

# 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

AGENDA

Regular Meeting

Wednesday, March 22, 2023

9:00 a.m.

Inverness Firehouse

1. **Call to Order; Attendance Report**
2. **Public Expression:** Opportunity for members of the public to address the Board on matters under the Board's jurisdiction but not on the posted agenda. Directors or staff "*may briefly respond to statements made or questions posed*" during Public Expression, but "*no action or discussion shall be undertaken on any item not appearing on the posted agenda*" (Gov. Code §54954.2(a)(3)). Members of the public may comment on any item listed on the posted agenda at the time the item is considered by the Board.
3. **Approval of Minutes:** Re-scheduled regular meeting of February 27, 2023.

### *The State of the District*

4. **Management Report:** Shelley Redding
  - District Capital Projects Funding Strategy Report – Jenna Nicolas
  - IPUD 75 year anniversary
5. **Water System Reports:** February 2023, Senior Water Operator Ken Fox
  - State of the Water Shortage Emergency
6. **Fire Department Reports:** February 2023, Fire Chief Jim Fox
  - Marin Wildfire Prevention Authority (MWPA) update
    - Local Projects update*
    - CORE Projects update*
  - Marin Emergency Radio Authority (MERA) update
  - Inverness Disaster Council

### *The Business of the District*

7. **Approve FY 2021-2022 Audit**
8. **Water Billing Appeal:** Tom Malarkey is requesting a reduction in the \$2,436.00 usage charge on water bill dated June 27, 2022
9. **Local Hazard Mitigation Plan RFP Draft for Approval**
10. **Approve Expenditures and Credit Card Charges:** February 2023
11. **Recognition of Service for Mike Meszaros**
12. **Recognition of Service for Sally Fairfax and Connie Morse**
13. **Committee Meetings/Reports**
14. **Closed Session:** Public Employee Performance Evaluation (General Manager) pursuant to Gov. Code Sec. 54957
15. **Adjournment**

Posted: March 17, 2023

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Material provided in the meeting packet is available on the District's website, [www.invernesspub.org](http://www.invernesspub.org), or by contacting the District office.  
Items may not be taken up in the order shown on this Agenda.

For assistance in participating in this event due to a disability as defined under the ADA, please call in advance to (415) 669-1414.

**THE PUBLIC IS CORDIALLY INVITED TO ATTEND AND TO COMMENT ON AGENDA ITEMS**

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



SHELLEY REDDING, GENERAL MANAGER/CLERK OF THE BOARD  
JAMES K. FOX, CHIEF OF OPERATIONS (FIRE CHIEF, WATER SYSTEM SUPERINTENDENT)



Inverness Public Utility District  
Board Meeting March 22, 2023

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# Agenda Item No. 1

**Call to Order;**  
**Attendance Report**



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 2

### **Public Expression**

**Opportunity for members of the public to address the Board on matters under the Board's jurisdiction but not on the posted agenda.**

**Directors or staff “*may briefly respond to statements made or questions posed*” during Public Expression, but “*no action or discussion shall be undertaken on any item not appearing on the posted agenda*” (Gov. Code §54954.2(a)(3)).**

**Members of the public may comment on any item listed on the posted agenda at the time the item is considered by the Board.**



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 3

### **Approval of Meeting Minutes**

**Re-Scheduled Regular Meeting**

**February 27, 2023**



# 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 (Rescheduled) Monday, February 27, 2023, 9:00 a.m. Inverness Firehouse

### 1. Call to Order; Attendance Report

President Emanuels called the meeting to order at 9:08 a.m.

Directors Present: Kenneth Emanuels, Dakota Whitney, David Press

Directors Absent: Kathryn Donohue, Brent Johnson

Staff Present: Shelley Redding, General Manager; Jim Fox, Chief of Operations; Ken Fox

2. **Public Expression:** Connie Morse expressed her gratitude for the help provided by both General Manager Shelley Redding and Chief of Operations Jim Fox for their assistance while she and Sally Fairfax worked to reorganize the Inverness Disaster Council. She announced that Ann Elliott has now taken over as the IDC coordinator. Ann Elliott noted that she has worked closely with Connie Morse during the transition and she has revised the community resource pamphlet, which she passed along to the Board members to view for reference. Director Emanuels thanked Connie and Ann for their efforts in reviving the Disaster Council activities.

### 3. Approval of Minutes: Regular Meeting of December 14, 2022 (Rescheduled)

*M/S Press/Whitney to approve the minutes of the Rescheduled Regular Meeting of December 14, 2022, as submitted. AYES 3, NOES 0*

4. **Local Hazard Mitigation Plan:** General Manager Redding reported that she has worked on redrafting the RFP, however a grant opportunity has become available that may cover not only the costs of a Hazard Mitigation Assessment, but may enable us to more broadly address community concerns relating to a range of perceived hazards. Directors asked how the grant would further the desire to develop an RFP that reflects the District's goals for a Hazard Mitigation Assessment in the context of the District's areas of responsibility. General Manager Redding noted that the RFP will be presented at the next Board Meeting for approval.

### 5. Management Report

**Grant Funding Report:** General Manager Redding reported on three grants that are being explored for funding of projects and equipment for the District.

### 6. Water System Reports

Senior Water Operator Ken Fox presented the December 2022 and January 2023 Water System Reports.

**State of the Water Shortage Emergency:** General Manager Redding noted that while there has been significant rainfall since the end of December, staff advises that we wait until the April Board meeting to consider on ending or continuing the District's Water Shortage Emergency.

### 7. Fire Department Reports

Chief Fox presented the December 2022 and January 2023 Fire Department reports. Staff noted that the January report provided more detail for fire calls.

**MWPA CORE Projects Update:** Chief Fox reported that he has attended several meetings on MWPA pre-

BOARD OF DIRECTORS: **KENNETH J. EMANUELS**, PRESIDENT • **DAKOTA WHITNEY**, VICE PRESIDENT  
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**SHELLEY REDDING**, GENERAL MANAGER • **JAMES K. FOX**, CHIEF OF OPERATIONS

work assessment for the Evacuation Routes core project.

**Marin Emergency Radio Authority (MERA) Update:** Chief Fox reported that construction continues on the new towers for the next-generation MERA system.

**8. Approval of Expenditures and Credit Card Charges**

General Manager Redding presented the December 2022 and January 2023 expenditures and credit card charges.

*M/S Whitney/Press to accept and approve the December 2022 and January 2023 expenditures and credit card charges as presented. AYES 3, NOES 0*

**9. Resolution 276-2023:** Appointing David Briggs as Second Alternate for the Marin Emergency Radio Authority (MERA) Board of Directors.

*M/S Press/Whitney to approve Resolution 276-2023 as presented, appointing David Briggs as the Second Alternate representing Inverness Public Utility District on the MERA Board of Directors. AYES 3, NOES 0*

**10. Committee Meetings/Reports**

Director Emanuels requested that a date be set for the Personnel Committee’s annual performance review of the General Manager, to review the staff evaluations, and to consider future strategic planning for staffing.

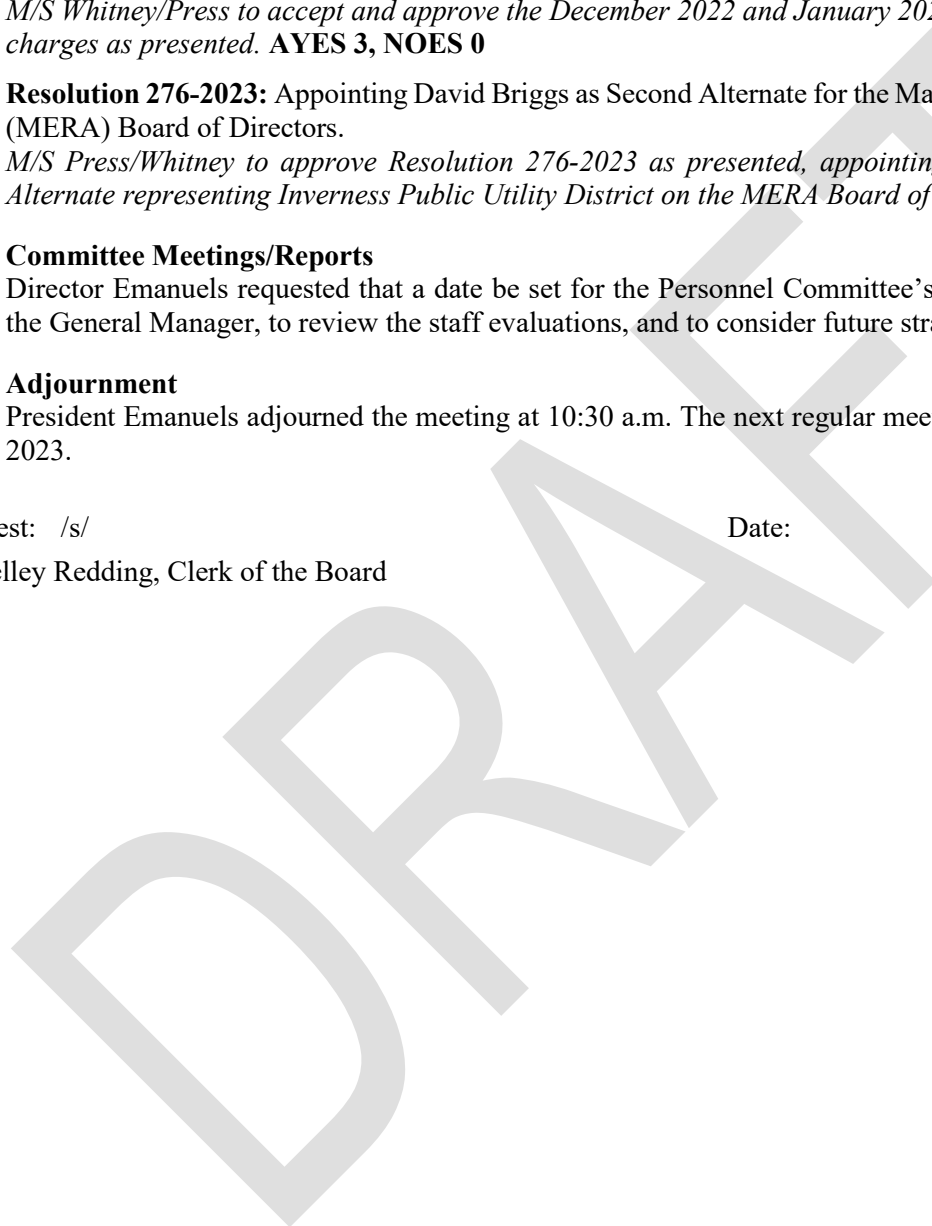
**11. Adjournment**

President Emanuels adjourned the meeting at 10:30 a.m. The next regular meeting is scheduled for March 22, 2023.

Attest: /s/

Date:

Shelley Redding, Clerk of the Board





Inverness Public Utility District  
Board Meeting March 22, 2023

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# Agenda Item No. 4

## Management Report

**General Manager S. Redding**

- District Capital Projects Funding Strategy Report
- IPUD 75<sup>th</sup> Anniversary



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 5

### **Water System Report**

- February 2023
- Water Shortage Emergency Update





INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT • WATER SYSTEM

POST OFFICE BOX 469

INVERNESS, CA 94937

(415) 669-1414 • FAX (415) 669-1010 • INFO@INVERNESSPUD.ORG

JANUARY 2023 - WATER SYSTEM REPORT

End of January Stream-Flows

End of JANUARY Statistics	Jan. 2023	Jan. 2022	DIVERSION	2023 GPM	2023 GPD	Jan 2022 GPM
<b>RAINFALL @ F1</b>	Recorded at F1	(@ F1)	D1	60	86,400	40
Monthly total (in inches ") <sup>1</sup>	13.76"	0.87"	D2	70	100,800	38
For Year 7/01 -> to date (Feb 01)	29.58"	25.37"	D3	96	138,240	43
Avg. yearly since 1925 (inches)	37.26"	37.32"	D4	65	93,600	70
<b>*Compare End Mo Streamflow</b>	<b>Nov 2022</b>	<b>Dec 2022</b>	D5	95	136,800	91
*upper diversions total gpd ->	102,240	950,400	D6	64	92,160	100
Jul21-Oct22:40;43; 251;165;975;455; 255;224;218;127;92;82;55;60;58	71 gpm	660 gpm	D7	120	172,800	48
<b>PRIOR 3-MONTH PRODUCTION Trend</b>	<b>Nov 2022</b>	<b>Oct 2022</b>	D8	25	36,000	Est. 25
<b>December 2022: 1,364,800 gal</b>	1,383,800 gal	1,661,000	<b>TOTALS--</b>	<b>595</b>	<b>856,800</b>	<b>455</b>
<b>44,026</b> Avg. gallons per day <b>30.6</b> Average gpm	46,127 gal 32.0 gpm	49,858 gal 34.6 gpm	<b>JANUARY SYSTEM USAGE PATTERNS</b>			
<b>SOURCES USED</b>	<b>( Jan 2023 )</b>	<b>(Jan 2022 )</b>	<b>USE BY</b>	<b>ZONE</b>	<b>2023</b>	<b>2022</b>
1 <sup>st</sup> Valley High Intakes (D 3,2,1)	83 %	80 %	Colby -	524,500 --	37%	43%
2 <sup>nd</sup> Valley High Intakes (D 6,5)	0.0 % -	0 %	Tenney	557,900 ++	40 %	30%
3 <sup>rd</sup> Valley Intakes (D 7)	17 % -	20 %	Conner	27,500 +	2 %	4%
1st Valley lower intake (L1)	0 %	0 %	Stockstill	150,100 +	11 %	9%
2 <sup>nd</sup> Valley lower (L2 )	0 %	0 %	Sea Haven	136,700+	10 %	14 %
Wells ( W1 & W3 tests)	< 0.01 %	0 %	<b>TOTAL PROD</b>	<b>1,396,700+</b>	<b>100 %</b>	<b>100 %</b>
<b>TOTAL</b>	<b>100 %</b>	<b>100.0 %</b>				

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

**JANUARY Production: 45,055 gal/day = 31.3 avg gpm**

Trending Note: daily usage has *increased* slightly from last month, but is still lower than previous months

**Water Quality**

All sources Ultra and Nano filtered; chlorine and turbidity correct continuously; no positive coliform bacteria samples from distribution sample grabs. Samples of distribution water tested twice monthly and influent raw water are being collected once a month for lab analysis of coliform content. Average CL<sub>2</sub> dose at F1→ 0.65 parts per million (ppm); average CL<sub>2</sub> at F3→ >@0.7 ppm

**Major Activities**

- Monthly reports sent to CA RWQCB B (UF A scheduled for early December)
  - Regular flushing of 4" iron line on Via de la Vista & Escondido 2" PVC lines , weather & power failures permitting
  - F1: UF A cleaned (CIP) replaced leaking fittings on CEB pumps/ clean & disinfect break tank/ recalibrated turbidimeters
    - Main Filter Plant front entry-door replaced
  - Note: D3 and D7 producing all water to filter plants this month, all other diversions off-line
  - SCADA: transducer at Tenney Tank failed, causing tank to over-flow...Replaced transducer  
Cover glass on new panel at Conner tank found shattered
- Brush & tree clearing of roads, & watershed roads and trails: Third valley road especially badly rutted
- Multiple trees and extended power outages from storms; chainsaws heavily used
  - Continue re-establishing water-bars after machine masticator debris and heavy rainfall events
  - Continued Gopher-proofing meter boxes and replacing old or problematic meters.
  - DCV backflow prevention devices testing: need to test one difficult check device
  - L1, D1,D4, D5, & D8 "put to bed" (stream flows up, probably not needed for rest of rainy season)



Inverness Public Utility District

Fire Department • Water System

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**FEBRUARY 2023 - WATER SYSTEM REPORT** draft

/ **End of February Stream-Flows** \

End of FEBRUARY Statistics	Feb. 2023	Feb. 2022	DIVERSION	2023 GPM	2022 GPD	feb 2022 GPM
<b>RAINFALL @ F1</b>	Recorded at F1	(@ F1)	D1	70	86,400	20
Monthly total (in inches ")	4.19"	0.09"	D2	85	100,800	27
For Year 7/01 -> to date (March 01)	33.77"	25.46"	D3	65	138,240	26
Avg. yearly since 1925 (inches)	37.26"	37.32"	D4	90	93,600	42
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<i>*upper diversions total gpd -&gt;</i>	950,400	856,800	D6	115	92,160	40
Aug21-Nov22:40;43;251;165;975;455;255;224;218;127;92;82;55;60;58;71	660 gpm	595 gpm	D7	140	172,800	40
<b>PRIOR 3-MONTH PRODUCTION Trend</b>	<b>Dec 2022</b>	<b>Nov 2022</b>	D8	30	36,000	Est 17
<b>January 2023: 1,364,800 gal</b>	1,364,800 gal	1,383,800	<b>TOTALS--</b>	<b>695</b>	<b>1,000,800</b>	<b>255</b>
<b>45,055</b> Avg. gallons per day <b>31.3</b> Average gpm	44,026 gal 30.6 gpm	46,127 gal 32.0 gpm	<b>F E B R U A R Y</b>			
<b>SOURCES USED</b>	<b>( Feb 2023 )</b>	<b>(Feb 2022 )</b>	<b>S Y S T E M U S A G E P A T T E R N S</b>			
1 <sup>st</sup> Valley High Intakes (D 3,2,1)	81 %	70 %	<b>USE BY</b>	<b>ZONE</b>	<b>2023</b>	<b>2022</b>
2 <sup>nd</sup> Valley High Intakes (D 6,5)	0.0 % -	13 %	Colby -	562,100++	45%	41%
3 <sup>rd</sup> Valley Intakes (D 7)	19 % -	17 %	Tenney	418,000 --	33 %	35%
1st Valley lower intake (L1)	0 %	0 %	Conner	27,500 +	3 %	4%
2 <sup>nd</sup> Valley lower (L2 )	0 %	0 %	Stockstill	144,400 -	11 %	12%
Wells (W3 tested)	0 %	nil %	Sea Haven	102,000-	10 %	8 %
<b>TOTAL</b>	<b>100 %</b>	<b>100.0 %</b>	<b>TOTAL PROD</b>	<b>1,260,800-</b>	<b>100 %</b>	<b>100 %</b>

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

**FEBRUARY Production: 45,029 gal/day = 31.3 avg gpm**

Trending Note: daily usage was essentially the same as last month,

**Water Quality**

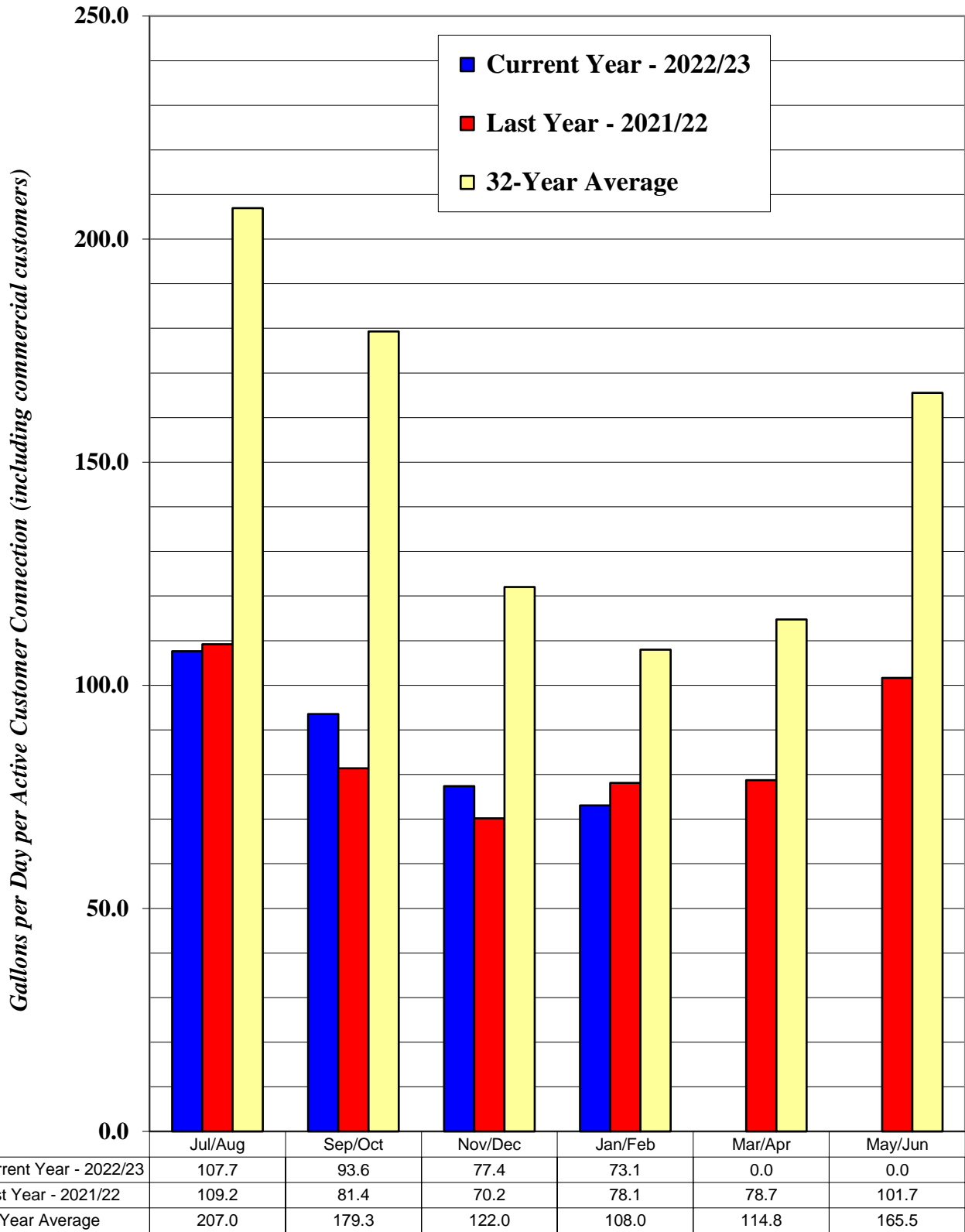
All sources Ultra and Nano filtered; chlorine and turbidity correct continuously; no positive coliform bacteria samples from distribution sample grabs. Samples of distribution water tested twice monthly and influent raw water are being collected once a month for lab analysis of coliform content. Average CL<sub>2</sub> dose at F1→ 0.50 parts per million (ppm); average CL<sub>2</sub> at F3→ >@0.75 ppm

**Major Activities**

- Monthly reports sent to CA RWQCB / DHS
- D2,D3 and D7 on line and producing; all other diversions presently off-line
- Regular flushing of 4" iron line on Via de la Vista & Escondido 2" PVC lines, weather & power failures permitting
- F1: Recalibrated UF turbidimeters, waiting for backordered replacement light bulbs
  - Main Filter Plant front entry-door lock repaired. retaining wall behind plant rebuilt
  - F1 Nano A UPS battery failed
- F3: both Nano and Ultra filters cleaned, break tank cleaned and disinfected w chlorine. Recalibrated finish turbidimeter
- SCADA: program glitches in SCADA radios at F1, Kehoe pumps and Colby (result of power outages) resolved
- Brush & tree clearing of roads, & watershed roads and trails:
- Multiple trees and extended power outages from storms; especially at F3
- Continue re-establishing water-bars after heavy rainfall events
- All customer meters read, continued gopher-proofing meter boxes
- Lindheim Booster Pump failed to run: (replaced starting capacitor, ok now)

*Inverness Public Utility District Water System*

## Average Daily Water Usage per Active Customer



## Water Customer Accounts Receivable Totals, January/February 2023

- The Accounts Receivable balance on Jan. 1, 2023, consisted of:

Current balances (from bills sent out on December 23, 2022)	99,728.00
Past-due balances (4.54%)	<u>6,507.12</u>
<b>Beginning Accounts Receivable balance (on Jan. 1, 2023):</b>	<b><u>106,235.12</u></b>
- During Jan/Feb, we received the following **payments** from our customers:

Electronic payments:	72,063.00	(70.7%)
Payments by check:	<u>29,892.00</u>	(29.3%)
<b>Total payments received:</b>		<b>- 101,955.00</b>
- During Jan/Feb, we posted the following **charges** to our customers' accounts:

Write-offs:	--	
Adjustments:	--	
Basic charges (future):	77,287.50	(518 Basic charges billed on 2/24 for <u>Mar/Apr</u> *)
Drought surcharges (future):	15,457.50	(518 Drought surcharges billed on 2/24 for <u>Mar/Apr</u> *)
X-C charges (future):	204.00	(17 Cross-Connection charges billed 2/24 for <u>Mar/Apr</u> )
Usage charges:	5,170.00	(Usage charges billed 2/24 for 12/21/22 to 2/21/23†)
Misc. charges:	95.00	(Such as account setup charges, late payment charges)
Refused payments:	--	(None)
Refunds:	<u>126.43</u>	(Closed account credit balance refunds)
<b>Total charges posted:</b>		<b>+ 98,340.43</b>
- Thus, the Accounts Receivable balance on February 28 (the end of the period) was: **102,620.55**  
(of which 5.15%, or \$5,282.00, was past due)

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\* Bimonthly Fixed Charges (for Mar/Apr): 514 customers at \$180.00; 1 Lifeline customer at \$90.00; 3 Lifeline customers at \$45.00; 1 suspended customer at \$0.00

† Total billed usage was \$6,114.00, less two credits totaling \$944.00 (\$929.00 for one leak adjustment, and \$15.00 for one prior-period meter reading error)

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### Reconciliation with BofA checking account:

There were no deposits in transit on 2/28/2023. Thus, the A/R balance on the District's books as of 2/28 should also be \$102,620.55.

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**Scheduled AutoPay receipts: \$54,999.00 on Mar. 17, 2023 (from 296 customers, which is 57% of the total of 518 billed customers).**

**A temporary security debit to IPUD's checking account in the amount of \$54,999.00 will be made on or about Mar. 15, 2023 (subject to adjustments).**

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**Report on Number of Discontinuations of Residential Service** (pursuant to paragraph (g) of IPUD Water System Regulation 303 and in compliance with Chapter 6, "Discontinuation of Residential Water Service," of Part 12, Division 104, of the Health and Safety Code (HSC) of the State of California)

Period covered: Jan/Feb 2023

Number of residential services discontinued for inability to pay during the covered period: 0

Number of residential services discontinued for inability to pay during a previous period and still on discontinued status at the close of the covered period: 1



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 6

### **Fire Department Report**

- February 2023
- Marin Wildfire Prevention Update (MWPA)
  - Local Projects Update
  - CORE Projects Update
- Marin Emergency Radio Authority Update
- Inverness Disaster Council

# FIRE DEPARTMENT REPORT

## February 2023

### INCIDENTS:

<i>#</i>	<i>Date</i>	
#23-027	2-4	<b>EMS @ Drakes Summit.</b> Cancelled. <i>Attendance:</i> David Briggs, Greg Eastman, Tom Fox.
#23-028	2-11	<b>EMS @ Pine Hill.</b> M94 transport code 3. <i>Attendance:</i> Greg Eastman, Jim Fox, Tim Olson, Tom Fox
#23-029	2-12	<b>Vehicle Accident @ 12030 SFD, PRS.</b> M94 transport code 3. <i>Attendance:</i> David Briggs, Greg Eastman, Jay Borodic, Jim Fox, Tom Fox
#23-030	2-12	<b>EMS @ 12781 SFD.</b> M94 transport. <i>Attendance:</i> David Briggs, Greg Eastman, Jay Borodic, Jim Fox, Tom Fox
#23-031	2-13	<b>Accidental tone @ Nicasio</b> <i>Attendance:</i> N/A
#23-032	2-13	<b>Vegetation Fire @ 4101 Pierce Point Rd.</b> Extinguished on arrival. <i>Attendance:</i> David Briggs, Greg Eastman, Jacob Leyva, Jay Borodic, Jim Fox, Tim Olson, Tom Fox.
#23-033	2-19	<b>EMS @ Inverness Way.</b> M94 code 3 transport. <i>Attendance:</i> Brian Cassel, David Briggs, Greg Eastman, Jay Borodic, Jim Fox, Ken Fox, Tom Fox.
#23-034	2-21	<b>Wires down @ 33 Callendar Way.</b> <i>Attendance:</i> David Briggs, Jay Borodic, Jim Fox, Tom Fox.
#23-035	2-21	<b>Tree into car and wires @ 15 Forres Way.</b> <i>Attendance:</i> David Briggs, Jay Borodic, Jim Fox, Tom Fox.
#23-036	2-21	<b>Tree into cars and wires @ 120 Edgemont Way.</b> <i>Attendance:</i> Dennis Holton, Jim Fox, Tom Fox.
#23-037	2-24	<b>EMS @ Hawthornden.</b> M94 transport <i>Attendance:</i> David Briggs, Greg Eastman, Jim Fox, Tom Olson, Tom Fox
#23-038	2-24	<b>EMS @ Balboa Ave.</b> M94 transport <i>Attendance:</i> Cassidy Russel, Jacob Leyva, Jim Fox
#23-039	2-27	<b>Wires down @ 14100 SFD.</b> <i>Attendance:</i> Jim Fox, Ken Fox
#23-040	2-28	<b>EMS @ Via de la Vista</b> <i>Attendance:</i> Greg Eastman, Jim Fox, Tom Fox

### TRAININGS:

February 12: Rope rescue live drill.

*Attendees:* Dennis Holton, Jim Fox, Ja Borodic, Tom Fox, Liam Riley, Greg Eastman, David Briggs, Jacob Leyva, Cassidy Russell, Jack Von Thaeer.

February 28: Power line identification and safety. SCBA mask try on.

*Attendees:* Andrew Bock, Cassidy Russell, Dennis Holton, Greg Eastman, Jay Borodic, Jim Fox, Ken Fox, Liam Riley, Tom Fox.

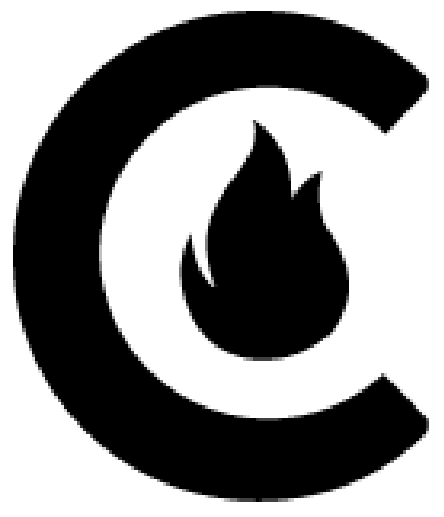
**ACTIVITIES AND MAINTENANCE:**

1. Revise fire department pre-plans.
2. Replace disaster cabinet supplies. Clean out cabinet.
3. Revise disaster council brochure.
4. Meet with ATT representative about FirstNet coverage
5. Set up Lifesaving Skills Training at firehouse. (August 7, 2023)
6. Evacuation route work noticing.
7. NFIRS data preparation.

**PERSONNEL:**

Mike Meszaros, Jim Fox, Ken Fox, Tom Fox, Burton Eubank, Brian Cassel, Jeff McBeth, Tim Olson, Dennis Holton, Brett Miller, David Briggs, David Wright, Nikki Spencer, Greg Eastman, Celine Bennett, Jay Borodic, Liam Riley, David Thompson, Jack von Thaer, Andrew Bock

**Jim Fox, Chief**



# EXECUTIVE OFFICER'S REPORT

**MARCH 2023**

[California Fire Safe Council](#)  
[Quarterly Newsletter](#)

Issue 5

## PROJECT UPDATES

### Evacuation/Ingress/Egress Risk Assessment

Tami Lavezzo from Sonoma Technology presented a second update for the Evacuation/Ingress/Egress Risk Assessment.

*\* Reminder: This assessment is not intended for real-time evacuation management*

#### Objectives

- Identify evacuation route vulnerability (relative risk)
- Understand factors contributing to risk
- Use information for mitigation project planning

#### Tasks Completed

- Literature and data review
- Evacuation modelling- includes fire, communication & traffic models
- Countywide aggregation
- Evacuation difficulty scores were created based on fire behavior, fuels, traffic infrastructure and communications

#### Mitigation Toolkit

- Created to guide mitigation actions. Member Agencies will receive training on the Toolkit.

### Wildfire Risk Perception Survey (WRPS)

Josh Dimon presented on the co-designing process of the survey which is currently in module one of three. Module two and three will be in 2023/24.

Module 1: Design and plan participatory community survey framework

Module 2: Implement participatory community survey

Module 3: Analyze data & create interactive dashboard

## RECENT BOARD ACTIONS

- Approved a 3% increase to the tax levy due to the Bay Area Consumer Price Index
- Approved the application for a CAL FIRE Grant to support the Greater Novato Shaded Fuel Break
- Increased funding for the Community Grant Program by \$100,000
- Acknowledged Environmental Compliance and Project Approval for Core Proposal "San Rafael Zone Open Space Prescribed Herbivory Expansion Project" and "Novato Zone Northeast Novato Evacuation Route Project"

## CA FIRE SAFE COUNCIL NEWSLETTER WRITE-UP

The MWPA and Fire Safe Marin received an excellent write-up in the California Fire Safe Council's *Mitigation Messenger*, their quarterly newsletter. The newsletter highlights our community support and the collaboration of the MWPA and FSM. The newsletter can be found [here](#).

## WORK PLAN DEVELOPMENT

We would like to thank all of the Member Agencies, the Advisory/Technical Committee and the Operations Committee for the many hours of work to create the 2023/24 Work Plan. Wildfire prevention and mitigation takes effort and we often focus on the on-the-ground effort. Equally essential to the completion of our projects is the precursory work to plan, scope and budget for these projects.



Thank You,



**Mark Brown**  
Executive Officer  
Marin Wildfire Prevention Authority





## Project Schedule

1. System Design – Completed
2. Environmental Quality Act – Completed
3. Site Leases – Completed
4. Site Construction – 50% Complete with all remaining sites under contract
5. Motorola Equipment Installs – 33% Complete
6. Nokia Microwave Installs – Q1, 2024
7. System Configuration – Q2, 2024
8. End User Cutover – Q3, 2024
9. Final Acceptance – Q1, 2025



# Updates

## 1. **Assistance to Firefighters Grant:**

Marin fire agencies received a federal grant that allowed all covered MERA member agencies to upgrade their radios to tri-band mobile and portable radios, supporting mutual aid. With this grant, all the fire agency radios have been acquired, installed, and are currently in service.

## 2. **Connectivity:**

Final plans are being prepared to support three separate connectivity issues:

- a. **Dispatch Centers** – To provide all the Public Safety Dispatch Centers with reliable connection to the MERA System.
- b. **Fire Station Alerting** – To provide MERA fire stations with redundant connectivity to support dispatch alerting.
- c. **Remote Radio Programming** – To be able to provide programming changes to all MERA radios wirelessly. This provides a faster means to deliver programming changes and eliminates the need for radio technicians to manually program radios.

## 3. **Training Committee:**

A training committee of MERA end users has been developed and is currently meeting to discuss training for the transition from Gen I to the Next Gen System, as well as offering training for new hires. These trainings will include agency presentations and job aids.

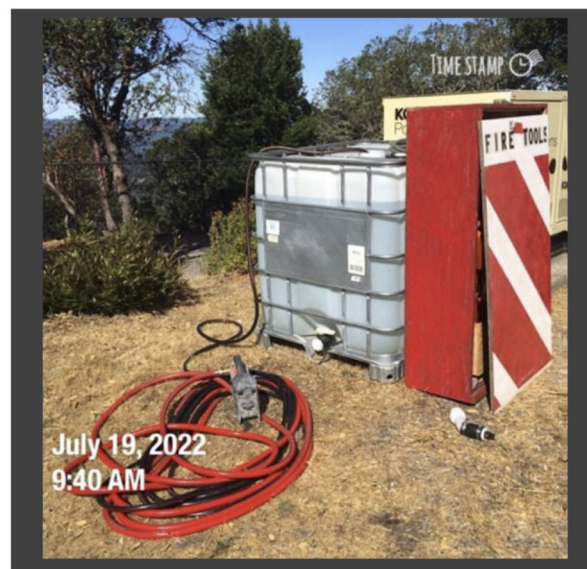
## 4. **Talkgroup Templates and Code Plugs:**

MERA staff and committees have developed a series of talkgroup templates (the chart of available channels and talkgroups) available to the system, as well as a set of features for each radio. When MERA agencies cut over to the Next Gen System, these updates will be programmed into all MERA radios using the remote radio programming features mentioned above.

## Current Events

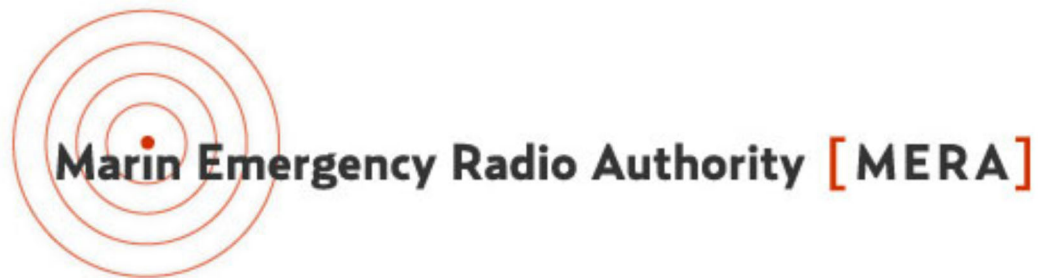
1. **Bid Package #3** – Consisting of the MERA Sites at Tomales, Skyview Terrace, Mill Valley and Wolfback Ridge, these sites have been awarded to a contractor at the 10/26/22 meeting of the MERA Governing Board. A detailed construction schedule is being developed.
2. **Bid Package #4** – Consisting of the MERA Sites at Coyote Peak, Muir Beach, Pt. Reyes, Mt. Tamalpais and OTA (Mt. Burdell), these sites have been awarded to a contractor at the December 14th, 2022, meeting of the MERA Governing Board. These are the final group of sites requiring construction.
3. As Motorola completes their equipment installations at the Bid Package #1A Sites, located at Tiburon and Stewart Point, their attention will turn to the Bid Package #2 sites, located at Sonoma Mountain, Big Rock Ridge and San Pedro.

*Construction Contractors bring a set of fire tools and a tank holding water when they work at a remote MERA site. Crews are alert to the surroundings and have communications activated when on site. The Marin County DPW crews clear brush around MERA sites during fire season.*



For more information, please go to <http://www.meraonline.org>

As a reminder, please refer any public or media inquiries regarding the MERA Next Gen System to MERA Deputy Executive Officer for the Next Gen System Dave Jeffries, 707-483-1098 or [dave@jeffriespsc.com](mailto:dave@jeffriespsc.com).





Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 7

### **Approval of Fiscal Year 2021-2022 Audit**

**INVERNESS PUBLIC UTILITY DISTRICT**  
**Report to the Board of Directors**  
**For the Fiscal Year Ended**  
**June 30, 2022**

**NIGRO & NIGRO<sup>PC</sup>**

**INVERNESS PUBLIC UTILITY DISTRICT**

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*For the Fiscal Year Ended June 30, 2022*

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Board of Directors  
Inverness Public Utility District  
Bolinas, California

We are pleased to present this report related to our audit of the financial statements of the Inverness Public Utility District (District) as of and for the year ended June 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Murrieta, California  
February 15, 2023

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## ***Required Communications***

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## INVERNESS PUBLIC UTILITY DISTRICT

### Required Communications

For the Fiscal Year Ended June 30, 2022

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Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities with Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated April 1, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
<b>Accounting Policies and Practices</b>	<b>Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. <b>Adoption of, or Change in, Significant Accounting Policies or Their Application</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. <b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. <b>Management's Judgments and Accounting Estimates</b> Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
<b>Audit Adjustments</b>	Audit adjustments are summarized in the attached <b>Summary of Adjusting Journal Entries</b> .
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

**INVERNESS PUBLIC UTILITY DISTRICT***Required Communications**For the Fiscal Year Ended June 30, 2022*

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<b>Area</b>	<b>Comments</b>
<b>Discussions With Management</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	No significant difficulties were encountered in performing our audit.
<b>Required Supplementary Information</b>	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"><li>1. Management's Discussion and Analysis</li><li>2. Budget to Actual Comparison</li><li>3. Required Pension Plan Disclosures</li><li>4. Required OPEB Plan Disclosures</li></ol> <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

This information is intended solely for the information and use of Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

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***Summary of Adjusting Journal Entries***

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**INVERNESS PUBLIC UTILITY DISTRICT**  
*Summary of Adjusting Journal Entries*  
*For the Fiscal Year Ended June 30, 2022*

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*See Attached Listing*

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
To agree to prior year retained earnings with rounding			
5-500	5-500 -+ Fund Balance	478,034.00	
5-600	5-600 -+ Investment Income	94,143.00	
845-01G	N 845 -+ Supplies & Inventory:845-01 -+ Supplies and In	2.00	
3900	3900 -+ Retained Earnings		191,912.00
3900	3900 -+ Retained Earnings		2.00
4-100	4-100 -+ Unknown		115,170.00
4-101	4-101 -+ Amount to be provided		265,095.00
<b>Total</b>		<b>572,179.00</b>	<b>572,179.00</b>

**Adjusting Journal Entries JE # 2**

To agree beginning balances of deferrred outflows and inflows to audit report. To remove balance from OPEB account and move to Pension account

1-299 N	Deffered Outflows pension (NEW)- CHANGED NAME	78,315.88	
4-391	4-391 -+ Deferred Outflows	3,703.00	
426	426 -+ Deferred Inflows (pension)	9,130.00	
1-299	1-299 -+ OPEB Prefunding (W)		78,315.88
391	391 -+ Deferred Outflows (pension)		3,703.00
4-426	4-426 -+ Deferred Inflows (4)		9,130.00
<b>Total</b>		<b>91,148.88</b>	<b>91,148.88</b>

**Adjusting Journal Entries JE # 3**

To adjust depreciation for governmental activities

2-300	2-300 -+ Accum. Depreciation-GF WIP	6,791.82	
2-960	2-960 -+ Depreciation-FG	5,222.59	
2-300	2-300 -+ Accum. Depreciation-GF WIP		5,222.59
2-960	2-960 -+ Depreciation-FG		6,791.82
<b>Total</b>		<b>12,014.41</b>	<b>12,014.41</b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 4</b>			
To clear out liability accounts			
1-420	1-420 -+ Retirement Payable (W)	1,649.46	
1-435	1-435 -+ Deferred Revenue - Water	1,653.20	
2-420	2-420 -+ Retirement Payable (F)	2,927.74	
2670D	2670 -+ US Bank Cal Card:XX-5018 -+ Cal Card - J Fox	2,817.95	
2670A	2670 -+ US Bank Cal Card		2,817.95
710-02F	N 710 -+ Misc. Income:710-02 -+ Other Income F		2,927.74
710-02W	N 710 -+ Misc. Income:710-02 -+ Other Income W		1,653.20
710-02W	N 710 -+ Misc. Income:710-02 -+ Other Income W		1,649.46
<b>Total</b>		<b>9,048.35</b>	<b>9,048.35</b>
<b>Adjusting Journal Entries JE # 5</b>			
To reverse incorrect entry on cash and deposits			
1-117	1-117 -+ LAIF-Customer Deposits (W)	6,818.43	
1-430	1-430 -+ Customer Deposits (W)		6,818.43
<b>Total</b>		<b>6,818.43</b>	<b>6,818.43</b>
<b>Adjusting Journal Entries JE # 6</b>			
To reclass LAIF interest to receivable			
3-138	3-138 -+ Other A/R (D)	2,664.93	
3-124	3-124 -+ LAIF - Emergency Reserves		2,664.93
<b>Total</b>		<b>2,664.93</b>	<b>2,664.93</b>
<b>Adjusting Journal Entries JE # 7</b>			
To fix debt balance			
1-136	1-136 -+ SWRCB Receivables	63,482.00	
1-476	1-476 -+ SWRCB Tenney Project Loan	88,119.95	
1-476	1-476 -+ SWRCB Tenney Project Loan	0.83	
1-136	1-136 -+ SWRCB Receivables		88,119.95
1-136	1-136 -+ SWRCB Receivables		0.83
1-476	1-476 -+ SWRCB Tenney Project Loan		63,482.00
<b>Total</b>		<b>151,602.78</b>	<b>151,602.78</b>
<b>Adjusting Journal Entries JE # 8</b>			
To clear out clearing account			
9-999	9-999 -+ Clearing Account	4,519.19	
810-07F	N 810 -+ Personnel Expenses:810-07 -+ Health Insuranc		1,129.82
810-07W	N 810 -+ Personnel Expenses:810-07 -+ Health Insuranc		3,389.37
<b>Total</b>		<b>4,519.19</b>	<b>4,519.19</b>




Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 9</b>			
To gross up AP credit card payment			
1-104	1-104 -+ Bank of America Checking 4809	3,476.35	
20000	20000 -+ Accounts Payable		3,476.35
<b>Total</b>		<b>3,476.35</b>	<b>3,476.35</b>
<b>Adjusting Journal Entries JE # 10</b>			
To reconcile customer deposits			
1-430	1-430 -+ Customer Deposits (W)	9,025.15	
1-716	Water Revenue:1-716 -+ Customer-Paid Work		9,025.15
<b>Total</b>		<b>9,025.15</b>	<b>9,025.15</b>
<b>Adjusting Journal Entries JE # 11</b>			
To adjust AR and deferred revenue for report writing purposes. Do not need to book.			
1-440	1-440 -+ Unearned Income (W)	92,781.00	
1-130	1-130 -+ Water Customers (W)		92,781.00
<b>Total</b>		<b>92,781.00</b>	<b>92,781.00</b>
<b>Adjusting Journal Entries JE # 12</b>			
To adjust property tax and other AR			
3-138	3-138 -+ Other A/R (D)	1,970.33	
3-138	3-138 -+ Other A/R (D)	57,225.75	
3-138	3-138 -+ Other A/R (D)	966.00	
600-03	N 600 -+ Property Tax Income:600-03 -+ Excess ERAF	12,301.60	
810-14F	N 810 -+ Personnel Expenses:810-14 -+ Retiree Health I	324.48	
810-14G	N 810 -+ Personnel Expenses:810-14 -+ Retiree Health I	3,082.14	
845-01G	N 845 -+ Supplies & Inventory:845-01 -+ Supplies and In	3,328.77	
870-14F	N 870 -+ Administration:870-14 -+ Miscellaneous F	2,415.42	
2-138	2-138 -+ Other A/R (F)		324.48
2-138	2-138 -+ Other A/R (F)		2,415.42
3-136	3-136 -+ Property Taxes (D)		12,301.60
3-138	3-138 -+ Other A/R (D)		4,294.77
3-138	3-138 -+ Other A/R (D)		3,082.14
650-01	N 650 -+ Other Agency Income:650-01 -+ TOT Revenue		57,225.75
650-02	N 650 -+ Other Agency Income:650-02 -+ MWPA Defens		985.16
650-03	N 650 -+ Other Agency Income:650-03 -+ MWPA Local S		985.17
<b>Total</b>		<b>81,614.49</b>	<b>81,614.49</b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 13</b>			
To restate PY and remove OPEB Trust account			
3900	3900 -+ Retained Earnings	571,730.00	
5-100	5-100 -+ OPEB Trust Cash and Investments		571,730.00
<b>Total</b>		<b>571,730.00</b>	<b>571,730.00</b>
<b>Adjusting Journal Entries JE # 14</b>			
To restate PY accumulated depreciation for enterprise fund and to			
1-200	1-200 -+ Accumulated Depreciation	536,558.97	
1-200	1-200 -+ Accumulated Depreciation	3,700.92	
1-960	1-960 -+ Depreciation (W)		3,700.92
3900	3900 -+ Retained Earnings		536,558.97
<b>Total</b>		<b>540,259.89</b>	<b>540,259.89</b>
<b>Adjusting Journal Entries JE # 15</b>			
To restate PY and add cash in county account			
1-105	Cash in county pool (NEW)	3,437.10	
3900	3900 -+ Retained Earnings		3,437.10
<b>Total</b>		<b>3,437.10</b>	<b>3,437.10</b>
<b>Adjusting Journal Entries JE # 16</b>			
To make adjustments for cash in county activity during the year and FMV			
1-105	Cash in county pool (NEW)	3,180.25	
600-01G	N 600 -+ Property Tax Income:600-01 -+ Ad Valorem Pro	456.42	
600-04G	N 600 -+ Property Tax Income:600-04 -+ Prior Year Taxe	2,788.43	
600-04G	N 600 -+ Property Tax Income:600-04 -+ Prior Year Taxe	16.90	
600-04G	N 600 -+ Property Tax Income:600-04 -+ Prior Year Taxe	0.78	
710-07	N 710 -+ Misc. Income:710-07 -+ Interest Income	31.12	
1-105	Cash in county pool (NEW)		3,262.53
1-105	Cash in county pool (NEW)		31.12
600-01G	N 600 -+ Property Tax Income:600-01 -+ Ad Valorem Pro		473.90
600-01G	N 600 -+ Property Tax Income:600-01 -+ Ad Valorem Pro		2,697.02
600-01G	N 600 -+ Property Tax Income:600-01 -+ Ad Valorem Pro		0.76
600-04G	N 600 -+ Property Tax Income:600-04 -+ Prior Year Taxe		8.47
710-07	N 710 -+ Misc. Income:710-07 -+ Interest Income		0.10
<b>Total</b>		<b>6,473.90</b>	<b>6,473.90</b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 17</b>			
To move income from unearned income			
1-440	1-440 -+ Unearned Income (W)	9,371.55	
700-01	N 700 -+ Water Charges:700-01 -+ Basic Charges		9,371.55
<b>Total</b>		<b>9,371.55</b>	<b>9,371.55</b>
<b>Adjusting Journal Entries JE # 18</b>			
To move payment to interest expense			
880-01W	Interest Expense (W) (NEW)	904.35	
1-470	1-470 -+ Current Portion - Bonds Payable		904.35
<b>Total</b>		<b>904.35</b>	<b>904.35</b>
<b>Adjusting Journal Entries JE # 19</b>			
To adjust compensated absences			
1-415	1-415 -+ Accrued Vacation (W)	41,337.05	
2-415	2-415 -+ Accrued Vacation (F)	13,528.69	
3-415	3-415 -+ Compensated Absences	9,060.29	
810-10F	N 810 -+ Personnel Expenses:810-10 -+ Accrued Vacatic	1,922.90	
810-10G	N 810 -+ Personnel Expenses:810-10 -+ Accrued Vacatic	1,505.45	
810-10W	N 810 -+ Personnel Expenses:810-10 -+ Accrued Vacatic	6,742.84	
1-415	1-415 -+ Accrued Vacation (W)		6,742.84
2-415	2-415 -+ Accrued Vacation (F)		1,922.90
3-415	3-415 -+ Compensated Absences		1,505.45
810-10F	N 810 -+ Personnel Expenses:810-10 -+ Accrued Vacatic		13,528.69
810-10G	N 810 -+ Personnel Expenses:810-10 -+ Accrued Vacatic		9,060.29
810-10W	N 810 -+ Personnel Expenses:810-10 -+ Accrued Vacatic		41,337.05
<b>Total</b>		<b>74,097.22</b>	<b>74,097.22</b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 20</b>			
To record GASB 68 activity			
1-418	1-418 -+ Net Pension Liability (W)	161,979.00	
4-425	4-425 -+ Net Pension Liability (4)	8,466.00	
425	425 -+ Net Pension Liability	60,954.00	
1-299 N	Deffered Outflows pension (NEW)- CHANGED NAME		78.88
1-416	1-416 -+ Deferred Inflows Pension		110,101.84
391	391 -+ Deferred Outflows (pension)		34.00
426	426 -+ Deferred Inflows (pension)		47,189.16
810-17F	Pension expense F (NEW)		19,237.04
810-17G	Pension expense G (NEW)		2,959.80
810-17W	Pension expense W (NEW)		51,798.28
<b>Total</b>		<b>231,399.00</b>	<b>231,399.00</b>
<b>Adjusting Journal Entries JE # 21</b>			
To record GASB 75 activity			
1-419	1-419 -+ OPEB Deferred Outflows	57,735.00	
4-428	4-428 -+ OPEB Deferred Inflows	24,744.00	
810-18G	OPEB Expense G (NEW)	57,596.00	
810-18W	OPEB Expense W (NEW)	134,391.00	
1-298	1-298 -+ Deferred Outflows OPEB		12,736.00
1-417	1-417 -+ OPEB Liability (W)		179,390.00
4-391	4-391 -+ Deferred Outflows		5,458.00
4-427	4-427 -+ OPEB Liability		76,882.00
<b>Total</b>		<b>274,466.00</b>	<b>274,466.00</b>
<b>Adjusting Journal Entries JE # 22</b>			
To book accrued interest			
880-01W	Interest Expense (W) (NEW)	778.24	
1-421 W	Accrued interest W		778.24
<b>Total</b>		<b>778.24</b>	<b>778.24</b>
<b>Adjusting Journal Entries JE # 23</b>			
To book LAIF FMV adjustment			
710-07	N 710 -+ Misc. Income:710-07 -+ Interest Income	5,351.77	
3-155	LAIF FMV ADJ		5,351.77
<b>Total</b>		<b>5,351.77</b>	<b>5,351.77</b>
<b>Total Adjusting Journal Entries</b>		<b>2,755,161.98</b>	<b>2,755,161.98</b>
<b>Total All Journal Entries</b>		<b>2,755,161.98</b>	<b>2,755,161.98</b>



**INVERNESS PUBLIC UTILITY DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
June 30, 2022**



**NIGRO & NIGRO<sup>PC</sup>**

**INVERNESS PUBLIC UTILITY DISTRICT**  
*For the Fiscal Year Ended June 30, 2022*  
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***Financial Section***

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Inverness Public Utility District  
Inverness, California

### Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Inverness Public Utility District (District) as of and for the year ended June 30, 2022, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule - Public Safety Fund, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability - Total Plan, Schedule of the District's Contributions to the Pension Plan - Total Plan, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, and Schedule of the District's Contributions to the OPEB Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a separate report dated February 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California  
February 15, 2023

## **INVERNESS PUBLIC UTILITY DISTRICT**

### *Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended June 30, 2022*

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Management's Discussion and Analysis (MD&A) offers readers of Inverness Public Utility District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2022. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The District's net position increased 10.15%, or \$255,678 from the prior year's net position of \$2,519,395 to \$2,775,073
- Total program and general revenues increased by 23.10%, or \$285,650 from \$1,236,652 to \$1,522,302, from the prior year primary due to the \$308,914 increase in governmental general revenues.
- Total expenses for the District's operations increased by 13.73% or \$152,934 from \$1,113,690 to \$1,266,624, from the prior year, primarily due to the \$187,177 increase in water operations expenses.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.
  - Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the *proprietary fund statements*.

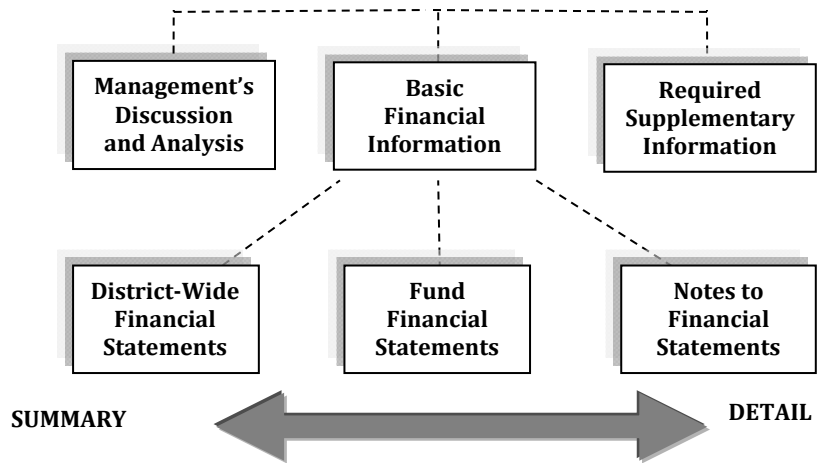
**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2022*

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**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

**Figure A-1. Organization of Inverness Public Utility District's Annual Financial Report**

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2022*

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**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

**Figure A-2. Major Features of the District-Wide and Fund Financial Statements**

<b>Type of Statements</b>	<b>District-Wide</b>	<b>Governmental Fund</b>	<b>Proprietary Funds</b>
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary	Activities of the District that operate like a business, such as self-insurance funds
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses, &amp; Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; The District's funds do not currently contain nonfinancial assets, though they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2022*

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**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**District-Wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here. State and local programs finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

The District has two kinds of funds:

- 1) **Governmental funds** – Governmental funds generally focus on (1) how cash and other financial assets can readily be converted into cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.
- 2) **Proprietary funds** – When the District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the district-wide statements but provide more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured programs for workers compensation claims, health and welfare benefits, and property and liability claims.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2022*

**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION**

**Analysis of Net Position**

**Table A-1: Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>ASSETS:</b>						
Current assets	\$ 2,835,770	\$ 2,408,196	\$ (680,733)	\$ (729,877)	\$ 2,155,037	\$ 1,678,319
Capital assets, net	27,198	8,973	2,665,331	2,229,525	2,692,529	2,238,498
<b>Total assets</b>	<b>2,862,968</b>	<b>2,417,169</b>	<b>1,984,598</b>	<b>1,499,648</b>	<b>4,847,566</b>	<b>3,916,817</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>104,752</b>	<b>110,244</b>	<b>244,421</b>	<b>257,236</b>	<b>349,173</b>	<b>367,480</b>
<b>LIABILITIES:</b>						
Current liabilities	18,053	83,805	23,804	10,635	41,857	94,440
Non-current liabilities	394,870	391,637	1,540,938	909,636	1,935,808	1,301,273
<b>Total liabilities</b>	<b>412,923</b>	<b>475,442</b>	<b>1,564,742</b>	<b>920,271</b>	<b>1,977,665</b>	<b>1,395,713</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>133,202</b>	<b>110,757</b>	<b>310,799</b>	<b>258,432</b>	<b>444,001</b>	<b>369,189</b>
<b>NET POSITION</b>						
Net investment in capital assets	27,198	8,973	2,043,038	2,229,525	2,070,236	2,238,498
Unrestricted	2,394,397	1,932,241	(1,689,560)	(1,651,344)	704,837	280,897
<b>Total net position</b>	<b>\$ 2,421,595</b>	<b>\$ 1,941,214</b>	<b>\$ 353,478</b>	<b>\$ 578,181</b>	<b>\$ 2,775,073</b>	<b>\$ 2,519,395</b>

At the end of fiscal year 2022, the District shows a positive balance in its unrestricted net position of \$2,775,073.

**Analysis of Revenues and Expenses**

**Table A-2: Condensed Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>REVENUES:</b>						
Program revenues	\$ -	\$ 87,202	\$ 569,915	\$ 582,436	\$ 569,915	\$ 669,638
General revenues	948,784	552,668	3,603	14,346	952,387	567,014
<b>Total revenues</b>	<b>948,784</b>	<b>639,870</b>	<b>573,518</b>	<b>596,782</b>	<b>1,522,302</b>	<b>1,236,652</b>
<b>EXPENSES:</b>						
Operations	463,180	450,453	700,951	506,802	1,164,131	957,255
Depreciation expense	5,223	52,133	95,587	104,302	100,810	156,435
Interest expense	-	-	1,683	-	1,683	-
<b>Total expenses</b>	<b>468,403</b>	<b>502,586</b>	<b>798,221</b>	<b>611,104</b>	<b>1,266,624</b>	<b>1,113,690</b>
<b>Change in net position</b>	<b>480,381</b>	<b>137,284</b>	<b>(224,703)</b>	<b>(14,322)</b>	<b>255,678</b>	<b>122,962</b>
<b>NET POSITION:</b>						
Beginning of year	1,941,214	1,803,930	578,181	592,503	2,519,395	2,396,433
End of year	\$ 2,421,595	\$ 1,941,214	\$ 353,478	\$ 578,181	\$ 2,775,073	\$ 2,519,395

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2022*

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**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)**

**Analysis of Revenues and Expenses (continued)**

The District's net position increased 10.15%, or \$255,678 from the prior year's net position of \$2,519,395 to \$2,775,073

Total program and general revenues increased by 23.10%, or \$285,650 from \$1,236,652 to \$1,522,302, from the prior year primary due to the \$308,914 increase in governmental general revenues.

Total expenses for the District's operations increased by 13.73% or \$152,934 from \$1,113,690 to \$1,266,624, from the prior year, primarily due to the \$187,177 increase in water operations expenses.

**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2022, the District reported a total fund balance of \$2,825,373. An amount of \$2,810,061 constitutes the District's *unassigned fund balance*, which is available for future expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final budgeted expenditures for the District's general fund at year-end were \$82,186 less than actual. The variance was due to actual public safety expenses being \$105,634 less than budgeted. Actual revenues were greater than the anticipated budget by \$91,292.



**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2022*

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**CAPITAL ASSET ADMINISTRATION**

**Table A-3: Capital Assets at Year End, Net of Depreciation**

	<u>Balance June 30, 2022</u>	<u>Balance June 30, 2021</u>
Non-depreciable capital assets	\$ 66,320	\$ 1,114,843
Depreciable capital assets	<u>5,880,864</u>	<u>51,024,931</u>
Total capital assets	5,947,184	52,139,774
Accumulated depreciation	<u>(3,254,655)</u>	<u>(16,585,771)</u>
Total capital assets, net	<u>\$ 2,692,529</u>	<u>\$ 35,554,003</u>

At the end of fiscal year 2022, the District's investment in capital assets amounted to \$2,692,529 (net of accumulated depreciation). This investment in capital assets includes structures, improvements and equipment. Major capital asset additions during the year include tank additions and equipment totaling \$554,842.

See Note 3 for further information on the District's capital assets.

**DEBT ADMINISTRATION**

**Table A-4: Long-term Debt**

	<u>Balance June 30, 2022</u>	<u>Balance June 30, 2021</u>
Long-term debt	<u>\$ 622,293</u>	<u>\$ -</u>

At the end of fiscal year 2022, the District had additions to its long-term debt by \$622,293. See Note 5 for further information on the District's outstanding debt.

**FACTORS AFFECTING CURRENT FINANCIAL POSITION**

Management is unaware of any item that would affect the current financial position.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's General Manager at 50 Inverness Way North, Inverness, CA 94937 or (415) 669-1414.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Statement of Net Position*  
*June 30, 2022*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents (Note 2)	\$ 1,797,114	\$ -	\$ 1,797,114
Accrued interest receivable	2,665	-	2,665
Accounts receivable – services	-	16,124	16,124
Accounts receivable – other	92,259	242,758	335,017
Internal balances	941,441	(941,441)	-
Prepays	2,291	1,826	4,117
<b>Total current assets</b>	<b>2,835,770</b>	<b>(680,733)</b>	<b>2,155,037</b>
<b>Non-current assets:</b>			
Capital assets – not being depreciated (Note 3)	-	66,320	66,320
Capital assets – being depreciated, net (Note 3)	27,198	2,599,011	2,626,209
<b>Total non-current assets</b>	<b>27,198</b>	<b>2,665,331</b>	<b>2,692,529</b>
<b>Total assets</b>	<b>2,862,968</b>	<b>1,984,598</b>	<b>4,847,566</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related deferred outflows of resources (Note 6)	71,222	166,184	237,406
Pension related deferred outflows of resources (Note 7)	33,530	78,237	111,767
<b>Total deferred outflows of resources</b>	<b>104,752</b>	<b>244,421</b>	<b>349,173</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	10,397	4,380	14,777
Customer deposits and unearned revenue	-	3,500	3,500
Accrued interest payable	-	778	778
Compensated absences (Note 4)	7,656	15,146	22,802
<b>Total current liabilities</b>	<b>18,053</b>	<b>23,804</b>	<b>41,857</b>
<b>Non-current liabilities:</b>			
Compensated absences (Note 4)	7,656	15,146	22,802
Loan payable - State revolving fund (Note 5)	-	622,293	622,293
Net OPEB obligation (Note 6)	324,431	757,005	1,081,436
Net pension liability (Note 7)	62,783	146,494	209,277
<b>Total non-current liabilities</b>	<b>394,870</b>	<b>1,540,938</b>	<b>1,935,808</b>
<b>Total liabilities</b>	<b>412,923</b>	<b>1,564,742</b>	<b>1,977,665</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related deferred inflows of resources (Note 6)	80,944	188,870	269,814
Pension related deferred inflows of resources (Note 7)	52,258	121,929	174,187
<b>Total deferred inflows of resources</b>	<b>133,202</b>	<b>310,799</b>	<b>444,001</b>
<b>NET POSITION</b>			
Net investment in capital assets (Note 8)	27,198	2,043,038	2,070,236
Unrestricted (Deficit)	2,394,397	(1,689,560)	704,837
<b>Total net position</b>	<b>\$ 2,421,595</b>	<b>\$ 353,478</b>	<b>\$ 2,775,073</b>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2022*

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<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>	
		<b>Charges for Services</b>	<b>Capital and Operating Grants</b>
<b>Primary government:</b>			
<b>Governmental activities:</b>			
Public safety – fire services	\$ 468,403	\$ -	\$ 222,472
<b>Total governmental activities</b>	<u>468,403</u>	<u>-</u>	<u>222,472</u>
<b>Business-type activities:</b>			
Water	798,221	569,915	-
<b>Total business-type activities</b>	<u>798,221</u>	<u>569,915</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 1,266,624</u>	<u>\$ 569,915</u>	<u>\$ 222,472</u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Statement of Activities (continued)*  
*For the Fiscal Year Ended June 30, 2022*

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
Public safety – fire services	\$ (245,931)	\$ -	\$ (245,931)
<b>Total governmental activities</b>	<u>(245,931)</u>	<u>-</u>	<u>(245,931)</u>
<b>Business-type activities:</b>			
Water	-	(228,306)	(228,306)
<b>Total business-type activities</b>	<u>-</u>	<u>(228,306)</u>	<u>(228,306)</u>
<b>Total primary government</b>	<u>(245,931)</u>	<u>(228,306)</u>	<u>(474,237)</u>
<b>General revenues and transfers:</b>			
Property taxes	718,473	-	718,473
Investment earnings	312	-	312
Other revenues	7,527	3,603	11,130
<b>Total general revenues and transfers</b>	<u>726,312</u>	<u>3,603</u>	<u>729,915</u>
<b>Change in net position</b>	<u>480,381</u>	<u>(224,703)</u>	<u>255,678</u>
<b>Net position:</b>			
Beginning of year	1,941,214	578,181	2,519,395
End of year	<u>\$ 2,421,595</u>	<u>\$ 353,478</u>	<u>\$ 2,775,073</u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Balance Sheet – Governmental Funds*  
*June 30, 2022*

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<u>Assets</u>	<u>Public Safety</u>
<b>Assets:</b>	
Cash and investments	\$ 1,797,114
Accrued interest receivable	2,665
Accounts receivable – other	92,259
Due from other funds	941,441
Prepays	<u>2,291</u>
<b>Total assets</b>	<u><u>\$ 2,835,770</u></u>
<b><u>Liabilities and Fund Balance</u></b>	
<b>Liabilities:</b>	
Accounts payable and accrued expenses	<u>\$ 10,397</u>
<b>Total liabilities</b>	<u>10,397</u>
<b>Fund balance: (Note 9)</b>	
Assigned	15,312
Unassigned	<u>2,810,061</u>
<b>Total fund balance</b>	<u>2,825,373</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 2,835,770</u></u>

## INVERNESS PUBLIC UTILITY DISTRICT

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2022

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<b>Total Fund Balances – Total Governmental Funds</b>	<u>\$ 2,825,373</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capitalized assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	27,198
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	104,752
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities' both current and long-term, are reported in the statement of net position as follows:	
Compensated absences	(15,312)
Net pension liability	(62,783)
Net other post-employment benefits obligations	(324,431)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(133,202)</u>
Total adjustments	<u>(403,778)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 2,421,595</u></u>

**INVERNESS PUBLIC UTILITY DISTRICT***Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2022*

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	<u><b>Public Safety</b></u>
<b>Revenues:</b>	
Property taxes	\$ 718,473
Capital and operating grant revenue	222,472
Investment earnings	312
Other revenues	7,527
<b>Total revenues</b>	<u>948,784</u>
<b>Expenditures:</b>	
Current:	
Public safety – fire services	424,354
Capital outlay	23,448
<b>Total expenditures</b>	<u>447,802</u>
<b>Revenues over(under) expenditures</b>	<u>500,982</u>
<b>Change in fund balance</b>	500,982
<b>Fund balance:</b>	
Beginning of year	<u>2,324,391</u>
End of year	<u><u>\$ 2,825,373</u></u>

## INVERNESS PUBLIC UTILITY DISTRICT

### *Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2022*

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<b>Net Changes in Fund Balance – Total Governmental Funds</b>	<u>\$ 500,982</u>
<b>Amounts reported for governmental activities in the statement of activities is different because:</b>	
Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, those expenses are not reported as expenditures in governmental funds as follows:	
Change in compensated absences	(3,427)
Change in net pension liability	22,197
Change in other post-employment benefits obligations	(57,596)
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlay	23,448
Depreciation expense	<u>(5,223)</u>
<b>Total adjustments</b>	<u>(20,601)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 480,381</u></u>



**INVERNESS PUBLIC UTILITY DISTRICT**  
*Balance Sheets – Proprietary Funds*  
*June 30, 2022*

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<u>ASSETS</u>	<u>Water Operations</u>
<b>Current assets:</b>	
Accounts receivable – services, net	\$ 16,124
Accounts receivable – other	242,758
Internal balances	(941,441)
Prepays	<u>1,826</u>
<b>Total current assets</b>	<b><u>(680,733)</u></b>
<b>Non-current assets:</b>	
Capital assets – not being depreciated	66,320
Capital assets – being depreciated, net	<u>2,599,011</u>
<b>Total non-current assets</b>	<b><u>2,665,331</u></b>
<b>Total assets</b>	<b><u>1,984,598</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
OPEB related deferred outflows of resources	166,184
Pension related deferred outflows of resources	<u>78,237</u>
<b>Total deferred outflows of resources</b>	<b><u>244,421</u></b>
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 2,229,019</u></b>
<b><u>LIABILITIES</u></b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	\$ 4,380
Customer deposits and unearned revenue	3,500
Accrued interest payable	778
Compensated absences	<u>15,146</u>
<b>Total current liabilities</b>	<b><u>23,804</u></b>
<b>Non-current liabilities:</b>	
Compensated absences	15,146
Long-term debt due in more than a year	622,293
Net OPEB obligation	757,005
Net pension liability	<u>146,494</u>
<b>Total non-current liabilities</b>	<b><u>1,540,938</u></b>
<b>Total liabilities</b>	<b><u>1,564,742</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
OPEB related deferred inflows of resources	188,870
Pension related deferred inflows of resources	<u>121,929</u>
<b>Total deferred inflows of resources</b>	<b><u>310,799</u></b>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	2,043,038
Unrestricted (Deficit)	<u>(1,689,560)</u>
<b>Total net position</b>	<b><u>353,478</u></b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b><u>\$ 2,229,019</u></b>

**INVERNESS PUBLIC UTILITY DISTRICT***Statements of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds  
For the Fiscal Year Ended June 30, 2022*

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	<b>Water Operations</b>
<b>Operating revenues:</b>	
Water consumption sales	\$ 560,821
Other charges for services	9,094
<b>Total operating revenues</b>	<u>569,915</u>
<b>Operating expenses:</b>	
Operations	<u>700,951</u>
<b>Total operating expenses</b>	<u>700,951</u>
Operating income before depreciation	(131,036)
Depreciation expense	<u>(95,587)</u>
<b>Operating loss</b>	<u>(226,623)</u>
<b>Non-operating revenue(expense) and transfers:</b>	
Other revenue	3,603
Interest expense	<u>(1,683)</u>
<b>Total non-operating, net and transfers</b>	<u>1,920</u>
<b>Change in net position</b>	<u>(224,703)</u>
<b>Net position:</b>	
Beginning of year	<u>578,181</u>
End of year	<u>\$ 353,478</u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Statements of Cash Flows – Proprietary Funds*  
*For the Fiscal Year Ended June 30, 2022*

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	<b>Water Operations</b>
<b>Cash flows from operating activities:</b>	
Cash receipts from customers and others	\$ 561,211
Cash paid to employees for salaries and wages	380,387
Cash paid to vendors and suppliers	<u>(960,868)</u>
<b>Net cash used in operating activities</b>	<u>(19,270)</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(531,393)
Issuance of loan	383,297
Interest payments on long-term debt	<u>(905)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(149,001)</u>
<b>Net decrease in cash</b>	(168,271)
<b>Cash and cash equivalents:</b>	
Beginning of year	<u>(773,170)</u>
End of year	<u>\$ (941,441)</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
<b>Operating loss</b>	<u>\$ (226,623)</u>
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>	
Depreciation expense	95,587
Other non-operating revenue	3,603
<b>Changes in account balances:</b>	
(Increase)decrease in assets:	
Accounts receivable – services, net	(3,020)
Accounts receivable – other	(3,762)
Prepays	28,363
(Increase)decrease in deferred outflows of resources	12,815
Increase(decrease) in liabilities:	
Accounts payable and accrued expenses	2,770
Customer deposits and unearned revenue	(5,525)
Compensated absences	6,744
Net OPEB obligation	179,390
Net pension liability	(161,979)
Increase(decrease) in deferred inflows of resources	<u>52,367</u>
<b>Total adjustments</b>	<u>207,353</u>
<b>Net cash used in operating activities</b>	<u>\$ (19,270)</u>

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Organization

The Inverness Public Utility District (the District) was formed in 1948 with the intent to purchase the water system serving to Inverness Valley community. In 1949 and 1950, the District attempted to purchase the water system serving the community; however, the district did not receive the required votes from the community to make the purchase. In 1951, the District took over the operations of Inverness Volunteer Fire Department. In 1980, the District purchased the water system serving the community. The District is governed by a five-member Board of Directors who serve four-year terms and are elected at large. The directors entrust the responsibility for the efficient execution of District policies to their designated representative, the General Manager. The District is subject to the laws, regulations and guidelines as set forth by the State Controller's Office. Major sources of revenue for the District include water service charges and property taxes.

#### B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

#### C. Basis of Presentation, Basis of Accounting

##### 1. Basis of Presentation

###### Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. Basis of Presentation, Basis of Accounting (continued)

##### 1. Basis of Presentation (continued)

###### **Fund Financial Statements**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the 'current financial resources' measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year and other revenues when collected within one year of the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. The primary revenue sources susceptible to accrual are property taxes, charges for services, and interest associated with the current fiscal period and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

###### **Major Governmental Funds**

The District maintains the following major governmental funds:

**Public Safety Fund:** This fund is used to account for all financial resources of the District's fire services.

###### **Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

**Water Operations:** This fund accounts for the water transmission and distribution operations of the District.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. Basis of Presentation, Basis of Accounting (continued)

##### 2. Measurement Focus, Basis of Accounting

###### **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

###### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

##### 3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

##### 1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

##### 2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

##### 3. Receivables – Services

The District extends credit to customers in the normal course of operations. Management views all accounts receivable as collectible; however, certain accounts are delinquent and an allowance for doubtful accounts has not been recorded.

##### 4. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

##### 5. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Infrastructure	5-30 years
Buildings	5-30 years
Machinery and equipment	3-7 years
Furniture and fixtures	3-7 years
Fire apparatus	3-20 years

##### 6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District has no items that qualify for reporting in this category.

##### 7. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

##### 8. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## INVERNESS PUBLIC UTILITY DISTRICT

### Notes to Financial Statements

June 30, 2022

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#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 8. Pensions (Continued)

The following timeframes are used for pension reporting:

Valuation Date June 30, 2020

Measurement Date June 30, 2021

Measurement Period July 1, 2019 to June 30, 2021

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

###### 9. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefit Plan (OPEB Plan) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2021

Measurement Date June 30, 2021

Measurement Period July 1, 2020 to June 30, 2021

###### 10. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets."

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

##### 11. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

**Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

#### E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

#### F. Capital Contributions

Capital contributions are recorded when the District receives cash contributions or accepts contributions of capital assets in kind or when governmental construction grants are earned. Capital contributions are reported as a separate line item in the statement of revenues, expenses, and changes in net position.

#### G. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The Marin County Assessor's Office assesses all real and personal property within the County each year.

Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Marin County Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and investments at June 30, 2022, consist of the following:

<u>Description</u>	<u>Balance</u>
Demand deposits held with financial institutions	\$ 383,456
Local Agency Investment Fund (LAIF)	1,410,334
Deposits with Marin County Pooled Investment Fund (MCPIF)	3,324
Total	<u>\$ 1,797,114</u>

#### Demand Deposits

At June 30, 2022, the carrying amount of the District's demand deposits were \$383,456, and the financial institution's balance was \$350,784. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

#### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

#### Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests its funds to manage the State's cash flow and strengthen the financial security of local public agencies. PMIA's policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and has a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers funds in LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2022, the District held \$1,410,334 in LAIF.

## **INVERNESS PUBLIC UTILITY DISTRICT**

*Notes to Financial Statements*

*June 30, 2022*

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### **NOTE 2 – CASH AND CASH EQUIVALENTS**

#### **Marin County Pooled Investment Fund (MCPIF)**

The District maintains cash in the Marin County Pooled Investment Fund (MCPIF) to increase interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as “Cash.” There are no limitations or restrictions on withdrawals from the pool.

The MCPIF includes both voluntary and involuntary participation from external entities. State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the Marin County Treasurer.

The MCPIF is not registered with the Securities and Exchange Commission as an investment company. Investments made by the County Treasurer are regulated by the California Government Code and by the Marin County’s investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs, and fair value. As of June 30, 2022, the District held \$3,324 in MCPIF.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2022*

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**NOTE 3 – CAPITAL ASSETS**

At June 30, 2022, fund balances of the District’s governmental funds were classified as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2022</u>
Depreciable assets:				
Buildings	\$ 237,515	\$ -	\$ -	\$ 237,515
Vehicles	381,811	-	-	381,811
Furnishings and equipment	298,802	23,448	-	322,250
Total depreciable assets	<u>918,128</u>	<u>23,448</u>	<u>-</u>	<u>941,576</u>
Accumulated depreciation:				
Buildings	(235,345)	(2,170)	-	(237,515)
Vehicles	(381,811)	-	-	(381,811)
Furnishings and equipment	(291,999)	(3,053)	-	(295,052)
Total accumulated depreciation	<u>(909,155)</u>	<u>(5,223)</u>	<u>-</u>	<u>(914,378)</u>
Total depreciable assets, net	<u>8,973</u>	<u>18,225</u>	<u>-</u>	<u>27,198</u>
Total capital assets, net	<u>\$ 8,973</u>	<u>\$ 18,225</u>	<u>\$ -</u>	<u>\$ 27,198</u>

At June 30, 2022, fund balances of the District’s enterprise funds were classified as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2022</u>
Non-depreciable assets:				
Land	\$ 66,320	\$ -	\$ -	\$ 66,320
Construction-in-progress	222,017	531,394	(753,411)	-
Total non-depreciable assets	<u>288,337</u>	<u>531,394</u>	<u>(753,411)</u>	<u>66,320</u>
Depreciable assets:				
Wells	71,499	-	-	71,499
Collection system	382,968	-	-	382,968
Distribution system	1,164,265	-	-	1,164,265
Tanks	1,062,276	753,411	-	1,815,687
Water treatment	1,371,898	-	-	1,371,898
Vehicles and equipment	132,971	-	-	132,971
Total depreciable assets	<u>4,185,877</u>	<u>753,411</u>	<u>-</u>	<u>4,939,288</u>
Accumulated depreciation:				
Wells	(68,649)	(1,375)	-	(70,024)
Collection system	(288,520)	(9,471)	-	(297,991)
Distribution system	(772,519)	(19,878)	-	(792,397)
Tanks	(293,686)	(16,391)	-	(310,077)
Water treatment	(717,014)	(42,702)	-	(759,716)
Vehicles and equipment	(104,302)	(5,770)	-	(110,072)
Total accumulated depreciation	<u>(2,244,690)</u>	<u>(95,587)</u>	<u>-</u>	<u>(2,340,277)</u>
Total depreciable assets, net	<u>1,941,187</u>	<u>657,824</u>	<u>-</u>	<u>2,599,011</u>
Total capital assets, net	<u>\$ 2,229,524</u>	<u>\$ 1,189,218</u>	<u>\$ (753,411)</u>	<u>\$ 2,665,331</u>

## INVERNESS PUBLIC UTILITY DISTRICT

### Notes to Financial Statements

June 30, 2022

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#### NOTE 4 - COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation leave and compensating time off which is accrued as earned. The District's liability for compensated absences is determined annually. The changes to the compensated absences balance at June 30, 2022 were as follows:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 34,433	\$ 27,768	\$ (16,597)	\$ 45,604	\$ 22,802	\$ 22,802

#### NOTE 5 - LOAN PAYABLE - STATE REVOLVING FUND

Changes in loan payable for the year ended June 30, 2022, were as follows:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2022</u>
\$ -	\$ 622,293	\$ -	\$ 622,293

#### 2020 SRF Water Construction Project Loan

On February 12, 2020 the District entered into a loan agreement to receive up to \$800,000 from the California State Water Resources Control Board to fund the Tenney Tank Replacement project. As of June 30, 2022, \$622,293 of the loan proceeds has been drawn down and utilized. The loan bears of interest rate of 1.4%. Interest begins accruing with each disbursement. Interest is paid annually on April 30 each year until one year after completion of construction. Upon completion of construction and submission of necessary reports by the district, the Division will prepare an appropriate payment schedule and supply the same to the district. The construction completion date is April 30, 2022 and the final reimbursement request date is October 30, 2022. The loan matures in April 2052. The principal amount outstanding at June 30, 2022, was \$622,293. Payment schedule has not yet been finalized.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2022

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### NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS

#### Summary

The following balances on the statement of net position will be addressed in this footnote as follows:

<u>Description</u>	<u>Amount</u>
OPEB related deferred outflows of resources	\$ 349,173
Net other post-employment benefits obligation	1,081,436
OPEB related deferred inflows of resources	269,814

#### A. General Information about the OPEB Plan

##### Plan Description and Benefits Provided

The District provides healthcare benefits for retirees through a cost-sharing multi-employer defined benefit plan. Active employees are offered a choice of medical plans through the CalPERS Health Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). The District offers access to medical plan coverage for life.

The District contributes to the retiree health coverage of eligible retirees. The district pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS. District paid benefits are capped at the PERS Choice premiums.

An employee is eligible for the District contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement with the District. Vesting requires at least 5 years of CalPERS eligible service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon the death of the retiree.

##### Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis. The district has also made contributions to its irremovable trust with California Employees' Retiree Benefit Trust (CERBT).

##### Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2022, the measurement period, the District's contributions totaled \$0. For fiscal year ended June 30, 2022 the district paid benefits of \$36,824 and requested to be reimbursed by the CERBT.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2022

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### NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS (continued)

#### A. General Information about the OPEB Plan (continued)

##### Employees covered by benefit terms

At June 30, 2022, the following employees were covered by the benefit terms:

<u>Plan Members</u>	<u>Covered Participants</u>
Active members	7
Inactives entitled to but not yet receiving benefits	-
Inactives currently receiving benefits	4
<b>Total plan members</b>	<b>11</b>

#### B. Total OPEB Liability

The District's total OPEB liability of \$1,081,436 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

##### Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.14%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	2.14%
Mortality Rate	CalPERS Membership Data
Pre-Retirement Turnover	CalPERS Membership Data
Healthcare Trend Rate	5.2% 2021-2049 5% 2050-2064

##### Discount Rate

The discount rate used to measure the total OPEB liability was 2.14 percent. The projection of cash flows used to determine the discount rate assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The Bond Buyer 20 Bond Index was used.



**INVERNESS PUBLIC UTILITY DISTRICT**

*Notes to Financial Statements*

*For the Fiscal Year Ended June 30, 2022*

**NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS (continued)**

**C. Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<b>Balance at July 1, 2020</b>	\$ 1,303,055	\$ 477,891	\$ 825,164
<b>Changes for the year:</b>			
Service cost	203,047	-	203,047
Interest	39,003	-	39,003
Changes in assumptions	114,499	-	114,499
Contributions - employer	-	6,512	(6,512)
Net investment income	-	93,939	(93,939)
Administrative expenses	-	(174)	174
Benefit payments	(46,496)	(46,496)	-
Net changes	310,053	53,781	256,272
<b>Balance at June 30, 2021</b>	<u>\$ 1,613,108</u>	<u>\$ 531,672</u>	<u>\$ 1,081,436</u>

**Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

<u>1% Decrease 1.14%</u>	<u>Discount Rate 2.14%</u>	<u>1% Increase 3.14%</u>
<u>\$ 1,363,264</u>	<u>\$ 1,081,436</u>	<u>\$ 861,155</u>

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Healthcare Cost Current Trend</u>	<u>1% Increase</u>
<u>\$ 846,795</u>	<u>\$ 1,081,436</u>	<u>\$ 1,379,887</u>

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

For the Fiscal Year Ended June 30, 2022

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### NOTE 6 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS (continued)

#### D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$198,499. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 235,670	\$ -
Changes in experience	-	(216,795)
Difference between projected and actual return on investments	1,736	(53,019)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 237,406</u>	<u>\$ (269,814)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ (16,060)
2024	(827)
2025	(2,267)
2026	(13,254)
Total	<u>\$ (32,408)</u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Notes to Financial Statements*  
 June 30, 2022

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**NOTE 7 – PENSION PLAN**

**Summary**

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2022</u>
Pension related deferred outflows	\$ 111,767
Net pension liability	209,277
Pension related deferred inflows	174,187

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

**A. General Information about the Pension Plan**

**The Plan**

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	Prior to December 31, 2012	On or after January 1, 2013
Benefit formula	2.5% @ 60	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required member contribution rates	8.650%	7.600%
Required employer contribution rates	7.000%	6.750%

	<u>Safety Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	On or after January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 57
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required member contribution rates	7.000%	N/A
Required employer contribution rates	14.810%	N/A

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 7 – PENSION PLAN (continued)

#### A. General Information about the Pension Plan (continued)

##### Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2021 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

At June 30, 2021 (Measurement Date), the following members were covered by the benefit terms:

Plan Members	Miscellaneous and Safety Plans		
	Classic Tier 1	PEPRA Tier 2	Total
Active members	3	3	6
Transferred and terminated members	3	4	7
Retired members and beneficiaries	7	-	7
<b>Total plan members</b>	<b>13</b>	<b>7</b>	<b>20</b>

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

##### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

##### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

### NOTE 7 – PENSION PLAN (continued)

#### A. General Information about the Pension Plan (continued)

Contributions for the year ended June 30, 2022, (Measurement Date June 30, 2021) were as follows:

Contribution Type	Miscellaneous and Safety Plans		
	Classic Tier 1	PEPRA Tier 2	Total
Contributions – employer	\$ 51,139	\$ 18,145	\$ 69,284
Contributions – members	44,765	16,206	60,971
<b>Total contributions</b>	<b>\$ 95,904</b>	<b>\$ 34,351</b>	<b>\$ 130,255</b>

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the year ended June 30, 2021, measurement date was as follows:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
<b>CalPERS – Total Plans:</b>			
Balance as of June 30, 2020 (Measurement Date)	\$ 1,898,398	\$ 1,457,723	\$ 440,675
Balance as of June 30, 2021 (Measurement Date)	\$ 2,007,353	\$ 1,798,076	\$ 209,277
<b>Change in Plan Net Pension Liability</b>	<b>\$ 108,955</b>	<b>\$ 340,353</b>	<b>\$ (231,398)</b>

The District's proportionate share percentage of the net pension liability for the June 30, 2021, measurement date was as follows:

CalPERS – Safety and Miscellaneous	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	
Measurement Date	June 30, 2021	June 30, 2020	
Percentage of Risk Pool Net Pension Liability	0.003870%	0.004050%	-0.000180%

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 7 – PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2022, the District recognized pension expense of \$7,995. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 69,284	\$ -
Difference between actual and proportionate share of employer contributions	4,934	(13,952)
Adjustment due to differences in proportions	8,778	(2,639)
Differences between expected and actual experience	28,772	-
Differences between projected and actual earnings on pension plan investments	-	(157,597)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 111,768</b>	<b>\$ (174,188)</b>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$69,284 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ (24,005)
2024	(28,362)
2025	(35,848)
2026	(43,489)
<b>Total</b>	<b>\$ (131,704)</b>

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 7 – PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020, total pension liability. The June 30, 2021, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

##### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The table below reflects long-term expected real rate of return by asset class.

<u>Investment Type<sup>1</sup></u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10<sup>2</sup></u>	<u>Real Return Years 11+<sup>3</sup></u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	0.92%
	<u>100.0%</u>		

<sup>1</sup> In the CalPERS's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

<sup>2</sup> An expected inflation rate-of-return of 2.5% is used for years 1-10.

<sup>3</sup> An expected inflation rate-of-return of 2.9% is used for years 11+.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 7 – PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

##### Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

##### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
CalPERS – Total Plans	\$ 475,918	\$ 209,277	\$ (10,705)

##### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

#### C. Payable to the Pension Plans

At June 30, 2021, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2022.



**INVERNESS PUBLIC UTILITY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2022*

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**NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets consisted of the following as of June 30:

<u>Description</u>	<u>Amount</u>
<b>Net investment in capital assets:</b>	
Capital assets – not being depreciated	\$ 66,320
Capital assets – being depreciated, net	2,626,209
Capital lease payable – long-term portion	<u>(622,293)</u>
<b>Total net investment in capital assets</b>	<u><u>\$ 2,070,236</u></u>

**NOTE 9 – FUND BALANCE**

A detailed schedule of fund balances and their funding composition at June 30, 2022 is as follows:

<u>Description</u>	<u>General Government</u>
<b>Assigned:</b>	
Compensated absences	\$ 15,312
<b>Unassigned</b>	<u>2,810,061</u>
<b>Total fund balance</b>	<u><u>\$ 2,825,373</u></u>

## INVERNESS PUBLIC UTILITY DISTRICT

### Notes to Financial Statements

June 30, 2022

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#### NOTE 10 – PRIOR PERIOD RESTATEMENT

##### Government-Wide Statement of Net Position and Statement of Activities

A detailed schedule of adjustments to net position at June 30, 2021 is as follows:

<u>Description</u>	<u>Amount</u>
<b>Net position:</b>	
Beginning of year, as previously stated	\$ 2,551,129
OPEB Trust restricted cash and investments	(571,730)
Deposits with Marin County Pooled Investment Fund	3,437
Capital assets, net	<u>536,559</u>
Net adjustment	<u>(31,734)</u>
Beginning of year, as restated	<u>\$ 2,519,395</u>

On the June 30, 2021 the OPEB Trust cash account was incorrectly included in the financials. In addition, a cash account was not included and in the statement of net position capital assets amounts as well as associated accumulated depreciation was understated.

##### Governmental Fund – Balance Sheet and Statement of Revenues, Expenditure and Changes in Fund Balance

A detailed schedule of adjustments to fund balance at June 30, 2021 is as follow:

<u>Description</u>	<u>Amount</u>
<b>Fund balance:</b>	
Beginning of year, as previously stated	\$ 2,880,799
OPEB Trust restricted cash and investments	(571,730)
Compensated absences	11,885
Deposits with Marin County Pooled Investment Fund	<u>3,437</u>
Net adjustment	<u>(556,408)</u>
Beginning of year, as restated	<u>\$ 2,324,391</u>

On the June 30, 2021 fund financial statement the OPEB Trust cash account and compensated absence liability was incorrectly included on the fund balance sheet. The compensated absence balance should only be included as a long-term liability on the statement of net position. In addition, a cash account was not included in the fund financial statements.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 11- JOINT VENTURE - MARIN EMERGENCY RADIO AUTHORITY

The Marin Emergency Radio Authority (MERA) is a joint powers authority created on February 28, 1998 by and among the County of Marin and certain public agencies within the County (collectively, the "Members"). MERA was formed to plan, finance, implement, manage, own and operate a multi-jurisdictional and countywide public safety and emergency radio system. This radio system will be used by member agencies in the law enforcement, fire management, emergency medical, road maintenance, transit, public works, local government and other county-based entities in Marin County. MERA is governed by a Governing Board comprised of one appointed official from each participating member. The JPA is a separate entity which is independently audited. Condensed financial and other information available for MERA as of June 30, 2021 is as follows:

<b>A. Entity</b>	Marin Emergency Radio Authority	
<b>B. Purpose</b>	To plan, finance, implement, manage, own and operate	
<b>C. Participants</b>	As of June 30, 2021 – 25 member agencies	
<b>D. Governing board</b>	25 representatives employed by members	
<b>E. District payments for FY 2021:</b>		
<b>Operating payment</b>	\$10,431	
<b>Bond payment</b>	\$11,978	
<b>Note payment</b>	\$1,121	
<b>F. Condensed financial information</b>	June 30, 2021	
<b>Audit signed</b>	December 8, 2021	
<b>Statement of financial position:</b>		<b><u>June 30, 2021</u></b>
<b>Total assets</b>		<u>\$ 56,184,863</u>
<b>Deferred outflows</b>		<u>-</u>
<b>Total liabilities</b>		<u>31,372,301</u>
<b>Deferred inflows</b>		<u>-</u>
<b>Net position</b>		<u>\$ 24,812,562</u>
<b>Statement of revenues, expenses and changes in net position:</b>		
<b>Total revenues</b>		\$ 8,746,208
<b>Total expenses</b>		<u>(3,711,307)</u>
<b>Change in net position</b>		5,034,901
<b>Beginning - net position</b>		<u>19,777,661</u>
<b>Ending - net position</b>		<u>\$ 24,812,562</u>
<b>G. Member agencies share of year-end financial position</b>		Not Calculated

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2022

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### NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. Further information about the SDRMA is as follows:

<b>A. Entity</b>	SDRMA	
<b>B. Purpose</b>	To provide risk financing and risk management services to California public agencies	
<b>C. Participants</b>	As of June 30, 2020 – 505 member agencies	
<b>D. Governing board</b>	Seven representatives employed by members	
<b>E. District payments for FY 2022:</b>		
Property/Liability policy	\$15,463	
Workers' compensation policy	\$13,984	
<b>F. Condensed financial information</b>	June 30, 2021	
<b>Statement of net position:</b>		<b>June 30, 2021</b>
Total assets		\$ 139,860,914
Deferred outflows		606,052
Total liabilities		73,886,665
Deferred inflows		237,014
Net position		\$ 66,343,287
<b>Statement of revenues, expenses and changes in net position:</b>		
Total revenues		\$ 84,001,505
Total expenses		(78,600,852)
Change in net position		5,400,653
Beginning - net position		60,942,634
Ending - net position		\$ 66,343,287
<b>G. Member agencies share of year-end financial position</b>	Not Calculated	

## **INVERNESS PUBLIC UTILITY DISTRICT**

### *Notes to Financial Statements*

*June 30, 2022*

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#### **NOTE 12 – RISK MANAGEMENT (continued)**

At June 30, 2022, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence. The District purchased additional excess coverage layers: \$10,000,000 for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$5,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1.0 billion per occurrence, subject to a \$2,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible per occurrence.
- Public officials' personal liability up to \$5,000,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim.
- Workers' compensation insurance per statutory requirements and Employer's Liability Coverage up to \$5 million.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2022, 2021 and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021 and 2020.

#### **NOTE 13 – RELATED PARTY TRANSACTIONS**

The District employs a relative of a member of management staff. This transaction is approved annually by the board of Directors as part of the budget process. For year ended June 30, 2022 \$16,880 was paid in salaries under for this employee.

## INVERNESS PUBLIC UTILITY DISTRICT

Notes to Financial Statements

June 30, 2022

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### NOTE 14 – COMMITMENTS AND CONTINGENCIES

#### **Excluded Leases – Short-Term Leases and De Minimis Leases**

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

#### **Grant Awards**

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

#### **Litigation**

In the ordinary course of operations, the District is subject to other claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters will not materially affect its financial condition.

### NOTE 15 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 15, 2023, the date which the financial statements were available to be issued.

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***Required Supplementary Information***

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**INVERNESS PUBLIC UTILITY DISTRICT**  
*Budgetary Comparison Schedule – Public Safety Fund*  
*For the Fiscal Year Ended June 30, 2022*

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>				
Property taxes	\$ 670,502	\$ 710,502	\$ 718,473	\$ 7,971
Charges for services	500	-	-	-
Grants and contributions	122,490	142,490	222,472	79,982
Interest revenue	5,000	1,000	312	(688)
Other revenues	2,700	3,500	7,527	4,027
<b>Total revenues</b>	<u>801,192</u>	<u>857,492</u>	<u>948,784</u>	<u>91,292</u>
<b>Expenditures:</b>				
Current:				
Public safety – fire services	640,585	529,988	424,354	105,634
Capital outlay	-	-	23,448	(23,448)
<b>Total expenditures</b>	<u>640,585</u>	<u>529,988</u>	<u>447,802</u>	<u>82,186</u>
<b>Change in fund balance</b>	<u>\$ 160,607</u>	<u>\$ 327,504</u>	500,982	<u>\$ 173,478</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,324,391</u>	
End of year			<u>\$ 2,825,373</u>	



# INVERNESS PUBLIC UTILITY DISTRICT

## Schedule of Proportionate Share of the Net Pension Liability For the Fiscal Year Ended June 30, 2022

### Last Ten Fiscal Years\*

#### California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.00401%	\$ 213,909	\$ 272,180	78.59%	87.25%
June 30, 2015	0.00401%	277,362	282,072	98.33%	83.52%
June 30, 2016	0.00401%	353,625	394,784	89.57%	74.06%
June 30, 2017	0.00407%	386,936	334,937	115.53%	75.85%
June 30, 2018	0.00402%	386,976	336,740	114.92%	78.19%
June 30, 2019	0.00401%	410,703	365,201	112.46%	78.03%
June 30, 2020	0.00405%	440,675	407,063	108.26%	76.79%
June 30, 2021	0.00387%	209,277	326,960	64.01%	89.57%

#### Notes to Schedule:

##### Benefit Changes:

There were no changes in benefits.

##### Changes in Assumptions:

###### From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

###### From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

###### From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

###### From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

###### From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

###### From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

###### From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

\*Fiscal year 2014 was the first measurement date year of implementation; therefore, only eight years are shown.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Schedule of Pension Contributions*  
*For the Fiscal Year Ended June 30, 2022*

**Last Ten Fiscal Years\***

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
June 30, 2015	\$ 39,386	\$ (39,386)	\$ -	\$ 282,072	13.96%
June 30, 2016	45,817	(45,817)	-	394,784	11.61%
June 30, 2017	62,835	(62,835)	-	334,937	18.76%
June 30, 2018	55,024	(55,024)	-	336,740	16.34%
June 30, 2019	64,628	(64,628)	-	365,201	17.70%
June 30, 2020	73,754	(73,754)	-	407,063	18.12%
June 30, 2021	61,427	(61,427)	-	326,960	18.79%
June 30, 2022	69,284	(69,284)	-	468,034	14.80%

**Notes to Schedule:**

<b>Fiscal Year</b>	<b>Valuation Date</b>	<b>Actuarial Cost Method</b>	<b>Asset Valuation Method</b>	<b>Inflation</b>	<b>Investment Rate of Return</b>
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.50%	7.15%

**Amortization Method**

Level percentage of payroll, closed

**Salary Increases**

Depending on age, service, and type of employment

**Investment Rate of Return**

Net of pension plan investment expense, including inflation

**Retirement Age**

50 years (2%@55 and 2%@60), 52 years (2%@62)

**Mortality**

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\*Fiscal year 2015 was the first measurement date year of implementation; therefore, only eight years are shown.

## INVERNESS PUBLIC UTILITY DISTRICT

### Schedule of Changes in the District's Total OPEB Liability and Related Ratios For the Fiscal Year Ended June 30, 2022

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*				
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB liability:</b>					
Service cost	\$ 203,047	\$ 127,780	\$ 40,072	\$ 34,947	\$ -
Interest	39,003	58,068	30,388	8,327	-
Changes in assumptions	114,499	350,704	(160,751)	(101,900)	-
Differences between expected and actual experience	-	(487,791)	436,009	688,136	-
Benefit payments	(46,496)	(44,705)	(38,885)	(37,284)	-
<b>Net change in total OPEB liability</b>	<b>310,053</b>	<b>4,056</b>	<b>306,833</b>	<b>592,226</b>	<b>-</b>
<b>Total OPEB liability - beginning</b>	<b>1,303,055</b>	<b>1,298,999</b>	<b>992,166</b>	<b>399,940</b>	<b>-</b>
<b>Total OPEB liability - ending</b>	<b>1,613,108</b>	<b>1,303,055</b>	<b>1,298,999</b>	<b>992,166</b>	<b>-</b>
<b>Plan fiduciary net position:</b>					
Contributions - employer	6,512	44,705	38,840	37,284	-
Net investment income	93,939	24,546	29,955	24,686	-
Administrative expense	(174)	(224)	(228)	(739)	-
Benefit payments	(46,496)	(44,705)	(38,885)	(37,284)	-
<b>Net change in plan fiduciary net position</b>	<b>53,781</b>	<b>24,322</b>	<b>29,682</b>	<b>23,947</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>477,891</b>	<b>453,569</b>	<b>423,887</b>	<b>399,940</b>	<b>-</b>
<b>Plan fiduciary net position - ending</b>	<b>531,672</b>	<b>477,891</b>	<b>453,569</b>	<b>423,887</b>	<b>-</b>
<b>District's net OPEB liability</b>	<b>\$ 1,081,436</b>	<b>\$ 825,164</b>	<b>\$ 845,430</b>	<b>\$ 568,279</b>	<b>\$ -</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>32.96%</b>	<b>36.67%</b>	<b>34.92%</b>	<b>42.72%</b>	<b>0.00%</b>
<b>Covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

#### Notes to Schedule:

##### Benefit Changes:

Measurement Date June 30, 2020 – There were no changes of benefits terms

Measurement Date June 30, 2021 – There were no changes of benefits terms

##### Changes in Assumptions:

Measurement Date June 30, 2020 – There were no changes in assumptions except change in discount rate

Measurement Date June 30, 2021 – There were no changes in assumptions except change in discount rate

Fiscal year 2018 - No information is available.

\* Fiscal year 2018 was the first year of implementation; therefore, only five years are shown.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Schedule of OPEB Contributions*  
*For the Fiscal Year Ended June 30, 2022*

<b>Fiscal Year Ended</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Actuarially determined contribution* (Pay-as-you-go funding with No Plan Assets)	\$ 46,496	\$ 44,705	\$ 38,855	\$ 37,284	\$ -
Contributions in relation to the actuarially determined contributions	(46,496)	(44,705)	(38,855)	(37,284)	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

<b>Valuation Date</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>					
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	N/A
Amortization method	(1)	(1)	(1)	(1)	N/A
Amortization period	20-years	20-years	20-years	20-years	N/A
Asset valuation method	Market Value	Market Value	Market Value	Market Value	N/A
Discount rate	2.16%	2.63%	3.00%	3.00%	N/A
Inflation	2.50%	2.75%	3.00%	3.00%	N/A
Payroll increases	2.75%	3.00%	3.69%	369.00%	N/A
Mortality	(2)	(2)	(2)	(2)	N/A
Morbidity	Not Valued	Not Valued	Not Valued	Not Valued	N/A
Disability	Not Valued	Not Valued	Not Valued	Not Valued	N/A
Retirement	(3)	(3)	(3)	(3)	N/A
Percent Married - Spouse Support	70%	70%	70%	70%	N/A
Healthcare trend rates	(4)	(4)	(4)	(4)	N/A

(1) Closed period, level percent of pay

(2) SOA Pub-2010 using Scale MP-2019 or MP-2017

(3) CalPERS Public Agency Miscellaneous 2.7% @55 and 2% @62

CalPERS Public Agency Safety 3.0% @55 and 2.7% @57

(4) Pre-65 - 8.00% trending down 0.25% annually to 5.00% in 2031 and later  
 Post-65 - 5.50% trending down 0.25% annually to 5.00% in 2021 and later

\* Fiscal year 2018 was the first year of implementation; therefore, only five years are shown.

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***Other Independent Auditors' Report***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Inverness Public Utility District  
Inverness, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Inverness Public Utility District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 15, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California  
February 15, 2023



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 8

### **Water Billing Appeal**

### **Malarkey**





*Inverness Public Utility District*

## **Board Agenda Item Staff Report**

Subject: Appeal by Tom Malarkey of \$2,436.00 usage charge on water bill dated June 27, 2022  
Meeting Date: March 22, 2023  
Date Prepared: March 14, 2023  
Prepared by: Wade B. Holland, Customer Services Manager  
Attachments: Appeal letter (Feb. 7, 2023), 7/6/2022 email to Mr. Malarkey, 8/29/2022 Memorandum mailed to Mr. Malarkey, 2/7/2023 email to Mr. Malarkey, 2/8/2023 email from Mr. Malarkey, 2/13/2023 email to Mr. Malarkey

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**Recommended Action: Consider the options summarized below under “Board action” and “Staff recommendation” and make a decision on the appeal.**

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This is an appeal by Mr. Malarkey of the water usage charge of \$2,436.00 on his June 27, 2022, water bill for his second-home property at 109 Rannoch Way (see attached letter of appeal). His request for a reduction in the usage charge could not be processed ministerially by staff because it was not filed within the time limit specified in the Water System’s Regulations 115 (which is 60 days from the statement date, nor in this case was it filed within an additional 60-day extension that was provided by staff).

### **Timeline of events**

- 6/21/2022 Water meter read (for scheduled water billing on 6/27). Meter reader notes high usage of 132 units (98,736 gal). Reader flags high usage and indicates reading was double-checked and that no water is flowing currently through the meter.
- 6/22/2022 Meter is rechecked to ensure against a meter-read error. Voice mail message left at customer’s phone explaining situation, asking for callback (especially if customer knows what caused the high usage), and indicating that Application for Usage Adjustment has been mailed to customer’s home address.
- 6/27/2022 June water bill transmitted to customer by email (total due is \$2,616.00, including the usage charge of \$2,436.00).
- 7/6/2022 Email sent to customer (see attachment), with Application for Usage Adjustment attached. Email notes filing deadline (within 60 days), documentation requirement, and that because of the high water bill the June 27 charges will not be paid via AutoPay from the customer’s bank account.
- 8/26/2022 August water bill transmitted to customer by email (total due is now \$2,805.00).
- 8/29/2022 Memorandum mailed to customer’s home mailing address (see attached), with another copy of the Application for Usage Adjustment enclosed. Deadline for filing application extended for an additional 60 days. Noted again that account has been suspended from AutoPay.
- 10/27/2022 October water bill transmitted to customer by email (total due is now \$2,985.00).
- 11/30/2022 10-Day Water Shutoff Notice mailed to customer’s home mailing address. Total due to avoid water shutoff: \$3,020.00 (including \$35.00 in late charges).
- 12/23/2022 December water bill transmitted to customer by email (total due is now \$3,165.00).
- 12/27/2022 48-Hour Notice of Service Termination issued (additional \$65.00 in late charges posted to customer’s account). Copy of 48-Hour Notice mailed to customer’s home mailing address; voice mail message left at customer’s phone number; copy of 48-Hour Notice posted at service location on Rannoch Way. Total due is \$3,265.00.
- 12/28/2022 Customer phones District office and situation is discussed with him, including that staff cannot accept an Application for Usage Adjustment for a bill that is six months old. He is told

that he can file an appeal with the Board of Directors. Customer confirms that District's records of his home mailing address, email address, and phone number are correct. Customer indicates intention to file appeal to Board of Directors of \$2,436.00 usage charge on June bill, and acknowledges that the appeal must be received by the District no later than Jan. 18 for inclusion on the Board's agenda for its Jan. 25 meeting. He is told that all outstanding charges that have accrued other than the bill being appealed need to be paid. Mr. Malarkey commits that he will pay immediately \$649.00 in accrued charges for the August, October, and December water bills and the \$100.00 in late charges.

- 2/7/2023 No appeal and no payment having been received, attempts are made to reach customer by phone, but are unsuccessful (phone number is continuously busy). 48-Hour Notice of Service Termination is reissued and is sent to customer as an attachment to an email (see attached copy of email). Customer phones District office a few minutes later. Customer confirms intent to submit appeal to Board (to be heard at Board's meeting on March 22) and that \$649.00 will be delivered to the District's office no later than Monday, Feb. 13.
- 2/8/2023 Email received from customer, stating that check for \$649.00 had been sent in January (not received).
- 2/13/2023 Customer's letter of appeal (dated Feb. 7, 2023) is received, but no check is received. Another email is sent to customer (see attached).
- 2/14/2023 Check from customer for \$649.00 received (leaving only the June 27, 2022, bill outstanding, consisting of \$180.00 in fixed charges and \$2,436.00 in usage charge).

### **Timely filing**

Had Mr. Malarkey made a timely filing for usage adjustment, and had it qualified for usage adjustment pursuant to the normal requirements, it would have been approved ministerially at the staff level, with the usage charge of \$2,436.00 for 132 units of water being reduced to the charge for 21 units of water, which is \$79.00 (a reduction of \$2,357.00). However, Mr. Malarkey's February 7, 2023, appeal could not be processed by the staff because it was not received during either the initial (regulation) 60 days from the date of the June 27 water bill or within the subsequent 60-day extension provided by staff.

The typical usage bimonthly at Mr. Malarkey's property is in the range of 3-7 units.

### **Board action**

We have no precedent to rely on for a request for usage adjustment that is filed so many months after the water bill that is being appealed. We still do not know what the cause of the high usage was, nor whether action has been taken to protect against a recurrence. The total usage during the period was greater than the minimum usage for qualifying for usage adjustment (which is 24 units) and there have been no previous adjustments approved for this customer during the preceding three years.

Thus, the Board's practical range of options lies between the following:

- (a) Approving an adjustment at the same level as would have been granted ministerially (that is, reducing the charge from \$2,436.00 to \$79.00), and
- (b) Denying the request (that is, requiring payment in full of the originally assessed \$2,436.00).

A middle ground that we have seen applied at other water systems is for a 50/50 split between the customer and the District (that is, reducing the charge from \$2,436.00 to \$1,218.00).

### **Staff recommendation**

Staff cannot support option (a) above, due to the large number of staff hours expended since last June in dealing with this matter.

On the other hand, it has always been the District's policy to be compassionate and forgiving when a large amount of water is used unintentionally, accidentally, or unknowingly at a customer's service. The

Water System's Regulation 115 reflects this policy for ministerial approval of a usage charge adjustment by providing that a ministerially adjusted charge shall be based on the greater of (1) the charge for the customer's 3-year average usage for the billing period (plus \$10.00) or (2) the charge for 21 units of water (plus \$10.00).

However, in the case where ministerial approval at the staff level is not applicable, the adjustment, if any, is a discretionary matter, to be set by the Board at whatever level it determines is appropriate. Staff recommends that the Board provide an adjustment that is appropriately between the two extremes in (a) and (b) above, after determining to its satisfaction the reason for or cause of the large usage between April 18 and June 22, 2022, that repairs, if applicable, have been made, and also, if applicable, that reasonable measures have been instituted or taken to protect against a recurrence.

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For context, here is some data from the database that documents all the usage adjustments granted since the current policy (Regulation 115) was adopted in 1988:

Total number of adjustments granted	339
Total dollar value of adjustments granted	\$255,300.07
Total excess ccfs	28,761 (21,513,228 gallons)
Average adjustment grant	\$753.10
Smallest grant	\$4.40
Largest grant	\$9,046.95
Average number of grants per year	9.7
Number of applications appealed to Board	21
Number of appeals granted by Board	19

February 7, 2023

RECEIVED  
FEB 13 2023  
INVERNESS PUBLIC  
UTILITY DISTRICT

Dear Inverness PUD Board -

I am writing to appeal the \$2436 water charge we incurred at our house on 109 Rannoch Way, that resulted from an undetected leak that happened in the April 28 to June 21 window of time.

We had planned to appeal the charge, but neglected to. We sincerely apologize for that. Our lives have been challenging, due to ongoing serious medical challenges facing my wife Nicole's parents in Washington state - along with our own jobs and taking care of our children.

We recently came into ownership of the 109 Rannoch Way house, in the wake of my mother's death and are still getting our systems sorted out. My family has been PUD customers in good standing for many years, and we very much want to restore that.

We ask that you consider any reduction in the water charge from the leakage that you feel you are able to grant. I plan to be at the February 22 Board meeting, and am happy to share any more information.

Thank you for your consideration.

Best,



Tom Malarkey

109 Rannoch Way, Inverness

**Wade Holland**

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**From:** Wade Holland  
**Sent:** Wednesday, July 6, 2022 1:36 PM  
**To:** Tom Malarkey  
**Subject:** Application for Adjustment of Usage Charge  
**Attachments:** 1 Application Instructions 20180101.pdf; 1 Application for Usage Adjustment.pdf

Attached is the Application for Adjustment of Usage Charge (and an instructions sheet). Please note that it must be filed with us within 60 days of the Statement Date (June 27, 2022) on which the high usage charge was billed. We must also be provided with documentary evidence that the cause of the high usage was corrected (such as a copy of a plumber's invoice).

Also, note that we suspended your account from AutoPay for this bill, so there will be no payment made from your Well Fargo checking account for this water bill. Do not make a payment on the current bill until we have resolved the Application for Adjustment.

Call if you have questions.

--Wade

\*\*\*\*\*  
Wade B. Holland  
Customer Services Manager  
Inverness Public Utility District  
P.O. Box 469  
50 Inverness Way North  
Inverness CA 94937-0469  
(415) 669-1414  
\*\*\*\*\*

*AP suspended 6/22 (No AP for 6/27 bill)  
AutoPay reactivated 7/6/2022.*

# Memorandum

Inverness P.U.D. Water System

(415) 669-1414

billing@invernesspud.org

Post Office Box 469

Inverness, California 94937

...From the Customer Services desk

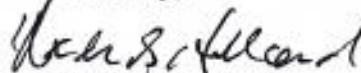
Memo date: August 29, 2022  
To: Tom Malarkey, 700-510-37, 109 Rannoch  
Subject: Application for Adjustment of Usage Charge

Tom, we note that you have not applied for a reduction in the usage charge on the June 27 water bill about which you were notified at the time the high reading was discovered in June (and double-checked to be sure it was correct). We mailed you the Application for Adjustment of Usage Charge at that time, and I am enclosing another copy with this mailing. The Application should have been submitted within 60 days of the June 27 water bill, but I will extend that deadline to 60 days from last week's August 26 bill.

The usage charge on the June 27 bill was \$2,436, so you need to either pay the June charges in full as billed (total of \$2,616.00) or use the enclosed Application to apply for an adjustment. Last week's August 26 bill added \$189.00 in current charges.

Although your Inverness water bills are normally paid by an ACH withdrawal from your Wells Fargo Bank account (ending in 8981), we suspended the withdrawal for the June and August bills because the billed amounts were so much higher than your usual bills. Once you have submitted the Application for Adjustment of Usage Charge and we have approved it, we will let you know what the adjusted usage charge is and we will ask you to remit a payment by check to cover that amount plus the \$189.00 in the current August charges. We will then put you back on the AutoPay system for future bills.

Cordially,



Wade B. Holland  
Customer Services Manager

Enc.

mailed w/ form 8/29/2022

## Wade Holland

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**From:** Wade Holland  
**Sent:** Tuesday, February 7, 2023 2:32 PM  
**To:** Tom Malarkey  
**Subject:** 48-Hr Inverness water shutoff notice  
**Attachments:** Malarkey70051037-20230207.pdf; 48-hrPDF20230207.pdf; Six language flyer final.pdf

Dear Mr. Malarkey:

I am following up from our telephone conversation of Dec. 28, 2022, about the "48-Hour Notice of Service Termination" we sent you on December 27, 2022, for your water service at 109 Rannoch Way, Inverness CA (account number 700-510-37). According to our record of the conversation, you committed that you would file with the District's Board of Directors an appeal of the water usage charge of \$2,436.00 on the water bill dated June 27, 2022, and that said appeal would be received in the District's office in time to be included on the Board's agenda for its meeting scheduled for January 25, 2023. You also committed that in the meantime you would pay the subsequent water bills (through the bill of Dec. 23, 2022) plus accrued late charges, which amount totals \$649.00.

We have not received your appeal letter nor your payment.

Accordingly, this is to inform you that we intend to terminate service to the property on or after Monday, February 13, 2023, unless we receive from you a payment in the full amount of \$3,265.00. In the event the water is shut off, resumption of service will require payment of said \$3,265.00 plus a service resumption charge of \$50.00, plus any subsequent charges that have accrued.

I have attached hereto the current 48-hr shutoff notice (scheduled for February 13, 2023), the Page 2 instruction sheet that accompanies the shutoff notice, and the District's Policy on Discontinuance of Residential Service for Nonpayment. Please note that nothing precludes you from filing with the Board an appeal of the usage charges on last June's bill. However, the current charges of \$3,265.00 must be paid in any case to prevent next week's shutoff of the service (if the Board were to subsequently grant a reduction in these charges, a refund or credit would be provided).

I have attempted to reach you by telephone today, but have been unsuccessful because your number (510-205-7872) has been continuously busy, and there is no answering machine or voice mail option.

--Wade Holland

\*\*\*\*\*

Wade B. Holland  
Customer Services Manager  
Inverness Public Utility District  
P.O. Box 469  
50 Inverness Way North  
Inverness CA 94937-0469  
(415) 669-1414

\*\*\*\*\*

## Wade Holland

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**From:** Tom Malarkey <tmalarkey@gmail.com>  
**Sent:** Wednesday, February 8, 2023 10:56 AM  
**To:** Wade Holland  
**Subject:** Re: 48-Hr Inverness water shutoff notice

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Wade - thank you for your thorough email and the heads up about the 48 hour notice.

I did send payment (via check, #3255) for the \$649 due, back in January. Have you not received that payment? If not, I'm ready to submit payment again for the overdue fees, as well as for the current charges. I will do whatever is needed to pay that within the 48 hours, including drive to Inverness if needed. I have a check ready to send in the mail today as well.

And I was about to send the appeal letter, albeit later than I'd planned, when I saw that the January Board meeting had been cancelled. I've just sent that letter (text is below), and am planning to be present for the February 22 Board meeting.

I apologize for the continued challenge getting our account resolved. This is not an issue where are unable to pay. Our life has been a bit upside down, as we've been tending to serious medical challenges with my wife's parents who live in Washington state - on top of our own work and children.

And I'm sorry you haven't been able to reach me by phone. The # you have is correct, and my phone is working and is taking messages. Is the # you're calling from 415-669-1414? I have that # in my phone and should recognize it if you call.

Let me know if it would be best to talk on the phone, and I can call you.

best, Tom

-----  
Dear Inverness PUD Board -

I am writing to appeal the \$2436 water charge we incurred at our house on 109 Rannoch Way, that resulted from an undetected leak that happened in the April 28 to June 21 2022 window of time.

We had planned to appeal the charge, but neglected to. We sincerely apologize for that. Our lives have been challenging, due to ongoing serious medical challenges facing my wife Nicole's parents in Washington state - along with our own jobs and taking care of our children.

We recently came into ownership of the 109 Rannoch Way house, in the wake of my mother's death and are still getting our systems sorted out. My family has been PUD customers in good standing for many years, and we very much want to restore that.

We ask that you consider any reduction in the water charge from the leakage that you feel you are able to grant. I plan to be at the February 22 Board meeting, and am happy to share any more information.

Thank you for your consideration.

Best, Tom Malarkey  
109 Rannoch Way



**Wade Holland**

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**From:** Wade Holland  
**Sent:** Monday, February 13, 2023 12:56 PM  
**To:** 'Tom Malarkey'  
**Cc:** Shelley Redding  
**Subject:** RE: 48-Hr Inverness water shutoff notice

No check waiting for me this morning. What gives? Our patience is running out....

We received your appeal letter, which will be scheduled for the March 22 board meeting (9 am at Firehouse). I strongly advise that you expand the letter, explaining the details of the leak and what you did about it. Typically, we require submission of documentary evidence (plumber's invoice, etc.) that necessary repairs were made.

--Wade

\*\*\*\*\*

Wade B. Holland  
Customer Services Manager  
Inverness Public Utility District  
P.O. Box 469  
50 Inverness Way North  
Inverness CA 94937-0469  
(415) 669-1414

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Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 9

**Local Hazard Mitigation Plan RFP  
DRAFT for approval**



## **Board Agenda Item Staff Report**

Subject: Local Hazard Mitigation Plan  
Meeting Date: March 22, 2023  
Date Prepared: March 21, 2023  
Prepared by: Shelley Redding, General Manager  
Attachments: DRAFT RFP for Local Hazard Mitigation Plan, Introduction pages to FEMA LHMP planning handbook

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**Recommended Action: Informational**

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**BACKGROUND:**

In September 2022, District Staff presented your Board with the Proposed Plan for the Scope of Work to develop an RFP for a Local Hazard Mitigation Plan (LHMP). Since that time, there was initial draft of an RFP that was presented to your Board for comment. Feedback from your board to staff asked for a scaled back document to better capture more specific objectives in a shorter time frame, than a more prolonged process. In the meantime, staff has identified some grant opportunities that would assist the District with the costs associated with a LHMP. Because of these funding opportunities, the RFP has needed to be revised to address the requirements for potential funding requirements.

**DISCUSSION:**

The LHMP will help to inform the District's General Plan process and will serve multiple purposes, including:

- Enhance Public Awareness of the hazards that threaten public health, safety, and welfare.
- Identify the Areas of Responsibilities with Respect to Mitigation Activities.
- Create a Decision Tool for Management to take action to address vulnerabilities to future disasters.
- Promoting Compliance with State and Federal Program Requirements to ensure that the District can take full advantage of state and federal grant programs.
- Enhancing Local and Regional Policies for Hazard Mitigation Capability to provide the policy basis for mitigation actions.
- Providing Inter-Jurisdictional Coordination of Mitigation-Related Programming.

An LHMP is a five-year plan that identifies the natural hazards faced by a local agency or special district, assesses vulnerabilities to these hazards, and identifies mitigation strategies that can be taken to reduce or alleviate the loss of life, personal injury, and property damage that otherwise might result from said natural hazards. LHMPs must include a community profile, hazards assessment, risk assessment, mitigation actions, and implementation and maintenance programs. Mitigation actions are suggested and carried out by District Staff or Contractors as appropriate. The LHMP is reviewed by the California Office of Emergency Services (Cal OES) and requires Federal Emergency Management Agency (FEMA) review and approval. LHMPs have an annual progress reporting requirement and changes to the LHMP can be made at that time. The Disaster Mitigation Act of 2000 requires that state, tribal, and local governments have an approved LHMP to be eligible to receive certain federal grants related to disaster preparedness.

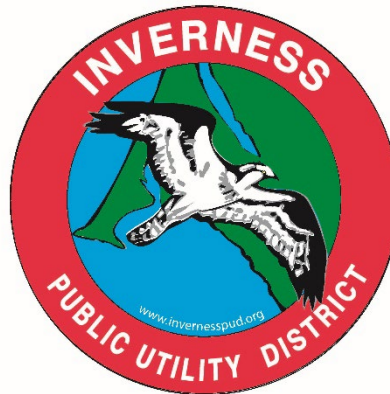
**FINANCIAL IMPACT:**

The District has submitted a Notice of Interest (NOI) to FEMA for a Local Hazard Mitigation Grant Program. The District has been invited to submit a sub-application which is the next step in the grant process. The District has requested funding for the full amount of \$150,000 and is eligible to apply for the Prepare California Match Initiative to cover the 25% matching amount since the District is identified by CalOES as at risk for Fire and Flood risks with percentiles that are above the required 70%. This source of funding will provide the District with an opportunity that would otherwise need to be paid from District Reserve funds.

**RECOMMENDATION:**

Staff requests your Board to provide feedback on the essential elements of the RFP and provide approval for publication upon determination of timeframes for the process.

# Inverness Public Utility District



## **REQUEST FOR PROPOSALS FOR CONSULTING SERVICES TO PREPARE A LOCAL HAZARD MITIGATION PLAN**

**ISSUED:**

**PROPOSALS DUE:**

**All responses must be sent to:**

**Shelley Redding,  
General Manager  
50 Inverness Way  
Inverness CA 94937**

**Phone: 415-669-1414**

**REQUEST FOR PROPOSAL  
FOR CONSULTING SERVICES FOR THE  
INVERNESS PUBLIC UTILITY  
DISTRICT**

Inverness Public Utility District “District” is seeking a consultant to provide services with a proposal to perform all work required for the preparation, approval and adoption for a FEMA single jurisdiction, Local Hazard Mitigation Plan (LHMP), “Plan”. This plan will align with Marin County’s 2022 multi-jurisdictional Local Hazard Mitigation plan which includes the 2021 Community Wildfire Protection Plan and is complementary to the County of Marin Emergency Operations Plan (EOP). The District would like to ensure the LHMP complies with FEMA’s mitigation planning requirements as set forth in 44 CFR Part 201, the new *Local Mitigation Planning Policy Guide (2022)*, and the *Local Mitigation Planning Handbook*. Additionally, climate change will be addressed in the LHMP to comply with the requirements of both SB 379 and SB 1000.

## **Objectives**

Specific services, although not all-inclusive, are to be performed as follows:

1. Organize the Planning Process and Resources:
  - a. Engage key stakeholders of the District (board members, management, staff, and partner agencies) and community members to help evaluate District strengths, weaknesses, opportunities, and threats.
  - b. Facilitate all meetings, including at least 2 community meetings, and provide leadership, direction and expert consultation and advice related to the development of an effective and implementable single jurisdiction Local hazard Mitigation Plan.
  - c. Develop a framework, schedule, and process for the organization’s leadership to effectively implement mitigation strategies appropriate for the District.
  - d. Provide a planning roadmap document for board members and management which should include priorities, goals, and desired outcomes for a 5-year period.
  - e. Facilitate all meetings and provide leadership, direction and expert consultation and advice related to the development of an effective and implementable mitigation plan.
2. Assess Risks and Capabilities:
  - a. Review the Marin County 2022 multi-jurisdictional hazard mitigation plan to ascertain identified hazards that may impact the District, including the County Wildfire Risk plan.
  - b. Profile previous natural hazard occurrences within the District and the probability of future occurrences.
  - c. Assess the District’s vulnerability to the hazards and identify assets impacted – including critical facilities. Assess potential losses because of the hazards identified.
  - d. Identify District areas of responsibilities for services provided, determining feasibility of shared areas of responsibility.
3. Assist in development of a Mitigation Strategy:

- a. Author an all-inclusive hazard mitigation plan.
  - b. Review of mitigation goals to reduce or avoid long-term vulnerabilities to the identified hazards based on the findings of the Risk Assessment and capabilities review that represents a long-term vision for hazard reduction.
4. Finalize the District Plan and plan maintenance:
- a. involves finalizing the plan to submittal to FEMA for approval.
  - b. Also includes providing input for a method and schedule for keeping the plan current and monitoring progress.

## **Additional Requirements**

1. The plan shall consider IPUD's current staffing and funds resources for a five-year plan.
2. Before starting plan services, the Consultant will schedule a meeting to discuss perceived issues or problems, ask and answer questions, clarify responsibilities and develop a strategy.
3. During the engagement, the Consultant will meet with and provide status reports to the General Manager regularly.
4. Upon completion of services, and before issuing any report or management letter, the Consultant will schedule a meeting with the General Manager and other individuals as deemed appropriate. The purpose is to discuss observations, findings, and recommendations, and matters to be included in the management letter.
5. In addition, the Consultant is also expected to provide informal advice and consultation throughout the contract term on matters relating to strategic plan services reporting.

## **Optional Services**

The Consultant is encouraged but not required to provide a proposal for evaluating, facilitating discussion about, and re-developing and/or refining IPUD's mission, and vision statements. Part of the optional service will also include reviewing IPUD's values statement adopted in the past, and provide recommendations based on the adoption of the plan. Consultant should provide a cost for the optional service separately.

## **Proposal Content**

The Consultant must prepare a Transmittal Letter, Technical Proposal, and a Cost Proposal for the work to be performed and submitted as part of the Plan Services Proposal. The Plan Services Proposal package must contain the following:

### **A. Transmittal Letter:**

A signed letter of transmittal briefly stating the Consultant's understanding of the services to be provided, the commitment to perform the services within the required time, a statement of why the Consultant believes itself to be the best qualified to perform the engagement, and a statement of how long the Proposal will remain in effect.

## **B. Technical Proposal:**

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the Consultants seeking to undertake these services for IPUD, in conformity with the requirements of this Request for Proposal. The Proposal shall demonstrate the qualifications of the Consultant and Staff to be assigned to this engagement. It should also specify the approach that will meet this Request for Proposal requirements.

1. Firm Qualifications and Experience: The Proposal should state the size of the Consultant's staff, and the number of professional staff to be employed in this engagement.
2. Partner/Supervisory/Staff Qualifications and Experience: The Consultant should identify the principal supervisory and management staff, including engagement partners, and specialists who would be assigned to the engagement. The Consultant should also supply information on the experience of each person, relevant to the performance of this plan.
3. Similar Engagements with Other Government Entities: Provide a list of the most significant engagements (maximum of three) performed in the last five years that are like the engagement described in this Request for Proposal. Indicate the Scope of the Work, date, engagement partner, total hours, and the name and telephone number of the principal client contact.
4. Specific Plan Services Approach: The Proposal should set forth a work plan, including an explanation of the plan services to be followed, type and extent of services to be performed, as well as a schedule (by date and hours) of the work to be performed to meet the requirements of this Request for Proposal.

## **C. Cost Proposal:**

The Cost Proposal should contain all pricing information relative to performing the strategic plan services engagement as described in this Request for Proposal. A schedule of rates for partners, specialists, supervisors, and staff, multiplied by the number of hours anticipated by each, should be included. The Cost Proposal should contain all direct and indirect costs including out-of-pocket expenses to arrive at an all-inclusive not-to-exceed cost.

## **Proposal Evaluation and Selection**

**The Local Hazard Mitigation Plan Services Proposal must be submitted on or before 5:00 p.m. PST, Friday, (Date TBD).**

If it should become necessary for IPUD to request the Consultant to render additional services to either supplement the services requested in this Request for Proposal or to perform additional work as a result of the specific recommendations included in any report issued with this engagement, such as additional work shall be performed only if set forth in an Addendum to the Professional Services Agreement between IPUD and the Consultant.

Progress payments will be made based on hours of work performed during the engagement in accordance with the Consultant's formal Proposal. Interim billings will cover a period of not less than one calendar month.

Proposals submitted will be evaluated by IPUD's General Manager and Board Committee.



During the evaluation process, the District may, at its discretion, request any one or all Consultants to make oral presentations and personal introduction of the proposed plan services. Such presentations will provide Consultants with an opportunity to answer any questions the District may have on a Consultant's proposal. Not all Consultants may be selected to make such oral presentations. Routine clarification may be obtained by other means.

Final selection will be based on the Consultant's qualifications, experience, and bid. Proposing Consultants should note that the lowest bid will not be the sole factor in the final selection. It is anticipated that a Consultant will be selected no later than **(Date TBD)**. Upon selection of the Consultant, it is expected that a Professional Services Agreement will be executed between both parties by **(Date TBD)**.

Submission of a Proposal constitutes acceptance by the Consultant of the conditions contained in this Request for Proposal unless clearly and specifically noted in the Proposal submitted and confirmed in the contract between IPUD and the Consultant selected.

The District reserves the right to reject all Proposals. IPUD reserves the right to retain all Proposals submitted and use of any idea in a Proposal regardless of whether that Proposal is selected. IPUD also reserves the right to cancel the contract, due to unsatisfactory performance of plan services, with a 30-day written notice. IPUD may extend the contract, at any time, upon agreeable terms with the successful Firm.

### **Estimated Fee Schedule and Deliverables**

The proposal shall define the total estimated contract price on a time-and-expenses basis. The price shall be an estimate of the time and expenses needed to complete the work as proposed. The estimate shall include:

- 1) A listing of tasks required to accomplish the proposed scope of services.
- 2) An estimate of the hours for each task and each phase.
- 3) The proposed hourly fee schedule for calendar year 2022-2023 and 2023-2024.
- 4) All other reimbursable fees and expenses (noting that the District will **not** pay for lodging, vehicles, travel time, and/or insurance related fees);
- 5) Assumptions upon which estimate is based; and
- 6) Mark-up on other direct costs (ODC), not to exceed 5 percent.

## ATTACHMENT B

### MILESTONE SCHEDULE

The proposal submitted shall include a detailed project schedule from planning through approval and adoption of the LHMP.

However, following is the anticipated milestone schedule (in calendar days); variances from this:

Begin All Work	Immediately Upon Contract Effective Date
Provide Project Schedule	Within 10 Days of Award Date
Kick-Off Meeting	Within 15 days of Contract Effective Date
Complete Primary Objectives of Task Element #1	Within 45 Days of Contract Effective Date
Submit Draft LHMP to Cal OES	(Date TBD)
Correct / Resubmit Any Corrections to Cal OES	Upon receipt of comments
Submit Final Draft LHMP to FEMA	30 days after receipt of comments from Cal OES
Correct and Resubmit Any Corrections to FEMA	Date TBD
District Board Adoption of LHMP	Following FEMA Approval
Closeout / Finalize Required FEMA Documentation	90 Days Following Completion Deadline

## Introduction

The *Local Mitigation Planning Handbook* is a tool for local governments to use in developing or updating a local hazard mitigation plan. The purpose of the *Handbook* is the following:

1. To provide guidance to local governments on developing or updating hazard mitigation plans to meet the requirements of Title 44 Code of Federal Regulations (CFR) §201.6 for FEMA approval and eligibility to apply for [FEMA Hazard Mitigation Assistance](#) grant programs;<sup>1</sup> and
2. To offer practical approaches and examples for how communities can engage in effective planning to reduce long-term risk from natural hazards and disasters.

The *Handbook* is a companion to the [Local Mitigation Plan Review Guide](#)<sup>2</sup> released by FEMA in 2011. While the Plan Review Guide is intended to help State and Federal officials review and approve local hazard mitigation plans, the *Handbook* is intended to help local officials develop these plans.

## Hazard Mitigation

Disasters can cause loss of life; damage buildings and infrastructure; and have devastating consequences for a community's economic, social, and environmental well-being. Hazard mitigation reduces disaster damages and is defined as sustained action taken to reduce or eliminate the long-term risk to human life and property from hazards. Outreach programs that increase risk awareness, projects to protect critical facilities, and the removal of structures from flood hazard areas are all examples of mitigation actions. Local mitigation actions and concepts can also be incorporated into land use plans and building codes.

Local governments have the responsibility to protect the health, safety, and welfare of their citizens. Proactive mitigation policies and actions help reduce risk and create safer, more disaster-resilient communities. Mitigation is an investment in your community's future safety and sustainability. Consider the critical importance of mitigation to:

- Protect public safety and prevent loss of life and injury.
- Reduce harm to existing and future development.
- Prevent damage to a community's unique economic, cultural, and environmental assets.

<sup>1</sup> For more information on FEMA Hazard Mitigation Assistance grant programs, see <http://www.fema.gov/hazard-mitigation-assistance>.

<sup>2</sup> The *Local Mitigation Plan Review Guide*, as interpretation and explanation for the mitigation planning regulation in Title 44 Code of Federal Regulations (CFR) Part 201, is FEMA's official source for defining the requirements of original and updated local mitigation plans. The Guide represents FEMA's interpretation of a statutory or regulatory requirement. By itself, the Guide does not impose legally enforceable rights and obligations, but sets forth a standard operating procedure or agency practice that FEMA employees follow to be consistent, fair, and equitable in the implementation of the agency's authorities. <http://www.fema.gov/library/viewRecord.do?id=4859>.

## Emergency Management Activities

**Mitigation.** Sustained actions taken to reduce or eliminate long-term risk to life and property from hazards.\*

**Prevention.** Actions necessary to avoid, prevent, or stop an imminent threat or actual act of terrorism.\*\*

**Protection.** Actions necessary to secure the homeland against acts of terrorism and manmade or natural disasters.\*\*

**Preparedness.** Actions taken to plan, organize, equip, train, and exercise to build and sustain the capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation.\*\*

**Response.** Actions necessary to save lives, protect property and the environment, and meet basic human needs after an incident has occurred.\*\*

**Recovery.** Actions necessary to assist communities affected by an incident to recover effectively.\*\*

\* Source: 44 CFR §201.2 Mitigation Planning - Definitions.

\*\* Source: National Preparedness Goal, First Edition. September, 2011, FEMA. <http://www.fema.gov/pdf/prepared/npg.pdf>

# Introduction

- Minimize operational downtime and accelerate recovery of government and business after disasters.
- Reduce the costs of disaster response and recovery and the exposure to risk for first responders.
- Help accomplish other community objectives, such as leveraging capital improvements, infrastructure protection, open space preservation, and economic resiliency.

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*“Instead of repeated damage and continual demands for federal disaster assistance, resilient communities proactively protect themselves against hazards, build self-sufficiency, and become more sustainable.”<sup>3</sup>*

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## Mitigation Planning

Mitigation is most effective when it is based on a comprehensive, long-term plan that is developed before a disaster occurs. The purpose of mitigation planning is to identify local policies and actions that can be implemented over the long term to reduce risk and future losses from hazards. These mitigation policies and actions are identified based on an assessment of hazards, vulnerabilities, and risks and the participation of a wide range of stakeholders and the public in the planning process. Benefits of mitigation planning include:

- Identifying actions for risk reduction that are agreed upon by stakeholders and the public.
- Focusing resources on the greatest risks and vulnerabilities.
- Building partnerships by involving citizens, organizations, and businesses.
- Increasing education and awareness of threats and hazards, as well as their risks.
- Communicating priorities to State and Federal officials.
- Aligning risk reduction with other community objectives.

## Disaster Mitigation Act of 2000

The purpose of the Stafford Act, as amended by the Disaster Mitigation Act of 2000, is “to reduce the loss of life and property, human suffering, economic disruption, and disaster assistance costs resulting from natural disasters.”

Section 322 of the Act specifically addresses mitigation planning and requires state and local governments to prepare multi-hazard mitigation plans as a precondition for receiving FEMA mitigation project grants.

## Guiding Principles for Plan Development

The mitigation plan belongs to the local community. While FEMA has the authority to approve plans in order for local governments to apply for mitigation project funding, there is no required format for the plan’s organization. When developing the mitigation plan, keep the following guiding principles in mind:

- **Focus on the mitigation strategy.** The mitigation strategy is the plan’s primary purpose. All other sections contribute to and inform the mitigation strategy and specific hazard mitigation actions.
- **Process is as important as the plan itself.** In mitigation planning, as with most other planning efforts, the plan is only as good as the process and people involved in its development. The plan should also serve as the written record, or documentation, of the planning process.
- **This is your community’s plan.** To have value, the plan must represent the current needs and values of the community and be useful for local officials and stakeholders. Develop the mitigation plan in a way that best serves your community’s purpose and people.

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<sup>3</sup> Godschalk, David R., Adam Rose, Elliott Mittler, Keith Porter, and Carol Taylor West. 2009. “Estimating the Value of Foresight: Aggregate Analysis of Natural Hazard Mitigation Benefits and Costs.” *Journal of Environmental Planning and Management* 52(5):739-56.

## Handbook Organization

The *Handbook* is organized into nine recommended tasks for developing or updating a local hazard mitigation plan as illustrated in Figure I-1. Some of the tasks can be completed concurrently, while others depend on completing preceding tasks. Tasks 1-3 discuss the process and people needed to complete the remaining mitigation planning tasks and the best ways to document the process in the plan. Tasks 4-8 cover the specific analyses and decisions that need to be completed and recorded in the plan. Task 9 provides suggestions and resources for implementing your plan to reduce risk.



**Figure I-1: Local Mitigation Planning Handbook Tasks.**

The *Handbook* also includes the following appendices:

- **Appendix A: Planning Process Worksheets.** Provides worksheets referenced throughout the *Handbook* to help complete parts of the planning process.
- **Appendix B: Local Mitigation Plan Review Tool.** Provides the document used by State and FEMA mitigation planners to evaluate whether the plan meets Federal requirements for approval and to provide feedback to the community.
- **Appendix C: Additional Resources.** Provides links to additional online resources for mitigation planning.

### Federal Planning Regulations

The requirements of 44 CFR §201.6 Local Mitigation Plans are highlighted throughout the *Handbook* to provide clear guidance on the Federal regulations that must be met before FEMA will approve a local hazard mitigation plan. Sidebars are used to reference the specific section of the regulation and the associated element in the Local Mitigation Plan Review Guide and Tool.



### Mitigation Plan Updates

The *Handbook* is applicable to new and updated mitigation plans. A community must review and revise an existing plan to reflect changes in development, progress in local mitigation efforts, and changes in priorities and resubmit it for approval within 5 years to continue to be eligible for FEMA mitigation project grant funding. Plan update recommendations and requirements are addressed within each task and highlighted in the text.



### Examples and Special Topics

Sidebars also are used throughout the *Handbook* to illustrate concepts using examples from actual local plans and to provide additional information on topics important to mitigation planning.



# Introduction

## *Multi-Jurisdictional Plans*

FEMA may accept multi-jurisdictional plans, which must meet all of the requirements of 44 CFR §201.6. The *Handbook* tasks describe how to meet the requirements in a multi-jurisdictional planning effort and are relevant to each participating jurisdiction, whether the plan is for a single or multiple jurisdictions. Federally recognized Tribes may choose to participate in a multi-jurisdictional plan; however, they must meet the requirements for tribal mitigation planning specified in 44 CFR §201.7.<sup>4</sup>

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<sup>4</sup> Tribal mitigation planning requirements were created under 44 CFR §201.7 to give Tribes more flexibility and the ability to meet the eligibility requirements of a grantee or subgrantee for FEMA's Hazard Mitigation Assistance programs.



# Task 1

Determine the Planning Area and Resources





## Task 1 – Determine the Planning Area and Resources

Once your community has decided to develop or update its hazard mitigation plan, the first task is to determine the overall scope of the planning project. Task 1 describes how to determine the planning area and the participating jurisdictions, as well as who will lead the plan and the resources needed to support the planning process. Your community can develop its own single jurisdiction plan or work with neighboring jurisdictions on a multi-jurisdictional plan.

### Establish the Planning Area

The planning area refers to the geographic area covered by the plan. Generally, the planning area follows local government<sup>1</sup> jurisdictional boundaries, such as cities, townships, counties, or planning districts. However, planning areas also may be defined by watersheds or other natural features, particularly where hazards create similar risks across jurisdictional boundaries. A jurisdiction's boundaries may also cross over or encompass other jurisdictions, such as a fire protection district or a utility district.

The State Hazard Mitigation Officer (SHMO)<sup>2</sup> or State emergency management agency can help communities determine the appropriate planning area. This determination may be based on State planning goals and planning grant funding priorities.

### Mitigation Plan Updates

If you are updating your community's plan, determine if the planning area defined in the previously approved plan is still appropriate. Review any lessons learned in the previous planning process. Consider whether your community's mitigation planning needs were met by the previous planning effort or whether your community would benefit from adjusting the planning area and the participating jurisdictions.

### Existing Partnerships and Planning Efforts

There are many possible options for the planning area based on existing planning projects, relationships, and partnerships. Consider whether your community currently collaborates with regional organizations, councils of government, or other established multi-jurisdictional partnerships for planning activities related to comprehensive planning, watershed protection, or transportation. Counties may provide emergency management or development review services to jurisdictions within their boundaries. These activities coordinate well with the goals of mitigation planning, so a countywide plan can be a good approach.

Prior to beginning the planning process, determine if other planning efforts could be aligned or integrated with the mitigation plan to save time and money and create better outcomes for your community. For instance, mitigation plan development could be integrated into a community's process for updating their comprehensive plan. Or, if your community participates in the [Community Rating System \(CRS\)](#),<sup>3</sup> you could design the mitigation planning process to maximize CRS credit for floodplain management planning. A FEMA program, CRS rewards communities that go beyond the minimum standards for floodplain management under the [National Flood Insurance Program](#)

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1 "Local government is any county, municipality, city, town, township, public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government; any Indian tribe or authorized tribal organization, or Alaska Native village or organization; and any rural community, unincorporated town or village, or other public entity." (44 CFR §201.2, Definitions.)

2 *State Hazard Mitigation Officer* is the official representative of State government who is the primary point of contact with FEMA, other Federal agencies, and local governments in mitigation planning and implementation of mitigation programs and activities required under the Stafford Act. (44 CFR §201.2, Definitions.)

3 For more information on the Community Rating System, see <http://www.fema.gov/national-flood-insurance-program-2/community-rating-system>.

# Task 1

## Determine the Planning Area and Resources

(NFIP)<sup>4</sup> by providing flood insurance premium discounts for policy holders in the community. Appendix A includes a worksheet that cross-references the CRS and mitigation planning requirements (see Worksheet 1.1).

## Multi-Jurisdictional Plan Coordination

Both single and multi-jurisdictional plans have benefits and challenges. Single jurisdiction plans offer sole discretion and autonomy in how the community will conduct its planning process and can be suitable for any community, large or small.

If you determine that participating in a multi-jurisdictional planning effort is the best option for your community, then identify whether it is appropriate to join an existing planning effort underway or take the lead on initiating a multi-jurisdictional plan. Multi-jurisdictional planning is most effective when jurisdictions face the same threats or hazards of concern, operate under the same authorities, have similar needs and capabilities, and have successfully partnered in the past.

You may look to partner with neighboring jurisdictions and quasi-governmental agencies, such as school districts, transportation authorities, and utility or service districts. Special districts have a vested interest in reducing threat and hazard impacts, particularly if they provide services critical to recovery efforts. In states where ice storms, tornadoes, and wind storms are common, rural electrical cooperatives and municipal electrical utilities are often mitigation partners. A Federally recognized Indian Tribal government<sup>5</sup> may also choose to participate in a multi-jurisdictional plan; however, the Tribe must meet the requirements specified in 44 CFR §201.7, *Tribal Mitigation Planning*. Most importantly, identify those jurisdictions that will help maximize the benefits of multi-jurisdictional plans as described in the sidebar.

After identifying the planning area and participating jurisdictions, it is helpful to secure a level of commitment from all participants. Ask the jurisdictions to sign a Memorandum of Understanding or Letter of Intent at the beginning of the planning process that outlines requirements for each participating jurisdiction. A sample Memorandum of Agreement for a multi-jurisdictional planning team can be found in Appendix A (see Worksheet 1.2).

Any jurisdiction or organization may participate in the planning process. However, to request FEMA approval, each of the local jurisdictions must meet all of the requirements of 44 CFR §201.6. In addition to the requirement for participation in the process, the Federal regulation specifies the following requirements for multi-jurisdictional plans:

## Multi-Jurisdictional Benefits and Challenges

Multi-jurisdictional planning processes can offer the following **benefits**:

- Improves communication and coordination among jurisdictions and other regional entities
- Enables comprehensive mitigation approaches to reduce risks that affect multiple jurisdictions
- Maximizes economies of scale by leveraging individual capabilities and sharing costs and resources
- Avoids duplication of efforts
- Provides an organizational structure that local jurisdictions may find supportive

While offering these potential benefits, a multi-jurisdictional planning process can also present the following **challenges**:

- Reduces individual control and ownership over the mitigation planning process
- Involves coordinating participation of multiple jurisdictions, which may have different capabilities, priorities, and histories working together
- Requires specific information on local risks and mitigation actions for each jurisdiction
- Requires the organization of large amounts of information into a single plan document

<sup>4</sup> For more information on the National Flood Insurance Program, see <http://www.fema.gov/national-flood-insurance-program>.

<sup>5</sup> *Indian Tribal government* means any Federally recognized governing body of an Indian or Alaska Native Tribe, band, nation, pueblo, village, or community that the Secretary of Interior acknowledges to exist as an Indian Tribe under the Federally Recognized Indian Tribe List Act of 1994, 25 U.S.C. 479a. This does not include Alaska Native corporations, the ownership of which is vested in private individuals. (44 CFR §201.2, *Definitions*.)



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 10

### **Review and Approve Expenditures**

- February 2023 Expenditures
- February 2023 Credit Card Charges

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
-99771	E	29 TRUIST BANK	9.10	02/15/23	2/23	CL 445	9.10
-99766	E	306 U.S. BANK CORPORATE PAYMENT SYSTEMS	971.69	03/09/23	2/23	CL 478	971.69
-99765	E	306 U.S. BANK CORPORATE PAYMENT SYSTEMS	271.84	03/09/23	2/23	CL 479	271.84
55282	S	11 AMAZON CAPITAL SERVICES	73.96	02/06/23		CL 444	73.96
55283	S	289 STREAMLINE	260.00	02/06/23		CL 443	260.00
55296	S	344 Bound Tree Medical, LLC	430.32	02/16/23		CL 461	430.32
55297	S	36 BRELJE AND RACE LABORATORIES, INC.	320.00	02/16/23		CL 458	320.00
55298	S	93 E&M ELECTRIC MACHINERY DBA AVEVA SELECT	715.00	02/16/23		CL 462	715.00
55299	S	165 JERRY & DON'S PUMP WELL SERVICE	2143.41	02/16/23		CL 460	2143.41
55300	S	213 MCMASTER-CARR	92.69	02/16/23		CL 459	92.69
55301	S	47 CALIFORNIA RURAL WATER ASSOCIATION	709.00	02/28/23		CL 464	709.00
55302	S	71 CORE	330.00	02/28/23		CL 465	330.00
55303	S	132 HACH COMPANY	100.23	02/28/23		CL 466	100.23
55304	S	200 MARIN COUNTY FIRE DEPARTMENT - ACCOUNTIN	17504.22	02/28/23		CL 467	17504.22
55305	S	362 Ryan DiGuadio	51.43	02/28/23		CL 468	51.43
55306	S	326 WEST MARIN STORAGE	834.24	02/28/23		CL 463	834.24
55307	S	2 AAERO HEATING & SHEET METAL, INC.	343.00	03/09/23		CL 470	343.00
55308	S	41 BUILDING SUPPLY CENTER	158.42	03/09/23		CL 436	108.44
55309	S	94 E AND M, INC. DBA WONDERWARE	127.00	03/09/23		CL 437	49.98
55310	S	363 E&M Electric Machinery, Inc.	345.00	03/09/23		CL 474	127.00
55311	S	143 HOLTON, DENNIS	250.00	03/09/23		CL 469	345.00
55312	S	146 HORIZON CABLE TV INC.	90.04	03/09/23		CL 476	250.00
55313	S	364 MAXIMUM ITSM	893.52	03/09/23		CL 471	90.04
						CL 475	893.52

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
55314	S	262 QUILL CORPORATION	40.67	03/09/23	-----	CL 472	40.67
55315	S	60 CASCADE FIRE EQUIPMENT	514.33	03/09/23	-----	CL 480	514.33
55316	S	64 CHEDA 'S GARAGE	236.52	03/09/23	-----	CL 483	236.52
55317	S	71 CORE	510.00	03/09/23	-----	CL 484	510.00
55318	S	365 MUNICIPAL EMERGENCY SERVICES, INC	11.97	03/09/23	-----	CL 482	11.97

**Total for Claim Checks**  
28337.60

**Total for Claim Checks**  
Count for Claim Checks  
28

\* denotes missing check number(s)

# of Checks: 28      Total: 28337.60

Fund/Account	Amount
10 District	
10101 Checking B of A	\$2,629.32
21 Fire	
10101 Checking B of A	\$19,152.67
51 Water	
10101 Checking B of A	\$6,555.61
<b>Total:</b>	<b>\$28,337.60</b>

Total for Payroll Checks

Employee	Employer	Amount
24.00		1,175.72
49.75		2,183.83
0.00		1,020.00
4.50		223.76
1,010.75		42,688.16
64.00		2,842.93
52.00		2,746.95

GROSS PAY	52,881.35	0.00	
NET PAY	38,895.20	0.00	
CHILD SUPPORT	804.00	0.00	
CLASSIC	0.00	1,960.88	
ETT	0.00	12.46	
FIRE CLASSIC	0.00	1,038.20	
FIT	5,329.10	0.00	
HEALTH INS HSA	1,539.70	8,624.26	
MEDICARE	744.45	744.45	
PEPRA	0.00	3,848.76	
PEPRA SAFETY	0.00	740.82	
SDI	475.93	0.00	
SIT	1,909.78	0.00	
SOCIAL SECURITY	3,183.19	3,183.19	
WORKERS' COMP	0.00	162.01	
CHASE BANK	2,045.37	0.00	
EXCHANGE BANK	5,685.54	0.00	
REDWOOD CU	18,684.13	0.00	
UMB BANK	2,677.58	0.00	
UMPQUA BANK	1,338.80	0.00	
WELLS FARGO	8,463.78	0.00	
FIT/SIT BASE	51,341.65	0.00	
MEDICARE BASE	51,341.65	0.00	
SOC SEC BASE	51,341.65	0.00	
UN BASE	52,881.35	0.00	
WC BASE	52,806.77	0.00	

Total 20,315.03  
Total Payroll Expense (Gross Pay + Employer Contributions): 73,196.38

Check Summary

Payroll Checks Prev. Out.	\$177,694.61
Payroll Checks Issued	\$0.00
Payroll Checks Redeemed	\$0.00
Payroll Checks Outstanding	\$177,694.61
Electronic Checks	\$65,445.71

Deductions Accrued	Carried Forward From Previous Month	Deduction Checks Issued	Difference	Liab Account

Social Security	6366.38		6366.38	21103
Medicare	1488.90		1488.90	21102
Unempl. Insur.	0.00			21107
Workers' Comp	162.01	168.01	330.02	21108
FIT	5329.10		5329.10	21101
SIT	1909.78		1909.78	21104
SDI	475.93		475.93	21105
ETT	12.46		12.46	21106
CHILD SUPPORT	804.00		804.00	21127
PEPRA	3848.76		3848.76	21123
CLASSIC	1960.88		1960.88	21121
FIRE CLASSIC	1038.20		1038.20	21122
PEPRA SAFETY	740.82		740.82	21125
HEALTH INS HSA	10163.96		10163.96	21111
Total Ded.	34301.18	168.01	26550.51	7918.68

\*\*\*\* Carried Forward column only correct if report run for current period.



\* ... Over spent expenditure

Claim	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash Account
478	E	306 U.S. BANK CORPORATE PAYMENT		971.69								
S	Redding Cal Card 02/23											
	14980001	01/25/23 Rocky Mtn Solutions - Checks		260.24			10	52101	52101	62211		10101
	2256202301	01/25/23 Banker Box - Office Depot		32.69			10	52101	52101	62211		10101
	1320892880	01/30/23 Domain Renewal - Network S		64.95*			10	52101	52101	63551		10101
	2C95A8A278	02/02/23 Tax Filing - TaxBandits		4.95*			10	52101	52101	68112		10101
	020223	02/02/23 Supplies - Palace Mkt		5.50			10	52101	52101	62211		10101
	020623	02/06/23 Supplies-Costco		81.33			10	52101	52101	62211		10101
	3310309	02/16/23 Legal Ad - Marin IJ		238.34*			51	57101	57101	68112		10101
	D01-061464	02/20/23 Adobe Subscrip.-Amazon		75.00*			10	52101	52101	63312		10101
	D01-061464	02/20/23 Adobe Subscrip.-Amazon pre		104.99			10	11149	11149			10101
	opsntphag2	02/21/23 Zoom Subscrip - Renewal		43.20*			10	52101	52101	63312		10101
	opsntphag2	02/21/23 Zoom Subscrip - Renewal		60.50			10	11149	11149			10101
479	E	306 U.S. BANK CORPORATE PAYMENT		271.84								
J	Fox Cal Card 02/23											
	opsntvuo5n	01/30/23 Supplies - Sawagain		28.44*			21	53101	53101	62211		10101
	013123	01/31/23 Supplies - Inverness Store		37.34*			21	53101	53101	62211		10101
	114-521351	02/01/23 supplies Amazon		94.96			21	53101	53101	63112		10101
	111-432232	02/03/23 PPE Supplies - Amazon		29.17			21	53101	53101	62241		10101
	111-301248	02/02/23 PPE Supplies - Amazon		37.88			21	53101	53101	62241		10101
	114-877425	02/06/23 Supplies-Amaon		14.06			10	52101	52101	62211		10101
	AX004RW8	02/13/23 Adobe - Monthly Subscription		29.99*			21	53101	53101	63312		10101

# of Claims 2 Total: 1,243.53  
Total Electronic Claims 1,243.53 Total Non-Electronic Claims



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 11

**Recognition of service for Michael  
Meszaros**



*Inverness Public Utility District*

## **Board Agenda Item Staff Report**

Subject: Recognition of service for Michael Meszaros  
Meeting Date: March 22, 2023  
Date Prepared: March 18, 2023  
Prepared by: Shelley Redding, General Manager  
Attachments: None

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### **Recommended Action: Resolution recognizing service to the District and the Community**

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Michael Meszaros is retiring as a Volunteer Firefighter after serving the community for the past 55 years. During that time, he started as a volunteer, then became was the Fire Chief following Dick Graveson, and then after his retirement as Fire Chief, he returned to serve as a volunteer.

Staff would like to recognize the service of Michael Meszaros to the Inverness Public Utility District and the Inverness Community with a Resolution at the April Board Meeting and recognition plaque to be installed at the Inverness Firehouse.



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 12

**Recognition of service for Sally Fairfax  
and Connie Morse**



*Inverness Public Utility District*

## **Board Agenda Item Staff Report**

Subject: Recognition of service for Sally Fairfax and Connie Morse  
Meeting Date: March 22, 2023  
Date Prepared: March 18, 2023  
Prepared by: Shelley Redding, General Manager  
Attachments: None

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### **Recommended Action: Resolution recognizing service to the District and the Community**

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Sally Fairfax and Connie Morse assumed a temporary role as the Inverness Disaster Counsel (IDC) Co-Coordiators after the previous coordinator retired. The goal of their commitment to assuming the Disaster Council Coordinator role was to review and update documents, resources, supplies and activities; engage and recruit new volunteer Area Coordinators and Neighborhood Liaisons.

Staff worked with and supported Sally and Connie to successfully accomplish their goals, which they managed during the pandemic. Additionally, the IDC is now engaged with West Marin Community Services and the West Marin CRT to provide the community of Inverness and the outside communities on the Point with access to masks, hand sanitizer, testing supplies, and vaccination clinics. They also made an effort to identify medically compromised residents and provide access to resources for their needs.

Staff would like to recognize the service of Sally Fairfax and Connie Morse to the IDC Public and the Inverness Community with a Resolution and recognition plaques to be presented at the April Board Meeting.



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 13

### **Committee Meetings/Reports**



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 14

### **Closed Session:**

Public Employee performance evaluation  
(General Manager) pursuant to Gov. Code Sec.  
54957



Inverness Public Utility District  
Board Meeting March 22, 2023

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## Agenda Item No. 15

**Announcements,**

**Next Meeting,**

**Adjournment**