

RESOLUTION NO. 2026-17

A RESOLUTION OF THE HEBER PUBLIC UTILITY DISTRICT ADOPTING RESERVES GUIDELINES AND BUDGET FOR FISCAL YEAR 2026-2027

WHEREAS, the General Manager has submitted the Reserve Guideline and Reserve 2026-27 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 2026-2027 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 180-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.

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WHEREAS, said fiscal year beginning July 1, 2026, 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 2026-2027, the projected amount of \$3,916,053.00; and

WHEREAS, the Proposed Reserve Funds Established for FY 2026-2027 are described on the attached; and

WHEREAS, All modifications to the Fiscal Year 2026-2027 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 2026-2027.
3. That the Board of Directors of the Heber Public Utility District does hereby adopt this Resolution approving the Fiscal Year 2026-2027 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 16th day of July 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

By: _____
Jacob Bermudez,
Clerk of the Board

By: _____
Pompeyo Tabarez,
Board President

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UTILITY DISTRICT ADOPTING RESERVES
GUIDELINES AND BUDGET FOR FISCAL
YEAR 2026-2027**

APPROVE AS TO FORM:

By: _____
Steve Walker,
General Counsel

STATE OF CALIFORNIA
COUNTY OF IMPERIAL
HEBER PUBLIC UTILITY DISTRICT

I Jacob Bermudez, Board Secretary of the Heber Public Utility District, County of Imperial, State of California, DO HEREBY CERTIFY that the foregoing resolution was duly passed, approved and adopted by the Board of Directors of the Heber Public Utility District at its regularly scheduled meeting held on the 16th day of July, 2026.

By: _____
Jacob Bermudez,
Clerk of the Board

Proposed Reserve Funds Established via Resolution Number 2026-17

CASH BROUGHT FORWARD AS OF JUNE 30, 2026	Parks & Rec	Water	Sewer	Trash	Totals
	923,244	3,000,142	1,741,437	105,619	5,770,442
Other Sources of Revenues:					-
Correll Park Partial Reimbursement	891,681				891,681
Capacity / Impact Fees	30,000	185,220	399,600	-	614,820
Total Funds:	1,844,925	3,185,362	2,141,037	105,619	7,276,943

Committed Funds:

Capital Reserve Funds (Future Projects)					
Tito Huerta Park (Repairs Baseball field & Shade)	74,500				74,500
Correll Basin- Park	891,681				891,681
Equipment Outlay for all parks	71,958				71,958
Replace Inlet & Outlet		380,000			380,000
New Water Meters Project		35,782			35,782
Relocate Water Lines in Courts		906,100			906,100
Equipment Outlay for water operations & distribution		227,982			227,982
5 Manhole Rehabilitation (Partial)			60,000		60,000
Equipment Outlay for Sewer (includes Scada upgrade)			269,380		
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		151,780			151,780
SWRCBA Water Loan - Debt Reserve		161,802			161,802
SWRCBA Wastewater Loan - Debt Reserve			211,018		211,018
Assigned or Designated Fund Balance:					
Operating and Maintenance Reserve Funds 180 days Operating and Maintenance Costs.	348,658	918,888	790,151	26,926	2,084,622
TOTAL RESERVES FOR FY 2025-26	1,337,969	2,782,334	1,379,377	26,926	5,257,225
PROJECTED UN-ASSIGNED BALANCE:	506,957	403,029	761,661	78,693	2,019,718