

**INVERNESS AREA
SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE**

Marin Local Agency Formation Commission

May 2007

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ACKNOWLEDGEMENT

The staff of Marin LAFCO gratefully acknowledges the time and effort of the County of Marin, North Marin Water District and the Inverness Public Utility District staff and Board who provided information and insight during the preparation of this report.

I. INTRODUCTION

This report regarding local government services in the Inverness area was prepared by the Marin Local Agency Formation Commission (LAFCO) in accordance with Sections 56425 and 56430 of the California Government Code. It responds to the State Legislature's requirement that LAFCO conduct a Municipal Service Review (MSR) to study the delivery of municipal services and update spheres of influence.

The MSR describes services provided to the Inverness area and identifies issues relating to services and jurisdictions. These issues are considered and determinations are presented as required by law. The decision to approve or disapprove any determinations or policies rests entirely with the Commission.

This report is an informational document and does not substitute for discretionary decisions that can only be made by the Commission. This report is subject to consideration and revision as directed by LAFCO staff or by the Commission during the course of its deliberations.

II. MUNICIPAL SERVICE REVIEW

Description of Community

The community of Inverness is located in the western part of Marin County, on the west shore of Tomales Bay. It is bounded on the north by Tomales Bay State Park, on the west and south by Point Reyes National Seashore, and on the east by Tomales Bay and Lagunitas Creek. The Inverness area defined by the County's Inverness Community Plan encompasses an area of 3,500 acres including 205 acres of tidelands and residential clusters along Inverness Ridge to the south of the area served by Inverness Public Utility District.

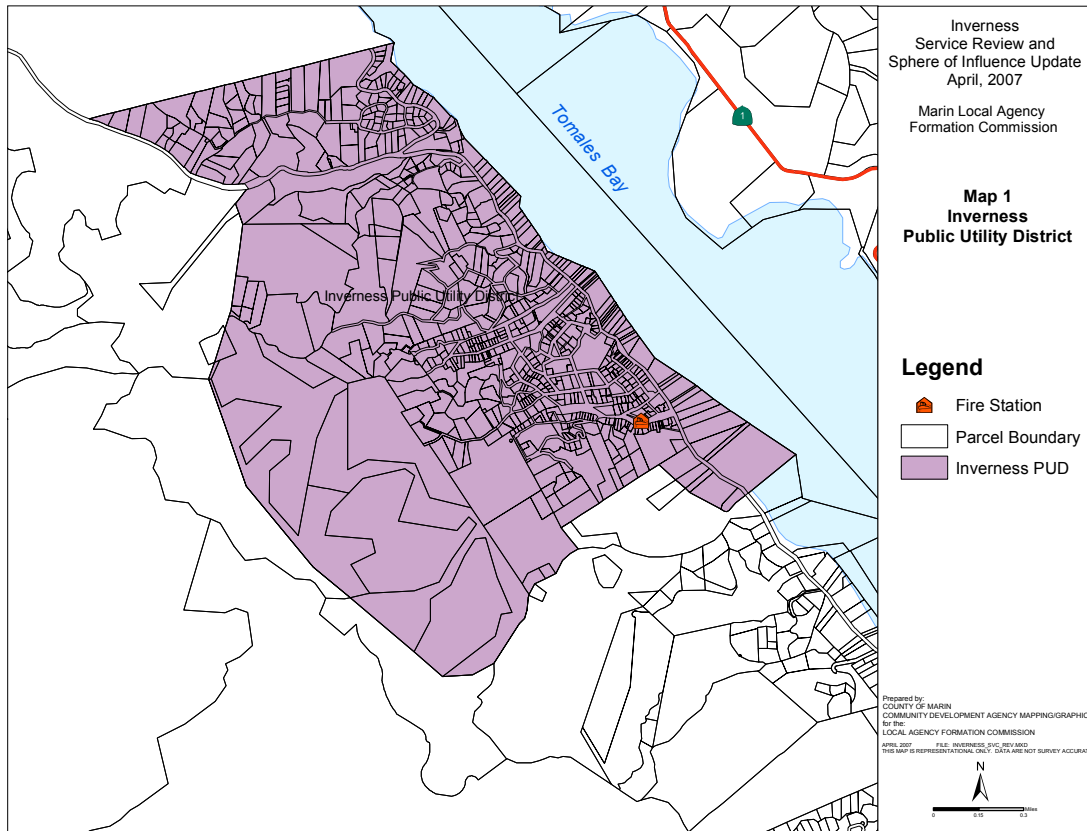
Description of District

The Inverness Public Utility District (IPUD) was formed in 1948 under Section 15501 et seq. of the California Public Utilities Code. IPUD provides fire protection and municipal water service to its service area within the unincorporated community of Inverness. IPUD's service area encompasses some 1,600 acres, of which 500-600 acres are watershed.

The most important 373 acres of the watershed are in public ownership; the District owns 190 acres and Tomales Bay State Park owns 183 acres. The District effectively manages the entire publicly owned watershed, including the portion owned by the State Park.

A five-member Board of Directors, elected at-large, governs the IPUD and sets policy and water rates. A part-time General Manager is responsible for administrative functions. The Inverness Fire Department maintains a roster of 15 volunteers including a Chief who is employed on a part-time basis. The water system has three employees who also serve as volunteers for the Fire Department. The firehouse is not staffed on a full-time basis.

The IPUD's boundaries and sphere of influence are coterminous. A map of the IPUD service area is shown below.



District Services

IPUD provides fire protection and municipal water service to its service area in the unincorporated community of Inverness.

Fire protection has been provided by IPUD since the early 1950s. The District purchased the water system from private owners in 1980. The Fire Department's service area is the same as the water system's.

The Fire Department's primary response area includes a population of approximately 700 persons, but this number is estimated to increase by as much as 50% on warm-weather summer weekends. Nonresidential sites include three motels, a public school (K-2), a church, a yacht club, several bed and breakfast establishments, and several dining and retail businesses.

Within the water system's service area are 502 customer connections (480 residential, 18 nonresidential and 4 inactive). There are 533 developed parcels within the District. There are two developed areas in the District (Highland Way

neighborhood and upper Vision Road neighborhood), which, due to elevation, are outside the water system's service area and lack municipal fire hydrants

Municipal Service Review Determinations for Inverness Public Utility District

1. Government Structure Options

The Inverness PUD fire department is part of a Cooperative Fire Agreement with the Point Reyes National Seashore. Other participants in this agreement include Marin County Fire Department (County Fire), Bolinas Fire Protection District, Stinson Beach Fire Protection District, Muir Beach Fire Department, South Marin Fire Protection District, and Sausalito Fire Department.

A Cooperative Agreement for Local Government Fire Suppression (the Five-Party Agreement) is in place with the Governor's Office of Emergency Services. The contractual relationships (including mutual aid and automatic aid) make up for some of the deficiencies in station location and the disadvantages of small-scale organizations among member agencies.

The possible alternative service options include:

- Inverness PUD could contract with North Marin Water District (NMWD) to purchase water when additional water is needed.
- Fire protection services could be provided by Marin County from its facility in Point Reyes Station.

The 1983 Inverness Communities Plan made a recommendation for Inverness residents to work with LAFCO staff towards territorial expansion of the Inverness PUD or the creation of a community services district to study transfer of water service to NMWD, as well as provision of local recreation facilities and improved structural fire protection within the Inverness Park area.

Since this recommendation in 1983, many improvements have been made to update the water system and an efficient management structure has been established. In addition, public utility districts are authorized to provide park facilities and recreation services as well as water and fire protection. It is therefore difficult to identify the advantage of reorganization of IPUD as a community services district on that basis. Since the date of the 1983 plan, the IPUD board has not had discussions about reorganizing as a community services district. In November 1988, there were discussions about purchasing supplemental water from NMWD. A measure was placed on the ballot for

voters to authorize continued negotiations and was defeated by 340 to 136 stating that the citizens did not want to pursue the matter.

2. Infrastructure Needs and Deficiencies

Water System

The Inverness Water System’s major facilities consist of a collection system, treatment facilities, storage facilities and a distribution system.

The collection system consists of eight collection basins located in the watershed streams along the east slope of the Inverness Ridge. Two additional collection points are located at lower elevations. There are also three additional very low yield wells that could be utilized for supplemental supply.

There are two treatment plants – a main plant located at 275 Perth Way and a smaller plant located at 13275 Sir Francis Drake Boulevard. The water is filtered using Memcor continuous microfiltration microfilament membrane package units and then chlorinated.

The storage facilities include tanks at four sites that store a total of 345,000 gallons of finished water (see Table 1).

Table 1. Inverness Water System Storage Tanks

Water Storage Site	Address	Storage Tanks
Tenney Tank Site	146 Perth Way	one 60,000 gallon tank, two 10,000 gallon tanks
Colby Tank Site	60 Perth Way	one 100,000 gallon tank, four 10,000 gallon tanks
Seahaven Tank Site	225 Via de la Vista	one 70,000 gallon tank, one 15,000 gallon tank
Stockstill Tank Site	591 Via de la Vista	two 20,000 gallon tanks
	Total Storage Capacity	345,000 gallons

The distribution system has approximately 10.5 miles of distribution mains and 62 fire hydrants.

Planning is currently underway to develop a new tank site in the vicinity of 420 Vision Road consisting of one 100,000 gallon steel tank. Also being planned is a major tank storage improvements project that will replace existing tanks and increase the storage capacities at the Tenney, Colby and Stockstill sites.

There are two areas in the District (Highland Way neighborhood and upper Vision Road neighborhood), which, due to elevation, are outside the water system's service area and lack municipal fire hydrants. There are 26 residences in these neighborhoods. Fire protection water for some of these homes (typically, newer ones) is available from on-site storage tanks, but most of these properties were developed prior to fire storage tanks being required. To fight fires at such residences, the Department must rely on water tenders provided by Marin County Fire Department pursuant to the Automatic Aid agreement.

Fire Department

The District has a single station on the Village Green near the commercial center of Inverness (See Map 1). The firehouse was built in 1956 and remodeled and expanded in 1992. It houses the Fire Department, a community meeting room, and the district and water system offices.

The capital projects approved for the 2006/07 fiscal year include replacement of fire equipment such as personal protective gear, SCBA (self-contained breathing apparatus) replacement, rescue vehicle equipment, new pagers, and a defibrillator unit.

Both of the existing fire engines are designed to transport firefighters standing on a rear running board, a practice that is no longer in accordance with National Fire Protection Association (NFPA) standards. When either engine is replaced with a model that includes the necessary crew cab, it will be extremely difficult to accommodate such a vehicle in the existing firehouse because of the building's shallow engine bays. The firehouse cannot be expanded on either the front or back because of the physical constraints of the property (roadway in front and a stream in back). Thus, it is not clear how updated replacement of firefighting apparatus will be housed. The firehouse is also deficient in storage, maintenance area, and office workspace.

Infrastructure needs for both the water system and the Fire District are reviewed and determined annually by the staff and governing board, projecting three to five years in advance. In the near future, the District will have to plan for the replacement of one Type I structure engine and the staff SUV.

3. Growth and Population Projections

Based on the 2000 U.S. Census information, the Inverness CDP (Census Designated Place) planning area had a population of approximately 1,421. According to the Marin County Community Development Agency, there were 960 existing units in 2005. The second unit projection is 97 units and the 2030 buildout projection is 1,220 units. The estimated maximum population projection (2030) is 2,947, an increase of 107%.

According to staff of Inverness PUD, the IPUD has a 2000 population of 700 with 480 existing units. The District's estimated 2030 housing unit buildout is 495 units because there is only supply capacity to accommodate 10 to 15 additional residential units to a very limited service area of the water system (see table on page 11).

4. Financing Constraints and Opportunities

The District's fire related revenue is derived primarily from property tax revenue. Property tax revenues of \$379,518 represent 73% of total operating revenues of \$517,537 in FY 2005/06. Other revenues were from grant revenues (\$99,639), interest earnings from local agency investment fund, (\$27,477), and service charges from West Marin Emergency Services Fund (\$10,903).

The water system's revenue is derived from service fees consisting of a basic charge covering the expenses that apply equally to all customers and a usage charge based on units or gallons of water used. The basic charge covers costs such as the principal and interest on revenue bonds, meter readings, customer account maintenance, routine system operations, system improvements and major maintenance projects, and the water system's 50% share of the District's overhead expenses.

5. Cost-Avoidance Opportunities

Staff has not identified significant cost avoidance opportunities in fire or water services in the Inverness study area that could result from changes of organization anticipated by adopted spheres of influence or other changes in the relationships between local agencies.

6. Opportunities for Rate Restructuring

The water system's basic bimonthly charge for a single-family home is \$77. This charge covers expenses that apply to all users. There is also a usage fee that is based on the number of units (1 unit = 100 cu ft) of water used (\$1.75 - \$15.35 per unit depending on the number of units). Connection fees and service calls are not a significant revenue source in comparison with services charges.

The water system has the opportunity for rate restructuring during the annual budget process. The Board of Directors determines whether debt service ratio for the water system revenue bonds is 1:2 or lower. If not, staff prepares various new rates for consideration. Public hearings are held and new rates are adopted.

The Fire District's revenue sources are not derived from fees or rates but from property taxes levied in accordance with special district fire tax and ad valorem taxes.

7. Opportunities for Shared Facilities

The water system and Fire Department of the Inverness Public Utility District share administrative and field staff and facilities.

The water system relies exclusively on its own watershed for its sources of supply, and there are no out-of-district customers.

There is an emergency intertie at the south end of the District that provides an interconnection with North Marin Water District. In the event of an emergency, either District can, pursuant to agreement provisions, obtain water from the other District via the intertie.

The Fire District has mutual aid agreements with County Fire and Point Reyes National Seashore. The District contracts with County Fire for dispatch services, and an automatic mutual aid response protocol was established with County Fire in 1994. These mutual aid agreements, as well as the Marin Emergency Radio Authority (MERA) joint powers agreement, expand IPUD's response zone to nearly 100 square miles (in general terms, west to the Point Reyes Lighthouse, north to Pierce Point on the west side of Tomales Bay and to Marshall on the east side of Tomales Bay, south along Hwy. 1 into the Olema Valley, and east to the area of the Nicasio Reservoir) under its various cooperative service agreements.

The district is a member of the joint powers agreement with MERA. MERA is a countywide public agency consisting of the County, all cities and towns, fire districts, and other special districts that joined together to replace the previous aging and obsolete public safety communications system. This system unifies

public safety response, making it possible for members to communicate more effectively and efficiently with each other and within individual departments.

With the advent of the 911 system, IPUD's contract with Marin County Fire Department provides 24/7 dispatching. Volunteer firefighters are dispatched via wireless Motorola pagers, so that they can be accessible at all times.

There are no obvious opportunities for additional shared facilities in the operations of the PUD with other districts or agencies.

8. Evaluation of Management Efficiencies

Management efficiencies relate to the ability of the agency to provide economical and efficient public services. Efficiently managed agencies consistently implement plans to improve service delivery, reduce waste, eliminate duplication of effort, contain cost, maintain qualified personnel and maintain adequate reserves.

The budget processes and budget documents adopted by IPUD are generally informative on the nature of services, allocation of resources to those services, and projections. The documents are written in plain language for a general audience.

There is, however, a growing lack of volunteer firefighters due to the changes in demographics, such as more weekenders and fewer full-time residents. High housing costs and less job availability also reduces the potential participation of volunteer firefighters.

9. Local Accountability and Governance

The District is a relatively compact organization, which enhances the ability of the public to participate in its activities. The Board of Directors is elected by and accountable to the voters who reside in the District. The District maintains a website and has a well-developed budget process.

III. SPHERE OF INFLUENCE REVIEW AND UPDATE

Description of Current Sphere of Influence

The Inverness Public Utilities District lies on the western shore of Tomales Bay, just north of Willow Point, with Tomales Bay State Park forming its northern border. The District’s boundaries and sphere of influence are coterminous. A map of the District and its sphere are shown on page 3.

Service Relationships

Table 2 summarizes the sources of municipal services for the Inverness PUD.

Table 2. Sources of Municipal Service: Inverness PUD

Area	Police	Fire/Emergency. Medical	Water	Wastewater Disposal	Solid Waste	Comm. Development	Street Maintenance	Parks & Recreation	Library
Inverness PUD	County Sheriff	IPUD	IPUD	On-site	Shoreline Disposal Service	County	County	County	County - local branch

The Inverness PUD receives fire services from Inverness Public Utilities District and from County Fire for wildland fire protection within the District’s boundaries. Fire protection within both Tomales Bay State Park and Point Reyes National Seashore is provided on contract by County Fire, whose nearest stations are in Point Reyes and Hicks Valley. Paramedic ambulance service is provided by County Fire.

The Inverness PUD provides water for the northern part of the Inverness area. North Marin Water District provides water for the area outside of the IPUD service area.

There is no sewer system in Inverness. The area is served by individual septic systems, which are regulated by the Marin County Department of Environmental Health. Library services are also available at the County branch library located in Inverness on Park Avenue. Although Inverness has few neighborhood and community park facilities, a wide range of recreational opportunities are available to residents from Federal, State and County park facilities in west Marin.

Need/Demand for Services

Existing and potential housing units and population for the Inverness area and Inverness PUD are shown in Table 3.

**Table 3. Estimated Population and Development Potential
Inverness Area and Inverness PUD**

	Land Area (acres)	2000 Population	2005 Existing Housing Units	2030 Buildout Housing Units	Estimated Maximum Population	% Potential Area Population Increase
Inverness Area	3,761	1,421	960	1,317	2,947	107.4%
Inverness PUD	1,600	700	480	495	N/A	N/A

Note: Inverness Area 2030 Buildout based on Countywide Plan scenario most likely to be adopted. Second unit projection is based on State and local policy.

The 2000 population of the greater Inverness community planning area was approximately 1,421 within a land area of 3,761 acres. According to the Marin County Community Development Agency, there is currently 960 housing units with a future development potential of 1,317 additional units (which includes 97 second units), with maximum population of 2,947 under current zoning designations.

The smaller IPUD jurisdiction has a land area of approximately 1,600 acres and has many constraints to land development, such as water supply limitations, steep slopes and soil instabilities. There are 500-600 acres of public lands in IPUD including Tomales Bay State Park, Nature Conservancy, County Parks, and other watershed areas that are not developable. Therefore, the future population growth and need for future services are more limited than the surrounding Inverness community plan area. As noted earlier, water supply constraints within IPUD limit additional development to approximately 15 additional units.

Ability to Extend Services

Projected demand for services extended to new population within the District's existing boundaries would require significant changes to Inverness' services and facilities probably taking the form of purchase of additional, non-local water supply from NMWD. The IPUD governing board's policy determinations do not envision the use of non-local sources of supply.

The IPUD water system operates near its current capacity without any significant increases expected in the number of service connections. The Inverness Ridge Communities Plan (1983) suggests that there are a number of alternative water supplies potentially available to the Inverness PUD. However, there is strong community sentiment for the District to live within the natural constraints of the service area, including local water supplies. The District Board believes that importation of water through North Marin Water District pipelines would alter the balance between development and water supply.

City and County General Plans

The Inverness Ridge Communities Plan (1983) was written after storms in 1982 caused major flooding, debris flows and landslides in the area. The 1983 Plan primarily discussed zoned density reductions for the area due to steep slopes and lack of resources for intense development. (See page 4 for discussion of the 1983 Plan and recommendation for IPUD reorganization).

Recommendation

During this service review, it was discovered that there are overlapping boundaries of Inverness PUD and North Marin Water District. NMWD annexed a larger area including Inverness in 1967, anticipating the public purchase of several private water systems serving the area. Subsequently, IPUD rather than NMWD purchased the private system operating within its boundaries creating overlapping boundaries of special districts providing water.

Staff recommends that the sphere of influence of NMWD be reevaluated in order to eliminate this boundary overlap. This topic will be taken up in more detail in a subsequent study of Marin County water service agencies.

Staff recommends that the Commission affirm the current Sphere of Influence for the Inverness Public Utility District based on a lack of advantage of organizational alternatives and on the public ownership of all surrounding territory. Staff recommends that the Commission affirm the existing sphere of influence that is coterminous with the District's boundary.