

SPECIAL BOARD WORKSHOP AGENDA

April 14, 2026 – 5:00 p.m.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371
& Via Conference Call (see below)

SPECIAL BOARD WORKSHOP – 5:00 P.M.

Call to Order – Pledge of Allegiance

Roll Call

1) **Approval of Agenda**

2) **Public Comment** – Under this item, any member of the public wishing to directly address the Board on any item of interest that may or may not be within the subject matter jurisdiction of the Board, but not listed on the agenda, may do so at this time. However, the Board is prohibited by law from taking any action on any item not appearing on the agenda unless the action is otherwise authorized by the Brown Act. Any member of the public wishing to directly address the Board on any item listed on the agenda may do so when the item is being considered by the Board. Speakers are requested to be brief in their remarks. The Chair may limit each speaker to a comment period of five (5) minutes.

3) **Presentation – Annual Financial Plan and Rate Review**

Presented by Habib Isaac – IB Consulting

4) **Review of 2026/2027 Draft Budget**

5) **Review of 10-Year Capital Improvement Plans**

6) **Review of Action Items**

7) **Adjournment**

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above-agendized public meeting should be directed to the District's General Manager at (760) 868-1212 at least 24 hours prior to said meeting.

Agenda materials can be viewed online at www.pphcsd.org



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.

Authorized Services:

- Water
- Parks & Recreation
- Street Lighting
- Solid Waste & Recycling

Remote Viewing:

To watch the livestream (view only – nonparticipating), visit our YouTube channel:

[PPHCSD YouTube Channel Link](#)

Remote Participation:

To provide public comment, or otherwise participate remotely, select the meeting you wish to attend on the District's website and then click the "Join Remote Meeting" option.

<https://www.pphcsd.org/meetings>

Please be advised that remote participation and livestreaming options are provided as a courtesy to the public and technical issues could occur, resulting in delays or the inability to participate remotely or livestream. It is recommended that you attend in person to ensure you are able to participate.

Written Comments:

You may also email your public comment to the District Clerk at awilliams@pphcsd.org by the meeting start time listed on this agenda. Your comment will be added to the record by the District Clerk.

Please check the District website for updates on this meeting. We encourage you to sign up for our email notifications by emailing awilliams@pphcsd.org or by visiting our website and completing the signup form at www.pphcsd.org under the "Agendas and Minutes" tab.



Phelan Pinon Hills CSD

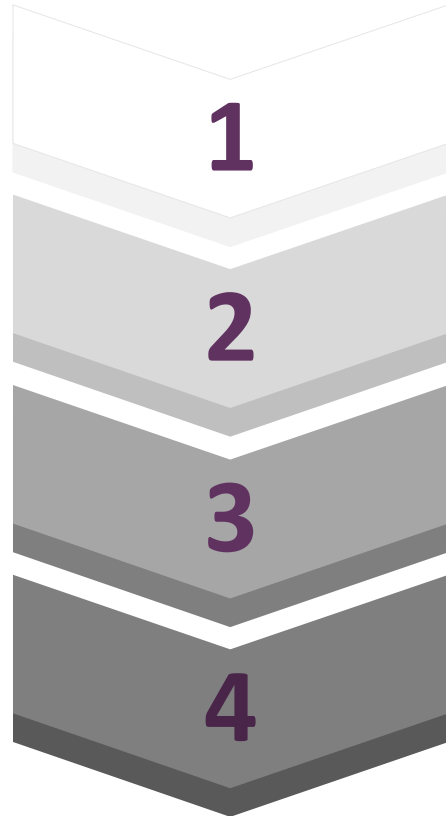
Annual Financial Plan and Rate Review

April 14, 2026



Agenda

Annual Financial Plan Updates



Financial Plan Updates

Financial Plan at Noticed Rates

Financial Plan at Recommended Rates

Recommended FY 2027 Rates

Financial Plan Updates



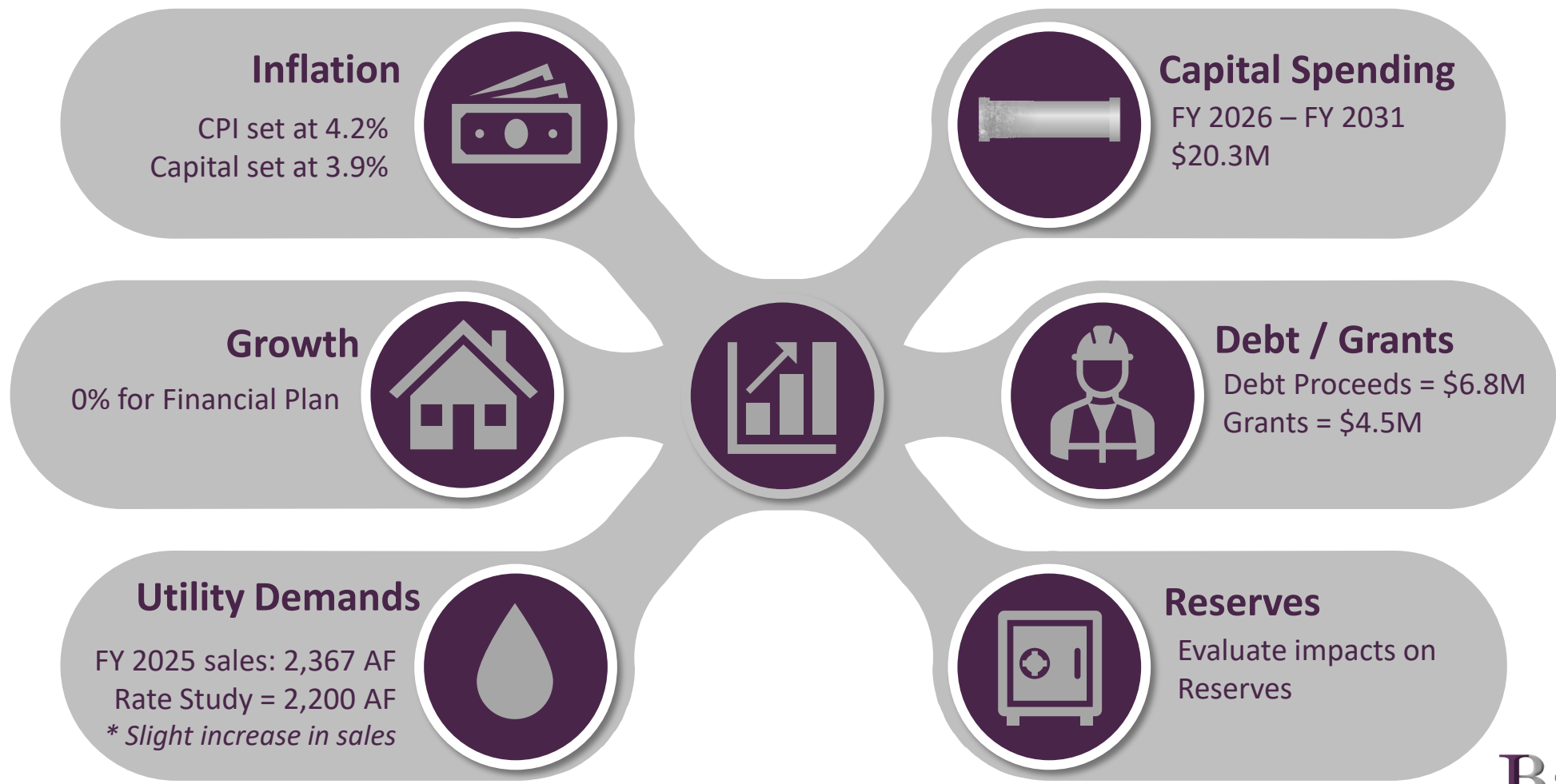
Model Updates

Financials and Capital Plan

- Updated actuals through FY 2025
- Incorporated FY 2026 budget and reserve balances
- Captured new accounts
- Updated capital improvement plan and costs

Key Assumptions

Water Enterprise



Financial Plan at Noticed Rates

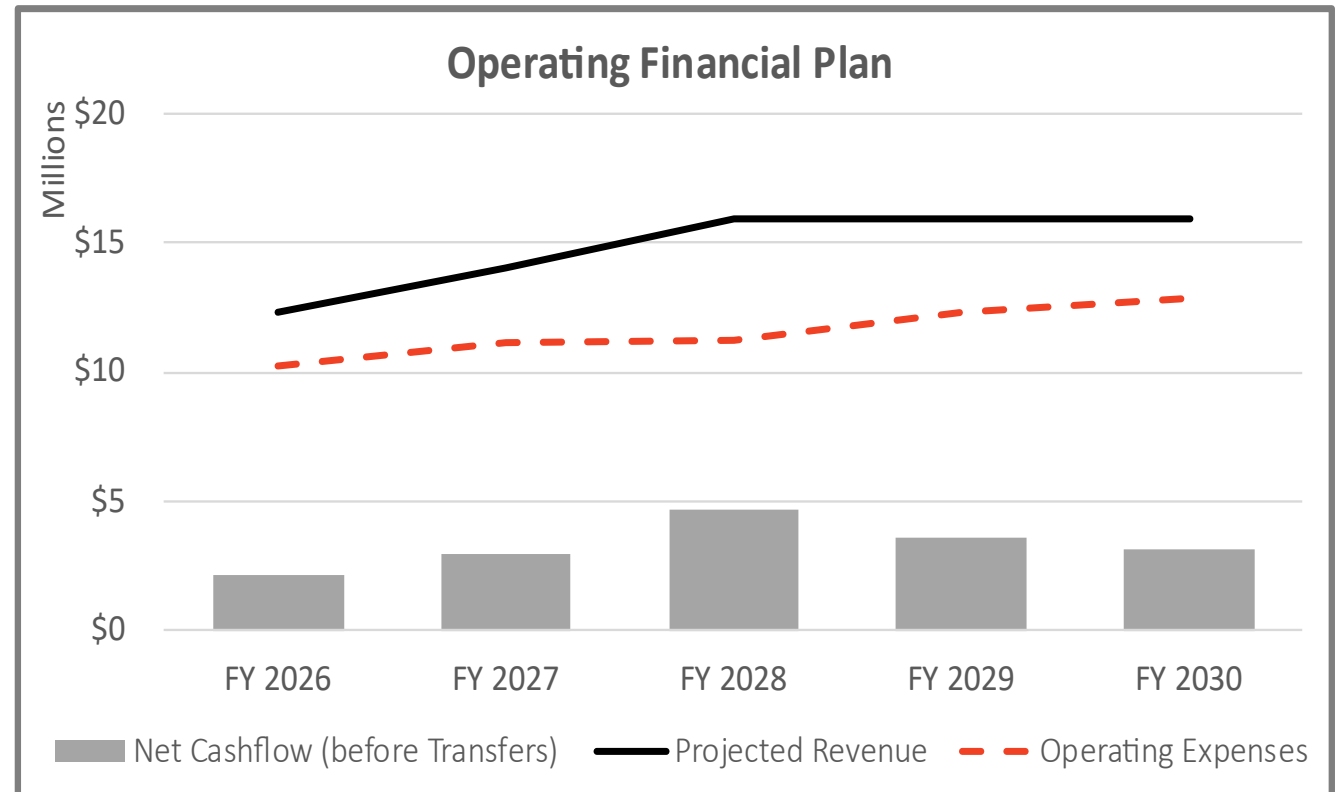


Water Financial Position - Operating

FY 2026 Rates and Noticed Rates for FY 2027 and FY 2028

Financial Plan Metrics

- Generate positive annual operating net income
 - FY 2026 implemented rates + two more years of Noticed rates (FY 2027 and FY 2028)
 - FY 2029 and FY 2030 outside of 5-year noticed rate schedule
 - ❖ No increases are assumed

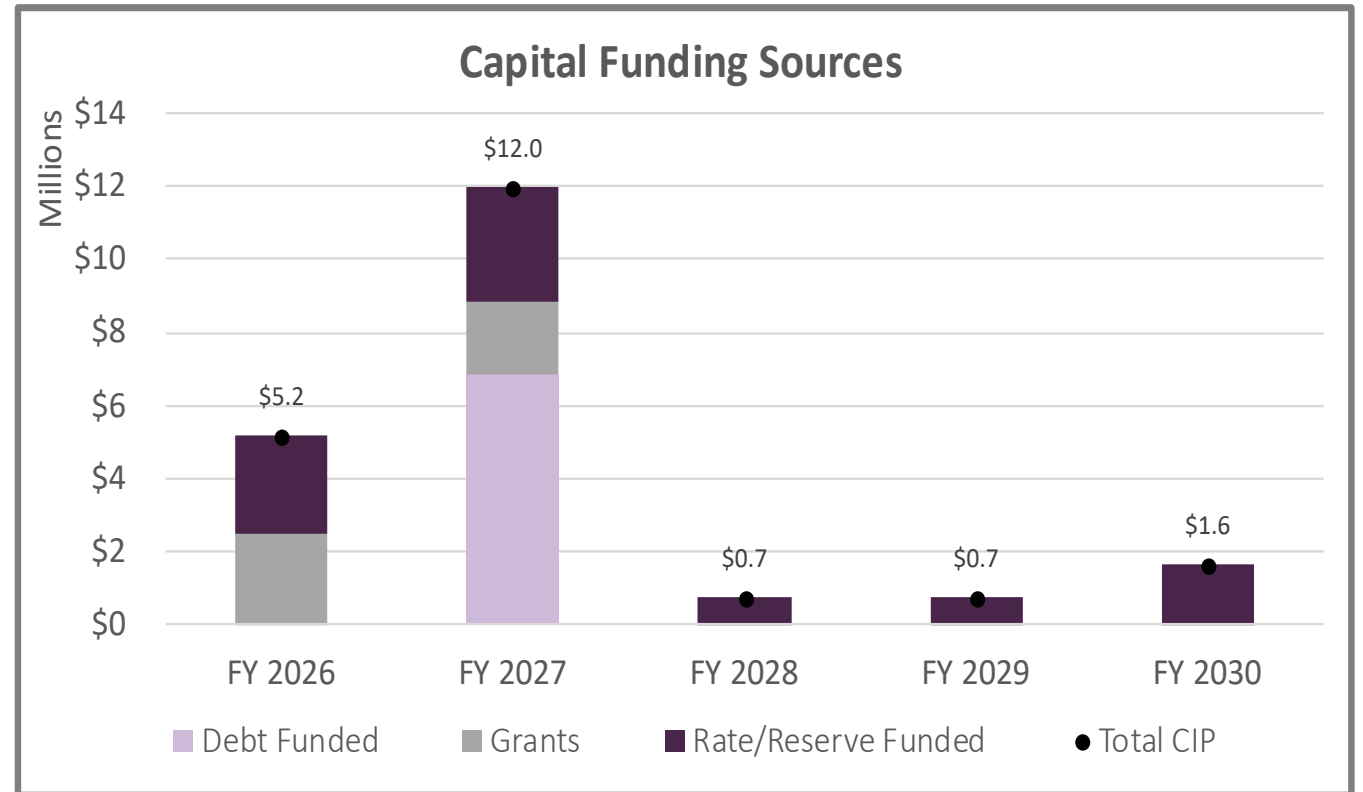


Water Financial Position - Capital

At Noticed Rates

Financial Plan Metrics

- Sufficiently fund capital needs
 - CIP has been updated, and projects have been rescheduled/shifted
 - Civic Center completion in FY 2027
 - Debt proceed funding = \$6.8M
 - Grant funding = \$4.5M
- Capital spending in FY 2028 – FY 2030 is minimal
 - Total = \$3.1M

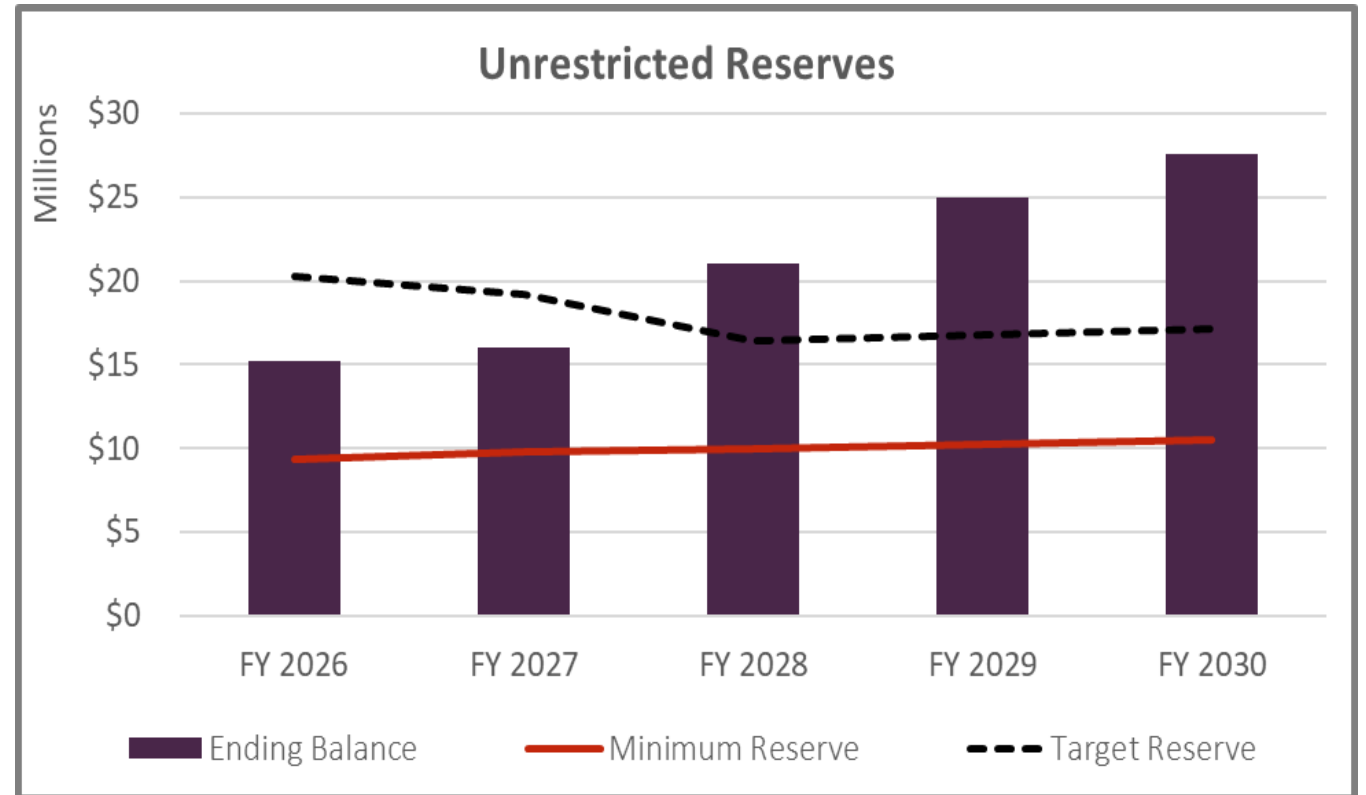


Water Financial Position - Reserves

At Noticed Rates

Financial Plan Metrics

- Satisfy minimum reserve targets
 - Shifting/deferment of CIP projects increased funds on hand
 - FY 2029 and FY 2030 outside of 5-year noticed rate schedule
 - No increases are assumed
- At noticed rates, reserves will reach and exceed ideal target
 - Capital spending is low in FY 2028 – FY 2030 = \$3.1M
 - Allows reserves to build-up



Financial Plan at Recommended Rates

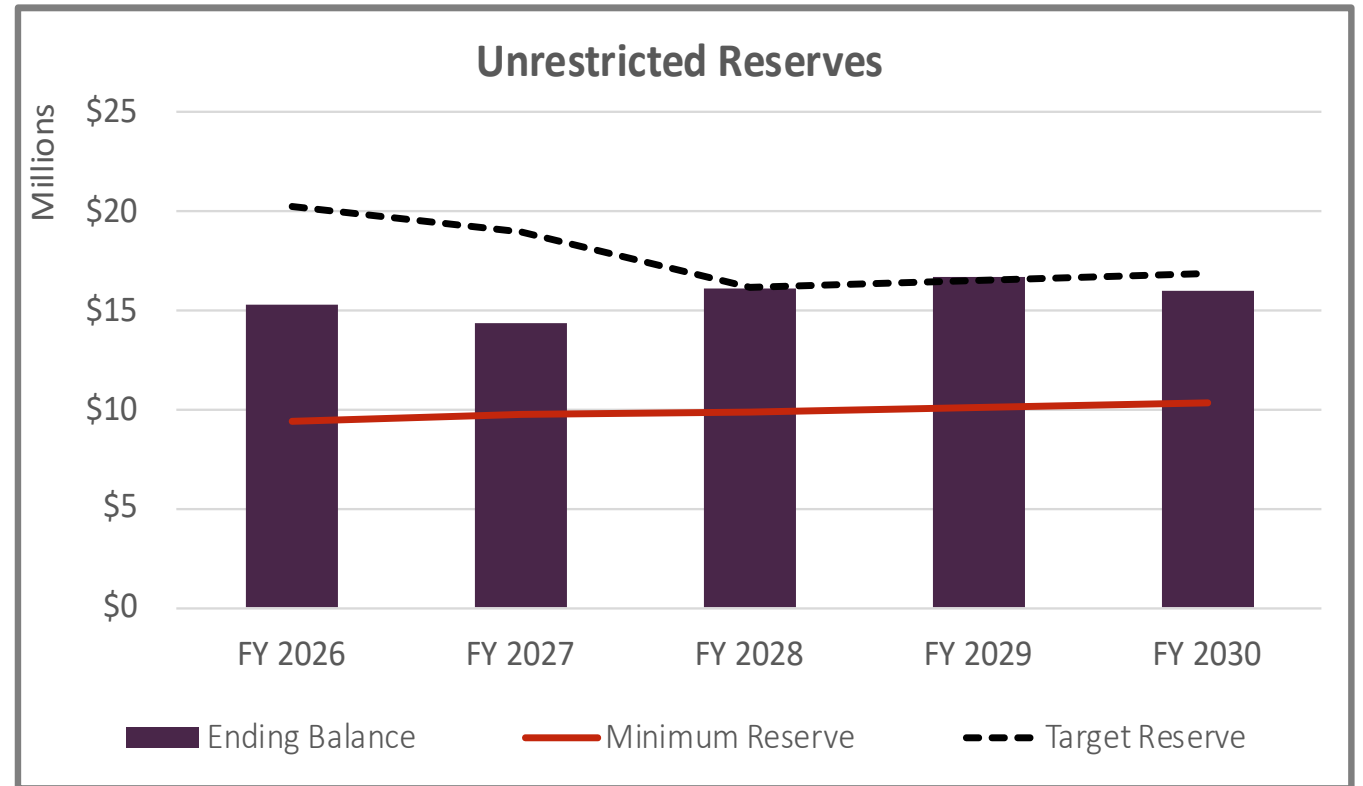


Water Financial Position - Reserves

At Recommended Rates

Financial Plan Metrics

- District could implement lower rates than what was noticed for FY 2027
 - Recommended rates for FY 2027 are ~14% less than FY 2027 noticed rates
 - Recommended FY 2027 rates are slightly less than FY 2026 noticed rates
 - FY 2028 is currently assumed at a 3% increase instead of 16% increase
 - ❖ *No action should be taken on FY 2028 rates until next year*



Recommended FY 2027 Rates



FY 2027 Recommended Rate Adjustments

FY 2027 Recommended versus Noticed

FY 2027 Rates (July 1, 2026 implementation date)

- Implement FY 2027 rates that are lower than the maximum noticed rates

FY 2027 Rate Implementation				
Meter Size	FY 2027 Recommended	FY 2027 Noticed Rates	Difference (\$)	Difference (%)
<u>Fixed Charges</u>				
≤3/4"	\$39.46	\$45.88	(\$6.42)	-14.0%
1"	\$58.79	\$68.36	(\$9.57)	-14.0%
1 1/2"	\$107.12	\$124.56	(\$17.44)	-14.0%
2"	\$165.12	\$192.00	(\$26.88)	-14.0%
3"	\$348.78	\$405.56	(\$56.78)	-14.0%
4"	\$619.44	\$720.28	(\$100.84)	-14.0%
6"	\$1,267.09	\$1,473.36	(\$206.27)	-14.0%
8"	\$2,717.05	\$3,159.36	(\$442.31)	-14.0%
Chromium 6	\$9.71	\$9.71	\$0.00	0.0%
<u>Variable Rates</u>				
Tier 1	\$4.47	\$5.20	(\$0.73)	-14.0%
Tier 2	\$6.26	\$7.28	(\$1.02)	-14.0%

FY 2027 Recommended Rates

FY 2027 Rates versus FY 2026 Implemented Rates

FY 2027 Rate Implementation					
Meter Size	FY 2027 Recommended	FY 2026 Implemented Rates	Difference (\$)	Difference (%)	
<u>Fixed Charges</u>					
≤3/4"	\$39.46	\$37.96	\$1.50	3.9%	
1"	\$58.79	\$56.80	\$1.99	3.5%	
1 1/2"	\$107.12	\$103.91	\$3.21	3.1%	
2"	\$165.12	\$160.44	\$4.68	2.9%	
3"	\$348.78	\$339.46	\$9.32	2.7%	
4"	\$619.44	\$603.28	\$16.16	2.7%	
6"	\$1,267.09	\$1,234.55	\$32.54	2.6%	
8"	\$2,717.05	\$2,647.85	\$69.20	2.6%	
Chromium 6	\$9.71	\$9.71	\$0.00	0.0%	
<u>Variable Rates</u>					
Tier 1	\$4.47	\$4.33	\$0.14	3.3%	
Tier 2	\$6.26	\$5.69	\$0.57	10.0%	

Habib Isaac

IB Consulting

Principal | Managing Partner

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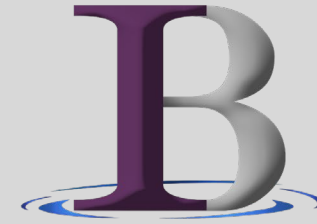
Andrea Boehling

IB Consulting

Principal | Managing Partner

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Thank You



C O N S U L T I N G

MEMORANDUM

DATE: April 14, 2026
TO: Board of Directors
FROM: Don Bartz, General Manager
By: David Noland, Finance Supervisor
SUBJECT: 2026/2027 Draft Budget Detail

STAFF RECOMMENDATION

For the Board to review the draft 2026/2027 Budget Detail schedule, make recommendations for changes, if necessary, and authorize staff to continue by using these schedules to compile the final budget document for the Budget Hearing (June 10, 2026).

BACKGROUND

The committees have prepared their portions of the capital expenditure plans. The Board has reviewed the 10-year Capital schedule and has moved it forward for staff to include in the Budget. Staff has completed their projected budget scenarios and presented them to the accounting staff for inclusion in the budget.

The Draft 2026/2027 Budget Detail and Capital Expenditure schedules have been reviewed by the Finance Committee. The Finance Committee had no recommended changes.

Staff is recommending for the Board to review the Draft 2026/2027 Budget Detail and Capital Expenditure schedules for inclusion in the 2026/2027 Budget document that will be presented to the Board and Public at the public hearing scheduled for June 10, 2026.

FISCAL IMPACT

N/A

ATTACHMENT(S)

2026/2027 Budget Detail Comparison
2026/2027 Capital Expenditure Budget
Current CIP 10-year schedule
Budget Schedule

Phelan Pinon Hills Community Services District

BUDGET DETAIL COMPARISON 2026/2027

Assumes:		TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud		Bud vs Est YE		23/24 Budget vs. Actual Est YE		Line #
Rates/Revenue	% Over Est Year End	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Bud vs Bud	Bud vs Est YE					
Expenses	4.00%																			
	3.00%																			
1	Operational Income/Expense																			
2	Income																			
3	40 - WATER SALES																			
4	40A - WATER CONSUMPTION																			
5	40010 Water Sales - Residential - C	3,890,394.82	4,319,952.72	4,406,146.39	4,670,515.17	0.00	0.00	0.00	0.00	3,890,394.82	4,319,952.72	4,406,146.39	4,670,515.17	8.1%	6.0%					
7	40020 Water Sales - Commercial - C	34,614.92	42,955.72	58,501.76	62,011.87	0.00	0.00	0.00	0.00	34,614.92	42,955.72	58,501.76	62,011.87	44.4%	6.0%					
8	40060 Water Sales - Multiple Res - C	4,819.60	6,008.34	7,039.88	7,462.27	0.00	0.00	0.00	0.00	4,819.60	6,008.34	7,039.88	7,462.27	24.2%	6.0%					
9	40070 Water Sales - School - C	344,333.71	284,529.70	314,182.70	333,033.66	0.00	0.00	0.00	0.00	344,333.71	284,529.70	314,182.70	333,033.66	17.0%	6.0%					
10	40090 Water Sales - Construction - C	194,182.66	160,453.50	162,459.82	172,207.41	0.00	0.00	0.00	0.00	194,182.66	160,453.50	162,459.82	172,207.41	7.3%	6.0%					
11	40095 Water Sales - Construction Non-Potabl	29,327.08	19,138.15	14,830.08	15,719.88	0.00	0.00	0.00	0.00	29,327.08	19,138.15	14,830.08	15,719.88	-17.9%	6.0%					
12	TOTAL WATER CONSUMPTION	4,497,672.79	4,833,038.13	4,963,160.63	5,260,950.27	0.00	0.00	0.00	0.00	4,497,672.79	4,833,038.13	4,963,160.63	5,260,950.27	8.9%	6.0%					297,789.64
13	40B - WATER METER CHARGE																			
14	41010 Water Sales - Residential - M	4,270,592.48	4,558,564.58	4,605,971.05	4,790,209.89	0.00	0.00	0.00	0.00	4,270,592.48	4,558,564.58	4,605,971.05	4,790,209.89	5.1%	4.0%					
15	41020 Water Sales - Commercial - M	36,372.66	39,108.33	38,688.47	40,236.01	0.00	0.00	0.00	0.00	36,372.66	39,108.33	38,688.47	40,236.01	2.9%	4.0%					
16	41030 Water Sales - Fire Protection-M	2,916.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,916.00	0.00	0.00	0.00	0.0%	0.0%					
17	41060 Water Sales - Multiple Res - M	4,422.90	4,646.41	4,640.05	4,825.65	0.00	0.00	0.00	0.00	4,422.90	4,646.41	4,640.05	4,825.65	3.9%	4.0%					
18	41070 Water Sales - School - M	57,501.13	60,146.76	59,989.09	62,388.65	0.00	0.00	0.00	0.00	57,501.13	60,146.76	59,989.09	62,388.65	3.7%	4.0%					
19	41090 Water Sales - Construction - M	32,787.07	36,453.02	27,618.89	28,723.65	0.00	0.00	0.00	0.00	32,787.07	36,453.02	27,618.89	28,723.65	-21.2%	4.0%					
20	TOTAL WATER METER CHARGE	4,404,592.24	4,698,919.10	4,736,907.55	4,926,383.85	0.00	0.00	0.00	0.00	4,404,592.24	4,698,919.10	4,736,907.55	4,926,383.85	4.8%	4.0%					
21	Total - WATER SALES	8,902,265.03	9,531,957.23	9,700,068.18	10,187,334.12	0.00	0.00	0.00	0.00	8,902,265.03	9,531,957.23	9,700,068.18	10,187,334.12	6.9%	5.0%					
22	44 - SPECIAL ASSESSMENT																			
23	44100 Special Assessments	278,554.55	274,255.96	289,122.70	285,653.23	0.00	0.00	0.00	0.00	278,554.55	274,255.96	289,122.70	285,653.23	4.2%	-1.2%					
24	TOTAL SPECIAL ASSESSMENT	278,554.55	274,255.96	289,122.70	285,653.23	0.00	0.00	0.00	0.00	278,554.55	274,255.96	289,122.70	285,653.23	4.2%	-1.2%					
25	46 - PARKS																			
26	47600 Park & Recreation Fee	0.00	0.00	0.00	0.00	24,840.00	24,000.00	9,336.60	15,000.00	24,840.00	24,000.00	9,336.60	15,000.00	-37.5%	60.7%					
27	TOTAL PARKS	0.00	0.00	0.00	0.00	24,840.00	24,000.00	9,336.60	15,000.00	24,840.00	24,000.00	9,336.60	15,000.00	-37.5%	60.7%					5,663.40
28	48 - OTHER SERVICE INCOME																			
29	48200 Other Services Incomes	176,847.38	170,800.00	192,995.92	193,000.00	0.00	0.00	0.00	0.00	176,847.38	170,800.00	192,995.92	193,000.00	13.0%	0.0%					
30	48700 Administrative Fees	137,340.57	144,550.00	152,809.88	152,800.00	0.00	0.00	0.00	0.00	137,340.57	144,550.00	152,809.88	152,800.00	5.7%	0.0%					(9.88)
31	TOTAL OTHER SERVICE INCOME	314,187.95	315,350.00	345,805.80	345,800.00	0.00	0.00	0.00	0.00	314,187.95	315,350.00	345,805.80	345,800.00	9.7%	0.0%					(5.80)
32	TOTAL INCOME FROM OPERATIONS	9,495,007.53	10,121,563.19	10,334,996.68	10,818,787.35	24,840.00	24,000.00	9,336.60	15,000.00	9,519,847.53	10,145,563.19	10,344,333.30	10,833,787.35	6.8%	4.7%					
33	GROSS INCOME	9,495,007.53	10,121,563.19	10,334,996.68	10,818,787.35	24,840.00	24,000.00	9,336.60	15,000.00	9,519,847.53	10,145,563.19	10,344,333.30	10,833,787.35	6.8%	4.7%					489,454.05
34																				
35	50 - WATER PURCHASES																			
36	50010 MWA Admin. & Bio Fee	18,205.37	18,718.55	19,294.38	20,600.00	0.00	0.00	0.00	0.00	18,205.37	18,718.55	19,294.38	20,600.00	10.1%	6.8%					
37	50020 MWA Make Up 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%					
38	50030 MWA/AVW Replacement Water	0.00	500.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	500.00	0.0%	100.0%					
39	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%					
40	TOTAL WATER PURCHASES	18,205.37	19,218.55	19,294.38	21,100.00	0.00	0.00	0.00	0.00	18,205.37	19,218.55	19,294.38	21,100.00	9.8%	9.4%					1,805.62
41	51 - SALARIES & BENEFITS																			
42	51110 Salaries & Wages	2,028,494.81	2,139,276.60	1,878,749.87	2,256,936.81	405,973.31	335,718.44	234,372.98	354,182.95	2,434,468.12	2,474,995.04	2,113,122.85	2,611,119.77	5.5%	23.6%					
43	51120 Vacations	163,199.55	171,793.42	176,754.15	181,242.06	35,043.09	25,488.84	2,688.24	26,890.73	198,242.64	197,282.26	179,442.39	208,132.78	5.5%	16.0%					
44	51130 Holiday	96,661.10	104,815.60	97,934.99	110,580.46	18,968.28	16,425.97	7,604.70	17,329.40	115,629.38	121,241.57	105,539.69	127,909.86	5.5%	21.2%					
45	51140 Sick Pay	108,721.19	114,344.29	109,123.59	120,633.23	21,510.85	17,919.24	4,134.05	18,904.80	130,232.04	132,263.53	113,257.64	139,538.02	5.5%	23.2%					2,612,662.40
46	51150 Misc. Earn	97,094.21	95,077.96	100,980.91	95,480.06	5,627.68	8,752.02	318.92	6,624.14	102,721.89	103,829.98	101,299.83	102,104.19	-1.7%	0.8%					26/27 Bud
47	51170 Overtime	178,600.00	185,304.39	225,718.07	202,026.07	21,992.55	11,059.38	12,485.29	9,452.09	200,592.55	196,363.77	238,203.36	211,478.15	7.7%	-11.2%					3,188,804.62
48	51210 Payroll Taxes	42,342.26	44,342.90	42,342.27	42,954.95	8,077.93	6,728.38	4,852.84	5,136.46	50,420.19	51,071.28	47,195.11	48,091.40	-5.8%	1.9%					576,142.23
49	51220 Worker's Compensation	85,495.74	64,989.54	56,379.91	58,687.62	24,417.90	12,331.29	14,747.95	16,147.82	109,913.64	77,320.83	71,127.86	74,835.44	-3.2%	5.2%					22%
50	51230 Employee Group Insurance	435,450.02	499,850.79	472,766.41	527,342.58	85,378.19	90,358.40	79,017.39	95,328.11	520,828.21	590,209.19	551,783.80	622,670.70	5.5%	12.8%					
51	51240 Retirement	394,368.05	423,575.07	383,780.70	383,571.70	89,336.86	57,922.21	25,366.12	50,557.93	483,704.91	481,497.28	409,146.82	434,129.63	-9.8%	6.1%					
52	TOTAL SALARIES & BENEFITS	3,630,426.93	3,843,370.56	3,544,530.87	3,979,455.53	716,326.64	582,704.17	385,588.48	600,554.42	4,346,753.57	4,426,074.73	3,930,119.35	4,580,009.95	3.5%	16.5%					649,890.60

Phelan Pinon Hills Community Services District

BUDGET DETAIL COMPARISON 2026/2027

Assumes: Rates/Revenue Expenses	% Over Est Year End 4.00% 3.00%	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud	Bud vs Est YE	23/24 Budget vs. Actual Est YE	Line #
		Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET				
53	52 · BOARD COMPENSATIONS (Expenses)																53
54	52110 Board Director's Fee	27,600.00	31,200.00	32,470.00	37,500.00	4,800.00	4,800.00	2,698.10	3,000.00	32,400.00	36,000.00	35,168.10	40,500.00	12.5%	15.2%	Assumes regular meeting schedule and activities.	54
55	52210 Board Exp - Auto Expense	4,400.00	3,350.00	3,043.52	6,500.00	150.00	150.00	0.00	1,000.00	4,550.00	3,500.00	3,043.52	7,500.00	114.3%	146.4%		55
56	52220 Board Exp - Meals & Lodging	6,300.00	6,300.00	8,365.89	14,500.00	0.00	0.00	0.00	1,000.00	6,300.00	6,300.00	8,365.89	15,500.00	146.0%	85.3%		56
57	52230 Board Exp - Education/Training	6,100.00	6,100.00	7,495.64	13,500.00	0.00	0.00	0.00	1,000.00	6,100.00	6,100.00	7,495.64	14,500.00	137.7%	93.4%		57
58	52240 Board Exp - Insurance & Other Expense	62,700.00	63,400.00	70,176.82	74,000.00	4,250.00	4,250.00	3,949.64	4,000.00	66,950.00	67,650.00	74,126.46	78,000.00	15.3%	5.2%	Increase due to projected rise in health insurance rates.	3,873.54 58
59	TOTAL BOARD COMPENSATIONS (Expenses)	107,100.00	110,350.00	121,551.87	146,000.00	9,200.00	9,200.00	6,647.74	10,000.00	116,300.00	119,550.00	128,199.61	156,000.00	30.5%	21.7%	Assumes regular activity & increase in insurance.	27,800.39 59
60	53 · PROFESSIONAL FEE																60
61	53110 Auditing & Accounting Fees	23,175.00	23,175.00	24,122.97	24,500.00	500.00	500.00	0.00	500.00	23,675.00	23,675.00	24,122.97	25,000.00	5.6%	3.6%		61
62	53120 Legal Services	56,000.00	90,000.00	84,803.18	90,000.00	9,000.00	10,000.00	2,000.00	3,000.00	65,000.00	100,000.00	86,803.18	93,000.00	-7.0%	7.1%		62
63	53140 Laboratory Analysis	10,000.00	25,000.00	27,630.18	35,000.00	0.00	0.00	0.00	0.00	10,000.00	25,000.00	27,630.18	35,000.00	40.0%	26.7%	Well 16, Title 22, Chrom-6 samples.	7,369.82 63
64	53150 Outside Service	285,001.87	217,533.00	263,174.39	289,200.00	64,520.00	57,670.00	50,344.57	51,140.00	349,521.87	275,203.00	313,518.96	340,340.00	23.7%	8.6%	Increase due to projected Temp labor needed (office).	26,821.04 64
65	53160 Permits & Fees	34,203.00	38,680.00	35,114.40	38,635.00	1,200.00	1,242.00	1,250.01	1,250.00	35,403.00	39,922.00	36,364.41	39,885.00	-0.1%	9.7%		3,520.59 65
66	53170 Software Support	263,455.00	278,612.00	282,476.41	292,585.00	485.00	537.00	541.61	569.00	263,940.00	279,149.00	283,018.02	293,154.00	5.0%	3.6%		66
67	TOTAL PROFESSIONAL FEE	671,834.87	673,000.00	717,321.53	769,920.00	75,705.00	69,949.00	54,136.19	56,459.00	747,539.87	742,949.00	771,457.72	826,379.00	11.2%	7.1%	Increase due to outside services in current year.	54,921.28 67
68	54 · SERVICE AND SUPPLIES																68
69	54110 Advertising	5,500.00	5,500.00	4,758.73	5,500.00	7,700.00	6,200.00	5,510.35	5,800.00	13,200.00	11,700.00	10,269.08	11,300.00	-3.4%	10.0%		69
70	54140 Auto Expense	11,556.61	10,696.75	9,917.00	9,600.00	0.00	0.00	0.00	0.00	11,556.61	10,696.75	9,917.00	9,600.00	-10.3%	-3.2%		(317.00) 70
71	54200 Credit Card Fee & Bank Charges	91,500.00	105,240.00	108,239.89	111,660.00	0.00	0.00	0.00	0.00	91,500.00	105,240.00	108,239.89	111,660.00	6.1%	3.2%	Credit Card Processing fees.	71
72	54230 Dues & Subscriptions	16,025.00	15,425.00	16,309.12	18,460.00	900.00	900.00	162.45	500.00	16,925.00	16,325.00	16,471.57	18,960.00	16.1%	15.1%		72
73	54260 Education & Training	44,700.00	53,200.00	49,735.34	48,950.00	4,000.00	2,500.00	2,025.00	3,100.00	48,700.00	55,700.00	51,760.34	52,050.00	-6.6%	0.6%		289.66 73
74	54290 Employment Expense	2,280.00	2,250.00	1,995.57	2,250.00	0.00	0.00	0.00	0.00	2,280.00	2,250.00	1,995.57	2,250.00	0.0%	12.7%		254.43 74
75	54300 Equipment Rental/ Lease	16,384.00	13,965.96	12,139.05	15,160.00	1,500.00	1,790.00	0.00	0.00	17,884.00	15,755.96	12,139.05	15,160.00	-3.8%	24.9%	Increase due to Smithson Springs clean-up.	3,020.95 75
76	54320 General Maintenance	13,440.00	7,150.00	7,062.98	8,350.00	370.00	370.00	359.10	500.00	13,810.00	7,520.00	7,422.08	8,850.00	17.7%	19.2%		1,427.92 76
77	54350 Insurance	201,576.75	201,295.36	181,968.77	205,165.65	16,803.58	18,480.72	16,242.66	17,866.93	218,380.33	219,776.08	198,211.43	223,032.57	1.5%	12.5%	10% increase in property, liability, plus additional assets.	24,821.14 77
78	54380 Insurance - Vehicle	41,098.12	49,094.65	43,382.02	47,720.22	2,554.92	3,005.58	4,383.25	4,821.58	43,653.04	52,100.23	47,765.27	52,541.80	0.8%	10.0%	10% increase in property, liability.	4,776.53 78
79	54410 Fuel Costs	142,915.79	119,259.47	105,274.79	131,593.49	6,947.56	6,642.97	5,321.14	6,651.43	149,863.35	125,902.44	110,595.93	138,244.91	9.8%	25.0%	Assumes slight increase in fuel costs.	27,648.98 79
80	54440 Meeting, Seminar & Supplies	8,350.00	9,200.00	13,307.39	9,400.00	200.00	400.00	350.00	400.00	8,550.00	9,600.00	13,657.39	9,800.00	2.1%	-28.2%	Decrease due to Winter storm in 25/26.	80
81	54470 Travel Expense	40,998.00	39,800.00	43,882.32	42,100.00	2,100.00	2,100.00	1,980.50	2,100.00	43,098.00	41,900.00	45,862.82	44,200.00	5.5%	-3.6%	Based on planned events.	(1,662.82) 81
82	54500 Operating Supplies	74,054.35	89,580.00	88,372.93	71,750.00	6,060.00	6,060.00	9,634.54	9,100.00	80,114.35	95,640.00	98,007.47	80,850.00	-15.5%	-17.5%	Decrease due to Winter storm in 25/26.	82
83	54530 Office Supplies	43,150.00	44,350.00	38,284.52	39,000.00	1,500.00	1,500.00	79.21	1,500.00	44,655.00	45,850.00	38,363.73	40,500.00	-11.7%	5.6%		83
84	54620 Repair & Maintenance	1,130,275.00	932,500.00	1,073,268.10	1,245,875.00	64,500.00	66,000.00	74,825.28	75,000.00	1,194,775.00	998,500.00	1,148,093.38	1,320,875.00	32.3%	15.0%	Well repair, booster repair, storm repairs, tank maint.	172,781.62 84
85	54650 Small Tools	24,500.00	26,500.00	28,530.03	29,000.00	1,500.00	1,500.00	1,167.11	1,500.00	26,000.00	28,000.00	29,697.14	30,500.00	8.9%	2.7%	Gvmt Rep&Main: HVAC, appliances, water heater, etc for CC.	85
86	54680 Uniforms	13,940.00	15,740.00	15,621.85	16,000.00	2,000.00	2,000.00	1,980.96	2,000.00	15,940.00	17,740.00	17,602.81	18,000.00	1.5%	2.3%		86
87	54710 Vehicle Maintenance	56,000.00	65,940.00	65,446.50	67,000.00	2,000.00	2,200.00	2,423.65	2,550.00	58,000.00	68,140.00	67,870.15	69,550.00	2.1%	2.5%		1,679.85 87
89	54770 Computer & Equipment	4,500.00	4,650.00	4,450.73	4,750.00	0.00	0.00	0.00	0.00	4,500.00	4,650.00	4,450.73	4,750.00	2.2%	6.7%	Assumes 3 replacement computers.	299.27 89
90	54800 Programs (Wtr Cons, parks,etc)	15,000.00	15,000.00	9,757.05	13,000.00	76,600.00	57,200.00	46,521.04	50,000.00	91,600.00	72,200.00	56,278.09	63,000.00	-12.7%	11.9%	Assumes normal activities + additional programs.	6,721.91 90
91	54801 Senior Lunch Program	0.00	0.00	0.00	0.00	22,600.00	22,600.00	0.00	22,600.00	22,600.00	22,600.00	0.00	22,600.00	0.0%	100.0%	Activities are expected to resume.	91
92	54802 Farmers Market	0.00	0.00	0.00	0.00	400.00	400.00	0.00	400.00	400.00	400.00	0.00	400.00	0.0%	100.0%		92
93	54830 State & County Fees & Services	17,800.00	15,800.00	16,538.17	17,166.00	200.00	200.00	200.00	200.00	18,000.00	16,000.00	16,738.17	17,366.00	8.5%	3.8%	Lafco, parcel & Lien fees etc.	93
94	54860 Postage & Mailing	41,510.00	40,555.00	45,429.99	46,600.00	22,000.00	5,000.00	963.80	1,580.00	63,510.00	45,555.00	46,393.79	48,180.00	5.8%	3.9%		94
95	54890 Printing	23,000.00	26,700.00	21,314.62	23,000.00	3,000.00	16,000.00	13,944.74	14,300.00	26,000.00	42,700.00	35,259.36	37,300.00	-12.6%	5.8%		2,040.64 95
96	54920 Public Relation	2,750.00	4,000.00	285.57	4,000.00	7,000.00	12,000.00	12,635.57	13,000.00	9,750.00	16,000.00	12,921.14	17,000.00	6.3%	31.6%	Solid Waste & Parks partnerships.	4,078.86 96
97	TOTAL SERVICE AND SUPPLIES	2,082,803.62	1,913,392.19	2,014,873.03	2,242,650.36	252,436.06	235,049.27	200,710.35	235,469.93	2,335,239.68	2,148,441.46	2,215,583.38	2,478,120.28	15.3%	11.8%	Increase due to repair and maint. costs.	262,536.90 97
98	58 · UTILITIES - Electric/Phone/Gas																98
99	58010 Telephone	37,010.03	35,426.14	29,782.18	31,200.00	2,286.03	1,320.00	1,292.76	1,365.00	39,296.06	36,746.14	31,074.94	32,565.00	-11.4%	4.8%		99
100	58110 Utilities - Operations	1,972,204.91	1,635,885.98	1,900,835.09	2,000,000.00	32,682.05	34,600.00	46,603.59	47,500.00	2,004,886.96	1,670,485.98	1,947,438.68	2,047,500.00	22.6%	5.1%	Increase in electric costs of 5.0%.	100,061.32 100
101	58115 Utilities - Solar Credit	(650,500.00)	(400,000.00)	(250,000.00)	(400,000.00)	0.00	0.00	0.00	0.00	(650,500.00)	(400,000.00)	(250,000.00)	(400,000.00)	0.0%	60.0%		(150,000.00) 101
102	58210 Utilities - Street Lights	0.00	0.00	0.00	0.00	20,790.00	21,041.98	21,117.68	22,173.56	20,790.00	21,041.98	21,117.68	22,173.56	5.4%	5.0%	Increase in electric costs of 5.0%.	102
103	TOTAL UTILITIES - Electric/Phone/Gas	1,358,714.94	1,271,312.12	1,680,617.27	1,631,200.00	55,758.08	56,961.98	69,014.03	71,038.56	1,414,473.02	1,328,274.10	1,749,631.30	1,702,238.56	28.2%	-2.7%	Assumes 5.0% increase in electrical costs.	(47,392.74) 103

Phelan Pinon Hills Community Services District

BUDGET DETAIL COMPARISON 2026/2027

Assumes: Rates/Revenue Expenses	% Over Est Year End 4.00% 3.00%	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud	Bud vs Est YE	23/24 Budget vs. Actual Est YE	Line #	
		Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET					
104	59 - OTHER- Depreciation/Amort, etc.																104	
105	59100 Bad Debt	10,845.41	12,000.00	10,490.44	11,000.00	0.00	0.00	0.00	0.00	10,845.41	12,000.00	10,490.44	11,000.00	-8.3%	4.9%		105	
106	59110 Property Taxes	441.66	406.00	207.12	210.00	0.00	0.00	0.00	0.00	441.66	406.00	207.12	210.00	0.0%	1.4%		106	
107	59120 Depreciation & Amortization	1,679,344.80	1,568,829.00	1,560,136.46	1,575,827.80	92,760.00	70,056.00	80,551.04	110,424.00	1,772,104.80	1,638,885.00	1,640,687.50	1,686,251.80	2.9%	2.8%	New Well & Parks projects.	45,564.30	107
108	59310 Other Operating Expenses	0.00	0.00	3,870.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,870.87	0.00	0.0%	0.0%		108	
109	TOTAL OTHER- Depreciation/Amort, etc.	1,690,631.87	1,581,235.00	1,574,704.89	1,587,037.80	92,760.00	70,056.00	80,551.04	110,424.00	1,783,391.87	1,651,291.00	1,655,255.93	1,697,461.80	2.8%	2.5%	Assumes slight increase in depreciation.	42,205.87	109
110	TOTAL EXPENSE	9,559,717.60	9,411,878.42	9,672,893.84	10,377,363.68	1,202,185.78	1,023,920.42	796,647.83	1,083,945.91	10,761,903.38	10,435,798.84	10,469,541.67	11,461,309.59	9.8%	9.5%	Increase in salaries & benefits, and repair & maint.	991,767.93	110
111	NET OPERATIONAL INCOME	(64,710.07)	709,684.77	662,102.84	441,423.66	(1,177,345.78)	(999,920.42)	(787,311.23)	(1,068,945.91)	(1,242,055.85)	(290,235.65)	(125,208.37)	(627,522.25)	116.2%	401.2%		(502,313.88)	111
112	NON-OPERATIONAL INCOME/EXPENSE																112	
113	NON-OPERATIONAL INCOME																113	
114	70 - PROPERTY TAXES																114	
115	71110 Property Taxes - Curr Sec	0.00	0.00	0.00	0.00	1,615,467.29	1,766,275.86	1,772,293.03	1,883,655.25	1,615,467.29	1,766,275.86	1,772,293.03	1,883,655.25	6.6%	6.3%	Assumes increase in property tax revenue due to increased values & sales.		115
116	71120 Property Taxes - Curr Unsec	0.00	0.00	0.00	0.00	58,082.65	68,607.57	74,247.50	72,650.37	58,082.65	68,607.57	74,247.50	72,650.37	5.9%	-2.2%	(Per County report on Districts share of General Tax).		116
117	71130 Property Taxes - Curr Supplimen	0.00	0.00	0.00	0.00	47,274.25	48,149.69	43,149.69	39,239.40	47,274.25	48,149.69	43,149.69	39,239.40	-18.5%	-9.1%			117
118	71140 Property Taxes - Curr Unitary	0.00	0.00	0.00	0.00	61,215.84	64,452.48	67,145.04	69,837.59	61,215.84	64,452.48	67,145.04	69,837.59	8.4%	4.0%			118
119	71150 Property Taxes - Curr Other	0.00	0.00	0.00	0.00	4,225.80	4,885.72	6,385.72	8,586.69	4,225.80	4,885.72	6,385.72	8,586.69	75.8%	34.5%			119
120	72110 Property Taxes - Prior Sec	0.00	0.00	0.00	0.00	20,807.34	20,914.67	21,990.00	22,429.80	20,807.34	20,914.67	21,990.00	22,429.80	7.2%	2.0%	Assumes prior year collections will be similar to last fiscal year.		120
121	72120 Property Taxes - Prior Unsec	0.00	0.00	0.00	0.00	924.90	813.94	772.02	787.46	924.90	813.94	772.02	787.46	-3.3%	2.0%			121
122	72130 Property Taxes - Prior Supplimn	0.00	0.00	0.00	0.00	29,877.77	22,661.71	17,543.17	17,894.03	29,877.77	22,661.71	17,543.17	17,894.03	-21.0%	2.0%			122
123	72150 Property Taxes - Prior Other	0.00	0.00	0.00	0.00	2,992.04	5,546.71	1,550.87	1,581.89	2,992.04	5,546.71	1,550.87	1,581.89	-71.5%	2.0%			123
124	73160 Property Taxes - Homeowner	0.00	0.00	0.00	0.00	10,220.95	9,031.17	10,367.82	10,575.18	10,220.95	9,031.17	10,367.82	10,575.18	17.1%	2.0%			124
125	73170 Tax Penalties & Others	13,319.50	17,000.00	14,407.21	14,500.00	7,500.00	9,476.78	9,013.92	9,194.20	20,819.50	26,476.78	23,421.13	23,694.20	-10.5%	1.2%			125
126	SUB-TOTAL PROPERTY TAX REVENUE	13,319.50	17,000.00	14,407.21	14,500.00	1,858,588.83	2,020,816.30	2,024,458.78	2,136,431.86	1,871,908.33	2,037,816.30	2,038,865.99	2,150,931.86	5.6%	5.5%			126
127	99030 Property Tax Transfer	52,000.00	0.00	0.00	0.00	(52,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%		0.00	127
128	TOTAL PROPERTY TAXES	65,319.50	17,000.00	14,407.21	14,500.00	1,806,588.83	2,020,816.30	2,024,458.78	2,136,431.86	1,871,908.33	2,037,816.30	2,038,865.99	2,150,931.86	5.6%	5.5%	Assumes increase per County estimates.	112,065.87	128
129	86 - PENALTIES & OTHER FEE																129	
130	86120 Penalties & Other Fees	214,948.60	262,711.88	260,332.32	268,142.29	0.00	0.00	0.00	0.00	214,948.60	262,711.88	260,332.32	268,142.29	2.1%	3.0%			130
131	TOTAL PENALTIES & OTHER FEE	214,948.60	262,711.88	260,332.32	268,142.29	0.00	0.00	0.00	0.00	214,948.60	262,711.88	260,332.32	268,142.29	2.1%	3.0%	Assumes % change based on rate change (fees are % based).	7,809.97	131
132	48 - SOLID WASTE																132	
133	48500 Solid Waste Franchise Fee	0.00	0.00	0.00	0.00	385,000.00	407,774.92	420,492.32	433,107.09	385,000.00	407,774.92	420,492.32	433,107.09	6.2%	3.0%			133
134	48600 Solid Waste Franchise Fee-Commercial	0.00	0.00	0.00	0.00	120.00	0.00	0.00	0.00	120.00	0.00	0.00	0.00	0.0%	0.0%			134
135	TOTAL SOLID WASTE	0.00	0.00	0.00	0.00	385,120.00	407,774.92	420,492.32	433,107.09	385,120.00	407,774.92	420,492.32	433,107.09	6.2%	3.0%	Assumes 3.0% increase in Solid Waste fees.	12,614.77	135
136	82 - METER INSTALLATION/CONNECTION FEES																136	
137	82300 Meter Installation	120,816.00	120,816.00	178,281.85	120,816.00	0.00	0.00	0.00	0.00	120,816.00	120,816.00	178,281.85	120,816.00	0.0%	-32.2%	Assumes average of four new meters per month.		137
138	82400 Permits & Inspections	7,757.50	7,750.00	4,488.75	4,500.00	0.00	0.00	0.00	0.00	7,757.50	7,750.00	4,488.75	4,500.00	-41.9%	0.3%			138
139	82500 Capacity Fee	525,648.00	576,816.00	764,730.13	576,816.00	0.00	0.00	0.00	0.00	525,648.00	576,816.00	764,730.13	576,816.00	0.0%	-24.6%	Assumes average of four new meters per month.		139
140	TOTAL METER INSTALLATION/CONNECTION FEES	654,221.50	705,382.00	947,500.73	702,132.00	0.00	0.00	0.00	0.00	654,221.50	705,382.00	947,500.73	702,132.00	-0.5%	-25.9%	Assumes decrease in new meter installs.	(245,368.73)	140
141	88 - OTHER INCOME																141	
142	88110 Interest Income	620,000.00	723,000.00	882,140.59	592,500.00	435,000.00	553,000.00	592,170.64	528,756.00	1,055,000.00	1,276,000.00	1,474,311.23	1,121,256.00	-12.1%	-23.9%	Assumes 3.7% Interest rate, offset by increased capital spending.	(353,055.23)	142
143	88120 Other Income - Water	2,920.00	1,000.00	4,470.37	1,000.00	0.00	0.00	0.00	0.00	2,920.00	1,000.00	4,470.37	1,000.00	0.0%	-77.6%	Misc. one time revenues (water theft).	(3,470.37)	143
144	88125 Other Income - Senior Lunch	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.0%	0.0%			144
145	88150 Other Income	6,000.00	6,000.00	45,300.21	10,000.00	0.00	0.00	307.80	0.00	6,000.00	6,000.00	45,608.01	10,000.00	66.7%	-78.1%	25/26 includes one time revenues, damage to District property.		145
146	88170 Other Income - Gov't	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%			146
147	88175 Property Rental Income	0.00	0.00	0.00	0.00	194,424.00	133,740.00	136,418.36	138,464.64	194,424.00	133,740.00	136,418.36	138,464.64	3.5%	1.5%		2,046.28	147
148	88176 Property Other Income	0.00	0.00	0.00	0.00	8,500.00	8,500.00	6,659.66	6,900.00	8,500.00	8,500.00	6,659.66	6,900.00	-18.8%	3.6%	Circle Green Royalties.	240.34	148
149	88300 Chromium 6 Surcharge	850,596.00	859,332.00	861,412.53	864,578.40	0.00	0.00	0.00	0.00	850,596.00	859,332.00	861,412.53	864,578.40	0.6%	0.4%			149
150	Total - OTHER INCOME	1,479,516.00	1,589,332.00	1,793,323.70	1,468,078.40	638,424.00	695,240.00	735,556.46	674,120.64	2,117,940.00	2,284,572.00	2,528,880.16	2,142,199.04	-6.2%	-15.3%	Assumes decrease due to less interest revenue.	(386,681.12)	150
151	TOTAL NON-OPERATIONAL INCOME	2,414,005.60	2,574,425.88	3,015,563.96	2,452,852.69	2,830,132.83	3,123,831.22	3,180,507.55	3,243,659.58	5,244,138.43	5,698,257.10	6,196,071.51	5,696,512.27	0.0%	-8.1%		(499,559.24)	151

Phelan Pinon Hills Community Services District

BUDGET DETAIL COMPARISON 2026/2027

Assumes: Rates/Revenue Expenses	% Over Est Year End 4.00% 3.00%	TOTAL ENTERPRISE FUNDS				TOTAL GOVERNMENT FUNDS				TOTAL ALL FUNDS				Bud vs Bud	Bud vs Est YE	23/24 Budget vs. Actual Est YE	Line #	
		Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET	Prior Year 2024/2025 Budget	Prior Year 2025/2026 Budget	Actual Est YE 25/26	Proposed 2026/2027 BUDGET					
152	NON-OPERATIONAL EXPENSE																152	
153	796 - Other Expense																153	
154	91010 Interest Expense	485,000.00	456,350.00	456,276.57	432,324.00	0.00	0.00	0.00	0.00	485,000.00	456,350.00	456,276.57	432,324.00	-5.3%	-5.2%	Civic Ctr, 2012 (Water rights), & 2021 (Solar & Facility).	(23,952.57)	154
155	92010 Loan Administrator Fee	15,956.00	15,276.27	15,276.27	14,580.97	0.00	0.00	0.00	0.00	15,956.00	15,276.27	15,276.27	14,580.97	-4.6%	-4.6%			155
156	93010 Tax Deduction/Collection Charge	0.00	0.00	0.00	0.00	4,380.94	4,744.61	4,945.35	5,044.26	4,380.94	4,744.61	4,945.35	5,044.26	6.3%	2.0%	Property Tax Collection Charge and Processing Fee.		156
157	94010 Chromium 6 Expenses	850,596.00	859,332.00	861,412.53	864,578.40	0.00	0.00	0.00	0.00	850,596.00	859,332.00	861,412.53	864,578.40	0.6%	0.4%			157
158	95010 Net Incr/Decr in Fair Value	7,000.00	7,000.00	(2,750.79)	7,000.00	3,000.00	4,000.00	(6,974.32)	2,000.00	10,000.00	11,000.00	(9,725.11)	9,000.00	-18.2%	-192.5%	Fluctuation of interest rates.		158
159	Total - Other Expense	1,358,552.00	1,337,958.27	1,330,214.58	1,318,483.37	7,380.94	8,744.61	(2,028.97)	7,044.26	1,365,932.94	1,346,702.88	1,328,185.61	1,325,527.63	-1.6%	-0.2%		(11,731.21)	159
160	TOTAL NON-OPERATIONAL EXPENSE	1,358,552.00	1,337,958.27	1,330,214.58	1,318,483.37	7,380.94	8,744.61	(2,028.97)	7,044.26	1,365,932.94	1,346,702.88	1,328,185.61	1,325,527.63	-1.6%	-0.2%			160
161	NET NON-OPERATIONAL INCOME	1,055,453.60	1,236,467.61	1,685,349.38	1,134,369.32	2,822,751.89	3,115,086.61	3,182,536.52	3,236,615.32	3,878,205.49	4,351,554.22	4,867,885.90	4,370,984.64	0.4%	-10.2%		(496,901.26)	161
162	NET INCOME	990,743.53	1,946,152.38	2,347,452.22	1,575,792.98	1,645,406.11	2,115,166.19	2,395,225.29	2,167,669.41	2,636,149.64	4,061,318.57	4,742,677.53	3,743,462.40	-7.8%	-21.1%		(999,215.13)	162
163	Fund Depr @ 60% = add back 40%	671,737.92	627,531.60	624,054.58	630,331.12	37,104.00	28,022.40	32,220.42	44,169.60	708,841.92	655,554.00	656,275.00	674,500.72	2.9%	2.8%	Add back in 40% not Funded.		163
164	Principal Payments Due on Loan	834,632.76	834,632.76	829,573.71	879,969.35	0.00	0.00	0.00	0.00	834,632.76	834,632.76	829,573.71	879,969.35	5.4%	6.1%	Principal portion of loans increase as interest decreases each year.	50,395.64	164
165	TOTAL NET INCOME (AFTER DEPR AND PRIN)	827,848.69	1,739,051.22	2,141,933.10	1,326,154.75	1,682,510.11	2,143,188.59	2,427,445.71	2,211,839.01	2,510,358.80	3,882,239.81	4,569,378.82	3,537,993.77	-8.9%	-22.6%			165
166	Transfer to Reserves (Water Rights/Resources)		289,968.00	385,204.86	289,968.00								289,968.00			Line 6 & 142 (partial)		166
167	Repayment of Property Plant & Equip Reserves				119,100.00 *				69,232.32	Lease Revenue			188,332.32			Per Rate Study, Board wishes to repay reserves over 5 years		167
168	Repayment of Disaster Response Reserves				119,100.00 *				69,232.32	Lease Revenue			188,332.32			Total due Reserves for 2012 Water Rights	3,200,000.00	168
169	TOTAL NET INCOME (After Transfer to / Repayment of Reserves)				797,986.75				2,073,374.38				2,871,361.13			Total due Reserves for 2015 Water Rights	2,556,098.00	169
170	Capital Budget (Fund Depr @ 60%)				945,496.68				66,254.40				1,011,751.08			Total due AVW water	1,191,000.00	
171	Capital Project Spending				1,437,500.00				5,414,000.00				6,851,500.00					
172	Net Capital Surplus (Deficit)				(492,003.32)				(5,347,745.60)				(5,839,748.92)			Note: 2015 Water Rights are part of C6 and will be repaid with C6 funding		172
173	TOTAL NET CASH FLOW (After CIP)				305,983.43				(3,274,371.22)				(2,968,387.79)			Note: Dairy Lease Income is used on line 170/171 for reserves or to pay loans. Board will decide at 2nd meeting in June.		173
174																		174
175	2026/2027 C 2023 Civic Center Lease	Solar&Fac (ReFi)	2012 (Water)	Caltrans (HWY 1)	TOTAL LOANS													175
176	Principal	216,308.20	426,588.00	237,073.15	0.00	\$ 879,969.35												176
177	Interest	245,772.64	89,818.97	96,732.44	0.00	\$ 432,324.05												177
178	Fees	-	0.00	14,580.97	0.00	\$ 14,580.97												178
179		462,080.84	516,406.97	348,386.56	0.00	\$ 1,326,874.37												179
180	Solar Portion		335,191.56													AVW to be repaid over 5 years = annual repayment	238,200.00	180
181	Estimated Solar Credits:		-400,000.00													2012 Water Rights paid over 10 years = annual repayment	0.00	181
182																Total annual amount to repay reserves	238,200.00	182
183	Total Operating Revenue	9,495,007.53	10,121,563.19	10,334,996.68	10,818,787.35	24,840.00	24,000.00	9,336.60	15,000.00	9,519,847.53	10,145,563.19	10,344,333.30	10,833,787.35			1/2 to Replacement Reserves 1/2 to Disaster Reserves	119,100.00	183
184	Total Non-Operating Revenue	2,414,005.60	2,574,425.88	3,015,563.96	2,452,852.69	2,830,132.83	3,123,831.22	3,180,507.55	3,243,659.58	5,244,138.43	5,698,257.10	6,196,071.51	5,696,512.27			* Not able to repay reserves in 22/23 or 23/24		184
185	Total Revenue	11,909,013.13	12,695,989.07	13,350,560.64	13,271,640.04	2,854,972.83	3,147,831.22	3,189,844.15	3,258,659.58	14,763,985.96	15,843,820.29	16,540,404.81	16,530,299.62					185
186																		186
187	Total Operating Expense	9,559,717.60	9,411,878.42	9,672,893.84	10,377,363.68	1,202,185.78	1,023,920.42	796,647.83	1,083,945.91	10,761,903.38	10,435,798.84	10,469,541.67	11,461,309.59					187
188	Total Non-Operating Expense	1,358,552.00	1,337,958.27	1,330,214.58	1,318,483.37	7,380.94	8,744.61	(2,028.97)	7,044.26	1,365,932.94	1,346,702.88	1,328,185.61	1,325,527.63					188
189	Total Expense	10,918,269.60	10,749,836.69	11,003,108.42	11,695,847.05	1,209,566.72	1,032,665.03	794,618.86	1,090,990.17	12,127,836.32	11,782,501.72	11,797,727.28	12,786,837.22					189

CAPITAL EXPENDITURE BUDGET 2026/2027 Budget

		DESCRIPTION/LOCATION	ESTIMATE	FUNDING SOURCE
<u>CIP PROJECTS</u>				
1	Chromium 6 Mitigation	Study, Test, Design, Infrastructure, Construction	\$ 4,150,000	B
2	Future Civic Center	Site Dev/Engineering/Construction	\$ 6,861,000	D
3	Fire Suppression	Helihydrant	\$ 25,000	A
4	Master Plan Projects	Electrical Panel Replacement	\$ 472,500	A
5	Master Plan Projects	Future Expansion Sites	\$ 100,000	A
6	Urban Water Management Plan	Update every 5 years	\$ 15,000	A
		Total Water Fund Projects	\$ 11,623,500	
7	Future Civic Center	Site Dev/Engineering/Construction (Gov't portion)	\$ 5,019,000	G
8	Community Centers	Security access, Lighting, Painting, Signage	\$ 95,000	F
9	Phelan & PH Park	Playground improvements, concrete work	\$ 120,000	G
10	Phelan & PH Park	Parking lot & Lighting Improvements	\$ 180,000	G
		Total Government Fund Projects	\$ 5,414,000	
		TOTAL CIP PROJECTS	\$ 17,037,500	
<u>CAPITAL PURCHASES</u>				
11	Vehicle	Trucks: Water Operations	\$ 160,000	A/G
12	Computers & Software	Servers, ERP, CMS	\$ 190,000	A/G
		TOTAL CAPITAL PURCHASES	\$ 350,000	
		TOTAL CIP PROJECTS AND CAPITAL PURCHASES	\$ 17,387,500	

FUNDING SOURCES				
Ent	A	Reserve and Depreciation Funded	60% of Depreciation	A \$ 1,437,500
Ent	B	Chromium 6 Surcharge		B \$ 2,150,000
Ent	C	Connection Fees		C \$ -
Ent	D	Loan and/or Grants		D \$ 8,386,000
Gvt	F	Reserve and Depreciation Funded	60% of Depreciation	F \$ 95,000
Gvt	G	Existing Funds Available or Operational Revenue		G \$ 5,319,000
Gvt	H	Loan and/or Grants		H \$ -
				\$ 17,387,500

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

All above items are from the District 10-year CIP plan

Note: Items 1-5 are developed in the Engineering Committee

Items 6-10 were developed in the Engineering/Parks/Solid Waste Committee's

Grant / Loan Detail (D & H)

Loan - Civic Center
HUD Grant for Reservoir 6A

	Loan	Grant
	6,386,000	
	6,386,000	2,000,000
	6,386,000	2,000,000
Total		8,386,000

Phelan Pinon Hills Community Services District

Enterprise Capital Improvement Projects

Category	Item No.	Project	Description	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032-2033	2033-2043	Notes	
CR6	1	Well 18 SP 1.1/1.4	Construction	\$1,000,000.00	\$1,000,000.00								This project is being funded by a \$2 million grant from HUD and \$700k from District funds.	
		Well 16 SP 1.1/1.4	Construction	\$1,350,000.00	\$450,000.00									
		Storage Tank - Reservoir 6A (Prop. 1.5 MG to Replace Existing 0.4 MG Tank) SP 1.1	Construction (\$2 million HUD/\$700,000 District Funds)		\$2,570,000.00									
			Design/Professional Services		\$130,000.00									
Sub-Total Cr6:				\$2,350,000.00	\$4,150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Civic Center	2	Civic Center Project (APN 3066-261-10) (See Government Funds, Civic Center Project for add. Costs) SP 1.7	Construction Management Services	\$300,000.00	\$440,000.00								\$6 mil lease/loan funds, \$2 mil EOC grant, \$500k from County grant	
			Construction	\$2,000,000.00	\$5,600,000.00									
			SWPPP, FF&E, Generator/Switchgear		\$821,000.00									
Sub-Total Civic Center:				\$2,300,000.00	\$6,861,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Infrastructure and Planning	3	Fire Suppression	Construction		\$25,000.00									
	4	Future Expansion Sites (General)	Purchase		\$100,000.00									
	5	Booster and Appurtenance Replacements	Electrical Panel Replacement	\$450,000.00	\$472,500.00	\$497,000.00	\$521,000.00	\$547,000.00	\$820,500.00	\$861,500.00	\$905,000.00	\$950,000.00		
			Building Replacement											
			Pump/Motor/Pipework Replacement											
	6	Storage Tank - Tank at Well 2 Tank 3 (Prop. .5 MG) SP 1.1	Infrastructure					\$1,000,000.00						
	7	Urban Water Management Plan	Study		\$15,000.00		\$50,000.00							
8	Water Master Plan (Update Hydraulic Nodel)	Study				\$88,000.00								
Sub-Total CIP (Infrastructure and Planning):				\$450,000.00	\$612,500.00	\$497,000.00	\$659,000.00	\$1,547,000.00	\$820,500.00	\$861,500.00	\$905,000.00	\$950,000.00		
Sub-Total CIP (Items 1-12):				\$5,100,000.00	\$11,623,500.00	\$497,000.00	\$659,000.00	\$1,547,000.00	\$820,500.00	\$861,500.00	\$905,000.00	\$950,000.00		

Enterprise Capital Purchases

	No.	Item	Description	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032-2042	2033-2043	Notes
Vehicles	9	Vehicles / Equipment	Equipment	\$76,000.00									
			Field Trucks		\$160,000.00 (pending updated amount)	\$84,000.00	\$88,000.00	\$93,000.00	\$97,000.00	\$102,000.00	\$107,000.00	\$112,500.00	
Software & Hardware	10	Hardware	Server Standardization		\$40,000.00								
			Software	Customer Management System and Enterprise Reporting Program Replacements		\$150,000.00	\$150,000.00						
Sub-Total (Capital Purchases):				\$76,000.00	\$350,000.00	\$234,000.00	\$88,000.00	\$93,000.00	\$97,000.00	\$102,000.00	\$107,000.00	\$112,500.00	
Total CIP and Capital Purchases:				\$5,176,000.00	\$11,973,500.00	\$731,000.00	\$747,000.00	\$1,640,000.00	\$917,500.00	\$963,500.00	\$1,012,000.00	\$1,062,500.00	

*Fiscal Year 25/26 figures are projected year end amounts. Fiscal Year 26/27 are projected costs for planning purposes and do not represent formalized estimates.

*Dashed line following FY 27/28 represents time period outside of the current rate study.

Phelan Pinon Hills Community Services District

Government Funds Capital Improvement Projects

	No.	Project	Description	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Notes
Phelan Park Enhancement/Expansion	1	Design/Engineering SP 2.1	Phase 3 & 4											District staff are actively pursuing grant funding opportunities and will update the CIP with revised cost estimates and funding information as projects are further developed and more reliable data becomes available.
		Construction SP 2.1 (Expansion)				\$4,500,000.00	\$4,000,000.00							
		Construction SP 2.1 (Enhancement) - Grant Funds (ARPA and Per Capita Grant)		\$636,491.00										
		Construction SP 2.1 (Enhancement) - District Funds		\$502,018.00										
Civic Center Bldg.	2	Government Portion of Phase I (See Enterprise Funds, Civic Center Project for add. Costs) SP 2.3	Building Const. (32.5%)		\$5,019,000.00									
Rehab.	3	Pinon Hills Community Building (Old Fire Station)	Rehabilitation			\$100,000.00								
Community Center Facility Improvements	4	Phelan and Piñon Hills Community Centers	Facility Painting	\$24,000.00	\$10,000.00									
			Building Access & Security		\$30,000.00									
			Facility Signage		\$25,000.00									
			Facility Lighting		\$30,000.00									
Park Improvements	5	Phelan and Piñon Hills Parks	Playground Safety Improvements/Replacements		\$40,000.00	\$400,000.00								
			Concrete Flatwork		\$40,000.00									
			Athletic Court Resurfacing		\$40,000.00									
			Parking Lot Improvements		\$150,000.00									
			Park Lighting Improvements		\$30,000.00									
Plans	6	Solid Waste Rate Study	Study			\$35,000.00								
		Parks Master Plan	Plan			\$15,000.00								
Sub-Total Projects:				\$1,162,509.00	\$5,414,000.00	\$5,050,000.00	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

Government Funds Capital Purchase

	No.	Item	Description	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	Notes
Vehicles	7	Vehicles / Equipment	Equipment											
			Truck											
Sub-Total Purchases:				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Government Funds CIP & Capital Purchases				\$1,162,509.00	\$5,414,000.00	\$5,050,000.00	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	



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Press Release – 1/15/2026

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT 2026/2027 BUDGET PROCESS & SCHEDULE

Each year, District staff prepares a proposed budget for consideration and adoption at a public hearing in June. The budget development process spans several months and includes multiple public meetings designed to provide transparency and opportunities for Board and public input.

The process begins in January, when District committees review and update their long-range planning documents, including the 10-Year Capital Improvement Plan (CIP) and maintenance plans. In February, staff gathers financial and operational information and develops budget assumptions based on economic indicators such as the Consumer Price Index and other relevant factors. Between February and March, the Board reviews and approves long-range capital plans. Using Board-approved assumptions and guidance, staff work with department managers and supervisors to prepare a draft budget. The draft is reviewed by management and presented to the Finance Committee before being brought forward to the full Board. A Final Draft Budget is made available for public review, and a public hearing is held in June. Following the hearing, the Board conducts final review and consideration of the budget during a public meeting and may adopt the budget at that time. All meetings associated with the budget process are open to the public. The District encourages community members to attend and participate. The meetings listed below have been scheduled to promote public engagement and provide opportunities for the public to become familiar with the District’s budget and financial planning process.

SCHEDULE OF EVENTS

PUBLIC MEETINGS AND HEARING FOR 2026/2027 BUDGET PROCESS

January & February	Committees review and update long-range capital and maintenance plans, programs, and District goals at publicly noticed meetings. Agendas are posted on the District calendar, online, in the District office, and at the community centers. The public is invited and encouraged to attend and participate.
Tuesday – 5:00 p.m. February 17, 2026	Special Board Workshop – Review and approval of committee proposed long range capital, maintenance plans, programs, and goals.
Tuesday – 4:30 p.m. March 31, 2026	Special Finance Committee – Review Draft Budget
Tuesday – 5:00 p.m. April 14, 2026	Special Board Workshop – Review Draft Budget
Wednesday – 4:30 p.m. May 6, 2026	Special Finance Committee – Review Final Draft Budget
Tuesday – 5:00 p.m. May 19, 2026	Special Board Workshop – Review Final Draft Budget. Note: This meeting is tentative. The meeting of April 14, 2026 will determine the necessity for meeting.
Wed. – 5:00 p.m. June 10, 2026	Regular Board Meeting - Budget Hearing & Possible Budget approval (with any modifications identified as a result of the hearing).