

Heber Public Utility District Report to the Board of Directors

MEETING DATE: September 15, 2022

FROM: Laura Fischer, General Manager

SUBJECT: Adopt Resolution Number 2022-16 Adopting the Modified Reserve Budget for Fiscal Year 2022-23

ISSUE:

Shall the Heber Public Utility Board of Directors Adopt Resolution Number 2022-16 Adopting the Modified Reserve Budget for Fiscal Year 2022-23?

GENERAL MANAGER RECOMMENDATION:

Adopt Resolution Number 2022-16 Adopting the Modified Reserve Budget for Fiscal Year 2022-23.

FISCAL IMPACT: Total Modifications \$186,900

Adopting Resolution 2022-16 will establish a reserve budget to allocate Fund Balance for FY 2022-23 to ensure adequate funding to complete three additional projects as follows:

Agenda Item 8.F – Flow Meter \$90,000

Agenda Item 8.G. – Matching Grant Funds for USDA Equipment Purchase \$71,314

Agenda Item 8.H. – Emergency Repairs to Parkyns Lift Station \$25,586

TOTAL Adjustment \$186,900.

Modification to Reserve Resolution 09-15-22				Funding Sources	
Flow Meter			90,000	Water	90,000
Matching USDA Grant Equipment			71,314	Sewer	96,900
Emergency Repairs at Parkyns			25,586	TOTAL	186,900
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DISCUSSION:

The three adjustments reflected in Resolution 2022-16 were included in the agenda. If these items were approved, then it is prudent to adopt Resolution 2022-16 as presented.

The adjustments affect water and sewer funds as follows:

Prior to Adjustment: **After New Projects:**

Water \$860,555 \$770,555

Sewer \$779,456 \$682,556

Proposed Reserve Funds Established via Resolution Number 2022-16 MODIFIED 09/15/22					
PROJECTED CASH BROUGHT FORWARD AS OF JUNE 30, 2022	Parks & Rec	Water	Sewer	Trash	Totals
	757,292	2,895,426	1,951,798	198,418	5,802,934
Other Sources of Revenues:					
Per-Capita State Park Grant Prop. 68	187,000				
Total Funds:	944,292	2,895,426	1,951,798	198,418	5,989,934
Committed Funds:					
Capacity Fees					
Capital Reserve Funds (Future Projects)					-
Clarifier#1 - BOD Approved Fy 2021-22		286,580			286,580
Water Plant Backwash Pump Station Repairs - BOD approved FY 2021-22		87,720			
Water Distribution Lines on Highway from Rockwood to Pitzer		199,000			
Water Distribution Lines Replacement at Courts Possibly 100% Grant USDA Colonia Funding - Have Expended in FY 2021-22		335,700			335,700
Matching 25% Funds AB 617 Urban Greening Tree Project & Paving at WTP	19,017	34,162	13,000		66,179
Manhole Replacement Project approved FY 2021-22			218,157		218,157
Matching Funds 25% USDA Grants at Rec Center	24,731				
Flow Meter at Water Plant		90,000			
Matching Funds 25% USDA Equipment Purchase			71,314		
Emergency Repairs to Lift Station Parkyns			25,586		
Truck for Parks	63,164				
Landscape Over Dogwood Canal East Side of Dowgood between Highway 86 and Correll	5,000				
Children's Park - New Playground Equip, sidewalk repairs, shade - USE CORRELL PARK FUNDS (remaining balance \$55K plus \$25K) - Project Short \$700,000 Funding after bid opening	80,000				80,000
Restricted Funds:					
Wastewater debt to Parks (Debt Authorized via Resolution 2018-06) (Reserve Amended via Resolution 2018-10)	(48,828)		48,828		
Debt Service Reserve Funds - USDA		112,159			112,159
SWRCBA Water Loan - Debt Reserve		161,802			161,802
SWRCBA Wastewater Loan - Debt Reserve			211,000		211,000
2019 Short Lived Assets Projected Balance		75,299	86,965		162,264
FY 2022-23 Withdrawal for Equipment Replacement (-)		(65,480)	(64,000)		(129,480)
Assigned or Designated Fund Balance:					
Operating and Maintenance Reserve Funds 180 days Operating and Maintenance Costs.	286,633	807,929	658,392	24,411	1,777,364
TOTAL RESERVES FOR FY 2022-23	429,716	2,124,871	1,269,242	24,411	3,281,725
PROJECTED UN-ASSIGNED BALANCE:	514,575	770,555	682,556	174,007	2,708,208

CONCLUSION:

It is recommended that the Board review the Reserve Budget and finding no changes, adopt Resolution 2022-16 to Adopt a Modified Reserve Budget for FY 2022-23.

ALTERNATIVES:

- 1) Do not adopt Resolution 2022-16 to adopt the Modified Reserve Budget for FY 2022-23 and provide direction to staff to make changes.
- 2) Provide alternate direction to staff.

Respectfully Submitted,

Laura Fischer, General Manager
Attachment: Resolution Number 2022-16

RESOLUTION NO. 2022-16

**A RESOLUTION OF THE HEBER PUBLIC
UTILITY DISTRICT ADOPTING A MODIFIED
RESERVE BUDGET FOR FISCAL YEAR 2022-
2023**

WHEREAS, the General Manager has submitted the Modified Reserve 2022-23 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 2022-23 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, in said fiscal year beginning July 1, 2022, 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 2022-23, the projected amount of \$3,281,725; and

WHEREAS, All modifications to the Fiscal Year 2022-23 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

WHEREAS, the Proposed Modified Reserve Budget Established for FY 2022-23 are described below; and

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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 Modified Reserve Fund Budget for Fiscal Year 2022-23.
3. That the Board of Directors of the Heber Public Utility District does hereby adopt this Resolution approving the Modified Fiscal Year 2022-2023 Reserve 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 15th day of September 2022.

Kaine Garcia, Board President

ATTEST:

Moises Cardenas, Clerk of the Board

APPROVE AS TO FORM:

Steven M. Walker, General Counsel

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

I, Moises Cardenas, 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 15th day of September, 2022.

By _____
Moises Cardenas, Clerk of the Board