

HEBER PUBLIC UTILITY DISTRICT REPORT TO BOARD OF DIRECTORS

MEETING DATE: September 17, 2026

FROM: Madeline Dessert, General Manager

SUBJECT: Adopt Resolution Number 2026-19 Adopting the Water Service Capacity

BACKGROUND

Resolution Number 2026-19 formally identifies the requirements associated with the payment of Water Service Capacity Fees and provide clear direction regarding when such fees are due.

The adoption of Resolution No. 2026-19 will not result in any financial change to the District's currently scheduled Water Service Capacity Fees. The existing fee amounts will remain unchanged. Rather, the resolution is intended to provide greater clarity and consistency by clearly identifying the point in the development and service connection process at which the applicable capacity fees must be paid to the District.

Establishing a clear payment requirement will assist District staff, developers, property owners, and applicants in understanding their financial obligations and help ensure that capacity fees are collected consistently and in a timely manner.

REQUESTED ACTION

1. Approve and Adopt Resolution Number 2026-19 Adopting the Water Service Capacity
2. Do Not Approve nor Adopt Resolution Number 2026-19 Adopting the Water Service Capacity and Provide Direction to Staff

Respectfully Submitted,

Madeline Dessert

ORDINANCE NO. 2026-19

AN ORDINANCE OF THE HEBER PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS REAFFIRMING WATER SERVICE CAPACITY FEES

WHEREAS, Government Code sections 66013 and 66016 authorize the Heber Public Utility District (the "HPUD" or "District") to adopt a resolution or ordinance to establish and impose water service capacity fees; and

WHEREAS, pursuant to California Government Code sections 66013 and 66016, the HPUD Board of Directors adopted Ordinance No. 2010-2 on April 15, 2010, modifying rates, fees, and charges for services; and

WHEREAS, the Board of Directors adopted Ordinance No. 2017-1 on March 16, 2017, to modify water service capacity fees to reflect the revised estimate of the cost of current and future capital improvements necessitated by development within the District's boundaries; and

WHEREAS, each person or entity seeking to connect to the District's water system must share the cost of District facilities, including, but not limited to, treatment, production, storage, and major transmission facilities; and

WHEREAS, in connection with Ordinance No. 2017-1, the District complied with the public-meeting, notice, and data-disclosure requirements of Government Code sections 66016 and 66018, including making publicly available data concerning the estimated cost of providing the services for which the capacity fee would be levied and the anticipated revenue sources for those services; and

WHEREAS, the data supporting Ordinance No. 2017-1 set forth reasonable cost estimates for the District's provision of water facilities and established that the proceeds generated by the water capacity fees did not exceed the total estimated costs; and

WHEREAS, Ordinance No. 2014-1 addresses service costs and the issuance of Service Commitment and Will Serve letters, and the Board desires to clarify that such letters will not be issued before the applicable service costs are paid in full, unless other financial arrangements satisfactory to the District are made; and

WHEREAS, the Board considered this Ordinance at a duly noticed public meeting held on September 17, 2026, and received and considered all oral and written comments presented before adoption.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE HEBER PUBLIC
UTILITY DISTRICT HEREBY DETERMINES AND ORDAINS AS FOLLOWS:**

Section 1. Recitals. The above recitals are true and correct and are incorporated herein by this reference.

Section 2. Water Service Capacity Fees. The water service capacity fees and related provisions set forth in Exhibit 1, attached hereto and incorporated herein, are adopted, reaffirmed, and shall remain in effect until repealed, amended, or modified by action of the Board

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of Directors. To the extent necessary, Ordinance Nos. 2010-2 and 2017-1 are amended and superseded accordingly.

Section 3. Service Commitment and Will Serve Letters.

HPUD BOARD OF DIRECTORS HEREBY ORDAINS THAT:

HPUD has no obligation to and will not issue a Service Commitment or Will Serve letter under Section 5 of Ordinance 2014-1 until the service costs described in Section 4 of Ordinance 2014-1 are paid in full, unless other financial arrangements are made to the satisfaction of HPUD.

Section 4. California Environmental Quality Act Compliance. Pursuant to California Public Resources Code section 21080(b)(8), the District's adoption and reaffirmation of water capacity fees is not subject to the requirements of the California Environmental Quality Act. In accordance with section 21080(b)(8), the District finds and determines that the fees addressed by this Ordinance are for meeting operating expenses and obtaining funds for capital projects necessary to provide and maintain water service within the District.

Section 5. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, and phrase thereof irrespective of the fact that any one or more portions are declared invalid.

Section 6. Ordinance Effective Date. This Ordinance shall take effect thirty (30) days after the date of its passage. A summary shall be published once, with the names of members voting for and against the same, in a newspaper of general circulation published in the County of Imperial. A certified copy of the full text of this Ordinance shall be posted at the office of the Clerk of the District Board of Directors, 1078 Dogwood Road, Suite 103, Heber, California 92249.

APPROVED AND ADOPTED by the Board of Directors of the Heber Public Utility District on this 17th day of September, 2026.

AYES:

NOES:

ABSTAIN:

ATTEST:

ORDINANCE NO. 2026-19

**AN ORDINANCE OF THE HEBER PUBLIC
UTILITY DISTRICT BOARD OF DIRECTORS
REAFFIRMING WATER SERVICE CAPACITY
FEES**

By: _____

Jacob Bermudez,
Clerk of the Board

By: _____

Pompeyo Tabarez,
Board President

APPROVE AS TO FORM:

By: _____

Steve Walker,
General Counsel

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EXHIBIT 1

WATER SERVICE CAPACITY FEES

The provisions of Section 2 of Ordinance No. 2010-2, as previously amended by Ordinance No. 2017-1, are hereby reaffirmed, amended, and superseded by the following:

**Heber Public Utility District
Capacity Fee Study
Water Enterprise - Capacity Fees**

Connection Size	Capacity Fee
1 inch or less	\$3,087
2 inch Connection	\$9,878
3 inch Connection	\$21,609
4 inch Connection	\$38,896
6 inch Connection	\$80,262
8 inch Connection	\$148,176
10 inch Connection	\$234,612

The above fees shall be charged based on the meter size installed at the service location in accordance with the Heber Public Utility District Utility Service Policy. In the event an existing service is upsized, the applicant shall pay the difference between the current rate for the existing meter size and the appropriate rate charged for the new meter size.

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All water service capacity fees shall be paid prior to plan approval by the General Manager. Provided, however, commercial or industrial projects and residential projects or subdivisions involving more than four (4) units may be phased in accordance with an agreement approved by the Board of Directors. Water service will not be turned on prior to receipt of the fees, and the fee charged shall be the fee in effect at the time HPUD receives payment.

The fees in this Exhibit 1 shall remain in effect until the HPUD Board of Directors takes action to repeal, amend, or modify them.

STATE OF CALIFORNIA

COUNTY OF IMPERIAL

HEBER PUBLIC UTILITY

DISTRICT

I, Jacob Bermudez, Board Secretary 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 17th day of September, 2026.

By: _____

Jacob Bermudez,

Clerk of the Board