

# 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

Wednesday, May 27, 2020

## AGENDA

9:00 a.m. and 7:00 p.m.

## Regular Meeting

Teleconference

*Video and Teleconference Meeting During COVID-19 Emergency: As a result of the COVID-19 emergency and the Governor's Executive Orders to protect public health by limiting public gatherings and requiring social distancing, this meeting will occur solely via remote presence. To participate you may do so by:*

- **Teleconference:** Dial: 707-203-0270 and make sure to keep your phone on "mute" unless you are participating
- **Video:** <https://www.uberconference.com/invernesspud>

### Opening (9:00 a.m.)

1. **Call to Order; Attendance Report**
2. **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.
3. **Approval of Minutes:** Regular meeting of April 22, 2020

### The State of the District

4. **Management Report:** Shelley Redding, Jim Fox
  - April 2020 Financial Reports
  - Tenney Tank Project status update
5. **Water System Report, April 2020 & Water Accounts Receivable Report:** Senior Water Operator K. Fox & Customer Services Manager W. Holland
6. **Fire Department Report, April 2020:** Chief J. Fox

### The Business of the District

7. **Accept and Approve the 2018-2019 Audit**
8. **Accept and Approve 2018-2019 Management Report Recommendations Response**
9. **Approve Auditor Engagement for 6/30/2020**
10. **Adopt Ordinance 94-2020: Revise Water System Regulation 104 ("Temporary Water Service")**

---

Material provided in the meeting packet is available on the District's website, [www.invernesspud.org](http://www.invernesspud.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 ATTEND THIS MEETING

**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)

11. **Adopt Ordinance 95-2020: Adding Regulation 305 (“Service Default, Suspension, and Abandonment”) to Water System Regulations**
12. **Amendment to 2019-2020 Retired Annuitant Work Agreement and Accept and Approve 2020-2021 Retired Annuitant Work Agreement, W. Holland**
13. **Adopt Resolution 248–2020 for November Director Elections**
14. **Accept and Approve Grand Jury Report Response**
15. **Approval of Expenditures and Credit Card Charges: April 2020**

***ADJOURNMENT until 7:00 p.m. for PUBLIC HEARING***

***RECONVENE (7:00 p.m.)***

16. **Public Hearing on Proposal to Increase Water System Rates and Charges as of July 1, 2020**
17. **Determination of Number of Protests Received to Proposed Increase in Water System Rates and Charges**
18. **Adopt Ordinance 93-2020: Amending Regulation 301 (“Water Rates”) and Regulation 108 (“Cross-Connection and Backflow Prevention”)**

***Closing***

19. **Committee Meetings/Reports**
20. **Announcements, Next Meeting, Adjournment**



Inverness Public Utility District Board  
Meeting May 27, 2020

---

Agenda Item No. 1

**Call to Order;**

**Attendance Report**



Inverness Public Utility District Board  
Meeting May 27, 2020

---

## Agenda Item No. 2

# 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 May 27, 2020

---

## Agenda Item No. 3

**Regular Meeting April 22, 2020**

**Minutes Approval**

**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**  
**Minutes, Regular Meeting**  
**Wednesday, April 22, 2020, 9:00 a.m.**  
**Teleconference**

**1. Call to Order**

President Emanuels called the meeting to order on Teleconference at 9:02 a.m.

**Attendance Report**

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

Directors Absent: None

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

**2. Public Expression**

None.

**3. Approval of Minutes:**

- **Regular Meeting of February 26, 2020: M/S Donohue/Press; Roll Call Taken AYES 5 NOES 0**
- **Regular Meeting of March 25, 2020: M/S Whitney/Johnson; Roll Call Taken AYES 5, Noes 0**

**4. Management Report:**

- **February & March 2020 Financial Reports:** Administrator Redding presented the financial reports for February and March and noted the budget to actual at the end of May. Personnel costs are below budget at this time, but the anticipation is that the year-end will be in line with the budget. Redding also noted that due to the SIP order, revenues from the TOT taxes will most likely decline in the the 4<sup>th</sup> quarter of this fiscal year and will impact the budget.
- **Tenney Tank Project Update:** A status report on the Tenney Tank project was summarized by Administrator Redding. The Deputy Zoning Administrator hearing is set for May 14<sup>th</sup> for the Coastal Permit extension request submitted to the County of Marin. It is not clear if the hearing will be online or in person. The Financing Agreement is being finalized by the State Waterboards and is estimated to be completed in June or July. Administrator Redding noted that she has reinforced the Districts desire to start the project as soon as possible. Director Johnson asked if there were any indications as to supply issues or price changes and that the District advise vendors in advance of the project timeline. Chief Fox will be in touch with the Engineers and advise them of our anticipated dates in order to prepare them for the Bid Process, which can only start upon execution of the Financing Agreement.

- **West Marin Mutual Aid Network:** Chief Fox discussed a conference call with Bolinas CSD and Stinson CSD about forming a semi-formal mutual aid network for West Marin. Establish training for staff to become familiar with each water treatment system, assist each other with material needs etc., in the event of an emergency. Chief Fox will contact the Director of Operations for North Marin Water to ask about their interest in participating as well. Director Emanuels supported the idea and stated the importance for a plan that supports the technical needs of the District.
5. **Water System Reports:** Administrator Redding presented the Water System Reports for February and March, 2020 and also presented 3-year comparison charts showing one for rainfall by quarter and another showing, production, stream flows and usage by quarter. Director Emanuels asked about rainfall total for the year in comparison to past years. Manager Holland clarified that while our total rainfall to date is roughly 53% of normal, the concerning factor is that most of the rain fell in January, and there was no recorded precipitation in February.
  6. **Fire Department Reports:** Chief Fox briefly summarized the Fire Department Reports for January, February and March. He noted that in March, calls were reduced due to the pandemic and the shelter in place orders. Chief Fox also noted the recent changes in the MERA project management with the recent retirement of the County Project Manager in Public Works and the subsequent letter sent to MERA by the County Administrator resigning as the Project Manager effective June 30, 2020. The MERA executive Committee is actively pursuing a 3<sup>rd</sup> party Project Manager to take over the Project.
  7. **Temporary Water Service Policy and Application:** Manager Holland presented a staff report that addresses the inconsistencies between Reg. 301 'Rates and Charges' and Reg. 104 "Temporary Service" pertaining to the rate(s) and charges associated with temporary water service. He presented examples from other agencies that have various rate structures. The Board was presented with three recommendations to consider as part of the policy:
    - Water Quantity Charge at 125% of the highest tiered rate for non-residential customer:
      - ***M/S Whitney/Press; Roll Call Taken AYES 5, Noes 0***
    - Fixed Monthly Access Rate equivalent to Basic Charge which will replace the currently designated connection device rental charge:
      - ***M/S Johnson/Press; Roll Call Taken AYES 5, NOES 0***
    - Temporary Service fee for connection and disconnection of the temporary water meter of \$100.00 and a \$850.00 refundable security deposit:
      - ***M/S Whitney/Johnson; Roll Call Taken AYES 5, NOES 0***
  8. **Trossach Way Road Repair:** This item was pulled from the Agenda at the request of Tom Baty for a future meeting.
  9. **2018/2019 Financial Audit Report:** Administrator Redding provided the Management report and the financial reports for the Fiscal Year 2018-2019. The documents were provided for review only and will be presented for approval at the May 27<sup>th</sup> Board meeting.

10. **Approval of Expenditures and Credit Card Charges:** Administrator Redding presented the expenditures ledger and the credit card statements from February and March, 2020. *M/S Donohue/Press; Roll Call Taken AYES 5, NOES 0*
11. **Committee Meetings/Reports:** There were no reports from standing committees and no meetings of standing committees are currently scheduled.
12. **Announcements, Next Meeting, Adjournment:** The next regularly scheduled meeting is scheduled for May 27, 2020, along with the Public Hearing for the water rates increase, at 7pm. It is to be determined if the meeting will be held in person or via Teleconference.

President Emanuels adjourned the meeting at 9:56 a.m.

These minutes were approved by the Board of Directors at the regular meeting on May 27, 2020.

Attest: \_\_\_\_\_ Date: \_\_\_\_\_

Shelley Redding, Clerk of the Board



Inverness Public Utility District Board  
Meeting May 27, 2020

---

# Agenda Item No. 4

## Management Report

**Clerk S. Redding and J. Fox**

- April 2020 Financial Reports
- Tenney Tank Project update

10:11 AM

05/20/20

Accrual Basis

**Inverness PUD**  
**Profit & Loss Budget vs. Actual**  
**July 2019 through April 2020**

	<u>Jul '19 - Apr 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>N 600 · Property Tax Income</b>	618,225.95	658,890.00	-40,664.05	93.8%
<b>N 700 · Water Charges</b>	409,734.95	378,023.00	31,711.95	108.4%
<b>N 710 · Misc. Income</b>	27,499.49	36,500.00	-9,000.51	75.3%
<b>Total Income</b>	<u>1,055,460.39</u>	<u>1,073,413.00</u>	<u>-17,952.61</u>	<u>98.3%</u>
<b>Gross Profit</b>	1,055,460.39	1,073,413.00	-17,952.61	98.3%
<b>Expense</b>				
<b>N 810 · Personnel Expenses</b>	560,113.52	606,500.00	-46,386.48	92.4%
<b>N 830 · Dispatch &amp; Communications</b>	25,043.49	24,791.00	252.49	101.0%
<b>N 833 · Collection &amp; Treatment</b>	5,093.33	3,750.00	1,343.33	135.8%
<b>N 835 · Lab &amp; Monitoring</b>	7,212.40	7,890.00	-677.60	91.4%
<b>N 840 · Maintenance &amp; Utilities</b>	56,317.62	55,263.30	1,054.32	101.9%
<b>N 843 · Fire Prevention</b>	1,665.00	7,000.00	-5,335.00	23.8%
<b>N 844 · Storage &amp; Distribution</b>	2,308.40	3,190.00	-881.60	72.4%
<b>N 845 · Supplies &amp; Inventory</b>	24,754.02	11,233.30	13,520.72	220.4%
<b>N 850 · Training</b>	5,815.06			
<b>N 860 · Vehicle Operations</b>	14,717.07			
<b>N 870 · Administration</b>	65,450.90	92,045.40	-26,594.50	71.1%
<b>Total Expense</b>	<u>768,490.81</u>	<u>811,663.00</u>	<u>-43,172.19</u>	<u>94.7%</u>
<b>Net Ordinary Income</b>	<u>286,969.58</u>	<u>261,750.00</u>	<u>25,219.58</u>	<u>109.6%</u>
<b>Net Income</b>	<u><b>286,969.58</b></u>	<u><b>261,750.00</b></u>	<u><b>25,219.58</b></u>	<u><b>109.6%</b></u>

10:26 AM

05/20/20

Accrual Basis

**Inverness PUD**  
**Summary Balance Sheet**  
As of April 30, 2020

---

	Apr 30, 20
<b>ASSETS</b>	
Current Assets	
Checking/Savings	452,709.17
Accounts Receivable	105,489.99
Other Current Assets	1,062,785.36
Total Current Assets	1,620,984.52
Fixed Assets	1,547,338.72
Other Assets	564,890.65
<b>TOTAL ASSETS</b>	<b>3,733,213.89</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	8,457.14
Credit Cards	-2,817.75
Other Current Liabilities	1,008,617.85
Total Current Liabilities	1,014,257.24
Long Term Liabilities	116,081.00
Total Liabilities	1,130,338.24
Equity	2,602,875.65
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,733,213.89</b>

10:25 AM

05/20/20

Accrual Basis

**Inverness PUD**  
**Profit & Loss by Clas**  
**July 2019 through April 2020**

	DISTRICT	FIRE	WATER	TOTAL
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>N 600 · Property Tax Income</b>				
600-01 · Ad Valorem Property Taxes	610,735.95	0.00	0.00	610,735.95
600-02 · Special Fire Tax Assessment	0.00	7,490.00	0.00	7,490.00
<b>Total N 600 · Property Tax Income</b>	610,735.95	7,490.00	0.00	618,225.95
<b>N 700 · Water Charges</b>				
700-01 · Basic Charges	0.00	0.00	311,121.25	311,121.25
700-02 · Usage Charges	0.00	0.00	97,108.70	97,108.70
700-03 · Cross Connection Fees	0.00	0.00	900.00	900.00
700-04 · Miscellaneous Charges	0.00	0.00	605.00	605.00
<b>Total N 700 · Water Charges</b>	0.00	0.00	409,734.95	409,734.95
<b>N 710 · Misc. Income</b>				
710-02 · Other Income	418.87	118.04	318.03	854.94
710-04 · Merchandise Sales	0.00	3,144.00	0.00	3,144.00
710-05 · Chipper Day Income	0.00	2,910.00	0.00	2,910.00
710-06 · New Service Connection Fee	0.00	0.00	7,600.00	7,600.00
710-07 · Interest Income	12,990.54	0.00	0.00	12,990.54
<b>N 710 · Misc. Income - Other</b>	0.01	0.00	0.00	0.01
<b>Total N 710 · Misc. Income</b>	13,409.42	6,172.04	7,918.03	27,499.49
<b>Total Income</b>	624,145.37	13,662.04	417,652.98	1,055,460.39
<b>Gross Profit</b>	624,145.37	13,662.04	417,652.98	1,055,460.39
<b>Expense</b>				
<b>N 810 · Personnel Expenses</b>				
810-01 · Management	85,612.50	53,579.52	32,147.72	171,339.74
810-02 · Operations Personnel	8,721.00	30,705.50	143,745.36	183,171.86
810-03 · Administrative Personnel	3,060.00	0.00	0.00	3,060.00
810-04 · Employer Payroll Taxes	8,283.70	6,903.35	15,922.38	31,109.43
810-05 · Volunteer Wages	0.00	2,775.00	0.00	2,775.00
810-06 · Duty Officer	0.00	4,950.00	0.00	4,950.00
810-07 · Health Insurance Premiums	26,381.90	29,287.60	22,329.57	77,999.07
810-08 · Retirement Premiums	13,458.76	18,963.69	18,327.27	50,749.72
810-09 · Unfunded Accrued Liability	24,051.62	3,003.40	7,903.68	34,958.70
<b>Total N 810 · Personnel Expenses</b>	169,569.48	150,168.06	240,375.98	560,113.52



10:25 AM

05/20/20

Accrual Basis

**Inverness PUD**  
**Profit & Loss by Class**  
 July 2019 through April 2020

	DISTRICT	FIRE	WATER	TOTAL
<b>N 830 · Dispatch &amp; Communications</b>				
830-01 · Radio/Pager Repair	0.00	1,060.18	0.00	1,060.18
830-02 · Commo Supplies	0.00	962.31	0.00	962.31
830-03 · MERA Operations	0.00	9,922.00	0.00	9,922.00
830-04 · MERA Bonds	0.00	11,978.00	0.00	11,978.00
830-05 · MERA New Financing	0.00	1,121.00	0.00	1,121.00
<b>Total N 830 · Dispatch &amp; Communications</b>	0.00	25,043.49	0.00	25,043.49
<b>N 833 · Collection &amp; Treatment</b>				
833-01 · Chemicals	0.00	0.00	5,093.33	5,093.33
<b>Total N 833 · Collection &amp; Treatment</b>	0.00	0.00	5,093.33	5,093.33
<b>N 835 · Lab &amp; Monitoring</b>				
835-01 · BacT & Raw Samples	0.00	0.00	2,864.40	2,864.40
835-02 · Periodic Samples	0.00	0.00	4,187.00	4,187.00
835-03 · Lead & Copper	0.00	0.00	161.00	161.00
<b>Total N 835 · Lab &amp; Monitoring</b>	0.00	0.00	7,212.40	7,212.40
<b>N 840 · Maintenance &amp; Utilities</b>				
840-01 · Equipment Maintenance	0.00	586.85	36.36	623.21
840-02 · Building Maintenance	0.00	2,210.83	213.31	2,424.14
840-03 · Grounds Maintenance	0.00	880.98	0.00	880.98
840-04 · Tank Maintenance	0.00	0.00	610.00	610.00
840-05 · Collection & Treatment Maint.	0.00	0.00	4,679.82	4,679.82
840-06 · Distribution System Maintenance	0.00	0.00	11,720.51	11,720.51
840-07 · Collection-Treatment Utilities	0.00	0.00	26,811.56	26,811.56
840-08 · Distribution System Utilities	0.00	0.00	3,868.46	3,868.46
840-09 · Firehouse Utilities	108.01	4,590.93	0.00	4,698.94
<b>Total N 840 · Maintenance &amp; Utilities</b>	108.01	8,269.59	47,940.02	56,317.62
<b>N 843 · Fire Prevention</b>				
843-01 · Chipper Day Expenses	0.00	1,665.00	0.00	1,665.00
<b>Total N 843 · Fire Prevention</b>	0.00	1,665.00	0.00	1,665.00
<b>N 844 · Storage &amp; Distribution</b>				
844-01 · Telemetry	0.00	0.00	2,308.40	2,308.40
<b>Total N 844 · Storage &amp; Distribution</b>	0.00	0.00	2,308.40	2,308.40

10:25 AM

05/20/20

Accrual Basis

**Inverness PUD**  
**Profit & Loss by Class**  
**July 2019 through April 2020**

	DISTRICT	FIRE	WATER	TOTAL
<b>N 845 · Supplies &amp; Inventory</b>				
845-01 · Supplies and Inventory	6,158.06	4,579.89	10,034.07	20,772.02
845-02 · Personal Protective Equipment	0.00	1,331.71	222.32	1,554.03
845-03 · Resale Merchandise	0.00	2,341.32	0.00	2,341.32
N 845 · Supplies & Inventory - Other	0.00	86.65	0.00	86.65
<b>Total N 845 · Supplies &amp; Inventory</b>	<b>6,158.06</b>	<b>8,339.57</b>	<b>10,256.39</b>	<b>24,754.02</b>
<b>N 850 · Training</b>				
850-01 · Volunteer Training	0.00	1,147.32	0.00	1,147.32
850-02 · Certification & Courses	220.00	250.00	600.00	1,070.00
850-03 · Volunteer Appreciation	22.14	3,575.60	0.00	3,597.74
<b>Total N 850 · Training</b>	<b>242.14</b>	<b>4,972.92</b>	<b>600.00</b>	<b>5,815.06</b>
<b>N 860 · Vehicle Operations</b>				
860-01 · Gas & Oil	0.00	3,477.80	3,304.69	6,782.49
860-02 · Repairs & Service	0.00	7,056.21	878.37	7,934.58
<b>Total N 860 · Vehicle Operations</b>	<b>0.00</b>	<b>10,534.01</b>	<b>4,183.06</b>	<b>14,717.07</b>
<b>N 870 · Administration</b>				
870-01 · Telephone, Internet, Cable	2,044.52	551.87	435.04	3,031.43
870-02 · Dues & Publications	4,406.39	258.00	4,081.70	8,746.09
870-04 · Financial Reporting/Audit	14,081.10	0.00	0.00	14,081.10
870-05 · Office Supplies, Postage, Fees	1,492.53	1.90	6.85	1,501.28
870-06 · Bank Charges	7,234.35	0.00	837.40	8,071.75
870-07 · Legal Expenses and Attorneys	1,192.00	0.00	840.00	2,032.00
870-08 · Board & Election Expenses	329.86	0.00	0.00	329.86
870-09 · Travel & Meetings	1,569.17	136.61	0.00	1,705.78
870-10 · Public Relations & Outreach	2,400.14	1,025.96	2,019.20	5,445.30
870-11 · Office IT Support	5,520.00	0.00	840.00	6,360.00
870-12 · Billing & Collections	0.00	0.00	6,677.30	6,677.30
870-13 · Disaster Council	0.00	2,000.00	0.00	2,000.00
870-14 · Miscellaneous	3,541.55	100.00	1,827.46	5,469.01
<b>Total N 870 · Administration</b>	<b>43,811.61</b>	<b>4,074.34</b>	<b>17,564.95</b>	<b>65,450.90</b>
<b>Total Expense</b>	<b>219,889.30</b>	<b>213,066.98</b>	<b>335,534.53</b>	<b>768,490.81</b>
<b>Net Ordinary Income</b>	<b>404,256.07</b>	<b>-199,404.94</b>	<b>82,118.45</b>	<b>286,969.58</b>
<b>Net Income</b>	<b>404,256.07</b>	<b>-199,404.94</b>	<b>82,118.45</b>	<b>286,969.58</b>



Inverness Public Utility District Board  
Meeting May 27, 2020

---

# Agenda Item No. 5

## Water System Report

- **April 2020 Water Production and System Reports**
- **Water Accounts Receivable Report**



# 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

## April – WATER SYSTEM REPORT – 2020

<u>March Statistics</u>	<u>2020</u>	End of April Stream-flow	GPM	GPD
<b>RAINFALL (@ F1)</b>		D1	10	14,400
Monthly total (in inches)	1.66"	D2	21	30,240
Year to date (inches) 7/1//2019 -> 4/30//2020	20.90"	D3	18	25,920
Avg. yearly since 1925 (inches)	37.72 "	D4	Est 15	21,600
<b>STREAMFLOWS *end March</b>	<b>for comparison</b>	D5	26	37,440
*Compare to (approx. gpd)	342,720	D6	25	36,000
Compare to (approx. gpm)	238	D7	23	33,120
<b>PRODUCTION:</b> Monthly	2,350,700 gal	D8	+ - 7	10,080
Average gallons per Day	78,357 gal	TOTAL	<b>145</b>	<b>208 ,800</b>
Average Gallons per Minute	54.4 gpm			
<b>SOURCES USED</b>		DISTRIBUTION (USE BY ZONE)		
1 <sup>st</sup> Valley High Intakes (2)	47.6%	Colby zone	836,500	38.4%
2nd Valley High Intakes (1)	30.0%	Tenney zone	631,800+	37.0%
3rd Valley High Intakes (1)	22.0 %	Conner zone	42,900	2.1%
1st Valley lower/ (W1)	0.4%	Stockstill zone	256,700	12.2%
W3 (minor use of well)		Lower SH zone	128,600	10.3%
2 <sup>nd</sup> Valley lower (L2 +W4)	0 %			
TOTAL	100.0%			

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

### 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 CL<sub>2</sub> dose at F1→ 0.55 parts per million (ppm); F3→ 0.70 ppm

### Major Activities

- Monthly report sent to CA RWQCB
- Regular Flushing of Via de la Vista/ Escondido main.
- Power line tree clearing (PG&E) somewhat subsided
- D4 pipeline rebuild progressed but completion delayed due to covid19 protocols
- More sources turned in, streamflows dropping
- F3 CIP Nano filter unit, chlorinated break tank
- Installed new air vent on both break tank and product tank to keep insects, etc out
- F1 CIP Ultra units-Both A & B
- F3 CIP Ultra unit
- Conner Tanks solar batteries low, charging malfunction
- PLC tank level set-point malfunction at F1 plant
- District's Customer meters read, several (small) leaks discovered
- NPS SFD road repair started, metered water from our hydrants by provisional contract
- New pump installed at Sea haven shed, and is much quieter!
- Several Leaks discovered on customer service lines
- Glitch in F1 tank-level control still not resolved, waiting on PLC update to remedy

Kenneth Fox, T3, Senior Water Operator.

## Water Customer Accounts Receivable Totals, Mar/Apr 2020

1. The Accounts Receivable balance on Mar. 1 (the beginning of the period) was: **84,930.50**
  
2. During Mar/Apr, we received the following payments from our customers:

Electronic payments:	47,008.43	(60.1%)
Payments by check:	31,226.26	(39.9%)
<b>Total payments received:</b>		
<b>- 78,234.69</b>		
  
3. During Mar/Apr, we posted the following charges to our customers' accounts:

Write-offs:	--	
Adjustments:	--	
Basic charges:	62,345.25	(517 Basic charges billed for <u>May/Jun*</u> )
X-C charges:	180.00	(18 Cross-Connection charges billed for <u>May/Jun</u> )
Usage charges:	17,530.60	(Usage charges for 2/19 to 4/21†)
Misc. charges:	75.00	
Refused payments:	--	
Refunds:	60.50	(1 closed account credit balance refund)
<b>Total charges posted:</b>		
<b>+ 80,191.35</b>		
  
4. Thus, the Accounts Receivable balance on April 30 (the end of the period) was **86,887.16**

---

\* Bimonthly Basic Charges: 514 customers @ \$121.00; 2 Lifeline customers @ \$60.50; 1 Lifeline customer at \$30.25

† Total billed usage was \$19,530.60, less five credits totaling \$1,999.80 (for two prior-period leak adjustments, two prior-period meter read errors, and one system usage of water).

---

### Reconciliation with BofA checking account:

There was one deposit in transit on 4/30/2020 in the amount of \$2,329.40. Thus, the A/R balance on the District's books as of 4/30 should be \$89,216.56.

---

**Scheduled ACH receipts: \$35,276.30 on May 18, 2020 (from 239 customers).**

**A temporary security debit to IPUD's checking account in this amount will be made on or about May 14, 2020.**

---

**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: March/April 2020

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 Board  
Meeting May 27, 2020

---

## Agenda Item No. 6

### **Fire Department Report**

- **April 2020**

# ***INVERNESS VOLUNTEER FIRE DEPARTMENT***

**P.O. Box 469, Inverness, CA 94937**

## **FIRE DEPARTMENT REPORT April 2020**

### **INCIDENTS:**

<b>#</b>	<b>Date</b>	
#20-038	04-01	<b>Wires Down @</b> Dundee & Callendar. Communication lines only.
#20-039	04-03	<b>EMS @</b> Aberdeen for possible allergic reaction. M-94 Release at scene.
#20-040	04-03	<b>EMS @</b> Aberdeen for possible cardiac issue. M-94 Release at scene.
#20-041	04-04	<b>EMS @</b> Callendar for abdominal pain. M-94 AMA.
#20-042	04-22	<b>EMS Assist to MCFD @</b> Inverness Store for an LZ. Helicopter cancelled.
#20-043	04-24	<b>Structure Fire @</b> 505 Mesa road Pt. Reyes.
#20-044	04-25	<b>EMS @</b> Aberdeen for dislocated shoulder. Cancelled at time of dispatch.
#20-045	04-25	<b>EMS @</b> Perth for a fall victim. M-94 code two transport to KTL.
#20-046	04-26	<b>Vehicle Accident @</b> 12700 Shoreline Hwy. Cancelled enroute.
#20-047	04-29	<b>Wires Down @</b> 12884 SFD. Communication lines only.

### **TRAININGS:**

No in person trainings due to CVID-19. Online Training information distributed to volunteers.

### **ACTIVITIES AND MAINTENANCE:**

1. Routine maintenance being performed.
2. Twice weekly conference calls with the Marin County EOC and Fire Chiefs re: COVID issues.
3. Daily situation reports from HHS on COVID-19 are being distributed to disaster council members for distribution to all neighborhood contacts.
4. Organizational zoom meetings underway for the MWPA (Marin Wildfire Protection Authority) implementation.

**PERSONNEL:** Mike Meszaros, Jim Fox, Ken Fox, Tom Fox, Burton Eubank, Brian Cassel, Jeff McBeth, Tim Olson, Dennis Holton, Brett Miller , Roy Pitts, David Briggs, ,John Roche, David Wright, Kai Heimpel, Tim Olson, , Sabrina Meyerson, Alex Frankel

Jim Fox  
Chief



Inverness Public Utility District  
Board Meeting May 27, 2020

---

# Agenda Item No. 7

## **2018-2019 Audit Report**





*Inverness Public Utility District*

## **Board Agenda Item Staff Report**

Subject: 2018-2019 Audit Report  
Meeting Date: May 27, 2020  
Date Prepared: April 28, 2020  
Prepared by: Shelley Redding, Administrator  
Attachments: None

---

**Recommended Action:** Approve 2018-2019 Audit

---

The 2018-2019 Audit Report was presented to the Board at the April 22, 2020 Board meeting for review along with the Audit Management Report. Staff has reviewed the Audit Report and concurs with the final report.



Inverness Public Utility District  
Board Meeting May 27, 2020

---

# Agenda Item No. 8

## **2018-2019 Audit Management Report Response**



*Inverness Public Utility District*

## **Board Agenda Item Staff Report**

Subject: 2018-2019 Audit Management Letter Response  
Meeting Date: May 27, 2020  
Date Prepared: April 28, 2020  
Prepared by: Shelley Redding, Administrator  
Attachments: R.J. Ricciardi, CPA Management Letter; IPUD Draft Response Letter

---

**Recommended Action:** Approve Draft Response Letter

---

The 2018-2019 Audit Management letter was presented to the Board at the April 22, 2020 Board meeting for review along with the final Audit Financial Report. Staff has reviewed the management letter and prepared a response letter on behalf of the Board of Directors.

Staff recommends the attached response to the items reported as not implemented at the time of the Audit.



# INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT & WATER SYSTEM

POST OFFICE BOX 469

INVERNESS, CA 94937-0469

50 INVERNESS WAY NO. & (415) 669-1414 & FAX (415) 669-1010

ADMIN@INVERNESSPUD.ORG & WWW.INVERNESSPUD.ORG

May 27, 2020

R.J. Ricciardi, C.P.A.  
Attn: Michael O'Connor  
1101 Fifth Ave.  
Suite 360  
San Rafael, CA 94901

Dear Mr. O'Connor,

We have reviewed the Management Report for the 2019 Audit and have the following responses to your recommendations:

## Current Year Observations -

### 1) Separation of Duties:

- a. **Recommendation:** Have Board members sign checks whenever possible to reduce the risk of fraud and error.
- b. **Response:** Office staffing requires the Administrator to also act as the bookkeeper. Timely accounts payable would be hindered by this recommendation and would constrain efficiency.

## Prior Year Observations –

### 1) Fund Balance:

- a. **Recommendation:** District set up completely self-balancing funds or department in QuickBooks for the General, Fire and Water funds.
- b. **Response:** The chart of accounts was simplified to make the use of the “Class” feature in QuickBooks for a form of Fund Accounting.

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

- a. **Recommendation:** Supervisory approval of the above documents by initialing related documents.

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 SUPERINTENDENT)

**b. Response:**

- i. Accounts Receivable: Customer Services Manager performs all accounts receivable transactions and they are now reviewed and initialed by the administrator prior to entry into QuickBooks.
- ii. Accounts payable: invoices that relate to Fire or Water expenditures are reviewed and approved with initials by the Chief of Operations. The Administrator reviews and initials District invoices. The Board reviews monthly expenses and approves by vote at each Board Meeting. The vote is recorded in the Board meeting minutes.
- iii. Credit Card Statements: The Board reviews and approves them by vote at each Board Meeting. The vote is recorded in the Board meeting minutes.

In addition, we initiated a quarterly review process for the Board Treasurer to review randomly selected invoices and credit card statements along with the bank statement reconciliations. Due to certain factors, including the COVID-19 pandemic, we have had a lapse in this process until we can coordinate a remote process for these approvals. Our new process will be added to the Accounting Procedures manual.

Sincerely,

Shelley Redding  
Administrator



# Inverness Public Utility District

Fire Department ~ Water System

Post Office Box 469

Inverness, CA 94937-0469

50 Inverness Way No. ~ (415) 669-1414 ~ Fax (415) 669-1010

admin@invernesspud.org ~ www.invernesspud.org

April 2, 2020

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, 2019 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.
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

**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 Superintendent)**



APRIL 2, 2020

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.

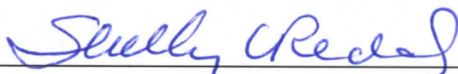
6. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.
7. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
8. We have no 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.
18. 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.
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



39. available and have determined that net position is properly recognized under the policy.
40. 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.
41. 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.
42. 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.
43. All copies of original documents submitted to you have not been improperly altered or changed.
44. We have prepared the Management's Discussion and Analysis and it is fairly presented as required by the Governmental Accounting Standards Board.
45. We are not aware of any off balance sheet or general ledger accounts and transactions.
46. We have prepared and approve the fund allocations of Pension and retiree health liabilities in compliance with GASB 68 & 75.
47. We are not aware of any errors in the CalPERS pension plan and retiree health plan census data for all plans.
48. We are not aware of any potential risks or financial reporting errors related to our information systems and related controls.
49. 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).
50. 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.
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: Administrator  
Date: 4/2/2020

<b>END-OF-YEAR CASH BALANCES (from audited financial statements)</b>						
<i>Date</i>	<i>FY</i>	<i>Fire Dept. (Government Fund)</i>	<i>Water System (Enterprise Fund)</i>	<i>Total (actual cash balance)</i>	<i>Net change from previous year</i>	<i>Principal Reason for Deficit</i>
June 30, 2013	2012/13	1,446,877	258,855	1,705,732		
June 30, 2014	2013/14	1,599,780	222,303	1,822,083	116,351	
June 30, 2015	2014/15	1,711,560	(68,635)	1,642,925	(179,158)	Nano system capital project
June 30, 2016	2015/16	1,857,940	(142,290)	1,715,650	72,725	
June 30, 2017	2016/17	1,902,131	(177,802)	1,724,329	8,679	
June 30, 2018	2017/18	1,944,837	(586,939)	1,357,898	(366,431)	Stockstill, Tenney, and Camino del Mar capital projects; operations deficit
<b>June 30, 2019</b>	<b>2018/19</b>	<b>1,913,058</b>	<b>(648,781)</b>	<b>1,264,277</b>	<b>(93,621)</b>	Personnel

Note: "Total" is the actual cash on deposit at Bank of America and Local Agency Investment Fund on June 30.



Inverness Public Utility District  
Board Meeting May 27, 2020

---

# Agenda Item No. 9

## **2019-2020 Auditor Engagement**

May 5, 2020

Mr. Kenneth Emanuels  
Board President  
Inverness Public Utility District  
50 Inverness Way North  
Inverness, CA 94937

Dear Mr. Emanuels:

We are pleased to confirm our understanding of the services we are to provide Inverness Public Utility District for the year ending June 30, 2020. We will audit the financial statements of the governmental-type and business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Inverness Public Utility District as of and for the year ending June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Inverness Public Utility District's 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. As part of our engagement, we will apply certain limited procedures to Inverness Public Utility District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – for the General Fund.
3. Proportionate Share of Net Pension Liability (Asset).
4. Schedule of Contributions.
5. Schedule of Changes in Net Other-Post Employment Benefits Liability and Related Ratios.
6. Schedule of Contributions – OPEB.

#### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Inverness Public Utility District's financial statements. Our report will be addressed to the Board of Directors of Inverness Public Utility District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance, internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Inverness Public Utility District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion.

### **Other Services**

We will also prepare the financial statements of Inverness Public Utility District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

## **Engagement Administration, Fees, and Other**

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party



service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. Further, we understand that your employees will prepare all information we request in our Client Participation List in the format requested and send it to us 30 days prior to scheduling the audit field work. If you have insufficient personnel or time to prepare these items we can assist you in this area and we will discuss with you the additional time required and estimated fee for these services.

Michael O'Connor is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our estimated fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our estimated fee, including expenses will be \$10,200 and \$1,000 for preparation of the State Controller's Report. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If additional time is needed for us to assist Inverness Public Utility District in the resolution or investigation of accounting errors, discrepancies, or reconciliation issues, assistance in the preparation of schedules, or to reflect in our workpapers corrections to Inverness Public Utility District's accounting records made after the start of the engagement, we will perform such additional work at our standard hourly rates indicated below:

Director \$180	Manager \$130-150
Senior Accountant \$100-125	Staff Accountant \$70-75

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

The audit documentation for this engagement is the property of R.J. Ricciardi, Inc. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulatory agencies or their designees. We will notify you of any such request. If requested, access to such audit documentation will be provided under supervision of R.J. Ricciardi, Inc.'s personnel.

In addition to the estimated fees noted above, we reserve the right to invoice Inverness Public Utility District at our standard hourly rates for time incurred providing information to successor auditors in compliance with SAS. No. 84. Our invoices and related fees for this service will be payable upon presentation.

We reserve the right to suspend or terminate our work if you have failed to fulfill your responsibilities set forth in this engagement letter, and such failure materially interferes with our work. If our work is suspended or terminated because of your failure to fulfill your responsibilities set forth in this engagement letter, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any damages (including consequential damages) incurred as a result of the suspension or termination of our work.

**R. J. RICCIARDI, INC.**

We appreciate the opportunity to be of service to Inverness Public Utility District, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*R. J. Ricciardi, Inc.*

R.J. Ricciardi, Inc.  
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the Inverness Public Utility District:

Officer signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 10

**Ordinance 94-2020:  
Revise Water System Reg 104,  
(Temporary Service)**



*Inverness Public Utility District*

**Board Agenda Item Staff Report**

Subject: Ordinance 94-2020 amending in its entirety Water System Regulation 104, "Temporary Service"

Meeting Date: May 27, 2020

Date Prepared: May 12, 2020

Prepared by: Wade Holland, Customer Services Manager

Attachments: 1) Proposed Ordinance 94-2020 (which includes the full text of the proposed rewrite of Regulation 104)

2) Markup copy of proposed revised Regulation 104 (showing with strikeouts and underscores all revisions to the existing version of the regulation)

---

---

**Recommended Action:** Adopt Ordinance 94-2020

---

---

At the April meeting, your Board provided direction to staff for revising Water System Regulation 104, "Temporary Service." Those instructions have been incorporated into the proposed rewrite of Regulation 104 that staff is recommending be adopted by enacting proposed Ordinance 94-2020.

The need to revise Regulation 104 came to light when Ghilotti Construction Co. approached the District about providing temporary water from a hydrant in support of their estimated two-year project to rehabilitate Sir Francis Drake Blvd. within the Point Reyes National Seashore.

Because of this rainfall year's very limited rainfall total, we have communicated to Ghilotti that it does not appear promising that we will be able to provide them with the volume of water they anticipate needing (5,000 – 25,000 gallons per workday) on a consistent and reliable basis. They are investigating alternatives to use of IPUD water, so whether or not the provisions of the revised Regulation 104 will actually be applied to Ghilotti's inquiry remains up in the air. Nonetheless, it is appropriate to adopt the revised Regulation 104, inasmuch as the existing version of Regulation is outdated, referenced provisions are missing, and there are inconsistencies among different regulations concerning temporary water hookups.

**AN ORDINANCE AMENDING IN ITS ENTIRETY REGULATION 104,  
“TEMPORARY SERVICE,” IN THE REGULATIONS  
OF THE INVERNESS PUBLIC UTILITY DISTRICT WATER SYSTEM**

**WHEREAS**, it is the desire of the Board of Directors of the Inverness Public Utility District to revise in its entirety the existing provisions of Regulation 104, “Temporary Service,” of the Regulations of the Inverness Public Utility District Water System,

**NOW, THEREFORE, BE IT ENACTED** by the Board of Directors of the Inverness Public Utility District that the following shall be and hereby is incorporated into the Regulations of the Inverness Public Utility District Water System as Regulation 104, “Temporary Service,” thereby rescinding and replacing the version of Regulation 104 adopted by Ordinance 83-2 (July 20, 1983) and amended by Ordinance 23-89 (November 20, 1989) and Ordinance 80-2010 (July 28, 2010):

\*\*\*\*\*

**Regulation 104**

**TEMPORARY SERVICE**

**(a) Definition**

A “Temporary Service” shall mean provision by the System of a connection or facility for drawing or use of water during a limited period of time, and for which installation of a permanent connection is not required.

**(b) Use**

Temporary Service is most often installed to provide water to a temporary construction site or under emergency conditions. In general, a Temporary Service shall be provided by means of a metered connection to an existing fire hydrant or other type of existing service outlet.

**(c) Application**

Application for a Temporary Service shall be made on the application and agreement form provided by the District. The Applicant for a Temporary Service shall describe (and may be required to document) the intended use of the water, shall provide an estimate of the length of time the Temporary Service shall be needed, and shall provide an estimate of the amount of water expected to be drawn through the temporary connection.

**(d) Security Deposit**

As a condition of receiving Temporary Service, the applicant shall post the Temporary Service Security Deposit provided for in the System’s current Schedule of Rates and Charges.

The Temporary Service Security Deposit may be applied to any rates and charges that remain unpaid after forty-two (42) days from the statement date of any such rates and charges. If any portion of a Temporary Service Security Deposit is so applied to unpaid rates and charges, the System may at its discretion either disconnect the Temporary Service or require as a condition of continued use of the Temporary Service that the customer restore the Temporary Service Security Deposit to its original balance. Upon permanent disconnection of a Temporary Service, any remaining balance of the

Temporary Service Security Deposit shall be refunded after deduction of all outstanding closing statement rates and charges, and deduction of the costs to the System of any loss of or damage (beyond normal wear and tear) to System facilities installed or utilized for or in support of the Temporary Service.

The provisions of this paragraph may be waived in whole or in part in the case of a Temporary Service installed to relieve an emergency situation.

(e) **Installation Charge**

As a condition of receiving a Temporary Service, the Applicant shall pay the Temporary Service Installation Charge provided for under the System's current Schedule of Rates and Charges. This Charge is nonrefundable and includes the charge for disconnecting the Temporary Service.

The provisions of this paragraph may be waived or modified in the case of a Temporary Service installed to relieve an emergency situation.

(f) **Monthly Service Charge and Quantity Charge**

A Temporary Service shall be assessed the Monthly Service Charge provided for in the System's current Schedule of Rates and Charges. The Monthly Service Charge shall be prorated on a per day basis for fractions of a month the Temporary Service is available for use by the Applicant for the Temporary Service.

The amount of water provided through a metered Temporary Service shall be determined by readings taken on a regular basis by System personnel from the installed meter. The charge for the water used during each billing cycle shall be determined by multiplying the metered usage in units of 100 cubic feet by the Quantity Charge provided for in the System's current Schedule of Rates and Charges.

The Monthly Service Charge and the Quantity Charge shall be billed to the applicant for the temporary service at a frequency of no less than bimonthly.

The provisions of this paragraph may be waived or modified in the case of a Temporary Service installed to relieve an emergency situation.

(g) **Unmetered Temporary Service**

The System may at its discretion provide Temporary Service without installing a meter or detector, and in such case shall establish an appropriate flat-rate monthly charge for the Temporary Service, and may adjust such flat-rate monthly charge at any time by providing the customer with thirty (30) days advance notice. An unmetered Temporary Service may be converted to a metered Temporary Service at any time and solely at the System's discretion, with all such direct costs of conversion, including the current overhead factor for labor and materials, to be paid by the customer.

(h) **Extension of a Temporary Service**

Use of a Temporary Service may be extended beyond the estimated disconnection date if in the System's judgment a legitimate need for the Temporary Service still exists, the Temporary Service is not being used in lieu of a permanent service connection, and the System's water supply is adequate to continue providing the Temporary Service.

(i) **Priority for Water**

The System may at its sole discretion deny water to or permanently disconnect a Temporary Service at any time that continued service to the Temporary Service would reduce or threaten to reduce the System's overall water supply or capacity to deliver water to its permanent customers to the point where it would not be able to meet the normal demands of the permanent customers. The System shall

at no time be under any obligation to satisfy any demand whatsoever, whether normal or extraordinary, of a Temporary Service customer.

(j) **Emergency Use and System Use of Water from a Hydrant**

Nothing in this Regulation shall preclude or limit the Water System's use of water from a fire hydrant for emergency purposes or for the Water System's own use by any means deemed appropriate by the System.

(k) **Convenient Use of Water from a Hydrant**

The Water System may at its sole discretion provide water to a customer from a hydrant under circumstances that do not constitute an emergency when doing so is for the convenience of the Water System or the convenience of the customer.

1. System's convenience: Water provided to a customer from a hydrant for the convenience of the Water System shall be billed to the customer at the commodity rates in effect for the customer's normal service categorization and rate code.
2. Customer's convenience: Water provided to a customer from a hydrant solely for the convenience of the customer shall be metered. All water that is drawn by the customer through such a hydrant meter shall be billed to the customer at the highest commodity rate in effect for the customer's normal service categorization and rate code. Notwithstanding this subparagraph, the Water System is under no obligation to provide water service to any customer solely for the convenience of the customer, and doing so shall be reserved for unusual circumstances, typically for a temporary period, and with the express consent and approval of the Water System's Superintendent, who may impose reasonable limitations on the quantity, duration, and use of water so provided.

\*\*\*\*\*

**THIS ORDINANCE** shall be and hereby is declared to be in full force and effect as of thirty (30) days from and after the date of its adoption. The Clerk of the Board shall cause a summary of this Ordinance to be published in a newspaper of general circulation in the District at least one (1) week before the expiration of said thirty (30) days, said summary to include a reference to the availability of the complete ordinance, and shall also cause copies of this Ordinance to be posted in at least three (3) public places in the District for the said thirty (30) days, and said publication and said posted copies shall show the names of the Directors voting for and against adoption of this Ordinance.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Inverness Public Utility District on the 27th day of May, 2020, by the following vote, to wit:

**AYES:**                    **Directors**

**NOES:**

**ABSTAINING:**

**ABSENT:**

---

Kenneth Emanuels, President

ATTEST:

\_\_\_\_\_  
Shelley Redding, Clerk of the Board

\*\*\*\*\*

*I hereby certify that the foregoing instrument is a true and correct copy of the original of Ordinance 94-2020 on record in this office, and that subsequent to its adoption no provision of Ordinance 94-2020 has been amended, modified, or revoked by the governing body.*

\_\_\_\_\_, Clerk of the Board, Inverness Public Utility District,  
County of Marin, State of California.

By \_\_\_\_\_ Date \_\_\_\_\_

## Regulation 104

### TEMPORARY SERVICE

(a) **Definition**

A "Temporary Service" shall mean provision by the System of a ~~customer~~ connection or facility for drawing or use of water during a limited period ~~anticipated to be not more than one (1) year in duration of time,~~ and for which ~~the~~ installation of a permanent connection is not required.

~~(b)~~ **Use** ~~\_\_\_\_\_~~

Temporary Service is most often ~~provided~~ installed to ~~supply~~ provide water to a temporary construction site or under emergency conditions. ~~In general, a Temporary Services shall be provided via by means of a metered connection to an existing fire hydrants or other type of existing service outlets.~~

(c) **Application**

Application for a Temporary Service shall be made ~~in writing in accordance with the general provisions of these Regulations for application for service~~ on the application and agreement form provided by the District. The Applicant for a Temporary Service shall describe (and may be required to document) the intended use of the water, shall provide an estimate of the length of time the Temporary Service shall will be needed, and shall provide an estimate of the amount of water expected to be drawn through the temporary connection. ~~The System may require that application for Temporary Service be submitted on System's form.~~

(d) **Security Deposit**

As a condition of receiving Temporary Service, the applicant shall post the Temporary Service Security Deposit provided for in the System's current Schedule of Rates and Charges.

The Temporary Service Security Deposit may be applied to any rates and charges ~~which that~~ remain unpaid after forty-two (42) days from the statement date of any such rates and charges. ~~If any portion of a Temporary Service Security Deposit is so applied to unpaid rates and charges, the System may at its discretion either disconnect the Temporary Service or require as a condition of continued connection-use of the Temporary Service to the System that the customer restore the Temporary Service Security Deposit to its original balance. Upon permanent disconnection of a Temporary Service, any remaining balance of the Temporary Service Security Deposit shall be refunded after deduction of all outstanding closing statement rates and charges, and deduction of the costs to the System of any loss of or damage (beyond normal wear and tear) to System facilities installed or utilized for or in support of the Temporary Service.~~

~~These~~ provisions of this paragraph may be waived in whole or in part in the case of a Temporary Service installed to relieve an emergency situation.

~~(e)~~ **Installation Charges**

As a condition of receiving a Temporary Service, the ~~applicant~~ Applicant shall pay the ~~following charges:~~

~~(1) The Temporary Service Connection-Installation Charge provided for under the System's current Schedule of Rates and Charges. This Charge is nonrefundable; and includes the charges for disconnecting the Temporary Service.~~

~~(2) The estimated cost to the System for all labor, materials and other costs, plus the current overhead factor for labor and materials, associated with installation of the Temporary Service. Any additional such actual costs over and above the estimated payment shall be included on the next subsequent regular statement to the customer; any unapplied portion of the estimated cost shall be credited to the applicant's customer account.~~

Formatted: Indent: Left: 0.38", No bullets or numbering

The provisions of this paragraph may be waived or modified in the case of a Temporary Service installed to relieve an emergency situation.

Formatted: Space After: 4 pt



(f) **Installation Monthly Service Charge and Quantity Charges**

~~A Temporary Service shall be assessed the Monthly Service Charge Fixed Charges and Quantity Rates to a Temporary Service equipped with a meter shall be in accordance with the provided for in the System's current Schedule of Rates and Charges, for a 2 inch meter, regardless of the size of the meter actually installed. The Monthly Service Charge shall be prorated on a per day basis for fractions of a month the Temporary Service is available for use by the Applicant for the Temporary Service.~~

~~The amount of water provided through a metered Temporary Service shall be determined by readings taken on a regular basis by System personnel from the installed meter. The charge for the water used during each billing cycle shall be determined by multiplying the metered usage in units of 100 cubic feet by the Quantity Charge provided for in the System's current Schedule of Rates and Charges.~~

~~The Monthly Service Charge and the Quantity Charge shall be billed to the applicant for the temporary service on a frequency of no less than a bimonthly basis.~~

~~The provisions of this paragraph may be waived or modified in the case of a Temporary Service installed to relieve an emergency situation.~~

(g) **Unmetered Temporary Service**

The System may at its discretion provide Temporary Service without installing a meter or detector, and in such case shall establish an appropriate flat-rate monthly charge for the Temporary Service, and may adjust such flat-rate monthly charge at any time by providing the customer with thirty (30) days advance notice. An unmetered Temporary Service may be converted to a metered Temporary Service at any time and solely at the System's discretion, with all such direct costs of conversion, including the current overhead factor for labor and materials, to be paid by the customer.

(h) **Extension of a Temporary Service**

Use of a Temporary Service may be extended beyond the estimated disconnection date ~~or for more than one (1) year~~ if in the System's judgment a legitimate need for the Temporary Service still exists, the Temporary Service is not being used in lieu of a permanent service connection, and the System's water supply is adequate to continue ~~supplying~~ providing the Temporary Service.

(i) **Priority for Water**

The System may at its sole discretion deny water to or permanently disconnect a Temporary Service at any time that continued service to the Temporary Service would reduce or threaten to reduce the System's overall water supply or capacity to deliver water to its permanent customers to the point where it would not be able to meet the normal demands of the permanent customers. ~~The System shall at no time be under any obligation to satisfy any demand whatsoever, whether normal or extraordinary, of a Temporary Service customer.~~

(j) **Emergency Use and System Use of Water from a Hydrant**

~~Nothing in this Regulation shall preclude or limit the Water System's use of water from a fire hydrant for emergency purposes or for the Water System's own use by any means deemed appropriate by the System.~~

(k) **Convenient Use of Water from a Hydrant**

~~The Water System may at its sole discretion provide water to a customer from a hydrant under circumstances that do not constitute an emergency when doing so is for the convenience of the Water System or the convenience of the customer.~~

Formatted: Body Text Indent 2, Indent: Left: 0.38", Tab stops: Not at 0.75" + 1.63" + 5.25"

Formatted: Body Text Indent 2, Indent: Left: 0.38", Tab stops: Not at 0.75" + 1.63" + 5.25"

Formatted: Body Text Indent 2, Left, Indent: Left: 0.38", Space After: 8 pt

Formatted: Font: Bold

1. System's convenience: Water provided to a customer from a hydrant for the convenience of the Water System shall be billed to the customer at the commodity rates in effect for the customer's normal service categorization and rate code.
2. Customer's convenience: Water provided to a customer from a hydrant solely for the convenience of the customer shall be metered. All water that is drawn by the customer through such a hydrant meter shall be billed to the customer at the highest commodity rate in effect for the customer's normal service categorization and rate code. Notwithstanding this subparagraph, the Water System is under no obligation to provide water service to any customer solely for the convenience of the customer, and doing so shall be reserved for unusual circumstances, typically for a temporary period, and with the express consent and approval of the Water System's Superintendent, who may impose reasonable limitations on the quantity, duration, and use of water so provided.

**Formatted:** Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Indent at: 0.75"

**Formatted:** Indent: Left: 0"

\*\*\*\*\*

Regulation 104: Adopted, July 20, 1983 (Ord. 83-2)  
—Paragraph "f", line 1, amended, Nov. 20, 1989 (Ord. 23-89)  
Amended by Ordinance 80-2010, July 28, 2010  
~~Broadly amended~~ Revised in its entirety by Ordinance 94-2020, May 27, 2020

**Formatted:** Indent: First line: 0"

**Formatted:** Heading 3, Tab stops: Not at 0.75" + 1.25" + 5.25"



Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 11

### **Ordinance 95-2020:**

**Adding Reg 305, (Service Default,  
Suspension and Abandonment) to the  
Water System Regulations**



## **Board Agenda Item Staff Report**

Subject: Ordinance 95-2020 adding Regulation 305 (“Service Default, Suspension, and Abandonment” to the Water System’s Regulations)  
Meeting Date: May 27, 2020  
Date Prepared: May 15, 2020  
Prepared by: Wade Holland, Customer Services Manager  
Attachments: Draft Ordinance 95-2020 (which includes the full text of the proposed Regulation 305)

---

**Recommended Action:** Adopt Ordinance 95-2020

---

The procedures we must follow in order to discontinue service to a customer whose water bill payments have become delinquent are defined in detail in State statutes, and we follow those statutory requirements to the letter.

However, the statutes provide procedures and guidance only through the point where we turn a customer’s water off. They don’t seem to anticipate the issue of a customer who chooses to simply stop paying for the water service indefinitely. This means we continue to accrue charges to the customer for the bimonthly Basic Charge, even in a circumstance where it does not appear that the customer will ever (at least not for a long time) pay up what is owed. Presumably, we will eventually have to write off the debt as uncollectible, which does not look good on our books.

In surveying other local water agencies to see how they handle a customer service that appears to have been, in fact, abandoned by the property owner, we couldn’t find anyone who has a procedure to address this issue. The smaller agencies couldn’t recall the problem ever arising, and the larger agencies simply wait out the situation until someone, presumably a new owner of the property, takes over the water service account – at which time the considerable amount owed by the previous owner must be written off on the water system’s books as an uncollectible.

It seemed to your staff that we need a mechanism to stop at some reasonable point recognizing income on our books that we don’t foresee ever collecting. More importantly perhaps, we need a process for eventually permanently disconnecting such a service from the water system, especially when the property in question is derelict, any structures appear to be uninhabitable, and the property owner refuses to even talk to us. The advantage of effecting a permanent disconnection is that there is a likelihood that at some point in the future new owners will come along who will want water service; to get it, they will have to go through our procedure for a New Service Connection and we will collect a new service connection fee (keep in mind that they will have purchased a property that does not have a water service connection, so that will have been a factor in determining the price they paid for the property).

Our proposal for a Water System regulation to deal with these issues sets up a three-stage process that starts with declaring a service as being in “default” when we are unable for a period of 30 days to contact anyone associated with the customer account. The next stage is to declare the service as “suspended” when at least 92 days have elapsed since we sent a 48-hour shutoff notice for nonpayment of charges (and in almost all cases we will have shut off the meter). If after one year on suspended status there still has been no movement on the part of the customer/owner to discharge the delinquent charges (especially if the owner/customer has been unresponsive to our attempts to make contact), we would move to the third stage, which would be to have the Board of Directors conduct a legally noticed public hearing and consider declaring the water service connection as having been “abandoned,” thus enabling us to disconnect the property from our facilities.

**AN ORDINANCE ADDING REGULATION 305, “SERVICE DEFAULT,  
SUSPENSION, AND ABANDONMENT,” TO THE REGULATIONS  
OF THE INVERNESS PUBLIC UTILITY DISTRICT WATER SYSTEM**

**WHEREAS**, it is the desire of the Board of Directors of the Inverness Public Utility District to incorporate into the Regulations of the Inverness Public Utility District Water System a regulation governing declaration of a customer water service as being in any of the statuses of default, suspension, and abandoned,

**NOW, THEREFORE, BE IT ENACTED** by the Board of Directors of the Inverness Public Utility District that the following shall be and hereby is incorporated into the Regulations of the Inverness Public Utility District Water System as Regulation 305, “Service Default, Suspension, and Abandonment”:

\*\*\*\*\*

**R e g u l a t i o n   3 0 5**

**SERVICE DEFAULT,  
SUSPENSION, AND ABANDONMENT**

**(a) Purpose of Regulation**

This Regulation defines service default, service suspension, and service abandonment; defines the circumstances under which the account for a customer service may be declared to be in default status, suspension status, or abandoned; and provides the procedures for declaring a service’s account to be in default, suspension, or abandoned.

**(b) Definitions**

- “Default” is when there is no known customer of record (“account holder”) for the account of a customer service. This status occurs most commonly when a property served by the Water System has been sold, the existing account holder has notified the District of the sale and requested closure of the existing account, and no one has contacted the Water System to apply as the account holder for the customer service. It can also occur when an existing account holder cannot be contacted by any of the means of contact provided by the account holder that are currently on file with the District.
- “Suspension” is when service to the property served by a customer account has been discontinued for nonpayment of charges and such discontinuation has been in effect for at least 92 days without the customer of record having discharged the delinquency or having entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, or, having entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, the customer has failed to fulfill the terms of the plan.
- “Abandoned” is when, after the account for a customer service has been in suspended status for at least one year, the District’s Board of Directors has made a finding that the customer service for the property has been abandoned. Once a service has been declared by the District’s Board of Directors as abandoned, the served parcel is considered to no longer be connected to the Water System’s facilities (re-establishment of water service to the parcel requires an application for a New Service Connection).

(c) **“Default” Status Procedure**

The General Manager may declare a service’s customer account to be in default status when the District has been unable to contact anyone associated with the property served by the customer account for a period of 30 consecutive days and a notice of intention to terminate water service has been posted prominently at the property for a minimum of 14 days. In the case of the account for an existing customer, attempts to contact the customer must have been made using all means of contact provided by the customer and on file with the District (such as mail address, email address(s), phone number(s), in-person contact at the served premises). Service to a property whose customer account is on default status may not be discontinued pursuant to the provisions of Regulation 303 or 304 so long as no rates and charges have become delinquent. If rates and charges assessed to the account of a service that is on default status become delinquent as provided in Regulation 303 or 304, discontinuation of the water service may be initiated pursuant to the provisions of Regulation 303 or 304.

(d) **“Suspended” Status Procedure**

The General Manager may declare a service’s customer account to be in suspended status if (1) 92 days have elapsed from the date a “48-Hr Notice of Service Termination” was provided to the service’s account holder pursuant to the procedure in Paragraph (d) of Regulation 303 in the case of a residential service or Paragraph (b) in Regulation 304 in the case of a non-residential service, and (2) the customer of record has not discharged the delinquency or has not entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, or, having entered into a plan with the District for deferred or reduced payments or an alternative payment schedule, the customer has failed to fulfill the terms of the plan. The meter to a property served by an account that has been placed on suspended status must be shut off or otherwise disabled from capability to provide water to the property. When an account is placed on suspended status, the Water System shall place the customer account on “Inactive” status in the receivables system so that no further rates and charges will be booked to the suspended customer account; however, the General Manager shall maintain a record of the rates that charges that would have been posted to the customer account had it remained on “Active” status, and all such noted rates and charges, plus the rates and charges outstanding at the time the account was placed on “Inactive” status, must be paid in full as a condition of discharging the delinquency, cancelling the suspended status, and re-activating the existing service to the property.

(e) **“Abandoned” Status Procedure**

After a customer account has been on suspended status without interruption for one year, the General Manager may initiate the procedure for the District’s Board of Directors to find that the customer service for the property served by the customer account that is on suspended status has been abandoned. A notice of a public hearing before the District’s Board of Directors to consider making a finding of abandonment shall be provided by all of the following means: (1) by mail to the last known mailing address for the customer account, said notice to be placed with postage prepaid in the USPS mail at least 30 days prior to the date of the public hearing; (2) by posting at a prominent location at the situs address, said posting to be made at least 30 days prior to the date of the public hearing; (3) by legal notice published on three occasions at intervals of at least one week in a newspaper of general circulation in the District, said third such notice to be published at least six (6) days prior to the date of the public hearing.

The public hearing on abandonment must be conducted at a duly noticed meeting of the Board of Directors of the Inverness Public Utility District, at which time any member of the public wishing to address the Board of Directors on the matter of abandonment of the customer service shall be afforded an opportunity for a reasonable period of time to make a statement and to submit documentary evidence relevant to the issue of the proposed finding of abandonment of the customer service for the subject property. Following the public hearing, the Board of Directors shall review the public record, consider all testimony and evidence that has

been submitted, and make a determination either supporting or not supporting a finding of abandonment of the customer service for the subject property. Alternatively, the Board may issue a conditional finding that the customer service has not been abandoned in exchange for an agreement with an interested party for payment in full within thirty (30) days of all rates and charges that are outstanding, including rates and charges that accrued during the period the customer account was on suspended status, plus a penalty equal to ten percent (10%) of the total of all rates and charges that are payable, plus the District's employee time, materials, and overhead costs of re-establishing service to the property. Such a conditional finding of the Board of Directors shall include a clause that states that a failure to discharge the agreed-upon obligation in full within the stated 30-day period shall nullify the conditional finding that the customer service has not been abandoned and place in effect in its place a finding that the customer service has been abandoned. The determination of the Board of Directors shall be final and binding.

In the event of a finding of abandonment, the water meter shall be removed, the service lateral from the District's distribution main shall be capped, and the subject property shall be officially regarded as not served by the Inverness Public Utility District Water System. Any subsequent request for water service to the subject property shall be processed in accordance with the requirements for a New Service Connection in Regulation 101.

\*\*\*\*\*

**THIS ORDINANCE** shall be and hereby is declared to be in full force and effect as of thirty (30) days from and after the date of its adoption. The Clerk of the Board shall cause a summary of this Ordinance to be published in a newspaper of general circulation in the District at least one (1) week before the expiration of said thirty (30) days, said summary to include a reference to the availability of the complete ordinance, and shall also cause copies of this Ordinance to be posted in at least three (3) public places in the District for the said thirty (30) days, and said publication and said posted copies shall show the names of the Directors voting for and against adoption of this Ordinance.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Inverness Public Utility District on the 27th day of May, 2020, by the following vote, to wit:

**AYES: Directors**

**NOES:**

**ABSTAINING:**

**ABSENT:**

---

Kenneth J. Emanuels, President

ATTEST:

---

Shelley Redding, Clerk of the Board

\*\*\*\*\*

*I hereby certify that the foregoing instrument is a true and correct copy of the original of Ordinance 95-2020 on record in this office, and that subsequent to its adoption no provision of Ordinance 95-2020 has been amended, modified, or revoked by the governing body.*

\_\_\_\_\_, Clerk of the Board, Inverness Public Utility District,  
County of Marin, State of California.

By \_\_\_\_\_ Date \_\_\_\_\_

DRAFT





Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 12

### **Amendment to Retired Annuitant Work Agreement 2019-2020**

### **Accept and Approve Retired Annuitant Work Agreement 2020-2021**



*Inverness Public Utility District*

**Board Agenda Item Staff Report**

Subject: Retiree work agreement with Wade Holland for FY 2020/21 and Amendment to work agreement with Wade Holland for FY 2019/20

Meeting Date: May 27, 2020

Date Prepared: May 18, 2020

Prepared by: Wade Holland, Customer Services Manager

Attachments: Proposed work agreement with Wade Holland for FY 2020/21  
Proposed amendment to agreement with Wade Holland for FY 2019/20

---

**Recommended Action:** Accept and approve both the Agreement for 2020/21 (next year) and the Amendment to the Agreement for 2019/20 (current year) and direct the President to execute both documents.

---

In order for Wade Holland to do work for the District as an annuitant, the District must have a work agreement in effect (in accordance with the Public Employees' Pension Reform Act of 2013). We are asking you to agree to the proposed agreement for next year. The limitation of 960 hours of work is written into law.

We are also asking you to amend the existing agreement for the current year, inasmuch as it set a limit of 832 hours, which has proven to be inadequate.

Inverness Public Utility District

Amendment to Extra-Help Position Work Agreement with Retired Annuitant

This Amendment is made on May 27, 2020, in order to modify the Agreement made on June 19, 2019, by and between the Board of Directors of the Inverness Public Utility District ("District") and Wade B. Holland ("Retiree"), and shall become effective when executed by both parties, as noted by the Acceptances below, provided that such acceptances occur or before June 30, 2020.

Paragraph 16 of the above cited Agreement shall be and hereby is amended to read as follows:

16. This Agreement shall be in effect from July 1, 2019, for a period of up to 12 consecutive calendar months. Retiree agrees that the maximum number of hours worked by Retiree during said period of effectiveness shall not exceed ~~832 unless any~~960 ~~hours in excess of 832 are authorized by an action of the Board of Directors.~~

Formatted: Indent: Left: 0.25", Hanging: 0.38"

ACCEPTANCES:

Inverness Public Utility District

Retiree

\_\_\_\_\_  
Kenneth J. Emanuels, President  
Board of Directors

\_\_\_\_\_  
Wade B. Holland

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Inverness Public Utility District

Extra-Help Position Work Agreement with Retired Annuitant

This Agreement is made on May 27, 2020, by and between the Board of Directors of the Inverness Public Utility District ("District") and Wade B. Holland ("Retiree") and shall become effective on July 1, 2020, provided said Agreement has been executed by both parties, as noted by the Acceptances below.

1. Retiree is a retired annuitant who has been receiving a service retirement pension benefit from California Public Employees' Retirement System ("CalPERS") since 2001. District contracts with California Public Employees' Retirement System for pension benefits for its employees (as a "CalPERS employer").
2. District desires to appoint the Retiree to a limited-duration extra-help position in the Inverness Water System's Accounts Receivable function and to provide training and on-the-job oversight to the District Administrator.
3. District finds that Retiree, as a former General Manager of the District, has specialized skills needed to perform the work.
4. Retiree's work for District and any other employer in the same retirement system shall under no circumstances exceed 960 hours in a fiscal year.
5. Retiree is not subject to the 180-day waiting period since retirement before returning to work for an employer in the same retirement system because Retiree retired in 2001.
6. Retiree will not be employed in a permanent full-time or part-time or regular staff position because the position of Customer Services Manager for which the Retiree is being hired does not currently exist.
7. Retiree was not under the applicable normal retirement age when he retired.
8. District and Retiree hereby certify that Retiree did not receive a "golden handshake" or any other employer incentive to retire.
9. Retiree shall not be entitled to, nor shall Retiree receive, any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate.
10. The Retiree's hourly pay rate shall be based on the monthly base salary paid to the position currently performing comparable duties, divided by 173.333. District affirms that said monthly base salary is \$7,800.00.
11. By accepting this Agreement, Retiree certifies to District that he has not within the preceding 12-month period received unemployment insurance compensation for prior retired annuitant employment with any public employer and is in compliance with the requirement of G.C. 7522.56(e)(1).
12. District and Retiree agree that Retiree's employment as provided for by this Agreement is not as an independent contractor, consultant, or contract employee.
13. District declares that this Agreement constitutes an "appointment by the appointing power" of the District because the Retiree "has skills needed to perform work of limited duration," pursuant to G.C. 7522.56(c).
14. District acknowledges its obligation to report in my|CalPERS all the hours worked by Retiree.
15. During the term of employment, Retiree shall ensure smooth, timely, and efficient functioning of the Inverness Water System's Accounts Receivable function.

16. This Agreement shall be in effect from July 1, 2020, for a period of up to 12 consecutive calendar months. Retiree agrees that the maximum number of hours worked by Retiree during said period of effectiveness shall not exceed 960.
17. This Agreement shall not extend beyond June 30, 2021, unless extended in advance of said date by an action of the Board of Directors.
18. This Agreement may be amended only by mutual agreement of the parties.

ACCEPTANCES:

Inverness Public Utility District

Retiree

\_\_\_\_\_  
Kenneth J. Emanuels, President  
Board of Directors

\_\_\_\_\_  
Wade B. Holland

Date:\_\_\_\_\_

Date:\_\_\_\_\_



Inverness Public Utility District  
Board Meeting May 27, 2020

---

# Agenda Item No. 13

## **Resolution 248-2020**

## **November Director Elections**



*Inverness Public Utility District*

## **Board Agenda Item Staff Report**

Subject: Resolution 248-2020: November Board Election  
Meeting Date: May 27, 2020  
Date Prepared: April 28, 2020  
Prepared by: Shelley Redding, Administrator  
Attachments: Draft Resolution 248-2020; Elected Officials Roster

---

**Recommended Action:** Approve and adopt Resolution No. 248-2020 proposing an election be held in the District's jurisdiction and request the Board of Supervisors to consolidate the election with other elections to be held on November 3, 2020, and request election services by the Registrar of Voters.

---

Election time is here again! The first order of business is that the District must file the above-referenced Resolution by July 1, 2020.

Second, you must decide if you would like to continue on the Board. Below are the current terms and who will be up for election in November:

<u>Board Member</u>	<u>Term Expiration</u>	<u>2020 Election</u>
David Press	2022	No
Ken Emanuels	2022	No
Kathryn Donohue	2020	Yes
Brent Johnson	2020	Yes
Dakota Whitney	2020	Yes

*Candidate Guidelines* will be emailed by the Registrar of Voters office by late June. July 13<sup>th</sup> thru August 7<sup>th</sup> is the nomination period for all candidates. Incumbents must file during this period.

**RESOLUTION NO. 248-2020**

**RESOLUTION OF THE GOVERNING BODY OF  
INVERNESS PUBLIC UTILITY DISTRICT  
PROPOSING AN ELECTION BE HELD IN ITS JURISDICTION;  
REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY  
OTHER ELECTION CONDUCTED ON SAID DATE, AND REQUESTING  
ELECTION SERVICES BY THE REGISTRAR OF VOTERS**

WHEREAS, it is the determination of said governing body that the Consolidated School, District and Municipal Election to be held on the 3<sup>rd</sup> day of November 2020, at which election the issue to be presented to the voters shall be:

To elect members of the Board

Number of Regular Term Positions (4 year) 3

Number of Short-Term Positions (2 year) 0

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Marin is hereby requested to:

- 1) Consolidate said election with any other applicable election conducted on the same day;
- 2) Authorize and direct the Registrar of Voters at District expense, to provide all necessary election services and to canvass the results of said election.

PASSED AND ADOPTED this 27th day of May, 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
President, Board of Directors

ATTEST: \_\_\_\_\_  
Secretary/Clerk of the Board

\*\*\*\*\*

*I hereby certify that the foregoing instrument is a true and correct copy of the original of Resolution 173-2009 on record in this office, and that subsequent to its adoption no provisions of Resolution 173-2009 has been amended, modified, or revoked by the governing body.*

*Kaaren S. Gann, Clerk of the Board, Inverness Public Utility District, County of Marin, State of California.*

By \_\_\_\_\_ Date \_\_\_\_\_





Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 14

### **Marin County Civil Grand Jury Report and Response**



*Inverness Public Utility District*

**Board Agenda Item Staff Report**

Subject: 2019-2020 Marin Grand Jury Report Response  
Meeting Date: May 27, 2020  
Date Prepared: April 28, 2020  
Prepared by: Shelley Redding, Administrator  
Attachments: Draft Response Letter

---

**Recommended Action:** Approve draft response letter

---

The 2019-2020 Marin County Grand Jury Report was released on Tuesday, April 28, 2020. The link to the document:

Final Grand Jury Report: <https://rebrand.ly/MarinGrandJuryWebTransparencyPDF>

Staff has drafted the attached response letter which is due to the Grand Jury by July 27, 2020 pursuant to Penal Code Section 933.05.

Based on recommendation 7 (R7), we have reviewed our website and confirmed that it is in compliance with recommendations R1 – R6.

## Response to Grand Jury Report

Report Title: Follow-Up Report on Web Transparency of Agency Compensation Practices

Respondent/Agency Name: Inverness Public Utility District

Your Name: Shelley Redding Title: Administrator

### FINDINGS

- I (we) agree with the findings numbered: R1-R6
- I (we) disagree *partially* with the findings numbered: \_\_\_\_\_
- I (we) disagree *wholly* with the findings numbered: \_\_\_\_\_

(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

### RECOMMENDATIONS

- Recommendations numbered 7 (R7) have been implemented.  
(Attach a summary describing the implemented actions.)
- Recommendations numbered \_\_\_\_\_ have not yet been implemented, but will be implemented in the future.  
(Attach a timeframe for the implementation.)
- Recommendations numbered \_\_\_\_\_ require further analysis.  
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)
- Recommendations numbered \_\_\_\_\_ will not be implemented because they are not warranted or are not reasonable.  
(Attach an explanation.)

Date: 5/27/2020 Signed: Shelley Redding

Number of pages attached: 1



May 27, 2020

Attachment: **Grand Jury Report Response Letter**

Based on recommendation 7 (R7), we have reviewed our website and confirmed that it is in compliance with recommendations R1 – R6.



## INVERNESS PUBLIC UTILITY DISTRICT

*FIRE DEPARTMENT & WATER SYSTEM*

POST OFFICE BOX 469

INVERNESS, CA 94937-0469

50 INVERNESS WAY NO. ☎. (415) 669-1414. ☎. FAX (415) 669-1010. ☎. ADMIN@INVERNESSPUD.ORG

May 27, 2020

The Honorable Judge Andrew Sweet  
Marin County Superior Court  
P.O. Box 4988  
San Rafael, CA 94913-4988

Marin County Civil Grand Jury  
Lucy Dilworth  
3501 Civic Center Drive, Room 275  
San Rafael, CA 94903

Re: Transmittal of Agency Response to "Follow-Up Report on Web Transparency of Agency Compensation Practices."

Honorable Members of the Civil Grand Jury:

Enclosed is the response of the Board of Directors of the Inverness Public Utility District to your report "Follow-Up Report on Web Transparency of Agency Compensation Practices."

Sincerely,

Shelley Redding  
Clerk of the Board

enc.

**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)**



Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 15

### **April 2020 Expenditures and Credit Card Charges**

10:56 AM

05/20/20

Accrual Basis

# Inverness PUD

## Monthly Expense Ledger Report

### April 2020

Date	Num	Name	Memo	Amount
<b>Apr 20</b>				
04/02/2020	13682	MN Builders	VOID: 4 Pine Hill Drive	0.00
04/06/2020	13683	MN Builders	4 Pine Hill, Inverness	-5,064.31
04/06/2020	13684	Building Supply Center		-998.31
04/06/2020	13685	DeCarli's	Account # 2-45217	-672.64
04/06/2020	13686	Horizon Cable TV Inc.	005-003907	-90.79
04/06/2020	13687	John's Dairy Equipment & Suppl...	Liquid Chlorine	-80.10
04/06/2020	13688	Pace Supply Corp.	Customer# 09035-00	-514.19
04/06/2020	13689	Quill Corporation		-310.42
04/06/2020	13690	R.J. Ricciardi, Inc., CPAs	2018-19 Audit thru 3/31/20	-1,185.00
04/06/2020	13691	Streamline	April 2020 Website	-200.00
04/06/2020	13692	U. S. Bank Corporate Payment ...	Managing 4246 0445 5565 2670	-2,066.96
04/06/2020	13693	Alpha Analytical Laboratories, Inc.	ORDER # 20C2396	-300.00
04/06/2020	13694	YP	Marin Co Directory Listing	-28.00
04/07/2020	EFT	CalPERS Health	March Health	-8,075.42
04/10/2020	Auto	Diversified Technology	Billing Service	-665.00
04/15/2020	Payroll		Tax Payment	-5,837.09
04/15/2020	Payroll		Direct Deposit	-15,011.65
04/15/2020	EFT	Paychex	Payroll Processing Fees	-179.60
04/15/2020	EFT	CPS DES	AR BOX	-11.31
04/15/2020	EFT	Bank of America	March 2020 Analysis Charge	-679.59
04/23/2020	13695	John Roche Services	March 9 - 12 Invoice D4	-920.00
04/23/2020	13696	Brelje and Race Laboratories, Inc.	March 2020 sampling	-210.00
04/23/2020	13697	CORE	March services	-480.00
04/23/2020	13698	Good & Clean, Inc.	Janitorial Services	-330.00
04/23/2020	13699	Harrington Industrial Plastics	042985	-455.25
04/23/2020	13700	Jairemarie Pomo	December - March Disaster Council	-800.00
04/23/2020	13701	Kroner, Pamela	Gardening Services	-312.50
04/23/2020	13702	Pace Supply Corp.	Customer# 09035-00	-725.81
04/23/2020	13703	Quill Corporation	Office Supplies	-35.99
04/23/2020	13704	Recology	Refuse Disposal 4/2020 - 6/2020	-125.97
04/23/2020	13705	Verizon Wireless	Account 942336110-00001	-207.74
04/23/2020	13706	AT&T	Telemetry & Phone	-490.16
04/23/2020	13707	Carolyn Brown	Credit Balance - Closed account 129-000-10	-60.50
04/23/2020	13725	Riley F. Hurd III	Legal Fees Tenney Tank	-990.00
04/23/2020	13726	Tom Fox	Reimbursements	-1,442.50
04/28/2020	EFT	CalPERS UAL	UAL 3056 SAFETY	-750.85
04/28/2020	EFT	CalPERS UAL	UAL 3055 MISC	-2,634.56
04/28/2020	EFT	CalPERS UAL	UAL 26451 PEPRA MISC	-110.46
04/29/2020	EFT	PG&E	Account 9408018479-2	-2,257.70
04/29/2020	13727	CalPERS - Retirement	March 2020 Retirement	-5,155.47
04/30/2020	Payroll		Tax Payment	-5,637.59
04/30/2020	Payroll		Direct Deposit	-15,192.04
04/30/2020	EFT	Paychex	Payroll Processing Fees	-179.60
<b>Apr 20</b>				<b>-81,475.07</b>

1:17 PM

05/07/20

**Inverness PUD**  
**Reconciliation Detail**  
**XX-5018 · Cal Card - J Fox, Period Ending 04/22/2020**

Type	Date	Num	Name	Clr	Split	Amount	Balance
<b>Beginning Balance</b>							2.44
<b>Cleared Transactions</b>							
<b>Charges and Cash Advances - 4 items</b>							
Credit Card Charge	03/27/2020	67153	Inverness Store	X	850-01 · Volunteer Training	-20.83	-20.83
Credit Card Charge	04/07/2020	91556	Inverness Store	X	850-01 · Volunteer Training	-16.96	-37.79
Credit Card Charge	04/13/2020	SO55...	L. N. Curtis & Sons	X	845-02 · Personal Protective Equipment	-188.78	-226.57
Credit Card Charge	04/20/2020	8108	Start Safety Inc	X	845-01 · Supplies and Inventory	-2,795.00	-3,021.57
Total Charges and Cash Advances						-3,021.57	-3,021.57
<b>Payments and Credits - 1 item</b>							
Bill	03/18/2020		U. S. Bank Corporat...	X	20000 · Accounts Payable	2.44	2.44
Total Cleared Transactions						-3,019.13	-3,019.13
Cleared Balance						3,019.13	3,021.57
Register Balance as of 04/22/2020						3,019.13	3,021.57
<b>Ending Balance</b>						<b>3,019.13</b>	<b>3,021.57</b>



1:09 PM

05/07/20

## Inverness PUD Reconciliation Detail

XX-7642 · Cal Card - Redding, Period Ending 04/22/2020

Type	Date	Num	Name	Clr	Split	Amount	Balance
<b>Beginning Balance</b>							2,064.52
<b>Cleared Transactions</b>							
<b>Charges and Cash Advances - 5 items</b>							
Credit Card Charge	03/25/2020	2519442	Amazon	X	N 845 · Supplies & Inventory	-86.65	-86.65
Credit Card Charge	03/25/2020	704117	Amazon	X	845-01 · Supplies and Inventory	-22.71	-109.36
Credit Card Charge	04/01/2020	98860	Petaluma Minuteman, Inc.	X	870-10 · Public Relations & Outreach	-513.45	-622.81
Credit Card Charge	04/02/2020		Sebastopol Ace Hardware	X	845-02 · Personal Protective Equipment	-10.88	-633.69
Credit Card Charge	04/06/2020	98875	Petaluma Minuteman, Inc.	X	870-10 · Public Relations & Outreach	-513.45	-1,147.14
Total Charges and Cash Advances						-1,147.14	-1,147.14
<b>Payments and Credits - 1 item</b>							
Bill	03/18/2020		U. S. Bank Corporate Payment Systems	X	20000 · Accounts Payable	2,064.52	2,064.52
Total Cleared Transactions						917.38	917.38
Cleared Balance						-917.38	1,147.14
Register Balance as of 04/22/2020						-917.38	1,147.14
<b>Ending Balance</b>						<b>-917.38</b>	<b>1,147.14</b>



Inverness Public Utility District  
Board Meeting May 27, 2020

---

Adjournment until 7:00 PM  
For Public Hearing



Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 16

**Public Hearing on Proposal to Increase  
Water System Rates and Charges as of  
July 1, 2020**



## INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT ❖ WATER SYSTEM

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

(415) 669-1414 ❖ FAX (415) 669-1010 ❖ ADMIN@INVERNESSPUD.ORG ❖ INVERNESSPUD.ORG

### PUBLIC HEARING ON CHANGES IN WATER RATES AND CHARGES

**PURPOSE:** Receive public comment on and consider (act on) adopting changes in water rates and charges

**WHEN:** Wednesday, May 27, 2020, 7:00 p.m.

**WHERE:** Inverness Firehouse, 50 Inverness Way North, Inverness

The Board of Directors of the Inverness Public Utility District is proposing changes to the Water System's rates and charges in order to increase the Water System's revenues by 15.6%, effective July 1, 2020. One feature of the proposed new rates structure would be to include within each customer's Basic Charge a subsistence amount of water (approx. 50 gallons a day) at no additional charge.

### REASONS FOR THE PROPOSED INCREASE IN REVENUE

A two-stage increase in water rates was put into effect beginning in January 2018, the revenue from which was dedicated primarily to critical infrastructure needs, such as replacement of aging storage tanks and water mains in Seahaven. The last increase in rates and charges that provided additional revenue for ordinary operating expenses was in July 2009. The Water System can no longer sustain its day-to-day operating costs with a revenue flow based on rates and charges adopted 11 years ago.

The need for an approx. 15% increase in revenue is based on a three-year budget projection that takes into account both operating budget and infrastructure budget needs. Major operating budget factors include inflation and increased personnel costs. The need for additional revenue for capital expenditures is based principally on the opportunity to finance a significant portion of the Water System's next major capital project, replacement of the storage tanks at the critical Tenney Tank Site, by participating in the Drinking Water State Revolving Fund. This funding (provided by U.S. EPA and state water bonds) will enable us to jumpstart a project that otherwise would be beyond our capability to finance in a timely manner on a pay-as-you-go basis (our preferred method). The District will borrow from the State Water Board up to \$800,000 to replace the Tenney site's two aging (and badly leaking) redwood tanks with state-of-the-art bolted-steel tanks (one holding 52,700 gallons, and the other holding 43,700 gallons, replacing a 60,000-gallon tank and a 10,000-gallon tank). The 30-year loan will be repaid at the low annual interest rate of 1.4% (over 30 years, the interest component will account for approx. 16.7% of total payments). The annual loan payment, including a mandatory reserve factor, will be approx. \$39,600, a portion of which will need to be funded from the increase in rates being requested at this time.

Except for a small amount of water that is treated at our Third Valley treatment plant, all water in the system goes through the main treatment plant at the top of Perth Way and then into the Tenney tanks, from where it flows directly into distribution mains and to four other tank sites. Thus, the Tenney tanks are the critical link in both our storage system and our distribution system: We cannot allow aging infrastructure at the Tenney site to deteriorate to the point of a potentially catastrophic failure. The Board of Directors has determined that it is prudent to proceed immediately to replace the Tenney tanks by accessing the very-low-cost financing available to us at this time from the State Water Board. This also means that, without having to incur additional debt, our normal reserves that are funded from customer revenue will remain available for other smaller projects that will need to be addressed on an on-going

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

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

basis over the years (the Water System has no existing debt; the Fire Department has an annual \$12,000 obligation as its share of the Marin Emergency Radio Authority's bonded indebtedness).

Please be advised that, pursuant to Sec. 6 of Article XIII D of the Constitution of the State of California, notice is hereby given that the parcels upon which the proposed water rates and charges are to be imposed are all parcels in Marin County served by a customer connection to the Inverness Public Utility District Water System. The amounts of the charges shall be determined on the basis of the Basic Charge and the volume of water used by each served parcel in each bimonthly billing period using the schedule of rates and charges shown on Page 3 of this notice. These rates and charges were determined on the basis of a three-year budgeting projection.

### **HOW WILL THE AVERAGE BILL BE AFFECTED?**

The proposed changes would add an average of \$7.85 per month (\$15.70 per bimonthly bill) to the cost of water service for a typical single-family residence, beginning in July 2020. A typical single-family residential customer is one that is billed for 9 units of water (approximately 6,700 gallons) per billing period.

For the 43% of residential customers whose bimonthly water usage is in the broader range of 4-12 units (approximately 3,000 to 9,000 gallons per billing period), the total bill will increase by 10.8%.

### **NOTEWORTHY DETAILS OF THE PROPOSED CHANGES**

- Each customer will be entitled to use of up to 4 ccf of water (approximately 50 gallons per day over the typical two-month billing period) at no charge; this base allotment of water will be included in the Basic Charge.
- The bimonthly "Cross Connection Charge" applies currently to 18 customers who have a water storage tank or other source of water (such as a well) on their property. This charge will increase from \$10 to \$12, to reflect increased costs of inspecting and maintaining the installed cross connection prevention devices that are required by this State-mandated program.

### **PUBLIC HEARING**

A public hearing will be held in the District's meeting room at the Inverness Firehouse (50 Inverness Way North, Inverness) at 7:00 p.m. on Wednesday, May 27, 2020, to consider enactment of the proposed changes. You are cordially invited to attend and testify at the hearing or to mail your comments in advance to P.O. Box 469, Inverness, CA 94937. For more information, visit the District's website ([invernesspud.org](http://invernesspud.org)) or phone (415) 669-1414.

If you wish to protest against the proposed changes in fees and charges, you must submit your protest in writing prior to the close of the public hearing portion of the May 27, 2020, meeting. A written protest must legibly identify and be signed by the owner of (or the Water System customer of record for) the affected property, and must include a description of the property (Assessor's Parcel Number or Water System account number). Protests may be mailed, faxed, emailed (if appropriately signed), or delivered to the applicable address shown at the top of Page 1 of this notice. Protests must be received prior to the close of the public hearing portion of the May 27, 2020, meeting. If written protests are submitted by a majority of the affected property owners or customers, the proposed changes will not be imposed (you must submit your protest in writing even if you testify at the public hearing).

If the number of protests received does not meet the threshold that requires withdrawal of the proposal to change the rates and charges, the Board of Directors may immediately adopt an ordinance enacting the proposed changes in rates and charges to go into effect no earlier than July 1, 2020.

**SCHEDULE OF CURRENT RATES AND PROPOSED NEW RATES**

<b>CURRENT RATES</b> (as of 7/1/2019)	
<u>Basic Charge</u> (bimonthly)	
Regular	121.00
Lifeline: Very low income	60.50
Lifeline: Extremely low income	30.25
<u>Usage Rates</u> (per ccf)	
1-12 ccf	2.70
13-36 ccf	4.20
37-48 ccf	5.90
49-60 ccf	8.10
61 & up*	24.40
1 ccf = 748 gallons	
<u>Cross Connection Charge</u> (bimonthly)	
Each cross connection	10.00

<b>PROPOSED RATES</b> (to become effective 7/1/2020)	
<u>Basic Charge</u> (bimonthly)	
Regular	146.00
Lifeline: Very low income	73.00
Lifeline: Extremely low income	36.50
<u>Usage Rates</u> (per ccf)	
1-4 ccf	---
5-12 ccf	3.00
13-24 ccf	5.00
25-36 ccf	6.00
37-48 ccf	10.00
49-60 ccf	12.00
61 & up*	28.00
1 ccf = 748 gallons	
<u>Cross Connection Charge</u> (bimonthly)	
Each cross connection	12.00

\* This tier is not applicable to nonresidential customer accounts, for which the top tier is 49 & up.

Note: The Cross Connection Charge currently applies to 18 customers who have a water storage tank or other source of water (such as a well) on the property.

Under the Proposed Rates, each customer will be entitled to use of up to 4 ccf of water (approximately 50 gallons a day over the two-month period) at no charge.

Please see Page 4 for examples of water bills under the current and the proposed rates.

**EXAMPLES OF RESIDENTIAL WATER BILLS UNDER CURRENT AND PROPOSED RATES**

Number of units used in bimonthly billing period*	Current Rates			Proposed Rates			Percent increase
	Usage Charge	Basic Charge	Total bill	Usage Charge	Basic Charge	Total bill	
0	0.00	121.00	121.00	0.00	146.00	146.00	20.7%
1	2.70	121.00	123.70	0.00	146.00	146.00	18.0%
3	8.10	121.00	129.10	0.00	146.00	146.00	13.1%
4	10.80	121.00	131.80	0.00	146.00	146.00	<b>10.8%</b>
5	13.50	121.00	134.50	3.00	146.00	149.00	<b>10.8%</b>
<b>9</b>	<b>24.30</b>	<b>121.00</b>	<b>145.30</b>	<b>15.00</b>	<b>146.00</b>	<b>161.00</b>	<b>10.8%</b>
12	32.40	121.00	153.40	24.00	146.00	170.00	<b>10.8%</b>
24	82.80	121.00	203.80	84.00	146.00	230.00	12.9%
36	133.20	121.00	254.20	156.00	146.00	302.00	18.8%
48	204.00	121.00	325.00	276.00	146.00	422.00	29.8%
50	220.20	121.00	341.20	300.00	146.00	446.00	30.7%
60	301.20	121.00	422.20	420.00	146.00	566.00	34.1%
72	594.00	121.00	715.00	756.00	146.00	902.00	26.2%
100	1,277.20	121.00	1,398.20	1,540.00	146.00	1,686.00	20.6%

\* 1 unit = 1 ccf = 748 gallons

**The water bill for the average residential customer is for 9 units.**

43% of residential customers use between 4 and 12 units on a typical water bill. The total charge for a bill with usage within this range will increase by 10.8%.

Please monitor the IPUD website, [www.invernesspub.org](http://www.invernesspub.org), for updates on any changes that may have to be made affecting the May 27 public hearing due to coronavirus considerations.

	Estimated Current 2019/20*	Projection for 1920/21	Projection for 2021/22	Projection for 2022/23
<b>Income</b>				
<b>700 - Water Charges</b>				
700-01 Basic Charge	373,700	452,100	452,100	452,100
700-02 Usage Charges	110,900	108,400	108,400	108,400
700-03 Cross Connection Fees	1,100	1,300	1,300	1,300
700-04 Misc Charges	9,100	9,100	1,500	1,500
700-05 Uncollectibles	0	-1,400	-900	0
<b>Total Water Revenue</b>	<b>494,800</b>	<b>569,500</b>	<b>562,400</b>	<b>563,300</b>
<b>710 Miscellaneous Income</b>				
710-01 Customer Work Overhead	500	500	500	500
710-02 Other Income	4,100	4,200	4,300	4,400
<b>Total Miscellaneous Income</b>	<b>4,600</b>	<b>4,700</b>	<b>4,800</b>	<b>4,900</b>
<b>Total Income</b>	<b>499,400</b>	<b>574,200</b>	<b>567,200</b>	<b>568,200</b>
<b>Expense</b>				
<b>810 Personnel Costs</b>				
810-01 Management	21,300	22,000	22,800	23,600
810-02 Operations Personnel	177,500	159,700	33,100	34,300
810-03 Administrative Personnel	12,500	12,900	165,300	171,100
810-04 Employer Payroll Taxes	15,500	15,300	15,800	16,400
810-07 Health Insurance Premiums	54,500	39,000	40,300	41,700
810-08 Retirement Premiums	27,200	23,600	24,400	25,200
810-09 Unfunded Accrued Liability	33,000	33,400	34,600	35,800
810-10 Accrued Vacation	15,500	16,200	16,800	17,400
810-11 Workers Comp Insurance	9,800	9,900	10,300	10,700
<b>Total Personnel Costs</b>	<b>366,800</b>	<b>332,000</b>	<b>363,400</b>	<b>376,200</b>
<b>833 Collection &amp; Treatment</b>				
833-01 Chemicals	4,000	4,700	4,900	5,100
<b>Total Collection &amp; Treatment</b>	<b>4,000</b>	<b>4,700</b>	<b>4,900</b>	<b>5,100</b>
<b>835 Lab &amp; Monitoring</b>				
835-01 BacT & Raw Samples	3,500	4,500	4,600	4,700
835-02 Periodic Samples	5,100	5,300	5,500	5,700
835-03 Lead & Copper	500	1,000	1,100	1,200
<b>Total Lab &amp; Monitoring</b>	<b>9,100</b>	<b>10,800</b>	<b>11,200</b>	<b>11,600</b>
<b>840 Maintenance &amp; Utilities</b>				
840-01 Equipment Maint	500	1,100	1,200	1,300
840-02 Building Maint	500	1,100	1,200	1,200
840-04 Tank Maintenance	600	700	800	900
840-05 Collect. & Treatment Maint.	7,000	9,300	9,600	1,000
840-06 Distribution System Maintenance	15,000	10,700	11,100	11,500
844-07 Collection & Treatment Utilities	30,000	30,900	32,000	33,100
844-08 Distribution System Utilities	5,000	7,100	7,400	7,700
<b>Total Maintenance &amp; Utilities</b>	<b>58,600</b>	<b>60,900</b>	<b>63,300</b>	<b>56,700</b>
<b>844 Storage &amp; Distribution</b>				
844-01 Telemetry	2,800	2,900	3,000	3,100
844-02 Cross Connect Maintenance	300	1,200	1,300	1,400
844-03 Miscellaneous	700	800	900	1,000
<b>Total Storage &amp; Distribution</b>	<b>3,800</b>	<b>4,900</b>	<b>5,200</b>	<b>5,500</b>
<b>845 Supplies and Inventory</b>				
845-01 Supplies and Inventory	1,000	1,100	1,200	1,300
<b>Total Supplies and Inventory</b>	<b>1,000</b>	<b>1,100</b>	<b>1,200</b>	<b>1,300</b>
<b>850 Training</b>				
850-01 Certification & Courses	2,000	2,100	2,200	2,300
<b>Total Training</b>	<b>2,000</b>	<b>2,100</b>	<b>2,200</b>	<b>2,300</b>
<b>860 Vehicle Operations</b>				
860-01 Gas & Oil	5,000	5,200	5,400	5,600
860-02 Repairs & Service	6,000	6,200	6,400	6,600
<b>Total Vehicle Operation</b>	<b>11,000</b>	<b>11,400</b>	<b>11,800</b>	<b>12,200</b>
<b>870 Administration</b>				
870-01 Telephone, Internet, Cable	1,500	1,600	1,700	1,800
870-02 Dues & Publications	1,000	1,000	1,100	1,200
870-03 Insurance	8,700	9,000	9,300	9,600
870-04 Financial Reporting/Audit	3,500	3,300	3,400	3,500
870-05 Water System Fees	2,000	3,700	3,800	3,900
870-09 Travel, Meetings, Training	1,000	1,000	1,000	1,100
870-10 Public Relations & Outreach	500	500	500	600
870-11 IT Support	6,000	9,600	10,000	10,300



	Estimated Current 2019/20*	Projection for 1920/21	Projection for 2021/22	Projection for 2022/23
870-12 Billing & Collections	8,600	9,000	9,300	9,600
870-14 Miscellaneous	1,000	500	500	600
<b>Total Administration</b>	<b>33,800</b>	<b>39,200</b>	<b>40,600</b>	<b>42,200</b>
<b>Debt Service</b>				
Interest				
Principal				
<b>Total Debt Service</b>	<b>0</b>	<b>10,000</b>	<b>20,000</b>	<b>33,000</b>
<b>Total Expenses</b>	<b>490,100</b>	<b>477,100</b>	<b>523,800</b>	<b>546,100</b>
<b>Operating Income/Loss</b>	<b>9,300</b>	<b>97,100</b>	<b>43,400</b>	<b>22,100</b>
<b>Unfulfilled prior commitment to Tank Replacement Fund (\$174,480)</b>	<b>-9,300</b>	<b>-55,060</b>	<b>-55,060</b>	<b>-55,060</b>
<b>Net Income/Loss</b>	<b>0</b>	<b>42,040</b>	<b>-11,660</b>	<b>-32,960</b>
<b>3-Year Combined Net Income/Loss</b>				<b>-2,580</b>

\* Data for current 2019/20 year is based on actuals for July through December 2019 and estimates for January through June 2020.

**ANALYSIS OF CUSTOMER REVENUE  
UNDER CURRENT AND PROPOSED RATE STRUCTURES**

<b>Current Rates</b>	<i>Basic Charge</i>	<i>Usage Charge</i>	<i>Total</i>
Jan/Feb	62,224.25	10,238.10	72,462.35
Mar/Apr	62,224.25	9,557.90	71,782.15
May/Jun	62,224.25	21,140.30	83,364.55
Jul/Aug	62,224.25	29,723.40	91,947.65
Sep/Oct	62,224.25	24,460.40	86,684.65
Nov/Dec	62,224.25	15,728.00	77,952.25
Year Totals	373,345.50	110,848.10	484,193.60
	77%	23%	

<b>Proposed Rates</b>	<i>Basic Charge</i>	<i>Usage Charge</i>	<i>Total</i>
Jan/Feb	75,226.50	7,943.00	83,169.50
Mar/Apr	75,226.50	7,208.00	82,434.50
May/Jun	75,226.50	21,759.00	96,985.50
Jul/Aug	75,226.50	32,301.00	107,527.50
Sep/Oct	75,226.50	24,460.40	99,686.90
Nov/Dec	75,226.50	14,667.00	89,893.50
Year Total	451,359.00	108,338.40	559,697.40
	81%	19%	

<b>Full-Year Comparison</b>	<i>Current Rates</i>	<i>Proposed Rates</i>	<i>Percent Increase</i>
Basic Charge revenue	373,345.50	451,359.00	20.9%
Usage Charge revenue	110,848.10	108,338.40	-2.3%
<b>Total Customer Revenue</b>	484,193.60	<b>559,697.40</b>	<b>15.6%</b>

Note: Base is calendar year 2019.



Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 17

**Determination of Number of Protests Received  
to Proposed Increase in Water System Rates  
and Charges**



Inverness Public Utility District  
Board Meeting May 27, 2020

---

## Agenda Item No. 18

### **Ordinance 93-2020:**

**Amending Reg 301, (Rates and  
Charges) and Reg 108, (Cross  
Connection and Backflow Prevention)  
of the Water System Regulations**



## **Board Agenda Item Staff Report**

Subject: Ordinance 93-2020 amending Regulation 301, "Rates and Charges," and Regulation 108, "Cross-Connection and Backflow Prevention," of the Water System's Regulations

Meeting Date: May 27, 2020

Date Prepared: May 12, 2020

Prepared by: Wade Holland, Customer Services Manager

Attachments: 1) Proposed Ordinance 93-2020  
2) Markup copy of Regulation 301 showing the proposed revisions to the regulation with strikeouts and underscores

---

**Recommended Action:** Adopt Ordinance 93-2020

---

The Board may consider adoption of Ordinance 93-2020 after:

1. Conducting a public hearing on the proposed changes to the Water System's rates and charges, and
2. Determining that the number of written protests that have been received does not meet the threshold that requires that the proposal to change the rates and charges be withdrawn.

Please be aware that the rates proposed in the text of Ordinance 93-2020 are not subject to any change or amendment without requiring that the process for changing rates and charges, as set forth in Section 6 of Article XIII D on the Constitution of the State of California (Prop. 218), be reinitiated. In other words, if you want to make any changes in the proposed rates at this stage of the process, the District would have to start the rates-change process over from scratch, which would delay placing revised rates into effect until October 1 at the earliest.

Assuming that the number of written protests received does not meet the threshold requiring withdrawal of the proposal, staff recommends that Ordinance 93-2020 be adopted without any changes to the proposed rates so that the new rates can go into effect on July 1, the beginning of the new fiscal year. The bills that the Water System will send out on June 25 will include the new Basic Charge for the July/August bimonthly period. The usage charges on the June 25 bill will still be at the old rates, because they will be for usage that was determined by a meter reading conducted during the current fiscal year (2019/20). The new usage rates will go into effect for all water used subsequent to the June meter readings and will be applied for the first time on the bills scheduled to go out on August 26.

The proposed amendment to Regulation 108, "Cross-Connection and Backflow Prevention," is a house-keeping matter. Previously, the charges for a cross-connection were written explicitly into Regulation 108. It is preferred that (as much as possible) all rates and charges be set in the regulation on rates and charges (Regulation 301) and be noted by reference in the regulations to which they apply.

*D r a f t*

**ORDINANCE 93-2020**

*D r a f t*

**AN ORDINANCE AMENDING REGULATION 301, "RATES AND CHARGES,"  
AND REGULATION 108, "CROSS-CONNECTION AND BACKFLOW PREVENTION,"  
OF THE REGULATIONS OF THE  
INVERNESS PUBLIC UTILITY DISTRICT WATER SYSTEM**

**BE IT ENACTED** by the Board of Directors of the Inverness Public Utility District as follows:

**SECTION 1.** Paragraph (b), "Amount of Basic Charge," of Regulation 301, "Rates and Charges," of the Regulations of the Inverness Public Utility District Water System shall be and hereby is amended to read as follows, thereby withdrawing, cancelling, and replacing prior amendments to the subject rates and charges:

"(b) Amount of Basic Charge

The amount of the bimonthly Basic Charge shall be One-Hundred Forty-Six and No/100s Dollars (\$146.00), effective July 1, 2020."

**SECTION 2.** Paragraph (d), "Metered Usage Charge Rates," of Regulation 301, "Rates and Charges," of the Regulations of the Inverness Public Utility District Water System shall be and hereby is amended to read as follows, thereby withdrawing, cancelling, and replacing prior amendments to the subject rates and charges:

"(d) Metered Usage Charge Rates

The metered usage charge for all customers, unless provided for otherwise in this Regulation, for water usage measured in units of 100 cubic feet (ccf) or fraction thereof shall be calculated in accordance with the schedule shown below, this schedule of usage charge rates to become effective for any metered usage charge based on a customer water meter reading conducted on or after July 1, 2020:

Usage (ccf)	Residential service rate (per ccf)	Non-residential service rate (per ccf)
1 – 4	\$0.00	\$0.00
5 – 12	\$3.00	\$3.00
13 – 24	\$5.00	\$5.00
25 – 36	\$6.00	\$6.00
37 – 48	\$10.00	\$10.00
49 – 60	\$12.00	\$12.00
61 & up	\$28.00	\$12.00

A service's categorization as "Residential service" or "Non-residential service" shall be based on the prevailing use of the property served by the water service connection, as determined by the General Manager, whose determination may be appealed in writing to the Board of Directors; the determination by the Board of Directors shall be final and binding. In the case of a connection serving undeveloped property, the categorization as "Residential service" or "Non-residential service" shall be based on the intended usage of the property, based on the principal use of the property as determined by Marin County zoning."

**SECTION 3.** The following shall be and hereby is added to Regulation 301, "Rates and Charges," of the Regulations of the Inverness Public Utility District Water System as Paragraph (k):

“(k) Cross-Connection and Backflow Prevention Rates

In the case of a customer connection for which a “cross-connection condition” exists, as defined pursuant to Regulation 108, “Cross-Connection and Backflow Prevention,” of the Regulations of the Inverness Public Utility District Water System, the bimonthly charge provided for in Paragraph (o) of said Regulation 108 shall be as stipulated by the schedule shown below, effective July 1, 2020:

<u>Inspection Frequency</u>	<u>Charge (bimonthly)</u>
Annual	\$12.00
Semiannual	\$24.00
Quarterly	\$48.00
Monthly	\$144.00”

**SECTION 4.** The following shall be and hereby is added to Regulation 301, “Rates and Charges,” of the Regulations of the Inverness Public Utility District Water System as Paragraph (l):

“(l) Rates and Charges for Temporary Services

The rates and charges for a Temporary Service, as provided in Regulation 104, “Temporary Service,” of the Regulations of the Inverness Public Utility District Water System, shall be as shown below, effective July 1, 2020:

Security Deposit: \$850.00

Installation Charge: \$100.00

Monthly Service Charge: \$73.00

Quantity Charge: \$15.00 per 100 cu ft or fraction thereof”

**SECTION 5.** Paragraph (o), “Charges,” of Regulation 108, “Cross-Connection and Backflow Prevention,” of the Regulations of the Inverness Public Utility District Water System shall be and hereby is amended to read as follows:

“(o) Charges

The customer or property owner shall pay for initial installation/inspection, testing, and certification of a backflow preventer, or for installation, testing, and certification of a required upgrade backflow preventer. These charges shall be based on the District’s cost for time and materials plus the District’s standard overhead factor. The certification charge at the time of initial installation/inspection, at the time of upgrade installation, and in cases where the bimonthly cross-connection charge is not applied, shall be Twenty-Four Dollars (\$24.00).

Once a backflow preventer has been initially certified, the customer shall be charged a bimonthly cross-connection charge, payment of which shall entitle the customer to inspections and certifications at the prescribed inspection intervals, maintenance, testing, repair, and replacement of the installed backflow preventer. The bimonthly charge shall be as set by Regulation 301, “Rates and Charges,” of the Regulations of the Inverness Public Utility District Water System,” and in effect for the bimonthly period for which the bimonthly charge is assessed.”

**SECTION 6.** This Ordinance shall be and hereby is declared to be in full force and effect as of thirty (30) days from and after the date of its adoption. The Clerk of the Board shall cause a summary of this Ordinance to be

published in a newspaper of general circulation in the District at least one (1) week before the expiration of said thirty (30) days, said summary to include a reference to the availability of the complete ordinance, and shall also cause copies of this Ordinance to be posted in at least three (3) public places in the District for the said thirty (30) days, and said publication and said posted copies shall show the names of the Directors voting for and against adoption of this Ordinance.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Inverness Public Utility District on the 27th day of May, 2020, by the following vote, to wit:

**AYES:** Directors

**NOES:**

**ABSTAINING:**

**ABSENT:**

\_\_\_\_\_  
Kenneth J. Emanuels, President

ATTEST:

\_\_\_\_\_  
Shelley Redding, Clerk of the Board

.....

*I hereby certify that the foregoing instrument is a true and correct copy of the original of Ordinance 93-2020 on record in this office, and that subsequent to its adoption no provision of Ordinance 93-2020 has been amended, modified, or revoked by the governing body.*

\_\_\_\_\_, Clerk of the Board, Inverness Public Utility District,  
County of Marin, State of California.

By \_\_\_\_\_ Date \_\_\_\_\_



## Regulation 301

### RATES AND CHARGES

(a) **Basic Charge**

A Basic Charge shall be applied to each service connection, whether the service is actually or constructively installed. The Basic Charge shall be applied bimonthly for the periods of January-February, March-April, May-June, July-August, September-October, and November-December, and shall be billed in advance to each service connection customer concurrently with the billing for the immediately preceding period's metered usage charges. In the event of a change in the customer for a service connection during a stated bimonthly period, the Basic Charge for that period shall be prorated between the old and new customers on the basis of the number of days each customer was the customer of record.

(b) **Amount of Basic Charge**

The amount of the bimonthly Basic Charge shall be One Hundred ~~Twenty-One~~Forty-Six and No/100s Dollars (\$121.00), effective July 1, ~~2019~~2020.

(c) **Metered Usage Charge**

Each metered customer connection shall be charged bimonthly for the amount of water drawn through the customer meter, as determined by reading the customer's meter. Such metered usage charge shall be based on the metered usage rates provided for in paragraph (d) of this Regulation. The bimonthly period for purposes of determining the metered usage charge shall be such that no bimonthly period consists of fewer than 45 days nor more than 75 days, and shall be as close to 60 days as is operationally practical. The ending date of each bimonthly period shall be such that statements are rendered to customers as close as is practical to the last day of the month that precedes a bimonthly period for purposes of the Basic Charge provided for in paragraph (a) of this Regulation. Usage by a customer for less than a full bimonthly period shall be billed as if it represented the total usage for the bimonthly period.

(d) **Metered Usage Charge Rates**

The metered usage charge for all customers, unless provided for otherwise in this Regulation, for water usage measured in units of 100 cubic feet (ccf) or fraction thereof shall be calculated in accordance with the schedule shown below, this schedule of usage charge rates to become effective for any metered usage charge based on a customer water meter reading conducted on or after January 1, ~~2018~~2020:

Usage (ccf)	Residential service rate <u>(per ccf)</u>	Non-residential service rate <u>(per ccf)</u>
<del>1 - 4</del>	<del>\$0.00</del>	<del>0.00</del>
<del>1-5 - 12</del>	<del>\$23.7000</del>	<del>\$23.7000</del>
<del>13 - 36</del>	<del>\$45.2000</del>	<del>\$45.2000</del>
<del>25 - 36</del>	<del>\$6.00</del>	<del>\$6.00</del>
37 - 48	<u>\$510.9000</u>	<u>\$510.9000</u>
49 - 60	<u>\$812.4000</u>	<u>\$812.4000</u>
61 & up	<u>\$2428.4000</u>	<u>\$812.4000</u>

~~The distinction between~~A service's categorization as "Residential service" ~~and-or~~ "Non-residential service" shall be based on the prevailing use of ~~each-the~~ property served by a water service connection, as determined by the General Manager, whose determination may be appealed in writing to the Board of Directors; the determination by the Board of Directors shall be final and binding. In the case of a connection serving undeveloped property, the ~~distinction-between~~categorization as "Residential service" ~~and-or~~ "Non-residential service" shall be based on the intended usage of the property, ~~taking into account especially-~~based on the principal use of the property ~~permitted-by-applicable~~as determined by Marin County zoning.

(e) **Rates for Public Water Service from Publicly Owned Fire Hydrants**

No charge shall be made for water drawn from a publicly owned fire hydrant, standpipe, or similar device when such draw is for public, firefighting, emergency, or water system purposes and is by, under the direction of, or pursuant to authorization by firefighting or other emergency officials, or by, under the direction of, or pursuant to authorization by officials or employees of the Inverness P.U.D. Water System.

(f) **Rates for Private Water Service from Publicly Owned Fire Hydrants**

The rate for water drawn for private use from a publicly owned fire hydrant, standpipe, or similar device pursuant to a permit issued by the System shall be equal to the highest metered usage rate shown in Paragraph (d) of this Regulation. In the event such usage is not metered, usage shall be estimated by the System. The System may, at its sole discretion, require that a deposit be posted with the System in advance of any draw of water for private use from a publicly owned fire hydrant, standpipe, or similar device in an amount equal to the estimated total cost of the water anticipated to be drawn.

If a temporary line connection is made to a publicly owned fire hydrant, standpipe, or similar device pursuant to a permit issued by the System in order to convey water from the hydrant, standpipe, or similar device to the location of the private use, a Connection/Disconnection Charge of One Hundred Dollars (\$100.00) shall be payable in advance of installation of said connection. In addition to the charge for water drawn through such a temporary line connection, a connection device rental charge and water availability charge of Ten Dollars (\$10.00) per calendar day shall be assessed. The usage and rental/availability charges may be billed to the customer on a weekly, biweekly, monthly, or bimonthly basis, at the discretion of the system, and any such invoice shall be payable within 15 days of the invoice being rendered to the customer. The System shall provide only the connection at the hydrant, standpipe, or similar device; provision and installation of the temporary conveyance line shall be the obligation of the user, and such conveyance line must be approved by the System as adequate and in sufficiently good repair to accommodate the volume and pressure of the water to be conveyed.

(g) **Returned Check Charge**

A charge shall be applied to the customer's account in each instance when the customer's check for payment of any charges is returned by the customer's bank as unpaid for any reason. The charge shall be Twenty-Five Dollars (\$25.00) as a handling and processing charge plus whatever, if any, is charged by the System's bank to the System for the bank's processing and handling of the returned check.

(h) **Late Payment Charge**

A Late Payment Charge shall be applied to the account of any customer on whose account any invoiced charge has not been paid after sixty (60) days from the date of the invoice showing the charge. The Late Payment Charge shall be applied at such time that the System sends to the customer a Ten-Day Service Shutoff Notice. The amount of the Late Payment charge when the Ten-Day Service Notice is issued shall be Thirty-Five Dollars (\$35.00). In the event the customer who received the Ten-Day Service Notice does not respond, a Forty-Eight-Hour Service Notice shall be issued and posted on the property and an additional Sixty-Five Dollars (\$65.00) shall be charged.

(i) **Special Meter Reading Charge**

A charge of Thirty Dollars (\$30.00) shall be applied to the account of a customer at such time that the meter serving the customer's service is read by System personnel at a time not regularly scheduled for a reading of the meter and pursuant to a request from the customer that the meter be read, except that this charge shall not be applied if the request that the meter be read is in conjunction with a change in the customer for the service connection, or if the request that the meter be read is in conjunction with the filing of a formal request for a testing of the accuracy of the meter as provided for in Regulation 52, or if the request that the meter be read is in conjunction with the filing by the customer of a request for investigation of a disputed bill.

**(j) Account Setup Charge**

A charge of Fifty Dollars (\$50.00) shall be applied to the account of a new customer as a processing and setup charge to cover costs of changing the account from the previous customer to the new customer. Any customer-initiated change in customer information that necessitates assignment of a new account number shall be construed as constituting a change in the customer for purposes of application of this charge. This charge shall also be applied as a processing fee in order to place into effect an Authorization to Forward Statements. However, this charge shall not be applied to set up the account of the first customer for a newly installed service connection.

**(k) Cross-Connection and Backflow Prevention Rates**

In the case of a customer connection for which a “cross-connection condition” exists, as defined pursuant to Regulation 108, “Cross-Connection and Backflow Prevention,” of the Regulations of the Inverness Public Utility District Water System, the bimonthly charge provided for in Paragraph (o) of said Regulation 108 shall be as stipulated by the schedule shown below, effective July 1, 2020:

<u>Inspection Frequency</u>	<u>Charge (bimonthly)</u>
<u>Annual</u>	<u>\$12.00</u>
<u>Semiannual</u>	<u>\$24.00</u>
<u>Quarterly</u>	<u>\$48.00</u>
<u>Monthly</u>	<u>\$144.00</u>

\* \* \* \* \*

*As Regulation 54:*      *Adopted, May 21, 1986 (Ordinance 5-86)*  
                              *Amended, March 21, 1988 (Ordinance 12-88)*  
                              *Amended, July 11, 1988 (Ordinance 17-88)*  
                              *Amended in its entirety, November 21, 1988 (Ordinance 18-88)*  
                              *Fixed charges in Paragraph a amended, May 22, 1989 (Ordinance 21-89)*  
                              *Fixed charges in Paragraph a amended, June 18, 1990 (Ordinance 25-90)*  
                              *Fixed charges in Paragraph a, metered usage charges in Paragraph c, and rate for fire hydrants system in Paragraph e amended, May 20, 1991 (Ordinance 27-91)*  
                              *Fixed charges in Paragraph a and rate for fire hydrants system in Paragraph e amended (effective 7/1/92), May 18, 1992 (Ordinance 31-92)*  
                              *Fixed charges in Paragraph a amended (effective 9/1/92), May 18, 1992 (Ordinance 31-92)*  
                              *Fixed charges in Paragraph a amended and Paragraph e rewritten, May 17, 1993 (Ordinance 34-93)*  
                              *Fixed charges in Paragraph a amended, July 19, 1993 (Ordinance 36-93)*  
                              *Replaced in its entirety by Regulation 301, May 27, 1997 (Ordinance 44-1997)*

*As Regulation 301:*      *Adopted, May 27, 1997, amending and replacing Regulation 54 (Ordinance 44-1997) [Conforms water rates to Proposition 218]*  
                              *Basic Charge in Paragraph (b) and Usage Charge Rates in Paragraph (d) amended, Sept. 29, 1997 (amended Paragraph (b) to become effective January 1, 1998; amended Paragraph (d) to become effective November 1, 1997) (Ordinance 46-1997) [Reverts to pre-Prop. 218 tiered water rates]*  
                              *Basic Charge in Paragraph (b) amended, June 15, 1998, to become effective Sept. 1, 1998 (Ordinance 49-1998)*  
                              *Usage Charge Rates in Paragraph (d) amended (effective 7/1/2001), distinction between residential and non-residential usage rates introduced, and Account Setup Charge in Paragraph (j) increased from \$5.00 to \$10.00, July 2, 2001 (Ordinance 57-2001)*  
                              *Usage Charge Rates in Paragraph (d) amended effective 7/1/2005.*  
                              *Basic Charge in Paragraph (b), Metered Usage Charge Rates in Paragraph (d), Returned Check Charge in Paragraph (g), Special Meter Reading Charge in Paragraph (i), and Account Setup Charge in Paragraph (j) amended effective July 1, 2008.*

*Basic Charge in Paragraph (b), Metered Usage Charge Rates in Paragraph (d), Late Payment Charge in Paragraph (h) amended (effective July 1, 2009) (Ordinance 76-2009)*

*Basic Charge in Paragraph (b) and Metered Usage Charge Rates in Paragraph (d) amended effective January 1, 2018 (Ordinance 87-2017).*

*Basic Charge in Paragraph (b), Metered Usage Charge Rates in Paragraph (d), and paragraph in Paragraph (d) on "A service's categorization..." amended effective July 1, 2019 (Ordinance 90-2019).*

*Basic Charge in Paragraph (b) amended, Metered Usage Charge Rates in Paragraph (d) amended, and Paragraph (k) on "Rates and Charges for Temporary Service" added effective July 1, 2020 (Ordinance 93-2020).*



Inverness Public Utility District  
Board Meeting May 27, 2020

---

# Agenda Item No. 19

## **Committee Meetings/Reports**



Inverness Public Utility District  
Board Meeting May 27, 2020

---

# Agenda Item No. 20

**Announcements,**

**Next Meeting,**

**Adjournment**