

INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT * WATER SYSTEM
INVERNESS, MARIN COUNTY, CALIFORNIA

Board of Directors Agenda

Wednesday – July 19, 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: June 23, 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	Action
6	Consideration of Rate Increase: Review Capital Projects and expenses, rate increase protocol and financial loan scenarios for capital projects implementation.	Action
7	Stockstill Tank Replacement Project Update: Review of progress of tank replacement project, schedule and neighborhood coordination.	Information
8	Approval of Expenditures (June)	Action
9	Water System Report (June)	Information
10	Fire Department Report (June)	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 Friday August 11 at 9am	Information

Agenda Posted: July 7, 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 July 19, 2017

1 Call to Order



Inverness Public Utility District
Board Meeting July 19, 2017

2 Roll Call



Inverness Public Utility District
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3 Public Expression



Inverness Public Utility District
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4 Approval of Minutes: June 23, 2017

INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT * WATER SYSTEM
INVERNESS, MARIN COUNTY, CALIFORNIA



Board of Directors

Meeting Minutes

Friday – June 23, 2017

9am at the Inverness Firehouse

1. Call to Order

Director Emanuels called the meeting to order at 9:03a.m.

2. Roll Call

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

Directors Absent: none

3. Public Expression

None presented.

4. Approval of Minutes: May 17, 2017

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

AYES 5, NOES 0

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

Item #5 Resolution 229-2017 removed from Agenda. Item #5 will be heard at next Board meeting following 15 day advance public notice.

6. Budget 2017/2018

The draft budget was previously reviewed at May 17 Board meeting. The budget was assembled with a focus on actuals incurred and less on across the board percentage increases. Board Members Johnson was conferred with in developing the budget as was Fire Chief Fox. The tax revenue was questioned (by President Emanuels) since the actual was higher than the budget figure. GM Eichstaedt explained this was done with the intent to provide some amount of flexibility and “cushion” in the budget for unforeseen costs. The rate increase (5%) was provided in the budget as a place holder only. President Emanuels asked about the bank charges; GM Eichstaedt identified that the bank charges include services by Bank of America and Diversified Technology for the invoicing costs. The PL vs Budget was reviewed for comparison with the draft Budget.

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The water revenue (variable portion) was identified as an item that can increase or decrease dependent on the climatic conditions and users habits. It is significant lower this year because of the late rains. Overall the budget remains mostly the same with adjustments for actual cost figures and increases for health care and workman's compensation.

*M/S Press/Emanuel*s that the budget for 2017/20178 be approved. **AYES 5, NOES 0**

7. Stockstill Tank Replacement Project Update:

District is performing final review of drawings and specifications. Project will be going to bid in next two weeks (by 7/5/17). Board will approve selected contractor bid at 8/11 Board Meeting (this was part of later discussion in meeting). The anticipated Notice to Proceed (NTP) to the selected Contractor is anticipated in early August. The contract duration is 105 days. Completion is expected in November.

Potential water disruptions will likely occur twice for a half day at a time. The work activities will include grading, installation of a concrete foundation and the tank installation. The public access should not be impeded but if it is, the duration will be short and defined. Maintaining fire access is critical. The landscaping for the project will be implemented at completion under guidance by District forces and Jason Green. There will be a 30-day review period for the tank color once the Contractor is on-board. Current color selection (subject to change) by the residents and District is "forest green".

Master construction contract will be reviewed by District legal staff (likely Carl Nelson). Board meeting August 11 will review and is expected to award contract.

Public Attendees: Neil and Ruth Foley; Tee Jennings; Jean Chamberlain; and, Bruce Chamberlain

8. Approval of Expenditures:

Discussion raised on improving meter reading using devices because of high ATT bill (>\$1,000/month). GM recognizes the need to be more efficient with the monitoring system that currently relies on ATT. Service agreement signed for CORE Utilities to initiate a phase 1 project for radio communications. Temporary tanks were purchased because cost will be less in long run than renting. Also, it gives the District a back-up in an emergency situation to have an emergency storage available in the District.

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

9. Water System Report (May)

Superintendent Fox relayed the anode replacement of the Conner/Vision Tank. Stream flows are excellent.

10. Fire Department Report (May):

Fire Chief Fox presented fire report. Water rescues discussed as well as Inverness Yacht Club access and need for Lock Box.

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11. Management Report

- a. **Customer Issues:** List of customer issues reviewed. Current issues for past month are: Stockstill Tank replacement, water to be turned off and service upgrade. No water quality complaints noted.
- b. **Financial statement** up to June was presented. It is noted that expenditures and revenue will need to be correctly allocated going into audit and this is a preliminary view of the financial picture. The next Board meeting will have a more accurate statement presented.

12. Announcements & Adjournment

There were no announcements. President Emanuels adjourned the meeting at 10:40 a.m. The next regular meeting is 9:00 a.m., Wednesday, July 19, 2017, and a Special Meeting at 9:00 a.m. Friday, August 11, 2017 at the Inverness Firehouse.

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Inverness Public Utility District
Board Meeting July 19, 2017

5 Resolution 229-2017

Inverness Public Utility District

Board Agenda Item Staff Report

Subject: 2017-2018 Appropriations Limit

Meeting Date: July 19, 2017

Date Prepared: July 14, 2017

Prepared by: Ken Eichstaedt

Attachments: Resolution 229-2017, Supporting Documentation for Resolution 229-2017

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RECOMMENDATION: Adopt Resolution 220-2015 establishing Appropriations Limit for Fiscal Year 2015/16

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Prior to the start of each fiscal year, the State mandates that IPUD calculate and establish IPUD's Appropriations Limit (AL) for said upcoming fiscal year. This AL establishes the monetary limit of IPUD's tax proceeds for said fiscal year.

Every four years, IPUD puts forth a ballot measure to the citizens of Inverness, asking if IPUD can adjust its AL to include the combined total of all applicable tax revenue sources. The effect of passing this type of measure allows IPUD to keep all its tax revenues, even if these revenues exceed the calculated AL. These ballot measures cover a four year period. The last measure of this type was Measure G passed on November 3, 2015 by the voters in the District fiscal years through 2017/18. The next ballot measure will be put forth in 2018.

The annual adoption of IPUD's AL is perfunctory exercise.

**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 unincorporated): **0.24**
 - Combined factor (cost of living x population): **1.0394**
- b. Adjustment factor converted to a percentage: **3.94%**
- 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 **1.0394** times the tax proceeds appropriations limit for the 2016/2017 fiscal year (the preceding fiscal year), as noted in 4-c above:

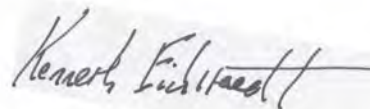
$$1.0394 \times \$427,748.03 = \$444,601.30$$

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

RESOLUTION 229-2017

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE INVERNESS PUBLIC UTILITY DISTRICT
ESTABLISHING THE TAX PROCEEDS
APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2017/2018**

BE IT RESOLVED by the Board of Directors of the Inverness Public Utility District, County of Marin, State of California, that the calculated maximum limit applicable to the appropriations of tax proceeds by the Inverness Public Utility District for the fiscal year 2017/2018 is **\$444,601.30**, in accordance with Article XIII B of the Constitution of the State of California and Sections 7900 through 7913 of Title 1, Division 9 of the Government Code, except that, pursuant to November 3, 2015, the voters in the Inverness Public Utility District approved Measure G, if this amount does not include the combined total of all applicable revenue sources, then the appropriations limit for the fiscal year 2017/2018 shall be set to be equal to the combined total of all applicable revenue sources.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Inverness Public Utility District on the 19th day of July, 2017, by the following vote, to wit:

- AYES:** **Directors Emanuels, Whitney, Alderdice, Press, Johnson**
- NOES:** **None**
- ABSTAINING:** **None**
- ABSENT:** **None**

Ken Emanuels, President

ATTEST:

Ken Eichstaedt, Clerk of the Board

I hereby certify that the foregoing instrument is a true and correct copy of the original of Resolution 229-2017 on record in this office, and that subsequent to its adoption no provision of Resolution 229-2017 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 _____



Inverness Public Utility District
Board Meeting July 19, 2017

6 Consideration of Rate Increase



Inverness Public Utility District
Board Agenda Item Staff Report

Subject: Rate Adjustment Steps
 Meeting Date: July 19, 2017
 Date Prepared: March 10, 2017; updated July 14, 2017
 Prepared by: Ken Eichstaedt Rev. No. 1; 6/14/17
 Attachments: n/a

Recommended Action: Action

1. OBJECTIVE

Identify the steps and sequence needed for a rate adjustment.

2. BACKGROUND

A rate increase would involve raising either the basic and/or usage charges paid by the District’s water customers. It is important to understand the sequence and timeline of the steps necessary for a rate increase. The Board at the February 22, 2017 meeting asked for clarification of the steps necessary for a rate increase. Proposition 218 (1996) lays out the procedural requirements for increasing property-related fees and charges (Article XIII D, Section 6(a)). The Board then reviewed a possible rate increase March 22, 2017.

3. RECOMMENDED STEPS

Step 1 - Notice Public Hearing: A notice is mailed announcing a public hearing on the rate adjustment 45 days prior to the public hearing. The notice can be performed through a separate mailing or can be sent with the bimonthly billing. (Note: The next billing cycle will be the end of August.)

Step 2 – Hold Public Hearing (45 days after Step 1): This public hearing would have the Board deliberation in a public setting of the rate adjustment. The meeting might be structured around the review of a Staff Report of the preferred rate adjustment and discussion of different options for the rate adjustment. The rate adjustment could be approved at this meeting (if there is a quorum present) or could be delayed to a regular Board meeting for action.

Step 3 – Assess Majority Vote: At the public hearing, the Board can reject the proposed fee if written protests are presented by a majority of the affected property owners (Legislative Analyst’s Office “Understanding Proposition 218). This would require a protest by 273 of the water users. See below for current voter count.

Inverness Fire House – Community Room 50 Inverness Way, Inverness, CA 94937						
Accessible	Voting Precinct	Ballot Type	Table ID	Registration Count	VBM Count*	Consolidation
Yes	412259	11		552	350	41251-A 41251-B
Sub Total:				552	350	

Step 3 – Approve Rate Adjustment: A Board quorum would approve the rate adjustment, if not done as part of Step 2.

Subject: Rate Adjustment Steps
 Meeting Date: July 19, 2017

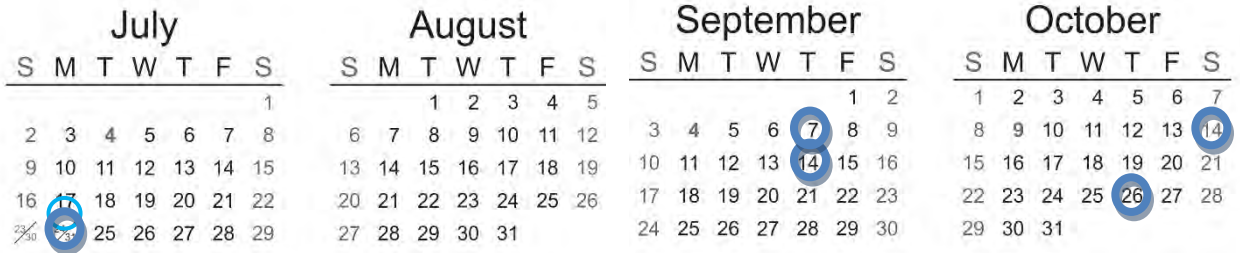
Step 4 – Send Written Notice: A notice would be sent to all customers (and land owners) announcing the rate adjustment 30 days minimum prior to customer receipt of the next bill.

Step 5 – Implement Rate Adjustment: Adjust the billing rates for the basic and usage charges as defined in the publically noticed meeting and acted on by the Board (Step 2).

4. Possible Schedule

Below is a possible schedule that could be followed for a rate increase. If this schedule lengthens, any rate increase would likely extend into the final 2017 billing cycle (set for 12/22/17).

7/24/17	Step 1: Notice public 45 days prior to Board meeting
9/7/17	Step 2: End of 45 Days and hold public meeting
9/7/17	Step 3: Approve rate adjustment
9/14/17	Step 4: Send 30 day notice of Rate Increase (ends 10/14/17)
10/26/17	Step 5: Water Bills sent out



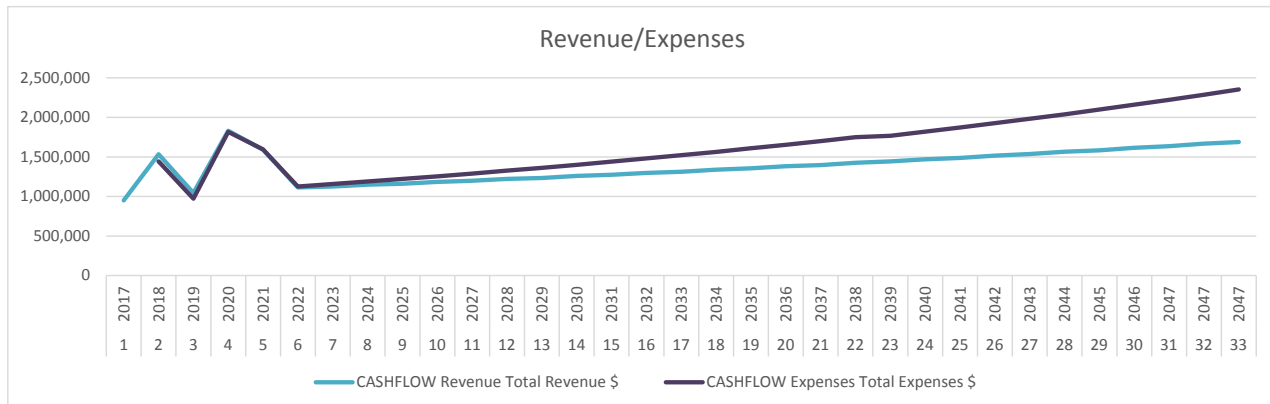
IPUD Projected Cashflow - 15, 5 & 2%

VARIABLES

Property Tax Escalator	2.0%	
Annual Operations Escalator	3.0%	
Loan	1	2
Loan Amount	500,000	1,250,000
Loan Interest Rate	1.70%	3.38%
Loan Term	20	30

CASHFLOW

Year		Revenue			Loan	Total Revenue	Expenses				Total Expenses	Balance
		Fee Increase %	Water Fees \$	Property Tax \$			Annual Operations \$	CapEx Project \$	Loan 1 Payment \$	Loan 2 Payment \$		Balance \$
1	2017		419,000	531,000		950,000	888,000					62,000
2	2018	15.0%	481,850	552,452	500,000	1,534,302	914,640	500,000	29,700		1,444,340	151,962
3	2019	0.0%	481,850	563,501		1,045,351	942,079		29,700		971,779	225,534
4	2020	5.0%	505,943	574,771	750,000	1,830,714	970,342	750,000	29,700	66,904	1,816,946	239,302
5	2021	0.0%	505,943	586,267	500,000	1,592,209	999,452	500,000	29,700	66,904	1,596,056	235,456
6	2022	2.0%	516,061	597,992		1,114,054	1,029,435		29,700	66,904	1,126,040	223,470
7	2023	0.0%	516,061	609,952		1,126,013	1,060,318		29,700	66,904	1,156,923	192,560
8	2024	2.0%	526,383	622,151		1,148,534	1,092,128		29,700	66,904	1,188,732	152,362
9	2025	0.0%	526,383	634,594		1,160,977	1,124,892		29,700	66,904	1,221,496	91,843
10	2026	2.0%	536,910	647,286		1,184,196	1,158,639		29,700	66,904	1,255,243	20,796
11	2027	0.0%	536,910	660,232		1,197,142	1,193,398		29,700	66,904	1,290,002	(72,064)
12	2028	2.0%	547,648	673,436		1,221,085	1,229,200		29,700	66,904	1,325,804	(176,783)
13	2029	0.0%	547,648	686,905		1,234,554	1,266,076		29,700	66,904	1,362,680	(304,909)
14	2030	2.0%	558,601	700,643		1,259,245	1,304,058		29,700	66,904	1,400,662	(446,327)
15	2031	0.0%	558,601	714,656		1,273,257	1,343,180		29,700	66,904	1,439,784	(612,853)
16	2032	2.0%	569,773	728,949		1,298,723	1,383,475		29,700	66,904	1,480,079	(794,210)
17	2033	0.0%	569,773	743,528		1,313,302	1,424,979		29,700	66,904	1,521,584	(1,002,492)
18	2034	2.0%	581,169	758,399		1,339,568	1,467,729		29,700	66,904	1,564,333	(1,227,257)
19	2035	0.0%	581,169	773,567		1,354,736	1,511,761		29,700	66,904	1,608,365	(1,480,886)
20	2036	2.0%	592,792	789,038		1,381,830	1,557,113		29,700	66,904	1,653,718	(1,752,773)
21	2037	0.0%	592,792	804,819		1,397,611	1,603,827		29,700	66,904	1,700,431	(2,055,593)
22	2038	2.0%	604,648	820,915		1,425,563	1,651,942		29,700	66,904	1,748,546	(2,378,576)
23	2039	0.0%	604,648	837,334		1,441,982	1,701,500			66,904	1,768,404	(2,704,998)
24	2040	2.0%	616,741	854,080		1,470,821	1,752,545			66,904	1,819,449	(3,053,625)
25	2041	0.0%	616,741	871,162		1,487,903	1,805,121			66,904	1,872,025	(3,437,748)
26	2042	2.0%	629,076	888,585		1,517,661	1,859,275			66,904	1,926,179	(3,846,265)
27	2043	0.0%	629,076	906,357		1,535,433	1,915,053			66,904	1,981,957	(4,292,790)
28	2044	2.0%	641,657	924,484		1,566,141	1,972,505			66,904	2,039,409	(4,766,057)
29	2045	0.0%	641,657	942,974		1,584,631	2,031,680			66,904	2,098,584	(5,280,010)
30	2046	2.0%	654,491	961,833		1,616,324	2,092,630			66,904	2,159,534	(5,823,220)
31	2047	0.0%	654,491	981,070		1,635,560	2,155,409			66,904	2,222,313	(6,409,973)
32	2047	2.0%	667,580	1,000,691		1,668,271	2,220,071			66,904	2,286,975	(7,028,677)
33	2047	0.0%	667,580	1,020,705		1,688,285	2,286,673			66,904	2,353,577	(7,693,969)



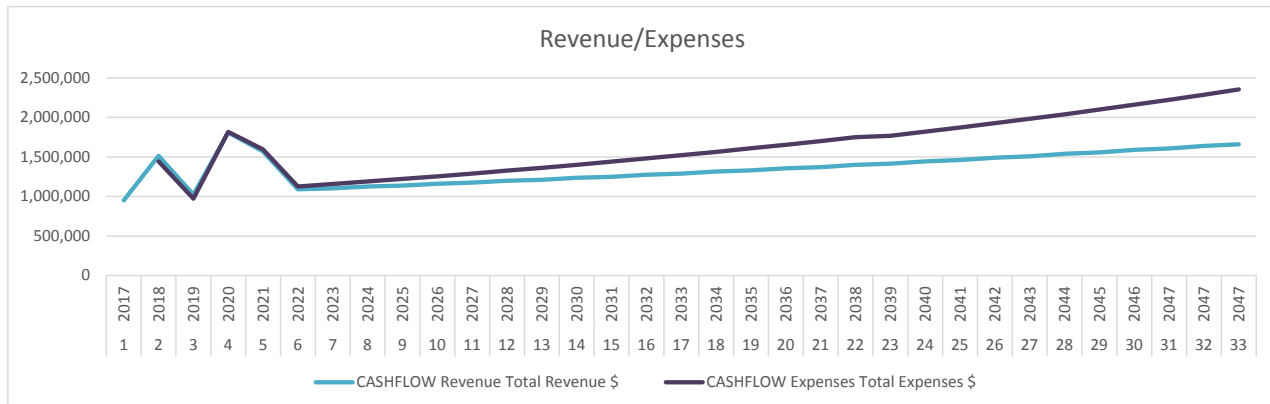
IPUD Projected Cashflow - 10, 5 & 2%

VARIABLES

Property Tax Escalator	2.0%	
Annual Operations Escalator	3.0%	
Loan	1	2
Loan Amount	500,000	1,250,000
Loan Interest Rate	1.70%	3.38%
Loan Term	20	30

CASHFLOW

Year		Revenue			Loan	Total Revenue	Expenses				Total Expenses	Balance
		Fee Increase	Water Fees	Property Tax			Annual Operations	CapEx Project	Loan 1 Payment	Loan 2 Payment		Balance
		%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	2017		419,000	531,000		950,000	888,000					62,000
2	2018	10.0%	460,900	552,452	500,000	1,513,352	914,640	500,000	29,700		1,444,340	131,012
3	2019	0.0%	460,900	563,501		1,024,401	942,079		29,700		971,779	183,634
4	2020	5.0%	483,945	574,771	750,000	1,808,716	970,342	750,000	29,700	66,904	1,816,946	175,405
5	2021	0.0%	483,945	586,267	500,000	1,570,212	999,452	500,000	29,700	66,904	1,596,056	149,561
6	2022	2.0%	493,624	597,992		1,091,616	1,029,435		29,700	66,904	1,126,040	115,137
7	2023	0.0%	493,624	609,952		1,103,576	1,060,318		29,700	66,904	1,156,923	61,791
8	2024	2.0%	503,496	622,151		1,125,648	1,092,128		29,700	66,904	1,188,732	(1,294)
9	2025	0.0%	503,496	634,594		1,138,091	1,124,892		29,700	66,904	1,221,496	(84,700)
10	2026	2.0%	513,566	647,286		1,160,852	1,158,639		29,700	66,904	1,255,243	(179,090)
11	2027	0.0%	513,566	660,232		1,173,798	1,193,398		29,700	66,904	1,290,002	(295,294)
12	2028	2.0%	523,838	673,436		1,197,274	1,229,200		29,700	66,904	1,325,804	(423,824)
13	2029	0.0%	523,838	686,905		1,210,743	1,266,076		29,700	66,904	1,362,680	(575,761)
14	2030	2.0%	534,314	700,643		1,234,958	1,304,058		29,700	66,904	1,400,662	(741,465)
15	2031	0.0%	534,314	714,656		1,248,970	1,343,180		29,700	66,904	1,439,784	(932,279)
16	2032	2.0%	545,001	728,949		1,273,950	1,383,475		29,700	66,904	1,480,079	(1,138,408)
17	2033	0.0%	545,001	743,528		1,288,529	1,424,979		29,700	66,904	1,521,584	(1,371,463)
18	2034	2.0%	555,901	758,399		1,314,299	1,467,729		29,700	66,904	1,564,333	(1,621,496)
19	2035	0.0%	555,901	773,567		1,329,467	1,511,761		29,700	66,904	1,608,365	(1,900,394)
20	2036	2.0%	567,019	789,038		1,356,057	1,557,113		29,700	66,904	1,653,718	(2,198,055)
21	2037	0.0%	567,019	804,819		1,371,838	1,603,827		29,700	66,904	1,700,431	(2,526,648)
22	2038	2.0%	578,359	820,915		1,399,274	1,651,942		29,700	66,904	1,748,546	(2,875,920)
23	2039	0.0%	578,359	837,334		1,415,693	1,701,500			66,904	1,768,404	(3,228,631)
24	2040	2.0%	589,926	854,080		1,444,006	1,752,545			66,904	1,819,449	(3,604,073)
25	2041	0.0%	589,926	871,162		1,461,088	1,805,121			66,904	1,872,025	(4,015,010)
26	2042	2.0%	601,725	888,585		1,490,310	1,859,275			66,904	1,926,179	(4,450,879)
27	2043	0.0%	601,725	906,357		1,508,081	1,915,053			66,904	1,981,957	(4,924,755)
28	2044	2.0%	613,759	924,484		1,538,243	1,972,505			66,904	2,039,409	(5,425,920)
29	2045	0.0%	613,759	942,974		1,556,733	2,031,680			66,904	2,098,584	(5,967,771)
30	2046	2.0%	626,034	961,833		1,587,867	2,092,630			66,904	2,159,534	(6,539,438)
31	2047	0.0%	626,034	981,070		1,607,104	2,155,409			66,904	2,222,313	(7,154,647)
32	2047	2.0%	638,555	1,000,691		1,639,246	2,220,071			66,904	2,286,975	(7,802,376)
33	2047	0.0%	638,555	1,020,705		1,659,260	2,286,673			66,904	2,353,577	(8,496,693)



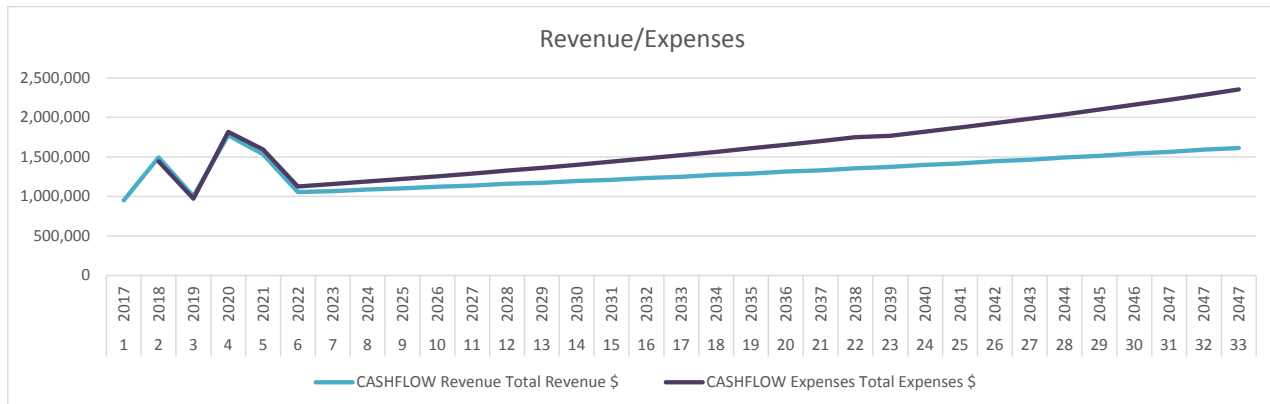
IPUD Projected Cashflow - 5 & 2%

VARIABLES

Property Tax Escalator	2.0%	
Annual Operations Escalator	3.0%	
Loan	1	2
Loan Amount	500,000	1,250,000
Loan Interest Rate	1.70%	3.38%
Loan Term	20	30

CASHFLOW

Year		Revenue			Loan	Total Revenue	Expenses				Total Expenses	Balance
		Fee Increase	Water Fees	Property Tax			Annual Operations	CapEx Project	Loan 1 Payment	Loan 2 Payment		Balance
		%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	2017		419,000	531,000		950,000	888,000					62,000
2	2018	5.0%	439,950	552,452	500,000	1,492,402	914,640	500,000	29,700		1,444,340	110,062
3	2019	0.0%	439,950	563,501		1,003,451	942,079		29,700		971,779	141,734
4	2020	2.0%	448,749	574,771	750,000	1,773,520	970,342	750,000	29,700	66,904	1,816,946	98,309
5	2021	0.0%	448,749	586,267	500,000	1,535,016	999,452	500,000	29,700	66,904	1,596,056	37,269
6	2022	2.0%	457,724	597,992		1,055,716	1,029,435		29,700	66,904	1,126,040	(33,055)
7	2023	0.0%	457,724	609,952		1,067,676	1,060,318		29,700	66,904	1,156,923	(122,301)
8	2024	2.0%	466,878	622,151		1,089,030	1,092,128		29,700	66,904	1,188,732	(222,004)
9	2025	0.0%	466,878	634,594		1,101,473	1,124,892		29,700	66,904	1,221,496	(342,027)
10	2026	2.0%	476,216	647,286		1,123,502	1,158,639		29,700	66,904	1,255,243	(473,768)
11	2027	0.0%	476,216	660,232		1,136,448	1,193,398		29,700	66,904	1,290,002	(627,322)
12	2028	2.0%	485,740	673,436		1,159,177	1,229,200		29,700	66,904	1,325,804	(793,949)
13	2029	0.0%	485,740	686,905		1,172,645	1,266,076		29,700	66,904	1,362,680	(983,984)
14	2030	2.0%	495,455	700,643		1,196,098	1,304,058		29,700	66,904	1,400,662	(1,188,548)
15	2031	0.0%	495,455	714,656		1,210,111	1,343,180		29,700	66,904	1,439,784	(1,418,220)
16	2032	2.0%	505,364	728,949		1,234,313	1,383,475		29,700	66,904	1,480,079	(1,663,986)
17	2033	0.0%	505,364	743,528		1,248,892	1,424,979		29,700	66,904	1,521,584	(1,936,677)
18	2034	2.0%	515,472	758,399		1,273,870	1,467,729		29,700	66,904	1,564,333	(2,227,140)
19	2035	0.0%	515,472	773,567		1,289,038	1,511,761		29,700	66,904	1,608,365	(2,546,466)
20	2036	2.0%	525,781	789,038		1,314,819	1,557,113		29,700	66,904	1,653,718	(2,885,365)
21	2037	0.0%	525,781	804,819		1,330,600	1,603,827		29,700	66,904	1,700,431	(3,255,196)
22	2038	2.0%	536,297	820,915		1,357,212	1,651,942		29,700	66,904	1,748,546	(3,646,530)
23	2039	0.0%	536,297	837,334		1,373,630	1,701,500			66,904	1,768,404	(4,041,304)
24	2040	2.0%	547,023	854,080		1,401,103	1,752,545			66,904	1,819,449	(4,459,650)
25	2041	0.0%	547,023	871,162		1,418,184	1,805,121			66,904	1,872,025	(4,913,490)
26	2042	2.0%	557,963	888,585		1,446,548	1,859,275			66,904	1,926,179	(5,393,121)
27	2043	0.0%	557,963	906,357		1,464,320	1,915,053			66,904	1,981,957	(5,910,758)
28	2044	2.0%	569,122	924,484		1,493,606	1,972,505			66,904	2,039,409	(6,456,561)
29	2045	0.0%	569,122	942,974		1,512,096	2,031,680			66,904	2,098,584	(7,043,049)
30	2046	2.0%	580,505	961,833		1,542,338	2,092,630			66,904	2,159,534	(7,660,245)
31	2047	0.0%	580,505	981,070		1,561,574	2,155,409			66,904	2,222,313	(8,320,984)
32	2047	2.0%	592,115	1,000,691		1,592,806	2,220,071			66,904	2,286,975	(9,015,153)
33	2047	0.0%	592,115	1,020,705		1,612,820	2,286,673			66,904	2,353,577	(9,755,911)





Drafting Property-Related Fee Notices

Thursday, May 9, 2013 General Session; 2:00 – 4:15 p.m.

Mark E. Mandell, Mandell Municipal Counseling

**Preparing Proposition 218 Notices
for Property-Related Fees**

By

**Mark E. Mandell
(Mark@MandellMuni.com)**

April 15, 2013

I. Introduction

Each year, cities and public agencies throughout California conduct proceedings pursuant to Article XIII D, Section 6(a)¹ of the California Constitution with respect to their fees for water service, sewer service, refuse collection, and other property-related services. Article XIII D, Section 6(a) is a portion of Proposition 218², which was adopted by the voters in 1996.

The purpose of this paper is to discuss considerations in drafting the mailed notices associated with such proceedings. These notices are important because they are among the most widely distributed documents disseminated by local governments. A single notice, often only a page long, must simultaneously address a variety of audiences:

- (i) *Busy Ratepayers* who want to be able to quickly glance at the notice, and be able to get a general idea of what is proposed;
- (ii) *Attentive Ratepayers* who want to understand every detail of what is proposed;
- (iii) *Fee Opponents* who will be angered if they perceive that the notice overstates the case for the fee or understates the right to protest;
- (iv) *Elected Officials*, who generally want the notice to make the best possible case for the necessity of the fee (and describe what has been done to keep the fee as low as possible) and typically want to stress the amount of public input involved in the process; and
- (v) *Judges*, who, in the event of a challenge, will want to see that the notice clearly states all of the information required by Proposition 218 and does not contain false or misleading statements.

Of course, many—perhaps most—of the recipients of these notices likely throw the notice in the recycling bin without giving the notices more than a passing glance. However, given the visibility of notices, and the expense of mailing them, it is generally worth making sure that each notice not only

¹ All further references to “Article” and the associated “Section” are to the California Constitution unless otherwise stated.

² Cal.Const. arts. XIII C & XIII D.

meets the legal requirements of Proposition 218, but also provides enough information, in a sufficiently clear manner, to satisfy the needs of all audiences.

II. Does Article XIID, Section 6(a) Apply?

This paper discusses the notices required pursuant to Article XIII D, Section 6(a) of the Constitution with respect to “fees or charges for property related services” that must comply with the requirements of Article XIII D, Section 6 . Such fees and charges are commonly referred to as “property-related fees.”³

Article XIII D, Section 3(a) , added to the Constitution by Proposition 218, includes a general prohibition against taxes, assessments, fees, and charges “assessed by any agency upon any parcel of property or upon any person as an incident of property ownership.” Properly adopted property-related fees are exempt from this general prohibition.⁴

However, before commencing the Article XIII D, Section 6(a) process with respect to a fee, it is important to resolve three questions:

- (i) Does some other exemption in Article XIII D, Section 3(a) (or elsewhere) apply to the “fee”?
- (ii) Is the fee “Property-Related?”
- (iii) Can the fee satisfy the substantive requirements of Article XIII D, Section 6(b)?

It is beyond the scope of this paper to analyze in detail how these three questions resolve for every possible fee permutation. However, this Section II of this paper is intended to provide a starting point for such analysis.

A. Does some other exemption apply to the fee?

Aside from “property-related fees,” Proposition 218 includes the following exceptions to the Article XIII D, Section 3(a) prohibition against property-related taxes, assessments, fees, and charges:

1. *Ad Valorem Taxes*⁵: These are taxes based on the value of property, including the basic 1% property-tax levied throughout the state and override taxes levied by local jurisdictions. Such taxes are governed by Articles XIII and XIII A of the California Constitution. In general, new ad valorem taxes may be levied only to fund debt service on bonded indebtedness approved by a super-majority vote.⁶

³ The applicable law does not make a distinction between “fees” and “charges”, and whether a particular levy is called a “fee”, a “charge” or a “rate” is typically a matter of local history and practice, rather than a representation of the legal status of the levy. For simplicity, this paper will refer to all such levies as “fees” or, if subject to Article XIII D, Section 6, “property-related fees.”

⁴ Cal.Const. art. XIII D, § 3(a)(4).

⁵ Cal.Const. art. XIII D, § 3(a)(1).

⁶ Cal.Const. art. XIII A, § 1(b).

2. *Special Taxes*⁷: These are taxes “imposed for specific purposes, including a tax imposed for specific purposes, which is placed into a general fund.”⁸ Such taxes require two-thirds voter approval.⁹
3. *Real Property Assessments*¹⁰: These include “any levy or charge upon real property by an agency for a special benefit conferred upon the real property.”¹¹ Proposition 218 defines assessments to include, but not be limited to “special assessments,” “benefit assessments,” “maintenance assessments” and “special assessment taxes.”¹² Assessments are governed by Sections 4 and 5 of Article XIII D of the California Constitution. In general, new assessments are subject to a property-owner mail ballot proceeding and may fund only “special benefits” of capital cost of a public improvement, the maintenance and operation expenses of public improvements, or the cost of a property related service.¹³
4. *Fees for Electrical and Gas Service*: Proposition 218 provides that “fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership.”¹⁴
5. *Development Fees*: Proposition 218 provides that its provisions do not “affect existing laws relating to the imposition of fees or charges as a condition of property development.”¹⁵
6. *Timber Yields*: Proposition 218 provides that its provisions do not “affect existing laws relating to the imposition of timber yield taxes.”¹⁶

If a purported fee falls into one of these six categories, then there is no need to follow the Article XIII D, Section 6 process. Note, however, that other laws and constitutional provisions do apply to each of these categories.

B. Is the fee “Property-Related?”

Article XIII D, Section 3(a) only applies to taxes, assessments, fees, and charges “assessed by any agency upon any parcel of property or upon any person as an incident of property ownership.” Proposition 218 provides that:

⁷ Cal.Const. art. XIII D, § 3(a)(2).

⁸ Cal.Const. art. XIII C, § 1(d).

⁹ Cal.Const. art. XIII C, § 4; Cal.Const. art. XIII C, § 2(d).

¹⁰ Cal.Const. art. XIII D, § 3(a)(3).

¹¹ Cal.Const. art. XIII D, § 1(b).

¹² *Ibid.*

¹³ Cal.Const. art. XIII D, § 4(a).

¹⁴ Cal.Const. art. XIII D, § 3(b).

¹⁵ Cal.Const. art. XIII D, § 1(b).

¹⁶ Cal.Const. art. XIII D, § 1(c).

“Fee” or “charge” means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.¹⁷

A “property-related service” is “a public service having a direct relationship to property ownership.”¹⁸

In *Richmond v. Shasta Community Services District*, the California Supreme Court held that “the implication is strong that fees for water, sewer, and refuse collection services” are property-related fees.¹⁹ Specifically, the Court held that:

A fee for ongoing water service through an existing connection is imposed “as an incident of property ownership” because it requires nothing other than normal ownership and use of property.²⁰

In *Bighorn-Desert View Water Agency v. Virgil*, the California Supreme Court held that:

[O]nce a property owner or resident has paid the connection charges and has become a customer of a public water agency, all charges for water delivery incurred thereafter are charges for a property-related service, whether the charge is calculated on the basis of consumption or is imposed as a fixed monthly fee.²¹

By the logic of this decision, it is likely that most (and possibly all) ongoing charges by a local agency for sewer and refuse collection services, especially if imposed for mandatory service, are property-related fees.

The only other types of fees that have been considered by appellate decisions to be property-related fees are certain storm drain fees²² and groundwater augmentation charges.²³ Other property-related fees, though uncommon, are certainly possible. Proposition 218 provides:

Reliance by an agency on any parcel map, including, but not limited to, an assessor's parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article.²⁴

Fees triggered by more than mere use or ownership of property are less likely to be deemed property-related fees, though the boundaries of “mere use and ownership” are not well-defined. Examples of fees that are not property-related fees are utility connection charges (imposed incident to “voluntary decisions to request water service”)²⁵ and inspection charges for rental housing (imposed on landlords

¹⁷ Cal.Const. art. XIII D, § 2(e).

¹⁸ Cal.Const. art. XIII D, § 2(h).

¹⁹ (2004) 32 Cal.4th 409, 427.

²⁰ *Ibid.*

²¹ (2006) 39 Cal.4th 205, 217.

²² See *Howard Jarvis Taxpayers Ass'n v. City of Salinas* (2002) 98 Cal.App.4th 1351.

²³ See *Pajaro Valley Water Management Agency v. Amrhein* (2007) 150 Cal.App.4th 1364.

²⁴ Cal.Const. art. XIII D, § 6(b)(5).

²⁵ See *Richmond, supra*, 32 Cal.4th at 426.

incident to operation of parcel as a rental business).²⁶ Such fees, though not subject to Article XIII D, Section 6, should be analyzed for compliance with the requirements of Proposition 26.²⁷

C. Can the fee satisfy the substantive requirements of Article XIII D, Section 6(b)?

Article XIII D, Section 6(b) of the Constitution sets forth substantive requirements for property-related fees. Specifically, Section 6(b) provides that:

A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners....

Proposition 218 provides that “in any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance with this article.”²⁸ As a practical matter, this means that the agency should, by the time it holds its public hearing on a property-related fee, develop and enter into the record evidence supporting compliance with the five substantive requirements.

Agencies generally hire outside consultants to perform a rate analysis to determine rates that comply with these substantive requirements. The rate analysis serves as evidentiary support of substantive compliance. However, unlike the requirement of Proposition 218 that benefit assessments “be supported by a detailed engineers report prepared by a registered professional engineer certified by the State of California,”²⁹ in the context of property-related fees there is no specific requirement as to what

²⁶ See *Apartment Ass’n of Los Angeles County v. City of Los Angeles* (2001) 24 Cal.4th 830.

²⁷ Cal.Const. art. XIII C, § 1(e).

²⁸ Cal.Const. art. XIII D, § 6(b)(5).

²⁹ Cal.Const. art. XIII D, § 4(b).

type of report or study needs to be prepared; the level of detail of the report or study; the qualifications for the person preparing the report or study; or whether a formal report or study need be prepared at all. This is a case where “more” is probably “better”—so long as the report is logical, internally consistent, and based on sound and relevant data.

A complete discussion of these requirements is beyond the scope of this paper. Note that only one published appellate decision, *City of Palmdale v. Palmdale Water District*,³⁰ has directly interpreted the Section 6(b) substantive requirements, and that decision considered a fee that, as described by the court, was particularly extreme and arbitrary in the rate differentiation made between classes of users.

If a proposed property-related fee cannot meet the Section 6(b) requirements, or if there is concern that the proposed fee may have an unacceptable legal risk of noncompliance, most fees can be restructured as special taxes. Special taxes are not subject to the substantive (or procedural) requirements for property-related fees. They do, however, require voter approval by a two-thirds super-majority.³¹

III. The Section 6(a) Process.

The Article XIII D, Section 6(a) process for imposing a new property-related fee or increasing the rate of an existing property-related fee has three formally required components: (i) notice, (ii) hearing and (iii) protest.³² It is often a good idea to precede these steps with an additional step, which I refer to as the “intention” step.

A. Notice.

Notice is governed by Article XIII D, Section 6(a)(1), which requires that “the agency shall provide written notice by mail of the proposed fee or charge to the record owner of each...parcel upon which the fee or charge is proposed for imposition.”

Where a property-related fee is charged on the property tax bill, it is fairly clear that notice should be given to the record owner of each parcel of property subject to the fee.³³

Where a property-related fee is charged by direct billing, Section 53755 of the Government Code (“Section 53755”) authorizes (but does not require) that notice may instead be included “in the agency's regular billing statement for the fee or charge or by any other mailing by the agency to the address to

³⁰ (2011) 198 Cal.App.4th 926.

³¹ Cal.Const. art. XIII C, § 4; Cal.Const. art. XIII C, § 2(d).

³² Although not specifically stated in Art. XIII D, Sec. 6, it seems extremely likely that these procedures also apply to the extension of an existing fee beyond its sunset date. Oddly, however, the notion of “extension” is not mentioned in Art. XIII D, Sec. 6(a), though it is mentioned in Art. XIII D, Sec. 6(a), relating to substantive requirements.

³³ Proposition 218 does not define “record owner.” However, the Proposition 218 Omnibus Implementation Act (Gov’t Code § 53750 *et seq.*), adopted through the normal legislative process to assist in the implementation of Proposition 218, defines “record owner” to mean “the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll, or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the agency.” (Gov’t Code § 53750(j)).

which the agency customarily mails the billing statement for the fee or charge.” This is, thus, a statutory authorization for notice to be mailed to *customers*, rather than to *property owners*, when it is the customers who are billed for a service.

Even if notice is mailed to customers pursuant to Section 53755, it must also be sent to record property owners “if the agency desires to preserve any authority it may have to record or enforce a lien.”³⁴ Many agencies choose to send property-owner notice in addition to customer notice even if the agency does not record or enforce liens. They do so either in the interest of public outreach or out of concern that Proposition 218 (a constitutional provision) requires that notices be sent to property-owners in all circumstances, and the notice permitted by Section 53755 is thus insufficient.

B. Hearing.

Not less than 45 days after the notices are mailed, the legislative body must hold a public hearing on the new or increased fee.³⁵ Any report or study should be entered into the record of this hearing, as should any written communications and written protests received from property owners, customers, or members of the public. Written protests should be accepted by the clerk through the end of the public testimony portion of the public hearing.

A typical procedure for the public hearing is as follows:

1. Mayor (or Chair) announces hearing.
2. Staff gives report.
3. Clerk (or staff) announces both the number of “writings purporting to be protests” that have so far been received as well as the threshold at which a majority protest exists.
4. Public testimony
5. Mayor (or Chair) does a “last call” for protests and closes public testimony.
6. Clerk announces the final number of protests and whether a majority protest exists.
7. Legislative body discusses item.
8. If there is no majority protest, the legislative body may (but is not required to) adopt the fee.

The order of these steps varies from jurisdiction to jurisdiction and, strictly speaking, all that is legally required is that the public be permitted to provide oral and written testimony and that the legislative body not act until it has an opportunity to consider the written protests.

Where it is clear that the number of protests received is substantially less than the threshold for a majority protest, it is a common practice for the Clerk to proceed as if all protests are valid, announce the number of protests received, and announce that there is no majority protest without determining the validity of the protests. If the tabulation of protests is complicated either by the sheer number of protests, the need to check the validity of protests, or (where the agency has not been opening protests as they come in) the need to open the protests, it is common for agencies to continue consideration of

³⁴ Gov’t Code § 53755(a)(3).

³⁵ Cal.Const. art. XIII D, § 6(a)(2).

the matter to a later date after closing public testimony. Such a continuance gives the Clerk an opportunity to tabulate protests after the meeting (preferably in an announced public location).

C. Protest.

Proposition 218 provides that:

At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

Note that only written protests count in these proceedings and, unlike for benefit assessments, protests are counted on a one protest per parcel basis. This is clarified by Section 53755(d) of the Government Code, which provides that:

One written protest per parcel, filed by an owner or tenant of the parcel, shall be counted in calculating a majority protest to a proposed new or increased fee or charge subject to the requirements of Section 6 of Article XIII D of the California Constitution.

Protests by certain tenants appear to be authorized by Article XIII D, Section 2(g), which provides that “‘property ownership’ shall be deemed to include tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question.” This would likely include, at a minimum, tenants shown as customers on the records of the local agency.

D. Intention.

It is a useful, though not legally required, practice for the legislative body to adopt a “resolution of intention” prior to mailing the hearing notice. The typical resolution of intention (i) proposes (and sets forth the details of) the new or increased rate structure, (ii) sets the date and time for the public hearing, (iii) directs staff to mail notice of the public hearing, and (iv) adopts procedures for the tabulation and acceptance of protests. Some legislative bodies also like to see the form of notice that will be sent.

Although there is no constitutional requirement that any of these matters be acted on by the legislative bodies (rather than be done by staff on its own authority), the consideration of a resolution of intention gives the legislative body a chance to consider a proposed new or increased fee before notice of the proposal is mailed to essentially all of their constituents. This reduces the possibility that members of the legislative body will be surprised when constituents start receiving notices. It also ensures that notice will not be sent of a proposal that lacks support of the legislative body. Formally establishing protest procedures helps to avoid the appearance that the agency is “making up the rules as it goes along.”

E. Protest Procedures.

It is typically a good idea to adopt procedures for the tabulation and acceptance of protests. Such procedures typically address the following issues:

- The location at which protests will be accepted prior to the hearing.
- What information should be included on a protest (generally, a printed name, a parcel address or APN, a signature, and an indication that the document is a protest).
- How a protest will be accepted (generally by mail or personal delivery, but not fax or email).
- Who may submit a protest.
- Whether protests will be opened prior to the hearing.
- How protests may be withdrawn.
- The contact information for questions about the process.
- How protests will be tabulated (ie one protest per parcel rule and the practice of treating all protests as valid if it is manifestly clear that there are insufficient protests to constitute a majority protest).
- That protests will be disclosable public records once opened.

IV. Section 6(c) Elections.

After completing protest proceedings under Article XIII D, Section 6(a), an agency must also hold an election to approve a the property-related fee unless the fee is for sewer, water, or refuse collection service. The rules for the conduct of such an election are set forth in Article XIII D, Section 6(c), and have been interpreted by *Greene v. Marin County Flood Control and Water Conservation District*.³⁶ This paper does not discuss the procedures for conducting such an election. Note that fees for storm drainage services are not considered to be for “water, sewer, or refuse collection” and therefore require an election.³⁷

V. The Section 6(a) Notice—Required Information

Article XIII D, Section 6(a) includes the following requirements for the mailed notice with respect to a property-related fee:

The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

This Section V of this paper discusses each of these requirements.

³⁶ (2010) 49 Cal.4th 277.

³⁷ *Howard Jarvis Taxpayers Ass’n v. City of Salinas*, *supra*, 98 Cal.App.4th 1351.

A. “The amount of the fee or charge proposed to be imposed upon each”

The typical method for providing this requirement is to include a complete description of the rate structure for the fee. Often, doing so can be somewhat complicated, as fees often consist of more than one component. Where this is the case, it is a good practice to indicate the relationship between the different components. For example:

Each customer’s water bill is composed of two separate rate components: (i) a monthly charge based on the customer’s meter size and (ii) a volumetric charge based on the volume of water actually consumed by the customer. The proposed rates for these components are shown in the tables below.

Or:

Rate per 100 cubic feet of est. water consumption	\$_____
Minimum annual rate	\$_____

The City calculates water consumption data for each sewer service customer using the procedure set forth in Section X-X.XXX of the Municipal Code, which is reprinted on the back of this notice. The formula used by the City is designed to exclude water consumption that is used for landscape purposes and therefore does not involve the sewer system. Certain non-residential sewer users, such as restaurants, laundromats and car washes, are subject to a “strength multiplier.” These multipliers are listed on the back of this notice.

This discussion should include the complete rate tables, so the recipient of the notice will be able to determine what they will be charged.

Some agencies attempt to create customized mailings that show the exact amount that the parcel will be charged, in addition to the proposed rate schedule. For many fees, it is clearly impossible to do this, as, for example, a household’s water consumption and sewer use will generally vary greatly from billing period to billing period. Agencies that attempt to create such customized mailings are well-advised to carefully indicate whether the amounts shown are the exact amounts that will be charged in the upcoming billing period, or are merely estimates based on past usage.

Gov’t Code Section 53756 permits the proposal of a schedule of rates that phase in over time or include adjustments for inflation or passed-through wholesale water costs. If such automatic future increases are proposed, the formula and frequency of such adjustments should be clearly stated in the notice. If specific rates are proposed to phase in on specific future dates, they are generally specified in the form of a rate table with one column for each phase-in date. Note that Section 53756 specifically limits the types of adjustments permissible and the period (no more than five years) over which adjustments can be applied without conducting new Section 6(a) proceedings.

B. “The basis upon which the amount of the proposed fee or charge was calculated.”

This requirement is a bit ambiguous. Some agencies attempt to fulfill this requirement with a statement such as “the amount of the fee is calculated based on each customer’s metered water consumption and water meter size.” Others provide more of a statement about the methodology used to calculate the fee formula (i.e. “The proposed sewer service charges were calculated by the City in order to evenly spread applicable costs amongst sewer users according to the cost of providing service to that user”). Still others include substantial detail about the enterprise budget and the method of dividing that budget amongst customers and/or reference to any rate study supporting the fee. Some agencies choose to include all of these approaches in their notices.

C. “The reason for the fee or charge.”

This should include a clear statement of what the fee will be used for. For example:

The City charges these rates to its water customers in order to fund the costs of providing safe and reliable water service.

Or:

The City imposes its sewer service charges in order to fund the City’s costs of operating and maintaining the sewer and sewage treatment system, as well as to pay off the costs of constructing that system.

D. “The date, time, and location of a public hearing on the proposed fee or charge.”

This is self-explanatory. Usually, the hearing information is given at the top of the notice, directly beneath a title of the notice.

VI. The Section 6(a) Notice—Other Information

There are a number of other pieces of information that are often included in these notices.

A. A Title.

Typically the title of a notice includes the name of the agency holding the hearing followed by a phrase such as :

Notice of Public Hearing
Proposed Increase of Sewer Rates

B. Information About Why the Recipient is Getting Notice.

Typically, a notice will begin with a statement such as:

The City of _____ is currently considering revisions to its sewer charges. You are receiving this notice because you are the owner of real property that receives sewer service from the City and that is subject to the City's sewer charge.

Or:

You are receiving this notice because our records indicate that you are a water customer of the City of _____. The City is currently considering an increase to its water rates. This notice describes the proposed increase and explains how you can participate in the ratesetting process.

Or:

The City of _____ is currently considering an increase to its water rates. Article XIII D, Section 6 of the California Constitution, adopted by the electorate in 1996 as part of Proposition 218, requires that the City conduct a noticed public hearing with respect to the proposed water rate increase. The purpose of this notice is to give you, as the owner of a parcel subject to the water rates, information about the hearing and the proposed rates.

While not required, such a statement is helpful to let recipients understand why they are receiving the notice.

C. Rate Histories and Increase Percentages.

Many agencies like to include in their rate tables the current amounts of the rates and an indication of the proposed increases for each rate expressed as a percentage. This can be useful information so long as the structure of the rate schedule isn't changing drastically (for example from a fixed rate to a partially volumetric rate). Agencies often like to describe how long it has been since their last rate increase, especially if it has been a long time.

D. Budget Information.

Some agencies like to include information about their enterprise budgets, especially where changes are occurring in their budgets, such as changes in commodity costs, labor costs, maintenance costs of aging infrastructure, or capital costs associated with the construction or rehabilitation of infrastructure. Some agencies also like to include information about efforts that have been made to control costs.

E. Protest Information.

While Proposition 218 does not require that the notice mention the right to protest, agencies often choose to include such information. If procedures for the tabulation and acceptance of protests have been adopted, the web address at which the procedures may be found is often referenced on the notice or the procedures are mailed along with the notice. Examples of protest information include:

At the hearing, the Council will consider all oral and written testimony regarding the proposal. You may also submit a formal written protest against the rate increase proposal (which includes the automatic adjustments). Written protests must be signed by a customer or property owner, and must include the assessor's parcel number or street address of the property for which the protest is submitted. Written protests may be delivered to the City Clerk at the public hearing or mailed or delivered to the City Clerk at _____. Protests which are mailed or delivered to the City Clerk's Office must arrive at City Hall by the date and time of the hearing to be considered. At the conclusion of the public hearing, if written protests against the rate increase proposal have been filed (and not withdrawn) with respect to a majority of the parcels subject to the proposed increase, the City Council will not adopt the increase. Protests will be accepted and tabulated according to the City's adopted Policy Governing the Acceptance and Tabulation of Utility Rate Protest, which are available online at: [website].

Or, more briefly:

At the public hearing, the District's Board will accept oral and written testimony, as well as written protests, regarding the proposed fees. Written testimony, including protests, will also be accepted at [address]. Items mailed to the District must be received prior to the hearing in order to be considered by the Board.

F. Contact Information.

Agencies often include information about where a recipient can get more information about the proposed fee.

G. Miscellaneous Information.

Agencies often include information about when the proposed fee will go into effect, how often the fee is billed, and how the fee is collected (especially if the fee is collected on the tax roll).

VII. Drafting Tips.

1. Be on the lookout for technical terms that aren't widely understood. For example, abbreviations such as "hcf" (hundred cubic feet), "ss" (suspended solids) and "fy" (fiscal year) should be spelled out and (where useful) explained. For example "An acre-foot is approximately 326,000 gallons of water— roughly the amount used by two families in a typical year."
2. Rate tables provided by staff often include items with names that don't make much sense without reference to existing practices. It is helpful to explain items like "hard-to-serve fee" rather than just listing them.

3. It is often helpful to include information such as “most single family homes in the City are served with ____ inch meters” or:

The typical single family home consumes approximately ____ hcf per month of water in the wet season and ____ hcf in the dry season—however, every household’s consumption is different, and consumption within may vary greatly from month to month.

Care should be taken that any such generalization is factually correct and not misleading.

4. It may be helpful to indicate where customers can get information about their historical water use, their meter size, or other criteria factors that go into calculation of the amount they will be charged. Customers might be referred to look at past bills, call the agency, or (for meter size) look at the information stamped on their water meter.
5. Lookout for needless formalism. Phrases like “notice is hereby given” are redundant.



Inverness Public Utility District
Board Meeting July 19, 2017

7 Stockstill Tank Replacement Project Update



Inverness Public Utility District
Board Meeting July 19, 2017

8 Approval of Expenditures (June)

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Inverness PUD
Check Detail
June 2017

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Paid Amount</u>
	06/30/2017		1-103 · Checking B of A (W)	DISTRICT	
			3890-01 · Bank Charges	DISTRICT	-576.57
TOTAL					-576.57
Auto	06/10/2017	Diversified Techno...	1-103 · Checking B of A (W)		
			1-870 · Billing & Collections	WATER	-640.00
TOTAL					-640.00
EFT	06/01/2017	CalPERS	1-103 · Checking B of A (W)		
			1805-01 · Health Insurance (W)	WATER	-7,376.70
TOTAL					-7,376.70
EFT	06/01/2017	CalPERS	1-103 · Checking B of A (W)		
			3805-01 · Health Insurance (D)	DISTRICT	-1,126.84
TOTAL					-1,126.84
EFT	06/01/2017	CalPERS	1-103 · Checking B of A (W)		
			2805-03 · Retirement (F)	FIRE	-739.51
TOTAL					-739.51
EFT	06/01/2017	CalPERS	1-103 · Checking B of A (W)		
			2805-01 · Health Insurance (F)	FIRE	-735.66
TOTAL					-735.66
EFT	06/02/2017	Paychex	1-103 · Checking B of A (W)		
			3-890 · Miscellaneous (D)	DISTRICT	-90.09
TOTAL					-90.09
EFT	06/16/2017	Paychex	1-103 · Checking B of A (W)		
			3-890 · Miscellaneous (D)	DISTRICT	-90.09
TOTAL					-90.09
EFT	06/17/2017	CPS DES	1-103 · Checking B of A (W)		
			3890-01 · Bank Charges	DISTRICT	-13.52
TOTAL					-13.52
EFT	06/21/2017	CalPERS	1-103 · Checking B of A (W)		
			1805-01 · Health Insurance (W)	WATER	-7,678.11
TOTAL					-7,678.11

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Inverness PUD
Check Detail
June 2017

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Paid Amount</u>
EFT	06/21/2017	CalPERS	1-103 · Checking B of A (W) 2805-01 · Health Insurance (F)	FIRE	-735.66
TOTAL					-735.66
EFT	06/28/2017	Paychex	1-103 · Checking B of A (W) 3-890 · Miscellaneous (D)	DISTRICT	-81.20
TOTAL					-81.20
EFT	06/28/2017	CalPERS	1-103 · Checking B of A (W) 3805-03 · Retirement (D)	DISTRICT	-1,126.84
TOTAL					-1,126.84
EFT	06/28/2017	CalPERS	1-103 · Checking B of A (W) 1805-03 · Retirement (W)	WATER	-888.54
TOTAL					-888.54
EFT	06/28/2017	CalPERS	1-103 · Checking B of A (W) 2805-03 · Retirement (F)	FIRE	-739.51
TOTAL					-739.51
EFT	06/30/2017	Paychex	1-103 · Checking B of A (W) 3-890 · Miscellaneous (D)	DISTRICT	-87.12
TOTAL					-87.12
12529	06/08/2017	Anne Sands	1-103 · Checking B of A (W) 2-842 · Professional Services (F)		-327.25
TOTAL					-327.25
12530	06/08/2017	California Aquastore	1-103 · Checking B of A (W) 1-833 · Treatment System		-2,850.00
TOTAL					-2,850.00
12531	06/08/2017	Meszaros, Michael	1-103 · Checking B of A (W) 2-820 · Volunteers Compensation		-200.00
TOTAL					-200.00
12532	06/08/2017	Fox, Thomas	1-103 · Checking B of A (W) 2-820 · Volunteers Compensation		-350.00
TOTAL					-350.00

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Check Detail
June 2017

Num	Date	Name	Account	Class	Paid Amount
12533	06/08/2017	Cheda's Garage	1-103 · Checking B of A (W)		
			1860-02 · Repairs (W)		-114.39
			2860-02 · Repairs (F)		-114.40
TOTAL					-228.79
12534	06/08/2017	Building Supply C...	1-103 · Checking B of A (W)		
			1-845 · Supplies & Inventory		-235.18
TOTAL					-235.18
12535	06/08/2017	Horizon Cable TV I...	1-103 · Checking B of A (W)		
			3-897 · Telephone\Computer Net		-62.04
TOTAL					-62.04
12536	06/08/2017	PG&E	1-103 · Checking B of A (W)		
			1833-01 · Plant Power		-961.94
			1844-01 · Power, Miscellaneous		-41.27
			1844-02 · Power, Pumping		-119.76
			2855-02 · P. G. & E. (F)		-163.04
TOTAL					-1,286.01
12537	06/14/2017	Fox, Thomas	1-103 · Checking B of A (W)		
TOTAL					0.00
12538	06/14/2017	Fox, Thomas	1-103 · Checking B of A (W)		
			2-820 · Volunteers Compensation		-250.00
TOTAL					-250.00
12539	06/14/2017	Holland, Wade	1-103 · Checking B of A (W)		
			3-895 · Supplies & Postage		-20.63
TOTAL					-20.63
12540	06/14/2017	Brelje and Race La...	1-103 · Checking B of A (W)		
			1835-01 · BacT & Raw Samples		-264.60
TOTAL					-264.60
12541	06/14/2017	Grainger	1-103 · Checking B of A (W)		
			1-845 · Supplies & Inventory		-81.19
TOTAL					-81.19

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Inverness PUD
Check Detail
June 2017

Num	Date	Name	Account	Class	Paid Amount
12542	06/14/2017	Harrington Industr...	1-103 · Checking B of A (W)		
			1-833 · Treatment System		-108.90
			1-844 · Distribution System		-108.91
TOTAL					-217.81
12543	06/21/2017	Quill Corporation	1-103 · Checking B of A (W)		
			3-895 · Supplies & Postage		-212.88
TOTAL					-212.88
12544	06/21/2017	Pacific Slope Tree ...	1-103 · Checking B of A (W)		
			1371-24 · Stockstill Tank Replacement		-3,150.00
TOTAL					-3,150.00
12545	06/22/2017	Open Spatial Corp...	1-103 · Checking B of A (W)		
			1-116 · LAIF-Capital Projects (W)		-13,200.00
TOTAL					-13,200.00
12546	06/22/2017	Maze & Associates	1-103 · Checking B of A (W)		
			3-842 · Professional Services (D)		-500.00
TOTAL					-500.00
12547	06/22/2017	Kroner, Pamela	1-103 · Checking B of A (W)		
			2840-03 · Grounds Maint		-388.43
TOTAL					-388.43
12548	06/22/2017	AT&T	1-103 · Checking B of A (W)		
			1844-03 · Telemetry		-181.27
			1-897 · Telephone (W)		-443.92
			2-897 · Telephone (F)		-142.94
			3-897 · Telephone\Computer Net		-450.72
			1-897 U · Internet F1		-54.00
TOTAL					-1,272.85
12549	06/22/2017	Greenberg, Michael	1-103 · Checking B of A (W)		
		Greenberg, Michael	1-130 · Water Customers (W)		-18.50
TOTAL					-18.50
12557	06/22/2017	Brelje and Race La...	1-103 · Checking B of A (W)		
105316	07/05/2017		1835-01 · BacT & Raw Samples	WATER	-207.90
TOTAL					-207.90

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June 2017

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Paid Amount</u>
12558	06/22/2017	Buck's Saw Servic...	1-103 · Checking B of A (W)		
3342...	06/30/2017		1-845 · Supplies & Inventory 2845-01 · Operations & General	WATER FIRE	-485.30 -471.61
TOTAL					-956.91
12559	06/22/2017	CORE	1-103 · Checking B of A (W)		
41082	07/03/2017		1-116 · LAIF-Capital Projects (W)	WATER	-5,412.79
TOTAL					-5,412.79
12560	06/22/2017	John's Dairy Equi...	1-103 · Checking B of A (W)		
T30840	06/29/2017		1833-02 · Chemicals	WATER	-93.12
TOTAL					-93.12
12561	06/22/2017	Marin County Fire ...	1-103 · Checking B of A (W)		
2017-...	07/01/2017		2-880 · Dues & Publications (F)	FIRE	-700.00
TOTAL					-700.00
12562	06/22/2017	Marin County Tax ...	1-103 · Checking B of A (W)		
170826	03/31/2017		1860-01 · Gas & Oil (W) 2860-01 · Gas & Oil (F)	WATER FIRE	-309.45 -309.45
170846	05/31/2017		1860-01 · Gas & Oil (W) 2860-01 · Gas & Oil (F)	WATER FIRE	-274.01 -274.01
170782	06/28/2017		3892-06 · Prof Svcs - Legal	DISTRICT	-709.20
TOTAL					-1,876.12
12563	06/22/2017	McMaster-Carr	1-103 · Checking B of A (W)		
3160...	05/24/2017		1-845 · Supplies & Inventory	WATER	-51.50
TOTAL					-51.50
12564	06/22/2017	McPhail Fuel Co.	1-103 · Checking B of A (W)		
411603	06/30/2017		1833-04 · Propane	WATER	-487.86
TOTAL					-487.86
12565	06/22/2017	PG&E	1-103 · Checking B of A (W)		
	06/26/2017		1833-01 · Plant Power 1844-01 · Power, Miscellaneous 1844-02 · Power, Pumping 2855-02 · P. G. & E. (F)	WATER WATER WATER FIRE	-1,901.67 -37.94 -363.14 -163.46
TOTAL					-2,466.21
12566	06/22/2017	Quill Corporation	1-103 · Checking B of A (W)		
7856...	06/30/2017		3-895 · Supplies & Postage	DISTRICT	-24.88
TOTAL					-24.88

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**Inverness PUD
Check Detail
June 2017**

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Paid Amount</u>
12567	06/22/2017	Redwood Empire ...	1-103 · Checking B of A (W)		
884687	07/01/2017		3-891 · Recycling/Trash Disposal	DISTRICT	-81.27
TOTAL					-81.27
12568	06/22/2017	TransBay Security ...	1-103 · Checking B of A (W)		
67717	06/28/2017		2840-01 · Equipment Maint 1844-06 · Dist Syst Maintenance	FIRE WATER	-61.08 -61.09
TOTAL					-122.17
12569	06/22/2017	U. S. Bank Corpor...	1-103 · Checking B of A (W)		
	06/22/2017		2850-04 · Drill Refreshments 2845-06 · Personal Equipment 3-891 · Recycling/Trash Disposal 2-251 · Equipment (F) 2840-02 · Building Maint 1-899 · Travel & Meetings (W) 2-899 · Travel & Meetings (F) 1833-09 · Other Equip Maint 3-897 · Telephone\Computer Net 3-895 · Supplies & Postage	FIRE FIRE DISTRICT FIRE FIRE WATER FIRE WATER DISTRICT DISTRICT	-164.93 -158.11 -296.01 -411.06 -105.00 -74.28 -46.27 -706.65 -577.46 -22.84
TOTAL					-2,562.61



Inverness Public Utility District
Board Meeting July 19, 2017

9 Water System Report (June)

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, June 2017

Statistics

	2017	2016
Rainfall	.42" for June; 54.94" for year	.12" for June; 35.12" for year
Streamflows	453,600 gpd; 315 gpm (end of month)	259,200 gpd; 180 gpm (end of month)
Production	2,883,800 gal; 96,126 gpd; 66.7 gpm	2,933,500 gal; 97,783 gpd; 68 gpm
Sources	First Valley High Intakes 70%	First Valley High Intakes 49%
	Third Valley High Intakes 21%	Third Valley High Intakes 17%
	First Valley Low Intake & Wells 0%	First Valley Low Intake & Wells 0%
	Second Valley High Intakes 9%	

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. Meters read; several customer leaks found.
2. State Water Board Inspection.
3. Work on Stockstill Tank replacement project.
4. Temporary tanks moved from Conner Tank site to Stockstill Tank site
5. Major clearing on trail to Third Valley Dams
6. Repairs to several leaks on wood tanks.

gpd = gallons per day; gpm = gallons per minute

James K. Fox
Water System Superintendent
July 14, 2017



Inverness Public Utility District
Board Meeting July 19, 2017

10 Fire Department Report (May)

INVERNESS VOLUNTEER FIRE DEPARTMENT

P.O. Box 469, Inverness, CA 94937

FIRE DEPARTMENT REPORT

June 2017

INCIDENTS:

#17-76 06-01 **EMS @ 15 Kehoe** for back pain. No merit.
#17-77 06-01 **Possible Structure Fire @10025 Shoreline.** No merit, fireplace damper closed.
#17-78 06-04 **EMS @ Pt. Reyes Parade** for fall from horse.
#17-79 06-04 **EMS @ 130 Edgemont** for chest pain. M-94 code transport 2 to MGH.
#17-80 06-04 **EMS @ 133 Kehoe** for possible stroke. Reach 1 transport to PVH.
#17-81 06-06 **EMS @ 55 Balmoral.** M-94 code 2 transport to MGH.
#17-82 06-10 **EMS @ 12835 SFD** for possible seizure. M-94 code 2 transport to MGH.
#17-83 06-12 **EMS @ 3 6th st.** Point Reyes. M-97 code 2 transport to KTL.
#17-84 06-15 **Public Assist @ 12944 SFD** for tree down. Property owner to handle.
#17-85 06-17 **Vehicle Accident @ 11620 Shoreline Hwy.** IFD cancelled enroute.
#17-86 06-18 **Smoke Alarm @ 35 Rannoch.** No merit.
#17-87 06-18 **Propane Leak @ 631 Mesa, Pt. Reyes.** IFD cancelled enroute.
#17-88 06-18 **Smoke Check @ 180 Highland.** No merit.
#17-89 06-20 **EMS @ 100 Stirling** for possible stroke. M-94 code 2 transport to MGH.
#17-90 06-22 **Smoke Alarm @ 35 Rannoch.** No merit.
#17-91 06-24 **Pole and Wires down @ 12700 SFD.** Traffic control and standby for PG&E.
#17-92 06-30 **Lifeline Alarm @ 495 Aberdeen.** Accidental. No merit.

TRAININGS:

06-11 Drill with MCFD. Wildland drill with C shift @ Limantour Road.
06-27 Drill. Wildland initial attach and size up. Fire behavior and safety.

ACTIVITIES AND MAINTENANCE:

1. Western Weekend parade.
2. MERA board meeting
3. MERA operations meeting.
4. Disaster radio drill.

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
Board Meeting July 19, 2017

11 Management Report

GENERAL MANAGER'S REPORT

July 19, 2017



1. CUSTOMER INTERACTION

1.1. Review key interactions

2. KUDOS

3. GRAND JURY TRANSPERANCY REPORT

4. CAPITAL PROJECTS

4.1. Monitoring and Control System

5. FINANCIAL REPORT

6. **Next Board Meeting** August 11 at 9am (Approval of Bid for Stockstill Tank Replacement)

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

	Jul '16 - Jun 17	Budget	\$ Over Budget	% of Budget
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	540,502.23	496,692.00	43,810.23	108.8%
Water Revenue	386,908.05	395,840.00	-8,931.95	97.7%
Total Income	929,763.42	907,022.00	22,741.42	102.5%
Expense				
Office & Administration	73,795.40	80,294.00	-6,498.60	91.9%
Personnel Costs	648,517.82	603,769.00	44,748.82	107.4%
Physical Operations	162,008.95	141,300.00	20,708.95	114.7%
Total Expense	884,322.17	825,363.00	58,959.17	107.1%
Net Ordinary Income	45,441.25	81,659.00	-36,217.75	55.6%
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	45,441.25	30,412.00	15,029.25	149.4%



Inverness Public Utility District
Board Meeting July 19, 2017

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Announcements & Adjournment

- **Next Meeting August 11 at 9am**