

# Heber Public Utility District Report to the Board of Directors

**MEETING DATE:** July 17, 2014

**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 \$22,852,862. 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 2014-15 include:

- Water Treatment Plant expansion project. The Board has authorized staff to apply for grant and loan funds with the State Water Board. We are waiting to hear from them on the status of our application.
- Water Intertie with El Centro and Imperial. The Board has authorized staff to apply for grant funds with the State Prop 84 Drought Relief Funds. The application is due July 21<sup>st</sup>.
- 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 and operation and maintenance paid by and agreement or rates for the customers who benefit.
- The Wastewater Tertiary Treatment Project. This project is just developing and the Board authorized staff to work with ORMAT to renew our Agreement and to prepare the necessary documents so that this project can be included in the next round of applications with the Imperial Regional Water Management Plan Prop 84 Round 3 grant funds.
- There are several small parks projects included in 2014-15 including the basketball court at Tito Park, and improvements to Correll Estates.
- Additionally there is funds allocated to improvements to the two older office buildings at the water treatment plant. These improvements include a new roof and remodel of the inside including flooring.

**CONCLUSION:**

On June 19, 2014 the Board reviewed the first draft of the Five-Year Capital Improvement Plan. There were no changes proposed and staff has prepared the budget for adoption.

**ALTERNATIVES:**

- 1) Do not adopt the Five-Year Capital Improvement Budget, and provide direction to staff. There is no requirement that HPUD adopt the CIP budget by a specific time, but it is advisable so that projects may move forward.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: CIP 5 year budget

# Five Year Capital Improvement Project List

Adopted by HPUD Board of Directors on July 18, 2013

Reviewed by HPUD Board on June 19, 2014 - Possible Adoption on July 17, 2014

Justification	<b>CAPITAL IMPROVEMENT PROJECTS</b>	Total Estimated Cost	FYE 2013& FYE 2014 ACTUALS	Project Schedule 2014-15	Project Schedule 2015-16	Project Schedule 2016-17	Project Schedule 2017-18	Project Schedule 2018-19	LONG TERM 6-10 YRS	Project Totals
<b>Compliance</b>	<b>Water System Improvement Projects</b>	<b>\$ 10,855,351</b>								
Plant Exp/TTM	Water Plant Expansion/TTM		241,603	4,613,748	500,000		0			5,355,351
Water Tank/Pump	Water Storage/Pressure Tank Project				400,000	900,000	1,200,000			2,500,000
Water Reliability	Water Interconnection Project (ELC,Imperial &HPUD)			17,000	1,480,000	1,503,000	0			3,000,000
	<b>TOTAL</b>		<b>241,603</b>	<b>4,630,748</b>	<b>2,380,000</b>	<b>2,403,000</b>	<b>1,200,000</b>	<b>0</b>	<b>0</b>	<b>10,855,351</b>
<b>Recycle water For Parks irrigation and Ormat</b>	<b>Wastewater System Improvement Projects</b>	<b>\$ 8,593,332</b>								
	Terciary Wastewater treatment Project			25,000	645,560	7,922,772				8,593,332
	<b>TOTAL</b>		<b>0</b>	<b>25,000</b>	<b>645,560</b>	<b>7,922,772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,593,332</b>
<b>Sports Lights Recreation Improvements Play Equip Basin &amp; Park</b>	<b>Parks Department Improvements</b>	<b>\$ 1,064,179</b>								
	Tito Huerta Park			37,500	250,000					287,500
	Tito Huerta Basketball Court			30,000						30,000
	Jiggs Johnson Park				83,750	75,000				258,750
	Children's Park					62,000				162,000
	Correll Estates - Basin and Park Development		7,565	143,364	175,000					325,929
	<b>TOTAL</b>		<b>7,565</b>	<b>210,864</b>	<b>508,750</b>	<b>137,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,064,179</b>
<b>New Offices Repair/Improve</b>	<b>General All Fund Improvement</b>	<b>\$ 2,340,000</b>								
	New HPUD Offices					2,300,000				2,300,000
	Old Offices at WTP- roof repair, wall partitions & paint			40,000						40,000
	<b>TOTAL</b>		<b>0</b>	<b>40,000</b>	<b>0</b>	<b>2,300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,340,000</b>
	<b>GRAND TOTAL CAPITAL IMPROVEMENT PROJECTS</b>	<b>\$ 22,852,862</b>								

# HPUD Five Year Capital Improvement Project List

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## WATER DEPARTMENT

Funding Source		Water Plant Improvement Project								
<b>State Revolving Fund Application Submitted - July 2013</b>		<b>Water Plant Improvements - Description</b> <i>TTHM Compliance Project Expansion to 4 MGD High Service Pump Station Fire Flow</i>								
		<b>Project Schedule FY 13-14</b>	<b>FYE 2012&amp; FYE2013 ACTUALS</b>	<b>Project Schedule FY 14-15</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>Long Term 6-10 Years</b>	<b>Project Totals</b>
<b>Project Components</b>										
Project will be 100% financed with SRF. \$3MM grant \$2,355,351 loan. HPUD will be reimbursed for 100% of funds expended in FY 2013-14 in next FY.		0.4% Admin & Legal	5,000	1,066	13,934					15,000
		0.4% Planning	20,000	12,687	7,313					20,000
		4.5% Design	242,850	227,850	15,000					242,850
		0.6% Bidding			34,651					34,651
		2.8% Engineering- Staking, Geo & Elec	50,000		99,301					99,301
		6.0% Construction Management			323,410					323,410
		Construction Costs			4,120,139	500,000				4,620,139
<b>TOTAL</b>			<b>317,850</b>	<b>241,603</b>	<b>4,613,748</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,355,351</b>

## UNFUNDED PROJECTS - WATER DEPARTMENT

UNFUNDED		Water Interconnection Project								
<b>Funding From Grant Funds thru IIRWMP- Prop 84 Up-front application costs will be reimbursed</b>		<b>Potable Water Interconnection between El Centro, Imperial and Heber</b>								
				<b>Project Schedule FY 14-15</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>Long Term 6-10 Years</b>	<b>Project Totals</b>
<b>Project Components</b>										
Project is UNFUNDED. Grant application is going to be submitted under Prop 84 thru IIRWMP		1/3rd of the Grant application - reimburseable		17,000						0
		1% Engineering Bidding			30,000					0
		8% Construction Management			100,000	100,000				30,000
		Interconnection water lines -			1,350,000	1,403,000				200,000
										2,753,000
										0
										0
<b>TOTAL</b>				<b>17,000</b>	<b>1,480,000</b>	<b>1,503,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000,000</b>

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## WATER DEPARTMENT

### DEVELOPER FUNDED PROJECTS - WATER DEPARTMENT

DEVELOPER FUNDED	Water Storage/Pressure Tank Project										
Funding From Developer at Imperial Center and Future West of 111	Potable Water Storage Tank and Pressure Pumping Distribution System - Help with Fire Flows and Capacity			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	Long Term 6-10 Years	Project Totals	
<b>Project Components</b>											
16%	Engineering - Design - Bidding				400,000					400,000	
8%	Construction Management					200,000				200,000	
Project is Proposed and Funded by Developer	Tank					300,000	1,000,000			1,300,000	
	Distribution Pumps					200,000	200,000			400,000	
	Distribution Lines					200,000				200,000	
	<b>TOTAL</b>			<b>0</b>	<b>400,000</b>	<b>900,000</b>	<b>1,200,000</b>	<b>0</b>	<b>0</b>	<b>2,500,000</b>	

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## WASTEWATER DEPARTMENT

UNFUNDED									
Funding Source	Wastewater Tertiary Water Treatment Project								
IIRWMP - HPUD - ORMAT	Wastewater secondary water effluent to Tertiary water for Parks Irrigation and sale to Ormat.	Project Total Cost	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	LONG TERM 6-10 YRS	Project Totals
<b>Project Components</b>									
	Application - costs		25,000						25,000
6.8%	Engineering and Design			586,872					586,872
0.4%	Bidding			36,680					36,680
0.3%	Engineering- Staking, Geo & Elec			22,008					22,008
6.8%	Construction Management				586,872				586,872
77.6%	Construction Costs				6,669,000				6,669,000
7.8%	Contingency				666,900				666,900
99.7%	<b>TOTAL</b>	<b>0</b>	<b>25,000</b>	<b>645,560</b>	<b>7,922,772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,593,332</b>

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**UNFUNDED**

**Funding Source**

Property Taxes  
TRA 006-004  
Anticipated  
\$57,000 per year  
Covers Maintenance Only - NO FUNDS  
AVAILABLE FOR CAPITAL PROJECTS

**PARKS DEPARTMENT**

**Tito Huerta Park**

Resident Request Sports Lights	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 18-19	LONG TERM 6-10 YRS	Project Totals
<b>Project Components</b>								
15% Admin - Engineering		37,500						37,500
Material			200,000					200,000
Construction			50,000					50,000
<b>TOTAL</b>		<b>37,500</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>287,500</b>

**Funding Source**

General Property Taxes

Resident Request for a Basketball court and up-grade the existing lights	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 18-19	LONG TERM 6-10 YRS	Project Totals
<b>Project Components</b>								
Construction of a Basketball court		30,000						30,000
<b>TOTAL</b>		<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>

**UNFUNDED**

**Funding Source**

Heber Meadows CFD  
Anticipated \$16,000 per year for Maintenance Only

**PARKS DEPARTMENT**

**Jiggs Johnson Park**

Install Restrooms Area Lighting Shade Structures and Tables/Benches	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 18-19	LONG TERM 6-10 YRS	Project Totals
<b>Project Components</b>								
15% Admin Costs			33,750					33,750
Restrooms					100,000			100,000
Area Lights			0	75,000				75,000
Shade Structure over Tables			50,000					50,000
<b>TOTAL</b>			<b>83,750</b>	<b>75,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>258,750</b>

NO FUNDS AVAILABLE FOR CAPITAL  
IMPROVEMENTS

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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	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 18-19	LONG TERM 6-10 YRS	Project Totals
NO FUNDS AVAILABLE FOR CIP		<b>Project Components</b>								
		8% Admin Costs				12,000				12,000
		Replace Play Ground Equipment					100,000			100,000
		Shade Structure over Tables				50,000				50,000
		<b>TOTAL</b>				<b>62,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>162,000</b>

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	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 18-19	LONG TERM 6-10 YRS	Project Totals
\$82,000 fund available from HPUD, (25,000 offered by County) Other funds sources needed to complete the project.		<b>Project Components</b>								
		8% Admin & Legal Costs	5,000	17,917						22,917
		7% Engineering Design		16,552						16,552
		Construct Basin & Banks		111,460						111,460
		Park Improvements - Basketball Ct.			175,000					175,000
		<b>TOTAL</b>	<b>5,000</b>	<b>145,929</b>	<b>175,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>325,929</b>



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UNFUNDED		ALL FUNDS - GENERAL PROJECTS								
Funding Source	New Office Building		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	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			0	0	0	2,300,000	0	0	2,300,000	
UNFUNDED		ALL FUNDS - GENERAL PROJECTS								
Funding Source	Improve the old Buildings		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	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			0	40,000	0	0	0	0	40,000	