

Heber Public Utility District

REPORT TO BOARD OF DIRECTORS

MEETING DATE: April 21, 2022

FROM: Laura Fischer, General Manager

SUBJECT: Modify the Reserve Resolution to Include the 25% Required Matching Funds for AB 617 Grants.

ISSUE:

Shall the Board of Directors authorize a modification to the Reserve Resolution 2021-04 to include matching funds for AB 617 grants?

GENERAL MANAGER'S RECOMMENDATION:

It is recommended that the Board of Directors authorize a modification to the Reserve Resolution 2021-04 to include matching funds for AB 617 grants in the total amount of \$66,179.

FISCAL IMPACT:

Modification to the capital improvement Reserve Resolution must be made to complete these projects. Staff recommends modifying the Reserve Resolution to include additional expenditures as follows:

AB 617 Tree Planting Project - PARKS FUND	19,017
AB 617 Tree Planting and Asphalt Project - WATER FUND	34,162
AB 617 Tree Planting Project - SEWER FUND	12,999
TOTAL HPUD MATCH BY FUND WITH PAVING BID AMOUNT	66,179

PARKS FUND

According to the adopted Reserve Resolution 2021-04 the Parks Fund has a un-restricted reserve in the amount of \$462,387, which includes the purchase of a new truck that will not be expended this Fiscal Year due to supply chain issues. Approval would lower the un-restricted reserves to a balance of \$443,369.

WATER FUND

According to the adopted Reserve Resolution 2021-04, with the approved changes made on January 27, 2022 to include the repairs to Clarifier #1, the Water Fund has a un-restricted reserve in the amount of \$1,026,327. Approval would lower the un-restricted reserves to a balance of \$992,165.

SEWER FUND

According to the adopted Reserve Resolution 2021-04 the Sewer Fund has a un-restricted reserve in the amount of \$679,594. Approval would lower the un-restricted reserves to a balance of \$666,595.

DISCUSSION:

The AB 617 Urban Greening Grant Program requires at 25% match. When the Board authorized the submittal of the application, staff failed to request a budget modification to include the match requirement. This action will allow the District to continue to move forward with the six grants awarded through AB 617.

CONCLUSION:

As staff as identified that approval of the 25% match was not included in the report to the Board and a modification to our reserve budget was not made, it is recommended that the Board authorize a modification to the Reserve Resolution 2021-04 to include matching funds for AB 617 grants in the total amount of \$66,179.

ALTERNATIVES:

- 1) Do not authorize a modification to Reserve Resolution 2021-04 to include matching funds for AB 617 grants in the total amount of \$66,179. This will require the District to refuse the grants and terminate our previously executed Agreement.
- 2) Approve some or the modifications, but reject the total. This will require that the District refuse some of the grants and terminate some previously executed Agreements.
- 3) Provide alternate direction to staff.

Respectfully Submitted,

Laura Fischer, General Manager

Attachments: Copy of Reserve Resolution with proposed modifications.

Heber Public Utility District Reserve Resolution Backup FY 2021-22

* Unchanged Capital assets for Projections purposes only

Proposed Reserve Funds Established via Resolution Number 2021-04

PROJECTED CASH BROUGHT FORWARD AS OF JUNE 30, 2020	Parks & Rec	Water	Sewer	Trash	Totals
	757,835	2,380,926	1,526,397	118,762	4,783,920
Other Sources of Revenues:					
<i>Per-Capita State Park Grant Prop. 68</i>	187,000				
Total Funds:	944,835	2,380,926	1,526,397	118,762	4,970,920
Committed Funds:					
Capacity Fees					
Capital Reserve Funds (Future Projects)					-
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 - MATCH OF 25% INCLUDED IN CAPITAL OUTLAY BUDGET \$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
Vehicle Replace Fund					
New Vehicle Purchase Fund	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
Repairs to Clarifier #1 approved 1/27/22		181,480			
MATCH FOR AB617 URBAN GREENING GRANTS - on Agenda 4/21/22	19,017	34,162	12,999		
Restricted Funds:					
Wastewater debt to Parks (Debt Authorized via	(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)
Assigned or Designated Fund Balance:					
Operating and Maintenance Reserve Funds 180 days Operating and Maintenance Costs.	250,077	574,619	498,477	20,910	1,344,082
TOTAL RESERVES FOR FY 20-21	501,466	1,388,761	859,802	100,910	2,405,080
PROJECTED UN-ASSIGNED BALANCE:	443,370	992,165	666,595	17,852	2,565,840