

Heber Public Utility District

REPORT TO BOARD OF DIRECTORS

MEETING DATE: June 20, 2019

FROM: Laura Fischer, General Manager

SUBJECT: Information Only Regarding Memorandum of Understanding Between the Heber Public Utility District and the Heber Community Foundation

INFORMATION ONLY:

BACKGROUND:

In 2017, the Heber Public Utility District approached the Heber Community Foundation (HCF) Board to see if they would be willing to work with HPUD or perhaps allow HPUD to manage their non-profit. Staff was directed to contact Mr. Jesus Ramirez to see if the HCF Board would entertain some discussion about joining our efforts to increase recreation opportunities.

After some discussion and several meetings, the Heber Community Foundation (HCF) Board met to adopt new bi-laws that allowed two members of the Heber Public Utility District to serve on the HCF Board. Directors Sandoval and Tabarez were selected to serve on the HCF Board.

The Heber Public Utility District helped raise some funds for the HCF during our 85th Anniversary events. Currently the HCF Board Members are: Katie Luna, Tony Sandoval, Pompeyo Tabarez, and Juan Cruz.

In April 2019, HPUD staff was contacted by a developer who was applying for a grant from the County of Imperial to develop low income/veteran housing in Heber. They wanted to secure a purchase option on the parcels owned by the Heber Community Foundation on the west side of Pitzer Road just to the east of Desert Sunrise Apartments.

The HPUD staff was able to broker the Option Agreement between CRP Affordable Housing and Community Development LLC, A New York Limited Liability Company and the Heber Community Foundation, which resulted in the HCF receiving \$40,000 in exchange for the exclusive right of CRP to purchase and acquire the property. The Agreement expires in one year and the money is not refundable.

DISCUSSION:

As HPUD staff has expended time assisting the HCF Board secure the Agreement, Director Sandoval requested that the HPUD Board consider a formal Memorandum of Understanding between the HPUD and HCF. Director Sandoval drafted the Agreement and it is attached to this report for your consideration. Should you desire to move to approve the Agreement, HPUD staff will coordinate approval with HCF Board and HPUD Board and bring the item back for your vote.

Respectfully Submitted,
Laura Fischer, General Manager

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE HEBER PUBLIC UTILITY DISTRICT
AND
THE HEBER COMMUNITY FOUNDATION**

This Memorandum of Understanding (“this MOU”) is made and entered into this _____ 2019, by and between the Heber Public Utility District, a public utility district (“the District”) and the Heber Community Foundation, Inc. a California Nonprofit Public Benefit corporation pursuant to state statutes and located in Heber, California (“the Foundation”).

RECITALS

WHEREAS, the District is responsible for providing parks, recreation and other related programs and services and does, on an annual basis, budget for operations, maintenance and improvements to the District’s parks and recreation facilities; and

WHEREAS, the District seeks to expand the parks, recreational facilities, programs and materials to meet the educational, informational, cultural and recreational needs of the District’s diverse community; and

WHEREAS, the District owns or operates and maintains real estate, buildings, and other recreational facilities (the “District Facilities”) and operates a variety of programs and services in the Districts Facilities; and

WHEREAS, the District intends to support the goals of the Foundation by enhancing the quality of life in the Heber community through the expansion of parks, recreational facilities, programs and services.

WHEREAS, the District, will provide in-kind staffing capacity and use of the District Facilities, parks and recreation programs. The district will also provide in-kind organizational capacity to assist the Foundation with its submission of competitive grant opportunities to support and develop new and existing parks, recreational facilities, programs and services benefitting Heber residents; and

WHEREAS, the Foundation has a Mission to Enhance the quality of life in the Heber community through the development of programs, services and culture.

WHEREAS, the Foundation has adopted four (4) Strategic Initiatives to advance its Mission:

1. Support youth development opportunities.
2. Support cultural diversity and awareness in the community.
3. Support the economic prosperity of the community.
4. Support health related projects in the community.

WHEREAS, the Foundation intends to support the goals of the District by pursuing private and public grants and contributions that, if obtained, would be used to benefit the District and the Heber Community Foundation; and

WHEREAS, the Foundation fully intends to operate effectively and responsibly with the reasonable expectations of public interests on behalf of the Heber residents.

NOW THEREFORE, based on the foregoing, the District and the Foundation enter into the following MOU.

Section 1. Adoption of Recitals. The foregoing is true, correct and incorporated into this MOU as though fully set forth herein.

Section 2. Foundation Representations. The Foundation represents and acknowledges the following with regard to its obligations under this MOU:

1. The Foundation will operate as a private legal entity separate from the District.
2. The Foundation shall use sound fiscal and auditing procedures and shall comply with all applicable laws, ordinances, codes and regulations of the Federal, State and local governments.
3. The Foundation will maintain status as a tax-exempt, charitable organization under State and Federal income tax laws to ensure that gifts and bequests received may qualify as deductible, charitable contributions for the donor.
4. The Foundation will maintain the Mission and Strategic Initiatives and will notify the District of any material changes.
5. The Foundation will support the common goals of the District and the Foundation by pursuing private and public grants and contributions that, if obtained, would be used to benefit the Heber community.
6. The Foundation will secure, purchase, manage and invest privately raised funds to further the common goals of the District and the Foundation - enhancing the quality of life in the Heber community through the expansion of parks, recreational facilities, programs and services.

Section 3. District Representations. The District represents and acknowledges the following with regard to its obligations under this MOU:

1. The District will provide the Foundation with in-kind staffing and access to the District Facilities on an as-needed basis.
2. The District will provide the Foundation with in-kind organizational capacity to write and implement competitive grant opportunities on an as-needed basis. This may include support from the District planning consultants, engineers and attorneys.

Section 4. Inspection of Foundation Records. Because private funds are being raised to support public projects, the Foundation will permit, upon reasonable notice, authorized officials of the District or their designees to inspect all the Foundation's books and records, except to the extent such inspection violates rights to privacy or confidential donor information.

Section 5. Termination. Either party may terminate this MOU for whatever reason, upon 30 days written notice. In the event of termination, the Foundation shall provide the District with an accounting of all funds, for joint projects, in its possession and transfer such funds, along with any restrictions thereon, to the District. Notice shall be provided to the following addresses:

For the District

Heber Public Utility District
ATTN: General Manager
1078 Dogwood Road

For the Foundation

Heber Community Foundation
ATTN: President
P. O. Box ?

Suite 103
Heber, CA 92249

Heber, CA 92249

Section 6. Governing Law and Venue. It is understood that this MOU shall be governed by and construed under and in accordance with the laws of the State of California. Venue for any actions arising under this MOU shall be in the County of Imperial, State of California.

The effective date of this MOU is _____ 2019.

Laura Fischer, General Manager
Heber Public Utility District

President
Heber Community Foundation

Approved as to form:

By: _____
Steve Walker

DRAFT