

**RESOLUTION NO. 2021-04**

**A RESOLUTION OF THE HEBER PUBLIC  
UTILITY DISTRICT ADOPTING RESERVE  
GUIDELINES AND BUDGET FOR FISCAL  
YEAR 2021-22**

**WHEREAS**, the General Manager has submitted the Reserve Guideline and Reserve 2021-22 Budget to the Board of Directors for its review and consideration in accordance with reserve policies and objectives established by the Board of Directors, and

**WHEREAS**, the 2021-22 Reserve Guidelines are intended to provide guidelines for the Heber Public Utility District to designate money in order to balance the budget, respond to emergencies, keep rates affordable, maintain current infrastructure and plan for future public projects; and

**WHEREAS**, the Reserve Guidelines are as follows:

**Committed Funds –**

**Capacity Fees:** These reserves are monies received from new service connections that increase our need for increased capacity in our Water and Wastewater Enterprise Funds.

**Capital Reserve Funds:** These funds are reserved to ensure monies are available to implement the current FY year projects included in the Board adopted Five Year Capital Improvement Project List.

**Restricted Fund Balance –**

**Debt Service Funds:** These are funds that are mandated by law to be held in reserve.

**Capital Replacement Reserve Funds:** The Capital Replacement Reserve Fund (Short Lived Asset Reserve) are mandated by law to be funded each year.

**Assigned or Designated Fund Balance –**

**Water, Sewer and Solid Waste Operating and Maintenance Reserve Funds:** The Heber Public Utility District will maintain a 180 day operation and maintenance Reserve for Water, Sewer and Solid Waste (Trash) Funds.

**Parks and Recreation Operating and Maintenance Reserve Funds:** The Heber Public Utility District will maintain a 180 day operation and maintenance Reserve for Parks and Recreation Funds.

**Unrestricted Reserves –**

**Unrestricted Reserves:** These funds can be programed and expended for any purpose as directed by the Board of Directors.

WHEREAS, in said fiscal year beginning July 1, 2021, there is hereby Reserved within the Treasury of the Heber Public Utility District for District purposes by the various departments of said District for the fiscal year 2021-22, the projected amount of \$2,584,089; and

WHEREAS, the Proposed Reserve Funds Established for FY 2021-22 are described below; and

| <b>Heber Public Utility District Reserve Resolution Backup FY 2021-22</b>                                  |                        |              |              |              |               |
|--|------------------------|--------------|--------------|--------------|---------------|
| * Unchanged Capital assets for Projections purposes only   |                        |              |              |              |               |
| <b>Proposed Reserve Funds Established via Resolution Number 2021-04</b>                                    |                        |              |              |              |               |
| <b>PROJECTED CASH BROUGHT FORWARD AS OF JUNE 30, 2020</b>  | <b>Parks &amp; Rec</b> | <b>Water</b> | <b>Sewer</b> | <b>Trash</b> | <b>Totals</b> |
| <b>Other Sources of Revenues:</b>  |                        |              |              |              |               |
| <i>Per-Capita State Park Grant Prop. 68</i>  | 187,000                |              |              |              |               |
| <b>Total Funds:</b>  | 944,835                | 2,380,926    | 1,526,397    | 118,762      | 4,970,920     |
| <b>Committed Funds:</b>  |                        |              |              |              |               |
| Capacity Fees  |                        |              |              |              |               |
| <b>Capital Reserve Funds (Future Projects)</b>   |                        |              |              |              |               |
| Manhole Replacement  |                        |              | 20,000       |              | 20,000        |
| STM Aerotor Improvement Project  |                        |              | 20,000       |              | 20,000        |
| Water Distribution Lines Improvements at Courts  |                        | 200,880      |              |              | 200,880       |
| Water Line Replacement north of 86 between Pitzer and Rockwood   |                        | 10,000       |              |              | 10,000        |
| Recreation Room at Littlefield - Parking and Patio - GRANT FUNDS - UNFUNDED \$127,171                      |                        |              |              |              | -             |
| Estancia Park Replace Sprinkler System   | 113,200                |              |              |              |               |
| Correll Basin  |                        |              |              | 80,000       |               |
| Lnadscape Over Dogwood Canal between Highway 86 and Correll Road   | 5,000                  |              |              |              |               |
| Children's Park - New Playground Equip, sidewalk repairs, shade - USE PER CAPITA FUNDS \$187,000           | 75,000                 |              |              |              | 75,000        |
| <b>Vehicle Replace Fund</b>  |                        |              |              |              |               |
| <b>New Vehicle Purchase Fund</b>   | 10,000                 | 30,000       | 30,000       |              | 70,000        |
| Parks Truck  | 50,000                 |              |              |              | 50,000        |
| Backhoe all funds  | 28,000                 | 56,000       | 56,000       |              | 140,000       |
| <b>Restricted Funds:</b>   |                        |              |              |              |               |
| Wastewater debt to Parks (Debt Authorized via Resolution 2018-06) (Reserve Amended via Resolution 2018-10) | (48,828)               |              | 48,828       |              | -             |
| USDA 2009 COPS Loan - Water  |                        | 161,400      |              |              | 161,400       |
| SWRCBA Water Loan - Debt Reserve   |                        | 161,802      |              |              | 161,802       |
| SWRCBA Wastewater Loan - Debt Reserve  |                        |              | 210,998      |              | 210,998       |
| 2021-22 Short Lived Assets Reserve Annual  |                        | 87,418       | 63,000       |              | 150,418       |
| FY 2021-22 Withdrawal for Equipment Replacement (-) in FY 2021-22  |                        | (109,000)    | (100,500)    |              | (209,500)     |
| <b>Assigned or Designated Fund Balance:</b>  |                        |              |              |              |               |
| Operating and Maintenance Reserve Funds 180 days Operating and Maintenance Costs.                          | 250,077                | 574,619      | 498,477      | 20,910       | 1,344,082     |
| <b>TOTAL RESERVES FOR FY 20-21</b>   | 482,449                | 1,173,119    | 846,803      | 100,910      | 2,405,080     |
| <b>PROJECTED UN-ASSIGNED BALANCE:</b>  | 462,387                | 1,207,807    | 679,594      | 17,852       | 2,565,840     |

WHEREAS, All modifications to the Fiscal Year 2021-22 Budget of Reserved Funds, departments and/or activities shall be made by the Board of Directors except that the General Manager may, on her own initiative and without prior approval of the Board of Directors, transfer



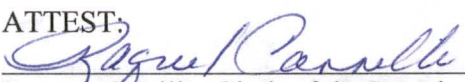
between budget accounts within a fund, activity, or capital improvement fund, or from a budget account or appropriation, to the said fund reserve, amounts determined to be in excess of actual requirements; as long as such changes are reported regularly to the Board of Directors; and

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE HEBER PUBLIC UTILITY DISTRICT, DOES HEREBY RESOLVE AS FOLLOWS:**

1. That the foregoing is true, correct and adopted.
2. That the Board of Directors Adopts the Reserve Guidelines and the Reserve Fund Budget for Fiscal Year 2021-2022.
3. That the Board of Directors of the Heber Public Utility District does hereby adopt this Resolution approving the Fiscal Year 2021-2022 Reserve Guidelines and Reserve Funds Budget as set forth.
4. That the President of the Board of Directors of the Heber Public Utility District is hereby authorized to sign said Resolution, a copy of which is on file at the District office.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Heber Public Utility District held on the 15<sup>th</sup> day of July 2021.

  
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Pompeyo Tabarez, Board President

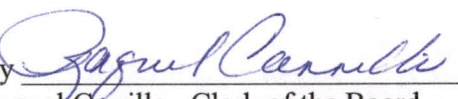
ATTEST:  
  
\_\_\_\_\_  
Raquel Carrillo, Clerk of the Board

APPROVE AS TO FORM:

\_\_\_\_\_  
Steven M. Walker, General Counsel

STATE OF CALIFORNIA )  
COUNTY OF IMPERIAL )  
HEBER PUBLIC UTILITY )  
DISTRICT )

I, Raquel Carrillo, Board Secretary of the Heber Public Utility District, County of Imperial, State of California, DO HEREBY CERTIFY that the foregoing resolution was dully passed, approved and adopted by the Board of Directors of the Heber Public Utility District at its regularly scheduled meeting held on the 15<sup>th</sup> day of July, 2021.

By   
\_\_\_\_\_  
Raquel Carrillo, Clerk of the Board