

# **PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT**

**4176 Warbler Road  
Phelan, CA 92371  
(760) 868-1212**

**Water  
Parks and Recreation  
Solid Waste  
Street Lighting**

**2020 / 2021 Budget  
Approved  
June 3, 2020**



# **2020 / 2021 Budget**

## **For the Fiscal Year Ending**

### **June 30, 2021**

Adopted June 3, 2020

**PHELAN PIÑON HILLS**  
**COMMUNITY SERVICES DISTRICT**

4176 Warbler Road  
Phelan, CA 92395  
(760) 868-1212

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**GFOA DISTINGUISHED BUDGET PRESENTATION AWARD**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget  
Presentation Award*

PRESENTED TO

**Phelan Pinon Hills Community Services District  
California**

For the Fiscal Year Beginning

**July 1, 2019**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Phelan Piñon Hills Community Services District for its annual budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This is the fifth year the District applied for and received an award with GFOA. This award is valid for a period of one year only. The District believes the current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



## CSMFO OPERATING BUDGET EXCELLENCE AWARD



The California Society of Municipal Finance Officers (CSMFO) presented the Certificate of Award for Operating Budget Excellence to Phelan Piñon Hills Community Services District for the Fiscal Year beginning July 1, 2019. This is the fifth operating budget award the District has applied for and received from the CSMFO. This award is valid for a period of one year.

The District believes the 2020/2021 budget continues to conform to the standards set forth to be eligible for this award and will submit an application accordingly.

# RESOLUTION NO. 2020-06 ADOPTING THE ANNUAL BUDGET

## RESOLUTION NO. 2020-06 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2021

**WHEREAS**, the Phelan Piñon Hills Community Services District (“the District”) is a community services district organized and operating pursuant to California Government Code Section 61000 et seq., and a local government agency subject to the requirements of the Political Reform Act of 1974, California Government Code Section 81000 et seq.; and

**WHEREAS**, there has been presented to the District’s Board of Directors a proposed Annual Budget for the Fiscal Year Ending June 30, 2021 (“2021 Budget”) in accordance with the requirements of Government Code Section 61110; and

**WHEREAS**, the Board has conducted several budget workshops open to the public and has considered all comments received during those meetings regarding the proposed 2020 Budget; and

**WHEREAS**, on June 3, 2020, the Board conducted a public hearing regarding the proposed 2020 Budget in accordance with the requirements of Government Code Section 61110 and considered all comments received at said hearing; and

**WHEREAS**, the proposed 2021 Budget has been reviewed and considered by the Board of Directors and it has been determined to be in the best interest of the District to adopt said budget for the sound financial operation of the District.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Phelan Piñon Hills Community Services District as follows:

1. The 2021 Budget, as detailed in the budget document entitled “2020/2021 Budget for the Fiscal Year Ending June 30, 2021,” is hereby adopted. A copy of the 2021 Budget is attached hereto and incorporated herein by reference.

2. The expenditure amounts designated for Fiscal Year 2020/2021, pursuant to the 2021 Budget, are hereby appropriated and may be expended by the departments or funds for which they are designated, in accordance with the District’s Purchasing Policy.

3. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

4. If any section, subsection, sentence, clause or phrase in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board of Directors hereby declares that it would

have passed this Resolution and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

5. This Resolution will be effective immediately upon adoption.

**Adopted** this 3rd day of June, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

Charlie Johnson  
President, Board of Directors

ATTEST: Kim Ward .  
Board Secretary



**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

**INTRODUCTION**

# PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

## MESSAGE FROM THE GENERAL MANAGER

June 3, 2020

Board of Directors  
Citizens of the Phelan Piñon Hills Community Services District

On behalf of the Phelan Piñon Hills Community Services District and its staff, I am pleased to present the Budget for Fiscal Year 2020/2021. This Budget has been prepared to meet the many challenges facing the District, including increasing costs of water production, water quality, water supply, and unfunded state mandates. The Budget reflects the District's dedication to provide reasonable levels of service with a commitment to prudent fiscal management by developing policies and procedures that are efficient and cost effective. This Budget has been developed to be fiscally responsible in support of the District's Mission Statement:

*The mission of the Phelan Piñon Hills Community Services District is to efficiently provide authorized services and maximize resources for the benefit of the community.*

### Where We Have Been

Over the past several years, the District has been managing state mandates for water, including ongoing communications with California legislators to mitigate the impacts to the District. District directors and management have attended meetings in Sacramento and formed coalitions with other purveyors, to represent our citizens with the Department of Water Resources to address numerous water related initiatives. Conservation initiatives were rolled back as the drought subsided and the new Chromium-6 regulations were rescinded, pending further investigation by the Department of Water Resources. The District was faced with state and federal orders in response to the COVID-19 pandemic and addressed those challenges with resourcefulness while meeting the needs of the community to provide safe, clean water and continue to operate and maintain District facilities, keeping our employees and customers safe by implementing new practices.

The new Chromium-6 regulations have yet to be determined, meanwhile the District continues to collect a surcharge on the water bills to recover the costs of almost \$4 million dollars incurred to date for Chromium-6 related projects that resulted from the initial state mandates. The costs to date are expected to be fully recovered in the coming budget year, after which new costs, if any, associated with meeting the state mandates will continue to be recovered with the surcharge. Depending upon the expenses necessary to meet the revised mandates, the surcharge may be reduced to reflect the new costs. In the event the new Chromium-6 levels do not require the District to install additional infrastructure or operating expenses, the surcharge will be removed.

Most recently, the District was faced with the impacts of the Covid-19 Pandemic. In mid-March 2020, the State of California ordered all non-essential businesses to close and a stay-at-home order was implemented. The District's services are considered essential and the District continued to operate. However, the District closed to the public, cancelled all public meetings, gatherings, scheduled events and programs, and continued to operate following state and county guidelines.

In February 2018, the District adopted its first strategic plan. The plan identifies strategic elements and goals with an action table to accomplish the goals. The goals outlined throughout this budget reference the Strategic Plan, identified as “SPG#” in this document. The action plan to achieve the goals are addressed and updated periodically, as noted at the bottom of the Vision to Action Table. The table is in the Budgetary Control and Financial Practices section of this document.

## **Accomplishments**

The greatest challenge the District faced this year was the COVID-19 Pandemic. The District was challenged with continuing to supply water to our customers, maintaining infrastructure, facilities, and essential services, while providing a safe environment for our employees. This was a tremendous accomplishment of the District. Beginning the first part of March, the District immediately responded to the Pandemic by closing the office, parks, and community centers to the public while maintaining high levels of customer service via telephone and maintenance of social distancing when in-person service was required. All meetings and District events were cancelled and, as was permitted, some were re-scheduled to take place in compliance with new rules and regulations from state and county directives. As the District re-opens to the public, it is expected that social distancing and other requirements will continue to be needed for the safety of our constituents and our staff, in compliance with county, state and federal requirements.

The Departmental Presentations (beginning on page 33) include details of accomplishments for 2019/2020 and their status, including:

- Water loss identification, tracking and reduction – the District developed and implemented water loss reduction plans including replacing leaky service lines and a thermal imagery leak detection program. SPG 1.1
- Cost reductions – the District saved over \$762,000 in 2019/2020 as a result of purchasing water rights. SPG 1.5
- Water system readiness for growth – the District identified and implemented plans to maintain and better utilize wells, resulting in increased productivity. SPG 1.4
- Development of parks and civic center plans in compliance with the parks master plan and the strategic plan. SPG 2.4, 2.5 and 3.1
- Parks land acquisition – the District acquired additional property for future parks. SPG 2.3
- Increased community outreach – the District continues to reach out to all the organizations within the community to promote understanding and cooperation. SPG 5.2
- Improved customer service – the District continues to work with staff to develop more positive customer service experiences. SPG 6.6
- Policy, procedures, and practices implemented to meet SB998 (Water Shut-off Protection Act) mandates.
- Water rate and fee study completed in compliance with proposition 218, recommending a multi-year rate change which will be reviewed and considered annually.

## **Upcoming/Ongoing Challenges Facing the District in 2020/2021**

The most significant issues facing the District in 2020/2021 continue to be unfunded state mandates. State mandated challenges include Chromium-6, drought regulations, and AB401 - Low Income Water Rate Assistance Act, to name a few.

The Departmental Presentations (beginning on page 33) include details of goals for 2020/2021 including:

- Impacts of changes to the state water quality regulations: The state adopted new regulations for Chromium-6 in July 2014. Those regulations were rescinded in August 2017. In 2014, the District's water had traces of Chromium-6, which exceeded the maximum contaminant levels (MCL) under the new state regulations. The District began aggressive efforts to meet the state mandate in a timely manner. The District conducted a feasibility study, performed extensive testing, determined the best course of action, and completed preliminary design, environmental review, engineering reports and project design, costing the District approximately \$3.7 million dollars. The regulations were rescinded in August 2017 and the state is reconsidering the MCL for Chromium-6. The District halted all Chromium-6 mitigation work, pending the state's new regulations. The state will move forward with new regulations this year. The District is working closely with the state and other agencies to recommend a less aggressive MCL for Chromium-6. The District will address this issue as it develops. The best outcome would be for the state to set the MCL above the trace levels found in the District's water, in which case the District will not need to implement a multi-million-dollar mitigation project. For more information, please visit the District's website.
- Impacts of state mandated water conservation measures: Executive Order B-29-15 and subsequent mandates, resulted in increased expenses for the District accompanied by reduced water sales resulting from conservation programs. Executive Order B-37-16 and SB 555, further specify and evolve conservation requirements and consequences of non-compliance, "making water conservation a California "way of life." In 2018/2019, due to excessive rainfall, the state declared the drought officially over. However, under existing mandates, the District continues to develop and implement water conservation programs to encourage conservation.
- Impacts of AB 401 "Low Income Water Rate Assistance Act": This assembly bill was passed in 2015. The bill is aimed at offering rate assistance to low-income customers; however, it is still unclear how this will occur. Initial estimates show that each District customer could pay \$7 per month on their water bill. The funds collected would likely be sent to the state and the state would determine how funds are utilized.
- No impacts to services in the coming year and no net impacts to staffing levels are expected.

Since the District's formation in 2008, the District has continued to look for cost saving measures and efficiencies. Despite these efforts the cost of operating the District has continued to rise.

Due to the reduction in property tax values within the District, property tax revenue decreased by over 40% between 2008 and 2012, primarily due to the number of vacant properties within the District. Water revenue decreased by 16% between 2009 and 2012. The cost of pumping water out of the ground, the District's only water source, increased by 18% in 2013, 14% in 2014, 5% in 2015, and continued to increase annually, including a 9% increase in 2020, due to the Southern California Edison rate changes. These increases, along with the impacts of the state mandates, negated the rate increases that were adopted in 2013 and 2015, thus requiring a water rate study in 2020. The rate study outlined recommended water rate changes, which the District adopted in May 2020. The 2020 water rate study calls for a 6% increase in water rates effective July 1, 2020, however, the Board has elected to defer the increase from July 1, 2020, to February 1, 2021 (pending review), due to economic impacts resulting from the COVID-19 pandemic. As is necessary, the District will transfer funds from reserves to cover the increasing cost of operations during the deferral period.

The District continues to look for alternative ways to increase revenue and decrease expenses to minimize rate changes to customers. In 2012, the District purchased water rights which will result in a savings of reduced water production fees. The District is saving over \$790,000 (\$440,000 after loan payment) in the coming year due to water rights purchased (page 89). Even after repaying the \$7.5 million dollar loan, this purchase is estimated to save the District \$24 million dollars. In 2016, the District installed a solar project that results in credits against the District's most costly and uncontrollable expense: electricity. After loan repayment, the estimated savings due to the solar project are \$13 million dollars. The combined results of these two measures are savings estimated to exceed \$37 million dollars over thirty years.

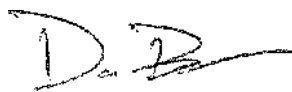
The Fiscal Year 2020/2021 Budget is based on Enterprise Fund revenues of \$8,660,933 and Government Fund revenues of \$1,592,717, totaling \$10,253,650; Enterprise Fund expenses of \$8,618,216, and Government Fund expenses of \$729,004, totaling \$9,347,221; for a total net revenue of \$906,429.

	2020 Budget	2020 Est YE	2021 Proposed Budget	% Over Prior Year Budget	% Over Est Year End
Enterprise (Water) Revenue	\$8,223,761	\$8,528,616	\$8,660,933	5.3%	1.6%
Enterprise (Water)Expenses	\$7,352,497	\$8,354,335	\$8,618,216	17.2%	3.2%
	\$871,264	\$174,280	\$42,717		
Government Revenue	\$1,254,991	\$1,458,542	\$1,592,717	26.9%	9.2%
Government Expenses	\$620,316	\$615,575	\$729,004	17.5%	18.4%
	\$634,675	\$842,967	\$863,713		
Total Revenue	\$9,478,752	\$9,987,157	\$10,253,650	8.2%	2.7%
Total Expenses	\$7,972,813	\$8,969,910	\$9,347,221	17.2%	4.2%
<b>Total Net Revenue</b>	<b>\$1,505,939</b>	<b>\$1,017,247</b>	<b>\$906,429</b>		

I would like to thank District staff for their conscientious efforts in prudent management of District resources, enabling the District to reduce expenses whenever possible without reducing the levels of service necessary to meet the demands of good customer service and responsible facilities maintenance.

I want to thank the Board of Directors for their leadership and continued interest in, and support of, the highest level of prudent fiscal management, and for providing the vision, policies, and resources to develop and implement this Budget.

Respectfully Submitted,



Don Bartz  
General Manager



# **PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

## **MISSION STATEMENT**

*The Mission of the Phelan Piñon Hills Community Services District is to provide authorized services and maximize resources for the benefit of the community.*

## **VISION STATEMENT**

*The Vision of the Phelan Piñon Hills Community Services District is to develop a Community Services District that enhances the living experience for all people within the District.*

# PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

## OFFICIALS

### BOARD OF DIRECTORS

		Term Expires December
Charlie Johnson	President	2022
Kathleen Hoffman	Vice President	2022
Rebecca Kujawa	Director	2020
Deborah Philips	Director	2022
Mark Roberts	Director	2020

Note: Effective May 23, 2017, the election dates (and Directors terms) changed from odd years to even years as a result of SB415. County of San Bernardino Board of Supervisors voted to approve the change of election years in compliance with SB415 and in response to the District's resolution #2016-15.

### DISTRICT MANAGEMENT

Donald Bartz	General Manager
Lori Lowrance	Administrative Services Manager
Kim Ward	Human Resources Manager/Executive Secretary
George Cardenas	Engineering Manager
Sean Wright	Water Operations Manager

District Officials can be reached by calling (760) 868-1212

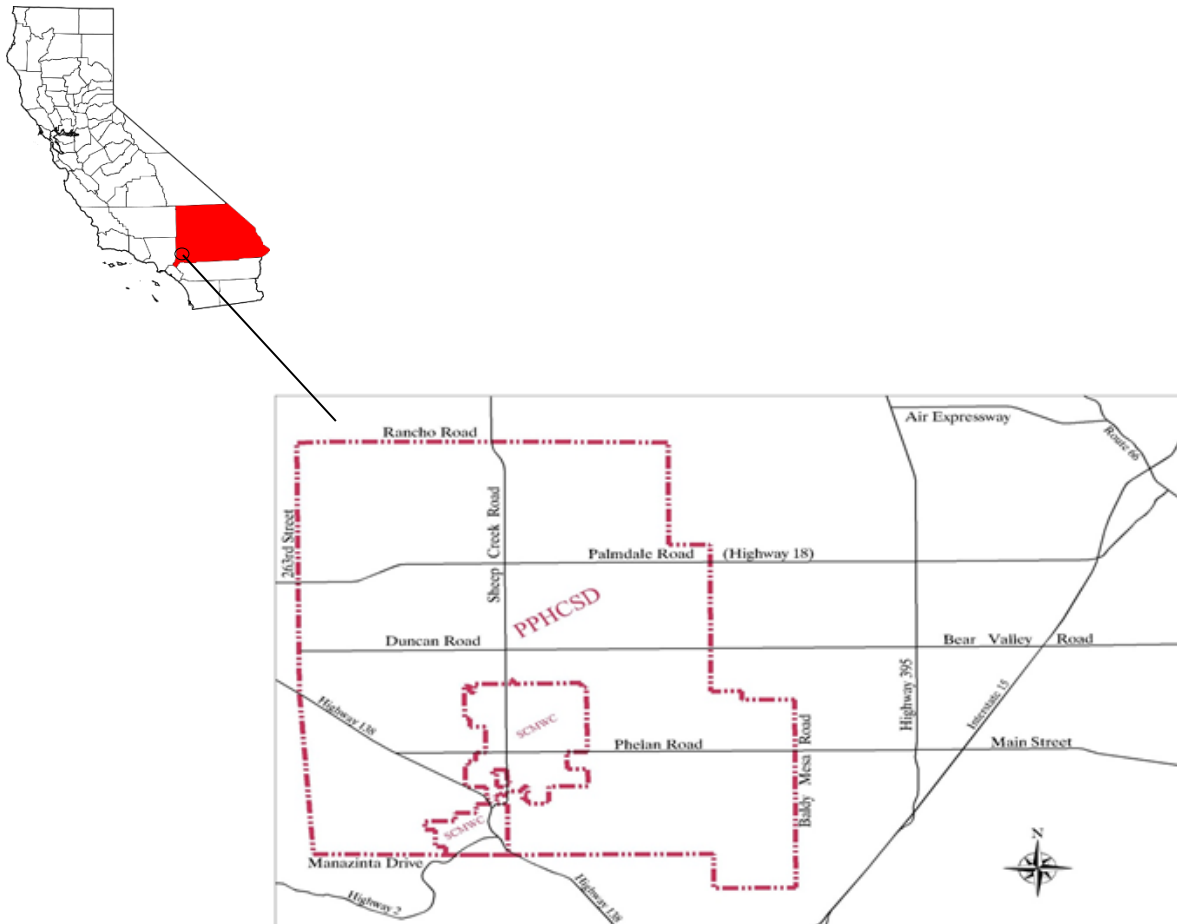
# DISTRICT PROFILE

## History

In February 2008, the citizens of Phelan and Piñon Hills overwhelmingly voted to separate the Water, Parks and Recreation, and Street Lighting Districts from the County and create a Community Services District. The Phelan Piñon Hills Community Services District was established through an election on February 5, 2008. With an 81% approval rating, the voters approved the formation of the District as a consolidation of three Special Districts: Zone-L70 Water, CSA-9 Phelan Parks and Street Lighting and CSA 56-F1 Piñon Hills Parks. This consolidation enabled the communities to establish a form of self-governance while maintaining their individual rural integrity. The 128 square mile District is the largest Community Service District in San Bernardino County. In March 2008, the Phelan Piñon Hills Community Services District was formed (LAFCO Resolution 2994), with a five-member Board of Directors elected to govern the District.

Between March 2008 and June 30, 2008, during the early stages of the transition, the District continued to be operated and maintained by County of San Bernardino Special Districts. From July 1, 2008, through October 2008, the Directors outsourced the operations and maintenance of the District and began the recruitment process. In August, a General Manager was hired and in October through November 2008, the majority of the remaining staff was employed.

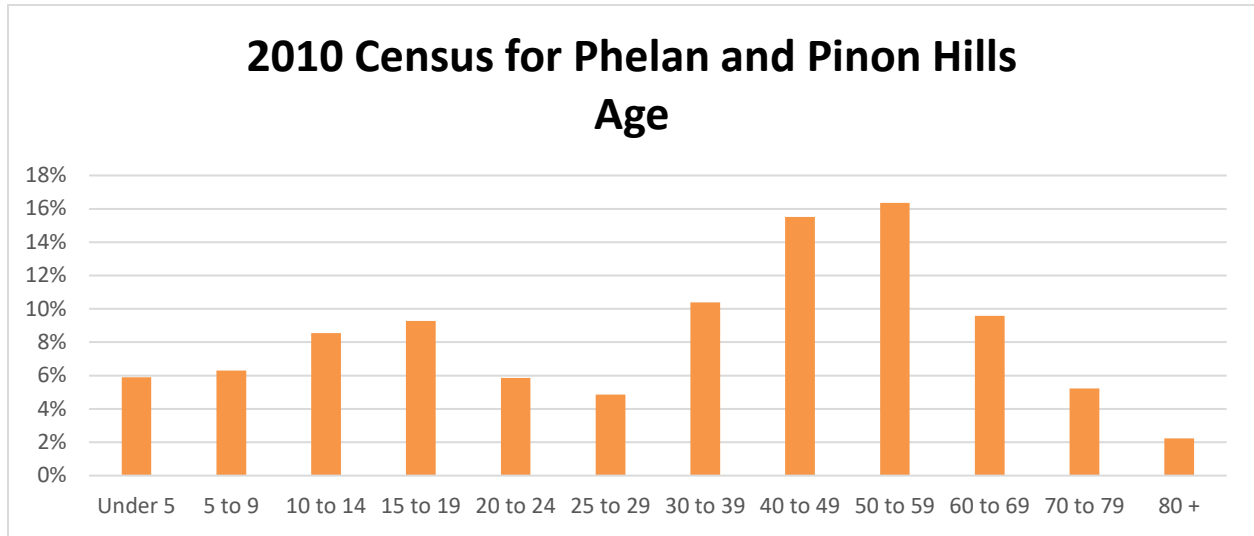
On November 16, 2011 LAFCO held a hearing on proposal 3167 and adopted resolution 3153 approving the activation of solid waste and recycling function and services for the District. On January 24, 2012, the Certificate of Completion was processed, formalizing the change in organization.



## **Local Economy**

The District is located in Phelan and Piñon Hills, California, two unincorporated communities within San Bernardino County. During the first several years, San Bernardino County had witnessed a decrease in economic activity and a downturn in property values. Recent activity within the region, however, suggests a strengthening in home sale median prices and increased commercial activity. This past year, increased home sales and new building throughout the Inland Empire has provided an upward trend in housing costs.

## **People**



## **Civic Engagement (Countywide)\***

Voter turnout among registered voters (2018) 58%

Voting by mail (2018) 62%

## **Education (Countywide)\***

Residents over age 25 with a Bachelor's degree (2018) 21%

High school graduation rate (2017/18) 83%

## **Economy (Countywide)\***

Employment (August 2018):

Number in the labor force 970,700

Number employed 938,600

Number unemployed 32,100

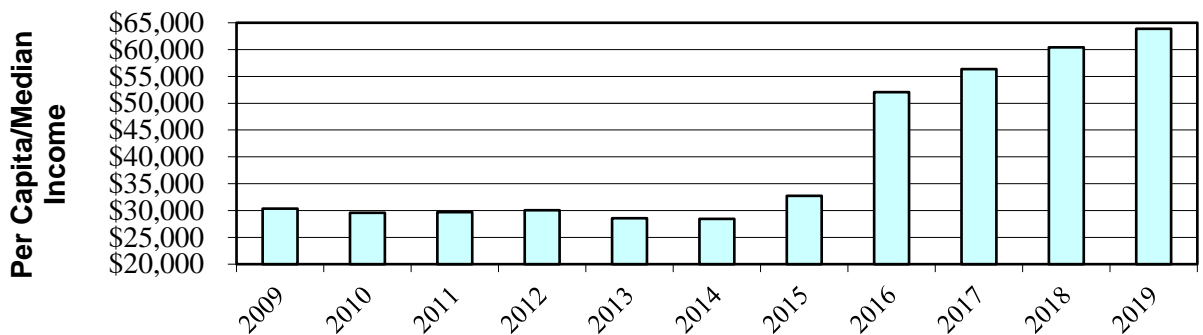
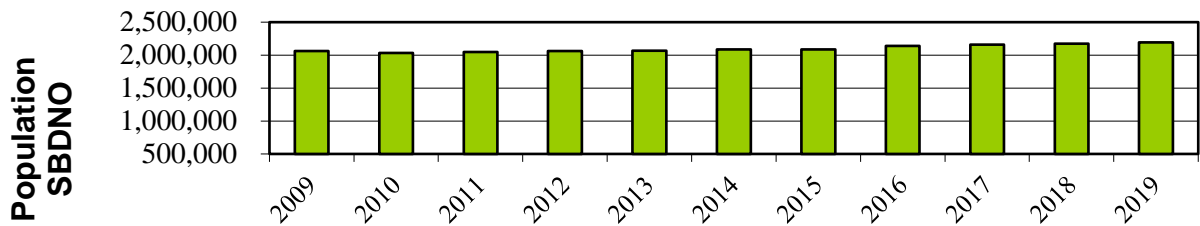
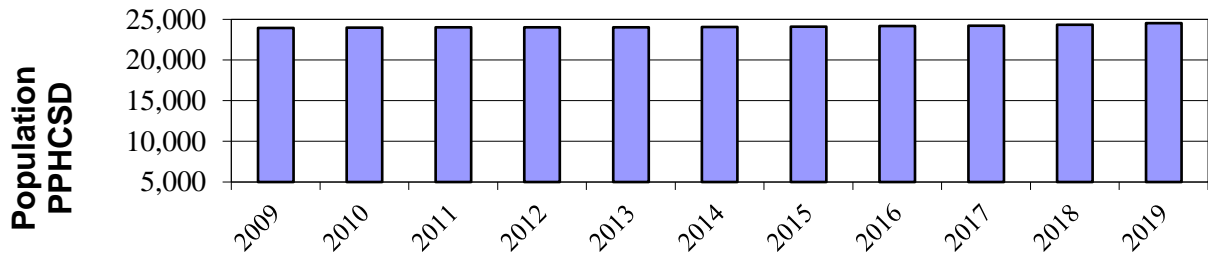
Unemployment rate 3.3%

\*San Bernardino County Community Indicators Report 2019

## Demographic and Economic Statistics

County of San Bernardino <sup>(2)</sup>					
Year	Phelan & Piñon Hills Population (1)	Unemployment Rate	Population	Median Single-Family Home Price	Personal Income per Capita / Median Household Income
2009	23,955	13.5%	2,060,950	123,526	30,363
2010	23,985	14.3%	2,033,141	144,627	29,555
2011	24,013	14.0%	2,046,619	133,950	29,703
2012	24,028	12.6%	2,059,699	145,710	30,081
2013	24,040	9.9%	2,068,610	180,270	28,583
2014	24,058	8.1%	2,085,669	216,570	28,454
2015	24,107	5.8%	2,088,371	230,180	32,747
2016	24,164	6.2%	2,140,096	248,000	52,041
2017	24,225	5.8%	2,160,256	266,250	56,337
2018	24,352	4.2%	2,174,938	290,000	60,420
2019	24,516	3.3%	2,192,203	315,000	63,857

Note: Beginning 2016, Personal Income Per Capita was not reported. Median Household Income is reported in County Community Indicators Report.



**Sources:** California Department of Finance and California Labor Market Info, California Association of Realtors and San Bernardino County Community Indicators Report.

**Notes:**

1) Data is derived from the 2010 census and adjusted for the average population per meter connection. The District has chosen to use this methodology since the District believes that it provides the best approximation of area population.



## **Governance**

The District is governed by an elected, five-member Board of Directors. Board members are elected to a four-year term, participating in the election process, formerly during odd years, effective 2017 (per SB415) changed to even year election cycles. For the currently seated Board, three Directors were elected in November of 2018 and one Director was elected in November of 2015 and one Director was appointed in November 2019. The Directors are elected to set the policies of the District and provide guidance and leadership to the management and staff of the District.

The Board of Directors' regularly scheduled meetings are on the first and third Wednesdays of each month at 6pm in the Phelan Community Center. Additionally, the Directors are assigned to at least two standing committees and some serve on ad hoc committees as needed. The committees have regularly scheduled monthly meetings for Engineering, and quarterly meetings Parks, Recreation and Street Lighting, Solid Waste and Recycling, Government Affairs, and Finance. These meetings are open to the public who are encouraged to attend.

Resolution 2019-15, Section 1.1 states: The Board shall govern the District. The Board shall establish policies, direction, procedures, and oversight for the operation of the District. The Board shall provide for the implementation of those policies which is the responsibility of the District's General Manager.

The elected board members delegate management responsibility of the day-to-day operations of the District to an appointed General Manager who, in turn, employs all employees at the District, including department managers and supervisors. The District currently employs twenty-three full-time and three part-time employees. The District's General Manager, General Counsel, and external Auditor report directly to the Board of Directors.

## **District Services**

As outlined by San Bernardino County LAFCO 3167 Staff Report, the District provides the following within its service area:

Water: Supply water for any beneficial use as outlined in the Municipal Water District Law of 1911 (commencing with Section 71000) of the Water Code.

Park and Recreation: Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law (commencing with Section 5780) of the Public Resources Code.

Street Lighting: Acquire, construct, improve, maintain, and operate street lighting and landscaping on public property, public right-of-way, and public easements.

Solid Waste and Recycling: Collect, transfer, and dispose of solid waste and provide solid waste handling service, including, but not limited to, source reduction, recycling, composting activities, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.

## ***Water***

The primary component of the District is water service. Being efficient in every aspect is essential and will help in improving fiscal responsibility as well as system integrity. Developing relationships with neighboring water companies, agencies, and resources will enable everyone to be more responsible and efficient; therefore, the District is looking at joint ventures whenever it is viable.

The District operates and maintains a considerable infrastructure in order to provide safe, good tasting water to over 7,000 service connections within an approximate 128 square mile service area. The water service area is almost entirely single family residential, with approximately 99 percent of water service connections serving single-family residences. The water infrastructure consists of 11 wells (approximately 1,000 feet deep) in six well fields, and 35 reservoirs with a combined capacity of approximately 12,000,000 gallons, 4 de-sanding tanks, 24 booster stations, 63 booster pumps, and 32 pressure reducing stations in 15 pressure zones, with approximately 353 miles of pipeline ranging from 4-inches to 16-inches in diameter.

The District obtains its water supply from the local groundwater aquifer which is managed by Mojave Water Agency. If the District produces more than its allowance of groundwater, the District may purchase replacement water from MWA, who replenishes the used groundwater primarily with imported water from the State Water Project. As the District recently purchased additional water rights, it is unlikely the District will need to purchase water from MWA in the foreseeable future.

The District encourages water conservation and offers incentive programs in partnership with the Alliance for Water Awareness and Conservation (AWAC), through the Mojave Water Agency, plus resource material to promote desert landscape. The District is focused on providing service now and for future generations.

### ***Parks and Recreation***

The District operates and maintains community centers with senior centers and two parks. The District continues to expand and improve these facilities to promote use. The District partners with the seniors at the two facilities and throughout the District to create programs that are beneficial to the community at large. The District also partners with local sports organizations and service clubs to create sports programs and activities in the community.

Parks and recreation are a vital component to any community. It not only adds beauty, but provides safe areas for activities of individuals, families, and groups. As part of the District, there are two community centers. These centers are utilized for a wide range of activities and are available to the community for a small fee. The District currently offers several events and activities and continues to explore various recreation ideas for the community.

Adjacent to the centers are two parks that have picnic tables and playgrounds. They are available from morning until dusk. The District is looking to develop a large park facility that will have athletic fields, as well as standard park integrity. The District owns vacant parcels throughout the District for future park and recreation facilities.

### ***Street Lighting***

The streetlights primarily service the business district of Phelan. There are also lights at strategic intersections to help in providing safety to the community. Expansion of the street lighting to other intersections is considered based upon a safety need, but the District does respect the San Bernardino County "Dark Sky" ordinance and encourages residents to do the same.

### ***Solid Waste and Recycling***

The District administers solid waste and recycling programs and is responsible for compliance with state and federal mandates. The District coordinates solid waste and recycling programs and provides a variety of events within the community. The District works closely with the contractual hauler, CR&R, to help accomplish these tasks.

## BY THE NUMBERS: SUMMARY OF DISTRICT INFORMATION

### Water System:

Number of Pressure Zones	11
Miles of Water Main	353
Reservoirs	35
Wells	11
Booster Stations	24
Booster Pumps	63
Pressure Reducing Stations	32
Service Connections (Meters)	6,994

### Parks and Recreation Facilities:

Number of Parks	2
Number of Community Centers	2
Number of Senior Centers	2

### Street Lighting:

Number of Street Lights	92
Number of Lights at RR Crossings	1

### Solid Waste and Recycling:

Number of Residential Customers	4,027
Number of Commercial Customers	118

### Misc. Statistical Information

Population	24,725
Service Area	128 square miles
Employees	24 Full Time, 3 Part Time
Enterprise Fund Budget	\$8,618,216
Government Fund Budget	\$729,004
Capital Budget - Funding with Operations	\$845,000

## BUDGET PROCESS AND SCHEDULE

Each year, staff is tasked with preparing a budget for consideration at an annual public hearing in June. The process leading up to the hearing includes several public meetings to provide the Board and the public with information for consideration and opportunity for input on the budget process. These public meetings include workshops, committee meetings, and board meetings.

Beginning in January, managers and supervisors gather information in preparation for the budget. They consider the District goals, department goals, and state and federal mandates. They review various analysis for their areas of responsibility, such as water quality, customer service, conservation, production, and operations. They consider the age, wear and tear, and other impacts to assets in order to determine any repairs or replacements that need to occur. They review and consider operational needs in order to accomplish the tasks necessary to meet goals and mandates. After a complete review and analysis, considering all internal and external impacts, managers and supervisors provide their budgetary requirements for consideration. Board committees review and provide updates to long range capital and maintenance plans for inclusion in the budget. Staff identifies assumptions to be used based on the consumer price index and other economic factors. Considering these guidelines, staff begins the process of developing a Draft Budget. Staff incorporates the data received from managers and committees with the assumptions, as directed by the Board, to generate the Draft Budget. The Draft Budget is prepared by management and presented to the Finance Committee for consideration prior to being presented to the full Board for review. The Final Draft Budget is made available for review by the public and is presented to the Board during the public meeting for final review, consideration, and adoption. All of these meetings are open and public and the District encourages public attendance and participation.

The events listed below were scheduled to promote public participation and ensure the public has the opportunity to become familiar with and involved in the budget process. The Public is invited to all public meetings and encouraged to attend.

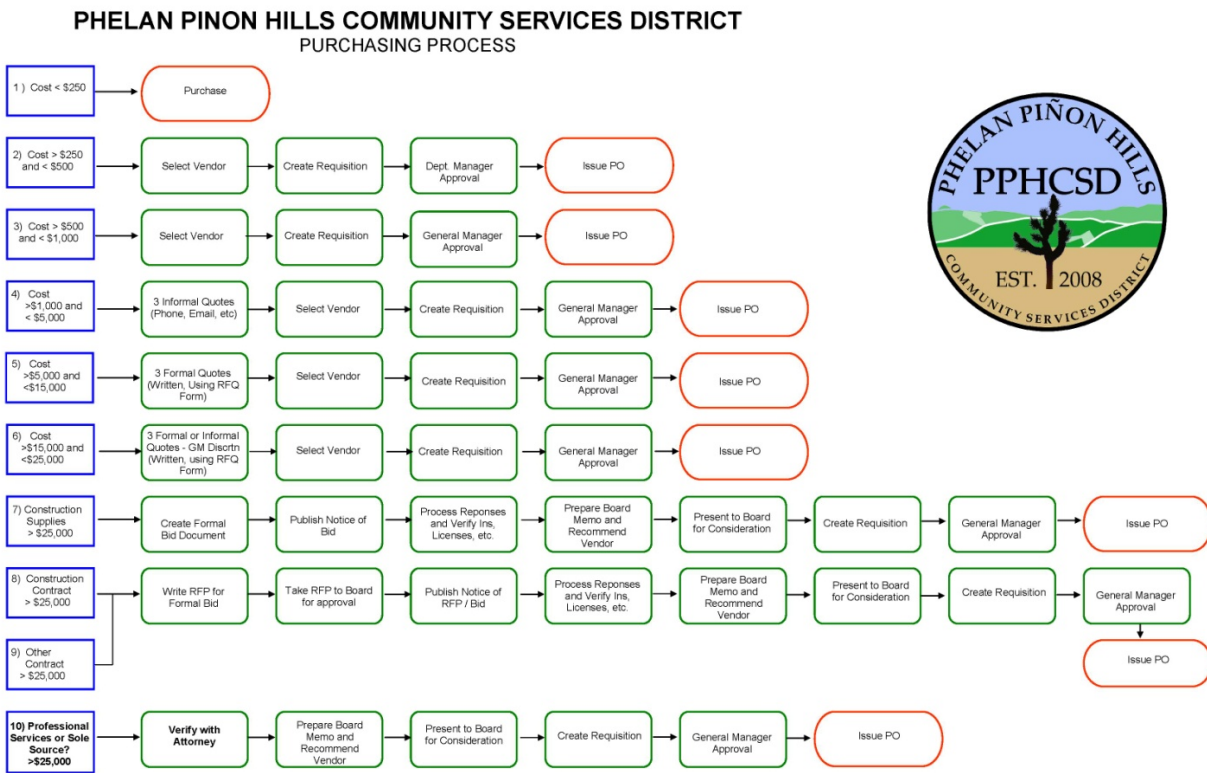
Date/Location	Time	Public Meeting
January & February, 2020	Various	Board Committees and staff develop long range plans and goals. Staff accumulates preliminary budget numbers, quotes and estimates
February 25, 2020 Wednesday Phelan Community Center	4:00 PM	Special Board Workshop – Board reviews and approve Long Range Capital Plans, Capital Budgets, and Goals
April 9, 2020 Thursday Phelan Community Center	2:00 PM	Special Finance Committee – Review Draft Budget
April 15, 2020 Wednesday Phelan Community Center	5:00 PM	Special Board Workshop – Review Draft Budget
May 19, 2020 Tuesday Phelan Community Center	4:00 PM	Special Finance Committee – Review final draft budget
May 20, 2020 Wednesday Phelan Community Center	4:00 PM 6:00 PM	Special Board Workshop – Review final draft budget (NOTE: This meeting is tentative and was deemed not necessary at the April 15, 2020 meeting) Regular Board Meeting – Review final draft budget and set hearing date
June 3, 2020 Wednesday Phelan Community Center	6:00 PM	Regular Board Meeting - <b>Budget Hearing</b> - Budget approval (with any modifications identified as a result of the hearing)

# BUDGETARY CONTROL AND FINANCIAL PRACTICES

## Budgetary Control

The Board of Directors adopts the Phelan Piñon Hills Community Services District (District) annual budget, after public workshops, public meetings, and a public hearing, by June 30 of each year. The budget is adopted on a basis that does not differ materially from Generally Accepted Accounting Principles (GAAP). The budget is in effect from July 1 of the current year to June 30 of the following year. The Board may modify the budget at any time with majority approval.

The General Manager maintains budgetary controls to ensure compliance with the appropriated budget approved by the Board of Directors. The Board approves the appropriation limit each year and the operational and capital budgets remain under the limit established by law (GANN Limit for appropriations) and approved by the voters in November 2008. The level of budgetary control (the level at which expenditures cannot exceed the adopted amount) is addressed in the District's Budget Policy, Resolution No. 2019-05, section 1122.09, where it states that the General Manager can go over or be under budget on a line item basis, with explanation, as authorized in the District Purchasing Policy, provided it does not impact the overall Budget. The General Manager is authorized to implement appropriations as approved in the adopted budget, within the parameters of the purchasing policy approved by the Board. It is the responsibility of the General Manager to establish adequate controls to ensure expenditures do not exceed the approved budget. The purchasing policy provides the standards and approval levels by which purchases can be made. Additionally, rules of procedure are established by the General Manager to ensure against abuse of public interest. Supplemental appropriations during the year must be approved by the Board of Directors. These appropriations, representing amendments to the budget during the year, could be significant in relationship to the original budget as adopted.



The Board reviews the budget and compares it to actual revenues and expenses at the Finance Committee quarterly. The financial reports are presented to the Board on a quarterly basis for consideration. Budget adjustments may be authorized by the Board of Directors.



## **Accounting and Financial Practices**

The District's accounting and budgetary records are maintained using an accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, such as unbilled but utilized utility services recorded at year end. The budget detailed in this document is used as a management tool for projecting and measuring revenues and expenses.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Funds are organized into two major categories: Government and Enterprise (or proprietary) categories:

***Government Funds***                      Parks and Recreation, Street Lighting, and Solid Waste and Recycling.

***Enterprise Funds***                      Water  
Note: Water activities represent 98% of District functions.

## **Financial Planning**

Since formation in 2008, the District has continued to look for cost saving measures and efficiencies. The District was able to decrease expenses considerably over the County's costs of providing services. Despite the Board's efforts to maintain rates and fees, revenues decreased and the cost of operating the District continued to rise. Due to the economic downturn and housing vacancies within the District, water revenue decreased by over 15% between 2009 and 2012. The economy also caused a reduction in property tax values resulting in a loss of almost 40% of property tax revenue between 2008 and 2012. The cost of pumping water out of the ground, the District's only water source, increased by 18% in 2013, 14% in 2014, 5% in 2015, by another 5% in 2016, and continues to increase annually, including a 9% increase in 2020, due to the Southern California Edison rate changes. These increases, along with significant impacts of the conservation and water quality mandates, negated the rate increases that were adopted in 2013 and implemented each year thereafter, thus requiring a water rate study in 2015 and again in 2020. The rate study outlined recommended rate changes, which the District adopted accordingly. The cost of operations continues to rise, including costs of producing and delivering water, and providing clean, safe parks and community centers with programs and activities for the community.

The District continues to look for alternative ways to increase revenue and decrease expenses to minimize rate changes to customers. In 2012 and 2015, the District purchased water rights which result in a savings of reduced water rights fees. Even after repaying the \$7.5 million dollar loan, this purchase is estimated to save the District \$24 million dollars over the next thirty years. In 2016, the District installed a solar project that results in credits against the District's most costly (currently over \$760,000 per year) expense: electricity. After loan repayment, the estimated savings due to the solar were projected to be \$13 million dollars over thirty years. The combined results of these two measures are savings estimated to exceed \$37 million dollars over the next thirty years.

## **Current Financial Plans**

In 2012, the District conducted the first water rate and fee study. The study was completed over a six-month period with several public workshops held throughout the process to garner public involvement and input. On February 20, 2013, after exceeding notification and meeting requirements of Proposition 218 (now Articles XII C & D of the California Constitution), the Board held a public hearing on the proposed multi-year rate change and adopted the rate schedule.

In 2015, after state mandated orders were issued to address the drought conditions in the state and state water quality mandates necessitated the plan for a \$17 million dollar blending project, the District completed a second water rate study. The District again exceeded the requirements of Proposition 218 by notification of customers, holding workshops, and conducting public outreach meetings. In January 2016, rate changes were approved that include increased charges to recover the lost revenues and additional costs to the District resulting from the state mandated conservation programs as well as a surcharge to cover the costs to blend water in order to meet the state mandated water quality changes. In 2020 the most recent rate study was completed. The Board of Directors reviews the approved rate changes each year to verify the necessity of the rate change, and to determine if the change can be reduced as a result of District efforts to lower expenses and obtain additional revenues to help mitigate the costs of operations.

The Chromium-6 mitigation project was implemented in response to requirements by the State of California which lowered the acceptable levels of Chromium-6 that can be detected in drinking water from 50 parts per billion (ppb) to 10 ppb. While the levels found in the District's water supply (at certain sources) remain significantly below the federal standards (100 ppb) and the former state standards (50 ppb), it slightly exceeded the state standards established on July 1, 2014 of 10 ppb. After significant review and consideration, it was determined that blending the District's water with water from a new source would meet the mandated water quality standards. The cost of the facilities that would enable blending was projected to be \$17 million dollars. The District was seeking grants and low interest loans to help reduce the impact to the customers. The District was in the process of implementing its compliance project when the State Water Resources Control Board reversed its ruling, changing the MCL back to 50 ppb. It is expected that the MCL will be reduced again, however the revised MCL is unknown at this time. The District spent approximately \$3.7 million dollars toward the compliance project prior to the reversal and will continue to collect the surcharge from customers for approximately four and one-half years, to recover the funds expended.

In 2015/2016, the District completed installation of a 1.16-megawatt solar project, which was projected to save the District more than \$13 million dollars over a thirty-year period. The District receives credits for electricity produced from the solar project that to help offset the considerable electric costs.

### **Long-Term Financial Plans**

The District has developed 10-year plans for facility repair, replacement, and additions. The additional facilities for the Water Fund are projected based on the District's Water Master Plan as growth occurs. A Parks Master Plan was completed in 2019 outlining long range plans and priorities. Parks and Recreation and Solid Waste and Recycling plans are developed by staff and the Committees. The repairs and replacements for all funds are based on estimated useful life of District facilities. These plans are a work in progress that are updated and reviewed by the Board of Directors each year.

### **District Strategic Plan**

The District developed and adopted its first District wide Strategic Plan in 2017/2018. The plan was developed by BHI Management Consulting. BHI had numerous meetings with the Board of Directors, management, staff, and the public, to bring forth a comprehensive plan that will help to focus development of the District. The plan's current Vision to Action Table is on the following pages. The full plan is available on the District's website and is sited throughout this document in reference to goals and plans for the coming year.

# Vision to Action Table (Excerpt from PPHCSD Strategic Plan)

Strategic Element	Strategic Goals	Completion Time Frame
<b>1.0 Water System Infrastructure</b>	1.1 Accurately Track System Water Loss 1.2 Implement 10-Year Capital Improvement Plan for Engineering 1.3 Fully Meet System and Infrastructure Inspection and Maintenance Schedules 1.4 System Readiness for Potential Growth 1.5 Reducing Costs 1.6 Fleet Management	Annually 2017/2018 2018/2019 2017/2018 Ongoing Ongoing
<b>2.0 Parks &amp; Recreation</b>	2.1 Develop a Master Plan for Parks and Community Centers 2.2 Meet Community Center and Parks Inspection and Maintenance Schedule 2.3 Complete Phelan Park Expansion 2.4 Develop Plans for the Parks Portion of the Civic Complex Development 2.5 Public and Private Partnerships for Parks and Recreation Programs 2.6 Street Lighting	2018/2019 Annually 2021/2022 2018/2019 Ongoing Ongoing
<b>3.0 Facility &amp; Property Assets</b>	3.1 Establish or Update Master Plans for All Authorized Services 3.2 Develop a Comprehensive Property Management Plan 3.3 Establish a Modern Asset Management Program 3.4 Implement Key Departmental CIP Projects 3.5 Prepare for Emergencies 3.6 Maintain and Update Maintenance Measures	2018/2019 2018/2019 2019/2020 Annually Ongoing Ongoing
<b>4.0 Fiscal Planning</b>	4.1 Annual Budget Process 4.2 Periodic Financial Studies 4.3 Connection Fee Analysis 4.4 Annual Audit	Annual As Needed As Needed Annual

	Annual Reporting Fiscal Policies Financing General Ledger Accounts	Annual Annual As Needed 2017/2018
<b>5.0 Strategic Partners &amp; Public Affairs</b>	2.7 Increase Communication to the Public 2.8 Community Business and Organization Outreach 2.9 Involvement in Professional Organizations 2.10 Outreach to Legislators and Local Agencies	Ongoing Ongoing Ongoing Ongoing
<b>6.0 Personnel Management</b>	Succession and Retention Planning Increased Communication to Staff Team Building Update to Personnel Policies Continue Education and Training Program Customer Service	2018/2019 2017/2018 Ongoing 2018/2019 Ongoing Ongoing
<b>7.0 Solid Waste &amp; Recycling</b>	4.5 Implement Commercial Recycling Program and Uniform Solid Waste Collection 4.6 Make a Determination Regarding the Disposition of Solid Waste Revenue 4.7 Increase Community Awareness of Recycling Opportunities & Solid Waste Events 4.8 Continue School Programs 4.9 Continue to Apply for Grant Funding Opportunities	2018/2019 2018/2019 Ongoing Ongoing Ongoing

## FINANCIAL POLICIES

Phelan Piñon Hills Community Services District financial policies include many of the District's financial management practices that are used by District staff as guidelines for operational and strategic decision making related to current and future financial matters. The purpose of establishing these policies is to set parameters in which the District can operate to best serve its constituents. Some policies are flexible when they are utilized by District staff as management tools to monitor the District's finances, while others are restrictive to emphasize accountability.

These policies are drafted as living documents to maintain their effectiveness in order to accommodate changes. District staff and Board Members review these policies periodically to accommodate minor changes to the existing policy or major changes in financial priorities as approved by the Board of Directors at its sole discretion.

The District's primary financial policies encompass the following areas:

- Budget Policy
- Investment Policy
- Reserves Policy
- Revenue Policy
- Purchasing Policy

### **Budget Policy – Resolution 2019-05**

The Budget Policy formally documents the budget goals and practices. The budget policy addresses legal requirements, balanced budget definition and goals, periodic reporting requirements, and assumption guidelines. The District considers a budget as balanced if there are sufficient net revenues to cover the cost of operations and debt service.

### **Investment Policy – Resolution 2020-01**

The Investment Policy provides guidelines for ensuring the safety of funds invested while maximizing investment interest income to the District. The policy and procedures are written to be in accordance with California Government Code Sections 53600 et seq. and 53635 et seq. The three principle investment factors of Safety, Liquidity, and Yield are to be taken into consideration, in the specific order listed, when making investment decisions.

### **Reserves Policy – Resolution 2016-04**

The District Reserves Policy was established to protect the District's customers, taxpayers, investments in various assets and commitments under numerous financial, regulatory, and contractual obligations. The efficient management of these reserves, when combined with their appropriate fortification, add additional assurance that current levels of safety, service reliability, and quality will continue.

Reserves are broken down into three areas: Operations, Property Plant and Equipment Replacement, and Disaster Response.

- Operating Reserves has a goal of six months, and no less than three months, of operations, based on the current budget, and includes a debt service reserve, as required by debt covenants.
- Property, Plant and Equipment (PPE) Reserves has a goal of 25% to 50% of accumulated depreciation. This is to assure there is adequate funding available to make major repairs (extending the useful life of the asset), and replace PPE as is necessary.

- Disaster Response Reserves has a goal of 10% to 20% of total assets (excluding Land and Water Rights). This is to help ensure that, in the event of a disaster, the District will have the funds necessary to repair and/or replace assets that are damaged.

**Revenue Policy – Resolution 2016-07**

The Revenue Policy establishes the District’s basic policies and procedures concerning revenues received by the District. The policy shall include guidelines to design, maintain and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support District services, in accordance with GAAP, and state and federal laws.

Revenue received by the District shall be utilized in accordance with this policy. Revenue received for specific funds within the District shall be utilized for expenses and obligations incurred by that fund. Revenue received into the Governmental Fund will be distributed in accordance with the Budget and the policies and approved by the Board of Directors.

**Purchasing Policy – Resolution 2014-08**

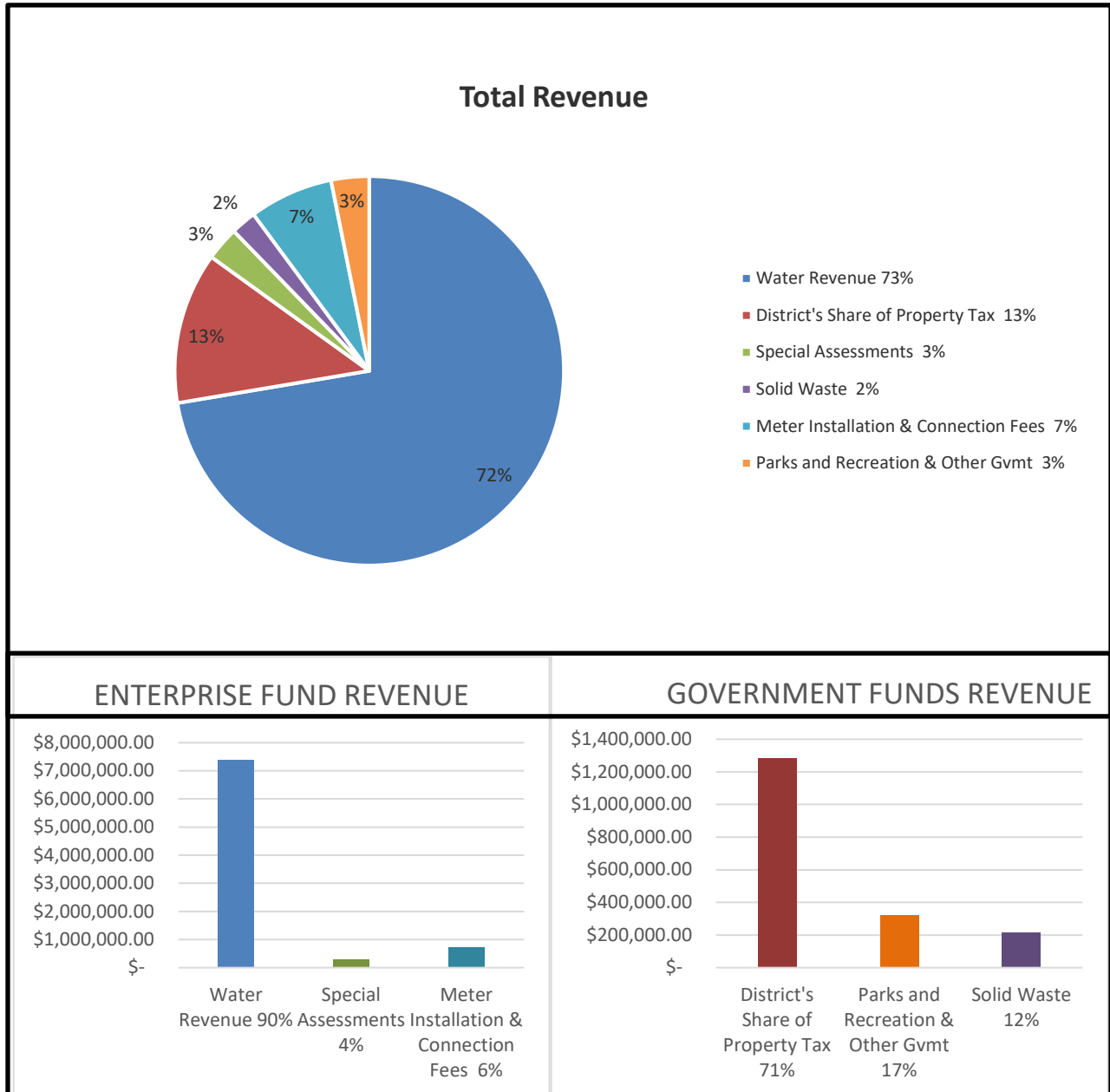
The Purchasing Policy standardizes the purchasing procedures of the District, thereby securing advantages of a uniform purchasing policy, saving the taxpayers money and increasing public confidence in the procedures for District purchasing; to promote the fair and equitable treatment of all customers and suppliers, and to set forth the duties and responsibilities of the General Manager and District staff. The purchasing policy is reviewed periodically and updated as deemed appropriate by the Board of Directors.

A summary of the Purchasing Policy, as adopted by Resolution #2014-08:

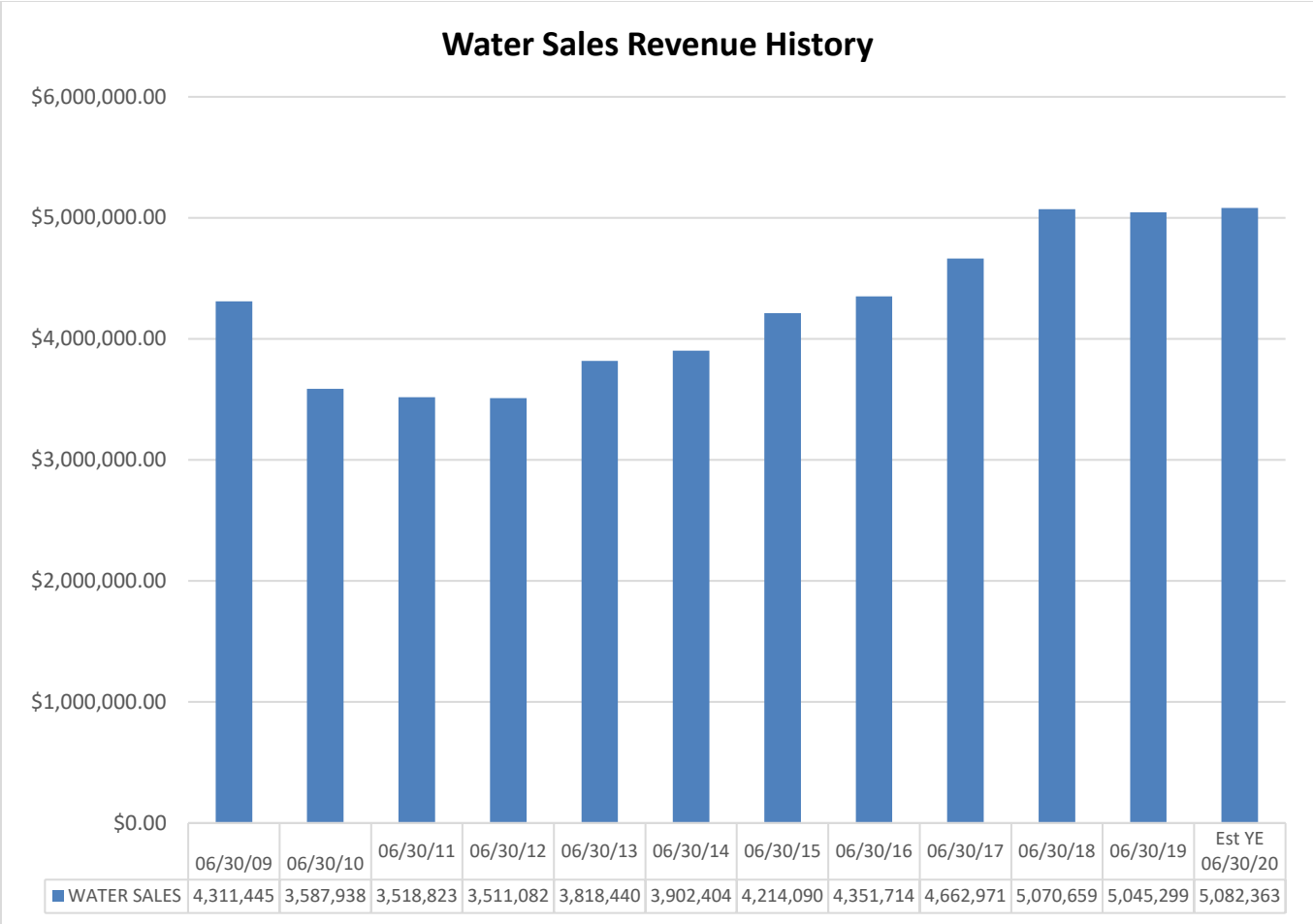
- Less than \$5,000      Managed by rules of procedures established by the General Manager
- \$5,000 - \$15,000      Requires three quotations and approval of the General Manager
- \$15,000-\$25,000      Requires price quotations and informal or formal bids and approval of the General Manager
- Exceeding \$25,000      Requires Board approval

## SOURCES OF REVENUE

The District receives revenue from two primary sources: Water sales and use fees, and property tax. The basis for budgeted water revenue is a 2.3% increase consumption and meter fees. Based on the water rate study, a rate change of 6% was scheduled to be effective July 1, 2020. However, due to the impacts to District customers of the COVID-19 pandemic, the rate change has been deferred to February 1, 2020, resulting in a net 2.3% increase in water sales. The Board has authorized use of operation reserve funds to supplement operational revenue accordingly. The basis for property tax revenue budgeted is as reported from the County for the coming year.



**Water Revenue: Sales and Use Fees** (73% of total revenue) – Enterprise Fund – The District’s primary business activities are from the administration, production, treatment, and distribution of water through approximately 6,992 meters to approximately 24,719 residents.



Rates and fees are determined based on the costs of production, treatment, distribution, administration of water service, state and federal mandates, and debt service. In 2012, the District enlisted an outside consultant to prepare the District’s first rate and fee study. As a result of the study, the rate structure was modified and a multi-year rate change was approved in February 2013, after exceeding Proposition 218 requirements for public meetings, notification, and a protest hearing. In 2015, the District contracted for a new water rate study as a result of the impacts from the state mandated water conservation orders. The rate structure was reconfigured to address drought impacts and incorporate a drought surcharge. The Board approved the multi-year water rate structure which included water rate changes of approximately 6% per year beginning July 1, 2016. In 2019, the District entered into agreement for the most recent Water Rate and Fee Study. The Board approved the multi-year water rate structure which includes water rate changes of approximately 6% per year beginning July 1, 2020. The 2020 rate change was deferred to February 1, 2021 in response to the COVID-19 Pandemic. Revenues necessary to meet operational requirements will be transferred from the Operations Reserve Fund.



## Historical and Future (Pending Board Review) Water Rates

Water Rates - Approved January 20, 2016						Water Rates - Approved May 6, 2020				
	Effective 02/01/16	Effective 07/01/16	Effective 07/01/17	Effective 07/01/18	Effective 07/01/19	Effective 02/01/21	Effective 07/01/21	Effective 07/01/22	Effective 07/01/23	Effective 07/01/24
<b>FIXED CHARGE</b>										
<b>PER METER</b>						<b>Monthly</b>				
<b>Meter Size</b>										
3/4"	\$18.96	\$16.97	\$17.90	\$18.16	\$19.16	\$22.28	\$23.62	\$25.04	\$26.55	\$28.18
1"	\$29.22	\$25.91	\$27.46	\$27.89	\$29.56	\$32.06	\$33.99	\$36.03	\$38.20	\$40.50
1 1/2"	\$54.87	\$48.24	\$51.34	\$52.21	\$55.54	\$56.71	\$59.91	\$63.51	\$67.33	\$71.37
2"	\$85.65	\$75.04	\$80.00	\$81.39	\$86.72	\$85.85	\$91.01	\$96.48	\$102.27	\$108.41
3"	\$157.47	\$137.57	\$146.87	\$149.47	\$159.47	\$178.76	\$189.49	\$200.86	\$212.92	\$225.70
4"	\$260.07	\$226.91	\$242.41	\$246.74	\$263.41	\$315.68	\$334.63	\$354.71	\$376.00	\$398.56
<b>CHROMIUM 6 SURCHARGE</b>	<b>N/A</b>	<b>\$9.71</b>	<b>\$9.71</b>	<b>\$9.71</b>	<b>\$9.71</b>	<b>\$9.71</b>	<b>\$9.71</b>	<b>\$9.71</b>	<b>\$9.71</b>	<b>\$9.71</b>
<b>CONSUMPTION</b>										
<b>Residential</b>										
Tier 1	\$2.50	\$2.22	\$2.35	\$2.39	\$2.53	\$2.64	\$2.80	\$2.97	\$3.15	\$3.34
Tier 2	\$3.95	\$3.51	\$3.71	\$3.77	\$4.00	\$4.01	\$4.26	\$4.52	\$4.80	\$5.09
<b>Commercial</b>										
Tier 1	\$2.99	\$2.65	\$2.81	\$2.85	\$3.02	\$3.06	\$3.25	\$3.45	\$3.66	\$3.88
Tier 2	\$2.99	\$2.65	\$2.81	\$2.85	\$3.02	\$3.06	\$3.25	\$3.45	\$3.66	\$3.88
<b>School</b>										
Tier 1	\$3.17	\$2.82	\$2.98	\$2.03	\$3.21	\$3.53	\$3.75	\$3.98	\$4.22	\$4.48
Tier 2	\$3.17	\$2.82	\$2.98	\$3.03	\$3.21	\$3.53	\$3.75	\$3.98	\$4.22	\$4.48

Tier 1: 0 to 11 units

Tier 2: > 12 units

The Chromium-6 Surcharge is collected to recover Chromium-6 costs, including debt service on a loan that will be acquired when construction begins. In August 2017, the Chromium-6 regulation was rescinded, pending further review by the Department of Water Resources (DWR). The District had spent approximately \$3.7 million dollars prior to the project being put on hold. The surcharge will continue for approximately 1 more year, or until costs have been recovered\*.

Chromium-6 costs to date:	\$3,700,000
Additional project costs	<u>200,000</u>
Total costs, pending state mandate	\$3,900,000
Est. Surcharge collected through 06/30/20	<u>\$3,200,000</u>
Total remaining costs to be recovered	\$ 700,000

\*Note: The state is scheduled to determine the maximum Chromium-6 levels this year. At that time, the District will resume planning and construction of facilities necessary to bring the levels in the water to acceptable points. If the current costs are fully recovered prior to the state's decision, the District will suspend the surcharge until the mandate is passed and will resume once Chromium-6 projects begin again.

In 2012 the District conducted its first water rate study. The rates went into effect March 1, 2013.

July 1, 2015 the District converted to monthly billing. The above rates were divided by 2 for monthly billing.

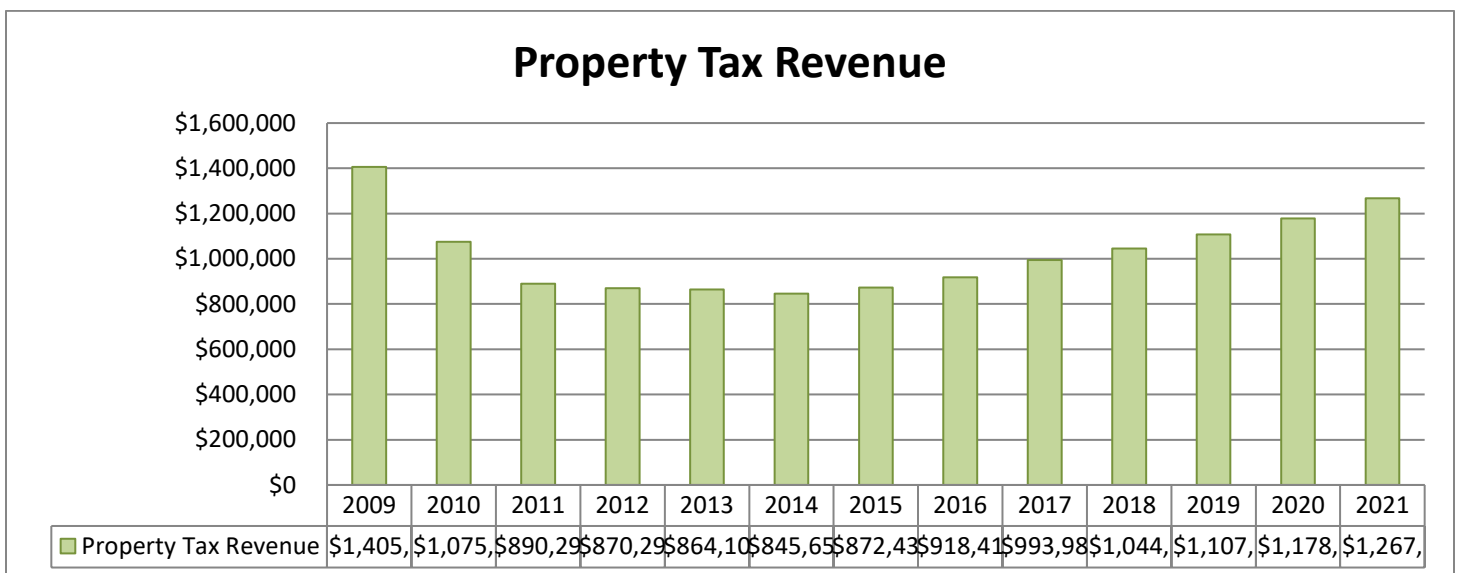
Beginning on 07/01/18 (or when the Chromium-6 project is added to the system) the surcharge is approved and scheduled to increase to cover the increased operational expenses of the additional operating assets. This increase was deferred, pending completion of the project, if the project is required after the DWR enacts new Chromium-6 regulations.

The most current water rate study is available online. For additional information on the rate structure and the components driving the rate changes, please refer to this study at [www.pphcsd.org](http://www.pphcsd.org).

**Property Tax Revenue** (13% of total revenue) – Government Fund - The District receives a small share (approximately 7%) of the General Tax Levy: the 1% Ad Valorem tax.



Historical property tax revenue shows a significant decrease in property tax revenue between 2009 and 2014. This was due to the economic downturn that began in 2009 and leveled out in 2013: Property values dropped significantly, which impacted property tax revenue, stabilizing in 2014. Property values in the District have slowly begun rising, resulting in additional revenue, as indicated on the table below. Because the District was formed in 2008, and fund balances were at reasonable levels, impacts to service remained minimal throughout the economic downturn. Annual property tax allocation is provided by the County Auditor/Controller/Treasurer/Tax Collector each January. Net Agency Valuations are available on the County website under Property Tax Publications.



**Special Assessments (aka: Standby Charge or Water Availability Fees) (3% of total revenue)**

– Enterprise Fund - This fee is applied to unmetered (undeveloped) properties within 660' of a water line. This charge is applied to the property tax roll. Once a meter is installed at a property, the standby charge stops as the property owner is then charged a monthly meter fee, the revenue from which is then water revenue. An engineer's report was completed in 2013, and an update is provided each year. The following is found on page 2 of the report:

The standby charge of the CSD may be used for any purpose pursuant to the Act, commencing with Government Code Section 54984.2, whether the water service is actually used or not. The standby charge may also vary according to land uses, benefit derived or to be derived from the use or availability of facilities to provide water, or the degree of availability or quantity of the use of the water to the affected lands. The charge may be imposed on an area, frontage, or parcel basis, or a combination thereof.

The standby charge methodology is employed throughout the CSD service area and is only levied against undeveloped parcels to provide equity between existing ratepayers and future customers, not currently connected to the system, by charging a portion of the cost to maintain the water system to undeveloped parcels that have the potential to develop in the future.

**Solid Waste Revenue (2% of total revenue)** – Government Fund - The District receives a small percent of the Solid Waste Fees collected by the authorized collection entity.

**Meter Installation and Connection Fees (7% of total revenue)** – Enterprise Fund - The charges associated with installing a new meter to a property that does not currently have water service. As building has been slow over the past five years, this revenue stream has been much lower than it was during the building boom. This year, there has been an increase in new homes being built and the upward trend is expected to continue in the coming year.

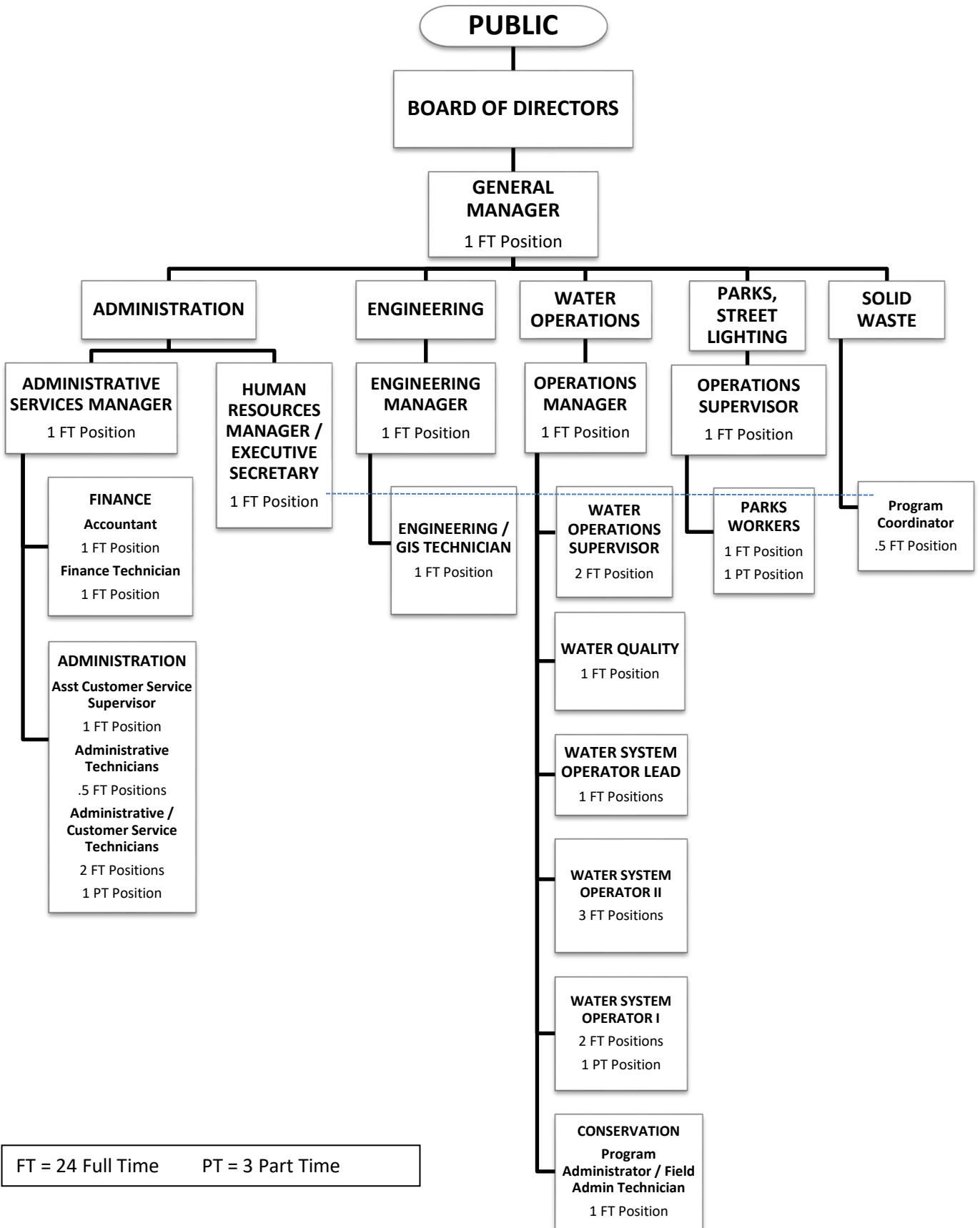
Meter Installation Fees are charged to recover the cost of purchasing and installing a meter to serve water to a property.

Connection Fees pay for that connection's share of wells, reservoirs, transmission pipeline, and other facilities necessary to bring water to the customer's property. Connection Fees are based on the size of the meter and the demand that size meter places on the system.

**Parks and Recreation and Other Government Revenue (3% of total revenue)** – Government Fund - Fees charged for various program participation (classes, etc.), facility rental (community center rental fees, etc.), and other fees and charges for programs and events sponsored by the Parks and Recreation department (such as the Farmers Market and Senior Lunches). Additionally, this includes lease revenue from other government properties.

**DEPARTMENTAL**  
**PRESENTATIONS**

# ORGANIZATIONAL CHART



## STAFFING LEVELS AND SUMMARY OF PERSONNEL

Fiscal Year Ending	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Manager</b>	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>ADMINISTRATION</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Administrative Services Manager	1	1	1	1	1	1	1	1	1	1	1	1	1
Human Resources Manager/Exec. Secretary	1	1	1	1	1	1	1	1	1	1	1	1	1
Admin. & Customer Service Staff	4	4	3	3	3	3	3	5	5	5	4.5	4.5	4.0
Finance Staff	1	1	2	2	2	2	2	2	2	2	2	2	2
<b>TOTAL</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8.5</b>	<b>8.5</b>	<b>8.0</b>
<b>ENGINEERING</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Engineering Manager	1	1	1	1	1	1	1	1	1	1	1	1	1
GIS/CAD (Outside Contractor)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1	1	1	1	1	1
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>WATER OPERATIONS</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Water Operations Manager	1	1	1	1	1	1	1	1	1	1	1	1	1
Water Quality Specialist/Technician							1	1	1	1	1	1	1
Water Operations Supervisor	2	2	2	2	2	2	2	1	1	1	1	2	2
Conservation Program Admin./Water Operations Admin.								1	1	1	1	1	1
Water Operators	6	6	6	6	6	6	6	8	8	8	8	7	7
<b>TOTAL</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>PARKS AND RECREATION</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Park Supervisor	1	1	1	1	1	1	1	1	1	1	1	1	1
Park Workers - full time	0	0	0	0	0	0	0	0	0	0	0	0	1
Park Workers - part time	2	2	2	2	2	2	2	2	2	2	2	2	1
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>STREET LIGHTING</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Street Light Staff	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SOLID WASTE</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Solid Waste Staff (Outside Contractor)	0	0	0	0	0	(1)	(1)	(1)	(1)	(1)	0.5	0.5	0.5
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>TOTAL STAFF</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>22</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>27</b>

NOTE: In 2007/2008 CSA70L, County Water, employed 31 full-time equivalent (FTE) to operate the water district.

In 2015/16 the District added 1 full-time and 1 part-time staff in administration to accommodate monthly billing + 2 part-time water operations staff for conservation enforcement (as per the state mandate).

In 2017/2018 one part-time position was converted to full-time to accommodate additional field work for monthly billing, disconnects and leak detection.

In 2018/2019, the Board approved converting two part-time positions to one full-time position to reduce turn-over and improve efficiencies.

For the 2020/2021 year, one customer service position is being changed to part-time and one parks position is being changed to full-time.

## JOB CLASSIFICATIONS AND SALARY RANGES

### 2020/2021 Job Classifications

Class Title	Salary Range	Minimum Hourly Salary	Maximum Hourly Salary
ACCOUNTANT	28	\$32.12	\$41.75
ADMINISTRATIVE SERVICES MANAGER	52	\$58.09	\$75.52
ADMINISTRATIVE TECHNICIAN I	8	\$19.60	\$25.48
ADMINISTRATIVE TECHNICIAN II	12	\$21.64	\$28.13
ADMINISTRATIVE TECHNICIAN III	17	\$24.48	\$31.82
ASSISTANT CUSTOMER SERVICE SUPERVISOR	17	\$24.48	\$31.82
CUSTOMER SERVICE SUPERVISOR	24	\$29.10	\$37.83
ENGINEERING MANAGER	40	\$43.19	\$56.15
ENGINEERING TECHNICIAN	23	\$28.39	\$36.90
FINANCE SPECIALIST III	25	\$29.82	\$38.77
FINANCE TECHNICIAN I	15	\$23.30	\$30.29
FINANCE TECHNICIAN II	19	\$25.72	\$33.43
GENERAL MANAGER	66	\$82.08	\$106.71
HR MANAGER/EXECUTIVE SECRETARY	38	\$41.11	\$53.45
LEAD CUSTOMER SERVICE/WATER SYSTEM OPERATOR	21	\$27.02	\$35.13
PARKS MAINTENANCE I	2	\$16.90	\$21.97
PARKS MAINTENANCE II	6	\$18.66	\$24.25
PARKS OPERATIONS SUPERVISOR	28	\$32.12	\$41.75
WATER CONSERVATION SPECIALIST/WATER SYSTEM OPERATOR II	23	\$28.39	\$36.90
WATER OPERATIONS MANAGER	41	\$44.27	\$57.56
WATER OPERATIONS SUPERVISOR	27	\$31.33	\$40.73
WATER QUALITY TECHNICIAN	23	\$28.39	\$36.90
WATER SYSTEM OPERATOR I	13	\$22.18	\$28.83
WATER SYSTEM OPERATOR II	17	\$24.48	\$31.82
WATER SYSEM OPERATOR III	23	\$28.39	\$36.90

## 2020/2021 Salary Ranges

Salary Range	Monthly		Hourly	
	Minimum	Maximum	Minimum	Maximum
1	2,858	3,716	16.49	21.44
2	2,930	3,808	16.90	21.97
3	3,003	3,904	17.32	22.52
4	3,078	4,001	17.76	23.08
5	3,155	4,101	18.20	23.66
6	3,234	4,204	18.66	24.25
7	3,315	4,309	19.12	24.86
8	3,397	4,417	19.60	25.48
9	3,482	4,527	20.09	26.12
10	3,569	4,640	20.59	26.77
11	3,659	4,756	21.11	27.44
12	3,750	4,875	21.64	28.13
13	3,844	4,997	22.18	28.83
14	3,940	5,122	22.73	29.55
15	4,038	5,250	23.30	30.29
16	4,139	5,381	23.88	31.05
17	4,243	5,516	24.48	31.82
18	4,349	5,654	25.09	32.62
19	4,458	5,795	25.72	33.43
20	4,569	5,940	26.36	34.27
21	4,683	6,088	27.02	35.13
22	4,800	6,241	27.70	36.00
23	4,920	6,397	28.39	36.90
24	5,043	6,557	29.10	37.83
25	5,170	6,720	29.82	38.77
26	5,299	6,888	30.57	39.74
27	5,431	7,061	31.33	40.73
28	5,567	7,237	32.12	41.75
29	5,706	7,418	32.92	42.80
30	5,849	7,604	33.74	43.87
31	5,995	7,794	34.59	44.96
32	6,145	7,989	35.45	46.09
33	6,299	8,188	36.34	47.24
34	6,456	8,393	37.25	48.42
35	6,617	8,603	38.18	49.63
36	6,783	8,818	39.13	50.87
37	6,953	9,038	40.11	52.14
38	7,126	9,264	41.11	53.45
39	7,304	9,496	42.14	54.78
40	7,487	9,733	43.19	56.15
41	7,674	9,977	44.27	57.56
42	7,866	10,226	45.38	59.00
43	8,063	10,482	46.52	60.47
44	8,264	10,744	47.68	61.98
45	8,471	11,012	48.87	63.53
46	8,683	11,288	50.09	65.12
47	8,900	11,570	51.35	66.75
48	9,122	11,859	52.63	68.42
49	9,350	12,155	53.94	70.13
50	9,584	12,459	55.29	71.88



<b>2020/2021 Salary Ranges (Continued)</b>				
<b>Salary Range</b>	<b>Monthly</b>		<b>Hourly</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
<b>51</b>	9,824	12,771	56.68	73.68
<b>52</b>	10,069	13,090	58.09	75.52
<b>53</b>	10,321	13,417	59.54	77.41
<b>54</b>	10,579	13,753	61.03	79.34
<b>55</b>	10,844	14,097	62.56	81.33
<b>56</b>	11,115	14,449	64.12	83.36
<b>57</b>	11,392	14,810	65.73	85.44
<b>58</b>	11,677	15,181	67.37	87.58
<b>59</b>	11,969	15,560	69.05	89.77
<b>60</b>	12,268	15,949	70.78	92.01
<b>61</b>	12,575	16,348	72.55	94.31
<b>62</b>	12,890	16,756	74.36	96.67
<b>63</b>	13,212	17,175	76.22	99.09
<b>64</b>	13,542	17,605	78.13	101.57
<b>65</b>	13,881	18,045	80.08	104.10
<b>66</b>	14,228	18,496	82.08	106.71
<b>67</b>	14,583	18,958	84.13	109.38
<b>68</b>	14,948	19,432	86.24	112.11

## **EMPLOYEE COMPENSATION AND BENEFITS**

### **Compensation**

With the exception of the General Manager, who is under contract with the District, employees are compensated based on the salary ranges established by the District. Salary ranges are adjusted each year based on the Cost of Living Adjustment (COLA) rate. Employees may receive increases for COLA and/or performance-based merit within the parameters established by the Board during the budget process.

The Employee Personnel Manual addresses salary ranges, COLA and merit as follows:

Section 3.7 Salary Ranges - The District has established pay ranges for the various job classifications of employees. In doing this, several factors were considered, including: the prevailing rates for similar positions in other similar agencies; the level of responsibility, technical qualifications, and the relative degree of interaction and decision making. Salary ranges are guidelines for budgetary purposes only and may not be adhered to strictly. Employees will be placed in their salary ranges according to their education, experience, and performance. In some cases, employees may be paid at a rate below the listed salary range for their job classification.

Section 3.7.1 Cost of Living Adjustment (COLA) - It is the intent of the District to keep employee salaries and salary ranges at pace with inflation. The Consumer Price Index (CPI) for all urban consumers within Riverside and San Bernardino County is used as a guideline. The December to December time frame for the prior year establishes the Cost of Living Adjustment (COLA) rate each year. Employee salaries and salary ranges are adjusted accordingly, effective July 1st, and reflect the updated amount on the minimum and maximum salary rate for each position within the District.

Section 3.7.2 Merit Increase - Merit is based on an employees' performance evaluation. The allowable percentage for merit increases will be approved during the budget process.

### **Benefits**

Retirement – The District contracts with CalPERS for employee retirement. There are three tiers: Classic Tier 1, Classic Tier 2 and PEPRRA. The District does not participate in Social Security.

Medical, Dental, Vision Insurance – The District contributes up to \$1,203 per month per employee for Medical, Dental, and Vision insurance premiums contracted through the Districts insurance providers.

Life Insurance – The District provides life insurance in an amount equal to the employee's annual salary.

Disability Insurance – The District provides State Disability Insurance and Long-Term Disability Insurance.

Tuition Reimbursement – The District provides reimbursement for authorized educational expenses.

## DEPARTMENT OVERVIEW

The Phelan Piñon Hill Community Services District has two funds, Enterprise and Government, and six departments within those funds.

The Enterprise Fund includes the following departments:

Water Operations

The Government Fund includes the following departments:

Parks and Recreation  
Street Lighting  
Solid Waste and Recycling

The costs associated with the following departments are charged directly to the fund and department for which work, or services are performed, and/or materials are utilized:

Administration  
Engineering

The District allocates staff time based on the actual time employees spend in various fund in various departments within those funds. While there are designated staff for Water and Parks and Recreation, those staff members sometimes work in other departments and that labor and associated benefits are charged to those departments.

Administration and Engineering staff are shared amongst both funds and all departments as needed. Labor and benefits are allocated directly to the fund and department where the time is spent. All expenses are allocated in the same manner: directly to the fund and department to which it is being used.

A cost allocation study performed by the District in June 2014 indicates that 98% of all District functions are related to the production, distribution, customer service of water operations and billing and collections of water accounts. Of the remaining 2%, the majority is related to Parks and Recreation activities. Only a very small amount of resources is attributable to the administration and operation of Street Lighting and Solid Waste and Recycling.

The District completed its first Strategic Plan in February 2018. The plan is updated annually, or as needed, to provide current goals in the Vision to Action Plan. References to the plan are identified in the Message from the General Manager and in the following department goals with "SPG#" for each goal. The current year Vision to Action Plan can be found on page 22 of this document and the full document can be found at [www.pphcsd.org](http://www.pphcsd.org).



## ADMINISTRATION AND FINANCE

Administration and Finance is responsible for general administration and fiscal support to the Board, Management, Supervisors, and all departments within the District. These duties include complete financial and accounting support for all departments, providing great service to customers and staff, administrative duties to the Board, risk management, Human Resources, document management, public relations, facilities reservations, accounting, accounts payable, accounts receivable, payroll, debt service, water billing, and revenue collection.

**Organization:** The staff consists of nine employees (8.7 FTE): Two managers, four full-time and one part-time administrative and two finance employees.

### Primary Services:

- Implement District policies, pursuant to Board direction.
- Board Administration: notification of meetings, preparation of meeting packages, recording of minutes, assuring compliance with Brown Act and legal mandates.
- Risk Management: administration of safety programs, processing claims, identifying safety risks, and obtaining quotes.
- Human Resources: recruitment, retention & succession planning, compensation and benefits administration, employee development, orientation and training, employee and labor relations, HR process development.
- Customer Service: answering calls, receiving and processing payments, processing new, closing and changes to customer accounts, processing billing, current and past due account processing, assists customers with trouble shooting account problems, administering events reservations and community calendar.
- Accounting: accounts payable, accounts receivable, inventory, journal entries, payroll, financial statements, and audit preparation.
- Cash Management: investment of District funds.
- Budget: development, administration, and management of budget process and implementation.

Customer Service A/R Activities	Annual Quantity 2019/2020	Annual Quantity 2018/2019	Annual Quantity 2017/2018	Annual Quantity 2016/2017	Annual Quantity 2015/2016	Annual Quantity 2014/2015
<b>Payments</b>						
Cash	8,699	9,876	10,343	10,464	10,171	5,155
Check	9,078	10,805	10,013	11,552	10,187	6,938
Credit Cards	2,480	2,747	3,103	3,237	2,958	2,480
Mail	22,483	23,253	27,283	28,212	31,769	16,938
Online	24,256	21,790	18,606	16,328	14,474	8,697
<b>TOTAL</b>	<b>66,996</b>	<b>68,471</b>	<b>69,348</b>	<b>69,793</b>	<b>69,559</b>	<b>40,208</b>

Payments Received and Processed	Annual Quantity 2019/2020	Annual Quantity 2018/2019	Annual Quantity 2017/2018	Annual Quantity 2016/2017	Annual Quantity 2015/2016	Annual Quantity 2014/2015
Water	66,711	68,167	69,057	69,575	69,312	39,993
Government (Parks/Solid Waste, etc)	285	304	291	300	269	210
<b>TOTAL</b>	<b>66,996</b>	<b>68,471</b>	<b>69,348</b>	<b>69,875</b>	<b>69,559</b>	<b>40,208</b>

<b>Customer Service Other Activities</b>	<b>Annual Quantity 2019/2020</b>	<b>Annual Quantity 2018/2019</b>	<b>Annual Quantity 2017/2018</b>	<b>Annual Quantity 2016/2017</b>	<b>Annual Quantity 2015/2016</b>	<b>Annual Quantity 2014/2015</b>
Service Orders Processed	4,680	4,606	5,308	5,288	5,324	4,342
Assisted Customers at Counter	20,257	23,428	23,459	25,253	23,316	14,573

<b>Accounting Activities</b>	<b>Annual Quantity 2019/2020</b>	<b>Annual Quantity 2018/2019</b>	<b>Annual Quantity 2017/2018</b>	<b>Annual Quantity 2016/2017</b>	<b>Annual Quantity 2015/2016</b>	<b>Annual Quantity 2014/2015</b>
Checks Processed	2,476	2,076	1,911	3,030	2,405	2,510
Accounts Payable Transactions	12,135	12,054	14,245	16,182	18,912	16,625
Payroll Transactions	2,491	2,516	2,519	2,832	3,175	2,815
Journal Entries Transactions	1,378	1,464	2,448	2,490	2,337	2,489
Fixed Asset Transactions	240	265	247	254	282	303
Inventory Transactions	1,668	1,974	2,599	2,648	1,788	2,183
Water Bills Processed	83,984	83,225	82,139	82,091	82,043	41,207
Monthly Invoices Processed	220	222	186	184	173	144

Note: Beginning July 1, 2015, the District converted from bi-monthly billing to monthly billing, adding one full-time and one part-time staff to accommodate the additional work resulting from monthly billing.

**Projects in Progress and/or Completed in 2019/2020:**

- Receive CAFR Award from GFOA (Government Finance Officers Association) – SPG 4.4, 4.5 - Completed
- Receive Budget Award from GFOA and CSMFO – SPG 4.1, 4.5 - Completed
- Maintain Transparency Certification from California Special District Association (CSDA) – Completed
- Receive SDLF District of Distinction award - Complete
- Continue providing outstanding customer service – SPG 6.6 - Ongoing
- Complete scanning of customer service files into Tyler system - Complete
- Continue to explore and implement treasury options – SPG 4.7 - Ongoing
- Continue to update policies and procedures – SPG 4.6 - Ongoing
- Continue cross-training program – SPG 6.5 - Ongoing
- Develop Succession and Retention Planning Program – SPG 6.1 – In process
- Finalize update to Employee Personnel Manual – SPG 6.4 – In process
- Implement Modern Asset Management Program – SPG 3.3 – In process
- Implement Key CIP Projects – SPG 3.4 - Ongoing
- Emergency Preparedness – SPG 3.5 - Ongoing
- Maintain and Update Maintenance Measures – SPG 3.6 - Ongoing
- Water Rate and Fee Study – SPG 4.2 - Complete
- Connection Fee Study – SPG 4.2 – Complete
- Update Rules and Regulations, policies, procedures, and processes to comply with SB998 (Water Shut-off Protection Act) – Complete

**2020/2021 Goals:**

- Receive CAFR Award from GFOA (Government Finance Officers Association) – SPG 4.4, 4.5
- Receive Budget Award from GFOA and CSMFO – SPG 4.1, 4.5
- Maintain Transparency Certification from California Special District Association (CSDA)
- Continue providing outstanding customer service – SPG 6.6
- Continue to explore and implement treasury options – SPG 4.7
- Continue to update policies and procedures – SPG 4.6
- Continue cross-training program – SPG 6.5
- Continue development of Succession and Retention Planning Program – SPG 6.1
- Finalize update to Employee Personnel Manual – SPG 6.4
- Implement Modern Asset Management Program – SPG 3.3
- Implement Key CIP Projects – SPG 3.4
- Review and update emergency preparedness plan– SPG 3.5
- Maintain and update maintenance measures – SPG 3.6



## ENGINEERING

The Engineering Department provides professional planning and engineering services to customers, both internal and external. Further, it is charged with overseeing, planning, designing, and implementing numerous projects outlined by the District's adopted Water Master Plan and integrating and coordinating those projects in conjunction with outside programs and agencies. Additionally, it provides for quality development through customer service, and timely and effective management of development and compliance processes.

**Organization:** The staff consists of one manager and one technician (2 FTE).

**Primary Services:**

- Implement District policies pursuant to Board direction
- GIS and mapping system development and maintenance
  - Monthly data report extraction, from Sedaru and Tyler, for GIS facility updates.
  - Monthly web map updates.
- Project and contract management
- Capital Improvement Program (CIP) development
- Water resources planning
- Maintenance of facilities master plan and hydraulic models for water system
- Engineering analysis of new construction and development projects
- Plan check and permitting for construction
- As-built management
- Develop and coordinate Request for Proposal (RFP) for District projects
- Participate in Mojave Water Agency's Technical Advisory Committee
- Participate in various joint agency programs (County Utility Committee, Caltrans, etc.)
- Process water inquiries / water availability inquiries / fire flow letters
- Coordinate general IT services – servers and workstations
- Annual Water Loss Audit
- District Staff Support: Maps, presentations, data management, analysis and reports, graphs, signage, etc.

Fiscal Year 2019-2020	
<b>Project Management</b>	
Total Projects (new to this FY)	7
<b>In-House Design</b>	
Water Pipeline Design	1
<b>Soliciting Bid Process</b>	
Parking Lot Rehab (suspended) & Parking Lot Repair (completed)	2
<b>Field Verification and Documentation of Facilities (GPS/Mapping)</b>	
Water Meters (new, relocated and stub outs)	87
Wells	0
Hydrants	4
Valves	11
Air Vac/Blow offs	1
Mainline Extension, Private	0
Mainline Extension, District - Sheep Creek	1
Mainline Repairs	4



<b>GIS (Facility Mapping)</b>	
Geodatabase Updates for Mobile Application	12
Base map (San Bernardino County Parcels) Download	2
Roads (San Bernardino County) Download	2
Imagery (MWA) Download	1
Meter Updates	493
Service Line Replacements	118
Valve Exercise Tracking	483
Fire Hydrant Servicing	34
Mainline Repairs	4
<b>Maps/Exhibits/Graphs/Presentations - Created/Distributed</b>	
Various Projects, District Events and System Analysis	35
<b>Water Facility Information Distribution</b>	
Roadway Projects: As-Built (proposed design projects)	1
Request for Public Records	6
<b>Plan Check</b>	
Mainline Extension, Private	2
Mainline Extension, District - Sheep Creek Rd/Warbler Rd	1
<b>Development Services</b>	
Water Availability Inquiries	203
Will Serve Letters	171
Fire Flow Reports	63

#### **Projects in Progress and/or Completed in 2019/2020:**

- Expand GIS application and field data to include links to as-built, easements, etc. – SPG 1.3, 3.6 - Ongoing
- Phelan Community Center Parking Lot Rehabilitation Project – ground-breaking August Bid rejected July 2019, to be combined with Civic Center Project development. 2019 - SPG 2.2
- Pressure Zone 7 Expansion (Tank 6A capacity mitigation) pipeline projects - SPG 1.3, 3.4 - Ongoing
- Expand GIS platform – transfer to a server-based system (SQL Server configuration and data migration) - SPG 3.4 - Ongoing
- Thermal Imagery leak detection program - SPG 1.1 Ongoing
- Chromium-6 Mitigation Project – Engineering Study of potential revised mandates - SPG 1.6 - Ongoing
- 2020 Water Master Plan (WMP) – Review, manage – SPG 3.1, 3.4 - Ongoing
- 2020 Urban Water Management Plan (UWMP) – Review, manage – SPG 3.1 - Ongoing
- 2020 Water Rate and Connection Fee Study – Review, manage – SPG 4.2, 4.3 - Completed
- Site 3C Booster “A” and “B” design & engineering coordination - SPG 1.3, 3.4 - Ongoing
- Smithson Springs – Tank and Pipeline Study/Design – SPG 1.4 - Ongoing
- Reservoir 6A Pneumatic Redundancy – Planning / Design - SPG 3.4 – Complete
- Water Pipeline extension to serve District office and park - Complete



**2020/2021 Goals:**

- Expand GIS application and field data to include links to as-built, easements, etc. – SPG 1.3, 3.6
- Civic Center Complex - Consultants / County coordination – SPG 2.4
- Phelan Community Center Parking Lot Rehabilitation Project – combined with Civic Center Complex design - SPG 2.2
- Future Phelan Park Expansion Project – Planning; Consultants / County – SPG 2.4
- Pressure Zone 7 Expansion (Tank 6A capacity mitigation) pipeline projects - SPG 1.3, 3.4 to be addressed in WMP
- Expand GIS platform – transfer to a server-based system (SQL Server configuration and data migration) - SPG 3.4
- Thermal Imagery leak detection program - SPG 1.1
- Chromium-6 Mitigation Project – Engineering Study of potential revised mandates pending State’s MCL - SPG 1.6
- 2020 Water Master Plan (WMP) – Review, manage completion with consultant – SPG 3.1, 3.4 Ongoing
- 2020 Urban Water Management Plan (UWMP) – Review, manage completion with consultant - SPG 3.1 - Ongoing
- Site 3C Booster “A” and “B” design & engineering coordination; pending WMP results / validation - SPG 1.3, 3.4
- Smithson Springs – Tank and Pipeline Study/Design – SPG 1.4 Ongoing
- Water meter replacement AMI GIS integration – SPG 3.4

## WATER OPERATIONS

Water Operations is responsible for the production, treatment, and distribution of reliable high-quality groundwater to the District’s customers in an efficient manner. Water Operations personnel focus on reliability and accountability in the operation and maintenance of a vast array of production, conveyance, distribution facilities, and processes and systems to protect public health and to maintain high quality water consistent with all regulations. Water Operations personnel also perform monitoring, implement processes, and conduct analysis to ensure the water delivered to the customers meets and exceeds all regulatory requirements.

**Organization:** The staff consists of one manager, two supervisors, one water quality specialist, one water conservation program/operations administrator, six water operators, and one part-time water operator (11.7 FTE). Water conservation enforcement is conducted by water operators.

**Primary Services:**

- Implement District policies pursuant to Board direction.
- Water Production: maintain and repair wells, boosters and reservoirs; read and record well meters and production facilities; monitor Supervising Control and Data Acquisition (SCADA) system and analyze production data to ensure adequate production.
- Water Quality: take samples for lab analysis, prepare DHS reports, prepare consumer confidence report, treat water (Chlorination), process and follow up on water quality complaints.
- Transmission and Distribution: repair leaks, replace damaged waterlines, maintain and repair and replace valves and hydrants, construction inspections, new service installations, USA markings, vehicle maintenance, and complete service orders for District facilities.
- Meter Services: read meters, disconnect/reconnect service, meter maintenance, relocate, replace, and data log meters, site analysis for water usage, and complete service orders for customer accounts.
- Water Conservation: develop and administer water conservation programs, participate in water conservation events, and work with other agencies on regional water conservation programs.
- General: inventory, facility maintenance, recording of GPS coordinates and updates of facilities on maps, participates in and assures compliance with safety programs and the Emergency Response Plan.

Water System	
Service Area	128 square miles
Number of Pressure Zones	11
Miles of Water Main	353
Wells (1,000’+ deep)	11
Reservoirs	35
Booster Stations	24
Booster Pumps	63
Pressure Reducing Stations	32
Service Connections (Meters)	6,992
Water Operations Activities	
Water Quality Samples Taken	696
USA's Marked	4,260
Service Orders Completed	4,721
Services Disconnected/Reconnected Shut-off Cycle	1,070

Water Operations Activities	Annual
Main/Service Line Leaks repaired	292
Service Line Replacements	114
Hydrant Repairs	13

**Projects in Progress and/or Completed in 2019/2020:**

- Continue Valve Maintenance and Exercising Program - 2,200 a year goal – SPG 1.3, 3.6 545 in 2019 - Ongoing
- Continue Hydrant Maintenance and Flushing Program 600 a year goal – SPG 1.3, 3.6 10% completed in 2019 - Ongoing
- Continue Dead-end Flushing Program all flushed yearly no exceptions – SPG 1.3, 3.6 100% 2019 317 of 317 flushed- Ongoing
- Continue Service Line Replacement Program 100 a year goal – SPG 1.1, 1.3, 1.5, 3.6 119 completed in 2019 - Ongoing
- Continue Cross Connection Prevention Program - 100% Complete- Ongoing
- Continue Air-Vac Maintenance and Flushing Program 150 a year goal – SPG 1.3, 3.6 65 19% Complete - Ongoing
- Continue monthly tank inspections and annual overflows to ensure good sanitary practices – SPG 1.3, 3.6 - 100% Complete - Ongoing
- Continue Quarterly sand testing of District wells and boosters – SPG 1.3, 3.6 - 100% Complete- Ongoing
- Continue PRV Maintenance and Repair Program – SPG 1.3, 3.6 - Ongoing
- Continue to provide training and education to all staff in OSHA regulations including trench shoring, confined space entry, fall protection, and traffic safety – SPG 6.5 - Ongoing
- Continue strict and accurate inventory standards established over the last year - Ongoing
- Perform annual pump efficiency at District wells and boosters' – SPG 1.3, 3.6 - 100 % Complete - Ongoing
- Perform annual meter certifications at all District wells – SPG 1.3, 3.6 - 100% Complete - Ongoing
- Systematic and thorough cleaning of selected District reservoirs - SPG 1.3, 3.6 - 100 % Complete - Ongoing
- Continue to train all staff on SCADA system – SPG 6.5 - Ongoing
- Continue annual exercise of the District's emergency response and public notification plans- every April - 100 % Complete - Ongoing
- Continue to pursue innovative ways to maximize efficiency of district staff while simultaneously reducing costs and overtime expenditures - SPG 1.5 - Ongoing
- Streamline communication devices for the District and phase out pagers & radios to new devices-SPG 1.5 - 100 % Complete
- Remain in compliance with CARB by purchasing new Tier 4 final dump truck- SPG 1.3,3.6 100 % Complete
- Develop and implement a Water Loss Control Program to effectively reduce system water loss- SPG 1.3 - 100 % Complete
- Coordinate and implement new pressure pneumatic system at reservoir 6A with dual redundancy - SPG 1.3, 3.6 - 60% Complete- In Progress

## 2020/2021 Goals:

- Continue Valve Maintenance and Exercising Program - 2,200 a year goal – SPG 1.3, 3.6
- Continue Hydrant Maintenance and Flushing Program 600 a year goal – SPG 1.3, 3.6
- Continue Dead-end Flushing Program all flushed yearly no exceptions – SPG 1.3, 3.6
- Continue Service Line Replacement Program 150 a year goal – SPG 1.1, 1.3, 1.5, 3.6
- Continue Cross Connection Prevention Program
- Continue Air-Vac Maintenance and Flushing Program 150 a year goal – SPG 1.3, 3.6
- Continue Monthly tank inspections and annual overflows to ensure good sanitary practices – SPG 1.3, 3.6
- Continue Quarterly sand testing of District wells and boosters – SPG 1.3, 3.6
- Continue PRV maintenance and repair program – SPG 1.3, 3.6
- Continue to provide training and education to all staff in OSHA regulations including trench shoring, confined space entry, fall protection, and traffic safety – SPG 6.5
- Continue strict and accurate inventory standards established over the last year
- Perform annual pump efficiency at District wells and boosters – SPG 1.3, 3.6
- Perform annual meter certifications at all District wells – SPG 1.3, 3.6
- Systematic and thorough cleaning of selected District reservoirs - SPG 1.3, 3.6
- Drop section water mains per the 10-Year Maintenance Plan- SPG 1.3, 3.6
- Interior coating of reservoirs per the 10-Year Maintenance Plan- SPG 1.3, 3.6
- Begin meter change-out program for meter system replacement, AMI- SPG 1.3, 3.6



## PARKS AND RECREATION

Parks and Recreation manages and maintains District owned parks and recreation facilities to provide quality and safe facilities to meet the needs of the community. It provides planning for facility development and improvement projects. Additionally, it provides development of projects and events for recreation, programs, and activities of the District.

**Organization:** The staff consists of one supervisor, one full-time parks and recreation worker and one part-time parks and recreation worker (2.5 FTE).

**Primary Services:**

- Implement District policies pursuant to Board direction.
- Work collaboratively with local entities, including the Snowline School District, Phelan and Piñon Hills Chambers of Commerce, Phelan and Piñon Hills senior groups, various clubs and sports groups.
- Grounds keeping, tree service, facility clean-up: raking, weeding, picking up litter, emptying trash and recycling.
- Repair and maintenance park structures and playgrounds: inspect equipment for safety and vandalism; perform preventative maintenance and repairs as needed.
- Community Center and Senior Center reservations, repairs and maintenance; opening/closing centers; cleaning and supplying facilities daily.
- Develop and provide a variety of recreation programs.
- Develop, provide, and participate in community events.

Parks and Recreation Facilities:	
Number of Parks	2
Number of Community Centers	2
Number of Senior Centers	2

Parks and Recreation Activities	2019/2020	Phelan Community Center	Piñon Hills Community Center	Office
Phelan Rental	139	139		
Phelan PPHCSD Activities	152	152		
Board Meetings	26	26		
Committee Meetings	42			42
Piñon Hills Rental	211		211	
Piñon Hills PPHCSD Activities	19		19	
<b>TOTAL</b>	<b>589</b>	<b>474</b>	<b>230</b>	<b>42</b>

**Weekly Events:**

- Phelan Farmers Market
- Senior Line Dancing

**Monthly Events:**

- Phelan Senior Lunch Program
- Piñon Hills Senior Lunch Program
- Teaching Garden Workshops (w/Michelle Hannon and Guests)

### Annual Events:

- Desert Snakes and Animals Workshop (w/Forever Wild or Dr. Glassy)
- Composting Workshop (w/Don Woo, master composter)
- Archery – weekly summer activity (w/Mojave Archers)
- Kids Crafts – weekly summer activity (w/Phelan Seniors)
- Movie Nights – weekly summer activity(w/Kiwanis)
- Kids Gymnastics (w/High Desert Gymnastics)
- Dance Class (w/Tanya’s Dance Studio)

### Annual Events in Partnership with Other Agencies:

- Senior Health Fair (w/Snowline JUSD, Sheriff’s Dept. and 1<sup>st</sup> District Supervisors Office)
- Get to Know Your Natives (partner with Transition Habitat Conservancy)
- Friends in Sight (partner with Timberline Lion)
- Phelan Phun Days (w/Phelan Chamber)
- Various programs (w/Phelan Memorial Library)
- Music in the Park (w/Phelan Chamber)

### Projects in Progress and/or Completed in 2019/2020:

- Continue to improve park operations – SPG 2.2, 3.6 - ongoing
- Continue to provide additional training for staff – SPG 6.5 - ongoing
- Continue pursuit of additional recreation programs in partnership with businesses, clubs, and local sports associations – SPG 2.5 - ongoing
- Continue pursuit of additional recreational programs to meet community needs – ongoing
- Continue to repair or replace approved equipment and facilities from the 10-year maintenance plan – SPG 3.4, 3.6 - ongoing
- Complete design, removal and installation of Phelan parking lot – SPG 3.4, 3.6  
Scheduled to be complete before September 2019 - repair of Phelan parking lot completed, replacement to be done with new civic complex
- Continue to use the parks master plan information as a guideline for all parks and recreation planning - SPG 2.1, 2.2, 2.3, 2.4, 2.5, 3.1, 3.4

### Goals: 2020/2021

- Continue to improve park operations – SPG 2.2, 3.6
- Continue to provide additional training for staff – SPG 6.5
- Continue pursuit of additional recreation programs in partnership with businesses, clubs, and local sports associations – SPG 2.5
- Continue pursuit of additional recreational programs to meet community needs – SPG 2.5
- Continue to repair or replace approved equipment and facilities from the 10-year maintenance plan – SPG 3.4, 3.6
- Continue to use the parks master plan information as a guideline for all parks and recreation planning - SPG 2.1, 2.2, 2.3, 2.4, 2.5, 3.1, 3.4
- Continue working on preparations of Phelan Park Expansion Project – SPG 2.3





## STREET LIGHTING

Streetlights primarily service the business district of Phelan. The District does have some streetlights at strategic intersections to help in providing safety to the community. The District considers expansion of street lighting to other intersections based upon a safety need, but the District respects the San Bernardino County “Dark Sky” ordinance and encourages residents to do the same.

**Organization:** The administration of street lighting is performed by the administrative staff and the Board of Directors, as necessary.

**Primary Services:**

- Implement District policies pursuant to Board direction.
- Process requests for streetlights as received from the public.
- Identify areas where streetlights may be added to the system.

Street Lighting:	
Number of Street Lights	92
Number of Lights at RR Crossings	1

**Projects in Progress and/or Completed in 2019/2020:**

- There were no requests for streetlights in 2019/2020.

**2020/2021 Goals:**

- Identify additional locations that may benefit from streetlights – SPG 2.6
- Process requests for additional streetlights

# SOLID WASTE AND RECYCLING

## Solid Waste

The District administers solid waste and recycling programs. The solid waste and recycling services are contracted with CR&R. The District works closely with CR&R to coordinate various programs and provide a variety of recycling events within the community.

**Organization:** The administration of solid waste and recycling is performed by one part-time administrative employee (.5 FTE). The District staff perform tasks, and charge this department as necessary, to meet the needs accordingly.

## Primary services:

- Implement District policies pursuant to Board direction.
- Monitor compliance with Franchise Agreement.
- Coordinate community events.

<b>Solid Waste and Recycling:</b>	
Number of Residential Customers	4,027
Number of Commercial Customers	118

## Projects in Progress and/or Completed in 2019/2020:

- Two Community Clean Up Days – SPG 7.3 – Complete
- Tire Recycling Program – SPG 7.3 – Ongoing
- School Recycling Contest – SPG 7.1 – Ongoing
- School Outreach (Mr. Eco, Education, Partnerships) – SPG 7.4 – Ongoing
- Complete Implementation Uniform Commercial Collection – SPG 7.1 – 95%
- Recycling workshop/outreach program – SPG 7.3 – Ongoing
- Earth Day contest – SPG 7.3 – Complete
- Begin implementation of organic waste collection for required businesses – SPG 7.1 –25%
- Expand voluntary residential collection participation – SPG 7.3 – Ongoing
- Develop new programs – SPG 7.3 – Ongoing
- Develop/expand new partnerships – SPG 7.3 – Ongoing

## 2020/2021 Goals:

- Two Community Clean Up Days – SPG 7.3
- Tire Recycling Program – SPG 7.3
- School Recycling Contest – SPG 7.1
- School Outreach (Mr. Eco, Education, Partnerships) – SPG 7.4
- Composting workshop – SPG 7.3
- Recycling workshop/outreach program – SPG 7.3
- Earth Day contest – SPG 7.3
- Continue implementation of organic waste collection for required businesses – SPG 7.1
- Expand voluntary residential collection participation – SPG 7.3
- Develop new programs – SPG 7.3
- Develop/expand new partnerships – SPG 7.3



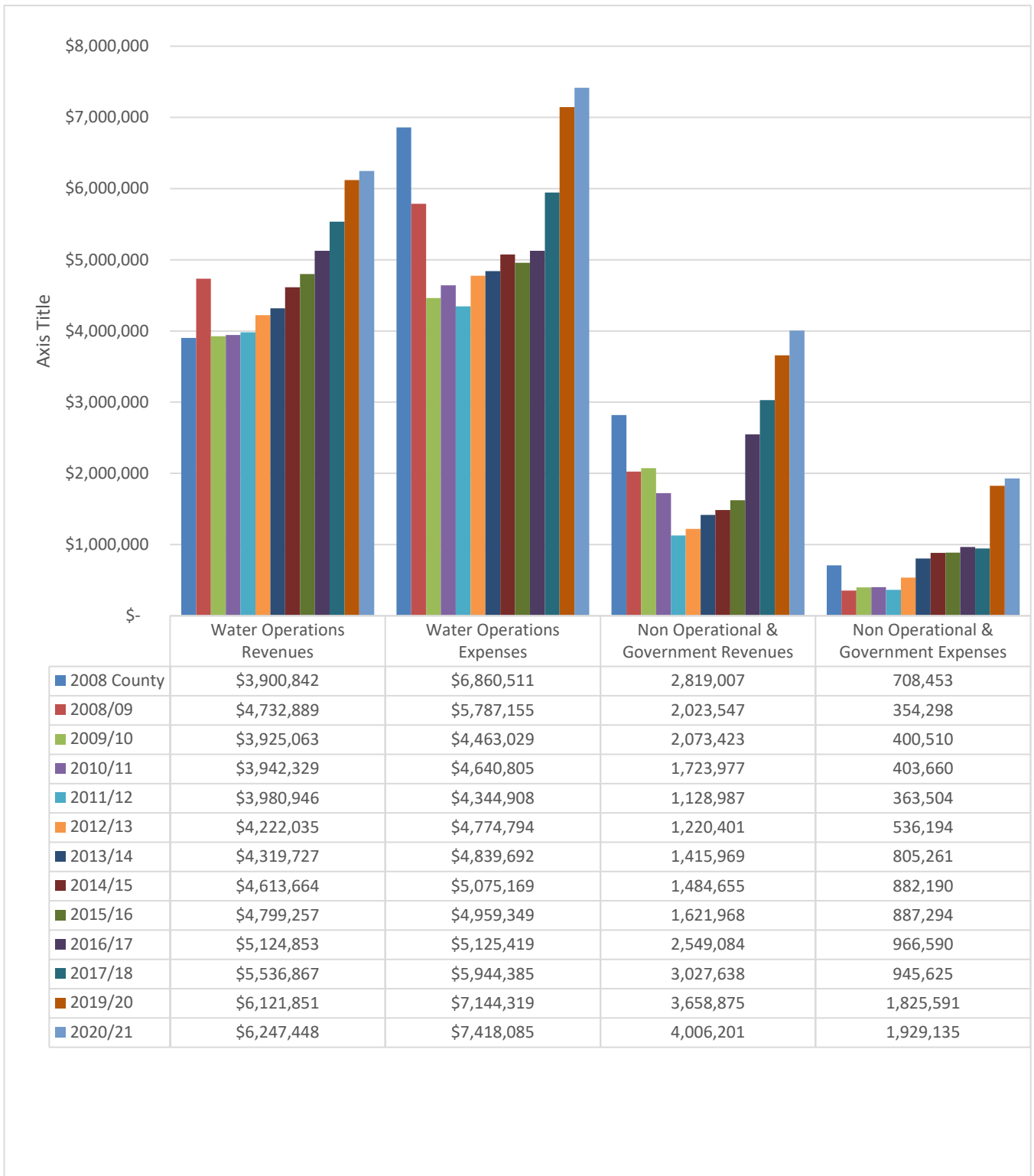
**BUDGET FINANCIAL**  
**REPORTS**

**FINANCIAL HISTORY AND BUDGET COMPARISON**

	HISTORICAL INFORMATION														PPHCSD 2019/20 Estimated Year End	PPHCSD 2020/21 PROPOSED Budget
	COUNTY 2007/08 Audited Actual	PPHCSD 2008/09 Audited Actual	PPHCSD 2009/10 Audited Actual	PPHCSD 2010/11 Audited Actual	PPHCSD 2011/12 Audited Actual	PPHCSD 2012/13 Audited Actual	PPHCSD 2013/14 Audited Actual	PPHCSD 2014/15 Audited Actual	PPHCSD 2015/16 Audited Actual	PPHCSD 2016/17 Audited Actual	PPHCSD 2017/18 Audited Actual	PPHCSD 2018/19 Audited Actual				
	A	B	C	D	E	F	G	H	H	H	H	H	I	J		
<b>1 Operating Revenue - Enterprise Fund</b>																
2 Water Sales	\$ 3,535,832	\$ 4,348,927	\$ 3,627,592	\$ 3,536,555	\$ 3,511,083	\$ 3,818,440	\$ 3,902,404	\$ 4,214,090	\$ 4,338,006	\$ 4,662,972	\$ 5,070,659	\$ 5,045,300	\$ 5,618,264	\$ 5,745,723		
3 Special Assessments	307,104	283,142	219,623	324,650	355,749	303,841	299,818	295,257	309,682	299,385	296,438	290,188	290,715	286,354		
4 Other Services	57,906	100,820	77,848	81,123	114,114	99,754	117,505	104,317	151,570	162,496	169,769	183,286	212,872	215,372		
5 Total Operating Revenues	\$ 3,900,842	\$ 4,732,889	\$ 3,925,063	\$ 3,942,329	\$ 3,980,946	\$ 4,222,035	\$ 4,319,727	\$ 4,613,664	\$ 4,799,257	\$ 5,124,853	\$ 5,536,867	\$ 5,518,773	\$ 6,121,851	\$ 6,247,448		
6																
<b>7 Operating Expenses - Enterprise Fund</b>																
8 Water Purchases	Incl Below	\$ 315,588	228,683	147,596	7,903	32,259	36,544	76,782	7,357	9,591	15,419	15,556	11,962	12,261		
9 Salaries and Benefits	2,025,913	1,027,983	1,313,039	1,473,407	1,415,838	1,628,096	1,613,197	1,577,871	1,720,838	1,761,698	2,023,633	2,176,932	2,532,200	2,633,734		
10 Board Compensation	Incl Below	32,469	40,453	49,153	52,115	92,764	94,526	96,363	93,767	83,182	81,723	85,960	90,870	106,373		
11 Professional Services	176,635	401,008	273,866	309,171	246,374	309,590	254,622	260,084	364,927	331,858	403,027	315,853	418,492	350,000		
12 Services and Supplies	1,128,024	1,839,640	694,474	572,750	604,586	742,780	722,763	846,674	770,652	861,307	1,052,525	1,362,110	1,447,683	1,626,834		
13 Rents and Leases	602	45,944	57,254	62,166	-	-	-	-	-	-	-	-	-	-		
14 Utilities	740,199	1,079,743	796,802	780,447	725,832	752,745	880,366	959,004	723,104	592,515	442,382	552,498	645,361	500,990		
15 Depreciation (Ent Funds)	774,842	886,786	1,058,282	1,245,913	1,292,064	1,214,772	1,229,221	1,257,916	1,274,450	1,476,403	1,924,171	2,010,956	1,996,165	2,185,665		
16 Other	2,014,296	157,996	176	202	196	1,789	8,453	474	4,254	8,865	1,505	9,739	1,587	2,227		
17 Total Operating Expenses	\$ 6,860,511	\$ 5,787,155	\$ 4,463,029	\$ 4,640,805	\$ 4,344,908	\$ 4,774,794	\$ 4,839,692	\$ 5,075,169	\$ 4,959,349	\$ 5,125,419	\$ 5,944,385	\$ 6,529,604	\$ 7,144,319	7,418,085		
18																
19 <b>Net Operational Income Water</b>	<b>\$ (2,959,669)</b>	<b>\$ (1,054,267)</b>	<b>\$ (537,966)</b>	<b>\$ (698,477)</b>	<b>\$ (363,962)</b>	<b>\$ (552,759)</b>	<b>\$ (519,965)</b>	<b>\$ (461,505)</b>	<b>\$ (160,092)</b>	<b>\$ (566)</b>	<b>\$ (407,518)</b>	<b>\$ (1,010,831)</b>	<b>\$ (1,022,468)</b>	<b>\$ (1,170,637)</b>		
20																
<b>21 Non-Operating Revenues (Expenses) - Enterprise Fund</b>																
22 Property Taxes	930,019	-	14,631	-	-	4,930	520,785	548,350	669,385	448,000	427,907	379,279	330,325	278,692		
23 Investment Earnings	\$ 762,732	\$ 455,757	147,916	81,883	51,488	29,375	13,916	15,827	18,687	42,201	85,216	239,036	226,972	215,624		
24 Investment Expense	(164,934)	(140,689)	(157,407)	(115,933)	(109,373)	(262,681)	(282,344)	(406,151)	(430,178)	(421,596)	(404,655)	(388,182)	(401,450)	(385,565)		
25 Other Income, Penalties, etc	202,410	-	105,652	103,017	122,988	120,814	122,755	164,193	197,048	930,276	1,104,990	1,299,557	983,469	1,206,346		
26 Other Income, State, County, Grants	-	459,388	271,980	151,582	39,514	-	-	-	436,492	125,902	-	-	206,636	-		
27 Connection Fees	440,970	80,698	59,692	-	23,649	33,317	64,184	114,813	146,037	208,601	337,088	510,490	659,362	712,823		
28 Other Expense	(156,647)	(5,367)	-	-	-	-	-	-	-	(14,589)	(10,722)	-	(808,566)	(814,566)		
29 <b>Total Non-Operating Rev(Exp) Enterprise</b>	<b>\$ 2,014,550</b>	<b>\$ 849,788</b>	<b>\$ 442,464</b>	<b>\$ 220,549</b>	<b>\$ 128,267</b>	<b>\$ (74,244)</b>	<b>\$ 439,295</b>	<b>\$ 437,032</b>	<b>\$ 1,037,471</b>	<b>\$ 1,318,796</b>	<b>\$ 1,539,824</b>	<b>\$ 2,040,180</b>	<b>\$ 1,196,748</b>	<b>\$ 1,213,354</b>		
30																
<b>31 Operating Revenue and Expense - Government Fund</b>																
32 Ordinary Income Government Funds	Incl Below	19,109	13,046	20,622	36,405	24,772	13,065	19,758	35,196	24,220	25,098	23,105	27,356	27,356		
33 Ordinary Expense Government Funds	Incl Below	(177,193)	(240,960)	(284,963)	(250,704)	(1,270,102)	(520,990)	(472,632)	(454,663)	(527,845)	(527,521)	(526,437)	(612,551)	(725,981)		
34 <b>Net Operational Income Government</b>	<b>\$ -</b>	<b>\$ (158,085)</b>	<b>\$ (227,914)</b>	<b>\$ (264,341)</b>	<b>\$ (214,299)</b>	<b>\$ (1,245,331)</b>	<b>\$ (507,925)</b>	<b>\$ (452,875)</b>	<b>\$ (419,467)</b>	<b>\$ (503,625)</b>	<b>\$ (502,424)</b>	<b>\$ (503,332)</b>	<b>\$ (585,195)</b>	<b>\$ (698,625)</b>		
35																
<b>36 Non-Operating Revenues (Expenses) - Government Fund</b>																
37 Property Taxes	365,205	1,323,361	1,095,156	907,485	843,931	845,706	374,864	403,631	355,786	614,551	723,918	843,748	929,231	1,055,163		
38 Investment Earnings	\$ 9,624	\$ 9,390	11,191	10,970	20,152	16,555	11,667	13,607	15,827	33,106	56,933	143,061	120,563	114,535		
39 Other Income	108,047	135,232	143,101	-	500	405	5,296	63,481	26,792	67,848	62,821	138,720	172,012	180,002		
40 Other Income State, County, Grants	-	-	483,038	600,000	-	-	140,000	-	-	-	-	-	-	-		
41 Transfer	-	-	-	-	-	2,772,000	-	-	-	-	-	(91,389)	-	-		
42 Income Solid Waste	-	-	-	-	29,874	144,527	149,437	140,996	157,210	180,281	203,667	226,024	209,585	215,661		
43 Other Expense	(386,872)	(31,050)	(2,143)	(2,763)	(3,427)	(3,411)	(1,926)	(3,407)	(2,454)	(2,561)	(2,726)	(2,886)	(3,023)	(3,023)		
44 <b>Net Non-Operating Rev(Exp) Gvmt</b>	<b>\$ 96,004</b>	<b>\$ 1,436,933</b>	<b>\$ 1,730,343</b>	<b>\$ 1,515,692</b>	<b>\$ 891,029</b>	<b>\$ 3,775,782</b>	<b>\$ 679,338</b>	<b>\$ 618,308</b>	<b>\$ 553,161</b>	<b>\$ 893,226</b>	<b>\$ 1,044,612</b>	<b>\$ 1,257,279</b>	<b>\$ 1,428,368</b>	<b>\$ 1,562,338</b>		
45																
46 <b>Net Income</b>	<b>(849,115)</b>	<b>1,074,370</b>	<b>1,406,927</b>	<b>773,423</b>	<b>441,035</b>	<b>1,903,448</b>	<b>90,743</b>	<b>140,960</b>	<b>1,011,074</b>	<b>1,707,831</b>	<b>1,674,495</b>	<b>1,783,297</b>	<b>1,017,452</b>	<b>906,429</b>		
47 Donated Property & Depreciation						(1,706,341)										
48 Depreciation Not Funded (40%)	\$ 309,937	\$ 375,114	\$ 443,713	\$ 518,765	\$ 516,826	\$ 485,909	\$ 491,689	\$ 503,166	\$ 509,780	\$ 590,561	\$ 769,668	\$ 804,383	\$ 839,514	915,314		
49 Loan Principal Payments + C6 Exp.	(96,000)	(100,031)	(103,532)	(92,847)	(96,097)	(276,085)	(368,657)	(478,349)	(505,189)	(1,299,991)	(1,319,564)	(1,340,959)	(1,355,859)	(1,384,162)		
50 <b>Net Avail for Projects/Reserves</b>	<b>\$ (635,178)</b>	<b>\$ 1,349,454</b>	<b>\$ 1,747,108</b>	<b>\$ 1,199,341</b>	<b>\$ 861,764</b>	<b>\$ 406,931</b>	<b>\$ 213,775</b>	<b>\$ 165,778</b>	<b>\$ 1,015,666</b>	<b>\$ 998,400</b>	<b>\$ 1,124,599</b>	<b>\$ 1,246,720</b>	<b>\$ 501,108</b>	<b>437,581</b>		
51																
52 Beginning Cash in Bank														18,304,426		
53 RESERVES														(10,461,221)		
54 DEPRECIATION FUNDED (60%)														1,372,970		
55 CIP PROJECTS														(2,041,000)		
56 CAPITAL PURCHASES														(90,000)		
57 TRANSFER TO RESERVES														(487,911)		
58 <b>CASH BALANCE = AVAILABLE CASH FOR PROJECTS</b>														<b>7,034,965</b>		

Note: Phelan Piñon Hills Community Services District was formed in March 2008 and began operating independently July 1, 2008.

## FINANCIAL HISTORY AND BUDGET COMPARISON



## BUDGET OVERVIEW

At the onset of the budget process, the 2020/2021 Budget was prepared with the following assumptions for increases as compared to estimated year-end figures: water revenues increase by 2.3%, and expenditures increase by 2.5%, except where certain increases/decreases are known and noted below. The lines (such as "line 2/20") identified below are in the Budget Summary and Budget Detail, respectively.

2020/2021 Budget	Enterprise Fund	Government Fund	Total
Operational Revenues	\$6,247,448	\$27,356	\$6,274,804
Operational Expenses	-\$7,418,085	-\$725,981	-\$8,144,066
<b>Net Revenue from Operations</b>	<b>-\$1,170,637</b>	<b>-\$698,625</b>	<b>-\$1,869,262</b>
Non-Operational Revenues	\$2,413,484	\$1,565,361	\$3,978,846
Non-Operational Expenses	-\$1,200,131	-\$3,023	-\$1,203,154
<b>Net Revenue from Non-Ops</b>	<b>\$1,213,354</b>	<b>\$1,562,338</b>	<b>\$2,775,691</b>
<b>Sub-Total Revenue</b>	<b>\$42,717</b>	<b>\$863,713</b>	<b>\$906,429</b>
Unfunded Depreciation	\$874,266	\$41,048	\$915,314
Principal Payments on Loans	-\$569,596	\$0	-\$569,596
<b>Sub-Total Revenue</b>	<b>\$347,387</b>	<b>\$904,760</b>	<b>\$1,252,147</b>
Repayment of Reserves	-\$320,000	-\$167,791	-\$487,791
Capital Budget	-\$245,000	-\$600,000	-\$845,000
<b>Total Net Revenue</b>	<b>-\$217,613</b>	<b>\$136,969</b>	<b>-\$80,644</b>

### **OPERATIONAL INCOME:**

Water revenue budgeted for 2020/2021 assumes a rate change that will provide an additional 2.3% in revenue from meter fees, and water consumption, plus assumes an additional 80 new meter connections. (Line 3/22)

Special Assessments, standby fees applied to vacant, unmetered, land, are expected to be slightly less in the coming year due to anticipated growth. (Line 4/25)

Parks fees reflect no change over 2019/2020 as scheduled programs and rental fees are expected to remain the same. (Line 5/28)

The total net operational income is projected to be \$6,274,804. This equates to an increase of \$127,458 compared to the current estimated year end operating revenue. (Line 7/33)

## **OPERATIONAL EXPENSES:**

Water Purchases are expected to increase by 2.5% in the coming year. This is due to an increase in fees by the Watermaster (Line 10/41). This expense remains steady as the District purchased water rights that eliminated the annual expense for replacement water of over \$791,000, producing a net savings of \$442,000 after the loan payment.

Salaries and Benefits reflect a 5.4% increase over the 2019/2020 estimated year end. The 2020/2021 Budget includes a 2.9% increase for COLA, a 2.5% potential increase for merit, if warranted, salary range adjustments, and an increase in insurance expense. (Line 11/53)

Board Compensation is estimated to increase this year due to the possible replacement of two directors and increased stipend amounts. There are additional training and orientation costs associated with new directors. Resulting in a 16.2% increase. (Line 12/60)

Professional Fees are estimated to be 15.2% lower due to a reduction in outside services. (Line 13/69)

Services and Supplies is 14.2% higher due to an increase in services and programs, such as line locations and meter and line replacement programs. There are annual programs budgeted in the coming year for solid waste and recycling. (Line 14/101)

Utilities are 20.5% lower due to solar credits in addition to a projected increase of 9% by Edison in the coming year. (Line 15/107)

Depreciation and Amortization is based on the addition of assets as projects are completed and new assets are added. Property taxes are on District owned properties that are not within the District boundary. The District annexed most of the land, which has reduced property tax. (Line 16/113)

Total operational expenses are estimated to increase by 16.3% over estimated year end.

## **NON-OPERATIONAL INCOME:**

Property Tax revenue is projected to increase by 5.9% this year. After years of reductions due to foreclosures and a decline in property values, the economic forecast for the area shows that values are increasing. Property tax diverted to Water Operations is being reduced by 10% each year to eliminate Water Operations reliance on non-operational income within ten years (by 2025). (Line 21/132)

Penalties and Other Fees are expected to increase in 2020/2021 relative to the rate increase for water. (Line 22/135)

Solid Waste revenue is expected to have a 3% increase in the coming year. (Line 23/138)

Meter Installation and Connection Fees are expected to increase 8.1%. The meter installations for the coming year are estimated to be residential and consistent with current growth. (Line 24/143)

Other Income shows an increase 5.6% primarily due to a new lease agreement. (Line 25/154)

## **NON-OPERATIONAL EXPENSES:**

Other Expenses and loan related expenses will decrease slightly this year due to aging loans. (Line 29/163)

**Phelan Piñon Hills Community Services District  
2020/2021 Budget**

		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2020/2021 BUDGET	2020/2021 BUDGET	2020/2021 BUDGET
1	<b>Operational Income/Expense</b>			
2	<b>Income</b>			
3	<b>WATER SALES</b>			
4	<b>WATER CONSUMPTION</b>			
5	40010 Water Sales - Residential - C	2,998,500.10	0.00	2,998,500.10
6	40020 Water Sales - Commercial - C	19,509.85	0.00	19,509.85
7	40030 Water Sales - Fire Protection-C	0.00	0.00	0.00
8	40060 Water Sales - Multiple Res - C	2,748.58	0.00	2,748.58
9	40070 Water Sales - School - C	325,776.49	0.00	325,776.49
10	40090 Water Sales - Construction - C	53,327.13	0.00	53,327.13
11	40110 Water Sales - Non-Potable Water	3,310.22	0.00	3,310.22
12	<b>Total WATER CONSUMPTION</b>	<b>3,403,172.37</b>	<b>0.00</b>	<b>3,403,172.37</b>
13	<b>WATER METER CHARGE</b>			
14	41010 Water Sales - Residential - M	2,274,475.35	0.00	2,274,475.35
15	41020 Water Sales - Commercial - M	15,697.03	0.00	15,697.03
16	41030 Water Sales - Fire Protection-M	2,318.89	0.00	2,318.89
17	41060 Water Sales - Multiple Res - M	2,514.70	0.00	2,514.70
18	41070 Water Sales - School - M	32,071.33	0.00	32,071.33
19	41090 Water Sales - Construction - C	15,473.06	0.00	15,473.06
20	41090 Water Sales - Non-Potable Water	0.00	0.00	0.00
21	<b>Total WATER METER CHARGE</b>	<b>2,342,550.36</b>	<b>0.00</b>	<b>2,342,550.36</b>
22	<b>Total · WATER SALES</b>	<b>5,745,722.73</b>	<b>0.00</b>	<b>5,745,722.73</b>
23	<b>SPECIAL ASSESSMENT</b>			
24	74110 Special Assessments	286,353.88	0.00	286,353.88
25	<b>Total · SPECIAL ASSESSMENT</b>	<b>286,353.88</b>	<b>0.00</b>	<b>286,353.88</b>
26	<b>PARKS</b>			
27	47600 Park & Recreation Fee	0.00	27,355.73	27,355.73
28	<b>Total · PARKS</b>	<b>0.00</b>	<b>27,355.73</b>	<b>27,355.73</b>
29	<b>OTHER SERVICE INCOME</b>			
30	48200 Other Services Incomes	144,232.71	0.00	144,232.71
31	48700 Administrative Fees	71,139.07	0.00	71,139.07
32	<b>Total · OTHER SERVICE INCOME</b>	<b>215,371.78</b>	<b>0.00</b>	<b>215,371.78</b>
33	<b>Total Income from Operations</b>	<b>6,247,448.39</b>	<b>27,355.73</b>	<b>6,274,804.12</b>
34	<b>Gross Profit</b>	<b>6,247,448.39</b>	<b>27,355.73</b>	<b>6,274,804.12</b>
35	<b>Expense</b>			
36	<b>WATER PURCHASES</b>			
37	50010 MWA WM Admin. & Bio Fee	11,011.35	0.00	11,011.35
38	50020 MWA WM Make Up Water	1,250.00	0.00	1,250.00
39	50030 MWA WM Replacement Water	0.00	0.00	0.00
40	50040 Water Purchases - Other	0.00	0.00	0.00
41	<b>Total · WATER PURCHASES</b>	<b>12,261.35</b>	<b>0.00</b>	<b>12,261.35</b>

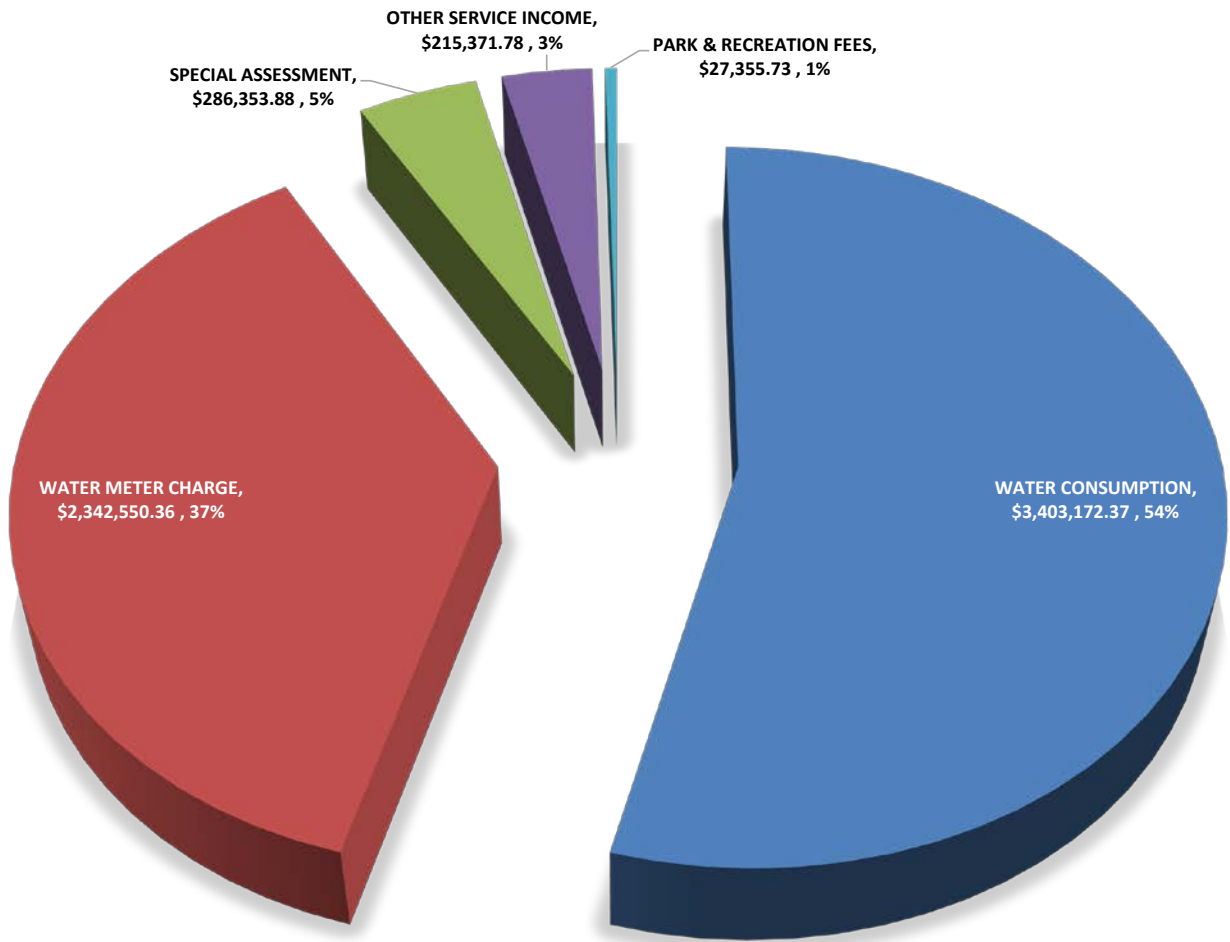
		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2020/2021 BUDGET	2020/2021 BUDGET	2020/2021 BUDGET
<b>42</b>	<b>SALARIES &amp; BENEFIT</b>			
43	51110 Salaries & Wages	1,543,812.13	176,982.76	1,720,794.89
44	51120 Vacations	110,551.65	12,860.48	123,412.14
45	51130 Holiday	74,155.26	8,195.41	82,350.68
46	51140 Sick Pay	80,896.65	8,940.45	89,837.10
47	51150 Misc Earn	73,331.48	3,443.53	76,775.01
48	51170 Overtime	144,139.77	5,508.01	149,647.78
49	51210 Payroll Taxes	40,208.91	4,499.79	44,708.70
50	51220 Worker's Compensation	39,105.84	9,793.08	48,898.92
51	51230 Employee Group Insurance	283,641.44	29,586.56	313,228.00
52	51240 Retirement	243,891.12	25,550.69	269,441.81
<b>53</b>	<b>Total - SALARIES &amp; BENEFIT</b>	<b>2,633,734.26</b>	<b>285,360.77</b>	<b>2,919,095.03</b>
<b>54</b>	<b>BOARD COMPENSATIONS</b>			
55	52110 Board Director's Fee	46,080.00	5,760.00	51,840.00
56	52210 Board Exp - Auto Expense	1,041.64	206.98	1,248.62
57	52220 Board Exp - Meals & Lodging	11,234.63	0.00	11,234.63
58	52230 Board Exp - Education/Training	9,452.58	0.00	9,452.58
59	52240 Board Exp - Insurance & Other Exp	38,564.31	7,736.36	46,300.66
<b>60</b>	<b>Total - BOARD COMPENSATIONS</b>	<b>106,373.15</b>	<b>13,703.34</b>	<b>120,076.49</b>
<b>61</b>	<b>PROFESSIONAL FEE</b>			
62	53110 Auditing & Accounting Fees	24,500.00	500.00	25,000.00
63	53120 Legal Services	83,474.36	2,500.00	85,974.36
64	53130 Engineering	0.00	0.00	0.00
65	53140 Laboratory Analysis	19,000.00	0.00	19,000.00
66	53150 Outside Service	74,916.99	2,100.00	77,016.99
67	53160 Permits & Fees	55,205.00	2,000.00	57,205.00
68	53170 Software Support	92,904.11	346.63	93,250.74
<b>69</b>	<b>Total - PROFESSIONAL FEE</b>	<b>350,000.46</b>	<b>7,446.63</b>	<b>357,447.09</b>
<b>70</b>	<b>SERVICE AND SUPPLIES</b>			
71	54110 Advertising	5,500.00	6,500.00	12,000.00
72	54140 Auto Expense	2,889.22	0.00	2,889.22
73	54170 Auto Allowance	1,683.92	0.00	1,683.92
74	54200 Credit Card Fee & Bank Charges	54,782.51	0.00	54,782.51
75	54230 Dues & Subscriptions	23,600.00	1,200.00	24,800.00
76	54260 Education & Training	43,344.60	3,200.00	46,544.60
77	54290 Employment Expense	3,000.00	3,000.00	6,000.00
78	57110 Equipment Rental/ Lease	10,400.00	2,500.00	12,900.00
79	54320 General Maintenance	4,083.91	369.87	4,453.78
80	54350 Insurance	139,992.19	2,335.46	142,327.65
81	54380 Insurance - Vehicle	26,016.74	1,660.67	27,677.42
82	54410 Fuel Costs	66,175.56	2,685.26	68,860.82
83	54440 Meeting, Seminar & Supplies	5,803.40	575.67	6,379.07
84	54470 Travel Expense	40,897.05	2,100.00	42,997.05
85	54500 Operating Supplies	94,444.36	17,421.54	111,865.90
86	54530 Office Supplies	29,491.99	750.00	30,241.99
87	54620 Repair & Maintenance	889,113.75	114,300.00	1,003,413.75
88	54650 Small Tools	15,850.00	1,300.00	17,150.00
89	54680 Uniforms	10,000.00	2,000.00	12,000.00

		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2020/2021 BUDGET	2020/2021 BUDGET	2020/2021 BUDGET
90	54710 Vehicle Maintenance	54,725.00	4,100.00	58,825.00
91	54740 Easement Lease	1,048.00	0.00	1,048.00
92	54770 Computer & Equipment Maint	9,000.00	0.00	9,000.00
93	54800 Programs (Wtr Cons, parks,etc)	10,000.00	44,900.00	54,900.00
94	54801 Senior Lunch Program	0.00	22,600.00	22,600.00
95	54802 Farmers Market	0.00	21,000.00	21,000.00
96	54803 Fall Festival	0.00	800.00	800.00
97	54830 State & County Fees & Services	14,650.00	350.00	15,000.00
98	54860 Postage & Mailing	57,782.19	668.01	58,450.20
99	54890 Printing	10,060.00	0.00	10,060.00
100	54920 Public Relation	2,500.00	10,500.00	13,000.00
101	<b>Total - SERVICE AND SUPPLIES</b>	1,626,834.38	266,816.49	1,893,650.87
102	<b>UTILITIES - Electric/Phone/Gas</b>			
103	58010 Telephone	30,677.70	4,119.14	34,796.83
104	58110 Utilities - Operations	880,012.46	29,801.13	909,813.59
105	58115 Utilities - Solar Credit	(409,700.00)	0.00	(409,700.00)
106	58111 Utilities - Street Lights	0.00	13,010.26	13,010.26
107	<b>Total - UTILITIES - Electric/Phone/Gas</b>	500,990.16	46,930.53	547,920.69
108	<b>OTHER- Depreciation/Amort, etc.</b>			
109	59310 Bad Debt	1,901.24	0.00	1,901.24
110	59110 Property Taxes	325.55	3,103.90	3,429.45
111	59120 Depreciation & Amortization	2,185,664.89	102,619.22	2,288,284.11
112	59310 Other Operating Expenses	0.00	0.00	0.00
113	<b>Total - OTHER- Depreciation/Amort, etc.</b>	2,187,891.68	105,723.12	2,293,614.80
114	<b>Total Expense</b>	7,418,085.44	725,980.87	8,144,066.32
115	<b>Net Operational Income</b>	(1,170,637.05)	(698,625.14)	(1,869,262.19)
116	<b>Other Income/Expense</b>			
117	<b>Other Income</b>			
118	<b>PROPERTY TAXES</b>			
119	71110 Property Taxes - Curr Sec	0.00	1,122,982.00	1,122,982.00
120	71120 Property Taxes - Curr Unsec	0.00	75,848.06	75,848.06
121	71130 Property Taxes - Curr Supplimen	0.00	5,767.58	5,767.58
122	71140 Property Taxes - Curr Unitary	0.00	42,561.12	42,561.12
123	71150 Property Taxes - Curr Other	0.00	19,973.45	19,973.45
124	72110 Property Taxes - Prior Sec	0.00	18,700.30	18,700.30
125	72120 Property Taxes - Prior Unsec	0.00	278.80	278.80
126	72130 Property Taxes - Prior Supplimn	0.00	12,643.68	12,643.68
127	72150 Property Taxes - Prior Other	0.00	886.77	886.77
128	73160 Property Taxes - Homeowner	0.00	9,045.75	9,045.75
129	73170 Tax Penalties & Others	18,691.56	6,475.58	25,167.14
130	<b>SUB-TOTAL PROPERTY TAX REVENUE</b>	18,691.56	1,315,163.08	1,333,854.64
131	71500 Property Tax	260,000.00	(260,000.00)	0.00
132	<b>Total - PROPERTY TAXES</b>	278,691.56	1,055,163.08	1,333,854.64
133	<b>PENALTIES &amp; OTHER FEE</b>			
134	86120 Penalties & Other Fees	180,905.53	0.00	180,905.53
135	<b>Total - PENALTIES &amp; OTHER FEE</b>	180,905.53	0.00	180,905.53



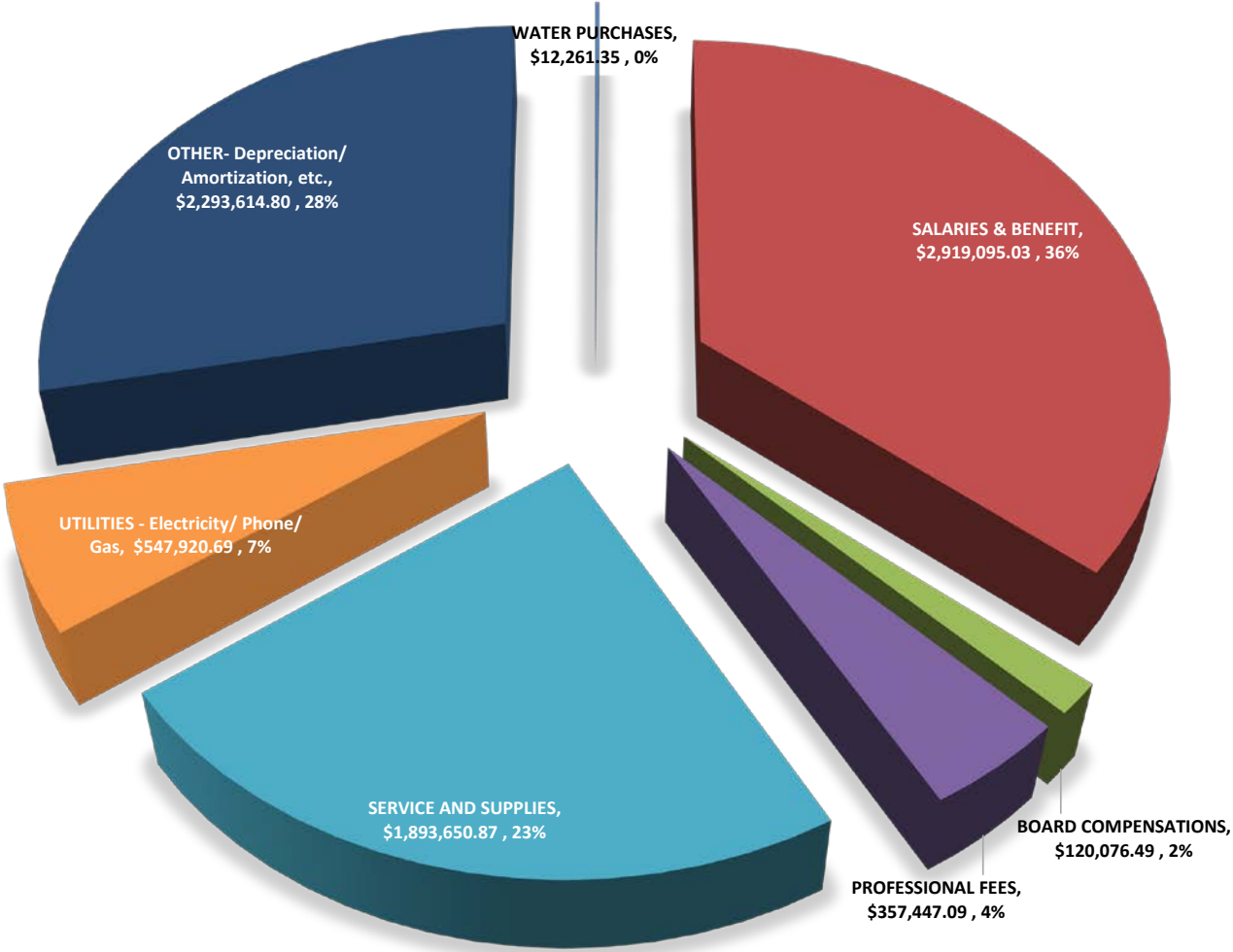
		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2020/2021 BUDGET	2020/2021 BUDGET	2020/2021 BUDGET
136	<b>SOLID WASTE</b>			
137	76100 Solid Waste Franchise Fee	0.00	215,661.13	215,661.13
138	<b>Total - SOLID WASTE</b>	0.00	215,661.13	215,661.13
139	<b>METER INSTALLATION/FEES/CONNECTION</b>			
140	45300 Meter Installation	165,165.37	0.00	165,165.37
141	45400 Permits & Inspections	7,728.19	0.00	7,728.19
142	45500 Connection Fee	539,929.91	0.00	539,929.91
143	<b>Total - METER INSTALLATION/FEES/CONNECTION</b>	712,823.46	0.00	712,823.46
144	<b>OTHER INCOME</b>			
145	88110 Interest Income	215,623.87	114,535.16	330,159.03
146	88120 Other Income - Water Other	4,237.48	0.00	4,237.48
147	88125 Other Income - Senior Lunch	0.00	1,560.72	1,560.72
148	88126 Other Income - Farmers Mkt	0.00	8,329.58	8,329.58
149	88126 Other Income - Fall Festival	0.00	0.00	0.00
150	88128 Other Income - Farmers Mkt MM	0.00	2,319.99	2,319.99
151	88150 Other Income	206,636.44	0.00	206,636.44
152	88170 Other Income	0.00	167,791.49	167,791.49
153	88300 Chromium 6 Surcharge	814,566.15	0.00	814,566.15
154	<b>Total - OTHER INCOME</b>	1,241,063.94	294,536.94	1,535,600.88
155	<b>Total Other Income</b>	2,413,484.48	1,565,361.16	3,978,845.64
156	<b>Other Expense</b>			
157	<b>Other Expense</b>			
158	91010 Interest Expense	336,495.41	0.00	336,495.41
159	92010 Loan Administrator Fee	24,069.34	0.00	24,069.34
160	92500 Chromium 6 Expenses	814,566.15	0.00	814,566.15
161	93010 Tax Deduction	0.00	3,023.49	3,023.49
162	95010 Net Incr/Decr in Fair Value	25,000.00	0.00	25,000.00
163	<b>Total - Other Expense</b>	1,200,130.90	3,023.49	1,203,154.39
164	<b>Total Other Expense</b>	1,200,130.90	3,023.49	1,203,154.39
165	<b>Net Other Income</b>	1,213,353.58	1,562,337.67	2,775,691.25
166	<b>Net Income</b>	42,716.54	863,712.52	906,429.06
	Depr & Amort 40% (Fund = 60%)	874,265.96	41,047.69	915,313.64
	Principal Payments	(569,595.54)	0.00	(569,595.54)
	<b>Net Profit (Loss) after depreciation &amp; principal pmt on loans</b>	347,386.95	904,760.21	1,252,147.16
	Repayment of Reserves	320,000.00	167,791.49	487,791.49
	Capital Projects/Purchases	245,000.00	600,000.00	845,000.00
	<b>TOAL NET INCOME AFTER ALL OBLIGATIONS</b>	(217,613.05)	136,968.72	(80,644.33)

# OPERATIONAL REVENUES



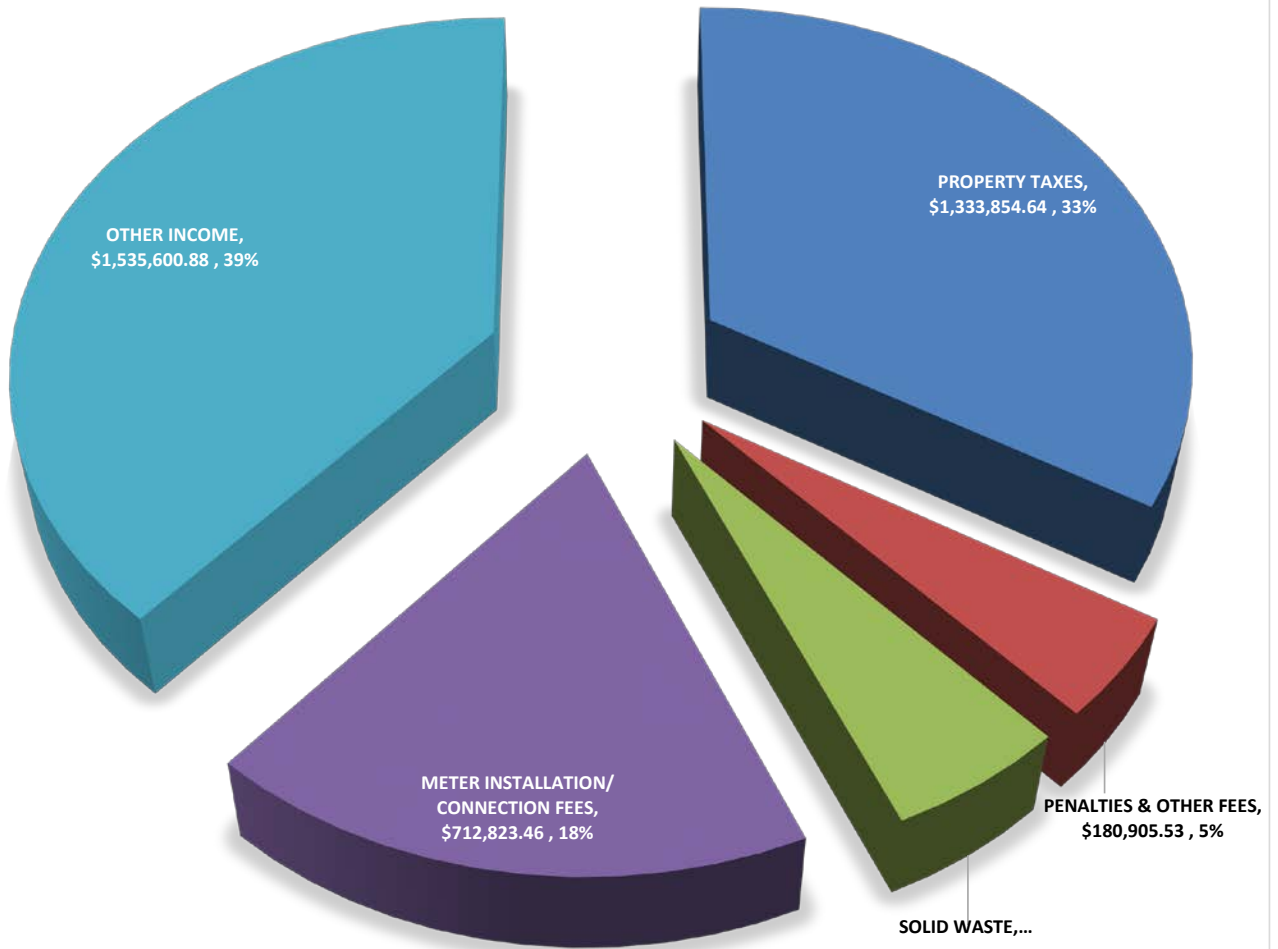
■ WATER CONSUMPTION ■ WATER METER CHARGE ■ SPECIAL ASSESSMENT ■ OTHER SERVICE INCOME ■ PARK & RECREATION FEES

# OPERATIONAL EXPENSES



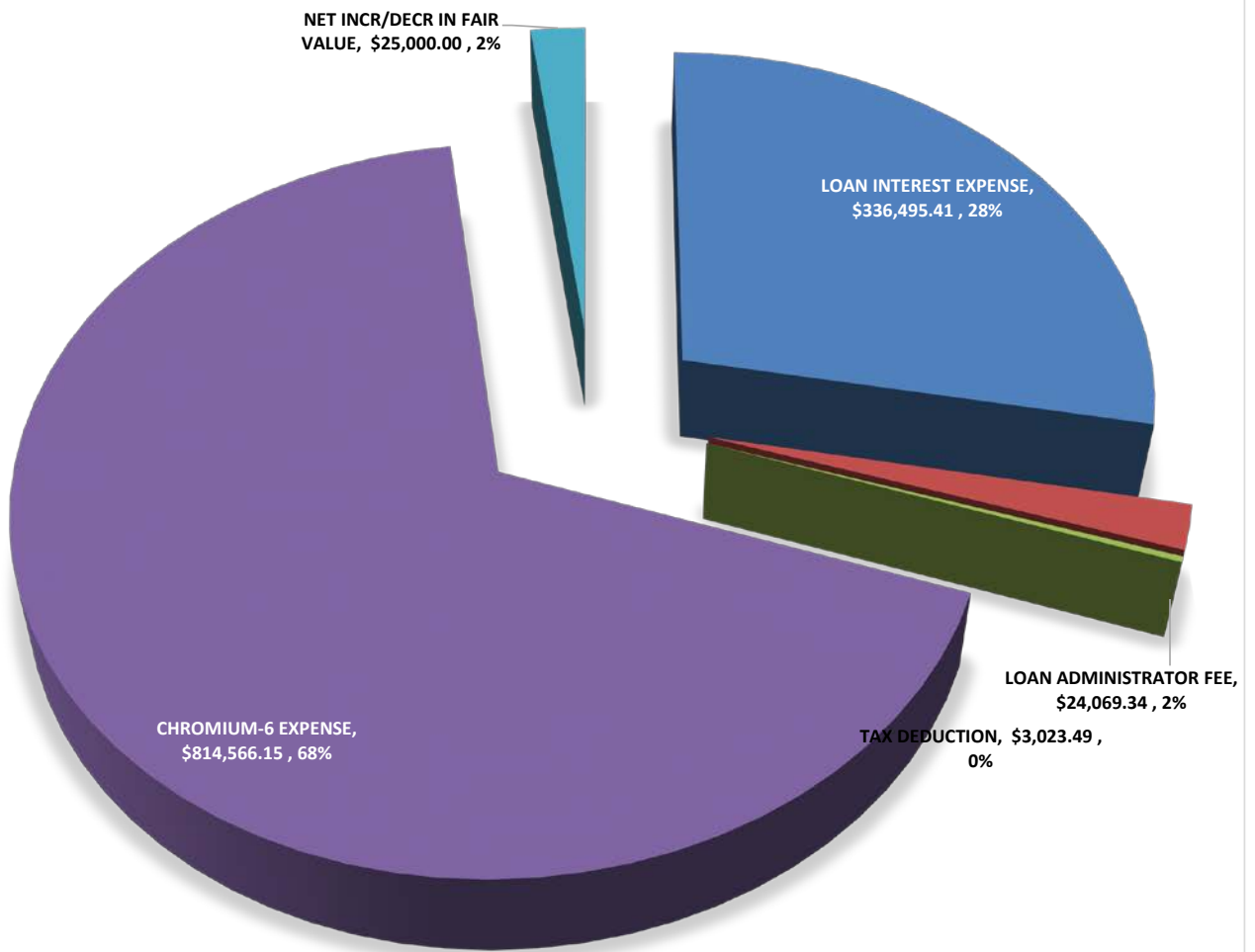
- WATER PURCHASES
- SALARIES & BENEFIT
- BOARD COMPENSATIONS
- PROFESSIONAL FEES
- SERVICE AND SUPPLIES
- UTILITIES - Electricity/ Phone/ Gas
- OTHER- Depreciation/ Amortization, etc.

## NON-OPERATIONAL REVENUES



■ PROPERTY TAXES ■ PENALTIES & OTHER FEES ■ SOLID WASTE ■ METER INSTALLATION/ CONNECTION FEES ■ OTHER INCOME

## NON-OPERATIONAL EXPENSES



■ LOAN INTEREST EXPENSE ■ LOAN ADMINISTRATOR FEE ■ TAX DEDUCTION ■ CHROMIUM-6 EXPENSE ■ NET INCR/DECR IN FAIR VALUE

**Phelan Pinon Hills Community Services District**  
2020/2021 Budget Summary

Assumes: % Over Est Year End Rates/Revenue Expense	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Proposed Budget vs. Prior Year Budget	Proposed Budget vs. Est YE	Description	Proposed Budget vs. Est YE	Line #
	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	EST YE 19/20	Proposed 2020/2021 BUDGET					
<b>1 OPERATIONAL INCOME/EXPENSE</b>																	
<b>2 INCOME</b>																	
3 Water Sales	5,163,681.32	5,513,994.53	5,618,264.24	5,745,722.73	0.00	0.00	0.00	0.00	5,163,681.32	5,513,994.53	5,618,264.24	5,745,722.73	4%	2%	Includes rate change approved (2015 rate study) + 55 new r	127,458.49	3
4 Special Assessment	294,640.30	293,439.30	290,714.60	286,353.88	0.00	0.00	0.00	0.00	294,640.30	293,439.30	290,714.60	286,353.88	-2%	-1%	Assumes no change in standby rates.	(4,360.72)	4
5 Parks	0.00	0.00	0.00	0.00	26,456.25	25,898.93	27,355.73	27,355.73	26,456.25	25,898.93	27,355.73	27,355.73	6%	0%	Assumes no change in fees.	0.00	5
6 Other Service Income	201,447.97	187,822.93	212,871.78	215,371.78	0.00	0.00	0.00	0.00	201,447.97	187,822.93	212,871.78	215,371.78	15%	1%	Assumes slight increase due to growth.	2,500.00	6
7 Total Income from Operations	5,659,769.59	5,995,256.76	6,121,850.62	6,247,448.39	26,456.25	25,898.93	27,355.73	27,355.73	5,686,225.84	6,021,155.69	6,149,206.35	6,274,804.12	4%	2%			7
8 Gross Profit	5,659,769.59	5,995,256.76	6,121,850.62	6,247,448.39	26,456.25	25,898.93	27,355.73	27,355.73	5,686,225.84	6,021,155.69	6,149,206.35	6,274,804.12	4%	2%		125,597.77	8
<b>9 EXPENSE</b>																	
10 Water Purchases	10,937.97	12,727.88	11,962.02	12,261.35	0.00	0.00	0.00	0.00	10,937.97	12,727.88	11,962.02	12,261.35	-4%	3%	Increase per Watermaster report.	299.33	10
11 Salaries & Benefits	2,238,677.93	2,376,969.95	2,532,199.69	2,633,734.26	217,466.78	251,614.22	236,699.93	285,360.77	2,456,144.71	2,628,584.17	2,768,899.62	2,919,095.03	11%	5%	Assumes full staff, 2.9% COLA, 2.5% merit & adjustments.	150,195.41	11
12 Board Compensation	95,288.22	100,581.54	90,869.69	106,373.15	13,459.65	8,899.63	12,465.54	13,703.34	108,747.87	109,481.17	103,335.23	120,076.49	10%	16%	Assumes fees remain same + increased expenses.	16,741.26	12
13 Professional Fees	357,915.76	291,008.48	418,491.78	350,000.46	22,708.61	24,232.02	3,251.05	7,446.63	380,624.37	315,240.50	421,742.83	357,447.09	13%	-15%	Assumes reduction due to no rate study required.	(64,295.74)	13
14 Service and Supplies	1,571,234.20	1,251,917.27	1,447,683.00	1,626,834.38	192,500.68	180,789.87	210,923.99	266,816.49	1,763,734.88	1,432,707.14	1,658,606.99	1,893,650.87	32%	14%	Increase due to: Insurance, Repair and Maint., Programs.	235,043.88	14
15 Utilities - Electric/Phone/Gas	243,130.42	296,447.84	645,361.00	500,990.16	45,858.08	36,340.81	43,548.33	46,930.53	288,988.50	332,788.65	688,909.33	547,920.69	65%	-20%	Assumes 9% incr in electrical costs & incr in solar credits.	(140,988.64)	15
16 Other- Depreciation/Amort, etc.	1,955,235.22	1,844,248.78	1,997,751.55	2,187,891.68	132,679.82	115,938.91	105,662.26	105,723.12	2,087,915.04	1,960,187.69	2,103,413.81	2,293,614.80	17%	9%		190,200.99	16
17 Total Expense	6,472,419.72	6,173,901.74	7,144,318.73	7,418,085.44	624,673.62	617,815.46	612,551.10	725,980.87	7,097,093.34	6,791,717.20	7,756,869.83	8,144,066.32	20%	5%		387,196.48	17
18 Net Operational Income	(812,650.13)	(178,644.98)	(1,022,468.11)	(1,170,637.05)	(598,217.37)	(591,916.53)	(585,195.37)	(698,625.14)	(1,410,867.50)	(770,561.51)	(1,607,663.48)	(1,869,262.19)	143%	16%		(261,598.71)	18
<b>19 NON-OPERATIONAL INCOME/EXPENSE</b>																	
<b>20 NON-OPERATIONAL INCOME</b>																	
21 Property Tax	378,080.31	331,455.95	330,325.06	278,691.56	755,789.27	898,174.72	929,231.06	1,055,163.08	1,133,869.58	1,229,630.67	1,259,556.12	1,333,854.64	8%	6%	Assumes increase per County estimates.	74,298.52	21
22 Penalties & Other Fees	116,692.29	113,668.37	170,665.59	180,905.53	0.00	0.00	0.00	0.00	116,692.29	113,668.37	170,665.59	180,905.53	59%	6%	Assumes % change based on rate change (fees are % based)	10,239.94	22
23 Solid Waste	0.00	0.00	0.00	0.00	184,963.32	212,845.18	209,584.94	215,661.13	184,963.32	212,845.18	209,584.94	215,661.13	100%	3%	Assumes 3% increase in Solid Waste fees.	6,076.19	23
24 Meter Installation/Connection	537,015.21	472,993.81	659,361.70	712,823.46	0.00	0.00	0.00	0.00	537,015.21	472,993.81	659,361.70	712,823.46	51%	8%	Assumes 80 additional meter connections, no large meters.	53,461.76	24
25 Other Income	1,302,600.15	1,310,385.87	1,246,412.56	1,241,063.94	90,354.25	260,457.60	292,575.04	294,536.94	1,392,954.40	1,570,843.47	1,538,987.60	1,535,600.88	-2%	0%	Assumes increase due to lease revenue.	(3,386.72)	25
26 Total Non-Operational Income	2,334,387.96	2,228,504.00	2,406,764.91	2,413,484.48	1,031,106.84	1,371,477.50	1,431,391.04	1,565,361.16	3,365,494.80	3,599,981.50	3,838,155.95	3,978,845.64	11%	4%		140,689.69	26
<b>27 NON-OPERATIONAL EXPENSE</b>																	
28 Other Expense	1,178,594.88	1,162,258.39	1,210,016.48	1,200,130.90	2,500.97	2,600.00	3,023.49	3,023.49	1,181,095.85	1,164,858.39	1,213,039.97	1,203,154.39	3%	-1%	Decrease due to loan costs reducing as loan matures.	(9,885.58)	28
29 Total Non-Operational Expense	1,178,594.88	1,162,258.39	1,210,016.48	1,200,130.90	2,500.97	2,600.00	3,023.49	3,023.49	1,181,095.85	1,164,858.39	1,213,039.97	1,203,154.39	3%	-1%		(9,885.58)	29
30 Net Non-Operational Income	1,155,793.08	1,066,245.61	1,196,748.43	1,213,353.58	1,028,605.87	1,368,877.50	1,428,367.55	1,562,337.67	2,184,398.95	2,435,123.11	2,625,115.98	2,775,691.25	14%	6%		150,575.27	30
31 Net Income	343,142.95	887,600.63	174,280.32	42,716.54	430,388.50	776,960.97	843,172.17	863,712.52	773,531.45	1,664,561.60	1,017,452.50	906,429.06	-46%	-11%		(111,023.44)	31
32 Depr & Amort @ 60%	781,461.35	731,930.89	798,465.96	874,265.96	51,983.39	44,156.48	41,047.69	41,047.69	833,444.74	776,087.36	839,513.64	915,313.64			Add back in 40% not Funded.	75,800.00	32
33 Principal Payments Due on Loan	536,476.80	561,664.12	547,292.35	569,595.54	0.00	0.00	0.00	0.00	536,476.80	561,664.12	547,292.35	569,595.54			Principal portion of loans increase as interest decreases eac	22,303.19	33
34 Net Profit (Loss) Funds for CIP	588,127.50	1,057,867.40	425,453.93	347,386.95	482,371.89	821,117.45	884,219.86	904,760.21	1,070,499.39	1,878,984.84	1,309,673.79	1,252,147.16					34
35 Repayment of Reserves				320,000.00				167,791.49				487,791.49					35
36 Capital Projects/Purchases				245,000.00				600,000.00				845,000.00					36
37 TOTAL NET INCOME AFTER ALL OBLIGATIONS				(217,613.05)				136,968.72				(80,644.33)					37

**Phelan Pinon Hills Community Services District  
2020/2021 Budget Detail**

Assumes: Rates/Revenue Expense	% Over Est Year End 6.00% 2.50%	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud	Bud vs Est YE	20/21 Budget vs. Actual Est YE (Column I / Column H)	Line#
		Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET				
<b>1</b>	<b>Operational Income/Expense</b>																
<b>2</b>	<b>Income</b>																<b>2</b>
<b>3</b>	<b>40 - WATER SALES</b>																<b>3</b>
<b>4</b>	<b>40A - WATER CONSUMPTION</b>																<b>4</b>
5	40010 Water Sales - Residential - C	2,680,441.53	2,847,377.66	2,936,539.12	2,998,500.10	0.00	0.00	0.00	0.00	2,680,441.53	2,847,377.66	2,936,539.12	2,998,500.10	5.3%	2.1%	Includes rate change of 6% to Water and Meter effective 2/1/21.	5
6	40020 Water Sales - Commercial - C	17,188.76	45,696.65	19,106.70	19,509.85	0.00	0.00	0.00	0.00	17,188.76	45,696.65	19,106.70	19,509.85	-57.3%	2.1%		6
7	40030 Water Sales - Fire Protection-C	2,267.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,267.96	0.00	0.00	0.00	0.0%	0.0%	The Chromium 6 surcharge is listed below (Non-Op Revenue) .	7
8	40060 Water Sales - Multiple Res - C	2,619.87	2,662.87	2,691.78	2,748.58	0.00	0.00	0.00	0.00	2,619.87	2,662.87	2,691.78	2,748.58	3.2%	2.1%	as it is specifically for the Chromium 6 project not operations.	8
9	40070 Water Sales - School - C	277,374.46	318,854.99	319,044.65	325,776.49	0.00	0.00	0.00	0.00	277,374.46	318,854.99	319,044.65	325,776.49	2.2%	2.1%		9
10	40090 Water Sales - Construction - C	58,672.29	15,514.33	52,225.18	53,327.13	0.00	0.00	0.00	0.00	58,672.29	15,514.33	52,225.18	53,327.13	243.7%	2.1%		10
11	40095 Water Sales - Construction Non-Potable	7,016.03	5,847.98	3,241.82	3,310.22	0.00	0.00	0.00	0.00	7,016.03	5,847.98	3,241.82	3,310.22	N/A	0.0%		11
<b>12</b>	<b>TOTAL WATER CONSUMPTION</b>	<b>3,045,580.90</b>	<b>3,235,954.48</b>	<b>3,332,849.25</b>	<b>3,403,172.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,045,580.90</b>	<b>3,235,954.48</b>	<b>3,332,849.25</b>	<b>3,403,172.37</b>	<b>5.2%</b>	<b>2.1%</b>	Includes rate change approved with 2020 rate study effective 1/1/21.	<b>12</b>
<b>13</b>	<b>40B - WATER METER CHARGE</b>																<b>13</b>
14	41010 Water Sales - Residential - M	2,068,032.57	2,215,181.84	2,219,000.34	2,274,475.35	0.00	0.00	0.00	0.00	2,068,032.57	2,215,181.84	2,219,000.34	2,274,475.35	2.7%	2.5%	Includes rate change of 6% to Water and Meter effective 2/1/21.	14
15	41020 Water Sales - Commercial - M	14,481.90	15,705.34	15,314.18	15,697.03	0.00	0.00	0.00	0.00	14,481.90	15,705.34	15,314.18	15,697.03	-0.1%	2.5%		15
16	41030 Water Sales - Fire Protection-M	0.00	2,404.08	2,262.33	2,318.89	0.00	0.00	0.00	0.00	0.00	2,404.08	2,262.33	2,318.89	-3.5%	2.5%		16
17	41060 Water Sales - Multiple Res - M	2,314.53	2,454.32	2,453.37	2,514.70	0.00	0.00	0.00	0.00	2,314.53	2,454.32	2,453.37	2,514.70	2.5%	2.5%		17
18	41070 Water Sales - School - M	26,145.50	30,666.62	31,289.10	32,071.33	0.00	0.00	0.00	0.00	26,145.50	30,666.62	31,289.10	32,071.33	4.6%	2.5%		18
19	41090 Water Sales - Construction - M	7,125.92	11,627.85	15,095.67	15,473.06	0.00	0.00	0.00	0.00	7,125.92	11,627.85	15,095.67	15,473.06	33.1%	2.5%	Assumes similar amount of construction.	19
20	41095 Water Sales - Construction Non Potable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	0.0%		20
<b>21</b>	<b>TOTAL WATER METER CHARGE</b>	<b>2,118,100.42</b>	<b>2,278,040.05</b>	<b>2,285,414.99</b>	<b>2,342,550.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,118,100.42</b>	<b>2,278,040.05</b>	<b>2,285,414.99</b>	<b>2,342,550.36</b>	<b>2.8%</b>	<b>2.5%</b>	Includes rate change approved (2020 rate study) + 80 new meters	<b>21</b>
<b>22</b>	<b>Total - WATER SALES</b>	<b>5,163,681.32</b>	<b>5,513,994.53</b>	<b>5,618,264.24</b>	<b>5,745,722.73</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,163,681.32</b>	<b>5,513,994.53</b>	<b>5,618,264.24</b>	<b>5,745,722.73</b>	<b>4.2%</b>	<b>2.3%</b>	Includes rate change of 6% effective 2/1/21.	<b>22</b>
<b>23</b>	<b>71 - SPECIAL ASSESSMENT</b>																<b>23</b>
24	74110 Special Assessments	294,640.30	293,439.30	290,714.60	286,353.88	0.00	0.00	0.00	0.00	294,640.30	293,439.30	290,714.60	286,353.88	-2.4%	-1.5%	Assumes slight change due to Incr. in new meter sets.	24
<b>25</b>	<b>TOTAL SPECIAL ASSESSMENT</b>	<b>294,640.30</b>	<b>293,439.30</b>	<b>290,714.60</b>	<b>286,353.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>294,640.30</b>	<b>293,439.30</b>	<b>290,714.60</b>	<b>286,353.88</b>	<b>-2.4%</b>	<b>-1.5%</b>	Assumes no change in standby rates.	<b>25</b>
<b>26</b>	<b>46 - PARKS</b>																<b>26</b>
27	47600 Park & Recreation Fee	0.00	0.00	0.00	0.00	26,456.25	25,898.93	27,355.73	27,355.73	26,456.25	25,898.93	27,355.73	27,355.73	5.6%	0.0%	Does not include Farmers Market or special programs (see below).	27
<b>28</b>	<b>TOTAL PARKS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26,456.25</b>	<b>25,898.93</b>	<b>27,355.73</b>	<b>27,355.73</b>	<b>26,456.25</b>	<b>25,898.93</b>	<b>27,355.73</b>	<b>27,355.73</b>	<b>5.6%</b>	<b>0.0%</b>	Assumes no change in fees.	<b>28</b>
<b>29</b>	<b>48 - OTHER SERVICE INCOME</b>																<b>29</b>
30	48200 Other Services Incomes	146,862.10	128,423.57	142,732.71	144,232.71	0.00	0.00	0.00	0.00	146,862.10	128,423.57	142,732.71	144,232.71	12.3%	1.1%		30
31	48700 Administrative Fees	54,585.87	59,399.36	70,139.07	71,139.07	0.00	0.00	0.00	0.00	54,585.87	59,399.36	70,139.07	71,139.07	19.8%	1.4%		31
<b>32</b>	<b>TOTAL OTHER SERVICE INCOME</b>	<b>201,447.97</b>	<b>187,822.93</b>	<b>212,871.78</b>	<b>215,371.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>201,447.97</b>	<b>187,822.93</b>	<b>212,871.78</b>	<b>215,371.78</b>	<b>14.7%</b>	<b>1.2%</b>	Assumes slight increase due to growth.	<b>32</b>
<b>33</b>	<b>TOTAL INCOME FROM OPERATIONS</b>	<b>5,659,769.59</b>	<b>5,995,256.76</b>	<b>6,121,850.62</b>	<b>6,247,448.39</b>	<b>26,456.25</b>	<b>25,898.93</b>	<b>27,355.73</b>	<b>27,355.73</b>	<b>5,686,225.84</b>	<b>6,021,155.69</b>	<b>6,149,206.35</b>	<b>6,274,804.12</b>	<b>4.2%</b>	<b>2.0%</b>		<b>33</b>
<b>34</b>	<b>GROSS PROFIT</b>	<b>5,659,769.59</b>	<b>5,995,256.76</b>	<b>6,121,850.62</b>	<b>6,247,448.39</b>	<b>26,456.25</b>	<b>25,898.93</b>	<b>27,355.73</b>	<b>27,355.73</b>	<b>5,686,225.84</b>	<b>6,021,155.69</b>	<b>6,149,206.35</b>	<b>6,274,804.12</b>	<b>4.2%</b>	<b>2.0%</b>		<b>34</b>
<b>35</b>	<b>0.03</b>	<b>0.02</b>	<b>0.03</b>	<b>0.02</b>	<b>0.03</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>				<b>35</b>
<b>36</b>	<b>50 - WATER PURCHASES</b>																<b>36</b>
37	50010 MWA WM Admin. & Bio Fee	9,837.97	11,727.88	10,962.02	11,011.35	0.00	0.00	0.00	0.00	9,837.97	11,727.88	10,962.02	11,011.35	-6.1%	0.4%	Increase per Watermaster report.	37
38	50020 MWA WM Make Up Water	1,100.00	1,000.00	1,000.00	1,250.00	0.00	0.00	0.00	0.00	1,100.00	1,000.00	1,000.00	1,250.00	0.0%	25.0%	20 AF @ \$50/AF Make Up Obligation in Alto .	38
39	50030 MWA WM Replacement Water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%	SAVINGS due to Water Rights purchased = \$791,350 this year.	39
40	50040 Water Purchases - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%	Assumes no water from other agencies.	40
<b>41</b>	<b>TOTAL WATER PURCHASES</b>	<b>10,937.97</b>	<b>12,727.88</b>	<b>11,962.02</b>	<b>12,261.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,937.97</b>	<b>12,727.88</b>	<b>11,962.02</b>	<b>12,261.35</b>	<b>-3.7%</b>	<b>2.5%</b>		<b>41</b>
<b>42</b>	<b>51 - SALARIES &amp; BENEFITS</b>																<b>42</b>
43	51110 Salaries & Wages	1,322,264.44	1,385,765.65	1,428,490.19	1,543,812.13	138,737.72	163,682.60	149,214.38	176,982.76	1,461,002.16	1,549,448.25	1,577,704.58	1,720,794.89	11.1%	9.1%	Includes COLA and Merit Incr. + 2 retirements & replacement overlap	43
44	51120 Vacations	84,505.53	90,162.82	98,684.82	110,551.65	8,038.61	10,353.29	10,715.30	12,860.48	92,544.14	100,516.11	109,400.11	123,412.14	22.8%	12.8%	Vacation time increased for several staff due to longevity.	44
45	51130 Holiday	61,714.52	63,960.08	73,522.44	74,155.26	5,568.92	7,418.16	4,752.98	8,195.41	67,283.44	71,378.24	78,275.42	82,350.68	15.4%	5.2%		45
46	51140 Sick Pay	67,324.92	69,856.49	78,996.75	80,896.65	6,075.19	8,101.62	6,553.51	8,940.45	73,400.11	77,958.11	85,550.26	89,837.10	15.2%	5.0%		46



**Phelan Pinon Hills Community Services District**  
2020/2021 Budget Detail

Assumes: Rates/Rever Expense	% Over Est Year End 6.00% 2.50%	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud	Bud vs Est YE	20/21 Budget vs. Actual Est YE (Column I / Column H)	Line#		
		Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET						
47	51150 Misc. Earn	63,973.49	68,274.77	81,119.69	73,331.48	2,040.00	1,840.00	3,658.45	3,443.53	66,013.49	70,114.77	84,778.14	76,775.01	9.5%	-9.4%	Total Reg/Vac/Hol/Sic/Misc	20/21 Bud	47	
48	51170 Overtime	108,521.57	135,803.80	170,010.17	144,139.77	5,286.08	3,791.68	9,757.85	5,508.01	113,807.65	139,595.48	179,768.02	149,647.78	7.2%	-16.8%		1,935,708.51	2,093,169.82	48
49	51210 Payroll Taxes	38,102.66	42,576.27	39,575.28	40,208.91	4,371.60	5,210.04	4,662.98	4,499.79	42,474.26	47,786.31	44,238.26	44,708.70	-6.4%	1.1%		8%	157,461.30	49
50	51220 Worker's Compensation	33,621.86	36,396.56	36,448.56	39,105.84	8,908.30	10,312.76	8,809.97	9,793.08	42,530.16	46,709.32	45,258.53	48,898.92	4.7%	8.0%	SDRMA Increase to rates. Decrease in Exp Mod due to safety.			50
51	51230 Employee Group Insurance	278,022.35	281,988.41	294,777.85	283,641.44	20,488.69	20,049.34	18,512.13	29,586.56	298,511.04	302,037.75	313,289.98	313,228.00	3.7%	0.0%	Assumes an increase in Insurance premiums & employer contribution			51
52	51240 Retirement	180,626.59	202,185.10	230,573.94	243,891.12	17,951.67	20,854.73	20,062.38	25,550.69	198,578.26	223,039.83	250,636.32	269,441.81	20.8%	7.5%	Was \$1,203 + COLA (PY) and Current COLA = \$1,238			52
53	<b>TOTAL SALARIES &amp; BENEFITS</b>	2,238,677.93	2,376,969.95	2,532,199.69	2,633,734.26	217,466.78	251,614.22	236,699.93	285,360.77	2,456,144.71	2,628,584.17	2,768,899.62	2,919,095.03	11.1%	5.4%	Assumes full staff, 2.9% COLA, 2.5% merit & adjustments.		150,195.41	53
54	<b>52 - BOARD COMPENSATIONS (Expenses)</b>																		54
55	52110 Board Director's Fee	36,750.00	39,600.00	32,917.50	46,080.00	5,280.00	1,736.91	4,890.60	5,760.00	42,030.00	41,336.91	37,808.10	51,840.00	25.4%	37.1%	Assumes increase in stipend amount.			55
56	52210 Board Exp - Auto Expense	3,823.16	2,272.83	1,041.64	1,041.64	335.70	227.97	206.98	206.98	4,158.86	2,500.80	1,248.62	1,248.62	-50.1%	0.0%				56
57	52220 Board Exp - Meals & Lodging	13,883.73	16,500.00	10,960.61	11,234.63	0.00	0.00	0.00	0.00	13,883.73	16,500.00	10,960.61	11,234.63	-31.9%	2.5%	Assumes increase in costs.			57
58	52230 Board Exp - Education/Training	2,919.60	10,000.00	9,222.03	9,452.58	0.00	0.00	0.00	0.00	2,919.60	10,000.00	9,222.03	9,452.58	-5.5%	2.5%	Assumes increase in costs.			58
59	52240 Board Exp - Insurance & Other Expense	37,911.73	32,208.71	36,727.91	38,564.31	7,843.95	6,934.75	7,367.96	7,736.36	45,755.68	39,143.46	44,095.87	46,300.66	18.3%	5.0%	Assumes an increase in Insurance.		2,204.79	59
60	<b>TOTAL BOARD COMPENSATIONS (Expenses)</b>	95,288.22	100,581.54	90,869.69	106,373.15	13,459.65	8,899.63	12,465.54	13,703.34	108,747.87	109,481.17	103,335.23	120,076.49	9.7%	16.2%	Assumes fees remain same + increased expenses.		16,741.26	60
61	<b>53 - PROFESSIONAL FEE</b>																		61
62	53110 Auditing & Accounting Fees	19,207.87	18,000.00	24,152.04	24,500.00	960.39	1,000.00	500.00	500.00	20,168.26	19,000.00	24,652.04	25,000.00	31.6%	1.4%				62
63	53120 Legal Services	103,331.09	64,368.20	104,364.33	83,474.36	12,474.99	18,204.78	1,368.00	2,500.00	115,806.08	82,572.98	105,732.33	85,974.36	4.1%	-18.7%	Assumes decrease due to extraordinary issues in PY.		(19,757.97)	63
64	53130 Engineering	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	0.0%	0.0%	(SB998, Water Rate Study, etc.)			64
65	53140 Laboratory Analysis	13,000.00	13,000.00	23,380.83	19,000.00	0.00	0.00	0.00	0.00	13,000.00	13,000.00	23,380.83	19,000.00	46.2%	-18.7%	Required Water Quality testing varies from year to year.		(4,380.83)	65
66	53150 Outside Service	90,582.54	58,258.64	121,660.17	74,916.99	5,994.66	2,727.24	0.00	2,100.00	96,577.20	60,985.88	121,660.17	77,016.99	26.3%	-36.7%	No rate study in 20/21.		(44,643.18)	66
67	53160 Permits & Fees	35,154.82	37,448.57	54,296.25	55,205.00	1,650.00	1,800.00	1,046.52	2,000.00	36,804.82	39,248.57	55,342.77	57,205.00	45.8%	3.4%			1,862.23	67
68	53170 Software Support	96,639.44	99,933.07	90,638.16	92,904.11	1,328.57	500.00	336.53	346.63	97,968.01	100,433.07	90,974.69	93,250.74	-7.2%	2.5%				68
69	<b>TOTAL PROFESSIONAL FEE</b>	357,915.76	291,008.48	418,491.78	350,000.46	22,708.61	24,232.02	3,251.05	7,446.63	380,624.37	315,240.50	421,742.83	357,447.09	13.4%	-15.2%	Assumes reduction due to no rate study required.		(64,295.74)	69
70	<b>54 - SERVICE AND SUPPLIES</b>																		70
71	54110 Advertising	5,219.34	6,788.22	7,469.07	5,500.00	4,505.33	4,500.00	4,431.20	6,500.00	9,724.67	11,288.22	11,900.27	12,000.00	6.3%	0.8%	Reduced advertising due to prop 218 events (Water).			71
72	54140 Auto Expense	2,975.84	3,443.64	2,860.61	2,889.22	304.18	0.00	0.00	0.00	3,280.02	3,443.64	2,860.61	2,889.22	-16.1%	1.0%				72
73	54170 Auto Allowance	7,800.00	7,800.00	1,667.25	1,683.92	0.00	0.00	0.00	0.00	7,800.00	7,800.00	1,667.25	1,683.92	-78.4%	1.0%				73
74	54200 Credit Card Fee & Bank Charges	46,579.93	51,817.01	49,802.28	54,782.51	0.00	0.00	0.00	0.00	46,579.93	51,817.01	49,802.28	54,782.51	5.7%	10.0%	Increase in credit card activity. Offset by Admin Revenue #48700.			74
75	54230 Dues & Subscriptions	18,281.95	19,891.07	23,419.10	23,600.00	898.28	645.75	1,144.42	1,200.00	19,180.23	20,536.82	24,563.52	24,800.00	20.8%	1.0%				75
76	54260 Education & Training	30,188.67	44,653.33	43,198.58	43,344.60	2,540.00	3,100.00	2,188.10	3,200.00	32,728.67	47,753.33	45,386.68	46,544.60	-2.5%	2.6%	Required Hours for certifications, etc.			76
77	54290 Employment Expense	1,581.88	1,665.12	3,052.09	3,000.00	0.00	3,614.66	0.00	3,000.00	1,581.88	5,279.78	3,052.09	6,000.00	13.6%	96.6%	Assumes two repl positions.			77
78	54300 Equipment Rental/ Lease	10,100.20	11,310.89	16,951.75	10,400.00	2,511.16	1,578.71	3,689.05	2,500.00	12,611.36	12,889.60	20,640.80	12,900.00	0.1%	-37.5%	Equipment replaced. Rental is expected to go down.			78
79	54320 General Maintenance	5,322.66	4,743.19	3,984.30	4,083.91	259.62	740.05	359.10	369.87	5,582.28	5,483.24	4,343.40	4,453.78	-18.8%	2.5%				79
80	54350 Insurance	83,259.90	95,708.19	107,686.30	139,992.19	1,766.68	2,051.40	1,796.51	2,335.46	85,026.58	97,759.59	109,482.81	142,327.65	45.6%	30.0%	30% increase in property, liability.		32,844.84	80
81	54380 Insurance - Vehicle	19,231.85	19,037.28	20,012.88	26,016.74	1,211.20	1,587.60	1,277.44	1,660.67	20,443.05	20,624.88	21,290.32	27,677.42	34.2%	30.0%	30% increase in vehicle insurance.		6,387.10	81
82	54410 Fuel Costs	51,381.50	57,637.94	65,520.36	66,175.56	1,561.95	1,752.50	2,658.67	2,685.26	52,943.45	59,390.44	68,179.03	68,860.82	15.9%	1.0%	Fuel cost are expected to raise slightly, between cost and tax.			82
83	54440 Meeting, Seminar & Supplies	5,834.35	3,545.75	5,661.85	5,803.40	296.71	923.10	561.63	575.67	6,131.06	4,468.85	6,223.48	6,379.07	42.7%	2.5%				83
84	54470 Travel Expense	25,383.01	28,941.42	39,705.87	40,897.05	2,074.66	898.09	0.00	2,100.00	27,457.67	29,839.51	39,705.87	42,997.05	44.1%	8.3%	Parks cert required e/o year.			84
85	54500 Operating Supplies	98,210.92	108,999.91	92,895.13	94,444.36	10,450.00	19,000.00	17,242.69	17,421.54	108,660.92	127,999.91	110,137.82	111,865.90	-12.6%	1.6%			1,728.08	85
86	54530 Office Supplies	25,402.72	28,121.51	28,775.21	29,491.99	1,310.14	500.00	750.00	750.00	26,712.86	28,621.51	29,525.21	30,241.99	5.7%	2.4%				86
87	54620 Repair & Maintenance	920,992.78	584,957.74	734,732.84	889,113.75	43,266.28	32,250.00	88,677.30	114,300.00	964,259.06	617,207.74	823,410.14	1,003,413.75	62.6%	21.9%	Well repair, booster repair, leak clamp repl. etc., .		180,003.61	87
88	54650 Small Tools	21,716.27	17,322.05	16,294.59	15,850.00	1,000.00	1,200.00	1,260.42	1,300.00	22,716.27	18,522.05	17,555.01	17,150.00	-7.4%	-2.3%	Rep & Main: HVAC, paint, appliances, water heaters, etc for CC.			88
89	54680 Uniforms	9,290.88	10,891.62	9,732.87	10,000.00	1,940.32	1,718.01	1,924.70	2,000.00	11,231.20	12,609.63	11,657.57	12,000.00	-4.8%	2.9%				89
90	54710 Vehicle Maintenance	43,666.98	49,750.80	69,188.45	54,725.00	3,495.97	4,000.00	2,861.36	4,100.00	47,162.95	53,750.80	72,049.81	58,825.00	9.4%	-18.4%	Replaced two aging vehicles in 2020. Maint will be reduced.		(13,224.81)	90
91	54740 Easement Lease	1,013.04	1,038.37	1,048.00	1,048.00	0.00	0.00	0.00	0.00	1,013.04	1,038.37	1,048.00	1,048.00	0.9%	0.0%				91
92	54770 Computer & Equipment Maint	6,219.59	7,350.00	8,721.48	9,000.00	0.00	0.00	0.00	0.00	6,219.59	7,350.00	8,721.48	9,000.00	22.4%	3.2%	Upgrades to computer equipment.			92
93	54800 Programs (Wtr Cons, parks, etc)	23,414.70	12,555.58	9,879.90	10,000.00	56,830.00	44,630.00	30,388.24	44,900.00	80,244.70	57,185.58	40,268.14	54,900.00	-4.0%	36.3%	Additional Park and Solid Waste Programs.		14,631.86	93
94	54801 Senior Lunch Program	0.00	0.00	0.00	0.00	21,180.94	22,500.00	18,914.58	22,600.00	21,180.94	22,500.00	18,914.58	22,600.00	100.0%	19.5%	Assumes increase in food costs.			94
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**Phelan Pinon Hills Community Services District**  
2020/2021 Budget Detail

Assumes: Rates/Revenue Expense	% Over Est Year End 6.00% 2.50%	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud	Bud vs Est YE		20/21 Budget vs. Actual Est YE (Column I / Column H)	Line#
		Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET					
99 54890 Printing		22,786.78	11,532.00	11,989.60	10,060.00	0.00	0.00	0.00	0.00	22,786.78	11,532.00	11,989.60	10,060.00	-12.8%	-16.1%	Decrease due to Prop 218 notifications for Water last year.		99
100 54920 Public Relation		2,238.08	300.00	2,500.00	2,500.00	14,000.00	12,500.00	10,088.00	10,500.00	16,238.08	12,800.00	12,588.00	13,000.00	1.6%	3.3%	Solid Waste & Parks partnerships.	412.00	100
<b>101 TOTAL SERVICE AND SUPPLIES</b>		1,571,234.20	1,251,917.27	1,447,683.00	1,626,834.38	192,500.68	180,789.87	210,923.99	266,816.49	1,763,734.88	1,432,707.14	1,658,606.99	1,893,650.87	32.2%	14.2%	Increase due to: Insurance, Repair and Maint., Programs.	235,043.88	101
<b>102 58 - UTILITIES - Electric/Phone/Gas</b>																		102
103 58010 Telephone		25,135.79	26,765.26	29,929.46	30,677.70	326.00	800.75	4,018.67	4,119.14	25,461.79	27,566.01	33,948.13	34,796.83	26.2%	2.5%			103
104 58110 Utilities - Operations		589,785.03	682,332.16	807,411.02	880,012.46	35,301.82	26,971.72	27,593.64	29,801.13	625,086.85	709,303.88	835,004.66	909,813.59	28.3%	9.0%	Increase in Electric Costs of 9%.	74,808.93	104
105 58115 Utilities - Solar Credit		(371,790.40)	(412,649.58)	(191,979.48)	(409,700.00)	0.00	0.00	0.00	0.00	(371,790.40)	(412,649.58)	(191,979.48)	(409,700.00)	-0.7%	113.4%	Fifth year credits, Proforma dated Sept 2014, @ 75%	(217,720.52)	105
106 58210 Utilities - Street Lights		0.00	0.00	0.00	0.00	10,230.26	8,568.34	11,936.02	13,010.26	10,230.26	8,568.34	11,936.02	13,010.26	51.8%	9.0%	Increase in Electric Costs of 9%.		106
<b>107 TOTAL UTILITIES - Electric/Phone/Gas</b>		243,130.42	296,447.84	645,361.00	500,990.16	45,858.08	36,340.81	43,548.33	46,930.53	288,988.50	332,788.65	688,909.33	547,920.69	64.6%	-20.5%	Assumes 9% incr in electrical costs & incr in solar credits.	(140,988.64)	107
<b>108 59 - OTHER- Depreciation/Amort, etc.</b>																		108
109 59100 Bad Debt		1,306.76	3,588.22	1,267.49	1,901.24	0.00	0.00	0.00	0.00	1,306.76	3,588.22	1,267.49	1,901.24	-47.0%	50.0%	Assumes increase due to SD998, etc.		109
110 59110 Property Taxes		275.09	280.48	319.17	325.55	2,721.35	5,547.72	3,043.04	3,103.90	2,996.44	5,828.20	3,362.21	3,429.45	-41.2%	2.0%	Assumes 2% increase.		110
111 59120 Depreciation & Amortization		1,953,653.37	1,829,827.22	1,996,164.89	2,185,664.89	129,958.47	110,391.19	102,619.22	102,619.22	2,083,611.84	1,940,218.41	2,098,784.11	2,288,284.11	17.9%	9.0%	Assumes slight increase in assets.	189,500.00	111
112 59310 Other Operating Expenses		0.00	10,552.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,552.86	0.00	0.00	-100.0%	0.0%			112
<b>113 TOTAL OTHER- Depreciation/Amort, etc.</b>		1,955,235.22	1,844,248.78	1,997,751.55	2,187,891.68	132,679.82	115,938.91	105,662.26	105,723.12	2,087,915.04	1,960,187.69	2,103,413.81	2,293,614.80	17.0%	9.0%	Assumes slight increase in prop. tax bill and depreciation	190,200.99	113
<b>114 TOTAL EXPENSE</b>		6,472,419.72	6,173,901.74	7,144,318.73	7,418,085.44	624,673.62	617,815.46	612,551.10	725,980.87	7,097,093.34	6,791,717.20	7,756,869.83	8,144,066.32	19.9%	5.0%	Increase in Insurance & Repair and Maintenance & Edison.	387,196.48	114
<b>115 NET OPERATIONAL INCOME</b>		(812,650.13)	(178,644.98)	(1,022,468.11)	(1,170,637.05)	(598,217.37)	(591,916.53)	(585,195.37)	(698,625.14)	(1,410,867.50)	(770,561.51)	(1,607,663.48)	(1,869,262.19)	142.6%	16.3%		(261,598.71)	115
<b>116 NON-OPERATIONAL INCOME/EXPENSE</b>																		116
<b>117 NON-OPERATIONAL INCOME</b>						0.02	0.02	0.02	0.02									117
<b>118 70 - PROPERTY TAXES</b>																		118
119 71110 Property Taxes - Curr Sec		0.00	0.00	0.00	0.00	951,044.41	1,028,269.22	1,066,246.06	1,122,982.00	951,044.41	1,028,269.22	1,066,246.06	1,122,982.00	9.2%	5.3%	Assumes increase in property tax.		119
120 71120 Property Taxes - Curr Unsec		0.00	0.00	0.00	0.00	61,188.60	66,157.11	72,016.02	75,848.06	61,188.60	66,157.11	72,016.02	75,848.06	14.6%	5.3%	(Per County report on Districts share of General Tax).		120
121 71130 Property Taxes - Curr Supplimen		0.00	0.00	0.00	0.00	10,460.49	11,309.88	5,476.19	5,767.58	10,460.49	11,309.88	5,476.19	5,767.58	-49.0%	5.3%			121
122 71140 Property Taxes - Curr Unitary		0.00	0.00	0.00	0.00	36,347.76	39,299.20	31,439.36	42,561.12	36,347.76	39,299.20	31,439.36	42,561.12	8.3%	35.4%			122
123 71150 Property Taxes - Curr Other		0.00	0.00	0.00	0.00	14,855.04	16,061.27	18,964.34	19,973.45	14,855.04	16,061.27	18,964.34	19,973.45	24.4%	5.3%			123
124 72110 Property Taxes - Prior Sec		0.00	0.00	0.00	0.00	20,061.02	19,834.29	18,333.63	18,700.30	20,061.02	19,834.29	18,333.63	18,700.30	-5.7%	2.0%	Assumes prior year collections will be similar to last fiscal year.		124
125 72120 Property Taxes - Prior Unsec		0.00	0.00	0.00	0.00	335.77	520.38	273.33	278.80	335.77	520.38	273.33	278.80	-46.4%	2.0%			125
126 72130 Property Taxes - Prior Supplimn		0.00	0.00	0.00	0.00	8,036.56	12,396.32	12,395.76	12,643.68	8,036.56	12,396.32	12,395.76	12,643.68	2.0%	2.0%			126
127 72150 Property Taxes - Prior Other		0.00	0.00	0.00	0.00	1,742.84	946.16	869.38	886.77	1,742.84	946.16	869.38	886.77	-6.3%	2.0%			127
128 73160 Property Taxes - Homeowner		0.00	0.00	0.00	0.00	7,903.64	9,425.93	8,868.38	9,045.75	7,903.64	9,425.93	8,868.38	9,045.75	-4.0%	2.0%			128
129 73170 Tax Penalties & Others		15,200.31	19,455.95	18,325.06	18,691.56	6,693.14	5,954.96	6,348.61	6,475.58	21,893.45	25,410.91	24,673.67	25,167.14	-1.0%	2.0%	From past due taxes being paid.		129
<b>130 SUB-TOTAL PROPERTY TAX REVENUE</b>		15,200.31	19,455.95	18,325.06	18,691.56	1,118,669.27	1,210,174.72	1,241,231.06	1,315,163.08	1,133,869.58	1,229,630.67	1,259,556.12	1,333,854.64	8.5%	5.9%			130
131 99030 Property Tax		362,880.00	312,000.00	312,000.00	260,000.00	(362,880.00)	(312,000.00)	(312,000.00)	(260,000.00)	0.00	0.00	0.00	0.00	0.0%	0.0%	10% Decrease of transfer - per Board.	(52,000.00)	131
<b>132 TOTAL PROPERTY TAXES</b>		378,080.31	331,455.95	330,325.06	278,691.56	755,789.27	898,174.72	929,231.06	1,055,163.08	1,133,869.58	1,229,630.67	1,259,556.12	1,333,854.64	8.5%	5.9%	Assumes increase per County estimates.	74,298.52	132
<b>133 75 - PENALTIES &amp; OTHER FEE</b>																		133
134 86120 Penalties & Other Fees		116,692.29	113,668.37	170,665.59	180,905.53	0.00	0.00	0.00	0.00	116,692.29	113,668.37	170,665.59	180,905.53	59.2%	6.0%			134
<b>135 TOTAL PENALTIES &amp; OTHER FEE</b>		116,692.29	113,668.37	170,665.59	180,905.53	0.00	0.00	0.00	0.00	116,692.29	113,668.37	170,665.59	180,905.53	59.2%	6.0%	Assumes % change based on rate change (fees are % based).	10,239.94	135
<b>136 48 - SOLID WASTE</b>																		136
137 48500 Solid Waste Franchise Fee		0.00	0.00	0.00	0.00	184,963.32	212,845.18	209,584.94	215,661.13	184,963.32	212,845.18	209,584.94	215,661.13	1.3%	2.9%			137
<b>138 TOTAL SOLID WASTE</b>		0.00	0.00	0.00	0.00	184,963.32	212,845.18	209,584.94	215,661.13	184,963.32	212,845.18	209,584.94	215,661.13	1.3%	2.9%	Assumes 3% increase in Solid Waste fees.	6,076.19	138
<b>139 45 - METER INSTALLATION/CONNECTION FEES</b>																		139
140 45300 Meter Installation		96,833.00	110,932.11	152,777.97	165,165.37	0.00	0.00	0.00	0.00	96,833.00	110,932.11	152,777.97	165,165.37	48.9%	8.1%	Assumes 80 additional meter connections.		140
141 45400 Permits & Inspections		3,649.05	4,795.88	7,148.57	7,728.19	0.00	0.00	0.00	0.00	3,649.05	4,795.88	7,148.57	7,728.19	61.1%	8.1%			141
142 45500 Connection Fee		436,533.16	357,265.82	499,435.17	539,929.91	0.00	0.00	0.00	0.00	436,533.16	357,265.82	499,435.17	539,929.91	51.1%	8.1%			142
<b>143 TOTAL METER INSTALLATION/CONNECTION FEES</b>		537,015.21	472,993.81	659,361.70	712,823.46	0.00	0.00	0.00	0.00	537,015.21	472,993.81	659,361.70	712,823.46	50.7%	8.1%	Assumes 80 additional meter connections, no large meters.	53,461.76	143
<b>144 80 - OTHER INCOME</b>																		144
145 88110 Interest Income		43,158.95	167,995.11	226,972.49	215,623.87	29,768.13	89,519.27	120,563.33	114,535.16	72,927.08	257,514.38	347,535.82	330,159.03	28.2%	-5.0%	Assumes slight increase in Interest rates.	(17,376.79)	145

**Phelan Pinon Hills Community Services District**  
2020/2021 Budget Detail

Assumes: Rates/Rever Expense	% Over Est Year End 6.00% 2.50%	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud	Bud vs Est YE	20/21 Budget vs. Actual Est YE (Column I / Column H)	Line#			
		Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET	Prior Year 2018/2019 Budget	Prior Year 2019/2020 Budget	Actual EST YE 19/20	Proposed 2020/2021 BUDGET							
146	88120	Other Income	23,437.77	2,194.80	4,237.48	4,237.48	0.00	0.00	0.00	0.00	23,437.77	2,194.80	4,237.48	4,237.48	93.1%	0.0%	Misc Water Revenue otherwise not categorized.	146		
147	88125	Other Income - Senior Lunch	0.00	0.00	0.00	0.00	1,929.36	1,884.32	1,560.72	1,560.72	1,929.36	1,884.32	1,560.72	1,560.72	-17.2%	0.0%		147		
148	88126	Other Income - Farmers Mkt	0.00	0.00	0.00	0.00	11,044.38	8,299.46	8,329.58	8,329.58	11,044.38	8,299.46	8,329.58	8,329.58	0.4%	0.0%		148		
149	88127	Other Income - Fall Festival	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%		149		
150	88128	Other Income - Farmers Mkt MM	0.00	0.00	0.00	0.00	3,703.48	2,688.75	2,319.99	2,319.99	3,703.48	2,688.75	2,319.99	2,319.99	-13.7%	0.0%		150		
151	88150	Other Income	437,935.66	331,430.64	206,636.44	206,636.44	0.00	1,500.00	0.00	0.00	437,935.66	332,930.64	206,636.44	206,636.44	0.0%	0.0%	One time revenue: Line locating charges, etc.	151		
152	88170	Other Income	0.00	0.00	0.00	0.00	43,908.90	156,565.80	159,801.42	167,791.49	43,908.90	156,565.80	159,801.42	167,791.49	N/A	5.0%	Lease Income: Additional lease signed.	7,990.07	152	
153	88300	Chromium 6 Surcharge	798,067.77	808,765.32	808,566.15	814,566.15	0.00	0.00	0.00	0.00	798,067.77	808,765.32	808,566.15	814,566.15	0.0%	0.0%		153		
154	<b>Total - OTHER INCOME</b>		1,302,600.15	1,310,385.87	1,246,412.56	1,241,063.94	90,354.25	260,457.60	292,575.04	294,536.94	1,392,954.40	1,570,843.47	1,538,987.60	1,535,600.88	-2.2%	-0.2%	Assumes increase due to lease revenue.	(3,386.72)	154	
155	<b>TOTAL NON-OPERATIONAL INCOME</b>		2,334,387.96	2,228,504.00	2,406,764.91	2,413,484.48	1,031,106.84	1,371,477.50	1,431,391.04	1,565,361.16	3,365,494.80	3,599,981.50	3,838,155.95	3,978,845.64	10.5%	3.7%	Increase due to property tax revenue increase and lease revenue.	140,689.69	155	
156	<b>NON-OPERATIONAL EXPENSE</b>																		156	
157	<b>796 - Other Expense</b>																		157	
158	91010	Interest Expense	368,707.32	353,449.93	352,861.58	336,495.41	0.00	0.00	0.00	0.00	368,707.32	353,449.93	352,861.58	336,495.41	-4.8%	-4.6%	2002, 2012 (Water rights), 2014 (Solar) & Caltrans Loan.	(16,366.17)	158	
159	92010	Loan Administrator Fee	25,990.92	25,043.14	25,043.14	24,069.34	0.00	0.00	0.00	0.00	25,990.92	25,043.14	25,043.14	24,069.34	-3.9%	-3.9%			159	
160	93010	Tax Deduction/Collection Charge	0.00	0.00	0.00	0.00	2,500.97	2,600.00	3,023.49	3,023.49	2,500.97	2,600.00	3,023.49	3,023.49	16.3%	0.0%	Property Tax Collection Charge and Processing Fee.		160	
161	94010	Chromium 6 Expenses	798,067.77	808,765.32	808,566.15	814,566.15	0.00	0.00	0.00	0.00	798,067.77	808,765.32	808,566.15	814,566.15	0.7%	0.7%			161	
162	95010	Net Incr/Decr in Fair Value	(14,171.13)	(25,000.00)	23,545.61	25,000.00	0.00	0.00	0.00	0.00	(14,171.13)	(25,000.00)	23,545.61	25,000.00	-200.0%	6.2%			162	
163	<b>Total - Other Expense</b>		1,178,594.88	1,162,258.39	1,210,016.48	1,200,130.90	2,500.97	2,600.00	3,023.49	3,023.49	1,181,095.85	1,164,858.39	1,213,039.97	1,203,154.39	3.3%	-0.8%	Decrease due to loan costs reducing as loan matures.	(9,885.58)	163	
164	<b>TOTAL NON-OPERATIONALEXPENSE</b>		1,178,594.88	1,162,258.39	1,210,016.48	1,200,130.90	2,500.97	2,600.00	3,023.49	3,023.49	1,181,095.85	1,164,858.39	1,213,039.97	1,203,154.39	3.3%	-0.8%			164	
165	<b>NET NON-OPERATIONAL INCOME</b>		1,155,793.08	1,066,245.61	1,196,748.43	1,213,353.58	1,028,605.87	1,368,877.50	1,428,367.55	1,562,337.67	2,184,398.95	2,435,123.11	2,625,115.98	2,775,691.25	14.0%	5.7%		150,575.27	165	
166	<b>NET INCOME</b>		343,142.95	887,600.63	174,280.32	42,716.54	430,388.50	776,960.97	843,172.17	863,712.52	773,531.45	1,664,561.60	1,017,452.50	906,429.06	-45.5%	-10.9%		(111,023.44)	166	
167	Fund Depr @ 60% = add back 40%		781,461.35	731,930.89	798,465.96	874,265.96	51,983.39	44,156.48	41,047.69	41,047.69	833,444.74	776,087.36	839,513.64	915,313.64	17.9%	9.0%	Add back in 40% not Funded.		167	
168	Principal Payments Due on Loan		536,476.80	561,664.12	547,292.35	569,595.54	0.00	0.00	0.00	0.00	536,476.80	561,664.12	547,292.35	569,595.54	1.4%	4.1%	Principal portion of loans increase as interest decreases each year.	22,303.19	168	
169	<b>TOTAL NET INCOME (AFTER DEPR AND PRIN)</b>		588,127.50	1,057,867.40	425,453.93	347,386.95	482,371.89	821,117.45	884,219.86	904,760.21	1,070,499.39	1,878,984.84	1,309,673.79	1,252,147.16	-33.4%	-4.4%			169	
170	Repayment of Property Plant & Equip Reserves					160,000.00	See Col. M & N	See Col. M & N	See Col. M & N	See Col. M & N	83,895.75	Lease Revenue	Lease Revenue	243,895.75			Per Rate Study, Board wishes to repay reserves over 5 years	6.6	170	
171	Repayment of Disaster Response Reserves					160,000.00	See Col. M & N	See Col. M & N	See Col. M & N	See Col. M & N	83,895.75	Lease Revenue	Lease Revenue	243,895.75			Total due Reserves for 2012 Water Rights	3,200,000.00	171	
172	<b>TOTAL NET INCOME (After Repayment of Reserves)</b>					27,386.95					736,968.72			764,355.67			Total due Reserves for 2015 Water Rights	2,556,098.00	172	
173	Capital Budget					245,000.00					600,000.00			845,000.00			Note: 2015 Water Rights are part of C6 and will be repaid with C6 funding		173	
174	<b>TOTAL NET INCOME (After CIP)</b>					(217,613.05)					136,968.72			(80,644.33)			Note: Dairy Lease Income is used on line 170/171 for reserves or to pay down loans. Board will decide at 2nd meeting in June each year.		174	
175																			175	
176	<b>2020/2021 Debt Service</b>			2002	2012 (Water)	2014 (Solar)		Caltrans (HWY 138)										Note: The E in column L stands for "Expense" and represents		176
177	Principal			126,541.57	206,958.52	210,609.73		25,485.72						\$ 569,595.54			notation of the accounts that we do not know how much they may		177	
178	Interest			64,671.42	123,866.62	146,981.55		975.82						\$ 336,495.41			increase and therefore use the Board assumption of 2.5%		178	
179	Fees			5,543.27	18,526.12	0.00		0.00						\$ 24,069.39					179	
180				196,756.26	349,351.26	357,591.28		26,461.54						\$ 930,160.34					180	
181																			181	
182	Estimated Solar Credits:					-409,700.00													182	
183																			183	
184	Total Operating Revenue		5,659,769.59	5,995,256.76	6,121,850.62	6,247,448.39	26,456.25	25,898.93	27,355.73	27,355.73	5,686,225.84	6,021,155.69	6,149,206.35	6,274,804.12					184	
185	Total Non-Operating Revenue		2,334,387.96	2,228,504.00	2,406,764.91	2,413,484.48	1,031,106.84	1,371,477.50	1,431,391.04	1,565,361.16	3,365,494.80	3,599,981.50	3,838,155.95	3,978,845.64					185	
186	<b>Total Revenue</b>		7,994,157.55	8,223,760.76	8,528,615.53	8,660,932.88	1,057,563.09	1,397,376.43	1,458,746.77	1,592,716.89	9,051,720.64	9,621,137.19	9,987,362.30	10,253,649.77					186	
187																			187	
188	Total Operating Expense		6,472,419.72	6,173,901.74	7,144,318.73	7,418,085.44	624,673.62	617,815.46	612,551.10	725,980.87	7,097,093.34	6,791,717.20	7,756,869.83	8,144,066.32					188	
189	Total Non-Operating Expense		1,178,594.88	1,162,258.39	1,210,016.48	1,200,130.90	2,500.97	2,600.00	3,023.49	3,023.49	1,181,095.85	1,164,858.39	1,213,039.97	1,203,154.39					189	
190	<b>Total Expense</b>		7,651,014.60	7,336,160.13	8,354,335.21	8,618,216.34	627,174.59	620,415.46	615,574.59	729,004.36	8,278,189.19	7,956,575.59	8,969,909.80	9,347,220.71					190	

## FUND BALANCES AND CASH FLOW PROJECTIONS

	Enterprise Fund	Government Funds	Total
<b>CASH FLOW PROJECTION</b>			
Est. Cash in Bank Beginning Balance 07/01/20	\$ 11,325,916.75	\$ 6,978,509.31	\$ 18,304,426.06
Board Approved Reserves	<u>(9,870,160.00)</u>	<u>(591,061.00)</u>	<u>(10,461,221.00)</u>
Total Fund Balance (Cash Available)	\$ 1,455,756.75	\$ 6,387,448.31	\$ 7,843,205.06
<b>OPERATIONAL ACTIVITIES</b>			
Net Profit (Loss)	\$ 42,716.54	\$ 863,712.52	\$ 906,429.06
Depreciation @ 40% (not funding 40%)	874,265.96	41,047.69	915,313.64
Depreciation @ 60% (funding 60%)	<u>1,311,398.93</u>	<u>61,571.53</u>	<u>1,372,970.47</u>
Cash available from operations	\$ 2,228,381.43	\$ 966,331.74	\$ 3,194,713.17
<b>INVESTMENT ACTIVITIES</b>			
Projects	\$ (855,000.00)	\$ (1,186,000.00)	\$ (2,041,000.00)
Capital Purchases	<u>(90,000.00)</u>	<u>-</u>	<u>\$ (90,000.00)</u>
Total Investment Activity	\$ (945,000.00)	\$ (1,186,000.00)	\$ (2,131,000.00)
<b>FINANCE ACTIVITIES</b>			
Loans (Principal)	<u>\$ (569,595.54)</u>	<u>\$ -</u>	<u>\$ (569,595.54)</u>
Total Finance Activity	\$ (569,595.54)	\$ -	\$ (569,595.54)
<b>NET CASH FROM ACTIVITIES</b>			
	\$ 713,785.89	\$ (219,668.26)	\$ 494,117.63
Transfer of funds or Reserves	<u>(320,000.00)</u>	<u>(167,791.49)</u>	<u>(487,791.49)</u>
<b>Net Cash Available for Future Projects</b>	<b>\$ 1,849,542.64</b>	<b>\$ 5,999,988.56</b>	<b>\$ 7,849,531.20</b>
<b>Estimated Ending Fund Balance at 06/30/21</b>			

## RESERVES

### Phelan Piñon Hills Community Service District 2019/2020 Schedule - Resolution 2020-02 Adopted 02/05/2020

BOARD DESIGNATED RESERVES	ENTERPRISE	GOVERNMENT	Total
	Fund 01	Fund 20/22/24/25	
<b>1. UNRESTRICTED RESERVES</b>			
<b>Contingency and Operations (Goal = 6 mo. no less than 3 mo.)</b>			
<b>1A.</b>			
2019/20 Budget Total	\$7,336,160	\$620,415	\$7,956,576
Less:			
Depreciation	1,829,827	110,391	1,940,218
Debt Service (Interest)	353,450		353,450
	<u>5,152,883</u>	<u>510,024</u>	<u>5,662,907</u>
<b>Reserve @ Three Months =</b>	<b>x 3/12</b>	<b>x 3/12</b>	<b>x 3/12</b>
Contingency and Operating Reserve	1,288,221	127,506	1,415,727
Debt Service Reserve - Loans (1 yr P&I)	940,157		940,157
<b>TOTAL RESERVE FOR OPERATIONS</b>	<b>\$2,228,378</b>	<b>\$127,506</b>	<b>\$2,355,884</b>
<b>Property, Plant, and Equipment Replacement Reserve (Goal = 2 to 4 Years of Depreciation)</b>			
<b>1B.</b>			
Depreciation YE 06/30/19	2,010,956	108,102	2,119,058
<b>Reserve = Reserve needed for upcoming CIP</b>	6,412,103	270,256	6,682,359
<b>Reserves used for WRAP project funding 2012</b>	-1,369,305	*	-1,369,305
<b>Reserves used for Water Rights funding 2015</b>	-476,874	*	-476,874
<b>TOTAL RESERVE FOR REPLACEMENT</b>	<b>\$4,565,924</b>	<b>\$270,256</b>	<b>\$4,836,179</b>
<b>1C. Disaster Response Reserve (Goal = 10 - 20%)</b>			
Total Assets (Excluding Land& Wtr Rts) 06/30/19	46,463,376	1,932,986	48,396,362
<b>Reserve @ 10% =</b>	4,646,338	193,299	4,839,636
<b>Reserves used for WRAP project funding 2012</b>	-1,369,305	*	-1,369,305
<b>Reserves used for Water Rights funding 2015</b>	-476,874	*	-476,874
<b>TOTAL RESERVE FOR DISASTER</b>	<b>\$2,800,158</b>	<b>\$193,299</b>	<b>\$2,993,457</b>
<b>Rate Stabilization Reserves (Goal 5% to 10% of Water Revenue)</b>			
<b>1D.</b>			
2019/2020 Budget for Water Meter and Consumption	\$5,513,995	\$0	5,513,995
Reserve = 5%	<u>\$275,700</u>	<u>\$0</u>	<u>\$275,700</u>
<b>TOTAL RESERVES</b>	<b>\$9,870,159</b>	<b>\$591,060</b>	<b>\$10,461,220</b>

**2. ADDITIONAL RESERVES IDENTIFIED BY THE BOARD**

Capital, Projects*, & Replacement Budget Current Year	711,200	230,600	941,800
<b>TOTAL FUNDS NEEDED FOR CAPITAL PROJECTS</b>	<b>\$711,200</b>	<b>\$230,600.00</b>	<b>\$941,800</b>

\* WRAP = Water Rights Acquisition Project. The Board elected to borrow reserve funds to provide the cash necessary to fund this project. Dairy lease revenue is used to reimburse for 2012 WRAP funding and Chromium-6 revenue is used to reimburse for 2015 Water Rights funding.

## DEBT SERVICE

The District currently has two loans with California Infrastructure and Economic Development Bank (CIEDB or I-Bank), one loan with Municipal Finance Corporation and one loan with Caltrans. All of these loans are for the Enterprise Fund, specifically water facilities.

2002 CIEDB Loan titled “County Service Area 70 -Water Tank Project” was assumed by the District when it separated from the County of San Bernardino in 2008, was revised in October 2011 to reflect the District’s assumption of this loan. The loan project consisted of drilling a water well #14; constructing a booster station; constructing four one-million gallon reservoirs, specifically reservoirs 1-A, 1-B, 1-C and 2-C; and constructing transmission piping. The project was completed prior to the District becoming part of Phelan Piñon Hills Community Services District. Original loan = \$4,989,753 @ 3.5%.

2012 CIEDB Loan titled “Water Resources Acquisition Project” consists of the acquisition of land, including 160 acres of land, water well located on the property, and 2,335 acre feet of water rights in the Oeste subarea of the Mojave Groundwater Basin. Original loan = \$7,500,000 @ 2.04%.

2014 Municipal Finance Corporation Installment Sale Agreement for the construction of 1.16 megawatt solar field to provide power to generate credits for District-wide facilities in order to minimize overall energy demand. Original loan = \$5,000,000 @ 3.75%.

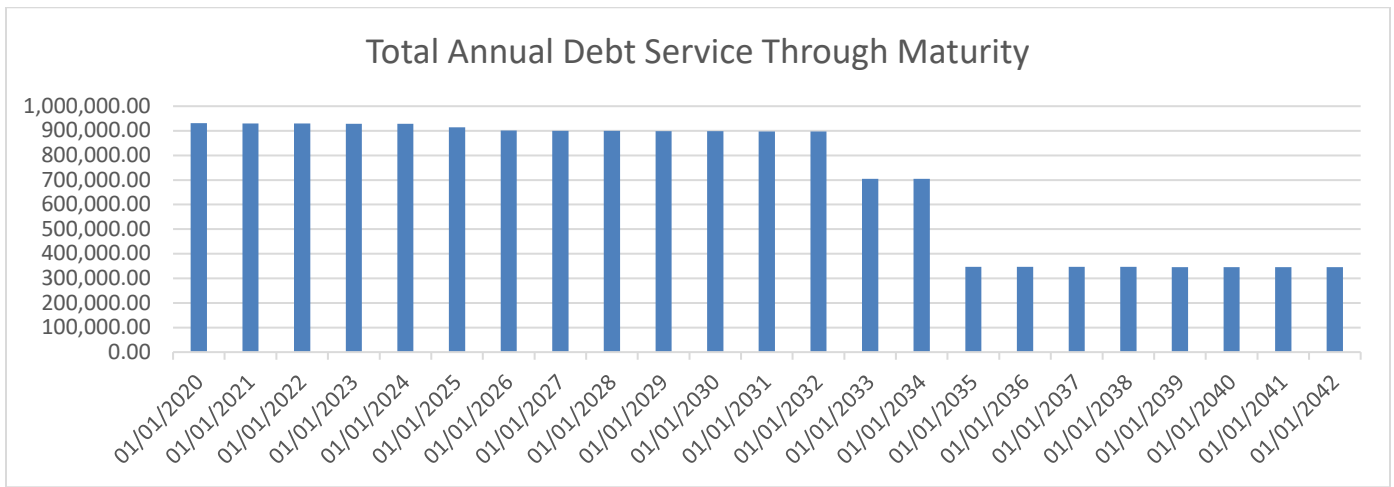
2014 Caltrans Highway 138 Loan for the lowering of waterlines along Highway 138 in preparation of the Highway 138 expansion. Loan = \$252,633 @ .912%.

Payment Date	Ending Principal Balance	Principal Payment	Interest Payment	Total Principal & Interest	Annual Fee	Total Payment	Total Payment Fiscal Year Ending June 30
<b>2002 I-Bank Loan (Water Facilities) Year 19 of 30</b>							
08/01/20			\$32,336	\$32,336		\$32,336	
02/01/21	\$1,721,214	\$126,542	\$32,356	\$158,897	\$5,543	\$164,441	\$196,776
<b>2012 I-Bank Loan (Water Rights) Year 9 of 30</b>							
08/01/20	\$5,968,414	\$206,959	\$62,989	\$269,947	\$18,526	\$288,473	
02/01/21			\$60,878	\$60,878		\$60,878	\$349,351
<b>2014 Muni Loan (Solar) Year 6 of 20</b>							
08/01/20	\$3,971,671	\$104,327	\$74,469	\$178,796		\$178,796	
02/01/21	\$3,867,345	\$106,283	\$72,513	\$178,796		\$178,796	\$357,591
<b>2015 CalTrans Loan (Hwy 138 project) Year 6 of 10</b>							
07/01/20	\$116,536	\$6,350	\$266	\$6,615		\$6,615	
10/01/20	\$110,187	\$6,364	\$251	\$6,615		\$6,615	
01/01/21	\$103,823	\$6,379	\$237	\$6,615		\$6,615	
04/01/21	\$97,444	\$6,393	\$222	\$6,615		\$6,615	\$26,462
<b>Total</b>		<b>\$569,596</b>	<b>\$336,515</b>	<b>\$906,111</b>	<b>\$24,069</b>	<b>\$930,180</b>	<b>\$930,180</b>

## REVENUE COVERAGE

	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Est YE 2019/20	Budget 2020/21
<b>Gross Revenues</b>												
Water Fund Revenues	\$4,348,388	\$4,127,211	\$4,178,972	\$4,405,277	\$4,275,300	\$4,907,466	\$5,647,864	\$5,528,945	\$6,259,044	\$6,522,410	\$7,389,724	\$7,567,675
Property Tax & other Revenue	0	0	0	0	562,080	548,350	659,452	467,845	427,907	470,668	330,325	278,692
<b>Total Revenue</b>	<b>4,348,388</b>	<b>4,127,211</b>	<b>4,178,972</b>	<b>4,405,277</b>	<b>4,837,380</b>	<b>5,455,816</b>	<b>6,307,316</b>	<b>5,996,790</b>	<b>6,686,951</b>	<b>6,993,078</b>	<b>7,720,049</b>	<b>7,846,367</b>
<b>Operating Expenses</b>												
Water Fund Expenses	\$4,620,366	\$4,757,100	\$4,454,156	\$5,032,281	\$5,121,970	\$5,104,705	\$5,083,277	\$5,561,306	\$6,349,040	\$6,891,795	\$7,144,319	\$7,418,085
Less Depreciation	1,058,281	1,245,913	1,292,064	1,214,772	1,229,221	1,257,916	1,273,292	1,476,403	1,924,171	2,010,956	1,996,165	2,185,665
<b>Total Water Fund Expenses</b>	<b>\$3,562,085</b>	<b>\$3,511,187</b>	<b>\$3,162,092</b>	<b>\$3,817,509</b>	<b>\$3,892,749</b>	<b>\$3,846,789</b>	<b>\$3,809,985</b>	<b>\$4,084,903</b>	<b>\$4,424,869</b>	<b>\$4,880,839</b>	<b>\$5,148,154</b>	<b>\$5,232,421</b>
<b>Net Revenues</b>												
Water Fund	\$786,303	\$616,024	\$1,016,880	\$587,768	\$944,631	\$1,609,027	\$2,497,331	\$1,911,886	\$2,262,082	\$2,112,239	\$2,571,896	\$2,613,946
<b>Senior and Parity Debt Service</b>												
2002 Water Facilities	\$231,021	\$230,721	\$209,792	\$199,366	\$199,077	\$198,779	\$198,470	\$198,151	\$197,820	\$197,477	\$197,123	\$196,756
2012 Water Rights				26,240	368,852	351,719	350,061	349,925	349,787	349,645	349,500	349,351
2014 Solar Project						150,150	357,591	357,591	357,591	357,591	357,591	357,591
2014 Hwy 138						13,231	26,462	26,462	26,462	26,462	26,462	26,462
<b>Combined Total Annual Debt</b>	<b>\$231,021</b>	<b>\$230,721</b>	<b>\$209,792</b>	<b>\$225,605</b>	<b>\$567,930</b>	<b>\$713,879</b>	<b>\$932,584</b>	<b>\$932,129</b>	<b>\$931,660</b>	<b>\$931,175</b>	<b>\$930,676</b>	<b>\$930,160</b>
<b>Debt Service Coverage</b>												
	<b>340%</b>	<b>267%</b>	<b>485%</b>	<b>261%</b>	<b>166%</b>	<b>225%</b>	<b>268%</b>	<b>205%</b>	<b>243%</b>	<b>227%</b>	<b>276%</b>	<b>281%</b>

The above debt service is listed on the last page of the Budget Detail section of this document. Potential or scheduled new debt is identified in the Capital section of this budget document.





## APPROPRIATIONS LIMIT

The 2020-2021 appropriations limit was set by Resolution #2020-08 and approved by the Board of Directors on June 17, 2020.

<b>PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT APPROPRIATIONS LIMIT CALCULATION</b>		
FISCAL YEAR 2020/2021		
1	PRICE FACTOR U.S. CAPITA PERSONAL INCOME CPI	3.75%
2	POPULATION PERCENT CHANGE	0.51%
3	PER CAPITA CONVERTED TO A RATIO:	1.03750
4	POPULATION CONVERTED TO A RATIO:	1.00510
5	CALCULATION FACTOR FOR RATIO OF CHANGE:	1.04279
6	PRIOR YEAR (19/20) APPROPRIATION LIMIT	\$3,879,595
7	CURRENT YEAR APPROPRIATION LIMIT	\$4,045,608

The appropriations limit was implemented by Propositions 4 and 111, which produced restrictions on the amount of revenue that can be appropriated in any fiscal year. The limit applies only to revenue received from the General Tax Levy, and excludes any funds spent on capital improvement projects. All Tax Revenue is received to the Government Funds and part is distributed to the Enterprise Fund, as determined each year in the budget process. The total amount of Tax Revenue received is well below the current appropriation limit.

The appropriations limit must be reviewed and calculated each year to assure compliance. This action is a formality for Phelan Piñon Hills Community Services District, at this time, for two reasons: 1) the tax revenues the District receives are less than the appropriations limit, and 2) the tax revenue received can be designated to be spent on capital improvement projects, which would exclude the revenues from limitation.

Pursuant to Condition No. 17 of LAFCO Resolution No. 2994, the District’s permanent appropriations limit was established at the first District election held November 8, 2011. Measure G passed by an overwhelming majority, establishing the base appropriations limit.

The District establishes the appropriations limit each year, based on the prior year limit calculated by the means identified by the Department of Finance each year for the unincorporated area of San Bernardino County.

At the June 17, 2020, Board Meeting, the Board conducted a hearing, in compliance with Government Code, to set the annual appropriations limit for the District. All of the documentation used for the determination of the proposed appropriations limit was available to the public at the District office prior to the hearing.

**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

**CAPITAL IMPROVEMENT**  
**PROGRAM**



## CAPITAL IMPROVEMENT PROJECTS

Capital projects and expenditures at the Phelan Piñon Hills Community Services District are purchased in accordance with the District's Purchasing Policy. The cost must exceed \$5,000 and have an expected life of more than one year to be capitalized. (The District carefully reviews all equipment before determining if a replacement is necessary and does not solely consider age, but also the cost to keep in service and the anticipated remaining usefulness). To determine the priority of construction projects, the District evaluates the needs of all the departments and prioritizes the requests with the available funding. The 2010 Water Master Plan has been used as a resource in the development of the Ten Year Capital Plan that is utilized for budgeting purposes.

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### ***Reservoir Site – Land Acquisition***

Yearly, the District is given the opportunity to purchase property through the County of San Bernardino tax lien sales for potential properties for future use. Outlined in the 2011 Water Master Plan, future sites are needed for Phase 2 and Built-out of the District's facilities for future reservoir sites and facilities.

***\$50,000 budgeted for study***

***\$0 impact on future operating budgets***

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### ***Booster Upgrades - SITE 3C A/B***

System recommendations were made in the 2010 Water Master Plan to improve supply (wells) and booster pumping capacity. Boosters A and B at reservoir site 3C, located in Pressure Zone 4 on Middleton Road, south of Nielson Road, are proposed for improvements. Improvements include upsizing Booster "A" from 264 GPM to 350 GPM and upsizing Booster "B" from 233 GPM to 350 GPM. Electrical and engineering design is proposed for this fiscal year.

***\$70,000 budgeted***

***\$0 impact on future operating budgets***

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### ***Smithson Springs – Tank and Pipeline updated topographic survey***

The project proposes to capture water flow, from Smithson Springs, utilizing a tank at the site allowing overflow when tank has reached its capacity. The project is to monitor the amount of recharge water into the Oeste Basin. With the change in terrain over time, due to site maintenance, an updated topographic survey is recommended to design a pipeline alignment and proposed tank location. The completed project construction will consist of approximately 600 LF of 4" pipeline and proposed storage tank.

***\$5,000 budgeted for the topographic survey***

***\$0 impact on future operating budgets***

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### ***Chromium-6 Mitigation to meet revised mandates***

The proposed \$17M Chromium-6 Mitigation project contract with Infrastructure Engineering Corporation (IEC), initiated in January of 2017 was suspended in late of 2017. On May 31, 2017, the Superior Court of Sacramento County issued a judgment invalidating the hexavalent chromium maximum contaminant level (MCL) for drinking water. In March of 2020, the State released its proposed MCL. After public comment, a new MCL will be announced in early 2020. The project proposed will most likely switch directions to well modifications with further testing and validations.

***\$5,000,000 budgeted for design and construction Impact on future operating budgets TBD***

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***Future Civic Center – Design/Engineering***

Final design plans to the existing County approved CUP P201300092. Engineering Services for site development and architectural plans for the Civic Center development on the 5.0 ac parcel APN 3066-261-10. The Civic Center will compose of a Community Center, District Maintenance, and Office building including an open space for farmer market.

The District recently purchased 14 ac. parcels adjacent to the proposed Civic Center for park expansion. The proposed layout will incorporate the expansion of the future Phelan Park. Professional services for the beginning stages of the proposed park layout and finalizing Civic Center will continue through 2020-2021.

***\$500,000 budgeted for design and studies***

***Impact on future operating budgets TBD***

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***Urban Water Management Plan (UWMP) Update***

Under California Water Code 10610-10656 and 10608 urban water suppliers are required to submit their UWMP if they either, provide over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections. The plan supports the suppliers' long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. Within UWMPs, urban water suppliers must assess the reliability of water sources over a 20-year planning time frame and describe demand management measures and water shortage contingency plans. The District's latest 2015 UWMP is due to be updated. Submittal to California Department of Water Resources (DWR) is no later than July 1<sup>st</sup>, 2021.

Along with the 2020 WMP update, the District's 2021 UWMP update was awarded to EIC in early May 2020. The plan is tentatively scheduled to be adopted, by the Board, in June of 2021 and completed by September of 2021.

***\$15,000 added to \$50,000 2019-2020 budget***

***\$0 impact on future operating budgets***

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***Water Master Plan (WMP) Update***

The objective of the 2020 WMP is to provide an evaluation of the District's water system's ability to distribute water adequately and reliably under existing, year 2030, and build-out conditions. This report summarizes a proposed Capital Improvement Program (CIP) for the water system, including phasing of projects and estimated capital cost. The CIP is divided into three phases, which correspond to three planning phases of the WMP. Phase 1 includes projects proposed to correct deficiencies. Phase 2 include projects that would need completed before the year 2030 to ensure reliable and efficient water delivery while accommodating a growth in population by year 2030. Phase 3 includes projects to be completed at maximum population capacity, full buildout.

Along with the 2021 UWMP update, the District's 2020 WMP update was awarded to EIC in early May 2020. The plan is tentatively scheduled to be completed by June of 2021.

***\$55,000 added to \$50,000 2019-2020 budget***

***\$0 impact on future operating budgets***

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***Meter Replacement – Phase I***

The Districts water meters are aging out and it is necessary to replace them to provide the utmost accuracy as well as prevent water loss and minimize unaccountable water events. Additionally, new technology is available that provides greater customer service options to help customers become aware of leaks in a more timely manner as well as providing better accessibility for water consumption tracking by the customer. The full meter change out is schedule to take place in five phases over a five year period.

***\$700,000 budgeted for phase I***

***\$0 impact on future operating budgets***

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***Phelan East Lot – Clear and Fence***

In 2017/18, the District purchased the five acre parcel to the east of Phelan Park. The parcel will be used to expand Phelan Park, as deemed appropriate during the development of the Park Master Plan (see below). Until such time as it can be developed, the Board has requested the property be cleared and fenced.

***\$21,000 budgeted for to clear and fence***

***\$0 impact on future operating budgets***

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Capital Improvement Projects

***Solid Waste Projects***

The Solid Waste Committee has requested funds be allocated for the Solid Waste and Recycling demands of the District. These projects will be brought before the Board as the need is identified.

***\$65,000 budgeted for projects***

***\$TBD impact on future operating budgets***

---

***Vehicle Replacement – Two Trucks***

The District has several vehicles that are nearing the end their projected life cycle. As the mileage has increased, the maintenance issues have increased, costing the District additional funds as well as employee efficiency when the vehicles break down or are out of service. The District has looked at other options for vehicles (natural gas, various types and models, etc.) and will continue to do so as opportunities arise. This is a place holder for possible replacement of two trucks that are similar to the vehicles currently in service, estimated to cost approximately \$40,000 each. Purchases are made if the need arises and only after Board approval.

***\$80,000 budgeted for vehicle replacement***

***\$0 impact on future operating budgets***

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***Computers and Equipment***

The District is scheduled to upgrade all Windows software and perform certain computer upgrades to accommodate the mandatory upgrade. Additionally, there are two computers and equipment that is nearing the end of its life expectancy and will need to be replaced this year. The District replaces computers and equipment as is necessary to meet operational demands.

***\$10,000 budgeted for computers and equipment***

***\$0 impact on future operating budgets***

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Note: All purchases are made within the provisions set forth in the Purchasing Policy. The above items that exceed \$25,000 will be brought to the Board for approval prior to authorizing the purchase.

Capital Improvement Projects

**CAPITAL EXPENDITURE BUDGET**  
**2020/2021 Budget**

<b>CIP PROJECTS</b>			<b>ESTIMATE</b>	<b>Funding</b>
	<b>PROJECT</b>	<b>DESCRIPTION/LOCATION</b>	<b>2018/2019</b>	<b>Source</b>
1	Reservoir Site	Land Acquisition	50,000.00	A
2	Booster Upgrades	Site 3C Booster A and B	70,000.00	A
3	Smithson Springs	Tank and Pipeline Study/Design	5,000.00	A
4	Chromium 6 Mitigation	Design, Infrastructure, Construction	5,000,000.00	E
5	Future Civic Center	Design/Engineering	500,000.00	E
6	Urban Water Management Plan	Update every 5 years	15,000.00	A
7	Water Master Plan Hydraulic Model	Update Plan every 10 years	15,000.00	A
8	Meter Replacement	Phase I (of 5) of meter replacement program	700,000.00	D
		Total Water Fund Projects	<u>\$ 6,355,000.00</u>	
9	Phelan East Lot	Clear and Fence	21,000.00	H
10	Future Civic Center	Parks and Recreation portion	1,100,000.00	H/I
11	Solid Waste	Potential Capital Projects	65,000.00	H
		Total Government Fund Projects	<u>\$ 1,186,000.00</u>	
		<b>TOTAL PROJECTS</b>	<b>\$ 7,541,000.00</b>	

<b>CAPITAL PURCHASES</b>			<b>ESTIMATE</b>	
12	Vehicle	Replace two trucks	80,000.00	A/D
13	Computers & Software	Replace computers, purchase software, etc.	10,000.00	A
			<u>\$ 90,000.00</u>	

**TOTAL PROJECTS AND CAPITAL PURCHASES \$ 7,631,000.00**

<b>FUNDING SOURCES</b>			
Ent	A	Reserve and Depreciation Funded 60% of Depreciation	A \$ 245,000.00
Ent	B	Property Plant and Equipment Replacement Reserve*	B
Ent	C	Connection Fees	C
Ent	D	Reserves and Grants	D 700,000.00
Ent	E	Loan and/or Grants	E 5,500,000.00
Gvt	F	Depreciation Funded 60% of Depreciation	F
Gvt	G	*Property Plant and Equipment Replacement Reserve	G
Gvt	H	Existing Funds Available or Operational Revenue	H 586,000.00
Gvt	H	Loan and/or Grants	I <u>600,000.00</u>
			<u>\$ 7,631,000.00</u>

\* Note: Board will identify how reserves will be replaced.

All above items are from the District 10-year CIP plan  
 Note: Items 1-8 are developed in the Engineering Committee  
 Item 9-11 were developed in the Parks and Recreation Committee  
 Item 12 was developed in the Solid Waste and Recycling Committee  
 Item 13-14 are from staff

**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

**BUDGET FORECAST**

## 2020/2021 Budget - Five Year Forecast

PPHCSD Forecast Model						
Assumptions	2021/22	2022/23	2023/24	2024/2025	2025/2026	
Rate Increase	6.0%	6.0%	6.0%	6.0%	6.0%	
COLA/Merit	5.0%	5.0%	5.0%	5.0%	5.0%	
Expenses	2.5%	2.5%	2.5%	2.5%	2.5%	
<b>PROPOSED</b>						
	2019/2020	2021/22	2022/23	2023/24	2024/2025	2025/2026
<b>1 Operating Revenue - Enterprise Fund</b>						
2 Water Sales	\$ 5,745,723	\$ 6,090,466	\$ 6,455,894	\$ 6,843,248	\$ 7,253,843	\$ 7,689,073
3 Special Assessments	286,354	283,490	280,655	277,849	275,070	272,320
4 Other Services	215,372	228,294	241,992	256,511	271,902	288,216
5 Total Operating Revenues	<u>\$ 6,247,448</u>	<u>\$ 6,602,251</u>	<u>\$ 6,978,541</u>	<u>\$ 7,377,608</u>	<u>\$ 7,800,815</u>	<u>\$ 8,249,609</u>
<b>7 Operating Expenses - Enterprise Fund</b>						
8 Water Purchases	12,261	12,568	12,882	13,204	13,534	13,873
9 Board Compensation	106,373	109,032	111,758	114,552	117,416	120,351
10 Professional Services	350,000	358,750	367,719	376,912	386,335	395,993
11 Salaries and Benefits - Enterprise	2,633,734	2,765,421	2,903,692	3,048,877	3,201,320	3,361,386
12 Services and Supplies - Enterprise	1,626,834	1,667,505	1,709,193	1,751,923	1,795,721	1,840,614
13 Rents and Leases	-	-	-	-	-	-
14 Utilities	500,990	513,515	526,353	539,512	552,999	566,824
15 Depreciation	2,185,665	2,279,332	2,424,665	2,555,465	2,685,632	2,749,132 <sup>A</sup>
16 Other	2,227	2,282	2,340	2,398	2,458	2,519
17 Total Operating Expenses	<u>\$ 7,418,085</u>	<u>\$ 7,708,406</u>	<u>\$ 8,058,602</u>	<u>\$ 8,402,842</u>	<u>\$ 8,755,415</u>	<u>\$ 9,050,693</u>
18						
19 <b>Net Operational Income Water</b>	<b>\$ (1,170,637)</b>	<b>\$ (1,106,155)</b>	<b>\$ (1,080,060)</b>	<b>\$ (1,025,235)</b>	<b>\$ (954,601)</b>	<b>\$ (801,084)</b>
<b>22 Operating Revenue and Expense - Government Fund</b>						
22 Ordinary Income Government Funds	27,356	27,356	27,356	27,356	27,356	27,356
23 Ordinary Expense Government Funds	(725,981)	(744,130)	(762,734)	(781,802)	(801,347)	(821,381)
24 <b>Net Operational Income Government</b>	<b>\$ (698,625)</b>	<b>\$ (716,775)</b>	<b>\$ (735,378)</b>	<b>\$ (754,446)</b>	<b>\$ (773,991)</b>	<b>\$ (794,025)</b>
<b>26 Non-Operating Revenues (Expenses) - Enterprise Fund</b>						
27 Investment Earnings	215,624	226,405	237,725	249,612	262,092	275,197
28 Investment Expense	(385,565)	(360,565)	(342,390)	(324,171)	(305,078)	(285,375)
29 Property Taxes	278,692	226,692	174,692	122,692	70,692	18,692
30 Other Income, Penalties, etc	1,206,346	1,266,663	579,996	608,996	639,446	671,418
31 Other Income, Grants, etc	-	384,174	399,882	416,177	433,082	433,082
32 Connection Fees	712,823	755,593	800,928	848,984	899,923	953,919
33 Other Expense	(814,566)	(822,712)	(196,656)	(201,572)	(206,612)	(211,777)
34 <b>Net Non-Operating Revenues (Expenses)</b>	<b>\$ 1,213,354</b>	<b>\$ 1,676,250</b>	<b>\$ 1,654,177</b>	<b>\$ 1,720,717</b>	<b>\$ 1,793,545</b>	<b>\$ 1,855,155</b>
<b>36 Non-Operating Revenues (Expenses) - Government Fund</b>						
37 Investment Earnings	114,535	120,262	126,275	132,589	139,218	146,179
38 Property Taxes	1,055,163	1,107,921	1,163,317	1,221,483	1,282,557	1,346,685
39 Other Income	180,002	185,402	190,964	196,693	202,594	208,671
40 Income Solid Waste	215,661	222,131	228,795	235,659	242,729	250,010
41 Other Expense	(3,023)	(3,175)	(3,333)	(3,500)	(3,675)	(3,859)
42 <b>Net Non-Operating Revenues (Exp) Gvmt</b>	<b>\$ 1,562,338</b>	<b>\$ 1,632,541</b>	<b>\$ 1,706,018</b>	<b>\$ 1,782,923</b>	<b>\$ 1,863,423</b>	<b>\$ 1,947,687</b>
43						
44 <b>Net Income</b>	<b>\$ 906,429</b>	<b>\$ 1,485,861</b>	<b>\$ 1,544,757</b>	<b>\$ 1,723,959</b>	<b>\$ 1,928,376</b>	<b>\$ 2,207,733</b>
45						
46 Depreciation Unfunded (40%)	\$ 915,314	\$ 911,733	\$ 969,866	\$ 1,022,186	\$ 1,074,253	\$ 1,099,653
47 Loan Principal Payments	(1,384,162)	(569,596)	(1,391,969)	(1,409,910)	(1,428,438)	(1,434,326)
48 <b>Net Cash Avail for Projects/Reserves</b>	<b>\$ 437,581</b>	<b>\$ 1,827,998</b>	<b>\$ 1,122,654</b>	<b>\$ 1,336,236</b>	<b>\$ 1,574,191</b>	<b>\$ 1,873,059</b>
Beginning Cash in Bank (1)	\$ 18,304,426	\$ 17,983,978	\$ 18,214,574	\$ 16,277,027	\$ 15,067,542	\$ 14,238,111
RESERVES	(10,461,221)	(11,189,421)	(12,071,421)	(13,263,421)	(14,368,221)	(15,469,221) <sup>B</sup>
FUNDED DEPRECIATION (60%)	1,372,970	1,367,599	1,454,799	1,533,279	1,611,379	1,649,479
CIP PROJECTS	(2,041,000)	(2,810,000)	(4,360,000)	(3,924,000)	(3,905,000)	(1,905,000) <sup>C</sup>
CAPITAL PURCHASES	(90,000)	(155,000)	(155,000)	(155,000)	(110,000)	(110,000)
<b>CASH BALANCE = AVAILABLE CASH</b>	<b>\$ 7,522,757</b>	<b>\$ 7,025,153</b>	<b>\$ 4,205,606</b>	<b>\$ 1,804,121</b>	<b>\$ (130,110)</b>	<b>\$ 276,429</b>

**NOTES:**

(1) Beginning Cash in Bank (in Forecast Years = Cash Balance from Prior Year + Reserves Prior Year)

A: Depreciation changes based on the additional assets (CIP Projects) added in the prior year.

B: Based on average of reserve levels recommended by Directors + Assumes additional assets each year x .08 = additional reserves + reimbursement for reserve loans

C: From 10-year CIP Plan

**STATISTICS AND TRENDS**

## WATER SYSTEM STATISTICS AND HISTORICAL INFORMATION

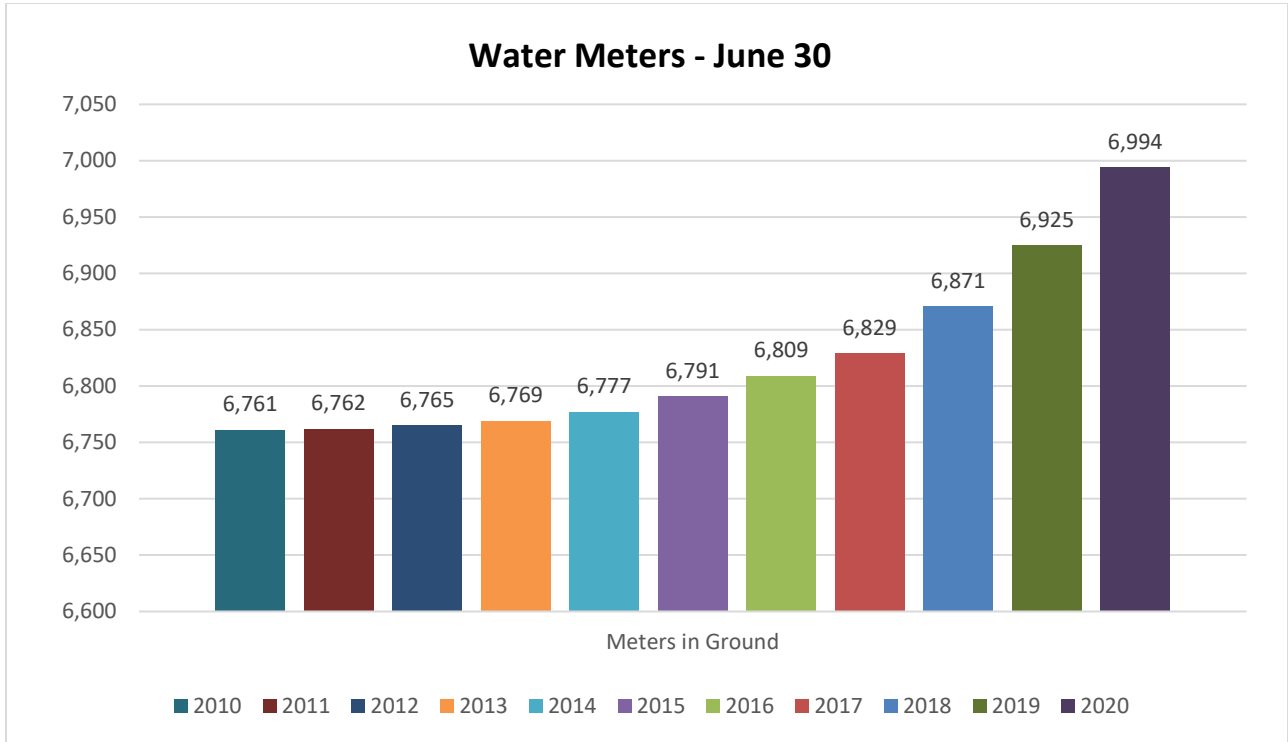
<b>NUMBER OF WATER CUSTOMERS</b>											
<b>as of June 30 each year</b>											
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<b>Current Fiscal Year</b> <u>2020</u>
<b>Residential</b>	6,708	6,709	6,712	6,714	6,719	6,735	6,753	6,756	6,817	6,847	6,925
<b>Commercial</b>	50	50	50	51	51	51	49	49	50	71	74
<b>Industrial</b>				3	4	4	4	4	4	7	11
<b>Other</b>	2	2	2								
<b>TOTAL</b>	6,760	6,761	6,764	6,768	6,774	6,790	6,806	6,809	6,871	6,925	7,010

<b>CURRENT AND HISTORICAL AVERAGE MONTHLY USER CHARGE</b>										
<b>PER RESIDENTIAL ACCOUNT (includes minimum + 15 HCF of water for 3/4" meter)</b>										
<u>06/30/2010</u>	<u>06/30/2011</u>	<u>06/30/2012</u>	<u>06/30/2013</u>	<u>06/30/2014</u>	<u>06/30/2015</u>	<u>06/30/2016</u>	<u>06/30/2017</u>	<u>06/30/2018</u>	<u>06/30/2019</u>	<b>Current Fiscal Year</b> <u>06/30/2020</u>
41.76	41.76	41.76	41.69	45.95	49.12	60.81	63.85	66.94	67.86	71.23

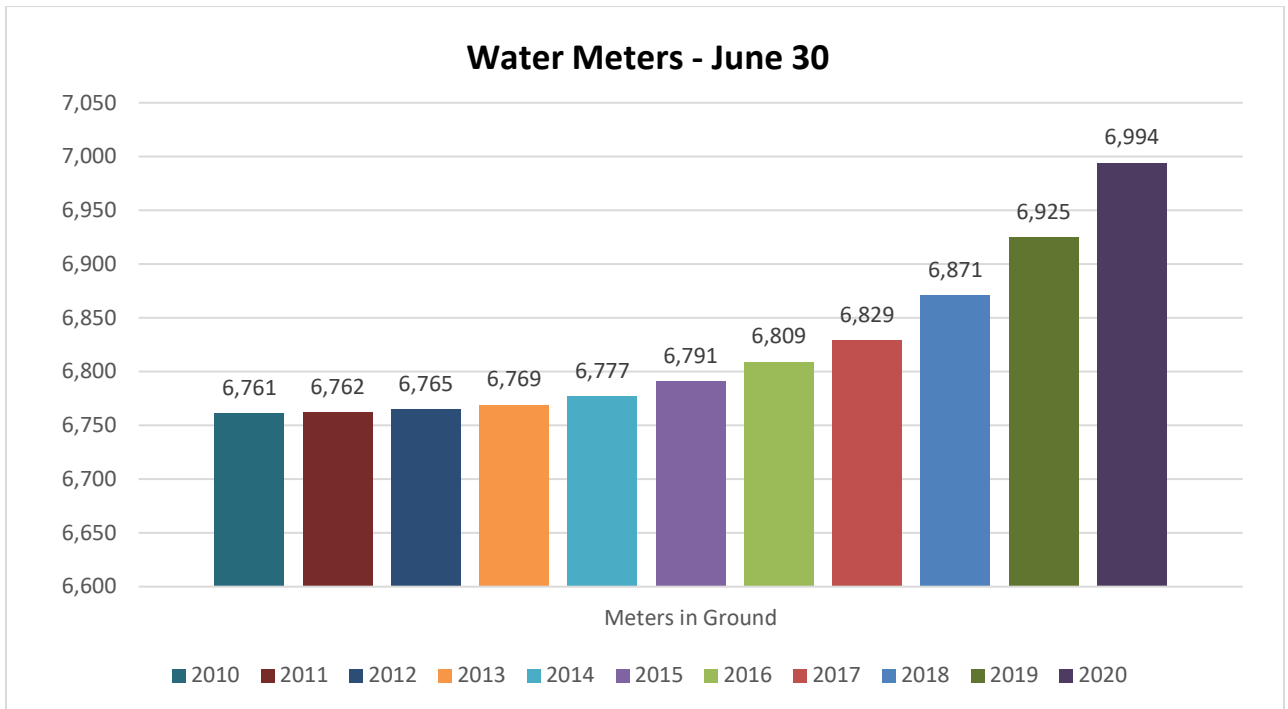
<b>TEN LARGEST SYSTEM USERS</b>					
<b>as of 06/30/2020</b>					
<b>User</b>	<b>Annual Usage</b>	<b>% of System Use</b>	<b>Annual Gross Revenues</b>	<b>% of System Revenues</b>	<b>Customer Class</b> (Residential/Commercial/ Industrial/Other)
SNOWLINE JUSD	87,570	8.61%	\$303,371	4.85%	INSTITUTIONAL
C.A. RASMUSSEN	4,647	0.46%	\$26,496	0.42%	INDUSTRIAL (HYD)
COUNTY OF SAN BERNARDINO	3,344	0.33%	\$19,005	0.30%	INDUSTRIAL (HYD)
MYONG CHA (GRACE) PAK	2,238	0.22%	\$9,213	0.15%	RESIDENTIAL
JOHN R & MARTHA J BROWNE	1,946	0.19%	\$8,045	0.13%	RESIDENTIAL
TERRY & CHERIE CONAN	1,623	0.16%	\$6,752	0.11%	RESIDENTIAL
SEUNG YONG SONG	1,607	0.16%	\$6,697	0.11%	RESIDENTIAL
JANICE CHUNG	1,507	0.15%	\$6,305	0.10%	RESIDENTIAL
MINA JUN	1,504	0.15%	\$6,961	0.11%	RESIDENTIAL
SANG BUM CHANG	1,476	0.15%	\$6,055	0.10%	RESIDENTIAL
<b>TOTAL</b>	<b>107,461</b>	<b>10.57%</b>	<b>\$398,899</b>	<b>6.38%</b>	



## HISTORICAL METERS IN GROUND AND PRODUCTION



The District has been experiencing slow growth due to the economic conditions in the County. This has improved these past few years and continues to show upward economic trends.



Water production dropped in 09/10 due to economic impacts. It continued to rise through 12/13 and then dropped off due to the statewide drought and conservation mandates implemented by the District.

## HISTORICAL AND FUTURE (PENDING BOARD REVIEW) WATER RATES

		Water Rates Approved February 20, 2013				Water Rates - Approved January 20, 2016				Water Rates - Approved March 18, 2020					
Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective	Effective		
03/01/2008	03/01/2013*	01/01/2014	01/01/2015**	01/01/2016	02/01/2016	07/01/2016	07/01/2017	07/01/2018	07/01/2019	07/01/2020	07/01/2021	07/01/2022	07/01/2023		
<b>FIXED CHARGES PER METER</b>															
		<b>Bi-Monthly</b>				<b>Monthly</b>				<b>Monthly</b>					
<b>Meter Size</b>															
3/4"	\$26.02	\$31.37	\$33.75	\$35.77	\$18.96	\$18.96	\$16.97	\$17.90	\$18.16	\$19.16	\$22.28	\$23.62	\$25.04	\$26.55	\$28.15
1"	\$37.20	\$41.65	\$44.81	\$47.49	\$25.17	\$25.17	\$25.91	\$27.46	\$27.89	\$29.56	\$32.06	\$33.99	\$36.03	\$38.20	\$40.50
1 1/2"	\$64.20	\$67.35	\$72.45	\$76.80	\$40.70	\$40.70	\$48.24	\$51.34	\$52.21	\$55.54	\$56.51	\$59.91	\$63.51	\$67.33	\$71.37
2"	\$93.50	\$98.19	\$105.63	\$111.97	\$59.34	\$59.34	\$75.04	\$80.00	\$81.39	\$86.72	\$85.85	\$91.01	\$96.48	\$102.27	\$108.41
3"	\$159.64	\$170.14	\$183.05	\$194.03	\$102.83	\$102.83	\$137.57	\$146.87	\$149.47	\$159.47	\$178.76	\$189.49	\$200.86	\$212.92	\$225.70
4"	\$245.64	\$272.94	\$293.64	\$311.26	\$164.96	\$164.96	\$226.91	\$242.41	\$246.74	\$263.41	\$315.68	\$334.63	\$354.71	\$376.00	\$398.56
<b>Chromium 6 Surcharge</b>	N/A	N/A	N/A	N/A	N/A	N/A	\$9.71	\$9.71	<del>\$12.12</del> \$9.71	\$9.71	\$9.71	\$9.71	\$9.71	\$9.71	\$9.71
<b>CONSUMPTION</b>															
<b>Residential</b>															
Tier 1	\$1.81	\$1.69	\$1.89	\$2.02	\$2.17	\$2.17	\$2.22	\$2.35	\$2.39	\$2.53	\$2.64	\$2.80	\$2.97	\$3.15	\$3.34
Tier 2	\$2.01	\$1.95	\$2.18	\$2.33	\$2.50	\$2.50	\$3.51	\$3.71	\$3.77	\$4.00	\$4.01	\$4.26	\$4.52	\$4.80	\$5.09
Tier 3	\$2.08														
<b>Commercial</b>															
Tier 1	\$1.81	\$1.69	\$1.89	\$2.02	\$2.17	\$2.17	\$2.65	\$2.81	\$2.85	\$3.02	\$3.06	\$3.25	\$3.45	\$3.66	\$3.88
Tier 2	\$2.01	\$1.95	\$2.18	\$2.33	\$2.50	\$2.50									
Tier 3	\$2.08														
<b>School Institutional</b>															
Tier 1	\$1.81	\$1.69	\$1.89	\$2.02	\$2.17	\$2.17	\$2.82	\$2.98	\$3.03	\$3.21	\$3.53	\$3.75	\$3.98	\$4.22	\$4.48
Tier 2	\$2.01	\$1.95	\$2.18	\$2.33	\$2.50	\$2.50									
Tier 3	\$2.08														

Tier 1: 0 to 11 units      Tier 2: > 12 units

The Chromium-6 Surcharge is collected to recover Chromium-6 costs, including debt service on a loan that will be acquired when construction begins. In August 2017, the Chromium-6 regulation was rescinded, pending further review by the Department of Water Resources (DWR). The District had spent approximately \$3.7 million dollars prior to the project being put on hold. The surcharge will continue for approximately 1 more year, or until costs have been recovered\*.

Note: The state is scheduled to determine the maximum Chromium-6 levels this year. At that time, the District will resume planning and construction of facilities necessary to bring the levels in the water to acceptable points. If the current costs are fully recovered prior to the state's decision, the District will suspend the surcharge until the mandate is passed and will resume once Chromium-6 projects begin again.

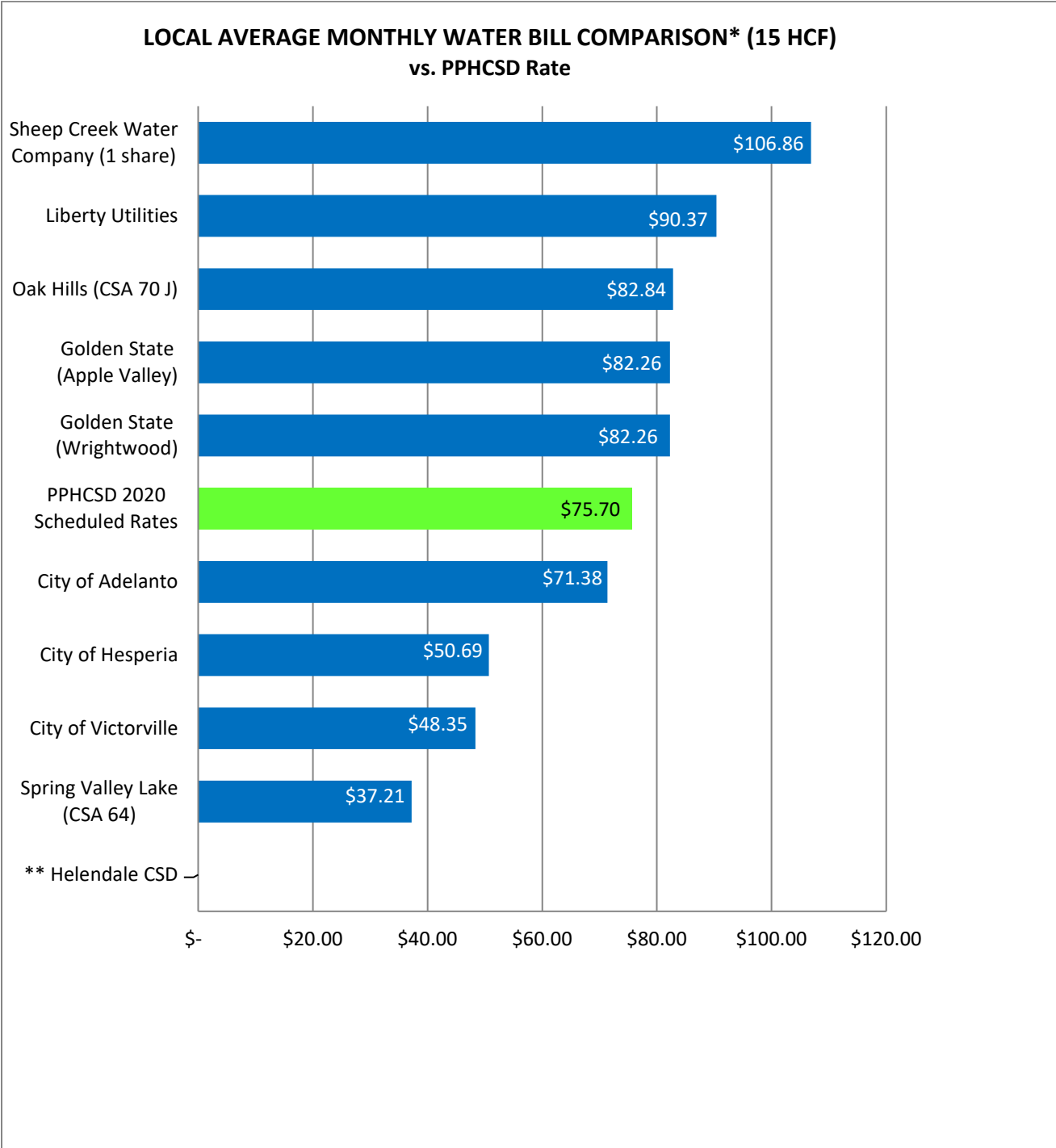
In 2012 the District conducted its first water rate study. The rates went into effect March 1, 2013.

July 1, 2015 the District converted to monthly billing. The above rates were divided by 2 for monthly billing.

Beginning on 07/01/18 (or when the Chromium-6 project is added to the system) the surcharge is approved and scheduled to increase to cover the increased operational expenses of the additional operating assets. This increase was deferred, pending completion of the project, if the project is required after the DWR enacts new Chromium-6 regulations.

The most current water rate study is available online. For additional information on the rate structure and the components driving the rate changes, please refer to this study at [www.pphcsd.org](http://www.pphcsd.org).

# WATER BILL COMPARISON TO LOCAL WATER PROVIDERS



Average monthly bill for ¾" meter and 15 HCF (748 gallons per hundred cubic foot) water usage.

\*\*Helendale CSD does not have ¾" meters. The smallest meter they use is 1".

## WATER RIGHTS

The District's water comes from deep aquifers within the Mojave Basin Area. Mojave Water Agency (MWA), specifically the Watermaster, is responsible for the adjudicated basin from which the District pumps water. Through the adjudication water purveyors within the basin were assigned water rights, based on the amount of water they pumped historically. The water rights were ramped down to the "Free Production Allowance" (FPA), currently 80%. Water purveyors, such as the District, have the right to produce (pump) the FPA water each year. Any amount of water pumped in excess of the FPA is considered overproduction and must be replaced to maintain a balanced water basin. Replacement water is paid for through MWA.

The District owns water rights in two of the sub-areas within the MWA's jurisdiction. Most of the rights are in the OESTE subarea. When the District was formed, it owned 1,416 acre feet of water rights in the OESTE subarea. The District has since purchased additional 3,164 acre feet of water rights. As water production increases, and the FPA is reduced, water rights will ensure that the District does not incur overproduction replacement water costs, thus providing a significant savings to the rate payers.

<b>Historical Water Rights , Production and Water Replacement OESTE Subarea</b>												
Water Year End Sept 30:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PPHCSD Water Rights	1,416	1,416	1,416	1,416	1,416	3,751	3,751	4,680	4,680	4,680	4,680	4,680
PPHCSD Free Production Allowance (80%)	1,133	1,133	1,133	1,133	1,133	3,001	3,001	3,744	3,744	3,744	3,744	3,744
Production	2,669	2,394	1,790	1,662	1,720	2,133	2,076	1,957	1,539	1,834	2,451	2,472
Overproduction	1,536.0	1,261.0	657.0	529.0	587.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cost per AF MWA	\$337	\$386	\$395	\$395	\$405	\$425	\$448	\$484	\$515	\$556	\$578	\$591
Amount due to MWA	\$517,632	\$486,746	\$259,515	\$208,955	\$237,735	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><i>If the District had not purchased additional water rights:</i></b>												
Overproduction						1,000	943	824	406	701	1,318	1,339
<b>Amount due to MWA (savings due to purchase of additional water rights)</b>						<b>\$425,000</b>	<b>\$422,464</b>	<b>\$398,816</b>	<b>\$209,090</b>	<b>\$389,756</b>	<b>\$761,804</b>	<b>\$791,349</b>
12/2012 Purchased water rights from Meadowbrook Dairy						2,235						
07/2015 Purchased water rights from Aqua Capital						929						
Total additional water rights purchased						3,164						
Data obtained from Mojave Water Agency: <a href="http://www.mojavewater.org/downloads.html">http://www.mojavewater.org/downloads.html</a> Main Volume, Attachment B												

## DISTRICT PROFILE

### History

In February 2008, the citizens of Phelan and Piñon Hills overwhelmingly voted to separate the Water, Parks and Recreation, and Street Lighting Districts from the County and create a Community Services District. The Phelan Piñon Hills Community Service District was established through an election on February 5, 2008. With an 81% approval rating. The voters approved the formation of the District as a consolidation of three Special Districts: Zone-L70 Water, CSA-9 Phelan Parks and Street Lighting and CSA56-F1 Piñon Hills Parks. In 2012 the District activated Solid Waste and Recycling services.

The consolidation enabled the communities to establish a form of self-governance while maintaining their individual rural integrity. The 128 square mile District is the largest Community Service District in San Bernardino County. In March 2008, the Phelan Piñon Hills Community Services District was formed (LAFCO Resolution 2994), with a five-member Board of Directors elected to govern the District.

### Governance

The District is governed by an elected, five-member Board of Directors. Board members are elected to a four year term, participating in the election process during odd years.

The Board of Directors' regularly scheduled meetings are on the first and third Wednesdays of each month at 6pm in the Phelan Community Center. Additionally, the Directors are assigned to at least two standing committees and some serve on ad hoc committees as needed. The committees have regularly scheduled monthly meetings for Engineering, Parks & Recreation, Government Affairs, and Finances. These meetings are open to the Public whom are encouraged to attend.

### District Services

The District provides the following within its service area:

- ◆ Water
- ◆ Park and Recreation
- ◆ Street Lighting
- ◆ Solid Waste and Recycling

## BOARD OF DIRECTORS

	Term Expires December
<b>Charlie Johnson</b> President	2022
<b>Kathleen Hoffman</b> Vice President	2022
<b>Rebecca Kujawa</b> Director	2020
<b>Deborah Philips</b> Director	2022
<b>Mark Roberts</b> Director	2020

## DISTRICT MANAGEMENT

<b>Donald Bartz</b> General Manager
<b>Lori Lowrance</b> Administrative Services Manager
<b>Kim Ward</b> Human Resources Manager/Executive Secretary
<b>George Cardenas</b> Engineering Manager
<b>Sean Wright</b> Water Operations Manager

## MISSION STATEMENT

*The mission of the Phelan Piñon Hills Community Services District is to provide authorized services and maximize resources for the benefit of the community.*

Please visit the District's website at [PPHCSD.ORG](http://PPHCSD.ORG) for the up-to-date information and upcoming events.



## Phelan Piñon Hills Community Services District

# 2020/2021 BUDGET



**WATER  
PARKS AND RECREATION  
STREET LIGHTING  
SOLID WASTE AND RECYCLING**



**Phelan Piñon Hills Community Services District**  
4176 Warbler Road, Phelan, CA 92371  
760-868-1212

*Budget in Brief*  
88

# By the Numbers

## Phelan Piñon Hills Community Services District

### Water System:

Number of Pressure Zones	11
Miles of Water Main	353
Reservoirs	35
Wells	11
Booster Stations	24
Booster Pumps	64
Pressure Reducing Stations	32
Service Connections (Meters)	6,994

### Parks and Recreation Facilities:

Number of Parks	2
Number of Community Centers	2
Number of Senior Centers	2

### Street Lighting:

Number of Street Lights	92
Number of Lights at RR Crossings	1

### Solid Waste and Recycling:

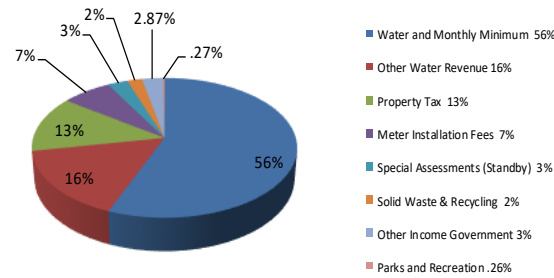
Number of Residential Customers	4,027
Number of Commercial Customers	118

### Misc. Statistical Information

Population	24,725
Service Area	128 square miles
Employees	23 Full Time , 3 Part Time
Enterprise Fund Budget	\$8,618,216
Government Fund Budget	\$ 729,004
Capital Budget	\$ 845,000

# FY 2020/2021 Budget in Brief

## Resources



"Where the Money Comes From"

Revenue	2020/2021
Water and Monthly Minimum 56%	\$5,745,723
Other Water Revenue 16%	\$1,637,341
Property Tax 13%	\$1,333,855
Meter Installation Fees 7%	\$712,823
Special Assessments (Standby) 3%	\$286,354
Solid Waste & Recycling 2%	\$215,661
Other Income Government 3%	\$294,537
Parks and Recreation .26%	\$27,356
<b>TOTAL REVENUE</b>	<b>\$10,253,650</b>

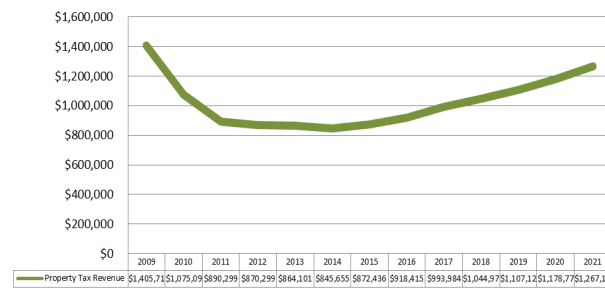
## Property Tax Revenue



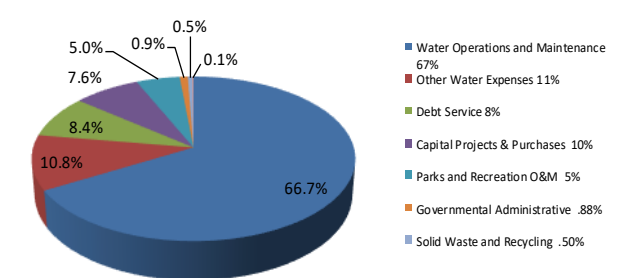
County's Share of General Tax Levy  
\$17,482,801

PPHCSD's Share of General Tax Levy  
\$1,267,132 = 7 cents of each dollar

## Property Tax Revenue



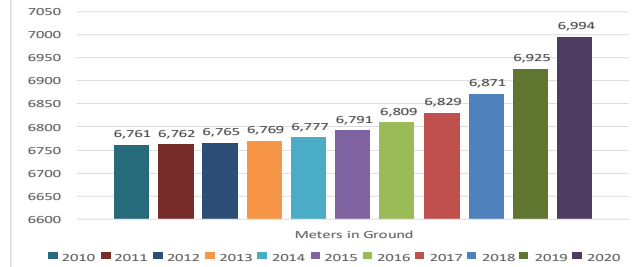
## Expenditures



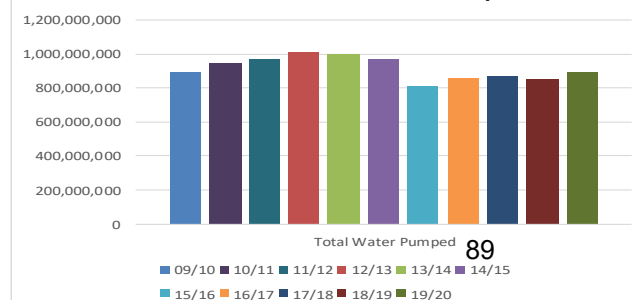
"Where the Money Goes"

Expenditures	2020/2021
Water Operations and Maintenance 67%	\$7,418,085
Other Water Expenses 11%	\$1,200,131
Debt Service 8%	\$930,160
Capital Projects & Purchases 10%	\$845,000
Parks and Recreation O&M 5%	\$554,043
Governmental Administrative .88%	\$102,061
Solid Waste and Recycling .50%	\$58,320
Street Lighting Operations .13%	\$14,580
<b>TOTAL EXPENDITURES</b>	<b>\$11,122,381</b>

## Water Meters - June 30



## Water Production - Gallons Pumped



**GLOSSARY OF ACRONYMS**  
**AND TERMS**

## GLOSSARY OF ACRONYMS

<b>AF</b>	Acre-Foot (of water)
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CalPERS</b>	California Employees Public Retirement System
<b>CIP</b>	Capital Improvement Program
<b>COLA</b>	Cost of Living Adjustment
<b>CPI</b>	Consumer Price Index
<b>CSMFO</b>	California Society of Municipal Finance Officers
<b>FTE</b>	Full Time Equivalent
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Governmental Accounting Standards Board
<b>GIS</b>	Geographic Information System
<b>GFOA</b>	Governmental Finance Officers of America
<b>HCF</b>	Hundred Cubic Feet (of water)
<b>SCADA</b>	Supervisory Control and Data Acquisition System



## GLOSSARY OF TERMS

**Accrual** - The recognition of a revenue or expense in a current period even though the actual cash may not be received or paid until a following period.

**Accrual Basis of Accounting** - The accounting basis used by Phelan Piñon Hills Community Services District under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.

**Acre-foot (AF) of Water** - The volume of water that covers one acre to a depth of one foot; 43,560 cubic feet; 1,233.5 cubic meters; 325,872 gallons.

**Amortization** - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified times and amounts.

**Appropriation** - An authorization granted by a legislative body to incur obligations and to make expenditures for specific purposes. This is usually time sensitive and must be used by a specific deadline.

**Assets** - Resources owned or controlled by the District with the expectation that it will provide future benefit. District assets include cash, receivables, inventory, water rights, and utility infrastructure.

**Audit** - An examination of the books and records of Phelan Piñon Hills Community Services District to determine financial status and results of operations (excess or loss).

**Balanced Budget** - The District considers a budget as balanced if there are sufficient net revenues to cover the cost of operations and debt service. The District will always adopt a budget that is balanced. The District considers a budget as fully funded if the budget is balanced and there is sufficient cash from operations to contribute the amounts necessary to fund the Operating Funds, the Capital Improvement Funds and the Rate Stabilization Funds as outlined in the District's Cash Reserve Policy. The District will strive toward a fully funded budget. If there is a revenue gap, the budget will indicate how and when this gap will be eliminated.

**Board of Directors** - The Phelan Piñon Hills Community Services District is governed by a Board, the members of which are elected by the voters within the District boundaries. The Board sets policy and provides overall leadership for Phelan Piñon Hills Community Services District including the mission, goals, priorities, and resource allocation.

**Budget** - A balanced financial plan for a given period of time, which includes appropriations and revenues which finance the various District funds. The District's budget is considered to be a spending plan and a policy guide.

**Budget Calendar** - The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

**Budgetary Control** - The control of management in accordance with the approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**California Society of Municipal Finance Officers (CSMFO)** – CSMFO is the preeminent resource for promoting excellence in government finance. Their mission is to serve all government finance professionals through innovation, collaboration, continuing education and professional development.

**CalPERS** - California Employees Public Retirement System.

**Capital Assets** - Physical assets used in operations that have initial useful lives of more than one year. District capital assets include land, buildings, improvements, vehicles, equipment, and infrastructure.

**Capital Contributions** - Amounts received that are often restricted for building or purchasing capital assets, or the receipt of an actual capital asset.

**Capital Equipment (Assets)** - Fixed assets such as vehicles, computers, equipment, technical instruments, etc., which have a life expectancy of more than one year and a value over \$5,000.

**Capital Improvement Program (CIP)** - A long range construction plan to be incurred each year over a number of years to meet the capital needs of the Phelan Piñon Hills Community Services District for the benefit of the community as a whole.

**Capital Improvement Projects** - Projects related to the construction, acquisition, and renovation of capital assets.

**Capital Project** - Major construction, acquisition, or renovation which increases the useful life of the District's assets or adds to the value of physical assets.

**Cash** - Legal tender held in bank accounts and marketable securities. Cash as reported on the balance sheet may also include assets that can be converted into cash immediately.

**Change in Fund Balance** - The increase or decrease from year to year in cash for a specific fund.

**Change in Net Assets** - The increase or decrease from year to year in Net Assets which are the sum total of assets less liabilities plus the change in the Statement of Revenues, Expenses and Changes in Net Assets.

**Charges for Services** - Fees and other charges to the users or recipients of goods and services the District provides, such as water service.

**Consumer Price Index (CPI)** - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living or doing business (i.e. economic inflation).

**Debt Service** - The payment of interest and principal on amounts borrowed.

**Enterprise Fund** - A type of fund that separately accounts for goods and services provided by the District, generally on a user-charge basis. The District has a Water Enterprise.

**Expenditures** - The outflow of cash, a promise to pay, or other financial resources in return for goods and services that have been received.

**Expense** - The recognition on the Statement of Revenues, Expenses and Changes in Net Assets of a use of resources. Expenses may not match expenditures due to the accrual basis of accounting utilized by the District.

**Financial Statement** - A set of summary documents which pertain to financial information that consist of the following: Balance Sheet, Schedule of Revenues and Expenses, Statement of Cash Flows, and, in the District's case, various supplements, schedules, etc.

**Fiscal Year** - The typical period covered by an agency's budget and financial statements. The District operates on the 12-month fiscal year beginning July 1<sup>st</sup> and ending June 30<sup>th</sup> of every year.

**Fixed Asset** - An item of long term character and/or of a significant set value. These include buildings, vehicles, certain office equipment, etc.

**Full-Time Equivalent (FTE)** – The sum of employees, including part-time staff, which total one full-time position. For example, two part-time employees who work 20 hours each, would equal one full-time equivalent.

**Fund** - A fiscal and accounting entity created by an agency for the purpose of tracking the finances of a particular activity or group of activities.

**Fund Balance** - Cash remaining after expenditures (including debt payments, capital expenditures and changes in working capital) are subtracted from receipts.

**Generally Accepted Accounting Principles (GAAP)** - Uniform minimum standards for guidelines for external financial accounting including the reporting of financial statements. GAAP encompasses the conventions, rules, and procedures that define accepted accounting principles. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

**Geographic Information System (GIS)** - An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

**Government Fund** - A type of fund that separately accounts for goods and services provided by the District, generally on a user-charge basis. The District has Parks and Recreation, Street Lighting, and Solid Waste activities that are in the Government Fund.

**Governmental Accounting Standards Board (GASB)** - Their mission is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports.

**Governmental Finance Officers of America (GFOA)** - Their purpose is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices, and promoting them through education, training and leadership.

**Groundwater** - Water produced by pumping from underground.

**Hundred Cubic Feet (HCF)** - The unit measure that is used for water billing purposes. 1 HCF = Approximately 748 gallons.

**Infrastructure** - Especially long-lasting capital assets that are stationary, can be preserved for significantly greater periods than most capital assets, and typically are part of a large system of assets, such as water mains and sewers.

**Interest Expense** - The cost of using borrowed money; it is typically a percentage of principal. Interest costs paid by the Phelan Piñon Hills Community Services District on interest and debt service.

**Interest Income** - Income received by the District from cash and investments.

**Maintenance** - Activities that keep assets in good working order, but do not significantly increase the capacity or life of an asset.

**Meter** - An instrument of measuring the flow of water and providing service to an account.

**Net Change in Cash** - The remainder after expenditures (including debt payments, fund transfers, capital expenditures and changes in working capital) are subtracted from receipts; a positive number indicates an increase in cash, while a negative number indicates a decrease in cash.

**Net Revenue** - Revenue less expenses for the purpose of calculating the District's Pledged Revenue Coverage. This calculation does not include depreciation, amortization or interest expense related to external debt.

**Non-Operational Expense** - Expenses that are not attributed to operations, such as loan fees, interest expense, etc.

**Non-Operational Revenue** - Revenues that are not a result of revenue received for service provided or facilities utilized, such as interest income.

**Operating Expenses (or Expenditures)** - The costs of producing and providing goods and services. Electricity to pump water out of the ground, wages for personnel operating the system, fuel for vehicles assisting with customer accounts, etc.

**Operating Revenues (or Receipts)** - Fees and charges generated by the production and provision of goods and services to customers of the District. Water, community center rental fees, etc.

**Operational Expenses** - Same as Operating Expenses (or Expenditures) above.

**Operational Revenue** - Same as Operating Revenues (or Receipts) above.

**Pledged Revenue Coverage** - The ratio of net revenue to annual debt service. The District's debt obligations require that the District maintain at least a 1.10 ratio. New debt requires a 1.15 to 1.20 ratio.

**Policy** - Statement of principle or of guiding actions that imply clear commitment. Directional orders that set forth guidelines to meet goals and objectives.

**Principal** – The original amount borrowed, or the amount remaining after payments are made, for bonds, loans, or other debt instrument.

**Property Taxes** - The District receives approximately 7% (7 cents of each dollar) of the 1% property tax levied against parcels of land within the Phelan Piñon Hills Community Services District.

**Proprietary Funds** – There are two types of proprietary funds: enterprise funds and internal service funds. References in this document to proprietary fund(s) are enterprise fund(s). The District has one enterprise fund at this time: Water.

**Proposition 218** (aka Prop 218) - The legislation that was approved by California voters, in November of 1996 (now Articles XIII C and D of the California Constitution), that mandated certain rules, notification requirements, and protest hearings take place in order to implement or change taxes, assessments, and certain rates and fees. For the Phelan Piñon Hills Community Services District, it set forth certain notification and protest hearing requirements in order to change water rates. The District exceeded these requirements in 2012 and 2013, when the District established multi-year rate changes after an extensive water rate study, multiple public meetings, multiple notices, and a protest hearing in February 2013.

**Recreation Fees** - Revenue received from day use and special events within the Parks & Recreation District.

**Reserve** - Amount in a fund used to meet cash requirements, emergency expenditures or other future defined requirements.

**Reserve Balance** - Current balance of specific funds that are set aside for future purposes and therefore cannot or should not be appropriated for general uses.

**Resolution** - Special or temporary order of a legislative body requiring less formality than a statute or ordinance.

**Revenue** - Income received to finance the operations of the Phelan Piñon Hills Community Services District.

**Salary & Benefits** - Salary and wage expenses paid by the District to employees for regular pay, sick pay, vacation pay, holiday pay, safety pay, overtime pay, and other miscellaneous pay. Benefits include payroll taxes (such as Medicare), workers compensation, group insurance (such as medical, dental, vision, and disability insurance) and retirement (such as CalPers). This section also includes temporary, seasonal, and part time pay expenses. Note: The District does not participate in Social Security for employees who are members of CalPers.

**Services & Supplies** - Accounts established that cover expenditures for most operating costs for departments and their programs.

**Special District** - Independent unit of local government organized to perform special & specific functions.

**Supervisory Control and Data Acquisition System (SCADA)** - The computer system that collects data, processes the data and allows operating personnel to take corrective actions. For the District, this system is used to track and monitor well activity, tank levels.

**Useful Life** - Period during which a capital asset is expected to be usable for District operations.

**Water Conservation** - Reducing the demand for water through activities that alter water use practices, e.g., improving efficiency in water use, and reducing losses of water from leaks.

**Water Quality** - The chemical, physical and biological characteristics of water with respect to its suitability for a particular purpose. The same water may be of good quality for one purpose or use, and bad for another, depending on its characteristics and the requirements for the particular use.

**Well** - A vertical drilled hole into an underground formation to obtain a source of water, to monitor ground water quality or to determine the position of the water table.