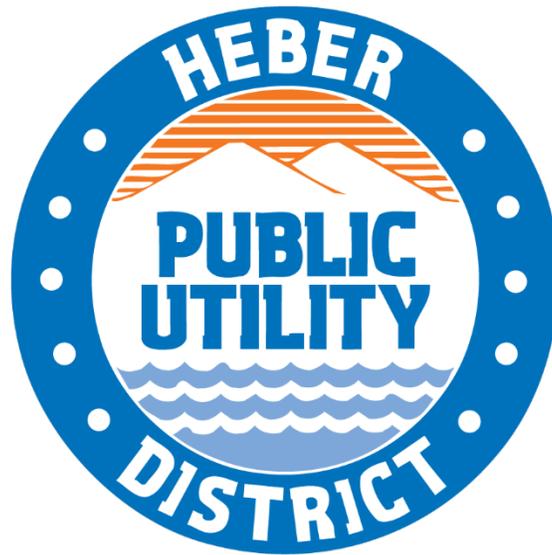




**Operating Budget**  
**Fiscal Year 2018-2019**

**Heber Public Utility District**  
**Heber, California**



# Proposed Budget

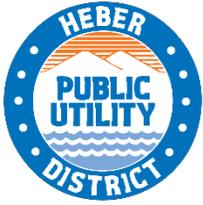
## Fiscal Year 2018-19

*Dedicated to Providing Our Community  
Excellent Services at Economical Rates*

1078 Dogwood Avenue, Suite 103  
Heber, CA 92249  
[www.Heber.ca.gov](http://www.Heber.ca.gov) 💧 760-482-2440

Heber Public Utility District

Fiscal Year 2018-19 Budget



**BOARD OF DIRECTORS**

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President

**Pompeyo Tabarez, Jr.**  
Vice-President

**Moises Cardenas**  
Director

**Kaine Garcia**  
Director

**Tony Sandoval**  
Director

**Laura Fischer, MBA**  
General Manager

**Raquel Carrillo**  
Board Secretary

**Sergio Escobedo**  
Board Treasurer

**Steven Walker**  
Legal Counsel

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[www.heber.ca.gov](http://www.heber.ca.gov)

June 21, 2018

On behalf of the Heber Public Utility District Board of Directors, I am pleased to present the Fiscal Year 2018-19 budget for approval.

The Heber Public Utility District (HPUD) expects operating revenues of \$3,622,715 with \$2,798,700 of operating expenses. Planned capital outlay expenditures are \$126,715, and financial obligations for payment of principal and interest on debt are \$498,900.

In order to ensure we continue to meet the increasing cost to provide water and sewer services to our customers, the HPUD Board authorized a water and sewer rate increase that was implemented in August 2017. The purpose of the rate study was to ensure the HPUD recovered, through fair and appropriate rates, the necessary funds to cover the cost of providing excellent services to the community.

On April 20, 2017 the HPUD Board adopted Ordinance 2017-3 and 2017-4 establishing water and sewer rates for five years. However, due to the public comments and protests to the rate adjustments, the HPUD Board decided to implement a lower rate for FY 2017-18 than what was approved for residential customer classification for both water and sewer rates. The FY 18-19 budget is based on the implementation of the adopted rates for Fiscal Year 18-19. The total rate increase for residential customers will be \$2.30 for water base rate, and \$4.00 for sewer. The total impact for residential customers (both water and sewer) will be a total increase of \$6.30 per month. The Rate Study and both rate Ordinances are available on our website at [www.heber.ca.gov](http://www.heber.ca.gov).

There will also be a \$0.42 rate increase for trash services for residential customers in FY 2018-19. Some commercial customers may see a rate increase in the monthly cost of roll off containers depending on size and frequency of pick up. Additionally, CR&R and HPUD have worked together to offer a 10% senior discount on trash services for HPUD customers who are 65 years and over. Currently we have over 85 customers taking advantage of the discount.

Maintaining water quality during the hot summer months has been an issue at the HPUD for several years. In order to improve our water quality and to ensure there is sufficient potable water to meet our needs, now and into the future, the HPUD completed a \$9,850,000 plant improvement project. The Water Treatment Plant Improvement Project was completed on August 2017.

## Heber Public Utility District

Fiscal Year 2018-19 Budget

The HPUD wastewater treatment plant continues to operate within the compliance standards of the State Regional Water Quality Control Board National Pollutant Discharge Elimination System (NPDES) Permit and Waste Discharge Requirements. In FY 2017-18, the HPUD completed two wastewater system improvement projects; the influent pump station rehabilitation project and a manhole rehabilitation project. Both projects were included in our Capital Improvement Program of Projects and were completed on time and within budget.

Additionally, the HPUD recently awarded a contract to repair and rehabilitate two lift stations and seven manholes, which are programmed in FY 17-18 and FY 18-19. The Board authorized staff to prepare the RFP and combine the three projects which saved the District money and time. This project should be completed by September 2018.

In 2017, the HPUD celebrated our "Fall Fiesta" with a series of events and grand celebrations. HPUD staff worked with our business and community groups to organize a success parade, street fair, 5K Creepy Clown Chase, and car show. The HPUD Board of Directors has decided to continue the Fall Parade and has included it in the budget for FY 18-19.

In response to the requests of several community members who signed petitions and attended our public meetings, the HPUD Board authorized the installation of athletic field lights at Margarito "Tito" Huerta Park. The athletic field lights at our soccer fields are LED and use state of the art programmable technology. The HPUD received a \$10,000 Community Benefit funds from the County of Imperial to help offset the cost of the project. The HPUD also received a \$75,000 grant from the IID Local Entity that will be used to construct a recreation room at the corner of Littlefield and Bloomfield in Heber Meadows.

In Fiscal Year 2018-19 the HPUD Board or Directors have expressed their desire to continue focusing on essential services and improvements to our community making it a great place to live work and play. Budget decisions are based on detailed analysis of the HPUD's management, technology, and operational practices. The Heber PUD Board of Directors held a Special Meeting on May 14, 2018 and on June 5, 2018 to review the detailed budget. The Heber Public Utility District Board of Directors and staff work diligently to improve our services to better serve our customers.

Respectfully Submitted,

Laura Fischer,  
General Manager

**Heber Public Utility District**  
Fiscal Year 2018-19 Budget

Date: June 21, 2018

To: Heber Public Utility District Board of Directors

**FISCAL YEAR 2018-19 BUDGET MESSAGE**

I am pleased to present the budget for Fiscal Year 2017-18 for the Heber Public Utility District, beginning July 1, 2018 and ending June 30, 2019. This budget meets the Board of Directors’ financial goals and recently adopted Fiscal Reserve Policy. At the June 2018 Board meeting, staff will present updated Resolution for Fiscal Reserves for your consideration and approval.

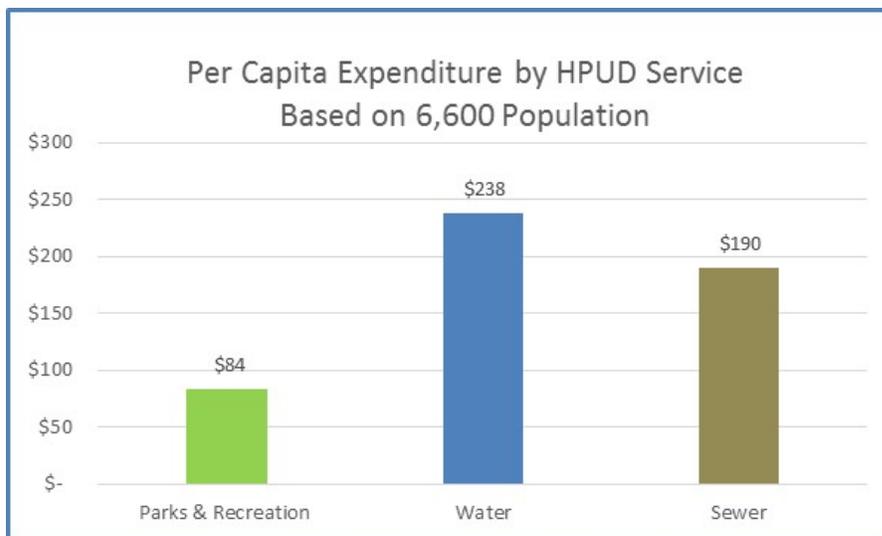
I would like to express my appreciation to the members of the Board of Directors for your confidence in HPUD’s management team as well as your review, suggestions, and policy direction during the past year. As you know, modifying water and sewer rates is a taunting task, and not popular with our customers. It is, however, a necessary task that must be undertaken to ensure we are able to meet costs. I applaud you for making the hard decisions that will ensure financial stability for the District. I would also like to thank staff for their contributions and participation in the development of the FY 2018-19 Budget.

**Organizational Priorities**

HPUD’s mission is to “Provide our community excellent services at economical rates,” and HPUD has taken action to ensure we fulfill the District’s mission.

Services Provided

The Heber Public Utility District provides four major services to our customers. We provide potable water, sanitary sewer, parks and recreation, and solid waste services to approximately 6,600 Heberians. The per capita expenditures for each service is well below industry range as shown in the chart below.



## Heber Public Utility District

Fiscal Year 2018-19 Budget

### HPUD Policy Regulations

The presentation of this budget at the Special Meeting on May 14, 2018; the rescheduled meeting on May, 16, 2018; the Special Meeting on June 5, 2018; and the subsequent final review and adoption at the Regular Meeting on June 21, 2018, will meet HPUD policy regulation. Policy Number 3030 relates to the Fixed Asset Accounting Control, which was established to ensure proper accounting control resulting in the maintaining of accurate financial reports and fixed assets. The Fixed Asset report has been certified as complete as of June 2016, and is included in this presentation for your review and consideration.

HEBER PUBLIC UTILITY DISTRICT DISTRICT WIDE FIXED ASSETS	Governmental Fund	Enterprise Funds			DISTRICT WIDE TOTAL
	PARKS & REC. FIXED ASSETS	WATER FIXED ASSETS	SEWER FIXED ASSETS	Total Proprietary Funds Assets	
Fixed Assets as of June 30, 2017					
<b>Capital Assets, Not Depreciated:</b>					
Land	511,367	-	512,276	512,276	1,023,643
Construction in Progress	26,403	9,606,624	174,290	9,780,914	9,807,317
	537,770	9,606,624	686,566	10,293,190	10,830,960
<b>Capital Assets, being depreciated</b>					
Buildings	396,869			-	396,869
Structures & Improvements (AMR)		507,235.54	62,346	569,582	569,582
Machinery & Equipment	177,818	320,418.87	351,886	672,305	850,123
Infrastructure	-	16,511,478.18	21,223,859	37,735,337	37,735,337
Computer Equipment	3,219	35,699.14	26,282	61,981	65,200
Furniture & Fixtures	57,063	7,591	7,592	15,183	72,246
	634,969	17,382,423	21,671,965	39,054,387	39,689,356
<b>Less Accumulated Depreciation:</b>					
Buildings	(151,294)	(2,429)	(1,195)	(3,624)	(154,918)
Structures & Improvements (AMR)	-	(230,995)	(47,830)	(278,825)	(278,825)
Machinery & Equipment	(82,434)	(120,299)	(156,551)	(276,850)	(359,284)
Infrastructure	-	(4,811,699)	(6,524,629)	(11,336,328)	(11,336,328)
Computer Equipment	(1,545)	(30,797)	(15,565)	(46,362)	(47,907)
Furniture & Fixtures	(16,284)	(2,327)	(2,562)	(4,889)	(21,173)
	(251,557)	(5,198,545)	(6,748,333)	(11,946,878)	(12,198,435)
<b>Net Capital Assets:</b>	<b>921,182</b>	<b>21,790,501</b>	<b>15,610,198</b>	<b>37,400,699</b>	<b>37,400,699</b>
<b>Long Term Debt:</b>	N/A	6,888,252	4,809,746	11,697,998	
<b>Net of Debt:</b>	N/A	<b>14,902,249</b>	<b>10,800,452</b>	<b>25,702,701</b>	

In 2016, the HPUD Board also adopted Policy Number 3035 Investment of District Funds to help ensure prudent and responsible management of the District's funds. The ability of the Heber Public Utility District to maintain reserve funds is a critical factor in providing reliable service, mitigating rate increases, and ensuring overall financial strength. Adequate reserves directly affect the District's bond rating and ultimately the ability to access debt at favorable interest rates. According to the policy Number 3035.2.7, the HPUD Board should approve the appropriate levels and uses for reserve funds based upon the needs of the District during the budget adoption process. The reserve resolution will be presented to the Board at the June meeting along with the Five Year Capital Improvement Project Plan for consideration and adoption.

**Heber Public Utility District**

Fiscal Year 2018-19 Budget

The District reserves in fund balance are detailed in the table below. The reserves include cash in the bank and current accounts receivable. The fund balances do not include fixed assets or equity. They are a 'snap shot' of our liquid cash reserves. Although there are several legally restricted reserves, the HPUD reserve funds are categorized into the following: Capital Reserve Funds, Debt Service Reserve Funds, Operating and Maintenance Reserve Fund, Capital Replacement Reserve Fund (Short Lived Assets), and Unrestricted Reserves. The budget presented for consideration on June 21, 2018 will have the reserve funds for Board approval based on the table below.

<b>Proposed Reserve Funds Established via Resolution Number 2018-06</b>					
<b>PROJECTED CASH BROUGHT FORWARD AS OF JUNE 30, 2018</b>	<b>Parks &amp; Rec</b>	<b>Water</b>	<b>Sewer</b>	<b>Trash</b>	<b>Totals</b>
	<b>874,255</b>	<b>1,408,096</b>	<b>1,368,193</b>	<b>91,395</b>	<b>3,741,939</b>
<b>Non-Spendable Fund Balance</b>					
<b>Committed Funds:</b>					
Capacity Fees					
Water and Sewer Master Plan - Capacity Fees		25,000	25,000		50,000
Capital Reserve Funds (Future Projects)					-
Upgrades to Shop at Ingram Ave. 45/45/10 split	20,000	90,000	90,000		200,000
Manhole Replacement			100,300		100,300
Correll Park Reserves - MOVED TO CHILDRENS					-
Recreation Room at Littlefield with IID Funds	175,000				175,000
Jiggs Johnson Restroom and Lights	115,000				115,000
Children's Park - New Playground Equip, sidewalk repairs, shade - USE CORRELL PARK FUNDS (remaining balance \$55K plus \$25K)	80,000				80,000
<b>Restricted Funds:</b>					
Debt Service Reserve Funds - USDA		69,369			69,369
SWRCBA Water Loan - Debt Reserve		162,211			162,211
SWRCBA Wastewater Loan - Debt Reserve			211,000		211,000
SWRCBA Capital Replacement Reserve Funds (Short Lived Assets)		308,803	108,965		417,768
FY 2018-2019 Withdrawal for Equipment Replace		(68,615)	(25,000)		(93,615)
<b>Assigned or Designated Fund Balance</b>					
Operating and Maintenance Reserve Funds 90 days Operating and Maintenance Costs for Water and Sewer. 180 days for Parks.	272,367	298,381	249,214	10,677	830,638
<b>TOTAL RESERVES FOR FY 2017-18</b>	<b>662,367</b>	<b>885,148</b>	<b>759,479</b>	<b>10,677</b>	<b>2,317,671</b>
<b>PROJECTED UN-ASSIGNED BALANCE:</b>	<b>211,888</b>	<b>522,948</b>	<b>608,714</b>	<b>80,718</b>	<b>1,424,268</b>

One industry wide reserve guideline is the Days Cash Ratio, which is defined as total cash available divided by Operating Expenses per day and is a measurement of an agency's ability to meet known and unanticipated expenses. Many utilities will establish a Days Cash Ratio goal of 365 days or more to ensure cash flow stability. Currently the FY 2017-18 District wide (All Funds) Budget has a Days Cash Ratio of 488 days and the Cash on Hand is \$3,741,949 District wide for all Funds. As shown in the table below the Trash (Solid Waste) Fund has a very high Days Cash Ratio as traditionally the District has received Franchise Fees from the Waste Hauling Contract and has not expended them. This has resulted in a Fund balance of \$91,385 which can be used for any activity. In Fiscal Year 2017-18 the HPUD expended \$100,000 of Trash Funds to construct the Tito Park Light Project.

<b>DAYS CASH RATIO ANALYSIS</b>	<b>Parks &amp; Recreation</b>	<b>Water</b>	<b>Sewer</b>	<b>Trash</b>	<b>Totals</b>
Cash Required Per Day for Operating Expenses	1,465	3,315	2,769	119	7,668
Number of Days Unassigned Cash on Hand	597	425	494	770	488

## Heber Public Utility District

Fiscal Year 2018-19 Budget

### Enterprise Fund Rates

In 2016, the HPUD Board initiated a water and sewer rate study to confirm that water and sewer rates collect sufficient revenue to meet the annual operating and capital improvement plans, to ensure that the HPUD's long-range financial plans including the necessary deferred maintenance and capital improvements were funded. Additionally, the District included a water and sewer capacity fee study to ensure that all new development pays their fair share of the cost of current capacity and the projected cost of future capacity. The Rate Study was presented to the Board for consideration in December 2016, and was discussed during open meetings and at a Public Hearing, which was held on March 16, 2017. The District adopted Water and Sewer Capacity fees at the March 16, 2017 meeting, and the five-year Water and Sewer Rate Schedule Ordinances at the April 20, 2017 meeting.

In FY 17-18, the HPUD Board implemented and collected from their customers a rate that was lower than the adopted rate. The current budget is based on implementing the adopted rate for FY 18-19, which increases our residential customer's rate as follows:

Water \$2.30 per month

Sewer \$4.00 per month

Additionally, CR&R, our waste hauler, has implemented a rate increase for our residential customers of \$0.42 per month. The total monthly increase for our residential customers for water, sewer and trash services will be \$6.72 per month.

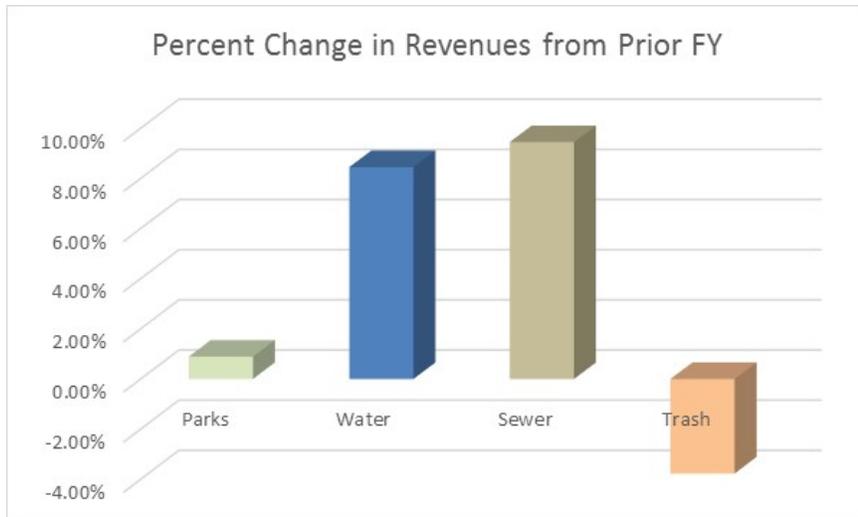
### Service Area Plan Update

In FY 2017-18 the HPUD completed a Service Area Plan update, which was approved by LAFCO and subsequently adopted by the HPUD Board of Directors. The Service Area Plan provides a comprehensive review of facilities and services provided by the Heber Public Utility District and other public agencies including Administrative Facilities, Wastewater Treatment Plant and Collection System, Water Treatment Plant and Distribution System, Parks and Recreation Facilities, Fire Facilities, Law Enforcement Facilities, Library Facilities, Transportation Facilities, Drainage Facilities and School Facilities. The HPUD has adequate Water Treatment and Distribution Facilities as well as Wastewater Treatment and Collection Facilities as we are currently operating at less than 50% capacity. We are, however, deficient in Parks Facilities as we do not have adequate parks to meet the performance standard ratio of 5 acres for 1,000 in population. We are deficient 13.36 acres.

### **FY 18-19 Revenue Analysis**

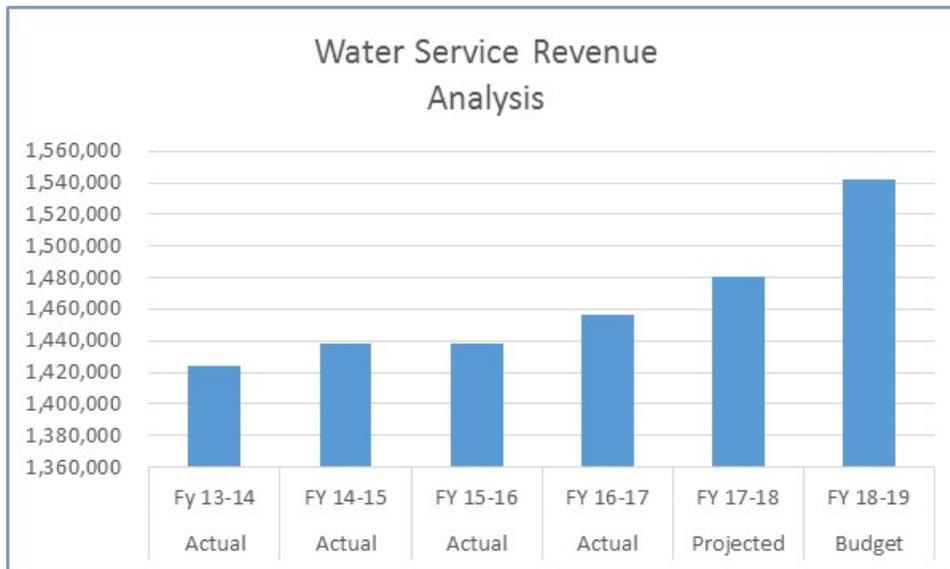
District wide revenues including all Funds are projected to increase by 7.37% in FY 2017-18. The Proposed FY 2018-19 Revenues are projected to remain fairly stable in the Parks and Recreation Fund with little or no increase expected. The Sewer Fund will see the greatest increase with 9.45% projected increase revenue, which is due to the implemented rate adjustment. The Water Fund will see an 8.45% percent increase again due the rate adjustment. Franchise Fees from the Solid Waste Hauling contract are a very low amount and any fluctuation in accounts receivable track at a high percentage. The actual dollar amount variance is \$1,943, but translates to a negative -4%. This is due to our projected accounts receivable at the end of the Fiscal Year and the continued implementation of the 10% Senior Discount Rate.

**Heber Public Utility District**  
Fiscal Year 2018-19 Budget



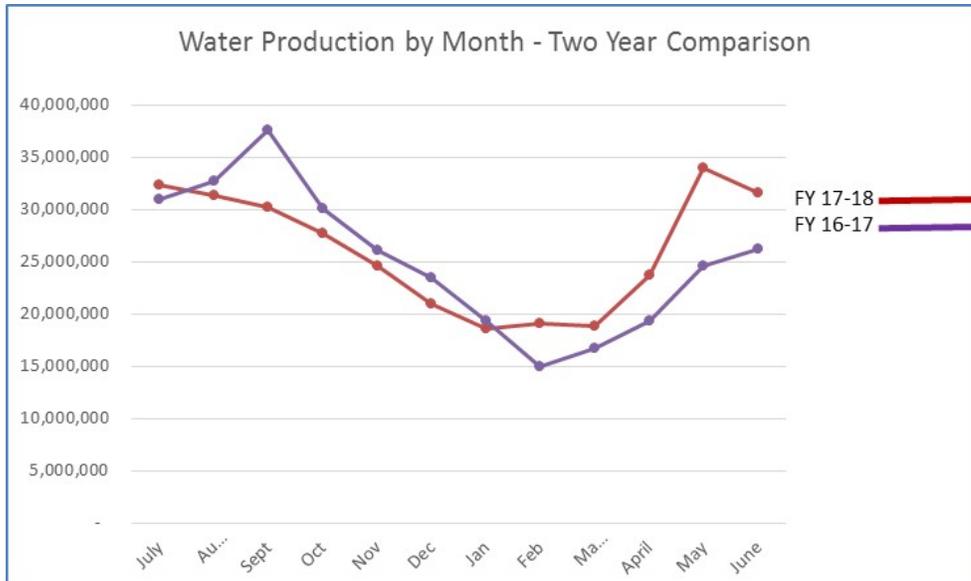
**Water Fund**

The District increased water rates in FY 17-18 and implemented the rate adjustment in August 2017. The table below shows the water sales analysis for the past six years. You can see the lower water sales in FY 14-15 and 15-16 when the State mandated water conservation efforts were in place. These totals are only for water sales by all customer classes and do not include capacity fees and development fees or administrative and operating revenues. The increase projected water sales for FY 18-19 is 3.8% higher than the projected actuals for FY 2017-18. The increase is due to increase in water produced and sold as well as an increase in water rates. The actual dollar amount increase for FY 18-19 is projected to be \$61,010.



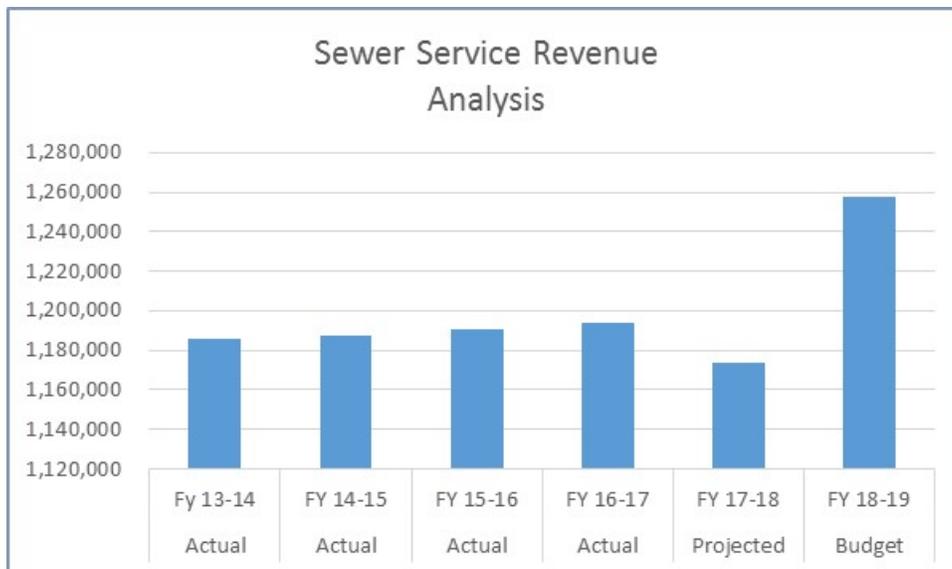
The chart below shows how the HPUD Water Treatment Plant production numbers have changed from 2016-17 to 2017-18. The overall production was reduced by 3.6% from FY 2016-17.

**Heber Public Utility District**  
Fiscal Year 2018-19 Budget



Wastewater Fund

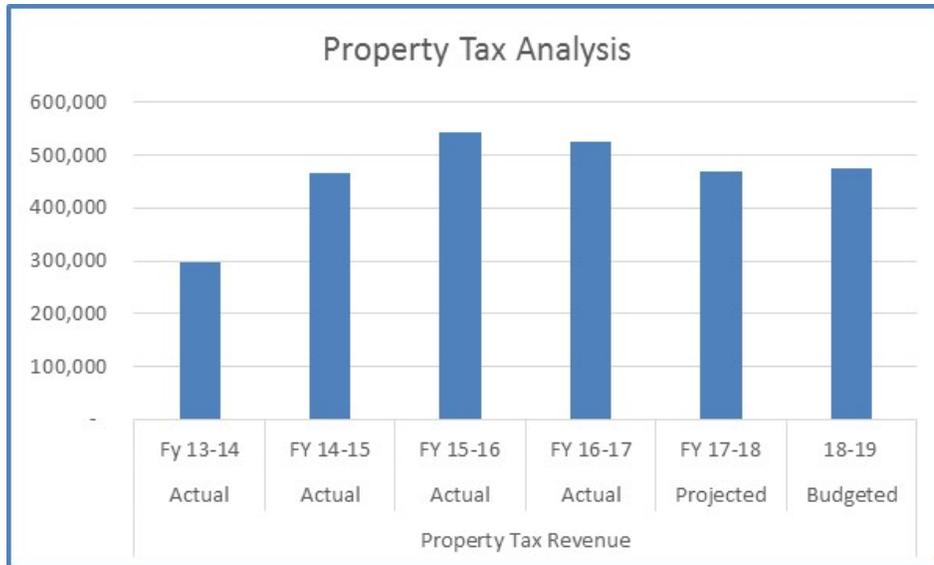
The wastewater revenues have been flat since the rate increase in FY 2013 as is demonstrated in the sewer service revenue chart below. The decrease in FY 2017-18 projected revenues is due to the restructuring of the commercial, industrial and public customer class rates. They are now charged a lower monthly service charge and an additional amount based on water consumption. This allows the HPUD to collect a fair cost for customers that use large quantities of water that is sent into the collection system and our wastewater treatment plant.



Property Tax

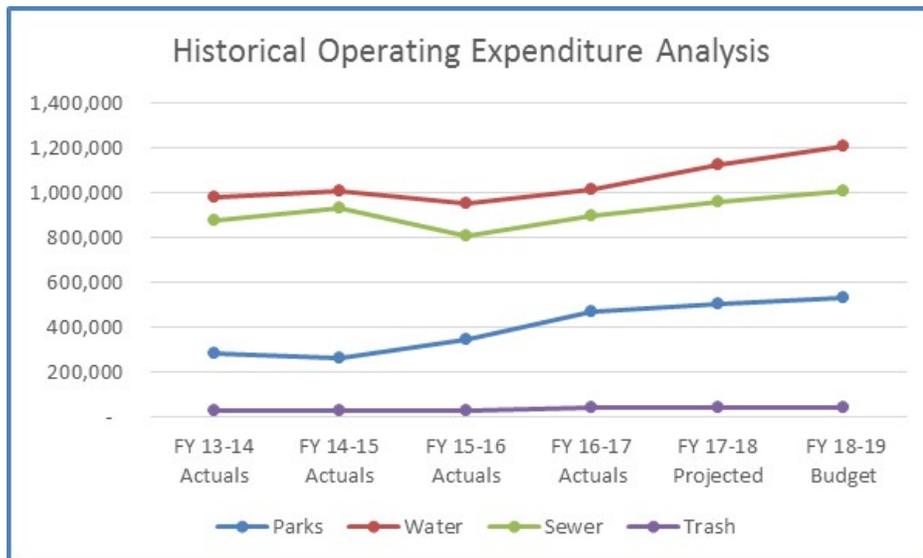
The Heber Public Utility District has benefited from a significant increase in property tax revenue since FY 2013-14 due to increased property values. The FY 2018-19 Budget does not include an increase in property taxes and is based on the Projected Actual 2017-18 Budget.

**Heber Public Utility District**  
Fiscal Year 2018-19 Budget



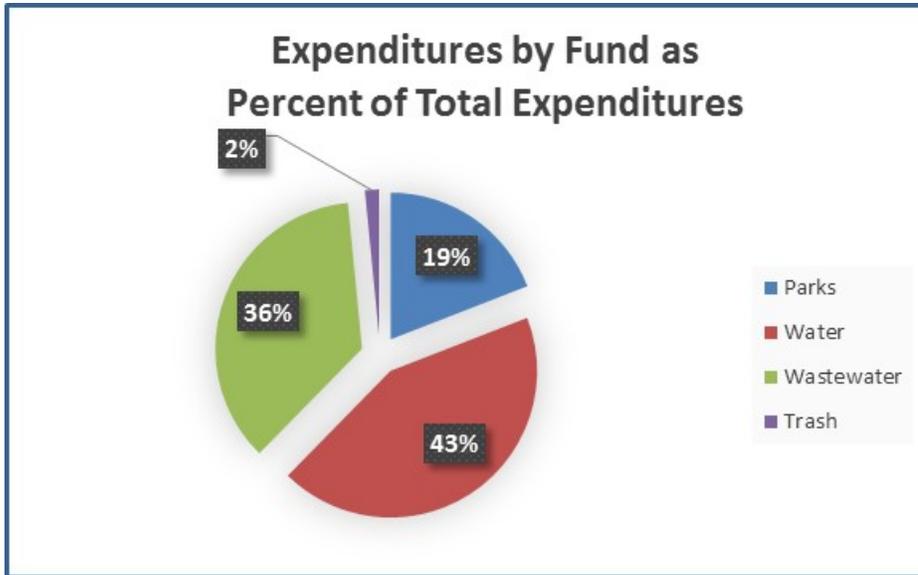
**Expenditure Analysis**

Overall Operating Expenditures have increased District wide by 5.9 % from the Projected FY 2017-18 actuals. This is due in part to a proposed 2% salary increase for HPUD employees and an expected increase in medical benefits. We are also anticipating a 2% increase in operating and maintenance expenses District wide.

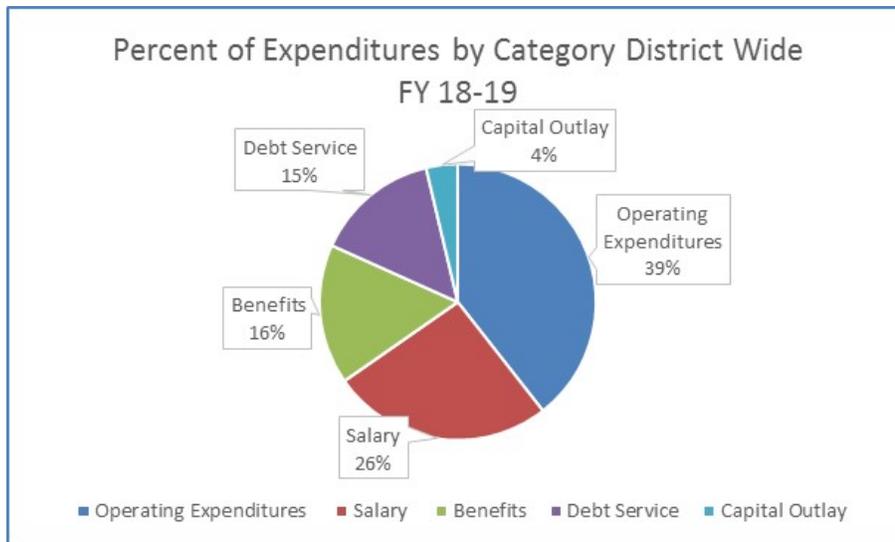


The percent of operating expenditures by Fund is presented in the chart below. As expected the Water Fund has the highest percent of expenditures at 43% followed by the Sewer Fund at 36% then the Parks and Recreation Department is at 19%. The Trash expenditures are only 2% of total expenditures for the Heber Public Utility District.

**Heber Public Utility District**  
Fiscal Year 2018-19 Budget



One analysis that should be conducted in any enterprise agency is to determine the percent of total expenditures committed to specific cost categories such as labor, debt and financial obligations, capital outlay and operating expenditures. In the chart below you can see that District wide we expend 26% of our total budget on salaries and 16% on benefits. This is the same percentage as FY 17-18. This means that a total of 42% of all expenses are labor costs. Our Debt is 15% but only our water and wastewater funds carry this debt.



**Staffing Levels**

Staffing levels of 13 full-time equivalents are projected to remain the same in FY 2018-19 as compared to FY 2015-16 and FY 2016-17.

## Capital Budget Analysis

### Capital Outlay Budget

The FY 2017-18 capital budget includes expenditures for capital outlay in the amount of \$126,715 which includes purchase of 320 water meters, a commutator pump for wastewater plant, and other short lived capital assets. The meters and pump will be paid from our Short-Lived Asset Reserve Account and is described in the Reserve Resolution 2018-06.

### Capital Improvements

Over the past years, the HPUD has made several improvements to our services. After completion of the water treatment plant upgrade, we have been in compliance with Stage 2 Disinfection By-Product Rule established by Federal and State drinking water standards. The water treatment plant improvement project has improved our water quality and delivery. We are now positioned to welcome new homes and businesses to the Heber community as we have excess capacity in our wastewater plant and water plant. We have the capacity to provide an additional 2,000 water and sewer connections that would double Heber's current population.

The District Board of Directors continues to invest in Heber's future and the sustainability of our District services. We continue to replace old water meters and upgrade our meter reading technology as well as make improvements to our water distribution system infrastructure. Over the past four years, the District has replaced 1,025 water meters and 800 electronic meter readers, which represents an investment of \$161,803.

The District has completed phase four (4) of our manhole rehabilitation project and phase five (5) will begin in July 2018. To date we have made a significant investment in our sewer collection system and have invested \$299,109 in manhole rehabilitation; \$120,072 at the Influent Pump Station; and the Board recently awarded a \$164,531 contract to improve manholes and rehabilitate two lift stations.

Making the community of Heber a safe and healthy place to live, work and play has been a main focus of the District Board of Directors. The HPUD Board has authorized several grant applications for parks and recreation services. The District installed athletic field lights at Margarito "Tito" Huerta park and staff is currently working on development of an RFP for solar area lights for Jiggs Johnson park. The District was awarded a \$75,000 grant from the IID Local Entity to construct a recreation facility at the District owned lot on the corner of Littlefield and Bloomfield. We have received 50% of the grant funds and staff is currently working on development of the project design and Request for Proposals for a pre-fabricated building and for the construction of on-site improvements.

## Conclusion

The Heber Public Utility District continues to thrive as an organization. The budget demonstrates how the District is focusing on providing quality services and improve the community of Heber. The Heber Public Utility District Board of Directors has conducted a comprehensive review of the budget submitted by the General Manager, and has determined that the budget accurately reflects the revenues and expenditures; that the FY 2018-19 budget is balanced, and projects an increase in net revenues for all funds.

Respectfully,  
Laura Fischer, General Manager

# Heber Public Utility District

**MEETING DATE:** June 21, 2018

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Adopt Resolution Number 2018-05 to Adopt the Fiscal Year 2018-19 Budget.

**ISSUE:**

Shall the Heber Public Utility Board of Directors approve Resolution 2018-05 adopting a budget for Fiscal Year 2018-19 and rescinding all prior Resolutions related to the appropriation of funds?

**GENERAL MANAGER RECOMMENDATION:**

Approve Resolution Number 2018-05 as presented.

**FISCAL IMPACT:**

The proposed HPUD Operating Revenues budget for the Fiscal Year 2017-18 totals \$3,622,715 and HPUD Operating Expenditures totals \$3,424,315.

2018-2019 BUDGET	Parks & Rec	Water	Wastewater	Solid Waste	TOTAL Government Wide
<b>Revenues</b>	564,500	1,681,715	1,326,900	49,600	3,622,715
<b>Total Revenues</b>	<b>\$ 564,500</b>	<b>\$ 1,681,715</b>	<b>\$ 1,326,900</b>	<b>\$ 49,600</b>	<b>\$ 3,622,715</b>
<b>Expenditures</b>					
Operating	534,600	1,210,100	1,010,700	43,300	2,798,700
Capital Outlay	17,700	74,315	34,700	-	126,715
Debt Service	-	287,800	211,100	-	498,900
<b>Total Expenditures</b>	<b>552,300</b>	<b>1,572,215</b>	<b>1,256,500</b>	<b>43,300</b>	<b>3,424,315</b>
<b>To Fund Balance</b>	<b>\$ 12,200</b>	<b>\$ 109,500</b>	<b>\$ 70,400</b>	<b>\$ 6,300</b>	<b>198,400</b>

**BACKGROUND:**

The District's annual budget represents a total financing plan for all District operations and must be analyzed by its component parts in order to make any meaningful assumptions. Although there is some financial interdependence between the funds, such as the shared allocation of labor costs, each fund represented in the budget must stand alone.

The budget serves as the financial planning tool of the District. It provides for the allocation of resources across the full range of the District's activities.

Staff presented the budget to the Board of Directors at the Special Meeting on May 14, 2018; at the Re-Scheduled Regular Meeting on May 16, 2018; at a Special Meeting on

June 5, 2018; and for adoption at the June 21, 2018 meeting.

**DISCUSSION:**

Attached to this document is the HPUD Operating Budget Report prepared by the General Manager after receiving input from the Board of Directors during the Special Meeting held on May 14, 2018, the Rescheduled Regular Meeting held on May 16, 2018, and the Special Meeting held on June 5, 2018.

**CONCLUSION:**

Adoption of Resolution 2018-05 enables Heber Public Utility District to meet the federal and State fiscal requirements.

Respectfully Submitted,

Laura Fischer, General Manager

Attachments:

FY 2018-19 Operating Budget Report  
Resolution 2018-05

**RESOLUTION NO. 2018-05**

**A RESOLUTION OF THE HEBER PUBLIC  
UTILITY DISTRICT ADOPTING A BUDGET  
FOR FISCAL YEAR 2018-19**

**WHEREAS**, the General Manager has submitted the 2018-2019 Budget to the Board of Directors for its review and consideration in accordance with budget policies and objectives established by the Board of Directors, and

**WHEREAS**, the 2018-19 Budget is effective on July 1, 2018 and is based upon public comment and direction of the Board of Directors received at scheduled public meetings on May 14, 2018, May 16, 2018, and June 5, 2018; and

**WHEREAS**, in said fiscal year beginning July 1, 2018, there is hereby appropriated out of the Treasury of the Heber Public Utility District for District purposes and for allowances to be used by the various departments and activities of said District for the fiscal year 2018-19, the sum of \$3,424,315 in the amounts, allowances and estimates more particularly set forth and described in said budget on file in the District office; and

**WHEREAS**, the following monies are hereby appropriated from each fund in the following amounts:

<b>2018-2019 BUDGET</b>	<b>Parks &amp; Rec</b>	<b>Water</b>	<b>Wastewater</b>	<b>Solid Waste</b>	<b>TOTAL Government Wide</b>
<b>Revenues</b>	564,500	1,681,715	1,326,900	49,600	3,622,715
<b>Total Revenues</b>	<b>\$ 564,500</b>	<b>\$ 1,681,715</b>	<b>\$ 1,326,900</b>	<b>\$ 49,600</b>	<b>\$ 3,622,715</b>
<b>Expenditures</b>					
Operating	534,600	1,210,100	1,010,700	43,300	2,798,700
Capital Outlay	17,700	74,315	34,700	-	126,715
Debt Service	-	287,800	211,100	-	498,900
<b>Total Expenditures</b>	<b>552,300</b>	<b>1,572,215</b>	<b>1,256,500</b>	<b>43,300</b>	<b>3,424,315</b>

**WHEREAS**, all previous appropriations are hereby cancelled and the balances remaining therein are applied to finance the new appropriations set forth in this budget; and

**WHEREAS**, the General Manager has the authority to execute expenditures up to \$15,000 without prior approval of the Board of Directors; and

**WHEREAS**, all increases in the Fiscal Year 2018-19 Budget of funds, departments and/or activities shall be made by the Board of Directors except that the General Manager may, on her own initiative and without prior approval of the Board of Directors, transfer between budget accounts within a fund, activity, or capital improvement fund, or from a budget account or appropriation, to the said fund reserve, amounts determined to be in excess of actual requirements; as long as such changes are reported regularly to the Board of Directors; and

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE HEBER PUBLIC  
UTILITY DISTRICT, DOES HEREBY RESOLVE AS FOLLOWS:**

1. That the foregoing is true, correct and adopted.
2. That the Board of Directors finds that the Fiscal Year 2018-2019 Budget of \$3,424,315 is based upon reasonable estimates of revenues and expenditures resulting in a balanced budget.
3. That the Board of Directors of the Heber Public Utility District does hereby adopt this Resolution approving the Fiscal Year 2018-19 Budget as set forth.
4. That the President of the Board of Directors of the Heber Public Utility District is hereby authorized to sign said Resolution, a copy of which is on file at the District office.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Heber Public Utility District held on the 21<sup>st</sup> day of June 2018.

\_\_\_\_\_  
 Martin Nolasco, Jr., Board President

ATTEST:

\_\_\_\_\_  
 Raquel R. Carrillo, Clerk of the Board

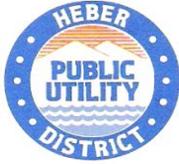
APPROVE AS TO FORM:

\_\_\_\_\_  
 Steven M. Walker, General Counsel

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

I, RAQUEL R. CARRILLO, Clerk of the Board of the Heber Public Utility District, County of Imperial, State of California, DO HEREBY CERTIFY that the foregoing resolution was dully passed, approved and adopted by the Board of Directors of the Heber Public Utility District at its regularly scheduled meeting held on the 21<sup>st</sup> day of June 2018.

By \_\_\_\_\_  
 Raquel R. Carrillo, Clerk of the Board

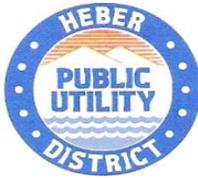


Adopted Via Resolution 2018-05  
Effective July 1, 2018

## FISCAL YEAR 2018/2019 ALL OPERATING FUNDS BUDGET

### REVENUES

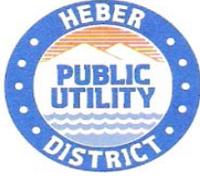
REVENUES	Parks	Water	Sewer	Trash	Total
Interest	-	1,500	1,500		3,000
Royalties (Geothermal)	3,200				3,200
Parks & Rec/Park Use	2,800				2,800
Other Revenues/Admin fees	2,500			3,000	5,500
Property Taxes	475,000				475,000
Capacity Fees					-
Residential		1,210,600	1,045,100	350,700	2,606,400
Multi-Residential		88,400	153,000	56,000	297,400
Commercial		39,700	17,500	32,500	89,700
Industrial		99,200	16,800	41,900	157,900
Public Agencies		104,100	25,600	31,600	161,300
Fire Protection -		18,200	-	-	18,200
New Service Fee		2,500	2,500		5,000
Penalties - Late fees		30,000	30,000		60,000
Reconnection Charge		9,000			9,000
Miscellaneous -(Backflow & NSF)		900	900		1,800
Parks Maintenance - CFDS & LLD	79,000				79,000
Rent - American Tower (Verizon)	-	9,000	9,000		18,000
Developer Fees - 15%					-
FRANCHISE FEE/Community	2,000			(466,100)	(464,100)
Transfer Inn from Short Lived Assets & Repair and Replace reserves		68,615	25,000		93,615
<b>Total Revenues</b>	<b>564,500</b>	<b>1,681,715</b>	<b>1,326,900</b>	<b>49,600</b>	<b>3,622,715</b>



Adopted Via Resolution 2018-05  
Effective July 1, 2018

**FISCAL YEAR 2018/2019 ALL OPERATING FUNDS BUDGET**

<b>EXPENDITURES</b>	<b>Parks</b>	<b>Water</b>	<b>Sewer</b>	<b>Trash</b>	<b>Total</b>
Salaries & Wages	158,200	384,300	326,900	17,000	\$886,400
Fringe Benefits	99,600	234,400	217,800	10,200	\$562,000
Uniforms 9 x 600	1,500	2,500	2,500	0	\$6,500
Training/Travel & Conferences	2,900	7,100	7,100	800	\$17,900
Safety Training	1,300	3,300	3,300	400	\$8,300
Mileage Reimb./Allowance	1,000	2,000	7,000	0	\$10,000
Sponsorship/Contributions	0	0	0	0	\$0
Recreation Activities	18,000	0	0	0	\$18,000
Movies Rental	4,500	0	0		\$4,500
Public Outreach	20,000	6,000	6,000	3,000	\$35,000
Raw Water Purchase	0	20,000	0	0	\$20,000
Wastewater Sludge Disposal	0	0	20,000	0	\$20,000
Chemical Purchases	0	90,000	8,000	0	\$98,000
Laboratory	0	20,000	25,000	0	\$45,000
Materials & Supplies - Regular Operation	25,000	15,000	20,000	0	\$60,000
Fire Hydrant Maintenance -	5,000	0	0		\$5,000
Office Services	8,000	30,000	30,000	2,000	\$70,000
Office Supplies	2,400	6,000	6,000	600	\$15,000
Postage	800	5,500	5,500	1,500	\$13,300
Miscellaneous	1,500	4,000	4,000	0	\$9,500
Maintenance & Repairs (Distribution)		80,000	0	0	\$80,000
Maintenance & Repairs (Collection)		0	30,000	0	\$30,000
Maintenance & Repairs (Parks)	30,000	0	0	0	\$30,000
Operation Maintenance & Repair - Treatment		20,000	70,000	0	\$90,000
Auto & Trucks Repair & Maintenance	6,500	6,000	3,500	0	\$16,000
Equipment Replacement (all other)	7,500	15,000	15,000	0	\$37,500
Plant, lab, Office Repairs (Buildings)	1,000	1,500	1,500	0	\$4,000
Equipment Rental	1,200	600	1,200	0	\$3,000
Diesel	2,000	4,000	4,000	0	\$10,000
Gasoline	4,000	3,000	3,000	0	\$10,000
UB Bad Debt		4,000	4,000	1,500	\$9,500
Accounting/Auditing	5,000	15,400	11,000	2,000	\$33,400
Engineering	5,000	5,000	5,000	0	\$15,000
Legal	3,000	3,000	3,000	1,000	\$10,000
Planning	5,000	5,000	5,000	0	\$15,000
Temporary Employment Services	2,500	7,200	1,600	0	\$11,300
Bank & Merchant fees	500	6,500	6,500	1,500	\$15,000
Memberships/subscriptions	1,800	3,800	3,800	600	\$10,000
Licenses/Permits	0	20,000	25,000	0	\$45,000
Compliance & Pollution Tests	2,000	4,000	10,000	0	\$16,000
Lafco - Expenditures Share	800	2,000	2,000	200	\$5,000
General Liability Insurance	11,000	31,000	27,000	1,000	\$70,000
Utilities	66,100	143,000	89,500	0	\$298,600
Street Lighting	30,000	0	0	0	\$30,000
<b>TOTALS</b>	<b>\$534,600</b>	<b>\$1,210,100</b>	<b>\$1,010,700</b>	<b>\$43,300</b>	<b>\$2,798,700</b>



Adopted Via Resolution 2018-05  
Effective July 1, 2018

**FISCAL YEAR 2018/2019 ALL OPERATING FUNDS BUDGET**  
**NET OPERATING INCOME**

<b>NET INCOME</b>	<b>Parks</b>	<b>Water</b>	<b>Sewer</b>	<b>Trash</b>	<b>Total</b>
TOTAL REVENUES	\$564,500	\$1,681,715	\$1,326,900	\$49,600	\$3,622,715
OPERATING EXPENSES	\$534,600	\$1,210,100	\$1,010,700	\$43,300	\$2,798,700
<b>NET REVENUE (INCLUDING CAPACITY)</b>	<b>\$29,900</b>	<b>\$471,615</b>	<b>\$316,200</b>	<b>\$6,300</b>	<b>\$824,015</b>

<b>Capital Outlay</b>					
Capital Outlay (Office)	700	3,200	3,200		\$7,100
Capital Outlay (Equipment)	17,000	71,115	31,500		\$119,615
<b>NET AFTER CAPITAL OUTLAY EXPENSES</b>	<b>\$12,200</b>	<b>\$397,300</b>	<b>\$281,500</b>	<b>\$6,300</b>	<b>\$697,300</b>

<b>Debt Service</b>					
DEBT SERVICE-Principal		209,900	164,600		\$374,500
DEBT SERVICE-Interest - 5800		77,900	46,500		\$124,400
<b>Debt Service Total -----&gt;</b>	<b>\$0</b>	<b>\$287,800</b>	<b>\$211,100</b>	<b>\$0</b>	<b>\$498,900</b>

<b>Net Income After Capital &amp; Debt Service -----&gt;</b>	<b>\$12,200</b>	<b>\$109,500</b>	<b>\$70,400</b>	<b>\$6,300</b>	<b>\$198,400</b>
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**HEBER PUBLIC UTILITY DISTRICT**  
**SALARY SCHEDULE EFFECTIVE July 1st 2018**  
Resolution 2016-10 Adopted 07.11.2016

Position	Salary Period	1-Jul-18	
		Step 1	Step 2
Lead Operator	Monthly	5,029	5,281
	Annual	60,351	63,368
	Hourly Rate	29.015	30.465
W / WW Operator	Monthly	4,561	4,789
	Annual	54,728	57,465
	Hourly Rate	26.312	27.627
W / WW - OIT	Monthly	4,344	4,562.52
	Annual	52,131	54,738
	Hourly Rate	25.063	26.316
Parks Maintenance	Monthly	3,594	3,774
	Annual	43,133	45,290
	Hourly Rate	20.737	21.774

**HEBER PUBLIC UTILITY DISTRICT**  
**Non represented employees**  
**PROPOSED SALARY SCHEDULE FOR July 1st 2018**

2%

Position	Salary Period	FY 2016-17	FY 2017-18	FY 2018-19
General Manager	Monthly	7,554	7,856	7,856
	Annual	90,647	94,272	94,272
	Hourly	43.580	45.323	45.323
Finance Manager	Monthly	6,156	6,280	6,405
	Annual	73,877	75,355	76,861
	Hourly	35.518	36.228	36.953
Chief Operator	Monthly	6,081	6,203	6,327
	Annual	72,975	74,434	75,924
	Hourly	35.084	35.786	36.502
Bookkeeper	Monthly	3,930	4,009	4,089
	Annual	47,163	48,106	49,068
	Hourly	22.675	23.128	23.591
Senior Account Clerk	Monthly	3,930	4,009	4,089
	Annual	47,163	48,106	49,068
	Hourly	22.675	23.128	23.591