliations are reviewed each month by a responsible official and we are not aware of any unauthorized transactions reported in our monthly bank and investment statements.
13. We are unaware of any unauthorized, erroneous or fraudulent credit or debit card transactions and electronic transfers.
14. Inverness Public Utility District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
15. The following, if any, have been properly recorded or disclosed in the basic financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which Inverness Public Utility District is contingently liable.
 - c. All accounting estimates that could be material to the basic financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
16. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
17. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the basic financial statements. We understand that *near term* means the period within one year

of the date of the basic financial statements. In addition, we have no knowledge of concentrations existing at the date of the basic financial statements that make Inverness Public Utility District vulnerable to the risk of severe impact that have not been properly disclosed in the basic financial statements. We understand that *concentrations* include individual or group concentrations of contributors, grantors, clients, customers, suppliers, lenders, products, services, fund-raising events, sources of labor or materials, licenses or other rights, or operating areas or markets. We further understand that *severe impact* means a significant financially disruptive effect on the normal functioning of Inverness Public Utility District. We have identified all accounting estimates that could be material to the basic financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.

18. We have identified the most sensitive estimate(s) affecting the basic financial statements:
 - Capital asset lives and depreciation expense.
 - Accrual and disclosure of compensated absences.
 - Actuarial assumptions for pension and retiree health plan disclosure.
 - Accrual and disclosure of leases.
 - Fair value of investments and financial instruments.
19. There were no significant changes from prior years estimates in methods or assumptions, outcomes or degrees of uncertainty.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
22. Inverness Public Utility District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
24. There are no:
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the basic financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
25. Inverness Public Utility District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. Inverness Public Utility District has complied with all aspects of contractual agreements that would have a material effect on the basic financial statements in the event of noncompliance.

27. The basic financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
28. The basic financial statements properly classify all funds and activities.
29. All funds that meet the quantitative criteria in Governmental Accounting Standards Board (GASB) Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
30. Net position components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
31. Provisions for uncollectible receivables have been properly identified and recorded. All loans made by Inverness Public Utility District or another entity acting on behalf of Inverness Public Utility District are properly identified, recorded and reported in Inverness Public Utility District's basic financial statements.
32. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
33. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
34. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
35. Special and extraordinary items are appropriately classified and reported.
36. Deposits and investment securities are properly classified in category of custodial credit risk.
37. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
38. We have appropriately disclosed the Inverness Public Utility District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
39. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
40. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
41. With respect to the supplemental information:
 - a. We acknowledge our responsibility for presenting the supplemental information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplemental information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplemental information listed in the table of contents in Inverness Public Utility District's financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplemental information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

42. All copies of original documents submitted to you have not been improperly altered or changed.
43. We have prepared the Management's Discussion and Analysis and it is fairly presented as required by the Governmental Accounting Standards Board.
44. We are not aware of any off-balance sheet or general ledger accounts and transactions.
45. We have prepared and approve the fund allocations of Pension and retiree health liabilities in compliance with GASB 68 & 75.
46. We are not aware of any errors in the CalPERS pension plan and retiree health plan census data for all plans.
47. We are not aware of any potential risks or financial reporting errors related to our information systems and related controls.
48. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards (if applicable).
49. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
50. We did not consult with an attorney regarding litigation during the fiscal year ending June 30, 2021 and through the date of this letter.
51. We have reviewed the Board of Directors & Management Report.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned basic financial statements.

Signed: _____

Title: _____

Date: _____

DRAFT



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 13

Closed Session:

**Public Employee Evaluation (District Administrator)
pursuant to Gov. Code Sec. 54957**



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 14

Reconvene in Open Session

Report on Actions Taken in Closed Sessions



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No. 15

Committee Meetings/Reports:

Board Committee Assignments
for Calendar Year 2022



Inverness Public Utility District
Board Meeting January 26, 2022

Agenda Item No.16

Announcements,

Next Meeting,

Adjournment