



Inverness Public Utility District

Fire Department ✧ Water System

50 Inverness Way No., P.O. Box 469, Inverness CA 94937 ✧ (415) 669-1414

Board of Directors

Minutes, Regular Meeting

Wednesday, January 26, 2022, 9:05 a.m.

Video/Teleconference

1. Call to Order; Attendance Report

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

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

Directors Absent: None

Staff Present: Shelley Redding, Clerk and Administrator; Jim Fox, Chief of Operations (departed at 9:45 am), Wade Holland (departed at 10:35 a.m.)

Legal Counsel: Peter Spoerl, Ragghianti Freitas, LLP (departed at 9:45 a.m.)

2. Election of Officers for Calendar Year 2022

M/S Press/Johnson to maintain the current 2021 officer positions for calendar year 2022. AYES 5, NOES 0

3. Public Expression

No one asked to address the Board.

4. Proposed Initiative Ordinance to Levy a Special Parcel Tax

President Emanuels introduced the item of the proposed initiative ordinance sponsored by Mr. Gerald Meral to levy a parcel tax within the District to fund preparedness for the threat of wildfire and asked Perter Spoerl, the District's legal counsel, to summarize the allowed parameters for Board discussion of voter initiatives. Mr. Spoerl noted that he had provided the Directors with a memorandum on the subject of Board discussion. He then commented on recent legal challenges to similar parcel tax initiatives, especially in terms of whether a parcel tax ordinance submitted to the voters by way of the initiative process could be adopted with only a majority of the voters voting in favor instead of requiring a two-thirds majority. He said that all the cases adjudicated so far have indicated that a majority suffices.

President Emanuels thanked staff member Wade Holland for his analysis of the draft initiative ordinance. Mr. Holland described his principal concerns as outlined in the staff report, including the following:

- Section 7 appears to lock the District into initiating and maintaining specific programs in perpetuity (or until changed by going back to the voters). He suggested that the District needs wording that would allow flexibility to tailor programs to the District's specific needs at different points in time.
- Language about the District providing "matching" funds to property owners who elect to participate in specific programs may be interpreted as requiring the District to "match" whatever costs each property owner incurs, which could mean the District would be obligated to pay 50% of participating homeowners' costs. He said he favored making it clear that the programs would be set up for the District to provide "rebates" to program participants.
- He said that providing cost-sharing programs for graywater systems could put the District into the position of having to ensure that such systems are fully compliant with a myriad of State and local

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

compliance requirements. He also noted that graywater rebate programs offered by other agencies are typically very limited in scope and in the dollar value of the rebates that are offered. He reported that he had learned from his contacts with the water conservation program administrators at Marin Water and North Marin Water District that their rainwater catchment and graywater reuse programs have attracted low participation rates.

Director Press asked if the purpose of the rainwater and graywater programs at the other agencies was based on water conservation or fire protection. Mr. Holland responded that he had not seen or heard anything to indicate that the water agencies had implemented these programs for any purposes other than water conservation. He also noted that Marin Water limits its graywater rebate program to laundry-to-landscape applications.

Director Johnson asked if the proposed ordinance's 5% limit on administrative costs would be a problem, especially if management of mandated programs would have to be funded out of the 5% administrative fee. Mr. Holland responded that the proposed ordinance empowers the Board of Directors to define the term "administrative," which he interprets as being limited to administrative overhead costs, not including expenditures for program development and management.

There followed a general public discussion about some of the programs identified in the initiative, their feasibility, and how the District would manage the programs. President Emanuels suggested appointing an ad hoc committee to meet with Mr. Meral to discuss the suggestions and questions addressed in the staff report, by Counsel Spoerl, and during discussion at this meeting.

M/S Donohue/Whitney to form an ad hoc committee to meet with the initiative ordinance's sponsor to address the Board's suggestions as recommended by staff and counsel. AYES: 5, NOES 0

President Emanuels appointed Director Press, Administrator Redding, Customer Services Manager Holland, and himself to constitute the ad hoc committee.

Staff Member Wade Holland and Legal Counsel Peter Spoerl left the meeting at 9:52 a.m.

5. Approval of Minutes: Regular Meeting of November 17, 2021

M/S Whitney/Johnson to approve the minutes of the Regular Meeting of November 17, 2021, as submitted. AYES 5, NOES 0

6. Management Report

Financial Reports: Administrator Redding presented the financial reports for November and December 2021.

Capital Projects Accounting, November and December 2021: Administrator Redding presented the Capital Projects reports for November and December 2021.

Tenney Tanks Replacement Project Update: Administrator Redding presented the Quarterly Project report that was submitted to the SWRCB. Chief of Operations Fox reported on the completion of the first tank and progress on site prep for the second tank. He also noted that he would be arranging for an environmental assessment for the spotted owl's breeding season, which begins in February.

MWPA Update: Director Donohue presented the MWPA Annual Report and highlighted some of the items that have been accomplished and the MWPA's plans for the next year. Chief of Operations Jim Fox reported that local-project plans for clearing evacuation routes are still awaiting CEQA clearance. He noted that the National Weather Service (NWS) has separated out regions in the Bay Area to better indicate regional Red Flag warning days, which will provide more precise data for Inverness.

MERA Update: Chief of Operations Jim Fox reported on the tower construction progress and said that a meeting is scheduled for the afternoon.

State of the Water Shortage Emergency: Chief of Operations Jim Fox noted that after the December rains,

the outlook is not favorable for more rain in the foreseeable future and we are already seeing significant reductions in streamflows.

Community Outreach: Administrator Redding highlighted the two previous E-Blasts sent out from the District and noted some emailed responses from customers that are included in the meeting packet.

7. **Water System Report:** October, November, and December 2021: Senior Water Operator Ken Fox reported on the current Water System operations and the ongoing water shortage emergency. He noted that while the October and December rains had increased streamflows, the streamflows are now slowing. He noted that water customers continue to do a good job of conservation, but it is looking more likely that the weather patterns from last year will continue. He also reported that the 10,000-gallon No. 4 wooden tank at the Colby site was leaking and may need to be taken out of service.

8. **Fire Department Report:** November, and December 2021

Chief Fox reported on the Fire Department's activities. He also reported that in-person training and drills have been suspended until the current virus surge subsides.

9. **Expenditures:** November and December 2021

Administrator Redding presented the monthly expenditures reports for November and December and the November and December credit card statements for review and approval.

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

10. **Accept and Approve the Fiscal Year 2020/21 Audit**

The draft of the District's financial audit for the 2020/21 fiscal year was provided to the Board of Directors for review and approval.

M/S Johnson/Whitney to approve the fiscal year 2020/21 audit as presented by the Auditor R.J. Ricciardi, Inc., CPA. AYES 5, NOES 0

11. **Accept and Approve Auditor's 2020/21 Management Report Recommendations and Response Letter**

Administrator Redding reviewed the auditor's Management Report with the Board and noted that the previous year's recommendations have been implemented. Treasurer Donohue noted the issue of separation of duties regarding fiscal activities. Director Whitney acknowledged that this recommendation comes up each year, but with limited staff, it is not easily addressed. Administrator Redding noted that with the plan to hire an additional administration staff member, the issue could be alleviated.

M/S Donohue/Press to accept the Auditor's recommendations and approve the Response Letter as drafted. AYES 5, NOES 0

12. **Approval of Selection Process for Auditor for Fiscal Year 2021/22**

Administrator Redding requested that the Board authorize issuance of a request for proposal (RFP) for auditing services, to be effective for the audit for June 30, 2022. She noted that it is customary to change auditors every three or four years.

M/S Donohue/Whitney to authorize issuance of an RFP for auditing services for FY 2021/22. AYES 5, NOES 0

Chief of Operations Jim Fox left the meeting at 10:35 a.m.

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

The Board convened in closed session at 10:35 a.m. and returned to open session at 10:41 a.m.

14. **Reconvene in Open Session**

President Emanuels reported that no actions were taken during the closed session, which will be resumed

during the Board's regular meeting on February 23.

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

Director Emanuels asked for Directors to volunteer to serve on the Personnel Committee and the Finance Committee. Directors Whitney and Press offered to remain on the Personnel Committee, and Directors Donohue and Johnson said they will serve on the Finance Committee.

16. Announcements, Next Meeting, Adjournment

Administrator Redding announced that the next Board Meeting is scheduled on February 23, 2022, and most likely will also be a video/teleconference meeting.

President Emanuels adjourned the meeting at 10:40 a.m. The next Board meeting is scheduled for February 23, 2022, by teleconferencing.

These minutes were approved by the Board of Directors at the regular meeting on February 23, 2022.

Attest: /s/

Date: 2/23/2022

Shelley Redding, Clerk of the Board