

# Heber Public Utility District Report to the Board of Directors

**MEETING DATE:** June 18, 2015

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Adopt the Modified Five Year Capital Improvement Budget.

**ISSUE:**

Shall the Heber Public Utility Board of Directors adopt the five-year Capital Improvement Budget?

**GENERAL MANAGER RECOMMENDATION:**

Adopt the Modified Five-Year Capital Improvement Budget as Presented.

**FISCAL IMPACT:**

The proposed HPUD Five-Year Capital Improvement Budget totals \$20,989,876. Most of these projects are unfunded and will require grants and loans to complete. See Attached Spreadsheets for more details.

**DISCUSSION:**

The District's Capital Improvement Budget reflects the current and future needs of the District. Staff has developed projects with estimated cost in anticipation of new regulations, population growth projections, and other demands on our District. The projects listed include for FY 2015-16 include:

- Water Treatment Plant expansion project. The Board has authorized staff to execute the Finance Agreement with the State Water Board for a \$3 Million grant and \$3.2 Million Loan. The State Water Board has submitted the final draft of the Agreement.
- The Developer proposed water tank and distribution system needed to ensure current development at Imperial Center and future development in that area have sufficient fire flows to meet County Fire Department requirements. This will be paid for by developer, the County and grants. Operation and maintenance paid by and agreement or rates for the customers who benefit.
- Water Distribution Line Improvement Project. Staff is following up on some possible grant and financing to replace and improvement distribution pipelines. This project is new to FY 2015-16.
- The Wastewater Tertiary Treatment Project. This project is just developing and staff is looking for funding opportunities our last application with Prop 84 funds was not awarded, but we will continue to work with the Imperial Regional Water Management Plan Group to seek grant funds.
- There are several small parks projects included in 2015-16 including lights and the basketball court at Tito Park; restrooms and lights at Jiggs Johnson park; new play equipment at Children's Park; and constructing a park at Correll Estates.
- Additionally there is funds allocated to improvements to the two older office buildings at the water treatment plant, and to construct new offices at a location to be determined.

**CONCLUSION:**

On June 18, 2015 the Board will review the first draft of the Five-Year Capital Improvement Plan. It is recommended that the Board review the CIP budget prior to adopting.

**ALTERNATIVES:**

- 1) Do not adopt the Five-Year Capital Improvement Budget, and provide direction to staff to modify. There is no requirement that HPUD adopt the CIP budget by a specific time, but it is advisable so that projects may move forward.
- 2) Direct staff to present the CIP at the next scheduled meeting to allow the Board time to review prior to adopting.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: CIP 5 year budget

# Five Year Capital Improvement Project List

Presented to HPUD Board of Directors on Junje 18, 2015

Proposed for adoption June 18, 2015

Justification	CAPITAL IMPROVEMENT PROJECTS	Total Estimated Cost	Previous Fiscal Years Costs	FYE 2013-2014 ACTUALS	Project Schedule 2014-15	Project Schedule 2015-16	Project Schedule 2016-17	Project Schedule 2017-18	Project Schedule 2018-19	Project Schedule 2019-20	LONG TERM 6-10 YRS	Project Totals
<b>Compliance</b>	<b>Water System Improvement Projects</b>	<b>8,745,145</b>										
Plant Exp/TTM	Water Plant Expansion/TTM		633,099	79,755	9,671	4,785,512	1,189,925					6,697,963
Water Distribution Lines	Water Dist Lines Engineering & Design		0			5,000	209,900	239,900	1,361,256	231,126	0	2,047,182
	<b>TOTAL</b>		<b>633,099</b>	<b>79,755</b>	<b>9,671</b>	<b>4,790,512</b>	<b>1,399,825</b>	<b>239,900</b>	<b>1,361,256</b>	<b>231,126</b>	<b>0</b>	<b>8,745,145</b>
Recycle water For Parks irrigation and Ormat	<b>Wastewater System Improvement Projects</b>	<b>8,785,251</b>										
	Terciary Wastewater treatment Project					25,000	645,560	7,922,772				8,593,332
	Manholes Rehabilitation Project 1st phase (3) 2nd Phase (10)					47,769	144,150					191,919
	<b>TOTAL</b>					<b>72,769</b>	<b>789,710</b>	<b>7,922,772</b>				<b>8,785,251</b>
Sports Lights Recreation Park Improvements Play Equip Basin & Park	<b>Parks Department Improvements</b>	<b>1,119,480</b>										
	Tito Huerta Park					37,500	250,000				0	287,500
	Tito Huerta Basketball Court					80,000						80,000
	Jiggs Johnson Park		0	0	0	83,750	75,000	100,000			0	258,750
	Children's Park		0	0	0	62,000	100,000				0	162,000
	Correll Estates - Basin and Park Development		12,565	0	11,735	131,929	175,000				0	331,230
	<b>TOTAL</b>		<b>12,565</b>	<b>0</b>	<b>11,735</b>	<b>395,179</b>	<b>600,000</b>	<b>100,000</b>				<b>1,119,480</b>
New Offices Improve old buildings	<b>General All Fund Improvement</b>	<b>2,340,000</b>										
	New HPUD Offices		0	0	0	0	0	2,300,000			0	2,300,000
	New shingles - roof repair, wall partitions & paint		0	0	0	40,000	0				0	40,000
	<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>40,000</b>	<b>0</b>	<b>2,300,000</b>				<b>2,340,000</b>
	<b>TOTAL CAPITAL IMPROVEMENT PROJECTS</b>	<b>20,989,876</b>										

# HPUD Five Year Capital Improvement Project List

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## WATER DEPARTMENT

Funding Source	Water Plant Improvement Project												
State Revolving Fund Application Submitted - July 2013	Water Plant Improvements - Description TTHM Compliance Project Expansion to 4 MGD High Service Pump Station Fire Flow	Previous FY costs	Project Cost Estimate FY 2015	Project Design & FY2012-13	Project Schedule FY 13-14	Project Schedule FY 14-15	Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals	
Project will be 100% financed with SRF. \$3MM grant \$3,235,984 loan. HPUD will be reimbursed for 100% of funds expended in advance, if monies are available, after completion of the project.	<b>Project Components</b>												
		Design -WTP Original cost	446,979	446,979		0							446,979
		Grant Application & follow ups	15,000	6,071	1,774	2,858	4,298						15,000
	0.1%	Admin & Legal		15,000	5,205	3,505	6,290						15,000
	0.2%	Planning ( CUP, ND,Env, Application)		20,000	13,199	11,776	1,309	(6,284)					20,000
	2.5%	Design		242,850	166,850	61,000	2,000	13,000					242,850
	0.0%	Bidding		38,784				38,784					38,784
	0.0%	Engineering- Staking, Geo & Elec		107,568				107,568					107,568
	0.0%	Construction Management		361,986				289,589	72,397				361,986
	5.0%	Contingency		258,562				129,281	129,281				258,562
		Mobilization		200,000				200,000					200,000
		SWPPP		50,000				50,000					50,000
		Labor compliance		20,000				16,000	4,000				20,000
		Construction Costs		4,921,234				3,936,987	984,247				4,921,234
		<b>TOTAL</b>	<b>461,979.00</b>	<b>6,235,984</b>	<b>633,099</b>	<b>79,755</b>	<b>9,671</b>	<b>4,785,512</b>	<b>1,189,925</b>				<b>6,697,963</b>
	<b>CUMMULATIVE TOTAL:</b>		<b>\$ 6,697,963</b>	<b>633,099</b>	<b>712,855</b>	<b>722,526</b>	<b>5,508,038</b>	<b>6,697,963</b>					

HPUD Cash Flow

## WATER DISTRIBUTION LINES - ASSESSMENT, REPAIR AND OR REPLACE

UNFUNDED	Water Distribution Lines											
Will seek for grant funds and use of water fund revenues	Potable Water Distribution Lines	Project Cost Estimate FY 2015	Budgeted	Actuals FY 14-15	Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 18-19	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals	
<b>Project Components</b>												
	Application & follow-ups	15,000			5,000	10,000					15,000	
	Engineering Design	184,900				184,900					184,900	
	Planning ( CUP, ND,Env, Application)	40,000				15,000	25,000				40,000	
	Bidding & Construction	30,000					30,000				30,000	
	Construction, Inspection Adm & Survey & Contingency	1,777,282					184,900	1,361,256	231,126		1,777,282	
	<b>TOTAL</b>	<b>2,047,182</b>			<b>5,000</b>	<b>209,900</b>	<b>239,900</b>	<b>1,361,256</b>	<b>231,126</b>		<b>2,047,182</b>	

## IIRWMP - DROPPED PROJECT -

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## WASTEWATER DEPARTMENT

Funding Source	Wastewater Tertiary Water Treatment Project								
<b>IIRWMP - HPUD - ORMAT</b>	<i>Wastewater secondary water effluent to Tertiary water for Parks Irrigation and sale to Ormat.</i>	<b>Project Total Cost</b>	<b>Project Schedule FY 15-16</b>	<b>Project Schedule FY 16-17</b>	<b>Project Schedule FY 17-18</b>	<b>Project Schedule FY 18-19</b>	<b>Project Schedule FY 19-20</b>	<b>LONG TERM 6-10 YRS</b>	<b>Project Totals</b>
<i>Project Components</i>									
IIRWMP Grant and 1% Loan thru SWRCB SRF. Looking to fund the Project with Ormat Contribution and HPUD funds.	Application - costs	25,000		25,000					25,000
	0.0% Engineering and Design	586,872			586,872				586,872
	0.0% Bidding	36,680			36,680				36,680
	0.0% Engineering- Staking, Geo & Elec	22,008			22,008				22,008
	8.0% Construction Management	586,872				586,872			586,872
	Construction Costs	6,669,000				6,669,000			6,669,000
	10.0% Contingency	666,900				666,900			666,900
18.0% <b>TOTAL</b>	<b>8,593,332</b>	<b>0</b>	<b>25,000</b>	<b>645,560</b>	<b>7,922,772</b>			<b>8,593,332</b>	

Funding Source	Wastewater Tertiary Water Treatment								
<b>Wastewater Funds</b>	<i>Wastewater Manholes Rehabilitation Project: 1st Phase 3 Manholes - 2nd Phase 10 Manholes.</i>	<b>Project Total Cost</b>	<b>Project Schedule FY 15-16</b>	<b>Project Schedule FY 16-17</b>	<b>Project Schedule FY 17-18</b>	<b>Project Schedule FY 18-19</b>	<b>Project Schedule FY 19-20</b>	<b>LONG TERM 6-10 YRS</b>	<b>Project Totals</b>
<i>Project Components</i>									
Sewer Manholes Rehabilitation Program									0
	Engineering and Design	10,000	10,000						10,000
	Bidding	10,000	5,000	5,000					10,000
	Construction Costs	156,289	29,789	126,500					156,289
	5.0% Contingency for budget purposes only	15,630	2,980	12,650					15,630
<b>TOTAL</b>	<b>191,919</b>	<b>47,769</b>	<b>144,150</b>	<b>0</b>	<b>0</b>			<b>191,919</b>	

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UNFUNDED		PARKS DEPARTMENT										
Funding Source		Tito Huerta Park			1	2	3	4	5			
		Resident Request	Previous Fiscal Years Costs	Project Schedule FY 14-15	Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 18-19	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals	
Property Taxes TRA 006-004 Anticipated \$57,000 per year Covers Maintenance Only - NO FUNDS AVAILABLE FOR CAPITAL PROJECTS		Sports Lights  Project Components 15% Admin - Engineering Material Construction TOTAL			37,500						37,500	
					200,000						200,000	
					50,000							50,000
					250,000							287,500
UNFUNDED		PARKS DEPARTMENT										
Funding Source		Jiggs Johnson Park										
		Resident Request	Previous Fiscal Years Costs	Project Schedule FY 14-15	Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 18-19	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals	
Heber Meadows CFD Anticipated \$16,000 per year for Maintenance Only  NO FUNDS AVAILABLE FOR CAPITAL IMPROVEMENTS		for a Basketball court and up-grade the existing lights  Project Components Construction of a Basketball court TOTAL			45,000	35,000					80,000	
											80,000	

**UNFUNDED**

**PARKS DEPARTMENT**

**Funding Source**

**Children's Park**

Property Taxes from TRA 006-002  
Used for Maintenance of Parks

Replace 40+ year old play equipment,  
shade structures, benches and tables

Previous Fiscal Years Costs	Project Schedule FY 14-15	Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 18-19	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals
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**NO FUNDS AVAILABLE FOR CIP**

**Project Components**  
8% Admin Costs  
Replace Play Ground Equipment  
Shade Structure over Tables

		12,000						12,000
			100,000					100,000
		50,000						50,000
		<b>62,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>162,000</b>

**TOTAL**

**UNFUNDED**

**PARKS DEPARTMENT**

**Funding Source**

**Correll Estates - Retention Basin**

Property Taxes from TRA 006-002  
Used for Maintenance of Parks

Currently Dispute The Responsible Party  
To Construct Basin to Development  
Standards Set By Imperial County

Previous Fiscal Years Costs	Project Schedule FY 14-15	Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 18-19	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals
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\$82,000 fund available from HPUD, (50,000 offered by County) Other funds sources needed to complete the project.

**Project Components**  
8% Admin & Legal Costs  
7% Engineering Design  
Construct Basin & Banks  
Park Improvements - Basketball Ct.

12,565	11,735	3,917						28,217
		16,552						16,552
		111,460						111,460
			175,000					175,000
<b>12,565</b>	<b>11,735</b>	<b>131,929</b>	<b>175,000</b>					<b>331,230</b>

**TOTAL**

1,119,480

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UNFUNDED		ALL FUNDS - GENERAL PROJECTS							
Funding Source	New Office Building		Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 18-19	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals
All Funds Water Sewer Trash Parks (start building a fund? Issue Bonds?)	New Office Building Possible Location on Dogwood Rd. Property Owned by HPUD	Total Project Cost \$ 2,300,000							
	Project Components 15% Admin - Engineering					300,000			300,000
	Construction					2,000,000			2,000,000
	TOTAL					2,300,000			2,300,000
Funding Source	Improve the old Buildings		Project Schedule FY 15-16	Project Schedule FY 16-17	Project Schedule FY 17-18	Project Schedule FY 18-19	Project Schedule FY 19-20	LONG TERM 6-10 YRS	Project Totals
All Funds: Water, Sewer, Trash and Parks (Fund balance from trash royalties)	New Roof shingles, paint, wall partitions -	Total Project Cost \$ 40,000							
	Project Components Old shingles removal and disposal		1,000						1,000
	Wood Framing, plywood and insulation inspection		800						800
	Materials -for partitions and labor		12,500						12,500
	Roof Materials and Labor		25,700						25,700
TOTAL			40,000					40,000	