

HEBER PUBLIC UTILITY DISTRICT REPORT TO BOARD OF DIRECTORS

MEETING DATE: December 18, 2025

FROM: Madeline Dessert, General Manager

SUBJECT: Ordinance 2025-24 Amending Policy No. 3040 To Authorize the General Manager To Execute Service Contracts Not To Exceed \$50,000

BACKGROUND

Resolution 2025-24 amends Policy No. 3040 to authorize the General Manager of the Heber Public Utility District to negotiate and execute service contracts not to exceed \$50,000 per contract. This update is intended to improve operational efficiency by allowing timely execution of routine service agreements necessary for District operations, maintenance, and program delivery, while maintaining appropriate fiscal oversight by the Board of Directors.

Under the proposed amendment, all contracts executed by the General Manager must remain within approved budget allocations and comply with applicable laws, District policies, and procurement requirements. Any service contract exceeding \$50,000 would continue to require prior approval by the Board of Directors. Additionally, the General Manager will provide periodic reports to the Board regarding contracts executed under this authority to ensure transparency and accountability.

RECOMMENDATION:

1. Adopt Ordinance 2025-24 Amending Policy No. 3040 To Authorize the General Manager To Execute Service Contracts Not To Exceed \$50,000
2. Alternative: Do Not Adopt Ordinance 2025-24 Amending Policy No. 3040 To Authorize the General Manager To Execute Service Contracts Not To Exceed \$50,000 and Provide Direction to Staff.

Respectfully,

Madeline Dessert,
General Manager

RESOLUTION NUMBER 2025-24

A RESOLUTION OF THE HEBER PUBLIC UTILITY DISTRICT AMENDING POLICY NO. 3040 TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE SERVICE CONTRACTS NOT TO EXCEED \$50,000

WHEREAS, the Heber Public Utility District (“District”) Board of Directors establishes policies governing procurement, contracting authority, and administrative operations; and

WHEREAS, Policy No. 3040 currently limits the authority of the General Manager to execute service contracts on behalf of the District; and

WHEREAS, operational efficiency and timely delivery of services require reasonable administrative authority for the General Manager to enter into routine service agreements without unnecessary delay; and

WHEREAS, authorizing the General Manager to execute service contracts not to exceed Fifty Thousand Dollars (\$50,000) will improve efficiency while maintaining appropriate fiscal oversight by the Board of Directors; and

WHEREAS, all contracts executed under this authority shall remain subject to applicable laws, District policies, budgetary appropriations, and reporting requirements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Heber Public Utility District hereby amends Policy No. 3040 to authorize the General Manager to negotiate and execute service contracts on behalf of the District in an amount not to exceed Fifty Thousand Dollars (\$50,000) per contract, provided such contracts are within the approved budget.

BE IT FURTHER RESOLVED that any service contract exceeding Fifty Thousand Dollars (\$50,000) shall require prior approval by the Board of Directors.

BE IT FURTHER RESOLVED that the General Manager shall provide periodic reports to the Board regarding contracts executed pursuant to this authority.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Heber Public Utility District on this 18th day of December, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Pompeyo Tabarez,
Board President

RESOLUTION NUMBER 2025-24

**A RESOLUTION OF THE HEBER PUBLIC
UTILITY DISTRICT AMENDING POLICY NO. 3040
TO AUTHORIZE THE GENERAL MANAGER
TO EXECUTE SERVICE CONTRACTS NOT
TO EXCEED \$50,000**

ATTEST:

Jacob Bermudez,
Clerk of the Board

APPROVE AS TO FORM:

Steven M. Walker,
General Counsel

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

I, Jacob Bermudez, Clerk of the Board of the Heber Public Utility District, County of Imperial, State of California, DO HEREBY CERTIFY that the foregoing resolution was duly passed, approved and adopted by the Board of Directors of the Heber Public Utility District at its regularly scheduled meeting held on the 18th day of December, 2025.

By _____
Jacob Bermudez,
Clerk of the Board

year of deposit and will be treated as such in years of use for the purposes of computing the District's debt service coverage ratio.

3035.6 This fund is applied in the five-year financial plan and annual rate model along with other reserve funds to smooth future rate increases. This fund will provide a buffer should revenue estimates in any year not meet projections. The Rate Stabilization Fund will be drawn down to smooth rate increases. Specifically, they will be applied in any year where other revenues are not sufficient to meet the required debt service coverage ratio. They will also be applied if meeting only minimum coverage levels could result in the District's bond ratings being downgraded.

3035.6.1 The O&M Operating Reserve will vary over time with a goal of maintaining six months average operating expenses excluding depreciation. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3035.7 Capital Replacement Reserve Fund.

3035.7.1 This fund pays for the replacement of existing facilities and equipment as it reaches the end of its useful life or for major repairs that extend the useful life of facilities. The purpose of this policy is to "fund depreciation" at 100% in future.

3035.8 Unrestricted Reserves

3035.8.1 Unrestricted reserves also termed "General Reserves" represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

Policy Title: Customer Payment Arrangements Modified via Resolution 2019-1 on 02/21/19
Policy Number: 3037

3037.1 Upon request, the General Manager may grant approval of special arrangements to be made for payment of the following fees when an extreme hardship exists:

3037.1.1 Regular Water, Sewer and Trash Service.

3037.1.2 Connection Fee, Late Fee and Reconnection Fees.

3037.1.3 Reasonable payment schedule may be made following receipt of delinquency "shut-off" notice.

3037.1.4 Reasonable payment schedule may be made if the customer receives a furlough notice from the Federal Government. Customers effected by the Federal Government shutdown may make payment arrangements for one month prior to receiving a "shut-off" notice. Customers requesting payment arrangements due to Federal Government shut down prior to receiving a "shut-off" notice, must bring their furlough letter.

3037.2 Monthly payments not to exceed 6 payments can be arranged. Monthly payments will include the past due amount to be paid over a period not to exceed six months, along with the currently monthly service charges. All current monthly charges and fees along with the amount agreed upon payment for the past due amounts must be paid by the due date monthly.

3037.2.1 Failure to meet the payment arrangement and to keep the account current will result in termination of water service according to the Heber Public Utility District Utility Service Policy Number 3510 XII. Discontinuance of Utility Services.

Policy Title: Expense Authorization
Policy Number: 3040

- 3040.1 All purchases made for the District by staff shall be authorized by the General Manager, Finance Manager or Office Manager and shall be in conformance with the approved District budget.
- 3040.2 Any commitment of District funds for a purchase or expense greater than \$15,000 shall first be submitted to the Board of Directors for approval, or shall be in conformance with prior Board action and/or authorizations. (Amended via Resolution 2017-14 on 12/21/2017)
- 3040.2.1 The General Manager may authorize expenditures greater than \$15,000.00 in certain circumstances that require immediate action. The General Manager will immediately report any such expense to the Board of Directors. (Amended Via Resolution 2017-14)
- 3040.3 Any commitment of District funds towards service agreements or contracts over \$50,000 shall first be submitted to the Board of Directors for approval or shall be in conformance with prior Board action and/or authorizations prior to execution.
- 3040.4 Whenever employees or Directors of the District incur "out-of-pocket" expenses for item(s) or service(s) appropriately relating to District business as verified by valid receipts, said expended cash shall be reimbursed by check through the accounts payable procedures. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the General Manager, Finance Manager, or Office Manager prior to payment. Any request for reimbursement without a receipt must be made in writing and signed by the employee or Director requesting reimbursement. The written request shall contain an acceptable explanation for the claimed expense and why there is no receipt and must be approved in writing by the General Manager.

Policy Title: Employment of Outside Contractors and Consultants
Policy Number: 3042

- 3042.1 The District may employ outside contractors or consultants for construction or engineering projects, auditing purposes and for other professional services as the need may arise. The District's procedure process is consistent with State and Federal laws.

Policy Title: Utility Service Policy Adopted Via Resolution 2013-12 on 09/19/2013
Policy Number: Amended 08/20/2015 Attached

Policy Title: Encroachment Permit
Policy Number: 3070

- 3070.1 Whenever a property owner desires to install or construct physical improvements - landscaping, fencing, retaining walls, culverts, bridges and/or other structures or improvements - on, above or below the surface of any portion of their land which is encumbered by a district facility or dedicated easement or right of way, they shall, prior to commencement of said installation or construction, apply for and receive an Encroachment Permit from the County of Imperial.

- 3070.1.1 Plans for said structures or improvements may be required by the General Manager to ensure that the resulting installation adequately accommodates existing district facilities
- 3070.1.2 A fee established by the HPUD Board, together with actual county recording costs, shall be charged to cover district administrative and inspection costs, and the cost to record the Encroachment Permit with the County Recorder.
- 3070.1.3 The form of the Encroachment Permit shall be as designated by the County of Imperial.

Policy Title: Purchasing
Policy Number: 3080

- 3080.1 To purchase small items - such as office supplies, auto parts, and other miscellaneous items costing less than \$500 - vendors will be asked to submit pricing information. District accounts are then awarded to those firms that provide the best prices, discounts, etc. Acquisitions are processed on purchase order forms that list instructions to vendors.
- 3080.2 Authorized employees may purchase items that are necessary to the operations of the District and that are included in the approved budget. After purchasing any items the receipt or invoice must be submitted to their immediate supervisor for processing for payment.
- 3080.3 To purchase items costing more than \$1000 quotations will be solicited from vendors and received by telephone, fax or mail prior to processing a purchase order. The General Manager, Finance Manager and Office Manager must approve purchase orders. Any such purchase order must be signed by one of the three management employees.
- 3080.4 Once approved the employees then purchases the items requested or if it is an emergency then an approval is given by the General Manager to purchase the items immediately. If an item exceeds the spending limit then it is taken to the Board of Directors for approval. The Board will be given three different quotes from vendors. If an item is a specialty item that is not available except from special vendors, there may be fewer than three quotes.
- 3080.4.1 The General Manager may authorize expenditures greater than \$15,000.00 in certain circumstances that require immediate action. The General Manager will immediately report any such expense to the Board of Directors.
- 3080.4.2 For large quantity orders, the district will provide suppliers with a list of items to be purchased. Items on the list will be purchased from the supplier quoting the lowest prices and having an acceptable delivery date.
- 3080.5 Vehicles will be purchased through a competitive bidding process

Policy Title: Disposal of Surplus Property or Equipment
Policy Number: 3085

- 3085.1 Sale of Surplus Equipment.
- 3085.1.1 Board of Directors takes action to declare equipment surplus.
- 3085.1.2 Item is advertised for sale with notation of location/hours/days it can be seen and deadline date for submission of sealed bids. (Advertisement also notes that the District reserves the right to reject

any or all bids, equipment sold AS IS.)

- 3085.1.3 Sealed bids are opened at the District Offices and the bid may be awarded to the highest bidder by the General Manager or his/her designee.
- 3085.1.4 Bidders are notified of District's decision(s).
- 3085.1.5 Junked Certificates may be obtained for vehicles that are sold to protect the District from liability.
- 3085.1.6 The District may hold an auction for any surplus equipment not sold through a sealed bid process. The auction will follow the same guidelines for declaring equipment surplus. The District will advertise the date and time of the auction, and notify all prospective bidders that if a minimum bid is not made the District retains the right to pull any item from the bid list.
- 3085.2 Sale of Real Estate:
 - 3085.2.1 Board takes action to declare property surplus and authorizes District staff to obtain appraisal.
 - 3085.2.2 Property is offered to public agencies at the appraised price. (State law requires that public agencies have the opportunity to purchase property prior to advertisement to the general public.)
 - 3085.2.3 If property is not purchased by a public agency, it is advertised in the newspaper with a request that sealed bids be submitted to the District.
 - 3085.2.4 Board takes action at the next regular Board Meeting to accept or reject highest bid.
 - 3085.2.5 Bidders are notified of the Board's action.

Policy Title: Records Retention
Policy Number: 3090