

INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT * WATER SYSTEM
INVERNESS, MARIN COUNTY, CALIFORNIA

Board of Directors Agenda

Friday – June 23, 2017

9am at the Inverness Firehouse



1	Call to Order	-
2	Roll Call	-
3	Public Expression Open time for public expression for matters under the Board's jurisdiction but not on the Agenda. Members of the public may comment on any item on the Agenda at the time the item is considered by the Board.	-
4	Approval of Minutes: May 17, 2017	Action
5	Resolution 229-2017: A Resolution of the Board Action of Directors of the Inverness Public Utility District Establishing the Tax Proceeds Appropriations Limit for Fiscal Year 2017/2018	Information
6	Budget 2017/2018 Review, Comment and Approve Budget for the 2017/2018	Action
7	Stockstill Tank Replacement Project Update: Review of progress of tank replacement project, schedule and neighborhood coordination.	Information
8	Approval of Expenditures (May)	Action
9	Water System Report (May)	Information
10	Fire Department Report (May)	Information
11	Management Report <ul style="list-style-type: none">• Customer Issues• Financial Statement	Information
12	Announcements & Adjournment <ul style="list-style-type: none">• Next Meeting Wednesday July 26 at 9am	Information

Agenda Posted: June 20, 2017

Material that is provided in the meeting packet is available to the public by contacting the District Office.
Items may not be taken up in the order shown on this Agenda.

THIS MEETING IS OPEN TO THE PUBLIC

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

KEN EICHSTAEDT, P.E., GENERAL MANAGER • **JAMES K. FOX**, CHIEF OF OPERATIONS
P.O. Box 469, 50 INVERNESS WAY, INVERNESS CA 94937 • (415) 669-1414



Inverness Public Utility District
Board Meeting June 23, 2017

1 Call to Order



Inverness Public Utility District
Board Meeting June 23, 2017

2 Roll Call



Inverness Public Utility District
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3 Public Expression



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4 Approval of Minutes: May 17, 2017

INVERNESS PUBLIC UTILITY DISTRICT

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Board of Directors

Meeting Minutes

Wednesday – May 17, 2017

9am at the Inverness Firehouse

1. Call to Order

Director Emanuels called the meeting to order at 9:05a.m.

2. Roll Call

Directors Present: Emanuels, Whitney, Press, Alderdice and Johnson

Directors Absent: none

3. Public Expression

None presented.

4. Approval of Minutes: April 26, 2017

Item 6: Change “reverse” to “reserves”

Item 10: *Ad Hoc* committee is to be Dakota Whitney and David Press only.

M/S Press/Whitney that the Minutes of the regular meeting be approved with changes.

AYES 5, NOES 0

5. Budget 2017/2018 (draft)

The draft budget was reviewed for 2016/17. The water revenue should be conservative and should make use of the actual revenue number, if possible. Cost items need to be included in the budget including the Maze accounting services, book keeping, etc. Under education, include costs for CPR training. Budget spreadsheet review by Brent will be conducted (tentatively set for May 26) prior to the next Board Meeting. Question raised on enacting the rate increase without formally going through the Board. KEE to call Chris DeGabriele or others on how to identify unapproved rate increase in forecast budget. It is noted that the budget can be revised partially through the fiscal year if conditions change such as no rate increase.

6. Stockstill Tank Replacement Project:

District has brought on landscape consultant Jason Green to assist in landscaping around the new tank after completion. Jason has visited the site and met Tee Jennings.

Presented were pictures (taken by neighbor across from tank Bruce Chamberlain) of NMWD tanks on Balboa as examples. (Further research of the NMWD tanks indicated they had been “tagged” and the different paint colors now seen were for covering up graffiti.) The options for plants to be considered was discussed and had been solicited for input in the neighborhood. The objective of the landscaping is to break up the tank, not to fully screen the tank. Initial consensus on color is for a darker grey.

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Requested were links to the potential tank manufacturers' website for color options. The location of the ladder was discussed and the choice for its location is optional and can be adjusted. The height of the operations shed (4x8 ft.) was requested; it is expected to be about 8 ft. in height. Discussed were the color scheme of the sidewall and roof; the roof is anticipated to be the same color as the sidewall and may be aluminum. The District will continue to keep the neighborhood apprised of the activities associated with the tank replacement. Construction schedule is to advertise in July and start construction in August.

7. Rate Increase & Capital Improvement Financing Options

Needs for rate increase identified as:

1. Replacement of 8 redwood tanks
2. Water main replacement
3. Monitoring and control system

Reserve amount identified previously was for 12 months but this may be excessive based on industry norms that are 2 to 8 months. Maintaining reserve amount of 50% (currently set at 100%) of one year's expenses is desirable and preferred given the potential higher loan interest rates. The tradeoff is that then the District avoids the higher interest rates (3.7% and greater) associated for loans on the capital renewal projects. Direction given to District staff to apply for multiple loans provided it does not obligate the District initially (i.e. that later approval will still be needed to accept the loan).

For capital improvements, bid and financing packages should consider combining multiple sites (currently viewed as Stockstill and Tenny) in one package. This would likely reduce planning, design and construction costs.

Underestimating construction costs is a concern by the Board. Construction costs were developed by District and Brelje & Race in November 2016 based on similar projects completed by others. Included in cost estimate is a 20% contingency. Note: the uniqueness of the locale and project does not lend the District's tank replacement with strong comparable projects. Bids received for the Stockstill Project will provide a better understanding of the construction costs involved.

Discussion ensued on a 15% and 5% rate increase structure. The District can assemble a rate increase plan that includes multiple rate increases in the 5-year period without formal Board approval at each rate increase.

Outreach will be needed to those on Lifeline rate structures as well as the public at large. Staff will review what the average bill is and work with Wade to assess the increase in revenue through the rate increase.

8. IPUD Response to 2016-17 Marin County Civil Grand Jury Report - Overcoming Barriers to Housing Affordability:

The Board expressed support for affordable housing in Marin and adopted recommendation R5 revised as follows:

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“The District will consider on a case-by-case basis the waiver or reduced hook-up fees for low-income housing projects and accessory dwelling units.”

M/S Whitney/Press that the revised recommendation R5 be approved. AYES 5, NOES 0

9. Approval of Auditor for 2016/2017 fiscal year:

Proposals presented for selection of auditor. Based on cost and experience with District, it was recommended that the services of Doran & Associates be utilized.

M/S Alderdice/Johnson that the auditor be Doran and Associates. AYES 5, NOES 0

10. Control and Monitoring Strategies Update:

The installation of an initial monitoring system is needed for tank level and flows in distribution system. The objectives are to:

- Provide a robust, real-time and easily accessible tank level monitoring system
- Develop overall system notifications and alarm mechanisms
- Reduce use of expensive and potentially vulnerable phone lines.

There is currently a limited monitoring system for Tenny tank and the break and product tanks at F1. It is proposed to develop a system for First Valley that can be later developed for second and third valleys. The Board agreed on this initial rollout with approval for future work.

11. Approval of Expenditures:

M/S Whitney/Johnson that the expenditures be approved. AYES 5, NOES 0

12. Water System Report (April)

Superintendent Fox relayed the anode replacement of the Conner/Vision Tank. This needs to be done on a regular basis and had not been done since the tank was installed 2008.

13. Fire Department Report (April):

Fire Chief Fox presented fire report. He identified that a new volunteer has applied. Training of volunteers has been coordinated with Bolinas Fire Department.

14. Management Report

- Customer Issues:** List of customer issues reviewed. Current issues for past month are: Stockstill Tank replacement, water to be turned off and service upgrade.
- Stockstill Design Review:** Current design for the Stockstill Tank replacement was presented. Neighbors have been in communication with the District regarding project.
- Financial statement** up to April was presented.

15. Committee Meetings/Reports

There have been no committee meetings and no meetings of committees are currently scheduled.

16. Announcements & Adjournment

There were no announcements. President Emanuels adjourned the meeting at 11:30 a.m. The next regular meeting is 9:00 a.m., Friday, June 23, 2017, at the Inverness Firehouse.

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Inverness Public Utility District
Board Meeting June 23, 2017

5 Establishing Appropriations Limit for Fiscal Year 2017/2018

**SUPPORTING DOCUMENTATION FOR RESOLUTION 229-2017
ESTABLISHING CALCULATED MAXIMUM LIMIT
APPLICABLE TO APPROPRIATIONS OF TAX PROCEEDS
FOR FISCAL YEAR 2017/2018**

1. INTRODUCTION

In November 1979, California voters passed Proposition 4, which added Article XIII B to the State Constitution. Article XIII B restricts government spending by establishing limits on annual appropriations by local agencies of tax proceeds. Article XIII B became effective on July 1, 1980.

At the 1979/80 Regular Session of the State Legislature, legislation implementing Article XIII B was adopted. Chapter 1205, Paragraph 7910 of the Government Code pertains to the resolution by which a local jurisdiction establishes its tax proceeds appropriations limit for each fiscal year.

Pursuant to Paragraph 7910, such resolution shall be adopted at a regularly scheduled or a noticed special meeting of the entity's governing body. Fifteen days prior to such meeting, documentation used in determining the proposed appropriations limit shall be available to the public. Any judicial action or proceeding to attack, review, set aside, void or annul the action of the governing body taken pursuant to Paragraph 7910 shall be commenced within 45 days of the effective date of the governing body's resolution.

2. ARTICLE XIII B

Section 1 of Article XIII B states that "the total annual appropriations subject to limitation of the state or each local government shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in the cost of living and population."

Section 8, subsection (b) of Article XIII B states that "appropriations subject to limitation of an entity of local government shall mean any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity."

3. BASE YEAR

It is further provided that for establishing the appropriations subject to limit, the base year shall be the 1978/79 year. Adjustments for changes in the cost of living and population shall be based on a factor provided by the Department of Finance, State of California, no later than May 1 of each year.

In June 1990, California voters passed Proposition 111, which amended Article XIII B of the State Constitution by changing the cost of living factors to be used (in conjunction with the population factor) to adjust the prior year's appropriations limit. The amendment provides that the change in cost of living shall be determined by either the percentage change in California per capita personal income or the percentage change in the local assessment roll due to local nonresidential construction; each jurisdiction shall select the cost of living factor to be used by the jurisdiction. On October 15, 1990, the Board of Directors of the Inverness Public Utility District adopted Resolution 53-90, by which it selected the percentage change in California per capita personal income as the cost of living factor to be used by the District.

The 1990 amendment to Article XIII B also provides that each local jurisdiction's 1990/91 appropriations limit shall be the jurisdiction's 1986/87 appropriations limit readjusted from that year forward by the new cost of living factor. On October 15, 1990, the Board of Directors of the Inverness Public

Utility District adopted Resolution 54-90, by which it revised the District’s 1990/91 appropriations limit using the new cost of living factor from 1986/87 forward, pursuant to data provided on September 18, 1990 by the California State Department of Finance.

At the General Election on November 3, 2015, the voters in the Inverness Public Utility District approved Measure G by 218 Yes votes to 2 No votes, which measure asked the question, “Shall the appropriations limit established for the Inverness Public Utility District pursuant to Article XIII B of the California Constitution be adjusted to include the combined total of all applicable revenue sources for the fiscal years 2015/2016 through 2017/2018 in order to ensure an adequate funding base for the Inverness Public Utility District?” In the event the District’s calculated appropriations limit for any applicable year does not include the combined total of all applicable revenue sources, then the appropriations limit for that fiscal year shall be set to be equal to the combined total of all applicable revenue sources.

4. RATIO OF CHANGE APPLICABLE TO FISCAL YEAR 2017/2018

- a. Adjustment factor to be used for the 2017/2018 fiscal year, as provided by the Department of Finance, State of California:
 - Change in cost of living: **1.0369**
 - Change in population (County of Marin): **0.18**
 - Combined factor (cost of living x population): **1.0388**
- b. Adjustment factor converted to a percentage: **3.88%**
- c. Tax proceeds of the Inverness Public Utility District subject to appropriations limit for the 2016/2017 fiscal year (the preceding fiscal year): **\$427,748.03**.

5. APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017/2018

The tax proceeds of the Inverness Public Utility District subject to appropriations limitation for the 2017/2018 fiscal year shall be **\$427,748.03**, which is **1.0572** times the tax proceeds appropriations limit for the 2016/2017 fiscal year (the preceding fiscal year), as noted in 4-c above:

$$1.0388 \times \$427,748.03 = \$444,344.65$$

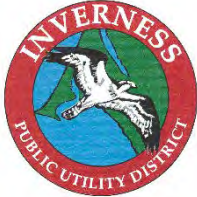
except that if this amount does not include the combined total of all applicable revenue sources, then the appropriations limit for the 2017/2018 fiscal year shall be set to be equal to the combined total of all applicable revenue sources.

6. AVAILABILITY TO THE PUBLIC

These documentation data were made available to the public on June 20, 2017, at the offices of the Inverness Public Utility District, 50 Inverness Way, Inverness, CA, for public inspection and copies during normal office hours. Availability was duly noticed by posting in three public places in the District.

ATTEST:

Ken Eichstaedt, Clerk of the Board
June 20, 2017



Inverness Public Utility District

Fire Department ❖ Water System

Post Office Box 469

Inverness, CA 94937

(415) 669-1414 ❖ Fax (415) 669-1010 ❖ ipud@horizoncable.com

NOTICE OF INTENTION TO ESTABLISH APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017/2018

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Directors of the Inverness Public Utility District at a Meeting to be held:

Friday, July 26, 2017, 9:00 a.m.

at the Inverness Firehouse, 50 Inverness Way, Inverness, CA, to consider adoption of the District's appropriations limit for the fiscal year 2017/2018, pursuant to Article XIII B of the Constitution of the State of California, and to Title 1, Division 9 of the Government Code of the State of California, comprising Sections 7900 through 7913 of said Code.

NOTICE IS HEREBY FURTHER GIVEN that any person desiring to be heard may, at or before said Meeting, submit a written statement to the District or may appear at said Meeting and be heard.

DOCUMENTATION used in determining the appropriations limit is available for inspection and copies at the Inverness Firehouse, 50 Inverness Way, Inverness, CA, between the hours of 9:00 a.m. and 3:00 p.m. Monday – Friday.

Attest:

Ken Eichstaedt
Clerk of the Board
June 20, 2017

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Inverness Public Utility District
Board Meeting June 23, 2017

8 Budget 2017/2018

IPUD FY 2017/2018 Budget		Approved FY 2016/17	Draft FY 2017/18	Actuals FY 2015/16	Actuals to Date (1)	% Change (42)	Notes
IPUD INCOME							
ADMINISTRATION REVENUE							
TAX REVENUE							
Current Property Taxes		\$330,881	\$355,697	-	-	7.50%	1
Supplementals - Current		\$16,137	\$17,347	-	-		1
Supplementals - Prior		\$258	\$277	-	-		1
Homeowners (HOPTR) Rebate		\$2,026	\$2,178	-	-		1
Prior Years' Taxes		\$521	\$560	-	-		1
Miscellaneous Taxes (Fire)		\$78,069	\$78,069	-	-		2
			\$454,129				
INTEREST INCOME							
Local Agency Investment Fund (Interest)		\$3,800	\$3,800				3
TOTAL ADMINISTRATION REVENUE		\$431,692	\$457,929	\$451,014	\$498,697	6.08%	1
WATER REVENUE							
CUSTOMER REVENUE							
Basic Charge		\$308,700	\$324,135	-	-	5%	4
Usage Charge		\$85,000	\$89,250	-	-	5%	5
Customer-Paid Work		\$500	\$3,000	-	-		6
Cross-Connection Fees		\$1,140	\$1,140	-	-		7
Miscellaneous Charges		\$500	\$525	-	-		8
New Services Connection Fee		\$0	\$0	-	-		9
Other Income		\$0	\$0	-	-		11
Uncollectibles		\$0	\$0	-	-		
Total Customer Revenue		\$395,840	\$418,050				
MISCELLANEOUS REVENUE							
Intergovernmental Aid		\$0	\$0	-	-		10
Other Income		\$100	\$105	-	-		15
Total Interest & Miscellaneous Income		\$100	\$105				
TOTAL WATER REVENUE		\$395,940	\$418,155	\$431,079	\$260,836	5.61%	
FIRE DEPARTMENT REVENUE							
TAX REVENUE							
Special Fire Tax		\$68,800	\$68,290	\$68,290			12
Total Tax Revenue		\$68,800	\$68,290	\$68,290			
NONTAX INCOME							
West Marin Emergency Services Fund		\$7,490	\$0				13
Intergovernmental Aid		\$0	\$0				10
Merchandise Sales		\$500	\$500	\$735			14

IPUD FY 2017/2018 Budget		Approved FY 2016/17	Draft FY 2017/18	Actuals FY 2015/16	Actuals to Date (1)	% Change (42)	Notes
	Chipper Day	\$2,600	\$2,100	\$2,100			
	Other Income	\$0	\$0	\$425			15
	Total Nontax Income	\$10,590	\$2,600	\$3,260			
	TOTAL FIRE REVENUE	\$79,390	\$70,890	\$71,550	\$68,269		
	TOTAL IPUD REVENUE	\$907,022	\$946,974	\$953,643	\$827,802	4.40%	
	IPUD EXPENSES						
	ADMINISTRATION EXPENSES						
	PERSONNEL						16
	Health Insurance	\$30,510	\$39,733	\$39,733			17
	Retirement	\$16,590	\$12,500	\$12,500			18
	Payroll Taxes	\$6,776	\$7,231	\$7,231			19
	Salary, General Manager	\$86,184	\$119,000				20
	Salary, Clerical	\$0	\$10,000				20
	Accrued Vacation	\$0	\$0				21
	Worker's Compensation Insurance	\$455	\$2,700				22
	Total Personnel Costs	\$140,515	\$191,164	\$157,000		36.05%	
	OFFICE AND ADMINISTRATION						
	LAFCO Budget	\$850	\$850				
	Dues & Publications	\$1,800	\$2,793				41
	Office Equipment Maintenance	\$500	\$500				23
	Miscellaneous	\$3,500	\$1,000				
	Professional Services	\$11,050	\$24,000				24
	Professional Services - Legal	\$200	\$564	\$564			41
	Board Expenses & Elections	\$0	\$1,353	\$1,353			41
	Office Supplies & Postage	\$4,000	\$5,374	\$5,374			41
	Telephone, Internet Service	\$3,900	\$5,034	\$5,034			41
	Travel & Meetings	\$500	\$1,000				24
	Bank Charges	\$1,200	\$3,785	\$3,785			41
	Legal Advertising	\$300	\$300				
	Tax Collection	\$5,600	\$6,193	\$6,193			25
	GASB 45 & 68 Reporting	\$5,000	\$4,000				
	Other Advertising	\$0	\$2,116	\$2,116			41
	Total Office & Administration	\$38,400	\$58,862	\$43,000		53.29%	
	TOTAL EXPENSES--ADMIN.	\$178,915	\$250,026	\$157,000		39.75%	
	WATER DEPARTMENT EXPENSES						
	PERSONNEL COSTS						
	Health Insurance	\$31,639	\$23,878				17

IPUD FY 2017/2018 Budget		Approved FY 2016/17	Draft FY 2017/18	Actuals FY 2015/16	Actuals to Date (1)	% Change (42)	Notes
	Retirement	\$30,804	\$31,854				18
	Payroll Taxes	\$8,889	\$9,192	\$9,388			19
	Salary, Superintendent	\$47,159	\$54,233				20
	Salary, Operations & Admin.	\$73,058	\$80,000	\$76,281			20
	Worker's Compensation Insurance	\$3,942	\$4,076	\$3,981			22
	Accrued Vacation	\$28,000	\$3,000	\$2,724			20
	Total Personnel Costs	\$223,491	\$206,234	\$186,000			
PHYSICAL OPERATIONS							
	Collection & Treatment System	\$15,500	\$15,500	\$14,300			27
	Laboratory & Monitoring	\$10,000	\$20,000	\$15,275			28
	Professional Services	\$500	\$3,000				24
	Storage & Distribution System	\$16,000	\$31,464	\$31,464			29
	Supplies & Inventory	\$14,500	\$24,132	\$24,132			30
	Vehicle Operation	\$9,000	\$6,000	\$4,800			31
	Operator Training, Licensing	\$1,000	\$3,000	\$2,139			32
	Total Physical Operations	\$66,500	\$103,096				
OFFICE & ADMINISTRATION							
	Billing & Collections	\$7,680	\$7,680				33
	Dues & Publications	\$900	\$900				
	DPH Annual Fee	\$3,006	\$3,006				34
	DPH Hourly Charges	\$0	\$0				34
	Legal & Misc.	\$500	\$500				
	Telephone	\$3,700	\$6,000	\$6,000			
	Travel & Meetings	\$500	\$1,000				25
	General Liability/Auto Insurance	\$5,478	\$5,478				35
	Total Office & Administration	\$21,764	\$24,564	\$24,000			
	TOTAL OPERATING EXPENSES	\$311,755	\$333,894				
	Plus Depreciation	\$51,247	\$43,000	\$63,675			36
	Total Depreciation	\$51,247	\$43,000				
	TOTAL EXPENSES--WATER	\$363,002	\$376,894	\$302,000	\$362,528	24.80%	
FIRE DEPARTMENT EXPENSES							
PERSONNEL							
	Health Insurance	\$27,896	\$28,000				17
	Retirement	\$19,471	\$21,000				18
	Payroll Taxes	\$10,858	\$10,000				19
	Salary, Fire Chief	\$47,159	\$48,000				20
	Salary, Department Operations	\$56,558	\$63,000				20

IPUD FY 2017/2018 Budget		Approved FY 2016/17	Draft FY 2017/18	Actuals FY 2015/16	Actuals to Date (1)	% Change (42)	Notes
	Worker's Compensation Insurance	\$8,039	\$7,000				22
	Duty Officer	\$36,500	\$30,000				20
	Accrued Vacation	\$28,000	\$13,000				21
	Volunteers' Compensation	\$1,200	\$1,200				37
	Total Personnel Costs	\$235,681	\$221,200	\$177,000			
PHYSICAL OPERATIONS							
	Dispatch & Communications	\$27,000	\$26,000				38
	Maintenance & Repair	\$3,300	\$10,000				39
	Professional Services	\$2,700	\$2,700				24
	Supplies & Inventory	\$13,000	\$13,000				30
	Education, Programs & Incentives	\$19,000	\$10,000				40
	Utilities	\$4,000	\$4,000				
	Vehicle Operations	\$9,000	\$9,000				31
	Total Physical Operations	\$78,000	\$74,700				
OFFICE & ADMINISTRATION							
	Dues & Publications	\$800	\$800				
	Miscellaneous	\$2,000	\$2,000				
	Telephone	\$2,200	\$2,200				
	Travel & Meetings	\$200	\$200				25
	Tax Collection	\$1,466	\$1,466				26
	General Liability/Auto Insurance	\$10,264	\$10,264				35
	Total Office & Administration	\$16,930	\$16,930	\$17,000			
	TOTAL EXPENSES--DISTRICT OPS. & FIRE PROTECTION	\$509,526	\$562,856	\$502,000	\$431,000	10.47%	
	TOTAL IPUD EXPENSES	\$872,528	\$939,750	\$804,000	\$793,528	16.88%	
	IPUD INCOME LESS EXPENSES	\$34,494	\$7,224	\$149,643	\$34,274		

Notes

1	Tax Revenue: Tax revenues are predicted to increase around 2% based on the 2015/2016 audited actual. It is noted that the actual to date tax revenue is \$498,697 (for current fiscal year ending April 30, 2017. Actual to date is taken from the Balance Sheet for the period FY 2016/2017 ending April 30, 2017. The % increase for the Current Property Taxes is based on a speculated 7.5% increase. The Total Administration Revenue % Increase is based on the Actuals FY 2016/17 budget or the Actuals FY 2015/16.
2	Miscellaneous Taxes: This the Marin County estimate of excess ERAF IPUD should receive.
3	LAIF (Interest): The LAIF interest percentage has decreased dramatically since 2008 and is not being changed.
4	Basic Charges: The current Basic Charge equals \$100.00 per customer per billing. There are currently have 515 customers. A nominal rate increase has been input into the budget of 5% to reflect an possible rate increase in late 2017 or early 2018. Actuals FY 2015/16 were taken from Profit and Loss statement for July 1, 2015 to June 30, 2016.
5	Usage Charges: The 2017/2018 usage estimate anticipates customer usage based conservation. A nominal rate increase has been input into the budget of 5% to reflect an possible rate increase in late 2017 or early 2018.
6	Customer-Paid Work: Water System work for which the customer pays usually involves installation of a new water meter, upgrade of an existing meter (because the customer is remodeling and a larger meter is required to support the County-required fire sprinkler system), or more than nominal assistance given a customer in leak detection and/or making temporary repairs. We charge the customer for time and materials plus an overhead factor; it is the overhead amount that nets out on our books as revenue. It is anticipated that we will realize \$3000 for 2017/18.
7	Cross-Connection Charges: Water System customers who have a cross-connections (usually, a private well) must participate in the Cross-Connection Maintenance Program, for which we currently charge \$60 a year. There are 19 cross-connection customers.
8	Miscellaneous Charges: For the Water System, these charges include the following Late Payment fees: \$35 for issuing a 10-day shut-off notice and \$65 for a 48-hour shut-off notice. Additional charges include the Returned Check Charge (\$25), the Special Meter Reading charge (\$30), and the Account Setup Fee (\$50). It is anticipated that we will realize \$500 in these miscellaneous charges.
9	New Service Connection Fees: A New Service Connection Fee becomes revenue for the Water System at the time the applicant pays for a new service and the District is ready and able to install the meter. We do not anticipate any new service connections this fiscal year.
10	Inter governmental Aid: We don't anticipate any aid from the government for the Water System or Fire Department this fiscal year.
11	Other Income: This is miscellaneous income that is not derived from customer-paid work, such as donations, etc.
12	Special Fire Tax: This amount reflects the amount IPUD receives from the Special Fire Tax. The amount shown was the actual collected for the 2015/2016 fiscal
13	West Marin Emergency Fund: The Fire Department has previously been allocated around \$7,000 from the WMES fund each year. However, there was not an indicated WMEF allocation for FY 2015/2016. Therefore, this amount will be \$0 for the current budget.
14	Merchandise Sales: This line item is for IVFD T-Shirt and hat sales.
15	Other Income: We include this item to cover any income that cannot be categorized otherwise.
16	General Notes on the Personnel Budgets: With the exception of General Manager and Billing Clerk, the payroll charges are split evenly by department between the Water System and Fire Department, using the rationale that our Water System employees are either on call as Fire Department volunteers while on duty, or perform maintenance on Fire Department equipment and vehicles while on duty.
17	Health Insurance: Health insurance benefits are provided for J. Fox (single + 1 dependent), K. Fox (single + 1 dependent), W. Holland (single + 1 dependent; supplement to Medicare as a retiree), M. Meszaros (single; as a retiree, M. McClaskey (single), and General Manager (single + 1 dependent). This budget reflects the actual rates for the last half of FY 2015 (July-December) and an estimated 5% increase in rates for the first half of FY 2016 (January-June).

Notes

18	Retirement: J. Fox is 50% Miscellaneous and 50% Safety; all other employees are 100% Miscellaneous. The employer contribution rate for 2016/17 is 7.159% for Miscellaneous and 12.055% for Safety. Additionally, CalPERS will be estimating and billing IPUD for the Unfunded Annual Liability (UAL) for pension costs. For 2016/17, these costs are \$19,932 for Misc. and \$3636 for Safety. This additional UAL cost is included in this budget line item.
19	Payroll Taxes: Payroll taxes include only the employer's share of FICA (7.65% of payroll). We do not pay unemployment insurance; instead, we have opted to reimburse EDD for any unemployment benefits they pay out on our behalf.
20	Salaries: The 2017/18 budget reflects a cost-of-living adjustment of 3.4% as calculated by using the Bureau of Labor Statistics Consumer Price Index (All Urban Customers, Not Seasonally Adjusted, San Francisco-Oakland-San Jose Area) for all but one employee. The following pay rates are included in the 2017/2018 budget (approximate 3% increase): General Manager's annual salary is \$119,000; J. Fox's annual salary is \$94,318; McClaskey's hourly rate is \$32.00; K. Fox's hourly rate is \$34.04. W. Holland's hourly rate is set at \$40.38. Also, included in the 2017/18 budget is \$30,000 for Duty Officer services.
21	Accrued Vacation: Earned but unused vacation time is a liability because if an employee leaves our employ, we would have to pay them at their current pay scale for their accumulated vacation time.
22	Workers' Compensation Insurance: This is the estimate for IPUD's premium.
23	Office Equipment Maintenance: The cost of maintaining office copiers and scanners.
24	Professional Services: The Water System has an occasional need for consultation with our engineer, Brejje & Race Engineering. Under Fire Department, this item funds the District's portion of the West Marin Disaster Council Coordinator position. Under District, the Professional Services items are charges for the annual audit cost and book keeping/CPA services.
25	Travel and Meetings: These figures account for reimbursement to employees for mileage and meals while traveling to and from district-related meetings or seminars.
26	Tax Collection: This is an estimate of what the County will charge us to collect and distribute the property taxes; the amount is determined by a formula that is based on the County's costs and the amount of revenue collected. Fire: a \$2.00 per parcel collection fee for the District's Special Fire Tax.
27	Collection and Treatment System: The major items in the Water System account are power and propane for the treatment plants, water quality chemicals, alarm systems, collection system maintenance, filter maintenance, and miscellaneous expenses.
28	Laboratory and Monitoring: This category covers the usual costs for laboratory testing for bacteriological samples and periodic sampling such as Generals, radioactivity, Nitrate, Nitrite, Volatile Organic Chemicals, and Synthetic Organic Chemicals. The costs for the quarterly tests for Total Trihalomethanes and Haloacetic Acids are under this expense category. For 2017/2018, the EPA has initiated the "Long Term 2 Enhanced Surface Water Treatment Rule" requiring more onerous sampling of the source water. This will add approximately \$5,000 or additional sampling costs to the monitoring program.
29	Storage and Distribution System: The major items in the Water System account are power for pumping, telemetry, cross connection maintenance, and maintenance for tanks, radio system and distribution system.
30	Supplies and Inventory: This category covers any supplies used in the general maintenance of the Water System, as well as those supplies we keep in inventory, such as meters, etc. The Fire Department category covers medical, disaster preparedness, and sanitary supplies, as well as personal protective gear (such as boots, etc.). District supplies cover office supplies, postage, etc.
31	Vehicle Operations: For both departments, vehicle operation costs include fuel and maintenance. Both gasoline and diesel fuel are bought through the County's fuel station in Point Reyes. Over the past fiscal year (2016/2017) there have been an increasing number of mechanical repairs needed as the vehicle fleet ages.
32	Operator Training and Licensing: This line item reflects anticipated operator training.

Notes

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33	Billing and Collections: This item reflects Diversified Technology's service bureau cost for the Water System at the rate of \$640 per month. This item does not include the payroll costs for processing – those costs are Personnel Costs – Salary, Operations and Administration.
34	DPH Annual Fee; DPH Hourly Charges: The DPH Annual Fee is the regulatory fee charged by the CA Department of Public Health (based on the number of customers). Any additional services required by DPH will be billed on a hourly basis.
35	General Liability/Auto Insurance: The budget reflects SDRMA 2017/18 rates.
36	Depreciation: While we must book depreciation both the Water System and Fire Department in conformance with the GASB 34 rules, we do not reflect the Fire Department's depreciation on the budget. Depreciation shown is from current financial statement ending April 2017.
37	Volunteers' Compensation: We budget something here every year in the event Fire Department volunteers request stipend compensation for time spent on dispatches outside the district or for prolonged time on duty on dispatches within the District.
38	Dispatch and Communications: The major costs in this Fire Department line item are for the payment of Marin Emergency Radio Authority's operating budget and Bond.
39	Maintenance and Repair: Routine expenditures for the Fire Department are equipment, building, grounds, and disaster facility maintenance. New chainsaws are included in expenditures.
40	Education, Programs and Incentives: The items in this Fire Department category include external training courses, materials and publications, public education, drill and Board refreshments, medical exams, Chipper Day, and volunteer incentives. Underwriting to KWMR is included (\$750).
41	Actual Expenditures: Actual expenditure were used from FY 2015/16
42	% Change: The percent change is taken as the difference between the approved 2016/17 budget and the proposed draft budget for FY 2017/18



Inverness Public Utility District
Board Meeting June 23, 2017

7 Stockstill Tank Replacement Project



Inverness Public Utility District
Board Meeting June 23, 2017

8 Approval of Expenditures (May)

Inverness PUD
Check Detail
 May 2017

Num	Date	Name	Account	Original Amount
Auto	05/10/2017	Diversified Technology	1-103 · Checking B of A (W)	-640.00
			1-870 · Billing & Collections	640.00
TOTAL				640.00
EFT	05/05/2017	Paychex	1-103 · Checking B of A (W)	-93.05
			3-890 · Miscellaneous (D)	93.05
TOTAL				93.05
EFT	05/17/2017	CPS DES	1-103 · Checking B of A (W)	-0.91
			3890-01 · Bank Charges	0.91
TOTAL				0.91
EFT	05/19/2017	Paychex	1-103 · Checking B of A (W)	-87.12
			3-890 · Miscellaneous (D)	87.12
TOTAL				87.12
12504	05/12/2017	American Water Works Association	1-103 · Checking B of A (W)	-420.00
			1-880 · Dues & Publications (W)	420.00
TOTAL				420.00
12505	05/12/2017	PG&E	1-103 · Checking B of A (W)	-1,402.68
			1833-01 · Plant Power	803.30
			1844-01 · Power, Miscellaneous	59.47
			1844-02 · Power, Pumping	381.18
			2855-02 · P. G. & E. (F)	158.73
TOTAL				1,402.68
12506	05/12/2017	Alpha Analytical Laboratories, Inc.	1-103 · Checking B of A (W)	-430.00
			1835-02 · Periodic Samples	430.00
TOTAL				430.00
12507	05/12/2017	Anne Sands	1-103 · Checking B of A (W)	-130.00
			2-842 · Professional Services (F)	130.00
TOTAL				130.00
12508	05/12/2017	Brelje and Race Laboratories, Inc.	1-103 · Checking B of A (W)	-283.50
			1835-01 · BacT & Raw Samples	283.50
TOTAL				283.50

Inverness PUD
Check Detail
 May 2017

Num	Date	Name	Account	Original Amount
12509	05/12/2017	Horizon Cable TV Inc.	1-103 · Checking B of A (W)	-62.04
			3-897 · Telephone\Computer Net	62.04
TOTAL				62.04
12510	05/12/2017	Grainger	1-103 · Checking B of A (W)	-189.76
			2845-06 · Personal Equipment	189.76
TOTAL				189.76
12511	05/12/2017	John's Dairy Equipment & Supply...	1-103 · Checking B of A (W)	-67.08
			1833-02 · Chemicals	67.08
TOTAL				67.08
12512	05/12/2017	Pacific Slope Tree - Nick Whitney	1-103 · Checking B of A (W)	-300.00
			1844-05 · Tank Maintenance	300.00
TOTAL				300.00
12513	05/12/2017	U. S. Bank Corporate Payment Sy...	1-103 · Checking B of A (W)	-1,484.83
			3-899 · Travel & Meetings (D)	59.46
			2845-01 · Operations & General	346.95
			1-845 · Supplies & Inventory	1,045.78
			1-867 · Operator Training, Licens	32.64
TOTAL				1,484.83
12514	05/12/2017	Special District Risk Management...	1-103 · Checking B of A (W)	-50.00
			2850-07 · Holiday Party	50.00
TOTAL				50.00
12515	05/12/2017	Building Supply Center	1-103 · Checking B of A (W)	-134.83
			1-845 · Supplies & Inventory	134.83
TOTAL				134.83
12516	05/12/2017	Jason Green	1-103 · Checking B of A (W)	-60.00
			1371-24 · Stockstill Tank Replacement	60.00
TOTAL				60.00
12517	05/16/2017	AT&T	1-103 · Checking B of A (W)	-1,119.86
			1844-03 · Telemetry	181.27
			1-897 · Telephone (W)	395.88
			2-897 · Telephone (F)	142.94
			3-897 · Telephone\Computer Net	399.77
TOTAL				1,119.86

Inverness PUD
Check Detail
 May 2017

Num	Date	Name	Account	Original Amount
12518	05/16/2017	Barcomm Communications	1-103 · Checking B of A (W)	-305.88
			2830-02 · Radio/Pager Repair	305.88
TOTAL				305.88
12519	05/16/2017	Harrington Industrial Plastics	1-103 · Checking B of A (W)	-621.41
			1-833 · Treatment System	621.41
TOTAL				621.41
12520	05/25/2017	AT&T U-verse	1-103 · Checking B of A (W)	-45.00
			1-897 U · Internet F1	45.00
TOTAL				45.00
12521	05/25/2017	Cheda's Garage	1-103 · Checking B of A (W)	-3,217.27
			1860-02 · Repairs (W)	1,608.63
			2860-02 · Repairs (F)	1,608.64
TOTAL				3,217.27
12522	05/30/2017	SWRCB-DWOCP	1-103 · Checking B of A (W)	0.00
TOTAL				0.00
12523	05/30/2017	SWRCB-DWOCP	1-103 · Checking B of A (W)	-170.00
			1-867 · Operator Training, Licens	170.00
TOTAL				170.00
12524	05/30/2017	U. S. Bank Corporate Payment Sy...	1-103 · Checking B of A (W)	-6,266.93
			2845-04 · Sanitary	35.00
			2850-04 · Drill Refreshments	33.19
			2845-01 · Operations & General	158.02
			3-899 · Travel & Meetings (D)	164.20
			1371-24 · Stockstill Tank Replacement	5,823.68
			1-845 · Supplies & Inventory	11.99
			1-833 · Treatment System	40.85
TOTAL				6,266.93
12525	05/30/2017	Emergency Medical Products, Inc.	1-103 · Checking B of A (W)	-327.58
			2845-02 · Medical	327.58
TOTAL				327.58
12526	05/30/2017	Petaluma Auto Parts	1-103 · Checking B of A (W)	-68.63
			2860-02 · Repairs (F)	68.63
TOTAL				68.63

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06/20/17

Inverness PUD
Check Detail
May 2017

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Original Amount</u>
12527	05/30/2017	Maze & Associates	1-103 · Checking B of A (W)	-500.00
			3-842 · Professional Services (D)	500.00
TOTAL				500.00
12528	05/30/2017	Quill Corporation	1-103 · Checking B of A (W)	-123.94
			3-895 · Supplies & Postage	123.94
TOTAL				123.94



Inverness Public Utility District
Board Meeting June 23, 2017

10 Water System Report (May)

Inverness Public Utility District

Fire Department • Water System

Post Office Box 469

Inverness, CA 94937

(415) 669-1414 • Fax (415) 669-1010 • ipud@horizoncable.com

WATER SYSTEM REPORT, May 2017

Statistics

	<u>2017</u>	<u>2016</u>
Rainfall (at F1)	.03" for month; 54.52 year to date	.17" for month; 35" year to date
Streamflows	619,200 gpd; 430 gpm	320,000 gpd; 222 gpm
Production	2,525,700gal; 81,474 gpd; 56.5 gpm	2,473,400 gal; 79,787 gpd; 55.4gpm
Sources	First Valley High Intakes 62%	First Valley high Intakes 50%
	First Valley Well/Low Intake 0%	First Valley Well/Low Intake 0%
	Second Valley High Intakes 16%	Second Valley Intakes 30%
	Third Valley High Intakes 22%	Third Valley Intakes 19%

Water Quality

All sources ultra and nano filtered; chlorine and turbidity correct continuously; no positive coliform bacteria samples. Samples of influent raw water are being collected twice monthly for lab analysis of coliform content (matching samples are also being collected at SFD Blvd. for comparative purposes).

Major Activities

1. Temporary tank on line at Conner Tank.
2. Conner Tank inspected and cleaned and new sacrificial anodes installed.
3. Special Chloride, Sulfate, Alkalinity and Langlier Index samples collected per SWRCB request.
4. F3 compressor repaired.
5. Stockstill Tank replacement work.
6. F1 chemical tubing replacement work.

gpd = gallons per day; gpm = gallons per minute

James K. Fox
Water System Superintendent
June 20, 2017



Inverness Public Utility District
Board Meeting June 23, 2017

11 Fire Department Report (May)

INVERNESS VOLUNTEER FIRE DEPARTMENT

P.O. Box 469, Inverness, CA 94937

**FIRE DEPARTMENT REPORT
May 2017**

INCIDENTS:

- #17-63 05-06 **EMS @ 495 Aberdeen** for lifeline alarm. No Merit, accidental.
- #17-64 05-06 **Vehicle Accident @ 12800 SFD** for overturned vehicle. M-96 code 2 to MGH.
- #17-65 05-07 **Vehicle Accident @ Pt. Reyes Lighthouse.** Single motorcycle non-injury.
- #17-66 05-08 **Vehicle Accident @ Pt. Reyes Lighthouse.** Single motorcycle. M-94 code 2 to KTL.
- #17-67 05-10 **Fire Alarm Sounding @ Inverness School.** No merit, school fire drill.
- #17-68 05-12 **Vegetation Fire @ 9490 SFD.** IFD cancelled enroute.
- #17-69 05-13 **EMS Assist @ Inverness Store** for helicopter LZ. Helicopter cancelled enroute.
- #17-70 05-14 **Water Rescue @ 12938 SFD** for capsized sailboat. Victims released at scene.
- #17-71 05-14 **Smoke Check @ Cameron & Forres.** No merit.
- #17-72 05-15 **Propane Leak @ 200 Hawthornden.** Defective stove isolated.
- #17-73 05-19 **Vehicle Accident @ Bear Valley Road.** No merit.
- #17-74 05-25 **Propane Leak @ 36 Portola.** Cancelled enroute by MCFD on scene.
- #17-75 05-27 **EMS @ Vision Road Tennis Court** for fall victim. M-94 release @ scene.

TRAININGS:

- 5-04 Drill with MCFD. Walk through pre-plan of St. Columba's church.
- 5-13 Drill. Hose bed loading of new hose.
- 5-30 Drill. Ventilation practices for structure fires and associated dangers.

ACTIVITIES AND MAINTENANCE:

1. MERA operations meeting.
2. MERA board meeting
3. Meeting with fire agencies and Supervisor Rodoni.

PERSONNEL: Mike Meszaros, Jim Fox, Ken Fox, Tom Fox, Burton Eubank, Brian Cassel, Jeff McBeth, Matt McClaskey, Dennis Holton, Brett Miller, Bill Wessner, Christie Bentley, Roy Pitts, Michael Del Salvo

Jim Fox



Inverness Public Utility District
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12 Management Report

GENERAL MANAGER'S REPORT

June 23, 2017



1. CUSTOMER INTERACTION

1.1. Review key interactions

2. KUDOS

2.1. The Team's work at Stockstill for Tank Replacement

3. ARCHIVING EFFORT - COMPLETED

4. CAPITAL PROJECTS

4.1. Monitoring and Control System

5. FINANCIAL REPORT

6. **Next Board Meeting** July 26 at 9am

Inverness PUD
Profit & Loss Budget vs. Actual
July 2016 through June 2017

	<u>Jul '16 - Jun 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Interest Income	0.00	3,800.00	-3,800.00	0.0%
Miscellaneous Income	49.07	100.00	-50.93	49.1%
Non-Tax Revenue	2,304.07	10,590.00	-8,285.93	21.8%
Taxes Income	524,206.63	496,692.00	27,514.63	105.5%
Water Revenue	265,836.65	395,840.00	-130,003.35	67.2%
Total Income	792,396.42	907,022.00	-114,625.58	87.4%
Expense				
Office & Administration	72,680.68	80,294.00	-7,613.32	90.5%
Personnel Costs	573,275.25	603,769.00	-30,493.75	94.9%
Physical Operations	150,734.25	141,300.00	9,434.25	106.7%
Total Expense	796,690.18	825,363.00	-28,672.82	96.5%
Net Ordinary Income	-4,293.76	81,659.00	-85,952.76	-5.3%
Other Income/Expense				
Other Expense				
1-960 · Depreciation (W)	0.00	51,247.00	-51,247.00	0.0%
Total Other Expense	0.00	51,247.00	-51,247.00	0.0%
Net Other Income	0.00	-51,247.00	51,247.00	0.0%
Net Income	-4,293.76	30,412.00	-34,705.76	-14.1%



Inverness Public Utility District
Board Meeting June 23, 2017

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Announcements & Adjournment

- **Next Meeting July 26 at 9am**
- **Possible Special Meeting**