

**Phelan Piñon Hills Community Service District
2020/2021 Schedule
Adopted February 3, 2021**

BOARD DESIGNATED RESERVES	ENTERPRISE	GOVERNMENT	Total
1. UNRESTRICTED RESERVES	Fund 01	Fund 20/22/24/25	
1A. Contingency and Operations (Goal = 6 mo. No less than 3 mo.)			
2020/21 Budget Total	\$8,618,216	\$729,004	\$9,347,221
Less:			
Depreciation	2,185,665	102,619	2,288,284
Debt Service (Interest)	336,495		336,495
	<u>6,096,056</u>	<u>626,385</u>	<u>6,722,441</u>
Reserve @ Three Months =	x 3/12	x 3/12	x 3/12
Contingency and Operating Reserve	1,524,014	156,596	1,680,610
Debt Service Reserve - Loans (1 yr P&I)	930,160		930,160
TOTAL RESERVE FOR OPERATIONS	\$2,454,174	\$156,596	\$2,610,771
1B. Property, Plant, and Equipment Replacement Reserve (Goal = 2 to 4 Years of Depreciation)			
Annual Depreciation YE 06/30/20	1,980,658	109,260	2,089,918
Reserve = (Goal = 4x Annual Depreciation. No less than 2x)	5,941,974	3 273,149	6,215,123
Reserves used for WRAP project funding 2012	-1,138,751 *		-1,138,751
Reserves used for Water Rights funding 2015	-70,710 *		-70,710
TOTAL RESERVE FOR REPLACEMENT	\$4,732,513	2 \$273,149	\$5,005,662
1C. Disaster Response Reserve (Goal = 10% of Depreciable Asset Value)			
Total Assets (Excluding Land & Wtr Rts) 06/30/20	48,201,377	2,098,500	50,299,877
Reserve @ 10% =	4,820,138	209,850	5,029,988
Reserves used for WRAP project funding 2012	-1,138,751 *		-1,138,751
Reserves used for Water Rights funding 2015	-70,710 *		-70,710
TOTAL RESERVE FOR DISASTER	\$3,610,677	7% \$209,850	\$3,820,527
1D. Rate Stabilization Reserves (Goal 5% to 10% of Water Revenue)			
2020/2021 Budget for Water Meter and Consumption	<u>\$5,745,723</u>		<u>5,745,723</u>
Reserve = (Goal = 10%. No less than 5%)	<u>\$287,286</u>	5%	<u>\$287,286</u>
TOTAL RESERVES	\$11,084,650	\$639,595	\$11,724,245

2. ADDITIONAL RESERVES IDENTIFIED BY THE BOARD

Capital, Projects*, & Replacement Budget Current Year	<u>945,000</u>	<u>1,186,000</u>	<u>2,131,000</u>
TOTAL FUNDS NEEDED FOR CAPITAL PROJECTS	\$945,000	\$1,186,000	\$2,131,000

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

Prior Reserves	\$11,143,596	\$591,060	\$11,734,656
Change in Reserves	-\$58,946	\$48,535	-\$10,411