

# Heber Public Utility District

## Mid-Year Budget Report - Fiscal Year 2013-14

February 20, 2014

### OVERVIEW ALL FUNDS

The accompanying summary tables reflect HPUD's overall financial position for the fiscal year through December 2013. 54% of the total revenue budget, for all funds and from all sources have been received. 45% of the total expenditures, including capital outlay and debt service payments, have been expended.

ALL FUNDS REVENUES OVERVIEW	BUDGET	Year to Date Actual	Percent
PARKS & RECREATION	342,500	150,640	44%
WATER	1,466,600	874,000	60%
SEWER	1,309,400	691,426	53%
TRASH	482,500	242,991	50%
<b>TOTAL</b>	<b>3,601,000</b>	<b>1,959,057</b>	<b>54%</b>

### Projected Property Tax Revenue on Track

The Imperial County Auditor's Office has issued the checks for the first property tax installment and the monies represent 57% of our budget. Revenues are detailed below.

PROPERTY TAX ANALYSIS	BUDGET	Year to Date Actual	Percent
PARKS & RECREATION	256,000	145,794	57%
WATER	0	0	
SEWER	100,000	56,952	57%
<b>TOTAL</b>	<b>356,000</b>	<b>202,746</b>	<b>57%</b>

### Projected Medical Insurance Cost Increase

Staff projects a 5% increase in total medical benefits for all budgets through the end of the Fiscal Year.

### PARKS AND RECREATION FUND

With 50% of the year complete, Parks & Recreation Fund revenues are at 44% of projections and expenditures are at 51% of budget as summarized in this table.

#### Property Taxes

Property Taxes account for 78% of the total Parks and Recreation budget with revenue from the Park/Retention Maintenance accounting for 21%.

### Park/Retention Maintenance Revenue

This revenue source is monies received from the Community Facilities Districts (CFDS): Heber Meadows and McCabe Ranch. Staff anticipates receiving 50% of the budget during February, and that all of the CFDS revenues will be received.

PARKS AND RECREATION FUND			
Working Capital	Budget	YTD Actual	Percent
<b>Revenues</b>			
Property Taxes	256,000	145,794	57%
CFDs	72,900	-	0%
Other Revenues	13,600	4,846	36%
	<b>342,500</b>	<b>150,640</b>	<b>44%</b>
<b>Expenditures</b>			
Operating	308,700	153,164	50%
Capital Outlay	31,500	20,723	66%
	<b>340,200</b>	<b>173,887</b>	<b>51%</b>

### Parks & Recreation Expenditures

At mid-year, our operating costs are at 50% and with capital outlay at 51%.

### WATER FUND

The following summarizes year-to-date revenues, expenditures, and changes in working capital for the Water Fund. Overall, revenues are higher than expected due to Capacity Fees received from Imperial Center in the amount of \$118,680.

WATER FUND			
Working Capital	Budget	YTD Actual	Percent
<b>Revenues</b>			
	<b>1,466,600</b>	<b>874,000</b>	<b>60%</b>
Capacity Fees from IC \$118,680			
<b>Expenditures</b>			
Operating	1,084,100	533,029	49%
Capital Outlay	103,600	66,841	65%
Debt Service	220,400	114,222	52%
	<b>1,408,100</b>	<b>714,092</b>	<b>51%</b>

### Water Fund Revenues

Water revenues are monies received from water sales, fees and penalties, and other miscellaneous revenues. Overall water revenues are at 60% of the budget. Water sales make up 99% of the total water revenues, and other revenues like rent and interest, are only 1%.

This Fiscal Year the Capacity Fees received from Imperial Center were not budgeted and increased revenues by 8% over budget.

**Water Sales**

Water revenues from sales are slightly higher 52%, but on track with the time of the year.

**Water Fund Expenditures**

The cost of raw water is around 5.7% of the total Water Fund budget. The following Chart shows the raw water purchased in acre feet and expenditures for raw water from 2008-09 to 2012-13 and estimated for 2013-2014. The average purchased acre feet and average expenditure for raw water is also included.

Year	Purchased Acre Ft	Raw Water Expenditure
2008-09	1441	97,995
2009-10	1140	77,540
2010-11	1336	90,834
2011-12 *	996	67,744
2012-13	1030	70,055
2013-14 **	1000	67,280
<b>AVERAGE</b>	<b>1157</b>	<b>78,575</b>
* HPUD Installed 36" water pipeline		
** Estimated at mid-year		

**Reduced Raw Water Charge Impact to Budget**

The Raw water budgeted expenditure, as stated before, for FY 2013-14 represents 5.7% of the water O & M. If the IID new rate is going to be effective on March 2014 that will be 4 months of savings:

Actual monthly average= 98 AF x \$68= \$6,664  
 Future monthly average= 98 AF x \$20 =\$1,960  
 Savings per month = \$ 4,704  
 2013-14 savings =\$18,816  
 1.34% of the FY 2013-2014 Water Budget.

Projections for FY14-15 Budget compared to prior year budget (FY13-14), the new raw water rate reduces the annual Water Fund Operating cost by 3.9%, in a scenario with no other item cost increases.

**SEWER FUND**

This table summarizes year-to-date revenues, expenditures and changes in working capital for the Sewer Fund. The \$23,000 of Capacity Fees received from Imperial Center were not budgeted and increased revenues by 1.8% over budget.

**Sewer Fund Revenues**

Sewer revenues are monies received from sewer service charges, property taxes, fees and penalties, and other miscellaneous revenues. Sewer service charges account for 91.7% of the total Sewer Fund budget, and property taxes are just under 8%.

**Sewer Service Charges**

At mid-year our sewer service charges are at 56% of the total budget due to a rate adjustment to Heber School for 6 sewer connections charged as 4" and corrected to 8" plus an additional 8" sewer connection.

For the other half of the Fiscal Year Public Agency sewer revenues expected to be 120% over the budgeted amount due to aforementioned rate/size adjustment. For Commercial accounts the revenues will be slightly higher than budgeted due to 2 additional 6" sewer connections for Imperial Center.

SEWER FUND			
Working Capital	Budget	YTD Actual	Percent
<b>Revenues</b>	<b>1,309,400</b>	<b>691,426</b>	<b>53%</b>
Capacity Fees from IC \$23,000			
<b>Expenditures</b>			
Operating	993,100	432,386	44%
Capital Outlay	45,920	20,137	44%
Debt Service	221,300	(5,903)	-3%
	<b>1,260,320</b>	<b>446,619</b>	<b>35%</b>

**Sewer Fund Expenditures**

Sewer Fund operation and maintenance expenditures are at 44%. Expenditures are lower due to pending activities like sludge disposal, collection repairs, and also plant maintenance is lower due to the just up-graded facilities, power expenditures have been lower than anticipated, but other items like chemicals and laboratory test services have been higher than anticipated.

**Capital Outlay**

44% of the total Capital Outlay budget have been expended.

**TRASH FUND**

The Trash Fund is running on schedule for mid-year as shown in the table below.

TRASH FUND			
Working Capital	Budget	YTD Actual	Percent
<b>Revenues</b>	<b>482,500.00</b>	<b>242,991.33</b>	<b>50%</b>
<b>CR &amp; R PAYMENTS</b>	<b>436,818.18</b>	<b>215,700.49</b>	<b>49%</b>
<b>Expenditures</b>	<b>44,400.00</b>	<b>21,703.95</b>	<b>49%</b>

This Mid-Year Budget summary is based on detailed information produced by the Heber Public Utility District's financial management system.

Should you have any questions or need additional information, please contact the General Manager.