

Heber Public Utility District

REPORT TO BOARD OF DIRECTORS

MEETING DATE: September 21, 2017

FROM: Laura Fischer, General Manager

SUBJECT: Approve Letter to the Imperial Irrigation District to Accept Local Entity Grant Funds

ISSUE:

Shall the Board of Directors approve letter to the Imperial Irrigation District Accepting Local Entity Grant Funds?

GENERAL MANAGER'S RECOMMENDATION:

It is recommended that the Board of Directors the letter to the Imperial Irrigation District Accepting Local Entity Grant Funds.

FISCAL IMPACT:

Local Entity Grant Funds \$75,000 to be used for CIP project – Recreation Facility at Littlefield and Bloomfield.

Total Project Estimated Cost	\$265,500
Local Entity Funds	-\$ 75,000
Balance of Project Cost	\$190,500

BACKGROUND:

In February 2017, the HPUD Board approved a grant application to the Imperial Irrigation District Local Entity Fund for a \$283,700 grant in their community based organization category. The HPUD applied for these funds with the cooperation and partnership of the Heber Community Foundation.

The Project Description consists of installing a prefabricated community recreation building on a lot owned by the HPUD located at 156 Littlefield Way, Heber. The building would be the home of the Heber Community Foundation and the HPUD Parks and Recreation Department. The project is located across the street from Jiggs Johnson Park. The full grant application was also to fund a part-time recreation event coordinator to ensure the building is open and available for use by the adult and youth in Heber.

The budget submitted to the IID is as follows:

COMMUNITY BUILDING / PART-TIME STAFF (2 years)			
	Project Estimated Cost	HPUD Match	Local Entity Funds
Building Total Cost \$255,500			
Bidding	3,000	3,000	
Design & Engineer (15%)	31,500	31,500	
Construction	210,000		210,000
Construction Management (10%)	21,000		21,000
Part-Time Staff - 2 years	52,700		52,700
TOTAL	318,200	34,500	283,700

You may notice that the HPUD CIP Budget includes \$265,500 for this project, which does not include the part-time staff for two years.

In July, the HPUD was notified that we were awarded \$75,000 from the Local Entity Funds for this project. On August, 14, 2017, the HPUD Board authorized staff to prepare a letter to the IID Local Entity requesting a project modification consistent with the reduced funding award. A copy of the letter authorized by HPUD and submitted to the IID is attached for your review. In this letter, the HPUD requested that the IID Local Entity increase their funding award by \$208,700. The alternative proposal is for the HPUD to hire the part-time recreation coordinator and purchase limited recreation equipment and supplies and to apply the \$31,500 for design plans. This alternative will meet the original service objective and further our goal towards construction of the Recreation Center.

On August 18, 2017 the IID Local Entity sent to the HPUD a letter stating that in order to continue to be eligible for Local Entity grant funds we must submit several items to the IID by September 25, 2017. The letter from the IID Local Entity is attached for your review. The requirements from the IID Local Entity are as follows:

- 1) Letter from HPUD stating:
 - a. Continued interest in the \$75,000 Local Entity Grant funding award (or, declining the funding)
 - b. Revised description of the activities or projects for which the reduced funding will be used
 - c. Proposed funding milestones and schedule
- 2) Proof of registration with the California Franchise Tax Board
- 3) Proof of good standing with the California Secretary of State
- 4) Completed and signed W-9 form
- 5) Copy of valid Imperial County business license

I spoke with the IID employee working on the Local Entity grant funds, and she indicated that the IID has not commented on our request for a project modification, and that she does not know when or if they will. At this point, she recommended that we take action to accept the grant funds and submit the necessary documents to move the project forward with some modifications.

DISCUSSION:

We have been given a deadline to submit documents to the IID Local Entity, and we have not heard if they will fully fund the project as originally requested. At this time, the Board must decide if they want to move forward accepting the IID Local Entity grant with the alternative project request, which is:

- 1) Accept the \$75,000 funding from the IID Local Entity and request that the project be modified to minimize the funding match required by HPUD.
- 2) Submit the alternative proposal which will allow the HPUD to hire the part-time recreation coordinator and purchase limited recreation equipment and supplies, and to apply the \$31,500 of the IID Local Entity funds toward design plans.

This alternative will meet the original service objective and further our goal towards construction of the Recreation Center. Additionally, it will allow HPUD to commit to the construction of the project in our Capital Improvement Project List in FY 2018-19 budget.

CONCLUSION:

As the IID Local Entity grant awarded was for 26% of the total project costs, and as the HPUD does not have the remaining funds to complete the project as proposed, it is recommended that the HPUD Board accept the Local Entity grant funds, and modify the project to reduce the project scope and the monetary contribution of the HPUD.

Staff recommends that the Board authorize the letter to the Imperial Irrigation District Local Entity accepting the grant funds, modifying the project scope to include hiring recreation staff, purchasing some equipment, and completing the design plans for the recreation facility.

ALTERNATIVES:

- 1) Accept the IID Local Entity Funds, but direct staff to request full funding for the construction of the facility, and do not submit the alternative funding option. This action, will require that IID take the funding request to the IID Board of Directors and may delay the project for some time. There is also the risk that the IID Board of Directors will not approve the full funding and deny funding to HPUD.
- 2) Do not accept the IID Local Entity Funds, and direct staff to submit a letter stating that the HPUD declines the funding.
- 3) Provide alternative direction to staff.

Respectfully Submitted,

Laura Fischer, General Manager

Attachments: Letter from IID Local Entity (8/14/17)
Grant Application (2/17/17)
Letter to IID funding increase (8/14/17)

Heber Public Utility District & Heber Community Foundation

1078 Dogwood Road, Suite 103, Heber, CA 92249

(760) 482-2440 HPUD Office Phone

February 17, 2017

Imperial Irrigation District Board, Local Entity
c/o Water Manager's Office
333 East Barioni Blvd.
Imperial, CA 92251

Re: \$283,700 Local Entity Funds Grant Request - Community Based Organization Category

The Heber Community Foundation, a 501c(3) nonprofit organization has partnered with the Heber Public Utility District (HPUD) to further their joint mission to "Enhance Community Recreation Services". The Heber Community Foundation and the HPUD have developed a goal to provide and staff a community recreation center where the Heber Community Foundation and the HPUD can employ a part-time employee to run recreation and health programs for residents in the Heber Community.

Project Description-The project consists of installing a prefabricated community recreation building on a lot owned by the Heber Public Utility District located at 156 Littlefield Way, Heber, CA. The building would be the home of the Heber Community Foundation and the Heber Public Utility District's Parks and Recreation Department. The project is located across the street from the HPUD owned and operated Jiggs Johnson Park. The project would also fund a part-time recreation event coordinator to ensure the building is open and available for use by the adult and youth in Heber.

The Recreation Center-The lot is owned by the Heber Public Utility District and has a paved parking lot and access to water and sewer services provided by the HPUD. The grant funds would be used to purchase and install a prefabricated 2160 sq. ft. community building including obtaining all installation permits, connections to utility services, on-site improvements such as construction of sidewalks, installation of HVAC/Heating unit and installation of siding, window awnings, and front façade. The grant would also be used to furnish the building with office furniture and recreation supplies and materials.

Part-time Employee-The grant funds would be used to hire a part-time recreation coordinator through the Heber Public Utility District. The HPUD has the employment history and personnel rules and regulations that allows for the hiring of part-time staff. The HPUD will maintain all personnel and finance records for this project.

Project Need-The project is needed because the Heber Community Foundation does not have a facility where they can provide services to the underserved population in the Heber Community or staff to run programs. Additionally, the Heber Public Utility District does not have a facility to operate recreation services to the Heber community and they do not currently have staff to coordinate and implement recreation programs.

Economically Disadvantaged Community-Without allocation from the IID's Local Entity Mitigation Funds, Heber's recreation needs would continue to remain unmet. Heber residents have an extremely low per capita income of \$11,565 (compared to the States \$29,906 per the 2010-2014 American Community Survey). The community of Heber does not have an organized recreation department as those service responsibilities have historically fallen on the County of Imperial, the

governing agency. The Heber Public Utility District is their strongest and most financially stable community based organization and does not receive funding for the purpose of providing recreational services. Having a community facility and funding to hire recreation staff through the HPUD will enable this joint collaborative to offer recreation opportunities to the community.

Heber Community Foundation & Heber Public Utility District Partnership-This past year, HPUD partnered with the Heber Community Foundation to organize community events, such as the first parade, art contest and street fair in Heber. These events were very well received in the community and fosters a stronger sense of community within this unincorporated area. From this partnership the goal to provide a recreation center with appropriate staff was developed. The part-time employee will coordinate with local organizations such as: Sheriff Athletic League, Girl Scouts, Brownies, Boy Scouts, IC Public Health Department, IC Heber Library, Dogwood 4-H, food bank commodity distribution, after school ACES program, summer day camps, and other groups and organizations to ensure they have access to the recreation center.

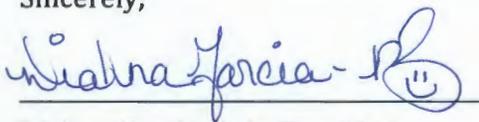
Experience & Qualifications in Related Projects-The Heber Public Utility District is the entity that will carry out the proposed project. The HPUD was formed in 1931 for the specific purpose of providing wastewater and water services to the Heber community. The District was later authorized by the Local Agency Formation Commission to provide public services to the Heber community in the areas of parks and recreation services and has been providing and maintaining park services for decades.

HPUD and Heber Community Foundation Commitment of Funds- HPUD has the management capacity to successfully implement the proposed Project, through a combination of experienced and highly qualified City staff personnel and a retained Engineering Firm. At a Special meeting held on February 22, 2017, the Board of Directors for the HPUD approved the allocation of matching funds as listed in the table below. The HPUD further authorized the continued funding for any needed operation and maintenance of the community recreation center.

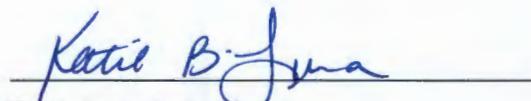
COMMUNITY BUILDING / PART-TIME STAFF (2 years)			
	Project Estimated Cost	HPUD Match	Local Entity Funds
Building Total Cost \$255,500			
Bidding	3,000	3,000	
Design & Engineer (15%)	31,500	31,500	
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Construction Management (10%)	21,000		21,000
Part-Time Staff - 2 years	52,700		52,700
TOTAL	318,200	34,500	283,700

Thank you for your consideration and continued support of our communities. Should you have any questions or need additional information, please contact the HPUD General Manager, Laura Fischer at (760) 482-2440 or lfischer@heber.ca.gov.

Sincerely,



Diahna Garcia-Ruiz, President
Heber Public Utility District



Katie Luna, President
Heber Community Foundation

Heber Public Utility District & Heber Soccer League

1078 Dogwood Road, Suite 103, Heber, CA 92249
(760) 482-2440 HPUD office phone

August 14, 2017

Imperial Irrigation District Board, Local Entity
c/o Water Manager's Office
333 East Barioni Blvd.
Imperial, CA 92251

***Re: \$75,000- Local Entity Funds Grant Award - Community Based Organization Category
Request for Project Modification Consistent with Reduced Funding***

The Heber Public Utility District (HPUD) and Heber Community Foundation thank the Imperial Irrigation District for the \$75,000 Local Entity Grant Award. The project submitted by the HPUD in partnership with the Heber Community Foundation consists of a \$283,700 request for the purpose of installing a prefabricated community recreation building on a lot owned by the HPUD in the Heber Meadows subdivision, and hiring a part-time recreation coordinator for two years. The HPUD and the Foundation would like to respectfully request reconsideration of the additional \$208,700 needed to deliver the project or consideration of project modification consistent with the reduced funding available and the overall reaching goal.

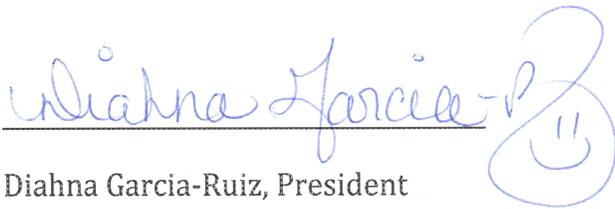
As previously noted, the HPUD in-kind contribution is the subject site which continues to be committed towards the project. The total project construction and service cost is \$318,200, which included \$34,500 in additional contribution from the HPUD for upfront engineering costs. The IID Local Entity awarded \$75,000, which is about 26% of the total amount requested. The \$208,700 gap in funding has severely impacted an effective delivery of the original proposal. The additional funds would allow the HPUD to install a 2160 sq. ft. community building including furnishing and recreation supplies and materials. The funding would also allow the HPUD to hire a part-time employee to coordinate recreation programs in coordination with the Foundation and to serve the needs of our low-income community.

Absent a successful appeal of these additional funds, modifications are hereby proposed. Unfortunately, without modifications to this project proposal, the project would be postponed for at least two years until enough money can be saved to fund the \$208,700 gap amount. The HPUD's enterprise funds are restricted from use for parks and recreation services and must rely on grant resources for provision of these services. The alternative proposal is for the HPUD and the Heber Community Foundation to use \$75,000 awarded to hire the part-time recreation coordinator and purchase limited recreation equipment and supplies and to apply \$31,500 for design plans. This alternative will meet the original service objective and further our goal towards construction of the Recreation Center. Having a fully designed and shovel ready project will strengthen the HPUD's and Foundation's ability to secure grant funds for the construction of the Recreation Center.

We will wholeheartedly accept the Imperial Irrigation's determination of funding for this project. Thank you for your consideration and continued support of our communities. Should you have any questions or need additional information, please contact the HPUD General Manager, Laura Fischer at (760) 482-2440 or lfischer@heber.ca.gov.

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Sincerely,


Diahna Garcia-Ruiz

Diahna Garcia-Ruiz, President

Heber Public Utility District



IID

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August 18, 2017

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Laura Fischer
HPUD & Heber Community Foundation
1078 Dogwood Rd, Ste 103
Heber, CA 92249

Laura Fischer
HPUD & Heber Community Foundation
1078 Dogwood Rd, Ste 103
Heber, CA 92249

Dear HPUD & Heber Community Foundation:

Thank you for submitting a letter requesting grant monies from the final 2017 Local Entity funding solicitation earlier this year. In total, the Imperial Irrigation District received more than 125 submittals from businesses and community partners throughout the region requesting over \$45 million in awards, more than eight times the funding designated for this process.

The IID Board of Directors, acting as the Local Entity, functions to authorize grant funding to help offset socioeconomic impacts resulting from land fallowing implemented within the IID water service area in furtherance of the Quantification Settlement Agreement. The IID/San Diego County Water Authority water transfer agreements authorized \$50 million in mitigation funding, with \$30 million provided by SDCWA and \$20 million by IID. Since 2008, over \$19 million of these monies have been disbursed to farm service providers whose businesses were affected by fields contracted for fallowing by IID in support of its water transfer programs. An additional \$12.3 million of non-competitive mitigation funding for providers affected by the 2014-2017 fallowing programs is in the process of being distributed. Finally, the Local Entity has funded approximately \$11 million in community business endeavors to support the creation and retention of local jobs, with over \$6 million in larger-scale grants to reopen a local beef processing plant, develop a sugarcane-based ethanol processing plant and assist in the development of an expanded local food bank facility.

On June 27, 2017, the Local Entity authorized funding awards to 32 community-based organizations and 11 business expansion projects, subject to final screening by IID staff and the development of an appropriate funding agreement with each grantee. Due to funding limitations, the final 2017 Local Entity Competitive grant program was only able to fund portions of some of the projects submitted for consideration. The selected projects and funding awards represented a discretionary decision of the board and, as such, there is no appeals process.

Local Entity Funding Recipient

August 18, 2017

Page 2

IID is pleased to inform you that your request for funding under the Community Based category has been selected to receive \$75,000. Funding is contingent upon compliance with the general provisions listed below and the development of a funding agreement outlining the specific grant conditions unique to your proposal and grant amount. All documentation is subject to review by IID representatives acting on behalf of the IID Board of Directors, and additional records and/or clarifications may be required.

In order to determine final eligibility and initiate the development of a funding agreement, the following information and verification documents must be submitted to IID no later than 5:00 pm on **Monday, September 25, 2017**.

- Letter from applicant that includes the following:
 - Continued interest in the \$75,000 Local Entity grant funding award (or, alternatively, text declining the funding)
 - Revised description of the activities or projects for which the reduced funding will be used
 - Proposed funding milestones and schedule
- Proof of registration with the California Franchise Tax Board
- Proof of good standing with the California Secretary of State (including verification of non-profit status, if applicable)
- Completed and signed W-9 form (enclosed)
- Copy of valid Imperial County business license (or other relevant licensing documentation)

IID appreciates your patience as it works to develop each individual funding agreement, which will encompass the grant reporting requirements, project milestones and funding schedules. All Local Entity funding awards are subject to audit by IID, therefore your cooperation with the program requirements is critical to your grant funding. Additionally, funding recipients may not be Imperial Irrigation District employees, spouses, or a member of an employee's household.

Documentation should be submitted in person to Angelita Topete at the IID Water Department Administration Office located at 333 Barioni Boulevard, Building J-1, in Imperial, California. Ms. Topete can be contacted at atopete@IID.com or (760) 339-9244 if there are questions or if additional clarification is necessary.

Sincerely,

Imperial Irrigation District