



# **PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT**

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

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

**2014 / 2015 Budget**

**Approved**

**June 4, 2014**



# **2014 / 2015 Budget**

## **For the Fiscal Year Ending**

### **June 30, 2015**

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

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

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**RESOLUTION NO. 2014-13**

**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, 2015**

**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 (“the Board”) a proposed Annual Budget for the Fiscal Year Ending June 30, 2015 (“2015 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 2015 Budget; and

**WHEREAS**, on June 4, 2014, the Board conducted a public hearing regarding the proposed 2015 Budget in accordance with the requirements of Government Code Section 61110 and considered all comments received at said hearing; and

**WHEREAS**, the proposed 2015 Budget has been reviewed and considered by the Board and it has been determined to be in the best interests 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 2015 Budget, as detailed in the budget document entitled “2014/2015 Budget for the Fiscal Year Ending June 30, 2015,” is hereby adopted. A copy of the 2015 Budget is attached hereto and incorporated herein by reference.
2. The expenditure amounts designated for Fiscal Year 2014/2015, pursuant to the 2015 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 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.

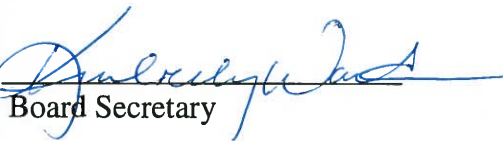
**Adopted** this 4th day of June, 2014.

AYES: Brandon, Pace, Roberts, Whalen  
NOES:  
ABSTAIN:  
ABSENT: Morrissette



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President, Board of Directors

ATTEST:

  
Board Secretary



# PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

## INTRODUCTION



# PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

## MESSAGE FROM THE GENERAL MANAGER

June 4, 2014

Board of Directors  
Citizens of 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 2014/2015. This Budget has been prepared to meet the many challenges facing the District, including increasing costs of water production, water quality, and water supply. The Budget reflects the District's dedication to provide reasonable levels of service with a commitment to prudent fiscal management by developing policies and processes 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 provide all authorized services reliably and economically for the promotion of community development and to utilize all resources for maximum beneficial use.*

Since the District's formation in 2008, the District has continued to look for cost saving measures and efficiencies. In spite of these efforts, over the past six years revenues have decreased and the cost of operating the District has continued to rise. Property tax revenue decreased by over 40% between 2008 and 2012 due to the reduction in property values in the District. Water revenue decreased by 16% between 2009 and 2012 primarily due to the number of vacant properties within the District. The cost of pumping water out of the ground (the only water source) increased by 18% in 2013 and is increasing by another 14% in 2014 due to the Southern California Edison rate changes. The cost of operations continue to rise, including costs of producing and delivering water, and providing clean, safe parks and community centers with increased programs and activities for the community.

The District continues to look for alternative ways to increase revenue and decrease expenses in an effort to minimize rate changes to our customers. In 2012, the District purchased water rights which will 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. Currently, the District is in the process of embarking on a solar project that will result in credits against our most costly and uncontrollable expense: electricity. After loan repayment, the estimated savings due to the solar project are \$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.

During the first five years of formation, the District held rates at the levels assumed from the County in March 2008. In 2012, the District contracted to have its first rate study prepared. The study was completed in 2013 and the Board adopted a multi-year rate change after a lengthy process which exceeded Proposition 218 requirements. The approved rate change is reviewed each year to determine if it can be reduced as a result of the cost saving measures the District has implemented.



The Fiscal Year 2014/2015 Budget is based upon operating revenues of \$4,426,822, non-operating revenues of \$1,199,680, totaling \$5,626,502; operating expenses of \$5,387,620, and non-operating expenses of \$391,823, totaling \$5,779,443; for a total net revenue of \$-152,941.

	2014 Budget	2014 Estimated Year End	2015 Budget	% Over Prior Year Budget	% Over Est. Year End
Enterprise (Water) Revenue	\$4,942,586	\$4,858,627	\$5,114,935	3.5%	5.3%
Enterprise (Water) Expenses	\$5,171,936	\$4,980,281	\$5,334,693	3.1%	7.1%
Total Net Revenue Enterprise	-\$229,350	-\$121,655	-\$219,758		
Government Revenue	\$533,380	\$499,142	\$511,567	-4.1%	2.5%
Government Expenses	\$362,738	\$415,207	\$444,750	22.6%	7.1%
Total Net Revenue Government	\$170,642	\$83,936	\$66,817		
Total Revenue	\$5,475,966	\$5,357,769	\$5,626,502	2.7%	5.0%
Total Expenses	\$5,534,674	\$5,395,488	\$5,779,443	4.4%	7.1%
Total Net Revenue	-\$58,708	-\$37,719	-\$152,941		

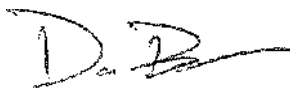
Enterprise Revenue is estimated to increase due to rate changes for water meter and consumption charges. The largest impact to Water Expenses is the cost of electricity to pump the water out of the ground and throughout the system.

Government Revenue is estimated to increase due to a rate change for Solid Waste and an increase in recreation revenue due to additional programs. Government Expenses are increasing due to the increase in electricity costs as well as the cost of additional programs and events.

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 facility 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 AND VISION STATEMENT

### MISSION STATEMENT

*The Mission of the Phelan Piñon Hills Community Services District is to provide all authorized services reliably and economically for the promotion of community development and to utilize all resources for maximum beneficial use.*

### VISION STATEMENT

*To develop a Community Services District that enhances the living experience for all people within the District.*



# PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

## OFFICIALS

For the Fiscal Year Ending June 30, 2014

### BOARD OF DIRECTORS

		Term Expires December
Alex Brandon	President	2015
Al Morrissette	Vice President	2017
Cathy Pace	Director	2017
Mark Roberts	Director	2015
Dan Whalen	Director	2017

### DISTRICT MANAGEMENT

Donald Bartz	General Manager
Lori Lowrance	Administrative Services Manager
George Cardenas	Engineering Manager
Jack Stonesifer	Water Operations Manager

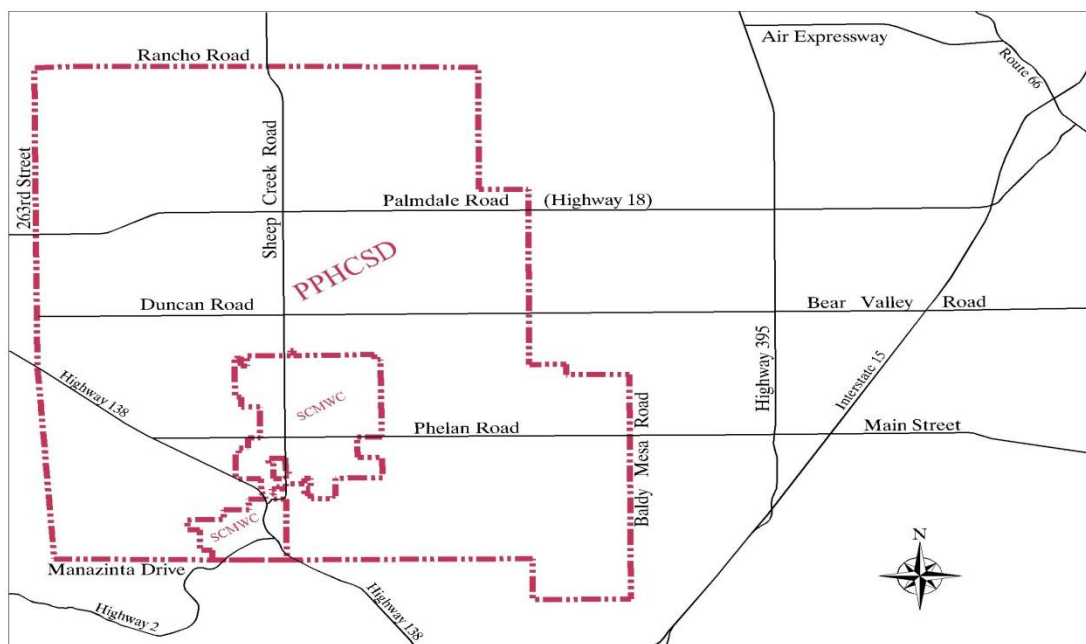
District Officials can be reached by calling (760) 868-1212

## 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 CSA56-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.



## **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. For the currently seated Board, three Directors were elected in November of 2013 and two Directors will be elected in November of 2015. 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, Parks, Recreation and Street Lighting, Government Affairs, and Finance. These meetings are open to the Public whom are encouraged to attend.

Resolution 2014-04, 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 nineteen full-time and two part-time employees. There are no plans to increase staffing levels at this time. 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 almost 6,800 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 11 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 AWAC, through the Mojave Water Agency, plus resource material to promote desert landscape. The District is also looking for ways to conserve watershed land that will help in the regeneration of the aquifer. 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 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 work on 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 two vacant parcels for future park and recreation facilities: 55 acres on Johnson Road and 80 acres on Sheep Creek.

### ***Street Lighting***

The street lights 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***

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.

## 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)	6,774

### 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	2,925
Number of Commercial Customers	75

### Misc. Statistical Information

Population	19,200
Service Area	128 square miles
Employees	19 Full Time, 2 Part Time
Enterprise Fund Budget	\$5,334,693
Government Fund Budget	\$ 444,750
Capital Budget	\$1,114,000

## 2014/2015 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 into the budget process. These public meetings include workshops, committee, and board meetings. Beginning in February, staff begins gathering information in preparation for the budget. In March, the Board provides staff with budget assumptions to be used based on the consumer price index, and other economic factors. Considering these guidelines, staff begins the process of preparing a draft budget. Staff works with department managers and supervisors to obtain budget information and incorporates the data with the assumptions as directed by the Board. The draft budget is reviewed by management and presented to the Finance Committee for examination prior to being presented to the full Board for review. Once staff has made changes as requested, the Final Draft Budget is made available and a public hearing is held. The Final Draft Budget is presented to the Board during the public meeting for final review, consideration, and adoption. All of these meetings are open and public meetings 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.

Date/Location	Time	
March 3, 2014 Phelan Community Center	6:00 PM	Special Board Workshop – Review of District Finances, Reserves, Capital Projects, 10-year Capital Project Plan, Depreciation, \$3.2 million dollars used for Water Rights, \$800,000 impending District cost for Solar, and indicators of various increases to costs of goods and services.
March 6, 2014 Piñon Hills Community Center	5:00 PM	Special Board Workshop - Continuation of above review. Expense Cost Allocation, Property Tax Allocation, Review of Water Rate Model.
March 12, 2014 Phelan Community Center	7:00 PM	Special Board Meeting - Board makes determination for budget assumptions.
April 22, 2014 Conference Room at District Office	3:30 PM	Special Finance Committee - Review of draft budget.
April 30, 2014 Phelan Community Center	5:00 PM	Special Board Workshop - Review draft budget.
June 4, 2014 Phelan Community Center	6:00 PM	Regular Board Meeting - Budget Hearing - Budget approval (with any modifications as a result of the hearing).

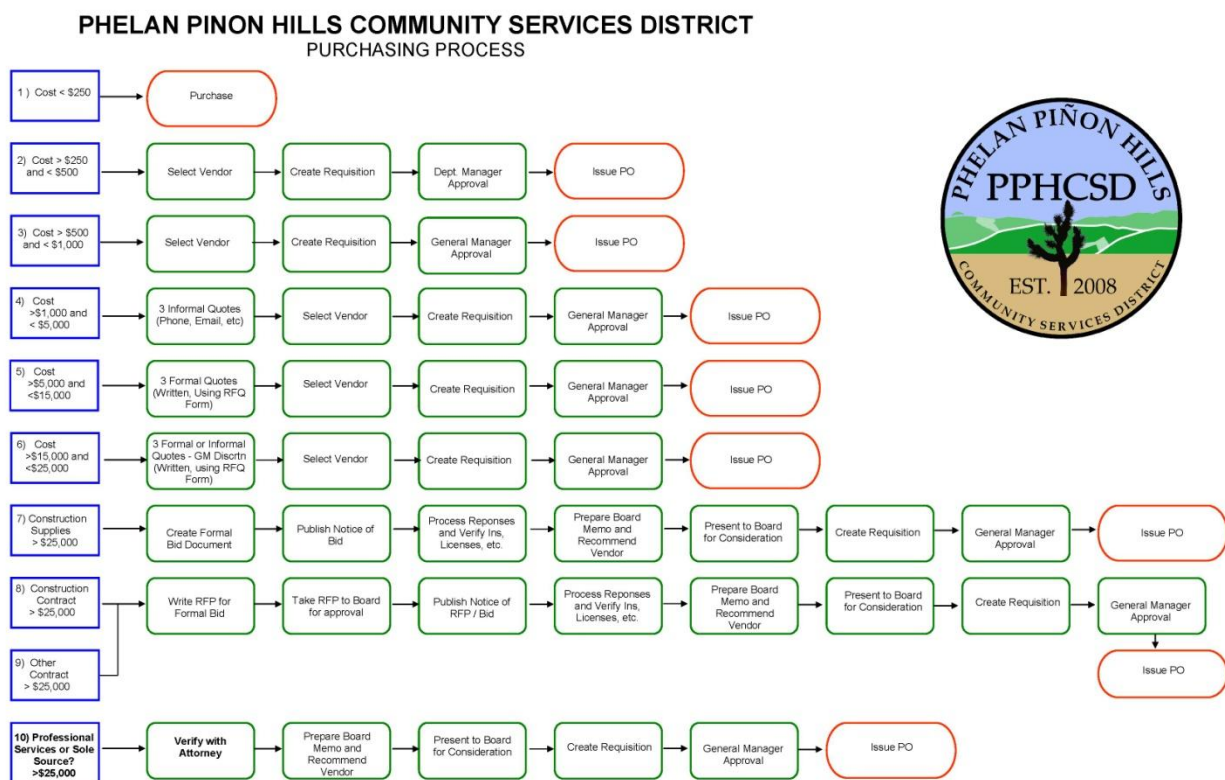


# BUDGETARY CONTROL AND FINANCIAL PRACTICES

## Budgetary Control

The Board of Directors adopts the Phelan Piñon Hills Community Services District (District) annual budget, after public hearing(s), by June 30 of each year. 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 is authorized to implement the appropriation as approved in the adopted budget. 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 procedures are established by the General Manager to ensure against abuse of public interest.



The Board reviews the budget verses actual revenues and expenses at the committee level and financials are also presented to the Board on a monthly 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.
- Enterprise Funds**                      Water  
Note: Water activities represent 98% of District functions.

**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. As there were only a few protests, the Board adopted Resolution #2013-01, approving the water rate changes. The Board of Directors reviews the approved rate changes each year to determine 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.

For example, the District is currently in negotiations to install a 1.16 megawatt solar project, which is projected to save the District in excess of \$13 million dollars over a thirty year period. The District will receive credits for electricity produced from the solar project to offset its considerable electric costs, currently over \$800,000 per year. The savings noted are after loan payment and expenses associated with the solar project are considered.

**Long-Term Financial Plans**

The District has developed a 10-year plan for facility repair, replacement, and additions. The additional facilities are projected based on the District's Water Master Plan. The repairs and replacements are based on estimated useful life of District facilities. This plan is a work in progress that is expected to be finalized and formally adopted by the Board of Directors in the coming fiscal year.

## 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:

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

### **Purchasing Policy - Resolution 2014-08**

The purpose of the policy is to standardize 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
- Exceeding \$25,000      Requires Board approval

### **Investment Policy - Resolution 2013-16**

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 any and all investment decisions.

### **Reserves Policy - Resolution 2014-07**

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 into the future.

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

- Operating reserves has a goal of three to six 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 have 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.

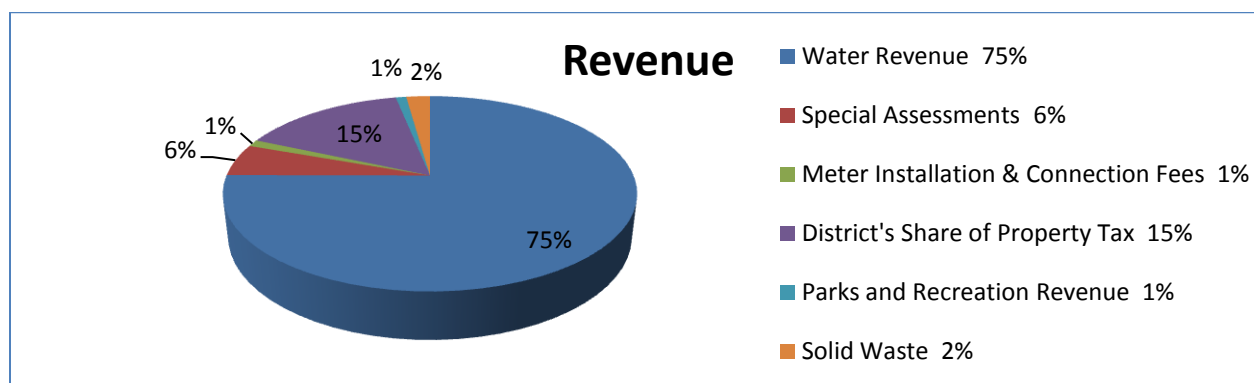
### **Revenue Policy - Resolution 2013-03**

The purpose of this policy is to establish 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.

## SOURCES OF REVENUE

The District receives revenue from two primary sources: Water sales and use fees, and property tax.



**Water Sales and Use Fees** (75% of total revenue) - The District's primary business activities are from the administration, production, treatment, and distribution of water through approximately 6,800 meters to approximately 16,000 residents.

Rates and fees are determined based on the costs of production, treatment, distribution and administration of water 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.

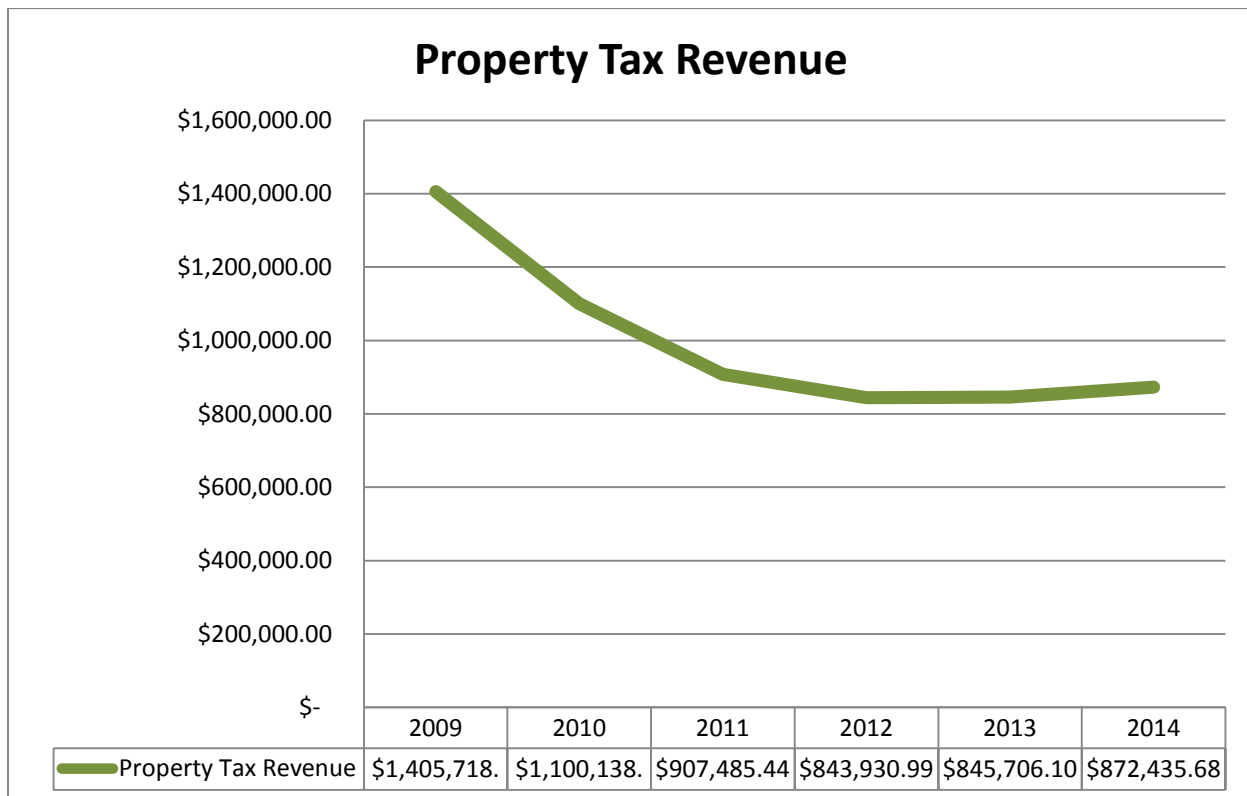
### Historical and Future (Pending Board Review) Water Rates

Commodity Charge (water used)		March 2008 - Feb 2013	March 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017
<b>Tiered</b>	<b>Tier (HCF)</b>						
Tier 1	0 - 25		\$1.69	\$1.89	\$2.02	\$2.17	\$2.32
Tier 2	25.01 +		\$1.95	\$2.18	\$2.33	\$2.50	\$2.68
Tier 1	0 - 14	\$1.81					
Tier 2	14.01 - 80	\$2.01					
Tier 3	80.01 +	\$2.08					
<b>Bi-Monthly Meter Charge</b>		<b>March 2008 - Feb 2013</b>	<b>March 1, 2013</b>	<b>January 1, 2014</b>	<b>January 1, 2015</b>	<b>January 1, 2016</b>	<b>January 1, 2017</b>
<b>Meter Size:</b>	<b>3/4"</b>	\$26.02	\$31.37	\$33.75	\$35.77	\$37.92	\$40.19
	<b>1"</b>	\$37.20	\$41.65	\$44.81	\$47.49	\$50.34	\$53.36
	<b>1.5"</b>	\$64.20	\$67.35	\$72.45	\$76.80	\$81.41	\$86.29
	<b>2"</b>	\$93.50	\$98.19	\$105.63	\$111.97	\$118.69	\$125.81
	<b>3"</b>	\$159.64	\$170.14	\$183.05	\$194.03	\$205.67	\$218.00
	<b>4"</b>	\$245.64	\$272.94	\$293.64	\$311.26	\$329.93	\$349.72

**Property Tax Revenue** (15% of total revenue) – 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 2012. This was due to the housing bust that began in 2009 and leveled out in 2011: Property values dropped significantly, which impacted property tax revenue, with final impacts occurring into 2012. Property values in the District have slowly begun rising, resulting in slightly higher revenue, as indicated on the table below. Because the District started in 2009, and fund balances were at reasonable levels, impacts to service remained minimal throughout the economic downturn.



**Special Assessments (aka: Standby Charge or Water Availability Fees)** (6% of total revenue) – 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 bi-monthly meter charge, 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 2014/2015 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 exiting 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 that are 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.

**Meter Installation and Connection Fees** (1% of total revenue) – 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.

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.

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

**Parks and Recreation Revenue** (1% of total revenue) – Fees charged for various program participation (such as Farmers Market vendors, classes, etc.), facility rental (such as community center rental fees, etc.), and other fees and charges for programs and events sponsored by the Parks and Recreation department.

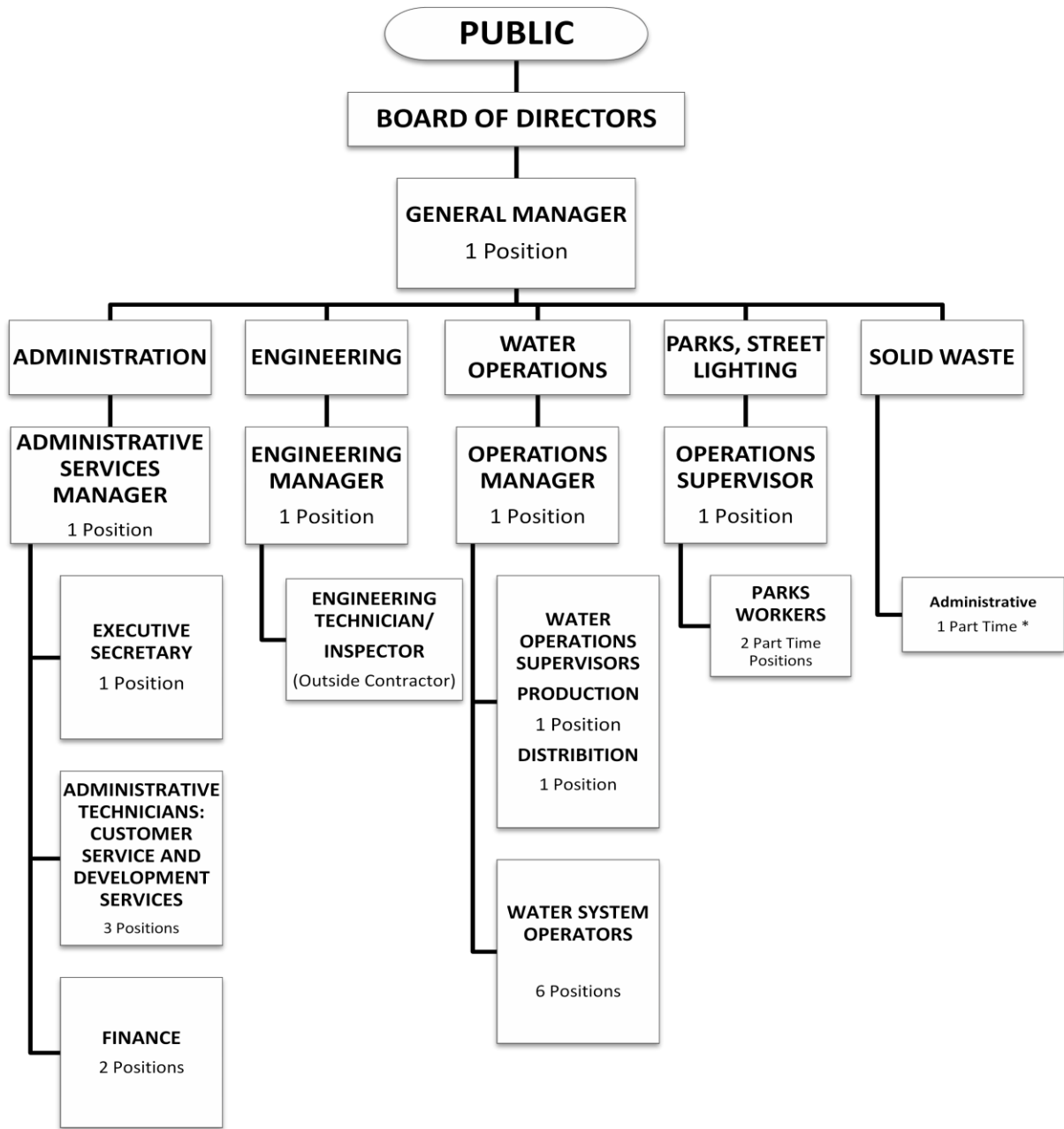


**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

# **DEPARTMENTAL** **PRESENTATIONS**



# ORGANIZATIONAL CHART



\*Subject to Board Approval

The District has maintained the same staffing levels since 2008, with the exception of the part-time administrative position for Solid Waste which was added in 2013.

## STAFFING LEVELS

	2009	2010	2011	2012	2013	2014	2015
<b>General Manager</b>	1	1	1	1	1	1	1
<b>ADMINISTRATION</b>							
Administrative Services Manager	1	1	1	1	1	1	1
Executive Secretary and Human Resources	1	1	1	1	1	1	1
Administrative & Customer Service Staff	4	4	3	3	3	3	3
Finance Staff	1	1	2	2	2	2	2
<b>TOTAL EMPLOYEES</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>ENGINEERING</b>							
Engineering Manager	1	1	1	1	1	1	1
GIS/CAD (Outside Contractor)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
<b>TOTAL EMPLOYEES</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>WATER OPERATIONS</b>							
Water Operations Manager	1	1	1	1	1	1	1
Water Operations Supervisors	2	2	2	2	2	2	2
Water Operators	6	6	6	6	6	6	6
<b>TOTAL EMPLOYEES</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>PARKS, RECREATION</b>							
Park Supervisor	1	1	1	1	1	1	1
Park Workers (Part Time)	2	2	2	2	2	2	2
<b>TOTAL EMPLOYEES</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>							
Street Light Staff	0	0	0	0	0	0	0
<b>TOTAL EMPLOYEES</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>							
Solid Waste Staff (Part Time)**	0	0	0	0	0	(1)	(1)
<b>TOTAL EMPLOYEES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL STAFF</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>

\*Admin Staff performs duties for these activities which are minimal.

\*\* Board has authorized a part time position, as necessary, to be approved prior to filling the position.

## 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

The costs associated with the following departments are charged directly to the fund and department for which work or services are performed and 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 are attributable to the administration and operation of Street Lighting and Solid Waste.



## 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 a manager and six administrative, customer service, and 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: Administers safety programs, processes claims, identifies safety risks, and obtains 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: Answers calls, receives and process payments, process new, closing and changes to customer accounts, processes billing, current and past due account processes, assists customers with trouble shooting account problems, administers 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 control of budget process and implementation.

Customer Service A/R Activities	Annual Quantity
<b>Payments</b>	
Cash	4,689
Check	9,306
Credit Cards	2,967
Mail	15,075
Online	9,143
<b>TOTAL</b>	<b>41,179</b>

Payments Received and Processed	Annual Quantity
Water	41,027
Senior Lunch	26
Parks & Rec. (Rentals, Classes, etc)	126
<b>TOTAL</b>	<b>41,179</b>

<b>Customer Service Other Activities</b>	<b>Annual</b>
Service Orders Processed	4,599
Assisted Customers at Counter	16,962

<b>Accounting Activities</b>	<b>Annual</b>
Checks Processed	1,725
Accounts Payable Transactions	8,504
Payroll Transactions	1,111
Journal Entries Transactions	695
Fixed Asset Transactions	284
Inventory Transactions	1,766
Water Bills Processed	41,492
Monthly Invoices Processed	144

**Projects in progress and/or completed in 2013/2014:**

- Create award winning Budget document
- Create Finance page on website
- Create award winning transparency page on website
- Complete procedures manual for administration and financial tasks
- Implement scanning for Tyler processes
- Complete fifty percent of scanning of customer account files
- Complete Cost Allocation Study
- Implement cost allocation processes

**2014/2015 Goals:**

- Receive CAFR Award from GFOA (Government Finance Officers Association) and CSMFO (California Society of Municipal Finance Officers)
- Receive Budget Award from GFOA and CSMFO
- Receive Transparency Certification from California Special District Association (CSDA)
- Continue providing outstanding customer service
- Implement additional payment options for customers
- Implement notifications for customers
- Complete scanning of customer service files into Tyler system
- Implement mobile computing for service orders
- Explore and implement treasury options
- Continue to develop policies and procedures
- Finalize office procedures manual



## ENGINEERING

The engineering department provides professional planning and engineering services to our 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 a manager and an outside consultant.

### Primary services:

- Implement District policies pursuant to Board direction.
- GIS and mapping system development and maintenance
- 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
- Service availability and permitting for construction
- Develop and coordinate Request for Proposal (RFP) of CIP projects
- Participate in Mojave Water Agency Technical Advisory Committee
- Participate in various joint agency programs

<b>2013/2014</b>	
<b>Project Management</b>	
Total Projects	18
<b>CAD to GIS Conversion and Verification</b>	
Water Mains	353 Miles
System (Main) Valves	2,011
Control Valves (PRV, Air Vac, BO etc)	868
Hydrants w/ Valve	1,909
Fittings	5,074
Booster Pumps	63
Tanks	35
Wells	11
Meters	6,774
<b>As-Built Plans</b>	
Documented and stored (in connex)	355
Scanned and cataloged (on server)	105
<b>Field verification and documentation (GPS, mapping) of facilities</b>	
Gate valves	80
Hydrants	5
Blow-offs	5
Air Vacs	252

<b>2013/2014</b>	
<b>Maps/Exhibits Created/Distributed</b>	
Dairy Facilities	26
Parks Related	24
Water related	75
Solar related	12
Administration related	24
Misc	24
<b>Production Well Monitoring</b>	
Complete Spreadsheet/Graph Update	1
<b>Water Facility As-Built Distribution (for proposed project design)</b>	
Utility projects	3
Solar projects	2
Roadway projects	3
<b>Development Services</b>	
Review Will Serve Letters	51
Review Easements	3
Review Developer Water Plans	8
<b>Implementation/Coordination Meetings for Mobile Applications</b>	
SEDARU	16

**Projects in progress and/or completed in 2013/2014:**

- Alternative Energy Project (solar)
- Caltrans Highway 138 Water Pipeline Relocation Project
- Cross Connection Control Program
- Dairy Property Annexation
- Future Tank Land Acquisition
- GIS Mobile Application (SEDARU)
- GIS Website Project
- Piñon Hills Park Expansion
- SCADA Upgrade and Replacement
- Sheep Creek Wash Retention and Recharge Basin
- Tank Interior Coating Reports
- Tank Exterior Coating Project

**2014/2015 Goals:**

- Expand GIS application and field data
- Finalize Alternative Energy (Solar) project
- Assist in SCADA project process
- Expand SEDARU mobile application to integrate SCADA and Incode
- Water Shortage Contingency Plan

## 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 a manager, two supervisors, and six water operations employees.

### 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 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, valve and hydrant repair and replacement, construction inspections, new service installations, USA markings, vehicle maintenance, and complete service orders for District facilities.
- Meter Services: Read meters, meter maintenance, disconnection of service, meter moves, replacements, 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)	6,774



Water Operations Activities	Annual
Water Quality Samples Taken	431
USA's Marked	564
Service Orders Completed	3,208
Services Disconnected/Reconnected Shut-off Cycle	1,391
Main/Service Line Leaks repaired	94
Service Line Replacements	28
Hydrant Repairs	6

**Projects in progress and/or completed in 2013/2014:**

- Develop hydrant and valve maintenance program
- Develop air valve release locating and maintenance program
- Train operators on water line location and marking
- SCADA system replacement and upgrade
- Develop and implement in-house backflow prevention certification and program

**2014/2015 Goals:**

- Reduce meter reading time from three days to two
- Complete valve exercising program
- Complete hydrant flushing program
- Provide better accounting for water loss
- Increase service order response time
- Implement paperless service order process
- Increase safety and training classes for staff
- Air Vac locating and GPS recordation
- Develop Air Vac repair program
- SCADA system replacement and upgrade
- Provide training for staff on SCADA system
- Implement Emergency Response Plan training
- Train supervisors and operators in OSHA record keeping compliance and regulations



## PARKS AND RECREATION

Parks and Recreation manages and maintains District owned parks and recreation facilities to provide quality, 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 a supervisor and two part-time parks and recreation workers.

### 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.
- 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 and 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	2013/2014	Phelan Community Center	Piñon Hills Community Center	Office
Phelan Rental	161	161		
Phelan PPHCSD Activities	99	99		
Board Meetings	43	43	2	
Committee Meetings	75			75
Piñon Hills Rental	57		57	
Piñon Hills PPHCSD Activities	16		16	
<b>TOTAL</b>	<b>451</b>	<b>303</b>	<b>75</b>	<b>75</b>

### Weekly events:

- Phelan Farmers Market

### Monthly events:

- Phelan Senior Lunch Program
- Piñon Hills Senior Lunch Program

**Annual events:**

- Community Services Awareness Day
- Desert Snakes and Animals Workshop
- Plants and Planting Workshop
- Winterization Workshop
- Composting Workshop
- Archery – weekly summer activity
- Kids Crafts – weekly summer activity
- Movie Night – weekly summer activity
- Coloring Contest

**Annual events in partnership with other agencies:**

- Senior Health Fair
- Water Awareness Expo
- Phelan Phun Days

**Projects in progress and/or completed in 2013/2014:**

- Phelan Farmers Market
- Senior Lunch Program
- Grass and picnic area at Phelan Park
- Expansion of Piñon Hills Park, including new basketball court and play equipment

**2014/2015 Goals:**

- Improve park operations
- Provide additional training for staff
- Improve audio and video system at Phelan Community Center
- Continued pursuit of additional recreation programs in partnership with businesses, clubs, and local sports associations
- Continued pursuit of additional recreational programs to meet community needs



## STREET LIGHTING

Street lights primarily service the business district of Phelan. The District does have some street lights 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 does respect 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 street lights as received from the public.
- Identify areas where street lights 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 2013/2014:**

- There were no requests for street lights in 2013/2014.

**2014/2015 Goals:**

- Identify additional locations that may benefit from street lights
- Process requests for additional street lights

## 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 the administrative staff and the Board of Directors as necessary.

### 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	2,925
Number of Commercial Customers	75

### Projects in progress and/or completed in 2013/2014:

- Community Clean Up Day
- Tire Recycling Program
- Implement Office Recycling Program

### 2014/2015 Goals:

- Community Clean Up Day
- Tire Recycling Program
- Implement Commercial Recycling Program
- Develop New Programs
- Composting Workshop
- Recycling Workshop/Outreach Program



**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

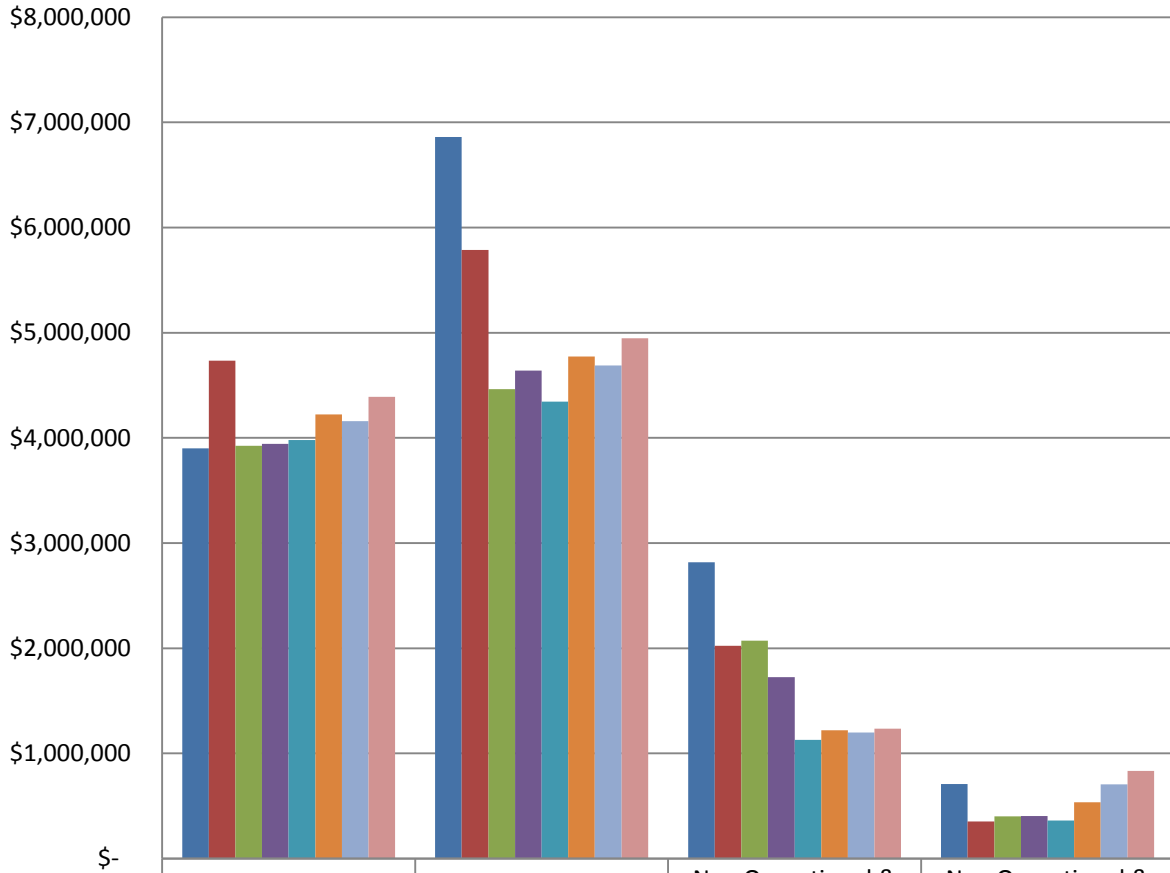
# **BUDGET FINANCIAL REPORTS**

**Phelan Piñon Hills Community Services District  
2014/2015 Budget  
Financial History and Budget Comparison**

	<i>HISTORICAL INFORMATION</i>							
	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 Estimated Year End	PPHCSD 2014/15 Adopted Budget
	A	B	C	D	D	E	F	
<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	\$ 3,765,353	\$ 3,995,403
3 Special Assessments	307,104	283,142	219,623	324,650	355,749	303,841	301,172	300,000
4 Other Services	57,906	100,820	77,848	81,123	114,114	99,754	93,362	95,229
5 Total Operating Revenues	\$ 3,900,842	\$ 4,732,889	\$ 3,925,063	\$ 3,942,329	\$ 3,980,946	\$ 4,222,035	\$ 4,159,887	\$ 4,390,632
6								
<b>7 Operating Expenses - Enterprise Fund</b>								
8 Water Purchases	Incl Below	\$ 315,588	228,683	147,596	7,903	32,259	34,170	6,964
9 Salaries and Benefits	2,025,913	1,027,983	1,313,039	1,473,407	1,415,838	1,628,096	1,658,389	1,677,497
10 Board Compensation	Incl Below	32,469	40,453	49,153	52,115	92,764	104,123	104,185
11 Professional Services	176,635	401,008	273,866	309,171	246,374	309,590	271,157	286,493
12 Services and Supplies	1,128,024	1,839,640	694,474	572,750	604,586	742,780	624,971	746,067
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	745,530	847,878
15 Depreciation (Ent Funds)	774,842	886,786	1,058,282	1,245,913	1,292,064	1,214,772	1,231,723	1,258,423
16 Other	2,014,296	157,996	176	202	196	1,789	18,271	18,636
17 Total Operating Expenses	\$ 6,860,511	\$ 5,787,155	\$ 4,463,029	\$ 4,640,805	\$ 4,344,908	\$ 4,774,794	\$ 4,688,334	4,946,144
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>\$ (528,447)</b>	<b>(555,513)</b>
20								
<b>21 Operating Revenue and Expense - Government Fund</b>								
22 Ordinary Income Government Funds	Incl Below	19,109	13,046	20,622	36,405	24,772	12,443	36,190
23 Ordinary Expense Government Funds	Incl Below	(177,193)	(240,960)	(284,963)	(250,704)	(1,270,102)	(411,997)	(441,476)
24 <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>\$ (399,554)</b>	<b>\$ (405,286)</b>
25								
<b>26 Non-Operating Revenues (Expenses) - Enterprise Fund</b>								
27 Investment Earnings	\$ 762,732	\$ 455,757	147,916	81,883	51,488	29,375	13,901	33,901
28 Investment Expense	(164,934)	(140,689)	(157,407)	(115,933)	(109,373)	(262,681)	(291,947)	(388,549)
29 Property Taxes	930,019	-	14,631	-	-	4,930	529,510	527,170
30 Other Income Taxes, Penalties, etc	202,410	-	105,652	103,017	122,988	120,814	107,327	99,243
31 Other Income State, County, Grants	-	459,388	271,980	151,582	39,514	-	-	-
32 Connection Fees	440,970	80,698	59,692	-	23,649	33,317	47,993	63,990
33 Other Expense	(156,647)	(5,367)	-	-	-	-	-	-
34 <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>\$ 406,783</b>	<b>\$ 335,754</b>
35								
<b>36 Non-Operating Revenues (Expenses) - Government Fund</b>								
37 Investment Earnings	\$ 9,624	\$ 9,390	11,191	10,970	20,152	16,555	11,513	16,513
38 Property Taxes	365,205	1,323,361	1,095,156	907,485	843,931	845,706	338,368	331,984
39 Other Income	108,047	135,232	143,101	-	500	405	14,386	2,000
40 Other Income State, County, Grants	-	-	483,038	600,000	-	-	-	-
40 Other Income Adj (non-cash Donations)	-	-	-	-	-	2,772,000	-	-
41 Income Solid Waste	-	-	-	-	29,874	144,527	122,432	124,880
42 Other Expense	(386,872)	(31,050)	(2,143)	(2,763)	(3,427)	(3,411)	(3,210)	(3,274)
43 <b>Net Non-Operating Revenues (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>\$ 483,489</b>	<b>\$ 472,103</b>
44								
<b>45 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>(37,728)</b>	<b>(152,941)</b>
46 Donated Property & Depreciation						(1,706,341)		
47 Depreciation Not Funded (40%)	\$ 309,937	\$ 375,114	\$ 443,713	\$ 518,765	\$ 537,226	\$ 912,173	\$ 529,915	541,395
48 Loan Principal Payments	(96,000)	(97,000)	(100,000)	(104,000)	(93,000)	(97,000)	(273,500)	(283,611)
49 <b>Net Avail for Projects/Reserves</b>	<b>\$ (635,178)</b>	<b>\$ 1,352,485</b>	<b>\$ 1,750,640</b>	<b>\$ 1,188,188</b>	<b>\$ 885,261</b>	<b>\$ 1,012,280</b>	<b>\$ 218,687</b>	<b>104,844</b>
50								
51 Beginning Cash in Bank								10,819,691
52 RESERVES								(6,957,358)
53 DEPRECIATION FUNDED (60%)								812,093
54 CIP PROJECTS								(1,040,000)
55 CAPITAL PURCHASES								(74,000)
56 <b>CASH BALANCE = AVAILABLE CASH FOR PROJECTS</b>								<b>3,665,270</b>

**Phelan Piñon Hills Community Services District  
2014/2015 Budget**

**Financial History and Budget Comparison**



	Water Operations Revenues	Water Operations Expenses	Non Operational & Government Revenues	Non Operational & Government Expenses
■ 2008 County	\$3,900,842	\$6,860,511	2,819,007	708,453
■ 2008/09	\$4,732,889	\$5,787,155	2,023,547	354,298
■ 2009/10	\$3,925,063	\$4,463,029	2,073,423	400,510
■ 2010/11	\$3,942,329	\$4,640,805	1,723,977	403,660
■ 2011/12	\$3,980,946	\$4,344,908	1,128,987	363,504
■ 2012/13	\$4,222,035	\$4,774,794	1,220,401	536,194
■ 2013/14 Est YE	\$4,159,887	\$4,688,334	1,197,873	707,154
■ 2014/15 Budget	\$4,390,632	\$4,946,144	1,235,870	833,299



## BUDGET OVERVIEW

At the onset of the budget process, the Board requested the 2014/2015 budget be prepared with the following assumptions for increases, compared to estimated year-end figures: Water revenues increase by 6%, salary and benefits increase by 2%, and an increase in expenditures of 2%, 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.

	Enterprise Fund	Government Fund	Total
Operational Revenues	\$4,390,632	\$36,190	\$4,426,822
Operational Expenses	\$4,946,144	\$441,476	\$5,387,620
Net Revenue from Operations	-\$555,513	-\$405,286	-\$960,799
Non-Operational Revenues	\$724,303	\$475,377	\$1,199,680
Non-Operational Expenses	\$388,549	\$3,274	\$391,823
Net Revenue from Non-Ops	\$335,754	\$472,103	\$807,858
Total Net Revenue	-\$219,758	\$66,817	-\$152,941

### **OPERATIONAL INCOME:**

Water revenue budgeted for 2014/2015 assumes a rate change that will provide an additional 6% in revenue from meter fees and water consumption. Note: As a result of the Rate Study, the rate structure was changed. The result is a slightly larger percentage increase in Water Meter Charge Revenues and a lesser percentage increase in Water Consumption Revenue, netting the 6% increase in revenue required in the Rate Study. (Line 2/20)

Special Assessments, standby fees, applied to vacant, unmetered, land, are expected to remain the same in the coming year as staff does not anticipate growth. (Line 3/23)

Parks fees reflect an increase over 2014/2015 due to additional programs scheduled. (Line 4/26)

The total net increase for operational income is projected to be \$254,492. (Line 7/31)

### **OPERATIONAL EXPENSES:**

Water Purchases are expected to remain about the same for the coming year. Staff does not anticipate additional growth or change in production for the coming year (Line 9/39). This expense would have been at least \$350,000 higher if the District had not purchased additional water rights in 2012.

Salaries and Benefits reflect a 1.3% increase. The 2014/2015 Proposed Budget includes a possible 2% increase, based on merit, if warranted. Miscellaneous earnings are expected to be less as the District had a one-time expense in 2013. Overtime is expected to decrease due to some changes in processes, and insurance will not change because the District has a cap on the amount contributed for insurance. (Line 10/51)

Board Compensation is estimated to remain stable as there are no policy changes and the number of meetings the Board members may be paid each month is fixed. Other Board expenses are not expected to increase. (Line 11/58)

Professional Fees are estimated to be 5.8% higher due to additional water quality testing required for the 2014/2015 budget year. (Line 12/67)

Services and Supplies is 19% higher due to a change in policy for items that were being charged to capital improvement projects and have now been determined to be operational expenses (repair and maintenance). There are also additional programs budgeted in the coming year. These programs are expected to be offset somewhat by revenue generated by the events. (Line13/96)

Utilities are higher due to an anticipated increase by Edison of 14% in the coming year. (Line 14/102)

Depreciation and Amortization is based on the addition of assets as projects are completed and new assets are added. There are additional property taxes and depreciation expenses due to the property that was donated in 2012. The District is in the process of annexing that land into the District, which will reduce property taxes in the future. (Line 15/107)

#### **NON-OPERATIONAL INCOME:**

Property Tax revenue is projected to remain the same this year. There were years of reductions due to foreclosures and a decline in property values. The economic forecast for the area shows that values are increasing slightly, which will help to stabilize property tax revenues. (Line 20/127)

Penalties and Other Fees are not expected to increase in 2014/2015. (Line 21/130)

Solid Waste is expected to increase by 2% in the coming year due to a cost of living adjustment implemented by CR&R, as authorized in the franchise agreement. (Line 22/133)

Meter Installation and Connection Fees are expected to remain low due to slow growth. (Line 23/138)

Other Income shows a slight increase due to a change in investments. Staff does not anticipate any changes to other income in the coming year. (Line 24/143)

#### **NON-OPERATIONAL EXPENSES:**

Other Expenses will increase by \$188,585 this year because the District is anticipating adding a new loan for the solar project, for which staff anticipates an interest payment will be due in the 14/15 fiscal year. (Line 27/151)

# Phelan Piñon Hills Community Services District

## 2014/2015 Budget

		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2014/2015 BUDGET	2014/2015 BUDGET	2014/2015 BUDGET
<b>Operational Income/Expense</b>				
<b>1</b>	<b>Income</b>			
<b>2</b>	<b>WATER SALES</b>			
<b>3</b>	<b>WATER CONSUMPTION</b>			
4	40010 Water Sales - Residential - C	2,094,522.53	0.00	2,094,522.53
5	40020 Water Sales - Commercial - C	6,171.98	0.00	6,171.98
6	40030 Water Sales - Fire Protection-C	985.67	0.00	985.67
7	40060 Water Sales - Multiple Res - C	3,137.73	0.00	3,137.73
8	40070 Water Sales - School - C	105,255.80	0.00	105,255.80
9	40090 Water Sales - Construction - C	9,724.06	0.00	9,724.06
10	40110 Water Sales - Adjustment - Wtr	0.00	0.00	0.00
<b>11</b>	<b>Total WATER CONSUMPTION</b>	<b>2,219,797.77</b>	<b>0.00</b>	<b>2,219,797.77</b>
<b>12</b>	<b>WATER METER CHARGE</b>			
13	41010 Water Sales - Residential - M	1,740,174.45	0.00	1,740,174.45
14	41020 Water Sales - Commercial - M	7,787.46	0.00	7,787.46
15	41030 Water Sales - Fire Protection-M	929.70	0.00	929.70
16	41060 Water Sales - Multiple Res - M	1,760.40	0.00	1,760.40
17	41070 Water Sales - School - M	15,902.94	0.00	15,902.94
18	41090 Water Sales - Construction - M	9,049.92	0.00	9,049.92
<b>19</b>	<b>Total WATER METER CHARGE</b>	<b>1,775,604.87</b>	<b>0.00</b>	<b>1,775,604.87</b>
<b>20</b>	<b>Total - WATER SALES</b>	<b>3,995,402.64</b>	<b>0.00</b>	<b>3,995,402.64</b>
<b>21</b>	<b>SPECIAL ASSESSMENT</b>			
22	74110 Special Assessments	300,000.00	0.00	300,000.00
<b>23</b>	<b>Total - SPECIAL ASSESSMENT</b>	<b>300,000.00</b>	<b>0.00</b>	<b>300,000.00</b>
<b>24</b>	<b>PARKS</b>			
25	47600 Park & Recreation Fee	0.00	36,189.93	36,189.93
<b>26</b>	<b>Total - PARKS</b>	<b>0.00</b>	<b>36,189.93</b>	<b>36,189.93</b>
<b>27</b>	<b>OTHER SERVICE INCOME</b>			
28	48200 Other Services Incomes	92,250.57	0.00	92,250.57
29	48700 Administrative Fees	2,978.40	0.00	2,978.40
<b>30</b>	<b>Total - OTHER SERVICE INCOME</b>	<b>95,228.97</b>	<b>0.00</b>	<b>95,228.97</b>
<b>31</b>	<b>Total Income from Operations</b>	<b>4,390,631.61</b>	<b>36,189.93</b>	<b>4,426,821.54</b>
<b>32</b>	<b>Gross Profit</b>	<b>4,390,631.61</b>	<b>36,189.93</b>	<b>4,426,821.54</b>
<b>33</b>	<b>Expense</b>			
<b>34</b>	<b>WATER PURCHASES</b>			
35	50010 MWA WM Admin. & Bio Fee	6,964.37	0.00	6,964.37
36	50020 MWA WM Make Up Water	0.00	0.00	0.00
37	50030 MWA WM Replacement Water	0.00	0.00	0.00
38	50040 Water Purchases - Other	0.00	0.00	0.00
<b>39</b>	<b>Total - WATER PURCHASES</b>	<b>6,964.37</b>	<b>0.00</b>	<b>6,964.37</b>

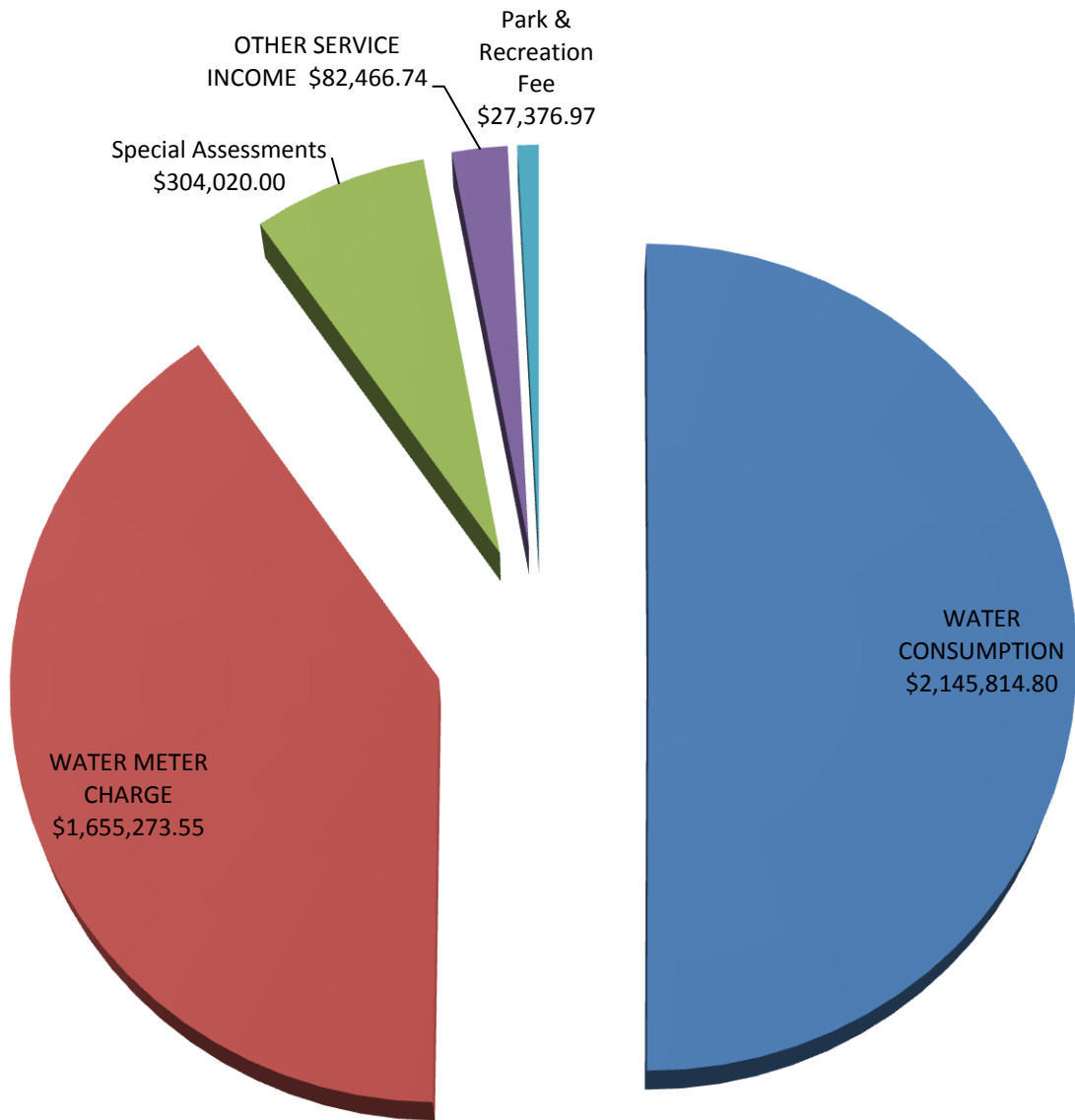
		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2014/2015 BUDGET	2014/2015 BUDGET	2014/2015 BUDGET
<b>40</b>	<b>SALARIES &amp; BENEFIT</b>			
41	51110 Salaries & Wages	939,573.40	118,714.24	1,058,287.64
42	51120 Vacations	63,958.16	6,329.06	70,287.23
43	51130 Holiday	45,939.89	5,622.75	51,562.64
44	51140 Sick Pay	50,116.24	6,133.91	56,250.15
45	51150 Misc Earn	32,497.91	840.00	33,337.91
46	51170 Overtime	51,441.30	1,248.00	52,689.30
47	51210 Payroll Taxes	32,220.38	3,932.80	36,153.18
48	51220 Worker's Compensation	38,901.02	9,313.06	48,214.09
49	51230 Employee Group Insurance	222,459.75	10,314.82	232,774.57
50	51240 Retirement	200,389.30	20,401.63	220,790.93
<b>51</b>	<b>Total - SALARIES &amp; BENEFIT</b>	<b>1,677,497.35</b>	<b>182,850.28</b>	<b>1,860,347.63</b>
<b>52</b>	<b>BOARD COMPENSATIONS</b>			
53	52110 Board Director's Fee	45,040.00	0.00	45,040.00
54	52210 Board Exp - Auto Expense	3,184.59	0.00	3,184.59
55	52220 Board Exp - Meals & Lodging	13,032.91	0.00	13,032.91
56	52230 Board Exp - Education/Training	3,326.67	0.00	3,326.67
57	52240 Board Exp - Insurance & Other Exp	39,601.28	0.00	39,601.28
<b>58</b>	<b>Total - BOARD COMPENSATIONS</b>	<b>104,185.44</b>	<b>0.00</b>	<b>104,185.44</b>
<b>59</b>	<b>PROFESSIONAL FEE</b>			
60	53110 Auditing & Accounting Fees	17,699.04	0.00	17,699.04
61	53120 Legal Services	50,958.18	204.00	51,162.18
62	53130 Engineering	30,285.50	0.00	30,285.50
63	53140 Laboratory Analysis	28,873.00	0.00	28,873.00
64	53150 Outside Service	85,394.20	4,461.48	89,855.68
65	53160 Permits & Fees	12,648.33	1,313.80	13,962.13
66	53170 Software Support	60,634.34	0.00	60,634.34
<b>67</b>	<b>Total - PROFESSIONAL FEE</b>	<b>286,492.58</b>	<b>5,979.28</b>	<b>292,471.86</b>
<b>68</b>	<b>SERVICE AND SUPPLIES</b>			
69	54110 Advertising	1,833.31	5,185.82	7,019.12
70	54140 Auto Expense	3,189.65	0.00	3,189.65
71	54170 Auto Allowance	7,800.00	0.00	7,800.00
72	54200 Credit Card Fee & Bank Charges	33,772.41	0.00	33,772.41
73	54230 Dues & Subscriptions	25,081.41	693.60	25,775.01
74	54260 Education & Training	36,574.33	1,252.56	37,826.89
75	54290 Employment Expense	2,278.48	102.00	2,380.48
95	57110 Equipment Rental/ Lease	7,301.21	1,559.50	8,860.71
76	54320 General Maintenance	4,251.36	306.00	4,557.36
77	54350 Insurance	73,609.65	1,085.08	74,694.72
78	54380 Insurance - Vehicle	14,409.30	919.71	15,329.01
79	54410 Fuel Costs	60,247.69	1,514.73	61,762.41
80	54440 Meeting, Seminar & Supplies	5,650.61	38.42	5,689.03
81	54470 Travel Expense	19,769.06	510.00	20,279.06
82	54500 Operating Supplies	44,703.04	6,852.96	51,556.00
83	54530 Office Supplies	19,858.15	0.00	19,858.15
84	54620 Repair & Maintenance	254,895.60	8,114.58	263,010.18
85	54650 Small Tools	14,307.91	386.85	14,694.76
86	54680 Uniforms	10,719.40	1,201.39	11,920.79

		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2014/2015 BUDGET	2014/2015 BUDGET	2014/2015 BUDGET
87	54710 Vehicle Maintenance	40,358.10	941.51	41,299.61
88	54740 Easement Lease	612.20	0.00	612.20
89	54800 Programs (Wtr Cons, parks,etc)	22,013.79	28,764.54	50,778.32
90	54801 Senior Lunch Program	0.00	18,544.83	18,544.83
91	54830 State & County Fees & Services	3,153.51	0.00	3,153.51
92	54860 Postage & Mailing	18,242.77	0.00	18,242.77
93	54890 Printing	15,449.93	1,760.60	17,210.53
94	54920 Public Relation	5,984.00	7,070.57	13,054.57
96	<b>Total - SERVICE AND SUPPLIES</b>	746,066.83	86,805.24	832,872.08
97	<b>UTILITIES - Electric/Phone/Gas</b>			
98	58010 Telephone	17,223.54	622.36	17,845.91
99	58110 Utilities - Operations	830,654.57	26,993.21	857,647.78
100	58111 Utilities - Street Lights	0.00	14,360.15	14,360.15
101	<b>Total - UTILITIES - Electric/Phone/Gas</b>	847,878.11	41,975.73	889,853.84
102	<b>OTHER- Depreciation/Amort, etc.</b>			
103	59310 Bad Debt	7,763.17	0.00	7,763.17
104	59110 Property Taxes	10,806.11	28,800.04	39,606.15
105	59120 Depreciation & Amortization	1,258,423.28	95,065.44	1,353,488.72
106	59310 Other Operating Expenses	66.98	0.00	66.98
107	<b>Total - OTHER- Depreciation/Amort, etc.</b>	1,277,059.54	123,865.48	1,400,925.02
108	<b>Total Expense</b>	4,946,144.23	441,476.01	5,387,620.24
109	<b>Net Operational Income</b>	(555,512.62)	(405,286.07)	(960,798.69)
110	<b>Other Income/Expense</b>			
111	<b>Other Income</b>			
112	<b>PROPERTY TAXES</b>			
113	71110 Property Taxes - Curr Sec	0.00	722,339.21	722,339.21
114	71120 Property Taxes - Curr Unsec	0.00	34,787.67	34,787.67
115	71130 Property Taxes - Curr Supplimen	0.00	3,617.00	3,617.00
116	71140 Property Taxes - Curr Unitary	0.00	33,760.18	33,760.18
117	71150 Property Taxes - Curr Other	0.00	8,910.83	8,910.83
118	71151 Property Taxes	527,169.58	(527,169.58)	0.00
119	72110 Property Taxes - Prior Sec	0.00	31,738.14	31,738.14
120	72120 Property Taxes - Prior Unsec	0.00	363.43	363.43
121	72130 Property Taxes - Prior Supplimn	0.00	3,882.68	3,882.68
122	72150 Property Taxes - Prior Other	0.00	590.90	590.90
123	73160 Property Taxes - Homeowner	0.00	8,944.46	8,944.46
124	73170 Tax Penalties & Others	0.00	10,218.76	10,218.76
125	<b>Total - PROPERTY TAXES</b>	527,169.58	331,983.67	859,153.25
126	<b>PENALTIES &amp; OTHER FEE</b>			
127	86120 Penalties & Other Fees	90,869.44	0.00	90,869.44
128	<b>Total - PENALTIES &amp; OTHER FEE</b>	90,869.44	0.00	90,869.44
129	<b>SOLID WASTE</b>			
130	76100 Solid Waste Franchise Fee	0.00	124,880.18	124,880.18
131	<b>Total - SOLID WASTE</b>	0.00	124,880.18	124,880.18

		TOTAL ENTERPRISE FUNDS	TOTAL GOVERNMENT FUNDS	TOTAL ALL FUNDS
		2014/2015 BUDGET	2014/2015 BUDGET	2014/2015 BUDGET
132	<b>METER INSTALLATION/FEES/CONNECTION</b>			
133	45300 Meter Installation	16,416.32	0.00	16,416.32
134	45400 Permits & Inspections	1,693.36	0.00	1,693.36
135	45500 Connection Fee	45,880.64	0.00	45,880.64
136	<b>Total - METER INSTALLATION/FEES/CONNECTION</b>	63,990.32	0.00	63,990.32
137	<b>OTHER INCOME</b>			
138	88110 Interest Income	33,900.53	16,513.41	50,413.95
139	88120 Other Income - Water Other	8,373.33	0.00	8,373.33
140	88150 Other Income - County	0.00	2,000.00	2,000.00
141	<b>Total - OTHER INCOME</b>	42,273.87	18,513.41	60,787.28
142	<b>Total Other Income</b>	724,303.21	475,377.26	1,199,680.46
143	<b>Other Expense</b>			
144	<b>Other Expense</b>			
145	91010 Interest Expense	358,908.00	0.00	358,908.00
146	92010 Loan Administrator Fee	29,536.25	0.00	29,536.25
147	93010 Tax Deduction	0.00	3,273.82	3,273.82
148	95010 Net Incr/Decr in Fair Value	104.75	0.00	104.75
149	<b>Total - Other Expense</b>	388,549.00	3,273.82	391,822.82
150	<b>Total Other Expense</b>	388,549.00	3,273.82	391,822.82
151	<b>Net Other Income</b>	335,754.21	472,103.44	807,857.65
152	<b>Net Income</b>	<b>(219,758.41)</b>	<b>66,817.36</b>	<b>(152,941.05)</b>
	Depr & Amort 40% (Fund = 60%)	503,369.31	38,026.18	541,395.49
	Principal Payments	(283,610.90)	0.00	(283,610.90)
	<b>Net Profit (Loss) after depreciation &amp; principal pmt on loans</b>	<b>0.00</b>	<b>104,843.54</b>	<b>104,843.54</b>

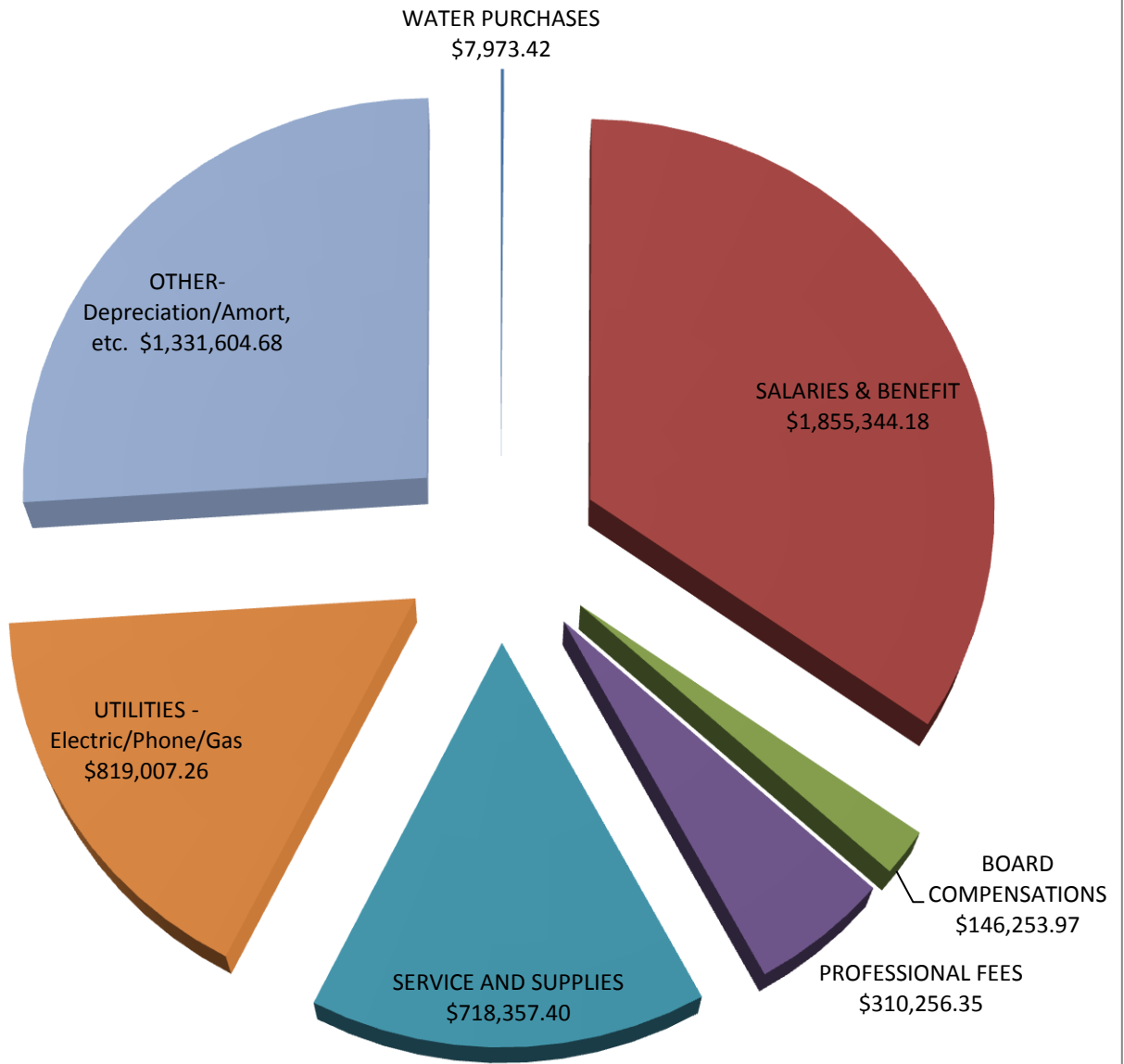
Phelan Piñon Hills Community Services District  
2014/2015 Budget

**OPERATIONAL REVENUES**



Phelan Piñon Hills Community Services District  
2014/2015 Budget

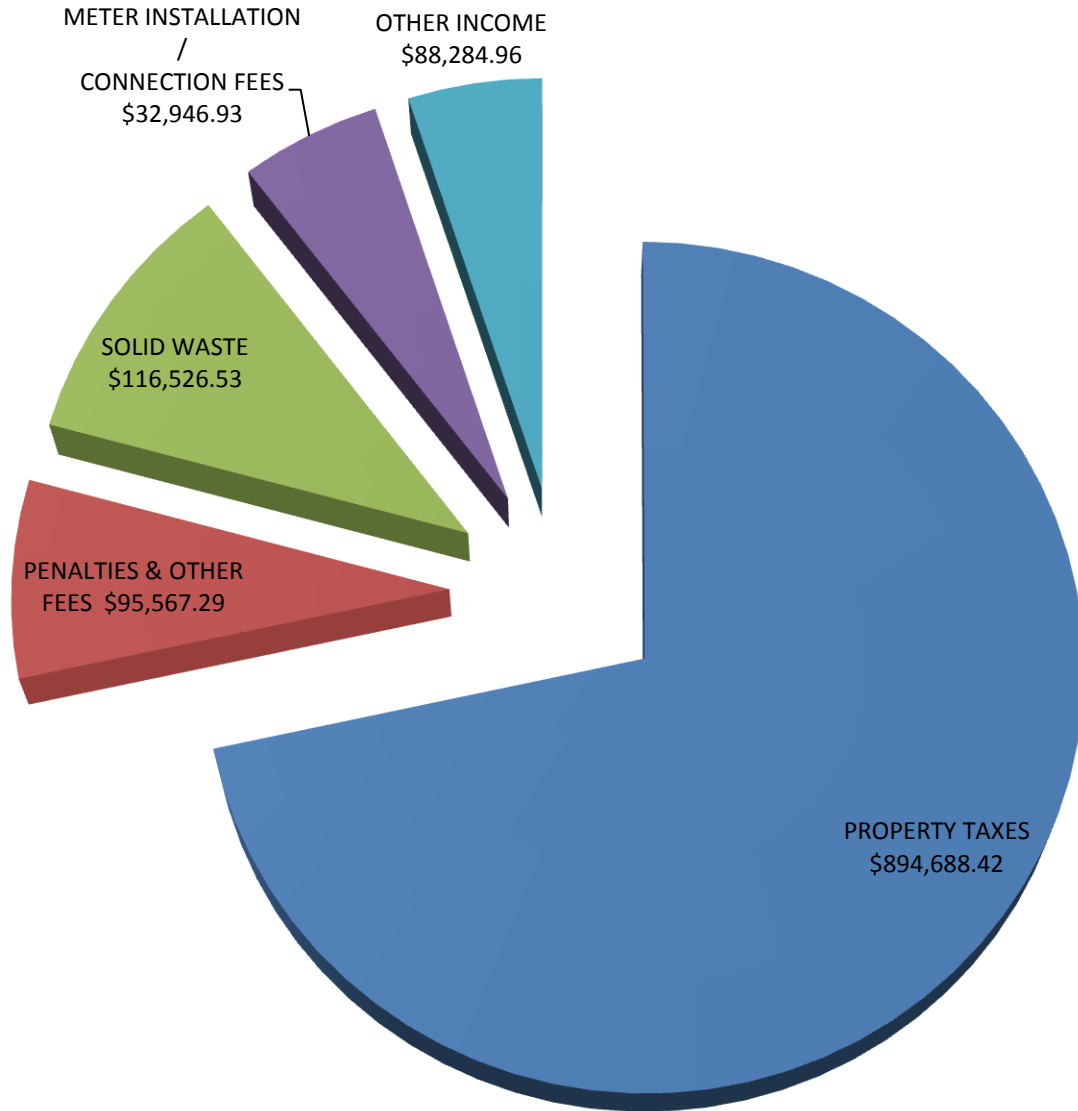
**OPERATIONAL EXPENSES**





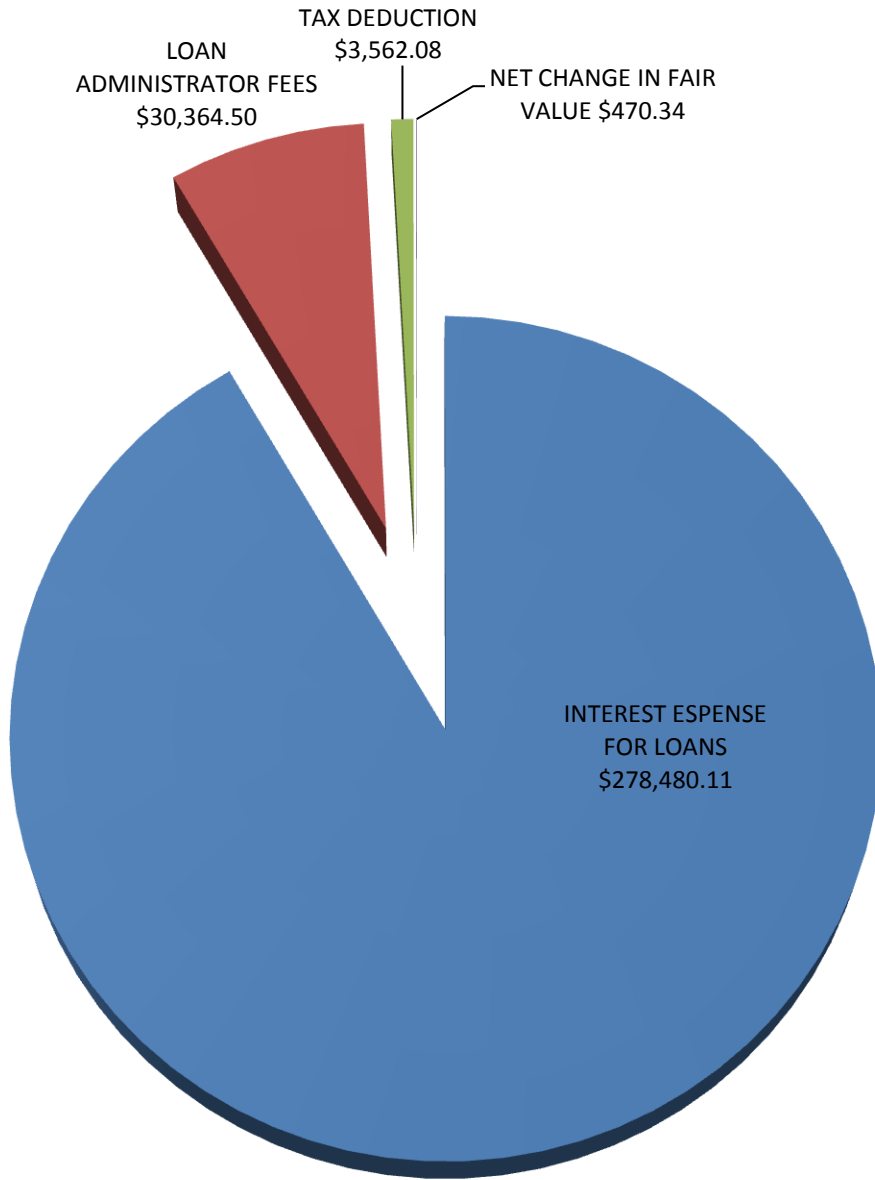
Phelan Piñon Hills Community Services District  
2014/2015 Budget

**NON-OPERATIONAL REVENUES**



Phelan Piñon Hills Community Services District  
2014/2015 Budget

**NON-OPERATIONAL EXPENSES**



**Phelan Piñon Hills Community Services District  
2014/2015 Budget - Summary Comparison - By Fund**

Assumes: % Over Est Year End		A	B	C	D	E	F	G	H	I	J	K
Rates/Revenue	6.0%	TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS				
Expense	2.0%	Prior Year		Approved	Prior Year		Approved	Prior Year		Approved	Approved	Approved
Salary	2.0%	2013/2014	EST YE 13/14	2014/2015	2013/2014	EST YE 13/14	2014/2015	2013/2014	EST YE 13/14	2014/2015	Budget vs.	Budget vs.
		Budget		BUDGET	Budget		BUDGET	Budget		BUDGET	Prior Year	Est YE
											Budget	Est YE
	<b>OPERATIONAL INCOME/EXPENSE</b>											
1	<b>INCOME</b>											
2	Water Sales	3,834,088.35	3,765,352.64	3,995,402.64	0.00	0.00	0.00	3,834,088.35	3,765,352.64	3,995,402.64	4%	6%
3	Special Assessment	304,020.00	301,172.47	300,000.00	0.00	0.00	0.00	304,020.00	301,172.47	300,000.00	-1%	0%
4	Parks	0.00	0.00	0.00	27,376.97	12,443.33	36,189.93	27,376.97	12,443.33	36,189.93	32%	191%
5	Other Service Income	82,466.74	93,361.73	95,228.97	0.00	0.00	0.00	82,466.74	93,361.73	95,228.97	15%	2%
6	<b>Total Income from Operations</b>	4,220,575.09	4,159,895.84	4,390,631.61	27,376.97	12,443.33	36,189.93	4,247,952.07	4,172,330.17	4,426,821.54	4%	6%
7	<b>Gross Profit</b>	4,220,575.09	4,159,895.84	4,390,631.61	27,376.97	12,443.33	36,189.93	4,247,952.07	4,172,330.17	4,426,821.54	4%	6%
8	<b>EXPENSE</b>											
9	Water Purchases	7,973.42	34,169.78	6,964.37	0.00	0.00	0.00	7,973.42	34,169.78	6,964.37	-13%	-80%
10	Salaries & Benefits	1,669,975.36	1,658,388.92	1,677,497.37	185,368.84	178,336.71	182,850.28	1,855,344.18	1,836,725.63	1,860,347.63	0%	1%
11	Board Compensation	146,253.97	104,123.00	104,185.44	0.00	0.00	0.00	146,253.97	104,123.00	104,185.44	-29%	0%
12	Professional Fees	298,258.64	271,156.88	286,492.58	11,997.71	5,347.33	5,979.28	310,256.35	276,504.21	292,471.86	-6%	6%
13	Service and Supplies	649,890.41	624,971.24	746,066.83	68,466.99	70,127.17	86,805.24	718,357.40	695,098.41	832,872.08	16%	20%
14	Utilities - Electric/Phone/Gas	836,424.16	745,530.19	847,878.11	32,583.09	36,885.04	41,975.73	869,007.26	782,415.23	889,853.84	2%	14%
15	Other- Depreciation/Amort, etc.	1,270,845.20	1,249,994.12	1,277,059.54	60,759.48	121,300.77	123,865.48	1,331,604.68	1,371,294.89	1,400,925.02	5%	2%
16	<b>Total Expense</b>	4,879,621.17	4,688,334.13	4,946,144.25	359,176.11	411,997.03	441,476.01	5,238,797.26	5,100,331.16	5,387,620.24	3%	6%
17	<b>Net Operational Income</b>	(659,046.08)	(528,438.29)	(555,512.64)	(331,799.14)	(399,553.69)	(405,286.07)	(990,845.20)	(928,000.99)	(960,798.69)	-3%	4%
18	<b>NON-OPERATIONAL INCOME/EXPENSE</b>											
19	<b>NON-OPERATIONAL INCOME</b>											
20	Property Tax	520,785.02	529,510.26	527,169.58	373,903.40	338,368.23	331,983.67	894,688.42	867,878.49	859,153.25	-4%	-1%
21	Penalties & Other Fees	95,567.29	90,869.44	90,869.44	0.00	0.00	0.00	95,567.29	90,869.44	90,869.44	-5%	0%
22	Solid Waste	0.00	0.00	0.00	116,526.53	122,431.55	124,880.18	116,526.53	122,431.55	124,880.18	100%	2%
23	Meter Installation/Connection	32,946.93	47,992.72	63,990.32	0.00	0.00	0.00	32,946.93	47,992.72	63,990.32	94%	33%
24	Other Income	72,712.15	30,358.34	42,273.87	15,572.81	25,899.12	18,513.41	88,284.96	56,257.46	60,787.28	-31%	8%
25	<b>Total Non-Operational Income</b>	722,011.39	698,730.76	724,303.21	506,002.74	486,698.90	475,377.26	1,228,014.13	1,185,429.65	1,199,680.46	-2%	1%

**Phelan Piñon Hills Community Services District  
2014/2015 Budget - Summary Comparison - By Fund**

Assumes: % Over Est Year End		A	B	C	D	E	F	G	H	I	J	K
Rates/Revenue	6.0%	TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS				
Expense	2.0%	Prior Year		Approved	Prior Year		Approved	Prior Year		Approved	Approved	Approved
Salary	2.0%	2013/2014	EST YE 13/14	2014/2015	2013/2014	EST YE 13/14	2014/2015	2013/2014	EST YE 13/14	2014/2015	Budget vs.	Budget vs.
		Budget		BUDGET	Budget		BUDGET	Budget		BUDGET	Prior Year	Est YE
											Budget	Est YE
26	NON-OPERATIONAL EXPENSE								(1,586,570.35)	1,199,680.46		-176%
27	Other Expense	292,314.95	291,947.30	388,548.98	3,562.08	3,209.63	3,273.82	295,877.03	295,156.93	391,822.80	32%	33%
28	Total Other Expense	292,314.95	291,947.30	388,548.98	3,562.08	3,209.63	3,273.82	295,877.03	295,156.93	391,822.80	32%	33%
29	Net Non-Operational Income	429,696.44	406,783.45	335,754.23	502,440.66	483,489.27	472,103.44	932,137.10	890,272.72	807,857.67	-13%	-9%
30	Net Income	(229,349.64)	(121,654.84)	(219,758.41)	170,641.52	83,935.58	66,817.36	(58,708.10)	(37,728.26)	(152,941.03)	161%	305%
	Depr & Amort @ 60%	505,434.72	492,689.31	503,369.31	24,303.79	37,226.18	38,026.18	529,738.51	529,915.49	541,395.49		
	Principal Payments Due on Loan	276,085.08	96,097.13	283,610.90	0.00	0.00	0.00	276,085.08	273,500.00	283,610.90		
	Net Profit (Loss) Funds for CIP	0.00	274,937.34	0.00	194,945.31	121,161.75	104,843.54	194,945.33	218,687.23	104,843.56		

**Phelan Piñon Hills Community Services District  
2014/2015 Budget - Detail Comparison - By Fund**

Assumes: % Over Est Year End Rates/Reven 6.0% Expense 2.0% Salary 2.0%		A	B	C	D	E	F	G	H	I	J	K
		TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS			Bud vs Bud	Bud vs Est YE
		Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Column I compared to column G	Column I compared to column H
	Operational Income/Expense											
1	Income											
2	40 - WATER SALES											
3	40A - WATER CONSUMPTION											
4	40010 Water Sales - Residential - C	2,032,481.96	2,045,099.61	2,094,522.53	0.00	0.00	0.00	2,032,481.96	2,045,099.61	2,094,522.53	3.1%	2.4%
5	40020 Water Sales - Commercial - C	10,619.52	6,026.34	6,171.98	0.00	0.00	0.00	10,619.52	6,026.34	6,171.98	-41.9%	2.4%
6	40030 Water Sales - Fire Protection-C	912.85	962.42	985.67	0.00	0.00	0.00	912.85	962.42	985.67	8.0%	2.4%
7	40060 Water Sales - Multiple Res - C	3,362.20	3,063.69	3,137.73	0.00	0.00	0.00	3,362.20	3,063.69	3,137.73	-6.7%	2.4%
8	40070 Water Sales - School - C	120,752.00	102,772.16	105,255.80	0.00	0.00	0.00	120,752.00	102,772.16	105,255.80	-12.8%	2.4%
9	40090 Water Sales - Construction - C	10,686.27	9,494.61	9,724.06	0.00	0.00	0.00	10,686.27	9,494.61	9,724.06	-9.0%	2.4%
10	40110 Water Sales - Adjustment - Wtr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%
11	TOTAL WATER CONSUMPTION	2,178,814.80	2,167,418.82	2,219,797.77	0.00	0.00	0.00	2,178,814.80	2,167,418.82	2,219,797.77	1.9%	2.4%
12	40B - WATER METER CHARGE											
13	41010 Water Sales - Residential - M	1,627,270.49	1,572,408.77	1,740,174.45	0.00	0.00	0.00	1,627,270.49	1,572,408.77	1,740,174.45	6.9%	10.7%
14	41020 Water Sales - Commercial - M	8,340.00	7,089.72	7,787.46	0.00	0.00	0.00	8,340.00	7,089.72	7,787.46	-6.6%	9.8%
15	41030 Water Sales - Fire Protection-M	660.32	589.14	929.70	0.00	0.00	0.00	660.32	589.14	929.70	40.8%	57.8%
16	41060 Water Sales - Multiple Res - M	1,711.18	1,588.74	1,760.40	0.00	0.00	0.00	1,711.18	1,588.74	1,760.40	2.9%	10.8%
17	41070 Water Sales - School - M	15,933.62	14,351.94	15,902.94	0.00	0.00	0.00	15,933.62	14,351.94	15,902.94	-0.2%	10.8%
18	41090 Water Sales - Construction - M	1,357.94	1,905.51	9,049.92	0.00	0.00	0.00	1,357.94	1,905.51	9,049.92	566.4%	374.9%
19	TOTAL WATER METER CHARGE	1,655,273.55	1,597,933.82	1,775,604.87	0.00	0.00	0.00	1,655,273.55	1,597,933.82	1,775,604.87	7.3%	11.1%
20	Total - WATER SALES	3,834,088.35	3,765,352.64	3,995,402.64	0.00	0.00	0.00	3,834,088.35	3,765,352.64	3,995,402.64	4.2%	6.1%
21	71 - SPECIAL ASSESSMENT											
22	74110 Special Assessments	304,020.00	301,172.47	300,000.00	0.00	0.00	0.00	304,020.00	301,172.47	300,000.00	-1.3%	-0.4%
23	TOTAL SPECIAL ASSESSMENT	304,020.00	301,172.47	300,000.00	0.00	0.00	0.00	304,020.00	301,172.47	300,000.00	-1.3%	-0.4%
24	46 - PARKS											
25	47600 Park & Recreation Fee	0.00	0.00	0.00	27,376.97	12,443.33	36,189.93	27,376.97	12,443.33	36,189.93	32.2%	190.8%
26	TOTAL PARKS	0.00	0.00	0.00	27,376.97	12,443.33	36,189.93	27,376.97	12,443.33	36,189.93	32.2%	190.8%

**Phelan Piñon Hills Community Services District  
2014/2015 Budget - Detail Comparison - By Fund**

Assumes: Rates/Reven Expense Salary	% Over Est Year End 6.0% 2.0% 2.0%	A	B	C	D	E	F	G	H	I	J	K
		TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS			Bud vs Bud	Bud vs Est YE
		Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Column I compared to column G	Column I compared to column H
27	<b>48 - OTHER SERVICE INCOME</b>											
28	48200 Other Services Incomes	81,385.54	90,441.73	92,250.57	0.00	0.00	0.00	81,385.54	90,441.73	92,250.57	13.4%	2.0%
29	48700 Administrative Fees	1,081.20	2,920.00	2,978.40	0.00	0.00	0.00	1,081.20	2,920.00	2,978.40	175.5%	2.0%
30	<b>TOTAL OTHER SERVICE INCOME</b>	82,466.74	93,361.73	95,228.97	0.00	0.00	0.00	82,466.74	93,361.73	95,228.97	15.5%	2.0%
31	<b>TOTAL INCOME FROM OPERATIONS</b>	4,220,575.09	4,159,895.84	4,390,631.61	27,376.97	12,443.33	36,189.93	4,247,952.07	4,172,330.17	4,426,821.54	4.2%	6.1%
32	<b>GROSS PROFIT</b>	4,220,575.09	4,159,895.84	4,390,631.61	27,376.97	12,443.33	36,189.93	4,247,952.07	4,172,330.17	4,426,821.54	4.2%	6.1%
33												
34	<b>50 - WATER PURCHASES</b>											
35	50021 MWA WM Admin. & Bio Fee	7,973.42	6,827.81	6,964.37	0.00	0.00	0.00	7,973.42	6,827.81	6,964.37	-12.7%	2.0%
36	50020 MWA WM Make Up Water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%
37	50030 MWA WM Replacement Water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%
38	50040 Water Purchases - Other	0.00	27,341.97	0.00	0.00	0.00	0.00	0.00	27,341.97	0.00	0.0%	0.0%
39	<b>TOTAL WATER PURCHASES</b>	7,973.42	34,169.78	6,964.37	0.00	0.00	0.00	7,973.42	34,169.78	6,964.37	-12.7%	-79.6%
40	<b>51 - SALARIES &amp; BENEFIT</b>	0.00		0.00								
41	51110 Salaries & Wages	921,312.83	916,911.08	939,573.40	119,673.59	117,487.28	118,714.24	1,040,986.43	1,034,398.36	1,058,287.64	1.7%	2.3%
42	51120 Vacations	63,796.51	61,904.49	63,958.16	6,404.61	6,327.87	6,329.06	70,201.12	68,232.36	70,287.23	0.1%	3.0%
43	51130 Holiday	45,106.20	44,352.80	45,939.89	5,732.33	5,940.19	5,622.75	50,838.52	50,292.99	51,562.64	1.4%	2.5%
44	51140 Sick Pay	52,206.76	48,664.23	50,116.24	6,253.45	6,155.36	6,133.91	58,460.21	54,819.59	56,250.15	-3.8%	2.6%
45	51150 Misc Earn	17,651.67	46,242.99	32,497.91	0.00	840.00	840.00	17,651.67	47,082.99	33,337.91	88.9%	-29.2%
46	51170 Overtime	77,400.00	57,192.81	51,441.30	1,548.00	1,005.69	1,248.00	78,948.00	58,198.51	52,689.30	-33.3%	-9.5%
47	51210 Payroll Taxes	31,804.08	31,399.40	32,220.38	3,917.28	3,859.39	3,932.80	35,721.36	35,258.79	36,153.18	1.2%	2.5%
48	51220 Worker's Compensation	32,387.48	35,005.51	38,901.02	7,503.64	7,882.11	9,313.06	39,891.11	42,887.61	48,214.09	20.9%	12.4%
49	51230 Employee Group Insurance	221,837.44	221,929.36	222,459.75	9,033.99	9,016.28	10,314.82	230,871.43	230,945.64	232,774.57	0.8%	0.8%
50	51240 Retirement	206,472.37	194,786.25	200,389.30	25,301.96	19,822.55	20,401.63	231,774.33	214,608.80	220,790.93	-4.7%	2.9%
51	<b>TOTAL SALARIES &amp; BENEFIT</b>	1,669,975.36	1,658,388.92	1,677,497.37	185,368.84	178,336.71	182,850.28	1,855,344.18	1,836,725.63	1,860,347.63	0.3%	1.3%

**Phelan Piñon Hills Community Services District  
2014/2015 Budget - Detail Comparison - By Fund**

Assumes: % Over Est Year End Rates/Reven 6.0% Expense 2.0% Salary 2.0%		A	B	C	D	E	F	G	H	I	J	K
		TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS			Bud vs Bud	Bud vs Est YE
		Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Column I compared to column G	Column I compared to column H
52	<b>52 - BOARD COMPENSATIONS (Expenses)</b>											
53	52110 Board Director's Fee	60,000.00	45,040.00	45,040.00	0.00	0.00	0.00	60,000.00	45,040.00	45,040.00	-24.9%	0.0%
54	52210 Board Exp - Auto Expense	4,845.57	3,122.15	3,184.59	0.00	0.00	0.00	4,845.57	3,122.15	3,184.59	-34.3%	2.0%
55	52220 Board Exp - Meals & Lodging	16,048.22	13,032.91	13,032.91	0.00	0.00	0.00	16,048.22	13,032.91	13,032.91	-18.8%	0.0%
56	52230 Board Exp - Education/Training	5,360.17	3,326.67	3,326.67	0.00	0.00	0.00	5,360.17	3,326.67	3,326.67	-37.9%	0.0%
57	52240 Board Exp - Insurance & Other Exper	60,000.00	39,601.28	39,601.28	0.00	0.00	0.00	60,000.00	39,601.28	39,601.28	-34.0%	0.0%
58	<b>TOTAL BOARD COMPENSATIONS (Expenses)</b>	146,253.97	104,123.00	104,185.44	0.00	0.00	0.00	146,253.97	104,123.00	104,185.44	-28.8%	0.1%
59	<b>53 - PROFESSIONAL FEE</b>											
60	53110 Auditing & Accounting Fees	29,121.84	17,352.00	17,699.04	0.00	0.00	0.00	29,121.84	17,352.00	17,699.04	-39.2%	2.0%
61	53120 Legal Services	40,767.40	49,959.00	50,958.18	0.00	200.00	204.00	40,767.40	50,159.00	51,162.18	25.5%	2.0%
62	53130 Engineering	40,520.20	29,691.67	30,285.50	0.00	0.00	0.00	40,520.20	29,691.67	30,285.50	-25.3%	2.0%
63	53140 Laboratory Analysis	17,372.00	18,588.67	28,873.00	0.00	0.00	0.00	17,372.00	18,588.67	28,873.00	66.2%	55.3%
64	53150 Outside Service	91,339.34	83,719.80	85,394.20	11,201.17	4,374.00	4,461.48	102,540.51	88,093.80	89,855.68	-12.4%	2.0%
65	53160 Permits & Fees	11,225.97	12,400.32	12,648.33	796.53	773.33	1,313.80	12,022.50	13,173.65	13,962.13	16.1%	6.0%
66	53170 Software Support	67,911.90	59,445.43	60,634.34	0.00	0.00	0.00	67,911.90	59,445.43	60,634.34	-10.7%	2.0%
67	<b>TOTAL PROFESSIONAL FEE</b>	298,258.64	271,156.88	286,492.58	11,997.71	5,347.33	5,979.28	310,256.35	276,504.21	292,471.86	-5.7%	5.8%
68	<b>54 - SERVICE AND SUPPLIES</b>											
69	54110 Advertising	5,789.70	1,797.36	1,833.31	4,644.50	5,084.13	5,185.82	10,434.20	6,881.49	7,019.12	-32.7%	2.0%
70	54140 Auto Expense	4,110.04	3,127.11	3,189.65	0.00	0.00	0.00	4,110.04	3,127.11	3,189.65	-22.4%	2.0%
71	54170 Auto Allowance	8,034.00	7,800.00	7,800.00	0.00	0.00	0.00	8,034.00	7,800.00	7,800.00	-2.9%	0.0%
72	54200 Credit Card Fee & Bank Charges	15,083.73	16,639.61	33,772.41	0.00	0.00	0.00	15,083.73	16,639.61	33,772.41	123.9%	103.0%
73	54230 Dues & Subscriptions	22,291.77	24,589.61	25,081.41	933.87	680.00	693.60	23,225.63	25,269.61	25,775.01	11.0%	2.0%
74	54260 Education & Training	29,337.27	35,857.19	36,574.33	1,921.00	1,228.00	1,252.56	31,258.27	37,085.19	37,826.89	21.0%	2.0%
75	54290 Employment Expense	1,717.30	2,233.80	2,278.48	103.00	100.00	102.00	1,820.30	2,333.80	2,380.48	30.8%	2.0%
76	54300 Equipment Rental/ Lease	7,219.98	7,158.05	7,301.21	1,213.92	1,528.92	1,559.50	8,433.90	8,686.97	8,860.71	5.1%	2.0%
77	54320 General Maintenance	4,601.96	4,168.00	4,251.36	274.67	300.00	306.00	4,876.62	4,468.00	4,557.36	-6.5%	2.0%
78	54350 Insurance	81,258.53	72,166.32	73,609.65	2,161.02	1,063.80	1,085.08	83,419.55	73,230.12	74,694.72	-10.5%	2.0%
79	54380 Insurance - Vehicle	15,741.35	14,126.76	14,409.30	851.60	901.68	919.71	16,592.96	15,028.44	15,329.01	-7.6%	2.0%
80	54410 Fuel Costs	69,369.14	59,066.36	60,247.69	1,208.04	1,485.03	1,514.73	70,577.18	60,551.39	61,762.41	-12.5%	2.0%
81	54440 Meeting, Seminar & Supplies	5,842.93	5,539.81	5,650.61	101.56	37.67	38.42	5,944.49	5,577.48	5,689.03	-4.3%	2.0%

**Phelan Piñon Hills Community Services District**  
**2014/2015 Budget - Detail Comparison - By Fund**

Assumes: % Over Est Year End Rates/Reven 6.0% Expense 2.0% Salary 2.0%		A	B	C	D	E	F	G	H	I	J	K
		TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS			Bud vs Bud	Bud vs Est YE
		Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Column I compared to column G	Column I compared to column H
82	54470 Travel Expense	20,856.59	19,381.43	19,769.06	515.00	500.00	510.00	21,371.59	19,881.43	20,279.06	-5.1%	2.0%
83	54500 Operating Supplies	50,921.30	43,826.51	44,703.04	7,002.38	6,718.59	6,852.96	57,923.68	50,545.09	51,556.00	-11.0%	2.0%
84	54530 Office Supplies	22,536.62	19,468.77	19,858.15	46.94	0.00	0.00	22,583.56	19,468.77	19,858.15	-12.1%	2.0%
85	54620 Repair & Maintenance	126,997.82	155,780.00	254,895.60	5,985.69	7,955.47	8,114.58	132,983.51	163,735.47	263,010.18	97.8%	60.6%
86	54650 Small Tools	14,637.85	14,027.36	14,307.91	487.12	379.27	386.85	15,124.97	14,406.63	14,694.76	-2.8%	2.0%
87	54680 Uniforms	19,145.41	15,313.43	10,719.40	1,895.66	1,888.11	1,201.39	21,041.07	17,201.53	11,920.79	-43.3%	-30.7%
88	54710 Vehicle Maintenance	38,208.80	39,566.76	40,358.10	551.96	923.05	941.51	38,760.75	40,489.81	41,299.61	6.6%	2.0%
89	54740 Easement Lease	600.20	600.20	612.20	0.00	0.00	0.00	600.20	600.20	612.20	2.0%	2.0%
90	54800 Programs (Wtr Cons, parks,etc)	23,696.19	21,582.15	22,013.79	35,163.88	15,455.43	28,764.54	58,860.08	37,037.57	50,778.32	-13.7%	37.1%
91	54801 Senior Lunch Program	0.00	0.00	0.00	0.00	15,240.03	18,544.83	0.00	15,240.03	18,544.83	100.0%	21.7%
92	54830 State & County Fees & Services	17,117.42	3,091.68	3,153.51	0.00	0.00	0.00	17,117.42	3,091.68	3,153.51	-81.6%	2.0%
93	54860 Postage & Mailing	16,842.64	17,049.32	18,242.77	0.00	0.00	0.00	16,842.64	17,049.32	18,242.77	8.3%	7.0%
94	54890 Printing	12,946.36	15,146.99	15,449.93	1,777.86	1,726.08	1,760.60	14,724.22	16,873.07	17,210.53	16.9%	2.0%
95	54920 Public Relation	14,985.50	5,866.67	5,984.00	1,627.32	6,931.93	7,070.57	16,612.82	12,798.60	13,054.57	-21.4%	2.0%
96	<b>TOTAL SERVICE AND SUPPLIES</b>	649,890.41	624,971.24	746,066.83	68,466.99	70,127.17	86,805.24	718,357.40	695,098.41	832,872.08	15.9%	19.8%
97	<b>58 - UTILITIES - Electric/Phone/Gas</b>											
98	58010 Telephone	14,992.68	16,885.83	17,223.54	510.01	610.16	622.36	15,502.69	17,495.99	17,845.91	15.1%	2.0%
99	58110 Utilities - Operations	821,431.48	728,644.36	830,654.57	16,568.96	23,678.25	26,993.21	838,000.45	752,322.61	857,647.78	2.3%	14.0%
100	58115 Utilities - Solar Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	0.0%
101	58111 Utilities - Street Lights	0.00	0.00	0.00	15,504.11	12,596.63	14,360.15	15,504.11	12,596.63	14,360.15	-7.4%	14.0%
102	<b>TOTAL UTILITIES - Electric/Phone/Gas</b>	836,424.16	745,530.19	847,878.11	32,583.09	36,885.04	41,975.73	869,007.26	782,415.23	889,853.84	2.4%	13.7%
103	<b>59 - OTHER- Depreciation/Amort, etc.</b>											
104	59310 Bad Debt	7,021.44	7,610.95	7,763.17	0.00	0.00	0.00	7,021.44	7,610.95	7,763.17	10.6%	2.0%
105	59110 Property Taxes	226.31	10,594.23	10,806.11	0.00	28,235.33	28,800.04	226.31	38,829.56	39,606.15	17400.7%	2.0%
106	59120 Depreciation & Amortization	1,263,586.80	1,231,723.28	1,258,423.28	60,759.48	93,065.44	95,065.44	1,324,346.28	1,324,788.72	1,353,488.72	2.2%	2.2%
107	59310 Other Operating Expenses	10.64	65.67	66.98	0.00	0.00	0.00	10.64	65.67	66.98	529.3%	2.0%
108	<b>TOTAL OTHER- Depreciation/Amort, etc.</b>	1,270,845.20	1,249,994.12	1,277,059.54	60,759.48	121,300.77	123,865.48	1,331,604.68	1,371,294.89	1,400,925.02	5.2%	2.2%
109	<b>TOTAL EXPENSE</b>	4,879,621.17	4,688,334.13	4,946,144.25	359,176.11	411,997.03	441,476.01	5,238,797.26	5,100,331.16	5,387,620.24	2.8%	5.6%
110	<b>NET OPERATIONAL INCOME</b>	(659,046.08)	(528,438.29)	(555,512.64)	(331,799.14)	(399,553.69)	(405,286.07)	(990,845.20)	(928,000.99)	(960,798.69)	-3.0%	3.5%



**Phelan Piñon Hills Community Services District**  
**2014/2015 Budget - Detail Comparison - By Fund**

Assumes: % Over Est Year End Rates/Reven 6.0% Expense 2.0% Salary 2.0%		A	B	C	D	E	F	G	H	I	J	K
		TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS			Bud vs Bud	Bud vs Est YE
		Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Column I compared to column G	Column I compared to column H
111	NON-OPERATIONAL INCOME/EXPENSE											
112	NON-OPERATIONAL INCOME							0.00				
113	70 · PROPERTY TAXES											
114	71110 Property Taxes - Curr Sec	0.00	0.00	0.00	714,735.33	722,339.21	722,339.21	714,735.33	722,339.21	722,339.21	1.1%	0.0%
115	71120 Property Taxes - Curr Unsec	0.00	0.00	0.00	58,603.81	34,787.67	34,787.67	58,603.81	34,787.67	34,787.67	-40.6%	0.0%
116	71130 Property Taxes - Curr Supplimen	0.00	0.00	0.00	386.03	3,617.00	3,617.00	386.03	3,617.00	3,617.00	837.0%	0.0%
117	71140 Property Taxes - Curr Unitary	0.00	0.00	0.00	29,446.32	33,760.18	33,760.18	29,446.32	33,760.18	33,760.18	14.6%	0.0%
118	71150 Property Taxes - Curr Other	0.00	0.00	0.00	12,460.25	8,910.83	8,910.83	12,460.25	8,910.83	8,910.83	-28.5%	0.0%
120	71500 Property Taxes	520,785.02	520,785.02	527,169.58	(520,785.02)	(520,785.02)	(527,169.58)	0.00	0.00	0.00	0.0%	0.0%
121	72110 Property Taxes - Prior Sec	0.00	0.00	0.00	50,000.95	31,738.14	31,738.14	50,000.95	31,738.14	31,738.14	-36.5%	0.0%
122	72120 Property Taxes - Prior Unsec	0.00	0.00	0.00	804.56	363.43	363.43	804.56	363.43	363.43	-54.8%	0.0%
123	72130 Property Taxes - Prior Supplimn	0.00	0.00	0.00	5,574.92	3,882.68	3,882.68	5,574.92	3,882.68	3,882.68	-30.4%	0.0%
124	72150 Property Taxes - Prior Other	0.00	0.00	0.00	1,158.33	590.90	590.90	1,158.33	590.90	590.90	-49.0%	0.0%
125	73160 Property Taxes - Homeowner	0.00	0.00	0.00	9,179.84	8,944.46	8,944.46	9,179.84	8,944.46	8,944.46	-2.6%	0.0%
126	73170 Tax Penalties & Others	0.00	8,725.24	0.00	12,338.10	10,218.76	10,218.76	12,338.10	18,944.00	10,218.76	-17.2%	-46.1%
127	TOTAL PROPERTY TAXES	520,785.02	529,510.26	527,169.58	373,903.40	338,368.23	331,983.67	894,688.42	867,878.49	859,153.25	-4.0%	-1.0%
128	75 · PENALTIES & OTHER FEE											
129	86120 Penalties & Other Fees	95,567.29	90,869.44	90,869.44	0.00	0.00	0.00	95,567.29	90,869.44	90,869.44	-4.9%	0.0%
130	TOTAL PENALTIES & OTHER FEE	95,567.29	90,869.44	90,869.44	0.00	0.00	0.00	95,567.29	90,869.44	90,869.44	-4.9%	0.0%
131	76 · SOLID WASTE											
132	76100 Solid Waste Franchise Fee	0.00	0.00	0.00	116,526.53	122,431.55	124,880.18	116,526.53	122,431.55	124,880.18	7.2%	2.0%
133	TOTAL SOLID WASTE	0.00	0.00	0.00	116,526.53	122,431.55	124,880.18	116,526.53	122,431.55	124,880.18	7.2%	2.0%
134	45 · METER INSTALLATION/CONNECTION FEES											
135	45300 Meter Installation	4,400.51	12,312.26	16,416.32	0.00	0.00	0.00	4,400.51	12,312.26	16,416.32	273.1%	33.3%
136	45400 Permits & Inspections	3,112.50	1,270.00	1,693.36	0.00	0.00	0.00	3,112.50	1,270.00	1,693.36	-45.6%	33.3%
137	45500 Connection Fee	25,433.92	34,410.46	45,880.64	0.00	0.00	0.00	25,433.92	34,410.46	45,880.64	80.4%	33.3%
138	TOTAL METER INSTALLATION/CONNECTION FEES	32,946.93	47,992.72	63,990.32	0.00	0.00	0.00	32,946.93	47,992.72	63,990.32	94.2%	33.3%

**Phelan Piñon Hills Community Services District  
2014/2015 Budget - Detail Comparison - By Fund**

Assumes:      % Over Est Year End Rates/Reven      6.0% Expense      2.0% Salary      2.0%		A	B	C	D	E	F	G	H	I	J	K
		TOTAL ENTERPRISE FUNDS			TOTAL GOVERNMENT FUNDS			TOTAL ALL FUNDS			Bud vs Bud	Bud vs Est YE
		Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Prior Year 2013/2014 Budget	EST YE 13/14	Approved 2014/2015 BUDGET	Column I compared to column G	Column I compared to column H
139	<b>80 · OTHER INCOME</b>											
140	88110 Interest Income	25,000.00	13,900.53	33,900.53	15,000.00	11,513.41	16,513.41	40,000.00	25,413.95	50,413.95	26.0%	98.4%
141	88120 Other Income - Water Other	47,712.15	8,373.33	8,373.33	0.00	0.00	0.00	47,712.15	8,373.33	8,373.33	-82.5%	0.0%
142	88150 Other Income	0.00	8,084.47	0.00	572.81	14,385.71	2,000.00	572.81	22,470.18	2,000.00	249.2%	-91.1%
143	<b>Total · OTHER INCOME</b>	72,712.15	30,358.34	42,273.87	15,572.81	25,899.12	18,513.41	88,284.96	56,257.46	60,787.28	-31.1%	8.1%
144	<b>TOTAL NON-OPERATIONAL INCOME</b>	722,011.39	698,730.76	724,303.21	506,002.74	486,698.90	475,377.26	1,228,014.13	1,185,429.65	1,199,680.46	-2.3%	1.2%
145	<b>NON-OPERATIONAL EXPENSE</b>											
146	<b>796 · Other Expense</b>											
147	91010 Interest Expense	261,480.11	261,480.11	358,907.98	0.00	0.00	0.00	261,480.11	261,480.11	358,907.98	37.3%	37.3%
148	92010 Loan Administrator Fee	30,364.50	30,364.50	29,536.25	0.00	0.00	0.00	30,364.50	30,364.50	29,536.25	-2.7%	-2.7%
149	93010 Tax Deduction	0.00	0.00	0.00	3,562.08	3,209.63	3,273.82	3,562.08	3,209.63	3,273.82	-8.1%	2.0%
150	95010 Net Incr/Decr in Fair Value	470.34	102.69	104.75	0.00	0.00	0.00	470.34	102.69	104.75	-77.7%	2.0%
151	<b>Total · Other Expense</b>	292,314.95	291,947.30	388,548.98	3,562.08	3,209.63	3,273.82	295,877.03	295,156.93	391,822.80	32.4%	32.8%
152	<b>TOTAL NON-OPERATIONALEXPENSE</b>	292,314.95	291,947.30	388,548.98	3,562.08	3,209.63	3,273.82	295,877.03	295,156.93	391,822.80	32.4%	32.8%
153	<b>NET NON-OPERATIONAL INCOME</b>	429,696.44	406,783.45	335,754.23	502,440.66	483,489.27	472,103.44	932,137.10	890,272.72	807,857.67	-13.3%	-9.3%
154	<b>NET INCOME</b>	(229,349.64)	(121,654.84)	(219,758.41)	170,641.52	83,935.58	66,817.36	(58,708.10)	(37,728.26)	(152,941.03)	160.5%	305.4%
155	Fund Depr @ 60% = add back 40%	505,434.72	492,689.31	503,369.31	24,303.79	37,226.18	38,026.18	529,738.51	529,915.49	541,395.49	2.2%	2.2%
156	Principal Payments Due on Loan	276,085.08	96,097.13	283,610.90	0.00	0.00	0.00	276,085.08	273,500.00	283,610.90	2.7%	3.7%
157	<b>TOTAL NET INCOME (AFTER DEPR AND PRI</b>	0.00	274,937.34	0.00	194,945.31	121,161.75	104,843.54	194,945.33	218,687.23	104,843.56	-46.2%	-52.1%

**Phelan Piñon Hills Community Services District  
2014/2015 Budget  
Fund Balances and Cash Flow Projections**

	<b>Enterprise Fund</b>	<b>Government Fund</b>	<b>Total</b>
<b>FUND BALANCES</b>			
Cash in Bank Beginning Balance 06/30/14	\$ 6,896,791.45	\$ 3,922,899.84	\$ 10,819,691.29
Board Approved Reserves	<u>(6,294,050.00)</u>	<u>(663,308.00)</u>	<u>(6,957,358.00)</u>
Total Fund Balance (Cash Available)	\$ 602,741.45	\$ 3,259,591.84	\$ 3,862,333.29
<b>OPERATIONAL ACTIVITIES</b>			
Net Profit (Loss)	\$ (219,758.41)	\$ 66,817.36	\$ (152,941.03)
Depreciation @ 40% (not funding 40%)	503,369.31	38,026.18	541,395.49
Depreciation @ 60% (funding 60%)	<u>755,053.97</u>	<u>57,039.26</u>	<u>812,093.23</u>
Cash available from operations	\$ 1,038,664.87	\$ 161,882.80	\$ 1,200,547.69
<b>INVESTMENT ACTIVITIES</b>			
Projects	\$ (1,020,000.00)	\$ (20,000.00)	\$ (1,040,000.00)
Capital Purchases	<u>(74,000.00)</u>	<u>0.00</u>	<u>(74,000.00)</u>
Total Investment Activity	\$ (1,094,000.00)	\$ (20,000.00)	\$ (1,114,000.00)
<b>FINANCE ACTIVITIES</b>			
CIEDB Loans (Principal)	<u>\$ (283,610.90)</u>	<u>                    </u>	<u>\$ (283,610.90)</u>
Total Finance Activity	\$ (283,610.90)	\$ -	\$ (283,610.90)
<b>NET CASH FROM ACTIVITIES</b>			
	\$ (338,946.03)	\$ 141,882.80	\$ (197,063.21)
 <b>Net Cash Available for Future Projects</b>	 263,795.42	 3,401,474.64	 <b>\$ 3,665,270.08</b>

**Phelan Piñon Hills Community Service District  
2013/2014 Reserves Schedule  
Approved March 19, 2014**

**BOARD DESIGNATED RESERVES**

**1. UNRESTRICTED RESERVES**

	<b>ENTERPRISE</b>	<b>GOVERNMENT</b>	
	<b>Fund 01</b>	<b>Fund 02</b>	<b>Total</b>
<b>1A. Contingency and Operations (Goal = Three to Six months)</b>			
2013/14 Budget Total	\$5,171,936	\$362,738	\$5,534,674
Less:			
Depreciation	1,263,587	60,759	1,324,346
Debt Service (Interest)	261,480		261,480
	<u>3,646,869</u>	<u>301,979</u>	<u>3,948,848</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	911,717 <sup>25%</sup>	75,495	987,212
Debt Service Reserve - CIEDB Loan (1 yr P&I.)	567,929		567,929
<b>TOTAL RESERVE FOR OPERATIONS</b>	<b><u>\$1,479,646</u></b>	<b><u>\$75,495</u></b>	<b><u>\$1,555,141</u></b>
<b>1B. Property, Plant, and Equipment Replacement Reserve (Goal = 25%- 50%)</b>			
Accumulated Depreciation 06/30/13	17,681,287	1,370,112	19,051,399
<b>Reserve @ 25% =</b>	4,420,322	342,528	4,762,850
<b>Reserves used for WRAP project funding</b>	<u>-1,600,000</u> *		
<b>TOTAL RESERVE FOR REPLACEMENT</b>	<b><u>\$2,820,322</u></b> <sup>16%</sup>	<b><u>\$342,528</u></b>	<b><u>\$3,162,850</u></b>
<b>1C. Disaster Response Reserve (Goal = 10 - 20%)</b>			
Total Assets (Excluding Land& Wtr Rts) 06/30/12	35,940,822	2,452,849	38,393,671
<b>Reserve @ 10% =</b>	3,594,082	245,285	3,839,367
<b>Reserves used for WRAP project funding</b>	<u>-1,600,000</u> *		
<b>TOTAL RESERVE FOR DISASTER</b>	<b><u>\$1,994,082</u></b> <sup>6%</sup>	<b><u>\$245,285</u></b>	<b><u>\$2,239,367</u></b>
<b>SUB-TOTAL - RESERVES</b>	<b>\$6,294,050</b>	<b>\$663,308</b>	<b>\$6,957,358</b>

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

Capital, Projects*, & Replacement Budget Current Year	<u>2,376,440</u>	<u>265,000</u>	<u>2,641,440</u>
<b>TOTAL FUNDS NEEDED FOR CAPITAL PROJECTS</b>	<b>\$2,376,440</b>	<b>265,000</b>	<b>\$2,641,440</b>

\* WRAP = Water Rights Acquisition Project. The Board elected to borrow reserve funds to provide the cash necessary to fund this project.

## DEBT SERVICE

The District currently has two loans with California Infrastructure and Economic Development Bank (CIEDB or I-Bank).

2002 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 2002 loan project consisted of drilling a water well #14; constructing a booster station; constructing four one-billion 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.

2012 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.

The District is also in discussions with various financial institutions to fund a \$5 million dollar loan for the Solar Project.

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</b>							
1-Aug-14			\$44,135.67	\$44,135.67		\$44,135.67	
1-Feb-15	\$2,419,096.91	\$102,941.65	\$44,135.67	\$147,077.32	\$7,566.12	\$154,643.44	\$198,779.11
<b>2012 I-Bank Loan</b>							
1-Aug-14	\$7,142,706.21	\$180,669.25	\$76,224.13	\$256,893.38	\$21,970.13	\$278,863.51	
1-Feb-15			\$72,855.60	\$72,855.60		\$72,855.60	\$351,719.11

### Revenue Coverage

	Actual 2008/2009	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Actual 2012/2013	Est. YE 2013/2014	Budget 2014/2015
<b>Gross Revenues</b>							
Water Fund Revenues	\$5,579,013	\$4,348,388	\$4,127,211	\$4,178,972	\$4,405,277	\$4,810,634	\$5,050,945
<b>Operating Expenses</b>							
Water Fund Expenses	-\$5,864,190	-\$4,620,366	-\$4,757,100	-\$4,454,156	-\$5,032,281	-\$4,980,281	-\$5,334,693
Less Depreciation	886,786	1,058,281	1,245,913	1,292,064	1,214,772	1,231,723	1,258,423
Total Water Fund Expenses	-\$4,977,404	-\$3,562,085	-\$3,511,187	-\$3,162,092	-\$3,817,509	-\$3,748,558	-\$4,076,270
<b>Net Revenues Water Fund</b>	<b>\$601,609</b>	<b>\$786,303</b>	<b>\$616,024</b>	<b>\$1,016,880</b>	<b>\$587,768</b>	<b>\$1,062,076</b>	<b>\$974,675</b>
<b>Senior and Parity Debt Service</b>							
2002 Water Facilities	\$231,311	\$231,021	\$230,721	\$209,792	\$199,366	\$199,077	\$198,779
2012 Water Rights Acquisition					26,240	268,852	351,719
2014 Solar Project							105,000
<b>Combined Total Annual Debt</b>	<b>\$231,311</b>	<b>\$231,021</b>	<b>\$230,721</b>	<b>\$209,792</b>	<b>\$225,605</b>	<b>\$467,930</b>	<b>\$655,498</b>
<b>Debt Service Coverage</b>	<b>260%</b>	<b>340%</b>	<b>267%</b>	<b>485%</b>	<b>261%</b>	<b>227%</b>	<b>149%</b>

## APPROPRIATIONS LIMIT

The 2014-2015 appropriations limit was set by Resolution #2014-15 and approved by the Board of Directors on June 18, 2014.

<b>PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT APPROPRIATIONS LIMIT CALCULATION</b>		
FISCAL YEAR 2014/2015		
1	PRICE FACTOR U.S. CAPITA PERSONAL INCOME CPI	-0.23%
2	POPULATION PERCENT CHANGE	0.69%
3	PER CAPITA CONVERTED TO A RATIO:	0.99770
4	POPULATION CONVERTED TO A RATIO:	1.00690
5	CALCULATION FACTOR FOR RATIO OF CHANGE:	1.00458
6	PRIOR YEAR (12/13) APPROPRIATIONS LIMIT	\$3,039,741
7	CURRENT YEAR APPROPRIATIONS LIMIT	\$3,053,676

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.

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 18, 2014, 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 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 funding available. 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 6A Zone 6E (0.6 MG)***

This project is identified in the 2010 Water Master Plan. The model projects a deficiency in Zone 6 for year 2020 (phase II). The Water Master Plan identifies a proposed 0.6 MG storage tank near Reservoir 6A. The current 10-year CIP for fiscal year 2014/2015 calls for the acquisition of land for the proposed tank.

***\$50,000 budgeted for land acquisition.***

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### ***3C Booster Pump A & B Upsize***

This project is identified in the 2010 Water Master Plan. The model projects a deficiency in Zone 5E and recommends replacement of existing pumps A and B at booster site 3C. (These should be replaced with two 350 GPM capacity pumps.) The current 10-year CIP for fiscal year 2014/2015 calls for engineering and design, with construction set for 2016/2017.

***\$15,000 budgeted for engineering and design.***

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### ***SCADA Upgrade Replacement***

The existing SCADA system is over 20 years old and is running on an aged Kingfisher system. Replacement parts for this current system are no longer available. Repairs consist of removing an existing component from a site that is less critical for monitoring. The other option is to find a used component through our current SCADA support that may take many weeks to replace, if available.

The District is currently seeking enrollment with SCE, through Honeywell, on SCE's incentive programs to install Automated Demand Response (ADR) to our system for energy conversation during SCE peak demand. Enrollment and participation in this program will provide some funding to upgrade the District's SCADA system. The net incentive amount to the District is approximately \$229,400, which will be distributed over 2 years: 60% year one and the remaining 40% at year two.

Replacement of the existing SCADA system is estimated to be \$589,400.

***\$360,000 budgeted for SCADA replacement, including SCE incentive.***

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***Smithson Springs Tank***

This project proposes the capture of existing flows from Smithson Springs by diverting flows. The tentative proposed plan is to install a pipeline from the spring to a proposed 20,000 gallon reservoir tank about 600 feet downstream of the spring. The proposed plan is to incorporate the spring flow into the District's distribution system utilizing the Smithson Springs tank in the future. Currently, the spring flows north into Jawbone Canyon.

***\$20,000 budgeted for tank and pipeline design.***

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***Dairy Well Connection***

The proposed plan is to incorporate the production of three wells (Home Irrigation well, 800-1,000 GPM; George's Field well, 1,200 GPM, and Center well, 600 GPM) into the District's existing distribution system. The tentative proposed layout includes 6.5 miles of pipeline, a storage tank, and two booster stations.

***\$25,000 budgeted for study and design.***

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***Adjudication of Water Rights***

The District is involved in the adjudication process of water rights for water the District may pumping out of the Antelope Valley Aquifer. The judgment produced from this process will determine the amount of water the District will be able to continue pumping in that basin.

***\$300,000 budgeted for legal fees.***

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***GIS / Mapping***

Staff continues to update the water system in the Geographic Information System (GIS). This includes creating hyper links to as-built information; researching and entering water meter data, facilities details, booster information, and water pipeline easements; annotating District facilities and the parcel base map, and populating attributes, as well as incorporating other District data into the GIS. The current 10-year CIP for fiscal year 2014/2015 budgeted \$50,000 for the continued work on the GIS.

***\$50,000 budgeted for contracted services.***

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***Water Quality Evaluation***

Water quality standards are changing for some elements found in our water. The District will implement a study in preparation of those changes to determine the best, most cost effective way to mitigate the new standards and continue to provide clean, safe, drinking water that meets and exceeds water quality standards.

***\$100,000 budgeted for study and analysis.***

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### ***Solar Project***

A 1.16 MW solar project is proposed at the former Meadowbrook Dairy site through a RESBCT Edison program. The District is working with SunPower to develop and construct the project. CEQA is near complete and is currently in the public comment stage of the process.

All (3) contracts, Performance Guarantee Agreement (PeGu), Operations and Maintenance Agreement (O&M), and the Engineering Procurement and Construction Agreement (EPC) have been reviewed by attorneys, staff and the Alternative Energy Committee. Final comments are being addressed by SunPower, District staff and District counsel.

This project is estimated to cost approximately \$5.2 million dollars and will be funded primarily with a loan. Payments for the loan will be made with proceeds resulting from the Solar Project. The District will have some out of pocket costs which are budgeted.

***\$100,000 budgeted for the Solar Project.***

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**Phelan Piñon Hills Community Services District  
2014/2015 Budget**

**CAPITAL BUDGET**

<b>CIP PROJECTS</b>			<b>ESTIMATE</b>	<b>Funding</b>
	<b>PROJECT</b>	<b>DESCRIPTION/LOCATION</b>	<b>2014/2015</b>	<b>Source</b>
1	Reservoir - 6A	Land acquisition for new reservoir 6A	50,000.00	C/F
2	Booster Pumps 3C A & B	Design of increased size motor	15,000.00	B
3	SCADA	Purchase and install replacement system	360,000.00	A/B
4	Smithson Springs Tank	Tank and pipeline design	20,000.00	C/F
5	Dairy Wells Connection	Connection to system - Study & Design	25,000.00	B
6	Adjudication of Water Rights	Continued LA Adjudication	300,000.00	A
7	GIS/Mapping	Convert GIS and mapping to new system	50,000.00	A
8	Water Quality Study	Study and evaluation of water quality standards	100,000.00	A
9	Solar Project	Total project \$5.2 million - Financing \$5 million	100,000.00	F
			<u>\$ 1,020,000.00</u>	
10	Pinon Hills Park	Repair/repave Piñon Hills parking lot	20,000.00	E
			<u>\$ 20,000.00</u>	
		<b>TOTAL PROJECTS</b>	<b>\$ 1,040,000.00</b>	

<b>CAPITAL PURCHASES</b>			<b>ESTIMATE</b>	
11	Vehicles	Replace trucks	70,000.00	A
12	Computers	Upgrade existing computer	4,000.00	A
			<u>\$ 74,000.00</u>	
		<b>TOTAL PROJECTS AND CAPITAL PURCHASES</b>	<b>\$ 1,114,000.00</b>	

<b>FUNDING SOURCES</b>					
Ent	Depreciation Funded	60% of Depreciation	\$ 755,053.97	A	\$ 755,053.97
Ent *	Property Plant and Equipment	Replacement Reserve	2,820,321.86	B	168,946.03
Ent	Connection Fees		45,880.64	C	45,880.64
Gvt	Depreciation Funded	60% of Depreciation	57,039.26	D	20,000.00
Gvt *	Property Plant and Equipment	Replacement Reserve	342,528.00	E	
	Loan or other Source to be identified			F	<u>124,119.36</u>
					<u>\$ 1,114,000.00</u>

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



**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

# **BUDGET FORECAST**

# Phelan Piñon Hills Community Services District

## 2014/2015 Budget

### Five Year Forecast

PPHCSD Forecast Model						
Assumptions	2015/16	2016/17	2017/18	2018/19	2019/2020	
Rate Increase	6.0%	6.0%	6.0%	3.0%	3.0%	
Merit	3.0%	3.0%	3.0%	3.0%	3.0%	
Expenses	5.0%	5.0%	5.0%	5.0%	5.0%	
<b>APPROVED</b>						
	<b>2014/2015</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/2020</b>
<b>1 Operating Revenue - Enterprise Fund</b>						
2 Water Sales	\$ 3,995,403	\$ 4,235,127	\$ 4,489,234	\$ 4,758,588	\$ 4,901,346	\$ 5,048,387
3 Special Assessments	300,000	300,000	300,000	300,000	300,000	300,000
4 Other Services	95,229	95,229	95,229	95,229	95,229	95,229
5 Total Operating Revenues	<u>\$ 4,390,632</u>	<u>\$ 4,630,356</u>	<u>\$ 4,884,463</u>	<u>\$ 5,153,817</u>	<u>\$ 5,296,575</u>	<u>\$ 5,443,615</u>
<b>6</b>						
<b>7 Operating Expenses - Enterprise Fund</b>						
8 Water Purchases	6,964	7,313	7,678	8,062	8,465	8,888
9 Board Compensation	104,185	109,395	114,864	120,608	126,638	132,970
10 Professional Services	286,493	300,817	315,858	331,651	348,234	365,645
11 Salaries and Benefits - Enterprise	1,677,497	1,727,822	1,779,657	1,833,047	1,888,038	1,944,679
12 Services and Supplies - Enterprise	746,067	783,370	822,539	863,666	906,849	952,191
13 Rents and Leases	-	-	-	-	-	-
14 Utilities	847,878	890,272	934,786	981,525	1,030,601	1,082,131
15 Depreciation	1,258,423	1,321,344	1,372,511	1,423,844	1,433,011	1,443,678
16 Other	18,636	19,568	20,546	21,574	22,652	23,785
17 Total Operating Expenses	<u>\$ 4,946,144</u>	<u>\$ 5,159,902</u>	<u>\$ 5,368,440</u>	<u>\$ 5,583,976</u>	<u>\$ 5,764,489</u>	<u>\$ 5,953,968</u>
<b>18</b>						
<b>19 Net Operational Income Water</b>	<b>\$ (555,513)</b>	<b>\$ (529,546)</b>	<b>\$ (483,976)</b>	<b>\$ (430,159)</b>	<b>\$ (467,913)</b>	<b>\$ (510,353)</b>
<b>20</b>						
<b>21 Operating Revenue and Expense - Government Fund</b>						
22 Ordinary Income Government Funds	36,190	36,190	36,190	36,190	36,190	36,190
23 Ordinary Expense Government Funds	(441,476)	(463,550)	(486,727)	(511,064)	(536,617)	(563,448)
24 Net Operational Income Government	<u>\$ (405,286)</u>	<u>\$ (427,360)</u>	<u>\$ (450,537)</u>	<u>\$ (474,874)</u>	<u>\$ (500,427)</u>	<u>\$ (527,258)</u>
<b>25</b>						
<b>26 Non-Operating Revenues (Expenses)</b>						
27 Investment Earnings	33,901	34,918	35,965	37,044	38,155	39,300
28 Investment Expense	(388,549)	(439,866)	(424,830)	(409,300)	(393,262)	(376,698)
29 Property Taxes	527,170	542,985	559,274	576,052	593,334	611,134
30 Other Income Taxes, Penalties, etc	99,243	102,220	105,287	108,445	111,699	115,050
31 Other Income Grants, Solar Credits, etc	-	384,174	399,882	416,177	433,082	433,082
32 Connection Fees	63,990	65,910	67,887	69,924	72,022	74,182
33 Net Non-Operating Revenues (Expenses)	<u>\$ 335,754</u>	<u>\$ 690,340</u>	<u>\$ 743,466</u>	<u>\$ 798,342</u>	<u>\$ 855,029</u>	<u>\$ 896,050</u>
<b>34</b>						
<b>35 Non-Operating Revenues (Expenses) - Government Fund</b>						
36 Investment Earnings	16,513	17,009	17,519	18,045	18,586	19,144
37 Property Taxes	331,984	341,943	352,201	362,768	373,651	384,860
38 Other Income	2,000	2,000	2,000	2,000	2,000	2,000
39 Income Solid Waste	124,880	127,378	129,925	132,524	135,174	137,878
40 Other Expense	(3,274)	(3,438)	(3,609)	(3,790)	(3,979)	(4,178)
41 Net Non-Operating Revenues (Exp) Gvmt	<u>\$ 472,103</u>	<u>\$ 484,892</u>	<u>\$ 498,037</u>	<u>\$ 511,546</u>	<u>\$ 525,432</u>	<u>\$ 539,703</u>
<b>42</b>						
<b>43 Net Income</b>	<b><u>\$ (152,941)</u></b>	<b><u>\$ 218,327</u></b>	<b><u>\$ 306,989</u></b>	<b><u>\$ 404,856</u></b>	<b><u>\$ 412,121</u></b>	<b><u>\$ 398,143</u></b>
<b>44</b>						
45 Depreciation Unfunded (40%)	\$ 541,395	\$ 554,965	\$ 576,455	\$ 598,015	\$ 601,865	\$ 606,345
46 Loan Principal Payments	(283,611)	(466,256)	(480,838)	(495,897)	(511,451)	(527,516)
47 Net Cash Avail for Projects/Reserves	<u>\$ 104,844</u>	<u>\$ 307,035</u>	<u>\$ 402,606</u>	<u>\$ 506,973</u>	<u>\$ 502,534</u>	<u>\$ 476,971</u>



**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

# **STATISTICS AND TRENDS**

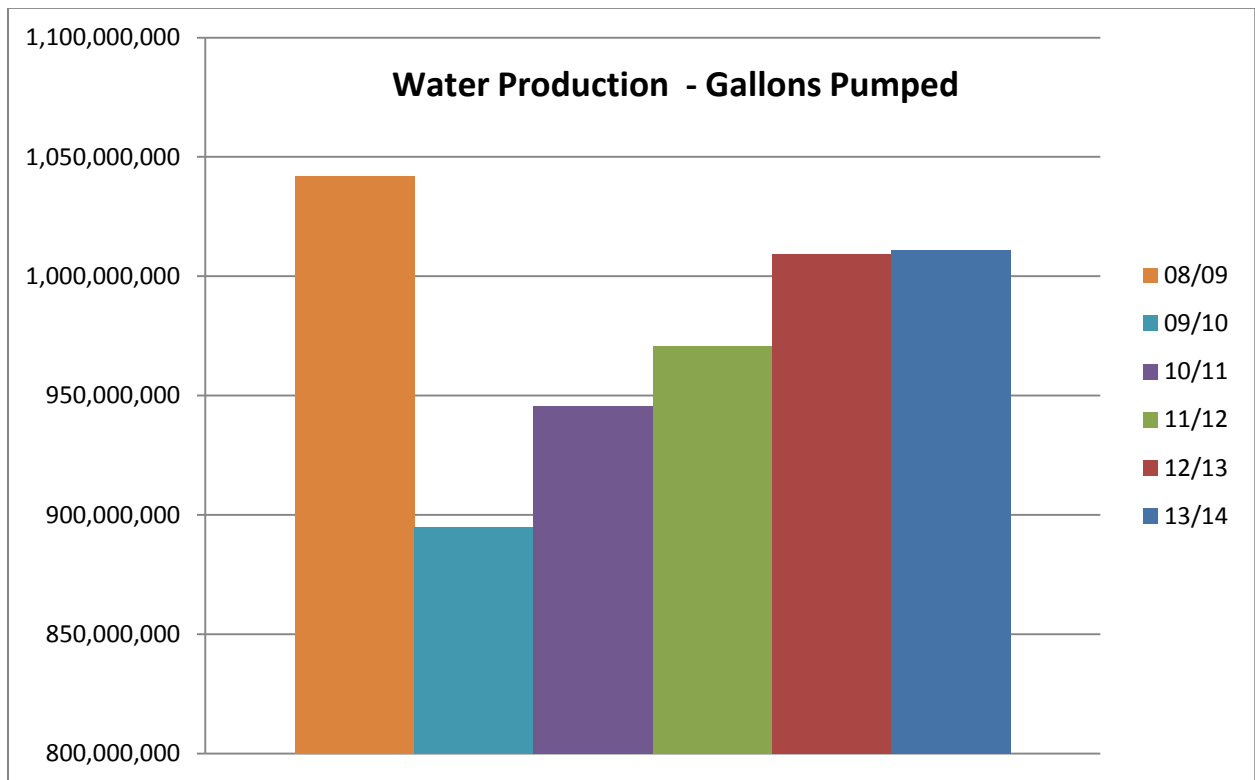
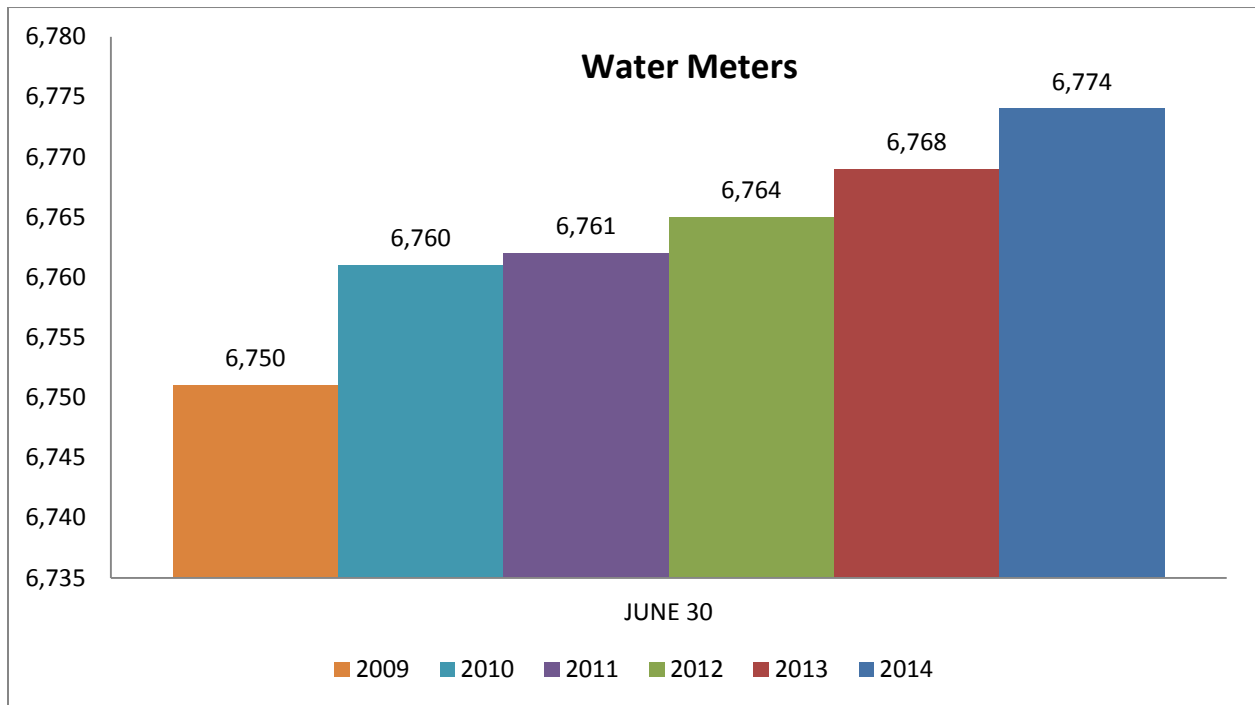
## WATER SYSTEM STATISTICS AND HISTORICAL INFORMATION

<b>NUMBER OF WATER CUSTOMERS as of 06/30/2014</b>							
	Current Fiscal Year – 6*	Current Fiscal Year – 5*	Current Fiscal Year – 4*	Current Fiscal Year – 3*	Current Fiscal Year – 2*	Current Fiscal Year – 1*	Current Fiscal Year
	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014
<b>Residential</b>	6,685	6,698	6,708	6,709	6,712	6,714	6,719
<b>Commercial</b>	50	50	50	50	50	51	51
<b>Industrial</b>						3	4
<b>Other</b>	2	2	2	2	2		
<b>TOTAL</b>	6,737	6,750	6,760	6,761	6,764	6,768	6,774

<b>CURRENT AND HISTORICAL AVERAGE MONTHLY USER CHARGE PER RESIDENTIAL UNIT (includes minimum + 15 HCF of water for 3/4" meter)</b>							
	Current Fiscal Year – 6*	Current Fiscal Year – 5*	Current Fiscal Year – 4*	Current Fiscal Year – 3*	Current Fiscal Year – 2*	Current Fiscal Year – 1*	Current Fiscal Year
	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014
<b>Residential Unit</b>	41.76	41.76	41.76	41.76	41.76	41.69	45.95

<b>TEN LARGEST SYSTEM USERS as of 06/30/2014</b>			
User	% of System Use	% of System Revenues	Customer Class  (Residential/Commercial/ Industrial/Other)
SNOWLINE JUSD	4.59000	2.87000	COMMERCIAL
COUNTY ROADS	0.34000	0.24000	INDUSTRIAL/OTHER
MYONG CHA (GRACE) PAK	0.24000	0.16000	RESIDENTIAL
JI YOON LEE	0.20000	0.13000	RESIDENTIAL
WOOL HEE JUN	0.20000	0.13000	RESIDENTIAL
JANICE CHUNG	0.18000	0.12000	RESIDENTIAL
JOHN & MARTHA BROWNE	0.17000	0.11000	RESIDENTIAL
HAE LI LEE	0.16000	0.11000	RESIDENTIAL
MIKE NAVARRE	0.15000	0.10000	RESIDENTIAL
HUI OK LEE	0.14000	0.10000	RESIDENTIAL
<b>TOTAL</b>	6.37000	4.07000	RESIDENTIAL

## HISTORICAL METERS IN GROUND AND PRODUCTION





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

Commodity Charge (water used)		March 2008 - Feb 2013	March 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017
<b>Tiered</b>	<b>Tier (HCF)</b>						
Tier 1	0 - 25		\$1.69	\$1.89	\$2.02	\$2.17	\$2.32
Tier 2	25.01 +		\$1.95	\$2.18	\$2.33	\$2.50	\$2.68
Tier 1	0 - 14	\$1.81					
Tier 2	14.01 - 80	\$2.01					
Tier 3	80.01 +	\$2.08					

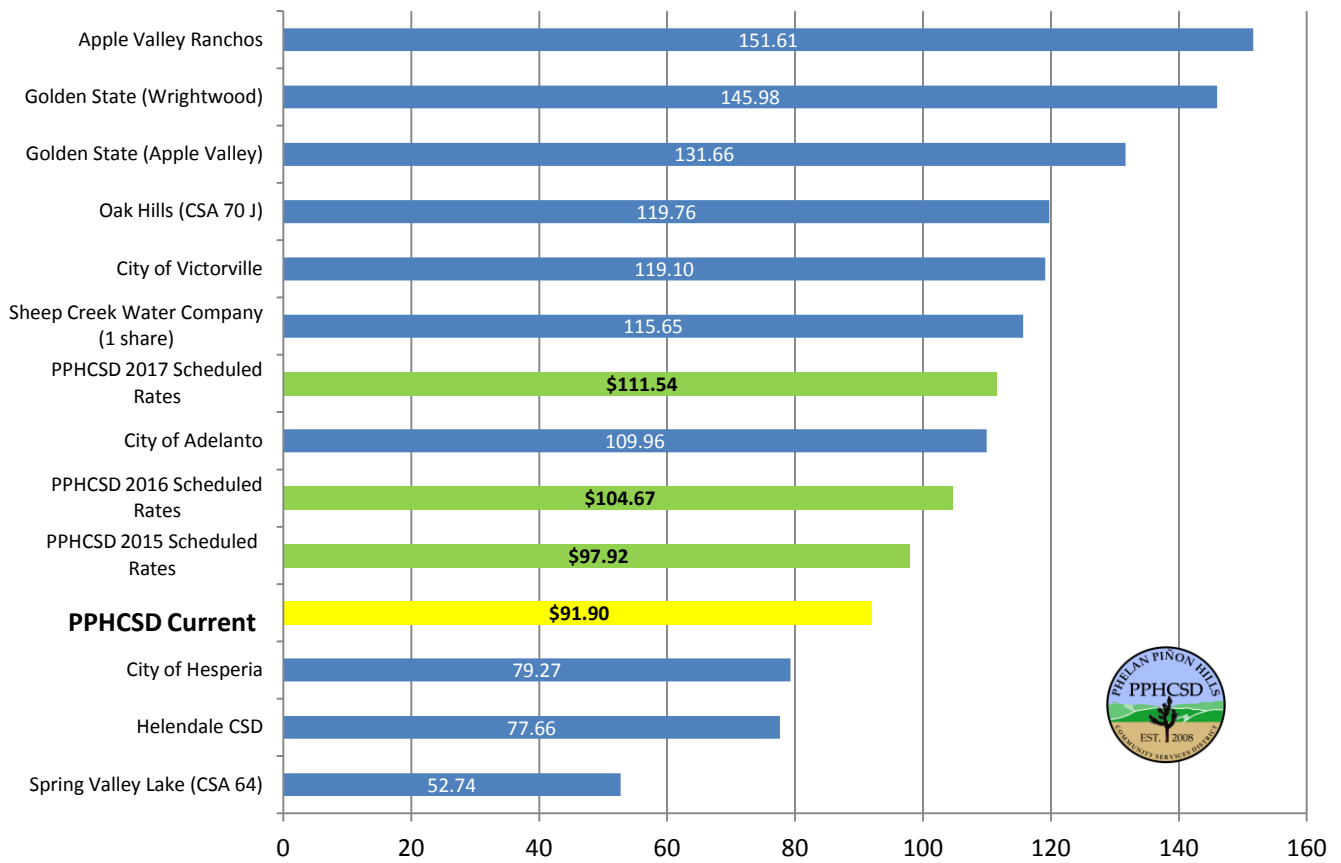
Bi-Monthly Meter Charge		March 2008 - Feb 2013	March 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017
<b>Meter Size:</b>	<b>3/4"</b>	\$26.02	\$31.37	\$33.75	\$35.77	\$37.92	\$40.19
	<b>1"</b>	\$37.20	\$41.65	\$44.81	\$47.49	\$50.34	\$53.36
	<b>1.5"</b>	\$64.20	\$67.35	\$72.45	\$76.80	\$81.41	\$86.29
	<b>2"</b>	\$93.50	\$98.19	\$105.63	\$111.97	\$118.69	\$125.81
	<b>3"</b>	\$159.64	\$170.14	\$183.05	\$194.03	\$205.67	\$218.00
	<b>4"</b>	\$245.64	\$272.94	\$293.64	\$311.26	\$329.93	\$349.72

In 2012 the District's first rate and fee study was developed. After extensive analysis, many committee meetings, special workshops, and regular board meetings, the Board adopted a change to the fee structure and a multi-year rate change. The District adopted the new rate structure and multi-year rate change in compliance with Proposition 218, exceeding the legal requirements:

	Required by Prop 218	Completed by District
Advertisements	1	8
Mailed Notice	1	5
Public Hearing	1	1
Public Meetings	0	13

## WATER BILL COMPARISON TO LOCAL WATER PROVIDERS

### LOCAL AVERAGE BIMONTHLY WATER BILL COMPARISON (30 HCF) vs. PPHCSD Current and Scheduled Future Rates



\* Average Bi-Monthly Bill for 3/4" meter and 30 hcf water use. Rates as of March 4, 2014. HCF = Hundred Cubic Foot 1 HCF = 748

On February 20, 2013 the Board of Directors approved a multi-year rate change. The annual rate change, scheduled to go into effect on January 1st of each year, will be reviewed by the Board prior to implementation to determine if cost savings measures taken throughout the year mitigate the need to change water rates.



**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT**

# **GLOSSARY OF ACRONYMS**

## **AND TERMS**

## **GLOSSARY OF ACRONYMS**

<b>AF</b>	Acre-Foot (of water)
<b>CaIPERS</b>	California Employees Public Retirement System
<b>CIP</b>	Capital Improvement Program
<b>CPI</b>	Consumer Price Index
<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).

**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.

**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.

**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.

**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.