RESOLUTION NO. 2019-03

A RESOLUTION OF THE HEBER PUBLIC UTILITY DISTRICT ADOPTING RESERVE GUIDELINES AND BUDGET FOR FISCAL YEAR 2019-20

WHEREAS, the General Manager has submitted the Reserve Guideline and Reserve 2019-20 Budget to the Board of Directors for its review and consideration in accordance with reserve policies and objectives established by the Board of Directors, and

WHEREAS, the 2019-20 Reserve Guidelines are intended to provide guidelines for the Heber Public Utility District to designate money in order to balance the budget, respond to emergencies, keep rates affordable, maintain current infrastructure and plan for future public projects; and

WHEREAS, the Reserve Guidelines are as follows:

Committed Funds –

Capacity Fees: These reserves are monies received from new service connections that increase our need for increased capacity in our Water and Wastewater Enterprise Funds.

Capital Reserve Funds: These funds are reserved to ensure monies are available to implement the current FY year projects included in the Board adopted Five Year Capital Improvement Project List.

Restricted Fund Balance –

Debt Service Funds: These are funds that are mandated by law to be held in reserve.

Capital Replacement Reserve Funds: The Capital Replacement Reserve Fund (Short Lived Asset Reserve) are mandated by law to be funded each year.

Assigned or Designated Fund Balance –

Water, Sewer and Solid Waste Operating and Maintenance Reserve Funds: The Heber Public Utility District will maintain a 90 day operation and maintenance Reserve for Water, Sewer and Solid Waste (Trash) Funds.

Parks and Recreation Operating and Maintenance Reserve Funds: The Heber Public Utility District will maintain a 180 day operation and maintenance Reserve for Parks and Recreation Funds.

Unrestricted Reserves –

Unrestricted Reserves: These funds can be programed and expended for any purpose as directed by the Board of Directors.

WHEREAS, in said fiscal year beginning July 1, 2019, there is hereby Reserved within the Treasury of the Heber Public Utility District for District purposes by the various departments of said District for the fiscal year 2019-20, the projected amount of $2,664,594; and

WHEREAS, the Proposed Reserve Funds Established for FY 2019-20 are described below; and

Heber Public Utility District Reserve Resolution Backup FY 2019-20

* Unchanged Capital assets for Projections purposes only — ***Adoapted Via Resolution 2019-03***

Proposed Reserve Funds Established via Resolution Number 2019-3

PROJECTED CASH BROUGHT FORWARD AS OF JUNE 30, 2019	**Parks & Rec**	**Water**	**Sewer**	**Trash**	**Totals**
	711,480	***1,591,335***	***1,199,966***	***142,380***	***3,645,161***
Other Sources of Revenues:					
Per-Capita State Park Grant Prop. 68	***200,000***				
IID - Rec. Building Grant	***37,500***				
Total Funds:	***948,980***	***1,591,335***	***1,199,966***	***142,380***	***3,882,661***
Committed Funds:					
Capacity Fees					
Water and Sewer Master Plan - Use of Capacity Fees		***25,000***	***25,000***		***50,000***
Capital Reserve Funds (Future Projects)					-
Upgrades to Shop at Ingram Ave.	***20,000***	***90,000***	***90,000***		***200,000***
Manhole Replacement			***100,300***		***100,300***
Liftsations Up-grades					-
Water Distribution Lines Improvements					-
New HPUD Offices					-
Terciary wastewater treatment project					-
Correll Park Reserves - MOVED TO CHILDRENS					-
Recreation Room at Littlefield with IID Funds	***175,000***				***175,000***
Jiggs Johnson Restroom and Lights	***35,769***				***35,769***
Children's Park - New Playground Equip, sidewalk repairs, shade - USE CORRELL PARK FUNDS (remaining balance $55K plus $25K)	***80,000***				***80,000***
Restricted Funds:					
Wastewater debt to Parks (Debt Authorized via Resolution 2018-06) (Reserve Amended via Resolution 2018-10)	***(48,828)***		***48,828***		
Debt Service Reserve Funds - USDA		***87,418***			***87,418***
SWRCBA Water Loan - Debt Reserve		***161,802***			***161,802***
SWRCBA Wastewater Loan - Debt Reserve			***211,000***		***211,000***
2019 Short Lived Assets Projected Balance		***251,074***	***83,965***		***335,039***
FY 2019-2020 Withdrawal for Equipment Replacement (-) in FY 2019-20		**(109,500)**	***(29,100)***		***(138,600)***
Assigned or Designated Fund Balance:					
Operating and Maintenance Reserve Funds 90 days Operating and Maintenance Costs for Water and Sewer. 180 days for all funds.	***269,112***	***574,767***	***499,463***	***23,523***	***1,366,866***
TOTAL RESERVES FOR FY 19-20	***531,053***	***1,080,561***	***1,029,456***	***23,523***	***2,664,594***
PROJECTED UNRESTRICTED RESERVE BALANCE:	**417,927**	**510,774**	**170,510**	**118,857**	**1,218,067**

WHEREAS, All modifications to the Fiscal Year 2019-20 Budget of Reserved 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 Adopts the Reserve Guidelines and the Reserve Fund Budget for Fiscal Year 2019-2020.

3. That the Board of Directors of the Heber Public Utility District does hereby adopt this Resolution approving the Fiscal Year 2019-2020 Reserve Guidelines and Reserve Funds 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 18th day of July, 2019.

Pompeyo Tabarez, Jr., Board President

ATTEST:

Laura Fischer, General Manager on behalf of the Board Secretary

APPROVE AS TO FORM:

Steven M. Walker, General Counsel

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

I, LAURA FISCHER, General Manager 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 18th day of July, 2019.

By

Laura Fischer, General Manager on behalf of the Clerk of the Board