

# INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT  WATER SYSTEM

12781 SIR FRANCIS DRAKE BLVD • P.O. BOX 469 • INVERNESS CA 94937 • (415) 669-1414

Board of Directors

AGENDA

Regular Meeting

Tuesday, April 16, 2024

4:00 p.m.

Inverness Firehouse, 50 Inverness Way

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:** Regular meeting of March 19, 2024

## *The State of the District*

4. **Management Report:** Shelley Redding
  - FY 2023-2024 3<sup>rd</sup> Qtr Financial Reports
    - Budget vs. Actual Report
    - Cash Report
    - Reserve Funds
  - District 5-year Capital Project Plan
  - Hazard Mitigation Planning and Preparations with County of Marin - Update
5. **Water System Report**
  - March 2024, Senior Water Operator Ken Fox
  - Colby/Seahaven Tank Replacement Project Update – Chief of Operation Jim Fox
  - Water System SCADA Project Update – Chief of Operations Jim Fox
6. **Fire Department Report**
  - March 2024, Fire Chief Jim Fox
  - March 2024 Marin Wildfire Prevention Authority (MWPA) – Chief Jim Fox
  - Marin Emergency Radio Authority (MERA) update – Chief Jim Fox

## *The Business of the District*

7. **Approve Expenditures and Credit Card Charges:** March 2024
8. **Accept and Approve FY 2022-2023 Financial Audit Report**
9. **Accept and Approve 10-year Renewal of Emergency Intertie Agreement with North Marin Water District**
10. **Committee Meetings/Reports**
  - **Personnel Committee Report**
11. **June Regular Board Meeting**
12. **Adjournment**

Posted: 4/12/2024

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Material provided in the meeting packet is available on the District's website, [www.invernesspubd.org](http://www.invernesspubd.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:** KATHRYN DONOHUE, PRESIDENT • KENNETH J. EMANUELS, VICE PRESIDENT  
DAVID PRESS, TREASURER • BRENT JOHNSON • DAKOTA WHITNEY



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

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# Agenda Item No. 1

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



## Inverness Public Utility District Board Meeting

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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

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# Agenda Item No. 3

## **Meeting Minutes**



# INVERNESS PUBLIC UTILITY DISTRICT

FIRE DEPARTMENT ✧ WATER SYSTEM

POST OFFICE BOX 469, INVERNESS, CA 94937

OFFICE: 12781 SIR FRANCIS DRAKE BLVD., SUITE 5, INVERNESS, CA

415-669-1414 🌐 WWW.INVERNESSPUD.ORG 🌐 ADMIN@INVERNESSPUD.ORG

**Board of Directors  
Minutes, Re-Scheduled Regular Meeting  
Tuesday, March 19, 2024, 4:00 p.m.  
Inverness Firehouse, 50 Inverness Way, Inverness CA**

## 1. Call to Order; Attendance Report

President Donohue called the meeting to order at 4:01 p.m.

Directors Present: Kathryn Donohue, David Press, Brent Johnson

Directors Absent: Ken Emanuels, Dakota Whitney

Staff Present: Shelley Redding, General Manager; Jim Fox, Chief of Operations; David Briggs, Assistant Fire Chief; Ken Fox, Sr. Water Operator

## 2. Public Expression: No one responded to the invitation to address the Board.

## 3. Approval of Minutes: Regular Meeting of February 27, 2024

*M/S Press/Johnson to approve the minutes of the Regular Meeting of February 27, 2024, as submitted. AYES 3, NOES 0*

## 4. Management Report

### 2022-2023 Audit Update

General Manager Redding reported that the draft of the June 30, 2023 audit was received today and is being reviewed by staff. The audit will be presented at the April meeting for the Board's consideration and approval. It was noted that Director Emanuels had asked if the auditor could attend the Board Meeting in April via video to report on the audit; GM Redding said she would contact the auditor regarding the request.

### District 5-Year Capital Projects Plan

GM Redding presented the draft of the current District's 5-Year Capital Projects Plan. Director Johnson asked staff to provide a report on the District's reserve funds at the next meeting together with the Capital Projects Plan, to better assess the District's ability to fund the proposed capital projects that would be funded from reserve funds.

### Marin LAFCo and NMWD

GM Redding briefly reviewed the request from LAFCo and North Marin Water District concerning the overlap of NMWD's boundaries and IPUD's boundaries. GM Redding extended the invitation from LAFCo to IPUD Board Members to discuss the process with LAFCo's Executive Director prior to their scheduled public meeting. Director Emanuels volunteered to discuss the issue if no other Board Member were available. GM Redding noted that she also extended the invitation to the Inverness Association President William Barrett, who accepted the invitation.

### Emergency Intertie Agreement with NMWD Update *(Item added at request of President Donohue)*

GM Redding reported that the legal review had been conducted by District's counsel and the agreement amendments requested by our counsel been forwarded to North Marin Water District for their counsel's review. GM Redding noted that the item had not originally been added to the Agenda since it was unclear when the document would be available for Board review and approval. It is planned for action at the April Meeting.

### Hazard Mitigation Planning and Preparations with County of Marin

Director Emanuels requested a follow-up at the last Board meeting concerning the District's plans for a Hazard

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

Mitigation Plan and being included with the County plan in the future. GM Redding reported that she was contacted by the County Office of Emergency Management (OEM) the previous week, about an opportunity for the OEM to apply for an extension to the current 5-year Local Hazard Mitigation Plan (LHMP) that was recently approved by FEMA and adopted by the County Board of Supervisors. The extension application Notice of Interest (NOI) was approved by FEMA to give schools and special districts the opportunity to be included in the current County LHMP. GM Redding noted that agenda item number 8 is related to this opportunity. She also reported that the County OEM website has the approved 2023 5-year Hazard Mitigation Plan posted, including the local jurisdictional proposed projects for the next 5 years. The website has a helpful interactive GIS mapping program that shows the regions of the County with layers for risk levels. She noted that the Inverness area shows 6 of 8 identified hazard categories. She encouraged the Board and meeting attendees to explore the website.

**5. Water System Report: February 2024**

Senior Water Operator Ken Fox presented the Water System report for February 2024 with a new format. He highlighted some of the data presented.

Chief of Operations Jim Fox reported that after determining piping locations requested by the engineers working on plans for replacing the remaining wooden tanks at the Colby and Seahaven sites, he was awaiting drafts of the site and tank plan proposals for review. Discussion followed about the project timeline and completion date.

Senior Water Operator Ken Fox reported on the SCADA replacement project, noting that he and Chief of Operations Jim Fox were reviewing the initial schematics provided by CORE Utilities to provide a response to them soon.

**6. Fire Department Report: February 2024**

**Activity Report:** Assistant Chief David Briggs presented the monthly report of the Fire Department's activities. Discussion followed about the number of calls related to wires down early in the beginning of the month due to the weather.

**Marin Wildfire Prevention Authority (MWWA) Report:** A monthly activity report was presented to the Board. It was also reported that some members of the Operations Committee had noted that the JPA is taking more funds for JPA wide activities, including a traffic/evacuation study, from the agencies and thereby reducing the available funds to agencies for CORE projects. It was noted that the District has submitted its Local and Defensible Space plans for 2024-2025 and has submitted a request for the purchase of a utility task vehicle (UTV) to use for mitigation activities and emergency response on fire roads.

**Marin Emergency Radio Authority (MERA) Update:** Staff provided the February update and reported that a training was held on the new radios and paging systems, noting that there will be protocol changes once dispatch moves to its new location in San Rafael, with the new system still planned to come online at the end of 2024.

**7. Approval of Expenditures and Credit Card Charges: February 2024**

General Manager Redding presented the February 2024 expenditures and credit card ledgers for approval. There were no questions or comments.

*M/S Johnson/Press to approve the February 2024 expenditures and credit card purchases as presented. AYES 3, NOES 0*

**8. Approve Letter of Interest to Marin County Office of Emergency Management to Add IPUD to the County 2023 Hazard Mitigation Plan Extension Grant Application**

GM Redding presented an informational staff report with a copy of the drafted Letter of Interest to accept the County OEM invitation to participate in the pursuit of the extension grant application. Further discussion followed about the benefits for the District in being included in the County LHMP. Director Johnson asked if the approval could be reflected in the letter and GM Redding noted she would add that language to the Letter of Interest.

*M/S Johnson/Press to approve Letter of Interest to be sent to the County Office of Emergency Management as drafted with the added language of Board approval being added to the letter. AYES 3, NOES 0*

**9. Committee Meetings/Reports**

GM Redding reported that she had conducted interviews for the Administrative Assistant position and will be inviting finalists for another interview the last week of March. The search for a Water Superintendent is ongoing, and recently staff has decided to re-work the job posting to define specifics of the job more clearly, including hands-on management in the field.

**10. Adjournment**

President Donohue adjourned the meeting at 4:45 p.m. The next regular meeting is scheduled for April 16, 2024, at 4:00 pm.

Attest: /s/

Date: 03/19/2024

Shelley Redding, Clerk of the Board

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Inverness Public Utility District  
Board Meeting

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Agenda Item No. 4  
**Management Report**



## Inverness Public Utility District Profit & Loss Overview Budget Performance July 2023 through March 2024

	Jul '23 - Mar 24	Annual Budget	\$ Over Budget	% of Budget Earned/Spent
<b>Income</b>				
<b>600 · Taxes Income</b>				
600-01 · Ad Valorem Taxes	326,379.35	613,530.00	-287,150.65	53.2%
600-02 · Special Fire Assesment	42,270.44	77,000.00	-34,729.56	54.9%
600-03 · Excess ERAF	84,977.35	140,000.00	-55,022.65	60.7%
600-04 · Prior Year Taxes	0.00	0.00	0.00	0.0%
600 · Taxes Income - Other	0.00	0.00	0.00	0.0%
<b>Total 600 · Taxes Income</b>	<b>453,627.14</b>	<b>830,530.00</b>	<b>-376,902.86</b>	<b>54.62%</b>
<b>650 · Restricted Agency Funds</b>				
650-01 · TOT Revenue (Meas W)	48,532.60	150,000.00	-101,467.40	32.36%
650-02 · MWPA Defensible Space	12,845.95	21,719.00	-8,873.05	59.15%
650-03 · MWPA Local Specific	13,086.72	21,719.00	-8,632.28	60.26%
650-04 · WMES (Burton Funds)	7,490.00	7,490.00	0.00	100.0%
650-05 · WMCS Grant for Disaster Council	1,500.00	1,000.00	500.00	150.0%
<b>Total 650 · Restricted Agency Funds</b>	<b>83,455.27</b>	<b>201,928.00</b>	<b>-118,472.73</b>	<b>41.33%</b>
<b>700 · Water Charges</b>				
700-01 · Basic Charges	324,590.49	488,950.00	-164,359.51	66.39%
700-02 · Usage Charges	49,943.15	90,000.00	-40,056.85	55.49%
700-03 · Cross Connection Fees	883.86	1,510.00	-626.14	58.53%
700-04 · Miscellaneous Charges	675.00	2,000.00	-1,325.00	33.75%
<b>Total 700 · Water Charges</b>	<b>376,092.50</b>	<b>582,460.00</b>	<b>-206,367.50</b>	<b>64.57%</b>
<b>710 · Miscellaneous Income</b>				
710-01 · Customer Work Overhead	5,646.69	1,000.00	4,646.69	564.67%
710-02 · Other Income	291.64	3,000.00	-2,708.36	9.72%
710-04 · Merchandise Sales	550.00	5,000.00	-4,450.00	11.0%
710-06 · New Service Connection Fee	0.00	9,600.00	-9,600.00	0.0%
710-07 · Interest Income	171.74	20,000.00	-19,828.26	0.86%
710-0? · CERBT OPEB		36,477.00		
710 · Miscellaneous Income - Other	74.76		74.76	100.0%
<b>Total 710 · Miscellaneous Income</b>	<b>6,734.83</b>	<b>75,077.00</b>	<b>-68,342.17</b>	<b>8.97%</b>
<b>Total Income</b>	<b>919,909.74</b>	<b>1,689,995.00</b>	<b>-770,085.26</b>	<b>54.43%</b>
<b>Gross Profit</b>	<b>919,909.74</b>	<b>1,689,995.00</b>	<b>-770,085.26</b>	<b>54.43%</b>
<b>Expense</b>				
<b>835 Lab &amp; Monitoring</b>				
835-01 · BacT & Raw Samples	3,395.00	4,000.00	-605.00	84.88%
835-02 · Periodic Samples	4,543.00	6,000.00	-1,457.00	75.72%
835-03 · Lead & Copper	1,250.00	700.00	550.00	178.57%
<b>Total 835 Lab &amp; Monitoring</b>	<b>9,188.00</b>	<b>10,700.00</b>	<b>-1,512.00</b>	<b>85.87%</b>
<b>840 Maintenance &amp; Utilities</b>				
840-01 · Equipment Maintenance	523.48	8,500.00	-7,976.52	6.16%
840-02 · Building Maintenance	3,463.00	3,500.00	-37.00	98.94%

## Inverness Public Utility District Profit & Loss Overview Budget Performance July 2023 through March 2024

	Jul '23 - Mar 24	Annual Budget	\$ Over Budget	% of Budget Earned/Spent
840-03 · Grounds Maintenance	2,488.45	1,250.00	1,238.45	199.08%
840-04 · Tank Maintenance	0.00	1,000.00	-1,000.00	0.0%
840-05 · Collect & Treat Maint	0.00	5,000.00	-5,000.00	0.0%
840-06 · Distribution System Maintenance	0.00	6,000.00	-6,000.00	0.0%
840-07 · Collection/Treat Utilities	24,970.65	20,000.00	4,970.65	124.85%
840-08 · Distribution Utilities	3,041.70	13,000.00	-9,958.30	23.4%
840-09 · Firehouse Utilities	4,205.83	3,500.00	705.83	120.17%
840-10 · Admin Office Utilities	904.55		904.55	100.0%
840-11 · SCADA Maintenance	2,660.00	6,000.00	-3,340.00	44.33%
<b>Total 840 Maintenance &amp; Utilities</b>	<b>42,257.66</b>	<b>67,750.00</b>	<b>-25,492.34</b>	<b>62.37%</b>
<b>843 Fire Prevention</b>				
843-01 · Volunteer Appreciation	2,816.11	1,750.00	1,066.11	160.92%
843-02 · Volunteer Training	715.64	3,000.00	-2,284.36	23.86%
843-03 · Volunteer Stipends	0.00	2,000.00	-2,000.00	0.0%
843-04 · Volunteer Insurance	0.00	4,402.00	-4,402.00	0.0%
843-05 · MWPA Local Projects	0.00	21,172.00	-21,172.00	0.0%
843-06 · MWPA Defensible Space	16,465.03	21,172.00	-4,706.97	77.77%
<b>Total 843 Fire Prevention</b>	<b>19,996.78</b>	<b>53,496.00</b>	<b>-33,499.22</b>	<b>37.38%</b>
<b>844 Storage &amp; Distribution</b>				
844-01 · Telemetry	703.85	2,000.00	-1,296.15	35.19%
844-02 · Cross Connection Maintenance	1,620.00	1,000.00	620.00	162.0%
844-03 · Miscellaneous	205.68	500.00	-294.32	41.14%
<b>Total 844 Storage &amp; Distribution</b>	<b>2,529.53</b>	<b>3,500.00</b>	<b>-970.47</b>	<b>72.27%</b>
<b>850 Supplies &amp; Inventory</b>				
850-01 · Supplies & Inventory	32,494.65	19,000.00	13,494.65	171.02%
850-02 · Personal Protective Gear	12,041.92	7,990.00	4,051.92	150.71%
850-03 · Resale Merchandise	0.00	8,500.00	-8,500.00	0.0%
850-04 · Uniforms	0.00	1,750.00	-1,750.00	0.0%
<b>Total 850 Supplies &amp; Inventory</b>	<b>44,536.57</b>	<b>37,240.00</b>	<b>7,296.57</b>	<b>119.59%</b>
<b>870 Administration</b>				
870-01 · Telephone & Internet	13,264.30	7,780.00	5,484.30	170.49%
870-02 · Dues/Publications/Subscriptions	6,558.99	3,000.00	3,558.99	218.63%
870-03 · Insurance - Property	47.50	41,307.00	-41,259.50	0.12%
870-04 · Audit & Financial	12,750.00	12,500.00	250.00	102.0%
870-05 · Office Supplies	6,140.96	13,500.00	-7,359.04	45.49%
870-06 · Banking & Payroll Charges	746.48	4,000.00	-3,253.52	18.66%
870-07 · Legal & Attorneys	3,880.00	5,500.00	-1,620.00	70.55%
870-08 · Board & Election Expenses	128.79	500.00	-371.21	25.76%
870-09 · Travel, Meetings, Training	1,844.41	2,000.00	-155.59	92.22%
870-10 · Public Relations/Publications	2,078.10	4,600.00	-2,521.90	45.18%
870-11 · Office IT Support	4,470.00	5,000.00	-530.00	89.4%

## Inverness Public Utility District

# Profit & Loss Overview Budget Performance

July 2023 through March 2024

	Jul '23 - Mar 24	Annual Budget	\$ Over Budget	% of Budget Earned/Spent
870-12 · Billing & Collections	6,578.72	5,000.00	1,578.72	131.57%
870-13 · Disaster Council	971.34	3,000.00	-2,028.66	32.38%
870-14 · Miscellaneous	2,666.94	1,500.00	1,166.94	177.8%
870-15 · Admin. Office Rent	10,800.00	14,500.00	-3,700.00	74.48%
870-16 · Property Tax Admin Fees	4,163.55	9,500.00	-5,336.45	43.83%
870-17 · Agency Fees	5,690.72	6,900.00	-1,209.28	82.47%
870-18 · Payroll Expenses	416.50		416.50	100.0%
<b>Total 870 Administration</b>	<b>83,197.30</b>	<b>140,087.00</b>	<b>-56,889.70</b>	<b>59.39%</b>
<b>810 · Personnel Costs</b>				
810-01 · Management Wages	200,410.05	330,106.00	-129,695.95	60.71%
810-02 · Operations Wages	247,458.06	327,808.00	-80,349.94	75.49%
810-03 · Administrative Wages	63,963.60	147,275.00	-83,311.40	43.43%
810-04 · Employers Payroll Tax	38,554.33	61,597.00	-23,042.67	62.59%
810-05 · Volunteer Wages	150.00	2,000.00	-1,850.00	7.5%
810-06 · Duty Officer Stpend	2,125.00	1,000.00	1,125.00	212.5%
810-07 · Health Insurance	64,567.50	116,151.00	-51,583.50	55.59%
810-08 · Retiree Health Ins.	19,157.35	29,270.00	-10,112.65	65.45%
810-09 · Health Ins in Lieu	7,260.00		7,260.00	100.0%
810-10 · Retirement Premiums	75,821.68	117,895.00	-42,073.32	64.31%
810-12 · Unfunded Accrued Liability	36,186.00	37,396.00	-1,210.00	96.76%
810-13 · Workers Comp	1,533.81	22,755.00	-21,221.19	6.74%
810-14 · CalPERS Fees	1,400.00		1,400.00	100.0%
<b>Total 810 · Personnel Costs</b>	<b>758,587.38</b>	<b>1,193,253.00</b>	<b>-434,665.62</b>	<b>63.57%</b>
<b>830 · Dispatch &amp; Communications</b>				
830-01 · Radio/Pager Repair	10.40	1,000.00	-989.60	1.04%
830-02 · Commo Supplies	1,872.11	2,300.00	-427.89	81.4%
830-03 · MERA Operations	16,862.00	13,460.00	3,402.00	125.28%
830-04 · New MERA Financing			0.00	0.0%
<b>Total 830 · Dispatch &amp; Communications</b>	<b>18,744.51</b>	<b>16,760.00</b>	<b>1,984.51</b>	<b>2.08</b>
<b>841 · Training &amp; Courses</b>				
841-02 · Certification & Courses	125.00	2,000.00	-1,875.00	6.25%
<b>Total 841 · Training &amp; Courses</b>	<b>125.00</b>	<b>2,000.00</b>	<b>-1,875.00</b>	<b>6.25%</b>
<b>860 · Vehicle Expenses</b>				
860-01 · Vehicle Oil & Gas	7,959.08	15,000.00	-7,040.92	53.06%
860-02 · Vehicle Repairs & Service	14,702.83	9,000.00	5,702.83	163.37%
<b>Total 860 · Vehicle Expenses</b>	<b>22,661.91</b>	<b>24,000.00</b>	<b>-1,338.09</b>	<b>2.16</b>
<b>Total Expense</b>	<b>1,001,824.64</b>	<b>1,548,786.00</b>	<b>-546,961.36</b>	<b>64.69%</b>
<b>Net Income</b>	<b>-81,914.90</b>	<b>141,209.00</b>	<b>-223,123.90</b>	<b>-58.01%</b>

## Inverness Public Utility District Profit & Loss Budget Performance Water System July 2023 through March 2024

	<u>Jul '23 - Mar 24</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Income</b>			
66100 · Water Autopay Bank Clearing	381		
<b>700 · Water Charges</b>			
700-01 · Basic Charges	324,590	325,967	100%
700-02 · Usage Charges	49,943	60,000	83%
700-03 · Cross Connection Fees	884	1,007	88%
700-04 · Miscellaneous Charges	675	0	100%
<b>Total 700 · Water Charges</b>	<b>376,092</b>	<b>386,974</b>	<b>97%</b>
<b>710 · Miscellaneous Income</b>			
710-01 · Customer Work Overhead	5,647	0	100%
710-02 · Other Income	0	0	0%
710-06 · New Service Connection Fee	0	0	0%
710-07 · Interest Income	0	0	0%
<b>Total 710 · Miscellaneous Income</b>	<b>5,647</b>	<b>0</b>	<b>100%</b>
<b>Total Income</b>	<b>382,120</b>	<b>386,974</b>	<b>99%</b>
<b>Gross Profit</b>	<b>382,120</b>	<b>386,974</b>	<b>99%</b>
<b>Expense</b>			
<b>835 Lab &amp; Monitoring</b>			
835-01 · BacT & Raw Samples	3,395	3,000	113%
835-02 · Periodic Samples	4,543	0	100%
835-03 · Lead & Copper	1,250	700	179%
<b>Total 835 Lab &amp; Monitoring</b>	<b>9,188</b>	<b>3,700</b>	<b>248%</b>
<b>840 Maintenance &amp; Utilities</b>			
840-01 · Equipment Maintenance	60	3,000	2%
840-02 · Building Maintenance	0	375	0%
840-03 · Grounds Maintenance	1,578		
840-04 · Tank Maintenance	0	0	0%
840-05 · Collect & Treat Maint	0	0	0%
840-06 · Distribution System Maintenance	0	4,500	0%
840-07 · Collection/Treat Utilities	24,971	15,000	166%
840-08 · Distribution Utilities	3,042	9,750	31%
840-11 · SCADA Maintenance	2,660	4,500	59%
<b>Total 840 Maintenance &amp; Utilities</b>	<b>32,311</b>	<b>37,125</b>	<b>87%</b>
<b>844 Storage &amp; Distribution</b>			
844-01 · Telemetry	704	1,500	47%
844-02 · Cross Connection Maintenance	1,620	0	100%
844-03 · Miscellaneous	206	0	100%
<b>Total 844 Storage &amp; Distribution</b>	<b>2,530</b>	<b>1,500</b>	<b>169%</b>
<b>850 Supplies &amp; Inventory</b>			
850-01 · Supplies & Inventory	19,377	9,750	199%
850-02 · Personal Protective Gear	796	500	159%
<b>Total 850 Supplies &amp; Inventory</b>	<b>20,173</b>	<b>10,250</b>	<b>197%</b>

## Inverness Public Utility District Profit & Loss Budget Performance Water System July 2023 through March 2024

	<u>Jul '23 - Mar 24</u>	<u>Budget</u>	<u>% of Budget</u>
<b>870 Administration</b>			
870-01 · Telephone & Internet	2,210	1,275	173%
870-02 · Dues/Publications/Subscriptions	1,150	750	153%
870-03 · Insurance - Property	0	19,093	0%
870-04 · Audit & Financial	0	3,000	0%
870-05 · Office Supplies	96	750	13%
870-07 · Legal & Attorneys	160	0	100%
870-09 · Travel, Meetings, Training	531	0	100%
870-10 · Public Relations/Publications	208		
870-12 · Billing & Collections	6,579	3,750	175%
870-14 · Miscellaneous	538	500	108%
870-16 · Property Tax Admin Fees	0	0	0%
870-17 · Agency Fees	5,691	5,000	114%
<b>Total 870 Administration</b>	<u>17,163</u>	<u>34,118</u>	<u>50%</u>
<b>66000 · Payroll Clearing</b>	1,122		
<b>810 · Personnel Costs</b>			
810-01 · Management Wages	50,656	96,626	52%
810-02 · Operations Wages	211,086	209,436	101%
810-03 · Administrative Wages	9,486	24,910	38%
810-04 · Employers Payroll Tax	19,898	25,319	79%
810-07 · Health Insurance	41,911	51,935	81%
810-08 · Retiree Health Ins.	0	1,715	0%
810-09 · Health Ins in Lieu	0	0	0%
810-10 · Retirement Premiums	38,866	46,745	83%
810-11 · Accrued Vacation	0		
810-12 · Unfunded Accrued Liability	22,291	23,036	97%
810-13 · Workers Comp	874	17,837	5%
810-14 · CalPERS Fees	350		
<b>Total 810 · Personnel Costs</b>	<u>395,418</u>	<u>497,559</u>	<u>79%</u>
<b>830 · Dispatch &amp; Communications</b>			
830-01 · Radio/Pager Repair	0	500	0%
830-02 · Commo Supplies	0	200	0%
<b>Total 830 · Dispatch &amp; Communications</b>	<u>0</u>	<u>700</u>	<u>0%</u>
<b>841 · Training &amp; Courses</b>			
841-02 · Certification & Courses	125	750	17%
<b>Total 841 · Training &amp; Courses</b>	<u>125</u>	<u>750</u>	<u>17%</u>
<b>860 · Vehicle Expenses</b>			
860-01 · Vehicle Oil & Gas	5,087	6,750	75%
860-02 · Vehicle Repairs & Service	9,487	3,000	316%
<b>Total 860 · Vehicle Expenses</b>	<u>14,574</u>	<u>9,750</u>	<u>149%</u>
<b>Total Expense</b>	<u>492,604</u>	<u>595,452</u>	<u>83%</u>
<b>Net Income</b>	<u><u>-110,484</u></u>	<u><u>-208,478</u></u>	<u><u>53%</u></u>

**Inverness Public Utility District**  
**Profit & Loss Budget Performance**  
**Fire Department**  
 July 2023 through March 2024

	<u>Jul '23 - Mar 24</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Income</b>			
<b>600 · Taxes Income</b>			
600-02 · Special Fire Assesment	42,270	77,000	55%
<b>Total 600 · Taxes Income</b>	<b>42,270</b>	<b>77,000</b>	<b>55%</b>
<b>650 · Restricted Agency Funds</b>			
650-01 · TOT Revenue (Meas W)	48,533	75,000	65%
650-02 · MWPA Defensible Space	12,846	11,945	108%
650-03 · MWPA Local Specfic	13,087	11,945	110%
650-04 · WMES (Burton Funds)	7,490	7,490	100%
650-05 · WMCS Grant for Disaster Council	1,500	1,000	150%
<b>Total 650 · Restricted Agency Funds</b>	<b>83,456</b>	<b>107,380</b>	<b>78%</b>
<b>710 · Miscellaneous Income</b>			
710-02 · Other Income	0	0	0%
710-04 · Merchandise Sales	550	1,000	55%
<b>Total 710 · Miscellaneous Income</b>	<b>550</b>	<b>1,000</b>	<b>55%</b>
<b>Total Income</b>	<b>126,276</b>	<b>185,380</b>	<b>68%</b>
<b>Gross Profit</b>	<b>126,276</b>	<b>185,380</b>	<b>68%</b>
<b>Expense</b>			
<b>840 Maintenance &amp; Utilities</b>			
840-01 · Equipment Maintenance	463	2,250	21%
840-02 · Building Maintenance	2,363	2,250	105%
840-03 · Grounds Maintenance	910	750	121%
840-09 · Firehouse Utilities	4,045	2,625	154%
<b>Total 840 Maintenance &amp; Utilities</b>	<b>7,781</b>	<b>7,875</b>	<b>99%</b>
<b>843 Fire Prevention</b>			
843-01 · Volunteer Appreciation	2,816	1,750	161%
843-02 · Volunteer Training	716	2,250	32%
843-03 · Volunteer Stipends	0	1,500	0%
843-04 · Volunteer Insurance	0	4,402	0%
843-06 · MWPA Defensible Space	16,465	21,172	78%
843-07 · MWPA Local Projects	0	14,115	0%
<b>Total 843 Fire Prevention</b>	<b>19,997</b>	<b>45,189</b>	<b>44%</b>
<b>850 Supplies &amp; Inventory</b>			
850-01 · Supplies & Inventory	12,989	3,000	433%
850-02 · Personal Protective Gear	11,246	0	100%
<b>Total 850 Supplies &amp; Inventory</b>	<b>24,235</b>	<b>3,000</b>	<b>808%</b>
<b>870 Administration</b>			
870-01 · Telephone & Internet	3,263	810	403%
870-02 · Dues/Publications/Subscriptions	1,557	0	100%
870-03 · Insurance - Property	0	19,172	0%
870-04 · Audit & Financial	0	3,500	0%
870-05 · Office Supplies	274	0	100%

**Inverness Public Utility District**  
**Profit & Loss Budget Performance**  
**Fire Department**  
July 2023 through March 2024

	<u>Jul '23 - Mar 24</u>	<u>Budget</u>	<u>% of Budget</u>
870-09 · Travel, Meetings, Training	85	0	100%
870-10 · Public Relations/Publications	128		
870-11 · Office IT Support	120		
870-13 · Disaster Council	971	0	100%
870-14 · Miscellaneous	278	0	100%
870-16 · Property Tax Admin Fees	0	1,000	0%
870-17 · Agency Fees	0	0	0%
<b>Total 870 Administration</b>	<b>6,676</b>	<b>24,482</b>	<b>27%</b>
<b>810 · Personnel Costs</b>			
810-01 · Management Wages	48,728	22,640	215%
810-02 · Operations Wages	36,372	36,420	100%
810-03 · Administrative Wages	0	11,544	0%
810-04 · Employers Payroll Tax	6,187	5,437	114%
810-05 · Volunteer Wages	150	1,500	10%
810-06 · Duty Officer Stpend	2,125	600	354%
810-07 · Health Insurance	22,401	15,736	142%
810-08 · Retiree Health Ins.	2,222	2,598	86%
810-10 · Retirement Premiums	18,468	14,569	127%
810-11 · Accrued Vacation	0		
810-12 · Unfunded Accrued Liability	13,895	14,360	97%
810-13 · Workers Comp	598	3,700	16%
810-14 · CalPERS Fees	700		
<b>Total 810 · Personnel Costs</b>	<b>151,846</b>	<b>129,104</b>	<b>118%</b>
<b>830 · Dispatch &amp; Communications</b>			
830-01 · Radio/Pager Repair	10	350	3%
830-02 · Commo Supplies	1,872	1,500	125%
830-03 · MERA Operations	16,862	13,460	125%
<b>Total 830 · Dispatch &amp; Communications</b>	<b>18,744</b>	<b>15,310</b>	<b>122%</b>
<b>841 · Training &amp; Courses</b>			
841-01 · Volunteer Training	0	0	0%
841-02 · Certification & Courses	0	375	0%
<b>Total 841 · Training &amp; Courses</b>	<b>0</b>	<b>375</b>	<b>0%</b>
<b>860 · Vehicle Expenses</b>			
860-01 · Vehicle Oil & Gas	2,872	4,500	64%
860-02 · Vehicle Repairs & Service	5,216	3,750	139%
<b>Total 860 · Vehicle Expenses</b>	<b>8,088</b>	<b>8,250</b>	<b>98%</b>
<b>Total Expense</b>	<b>237,367</b>	<b>233,585</b>	<b>102%</b>
<b>Net Income</b>	<b>-111,091</b>	<b>-48,205</b>	<b>230%</b>

## Inverness Public Utility District Profit & Loss Budget Performance General Fund (District) July 2023 through March 2024

	Jul '23 - Mar 24	Budget	% of Budget
<b>Income</b>			
<b>600 · Taxes Income</b>			
600-01 · Ad Valorem Taxes	326,379	613,530	53%
600-03 · Excess ERAF	84,977	140,000	61%
<b>Total 600 · Taxes Income</b>	<b>411,356</b>	<b>753,530</b>	<b>55%</b>
<b>710 · Miscellaneous Income</b>			
710-02 · Other Income	292	0	100%
710-05 · CERBT OPEB Reimbursement	0	36,477	0%
710-07 · Interest Income	172	12,000	1%
710 · Miscellaneous Income - Other	75		
<b>Total 710 · Miscellaneous Income</b>	<b>539</b>	<b>48,477</b>	<b>1%</b>
<b>Total Income</b>	<b>411,895</b>	<b>802,007</b>	<b>51%</b>
<b>Gross Profit</b>	<b>411,895</b>	<b>802,007</b>	<b>51%</b>
<b>Expense</b>			
<b>840 Maintenance &amp; Utilities</b>			
840-01 · Equipment Maintenance	0	1,125	0%
840-02 · Building Maintenance	1,100		
840-03 · Grounds Maintenance	0	0	0%
840-09 · Firehouse Utilities	161		
840-10 · Admin Office Utilities	905	0	100%
<b>Total 840 Maintenance &amp; Utilities</b>	<b>2,166</b>	<b>1,125</b>	<b>193%</b>
<b>850 Supplies &amp; Inventory</b>			
850-01 · Supplies & Inventory	129	1,300	10%
<b>Total 850 Supplies &amp; Inventory</b>	<b>129</b>	<b>1,300</b>	<b>10%</b>
<b>870 Administration</b>			
870-01 · Telephone & Internet	7,791	3,750	208%
870-02 · Dues/Publications/Subscriptions	3,852	1,125	342%
870-03 · Insurance - Property	48	3,042	2%
870-04 · Audit & Financial	12,750	5,500	232%
870-05 · Office Supplies	5,771	9,000	64%
870-06 · Banking & Payroll Charges	746	3,000	25%
870-07 · Legal & Attorneys	3,720	3,750	99%
870-08 · Board & Election Expenses	129	0	100%
870-09 · Travel, Meetings, Training	1,228	0	100%
870-10 · Public Relations/Publications	1,742	3,600	48%
870-11 · Office IT Support	4,350	3,750	116%
870-14 · Miscellaneous	1,851	0	100%
870-15 · Admin. Office Rent	10,800	10,900	99%
870-16 · Property Tax Admin Fees	4,164	4,250	98%
870-17 · Agency Fees	0	0	0%
870-18 · Payroll Expenses	417		
<b>Total 870 Administration</b>	<b>59,359</b>	<b>51,667</b>	<b>115%</b>



**Inverness Public Utility District**  
**Profit & Loss Budget Performance**  
**General Fund (District)**  
 July 2023 through March 2024

	<u>Jul '23 - Mar 24</u>	<u>Budget</u>	<u>% of Budget</u>
<b>810 · Personnel Costs</b>			
810-01 · Management Wages	101,026	128,313	79%
810-03 · Administrative Wages	54,478	74,003	74%
810-04 · Employers Payroll Tax	12,470	15,477	81%
810-07 · Health Insurance	256	19,443	1%
810-08 · Retiree Health Ins.	16,935	17,640	96%
810-09 · Health Ins in Lieu	7,260		
810-10 · Retirement Premiums	18,489	27,108	68%
810-12 · Unfunded Accrued Liability	0	0	0%
810-13 · Workers Comp	61	1,218	5%
810-14 · CalPERS Fees	350		
<b>Total 810 · Personnel Costs</b>	<u>211,325</u>	<u>283,202</u>	<u>75%</u>
<b>841 · Training &amp; Courses</b>			
841-02 · Certification & Courses	0	375	0%
<b>Total 841 · Training &amp; Courses</b>	<u>0</u>	<u>375</u>	<u>0%</u>
<b>Total Expense</b>	<u>272,979</u>	<u>337,669</u>	<u>81%</u>
<b>Net Income</b>	<u><u>138,916</u></u>	<u><u>464,338</u></u>	<u><u>30%</u></u>

Inverness Public Utility District		3/31/2024	
Cash on Hand Statement			
<b>DISTRICT</b>	Cash in Bank of America, Acct. 0150	\$234,213.75	
	Cash in Bank of America, Acct. 4089	\$528,593.43	
	Cash in County Account	\$3,982.59	
	LAIF - Uncommitted Funds	\$31,365.48	
	LAIF - Committed Funds ( <i>see below</i> )	\$283,826.92	
	<b>Total for District</b>		<b>\$1,081,982.17</b>
<b>WATER</b>	LAIF - Uncommitted Funds	(\$1,700,519.00)	
	LAIF - Committed Funds ( <i>see below</i> )	\$566,147.51	
	<b>Total for Water</b>		<b>(\$1,134,371.49)</b>
<b>FIRE</b>	LAIF - Uncommitted Funds	\$1,604,904.00	
	LAIF - Committed Funds ( <i>see below</i> )	\$558,893.02	
	<b>Total for Fire</b>		<b>\$2,163,797.02</b>
	<b>Total Cash on Hand</b>		<b>\$2,111,407.70</b>
	<b>Water Customers Accounts Receivable</b>	<b>\$140,743.28</b>	

**Local Agency Investment Fund (LAIF)**  
 Current Rate: 4.232 %      Rate Last Quarter: 3.929 %      Rate 1 Year Ago: 2.831 %

DISTRICT	
<b>LAIF Total:</b>	
<b>Committed Funds</b>	
Emergency Reserves	\$20,402.64
CalPERS Liability	\$263,424.28
Assigned Funds	\$95,615.00
<b>Total Committed</b>	<b>\$283,826.92</b>

FIRE	
<b>LAIF Total:</b>	
<b>Committed Funds</b>	
Equipment Replacemen	\$81,827.20
Vehicle Replacement	\$54,551.47
Emergency Reserves	\$422,514.35
<b>Total Committed</b>	<b>\$558,893.02</b>

WATER	
<b>LAIF Total:</b>	
<b>Committed Funds</b>	
Main Replacement	\$27,275.73
Tank Replacement	\$137,990.28
Vehicle Replacement	\$15,034.08
Emergency Reserves	\$336,514.35
CalPERS Liability	\$9,333.07
Trossach Road	\$40,000.00
<b>Total Committed</b>	<b>\$566,147.51</b>

**IPUD Capital Projects  
FY 2022-2027**

IPUD Capital Projects - 5 years Proposal								Funding Notes
Water System								
Project Description	Proposed Priority	22/23	23/24	24/25	25/26	26/27	27/28	
<b>Water Tanks</b>								
Seahaven-Recoat interior of 70K tank	1				75,000			Operating/Reserves  DWR Grant Awarded  DWR Grant Awarded
Seahaven-Cathodic protection 70K tank	2				25,000			
Valve Replacements	1			10,000				
Colby Steel Roof Repair	9				50,000			
Colby Wood Tank Replacement	8		100,000	850,000				
Colby Steel Interior Recoat	9				100,000			
Replace Seahaven 15K wood tank	7		50,000	200,000				
<b>Total Water Tanks</b>		-	150,000	1,060,000	250,000		-	
<b>Treatment &amp; Distribution</b>								
Membrane Replacement	1		10,000	10,000	10,000			Operating Reserves
SCADA IT System	1	5,000	45,000					
Ultra and Nano Replacement (Pure Aqua)	1		10,000	6,000				DWR Grant? Reserves
Main Replacement	2		TBD					
Generator 10kw - F3 Backup	1		20,000					Water Reserves
Distribution System Repair	3	5,000	10,000	10,000	10,000			
<b>Total Treatment &amp; Distribution</b>		10,000	95,000	26,000	20,000		-	
<b>Vehicles</b>								
Jeep Replacement-small pickup	1		30,000					Veh Reserves Operating
Utility crane for truck	2		4,000					
<b>Total Vehicles</b>			34,000	-	-		-	
<b>Total Costs Water System</b>		10,000	279,000	1,086,000	270,000		-	
<b>Fire Department</b>								
Project Description	Proposed Priority	22/23	23/24	24/25	25/26	26/27	27/28	Funding Notes
<b>Firehouse</b>								
Firehouse Roof Replacement	1			50,000				
Firehouse Siding Replacement	3					50,000		TBD
Firehouse Window Replacement	2				50,000			TBD
<b>Total Firehouse</b>		-		50,000	50,000	50,000	-	
<b>Equipment</b>								
SCBA Bottle Replacement	1	8,776						Burton Funds/Operating MWPA CORE Funds/TOT Funds TOT Funds FEMA AFG Grant FEMA AFG Grant
Chipper	2		10,000					
Building Vent Fan	3		5,000					
Turnouts	4			86,912				
Firehose Replacements	5			21,511				
<b>Total Equipment</b>		8,776	15,000	108,423	-		-	
<b>Vehicles</b>								
Type VI Wildland	2			386,278				FEMA AFG Grant Veh Reserves MWPA CORE Funds/TOT Funds Veh Reserves
Duty Officer Response Vehicle	5			80,000				
UTV with Water Skid	3			30,000				
Replace Chief's Vehicle	4				75,000			
<b>Total Vehicles</b>		-	-	496,278	75,000		-	
<b>Total Costs Fire Department</b>		8,776	15,000	654,701	125,000		-	
<b>District</b>								
Project Description	Proposed Priority	22/23	23/24	24/25	25/26	26/27	27/28	Funding Notes
<b>District Operations</b>								
Server Rack	1			5,000				
Data Servers	2			10,000				
<b>Total District Operations Costs</b>		-	-	15,000	-		-	
<b>Total Projected Costs</b>		18,776	294,000	1,755,701	395,000	-	-	



## **Board Agenda Item Staff Report**

Subject: Hazard Mitigation Planning and Preparations with County of Marin - Update  
Meeting Date: April 16, 2024  
Date Prepared: March 29, 2024  
Prepared by: Shelley Redding, General Manager  
Attachments: County Office of Emergency Services Hazard Maps

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### **Recommended Action:** Informational

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At the March 19, 2024, Board Meeting, your board approved the submission of a Letter of Interest (LOI) to the Marin County Office of Emergency Management (OEM) to be included in the application of an extension grant application allowing schools and Special Districts in Marin County the opportunity to be included in the current 5-year Hazard Mitigation Plan. When FEMA approved the County Notice of Interest (NOI) for the extension grant, they did so with the expectation

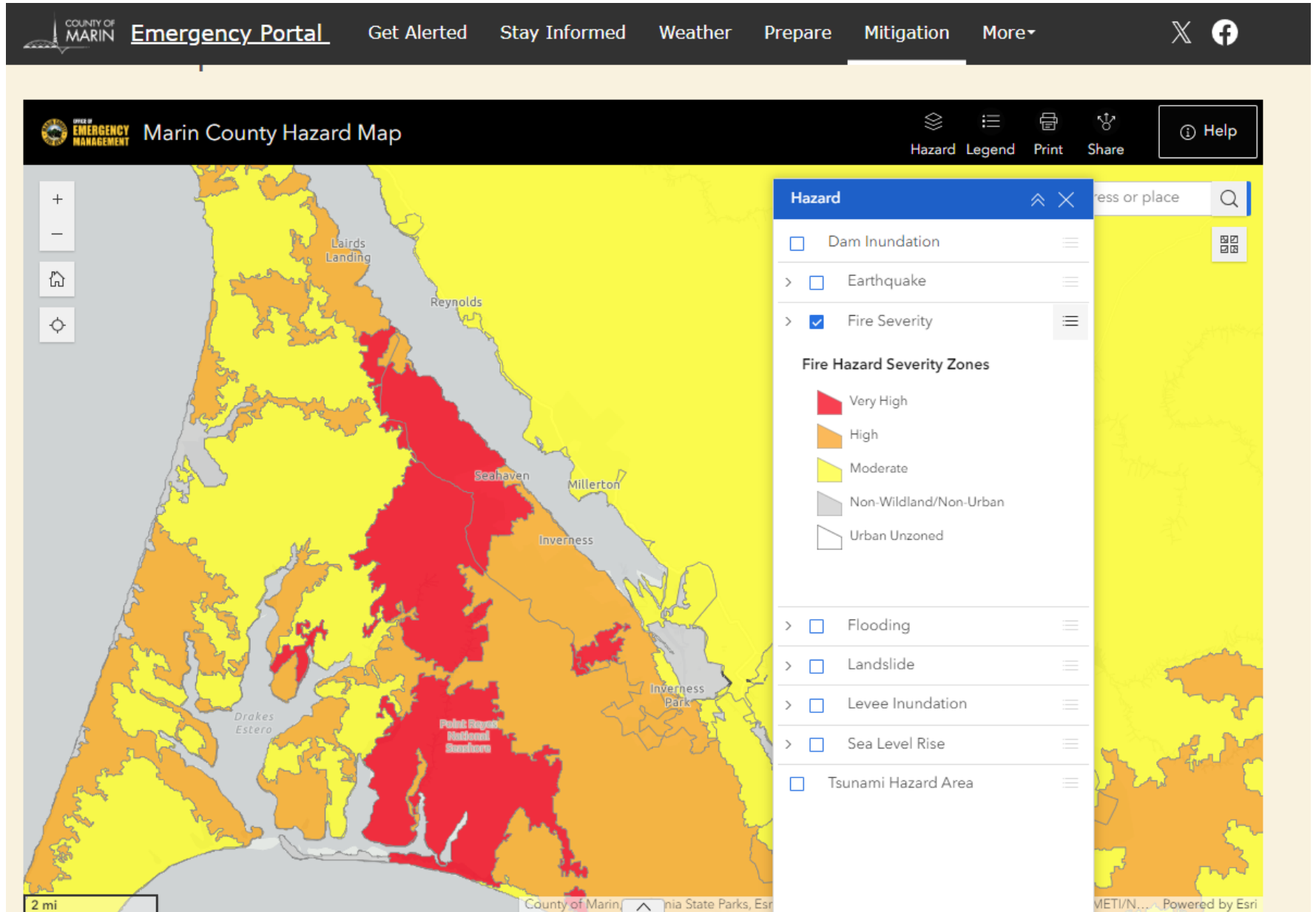
A review of the County OEM website, there are several cities and towns and two Special Districts that have proposed projects for the next 5 years. While each entity has projects specific to their services, geography and identified hazards, they have a uniform outline of the following hazards in no particular order:

- Community Alert & Warning Systems
- Emergency Operations Plan (EOP) Update
- Emergency Generators
- Debris Flow, Erosion, Landslide, Post-Fire Debris Flow
- Drought
- Earthquake
- Flooding
- Sea Level Rise
- Land Subsidence
- Severe Weather
- Wildfire

The attached pages display screenshots from the County OEM Hazard mapping tool, focusing on the Inverness area. These screenshots highlight **6 out of 8 listed hazards** identified by the County, along with their associated risk levels. Moving forward, staff will collaborate with County OEM staff to **identify specific hazards within the IPUD District** that have not already been recognized in either the County's 5-year plan or the Marin County Fire Wildfire plan. Additionally, any planned work through the District's association with the Marin Wildfire Prevention Authority (MWWPA) will be taken into consideration.



# Inverness Public Utility District Board Agenda Item Staff Report





# Inverness Public Utility District Board Agenda Item Staff Report



[Emergency Portal](#)

Mitigation

Get Alerted

Stay Informed

Weather

Prepare

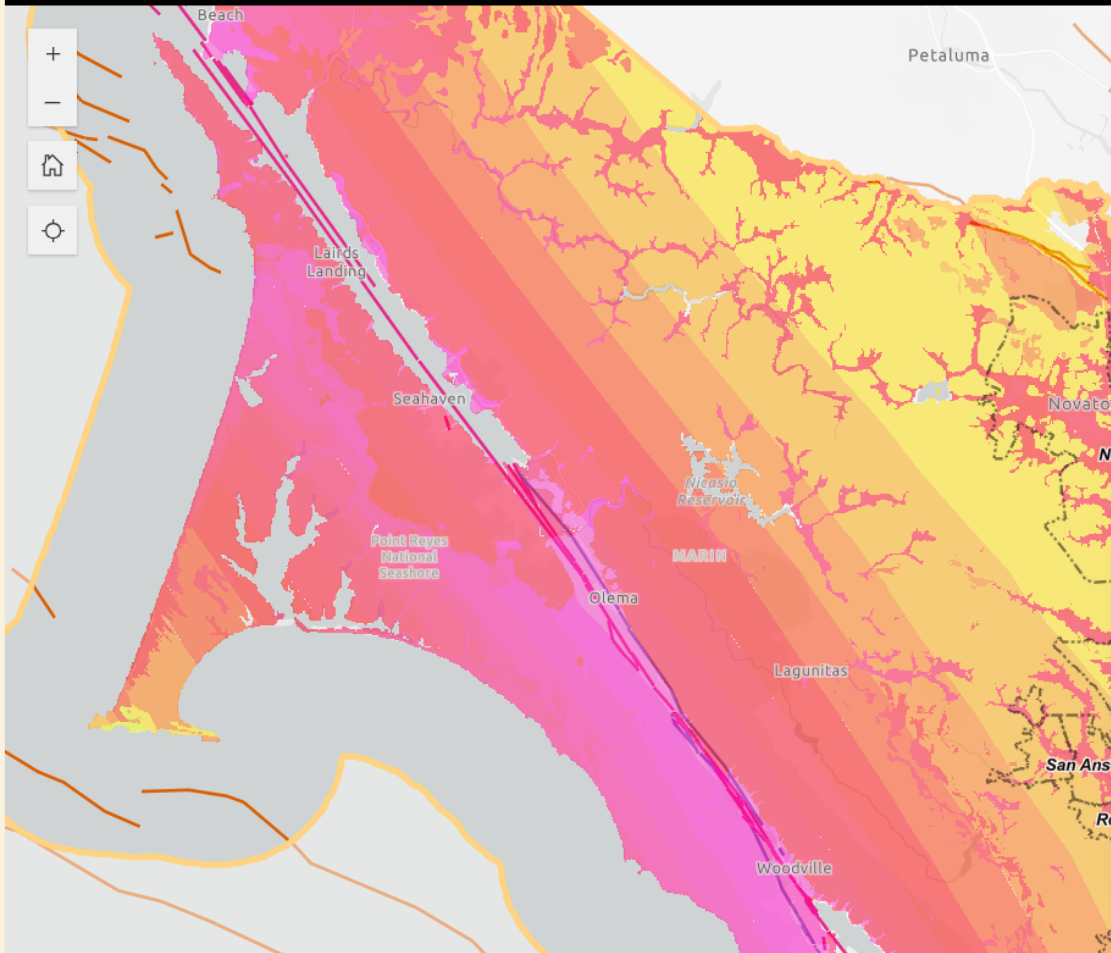
More ▾



## Marin County Hazard Map

Hazard Legend Print Share

Help



### Legend

Shaking Potential (CGS 2016) Marin

- 0.45
- 0.55
- 0.65
- 0.75
- 0.85
- 0.95
- 1.05
- 1.15
- 1.25
- 1.35
- 1.45
- 1.55
- 1.65
- 1.75
- 1.85
- 1.95

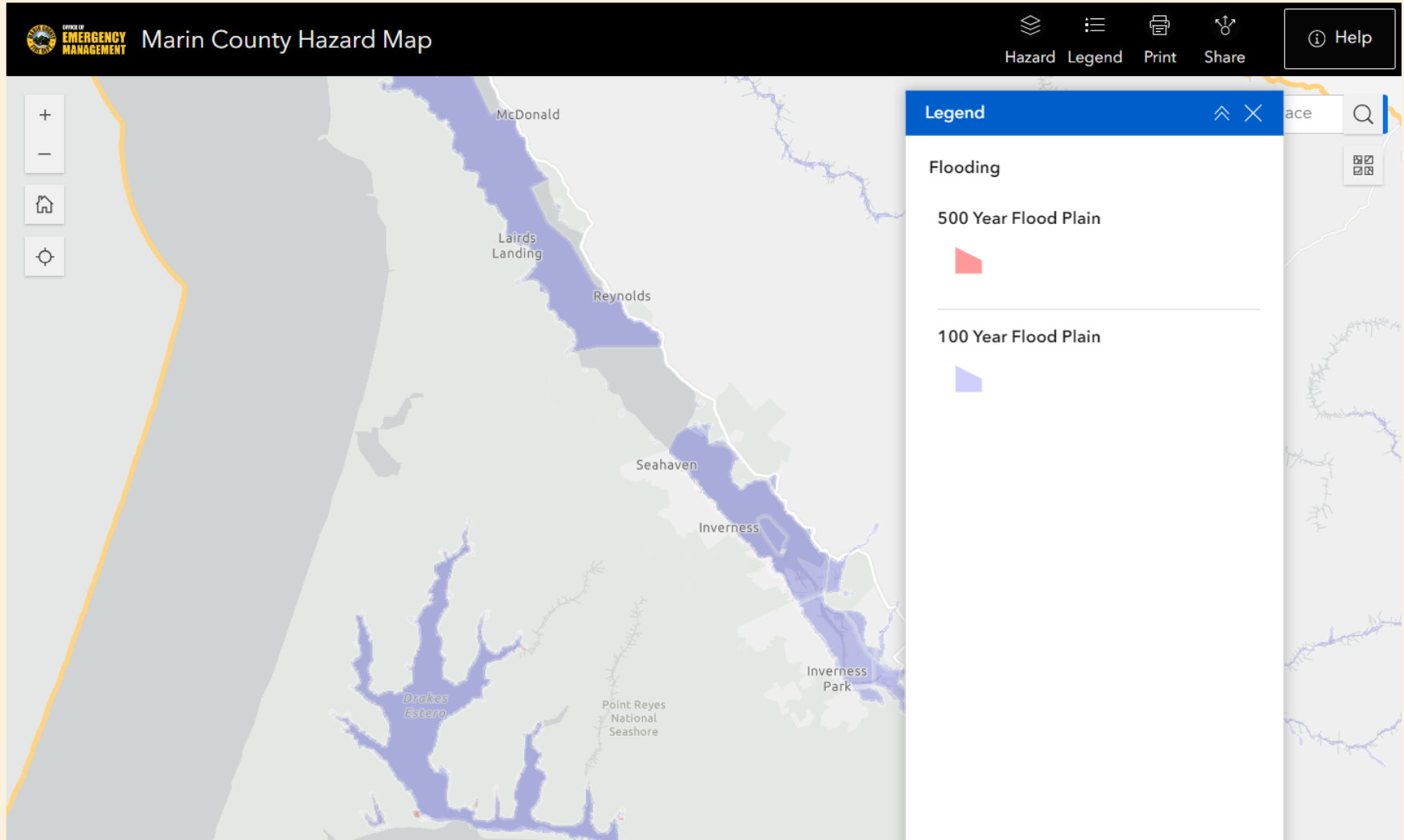
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Map navigation controls including a search icon and a full-screen icon.



# Inverness Public Utility District Board Agenda Item Staff Report

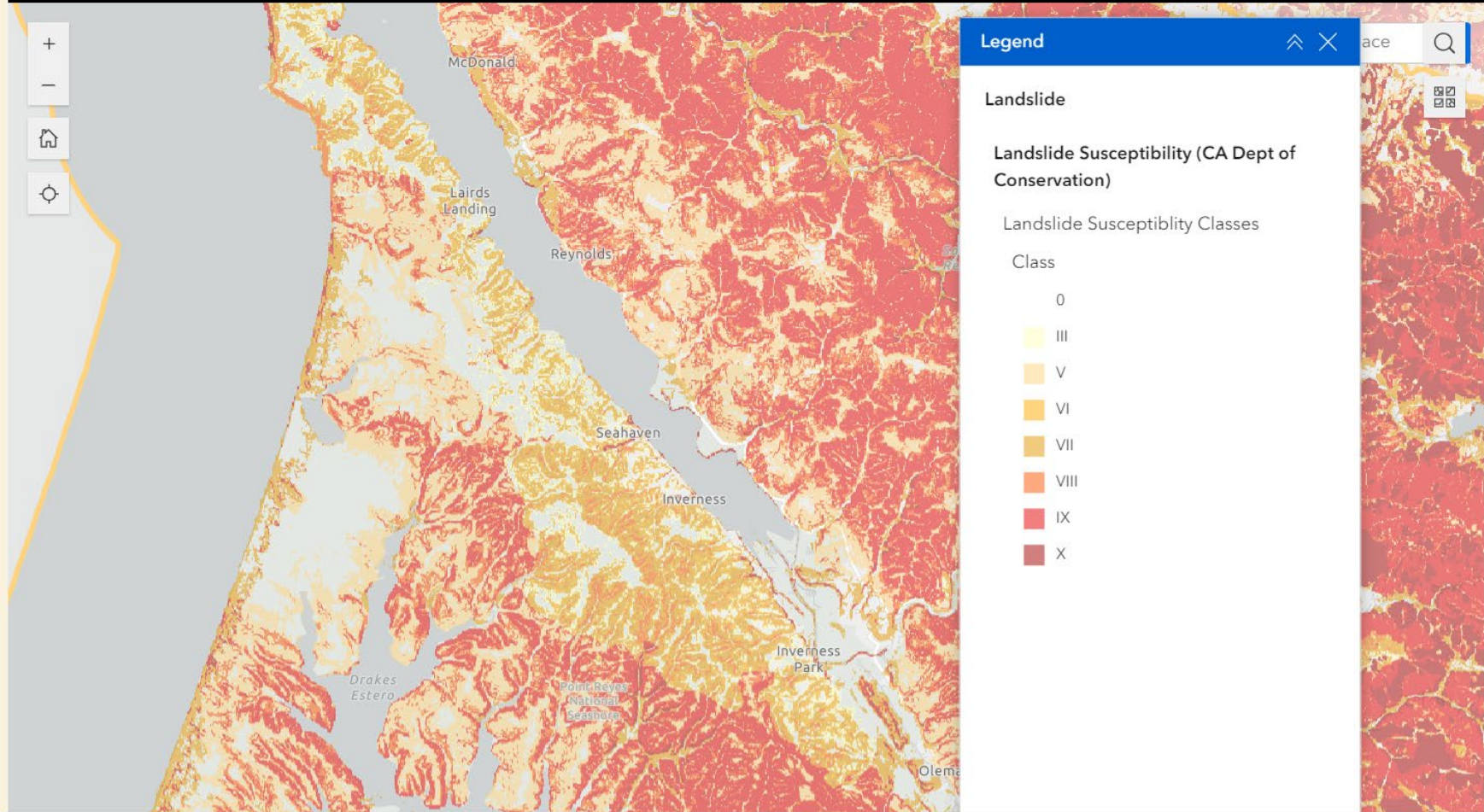
COUNTY OF MARIN [Emergency Portal](#) Mitigation Get Alerted Stay Informed Weather Prepare More ▾







# Inverness Public Utility District Board Agenda Item Staff Report







# Inverness Public Utility District Board Agenda Item Staff Report

COUNTY OF MARIN [Emergency Portal](#) Mitigation Get Alerted Stay Informed Weather Prepare More ▾

OFFICE OF EMERGENCY MANAGEMENT **Marin County Hazard Map** Hazard Legend Print Share Help





Inverness Public Utility District  
Board Meeting

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Agenda Item No. 5

**Water System Report**

# **Small Community Drought Relief Program**

## **Inverness Tank Replacement Project**

**Inverness Public Utility District**  
Agreement Number 460001565

**Quarterly Progress Report 1**  
**January 1, 2024 – March 31, 2024**

## Inverness Tank Replacement Project

### Project Description

The purpose of this project is to improve the ability of the water system to maintain sustainable water availability for both potable water and fire protection. This project will replace the remaining redwood water tanks of the water system in two locations and complete the goal of improving the storage needs of the District. The project comprises the installation of one bolted steel tank at the Colby site to replace the three 10,000-gallon redwood tanks and, at the Seahaven site, replace one 15,000-gallon redwood tank at the Seahaven site with a bolted steel tank. The tank designs will make every effort to at least maintain the storage capacity of the current tanks, if not increase them.

The project will be in the unincorporated community of Inverness, California. The Residents of this area have been requesting assistance to help improve the sustainability of the water system storage for both drinking water and fire suppression capabilities.

### Activity Performed

On January 12, 2024, District Staff executed the contract with Brelje & Race Consulting Engineers (BRE) to provide Engineering, Environmental and Project Management Services for the Colby/Seahaven Tank Replacement Project. Subsequently, a kick-off meeting was scheduled with the Senior Engineer and a Staff Engineer. After a brief meeting, General Manager Shelley Redding and Chief of Operations Jim Fox escorted the BRE staff to both tank sites for an initial viewing of each tank site. Brelje and Race Chief Engineer Brent Beazor took measurements, photographs and noted locations of piping, pumps and valves in preparation for design process.

#### ***Task 1 –Project Administration***

- Task 1.1: Chief of Operations performed reviews of the Topographic Maps, Tank Design options and initial drafts of site plans and comparisons with existing piping maps and easements with BRE Chief Engineer Beazor.
- Task 1.2: Chief of Operations reviewed invoices received from BRE for accuracy and completeness and approved payment.

*Deliverables: Executed contract with Brelje & Race Engineering including Project Cost Estimate for Engineering and Project Management.*

**Task 2 – CEQA Documenting and Permitting**

No work has been performed.

**Task 3 – Design and Contracting**

- Task 3.1: 01/25/2024: Tank site visits to review inlets, outlets, overflows, and tank bypass locations. Marking of limits for topographic surveys was also conducted.
- Task 3.2: 01/29/2024: Survey Crew conducted site surveys of both tank locations.
- Task 3.3: 02/09/2024 – 2/21/2024: Discussions about preliminary site plans, options for piping and pump stations and property easement review.
- Task 3.4: 2/26/2024: Topographic maps of both Colby Tank Site and Seahaven Tank site with initial layout plans for review.
- Task 3.5: 03/05 – 03/21/24: Discussions about tank capacities, site adjustments and existing piping locations

*Deliverables: Topographic Maps*

**Task 4 – Construction**

No work has been performed.

**Task 5 – Construction Management**

No work has been performed.

**General Provisions**

The first quarterly report for the first quarter of this year and an invoice for \$21,657.50 was prepared.

*Deliverables: Invoices*

### Project Cost

The total budget of this project is \$1,200,000 and the total invoiced amount during this reporting period is \$21,657.50. The project costs information is provided in Table 1.

The term of this funding agreement began on June 14, 2023, and expires on June 30, 2025

**Table 1. Project Costs as of March 31, 20XX**

Task	Description	Grant Amount, \$	Invoiced to date, \$	Amount Remaining, \$	Percent Invoiced to date
1	Task 1 Project Administration	15,000	0	15,000	0
2	Task 2 CEQA Documentation and Permitting	30,000	0	30,000	0
3	Task 3 Design and Contracting	135,000	21,657.50	114,342.50	17
4	Task 4 Construction	880,000	0	880,000	0
5	Task 5 Construction Management	140,000	0	140,000	0
<b>Total</b>		<b>1,200,000</b>	<b>21,657.50</b>	<b>1,178,342.50</b>	<b>1.82</b>

### Project Schedule

The project is anticipated to be completed on June 30, 2025

**Table 2. Project Schedule as of March 31, 2024**

Task	Description	Planned Completion Date	Actual Completion Date
1	Project Administration	06/30/2025	
2	CEQA Documentation and Permitting	12/31/2024	
3	Design and Contracting	12/31/2024	
4	Task 4 Construction	06/30/2025	
5	Construction Management	06/30/2025	

## Notes Re: Nano Schematic

### Overall comment

The existing screens on the Nano HMI are mostly correct, but do not show important reject and recycle tubes, roto-flow-meters, nor the manual valve flow adjustments, so you're right that there is something wrong in the existing HMI screen. (the HMI screens area sub-program(?) that I have been able to make changes to since it was installed) It would be nice to keep a similar look for the screens on the new system, especially for the totals screen. There are some screens that I would like to change but we can discuss all those at a later time.

In general, the Ultra units should designate output as "*filtrate*" and the Nano unit output as "*permeate*". The Ultra have an "air scrub" function. The Nano do not have scrub, only *permeate* or flow output, *flux*, *reject* and *recycle*. Please use these terms to describe Nano schematic.

There is no "scrub" (each chamber has 4 elements within it, and the permeate flows through and along every element)

It is important to keep the nomenclature for Ultra vs Nano units separate, as they have different functional and processing aspects, also, the industry has different names for them, and it will be better for operational delineation.

1. Everything *after* the Valbia valve can be considered either *reject or waste*. But, before the Valbia valve it is still considered *flux*, albeit diminished due to the extraction of the *permeate* and becomes either *reject* or *recycle*, one going to waste and the other returning to the initial influent stream.
  - The Valbia valve is open when unit starts up and the low pressure pump turns on, so nearly all the flow does go to waste in part to clear out the "sitting" water leftover on the external side of the membrane .
  - When the Valbia valve closes and HP VFD pump engages, the flux flow at the end (that hasn't permeated through the membrane) is shunted back into the influent stream (recycle flow), and a smaller amount (reject flow) is sent to waste, bypassing the Valbia valve and back into the waste-reject pipe . (both recycle and reject are controlled by manual valves and both have rotometers)
2. 'Residual flux flow' or 'Recycle flow' are a more correct term, and should be used hereafter. Only a small portion of the **recycle** flux goes to waste as reject, the rest is recycled as part of the influent flow that comprises the overall flux.
3. Eventually we will configure the 3 chambers with the lower 2 in parallel in same direction as the middle chamber, so that might be best to have the schematic reflect that so it doesn't have to change later. The output (permeate) will be the same side regardless.  
[ with that in mind, make the schematic have more room between the chambers and the recycle line, so there is room for proposed influent water (flux) line to enter the lower 2 chambers on the left side with flux going left to right in both ]

4. If easy, make the chambers on the schematic both shorter and fatter. The schematic can show the inside filled with light blue.
5. The flux goes along the outside spaces of the rolled membrane, during unit start-up, the Valbia valve (MBV-282 ) is open, with the low pressure pump on, for (...) seconds... Valbia then closes and the high pressure VFD controlled pump engages:
  - The reject flow should be shown as going from one side to the other side of the Valbia, with a *manual control valve* and roto flow-meter indicated.
  - The recycle flow also has a *manual control valve* and is measured with roto flow-meter. There is no output to the PIC on the recycle flow itself. Show the recycle as a light blue or speckled blue line
  - The output finished water “*permeate*” flows through a roto flow-meter as well. Plus, it has the paddle-wheel output to the PC/HMI and then combines with the output of the other Nano unit and onto the magflow plant overall effluent meter, which pulse-controls the chlorinator pump. The permeate line should be shown as dark blue going all the way through the chambers

Reiteration: Specific Notes on your schematic

1. Have the dark blue *permeate* lines go through the center of each chamber
2. Have light blue lines parallel or color chambers light-blue and indicate the flow direction as *flux*
3. Draw new line for *reject* that runs from the end flux side of the Valbia around to the waste pipe side of the Valbia and show a *manual flow-control valve* and rotoflow-meter
4. *Recycle* line needs to start on the upstream side of the Valbia valve, and show *manual control valve* and roto flow-meter. It doesn't have to be a particular color, so either keep it a light blue or perhaps a dirty or speckled light blue?
5. The *Break Tank P I L* shuts the Nano units if the water level gets too low, the PIL shuts the Nano units off. The sending echo-device at the top of the tank normally controls both the ultra *and* the nano units.
6. Note: There is also a level switch on the waste tank that shuts off the Ultra units if water level gets too high in that tank. It does not interact with the Nano units.

I will send you a photo of my edits I scribbled onto a B&W copy of your schematic. Perhaps it will help

Ken



# NANO Filtration Process & Controls Schematic

NANO "B" - 2/1/24

**Discrete IN:**

- DI1 - Emergency Stop E-STOPB
- DI2 - LP Pump Run Status
- DI3 - HP VFD Failure
- DI4 - LP Pump Enabled
- DI5 - HP Pump Enabled
- DI6 - Power Failure
- DI7 - Break Tank F

**Discrete OUT:**

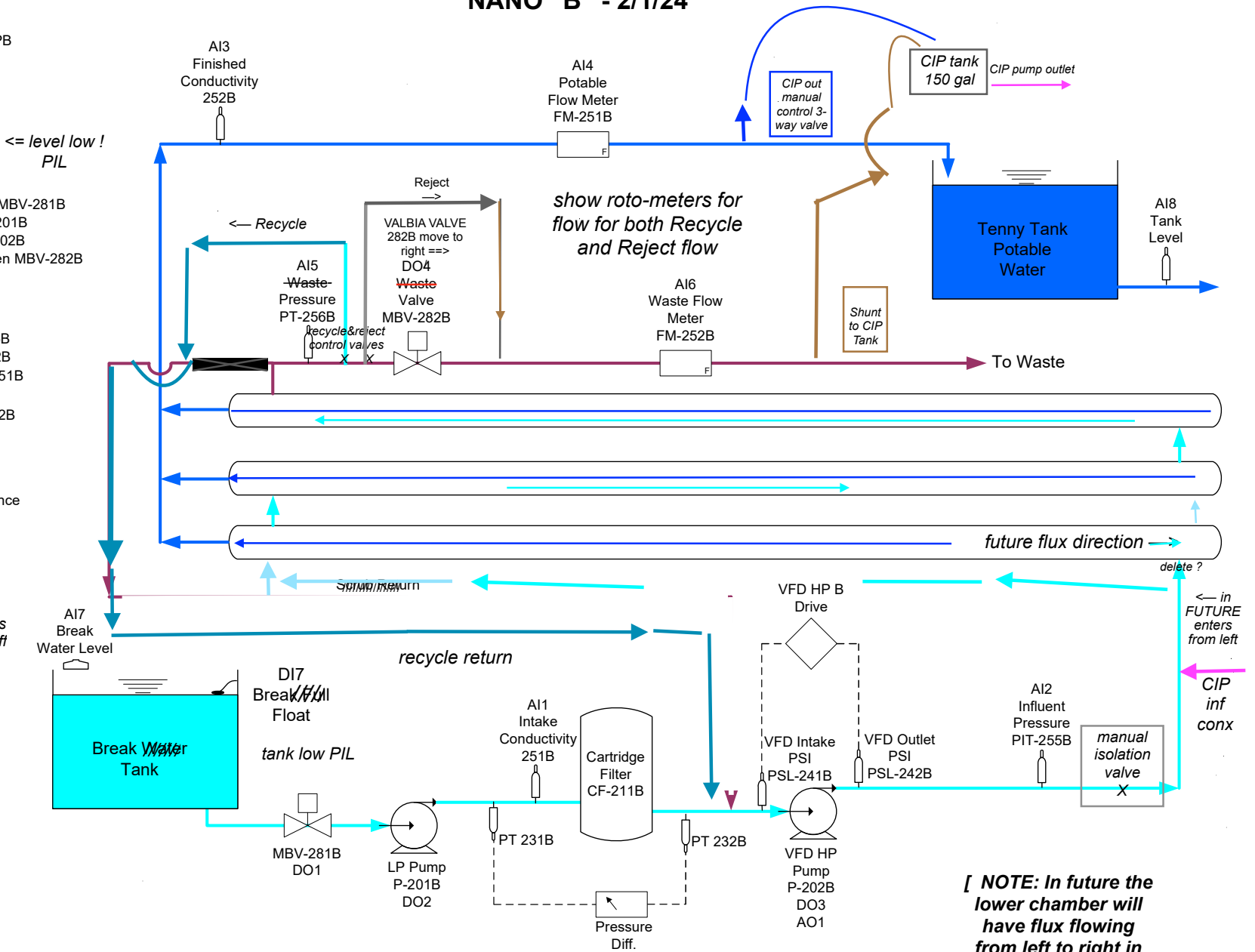
- DO1 - Intake Valve Call Open MBV-281B
- DO2 - LP Pump Call to Run P-201B
- DO3 - HP VFD Call to Run P-202B
- DO4 - Waste Valve Call to Open MBV-282B

**Analog IN:**

- AI1 - Intake Conductivity 251B
- AI2 - Influent Pressure PIT-255B
- AI3 - Finished Conductivity 252B
- AI4 - Potable Flow Meter FM-251B
- AI5 - Waste Pressure PT-256B
- AI6 - Waste Flow Meter FM-252B
- AI7 - Break Tank Level
- AI8 - Tenny Tank Level

**Analog OUT:**

- AO1 - HP VFD-B Speed Reference



**[ NOTE: In future the lower chamber will have flux flowing from left to right in parallel with middle chamber ]**

## Notes Re Ultra Schematic

1. Filter to waste does not go through Waste flow meter, is (unfortunately) un-metered. Don't show it as connecting to and going through the metered line
2. The "dump to waste" valve MBF 175 *is* waste going along the outside of the membranes, and *is* metered, and is also a first backwash metered to waste valve, as is MBF 174 a 2<sup>nd</sup> backwash metered to waste, so show the flow as going both ways or a side-concurrent brown line with the green influent going to the bottom of the filter.
3. The air lines, while physically entering the bottom of the chamber, are actually *outside* the membrane tubules, so maybe show them entering directly into the green raw water line at the bottom of the chambers. The air lines act as both an air-scrub with MBF 175 open *and as pressure decay test*. [ *Better yet, and probably easiest, show the light blue filtrate line going into the center of the chamber turning 90% and extending down into the chamber and terminating near the bottom ]*
4. The raw water enters from the bottom in filtration, but the 2<sup>nd</sup> backwash *exits* out the bottom Perhaps show 2-directions with the parallel brown line? →

Note: the manual backflush mode of the ARKAL screens is metered also, if the unit is running, or during a backwash, there is a flush or dump to waste followed by a filter to waste (unmetered)...but if the unit is enabled but not running, it just stops, and waits for the call to run and then dumps to waste & filters to waste.

Ken fox

# Ultra Filtration Process & Controls Schematic

## Ultra "B" - 2/1/24

**Discrete IN:**

- D11 - Backwash Pump Running P-100B
- D12 - BW Cl2 Injecting
- D13 - CEB#3 Caustic Injecting
- D14 - CEB#2 Cl2 Injecting
- D15 - Pre-Oxidant Dosing
- D16 - Emergency Stop E-STOPB
- D17 - Break Float Tank Full
- D18 - Power Failure
- D19 - Ultra A in BW - Lockout B BW

**Discrete OUT:**

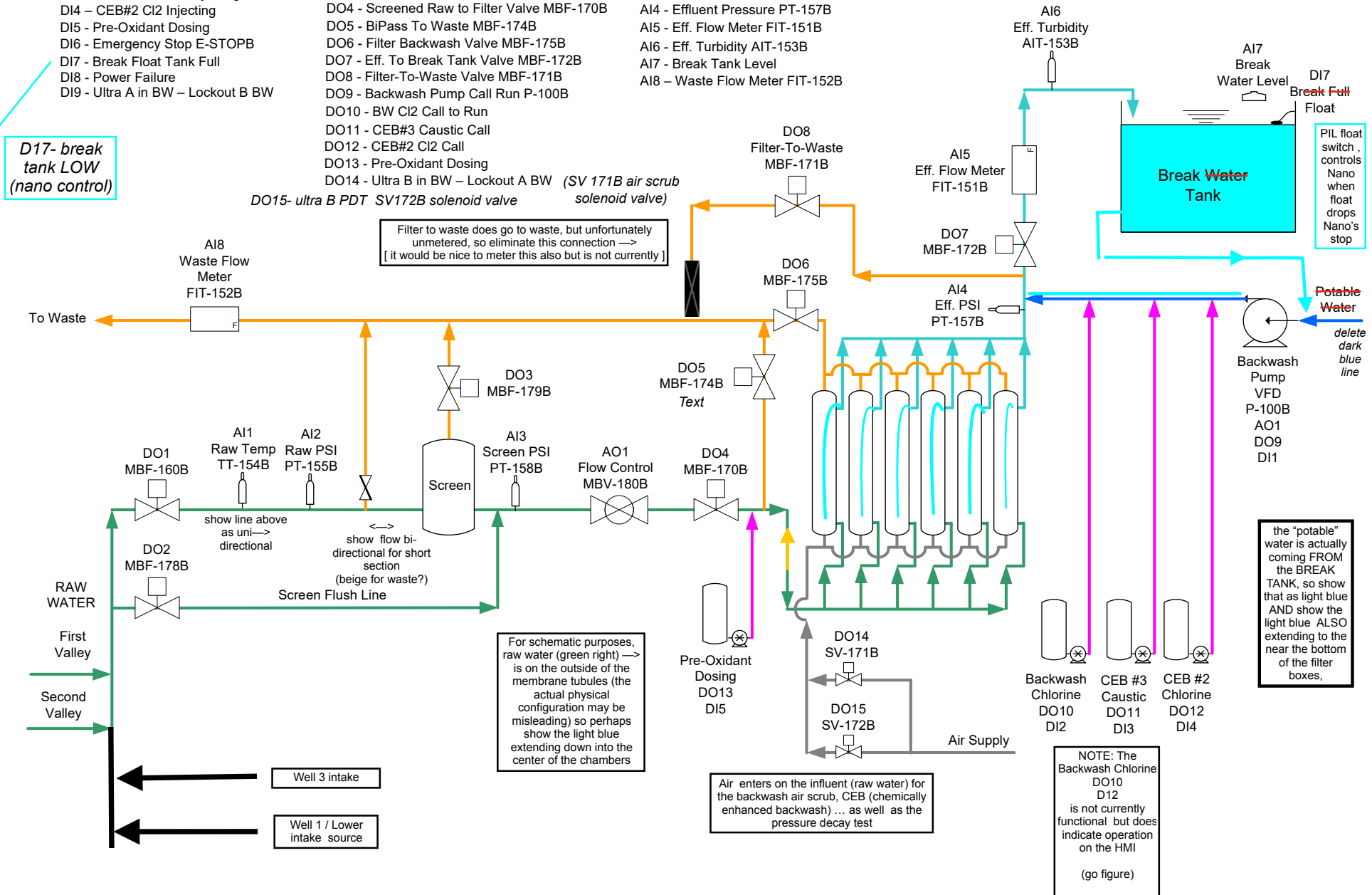
- DO1 - Raw Valve MBF-160B
- DO2 - Screen Flush Valve MBF-178B
- DO3 - Screen Waste Valve MBF-179B
- DO4 - Screened Raw to Filter Valve MBF-170B
- DO5 - BiPass To Waste MBF-174B
- DO6 - Filter Backwash Valve MBF-175B
- DO7 - Eff. To Break Tank Valve MBF-172B
- DO8 - Filter-To-Waste Valve MBF-171B
- DO9 - Backwash Pump Call Run P-100B
- DO10 - BW Cl2 Call to Run
- DO11 - CEB#3 Caustic Call
- DO12 - CEB#2 Cl2 Call
- DO13 - Pre-Oxidant Dosing
- DO14 - Ultra B in BW - Lockout A BW (SV 171B air scrub solenoid valve)

**Analog IN:**

- AI1 - Raw Temp TT-154B
- AI2 - Raw Pressure PT-155B
- AI3 - Screen Disc. Press PT-158B
- AI4 - Effluent Pressure PT-157B
- AI5 - Eff. Flow Meter FIT-151B
- AI6 - Eff. Turbidity AIT-153B
- AI7 - Break Tank Level
- AI8 - Waste Flow Meter FIT-152B

**Analog OUT:**

- AO1 - HP VFD-B Speed Reference
- AO2 - Backwash VFD Speed Reference P-100B



**D17- break tank LOW (nano control)**

**PIL float switch, controls Nano when float drops Nano's stop**

**delete dark blue line**

**the "potable" water is actually coming FROM the BREAK TANK, so show that as light blue AND show the light blue ALSO extending to the near the bottom of the filter boxes,**

**NOTE: The Backwash Chlorine DO10 D12 is not currently functional but does indicate operation on the HMI (go figure)**



Inverness Public Utility District  
Board Meeting

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Agenda Item No. 6  
**Fire Department Report**

# FIRE DEPARTMENT REPORT

March 2024 / April Board Meeting

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## Incidents

*Number Date*

- #24-027 3/9 **EMS** @ Argyle for marijuana overdose. No transport.  
*Attendance:* Brian Cassel, Jim Fox, Liam Riley, Tim Olson.
- #24-028 3/14 **EMS** @ Due West for ALOC.  
*Attendance:* Jim Fox, Ken Fox.
- #24-029 3/14 **Tree down** @ 12706 Sir Francis Drake Blvd. Slide involved. DPW cleared.  
*Attendance:* Jim Fox.
- #24-030 3/15 **EMS** @ Via de la Vista for a fall. M94 code 2 transport.  
*Attendance:* David Briggs, Jim Fox, Tom Fox.
- #24-031 3/21 **EMS** @ Pine Hill for a heart problem. M94 code 2 transport.  
*Attendance:* Brian Cassel, David Briggs, Greg Eastman, Jacob Leyva, Jim Fox, Tim Olson.
- #24-032 3/24 **Water rescue** @ Chicken Ranch Beach for exhausted kayaker. Self-rescued.  
*Attendance:* Brian Cassel, David Briggs, Greg Eastman, Jay Borodic, Jim Fox.
- #24-033 3/26 **Fire alarm** @ Inverness School. No merit.  
*Attendance:* Jim Fox.
- #24-034 3/28 **EMS** @ Callendar Way for abdominal pain. M94 code 2 transport.  
*Attendance:* David Briggs, Jacob Leyva, Jim Fox, Tom Fox.
- #24-035 3/30 **EMS** @ Pine Hill for a fall. M94 code 2 transport.  
*Attendance:* David Briggs, Greg Eastman, Cassidy Russell, Tom Fox, Jim Fox
- #24-036 3/31 **Vehicle accident** @ Levee Road. M94 transport for one patient.  
*Attendance:* Jim Fox, Brian Cassel

## Trainings

**March 10:** Joint drill with Point Reyes crew on pumping and hydrant hookup.

*Attendees:* Brian Cassel, Cassidy Russell, David Briggs, Dennis Holton, Greg Eastman, Jacob Leyva, Jim Fox, Ken Fox, Liam Riley, Tim Olson

**March 26:** Pumping to Siamese and hydrant hookup.

*Attendees:* David Wright, Brian Cassel, Jacob Leyva, Jay Borodic, Jim Fox, Greg Eastman, Tom Fox, Cassidy Russell, David Briggs

## Activities and Maintenance

1. NFIRS data preparation.
2. 381 pump repair.
3. Maintenance on engine 360.

4. Oxygen bottle maintenance.
5. EMS policy handbook.
6. West Marin chiefs meeting
7. UTV research and core project.
8. Donate old SCBAs.
9. Ball intake valve research and work.

## **Personnel**

Jim Fox, Ken Fox, Tom Fox, Burton Eubank, Brian Cassel, Tim Olson, Dennis Holton, David Briggs, David Wright, Nikki Spencer, Greg Eastman, Jay Borodic, Liam Riley, Jack von Thaer, Andrew Bock, Jacob Leyva, Cassidy Russell, Andrew Bock

**Jim Fox, Chief**

**Davis Briggs, Assistant Chief**

# MWPA MONTHLY REPORT

March 2024 / April Board Meeting

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## Local Core Projects

- Fiscal year 24/25 project submission for evacuation route work and equipment purchase of chipper.
- Vegetation maintenance activities in watershed on evacuation routes as needed.

## Defensible Space

- Fiscal year 24/25 project submission for defensible space inspections subcontracting. Inspection activity to resume in the warmer months.

## West Marin CORE Project Activity

- Fiscal year 24/25 core project for UTV to be kept in IPUD submitted.
- Maintenance of evacuation routes project submitted.
- Defensible space inspection project submitted.
- NPS project implementation project submitted.
- Prescribed fire planning project submitted.

## Meetings / Committees

- March 6: Advisory/Technical Committee meeting (Jim Fox voting member):
- March 14: Operation Committee meeting (David Briggs voting member):
  - Discussed JPA wide proposals.
    - MWPA operational costs, vegetation management specialists, fire road assessment, environmental compliance, grant program, chipper day, Fire Safe Marin
  - Discussed Core budget.
    - Budget for West Marin after JPA wide projects are paid for is \$300k.



Inverness Public Utility District  
Board Meeting

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## Agenda Item No. 7

### **Review and Approve Expenditures**



1:03 PM

04/06/24

## Inverness Public Utility District Check Detail March 2024

Type	Num	Date	Name	Account	Paid Amount
Check		03/14/2024		1-103 · Bank of America 4809	
				66100 · Water Autopay Bank Clearing	-52,036.45
TOTAL					-52,036.45
Bill Pmt -Check	EFT	03/01/2024	Truist Bank	1-103 · Bank of America 4809	
Bill	0107	03/01/2024		870-12 · Billing & Collections	-0.78
TOTAL					-0.78
Bill Pmt -Check	EFT	03/01/2024	Inverness Properties	1-103 · Bank of America 4809	
Bill	Marc...	03/01/2024		870-15 · Admin. Office Rent	-1,200.00
TOTAL					-1,200.00
Bill Pmt -Check	EFT	03/04/2024	CalPERS Health	1-103 · Bank of America 4809	
Bill		03/10/2024		810-07 · Health Insurance	-4,843.38
				810-07 · Health Insurance	-2,906.03
				810-07 · Health Insurance	-31.38
				810-08 · Retiree Health Ins.	-268.62
				810-08 · Retiree Health Ins.	-2,106.53
				412 · Health Insurance Payable	-1,285.08
				412 · Health Insurance Payable	-771.05
TOTAL					-12,212.07
Bill Pmt -Check	EFT	03/04/2024	U. S. Bank Bancorp Purchasing Car...	1-103 · Bank of America 4809	
Bill		02/22/2024		CalCard xx0239 David Briggs	-160.20
Bill		02/22/2024		CalCard xx7757 S. Redding	-2,452.10
Bill		03/01/2024		CalCard xx6591 Jim Fox	-972.74
TOTAL					-3,585.04
Bill Pmt -Check	EFT	03/05/2024	CalPERS Retirement	1-103 · Bank of America 4809	
Bill		03/05/2024		810-10 · Retirement Premiums	-2,247.37
				810-10 · Retirement Premiums	-1,987.67
				810-10 · Retirement Premiums	-1,170.46
				810-10 · Retirement Premiums	-884.19
				810-10 · Retirement Premiums	-1,748.98
TOTAL					-8,038.67
Bill Pmt -Check	EFT	03/08/2024	Diversified Tech	1-103 · Bank of America 4809	
Bill	Marc...	03/08/2024		870-12 · Billing & Collections	-726.00
TOTAL					-726.00
Bill Pmt -Check	EFT	03/15/2024	Innovative Business Solutions	1-103 · Bank of America 4809	
Bill	1869...	03/15/2024		870-06 · Banking & Payroll Charges	-90.30
TOTAL					-90.30

1:03 PM

04/06/24

**Inverness Public Utility District**  
**Check Detail**  
 March 2024

Type	Num	Date	Name	Account	Paid Amount
<b>Bill Pmt -Check</b>	<b>EFT</b>	<b>03/21/2024</b>	<b>Verizon Wireless</b>	<b>1-103 · Bank of America 4809</b>	
Bill	9958...	03/01/2024		870-01 · Telephone & Internet	-40.01
TOTAL					-40.01
<b>Bill Pmt -Check</b>	<b>EFT</b>	<b>03/28/2024</b>	<b>CalPERS Retirement</b>	<b>1-103 · Bank of America 4809</b>	
Bill		03/28/2024		810-10 · Retirement Premiums	-2,247.37
				810-10 · Retirement Premiums	-1,868.64
				810-10 · Retirement Premiums	-1,170.46
				810-10 · Retirement Premiums	-884.19
				810-10 · Retirement Premiums	-1,651.92
TOTAL					-7,822.58
<b>Bill Pmt -Check</b>	<b>EFT</b>	<b>03/28/2024</b>	<b>PG&amp;E</b>	<b>1-103 · Bank of America 4809</b>	
Bill		03/25/2024		840-07 · Collection/Treat Utilities	-2,619.93
				840-07 · Collection/Treat Utilities	-10.53
				840-08 · Distribution Utilities	-332.48
				840-10 · Admin Office Utilities	-97.56
				840-09 · Firehouse Utilities	-228.36
TOTAL					-3,288.86
<b>Bill Pmt -Check</b>	<b>EFT</b>	<b>03/29/2024</b>	<b>Innovative Business Solutions</b>	<b>1-103 · Bank of America 4809</b>	
Bill	1878...	03/29/2024		870-06 · Banking & Payroll Charges	-91.50
TOTAL					-91.50
<b>Bill Pmt -Check</b>	<b>14504</b>	<b>03/26/2024</b>	<b>Brelje &amp; Race Engineering</b>	<b>1-104 · Bank of America 0150</b>	
Bill	0028...	03/15/2024		1371-35 · Colby & Seahaven Tank Improve	-8,350.00
				1371-35 · Colby & Seahaven Tank Improve	-5,505.00
TOTAL					-13,855.00
<b>Bill Pmt -Check</b>	<b>60335</b>	<b>03/04/2024</b>	<b>E&amp;M Electric Machinery Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	4372...	02/23/2024		870-02 · Dues/Publications/Subscriptions	-156.25
				146 - Other Prepays	-218.75
TOTAL					-375.00
<b>Bill Pmt -Check</b>	<b>60336</b>	<b>03/04/2024</b>	<b>FasTrack</b>	<b>1-103 · Bank of America 4809</b>	
Bill	I712...	02/20/2024		870-09 · Travel, Meetings, Training	-7.00
TOTAL					-7.00
<b>Bill Pmt -Check</b>	<b>60337</b>	<b>03/04/2024</b>	<b>Horizon Cable TV Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill		02/26/2024		870-01 · Telephone & Internet	-90.04
TOTAL					-90.04

1:03 PM

04/06/24

**Inverness Public Utility District**  
**Check Detail**  
 March 2024

Type	Num	Date	Name	Account	Paid Amount
<b>Bill Pmt -Check</b>	<b>60338</b>	<b>03/04/2024</b>	<b>Transbay Lock, Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	89899	02/22/2024		850-01 · Supplies & Inventory	-219.43
TOTAL					-219.43
<b>Check</b>	<b>60339</b>	<b>03/04/2024</b>	<b>Mary Curtis - C</b>	<b>1-103 · Bank of America 4809</b>	
			Mary Curtis - C	130.1 · Customer Refunds	-40.69
TOTAL					-40.69
<b>Bill Pmt -Check</b>	<b>60340</b>	<b>03/04/2024</b>	<b>Cassidy Russell</b>	<b>1-103 · Bank of America 4809</b>	
Bill	0301...	03/01/2024		840-01 · Equipment Maintenance	-209.98
TOTAL					-209.98
<b>Bill Pmt -Check</b>	<b>60341</b>	<b>03/11/2024</b>	<b>Actuarial Retirement Consulting</b>	<b>1-103 · Bank of America 4809</b>	
Bill	1721	03/01/2024		870-04 · Audit & Financial	-500.00
TOTAL					-500.00
<b>Bill Pmt -Check</b>	<b>60342</b>	<b>03/11/2024</b>	<b>Brelje &amp; Race Laboratories, Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	1543...	03/05/2024		835-01 · BacT & Raw Samples	-289.00
TOTAL					-289.00
<b>Bill Pmt -Check</b>	<b>60343</b>	<b>03/11/2024</b>	<b>Building Supply &amp; Hardware</b>	<b>1-103 · Bank of America 4809</b>	
Bill	1490...	02/28/2024		850-01 · Supplies & Inventory	-25.97
Bill	1495...	02/28/2024		850-01 · Supplies & Inventory	-195.58
				850-01 · Supplies & Inventory	-195.58
TOTAL					-417.13
<b>Bill Pmt -Check</b>	<b>60344</b>	<b>03/11/2024</b>	<b>Cheda's Garage</b>	<b>1-103 · Bank of America 4809</b>	
Bill		01/31/2024		860-02 · Vehicle Repairs & Service	-1,556.86
TOTAL					-1,556.86
<b>Bill Pmt -Check</b>	<b>60345</b>	<b>03/11/2024</b>	<b>DeCarli's</b>	<b>1-103 · Bank of America 4809</b>	
Bill	7602...	02/24/2024		840-09 · Firehouse Utilities	-606.99
TOTAL					-606.99
<b>Bill Pmt -Check</b>	<b>60346</b>	<b>03/11/2024</b>	<b>Emergency Medical Products, Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	2620...	02/23/2024		850-01 · Supplies & Inventory	-332.88
TOTAL					-332.88
<b>Bill Pmt -Check</b>	<b>60347</b>	<b>03/11/2024</b>	<b>Fire Safety Supply, Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	1838	02/27/2024		840-01 · Equipment Maintenance	-223.50
TOTAL					-223.50

**Inverness Public Utility District**  
**Check Detail**  
 March 2024

Type	Num	Date	Name	Account	Paid Amount
<b>Bill Pmt -Check</b>	<b>60348</b>	<b>03/11/2024</b>	<b>Good &amp; Clean</b>	<b>1-103 · Bank of America 4809</b>	
Bill	70261	03/01/2024		840-02 · Building Maintenance	-278.00
				840-02 · Building Maintenance	-200.00
TOTAL					-478.00
<b>Bill Pmt -Check</b>	<b>60349</b>	<b>03/11/2024</b>	<b>Horizon Cable TV Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill		02/27/2024		870-01 · Telephone & Internet	-105.04
TOTAL					-105.04
<b>Bill Pmt -Check</b>	<b>60350</b>	<b>03/11/2024</b>	<b>Jacob Leyva</b>	<b>1-103 · Bank of America 4809</b>	
Bill		03/07/2024		841-02 · Certification & Courses	-125.00
TOTAL					-125.00
<b>Bill Pmt -Check</b>	<b>60351</b>	<b>03/11/2024</b>	<b>Kerry Lemos Electric</b>	<b>1-103 · Bank of America 4809</b>	
Bill	162	03/04/2024		840-11 · SCADA Maintenance	-770.00
TOTAL					-770.00
<b>Bill Pmt -Check</b>	<b>60352</b>	<b>03/11/2024</b>	<b>West Marin Storage</b>	<b>1-103 · Bank of America 4809</b>	
Bill	8531	02/01/2024		870-14 · Miscellaneous	-347.60
				146 - Other Prepays	-486.64
TOTAL					-834.24
<b>Bill Pmt -Check</b>	<b>60353</b>	<b>03/11/2024</b>	<b>McPhail Fuel Company</b>	<b>1-103 · Bank of America 4809</b>	
Bill	U108...	02/07/2024		840-07 · Collection/Treat Utilities	-1,578.83
Bill	I024...	02/14/2024		840-10 · Admin Office Utilities	-36.43
TOTAL					-1,615.26
<b>Bill Pmt -Check</b>	<b>60354</b>	<b>03/11/2024</b>	<b>Hi-Tech EVS, Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	1782...	02/28/2024		860-02 · Vehicle Repairs & Service	-404.29
TOTAL					-404.29
<b>Bill Pmt -Check</b>	<b>60355</b>	<b>03/11/2024</b>	<b>Riley F. Hurd III</b>	<b>1-103 · Bank of America 4809</b>	
Bill	2381...	03/11/2024		870-07 · Legal & Attorneys	-160.00
TOTAL					-160.00
<b>Check</b>	<b>60356</b>	<b>03/18/2024</b>	<b>Pam Kroner</b>	<b>1-103 · Bank of America 4809</b>	
				840-03 · Grounds Maintenance	-60.70
TOTAL					-60.70

1:03 PM

04/06/24

**Inverness Public Utility District**  
**Check Detail**  
 March 2024

Type	Num	Date	Name	Account	Paid Amount
<b>Bill Pmt -Check</b>	<b>60357</b>	<b>03/18/2024</b>	<b>AT&amp;T Mobility</b>	<b>1-103 · Bank of America 4809</b>	
Bill		03/21/2024		870-01 · Telephone & Internet	-45.45
				870-01 · Telephone & Internet	-150.27
				810-01 · Management Wages	-45.45
<b>TOTAL</b>					<b>-241.17</b>
<b>Bill Pmt -Check</b>	<b>60358</b>	<b>03/18/2024</b>	<b>CORE Utilities, Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	42687	03/11/2024		870-11 · Office IT Support	-180.00
				840-11 · SCADA Maintenance	-900.00
<b>TOTAL</b>					<b>-1,080.00</b>
<b>Bill Pmt -Check</b>	<b>60359</b>	<b>03/18/2024</b>	<b>Harrington Industrial Plastics LLC</b>	<b>1-103 · Bank of America 4809</b>	
Bill	006O...	03/12/2024		850-01 · Supplies & Inventory	-668.21
<b>TOTAL</b>					<b>-668.21</b>
<b>Bill Pmt -Check</b>	<b>60360</b>	<b>03/18/2024</b>	<b>Marin County Tax Collector</b>	<b>1-103 · Bank of America 4809</b>	
Bill	01-2...	02/27/2024		860-01 · Vehicle Oil & Gas	-744.90
				860-01 · Vehicle Oil & Gas	-494.60
<b>TOTAL</b>					<b>-1,239.50</b>
<b>Bill Pmt -Check</b>	<b>60361</b>	<b>03/18/2024</b>	<b>McPhail Fuel Company</b>	<b>1-103 · Bank of America 4809</b>	
Bill	1024...	03/12/2024		840-10 · Admin Office Utilities	-37.12
<b>TOTAL</b>					<b>-37.12</b>
<b>Bill Pmt -Check</b>	<b>60362</b>	<b>03/18/2024</b>	<b>Pamela Kroner</b>	<b>1-103 · Bank of America 4809</b>	
Bill		03/15/2024		840-03 · Grounds Maintenance	-300.00
<b>TOTAL</b>					<b>-300.00</b>
<b>Bill Pmt -Check</b>	<b>60363</b>	<b>03/18/2024</b>	<b>Quill LLC</b>	<b>1-103 · Bank of America 4809</b>	
Bill	3743...	02/27/2024		870-05 · Office Supplies	-156.17
<b>TOTAL</b>					<b>-156.17</b>
<b>Bill Pmt -Check</b>	<b>60364</b>	<b>03/18/2024</b>	<b>State Water Resources Control Board</b>	<b>1-103 · Bank of America 4809</b>	
<b>TOTAL</b>					<b>0.00</b>
<b>Bill Pmt -Check</b>	<b>60365</b>	<b>03/18/2024</b>	<b>Lunny Grading &amp; Paving</b>	<b>1-103 · Bank of America 4809</b>	
Bill	14362	03/13/2024		1-430 · Customer Deposits	-5,088.04
<b>TOTAL</b>					<b>-5,088.04</b>

**Inverness Public Utility District**  
**Check Detail**  
 March 2024

Type	Num	Date	Name	Account	Paid Amount
<b>Bill Pmt -Check</b>	<b>60366</b>	<b>03/18/2024</b>	<b>Emergency Medical Products, Inc.</b>	<b>1-103 · Bank of America 4809</b>	
Bill	2616...	02/09/2024		850-01 · Supplies & Inventory	-409.13
Bill	2620...	03/06/2024		850-01 · Supplies & Inventory	-47.94
TOTAL					-457.07
<b>Bill Pmt -Check</b>	<b>60367</b>	<b>03/18/2024</b>	<b>Ferguson Enterprises LLC #3325</b>	<b>1-103 · Bank of America 4809</b>	
Bill	WP0...	02/01/2024		850-01 · Supplies & Inventory	-189.41
TOTAL					-189.41
<b>Bill Pmt -Check</b>	<b>60368</b>	<b>03/18/2024</b>	<b>State Water Resources Control Boar...</b>	<b>1-103 · Bank of America 4809</b>	
Bill	2110...	03/11/2024		460 · Other Liabilities	-25,494.01
TOTAL					-25,494.01
<b>Bill Pmt -Check</b>	<b>60369</b>	<b>03/29/2024</b>	<b>Alpha Analytical Laboratories, Inc,</b>	<b>1-103 · Bank of America 4809</b>	
Bill	4037...	03/28/2024		835-02 · Periodic Samples	-378.00
TOTAL					-378.00
<b>Bill Pmt -Check</b>	<b>60370</b>	<b>03/29/2024</b>	<b>American Water Works Assn.</b>	<b>1-103 · Bank of America 4809</b>	
Bill		03/29/2024		870-02 · Dues/Publications/Subscriptions	-41.75
				146 - Other Prepays	-459.25
TOTAL					-501.00
<b>Bill Pmt -Check</b>	<b>60371</b>	<b>03/29/2024</b>	<b>Good &amp; Clean</b>	<b>1-103 · Bank of America 4809</b>	
Bill	70471	03/27/2024		840-02 · Building Maintenance	-278.00
				840-02 · Building Maintenance	-200.00
TOTAL					-478.00
<b>Bill Pmt -Check</b>	<b>60372</b>	<b>03/29/2024</b>	<b>Point Reyes Light Publishing Co LC</b>	<b>1-103 · Bank of America 4809</b>	
Bill		03/28/2024		870-10 · Public Relations/Publications	-7.92
				146 - Other Prepays	-87.08
TOTAL					-95.00

## Inverness Public Utility District CalCard Credit Card Report February 23 through March 22, 2024

Type	Date	Num	Name	Memo	Account	Class	Clr	Split	Amount	Balance
<b>2670 · US Bank Cal Card</b>										
<b>CalCard xx0239 David Briggs</b>										
Credit Card Ch...	02/27/2024	0227...	Inverness Store	Volunteer Drill/Training Supplies	CalCard xx0239 ...		X	843-01 · Volunteer Appreciation	23.66	23.66
Bill	03/22/2024		U. S. Bank Bancorp Purc...		CalCard xx0239 ...			20000 · Accounts Payable	-23.66	0.00
Total CalCard xx0239 David Briggs									0.00	0.00
<b>CalCard xx6591 Jim Fox</b>										
Credit Card Ch...	02/29/2024		B.W.S. Distributors, Inc.	Small Tools	CalCard xx6591 ...		X	850-01 · Supplies & Inventory	326.51	326.51
Credit Card Ch...	02/29/2024		Larsengines	Chainsaw Parts	CalCard xx6591 ...		X	840-01 · Equipment Maintenance	30.00	356.51
Credit Card Ch...	03/01/2024		Amazon Marketplace	Small Tools	CalCard xx6591 ...		X	850-01 · Supplies & Inventory	36.70	393.21
Credit Card Ch...	03/01/2024		Amazon Marketplace	New telephone console for fireho...	CalCard xx6591 ...		X	850-01 · Supplies & Inventory	154.40	547.61
Credit Card Ch...	03/13/2024		Adobe	Monthly Adobe Sibscription J Fox	CalCard xx6591 ...		X	870-02 · Dues/Publications/Subscriptions	29.99	577.60
Credit Card Ch...	03/14/2024		Savelives	Oxygen dust face masks	CalCard xx6591 ...		X	850-01 · Supplies & Inventory	23.95	601.55
Credit Card Ch...	03/15/2024		SawAgain	Chainsaw front chainbrake guard	CalCard xx6591 ...		X	850-01 · Supplies & Inventory	43.83	645.38
Credit Card Ch...	03/20/2024		Inverness Store	Training Supplies	CalCard xx6591 ...		X	843-01 · Volunteer Appreciation	22.56	667.94
Bill	03/20/2024		U. S. Bank Bancorp Purc...		CalCard xx6591 ...			20000 · Accounts Payable	-667.94	0.00
Total CalCard xx6591 Jim Fox									0.00	0.00
<b>CalCard xx7757 S. Redding</b>										
Credit Card Ch...	02/29/2024	0229...	Inverness Park Market	Staff Working Meeting/Safety Tra...	CalCard xx7757 ...		X	870-14 · Miscellaneous	104.69	104.69
Credit Card Ch...	03/04/2024	0304...	Costco Wholesale	Volunteer Drill/Training Supplies	CalCard xx7757 ...		X	843-01 · Volunteer Appreciation	29.97	134.66
Bill	03/22/2024		U. S. Bank Bancorp Purc...		CalCard xx7757 ...			20000 · Accounts Payable	-134.66	0.00
Total CalCard xx7757 S. Redding									0.00	0.00
Total 2670 · US Bank Cal Card									0.00	0.00
<b>TOTAL</b>									<b>0.00</b>	<b>0.00</b>



Inverness Public Utility District (IPUD)  
P.O. Box 469  
Inverness, CA 94937  
United States

# Payroll Recap & Funding

## Payroll Overview

Payroll	Regular 03/15/2024
	Regular 03/29/2024
	Reconciliation 03/31/2024
Pay Date(s)	03/15/2024-03/31/2024
# Employees	19
# Paid Employees	19
# Regular	19
# Pay Periods	2

## Recap - Continued

<b>Cash Requirements: xxxxxxxx4809</b>	<b>\$ Amount</b>
Billing	181.80
Dir. Dep.	36,664.45
Tax Payment	13,877.31
Empl. Checks	273.75
<b>Total</b>	<b>50,997.31</b>

## Employee Payments

	#	EE's	\$ Amount
Checks	1	1	273.75
Direct Deposits Debited	24	9	36,664.45D
<b>Total</b>			<b>36,938.20</b>
(D) Innovative Business Solutions, Inc. Admin Debit			<b>-36,664.45</b>
Your Remaining Bank Account Liability			<b>273.75</b>
Vouchers Printed	0		
Vouchers Suppressed	0		

## General Ledger Summary

	Debit/Exp.	Credit/Liab.
Earning	49,260.50	
ER Deduction	15,600.00	
ER Tax (Offset)	3,611.13	
Workers Comp Carrier DR	1,663.50	
Invoice	181.80	
Check		181.80
Workers Comp Carrier CR		1,663.50
Deduction		2,056.12
ER Tax		3,611.13
Tax		10,266.18
ER Deduction (Offset)		15,600.00
Direct Deposit		36,664.45
	<b>70,316.93</b>	<b>70,316.93</b>

## Taxes

	EIN	EE's	\$ Amount
FIT/EE	94-2641226	6	4,622.19D
FICA/ER	94-2641226	10	2,926.68D
FICA/EE	94-2641226	10	2,926.68D
MED/ER	94-2641226	10	684.45D
MED/EE	94-2641226	10	684.45D
SIT:CA/EE	925-0219-4	5	1,513.60D
SDI:CA/EE	925-0219-4	10	519.26D
<b>Total</b>			<b>13,877.31</b>
(D) Innovative Business Solutions, Inc. Admin Debit			<b>-13,877.31</b>
Your Remaining Tax Liability			<b>0.00</b>

## Vendor Liabilities

No Data

## Billing

Invoice Total	<b>181.80</b>
Innovative Business Solutions, Inc. Admin Debit	<b>-181.80</b>
Amount Due	<b>0.00</b>

## Total

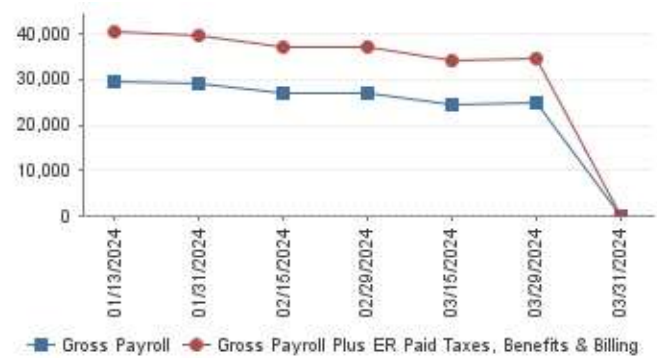
Total	<b>50,997.31</b>
Innovative Business Solutions, Inc. Admin Debit	<b>-50,723.56</b>
Total of Your Responsibility	<b>273.75</b>

## Recap

Innovative Business Solt	Bank Account #	\$ Amount
Billing	xxxxxxx4809	181.80
Dir. Dep.	xxxxxxx4809	36,664.45
Tax Payment	xxxxxxx4809	13,877.31
<b>Total Debits</b>		<b>50,723.56</b>

--More--

## Rolling 12 Month Payroll View



Grouped By: None  
Sorted By: None  
Filtered By: None

Innovative Business Solutions  
P: (707)586-4300, F: (877)586-4  
innovative.notification@SaaS  
Inverness Public Utility District



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Inverness Public Utility District  
Board Meeting

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## Agenda Item No. 8

Approve FY 2022-2023 Audited Financial  
Report and Management Report



## **Board Agenda Item Staff Report**

**Subject:** Fiscal year 2022-2023 Financial Audit  
**Meeting Date:** April 16, 2024  
**Date Prepared:** April 10, 2024  
**Prepared by:** Kaaren Gann, Bookkeeper; Shelley Redding, General Manager

**Attachments:** Nigro & Nigro, PC 2022-2023 Board Presentation Document, Audited Financial Statements, and Independent Auditor Governance Letter for the Inverness Public Utility District.

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**Recommended Action:** Approve the Audited Financial Statements and the Independent Auditor Governance Letter as presented.

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### **BACKGROUND:**

Accounting for the District's financial activities is governed by the Governmental Accounting Standards Board (GASB). A few years ago, GASB recognized that a change in financial reporting was necessary. This stemmed from a growing concern that some financial statement users were unclear about the distinctions between reserved fund balances and restricted net assets. As a result of this determination, GASB now requires those entities that are affected by this reporting to report its activities in a different way. Consequently, the District changed over to a new method of financial reporting, as reflected in the audited Financial Statements and Independent Auditor's Report for the Fiscal Year Ending June 30, 2023.

### **DISCUSSION:**

IPUD's Governmental fund combines District and Fire Department activities. This fund tracks and records revenue and expenses that affect regular governmental operations. District revenue from property taxes and interest go into this fund. Fire Department revenues are marked as special fire tax assessment revenue, revenue from joint participation agreements, and grants. Only assets expected to be used up and liabilities that come due during the year or soon thereafter are recorded. No capital assets are included in Governmental funds. A Balance Sheet and a Statement of Revenues, Expenditures & Changes to Fund Balances are used to disclose Governmental fund activities.

The Water System is operated as a business and uses a Proprietary fund which records revenues from water charges, receipts from customer work, and interest. All assets and liabilities, both short- and long-term, are stated and capital assets are included. A Statement of Net Position, Statues of Revenues, Expenses & Changes in Net Position, and Statement of Cash Flows are used to disclose Proprietary fund activities.

During the 2022/2023 fiscal year, IPUD used the new accounting software, Black Mountain Software (BMS). Unfortunately, the available reports in the BMS Accounting system did not meet the needs of the Auditor and required extensive account reconciliations due to complications with the integrated payroll component and the subsequent calculation issues that arose from a processing error.

Contained in the audited June 30, 2023, financial statement is the Management Discussion and Analysis (MD&A). The MD&A presents financial highlights about the District's net position, the total revenues, and total expenses.

## **FINANCIAL IMPACT:**

The financial position of the Inverness Public Utility District as of June 30, 2023, can be summarized as follows:

- **Net Position:** The District's net position increased by 7.63% or \$211,627 from the previous year, reaching a total of \$2,986,700. This increase indicates an improvement in the District's financial position.
- **Revenues:** Total program and general revenues increased by 5.26% or \$80,092 from the previous year, primarily due to a \$61,629 increase in governmental general revenues.
- **Expenses:** Total expenses for the District's operations increased by 9.80% or \$124,143 from the previous year, primarily due to a \$184,661 increase in governmental operations expenses.
- **Governmental Funds:** The District's governmental funds reported a total fund balance of \$3,101,142, with an unassigned fund balance of \$3,083,824 available for future expenditures.
- **Assets:** The District had total assets of \$4,904,359, including current assets of \$2,339,711 and non-current assets of \$2,564,648.
- **Liabilities:** The District had total liabilities of \$1,740,502, including current liabilities of \$46,215 and non-current liabilities of \$1,694,287.
- **Capital Assets:** The District's total net investment in capital assets amounted to \$1,960,420 at the end of the fiscal year.
- **Long-Term Debt:** The District had a long-term debt balance of \$604,228 at the end of the fiscal year.
- **Other Information:** The District operates one banking account for all funds, has a liability for compensated absences of \$44,103, and a net OPEB liability of \$557,502. The District participates in the CalPERS pension plan, the MERA joint venture, and the SDRMA risk management program.

Overall, the Inverness Public Utility District has shown improvement in its financial position, with increased net position and revenues. The District has a positive fund balance, manageable long-term debt, and participates in various programs for pension, joint venture, and risk management. These factors indicate a stable financial position for the District.

## **RECOMMENDATION:**

Staff have reviewed the Presentation Document, the Financial Report Document, and the Governance Letter. Staff concurs with Financial Audit Report and the Governance Letter conclusions. Staff recommends the approval of the 2022-2023 Financial Audit Report and the Independent Auditor Governance Letter.

**INVERNESS PUBLIC UTILITY DISTRICT**  
**Presentation to the Board of Directors**  
**For the Fiscal Year Ended**  
**June 30, 2023**

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



## SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

## OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

## AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension and OPEB expenses, as well as, Lease revenues and expenses.
- Required disclosures are properly reflected in the Annual Financial Statements.

### AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

**No Material Issues Arose to be Reported to the Governing Board/Management**

**Any Minor Issues Were Discussed Orally and Corrected by Management**

### How Do We Make You Better?

**Best Practice Solutions Were Conveyed to Management – That's the Audit ROI**

**Inverness Public Utility District – Governmental Funds**

**Dashboard – Audited Financial Statements**

**June 30, 2023 vs 2022**

<b>Revenues &amp; Expenses</b>	<b>2023</b>	<b>2022</b>	<b>Variance</b>
<b>Operating Revenues:</b>			
Grant revenues	\$ 170,435	\$ 222,472	\$ (52,037)
<b>Non-Operating Revenues:</b>			
Property taxes 4.8%	752,988	718,473	34,515
Investment earnings	41,795	312	41,483
Other revenues	2,029	7,527	(5,498)
<b>Total Revenues</b>	<b>967,247</b>	<b>948,784</b>	<b>70,500</b>
<b>Operating Expenses:</b>			
Public safety – public safety	641,737	463,180	178,557
<b>Operating expenses before depr.</b>	<b>641,737</b>	<b>463,180</b>	<b>178,557</b>
Depreciation expense	11,327	5,223	6,104
<b>Total Expenses</b>	<b>653,064</b>	<b>468,403</b>	<b>184,661</b>
<b>Change in Revenues &amp; Expenses</b>	<b>\$ 314,183</b>	<b>\$ 480,381</b>	<b>\$ (114,161)</b>
<b>Capital Outlay:</b>			
<b>Capital Asset Additions</b>	<b>\$ (9,632)</b>	<b>\$ (23,448)</b>	<b>\$ 13,816</b>
<b>Depreciation Expense</b>	<b>11,327</b>	<b>5,223</b>	<b>6,104</b>
<b>Change in Capital Expense</b>	<b>\$ 1,695</b>	<b>\$ (18,225)</b>	<b>\$ 19,920</b>
<b>Cash &amp; Investments</b>	<b>\$ 2,245,449</b>	<b>\$ 1,797,114</b>	<b>\$ 448,335</b>
<b>Quick Summary:</b>			
<b>Change in Revenues &amp; Expenses</b>	<b>\$ 314,183</b>		
<b>Change in Capital Expense</b>	<b>1,695</b>	Use of cash	
<b>Change in Internal Balances</b>	<b>151,171</b>	Use of cash	
<b>Change in Comp Abs</b>	<b>2,006</b>	Change in cash	
<b>Change in Pension &amp; OPEB Expense</b>	<b>(42,115)</b>	Change in cash	
<b>Change in Cash &amp; Investments</b>	<b>\$ 426,940</b>	<b>Approximately</b>	<b>\$ (21,395)</b>
<b>Investment Earnings to Portfolio</b>	<b>2.07%</b>		

**Inverness Public Utility District – Enterprise Funds**

**Dashboard – Audited Financial Statements**

**June 30, 2023 vs 2022**

<b>Revenues &amp; Expenses</b>	<b>2023</b>	<b>2022</b>	<b>Variance</b>
<b>Operating Revenues:</b>			
Water consumption sales	\$ 624,498	\$ 560,821	\$ 63,677
Other charges for services	10,649	9,094	1,555
<b>Non-Operating Revenues:</b>			<b>65,232</b>
Other revenue	-	3,603	(3,603)
<b>Total Revenues</b>	<b>635,147</b>	<b>573,518</b>	<b>61,629</b>
<b>Operating Expenses:</b>			
Water – Operations	602,678	700,951	(98,273)
<b>Operating expenses before depr.</b>	<b>602,678</b>	<b>700,951</b>	<b>(98,273)</b>
Depreciation expense	126,186	95,587	30,599
<b>Total Operating Expenses</b>	<b>728,864</b>	<b>796,538</b>	<b>(67,674)</b>
<b>Non-Operating Expenses:</b>			
Interest expense	8,839	1,683	7,156
<b>Total Expenses</b>	<b>737,703</b>	<b>798,221</b>	<b>(60,518)</b>
<b>Change in Revenues &amp; Expenses</b>	\$ <b>(102,556)</b>	\$ <b>(224,703)</b>	\$ <b>122,147</b>
<b>Capital Outlay:</b>			
<b>Capital Asset Additions</b>	\$ -	\$ (531,393)	\$ 531,393
<b>Depreciation Expense</b>	126,186	95,587	30,599
<b>Change in Capital Expense</b>	\$ 126,186	\$ (435,806)	\$ 561,992
<b>Debt Service:</b>			
<b>Principal (Paid) Issued</b>	\$ (18,065)	\$ 383,297	\$ (401,362)
<b>Cash &amp; Investments</b>	\$ (790,270)	\$ (941,441)	\$ 151,171
<b>Quick Summary:</b>			
<b>Change in Revenues &amp; Expenses</b>	\$ (102,556)		
<b>Change in Capital Expense</b>	126,186	Use of cash	
<b>Debt Service – Principal Paid</b>	(18,065)	Use of cash	
<b>Change in Internal Balance</b>	151,171	Use of cash	
<b>Change in Cash &amp; Investments</b>	\$ 156,736	<b>Approximately</b>	\$ 5,565

**INVERNESS PUBLIC UTILITY DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
June 30, 2023**

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



**INVERNESS PUBLIC UTILITY DISTRICT**  
*For the Fiscal Year Ended June 30, 2023*  
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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, 2023, 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, 2023, 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 March 1, 2024, 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  
March 1, 2024

## **INVERNESS PUBLIC UTILITY DISTRICT**

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

*For the Fiscal Year Ended June 30, 2023*

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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, 2023. 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 7.63%, or \$211,627 from the prior year's net position of \$2,775,073 to \$2,986,700.
- Total program and general revenues increased by 5.26% or \$80,092 from \$1,522,302 to \$1,602,394, from the prior year primary due to the \$61,629 increase in governmental general revenues.
- Total expenses for the District's operations increased by 9.80% or \$124,143 from \$1,266,624 to \$1,390,767, from the prior year, primarily due to the \$184,661 increase in governmental 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*.

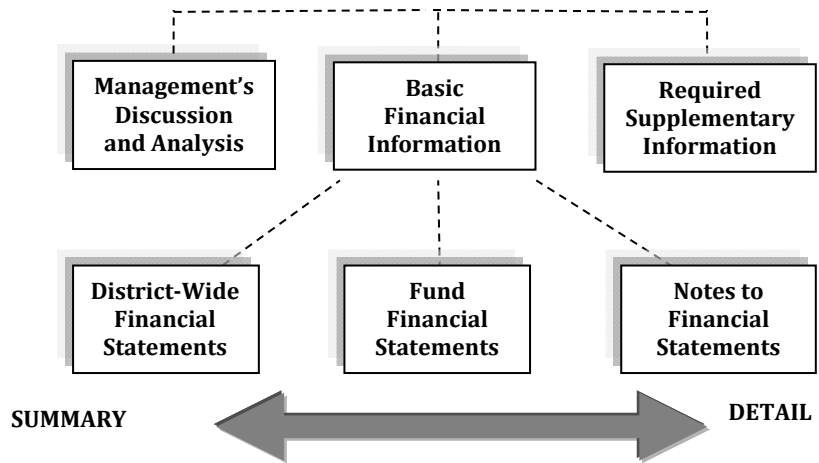
**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2023*

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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, 2023*

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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, 2023*

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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, 2023*

**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, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>ASSETS:</b>						
Current assets	\$ 3,108,903	\$ 2,835,770	\$ (769,192)	\$ (680,733)	\$ 2,339,711	\$ 2,155,037
Capital assets, net	25,503	27,198	2,539,145	2,665,331	2,564,648	2,692,529
<b>Total assets</b>	<b>3,134,406</b>	<b>2,862,968</b>	<b>1,769,953</b>	<b>1,984,598</b>	<b>4,904,359</b>	<b>4,847,566</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>150,094</b>	<b>104,752</b>	<b>350,219</b>	<b>244,421</b>	<b>500,313</b>	<b>349,173</b>
<b>LIABILITIES:</b>						
Current liabilities	16,420	18,053	29,795	23,804	46,215	41,857
Non-current liabilities	329,061	394,870	1,365,226	1,540,938	1,694,287	1,935,808
<b>Total liabilities</b>	<b>345,481</b>	<b>412,923</b>	<b>1,395,021</b>	<b>1,564,742</b>	<b>1,740,502</b>	<b>1,977,665</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>203,241</b>	<b>133,202</b>	<b>474,229</b>	<b>310,799</b>	<b>677,470</b>	<b>444,001</b>
<b>NET POSITION</b>						
Net investment in capital assets	25,503	27,198	1,934,917	2,665,331	1,960,420	2,692,529
Unrestricted	2,710,275	2,394,397	(1,683,995)	(2,311,853)	1,026,280	82,544
<b>Total net position</b>	<b>\$ 2,735,778</b>	<b>\$ 2,421,595</b>	<b>\$ 250,922</b>	<b>\$ 353,478</b>	<b>\$ 2,986,700</b>	<b>\$ 2,775,073</b>

At the end of fiscal year 2023, the District shows a positive balance in its unrestricted net position of \$1,026,280.

**Analysis of Revenues and Expenses**

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

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>REVENUES:</b>						
Program revenues	\$ -	\$ -	\$ 635,147	\$ 569,915	\$ 635,147	\$ 569,915
General revenues	967,247	948,784	-	3,603	967,247	952,387
<b>Total revenues</b>	<b>967,247</b>	<b>948,784</b>	<b>635,147</b>	<b>573,518</b>	<b>1,602,394</b>	<b>1,522,302</b>
<b>EXPENSES:</b>						
Operations	641,737	463,180	602,678	700,951	1,244,415	1,164,131
Depreciation expense	11,327	5,223	126,186	95,587	137,513	100,810
Interest expense	-	-	8,839	1,683	8,839	1,683
<b>Total expenses</b>	<b>653,064</b>	<b>468,403</b>	<b>737,703</b>	<b>798,221</b>	<b>1,390,767</b>	<b>1,266,624</b>
<b>Change in net position</b>	<b>314,183</b>	<b>480,381</b>	<b>(102,556)</b>	<b>(224,703)</b>	<b>211,627</b>	<b>255,678</b>
<b>NET POSITION:</b>						
Beginning of year	2,421,595	1,941,214	353,478	578,181	2,775,073	2,519,395
End of year	\$ 2,735,778	\$ 2,421,595	\$ 250,922	\$ 353,478	\$ 2,986,700	\$ 2,775,073

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2023*

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

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

The District's net position increased 7.63%, or \$211,627 from the prior year's net position of \$2,775,073 to \$2,986,700.

Total program and general revenues increased by 5.26% or \$80,092 from \$1,522,302 to \$1,602,394, from the prior year primary due to the \$61,629 increase in governmental general revenues.

Total expenses for the District's operations increased by 9.80% or \$124,143 from \$1,266,624 to \$1,390,767, from the prior year, primarily due to the \$184,661 increase in governmental 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, 2023, the District reported a total fund balance of \$3,101,142. The amount of \$3,083,824 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 \$40,225 less than actual. The variance was due to actual public safety expenses being \$30,593 more than budgeted. Actual revenues were less than the anticipated budget by \$66,249.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2023*

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**CAPITAL ASSET ADMINISTRATION**

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

	<u>Balance June 30, 2023</u>	<u>Balance June 30, 2022</u>
Non-depreciable capital assets	\$ 66,320	\$ 66,320
Depreciable capital assets	<u>5,890,496</u>	<u>5,880,864</u>
Total capital assets	5,956,816	5,947,184
Accumulated depreciation	<u>(3,392,168)</u>	<u>(3,254,655)</u>
Total capital assets, net	<u>\$ 2,564,648</u>	<u>\$ 2,692,529</u>

At the end of fiscal year 2023, the District's investment in capital assets amounted to \$2,564,648 (net of accumulated depreciation). This investment in capital assets includes structures, improvements, and equipment. Major capital asset additions during the year totaling \$9,632.

See Note 4 for further information on the District's capital assets.

**DEBT ADMINISTRATION**

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

	<u>Balance June 30, 2023</u>	<u>Balance June 30, 2022</u>
Long-term debt	<u>\$ 604,228</u>	<u>\$ 622,293</u>

At the end of fiscal year 2023, the District had deletions to its long-term debt by \$18,065. See Note 6 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, 2023*

<u>ASSETS</u>	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Current assets:</b>			
Cash and cash equivalents (Note 2)	\$ 2,245,449	\$ -	\$ 2,245,449
Accrued interest receivable	11,308	-	11,308
Accounts receivable – services	-	17,951	17,951
Accounts receivable – other	56,023	-	56,023
Internal balances (Note 3)	790,270	(790,270)	-
Prepays	5,853	3,127	8,980
<b>Total current assets</b>	<b>3,108,903</b>	<b>(769,192)</b>	<b>2,339,711</b>
<b>Non-current assets:</b>			
Capital assets – not being depreciated (Note 4)	-	66,320	66,320
Capital assets – being depreciated, net (Note 4)	25,503	2,472,825	2,498,328
<b>Total non-current assets</b>	<b>25,503</b>	<b>2,539,145</b>	<b>2,564,648</b>
<b>Total assets</b>	<b>3,134,406</b>	<b>1,769,953</b>	<b>4,904,359</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
OPEB related deferred outflows of resources (Note 7)	63,962	149,244	213,206
Pension related deferred outflows of resources (Note 8)	86,132	200,975	287,107
<b>Total deferred outflows of resources</b>	<b>150,094</b>	<b>350,219</b>	<b>500,313</b>
<b><u>LIABILITIES</u></b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	7,761	11,493	19,254
Customer deposits and unearned revenue	-	3,500	3,500
Accrued interest payable	-	1,410	1,410
Compensated absences (Note 5)	8,659	13,392	22,051
<b>Total current liabilities</b>	<b>16,420</b>	<b>29,795</b>	<b>46,215</b>
<b>Non-current liabilities:</b>			
Compensated absences (Note 5)	8,659	13,393	22,052
Loan payable - State revolving fund (Note 6)	-	604,228	604,228
Net OPEB obligation (Note 7)	167,251	390,251	557,502
Net pension liability (Note 8)	153,151	357,354	510,505
<b>Total non-current liabilities</b>	<b>329,061</b>	<b>1,365,226</b>	<b>1,694,287</b>
<b>Total liabilities</b>	<b>345,481</b>	<b>1,395,021</b>	<b>1,740,502</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
OPEB related deferred inflows of resources (Note 7)	194,440	453,692	648,132
Pension related deferred inflows of resources (Note 8)	8,801	20,537	29,338
<b>Total deferred inflows of resources</b>	<b>203,241</b>	<b>474,229</b>	<b>677,470</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets (Note 9)	25,503	1,934,917	1,960,420
Unrestricted (Deficit)	2,710,275	(1,683,995)	1,026,280
<b>Total net position</b>	<b>\$ 2,735,778</b>	<b>\$ 250,922</b>	<b>\$ 2,986,700</b>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2023*

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Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital and Operating Grants
<b>Primary government:</b>			
<b>Governmental activities:</b>			
Public safety - fire services	\$ 653,064	\$ -	\$ 170,435
<b>Total governmental activities</b>	<u>653,064</u>	<u>-</u>	<u>170,435</u>
<b>Business-type activities:</b>			
Water	736,293	633,737	-
<b>Total business-type activities</b>	<u>736,293</u>	<u>633,737</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 1,389,357</u>	<u>\$ 633,737</u>	<u>\$ 170,435</u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Statement of Activities (continued)*  
*For the Fiscal Year Ended June 30, 2023*

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	\$ (482,629)	\$ -	\$ (482,629)
<b>Total governmental activities</b>	<b>(482,629)</b>	<b>-</b>	<b>(482,629)</b>
<b>Business-type activities:</b>			
Water	-	(102,556)	(102,556)
<b>Total business-type activities</b>	<b>-</b>	<b>(102,556)</b>	<b>(102,556)</b>
<b>Total primary government</b>	<b>(482,629)</b>	<b>(102,556)</b>	<b>(585,185)</b>
<b>General revenues and transfers:</b>			
Property taxes	752,988	-	752,988
Investment earnings	41,795	-	41,795
Other revenues	2,029	-	2,029
<b>Total general revenues and transfers</b>	<b>796,812</b>	<b>-</b>	<b>796,812</b>
<b>Change in net position</b>	<b>314,183</b>	<b>(102,556)</b>	<b>211,627</b>
<b>Net position:</b>			
Beginning of year	2,421,595	353,478	2,775,073
End of year	\$ 2,735,778	\$ 250,922	\$ 2,986,700

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Balance Sheet – Governmental Funds*  
*June 30, 2023*

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<u>Assets</u>	<u>Public Safety</u>
<b>Assets:</b>	
Cash and investments	\$ 2,245,449
Accrued interest receivable	11,308
Accounts receivable – other	56,023
Due from other funds	790,270
Prepays	<u>5,853</u>
<b>Total assets</b>	<b><u>\$ 3,108,903</u></b>
<b><u>Liabilities and Fund Balance</u></b>	
<b>Liabilities:</b>	
Accounts payable and accrued expenses	<u>\$ 7,761</u>
<b>Total liabilities</b>	<b><u>7,761</u></b>
<b>Fund balance: (Note 9)</b>	
Assigned	17,318
Unassigned	<u>3,083,824</u>
<b>Total fund balance</b>	<b><u>3,101,142</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 3,108,903</u></b>



## INVERNESS PUBLIC UTILITY DISTRICT

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2023

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<b>Total Fund Balances – Total Governmental Funds</b>	<u>\$ 3,101,142</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.	25,503
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.	150,094
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	(17,318)
Net pension liability	(153,151)
Net other post-employment benefits obligations	(167,251)
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>(203,241)</u>
Total adjustments	<u>(365,364)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 2,735,778</u></u>

**INVERNESS PUBLIC UTILITY DISTRICT***Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2023*

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	<u>Public Safety</u>
<b>Revenues:</b>	
Property taxes	\$ 752,988
Capital and operating grant revenue	170,435
Investment earnings	41,795
Other revenues	2,029
<b>Total revenues</b>	<u>967,247</u>
<b>Expenditures:</b>	
Current:	
Public safety – fire services	681,846
Capital outlay	9,632
<b>Total expenditures</b>	<u>691,478</u>
<b>Revenues over(under) expenditures</b>	<u>275,769</u>
<b>Change in fund balance</b>	275,769
<b>Fund balance:</b>	
Beginning of year	<u>2,825,373</u>
End of year	<u>\$ 3,101,142</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, 2023*

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<b>Net Changes in Fund Balance - Total Governmental Funds</b>	<u>\$ 275,769</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	(2,006)
Change in net pension liability	5,691
Change in other post-employment benefits obligations	36,424
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	9,632
Depreciation expense	<u>(11,327)</u>
<b>Total adjustments</b>	<u>38,414</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 314,183</u></u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Balance Sheets – Proprietary Funds*  
*June 30, 2023*

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<u>ASSETS</u>	<u>Water Operations</u>
<b>Current assets:</b>	
Accounts receivable – services, net	\$ 17,951
Accounts receivable – other	-
Internal balances	(790,270)
Prepays	3,127
<b>Total current assets</b>	<u>(769,192)</u>
<b>Non-current assets:</b>	
Capital assets – not being depreciated	66,320
Capital assets – being depreciated, net	2,472,825
<b>Total non-current assets</b>	<u>2,539,145</u>
<b>Total assets</b>	<u>1,769,953</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
OPEB related deferred outflows of resources	149,244
Pension related deferred outflows of resources	200,975
<b>Total deferred outflows of resources</b>	<u>350,219</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 2,120,172</u>
<b><u>LIABILITIES</u></b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	\$ 11,493
Customer deposits and unearned revenue	3,500
Accrued interest payable	1,410
Compensated absences	13,392
<b>Total current liabilities</b>	<u>29,795</u>
<b>Non-current liabilities:</b>	
Compensated absences	13,393
Long-term debt due in more than a year	604,228
Net OPEB obligation	390,251
Net pension liability	357,354
<b>Total non-current liabilities</b>	<u>1,365,226</u>
<b>Total liabilities</b>	<u>1,395,021</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
OPEB related deferred inflows of resources	453,692
Pension related deferred inflows of resources	20,537
<b>Total deferred inflows of resources</b>	<u>474,229</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	1,934,917
Unrestricted (Deficit)	(1,683,995)
<b>Total net position</b>	<u>250,922</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 2,120,172</u>

**INVERNESS PUBLIC UTILITY DISTRICT***Statements of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds  
For the Fiscal Year Ended June 30, 2023*

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	<b>Water Operations</b>
<b>Operating revenues:</b>	
Water consumption sales	\$ 624,498
Other charges for services	10,649
<b>Total operating revenues</b>	<u>635,147</u>
<b>Operating expenses:</b>	
Operations	<u>602,678</u>
<b>Total operating expenses</b>	<u>602,678</u>
Operating income before depreciation	32,469
Depreciation expense	<u>(126,186)</u>
<b>Operating loss</b>	<u>(93,717)</u>
<b>Non-operating revenue(expense) and transfers:</b>	
Other revenue	-
Interest expense	<u>(8,839)</u>
<b>Total non-operating, net and transfers</b>	<u>(8,839)</u>
<b>Change in net position</b>	<u>(102,556)</u>
<b>Net position:</b>	
Beginning of year	<u>353,478</u>
End of year	<u>\$ 250,922</u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Statements of Cash Flows – Proprietary Funds*  
*For the Fiscal Year Ended June 30, 2023*

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	<b>Water Operations</b>
<b>Cash flows from operating activities:</b>	
Cash receipts from customers and others	\$ 876,078
Cash paid to employees for salaries and wages	381,754
Cash paid to vendors and suppliers	<u>(1,080,389)</u>
<b>Net cash provided by operating activities</b>	<u>177,443</u>
<b>Cash flows from capital and related financing activities:</b>	
Principal payments on long-term debt	(18,065)
Interest payments on long-term debt	<u>(8,207)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(26,272)</u>
<b>Net increase in cash</b>	151,171
<b>Cash and cash equivalents:</b>	
Beginning of year	<u>(941,441)</u>
End of year	<u>\$ (790,270)</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
<b>Operating loss</b>	<u>\$ (93,717)</u>
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>	
Depreciation expense	126,186
<b>Changes in account balances:</b>	
(Increase)decrease in assets:	
Accounts receivable – services, net	(1,827)
Accounts receivable – other	242,758
Prepays	(1,301)
(Increase)decrease in deferred outflows of resources	(105,798)
Increase(decrease) in liabilities:	
Accounts payable and accrued expenses	7,113
Compensated absences	(3,507)
Net OPEB obligation	(366,754)
Net pension liability	210,860
Increase(decrease) in deferred inflows of resources	<u>163,430</u>
<b>Total adjustments</b>	<u>271,160</u>
<b>Net cash provided by operating activities</b>	<u>\$ 177,443</u>

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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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, 2023

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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, 2023

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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, 2023

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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, 2023

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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, 2023

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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, 2021

Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

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, 2022

Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

##### 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, 2023

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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, 2023

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#### NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and investments at June 30, 2023, consist of the following:

<u>Description</u>	<u>Balance</u>
Demand deposits held with financial institutions	\$ 801,214
Local Agency Investment Fund (LAIF)	1,440,253
Deposits with Marin County Pooled Investment Fund (MCPIF)	<u>3,982</u>
Total	<u>\$ 2,245,449</u>

#### **Demand Deposits**

At June 30, 2023, the carrying amount of the District's demand deposits were \$801,214, and the financial institution's balance was \$889,909. 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, 2023, the District held \$1,440,253 in LAIF.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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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, 2023, the District held \$3,982 in MCPIF.

### NOTE 3 – INTERNAL BALANCES

The District operates one banking account for all funds. The internal balance represents the amount of cash that is owed to the governmental activities fund from previous years of deficit spending in the business-type fund as follows:

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>\$ 790,270</u>	<u>\$ (790,270)</u>	<u>\$ -</u>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2023*

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**NOTE 4 – CAPITAL ASSETS**

At June 30, 2023, fund balances of the District’s governmental funds were classified as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Depreciable assets:				
Buildings	\$ 237,515	\$ -	\$ -	\$ 237,515
Vehicles	381,811	-	-	381,811
Furnishings and equipment	<u>322,250</u>	<u>9,632</u>	<u>-</u>	<u>331,882</u>
Total depreciable assets	<u>941,576</u>	<u>9,632</u>	<u>-</u>	<u>951,208</u>
Accumulated depreciation:				
Buildings	(237,515)	-	-	(237,515)
Vehicles	(381,811)	-	-	(381,811)
Furnishings and equipment	<u>(295,052)</u>	<u>(11,327)</u>	<u>-</u>	<u>(306,379)</u>
Total accumulated depreciation	<u>(914,378)</u>	<u>(11,327)</u>	<u>-</u>	<u>(925,705)</u>
Total depreciable assets, net	<u>27,198</u>	<u>(1,695)</u>	<u>-</u>	<u>25,503</u>
Total capital assets, net	<u>\$ 27,198</u>	<u>\$ (1,695)</u>	<u>\$ -</u>	<u>\$ 25,503</u>

At June 30, 2023, fund balances of the District’s enterprise funds were classified as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>June 30, 2023</u>
Non-depreciable assets:				
Land	\$ 66,320	\$ -	\$ -	\$ 66,320
Construction-in-progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-depreciable assets	<u>66,320</u>	<u>-</u>	<u>-</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	1,815,687	-	-	1,815,687
Water treatment	1,371,898	-	-	1,371,898
Vehicles and equipment	<u>132,971</u>	<u>-</u>	<u>-</u>	<u>132,971</u>
Total depreciable assets	<u>4,939,288</u>	<u>-</u>	<u>-</u>	<u>4,939,288</u>
Accumulated depreciation:				
Wells	(70,024)	(925)	-	(70,949)
Collection system	(297,991)	(9,471)	-	(307,462)
Distribution system	(792,397)	(18,752)	-	(811,149)
Tanks	(310,077)	(34,426)	-	(344,503)
Water treatment	(759,716)	(56,842)	-	(816,558)
Vehicles and equipment	<u>(110,072)</u>	<u>(5,770)</u>	<u>-</u>	<u>(115,842)</u>
Total accumulated depreciation	<u>(2,340,277)</u>	<u>(126,186)</u>	<u>-</u>	<u>(2,466,463)</u>
Total depreciable assets, net	<u>2,599,011</u>	<u>(126,186)</u>	<u>-</u>	<u>2,472,825</u>
Total capital assets, net	<u>\$ 2,665,331</u>	<u>\$ (126,186)</u>	<u>\$ -</u>	<u>\$ 2,539,145</u>



## INVERNESS PUBLIC UTILITY DISTRICT

### Notes to Financial Statements

June 30, 2023

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#### NOTE 5 - 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, 2023 were as follows:

<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 45,604	\$ 29,594	\$ (31,095)	\$ 44,103	\$ 22,051	\$ 22,052

#### NOTE 6 - LOAN PAYABLE - STATE REVOLVING FUND

Changes in loan payable for the year ended June 30, 2023, were as follows:

<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>
\$ 622,293	\$ -	\$ (18,065)	\$ 604,228

#### 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, 2023, \$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, 2023 and the final reimbursement request date is October 30, 2023. The loan matures in April 2052. The principal amount outstanding at June 30, 2023, was \$604,228. Future remaining payments are as follows:

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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### NOTE 7 – 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	\$ 213,206
Net other post-employment benefits obligation	557,502
OPEB related deferred inflows of resources	648,132

#### 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, 2023, the measurement period, the District's contributions totaled \$0. For fiscal year ended June 30, 2023 the district paid benefits of \$30,768 and requested to be reimbursed by the CERBT.

**INVERNESS PUBLIC UTILITY DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

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**NOTE 7 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS (continued)**

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

**Employees covered by benefit terms**

At June 30, 2023, the following employees were covered by the benefit terms:

<u>Plan Members</u>	<u>Covered Participants</u>
Active members	6
Inactives entitled to but not yet receiving benefits	-
Inactives currently receiving benefits	4
<b>Total plan members</b>	<b>10</b>

**B. Total OPEB Liability**

The District’s total OPEB liability of \$557,502 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

**Actuarial assumptions and other inputs**

The total OPEB liability in the June 30, 2023 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	3.83%
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	3.83%
Mortality Rate	CalPERS Membership Data
Pre-Retirement Turnover	CalPERS Membership Data
Healthcare Trend Rate	5.2% 2022-2034 5% 2035-2049

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.83 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*

*June 30, 2023*

**NOTE 7 – 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, 2021</b>	\$ 1,613,108	\$ 531,672	\$ 1,081,436
<b>Changes for the year:</b>			
Service cost	171,319	-	171,319
Interest	37,702	-	37,702
Changes in assumptions	(384,708)	-	(384,708)
Changes in experience	(405,899)	-	(405,899)
Contributions - employer	-	8,694	(8,694)
Net investment income	-	(66,210)	66,210
Administrative expenses	-	(136)	136
Benefit payments	(45,518)	(45,518)	-
Net changes	(627,104)	(103,170)	(523,934)
<b>Balance at June 30, 2022</b>	<u>\$ 986,004</u>	<u>\$ 428,502</u>	<u>\$ 557,502</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 2.83%</u>	<u>Discount Rate 3.83%</u>	<u>1% Increase 4.83%</u>
<u>\$ 687,628</u>	<u>\$ 557,502</u>	<u>\$ 451,594</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>\$ 449,753</u>	<u>\$ 557,502</u>	<u>\$ 688,637</u>

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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### NOTE 7 – 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, 2023, the District recognized OPEB expense/(credit) of (\$81,954). At June 30, 2023, 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>
OPEB contributions made after the measurement	\$ 30,768	\$ -
Changes in assumptions	103,555	(256,472)
Changes in experience	-	(351,896)
Difference between projected and actual return on investments	78,883	(39,764)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 213,206</b>	<b>\$ (648,132)</b>

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>
2024	\$ (244,931)
2025	(246,372)
2026	6,180
2027	19,429
Total	<b>\$ (465,694)</b>

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2023*

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**NOTE 8 – PENSION PLAN**

**Summary**

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

<u>Description</u>	<u>2023</u>
Pension related deferred outflows	\$ 287,107
Net pension liability	510,505
Pension related deferred inflows	29,338

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, 2023

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### NOTE 8 – 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, 2022 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, 2022 (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	5	8
Transferred and terminated members	3	4	7
Retired members and beneficiaries	7	-	7
<b>Total plan members</b>	<b>13</b>	<b>9</b>	<b>22</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, 2023

### NOTE 8 – PENSION PLAN (continued)

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

Contributions for the year ended June 30, 2023, (Measurement Date June 30, 2022) were as follows:

Contribution Type	Miscellaneous and Safety Plans		
	Classic Tier 1	PEPRA Tier 2	Total
Contributions – employer	\$ 58,707	\$ 29,213	\$ 87,920
Contributions – members	14,308	25,854	40,162
<b>Total contributions</b>	<b>\$ 73,015</b>	<b>\$ 55,067</b>	<b>\$ 128,082</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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2022, 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, 2021 (Measurement Date)	\$ 2,007,353	\$ 1,798,076	\$ 209,277
Balance as of June 30, 2022 (Measurement Date)	\$ 2,085,352	\$ 1,574,847	\$ 510,505
<b>Change in Plan Net Pension Liability</b>	<b>\$ 77,999</b>	<b>\$ (223,229)</b>	<b>\$ 301,228</b>

The District's proportionate share percentage of the net pension liability for the June 30, 2022, measurement date was as follows:

CalPERS – Safety and Miscellaneous	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	
Measurement Date	June 30, 2022	June 30, 2021	
Percentage of Risk Pool Net Pension Liability	0.004420%	0.003870%	0.000550%



# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

### NOTE 8 – PENSION PLAN (continued)

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

For the year ended June 30, 2023, the District recognized pension expense of \$68,959. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	\$ 87,920	\$ -
Difference between actual and proportionate share of employer contributions	1,271	(21,759)
Adjustment due to differences in proportions	42,845	(1,178)
Differences between expected and actual experience	14,073	(6,401)
Differences between projected and actual earnings on pension plan investments	88,980	-
Changes in assumptions	52,018	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 287,107</b>	<b>\$ (29,338)</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 \$87,920 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, 2024. 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:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 49,154
2025	41,261
2026	25,057
2027	54,377
<b>Total</b>	<b>\$ 169,849</b>

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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### NOTE 8 – 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, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2022, 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	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% 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<sup>1,2</sup></u>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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### NOTE 8 – 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 6.90%. 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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
CalPERS – Total Plans	\$ 795,896	\$ 510,505	\$ 276,175

##### 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, 2022, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2023.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2023*

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**NOTE 9 – 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	2,498,328
Capital lease payable – long-term portion	<u>(604,228)</u>
<b>Total net investment in capital assets</b>	<b><u><u>\$ 1,960,420</u></u></b>

**NOTE 10 – FUND BALANCE**

A detailed schedule of fund balances and their funding composition at June 30, 2023 is as follows:

<u>Description</u>	<u>General Government</u>
<b>Assigned:</b>	
Compensated absences	\$ 17,318
<b>Unassigned</b>	<u>3,083,824</u>
<b>Total fund balance</b>	<b><u><u>\$ 3,101,142</u></u></b>

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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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, 2022 is as follows:

<b>A. Entity</b>	Marin Emergency Radio Authority	
<b>B. Purpose</b>	To plan, finance, implement, manage, own and operate a	
<b>C. Participants</b>	As of June 30, 2022 – 25 member agencies	
<b>D. Governing board</b>	25 representatives employed by members	
<b>E. District payments for FY 2023:</b>		
<b>Operating payment</b>	\$13,460	
<b>F. Condensed financial information</b>	June 30, 2022	
<b>Audit signed</b>	January 9, 2023	
<b>Statement of financial position:</b>		<b>June 30, 2022</b>
<b>Total assets</b>		<u>\$ 60,504,094</u>
<b>Deferred outflows</b>		<u>-</u>
<b>Total liabilities</b>		<u>33,521,914</u>
<b>Deferred inflows</b>		<u>-</u>
<b>Net position</b>		<u>\$ 26,982,180</u>
<b>Statement of revenues, expenses and changes in net position:</b>		
<b>Total revenues</b>		\$ 5,384,543
<b>Total expenses</b>		<u>(3,214,925)</u>
<b>Change in net position</b>		2,169,618
<b>Beginning - net position</b>		<u>24,812,562</u>
<b>Ending - net position</b>		<u>\$ 26,982,180</u>
<b>G. Member agencies share of year-end financial position</b>		Not Calculated

# INVERNESS PUBLIC UTILITY DISTRICT

## Notes to Financial Statements

June 30, 2023

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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:

A. Entity	SDRMA	
B. Purpose	To provide risk financing and risk management services to California public agencies	
C. Participants	As of June 30, 2023 – 499 member agencies	
D. Governing board	Seven representatives employed by members	
E. District payments for FY 2023:		
Property/Liability policy	\$43,042	
F. Condensed financial information	June 30, 2023	
Statement of net position:		<b>June 30, 2023</b>
Total assets		<u>\$ 146,574,993</u>
Deferred outflows		<u>1,664,198</u>
Total liabilities		<u>76,343,471</u>
Deferred inflows		<u>374,517</u>
Net position		<u>\$ 71,521,203</u>
Statement of revenues, expenses and changes in net position:		
Total revenues		\$ 100,884,445
Total expenses		<u>(96,706,371)</u>
Change in net position		4,178,074
Beginning – net position		<u>67,343,129</u>
Ending – net position		<u>\$ 71,521,203</u>
G. Member agencies share of year-end financial position		Not Calculated

## **INVERNESS PUBLIC UTILITY DISTRICT**

### *Notes to Financial Statements*

*June 30, 2023*

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

At June 30, 2023, 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 2023, 2022 and 2021. 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, 2023, 2022 and 2021.

#### **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, 2023 \$18,129 was paid in earnings under for this employee.

## INVERNESS PUBLIC UTILITY DISTRICT

Notes to Financial Statements

June 30, 2023

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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 March 1, 2024, 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, 2023*

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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	\$ 736,612	\$ 764,467	\$ 752,988	\$ (11,479)
Grants and contributions	169,834	179,834	170,435	(9,399)
Interest revenue	1,500	30,000	41,795	11,795
Other revenues	39,024	59,195	2,029	(57,166)
<b>Total revenues</b>	<u>946,970</u>	<u>1,033,496</u>	<u>967,247</u>	<u>(66,249)</u>
<b>Expenditures:</b>				
Current:				
Public safety – fire services	617,410	651,253	681,846	(30,593)
Capital outlay	-	-	9,632	(9,632)
<b>Total expenditures</b>	<u>617,410</u>	<u>651,253</u>	<u>691,478</u>	<u>(40,225)</u>
<b>Change in fund balance</b>	<u>\$ 329,560</u>	<u>\$ 382,243</u>	275,769	<u>\$ (106,474)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,825,373</u>	
End of year			<u>\$ 3,101,142</u>	

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Schedule of Proportionate Share of the Net Pension Liability*  
*For the Fiscal Year Ended June 30, 2023*

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**Last Ten Fiscal Years\***

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

<b>Measurement Date</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability</b>
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%
June 30, 2022	0.00442%	510,505	497,864	102.54%	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.

**From fiscal year June 30, 2022 to June 30, 2023:**

The discount rate was reduced from 7.15% to 6.90%.

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

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Schedule of Pension Contributions*  
*For the Fiscal Year Ended June 30, 2023*

**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)	-	497,864	13.92%
June 30, 2023	87,920	(87,920)	-	628,839	13.98%

**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%
June 30, 2023	June 30, 2021	Entry Age	Market Value	2.30%	6.90%

**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 nine 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, 2023

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*					
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability:</b>						
Service cost	\$ 171,319	\$ 203,047	\$ 127,780	\$ 40,072	\$ 34,947	\$ -
Interest	37,702	39,003	58,068	30,388	8,327	-
Changes in assumptions	(384,708)	114,499	350,704	(160,751)	(101,900)	-
Differences between expected and actual experience	(405,899)	-	(487,791)	436,009	688,136	-
Benefit payments	(45,518)	(46,496)	(44,705)	(38,885)	(37,284)	-
<b>Net change in total OPEB liability</b>	(627,104)	310,053	4,056	306,833	592,226	-
<b>Total OPEB liability - beginning</b>	1,613,108	1,303,055	1,298,999	992,166	399,940	-
<b>Total OPEB liability - ending</b>	986,004	1,613,108	1,303,055	1,298,999	992,166	-
<b>Plan fiduciary net position:</b>						
Contributions - employer	8,694	6,512	44,705	38,840	37,284	-
Net investment income	(66,210)	93,939	24,546	29,955	24,686	-
Administrative expense	(136)	(174)	(224)	(228)	(739)	-
Benefit payments	(45,518)	(46,496)	(44,705)	(38,885)	(37,284)	-
<b>Net change in plan fiduciary net position</b>	(103,170)	53,781	24,322	29,682	23,947	-
<b>Plan fiduciary net position - beginning</b>	531,672	477,891	453,569	423,887	399,940	-
<b>Plan fiduciary net position - ending</b>	428,502	531,672	477,891	453,569	423,887	-
<b>District's net OPEB liability</b>	\$ 557,502	\$ 1,081,436	\$ 825,164	\$ 845,430	\$ 568,279	\$ -
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	43.46%	32.96%	36.67%	34.92%	42.72%	0.00%
<b>Covered-employee payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A

### 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  
 Measurement Date June 30, 2022 – 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  
 Measurement Date June 30, 2022 – 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 six years are shown.

**INVERNESS PUBLIC UTILITY DISTRICT**  
*Schedule of OPEB Contributions*  
*For the Fiscal Year Ended June 30, 2023*

**Last Ten Fiscal Years\***

<b>Fiscal Year Ended</b>	<b>June 30, 2023</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)	\$ 30,768	\$ 46,496	\$ 44,705	\$ 38,855	\$ 37,284	\$ -
Contributions in relation to the actuarially determined contributions	<u>(30,768)</u>	<u>(46,496)</u>	<u>(44,705)</u>	<u>(38,855)</u>	<u>(37,284)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**Notes to Schedule:**

<b>Valuation Date</b>	<b>June 30, 2022</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	Entry Age	N/A
Amortization method	Closed period, level percent of pay (1)	(1)	(1)	(1)	(1)	N/A
Amortization period	20-years	20-years	20-years	20-years	20-years	N/A
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	N/A
Discount rate	3.83%	2.16%	2.63%	3.00%	3.00%	N/A
Inflation	2.50%	2.50%	2.75%	3.00%	3.00%	N/A
Payroll increases	3.00%	2.75%	3.00%	3.69%	369.00%	N/A
Mortality	(2)	(2)	(2)	(2)	(2)	N/A
Morbidity	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	N/A
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	N/A
Retirement	(3)	(3)	(3)	(3)	(3)	N/A
Percent Married - Spouse Support	70%	70%	70%	70%	70%	N/A
Healthcare trend rates	(4)	(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 six 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 1, 2024.

**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 or significant deficiencies 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.

Murrieta, California  
March 1, 2024

**INVERNESS PUBLIC UTILITY DISTRICT**  
**Report to the Board of Directors**  
**For the Fiscal Year Ended**  
**June 30, 2023**

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

**INVERNESS PUBLIC UTILITY DISTRICT**

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*For the Fiscal Year Ended June 30, 2023*

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Board of Directors  
Inverness Public Utility District  
Inverness, 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, 2023. 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  
April 16, 2024

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## ***Required Communications***

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## INVERNESS PUBLIC UTILITY DISTRICT

### Required Communications

For the Fiscal Year Ended June 30, 2023

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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 June 1, 2023. 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, 2023*

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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>	We applied certain limited procedures to the: <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> 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.

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, 2023*

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*See Attached Listing*

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
Remove invalid funds			
71.21010	Checks Payable	1,606.45	
71.21108	Workers Comp Payable	966.12	
71.21111	Health Ins Payable	10,596.62	
71.21121	PERS Classic Payable	3,275.66	
71.21122	FIRE Classic Payable	2,075.19	
71.21123	PEPRA Payable	5,680.44	
71.21125	Safety Pepra Payable	424.88	
73.21010	Checks Payable	91,079.05	
71.10101	Checking B of A 0489		24,625.36
73.10101	Checking B of A 0489		91,079.05
<b>Total</b>		<b>115,704.41</b>	<b>115,704.41</b>
<b>Adjusting Journal Entries JE # 2</b>			
Reconciliation of assets			
10.10426	LAIF Assigned Funds (not on TB)	95,615.00	
10.10450	Interfund	975,729.00	
10.11050	Accounts Receivable-Water	54,080.75	
10.11052	Accounts Receivable-Tax	484.80	
10.11055	Accounts Receivable-Other	2,994.64	
10.11055	Accounts Receivable-Other	36,114.22	
10.11149	Prepaid-Other	1,067.08	
10.39020	Fund Balance	1,825.37	
10.47211	Interest Income	2,664.93	
10.52101.62212	Office Supplies, Postage, Fees	2,291.69	
21.11052	Accounts Receivable-Tax	3,121.14	
21.11055	Accounts Receivable-Other	59,196.08	
21.39020	Fund Balance	970,767.00	
21.39020	Fund Balance	5,222.59	
21.42131	TOT Revenue (Meas)-Restrict	57,225.75	
21.42132	MWPA Defensible Space Program	985.16	
21.42133	MWPA Local Specific Prevention	985.17	
21.53101.62211	General Supplies and Inventory	3,258.39	
51.11050	Accounts Receivable-Water	197,394.43	
51.11055	Accounts Receivable-Other	238,996.00	
51.12171	Tenney Tank Replacement	4,554.32	
51.12221	Accumulated Depreciation	440,972.17	
51.22110	SWRCB Tenney Tank Project	175,514.00	
51.39030	Retained Earnings	4,962.00	
51.39030	Retained Earnings	13,266.06	
51.39030	Retained Earnings	53,894.75	

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
51.57101.62211	General Supplies and Inventory	681.50	
51.57101.62321	Tank Maintenance	2,500.00	
10.10410	LAIF-Uncommitted		1,825.37
10.11055	Accounts Receivable-Other		2,664.93
10.11149	Prepaid-Other		2,291.69
10.39020	Fund Balance		95,615.00
10.39020	Fund Balance		975,729.00
10.39020	Fund Balance		57,560.19
10.39020	Fund Balance		36,114.22
10.39020	Fund Balance		1,067.08
21.10450	Interfund		970,767.00
21.11055	Accounts Receivable-Other		59,196.08
21.12151	Equipment		3,258.39
21.12221	Accumulated Depreciation		5,222.59
21.39020	Fund Balance		3,121.14
21.39020	Fund Balance		59,196.08
51.10450	Interfund		4,962.00
51.10455	Bank of America Clearing		53,894.75
51.11055	Accounts Receivable-Other		175,514.00
51.12171	Tenney Tank Replacement		2,500.00
51.12174	Flume Rebate		681.50
51.12174	Flume Rebate		13,266.06
51.39030	Retained Earnings		238,996.00
51.39030	Retained Earnings		197,394.43
51.39030	Retained Earnings		440,972.17
51.39030	Retained Earnings		4,554.32
<b>Total</b>		<b>3,406,363.99</b>	<b>3,406,363.99</b>

**Adjusting Journal Entries JE # 3**

Reconciliation of liabilities

10.21128	Conversion Retirement Payable	2,601.63	
10.21326	Deferred Inflows Pension	14,199.00	
10.21328	Net Pension Liability	116,081.00	
10.22110	SWRCB Tenney Tank Project	22,895.00	
10.39020	Fund Balance	898,068.00	
10.39020	Fund Balance	37,267.00	
10.39020	Fund Balance	1,505.45	
10.39020	Fund Balance	3,388.28	
21.21029	Conversion Accounts Payable	1,898.58	
21.21043	Fox, Jim - Cal Card	64.94	
21.21044	Redding, Shelley - Cal Card	23.71	
21.21128	Conversion Retirement Payable	326.11	

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
21.39020	Fund Balance	1,922.90	
21.39020	Fund Balance	1,346.80	
44.18530	Deferred Outflows Pension (NEW)	33,530.00	
44.19912	Amount to be provided	39,769.00	
44.25436	OPEB Deferred Inflows	24,744.00	
44.39999	Conversion Balancing	76,882.00	
44.39999	Conversion Balancing	46,661.00	
44.39999	Conversion Balancing	61,388.16	
44.39999	Conversion Balancing	1,755.00	
45.10312	Invst Income as Asset (QkBks 5-600)	94,143.00	
51.21029	Conversion Accounts Payable	3,302.07	
51.21128	Conversion Retirement Payable	1,649.46	
51.21326	Deferred Inflows Pension	90,064.00	
51.21328	Net Pension Liability	161,979.00	
51.21431	Customer Construction Deposits	3,706.72	
51.25329	OPEB Deferred Outflows	57,735.00	
51.39030	Retained Earnings	351,370.35	
51.39030	Retained Earnings	179,390.00	
51.39030	Retained Earnings	987.88	
51.39030	Retained Earnings	62,540.61	
51.39030	Retained Earnings	180.00	
51.39030	Retained Earnings	6,742.84	
51.39030	Retained Earnings	4,379.76	
51.45109	Customer Work Overhead	6,818.43	
10.10311	OPEB Trust Cash and Investments		478,034.00
10.18532	Deferred Outflows OPEB		37,267.00
10.19911	Unknown		115,170.00
10.19912	Amount to be provided		304,864.00
10.21029	Conversion Accounts Payable		876.93
10.21316	Compensated Absences		1,505.45
10.39020	Fund Balance		22,895.00
10.39020	Fund Balance		116,081.00
10.39020	Fund Balance		14,199.00
10.52101.60103	Administrative Wages		3,388.28
21.21315	Accrued Vacation		1,922.90
21.39020	Fund Balance		4,038.04
21.53101.60102	Operations Wages		1,346.80
44.18531	Deferred Outflows		1,755.00
44.21327	OPEB Liability		76,882.00
44.21328	Net Pension Liability		46,661.00
44.25435	Deferred Inflows		61,388.16

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
44.39999	Conversion Balancing		24,744.00
44.39999	Conversion Balancing		39,769.00
44.39999	Conversion Balancing		33,530.00
45.10311	OPEB Trust Cash and Investments		93,696.00
45.39020	Fund Balance		447.00
51.18532	Deferred Outflows OPEB		12,736.00
51.18611	OPEB Prefunding		78,315.88
51.21315	Accrued Vacation		6,742.84
51.21327	OPEB Liability		179,390.00
51.21431	Customer Construction Deposits		6,818.43
51.22110	SWRCB Tenney Tank Project		351,370.35
51.25435	Deferred Inflows		120,275.61
51.25441	Unearned Income		180.00
51.39030	Retained Earnings		161,979.00
51.39030	Retained Earnings		4,951.53
51.39030	Retained Earnings		3,706.72
51.57101.60102	Operations Wages		4,379.76
<b>Total</b>		<b>2,411,306.68</b>	<b>2,411,306.68</b>
<b>Adjusting Journal Entries JE # 4</b>			
To fix cash related transactions			
10.1000	Cash in county (NEW)	3,323.70	
10.1000	Cash in county (NEW)	658.89	
10.47211	Interest Income	61.12	
21.42131	TOT Revenue (Meas)-Restrict	67,257.39	
51.10101	Checking B of A 0489	23,018.91	
51.10102	Bank of America 0150	69.55	
10.39020	Fund Balance		3,323.70
10.39020	Fund Balance		717.93
10.47211	Interest Income		2.08
21.39020	Fund Balance		67,257.39
51.10101	Checking B of A 0489		13,320.37
51.10101	Checking B of A 0489		69.55
51.39030	Retained Earnings		9,698.54
<b>Total</b>		<b>94,389.56</b>	<b>94,389.56</b>
<b>Adjusting Journal Entries JE # 5</b>			
To record additional receivable			
21.11052	Accounts Receivable-Tax	48,532.60	
21.42131	TOT Revenue (Meas)-Restrict		48,532.60
<b>Total</b>		<b>48,532.60</b>	<b>48,532.60</b>
<b>Adjusting Journal Entries JE # 6</b>			
To record compensated absences			

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
10.21316	Compensated Absences	668.20	
21.53101.60102	Operations Wages	2,673.14	
51.21315	Accrued Vacation	3,505.88	
10.52101.60103	Administrative Wages		668.20
21.21315	Accrued Vacation		2,673.14
51.57101.60102	Operations Wages		3,505.88
<b>Total</b>		<b>6,847.22</b>	<b>6,847.22</b>
<b>Adjusting Journal Entries JE # 7</b>			
To record GASB 68			
44.18530	Deferred Outflows Pension (NEW)	52,602.00	
44.25435	Deferred Inflows	43,457.16	
51.21326	Deferred Inflows Pension	122,738.00	
51.25435	Deferred Inflows	101,391.84	
44.21328	Net Pension Liability		12,764.00
44.21328	Net Pension Liability		77,604.00
44.5000	Pension expense (NEW)		760.16
44.5000	Pension expense (NEW)		4,931.00
51.21328	Net Pension Liability		210,860.00
51.57101.68000	Pension Expense (NEW)		13,269.84
<b>Total</b>		<b>320,189.00</b>	<b>320,189.00</b>
<b>Adjusting Journal Entries JE # 8</b>			
To record depreciation			
1-960	1-960 -+ Depreciation (W)	126,186.38	
2-960	2-960 -+ Depreciation-FG	11,327.00	
51.12222	Accumulated Depr	104,294.00	
21.12221	Accumulated Depreciation		11,327.00
51.12221	Accumulated Depreciation		104,294.00
51.12221	Accumulated Depreciation		126,186.38
<b>Total</b>		<b>241,807.38</b>	<b>241,807.38</b>
<b>Adjusting Journal Entries JE # 9</b>			
To record GASB 75			
44.21327	OPEB Liability	157,180.00	
51.21327	OPEB Liability	366,754.00	
44.18531	Deferred Outflows		7,260.00
44.25436	OPEB Deferred Inflows		113,496.00
44.5001	OPEB Expense (NEW)		36,424.00
51.18532	Deferred Outflows OPEB		16,940.00
51.25329	OPEB Deferred Outflows		264,822.00
51.57101.68001	OPEB Expense (NEW)		84,992.00
<b>Total</b>		<b>523,934.00</b>	<b>523,934.00</b>
<b>Adjusting Journal Entries JE # 10</b>			

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
To apply principal payment			
51.22110	SWRCB Tenney Tank Project	18,064.97	
51.57101.85200	Loan Principal		18,064.97
<b>Total</b>		<b>18,064.97</b>	<b>18,064.97</b>
<b>Adjusting Journal Entries JE # 11</b>			
To remove deferred revenue for report writing purposes			
51.25441	Unearned Income	89,417.80	
51.11050	Accounts Receivable-Water		89,417.80
<b>Total</b>		<b>89,417.80</b>	<b>89,417.80</b>
<b>Adjusting Journal Entries JE # 12</b>			
To record accrued payroll			
10.52101.60101	Management Wages	2,467.00	
10.52101.60103	Administrative Wages	1,475.31	
21.53101.60101	Management Wages	1,107.00	
21.53101.60102	Operations Wages	889.68	
51.57101.60101	Management Wages	1,107.00	
51.57101.60102	Operations Wages	4,566.81	
10.21021	Payroll payable (NEW)		3,942.31
21.21021	Payroll payable (NEW)		1,996.68
51.21021	Payroll payable(NEW)		5,673.81
<b>Total</b>		<b>11,612.80</b>	<b>11,612.80</b>
<b>Adjusting Journal Entries JE # 13</b>			
To reconcile remaining fund balance			
10.52101.62212	Office Supplies, Postage, Fees	16,051.12	
10.39020	Fund Balance		16,051.12
<b>Total</b>		<b>16,051.12</b>	<b>16,051.12</b>
<b>Adjusting Journal Entries JE # 14</b>			
To record accrued interest (reverse 7/1/23)			
10.11055	Accounts Receivable-Other	11,308.00	
10.47211	Interest Income		11,308.00
<b>Total</b>		<b>11,308.00</b>	<b>11,308.00</b>
<b>Adjusting Journal Entries JE # 15</b>			
To record accrued interest payable (reverse 7/1/23)			
51.57101.85300	Loan Interest Expense	1,409.87	
51.21030	Accrued interest payable (NEW)		1,409.87
<b>Total</b>		<b>1,409.87</b>	<b>1,409.87</b>
	<b>Total Adjusting Journal Entries</b>	<b>7,316,939.40</b>	<b>7,316,939.40</b>



Inverness Public Utility District  
Board Meeting

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## Agenda Item No. 9

Approve Renewal of 10-year Emergency  
Intertie Agreement with North Marin Water  
District





## **Board Agenda Item Staff Report**

Subject: **North Marin Water District (NMWD) Intertie Agreement Renewal: Approve updated draft of renewal for another term of 10 years**

Meeting Date: April 16, 2024

Date Prepared: March 27, 2024

Prepared by: Shelley Redding, General Manager

Attachments: Final Reviewed Intertie Agreement

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**Recommended Action: Accept and Approve renewal of Emergency Intertie Agreement with NMWD for another term of 10 years, expiring June, 2034**

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### **Background Timeline:**

January 1982: Intertie established between North Marin Water District (NMWD) and IPUD following the catastrophic floods that wiped out the water system in Inverness along with the Inverness Emergency Intertie Agreement.

April 1984: , the District entered into an additional Cooperative Services Agreement with NMWD.

June 2004: A revision was drafted that combined both of agreements into a single agreement titled Emergency Intertie and Cooperative Services Agreement.

June 2014: Emergency Intertie and Cooperative Services Agreement was renewed for 10 years, expiring in June 2024.

The agreement has been reviewed by independent counsel for both parties at the time of each renewal.

### **Assessment:**

After reviewing the 2014 approved agreement, staff has determined that the current agreement does not require any substantive changes. Additionally, renewing and maintaining a cooperative agreement with NMWD satisfies some of the requirements of SB 552 for water shortage preparedness in the event of an emergency such as fire, infrastructure failure or other catastrophic event that impact water supply. As defined in the agreement, effects from drought related water shortages are not considered an emergency in the Agreement.

### **Legal Review:**

Both parties submitted the draft of the Emergency Intertie Agreement Renewal to their respective Legal Counsel for review. IPUD Counsel Ragghianti, Freitas LLP provided review by Peter Spoerl, who made edits with some suggested revisions, mostly related to clarification and consistency of defined terms, and adding Joint Powers provisions as authorized under the Government Code. The revised version was then forwarded to NMWD for their Legal Review, They had minor edits which were then accepted by our Counsel.

### **Board Action:**

Accept and approve the reviewed Emergency Intertie Agreement with North Marin Water District as presented. Upon approval, staff will send the signed agreement to North Marin Water District for approval at their May Board meeting.

1                   **EMERGENCY INVERNESS INTERTIE AND COOPERATIVE SERVICES AGREEMENT**  
2

3                   This Agreement, made this \_\_\_\_\_ day of April, 2024 by and between the NORTH  
4 MARIN WATER DISTRICT, a California County Water District formed pursuant to the authority of  
5 the County Water District Law, California Water Code Section 30000 *et seq.*, herein called  
6 “NMWD,” and the INVERNESS PUBLIC UTILITY DISTRICT, a California Public Utility District  
7 formed pursuant to the authority of the California Public Utilities Code Section 15501 *et seq.*,  
8 herein called “IPUD.” “NMWD” and “IPUD” are each referred to in an individual capacity as  
9 “Party,” and are referred to collectively in this Agreement as “Parties.”

10           1.       Recitals

- 11                   A. NMWD and IPUD have developed and maintained separate sources of water  
12 supply and separate water distribution systems in Western Marin County  
13 (hereinafter referred to as water systems).
- 14                   B. Catastrophic events or unforeseen circumstances can occur which may adversely  
15 affect or interrupt the availability or distribution of water in either the NMWD water  
16 system or the IPUD water system.
- 17                   C. Since January 1982, a pipeline intertie connecting the IPUD water system and the  
18 NMWD water system has been in place to supply emergency water to the Parties  
19 when the need may arise.
- 20                   D. Since April 1984, the Parties have cooperated with one another in the occasional  
21 interchange of personnel and equipment in order to affect economies and more  
22 efficiently and effectively provide service to their respective customers.
- 23                   E. California Government Code Sections 6500-6515 authorize two or more local  
24 public entities to enter an agreement to jointly exercise any power common to  
25 them. Each Party has the power under the laws of the State of California to provide  
26 water service and distribution.
- 27                   F. The 2014 Emergency Inverness Intertie and Cooperative Services Agreement  
28 sunsets on June 30, 2024.

29           2.       Objective

30                   The Parties to this Agreement believe that it is in their best interests to continue  
31 cooperating effectively, to maintain the existing Pipeline Intertie Facility in good working  
32 order and provide a mechanism to transfer emergency water supply from one Party to  
33 the other when circumstances may require.

34           3.       Pipeline Intertie Facility

35                   The Pipeline Intertie Facility includes a normally closed 6” (six inch) diameter intertie  
36 zone valve and 1” (one inch) bypass intertie meter and connecting service lines. Said  
37 zone valve and bypass meter is located adjacent to and in the westerly right of way of  
38 Sir Francis Drake Boulevard just south of the North Dream Farm Road intersection.

39           4.       Emergency Water Supply

40                   The Intertie is available to transfer emergency water supply at up to 40 gallons per  
41 minute (GPM) to IPUD or NMWD when an emergency condition develops in one or the  
42 other of the water systems. All requests for transfer of emergency water supply shall  
43 be noticed pursuant to Section 10 of this Agreement. All transfers, except in the case  
44 of an extraordinary fire emergency noted below, shall flow through the 1” bypass  
45 intertie meter and be subject to the legal and prior obligations of the Parties as  
46 determined unilaterally by the party called upon to supply emergency water to the

1 requesting Party. An emergency condition is defined as an acute problem and may  
2 include pipeline failure, treatment plant failure, source of supply contamination or  
3 interruption caused by natural and manmade disasters, etc. The Party requesting  
4 emergency water supply shall record intertie meter readings and report same to the  
5 delivering Party on a regular basis.

6 Notwithstanding the notice requirements above and in Section 10 of this Agreement,  
7 where an extraordinary fire emergency exists within the territory or service area of  
8 either Party requiring unrestricted flow, the Party experiencing the fire emergency shall  
9 have the option to take maximum flow by opening the 6-inch zone intertie valve  
10 between the NMWD and the IPUD water system. The Party doing so shall notify the  
11 other Party immediately.

12 5. Ownership, Operation and Maintenance

13 NMWD shall own and be responsible for operation, maintenance, and replacement of  
14 the NMWD's existing water system facilities south of the Intertie zone valve. IPUD  
15 shall own and be responsible for operation, maintenance, and replacement of the  
16 IPUD existing water system facilities north of the Intertie zone valve. By mutual  
17 consent of the Parties this point of Intertie zone valve can be moved to any point to  
18 the north within the IPUD water system.

19 Each Party may render incidental regular and/or emergency water service to others  
20 from their water system facilities on their respective side of the Intertie zone valve,  
21 provided that the Emergency Water Supply capability as stated in paragraph 4 is not  
22 significantly diminished and provided further that the public water supply is  
23 safeguarded from backflow in the manner prescribed by NMWD Regulation No. 6 and  
24 as that regulation may from time to time be changed by NMWD. NMWD will maintain  
25 a current version of its Regulation No. 6 on its website.

26 NMWD shall be responsible for annual Pipeline Intertie Facility maintenance. Cost of  
27 said maintenance and any repair or replacement of said facility shall be shared equally  
28 between NMWD and IPUD.

29 6. Cooperation

30 A. The managers of the IPUD and NMWD will from time to time formulate and revise  
31 plans whereby personnel and/or equipment of one agency (for convenience  
32 referred to herein as "Cooperating Agency"), may be used by the other agency  
33 (referred to as "Benefiting Agency") to accomplish certain routine or emergency  
34 operations required by the Benefiting Agency, including but not necessarily limited  
35 to: maintenance, repair, replacement, and installation of water facilities.

36 B. Requests for use of personnel and/or equipment shall be made by the manager of  
37 the Benefiting Agency, and it is intended that such requests will be complied with  
38 by the Cooperating Agency unless the manager of that Cooperating Agency  
39 determines that the requested personnel and/or equipment are needed to meet  
40 prior workload demands of the Cooperating Agency.

41 C. If deemed necessary by the Cooperating Agency, equipment will be furnished with  
42 an operator assigned by the Cooperating Agency. In addition, supervisory  
43 personnel shall also be furnished by the Cooperating Agency when the  
44 Cooperating Agency determines in its sole discretion that it is necessary. During  
45 the time they are engaged in serving the Benefiting Agency, all personnel shall be  
46 under the direction and control of the Benefiting Agency.

1 D. At the sole discretion of the Cooperating Agency, the Benefiting Agency shall pay  
2 the Cooperating Agency monthly on receipt of invoice the Cooperating Agency's  
3 costs for the equipment and personnel furnished. These costs shall be computed  
4 based on the equipment rental rates and the salaries (including pension, relief,  
5 disability, worker's compensation, and other benefits) and payroll expenses that  
6 the Cooperating Agency would charge to itself under its accounting system had  
7 such equipment and personnel been employed in the work of the Cooperating  
8 Agency. In the event that the Cooperating Agency does not utilize an accounting  
9 system that identifies specific overhead and rental rates for the personnel and  
10 equipment involved, the cost to the Benefiting Agency shall be mutually agreed to  
11 in advance by the managers of both Parties.

12 E. The Benefiting Agency will indemnify and hold harmless the Cooperating Agency  
13 for all liability and claims of liability for damages, personal injury and death to the  
14 public arising out of its use of vehicles, equipment or other property, or personnel  
15 of the Cooperating Agency. The Benefiting Agency will name the Cooperating  
16 Agency as an additional insured under its liability and property damage insurance  
17 policy with respect to work performed for it under this Agreement and will furnish  
18 and maintain a current certificate of insurance and endorsement. To the extent  
19 either Party is wholly or partly self-insured, it shall furnish the above certificate of  
20 insurance for such coverage as may be in force, and shall, for the self-insured  
21 portion, assume all defense and indemnification for liability with respect to work  
22 performed for it as the Benefiting Agency under this Agreement as if an insurance  
23 policy were in force.

24 Each Party shall maintain worker's compensation for industrial injury or illness  
25 through insurance, including coverage for its employees when used by the other  
26 agency under this Agreement.

27 The Benefiting Agency will reimburse the Cooperating Agency for any out-of-  
28 pocket loss resulting from damage to vehicles, equipment and other property  
29 owned by the Cooperating Agency, or injury to its personnel, arising out of the use  
30 of such vehicles, equipment, other property, or personnel by the Benefiting  
31 Agency.

32 7. Privileges and Immunities

33 In accordance with California Government Code section 6513, all of the privileges and  
34 immunities from liability, all exemptions from laws, ordinances and rules, and all  
35 pension, relief, disability, workmen's compensation, and other benefits which apply to  
36 the activity of the employees or agents of the Parties when performing their functions  
37 within the territorial limits of the Party that employed or retained them, shall apply to  
38 them to the same degree and extent while engaged in the performance of any of their  
39 functions and duties associated with performance of this Agreement.

40 8. Charges and Billing

41 The price that IPUD and NMWD charge the other for emergency water shall be the  
42 Water Quantity Rate of the party receiving said emergency water (IPUD or NMWD)  
43 pursuant to regulations of said Party, from time to time in effect, except that emergency  
44 water charges for an extraordinary fire emergency shall be the actual "out of pocket"  
45 cost of the Party delivering said emergency water as determined by the delivering  
46 Party.

1 The Party delivering water pursuant to this Agreement shall bill not more frequently  
2 than monthly and the receiving Party shall pay the amount of such billing within 30  
3 days of receipt of same.

4 For all other charges due under this Agreement, the billing Party shall prepare a bill  
5 which the receiving Party shall pay within 30 days of receipt of same.

6 Notwithstanding any dispute between the Parties hereto, the receiving Party shall pay  
7 all bills when due and shall not withhold all or any part of any payment pending the  
8 final resolution of such dispute. In the event of a dispute, the receiving Party may pay  
9 its bills under protest and if the resolution of the dispute results in a refund, said refund  
10 shall include any interest earned by investment of the disputed funds.

11 9. Prior Agreements Terminated

12 The Prior Emergency Inverness Intertie Agreements dated January 23, 1982, April 11,  
13 1984, July 15, 2005, and March 19, 2014 between IPUD and NMWD are hereby  
14 terminated.

15 10. Method and Place of Giving Notice and Making Payments

16 All notices, including requests for transfer of emergency water supply, shall be in  
17 writing and notices and payments may be given by personal delivery or by mail.  
18 Notices and payments sent by mail shall be addressed as follows:

NMWD: North Marin Water District  
Attn: General Manager  
P.O. Box 146  
Novato, CA 94948-0146

IPUD: Inverness Public Utility District  
Attn: General Manager  
P.O. Box 469  
Inverness, CA 94937-0469

19 Changes may be made in the names and addresses of the person to whom notices  
20 and payments are to be given by giving notice pursuant to this section.

21 11. Third Party Beneficiaries

22 No third-party beneficiaries are intended or established by this Agreement.

23 12. Representation by Counsel

24 IPUD and NMWD each were represented by independent counsel in the negotiation  
25 and execution of this Agreement. For the purposes of interpretation of this Agreement,  
26 neither Party shall be deemed to have been the drafter of this Agreement.

27 13. Severability

28 If any one or more sections, provisions, promises or conditions of this Agreement is  
29 declared null and void or voidable for any reason by a final judgment or order of a court  
30 of competent jurisdiction, it is hereby declared to be the intention of both Parties and  
31 agreed that each and all of the other sections, provisions, promises and conditions of  
32 this Agreement shall be and remain in full force and effect.

33 14. Terms of Agreement

34 The term of this Agreement shall extend from the date of execution hereof until June  
35 30, 2034.

1 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date  
2 first above written.

**INVERNESS PUBLIC UTILITY DISTRICT**

**NORTH MARIN WATER DISTRICT**

By

\_\_\_\_\_  
President, Board of Directors.

Dated: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

By:

\_\_\_\_\_  
President, Board of Directors

Dated: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary



Inverness Public Utility District  
Board Meeting

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# Agenda Item No. 10

## **Committee Meetings/Reports**



Inverness Public Utility District  
Board Meeting

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Agenda Item No. 11

June Regular Board Meeting





Inverness Public Utility District  
Board Meeting

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# Agenda Item No. 12

## **ADJOURNMENT**