



Inverness Public Utility District

Fire Department ☒ Water System

50 Inverness Way North, P.O. Box 469, Inverness CA 94937 • (415) 669-1414

Board of Directors Minutes, Regular Meeting Wednesday, February 26, 2020, 9:00 a.m.

1. Call to Order

President Emanuels called the meeting to order at the Inverness Firehouse at 9:04 a.m.

Attendance Report

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

Directors Absent: Brent Johnson

Staff Present: Shelley Redding, Clerk and Administrator; Jim Fox, Chief of Operations; Wade Holland, Customer Services Manager; John Roche, Fire Services Officer; Ken Fox (arrived at 10:05), Senior Water Operator

2. Public Expression:

Woody Elliott expressed praise for the efforts by the staff and volunteers in hosting and assisting with the search and rescue efforts of the missing couple in Seahaven the previous week. The sentiment was concurred by everyone in attendance.

3. Approval of Minutes: Regular Meeting of January 22, 2020

M/S Donohue/Press to approve the minutes of the regular meeting of January 22, 2020, as submitted. AYES 4, NOES 0

4. Management Report

Administrator/Clerk Redding and Jim Fox reported on the following items:

- **Financial Reports January 2020:** Financial reports were presented for review. Clerk Redding noted that the expenses for supplies have exceeded budget due to the ongoing project to repair damage at D4 from a slide three years ago. The project will be converted into a capital project and presented for approval by the Board at the next Board meeting.
- **Audit Report:** Clerk Redding reported that the 2018/19 audit has been completed and a draft of the report is expected from the auditor by the end of February or early in March. President Emanuels asked if there were any observations of note. Clerk Redding reported that the auditor has noted that having the Administrator code invoices, perform bookkeeping duties, and sign checks is not recommended; however, the District's policies for monthly and quarterly review of the financial reports by the Board as a whole and the Treasurer in particular provide a safeguard against potential fraudulent behavior.
- **Search and Rescue Operation:** Chief Fox detailed the events related to the missing couple from Seahaven that started on Sunday, February 16, and ended with their

Board of Directors: Kenneth J. Emanuels, President • Dakota Whitney, Vice President
Kathryn Donohue, Treasurer • Brent Johnson • David Press

Shelley Redding, Administrator • James K. Fox, Chief of Operations

rescue on Saturday, February 22. He described the role of the Inverness Fire Department's volunteers in guiding the SAR personnel through the terrain, assisting with the establishment and operation of the command center at the Inverness Firehouse, and providing assistance as needed to command staff. Chief Fox expressed his admiration for the search and rescue teams, their organization, use of tools and technology, and their cooperation with other agency personnel.

5. Water System Report (January 2020)

Superintendent J. Fox presented the report prepared by Senior Water Operator K. Fox. It was noted that because the area had good rainfall during the fall, streamflows are adequate for now, but the lack of rain in February is concerning. Clerk Redding reported that the requested graphs with comparisons are in process and should be available for the next Board meeting in March.

6. Fire Department Report (January 2020)

The Fire Department report was delayed and will be provided at the next Board meeting.

7. Resolution 251-2020: Designating the District's Administrator to Act in Place of the General Manager

M/S Whitney/Press to adopt Resolution 251-2020 as proposed. AYES 4, NOES 0

8. Tenney Tank Project:

Report from Ad Hoc Committee: Clerk Redding presented the minutes of the January 31 meeting of the ad hoc committee on the Tenney Tank project, the application for a DWSRF loan for the project, and the need for an increase in customer revenue. The committee's report outlined specific items to be accomplished in order to move forward with the project. Clerk Redding reported that an application has been submitted to the County's Community Development Agency to extend the vesting period for the project's coastal permit, which expires in June. This will necessitate a new public hearing before a Deputy Zoning Administrator. Director Press offered his assistance with regard to the required spotted owl survey that will be needed prior to commencement of construction.

- a. Trossach Way roadway restoration:** Trossach Way resident Tom Baty addressed the Board asked the Board to consider his written request that the District formally commit funds to restoration of the Trossach Way roadway after completion of the Tenney Tank Project. He described his concerns in relation to the timing of the District's project and the construction of a new residence on Trossach Way that may also begin during the same time period. President Emanuels acknowledged receipt of Mr. Baty's written request, thanked him for his input and concern, and noted the District's commitment to fulfilling its appropriate obligations to repair of roadways upon completion of District projects. He instructed staff to refer Mr. Baty's request to counsel for guidance on how to proceed.
- b. Drinking Water State Revolving Fund (DWSRF) loan application:** Customer Services Manager Holland reported that the State Water Board's legal counsel has provided to our counsel a draft of the financing agreement for the loan the District is hoping to receive in order to pursue the project. Peter Sproul, for our legal counsel, has completed an initial review of the agreement and sent our staff some specific items of note. He also has some questions that he will take up directly with the Water Board's counsel. It is anticipated that a financing

agreement acceptable to counsels for both sides will be available for action by the IPUD Board at its March Meeting.

9. Proposal for an Increase in Water Rates

Customer Services Manager Holland summarized the proposal recommended by the ad hoc committee for changes in water rates to become effective July 1, 2020. The proposed new water rates structure is intended to satisfy the following three criteria recommended by the committee: (a) Increase the Water System's operating revenue by 15%; (b) Adjust the Basic Charge and Usage Charge ratios to reduce nominally the proportion derived from the Usage Charges (for an increase in the proportion derived from the assured revenue of the Basic Charges); and (c) Make the rates fairer for customers whose consumption is primarily for essential (indoor) usage. He submitted a draft of a Prop. 218 notice to be mailed to all affected members of the public, background analysis material, and a spreadsheet detailing the three-year budget projections. If the Board wishes to proceed, he asked that it approve the draft Prop. 218 notice and set a date and time for the public hearing, which must be at least 30 days before the effective date of July 1 and at least 45 days after the Prop. 218 notices have been distributed. *M/S Donohue/Press to approve the proposed changes in water rates and charges and the draft Prop. 218 notice and to instruct staff to initiate the Prop. 218 process with the public hearing set for May 27, 2020, at 7:00 p.m. in the meeting room at the Inverness Firehouse. AYES 4, NOES 0.*

10. Resolution 250-2020: Establishing Fund Categories

M/S Donohue/Press to approve Resolution 250-2020 to establish fund categories in accordance with GASB 54. AYES 4, NOES 0

11. Resolution 247-2020: Designating the Water System Tank Replacement Fund as a Committed Fund

M/S Whitney/Press to approve Resolution 247-2020 to designate the Water System Tank Replacement Fund as a committed fund. AYES 4, NOES 0

12. Approval of Expenditures and Credit Card Charges

M/S Press/Whitney to approve the listed expenditures for January 2020 (\$67,176.47) and credit card charges invoiced on January 22, 2020 (\$737.61 J. Fox, \$614.64 S. Redding). AYES 4, NOES 0.

13. Approval of Personnel Policy Changes

A list of recommendations from the Personnel Committee was presented. These included reclassifying the position of Senior Water Operator from nonexempt (at an hourly rate of \$36.03) to exempt (at a monthly salary of \$6,950); reducing the employment level of the Chief of Operations from fulltime (40 hrs/week) to 80% (32 hrs/week); allocating the Chief of Operations' employee costs on a ratio of 25% to the Water System and 75% to the Fire Department; adding a Section 125 Cafeteria Plan for employee health benefits; pursuing a contract with Special Districts Risk Management Authority to provide to employees options for dental, vision, long-term care, and life insurance benefits (paid for 100% by the employees who elect to participate); creating a conditional opt-out policy to employees for health benefits; and changing the District's vacation accrual policies. *M/S Whitney/Donohue to approve the personnel policy changes as recommended by the Personnel Committee. AYES 4, NOES 0.*

14. Verizon Cell Phone Contract

The Board reviewed the proposed User Agreement with Verizon Wireless and the State of Nevada that will enable the District to provide two cell phones to authorized on-call personnel under a Custom 4G Unlimited Smartphone Plan with Mobile Broadband Priority for National Security, Public Safety, and First Responders. *M/S Whitney/Donohue to approve the Verizon Wireless Public Safety Cell Phone User Agreement for cell phones to be used by on-call personnel and to authorize and direct the President to execute the User Agreement.* **AYES 4, NOES 0**

15. CLAM Support Letter

Staff provided a revised draft of the letter to the County of Marin supporting the bid by the Community Land Trust Association of West Marin to redevelop the former Coast Guard site in Point Reyes Station for affordable housing. Director Whitney asked that the letter be further revised to contain language that specifically supports local employees being given priority consideration for the housing units.

16. Committee Meetings/Reports

There were no reports from standing committees and no meetings of standing committees are currently scheduled.

17. Announcements, Next Meeting, Adjournment

The next regular meeting of the Board of Directors is scheduled for March 25, 2020, at 9:00 a.m. at the Inverness Firehouse.

President Emanuels adjourned the meeting at 10:45 a.m.

These minutes were approved by the Board of Directors at the regular meeting (rescheduled) on April 22, 2020.

Attest: /s/ _____ Date: 4/22/2020

Shelley Redding, Clerk of the Board