



# Helendale Community Services District

**BOARD OF DIRECTORS MEETING**  
February 16, 2017 at 6:30 PM  
26540 Vista Road, Suite C, Helendale, CA 92342

## Call to Order - Pledge of Allegiance

### 1. Approval of Agenda

2. **Public Participation** - *Anyone wishing to address any matter pertaining to District business listed on the agenda or not, may do so at this time. However, the Board of Directors may not take action on items that are not on the agenda. The public comment period may be limited to three (3) minutes per person. Any member may speak on any agenda item at the time the agenda item is discussed by the Board of Directors.*

### 3. Consent Items

- Approval of Minutes: January 19, and February 2, 2017 Regular Board Meeting
- Bills Paid and Presented for Approval

### 4. Reports

- Directors' Reports
- General Manager's Report

## Special Presentation

5. Presentation to Winners in Burrtec's "Do You Have The Right Stuff?" Recycling Contest

## Discussion Items

- Discussion Only Regarding Mid-Year Budget Review for Fiscal Year 2016-17
- Discussion and Possible Action Regarding Acceptance of the 2016-17 Annual Audit by Rogers, Anderson, Malody and Scott, CPA's
- Discussion Only Regarding Circulation of Environmental Documentation Related to the Application of Secondary Water to the Wastewater Facility and Property Adjacent to Helendale Community Park
- Discussion and Possible Action Regarding Approval to Apply for Bureau of Reclamation Agricultural Water Conservation and Efficiency Grant for Wastewater Treatment Plant
- Discussion and Possible Action Regarding Purchase of a Turbine Pump Assembly for Well 1A from the Lowest Responsive Bidder

## Other Business

11. Requested items for next or future agendas (Directors and Staff only)

### 12. Adjournment

*Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above agendized public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.*

## Providing:

- Water
- Wastewater
- Park & Recreation
- Solid Waste Management
- Street lighting
- Graffiti Abatement for the Helendale Community

**OFFICE HOURS:**  
Monday-Friday  
8:00 – 5:30 p.m.

**PHONE:**  
760-951-0006

**FAX:**  
760-951-0046

**ADDRESS:**  
26540 Vista Road  
Suite B  
Helendale, CA  
92342

**MAILING ADDRESS:**  
PO BOX 359  
Helendale, CA  
92342

Visit us on the Web  
at:  
[www.helendalecsd.org](http://www.helendalecsd.org)



HELENDALE COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING MINUTES

January 19, 2017

26540 Vista Road, Suite C. Helendale, CA 92342

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE** – The regular meeting was called to order at 6:35 pm by President Clark after which the Pledge of Allegiance was recited.

**Present:** President, Ron Clark; Secretary, Sandy Haas; Director, Craig Schneider; Director, Henry Spiller  
**Absent:** Vice President, Tim Smith  
**Staff:** Kimberly Cox, General Manager; Mike Simpson, Operations Manager; Cheryl Vermette, Program Coordinator  
**Consultants:** Steve Kennedy, Legal Counsel  
**Audience:** There were six (6) audience members present.

**1. Approval of Agenda**

**Discussion:** General Manager Cox requested to amend the agenda to remove the closed session item.

**Action:** Director Schneider made the motion to approve the Agenda as amended. Director Haas seconded the motion. The motion was unanimously approved by the Board members present.

**2. Public Participation**

Wally Linn, Field Representative for Congressman Paul Cook gave a brief congressional update.

Resident Douglas Bell suggested the CSD consider an intern position that would help kids earn their required volunteer hours. He also commented that he was sad to see the radio station was losing their antenna space.

Deputy Erwin gave a report on the Sheriff Statistics for Helendale, Silver Lakes, and the Three Southern Boarders for November 2016.

Fire Battalion Chief Bobby Cox announced there will be a storm task force meeting at the CSD on January 24.

**3. Consent Items**

a. Approval of Minutes: January 5, 2017, Regular Board Meeting

b. Bills Paid and Presented for Approval

c. San Bernardino Sheriff's Statistics for November 2016

**Action:** Director Haas made the motion to approve the Agenda as amended. Director Spiller seconded the motion. The motion was unanimously approved by the Board members present.

**4. Reports**

a. Director's Reports – Director's Schneider and Haas commended Staff on the Youth Basketball League program.

b. General Manager Report – General Manager Cox gave the Administration Update which included account activity for December, account activity by area, on-time payment comparison from 2013-2016, Billed Consumption Comparison by Year, Water Consumption Breakdown by Tier, Average Monthly Bill, and Meter Maintenance. Program Coordinator Vermette went over the Program report which included High School Soccer at the Helendale Park, the Youth Basketball League, and the upcoming paint party event. She also discussed the recent Senior Health talk, and provided an overview of the use of the Community Room. General Manager Cox gave the financial report including the cash flow and investment reports. She also provided a chart showing the cash balances by fiscal year, the tipping fees and refuse tonnage.

**Discussion Items**

5. Discussion and Possible Action Regarding Adoption of Resolution 2017-01: A Resolution of the Board of Directors of the Helendale Community Services District, San Bernardino County, Recommending Consolidated Election for Governing Board Members with Statewide General Elections and Approving the Rescheduling of Such Elections from Odd-Year to Even-Year Elections Commencing with the 2017 Elections Cycle.

**Action:** Director Schneider made the motion to approve the adoption of Resolution 2017-01: A Resolution of the Helendale Community Services District, San Bernardino County, Recommending Consolidated Election for Governing Board Members with Statewide General Elections and Approving the Rescheduling of Such Elections from Odd-Year to Even-Year Elections Commencing with the 2017 Election Cycle. Director Spiller seconded the motion, the motion was approved by the following roll call vote:

Director Schneider – Yes; Director Haas – Abstain; President Clark – Yes; Vice President Smith – Absent, Director Spiller – Yes

3 – Yes

0 – No

1 – Absent

1 – Abstain

6. Discussion and Possible Action Regarding Adoption of Resolution 2017-02, A Resolution of the Helendale Community Services District Board of Directors, in Support of Filing an Application with the Bureau of Reclamation for a Grant Under the Water Conservation Field Services Program Grants for Fiscal Year 2017.

**Action:** Director Spiller made the motion supporting filing an application with the Bureau of Reclamation for a grant under the Water Conservation Field Services Program, Grants for Fiscal Year 2017. Director Schneider seconded the motion; the motion was approved by the following roll call vote:

Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Absent, Director Spiller – Yes

4 – Yes

0 – No

1 – Absent

0 – Abstain

7. Discussion Only Regarding Review of the District's Water Supply, Condition of Wells and Other Related Information.

**Action:** There was no action on this item. The consensus of the Board was to move forward with changing Helendale CSD elections to the general election cycle. The Board requested to bring the Resolution to the Board for adoption before the February meeting.

**Discussion:** Operations Manager Simpson gave a detailed overview of the District's Wells, water quality challenges and an evaluation of possible locations for the next water production well. In addition, historical water usage trends will be presented.

**Action:** There was no action on this week.

#### Other Business

8. Requested Items for Next or Future Agendas (Directors and Staff Only)

Director Schneider requested to see Mark Robert's findings for a potential new well location within 90 days. He also requested to see a mid-year budget review as well as bi-monthly or quarterly budget reviews.

#### Closed Session

- ~~9. Conference with Legal Counsel—Anticipated Litigation  
Significant Exposure to Litigation  
Pursuant to Government Code Section 54956.9 (d)(2):  
One Potential Case~~

#### Open Session

10. Reportable Action from Closed Session  
None
11. Adjournment

**Action:** President Ron Clark adjourned the meeting at 8:22 pm.

Submitted by:

Approved By:

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Ron Clark, President

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Sandy Haas, Secretary

*The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.*

HELENDALE COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING MINUTES

February 2, 2017

26540 Vista Road, Suite C. Helendale, CA 92342

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE** – The regular meeting was called to order at 6:35 pm by President Clark after which the Pledge of Allegiance was recited.

**Present:** President, Ron Clark; Vice President, Tim Smith; Secretary, Sandy Haas; Director, Craig Schneider; Director, Henry Spiller  
**Absent:** None  
**Staff:** Kimberly Cox, General Manager; Mike Simpson, Operations Manager; Cheryl Vermette, Program Coordinator  
**Consultants:** Steve Kennedy, Legal Counsel  
**Audience:** There were ten (10) audience members present.

**1. Approval of Agenda**

**Discussion:** General Manager Cox requested to amend the agenda as presented pull item 3a Approval of Minutes: January 19, 2017 Regular Board Meeting under the Consent Items and add a closed session item: Conference with Legal Counsel – Anticipated Litigation, Significant Exposure to Litigation, Pursuant to Government Code Section 54956.9 (d)(2): Two potential cases

**Action:** Director Schneider made the motion to approve the Agenda as amended. Director Haas seconded the motion. The motion was unanimously approved by the Board members present.

**2. Public Participation**

Wally Linn, Field Representative for Congressman Paul Cook gave a brief congressional update.

Resident Samantha Bricknell commented on the District's Deposit Policy and asked the Board to consider options for a deposit waiver.

**3. Consent Items**

~~a. Approval of Minutes: January 17, 2017, Regular Board Meeting~~

b. Bills Paid and Presented for Approval

**Action:** Director Smith made the motion to approve the Agenda as amended. Director Haas seconded the motion. The motion was unanimously approved by the Board members present.

**4. Reports**

a. Director's Reports – None

b. General Manager Report – General Manager Cox gave the report. She informed the Board that Staff met with Southwest Gas on the work that will be done on Silver Lakes Parkway, Shadow Mountain, and Mountain Springs. Southwest Gas will be replacing PVC service connections. General Manager Cox gave the Wastewater Report. Staff performed a confined space entry at the Parkway and Smithson lift stations. Staff gave Director Spiller a tour of the wastewater facilities. They also videoed a service lateral on Corona and airlifted the monitoring wells prior to sampling. Staff installed a new motor at the headworks for the grit removal pump and repaired a sludge line that was leaking outside the drying bed. She also showed a photo of the pumping impoundment over the lower dike that continues to be an issue. Program Coordinator gave the Solid Waste report which included bulky item pickups, recycling barrel information, television and computer recycling data, refuse and recycling tonnage, as well as Thrift Store green waste and metal recycling data. Vermette gave the Program report, which included information on the monthly Paint Night classes and upcoming classes: Senior Health Talk on Diabetes, Composting, and Refuse to be a Victim. She also went over the ongoing classes and activities at the District.

**Discussion Items**

5. Discussion and Possible Action Regarding Request to Declare as Surplus the NeoPost Folder/Sorter Machine  
**Discussion:** General Manager Cox gave an overview of the NeoPost Folder Sorter and a review of the District's Surplus/Salvage Policy.  
**Action:** Director Schneider made the motion to declare the NeoPost Bill processing machine surplus and direct staff to dispose of it per the Salvage Policy. Director Smith seconded the motion; the motion was approved by the following 5-0 vote:  
Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Yes, Director Spiller – Yes
  
6. Discussion and Possible Action Regarding Approval of Proposed Changes to the District's Deposit Policy  
**Discussion:** General Manager Cox and Legal Counsel Kennedy reviewed the Deposit Policy with the Board, which included changes to Section 3(A) 1, 3(A) 3 and the addition of 3(A) 5. The Board requested to change the word "request" to "require" in section 3(A) 5. The Board discussed several options for staff to look into as an addition to the current deposit policy including using a credit report as a means of waiving a deposit or give customers the option of paying their deposit in increments over a three month period. The Board requested this item be brought back with proposed alternatives.  
**Action:** Director Spiller made the motion to approve the Deposit Policy with the changes presented. Director Schneider seconded the motion; the motion was approved by the following 5-0 vote:  
Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Yes, Director Spiller – Yes

**Closed Session**

The Board took a brief recess and went into closed session at 7:58 pm and went into closed session at 8:10 pm.

**This item was amended.**

7. Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation  
Pursuant to Government Code Section 54956.9 (d)(2):  
~~One Potential Case~~  
Two Potential Cases

**Open Session**

The meeting came back to open session at 8:27 pm

8. Reportable Action from Closed Session  
None
  
9. Adjournment  
**Action:** President Ron Clark adjourned the meeting at 8:28 pm.

Submitted by:

Approved By:

\_\_\_\_\_  
Ron Clark, President

\_\_\_\_\_  
Sandy Haas, Secretary

*The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.*



# Helendale Community Services District

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Date: February 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Paul E. Harmon, Administrative Consultant  
SUBJECT: Agenda item # 3 b.  
Consent Item: Bills Paid and Presented for Approval

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**STAFF RECOMMENDATION:**  
Report Only. Receive and File

**STAFF REPORT:**

Staff issued 74 checks with one Void check for the period January 30 through February 13, 2017 totaling \$47,549.32. Checks issued include payments to Dept of Interior/BLM for reservoir tank site rental for \$1,260.00; to Choice Builder for employee supplemental group insurance for \$1,026.95; to Clemmer Services for new A/C unit for apartment at Western Rivers location for \$3,746.77; to Geo-Monitor for lab analysis for \$2,242.50; to Sensus for meter software coverage for \$1,736.78; to SCE for electricity for street lights for \$1,370.29; to USA Bluebook for replacement pump at well #4A for \$1,216.56; and to Aqua-Metrics for MXU dual port meter radio sets for \$5,974.15.

Total cash available:	<u>2/13/17</u>	<u>1/30/17</u>
Cash	\$ 3,884,306.51	\$ 3,903,937.78
Checks Issued	\$ 47,549.32	\$ 253,556.20

Investment Report

The Investment Report shows the status of invested District funds. The current interest rate is 0.92% for CalTRUST Short-Term and is 1.14% for Medium-Term Investments, 0.610% for LAIF, and 0.25% for the CBB Sweep Account for December 2016. Interest earned in January 2017 on the CalTRUST investments, LAIF investment and the CBB Sweep Account is \$1,944.72. Cumulative interest from our initial date of investment in February 2008 through January 2017 for CalTRUST, CBB and LAIF is \$177,548.23. Interest Income for the fiscal year 2015-16 is \$15,933.20 and \$11,878.51 for F/Y 2016-17.

**HELENDALE COMMUNITY SERVICES DISTRICT**

Bills Paid and Presented for Approval  
for February 16, 2017

<u>Check #</u>	<u>Payee</u>	<u>Item Description</u>	<u>Dept</u>	<u>Amount</u>
18808	Mfon Umoren	Customer Deposit Refund	Water	\$ 13.06
18809	Beck Oil	Vehicle Fuel	Water	\$ 747.00
18809	Beck Oil	Vehicle Fuel	WWTP	\$ 747.00
18810	Consolidated Electrical Distributors, Inc.	Fire Sprinkler Transducer @ Community Center Tank	Parks	\$ 107.19
18811	Daily Press	Mechanic Employment Ad	Admin	\$ 140.71
18812	Dept. of Forestry & Fire Protection	Facility Cleanup	WWTP	\$ 228.62
18813	DOI/BLM	Rent for Right of Way	Water	\$ 1,260.00
18814	Frontier Communications	Admin - 760-951-0006	Admin	\$ 75.40
18815	Henry Spiller	Director Fees - Jan 2017	Admin	\$ 600.00
18816	Hesperia Outdoor Power Equip	Pesticide Spray Rig Maint	Parks	\$ 131.10
18817	I Candy Website & Graphic Design	Website Support Dec 2016	Admin	\$ 146.25
18818	Parkhouse Tire, Inc.	Park Trailer Maint	Parks	\$ 147.81
18818	Parkhouse Tire, Inc.	Tires (4)	Water	\$ 571.13
18819	Paul Harvey	Community Center Bathroom/Repair Drywall & Paint	Parks	\$ 550.00
18820	Professional Realty	Lease Agreement - 15425 Wild Rd. Unit B - Mckenzie	Parks	\$ 100.00
18821	Roto-Rooter Plumbers	Clean-out (3) drains	Parks	\$ 277.00
18822	Sandy Haas	Director Fees - Jan 2017	Admin	\$ 500.00
18823	Shred-it USA LLC	Shred Services Jan 2017	Admin	\$ 57.42
18824	Southwest Gas Company	Natural gas - 4-Plex	Parks	\$ 255.75
18824	Southwest Gas Company	Community Center	Parks	\$ 1,595.00
18824	Southwest Gas Company	Water Shop	Water	\$ 53.56
18824	Southwest Gas Company	WWTP	WWTP	\$ 149.14
18825	Staples Office Supplies	Water Aluminum Storage	Water	\$ 40.92
18825	Staples Office Supplies	Admin Office Supplies	Admin	\$ 185.87
18826	UPS	Next Day Shipping Charges	Admin	\$ 139.30
18827	Eleanora Murph	Customer Deposit Refund	Water	\$ 2.89
18828	Chris Cho	Customer Deposit Refund	Water	\$ 145.14
18829	Apple Valley Communications	Repair WWTP Alarm	WWTP	\$ 142.50
18829	Apple Valley Communications	Water Shop	Water	\$ 35.00
18829	Apple Valley Communications	WWTP	WWTP	\$ 35.00
18829	Apple Valley Communications	Community Center	Parks	\$ 60.00
18830	AVCOM Services Inc.	District Answering Services	Admin	\$ 138.00
18831	Badger Meter	Pilot Study	Water	\$ 30.00
18832	Capital One Commercial	Meeting Supplies - Coffee	Parks	\$ 10.99
18832	Capital One Commercial	Meeting Supplies - Coffee	Admin	\$ 10.99
18832	Capital One Commercial	Equinox Wash	Admin	\$ 6.99
18833	Carolyn Wallace	2 Display Cases	Parks	\$ 200.00
18834	Cazcom, Inc.	Site Rent	Admin	\$ 175.00
18835	Choice Builder	Employee Group Supplemental Insurance	Admin	\$ 1,026.95
18836	Clemmer Services, Inc.	Western Rivers - New A/C Unit for Apt	Parks	\$ 3,746.77
18837	County of San Bernardino	Recording Fees	Admin	\$ 134.00
18838	Craig Schneider	Director Fees - Jan 2017	Admin	\$ 600.00
18839	Endura Steel	Materials for Valve Rot Repair	Water	\$ 33.69
18840	Frontier Communications	Thrift Store Ported CC Line - 760-241-2711	Parks	\$ 104.11



HELENDALE COMMUNITY SERVICES DISTRICT  
 Bills Paid and Presented for Approval  
 for February 16, 2017

Check #	Payee	Item Description	Dept	Amount
18840	Frontier Communications	Water Shop - 760-951-1121	Water	\$ 53.01
18841	Geo-Monitor, Inc.	Lab Analysis	Water	\$ 2,242.50
18842	Hank Dyer Electric	Repair WWTP Headworks Grit Pump	WWTP	\$ 200.00
18843	Harbor Freight Tools	Water Supplies	Water	\$ 89.52
18843	Harbor Freight Tools	Park Supplies	Parks	\$ 113.09
18844	Infosend	Utility Billing Postage	Admin	\$ 1,057.42
18844	Infosend	Utility Billing Printing	Admin	\$ 859.47
18845	Inland Water Works Supply Co.	1" & 2" Curb Stops	Water	\$ 606.63
18845	Inland Water Works Supply Co.	1" ARI Combo AV/AR Valve & 1" Air VAC Screen	Water	\$ 153.01
18845	Inland Water Works Supply Co.	Smith Bairr Clamp	Water	\$ 120.16
18845	Inland Water Works Supply Co.	Community Ctr Fire Storage Tank Repair Pipe	Parks	\$ 10.78
18845	Inland Water Works Supply Co.	Emergency Water Repair Replacement Parts	Water	\$ 856.61
18846	McMaster-Carr	Valve Nut Tool	Water	\$ 274.73
18847	Mobile Occupational Services, Inc.	Employee Random Testing Jan 2017 -- S. Gutierrez	Admin	\$ 35.00
18848	Natec International Inc	Asbestos Refresher Training	Admin	\$ 750.00
18848	Natec International Inc	Water Respirator Fit Test	Water	\$ 120.00
18848	Natec International Inc	WW Respirator Fit Test Training	WWTP	\$ 120.00
18849	O'Reilly Auto Parts	Water Vehicle Repair & Maint	Water	\$ 365.68
18849	O'Reilly Auto Parts	Mechanic Shop Tools	Water	\$ 60.06
18849	O'Reilly Auto Parts	WW Vehicle Repair & Maint	WWTP	\$ 663.98
18849	O'Reilly Auto Parts	Park Vehicle Maint	Parks	\$ 7.75
18849	O'Reilly Auto Parts	Equinox Maint	Admin	\$ 91.47
18850	Parkhouse Tire, Inc.	Park Train Tire & Tube	Parks	\$ 41.94
18851	Professional Realty	Lease Agreement - 13850 ryman Road	Parks	\$ 100.00
18852	Rebecca Gonzalez	Office Janitorial	Admin	\$ 330.00
18853	Ron Clark	Director Fees - Jan 2017	Admin	\$ 500.00
18854	Roto-Rooter Plumbers	Septic Pump - Bryman Road	Admin	\$ 315.00
18855	Sensus USA	Coverage 3-23-17 - 3-22-18	Admin	\$ 1,736.78
18856	Sierra Analytical	Lab Analysis	WWTP	\$ 766.00
18857	Silver Lakes Hardware	Water Repair & Maint	Water	\$ 25.46
18857	Silver Lakes Hardware	Water CL2 Truck Clamps	Water	\$ 7.52
18857	Silver Lakes Hardware	D, Harrison Dishwasher Hose Clamps	Parks	\$ 2.56
18857	Silver Lakes Hardware	Unit C Repair & Maint	Parks	\$ 11.74
18857	Silver Lakes Hardware	Skill Saw Blade	Parks	\$ 5.27
18857	Silver Lakes Hardware	For Lift - Clipboard Chain	Parks	\$ 6.38
18857	Silver Lakes Hardware	Office Hangers & Fluorescent Bulb	Admin	\$ 16.98
18858	Siverts Publishing	Business Card Ads - Mar, Apr & May 2017	Parks	\$ 150.00
18859	Southern California Edison	Park Wellhead	Parks	\$ 69.20
18859	Southern California Edison	Mobile Home Wellhead	Parks	\$ 24.21
18860	Southern California Edison	Sod Farm	Parks	\$ 742.70
18861	Southern California Edison	Water Shop	WWTP	\$ 267.77
18862	Southern California Edison	Street Lighting	Water	\$ 1,370.29
18863	Southern California Edison	4-Plex	Street Lights	\$ 210.99
18864	Tim Smith	Director Fees - Jan 2017	Parks	\$ 500.00
			Admin	\$

**HELENDALE COMMUNITY SERVICES DISTRICT**

Bills Paid and Presented for Approval  
for February 16, 2017

Check #	Payee	Item Description	Dept	Amount
18865	Top Notch Networking, LLC	Monthly Support - Feb 2017	Admin	783.98
18866	Tyler Technologies, Inc.	Online Utility Billing	Admin	112.00
18866	Tyler Technologies, Inc.	Web Hosting	Admin	25.00
18867	UIA Ultimate Internet Access, Inc	VOIP Phone Services 2-1-17-3-1-17	Admin	675.77
18868	United Site Services	Trailer Kit Weekly Services 1/27/17 - 2/23/17	WWTP	173.13
18869	UPS	Undeliverable KQTE Return Pkg	Admin	10.32
18870	USA Blue Book	replacment Pump Well 4A	Water	1,216.56
18871	USA of So. California	Dig Alert Tickets (84)	Water	126.00
18872	Victorville Glass Co, Inc	Window for SK Office	Parks	273.44
18873	Bank of America	Vactor Truck Hydraulic System	Water	431.91
18873	Bank of America	Water Respirator 1/2 Masks & Filters	Water	169.01
18873	Bank of America	Oil & Cleaner Shop Maint	Water	42.60
18873	Bank of America	WW Respirator 1/2 Masks & Filters	WWTP	90.55
18873	Bank of America	Windshield Repair Unit # 304	WWTP	125.00
18873	Bank of America	Cp.,unity Center Fore Sprinkler Tranducer	Parks	377.09
18873	Bank of America	Thrft Store Employee Gift Cards	Parks	200.00
18873	Bank of America	Youth Basketball Supplies	Parks	2,444.47
18873	Bank of America	Fed Ex Overnight Delivery	Parks	46.47
18873	Bank of America	Fire Safe	Admin	1,614.60
18873	Bank of America	Board Meeting Supplies	Admin	46.37
18873	Bank of America	Employee Morale Lunch & Christmas Gifts	Admin	97.24
18874		VOID		
18875	Aqua-Metric Sales Co.	T6' - TR/PL Sensor w/6' wire	Water	544.35
18875	Aqua-Metric Sales Co.	MXU 520R Dual Port T/C	Water	4,298.42
18875	Aqua-Metric Sales Co.	1" SRI Reg TR?PL 100CF 4whl	Water	1,131.38
18876	Robert Gary	Customer Deposit Refund	Water	83.22
18877	Tim Adams	Customer Deposit Refund	Water	168.52
18878	Snowball Development	Customer Deposit Refund	Water	290.00
18879	Laura Campbell	Customer Deposit Refund	Water	88.31
18880	Cory Soupene	Customer Deposit Refund	Water	102.26
18881	Kevin Woosley	Customer Deposit Refund	Water	164.37
18882	Gerry Balabagno	Customer Deposit Refund	Water	88.07
<b>74 Total Checks Issued with 1 Void check</b>				<b>\$ 47,549.32</b>
<b>Director Fees &amp; Reimbursements</b>				
18815	Henry Spiller	Director Fees - Jan 2017	Admin	600.00
18822	Sandy Haas	Director Fees - Jan 2017	Admin	500.00
18838	Craig Schneider	Director Fees - Jan 2017	Admin	600.00
18853	Ron Clark	Director Fees - Jan 2017	Admin	500.00
18864	Tim Smith	Director Fees - Jan 2017	Admin	500.00
<b>Total Director Fees &amp; Reimbursements</b>				<b>\$ 2,700.00</b>

**HELENDALE COMMUNITY SERVICES DISTRICT**

Bills Paid and Presented for Approval  
for February 16, 2017

<u>Check #</u>	<u>Payee</u>	<u>Item Description</u>	<u>Dept</u>	<u>Amount</u>
<b>CASH BALANCES</b>				
<b>Cash Balances as of February 13, 2017</b>				
		Cash in Bank - Desert Community Bank	2/13/2017	\$ 11,533.97
		Cash in Bank - Citizens Business Bank	2/13/2017	\$ 265,401.98
		Citizens Business Bank Sweep Account	2/13/2017	\$ 1,930,833.34
		CalTRUST JPA Short Term Pool	2/13/2017	\$ 626,517.67
		CalTRUST JPA Medium Term Pool	2/13/2017	\$ 1,043,441.85
		LAIF - Water Project Funds - Interest Only	2/13/2017	\$ 6,577.51
		<b>Total Cash Available</b>		<b>\$ 3,884,306.32</b>

Capital Gain/(Loss) - CalTRUST	\$ -
Interest Earned for - CalTRUST-Short Term	\$ 483.97
Interest Earned for - CalTRUST-Long Term	\$ 1,011.33
Interest Earned for - CBB	\$ 438.22
Interest Earned - LAIF (Posted Quarterly)	\$ 11.20
<b>Total Interest For January</b>	<b>\$ 1,944.72</b>

**INVESTMENT REPORT**  
As of February 13, 2017

<u>Investment Date</u>	<u>Financial Institution</u>	<u>Type of Investment</u>	<u>Purchase Price</u>	<u>Total Interest</u>
2/14/08	CalTRUST Joint Powers Authority	Short-Term Investment Pool	\$ 3,000,000.00	
		Cumulative Interest Income from 2/14/08 to 2/13/2017	\$ 170,959.52	
		Transfer to Medium-Term Pool	\$ 1,000,000.00	
		Withdrawals	\$ (3,510,000.00)	
		Deposits	\$ 1,009,000.00	
		Balance as of 2/13/2017	\$ 1,669,959.52	
1/6/2009	LAIF - State of California	Short-Term Investment Pool	\$ 650,000.00	
		Withdrawals - Water Rights/Well Construction	\$ (650,000.00)	
		Deposits	\$ -	
		Cumulative Interest Income	\$ 6,588.71	
		Balance as of 2/13/2017	\$ 6,588.71	
		<b>Total</b>		<b>\$ 177,548.23</b>



# Helendale Community Services District

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Date: February 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Paul E. Harmon, Assistant General Manager  
SUBJECT: Agenda item # 6  
Discussion Only: Mid-year Budget Review—Fiscal Year 2016-17.

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**STAFF RECOMMENDATION:**

Discussion Only.

**STAFF REPORT:**

Attached for Board review are the financial statements for the six months ending December 31, 2016. The baseline percentage to compare against is 50% of the fiscal that has expired. From the Water Fund perspective, total revenue received is 54.0% of budget, which shows that water revenue is slightly above the straight line average. With the easing of percentage of mandatory conservation water sales are slightly up from last fiscal year at this time by \$41,070.

Actual water consumption sales-related revenue is higher versus last fiscal year by \$38,736. (\$765,472 vs. \$726,736) The increased sales do improve the estimated year-end projection, but the amount will still not cover the annual depreciation charge, which means that expenditures will exceed revenue. Other revenue is up as well as sales with SCE incentive revenue bringing in \$20,955, and penalty charges revenue coming in with \$40,200.

The Water special assessment is at 39.3% However, A significant amount of assessments are prior year assessments which will put the total of assessments over the 50% mark for December. Delinquent fees and penalties are at 59.1% of budget. It never ceases to amaze me that people will suffer late charges for failure to pay a bill on time. This is a revenue source that could go away with the unlikelihood of everyone start to pay their utility bills on time. The water sales and facility charges reflect the CPI increase effective July 1, 2016. Total water revenue from all sources through December 31, 2016 is \$843,179.

On the expense side, the Water Fund shows 46.8% spent. Electrical expenses are at \$62,194 or 47.8% expended, just slightly under the 50% baseline. The reduction can be attributed to the water conservation effort, since most of the electricity cost savings from this account have been realized in past fiscal years by using efficient pumping from the new wells. Repairs and maintenance are at \$24,408 or 30.5% of budget for replacement of valves, CL2 equipment, and road repairs due to leaks and valve replacement. Salaries are at \$139,070 or 49%, which is right on for a midpoint of the fiscal year. Operating supplies are at \$39,432 or 71.7% and cover MXU meter purchases and other supplies. To date, with the allocation for 45% of administration costs, the Water Fund shows net revenue of \$102,956. Should the trend continue with water usage increasing the dire prediction set forth in the budget may not be realized. However, the

amount of revenue still does not cover the cost of annual depreciation, and as pointed out, the water rate does not take into account the increase in debt service for the water rights purchase in 2014.

The Sewer Fund is nearly right on its projected total revenue course at 50.5% of projected revenue for the baseline time period. The Sewer special assessment is at \$7,497 or 35.7% at this time for the same reasons as the Water Fund which include delinquent penalties and the collection of delinquent sewer accounts via the assessment process. Assessments are collected mostly in December and April, which are the two property tax receipt months for the County. Sewer service charges to date are \$639,531 or 50.1% of projected budget. The collection of delinquent penalties and fees is at 56% of the budget at \$11,203.

As for Sewer Fund operating expenses, salaries are at 50% which is right on target. Electric expense is at 50.2% or \$32,630, Repairs and Maintenance is at 13.4% or 12,021, Operating Supplies at 8.4% and Sod Farm Electric is at \$ 5,071 or 32.7% of projections. Overall expenditure budget for the Sewer Fund is at 37.9% or \$298,707. The 55% administrative allocation affects this fund in the same manner as it does the Water Fund. After the allocation, the Sewer fund has net revenue of \$201,915.

The Park Fund revenue is at 52.4%, including the Thrift Store. Rental Income is at \$ 63,468 or 49.1% for the facilities at the Helendale Community Park (HCP). This budgeted line item includes full lease out of the equestrian facilities, the residential units and the 4-plex lease. Other rental income this fiscal year was the community center rental and the utility reimbursement for unit D, since these revenues are difficult to predict. Other revenue includes Radio Tower Rent of \$18,000, the Park Fund share of franchise fee of \$15,000 and property taxes of \$20,000. Salaries are at \$9,394 or 39.9% of projected budget. Contractual services include costs for permits, contractors for recreation programs (exercise classes, jewelry classes, photography classes, etc.) park cleaning and maintenance performed by CDF crews. Repairs and Maintenance at HCP include repairs to the 4-plex, replacement of A/C units at the Smithson rentals, carpet repairs and some extraordinary maintenance of the rentals. This line item is at 62.3% or \$12,461. Street lighting electricity costs are at 44.6% or \$8,034.

The Thrift Store revenue through December sales less sales taxes was \$146,396, which is higher than last year's \$141,939 for the same time period. This translates to sales being 5.2% higher than the baseline, and on target to exceed the year-end projection. The Thrift Store continues to outdo itself on a quarterly basis. Operating supplies are at 6% or \$720. Thrift store part-time wages are at \$52,746 or 54.5% of the budget at this time. Some of that can be attributed to the State mandated minimum wage increases.

The total net revenue for Parks and Recreation, inclusive of Thrift Store revenue is \$77,710.

The Solid Waste Fund shows 53.6% of the ESFR assessment collected to date, or \$123,255. The majority of the assessment is received twice a year in December and in April with smaller cleanup payments in between. The total revenue for this fund is at 55.5% of budget. Revenue includes delinquent fees and penalties and penalties on delinquent assessment payments.

Expenses for the fiscal year to date are 45.4% of the projected budget. Salaries and wages are \$23,702 for the two employees charged to the fund, or 40.9%. The tipping fees paid to San Bernardino County are at 50.1% of budget or % or \$56,125 and includes what the District reimburses to Burrtec as well as the cost of individual residents going to the dump. With the 6-month administrative allocation of \$13,500 applied, the fund has net income of \$16,765.

Administrative revenue such as property taxes, radio site rental and franchise fees are shared with the Park Fund for street lighting costs and park support. Total revenue for Administrative Services is \$125,461 or

49.2% of projected budget. Solid Waste billing, which is the fee we collect for processing the Burrtec billing with our utility bills, has generated \$26,354 and is at 43.5% of projected. Radio tower rent is at 43.3%, or \$18,605 which is slightly under the 50% benchmark since one vendor paying its entire annual rent in January, which skews the percentage. Franchise fees are \$21,818 or 56.7% of budget. Franchise fee payments are received monthly from Burrtec Waste Industries and deducted from the monthly service billing collected by the District. Property taxes are 58.7%, or \$35,804 which is a welcome sign that property values are going up slightly. The second large payment of property taxes will arrive in April. Smaller payments of property taxes are collected throughout the fiscal year, terminating in July with one last cleanup payment for FY 2016-17.

Administrative salaries and fringe benefits are \$166,419, or 48.2% of projected budget, which is just under the straight line budget projection for December. Expenses to note include legal fees which are at \$30,119 or 50.2%; auditing fees at 42.4% or \$18,226, and software support is 72.8%, or \$25,487 since the annual license has been paid in July of each fiscal year. Contract Service is at 53.3% or \$26,779. Overall, the administrative budget is 50.7% spent and right on target for December. The results of operations for the six months show a deficit of \$320,013. The Administration Fund is not budgeted to show any net revenue. Its net costs are allocated to the other operating funds, except the Park Fund, which shares general revenues with the Administration Fund. Bear in mind that included in the Administrative Fund are charges that only occur once a year and are paid at the beginning of the fiscal year, which skews the year-to-date percentage. The administrative expenses are allocated to the Water in the amount of \$144,006; to the Sewer fund in the amount of \$176,007 and the Solid Waste Fund for \$13,500. These amounts are all six-month totals.

### Summary

For the enterprise funds, Solid Waste Fund and Park and Recreation Fund, each show net revenue for the six-month period ending December 31, 2016. The only fund that is in deficit is the Administrative Fund, which, as stated in the report, never shows a net income. Its costs are allocated to the other operating enterprise and special revenue funds. The Parks and Recreation Fund does not receive an allocation for administrative expenses, but instead receives a proportionate share of general revenue, such as taxes, radio site rental and franchise fees to help offset its operating costs. With the bottom line budget approach the Board of Directors has accepted, the ups and downs of individual line item budgets during the year are helpful for analysis of anticipated and unexpected expenditures; but the overall bottom line is what helps set the goals of each fund. At this time staff does not see the need for or have a recommendation for any budget adjustments.

Account	Description	Budget	12/31/2016	Year to Date	Percent
<b>Fund: 01 - Water Operations</b>					
<b>Revenue</b>					
<u>01-1-10-410011</u>	Water Sales - Single Family-Meter	\$ 1,447,422	\$ 71,847	\$ 431,967	
<u>01-1-10-410012</u>	Water Sales - Single Family-Consumption	\$ -	\$ 22,522	\$ 247,616	
<u>01-1-10-410111</u>	Water Sales - Multi-Family-Meter	\$ -	\$ 630	\$ 4,421	
<u>01-1-10-410112</u>	Water Sales - Multi-Family-Consumption	\$ -	\$ 158	\$ 971	
<u>01-1-10-410311</u>	Water Sales - Water Only-Meter	\$ -	\$ 663	\$ 3,976	
<u>01-1-10-410312</u>	Water Sales - Water Only-Consumption	\$ -	\$ 378	\$ 5,270	
<u>01-1-10-411021</u>	Water Sales - Commercial-Meter	\$ -	\$ 2,146	\$ 12,172	
<u>01-1-10-411022</u>	Water Sales - Commercial-Consumption	\$ -	\$ 662	\$ 6,642	
<u>01-1-10-411421</u>	Water Sales - Park-Meter	\$ -	\$ 378	\$ 2,267	
<u>01-1-10-411422</u>	Water Sales - Park-Consumption	\$ -	\$ 549	\$ 8,992	
<u>01-1-10-411521</u>	Water Sales - School-Meter	\$ -	\$ 416	\$ 2,499	
<u>01-1-10-411522</u>	Water Sales - School-Consumption	\$ -	\$ 647	\$ 11,577	
<u>01-1-10-413041</u>	Water Sales - Irrigation-Meter	\$ -	\$ 1,124	\$ 6,743	
<u>01-1-10-413042</u>	Water Sales - Irrigation-Consumption	\$ -	\$ 1,491	\$ 20,357	
	<b>Subtotal Water Sales</b>	<b>\$ 1,447,422</b>	<b>\$ 103,610</b>	<b>\$ 765,472</b>	<b>52.9%</b>
<u>01-1-11-417000</u>	Meter Installation	\$ 500	\$ -	\$ -	0.0%
<u>01-1-11-419000</u>	Fees & Charges	\$ 750	\$ -	\$ -	0.0%
<u>01-1-11-419500</u>	Delinquent Fees & Penalties	\$ 68,000	\$ 3,415	\$ 40,200	59.1%
<u>01-1-11-419700</u>	Mechanic Service Charges	\$ 14,500	\$ -	\$ -	0.0%
<u>01-1-12-415000</u>	Permits & Inspections	\$ 500	\$ -	\$ -	0.0%
<u>01-2-20-712000</u>	Other Income	\$ 2,500	\$ -	\$ -	0.0%
<u>01-2-20-741001</u>	SCE Incentive Revenue	\$ -	\$ -	\$ 20,955	100.0%
<u>01-2-21-705000</u>	Special Assmts - Water Standby	\$ 23,000	\$ 1,559	\$ 9,041	39.3%
<u>01-2-21-705500</u>	Special Assmts - Pr Yr Water Standby	\$ -	\$ 547	\$ 5,778	100.0%
<u>01-2-21-706000</u>	Penalties On Delinquent Taxes	\$ -	\$ 341	\$ 1,734	100.0%
<u>01-2-40-741005</u>	Water Conservation Program Revenue	\$ 4,200	\$ -	\$ -	0.0%
	<b>Subtotal Other Revenue</b>	<b>\$ 113,950</b>	<b>\$ 5,862</b>	<b>\$ 77,708</b>	<b>68.2%</b>
	<b>Total Revenue</b>	<b>\$ 1,561,372</b>	<b>\$ 109,472</b>	<b>\$ 843,179</b>	<b>54.0%</b>
<b>Expense</b>					
<u>01-2-20-500001</u>	Salaries - Full Time	\$ 283,837	\$ 22,195	\$ 139,070	49.0%
<u>01-2-20-500002</u>	Salaries - Overtime	\$ 10,000	\$ 1,245	\$ 6,802	68.0%
<u>01-2-20-500003</u>	On-Call Pay	\$ 10,500	\$ 838	\$ 5,438	51.8%
<u>01-2-20-500004</u>	Wages - Part-Time	\$ 30,518	\$ 901	\$ 8,945	29.3%
<u>01-2-20-510000</u>	PERS Retirement	\$ 39,895	\$ 3,290	\$ 20,411	51.2%
<u>01-2-20-510001</u>	Employee Group Insurance	\$ 42,888	\$ 4,724	\$ 24,013	56.0%
<u>01-2-20-510002</u>	Workers Compensation	\$ 27,843	\$ -	\$ 25,291	90.8%
<u>01-2-20-510003</u>	Payroll Taxes - FICA/Medicare	\$ 7,850	\$ 580	\$ 3,898	49.7%
<u>01-2-20-521000</u>	Laboratory Analysis	\$ 12,000	\$ 4,792	\$ 4,400	36.7%
<u>01-2-20-521500</u>	Contractual Services	\$ 7,500	\$ 166	\$ 1,052	14.0%
<u>01-2-20-521501</u>	Engineering Services	\$ 10,000	\$ -	\$ -	0.0%
<u>01-2-20-523000</u>	Permits and Fees	\$ 22,500	\$ -	\$ 17,816	79.2%
<u>01-2-20-524000</u>	Equipment Rental	\$ 3,000	\$ -	\$ -	0.0%
<u>01-2-20-524500</u>	Education and Training	\$ 5,000	\$ 26	\$ 1,526	30.5%
<u>01-2-20-527500</u>	Rents and Leases	\$ 9,600	\$ 4,800	\$ 4,800	50.0%
<u>01-2-20-527501</u>	Rent - BLM Tank Sites	\$ 1,400	\$ -	\$ -	0.0%
<u>01-2-20-531000</u>	Utilities - Electric	\$ 130,000	\$ 9,477	\$ 62,194	47.8%
<u>01-2-20-531001</u>	Utilities - Gas, Trash, Other	\$ 2,500	\$ 21	\$ 144	5.8%
<u>01-2-20-532500</u>	Telephone	\$ 7,000	\$ 432	\$ 2,527	36.1%
<u>01-2-20-541000</u>	Repairs and Maintenance	\$ 80,000	\$ 2,142	\$ 24,408	30.5%

Account	Description	Budget	12/31/2016	Year to Date	Percent
<u>01-2-20-545000</u>	Vehicle Maintenance	\$ 14,000	\$ 271	\$ 2,774	19.8%
<u>01-2-20-545001</u>	Vehicle Fuel	\$ 13,000	\$ 1,685	\$ 5,590	43.0%
<u>01-2-20-553000</u>	Operating Supplies	\$ 55,000	\$ 3,317	\$ 39,432	71.7%
<u>01-2-20-553500</u>	Office Supplies	\$ 1,500	\$ -	\$ 132	8.8%
<u>01-2-20-553600</u>	Uniforms	\$ 3,000	\$ -	\$ 135	4.5%
<u>01-2-20-554600</u>	Small Tools	\$ 7,000	\$ 328	\$ 1,054	15.1%
<u>01-2-20-561000</u>	Groundwater Replenishment	\$ 3,500	\$ -	\$ -	0.0%
<u>01-2-20-595001</u>	Debt Service - Loan	\$ 388,734	\$ -	\$ 194,367	50.0%
<u>01-2-26-521600</u>	Software Support	\$ 5,300	\$ -	\$ -	0.0%
<u>01-2-26-553550</u>	Water Conservation Program	\$ 7,500	\$ -	\$ -	0.0%
<u>01-2-28-600000</u>	Depreciation	\$ 29,174	\$ -	\$ -	0.0%
<u>01-2-29-556500</u>	Dues & Subscriptions	\$ 3,300	\$ -	\$ -	0.0%
	<b>Expense Total:</b>	<b>\$ 1,274,839</b>	<b>\$ 61,229</b>	<b>\$ 596,218</b>	<b>46.8%</b>
<b>Fund: 01 - Water Operations Surplus (Deficit):</b>		<b>\$ 286,533</b>	<b>\$ 48,243</b>	<b>\$ 246,962</b>	
	<b>Administrative Charges 45%</b>			<b>\$ (144,006)</b>	
	<b>Net Revenue/(Expense)</b>			<b>\$ 102,956</b>	



Account	Description	Budget	12/31/2016	Year to Date	Percent
<b>Fund: 02 - Sewer Operations</b>					
<b>Revenue</b>					
<u>02-1-14-410010</u>	Sewer Charges - Single Family	\$ 1,277,000	\$ 98,939	\$ 594,643	46.6%
<u>02-1-14-410110</u>	Sewer Charges - Multi-Family	\$ -	\$ 1,869	\$ 11,242	100.0%
<u>02-1-14-411020</u>	Sewer Charges - Commercial	\$ -	\$ 3,920	\$ 23,523	100.0%
<u>02-1-14-411420</u>	Sewer Charges - Park	\$ -	\$ 183	\$ 1,099	100.0%
<u>02-1-14-411520</u>	Sewer Charges - School	\$ -	\$ 1,356	\$ 8,134	100.0%
<u>02-1-14-413040</u>	Sewer Charges - Irrigation	\$ -	\$ 147	\$ 879	100.0%
	<b>Subtotal Sewer Charges</b>	<b>\$ 1,277,000</b>	<b>\$ 106,413</b>	<b>\$ 639,521</b>	<b>50.1%</b>
<u>02-1-11-419500</u>	Delinquent Penalties & Fees	\$ 20,000	\$ 1,814	\$ 11,203	56.0%
<u>02-2-21-705000</u>	Special Assmts - Sewer Standby	\$ 21,000	\$ 1,409	\$ 7,497	35.7%
<u>02-2-21-705500</u>	Special Assmts - Pr Yr Sewer Standby	\$ -	\$ 426	\$ 5,718	100.0%
<u>02-2-21-706000</u>	Penalties on Delinquent Taxes	\$ -	\$ 220	\$ 1,674	100.0%
	<b>Subtotal Other Revenue</b>	<b>\$ 41,000</b>	<b>\$ 3,869</b>	<b>\$ 26,092</b>	<b>63.6%</b>
	<b>Total Revenue</b>	<b>\$ 1,318,000</b>	<b>\$ 110,283</b>	<b>\$ 665,613</b>	<b>50.5%</b>
<b>Expense</b>					
<u>02-2-22-500001</u>	Salaries - Full Time	\$ 203,896	\$ 15,961	\$ 102,003	50.0%
<u>02-2-22-500002</u>	Salaries - Overtime	\$ 8,000	\$ 923	\$ 2,676	33.5%
<u>02-2-22-500003</u>	On-Call Pay	\$ 10,000	\$ 813	\$ 4,813	48.1%
<u>02-2-22-510000</u>	PERS Retirement	\$ 39,894	\$ 2,076	\$ 13,272	33.3%
<u>02-2-22-510001</u>	Employee Group Insurance	\$ 26,826	\$ 2,354	\$ 11,879	44.3%
<u>02-2-22-510002</u>	Workers Compensation	\$ 23,202	\$ -	\$ 21,109	91.0%
<u>02-2-22-510003</u>	Payroll Taxes - FICA/Medicare	\$ 6,100	\$ 407	\$ 2,619	42.9%
<u>02-2-22-521000</u>	Laboratory Analysis	\$ 19,000	\$ 316	\$ 6,807	35.8%
<u>02-2-22-521500</u>	Contractual Services	\$ 21,500	\$ 6,796	\$ 18,431	85.7%
<u>02-2-22-521501</u>	Engineering Services	\$ 15,000	\$ -	\$ -	0.0%
<u>02-2-22-521600</u>	Software Support	\$ 5,300	\$ -	\$ -	0.0%
<u>02-2-22-523000</u>	Permits and Fees	\$ 22,000	\$ 17,017	\$ 20,481	93.1%
<u>02-2-22-524500</u>	Education and Training	\$ 5,000	\$ 366	\$ 2,184	43.7%
<u>02-2-22-531000</u>	Utilities - Electric	\$ 65,000	\$ 3,804	\$ 32,630	50.2%
<u>02-2-22-531001</u>	Utilities - Gas, Trash, Other	\$ 1,000	\$ 100	\$ 232	23.2%
<u>02-2-22-532500</u>	Telephone	\$ 5,000	\$ 186	\$ 1,385	27.7%
<u>02-2-22-541000</u>	Repairs and Maintenance	\$ 90,000	\$ 1,157	\$ 12,021	13.4%
<u>02-2-22-545000</u>	Vehicle Maintenance	\$ 12,000	\$ 288	\$ 659	5.5%
<u>02-2-22-545001</u>	Vehicle Fuel	\$ 12,000	\$ 1,631	\$ 5,622	46.9%
<u>02-2-22-553000</u>	Operating Supplies	\$ 35,000	\$ -	\$ 2,953	8.4%
<u>02-2-22-553500</u>	Office Supplies	\$ 1,500	\$ -	\$ 52	3.5%
<u>02-2-22-553600</u>	Uniforms	\$ 2,750	\$ -	\$ 445	16.2%
<u>02-2-22-554600</u>	Small Tools	\$ 3,000	\$ -	\$ 39	1.3%
<u>02-2-22-556500</u>	Dues & Subscriptions	\$ 850	\$ -	\$ -	0.0%
<u>02-2-22-595001</u>	Debt Service - Loan	\$ 105,882	\$ -	\$ 25,420	24.0%
<u>02-2-23-521505</u>	Contract Service - Sod Farm	\$ -	\$ -	\$ 250	100.0%
<u>02-2-23-531005</u>	Utilities - Sod Farm	\$ 15,500	\$ 577	\$ 5,071	32.7%
<u>02-2-23-531006</u>	Sludge/Compost Disposal	\$ 10,000	\$ 1,751	\$ 5,655	56.6%
<u>02-2-28-600000</u>	Depreciation	\$ 22,022	\$ -	\$ -	0.0%
	<b>Expense Total:</b>	<b>\$ 787,222</b>	<b>\$ 56,524</b>	<b>\$ 298,707</b>	<b>37.9%</b>
<b>Fund: 02 - Sewer Operations Surplus (Deficit):</b>		<b>\$ 530,778</b>	<b>\$ 107,984</b>	<b>\$ 377,922</b>	<b>28.8%</b>
<b>Administrative Charges 55%</b>				<b>\$ (176,007)</b>	
<b>Net Revenue/(Expense)</b>				<b>\$ 201,915</b>	

Account	Description	Budget	12/31/2016	Year to Date	Percent
<b>Fund: 05 - Parks &amp; Recreation</b>					
<b>Revenue</b>					
05-1-11-419500	Delinquent Penalties	\$ 1,000	\$ 260	\$ 320	32.0%
05-1-11-430000	Recreation Program Fees	\$ 7,500	\$ -	\$ 2,631	35.1%
05-1-11-712000	Event Income	\$ -	\$ -	\$ 600	100.0%
05-1-15-430000	Fee for Basketball League Program	\$ -	\$ 60	\$ 5,215	100.0%
05-1-30-714008	Community Center Room Rental Income	\$ 6,500	\$ 250	\$ 395	6.1%
05-1-30-714009	Community Room - Church Rental	\$ -	\$ 400	\$ 2,400	100.0%
05-1-30-714300	Utility Reimbursement - Unit D Rent	\$ 1,800	\$ -	\$ 767	42.6%
05-1-40-730005	Sponsorship Revenue	\$ -	\$ -	\$ 500	100.0%
05-2-13-713200	Park Development Fees	\$ -	\$ 53	\$ 53	100.0%
05-2-20-713100	Franchise Fees	\$ 30,000	\$ 15,000	\$ 15,000	50.0%
05-2-21-700000	Property Taxes - Current	\$ 40,000	\$ 20,000	\$ 20,000	50.0%
05-2-24-740000	Grant Revenue	\$ -	\$ -	\$ 5,000	100.0%
05-2-30-714000	Rental Income	\$ 129,200	\$ 10,578	\$ 63,468	49.1%
05-2-30-714001	Administrative Center Lease Income	\$ 7,200	\$ 3,600	\$ 3,600	50.0%
05-2-30-714002	Recycle Center Lease Income	\$ 6,000	\$ 3,000	\$ 3,000	50.0%
05-2-30-714003	Water Shop Lease Income	\$ 9,600	\$ 4,800	\$ 4,800	50.0%
05-2-30-714005	Community Center Gymnastics Rental Income	\$ 12,000	\$ 1,000	\$ 6,000	50.0%
05-2-30-714500	Site Rent - Radio Tower	\$ 50,000	\$ 18,000	\$ 18,000	36.0%
05-2-40-714375	Miscellaneous Reimbursements	\$ -	\$ 16	\$ 16	100.0%
05-2-60-730000	Event Donations	\$ 7,000	\$ -	\$ -	0.0%
05-2-60-730002	Park Donations	\$ -	\$ -	\$ 100	100.0%
05-2-60-731001	Memorial Tree Donation	\$ -	\$ -	\$ 145	100.0%
05-2-71-712101	Recycling Revenue - Thrift Store	\$ 1,200	\$ -	\$ 2,402	200.2%
05-3-70-750000	Retail Sales - Thrift Store	\$ 265,000	\$ -	\$ 146,396	55.2%
<b>Revenue Total:</b>		<b>\$ 574,000</b>	<b>\$ 77,017</b>	<b>\$ 300,809</b>	<b>52.4%</b>
<b>Expense</b>					
05-2-30-500001	Salaries - Full Time	\$ 23,525	\$ 2,240	\$ 9,394	39.9%
05-2-30-500002	Salaries - Overtime	\$ 5,000	\$ 1,027	\$ 1,838	36.8%
05-2-30-500004	Wages - Part-Time	\$ 3,189	\$ -	\$ -	0.0%
05-2-30-510000	PERS Retirement	\$ 2,226	\$ 173	\$ 774	34.8%
05-2-30-510001	Employee Group Insurance	\$ 4,415	\$ 763	\$ 2,361	53.5%
05-2-30-510002	Workers Compensation	\$ 8,223	\$ -	\$ 7,235	88.0%
05-2-30-510003	Payroll Taxes - FICA/Medicare	\$ 400	\$ -	\$ -	0.0%
05-2-30-510004	Unemployment Expense	\$ 500	\$ -	\$ 87	17.4%
05-2-30-521500	Contractual Services	\$ 20,000	\$ 2,278	\$ 12,461	62.3%
05-2-30-523500	San Bernardino County Fees	\$ 7,500	\$ -	\$ 3,475	46.3%
05-2-30-524500	Education and Training	\$ 250	\$ 26	\$ 673	269.2%
05-2-30-526600	Public Relations	\$ 1,000	\$ 10	\$ 217	21.7%
05-2-30-526601	Advertising	\$ 500	\$ -	\$ -	0.0%
05-2-30-531000	Utilities - Electric	\$ 12,500	\$ 1,394	\$ 12,240	97.9%
05-2-30-531001	Utilities - Gas, Trash, Other	\$ 7,500	\$ 922	\$ 2,371	31.6%
05-2-30-531003	Utilities - Street Lighting Electric	\$ 18,000	\$ 1,341	\$ 8,034	44.6%
05-2-30-531008	Utilities - Unit D	\$ 1,800	\$ 63	\$ 886	49.2%
05-2-30-541000	Repairs and Maintenance	\$ 20,000	\$ 620	\$ 793	4.0%
05-2-30-541002	Repairs & Maintenance - Community Center	\$ 8,500	\$ 3,384	\$ 6,430	75.7%
05-2-30-542001	Landscape Maintenance	\$ -	\$ -	\$ 96	100.0%
05-2-30-545000	Vehicle Maintenance	\$ 3,000	\$ 221	\$ 636	21.2%
05-2-30-545001	Vehicle Fuel	\$ -	\$ 42	\$ 26	100.0%
05-2-30-553000	Operating Supplies	\$ 12,000	\$ 164	\$ 720	6.0%
05-2-30-553400	Program Expenses	\$ 8,500	\$ 529	\$ 2,762	32.5%

Account	Description	Budget	12/31/2016	Year to Date	Percent
<u>05-2-30-553600</u>	Uniforms	\$ 900	\$ -	\$ 462	51.4%
<u>05-2-30-553700</u>	Printing Costs	\$ -	\$ 76	\$ 247	100.0%
<u>05-2-30-554600</u>	Small Tools	\$ 500	\$ -	\$ 1,185	237.1%
<u>05-2-30-556500</u>	Dues & Subscriptions	\$ 750	\$ -	\$ -	0.0%
<u>05-2-30-595001</u>	Debt Service - Loan	\$ 92,722	\$ -	\$ 75,381	81.3%
<u>05-2-31-500005</u>	Wages - Part-Time - Thrift Store	\$ 96,750	\$ 6,508	\$ 52,746	54.5%
<u>05-2-31-510005</u>	Payroll Taxes - FICA/Medicare - Thrift Store	\$ -	\$ 228	\$ 1,540	100.0%
<u>05-2-31-526602</u>	Advertising - Thrift Store	\$ 2,750	\$ 150	\$ 300	10.9%
<u>05-2-31-531007</u>	Utilities - Thrift Store	\$ 11,000	\$ 696	\$ 7,767	70.6%
<u>05-2-31-541001</u>	Repairs & Maintenance - Thrift Store	\$ 4,000	\$ -	\$ 1,192	29.8%
<u>05-2-31-553001</u>	Operating Supplies - Thrift Store	\$ 5,000	\$ 587	\$ 5,702	114.0%
<u>05-2-31-556800</u>	Employee Benefit & Morale	\$ 4,500	\$ 1,392	\$ 2,169	48.2%
<u>05-2-32-500006</u>	Part-Time Wages - Open Gym	\$ -	\$ 150	\$ 747	100.0%
<u>05-2-33-550000</u>	Supplies -Basketball	\$ -	\$ 95	\$ 152	100.0%
<b>Expense Total:</b>		<b>\$ 387,400</b>	<b>\$ 25,076</b>	<b>\$ 223,098</b>	<b>57.6%</b>
<b>Fund: 05 - Parks &amp; Recreation Surplus (Deficit):</b>		<b>\$ 186,600</b>	<b>\$ 51,942</b>	<b>\$ 77,710</b>	<b>41.6%</b>

Account	Description	Budget	12/31/2016	Year to Date	Percent
<b>Fund: 06 - Solid Waste Disposal</b>					
<b>Revenue</b>					
<u>06-1-11-419500</u>	Delinquent Fees & Penalties	\$ 7,000	\$ 874	\$ 4,160	59.4%
<u>06-2-21-705000</u>	Special Assmts - Refuse Land Use Fee	\$ 230,048	\$ 85,567	\$ 123,255	53.6%
<u>06-2-21-705500</u>	Special Assmts - Pr Yr Refuse Land Use Fee	\$ 3,500	\$ 259	\$ 4,765	136.1%
<u>06-2-21-706000</u>	Penalties on Delinquent Taxes	\$ 1,500	\$ 47	\$ 2,043	136.2%
<b>Revenue Total:</b>		<b>\$ 242,048</b>	<b>\$ 86,748</b>	<b>\$ 134,223</b>	<b>55.5%</b>
<b>Expense</b>					
<u>06-2-24-500001</u>	Salaries - Full Time	\$ 57,892	\$ 4,786	\$ 23,702	40.9%
<u>06-2-24-500002</u>	Salaries - Overtime	\$ 500	\$ -	\$ -	0.0%
<u>06-2-24-510000</u>	PERS Retirement	\$ 6,756	\$ 578	\$ 3,193	47.3%
<u>06-2-24-510001</u>	Employee Group Insurance	\$ 5,462	\$ 1,705	\$ 4,369	80.0%
<u>06-2-24-510002</u>	Workers Compensation	\$ 3,047	\$ -	\$ 2,746	90.1%
<u>06-2-24-510003</u>	Payroll Taxes - FICA/Medicare	\$ 1,400	\$ 110	\$ 572	40.9%
<u>06-2-24-521500</u>	Contractual Services	\$ 2,000	\$ -	\$ 2,563	128.1%
<u>06-2-24-523500</u>	San Bernardino County Fees	\$ 112,000	\$ 11,741	\$ 56,125	50.1%
<u>06-2-24-523550</u>	Green Waste Disposal	\$ -	\$ -	\$ 6,567	100.0%
<u>06-2-24-524500</u>	Education and Training	\$ 2,000	\$ 26	\$ -	0.0%
<u>06-2-24-527500</u>	Rents and Leases	\$ 6,000	\$ 3,000	\$ 3,000	50.0%
<u>06-2-24-531001</u>	Utilities - Gas, Trash, Other	\$ 600	\$ -	\$ 156	26.0%
<u>06-2-24-545000</u>	Vehicle Maintenance	\$ 2,000	\$ -	\$ -	0.0%
<u>06-2-24-553000</u>	Operating Supplies	\$ 250	\$ -	\$ 83	33.0%
<u>06-2-24-553400</u>	Program Supplies	\$ 600	\$ -	\$ -	0.0%
<u>06-2-24-553600</u>	Uniforms	\$ 600	\$ -	\$ 316	52.7%
<u>06-2-24-554600</u>	Small Tools	\$ 250	\$ -	\$ 567	226.9%
<u>06-2-24-556500</u>	Dues & Subscriptions	\$ 500	\$ -	\$ -	0.0%
<u>06-2-24-590000</u>	Administrative Charges	\$ 27,000	\$ -	\$ 13,500	50.0%
<u>06-2-28-600000</u>	Depreciation	\$ 154	\$ -	\$ -	0.0%
<b>Expense Total:</b>		<b>\$ 229,011</b>	<b>\$ 21,945</b>	<b>\$ 117,458</b>	<b>51.3%</b>
<b>Fund: 06 - Solid Waste Disposal Surplus (Deficit):</b>		<b>\$ 13,037</b>	<b>\$ 64,803</b>	<b>\$ 16,765</b>	<b>128.6%</b>

Account	Description	Budget	12/31/2016	Year to Date	Percent
<b>Fund: 10 - Administration</b>					
<b>Revenue</b>					
<u>10-2-11-419100</u>	Processing Fees	\$ 7,000	\$ 200	\$ 4,740	67.7%
<u>10-2-11-419600</u>	Solid Waste Fund Admin Fee	\$ 27,000	\$ -	\$ 13,500	50.0%
<u>10-2-11-713500</u>	Solid Waste Billing Fees	\$ 60,600	\$ -	\$ 26,354	43.5%
<u>10-2-20-712000</u>	Other Income	\$ 200	\$ -	\$ 56	28.0%
<u>10-2-20-712100</u>	Recycling Revenue	\$ 1,500	\$ -	\$ -	0.0%
<u>10-2-20-713100</u>	Franchise Fees - Solid Waste	\$ 38,500	\$ (15,000)	\$ 21,818	56.7%
<u>10-2-20-714500</u>	Site Rent - Radio Tower	\$ 42,936	\$ (11,529)	\$ 18,605	43.3%
<u>10-2-21-700000</u>	Property Taxes - Current	\$ 61,000	\$ (20,000)	\$ 35,804	58.7%
<u>10-2-21-704000</u>	Property Taxes - Prior	\$ -	\$ -	\$ 3,196	100.0%
<u>10-2-21-706000</u>	Penalties on Delinquent Taxes	\$ -	\$ -	\$ 741	100.0%
<u>10-2-21-707000</u>	Property Taxes - Homeowner Exemption	\$ -	\$ -	\$ 164	100.0%
<u>10-2-50-710000</u>	Investment Income	\$ 16,500	\$ -	\$ 483	2.9%
<b>Revenue Total:</b>		<b>\$ 255,236</b>	<b>\$ (46,329)</b>	<b>\$ 125,461</b>	<b>49.2%</b>
<b>Expense</b>					
<u>10-2-25-500001</u>	Salaries - Full Time	\$ 345,141	\$ 26,468	\$ 166,419	48.2%
<u>10-2-25-500002</u>	Salaries - Overtime	\$ 1,000	\$ -	\$ 763	76.3%
<u>10-2-25-500004</u>	Wages - Part-Time	\$ 11,900	\$ 980	\$ 5,628	47.3%
<u>10-2-25-510000</u>	PERS Retirement	\$ 58,522	\$ 4,627	\$ 29,908	51.1%
<u>10-2-25-510001</u>	Employee Group Insurance	\$ 39,804	\$ 3,550	\$ 17,363	43.6%
<u>10-2-25-510002</u>	Workers Compensation	\$ 3,500	\$ -	\$ 3,118	89.1%
<u>10-2-25-510003</u>	Payroll Taxes - FICA/Medicare	\$ 6,550	\$ 631	\$ 4,214	64.3%
<u>10-2-25-521500</u>	Contractual Services	\$ 50,250	\$ 3,508	\$ 26,779	53.3%
<u>10-2-25-521600</u>	Software Support	\$ 35,000	\$ 2,254	\$ 25,487	72.8%
<u>10-2-25-522000</u>	Legal Services	\$ 60,000	\$ 5,044	\$ 30,119	50.2%
<u>10-2-25-522001</u>	Auditing & Accounting Services	\$ 43,000	\$ 8,623	\$ 18,226	42.4%
<u>10-2-25-522500</u>	Directors' Fees	\$ 26,000	\$ 2,400	\$ 15,300	58.8%
<u>10-2-25-522505</u>	Directors' Training & Seminars	\$ -	\$ -	\$ 1,471	100.0%
<u>10-2-25-523500</u>	San Bernardino County Fees	\$ 4,000	\$ 156	\$ 1,736	43.4%
<u>10-2-25-524300</u>	Employment Expense	\$ 1,500	\$ -	\$ 723	48.2%
<u>10-2-25-524500</u>	Education and Training	\$ 2,000	\$ 16	\$ 1,654	82.7%
<u>10-2-25-525000</u>	Insurance	\$ 31,298	\$ -	\$ 31,297	100.0%
<u>10-2-25-525001</u>	Vehicle Insurance	\$ 14,985	\$ -	\$ 16,159	107.8%
<u>10-2-25-526600</u>	Public Relations	\$ 5,000	\$ 42	\$ 96	1.9%
<u>10-2-25-526601</u>	Advertising	\$ 2,500	\$ -	\$ 1,900	76.0%
<u>10-2-25-526650</u>	Community Promotion	\$ 6,000	\$ -	\$ 2,096	34.9%
<u>10-2-25-527500</u>	Rents and Leases	\$ 9,300	\$ 3,600	\$ 4,650	50.0%
<u>10-2-25-529900</u>	Bank Charges	\$ 19,000	\$ -	\$ 3,954	20.8%
<u>10-2-25-531000</u>	Utilities - Electric	\$ 6,000	\$ -	\$ 894	14.9%
<u>10-2-25-531001</u>	Utilities - Gas, Trash, Other	\$ -	\$ -	\$ 26	100.0%
<u>10-2-25-532500</u>	Telephone	\$ 12,000	\$ 1,003	\$ 6,673	55.6%
<u>10-2-25-541500</u>	General Maintenance	\$ 4,000	\$ -	\$ 28	0.7%
<u>10-2-25-545000</u>	Vehicle Maintenance	\$ 2,500	\$ -	\$ 595	23.8%
<u>10-2-25-545001</u>	Vehicle Fuel	\$ -	\$ -	\$ 15	100.0%
<u>10-2-25-552700</u>	Mileage and Travel Reimbursement	\$ 3,500	\$ 347	\$ 2,603	74.4%
<u>10-2-25-553200</u>	Postage	\$ 17,500	\$ 874	\$ 7,504	42.9%
<u>10-2-25-553500</u>	Office Supplies	\$ 8,000	\$ 67	\$ 1,822	22.8%
<u>10-2-25-553600</u>	Uniforms	\$ 500	\$ -	\$ -	0.0%
<u>10-2-25-553700</u>	Printing Costs	\$ 6,000	\$ 886	\$ 5,472	91.2%
<u>10-2-25-554000</u>	Meetings and Seminars	\$ 6,000	\$ 32	\$ 2,370	39.5%
<u>10-2-25-554100</u>	Board Meeting Supplies	\$ 1,200	\$ 95	\$ 1,010	84.1%

Account	Description	Budget	12/31/2016	Year to Date	Percent
<u>10-2-25-554500</u>	Equipment Maintenance & Supplies	\$ 6,000	\$ -	\$ 120	2.0%
<u>10-2-25-554600</u>	Small Tools	\$ 400	\$ -	\$ 567	141.8%
<u>10-2-25-556500</u>	Dues & Subscriptions	\$ 11,000	\$ -	\$ 3,650	33.2%
<u>10-2-25-556800</u>	Employee Benefit & Morale	\$ 6,500	\$ 3,656	\$ 3,064	47.1%
<u>10-2-28-600000</u>	Depreciation	\$ 10,457	\$ -	\$ -	0.0%
<b>Expense Total:</b>		<b>\$ 877,807</b>	<b>\$ 68,855</b>	<b>\$ 445,474</b>	<b>50.7%</b>
<b>Fund: 10 - Administration Surplus (Deficit):</b>		<b>\$ (622,571)</b>	<b>\$ (115,185)</b>	<b>\$ (320,013)</b>	<b>51.4%</b>
	<b>Admin Allocation - Water 45%</b>			<b>\$ (144,006)</b>	
	<b>Admin Allocation - WWTP 55%</b>			<b>\$ (176,007)</b>	



## Helendale Community Services District

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Date: January 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Item #7  
Discussion and Possible Action Regarding Acceptance of the 2016-17 Annual Audit by Rogers, Anderson, Malody and Scott, CPA's

---

### **STAFF RECOMMENDATION:**

Staff recommends acceptance of the FY16/17 Audit

### **STAFF REPORT:**

The District auditors have completed the annual audit for the fiscal year ending June 30, 2016. Mr. Brad Welebir, CPA, will present an overview of the audit at the Board meeting. The auditors have presented an unqualified audit. This means that the District has followed accounting guidelines and principles to account for the use and receipt of District funds. The draft final audit is included with this staff report.

During the course of the audit District staff provided access to all information that was relevant to the audit and the financial statements. The auditors met with various District senior staff, consultants and critical staff that prepare financial documents, payments, investments, payroll and other related operations. The responses to the different questionnaires and discussions help to determine the financial condition and compliance with District policies and procedures and State and Federal accounting guidelines and pronouncements.

From time to time the audit landscape changes by requirements for additional information required by the Governmental Accounting Standards Board (GASB). Due to accounting standards requirements the audit now addresses the pension liability of the District and is indicated in the audited financial statement tables.

One helpful part of the audit is the Management Discussion and Analysis (MD&A). The discussion is prepared by staff and explains the actions of the District during the course of the fiscal year in fairly non-technical terms. The MD&A provides information by the individual funds of the District, explaining the activities and account balances as of the end of the fiscal year. For instance, the Water Fund discussion reviews the various water conservation programs of the District, the lease and sale of water rights, construction of wells, the rate increase for the fiscal year and other topics.

The auditors will meet with the President and Secretary of the Board to review the audit in greater detail prior to the Board meeting.

### **Motion:**

A motion to accept the annual audit for Fiscal Year 2015-16.



## Helendale Community Services District

---

Date: February 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Item #8

Discussion Only Regarding Circulation of the Environmental Documentation Related to the Application of Secondary Water to the Wastewater Facility and Property Adjacent to Helendale Community Park

---

### **STAFF RECOMMENDATION:**

Staff seeks input from the Board regarding this item.

### **STAFF REPORT:**

As the Board is aware the District Staff and our consultants, Larry Walker Associates have been engaged with the Lahontan Regional Water Quality Control Board for nearly two years regarding the update of the District's Report of Waste Discharge (ROWD) which provides detailed information on the characteristics of the effluent, areas of application and other factors. From the information contained in the ROWD, the RWQCB staff reviewed the information including the effluent quality and quality of the receiving water (groundwater) and wrote the draft Waste Discharge Requirements (WDR).

Prior to the Waste Discharge Requirements (Permit) being considered by the Regional Board, the District is required to complete an environmental consideration for the current and expanded irrigation area. Attached for your review is an excerpt from the ROWD originally from the Farm Management Plan completed by the District in 2010 in anticipation of expanding the wastewater irrigation area. A copy of the environmental document will be provided to the Board prior to the meeting.

Staff wanted to provide an opportunity for the Board to review the information prior to circulation. Information will be provided to the State Environmental Clearing House and the Clerk of the Board of Supervisors and other interested stakeholders for a 30-day period. After the review period, the Board will be asked to make a determination based upon comments received.

The document is in draft form and minor changes may be made prior to circulation.

### **Fiscal Impact:**

Minor cost for circulation



Hel

Pond 2

Pond 1

Existing Use Area 1  
(Sod Farm)  
47 acres

Helendale Rd

Wild Rd

Proposed New Use Area





# Helendale Community Services District

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**Date:** February 16, 2017  
**TO:** Board of Directors  
**FROM:** Kimberly Cox, General Manager  
**BY:** Cheryl Vermette, Program Coordinator  
**SUBJECT:** Agenda Item #9  
Discussion and Possible Action Regarding Approval to Apply For Bureau Of Reclamation Agricultural Water Conservation And Efficiency Grant For Wastewater Treatment Plant

---

Approval of the resolution does not obligate the District to accept the grant.

This grant opportunity is through the Bureau of Reclamation. The maximum award amount is for \$1,000,000, there is no minimum. It is estimated that 6-12 grants will be awarded.

This project must be completed before December 31, 2019.

The purpose of this project is to optimize the effluent water used for on-farm irrigation by extending our farmed area to include 35 acres at the District owned property at 15425 Wild Rd.

The purpose of this project is to create a "New Use Area" for the secondary effluent. The intent of the proposed new use area is to apply effluent at the crop agronomic rate and minimize the amount of effluent that goes to recharge or lost to evaporation.

The proposed new use area will be planted with alfalfa and irrigated using the District's hand lines.

**Fiscal Impact:** Information to be presented at Board Meeting.



**RESOLUTION NO. 2017 – 03**

**A RESOLUTION OF THE HELENDALE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS, IN SUPPORT OF FILING AN APPLICATION WITH THE BUREAU OF RECLAMATION FOR AN AGRICULTURAL WATER CONSERVATION AND EFFICIENCY GRANT FOR WASTEWATER TREATMENT PLANT**

**WHEREAS**, the United States Bureau of Reclamation is currently soliciting proposals for grant funding assistance under their Water Conservation Field Services Program; and

**WHEREAS**, District Staff has prepared a grant application under the United States Bureau of Reclamation's *Agricultural Water Conservation Efficiency Grant* program.

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

1. The District's Board of Directors has reviewed and supports the submission of a grant application to the Bureau of Reclamation for the project;
2. The District's General Manager is directed to submit the grant application and is authorized to enter into an agreement with the Bureau of Reclamation on behalf of the District for grant funding under the Bureau of Reclamation's *Agricultural Water Conservation Efficiency Grant*;
3. The District is capable of providing the amount of funding and in-kind contributions as specified in the application; and
4. The District will work with the Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement.

**ADOPTED** this 16<sup>th</sup> day of February, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Ron Clark, President

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Sandy Haas, Secretary



## Helendale Community Services District

---

Date: February 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Item #10  
Discussion and Possible Action Regarding Purchase of a Turbine Pump Assembly for Well 1A from the Lowest Responsive Bidder

---

### **STAFF RECOMMENDATION:**

Approve purchase.

### **STAFF REPORT:**

Well 1A was constructed in July 2010, as the first new replacement well in the District. It has been in production continually since that time. Over the past several months maintenance staff has noticed a significant decrease in production which would indicate that the pump is reaching its useful life. Typically a submersible pump will last between three to five years. The pump was last replaced in April 2013 and we are now at four and a half years of use on that pump.

Staff has sent out a request to quotes in accordance with the District's purchasing policy and anticipates having this information by Thursday early afternoon and will request an award from the Board at that time. We anticipate bids from Best Drilling and Pump; Layne Christensen; and Bakersfield Well and Pump. The anticipated cost range for a turbine pump is \$55,000 to \$65,000.

This is an essential facility to meet District's summer pumping demands. Currently Well 4A is meeting the demands until a new pump can be purchased for Well 1A.

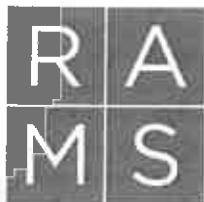
Currently a submersible is installed at Well 1A and Staff is recommending that we switch to a turbine pump due to greater electrical efficiencies as realized at Well 4A. This will require an enclosure as outlined in the Capital Improvement Plan (CIP) due to the proximity of the neighboring houses. The turbine pump is estimated to be 4% more efficient than a submersible pump which would equate to an annual cost savings of approximately \$9000-\$10,000 per year based upon Edison's more recent pump efficiency test.

Staff requests that the Board award a contract to the lowest responsive bidder.



**Financial Statements  
with Independent Auditor's Report**

**June 30, 2016**



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

**Helendale Community Services District**

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**June 30, 2016**

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### Independent Auditor's Report

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To the Board of Directors  
Helendale Community Services District  
Helendale, California

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Helendale Community Services District (District) as of and for the year ended June 30, 2016, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**PARTNERS**  
Brenda J. Doolittle, CPA  
Tara F. Shea, CPA  
Kirk A. Franks, CPA  
Scott W. Manno, CPA, CGMA  
Keena Shambhag, CPA, MSJ, CGMA  
Bradford A. Wlebleir, CPA, MBA, CCMa  
Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Walter, CPA (Partner Emeritus)

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Jenny Lee, CPA, MSJ  
Seong-Hyea Lee, CPA, MBA  
Charles De Simoni, CPA  
Natalie Sullivan, CPA, MBA  
Gardenya Duran, CPA  
Brianna Schultz, CPA  
Lisa Dolanize-Grip, CPA, MSJ

**MEMBERS**  
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Cynthia A. Babin, CPA, Assistant  
Nancy L. Babin, CPA, Assistant  
Lynn M. Babin, CPA, Assistant  
Wendy L. Babin, CPA, Assistant  
Christina S. Babin, CPA, Assistant  
Cynthia A. Babin, CPA, Assistant

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2016, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's office and state regulations governing special districts.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date, and the Schedule of Plan Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Rogers, Anderson, Malody & Scott, LLP**

San Bernardino, California  
February 13, 2017





# Helendale Community Services District

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Helendale Community Services District (District) financial report presents a narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. The District provides water and wastewater utility services and street lighting within the Silver Lakes community, and solid waste management, graffiti removal, and parks and recreation services District-wide. Please read this discussion and analysis in conjunction with the accompanying District's financial statements and notes to the financial statements.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. This overview provides data for the financial activities during the fiscal year ended June 30, 2016. The District assumed full responsibility and authority for CSA Zones 70 B & C on April 1, 2007, and without further San Bernardino County Special Districts oversight or involvement. The District uses enterprise accounting methods similar to those used by private industry. The financial statements offer information about the District's activities for the fiscal year ended June 30, 2016. The District's fiscal year starts July 1 of each year and ends on June 30 of the following year, encompassing a twelve-month period of operation.

Fiscal year 2015-16 displays financial data for the individual enterprise funds, and each fund is shown as a standalone operation. The Park and Recreation Fund includes Street Lighting and Graffiti Removal to eliminate the need for separate operating funds. The administrative costs which are accounted for separately are allocated among the individual enterprise funds at the end of the fiscal year.

The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and provides information about the nature of the components and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure, liquidity and overall financial integrity of the District.

The *Statement of Revenues, Expenses and Changes in Net Position* measures the success of operations for the fiscal year. It can be used to determine profitability, credit worthiness and whether all costs were successfully recovered through service charges, user fees, other revenue, and taxes.

The *Statement of Cash Flows* provides information about cash receipts and cash payments. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities. It accounts for the changes in cash and cash equivalents from July 1, 2015, through June 30, 2016 and displays cash received, cash spent, and the net change in the amount of cash and cash equivalents. The beginning balances on July 1, 2015 reflect the ending balances from the fiscal year ended June 30, 2014.

## HIGHLIGHTS

### Water Fund

Current assets consist of cash, receivables and prepaid expenses. The District has made significant investments in water rights to serve current and future needs of the community. Permanent water rights are an asset to the District and increase the amount of free production allowance (FPA) allowed. Leased water rights create a carryover situation where the leased water is consumed first, then the FPA. In essence, a rollover effect is created with unused FPA carrying over to the next fiscal year and consumed first, and so on each subsequent fiscal year. In 2014-15 the District pumped 1,523 acre feet; the 2015-16 pumping was 1,396.4 acre feet, which is 127 acre feet less than the previous year. Pumping decreases can be attributed to the State mandated water conservation requirement, the District water saving programs, such as Cash for Grass, and the District's capital improvement program. Cumulative annual savings at the current 2015-16 Mojave Watermaster replacement water rate of \$531 an acre foot for 2015-16 water year are \$502,326. In addition, the reduced pumping has resulted in electricity savings. The savings is not only monetary; the District has also protected a precious resource.

The District currently has 3,696 acre feet in Base Annual Production. For an explanation of BAP, the Mojave basin adjudication and water rights administered by the Mojave Agency Watermaster can be downloaded from the Mojave Agency Watermaster 2014-15 Twenty-Second Annual Report at <http://www.mojavewater.org/downloads.html>. During 2015-16 the District leased 1,529 acre feet in carryover water rights to The Silver Lakes Association, the City of Victorville and City of Hesperia. The total revenue generated from these temporary leases is \$613,209. The District also bought 62 acre feet from Aqua Capital to apply toward the District's make-up water obligation to an adjacent sub-basin.

- Current assets for the water fund are \$327,678 and consist of cash, accounts receivable and prepaid expenses.
- Noncurrent capital assets as of June 30, 2016, net of accumulated depreciation and amortization, are \$11,289,541. Noncurrent capital assets consist of water wells, water rights, property, equipment and vehicles, asset purchases and infrastructure improvements made during the fiscal year.
- Included with assets is Deferred Outflows of Resources of \$207,607 that are pension related and are accounted for at a future time, but not in the fiscal year for which this audit is concerned. According to the Governmental Accounting Standards Board (GASB), recognition of these revenues and expenses is deferred until the future period to which the inflows and outflows are related.
- Current liabilities include accounts payable, compensated absences, and customer deposits, and the current portion of notes payable. The total for this category is \$534,423.
- Noncurrent liabilities include notes payable of \$4,652,160. This represents the Water Fund's share of the \$2.8 million borrowed from Municipal Finance Corporation for the purchase or lease of water rights and the construction of Well 1A and \$500,000 borrowed to construct Well 4A and the \$4,000,000 loan for the purchase of water rights. Well 1A went into service in July 2010 and Well 4A went into service in September 2011. This category also includes the outstanding pension liability of \$110,147 as determined by the California Public Employees Retirement System (CalPERS) actuarial report for 2015-16.

## **Helendale Community Services District**

### **Management's Discussion and Analysis June 30, 2016**

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- Total Water Fund net position is \$6,577,678. The term net position is similar to the term retained earnings used in nongovernmental financial reporting. The total of net position plus total liabilities and deferred inflows of resources equals the combined sum of total assets and deferred outflow of resources, or \$11,824,826.
- Water Fund activities resulted in an operating income of \$652,045 that includes full depreciation of Water Fund assets. The District does not fully fund depreciation in its annual budget. Non-operating revenues of \$80,341 are from connection fees, property taxes, franchise fees, investment income, gain on sale of capital assets and other income, less interest expense of \$205,168.
- Administrative costs and revenue are accounted for separately during the fiscal year and then allocated to the enterprise funds at year-end. Revenue associated with administration includes franchise fees, property taxes and other miscellaneous income. Expenditures include administrative salaries and benefits as well as administrative operating expenses. Fifty percent of administration is allocated to the water fund.

#### **Wastewater Fund**

- Current assets for the wastewater fund are \$4,646,214 and consist of cash, investments, receivables and due from other funds. The park fund borrowed funds for improvements at Helendale Community Park and its rental units at the facility.
- Noncurrent capital assets at June 30, 2016, net of accumulated depreciation and amortization, are \$2,273,396. Noncurrent assets are the wastewater plant, property and equipment, improvements from previous fiscal years, and improvements made during the fiscal year
- Included with assets is Deferred Outflows of Resources of \$170,607 that are pension related and are accounted for at a future time, but not in the fiscal year for which this audit is concerned. According to the Governmental Accounting Standards Board (GASB), recognition of these revenues and expenses is deferred until the future period to which the inflows and outflows are related.
- Current liabilities are \$136,220 and consist of accounts payable, accrued payroll, compensated absences and the current portion of notes payable.
- Noncurrent liabilities include notes payable of \$568,353. This represents the Wastewater Fund's share of the \$2.8 million borrowed from Municipal Finance Corporation to reimburse the District for construction of new treatment plant headworks, clarifier recoating, construction of new sludge drying beds, and other plant improvements. This category also includes the outstanding pension liability of \$90,518 as determined by the California Public Employees Retirement System (CalPERS) actuarial report for 2015-16.
- Total Wastewater Fund net position is \$6,335,873. The term net position is similar to the term retained earnings used in nongovernmental financial reporting. The total of net position plus total liabilities and deferred inflows of resources equals the sum of assets and deferred outflows of resources, or \$7,090,217.

## **Helendale Community Services District**

### **Management's Discussion and Analysis June 30, 2016**

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- Wastewater Fund activities resulted in operating income of \$28,863. Non-operating revenues were \$69,695, less \$17,569 in interest expense, resulting in a change in net position of \$80,989. Revenue consists of monthly sewer fees of \$36.64 per equivalent dwelling unit (EDU). Sewer connection and inspection revenue resulted from the construction of a Family Dollar store in the market center in Silver Lakes. The District does not fully fund depreciation in its annual budget. Nonoperating income is from property taxes, special assessments, franchise fees, investment income and other income, less interest expense.
- Administrative costs and revenue are accounted for separately during the fiscal year and then allocated to the enterprise funds at year-end. Revenue associated with administration includes franchise fees, property taxes and other miscellaneous income. Expenditures include administrative salaries and benefits as well as administrative operating expenses. Fifty percent of administration is allocated to the wastewater fund.

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

- The park and recreation fund accounts for park operations and the Helendale Thrift Store, and also includes street lighting and graffiti removal costs. Electrical expense for street lighting is accounted for separately within the fund, and the fund has allocated an increased share of general property taxes equal to the amount of that specific electrical expense.
- Current assets for the park and recreation fund are \$8,223 and consist of prepaid expenses.
- Net capital assets for the parks and recreation fund as of June 30, 2016 are \$2,800,590. It consists of the park property and structures, the community center, thrift store and administrative offices, and vehicles and equipment.
- Included with assets is Deferred Outflows of Resources of \$8,222 that are pension related and are accounted for at a future time, but not in the fiscal year for which this audit is concerned. According to the Governmental Accounting Standards Board (GASB), recognition of these revenues and expenses is deferred until the future period to which the inflows and outflows are related.
- Current liabilities are \$1,212,527 and consist of accounts payable, accrued payroll, compensated absences, a loan from the Sewer Fund for park improvements, general administrative offices, and the current portion of notes payable.
- Noncurrent liabilities include notes payable of \$1,426,070. This represents the park fund's share of the \$2.8 million borrowed from the Municipal Finance Corporation to purchase the Silver Lakes Farm property on which is the Helendale Community Park, and for the \$500,000 borrowed to purchase and upgrade the Community Center. This category also includes the outstanding pension liability of \$2,399 as determined by the California Public Employees Retirement System (CalPERS) actuarial report for 2015-16.
- Total parks and recreation fund net position is \$176,039. The term net position is similar to the term retained earnings used in nongovernmental financial reporting. The total of net position plus total liabilities and deferred inflows of resources equals the total sum of assets and deferred outflows of resources, or \$2,817,035.

## ***Helendale Community Services District***

### **Management's Discussion and Analysis June 30, 2016**

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- Revenue for the parks and recreation fund includes rental income from ten units on the park property, rental from the water department for their shop, rental from Community Center uses. Rental income, charges for services, and other services totaled \$229,501. Charges for services represent the fees collected from yoga, step and other exercise classes as well as special interest classes held in the Community Center several times a week. This fiscal year the Repurposing Center/Thrift Store generated \$269,408 in gross revenue of which the net proceeds will go to park and Community Center improvements and programs per Board of Directors action. Net operating loss for 2015-16 is \$60,353.
- Non-operating income was \$68,863 and consists of property taxes, franchise fees and other income less interest expense of \$70,984 from the park loan and loan to purchase the community center.
- The operating expenses include the maintenance and repair of park rental units, and for park property cleanup. The utility costs include street lighting electricity, electricity for rental units and irrigation wells, trash collection and gas provided for park owned facilities. Operating expenses, including depreciation on park assets, totaled \$559,262.
- Non-operating expenses are primarily interest expense of \$70,984 consisting of the interest payment on the 20-year loan received from the Municipal Finance Corporation in December 2008 for the purchase of the Helendale Community Park, and for \$500,000 borrowed in September 2011 to purchase and upgrade the Community Center and administrative offices. The 2008 loan was refinanced in December 2014 which reduced the semi-annual interest payment (See note in Notes Payable Section).
- The combination of operating loss and non-operating income, transfers in and grants resulted in a net loss for the park and recreation fund of \$27,205 for the fiscal year.
- During the year major improvements occurred at the park including the installation of playground equipment, conversion of a portion of the park field to accommodate local school football games, improvements to the dog park area, and the planning and infrastructure for park picnic structures.

#### **Solid Waste Fund**

- The District collects a special assessment of \$85.14 per single family resident to offset the tipping fees paid for by the trash collection company. In addition, the District issues dump passes to those residents wanting to haul their own trash or to dump large volumes of trash not collectible in the residential-size containers. Current assets of \$403,763 consist of cash, accounts receivable and assessments receivable. Non-current assets consist of equipment, particularly trailers for the pickup and hauling of large bulky items totaling \$5,345, less \$3,697 depreciation, results in net capital assets of \$1,648.
- Included with assets is Deferred Outflows of Resources of \$24,666 that are pension related and are accounted for at a future time, but not in the fiscal year for which this audit is concerned. According to the Governmental Accounting Standards Board (GASB), recognition of these revenues and expenses is deferred until the future period to which the inflows and outflows are related.

## **Helendale Community Services District**

### **Management's Discussion and Analysis June 30, 2016**

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- Current liabilities of \$45,570 include accounts payable (due to the trash hauler for tipping fees) and accrued payroll. Included with liabilities is Deferred Inflows of Resources of \$7,196 which is pension related.
- Total Solid Waste Fund net position is \$363,883. The term net position is similar to the term retained earnings used in nongovernmental financial reporting. The total of net position plus total liabilities and deferred inflows of resources equals the sum of assets and deferred outflows of resources. The total of net position plus total liabilities equals total assets, or \$430,077.
- Administrative costs and revenue are accounted for separately during the fiscal year and then a pro-rata share is charged to the solid waste fund at year-end. Revenue associated with administration includes franchise fees, property taxes and some other income. Expenditures include administrative salaries and benefits as well as administrative operating expenses. Twenty-five thousand dollars is charged to the solid waste fund for administrative support.
- Operating Income includes charges for services of \$530,558. This amount represents the billing that the District does on behalf of the solid waste hauler. The refuse collection charges are included in the District's monthly utility service bill. Other services includes delinquent charges on late accounts.
- Special assessments of \$85.14 per single family residence for solid waste fees represents all of the non-operating revenues of \$235,199, no other property taxes were collected during the year.
- Expenses include salaries and benefits, contractual services and professional fees totaling \$633,139. Contractual services of \$567,054 include the cost of residential trash disposal tipping fees paid by the hauler and reimbursed by the District to the hauler. Two staff persons are assigned to this fund full-time.
- Operations resulted in a change in net position of \$115,436.

#### **FINANCIAL ANALYSIS OF HELENDALE COMMUNITY SERVICES DISTRICT**

One of the most important questions to ask when assessing the financial condition of the District is whether the District is better off or worse off as a result of its activities. The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* provide information about the District's activities to help answer this question. These two statements report the net position of the District. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, other local, regional, national and global non-financial factors must also be considered.

**Helendale Community Services District**

**Management's Discussion and Analysis  
June 30, 2016**

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**NET POSITION**

A summary of the District's *Statement of Net Position* is presented in Table A-1.

**Table A-1  
Condensed Statements of Net Position  
June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>	<u>Change</u>
<b>Assets</b>			
Current Assets	\$ 5,385,878	\$ 5,178,028	\$ 207,850
Net Capital Assets	<u>16,365,175</u>	<u>16,509,779</u>	<u>(144,604)</u>
Total Assets	<u>21,751,053</u>	<u>21,687,807</u>	<u>63,246</u>
<b>Deferred Outflows</b>	<u>411,102</u>	<u>235,321</u>	<u>175,781</u>
<b>Liabilities</b>			
Current Liabilities	1,928,740	2,171,478	(242,738)
Long-Term Liabilities	<u>6,660,011</u>	<u>6,926,744</u>	<u>(266,733)</u>
Total Liabilities	<u>8,588,751</u>	<u>9,098,222</u>	<u>(509,471)</u>
<b>Deferred Inflows</b>	<u>119,931</u>	<u>67,871</u>	<u>52,060</u>
<b>Net Position</b>			
Net investment in capital assets	9,644,162	9,494,745	149,417
Unrestricted	<u>3,809,311</u>	<u>3,262,290</u>	<u>547,021</u>
Total Net Position	<u>\$ 13,453,473</u>	<u>\$ 12,757,035</u>	<u>\$ 696,438</u>

Table A-1 shows the net position as a result of operations for the fiscal years ended June 30, 2016 and 2015. Net position is inclusive of actual fixed plant, equipment, reservoirs, distribution systems, collection systems, and park property within the District and the amount of unrestricted reserves.

**REVENUES, EXPENSES AND CHANGES IN NET POSITION**

While the statement of net position shows the financial position of the District at the end of the year, the statement of revenues, expenses and changes in net position provides an explanation as to the nature and source of the changes in net position during the year.

As shown in Table A-2, combined District operations (water, sewer, parks and recreation, and solid waste) resulted in a net operating income of \$530,792. Total non-operating revenues and expenses from investment income, connection fees, property taxes, assessments, franchise fees, other income, and interest expenses totaled \$160,377. The result of operations and non-operating revenues for the year ended June 30, 2016, increased combined net position by \$691,169. Table A-2 shows the change in net position for the fiscal years ended June 30, 2016 and 2015.

**Helendale Community Services District**

**Management's Discussion and Analysis  
June 30, 2016**

**Table A-2  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>	<u>Change</u>
<b>Operating Revenues</b>			
Water sales	\$ 1,409,567	\$ 1,495,255	\$ (85,688)
Wastewater charges	1,278,369	1,277,959	410
Sale of Leased Water Rights	613,209	331,694	281,515
Rental income	250,260	237,739	12,521
Charges for service	556,485	26,038	530,447
Thrift store sales	269,408	287,941	(18,533)
Other services	101,584	149,463	(47,879)
Total Operating Revenue	<u>4,478,882</u>	<u>3,806,089</u>	<u>672,793</u>
<b>Operating Expenses</b>			
Source of supply	49,436	31,171	18,265
Pumping and collection	182,103	184,019	(1,916)
Treatment	16,157	11,942	4,215
Customer accounts	175,820	195,434	(19,614)
Administrative and general	2,712,212	2,123,052	589,160
Depreciation and amortization	812,362	805,229	7,133
Total Operating Expenses	<u>3,948,090</u>	<u>3,350,847</u>	<u>597,243</u>
Operating Income (Loss)	<u>530,792</u>	<u>455,242</u>	<u>75,550</u>
<b>Nonoperating Revenues (Expenses)</b>			
Taxes and assessments	384,935	363,682	21,253
Other revenue	60,968	257,690	(196,722)
Interest & other expense	(293,721)	(310,848)	17,127
Gain (loss) on sale of capital assets	8,195	(92,277)	100,472
Total Nonoperating Revenues (Expenses)	<u>160,377</u>	<u>218,247</u>	<u>(57,870)</u>
<b>Contributions</b>			
Grants	5,269	-	5,269
Change in Net Position	<u>\$ 696,438</u>	<u>\$ 673,489</u>	<u>\$ 17,680</u>



**Helendale Community Services District**

**Management's Discussion and Analysis  
June 30, 2016**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

At June 30, 2016, the District had \$28,791,757 invested in infrastructure including land, land improvements, water rights, plant and buildings, office equipment, trucks and autos, and construction in progress as shown in Table A-3 below. Accumulated depreciation on these assets totaled \$12,426,582 resulting in a net capital asset investment of \$16,365,175.

**Table A-3  
Condensed Schedule of Capital Assets  
June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>	<u>Change</u>
<b>Capital Assets</b>			
Land	\$ 953,446	\$ 919,532	\$ 33,914
Structures and improvements	20,083,456	19,669,736	413,720
Equipment	760,656	638,431	122,225
Vehicles	471,632	440,242	31,390
Water rights and other intangibles	6,231,393	6,231,393	-
Construction in progress	291,174	245,839	45,335
Total Capital Assets	<u>28,791,757</u>	<u>28,145,173</u>	<u>646,584</u>
Accumulated depreciation	<u>(12,426,582)</u>	<u>(11,635,394)</u>	<u>(791,188)</u>
Net Capital Assets	<u>\$ 16,365,175</u>	<u>\$ 16,509,779</u>	<u>\$ (144,604)</u>

**DEBT**

**Notes Payable**

On December 23, 2008, the District entered into an Installment Sale Agreement to provide financing for the acquisition of Silver Lakes Farm, for the purchase of water rights, development of a replacement water well, and for improvements to the wastewater treatment facility. The District refinanced the loan in December 2014 to 4.1% for the balance of the 15 years remaining. The refinance saves the District \$204,407 over the remaining life of the loan. The semi-annual installments are paid in June and December of each year.

On June 1, 2011, the District entered into an Installment Sale Agreement to provide financing for the development of a replacement for water well 4A, and for the construction or purchase of a District Community Center. The amount of the agreement was \$1,000,000 maturing in 20 years at 5.25% payable in semi-annual installments in March and September of each year.

In August 2014, the District acquired 814 acre feet of permanent water rights with a \$4,000,000 loan from Citizens Business Bank at 4.25% for 20 years. The annual debt payment is \$289,895 paid in semi-annual installments in February and August.

**Helendale Community Services District**

**Management's Discussion and Analysis  
June 30, 2016**

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**LIABILITIES**

Current liabilities, or amounts owed in the short term, are shown in Table A-4.

**Table A-4  
Condensed Schedule of Current Liabilities  
June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>	<u>Change</u>
<b>Current Liabilities</b>			
Accounts payable	\$ 211,177	\$ 106,517	\$ 104,660
Accrued payroll	30,930	61,360	(30,430)
Compensated absences payable	45,000	59,431	(14,431)
Accrued expenses	1,751	1,628	123
Accrued interest payable	74,248	76,842	(2,594)
Customer deposits	196,369	143,634	52,735
Unearned revenue	-	11,941	(11,941)
Due to other funds	1,062,707	1,400,891	(338,184)
Current portion of notes payable	306,558	294,021	12,537
Matured bonds and accrued interest	-	15,213	(15,213)
	<u>\$ 1,928,740</u>	<u>\$ 2,171,478</u>	<u>\$ (242,738)</u>
Total Current Liabilities	<u>\$ 1,928,740</u>	<u>\$ 2,171,478</u>	<u>\$ (242,738)</u>

**NET POSITION**

Net position is comprised of \$9,644,162 net investment in capital assets, and \$3,809,311 in unrestricted net position. Total net position as of June 30, 2016 was \$13,453,473, which is an increase of \$696,438 from the prior year total net position of \$12,757,035.

**CONTACTING THE DISTRICT**

This financial report is designed to provide the residents and others within the Helendale Community Services District's boundary and its customers with a general overview of the District's finances and to show the District's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, contact Kimberly Cox, General Manager at:

Helendale Community Services District  
26540 Vista Road, Suite B  
P.O. Box 359  
Helendale, CA 92342

(760) 951-0006  
[kcox@helendalecsd.org](mailto:kcox@helendalecsd.org)

**Helendale Community Services District**

**Statement of Net Position  
June 30, 2016**

	Water	Wastewater	Parks and Recreation	Solid Waste	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 18,400	\$ 1,729,131	\$ -	\$ 388,557	\$ 2,136,088
Investment pools	-	1,677,208	-	-	1,677,208
Accounts receivable	171,027	141,086	-	8,152	320,265
Taxes and assessments receivable	10,575	10,297	-	4,003	24,875
Interest receivable	621	620	-	-	1,241
Other receivables	97,250	-	-	-	97,250
Due from other funds	-	1,062,707	-	-	1,062,707
Prepaid expenses	29,805	25,165	8,223	3,051	66,244
<b>Total Current Assets</b>	<b>327,678</b>	<b>4,646,214</b>	<b>8,223</b>	<b>403,763</b>	<b>5,385,878</b>
<b>Noncurrent Assets:</b>					
<b>Capital Assets:</b>					
<b>Nondepreciable:</b>					
Land	169,494	119,212	630,826	-	919,532
Construction in progress	-	33,914	291,174	-	325,088
<b>Total Nondepreciable Capital Assets</b>	<b>169,494</b>	<b>153,126</b>	<b>922,000</b>	<b>-</b>	<b>1,244,620</b>
<b>Depreciable:</b>					
Structures and improvements	9,706,714	7,882,215	2,494,527	-	20,083,456
Equipment	326,213	316,047	113,051	5,345	760,656
Vehicles	313,651	157,981	-	-	471,632
Water rights and other intangibles	6,231,393	-	-	-	6,231,393
<b>Total Depreciable Capital Assets</b>	<b>16,577,971</b>	<b>8,356,243</b>	<b>2,607,578</b>	<b>5,345</b>	<b>27,547,137</b>
Accumulated depreciation	(5,457,924)	(6,235,973)	(728,988)	(3,697)	(12,426,582)
<b>Total Depreciable Capital Assets, net</b>	<b>11,120,047</b>	<b>2,120,270</b>	<b>1,878,590</b>	<b>1,648</b>	<b>15,120,555</b>
<b>Total Capital Assets, net</b>	<b>11,289,541</b>	<b>2,273,396</b>	<b>2,800,590</b>	<b>1,648</b>	<b>16,365,175</b>
<b>Total Assets</b>	<b>11,617,219</b>	<b>6,919,610</b>	<b>2,808,813</b>	<b>405,411</b>	<b>21,751,053</b>
<b>Deferred Outflows of Resources</b>					
Pension related	207,607	170,607	8,222	24,666	411,102
<b>Total Deferred Outflows of Resources</b>	<b>207,607</b>	<b>170,607</b>	<b>8,222</b>	<b>24,666</b>	<b>411,102</b>

The accompanying notes are an integral part of these financial statements.

**Helendale Community Services District**

**Statement of Net Position (continued)**  
**June 30, 2016**

	Water	Wastewater	Parks and Recreation	Solid Waste	Total
<b>Liabilities</b>					
Current Liabilities:					
Accounts payable	\$ 67,622	\$ 73,567	\$ 25,618	\$ 44,370	\$ 211,177
Accrued payroll	14,570	12,279	2,881	1,200	30,930
Accrued expenses	-	-	1,751	-	1,751
Accrued interest payable	66,905	372	6,971	-	74,248
Customer deposits	169,592	1,225	25,552	-	196,369
Due to other funds	-	-	1,062,707	-	1,062,707
Current portion of compensated absences payable	27,900	17,100	-	-	45,000
Current portion of long-term debt	187,834	31,677	87,047	-	306,558
<b>Total Current Liabilities</b>	<b>534,423</b>	<b>136,220</b>	<b>1,212,527</b>	<b>45,570</b>	<b>1,928,740</b>
Noncurrent Liabilities:					
Compensated absences payable	16,802	10,299	-	341	27,442
Long-term debt	4,525,211	467,536	1,421,708	-	6,414,455
Net pension liability	110,147	90,518	4,362	13,087	218,114
<b>Total Noncurrent Liabilities</b>	<b>4,652,160</b>	<b>568,353</b>	<b>1,426,070</b>	<b>13,428</b>	<b>6,660,011</b>
<b>Total Liabilities</b>	<b>5,186,583</b>	<b>704,573</b>	<b>2,638,597</b>	<b>58,998</b>	<b>8,588,751</b>
<b>Deferred inflows of Resources</b>					
Pension related	60,565	49,771	2,399	7,196	119,931
<b>Total Deferred Inflows of Resources</b>	<b>60,565</b>	<b>49,771</b>	<b>2,399</b>	<b>7,196</b>	<b>119,931</b>
<b>Net Position</b>					
Net investment in capital assets	6,576,496	1,774,183	1,291,835	1,648	9,644,162
Unrestricted	1,182	4,561,690	(1,115,796)	362,235	3,809,311
<b>Total Net Position</b>	<b>\$ 6,577,678</b>	<b>\$ 6,335,873</b>	<b>\$ 176,039</b>	<b>\$ 363,883</b>	<b>\$ 13,453,473</b>

The accompanying notes are an integral part of these financial statements.

**Helendale Community Services District**

**Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2016**

	Water	Wastewater	Parks and Recreation	Solid Waste	Total
<b>Operating Revenues</b>					
Water sales	\$ 1,409,567	\$ -	\$ -	\$ -	\$ 1,409,567
Wastewater charges	-	1,278,369	-	-	1,278,369
Sale of leased water rights	613,209	-	-	-	613,209
Rental income	16,455	16,456	217,349	-	250,260
Charges for services	14,500	-	11,427	530,558	556,485
Thrift store sales	-	-	269,408	-	269,408
Other services	70,317	17,724	725	12,818	101,584
<b>Total Operating Revenues</b>	<u>2,124,048</u>	<u>1,312,549</u>	<u>498,909</u>	<u>543,376</u>	<u>4,478,882</u>
<b>Operating Expenses</b>					
Source of supply:					
Water purchases	37,532	-	-	-	37,532
Operations, maintenance, power and replacement	11,904	-	-	-	11,904
Pumping and collection	132,735	49,368	-	-	182,103
Treatment	-	16,157	-	-	16,157
Customer accounts	106,987	62,273	6,147	413	175,820
Administrative and general:					
Salaries and benefits	640,476	488,830	150,663	57,563	1,337,532
Services and supplies	166,719	194,854	123,399	567,054	1,052,026
Professional fees	78,321	83,817	37,291	170	199,599
Utilities	16,252	28,622	49,189	870	94,933
Rents and leases	18,372	3,750	-	6,000	28,122
Other operating:					
Depreciation and amortization	262,705	356,015	192,573	1,069	812,362
<b>Total Operating Expenses</b>	<u>1,472,003</u>	<u>1,283,686</u>	<u>559,262</u>	<u>633,139</u>	<u>3,948,090</u>
<b>Operating Income (Loss)</b>	<u>652,045</u>	<u>28,863</u>	<u>(60,353)</u>	<u>(89,763)</u>	<u>530,792</u>
<b>Nonoperating Revenues (Expenses)</b>					
Taxes	31,945	31,945	40,000	-	103,890
Special assessments	24,197	21,649	-	235,199	281,045
Intergovernmental	4,292	-	-	-	4,292
Investment income	11,948	11,947	-	-	23,895
Other income	1,813	2,105	28,863	-	32,781
Interest expense	(205,168)	(17,569)	(70,984)	-	(293,721)
Gain on sale of capital assets	6,146	2,049	-	-	8,195
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(124,827)</u>	<u>52,126</u>	<u>(2,121)</u>	<u>235,199</u>	<u>160,377</u>
<b>Income Before Transfers and Contributions</b>	<u>527,218</u>	<u>80,989</u>	<u>(62,474)</u>	<u>145,436</u>	<u>691,169</u>
<b>Transfers</b>					
Transfers in	-	-	30,000	-	30,000
Transfers out	-	-	-	(30,000)	(30,000)
<b>Total Transfers</b>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>
<b>Contributions</b>					
Grants	-	-	5,269	-	5,269
<b>Change in Net Position</b>	<u>527,218</u>	<u>80,989</u>	<u>(27,205)</u>	<u>115,436</u>	<u>696,438</u>
<b>Total Net Position - beginning</b>	<u>6,050,460</u>	<u>6,254,884</u>	<u>203,244</u>	<u>248,447</u>	<u>12,757,035</u>
<b>Total Net Position - ending</b>	<u>\$ 6,577,678</u>	<u>\$ 6,335,873</u>	<u>\$ 176,039</u>	<u>\$ 363,883</u>	<u>\$ 13,453,473</u>

The accompanying notes are an integral part of these financial statements.

**Helendale Community Services District**

**Statement of Cash Flows  
For the Year Ended June 30, 2016**

	Water	Wastewater	Parks and Recreation	Solid Waste	Total
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 2,054,183	\$ 1,315,793	\$ 514,362	\$ 542,987	\$ 4,427,325
Payments for water	(37,532)	-	-	-	(37,532)
Payments for services and supplies	(524,481)	(404,753)	(217,038)	(575,853)	(1,722,125)
Payments for employee services	(698,291)	(542,280)	(158,289)	(67,429)	(1,466,289)
Net Cash Provided By (Used For) Operating Activities	<u>793,879</u>	<u>368,760</u>	<u>139,035</u>	<u>(100,295)</u>	<u>1,201,379</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Taxes and special assessments	47,784	58,771	40,000	234,316	380,871
Proceeds from grants	-	-	5,269	-	5,269
Other nonoperating revenue	6,105	2,105	28,863	-	37,073
Interfund transfers	-	-	30,000	(30,000)	-
Interfund borrowing	(389,551)	323,853	65,698	-	-
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>(335,662)</u>	<u>384,729</u>	<u>169,830</u>	<u>204,316</u>	<u>423,213</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	(69,103)	(440,917)	(157,738)	-	(667,758)
Principal paid on capital debt	(181,181)	(32,998)	(79,842)	-	(294,021)
Interest paid on capital debt	(207,438)	(17,592)	(71,285)	-	(296,315)
Proceeds from sale of capital assets	6,146	2,049	-	-	8,195
Net Cash Used For Capital and Related Financing Activities	<u>(451,576)</u>	<u>(489,458)</u>	<u>(308,865)</u>	<u>-</u>	<u>(1,249,899)</u>
<b>Cash Flows from Investing Activities</b>					
Investment income	11,759	11,856	-	-	23,615
Net Cash Provided By Investing Activities	<u>11,759</u>	<u>11,856</u>	<u>-</u>	<u>-</u>	<u>23,615</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>18,400</u>	<u>275,887</u>	<u>-</u>	<u>104,021</u>	<u>398,308</u>
Cash Balance - beginning of the year	-	3,130,452	-	284,536	3,414,988
Cash Balance - end of the year	<u>\$ 18,400</u>	<u>\$ 3,406,339</u>	<u>\$ -</u>	<u>\$ 388,557</u>	<u>\$ 3,813,296</u>
<b>Reconciliation of Cash to the Statement of Net Position</b>					
Cash and cash equivalents	\$ 18,400	\$ 1,729,131	\$ -	\$ 388,557	\$ 2,136,088
Investment pools	-	1,677,208	-	-	1,677,208
	<u>\$ 18,400</u>	<u>\$ 3,406,339</u>	<u>\$ -</u>	<u>\$ 388,557</u>	<u>\$ 3,813,296</u>

**Schedule of Noncash Activities**  
None

The accompanying notes are an integral part of these financial statements.

**Helendale Community Services District**

**Statement of Cash Flows, (continued)  
For the Year Ended June 30, 2016**

	Water	Wastewater	Parks and Recreation	Solid Waste	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</b>					
Operating income (loss)	\$ 652,045	\$ 28,863	\$ (60,353)	\$ (89,763)	\$ 530,792
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization expense	262,705	356,015	192,573	1,069	812,362
Actuarial pension expense (income)	(6,459)	(6,040)	(271)	(814)	(13,584)
Pension contributions subsequent to the measurement date	(49,366)	(40,568)	(1,955)	(5,865)	(97,754)
Changes in assets and liabilities:					
(Increase) Decrease in:					
Accounts receivable, net	(30,215)	1,992	15,186	(389)	(13,426)
Other receivables, net	(70,339)	6,627	-	-	(63,712)
Prepaid expenses	(29,805)	(25,165)	(8,223)	(3,051)	(66,244)
Increase (Decrease) in:					
Accounts payable	36,614	59,253	7,088	1,705	104,660
Accrued payroll	(14,118)	(11,462)	(4,042)	(808)	(30,430)
Compensated absences payable	12,128	4,620	(1,358)	(2,379)	13,011
Accrued expenses	-	-	123	-	123
Customer deposits	39,852	675	12,208	-	52,735
Unearned revenue	-	-	(11,941)	-	(11,941)
Matured bonds payable	(9,163)	(6,050)	-	-	(15,213)
<b>Net Cash Provided By (Used For) Operating Activities</b>	<b>\$ 793,879</b>	<b>\$ 368,760</b>	<b>\$ 139,035</b>	<b>\$ (100,295)</b>	<b>\$ 1,201,379</b>

The accompanying notes are an integral part of these financial statements.

## **Helendale Community Services District**

### **Notes to Financial Statements For the Year Ended June 30, 2016**

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#### **NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Organization and Operations of the Reporting Entity**

The Helendale Community Services District (District) was formed on December 5, 2006, for the purpose of construction, operation, and maintenance of wastewater collection and water services. Prior to formation, the service area was administered by the County of San Bernardino as San Bernardino County Special Districts Zones B & C. District staff assumed full responsibility of the District from the County of San Bernardino on April 1, 2007.

##### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The District's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP). Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District reports the following enterprise funds:

The **Water fund** is used to account for activities related to the District's water system.

The **Wastewater fund** is used to account for activities related to the District's wastewater system.

The **Parks and Recreation fund** is used to account for activities related to the District's parks and recreation programs.

The **Solid Waste fund** is used to account for activities related to the District's management of solid waste disposal and recycling.

The District has elected to follow all pronouncements of the Governmental Accounting Standards Board (GASB).

##### **Use of Estimates**

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the useful lives and impairment of tangible and intangible assets, the allocation of administrative account balances and transactions between the funds, and other estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Accordingly, actual results could differ from those estimates.



**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, demand deposits at financial institutions, investments in money market funds and government securities that are highly liquid and readily available with an original maturity of three months or less, deposits in the Investment Trust of California (CalTRUST), and deposits in the State of California Local Agency Investment Fund (LAIF). Deposits in the CalTRUST and LAIF can be withdrawn at any time without penalty.

**Investments**

Investments are stated at fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale). Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**Allowance for Doubtful Accounts**

The District considers substantially all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

**Due to/Due from Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The District reports negative cash in a fund from its pooled cash accounts as amounts due to other funds.

**Prepaid Expenses**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the financial statements.

**Capital Assets**

Purchased or constructed capital assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. The costs of normal maintenance and repairs are charged to operations as incurred. District policy has established a threshold of \$5,000 for capitalization of depreciable capital assets. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets (continued)**

Depreciation is computed using the straight-line method over the following estimated service lives:

Improvements to land	20 to 50 years
Structures and improvements	20 to 40 years
Equipment	5 to 15 years
Vehicles	5 to 10 years
Other intangibles	20 years

**Employee Benefits**

District employees earn vacation and sick leave days based on length of service. Upon termination, the District is obligated to compensate employees for 100% of the accrued unused vacation time. Upon retirement, and after 10 years or more of continuous service, the District is obligated to compensate employees for 50% of the accrued unused sick leave to a maximum of 1,000 hours. Changes in compensated absences payable during the year were as follows:

<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
<u>\$ 59,431</u>	<u>\$ 44,572</u>	<u>\$ (31,561)</u>	<u>\$ 72,442</u>	<u>\$ 45,000</u>	<u>\$ 27,442</u>

The District provides health benefits through a cafeteria plan, which includes health, dental and vision care to eligible District employees. Benefit expenses are recognized in the period in which the benefits were provided.

**Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until then. The District currently has pension related deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has pension related deferred inflows of resources.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**Net Position**

Net position is categorized as follows:

**Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.

**Restricted Net Position** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The District did not have any restricted net position as of June 30, 2016.

**Unrestricted Net Position** – This component of net position consists of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

**Operating and Nonoperating Activities**

Revenues and expenses are distinguished between operating and nonoperating items. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. Operating expenses include costs associated with the purchasing, pumping, and distribution of water, the pumping, treatment, and transmission of wastewater, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**Property Taxes**

Property taxes are attached as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are due in two installments. The first installment is due on November 1, and is payable through December 10 without penalty. The second installment is due February 1, and becomes delinquent on April 10. Property taxes are remitted to the District from the County of San Bernardino at various times throughout the year.

**Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. Transfers are used to move unrestricted resources from one fund to another in accordance with budgetary authorizations.

**Contributions**

Contributions represent cash and/or capital assets contributed to the District by other governmental agencies for the acquisition, construction or improvement of the District's capital assets.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**Implementation of New Pronouncements**

The District implemented GASB Statement No. 72, Fair Value Measurement and Application. The objective of this statement is to address accounting and financial reporting issued related to fair value measurement. The statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between two market participants. This statement provides guidance for determining a fair value measurement for financial reporting purposes and also provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District implemented GASB Statement No. 82, Pension Issues. The objective of this statement is to address certain issues that have been raised with respect to Statement No. 67, Financial Reporting for Pension Plans, Statement No. 68, Accounting and Financial Reporting for Pensions, and Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68. The statement addresses the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and the classification of payments made by employers to satisfy employee (plan member) contribution requirement.

**Pension Plans**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Accounting standards require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2014
Measurement Date (MD)	June 30, 2015
Measurement Period (MP)	July 1, 2014 to June 30, 2015

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 2: CASH AND INVESTMENTS**

The District's cash and investments are pooled between four funds. Negative cash in a fund is reclassified as due to other funds in the Statement of Net Position. Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Parks and Recreation</u>	<u>Solid Waste</u>	<u>Total</u>
Statement of Net Position:					
Cash and cash equivalents	\$ 18,400	\$ 1,729,131	\$ -	\$ 388,557	\$ 2,136,088
Investment pools	-	1,677,208	-	-	1,677,208
<b>Totals</b>	<b><u>\$ 18,400</u></b>	<b><u>\$ 3,406,339</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 388,557</u></b>	<b><u>\$ 3,813,296</u></b>

Cash and investments as of June 30, 2016 consisted of the following:

	<u>Water</u>	<u>Wastewater</u>	<u>Parks and Recreation</u>	<u>Solid Waste</u>	<u>Total</u>
Cash on hand	\$ -	\$ 300	\$ -	\$ -	\$ 300
Deposits with financial institutions	18,400	1,728,831	-	388,557	2,135,788
Deposits with investment pools	-	1,677,208	-	-	1,677,208
<b>Total Cash and Investments</b>	<b><u>\$ 18,400</u></b>	<b><u>\$ 3,406,339</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 388,557</u></b>	<b><u>\$ 3,813,296</u></b>

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 2: CASH AND INVESTMENTS (continued)**

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized by the District in accordance with Section 53601 of the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Bills, Notes and Bonds	5 years	100%	None
Government Agency Securities	None	100%	None
Banker's Acceptances	270 days	25%	5%
Commercial Paper	None	15%	10%
Negotiable Certificates of Deposit	5 years	25%	None
Repurchase Agreements	1 year	20%	None
California Local Agency Investment Fund	N/A	None	\$65,000,000
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	90 days	20%	None
Collateralized Bank Deposits	None	10%	None
Investment Pools	None	40%	\$10,000,000 per account

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2016, the District had the following investments and maturities:

	Fair Value	Maturity
California Local Agency Investment Fund	\$ 6,559	6 months average
Investment Trust of California (CalTRUST)	1,670,649	19 months average
Total	<u>\$ 1,677,208</u>	

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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NOTE 2: CASH AND INVESTMENTS (continued)

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

At June 30, 2016, the District did not hold investments that were highly sensitive to interest rate fluctuations beyond that already indicated in the information provided above.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit ratings of investments as of June 30, 2016 met or exceeded the minimum legal ratings required by the California Government Code (or the District's investment policy, where more restrictive).

**Concentration of Credit Risk**

The District's investment policy is to apply the prudent investor standard as set forth in the California Government Code: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

The investment policy of the District contains limitations on the amounts that can be invested in any one issuer. At June 30, 2016, the District did not hold any investments in any one issuer (other than external investment pools) that represent 5% or more of total District investments.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

As of June 30, 2016, \$1,828,712 of the District's demand deposits in an interest bearing account with a financial institution were in excess of federal depository insurance limits and were collateralized by an interest in an undivided collateral pool as required by State law.

**NOTE 2: CASH AND INVESTMENTS (continued)**

**Investment in External Investment Pools**

*State Investment Pool*

The District is a voluntary participant in the Local Agency Investment Fund (LAIF), which is part of the Pooled Money Investment Account that is regulated by the California Government Code under the oversight of the State Treasurer, Director of Finance and State Controller. The District may invest up to \$65,000,000 in the LAIF fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

The District's investment in this pool is reported in the accompanying financial statements at cost which approximates fair value at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

*Investment Trust of California*

The District voluntarily participates in the Investment Trust of California (CalTRUST), a Joint Powers Authority (JPA), established by public agencies in California for the purpose of pooling and investing local agency funds, operating reserves, and bond proceeds. A Board of Trustees supervises and administers the investment program of the Trust. The Board is comprised of experienced investment officers and policy-makers of the public agency members.

For the CalTRUST Short-Term, Medium-Term, and Long-Term Accounts, funds from all participants are pooled in each of the accounts. Participants receive units in the Trust and designated shares for the particular accounts in which they invest. The District invests in the Short-Term and Medium-Term Accounts, with targeted investment durations of up to two years.

CalTRUST invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601, et. seq. and 53635, et. seq. Investment guidelines adopted by the Board of Trustees may further restrict the types of investments held by the Trust, and leveraging within the Trust's portfolios is prohibited. Separate CalTRUST financial statements are available from the Trustee on the Internet at [www.caltrust.org](http://www.caltrust.org).



**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 3: CAPITAL ASSETS**

Summaries of changes in capital assets in service for the year ended June 30, 2016 were as follows:

	Balance June 30, 2015	Additions	Deletions	Reclass- ifications *	Balance June 30, 2016
<b>Water Fund</b>					
Land	\$ 169,343	\$ -	\$ -	\$ 151	\$ 169,494
Total Nondepreciable Capital Assets	169,343	-	-	151	169,494
Structures and improvements	9,705,160	-	-	1,554	9,706,714
Equipment	288,155	22,540	-	15,518	326,213
Vehicles	300,160	27,052	(15,849)	2,288	313,651
Water rights and other intangibles	6,231,393	-	-	-	6,231,393
Total Depreciable Capital Assets	16,524,868	49,592	(15,849)	19,360	16,577,971
Accumulated depreciation	(5,196,737)	(262,705)	15,849	(14,331)	(5,457,924)
Total Depreciable Capital Assets, net	11,328,131	(213,113)	-	5,029	11,120,047
Total Capital Assets, net	\$ 11,497,474	\$ (213,113)	\$ -	\$ 5,180	\$ 11,289,541
<b>Wastewater Fund</b>					
Land	\$ 119,363	\$ -	\$ -	\$ (151)	\$ 119,212
Construction in progress	-	400,314	(366,400)	-	33,914
Total Nondepreciable Capital Assets	119,363	400,314	(366,400)	(151)	153,126
Structures and improvements	7,517,369	366,400	-	(1,554)	7,882,215
Equipment	296,963	34,602	-	(15,518)	316,047
Vehicles	140,082	25,512	(5,325)	(2,288)	157,981
Total Depreciable Capital Assets	7,954,414	426,514	(5,325)	(19,360)	8,356,243
Accumulated depreciation	(5,899,614)	(356,015)	5,325	14,331	(6,235,973)
Total Depreciable Capital Assets, net	2,054,800	70,499	-	(5,029)	2,120,270
Total Capital Assets, net	\$ 2,174,163	\$ 470,813	\$ (366,400)	\$ (5,180)	\$ 2,273,396
<b>Parks and Recreation Fund</b>					
Land	\$ 630,826	\$ -	\$ -	\$ -	\$ 630,826
Construction in progress	245,839	92,655	(47,320)	-	291,174
Total Nondepreciable Capital Assets	876,665	92,655	(47,320)	-	922,000
Structures and improvements	2,447,207	47,320	-	-	2,494,527
Equipment	47,968	65,083	-	-	113,051
Total Depreciable Capital Assets	2,495,175	112,403	-	-	2,607,578
Accumulated depreciation	(536,415)	(192,573)	-	-	(728,988)
Total Depreciable Capital Assets, net	1,958,760	(80,170)	-	-	1,878,590
Total Capital Assets, net	\$ 2,835,425	\$ 12,485	\$ (47,320)	\$ -	\$ 2,800,590

\* Reclassifications of capital asset balances between funds resulted from a change in the internal allocation of administrative capital assets compared to the previous year.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 3: CAPITAL ASSETS (continued)**

	Balance June 30, 2015	Additions	Deletions	Reclass- ifications *	Balance June 30, 2016
<b>Solid Waste Fund</b>					
Equipment	\$ 5,345	\$ -	\$ -	\$ -	\$ 5,345
Total Depreciable Capital Assets	5,345	-	-	-	5,345
Accumulated depreciation	(2,628)	(1,069)	-	-	(3,697)
Total Depreciable Capital Assets, net	2,717	(1,069)	-	-	1,648
Total Capital Assets, net	<u>\$ 2,717</u>	<u>\$ (1,069)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,648</u>
<b>Combined - All Funds</b>					
Land	\$ 919,532	\$ -	\$ -	\$ -	\$ 919,532
Construction in progress	245,839	492,969	(413,720)	-	325,088
Total Depreciable Capital Assets	1,165,371	492,969	(413,720)	-	1,244,620
Structures and improvements	19,669,736	413,720	-	-	20,083,456
Equipment	638,431	122,225	-	-	760,656
Vehicles	440,242	52,564	(21,174)	-	471,632
Water rights and other intangibles	6,231,393	-	-	-	6,231,393
Total Depreciable Capital Assets	26,979,802	588,509	(21,174)	-	27,547,137
Accumulated depreciation	(11,635,394)	(812,362)	21,174	-	(12,426,582)
Total Depreciable Capital Assets, net	15,344,408	(223,853)	-	-	15,120,555
Total Capital Assets, net	<u>\$ 16,509,779</u>	<u>\$ 269,116</u>	<u>\$ (413,720)</u>	<u>\$ -</u>	<u>\$ 16,365,175</u>

Depreciation expense for the year ended June 30, 2016 was:

Fund	Amount
Water	\$ 262,705
Wastewater	356,015
Parks and Recreation	192,573
Solid Waste	1,069
Total	<u>\$ 812,362</u>

**NOTE 4: DUE TO/FROM OTHER FUNDS**

The composition of interfund balances as of June 30, 2016 was as follows:

Receivable Fund	Amount	Payable Fund
Wastewater	\$ 1,062,707	Parks and Recreation
Total	<u>\$ 1,062,707</u>	

The interfund balance is a result of a negative cash position in the Parks and Recreation Fund at year end.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 5: LONG-TERM DEBT**

Long-term debt activity for the year ended June 30, 2016 was as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Parks and Recreation</u>	<u>Total</u>
Balance, June 30, 2015	\$ 4,894,226	\$ 532,211	\$ 1,588,597	\$ 7,015,034
Reductions	<u>(181,181)</u>	<u>(32,998)</u>	<u>(79,842)</u>	<u>(294,021)</u>
Balance, June 30, 2016	<u>\$ 4,713,045</u>	<u>\$ 499,213</u>	<u>\$ 1,508,755</u>	<u>\$ 6,721,013</u>
Current portion	\$ 187,834	\$ 31,677	\$ 87,047	\$ 306,558
Noncurrent portion	<u>4,525,211</u>	<u>467,536</u>	<u>1,421,708</u>	<u>6,414,455</u>
Totals	<u>\$ 4,713,045</u>	<u>\$ 499,213</u>	<u>\$ 1,508,755</u>	<u>\$ 6,721,013</u>

Long-term debt activity by debt instrument for the year ended June 30, 2016 was as follows:

	<u>Balance at 6/30/15</u>	<u>Reductions</u>	<u>Balance at 6/30/16</u>
2008 Installment Sale Agreement	\$ 2,188,797	\$ (125,936)	\$ 2,062,861
2011 Installment Sale Agreement	890,683	(35,051)	855,632
2014 Installment Sale Agreement	<u>3,935,554</u>	<u>(133,034)</u>	<u>3,802,520</u>
	<u>\$ 7,015,034</u>	<u>\$ (294,021)</u>	<u>\$ 6,721,013</u>

**2008 Installment Sale Agreement**

The District entered into an Installment Sale Agreement (2008 Note) on December 23, 2008, in order to provide financing for acquiring and constructing various capital improvements to the District in the amount of \$2,832,000, maturing in 20 years at 4.95% interest per annum. The proceeds of the 2008 Note were used for (1) reimbursement of a portion of the purchase price of land and improvements (Silver Lakes Farm property), including water rights acquisition, wastewater effluent disposal area, District administration site and recreation area, (2) improvements to the wastewater treatment plant, including the acquisition and installation of sludge drying beds, headworks and clarifier, and (3) improvements to the water system, including developing well #10, well improvements, and the purchase of additional water rights.

The District entered into Amendment No. 2 on December 23, 2014 amending Installment Sale Agreement dated December 23, 2008 in order to reduce the interest and produce cash flow savings to the District. Commencing on December 23, 2014, the interest rate on the unpaid principal balance of the 2008 Note was reduced from 4.95% to 3.90%. The District's savings over the course of the loan as a result of the refinancing is approximately \$204,407.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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NOTE 5: LONG-TERM DEBT (continued)

**2008 Installment Sale Agreement (continued)**

As of June 30, 2016, annual debt service requirements to maturity for the 2008 Note payable, as amended, are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 130,895	\$ 79,187	\$ 210,082
2018	136,050	74,033	210,083
2019	141,408	68,675	210,083
2020	146,976	63,107	210,083
2021	152,764	57,319	210,083
2022-2026	858,940	191,475	1,050,415
2027-2029	<u>495,828</u>	<u>29,379</u>	<u>525,207</u>
Totals	<u>\$ 2,062,861</u>	<u>\$ 563,175</u>	<u>\$ 2,626,036</u>

The District may prepay the unpaid principal balance of the 2008 Note in whole or in part, on any installment payment date on or after December 23, 2019, by paying a prepayment price equal to the principal amount of the installment payments to be prepaid, together with the installment payment required to be paid on such installment payment date, plus a prepayment premium as follows:

<u>Prepayment Dates</u>	<u>Prepayment Premium</u>
December 23, 2019, through June 23, 2024	1.0%
December 23, 2024, and thereafter	0.0%

The installment payments on this 2008 Note, and any redemption price payments, are payable from the net revenues of the District. Net revenues of the District have been pledged to the payment of the installment payments.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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NOTE 5: LONG-TERM DEBT (continued)

**2011 Installment Sale Agreement**

The District entered into an Installment Sale Agreement (2011 Note) on June 1, 2011, in order to provide financing for acquiring and constructing various capital improvements to the District in the amount of \$1,000,000, maturing in 20 years at 5.25% interest per annum. The proceeds of the 2011 Note were received on September 21, 2011, and used for (1) the acquisition and construction of a water well and other water projects, and (2) the purchase of the administrative facility.

As of June 30, 2016, annual debt service requirements to maturity for the 2011 Note payable are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 36,916	\$ 44,443	\$ 81,359
2018	38,880	42,479	81,359
2019	40,948	40,411	81,359
2020	43,126	38,233	81,359
2021	45,420	35,939	81,359
2022-2026	266,011	140,783	406,794
2027-2031	344,692	62,102	406,794
2032	<u>39,639</u>	<u>1,040</u>	<u>40,679</u>
Totals	<u>\$ 855,632</u>	<u>\$ 405,430</u>	<u>\$ 1,261,062</u>

The District may prepay the unpaid principal balance of the 2011 Note in whole or in part, on any installment payment date on or after September 21, 2018, by paying a prepayment price equal to the principal amount of the installment payments to be prepaid, together with a two percent prepayment premium thereon.

The installment payments on this 2011 Note, and any redemption price payments, are payable from the net revenues of the District. Net revenues of the District have been pledged to the payment of the installment payments.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 5: LONG-TERM DEBT (continued)**

**2014 Installment Sale Agreement**

The District entered into an Installment Sale Agreement (2014 Note) on August 1, 2014, in order to provide financing for the acquisition of water rights in the amount of \$4,000,000, maturing in 20 years at 4.25% interest per annum.

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 138,747	\$ 160,149	\$ 298,896
2018	144,706	154,189	298,895
2019	150,921	147,974	298,895
2020	157,404	141,491	298,895
2021	164,164	134,731	298,895
2022-2025	932,843	561,631	1,494,474
2026-2030	1,151,143	343,331	1,494,474
2031-2035	962,592	83,540	1,046,132
Totals	<u>\$ 3,802,520</u>	<u>\$ 1,727,036</u>	<u>\$ 5,529,556</u>

The District may prepay the unpaid principal balance of the 2014 Note in whole or in part, on any installment payment date on or after August 15, 2024, by paying a prepayment price equal to the principal amount of the installment payments to be prepaid, together with a two percent premium thereon.

The installment payments on this 2014 Note, and any redemption price payments, are payable from the net revenues of the District. Net revenues of the District have been pledged to the payment of the installment payments.

**Debt to Maturity Schedule**

As of June 30, 2016, annual debt service requirements to maturity for all long-term debt combined are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 306,558	\$ 283,779	\$ 590,337
2018	319,636	270,701	590,337
2019	333,277	257,060	590,337
2020	347,506	242,831	590,337
2021	362,348	227,989	590,337
2022-2026	2,057,794	893,889	2,951,683
2027-2031	1,991,663	434,812	2,426,475
2032-2035	1,002,231	84,580	1,086,811
Totals	<u>\$ 6,721,013</u>	<u>\$ 2,695,641</u>	<u>\$ 9,416,654</u>

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 6: NET POSITION**

The net investment in capital assets portion of net position at June 30, 2016 was determined as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Parks and Recreation</u>	<u>Solid Waste</u>	<u>Total</u>
Total capital assets	\$ 11,289,541	\$ 2,273,396	\$ 2,800,590	\$ 1,648	\$ 16,365,175
Less: Related debt	<u>(4,713,045)</u>	<u>(499,213)</u>	<u>(1,508,755)</u>	-	<u>(6,721,013)</u>
Net investment in capital assets	<u>\$ 6,576,496</u>	<u>\$ 1,774,183</u>	<u>\$ 1,291,835</u>	<u>\$ 1,648</u>	<u>\$ 9,644,162</u>

**NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS)**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)**

**A. General Information about the Pension Plans (continued)**

**Benefits Provided (continued)**

The Plan's provisions and benefits in effect at June 30, 2016 are summarized as follows:

	<b>Miscellaneous Plan</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7 % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 & Up	52 & Up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.947%	6.250%
Required employer contribution rates	10.298%	6.237%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Employer Contributions to the Plan for the fiscal year ended June 30, 2016 were \$97,754. The actual employer payments of \$131,742 made to CalPERS by the District during the measurement period ending June 30, 2015 differed from the District's proportionate share of the employer's contribution of \$34,125 by \$97,617, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**B. Net Pension Liability**

The District's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.



**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)**

**B. Net Pension Liability (continued)**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

	<u>Miscellaneous Plan</u>
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Actuarial Value of Assets
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases (1)	3.3% - 14.2%
Investment Rate of Return (2)	7.65%
Mortality Rate Table (3)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Change of Assumptions**

GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)

**B. Net Pension Liability (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability for measurement date June 30, 2015 was 7.65 percent. The discount rate used to measure the total pension liability in the previous year was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plan, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)

**B. Net Pension Liability (continued)**

**Discount Rate (continued)**

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10<sup>1</sup></u>	<u>Real Return Years 11+<sup>2</sup></u>
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	(0.55%)	(1.05%)
<b>Total</b>	<b>100%</b>		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% used for this period

**Pension Plan Fiduciary Net Position**

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early financial statement closing and final reconciled reserves.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)**

**C. Proportionate Share of Net Pension Liability**

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2014 (VD)	\$ 934,714	\$ 728,983	\$ 205,731
Balance at: 6/30/2015 (MD)	\$ 1,204,641	\$ 986,527	\$ 218,114
Net Changes during 2014-15 (MP)	\$ 269,927	\$ 257,544	\$ 12,383

Valuation Date (VD), Measurement Date (MD), Measurement Period (MP).

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The District's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	Miscellaneous Plan
Proportionate Share - June 30, 2014	0.00832%
Proportionate Share - June 30, 2015	0.00795%
Change - Increase (Decrease)	(0.00037%)

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Miscellaneous Plan Net Pension Liability	\$ 382,170	\$ 218,114	\$ 82,667

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)

**C. Proportionate Share of Net Pension Liability (continued)**

**Recognition of Gains and Losses**

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2014-15 measurement period is 3.8 years, which was obtained by dividing the total service years of 467,023 (the sum of remaining service lifetimes of the active employees) by 122,410 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (PERS) (continued)**

**D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2014), the net pension liability for the plan was \$205,731. For the measurement period ending June 30, 2015 (the measurement date), the District incurred a pension income of \$13,584 for the Plan.

As of June 30, 2016, the District has deferred outflows and inflows of resources related to pension as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 8,444	\$ -
Changes of Assumptions	-	(79,884)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(40,047)
Change in Employer's Proportion	184,070	-
Difference in Actual vs Projected Contributions	120,834	-
Pension Contributions Subsequent to Measurement Date	97,754	-
<b>Total</b>	<b>\$ 411,102</b>	<b>\$ (119,931)</b>

The amounts above are net of outflows and inflows recognized in the 2014-15 measurement period expense. \$97,754 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ended June 30:</u>	<u>Miscellaneous Deferred Outflows/(Inflows) of Resources, Net</u>
2016	\$ 77,686
2017	73,512
2018	42,842
2019	(623)
2020	-
Thereafter	-

**E. Payable to the Pension Plan**

At June 30, 2016, the District reported a payable of \$7,860 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**Helendale Community Services District**

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, including theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA). The Authority was formed under a joint powers agreement pursuant to California Government Code Sections 6500 et. seq. to provide risk financing programs for member districts. Contribution development is based on the particular characteristics of the member districts. Insurance policies were purchased as follows:

General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability: Total risk financing limits of \$5 million per occurrence, with \$500 deductible per occurrence for general liability property damage, \$1,000 deductible per occurrence for auto liability property damage, and 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000, per occurrence, for employment related claims.

Employee Dishonesty: Purchased from National Union Fire Insurance Company – coverage of \$400,000 per loss.

Property Loss: Purchased from Lexington Insurance Company – coverage of \$1 billion per occurrence, subject to a \$1,000 deductible per occurrence.

Boiler and Machinery: Purchased from Lexington Insurance Company – coverage of \$100 million per occurrence, subject to a \$1,000 deductible.

Public Officials Personal Liability: Coverage of \$500,000 per occurrence, with an annual aggregate of \$500,000 per each elected/appointed official, with deductible of \$500 per claim.

Comprehensive and Collision: On selected vehicles, with deductibles of \$250/\$500 or \$500/\$1,000, as elected.

Workers' Compensation and Employer's Liability: Statutory limits per occurrence for Workers' Compensation and \$5 million for Employer's Liability coverage.

**Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

*Helendale Community Services District*

**Notes to Financial Statements  
For the Year Ended June 30, 2016**

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**NOTE 9: INTERFUND TRANSFERS**

The District transferred \$30,000 from the Solid Waste fund to the Parks and Recreation fund in accordance with budget to fund budgeted expenses in the Parks and Recreation fund.

**NOTE 10: SUBSEQUENT EVENT**

On December 21, 2016, the California Public Employees' Retirement System (CalPERS) Board of Administration voted to lower the CalPERS discount rate from 7.5 percent to 7.0 percent over the next three years. The discount rate will be changed as follows:

Fiscal year 2017-2018	7.375%
Fiscal year 2018-2019	7.250%
Fiscal year 2019-2020	7.000%

Lowering the discount rate, also known as the assumed rate of investment return, will lead to increases in an employer's normal costs for pension contributions and unfunded actuarial liabilities.



*Helendale Community Services District*

**Required Supplementary Information  
For the Year Ended June 30, 2016**

***Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and  
Related Ratios as of the Measurement Date  
Last 10 Years\****

	<b>Measurement Date 6/30/2014</b>	<b>Measurement Date 6/30/2015</b>
Employer's Proportion of the Net Pension Liability <sup>1</sup>	0.00331%	0.00795%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 205,731	\$ 218,114
Employer's Covered Payroll <sup>2</sup>	\$ 807,545	\$ 818,798
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	25.48%	26.64%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.99%	81.89%

<sup>1</sup> Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

<sup>2</sup> Covered Payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 82.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only two years are shown.

**Helendale Community Services District**

**Required Supplementary Information  
For the Year Ended June 30, 2016**

**Schedule of Plan Contributions  
Last 10 Years\***

	Fiscal Year <b>2014-15</b>	Fiscal Year <b>2015-16</b>
Actuarially Determined Contribution	\$ 123,067	\$ 97,754
Contributions in Relation to the Actuarially Determined Contribution	(123,067)	(97,754)
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll <sup>1</sup>	\$ 818,798	\$ 898,794
Contributions as a Percentage of Covered Payroll	15.03%	10.88%

<sup>1</sup> Covered Payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 82.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only two years are shown.

**Notes to Schedule:**

Change in Benefit Terms: None

Change in Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.



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To the Board of Directors  
 Helendale Community Services District

**INDEPENDENT ACCOUNTANT'S REPORT ON  
 AGREED-UPON PROCEDURES  
 APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

**PARTNERS**

Brinda L. Orto, CPA, MST  
 Terry F. Shea, CPA  
 Eric A. Frank, CPA  
 Scott W. Marino, CPA, CGMA  
 Linda Shadock, CPA, MST, CGMA  
 Bradford A. Whitby, CPA, MBA, CGMA  
 Jay H. Zacher, CPA (Former Employee)  
 Phillip H. Walker, CPA (Former Employee)

**MANAGERS / STAFF**

John Liu, CPA, MST  
 Susan Hertz Lee, CPA, MBA  
 Charles De Simon, CPA  
 Nathan Sorbani, CPA, MBA  
 Carolina Dural, CPA  
 Briana Schultz, CPA  
 Lisa Dreyfus Glin, CPA, MBA

We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheet of Helendale Community Services District (the District) for the year ended June 30, 2016. These procedures, which were agreed to by the District and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The District's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

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 Government Audit  
 Quality Center  
 California Society of  
 Certified Public Accountants

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the Board of Directors during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII-B of the California Constitution*.

This report is intended solely for the information and use of the Board of Directors and management of the Helendale Community Services District and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Rogers, Anderson, Malody & Scott, LLP*

San Bernardino, California  
February 13, 2017

**Helendale Community Services District  
APPROPRIATIONS LIMIT COMPUTATION  
2015 – 2016**

	<u>2015 - 2016</u>
Per Capita Personal Income Change	3.82%
Population Change	
County Population Growth	0.63%
CPI Change Converted to a Ratio	1.0382
Population Change Converted to a Ratio	1.0109
Calculation of Growth Factor	1.0495
2014 – 2015 Appropriations Limit	<u>\$ 587,844</u>
2015 – 2016 Appropriations Limit (\$587,844 X 1.0495)	<u>\$ 616,952</u>



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To the Board of Directors  
 Helendale Community Services District  
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 Helendale, CA 92342

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 Gardiner Ducas, CPA  
 William Schulz, CPA  
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California Society of  
 Certified Public Accountants

We have audited the financial statements of Helendale Community Services District (the District) as of and for the year ended June 30, 2016, and have issued our report thereon dated February 13, 2017. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility In Relation to the Financial Statement Audit**

As communicated in our engagement letter dated March 31, 2016, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the District changes its method of accounting for fair value disclosures and pension related issues by adopting Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application and GASB Statement No.82, Pension Issues – An Amendment of GASB Statement No. 67, No. 68 and No. 73. All changes have been applied on a prospective basis. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements were:

1. Management's estimate of the allocation of administrative (overhead) expenses and general revenues to the water, wastewater, parks and recreation, and solid waste funds is based on management's estimate of the administrative resources directed to the respective funds. The allocation ratios for the year ended June 30, 2016 were 50% to the water fund and 50% to the wastewater fund. This is a change in the allocation ratios that were used for the year ended June 30, 2015, which were 45% to the water fund and 55% to the wastewater fund. Administrative expenses include items such as administrative salaries, office supplies, office rent, professional fees, and other expenses that indirectly support the water, wastewater, parks and recreation, and solid waste funds. We evaluated the key factors and assumptions used to develop the method of allocating administrative expenses and general revenues in determining that it is reasonable in relation to the financial statements taken as a whole.

2. Management's estimate of the useful lives of depreciable capital assets directly impacts the amount of depreciation charged to operating expenses, and the net book value of capital assets. The remaining useful lives of capital assets transferred to the District from the San Bernardino County Special Districts upon the District's formation have been maintained at the same rate as was presented on the County's capital asset schedules for consistency. We evaluated the key factors and assumptions used to determine the useful lives of capital assets acquired during the year in determining that it is reasonable in relation to the financial statements taken as a whole.
3. Management's estimate of the net pension liability and related deferred outflows and inflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements were:

1. The disclosure of the use of estimates in Note 1 to the financial statements is sensitive because of the significant impact the noted estimates have on the operating revenues and expenses of each fund. The allocation of administrative expenses and general revenues estimate is particularly significant to the presentation of fund balances and activities in the financial statements, as was discussed in the significant estimates section above.
2. The disclosure of cash and investments in Note 2 to the financial statements is sensitive because of the significant cash balances maintained by the District. The disclosure provides information about the credit risk of the cash balances, and the investment types. The presentation of cash in the Statement of Net Position discloses that cash and investments are held in the wastewater and solid waste funds. No cash and investments are included in the water, parks and recreation fund because that fund has borrowed cash from the wastewater fund to meet obligations.
3. The disclosure of accumulated depreciation in Note 3 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.
4. The disclosure of due to/from other funds in Note 4 to the financial statements is sensitive because of the significance of the cumulative amounts that the parks and recreation fund was required to borrow from the wastewater fund to meet obligations. The District pools all its cash and investments among four funds. The amount of cash loaned from the wastewater fund to the parks and recreation fund demonstrates the interdependency of the funds in the District. The results of operations in the statement of revenues, expenses and changes in net position also demonstrates the interdependency of the funds.



5. The disclosure of notes payable in Note 5 to the financial statements is sensitive because of the significance of the future commitment of financial resources to meet debt services requirements. Annual debt service requirements for the next 19 years range from approximately \$300,000 to approximately \$590,000 per year, or a total cash outlay of approximately \$9.4 million.
6. The disclosure of net pension liability and related deferred outflows and inflows of resources in Note 7 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There are no uncorrected misstatements.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated February 13, 2017.

#### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

#### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

***Other Matters***

We applied certain limited procedures to the Management's Discussion and Analysis, the Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date and the Schedule of Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Rogers, Anderson, Malody & Scott, LLP*

San Bernardino, California  
February 13, 2017.

# HELENDALE COMMUNITY SERVICES DISTRICT DRAFT- INITIAL STUDY ENVIRONMENTAL CHECKLIST FORM

This form and the descriptive information in the application package constitute the contents of Initial Study pursuant to Helendale CSD Guidelines and Section 15063 of the State CEQA Guidelines.

## PROJECT LABEL:

<b>APN:</b>	0466-181-26 & 0466-181-43
<b>APPLICANT:</b>	Helendale Community Services District
<b>COMMUNITY:</b>	Helendale, California
<b>LOCATION:</b>	15425 Wild Road and 28685 Helendale Road - North of Smithson Road, South of the logical extension of Crouch Road, East of Smithson Road, and West of Helendale Road
<b>PROJECT NO:</b>	N/A
<b>STAFF:</b>	Kimberly Cox, General Manager
<b>REP('S):</b>	Altec Land Planning
<b>PROPOSAL:</b>	This proposal projects includes the expansion of an existing wastewater treatment facility.

**USGS Quad:** Helendale  
**T, R, Section:** T: 8N R: 4W Section: 19&20  
**Lat./Long.** 34.461300/-117.194092  
**Thomas Bros.:** Page 3936, grid: A1  
San Bernardino County

**Planning Area:** Helendale Community Services District (Helendale CSD or HCSD)

**Land Use Zoning:** Rural Living (RL)  
**Address** 15428 Wild Road and 28685 Helendale Road

**Overlays:** Not Applicable

## PROJECT CONTACT INFORMATION:

**Lead agency:** Helendale Community Services District  
26540 Vista Road, Suite B  
Helendale, CA 92342

**Contact person:** Kimberly Cox, General Manager

**Phone No:** (760) 951-0006

kcox@helendalecsd.org

**Project Sponsor:** Altec Land Planning

c/o Ginger Coleman, MPA

c/o Randy Coleman, AICP, PE, QSD/P, CWB

19531 Highway 18

Apple Valley, CA 92307

**Phone No:** (760) 242-9917

## ENVIRONMENTAL/EXISTING SITE CONDITIONS:

Helendale Community Service District (CSD) currently owns 128.44± acres (Net) acres of property North of Smithson Road, South of the logical extension of Crouch Road, East of Smithson Road, and West of Helendale Road (15425 Wild Road and 28685 Helendale Road). Exhibit 1 *Regional Location* identifies Helendale within southern California. Exhibit 2 *Project Vicinity* and Exhibit 3 *Project Site* shows the site close up, and Exhibit 4 *Photographs* shows existing conditions at the site and in the vicinity.

The topography of the site is relatively level, descending gradually from north to the south at a slope of one percent (1%) overall. The highest point on the site is approximately 2,450 feet above mean sea level (MSL) at the northwesterly corner, and the lowest point is approximately 2,403 feet MSL at the southeasterly boundary of the site. The northern portion (72.87 acres of APN 0466-181-43-0000) is the original waste water treatment plant (WWTP) facility and part of the original Silver Lakes community which was developed and opened in the early 1970s. The WWTP facility is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds for effluent purposes and, if needed, stormwater runoff during larger storm events (yellow area on following graphic).

The WWTP expansion area as delineated within the Title 22 Engineering Report & Farm Management Plan, Helendale Wastewater Treatment Plant and Community Park (December 2010) is to allow additional areas for wastewater effluent for percolation purposes (bluish area on following graphic), which is the basic purpose of this CEQA Initial Study, along with the existing and proposed expansion of the WWTP. The portion of the southern half (55.57± acres of APN 0466-181-25-0000 per Lot Line Adjustment) as delineated on the following

graphic has been used for agricultural uses (original 80 acres) since the early 1950s. The original 80 acres, in later years several homes, a racetrack, and other related uses were added. This overall site presently has an equipment storage and maintenance yard for the HCSD, two sports fields, a residential 4-plex, and a portion of the occasionally used racetrack. The northeast sector of the original 80 acres, being east and north of the contiguous bluish areas is not a part of this project and was separated with a Lot Line Adjustment.

The Helendale CSD has ownership and total control of the remaining portions of the Site (non-bluish areas) and because of this ownership control, it is considered to provide an adequate buffer for any project related issues or other issues of environmental concern for potential sensitive receptors.

The Site is highly disturbed from past uses (for at least 65+ years) and existing development with scattered invasive grasses and weeds on the vacant portions of the site. No native vegetation remains on-site.

Helendale is an unincorporated community in San Bernardino County. The Helendale CSD provides water and wastewater services, parks and recreation services, and graffiti abatement directly to the community. The CSD provides solid waste disposal via contract with Burrtec. The County of San Bernardino provides law enforcement and fire department services.

Elementary, middle and charter schools are provided by the Helendale School District. High school is provided by the Victor Valley Union High School District.

The County of San Bernardino is presently starting work on the General Plan Update process and in the beginning stages of preparing the Helendale Community Plan to set community priorities for actions, investments and public policies for future development. As of November, 2016, the Plan proposes changing the land use for the project site and the parcel to the south owned by Helendale CSD from Rural Living (RL) to Institutional (IN). This zone change aligns with the Helendale CSD's existing and proposed use.



**Yellow area is existing Sod Farm and is the historical Waste Water Treatment Plant (Circa 1971)**

**The Bluish Area is the “Proposed New Use Area” Expansion that is the purpose of the CEQA Initial Study, along with the existing and proposed expansion of the Waste Water Treatment Plant (WWTP) (yellowish area and WWTP facility) and remaining uses are considered outside the Project Area**

**Table 1 – Land Use and Zoning**

AREA	EXISTING LAND USE	ZONE/OVERLAY DISTRICT
Site	Wastewater treatment facility with fields and retention basins, HCSD facilities with fallow agricultural and racetrack	Rural Living (RL)
North	Vacant	Rural Living (RL)
South	HCSD Park facilities with Dog park, agricultural facilities with horse/animal keeping and 4 residential units	Rural Living (RL)
East	Vacant, fallow agricultural cultivation, Sports fields, residential 4-plex, HCSD facilities and Solar facility	Rural Living (RL)
West	Vacant Desert and fallow agricultural area	Rural Living (RL)

**PROPOSED PROJECT:**

Project Description

The existing and proposed expansion of the WWTP and expansion area as delineated within the Title 22 Engineering Report & Farm Management Plan, Helendale Wastewater Treatment Plant and Community Park (December 2010) is to allow additional areas for wastewater effluent for percolation purposes, which is the purpose of this CEQA Initial Study.

The WWTP expansion area is a portion (bluish area on previous graphic) of the southern portion (55.57± acres of APN 0466-181-25-0000) and has been used for agricultural uses since before at least the 1950s; in later years' several homes, a racetrack, and other related uses were added.

The Helendale CSD has ownership and total control of the remaining portions of the Site (non-bluish areas) and because of this ownership control, it is considered to provide an adequate buffer for any project related issues or other issues of environmental concern for potential sensitive receptors.

This project would expand the existing waste water treatment facility to include additional historical agricultural cultivation area (circa 1952 as an alfalfa ranch and more recently a thoroughbred racehorse facility circa 1980's) on existing unused portions of the site to use increased amounts of reclaimed water as it is generated from the WTTP. All current uses will remain unchanged (See above graphic depiction).

Traffic Generation

No additional traffic generation will be created by this project because no additional staffing will be necessary.

Permits and Approvals

The applicant may be required to obtain the following permits and/or approvals from the agencies identified herein:

- Mitigated Negative Declaration, Site Plans and Conditional Use Permits (San Bernardino County)
- Grading Permits (San Bernardino County)
- Notice of Intent, Storm Water Pollution Prevention Plan and Monitoring Plan (State Water Resources Control Board – Lahontan Region)

### EVALUATION FORMAT

This initial study is prepared in compliance with the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, et seq. and the State CEQA Guidelines (California Code of Regulations Section 15000, et seq.). Specifically, the preparation of an Initial Study is guided by Section 15063 of the State CEQA Guidelines. This format of the study is presented as follows. The project is evaluated based upon its effect on seventeen (17) major categories of environmental factors. Each factor is reviewed by responding to a series of questions regarding the impact of the project on each element of the overall factor. The Initial Study Checklist provides a formatted analysis that provides a determination of the effect of the project on the factor and its elements. The effect of the project is categorized into one of the following four categories of possible determinations:

Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant	No Impact
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Substantiation is then provided to justify each determination. One of the four following conclusions is then provided as a summary of the analysis for each of the major environmental factors.

1. **No Impact:** No impacts are identified or anticipated and no mitigation measures are required.
2. **Less than Significant:** No significant adverse impacts are identified or anticipated and no mitigation measures are required.
3. **Less than Significant Impact with Mitigation Incorporated:** Possible significant adverse impacts have been identified or anticipated and the following mitigation measures are required as a condition of project approval to reduce these impacts to a level below significant. The required mitigation measures are: (List of mitigation measures)
4. **Potentially Significant Impact:** Significant adverse impacts have been identified or anticipated. An Environmental Impact Report (EIR) is required to evaluate these impacts, which are (List of the impacts requiring analysis within the EIR).

At the end of the analysis, the required mitigation measures are restated and categorized as being either self- monitoring or as requiring a Mitigation Monitoring and Reporting Program.

**ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:**

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Aesthetics               | <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Air Quality                        |
| <input type="checkbox"/> Biological Resources     | <input type="checkbox"/> Cultural Resources                 | <input type="checkbox"/> Geology / Soils                    |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials      | <input type="checkbox"/> Hydrology / Water Quality          |
| <input type="checkbox"/> Land Use/ Planning       | <input type="checkbox"/> Mineral Resources                  | <input type="checkbox"/> Noise                              |
| <input type="checkbox"/> Population / Housing     | <input type="checkbox"/> Public Services                    | <input type="checkbox"/> Recreation                         |
| <input type="checkbox"/> Transportation / Traffic | <input type="checkbox"/> Utilities / Service Systems        | <input type="checkbox"/> Mandatory Findings of Significance |

**DETERMINATION:** (To be completed by the Lead Agency)

On the basis of this initial evaluation, the following finding is made:

<input type="checkbox"/>	The proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION shall be prepared.
<input checked="" type="checkbox"/>	Although the proposed project could have a significant effect on the environment, there shall not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION shall be prepared.
<input type="checkbox"/>	The proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
<input type="checkbox"/>	The proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
<input type="checkbox"/>	Although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature: prepared by Ginger E. Coleman, MPA

Date

Signature: prepared by Randolph J. Coleman, AICP, PE, QSD/P

Date

Signature: Kimberly Cox, General Manager

Date

Issues	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>I. AESTHETICS</b> - Would the project				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Check  if project is located within the view-shed of any Scenic Route listed in the General Plan):

**Environmental Setting**

The proposed project is not located within a Scenic Corridor, as designated by the Scenic Corridor Overlay District of the County of San Bernardino General Plan, or the California Scenic Highway Mapping System. The Site is within the Helendale CSD. The proposed project is the expansion of agricultural cultivation area at an existing wastewater treatment facility, and is consistent with the visual character of other surrounding developments in the area (See Table 5 – *Surrounding Uses* below).

**Table 2 – Surrounding Uses**

AREA	EXISTING LAND USE
Site	Wastewater treatment facility, agricultural field, retention basins, fallow agricultural fields and occasionally used racetrack,
North	Vacant and fallow agricultural field
South	Dog park, horse/animal keeping, 4 residential units, and vacant
East	Vacant, Sports fields, CSD maintenance facilities, residential 4-plex, fallow agricultural fields and Solar facility
West	Fallow alfalfa fields & Vacant

No structures are proposed as part of the project; therefore, architectural compatibility is not necessary.

**Substantiation**

- I a) **No Impact.** The project will have no impact on scenic vistas. Existing uses on the site provide wastewater treatment and recreational opportunities to the greater Helendale and Silver Lakes communities. The proposed project is the expansion of existing agricultural to allow for the use of increasing reclaimed water. It serves an area that is predominantly residential, with some commercial, two recreational lakes, a 27-hole golf course, and various other amenities. No buildings or other structures are proposed as part of the project.



- I b) **No Impact.** The proposed project will not substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway. No protected trees, rock outcroppings, or historic buildings are located on or in close proximity to the project site, which has been disturbed since at least the early 1950s by agricultural use, and the early 1970s by the wastewater treatment facility. The project is not located or within proximity to a scenic highway.
- I c) **No Impact.** The proposed project will not substantially degrade the existing visual character of the site and its surroundings. The existing wastewater treatment facility includes an agricultural cultivation area for the use of reclaimed water. This project seeks to expand the agricultural cultivation area to provide additional area for the use of reclaimed water. Since this area has been used for agricultural uses since at least the early 1950, and the site is currently being used for a variety of community park and recreation facilities and a wastewater treatment facility, this expansion will not substantially degrade the existing visual character of the site and its surroundings.
- I d) **No Impact.** The proposed project does not include new lighting in the area; therefore it will not adversely affect day or nighttime views.

**Mitigation Measures**

**NONE** - The project expands to an historical agricultural cultivation area for the wastewater treatment facility for the greater Helendale and Silver Lakes Communities and will have no impact on aesthetics. Therefore, no Mitigation Measures are required.

Issues	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>II. AGRICULTURE AND FORESTRY RESOURCES</b> - In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined in Public Resources Code section 4526) or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Check  if project is located in the Important Farmlands Overlay):

**Environmental Setting**

A portion of the existing wastewater treatment facility located on the northern 72.87± acre parcel is designated as Farmland of Statewide Importance, as mapped by the State of California, and is currently used for restricted agricultural cultivation associated with the HCSD WWTP. The proposed project seeks to expand cultivation on this site, along with the southern 55.57± acre parcel in order to allow for the use of additional reclaimed water from the wastewater treatment facility. No structures or additional staff are proposed.

**Substantiation**

- II a) **Less Than Significant.** A portion of the northern 72.87± acres parcel is designated as Farmland of Statewide Importance, as mapped by the State of California, and is currently used for agricultural cultivation. The proposed project seeks to expand on this site along with the southern 55.57± parcel, so that additional agricultural cultivation is available for use of reclaimed wastewater from the HCSD WWTP facility. Therefore, the project's impact to designated farmland will be to potentially increase the amount of farmland, thus being a positive impact and is considered less than significant.
- II b) **No Impact.** The subject property and surrounding area is zoned for Rural Living, which is a residential zoning district. In addition, the County of San Bernardino is in the beginning stages of preparing the General Plan Update and Helendale Community Plan. As of November 2016, the Plan proposed changing the land use for the project site to Institutional (IN), which aligns with the current and proposed future use. Therefore, there will be no impact to agricultural zoning on the subject property or surrounding area. There are no Williamson Act contracts in the area. Therefore, there is no impact.
- II c) **No Impact.** The subject property is not zoned for forest land or timberland, and the project does not propose re-zoning. Therefore, there is no impact to forest land.
- II d) **No Impact.** The subject property is not forest land. Therefore, there is no impact to forest land.
- II e) **No Impact.** A portion of the northern 72.87± acre parcel is designated as Farmland of Statewide Importance, as mapped by the State of California, and is currently used for agricultural cultivation. The proposed project seeks to expand on this site along with the southern 55.57± parcel, so that additional agricultural cultivation will be available for use of reclaimed water from the wastewater treatment facility. Therefore, the project will not convert farmland to non-agricultural use and is considered to have no impact.

**Mitigation Measures**

**NONE** - No significant impacts are identified or anticipated. Therefore, no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>III. AIR QUALITY</b> - Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- |   |                          |                          |                                     |                          |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| d) Expose sensitive receptors to substantial pollutant concentrations?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Create objectionable odors affecting a substantial number of people? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**SUBSTANTIATION** (Discuss conformity with the Mojave Desert Air Quality Management District and any Air Quality Management Plan, if applicable):

**Environmental Setting**

The project is located in the Mojave Desert Air Basin (MDAB), which is under the jurisdiction of the Mojave Desert Air Quality Management District (MDAQMD). All development within the MDAB is subject to the MDAQMD's 2009 Air Quality Attainment Plan adopted January 25, 2010. However, the proposed project does not include development of structures, but instead will expand the existing agricultural cultivation area so that increases in reclaimed water from the wastewater treatment facility may be used on a historical agricultural area.

**Air Quality Management Plan Consistency**

A consistency determination plays an essential role in local agency project review by linking local planning and unique individual projects to the air quality plans. It fulfills the CEQA goal of fully informing local agency decision-makers of the environmental costs of the project under consideration at a stage early enough to ensure that air quality concerns are addressed. Only new or amended General Plan elements, Specific Plans, and significantly unique projects need to undergo a consistency review due to the air quality plan strategy being based on projections for local General Plans.

This project does not require a general plan amendment or specific plan, and is not a significantly unique project. Therefore, a consistency finding is not required.

**Substantiation**

- III a) **Less than Significant.** The proposed project does not conflict with or obstruct implementation of any applicable air quality plan. The project is within the Air Quality Management Plan (AQMP) for the Mojave Desert Air Quality Management District for applicable federal and state air quality standards, and will comply with MDAQMD Rules 402 and 403. Additionally, the Project provides a legally allowable land use and has reduced emissions over those of a residential development.  
Since the Project satisfies both of the two aforementioned criteria for determining consistency, Project Impacts will be less than significant.
- III b) **Less than significant.** The proposed project would not violate any air quality standard or contribute substantially to an existing or projected air quality violation. No significant project construction will be created thereby eliminating any temporary air pollutant emissions. Impacts associated with fugitive dust (PM<sub>10</sub> and PM<sub>2.5</sub>) and exhaust emissions from agricultural cultivation vehicles will be minimal. Therefore, the project will not contribute substantially to an existing or projected air quality violate.
- III c) **Less than Significant.** Operational emissions include emissions from electricity consumption (energy sources), vehicle trips (mobile sources), and area sources, including agricultural equipment and architectural coating emissions as structures are repainted over the life of a project. The majority of operational emissions of this project are associated with the use of agricultural cultivation equipment, since all other emission exist under the current use. A portion of the property is already being used for agricultural cultivation, and the increase in area used for cultivation will have a less than significant impact on emissions.

III d) **Less than Significant.** The potential impact of project-generated air pollutant emissions at sensitive receptor locations has been considered. Sensitive receptors can include uses such as long-term health care facilities, rehabilitation centers, and retirement homes. Residences, schools, playgrounds, childcare centers, and athletic facilities can also be considered as sensitive receptors. Potential sensitive receptors in the project vicinity include existing residences and schools that may be near the project site. An existing 4-plex is to the east of the Site, an additional 4 residences located along the southern boundary of the Site and several residences located approximately 1,500 feet east and to the southwest is the Silver Lakes community from the project Site. These eastern residences are located on Rural Living (RL) zoned properties which allow for homes on minimum of 2.5 acres, and allow for a variety of agricultural uses. The low density allowed by the RL Zone District reduces impacts and the existing houses at the southwest corner of the Site buffer the Silver Lakes community from the project to less than significant.

III e) **Less than Significant.** Potential odor sources associated with the proposed project may result from agricultural cultivation equipment exhaust. A portion of the property is already being used for agricultural cultivation, and the increase in area used for cultivation will have a less than significant impact on odors.

**Mitigation Measures**

No significant adverse impacts have been identified or anticipated from this project. However, the project will be subject to air quality regulations of the Mojave Desert Air Quality Management District (MDAQMD), notably the nuisance and dust control regulations of MDAQMD, which are included as mitigation measures.

III.b. The project shall comply with Mojave Desert Air Quality Management District’s Rule 402, “Nuisance”.

III.b. The project shall comply with Mojave Desert Air Quality Management District’s Rule 403, “Fugitive Dust”.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>IV. BIOLOGICAL RESOURCES - Would the project:</b>				

a) Have substantial adverse effects, either directly or through habitat modifications, on any species identified as a candidate, sensitive or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Service (USFWS)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFW or USFWS?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- |  |                          |                          |                                     |                                     |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?  | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

(Check if project is located in the Biological Resources Overlay or contains habitat for any species listed in the California Natural Diversity Database ):

**Environmental Setting**

The proposed project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. The WWTP facility is part of the original Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres have been used for agricultural uses since at least the early 1950s; in later years' several homes, a racetrack, and other related uses were added. This site presently has fallow agricultural fields and an occasionally used racetrack and other agricultural oriented uses. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to specifically serve the Silver Lakes community. The plant is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds for effluent and can capture stormwater runoff, if needed. The site is highly disturbed from past uses and development, with scattered invasive grasses and weeds on the vacant portion of the site. No native vegetation remains onsite.

**Substantiation**

- IV a) **Less than significant.** The project site has no habitat or nesting resources remaining for any species identified as a candidate, sensitive or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Service (USFWS). The properties surrounding the project are a mix of commercial and residential uses on large parcels, as well as vacant parcels covered in sparse native vegetation. Impacts are considered less than significant because of this historical and continuous ground disturbance.
- IV b) **No Impact.** This proposed project is located over 3,800 feet northwest from the Mojave River, which is the nearest riparian area, and will not have an effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Wildlife or US Fish and Wildlife Service. Historical agricultural cultivation from at least the early 1950s has removed the native vegetation which would be used for foraging and nesting. This project will expand the existing agricultural cultivation onto property with no native habitat due to long-term historical agricultural uses. Therefore, there will be no impact.
- IV c) **No Impact.** This project will have no impact on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through

direct removal, filling, hydrological interruption, or other means, because there are no identified wetlands or streambeds are located on or in the vicinity of the project site.

- IV d) **No Impact.** This project will have no impact on the movement of any native resident or migratory species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites, because there are no such corridors or nursery sites within the proposed project site. Surrounding properties are developed with historical agricultural areas, commercial and residential uses on large lots, and vacant parcels with sparse native vegetation abut open desert areas. In addition, historical agricultural cultivation (from at least the early 1950s) has destroyed any wildlife corridors that may have existed.
- IV e) **Less than significant.** There are no local policies or ordinances protecting biological resources that are applicable to the proposed project site, due to historic disturbance of the site by agricultural uses from at least the early 1950, and development of the Silver Lakes community in the last 1960's and early 1970s. The site is located within the Biotic Resources Overlay District of the San Bernardino County General Plan. However, the proposed development of the proposed project would not conflict with local policies or ordinances protecting biotic resources because of the historical disturbance to the proposed project site.
- IV f) **No Impact.** The project area is not located within an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan. There would be no take of critical habitat and, therefore, no land use conflict with existing management plans would occur.

**Mitigation Measures**

The site has been disturbed by agricultural uses from at least the early 1950, and development of the Silver Lakes community in the late 1960's and early 1970s. The project is not anticipated to have any impact; however, the mitigation measures below will ensure no impacts to nesting birds, Burrowing Owls or Desert Tortoise occur.

- IV. a) A survey by the Project Wildlife Biologist (Randolph Coleman, Certified Wildlife Biologist, Certified Arborist) shall be required for burrowing owls and nesting birds if earth moving activities do not begin prior to February 1, 2017, or if there is a lapse of construction activities for 30 continuous working days thereafter.
- IV. a) If Tortoises are observed on the Site in the future, all earth moving activities shall cease immediately and the Project Wildlife Biologist (Randolph Coleman, Certified Wildlife Biologist, Certified Arborist) shall be contacted for consultation with USFWS and CDFW to discuss potential mitigation measures, if necessary.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>V. CULTURAL RESOURCES - Would the project</b>				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- |    |  |                          |                          |                                     |                          |
|----|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| c) | Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) | Disturb any human remains, including those interred outside of dedicated cemeteries?                 | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(Check if the project is located in the Cultural  or Paleontological  Resources overlays or cite results of cultural resource review):

**Environmental Setting**

The proposed project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. The site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres have been used for agricultural uses since at least the early 1950s; in later years' several homes, a racetrack, and other related uses were added. This site presently has fallow agricultural areas and an occasionally used racetrack. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to serve the Silver Lakes community. The plant is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds to capture stormwater runoff. The site is highly disturbed from past uses and development, with scattered invasive grasses and weeds on the vacant portion of the site.

**Substantiation**

- V a) **Less Than Significant.** The Site is over 3,800 feet from the Mojave River, with no significant natural drainage courses and is not located along the historical Mojave Trail used by Local Indian tribes for trade routes from the Colorado River area tribes to Coastal Indian tribes and then subsequently used by pioneers and essentially wagon trail pioneers after the Civil War era.  
  
Therefore, continued agricultural uses of the subject property is not expected to result in any adverse impacts to historical or archaeological resources. However, a mitigation measure has been included should historical or archaeological resources be encountered during any construction/earth moving activities.
- V b) **Less than Significant.** This project will not cause a substantial adverse change in the significance of an archeological resource, because no known resources have been identified on the site during previous earth moving activities for agricultural uses or development of the Silver Lakes community. However, a mitigation measure has been included should archaeological resources be encountered during construction.
- V c) **Less than Significant.** This project is not expected to directly or indirectly destroy a unique paleontological resource or site or unique geologic feature, because the proposed project site is 100% disturbed. However, a mitigation measure has been included should paleontological resources be encountered during construction.
- V d) **Less than Significant.** It is not anticipated that this project would disturb any human remains, including those interred outside of formal cemeteries, because no such burials grounds are known to exist on this project site, and none have been encountered during prior earth moving activities. However, a mitigation measure has been included should human remains be encountered during construction. A Native American representative shall also be consulted if the remains are determined to be of potential Native American origin pursuant to Section 15064.5(e) of the CEQA Guidelines.

**Mitigation Measures**



- V.1. All earthmoving work in the immediate vicinity shall cease and County Coroner shall be contacted pursuant to State Health and Safety Code §7050.5 if human remains are encountered. If the remains are determined to be Native American, the State Native American Heritage Commission (NAHC) shall be contacted to determine the Most Likely Descendant (MLD). The MLD shall be contacted to make a determination regarding disposition of the remains. Work shall not resume until such time as the site has been cleared by the County Coroner or qualified archaeologist or Tribal representative.
- V.2. In the event, that Tribal cultural resources are discovered during the project earth moving activities, all work in the immediate vicinity of the find shall cease and a qualified archaeologist and appropriate local Tribe or Band shall assess the significance of such resources and shall meet and confer regarding the mitigation for such resources. If the owner and the Tribe or Band cannot agree on the significance or the mitigation for such resources, these issues shall be presented to the Helendale CSD General Manager for decision. The Helendale CSD shall make the determination based on the provisions of CEQA with respect to archaeological resources and shall take into account the religious beliefs, customs and practices of the Tribe or Band.
- V.3. If significant Tribal cultural resources are discovered, for which a Treatment Plan must be prepared, the developer or qualified archaeologist shall contact the appropriate Tribe or Band for collaboration on Plan development.
- V.4. If requested by a Tribe or Band, the developer or the qualified archaeologist shall, in good faith, consult with Tribal representatives on the discovery and its disposition (e.g. avoidance, preservation, return of artifacts to tribe, etc.).
- V.5. In the event that fossils are discovered during the project development/construction, all work in the immediate vicinity of the find shall cease and a qualified paleontologist shall be hired to assess the find. Work on the overall project may continue during this assessment period.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>VI. GEOLOGY AND SOILS - Would the project:</b>				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map Issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and				

	potentially result in on or off site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d)	Be located on expansive soil, as defined in Table 181-B of the California Building Code (2013) creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e)	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Check  if project is located in the Geologic Hazards Overlay District):

**Environmental Setting**

The proposed project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. The WWTP site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres have been used for agricultural uses since at least the early 1950s; in later years’ several homes, a racetrack, and other related uses were added. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to serve the Silver Lakes community. The plant is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds to capture stormwater runoff. The site is highly disturbed from past uses and development, with scattered invasive grasses and weeds on the vacant portion of the site.

**Substantiation**

VI a) **i) Less than Significant.** The project site is not within an Earthquake Fault Zone according to the California Alquist-Priolo Earthquake Fault Zone and Seismic Hazard Maps from the California Department of Conservation (See Exhibit 7). However, USGS Fault Maps (Exhibit 8) identify the nearest faults as shown below.

Fault	Location
Helendale-South Lockhart fault zone	Approximately bisects the northeast corner of the project in a southeast to northwest direction
Blake Ranch Fault	10 miles west
Mirage Valley fault zone	12 miles southwest
Kramer Hills fault zone	12 miles northwest
Lenwood-Lockhart fault zone	22 miles east
Harper fault zone	22 miles northerly

The project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. It will involve no new structures or staffing. Therefore, the impact due to rupture will be less than significant.

**ii) Less than Significant.** The subject site is within an area that could be subject to strong earthquakes due to its proximity to faults as identified above. However, the project involves no new structures or staffing, therefore, the impact due to ground shaking will be less than significant.

**iii) Less than Significant.** Liquefaction is the loss of soil strength as a result of an increase in pore water pressure due to dynamic earthquake loading. Conditions for liquefaction to occur generally include relatively high water table (within 40 feet of the ground surface), low relative densities of the saturated soils, and a susceptibility of the soil to liquefy based on grain size. Research indicates that the groundwater varies from more than and less than a depth of 40', the soil sequence is predominantly in a relatively dense state, hence the potential for on-site liquefaction is considered less than significant.

**iv) No Impact.** The proposed project would not have any risks associated with landslides. Landslides are the downslope movement of geologic materials. The stability of slopes is related to a variety of factors, including the slope's steepness, the strength of geologic materials, and the characteristics of bedding planes, joints, faults, vegetation, surface water, and groundwater conditions. The project area is relatively flat terrain where landslides do not occur; therefore, impacts are considered less than significant with respect to seismic-related (or other) landslide hazards.

- VI b) **Less Than Significant.** The project will not result in substantial soil erosion or the loss of topsoil, because the site has minimal slopes and lower stormwater velocities. The proposed project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water on a historical (1950s era) agricultural area.
- VI c) **Less Than Significant.** The subject property is not located in an area that is geologically unstable or would become unstable as a result of the project. As mentioned above, it is unlikely that a landslide, lateral spreading, subsidence, liquefaction or collapse would occur onsite or in the project vicinity. Seismically induced lateral spreading involves lateral movement of soils due to ground shaking. Lateral spreading is demonstrated by near vertical cracks with predominantly horizontal movement of the soil mass involved. The topography of the site being near level; therefore, the potential for seismically induced lateral spreading should be considered less than significant.
- VI d) **No Impact.** The project site is not located in an area that has been identified by the County Building and Safety Geologist as having the potential for expansive soils. There is not impact.
- VI e) **No Impact.** The project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. It will involve no new structures or staffing. Therefore, no septic system or alternative wastewater disposal system will be necessary and there will be no impact.

**Mitigation Measures**

No mitigation measures are proposed because impacts are less than significant.

<i>Issues</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>VII GREENHOUSE GAS EMISSIONS - Would the project:</b>				

- |    |   |                          |                          |                                     |                          |
|----|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a) | Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?                    | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) | Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**Environmental Setting**

The proposed project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. The site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres have been used for agricultural uses since at least the early 1950s; in later years' several homes, a racetrack, and other related uses were added. The WWTP facility is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds for effluent purposes and potential stormwater runoff. The site is highly disturbed from past uses and development, with scattered invasive grasses and weeds on the vacant portions of the site.

No construction is proposed to occur on the site, so no construction emissions will occur. Operational greenhouse gas emission increases will be minimal since reclaimed water from the wastewater treatment facility is already being used to water agricultural crops on the property, and no additional staff will be hired.

**Substantiation**

- VII a) **Less than Significant.** The proposed project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. While Greenhouse Gas emission will be increased by the additional time necessary for equipment to run, this is an agricultural oriented project that absorbs CO2 and produces O2 as a by-product. Therefore, the project will have a less than significant impact.
- VII b) **Less than Significant.** The proposed project is not anticipated to conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases. The project is an agricultural oriented project that absorbs CO2 and produces O2 as a by-product, and is determined to have a less than significant individual and cumulative impact for GHG emissions and therefore has no proposed mitigation.

**Mitigation**

No mitigation measures are proposed because impacts are less than significant.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>VIII. HAZARDS AND HAZARDOUS MATERIALS - Would the project:</b>				

- |    |  |                          |                          |                                     |                          |
|----|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a) | Create a significant hazard to the public or the Environment through the routine transport, use, or disposal of hazardous materials? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|----|--|--------------------------|--------------------------|-------------------------------------|--------------------------|

b)	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c)	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d)	Be located on a site, which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e)	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f)	For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g)	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h)	Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Environmental Setting

The proposed project is the expansion of an existing wastewater treatment facility to increase the area of agricultural cultivation to allow for the use of increased production of reclaimed water. The site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres have been used for agricultural uses since at least the early 1950s; in later years' several homes, a racetrack, and other related uses were added. The WWTP facility is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds for effluent and potentially to capture stormwater runoff. The site is highly disturbed from past uses and development, with scattered invasive grasses and weeds on the vacant portion of the site.

Small quantities of fertilizer, pesticides, and equipment fuel, oil, etc. are already used on site for routine cultivation and vehicle maintenance, and are not anticipated to be increased.

ALTEC Land Planning has completed two (2) Phase 1 Environmental Assessments in conjunction with the last two sales of this site, specifically for the acquisition by the Helendale CSD and a prior sale and no issues of concern were concluded for this Site.

### Substantiation

- VII a) **Less Than Significant.** The project includes the expansion of an existing agricultural cultivation use, which currently uses fertilizer, pesticides, and equipment fuel, oil, etc. These materials may be transported to or used on site. However, disposal will occur through acceptable means. In addition, the site contains a wastewater treatment facility, equipment storage and maintenance yard, all of which may also use and store small amounts of fertilizers, pesticides, fuels, oils, etc.
- The amount of materials that may be used onsite will not be in sufficient quantities so as to pose a threat to humans or cause a foreseeable chemical release into the environment. The use and handling of hazardous materials during operation activities would occur in accordance with applicable Federal, State and local laws including California Occupational Health and Safety Administration (Cal OSHA) requirements. Impacts will be less than significant.
- VIII b) **Less than Significant.** The project includes the expansion of an existing agricultural cultivation use, which currently uses fertilizer, pesticides, and equipment fuel, oil, etc. These materials may be transported to or used on Site. However, disposal will occur through acceptable means. In addition, the site contains a wastewater treatment facility, equipment storage and maintenance yard, two sports fields, and a residential 4-plex, all of which may also use and store small amounts of fertilizers, pesticides, fuels, oils, etc.
- The amount of materials that may be used onsite will not be in sufficient quantities so as to pose a threat to humans or cause a foreseeable chemical release into the environment. The use and handling of hazardous materials during operation activities would occur in accordance with applicable Federal, State and local laws including California Occupational Health and Safety Administration (Cal OSHA) requirements. Impacts will be less than significant.
- VIII c) **No Impact.** No schools are located within one-quarter mile of the project. The nearest school is Helendale Elementary School located approximately 1.34 miles from the proposed site. There will be no hazardous materials-related impacts to schools.
- VIII d) **No Impact.** The subject property is not included on a list compiled pursuant to Government Code Section 65962.3. The proposed project will not create a significant hazard to the public or environment.
- VIII e) **No Impact.** Southern California Logistics Airport (SCLA) is located approximately 10 miles southwest of the project. The subject site is not located within the boundaries of the airport's land use compatibility plan. The project will not result in safety hazards for people living or working in the area.
- VIII f) **No Impact.** The proposed project is not located within the vicinity of an active private airstrip; therefore, it would not result in a safety hazard for people residing or working in the project area.
- VIII g) **No Impact.** The project will not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan, because the project has adequate access from two or more directions via Helendale Road and Wild Road.
- VIII h) **Less than Significant.** The project will not expose people or structures to a significant risk of loss, injury or death involving wildland fires. The wildlands adjacent to the site to the west and north contain relatively sparse fuel loads which are inadequate to support a wildland fire of any magnitude. Therefore, the potential to expose people or structures to a significant risk of loss, injury or death is less than significant.

### Mitigation Measures

No significant adverse impacts have been identified or anticipated and no mitigation measures are required to reduce impacts to a level below significant.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>IX. HYDROLOGY AND WATER QUALITY - Would the project:</b>				
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level, which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create or contribute runoff water, which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structure that would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Check  if project is located in the Flood Hazard Overlay District):

**Environmental Setting**

The Helendale CSD provides domestic water to the project area. Their primary source of fresh water is groundwater extracted by wells. The project site contains a wastewater treatment facility operated by the Helendale CSD, which implements all requirements of the Regional Water Quality Control Board – Lahontan Region. This disposal of reclaimed water from the treatment facility is accomplished by utilizing it for agricultural crops currently located on site which is a long-term historical alfalfa ranch (circa 1950s). This project proposes to expand the area on which agricultural crops grow in order to utilize additional reclaimed water as quantities increase.

The project site is located directly south and 0.5 miles east of blue line streams which carry stormwater to the Mojave River located east of the site. (See Exhibits 5 and 6) The project site and areas surrounding it are subject to San Bernardino County requirements relating to flood control, and the National Pollution Discharge Elimination System (NPDES) to protect surface water from pollution.

Expansion of the WWTP to include additional areas of agricultural cultivation will not increase the amount of impermeable surfaces on the site, nor increase on-site storm flows. Stormwaters draining through the site of the WWTP will continue to be collected in two existing retention basins on-site for percolation into the groundwater system and the expansion area will continue to percolate in the same manner.

Overall, project related impacts are anticipated to be less than significant.

### Substantiation

- IX a) **No Impact.** The project will not violate any water quality standards or waste discharge requirements. The current project utilizes reclaimed water from the wastewater treatment facility for agricultural cultivation; the proposed project is an expansion of the agricultural area. All reclaimed water complies with Federal, State and local standards, therefore, there is no impact.
- IX b) **No Impact.** The project will not substantially deplete groundwater supplies or interfere with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level. The current project utilizes reclaimed water from the wastewater treatment facility for agricultural cultivation; the proposed project is an expansion of the agricultural area as increases in reclaimed water allow. Therefore, there is no impact.
- IX c) **Less Than Significant.** The project will not substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on-site or off-site. The project does not propose any substantial alteration to a drainage pattern. There is no stream or river on the project site, and the stream located directly north of the site will not be altered as part of this project. The existing site contains two retention basins to capture stormwater runoff, no addition impervious surfaces will be added as a result of this project; therefore, impacts to the existing drainage patterns will be less than significant.
- IX d) **Less Than Significant.** The project will not substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on-site or off-site. The project does not propose any substantial alteration to a drainage pattern. There is no stream or river on the project site, and the stream located directly north of the site will not be altered as part of this project. The existing site contains two retention basins for wastewater treatment plant effluent and to capture stormwater runoff, no addition impervious surfaces will be added as a result of this project; therefore, impacts to the existing drainage patterns will be less than significant.



- IX l e) **Less Than Significant.** The project will not create or contribute runoff water, which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff. The existing site contains two retention basins for wastewater treatment plant effluent and to capture stormwater runoff, no addition impervious surfaces will be added as a result of this project; therefore, impacts to the existing drainage patterns will be less than significant.
- IX f) **Less Than Significant.** The proposed project would not otherwise substantially degrade water quality. The current project utilizes reclaimed water from the wastewater treatment facility for agricultural cultivation; the proposed project is an expansion of the agricultural area. All reclaimed water complies with Federal, State and local standards, therefore, any potential impacts will be less than significant.
- IX g) **No Impact.** The project will not place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map, because the subject property is not mapped as occurring within a flood hazard zone.
- IX h) **No Impact.** The project will not place within a 100-year flood hazard area structures which would impede or redirect flood flows, because the site is not located within a 100-year flood hazard area and no structures are proposed as part of the project. Therefore, there is no impact.
- IX i) **No Impact.** The project would not expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam, because the project site is not within any identified path of a potential inundation flow that might result in the event of a dam or levee failure or that might occur from a river, stream, lake or sheet flow situation. This project is not located in the inundation area along the Mojave River. There is no impact.
- IX j) **No Impact.** The project will not be impacted by inundation by seiche, tsunami, or mudflow, because the project is not adjacent to any body of water that has the potential of seiche or tsunami nor is the project site in the path of any potential mudflow. There is no impact.

**Mitigation Measures**

The proposed project has no significant impacts related to off-site and on-site hydrology and/or stormwater quality. No mitigation measures are proposed.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>X. LAND USE AND PLANNING - Would the project:</b>				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Environmental Setting**

The project is located on 128.44± acres of Rural Living (RL) zoned property. The proposed project is the expansion of existing agricultural cultivation to increase the area of under cultivation to allow for the use of increased production area for reclaimed water. The WWTP site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres presently have fallow agricultural uses and a portion of the occasionally used racetrack. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to serve the Silver Lakes community. The plant is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds for effluent and potentially capture stormwater runoff.

The County of San Bernardino is in the early stages of developing the General Plan Update and the Helendale Community Plan, and proposes to rezone the two parcels of this project to Institutional (IN) which will continue to allow the current and proposed uses.

**Substantiation**

- X a) **No Impact.** The proposed project will not physically divide an established community. It is the expansion of area under agricultural cultivation which presently is occurring. Therefore, there is no impact.
- X b) **No Impact.** The project will not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project because the current and proposed projects are consistent with all applicable land use policies and regulations of the County of San Bernardino Development Code and General Plan. There is no impact.
- X c) **No Impact.** The proposed project does not conflict with any applicable habitat conservation plans or natural community conservation plans because no such conservation plan exists in the area.

**Mitigation Measures**

No significant adverse impacts are identified or anticipated, and therefore no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>XI. MINERAL RESOURCES - Would the project:</b>				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(Check  if project is located within the Mineral Resource Zone Overlay):

**Environmental Review**

The project is located on 128.44± acres of Rural Living (RL) zoned property. The proposed project is the expansion of existing HCSD WWTP and fallow agricultural cultivation to increase the area of under cultivation to allow for the use of increased production of reclaimed water.

**Substantiation**

- XI a) **No Impact.** The project will not result in the loss of availability of a known mineral resource that will be of value to the region and the residents of the state, because there are no identified important mineral resources on the project site and the site is not within a Mineral Resource Zone Overlay. Additionally, mineral extraction would be incompatible with existing and planned land uses in the area.
- XI b) **No Impact.** The project will not result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan, because there are no identified locally important mineral resources on the project site. The underlying soils in the area could be recovered, but the project site has already been developed with a mix of uses providing services to the residents of the Silver Lakes community. As such, the area has not been identified as a locally important mineral resource, and the project will have no impact.

**Mitigation Measures**

No significant adverse impacts are identified or anticipated and therefore no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>XII. NOISE - Would the project:</b>				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

(Check if the project is located in the Noise Hazard Overlay District  or is subject to severe noise levels according to the General Plan Noise Element ):

### Environmental Setting

The project is located on 128.44± acres of Rural Living (RL) zoned property. Surrounding properties are also zoned RL. The proposed project is the expansion of existing agricultural cultivation to increase the area of under cultivation to allow for the use of increased production of reclaimed water. The site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres presently have fallow agricultural uses and the occasionally used racetrack. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to serve the Silver Lakes community. The plant is located within the northwestern corner of the property, with the eastern and southern portions being used for agricultural cultivation and two retention ponds for wastewater treatment plant effluent and to capture stormwater runoff.

The County of San Bernardino is in the early stages of developing the Helendale Community Plan, and proposes to rezone the two parcels of this project to Institutional (IN) which will continue to allow the current and proposed uses with surrounding properties remaining RL.

### Substantiation

- XII a) **Less Than Significant.** No structures will be constructed as part of this project; therefore, construction noise is not an impact. The expansion of the agricultural cultivation area may increase noise levels due to additional time necessary to utilize cultivation equipment. The surrounding properties are a mix of other governmental uses, vacant low density residential zoned property, and low density residential. However, due to the size of residential parcels and governmental uses in the surrounding area, the exposure of persons to noise levels in excess of standards is less than significant.
- XII b) **Less Than Significant.** The project is not anticipated to generate excessive ground borne vibration or noise levels. No structures will be constructed as part of this project; therefore, construction noise is not an impact. The expansion of the agricultural cultivation area may increase noise levels an insignificant amount due to additional time necessary to utilize cultivation equipment. The surrounding properties are a mix of other governmental uses, vacant low density residential zoned property, and low density residential. However, due to the size of residential parcels and governmental uses in the surrounding area, the exposure of persons to noise levels in excess of standards is less than significant.
- XII c) **Less Than Significant.** The project is not anticipated to substantially increase permanent ambient noise levels in the project vicinity above levels existing levels. No structures will be constructed as part of this project; therefore, construction noise is not an impact. The expansion of the agricultural cultivation area may increase noise levels due to additional time necessary to utilize cultivation equipment. However, due to the size of residential parcels and governmental uses in the surrounding area, the exposure of persons to noise levels in excess of standards is less than significant.
- XII d) **Less Than Significant.** The project is not anticipated to substantially increase temporary or periodic ambient levels. No structures will be constructed as part of this project; therefore, construction noise is not an impact. The expansion of the agricultural cultivation area may increase noise levels due to additional time necessary to utilize cultivation equipment. However, due to the size of residential

parcels and governmental uses in the surrounding area, the exposure of persons to noise levels in excess of standards is less than significant.

XII e) **No Impact.** The project is not located within the airport land use plan area. There is no impact.

XII f) **No Impact.** The proposed project area is not located within the vicinity of an active private airstrip. There is not impact

**Mitigation Measures**

No significant adverse impacts are identified or anticipated and therefore no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>XIII. POPULATION AND HOUSING - Would the project:</b>				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Environmental Setting**

The proposed project would increase the amount of land being used for agricultural cultivation at an existing wastewater treatment facility in the Helendale CSD. This expansion will not increase the number of employees necessary for the cultivation operation.

**Substantiation**

XIII a) **No Impact.** The proposed project will not increase the number of employees; therefore, there is no direct impact. The potential indirect impact from infrastructure improvement is also considered no impact because the existing vacant and improved lots within the Silver Lakes community have had essentially no development since the 2007 timeframe and no proposed new developments.

XIII b) **No Impact.** The proposed project does not remove any housing from the community; therefore, there is no impact.

XIII c) **No Impact.** The proposed project does not displace people from their homes; therefore, there is no impact.

**Mitigation Measures**

No impacts are identified or anticipated. Therefore, no mitigation measures are required.

ISSUES	Potentially Significant Impact	Less than Significant with Mitigation Incorp.	Less than Significant	No Impact
<b>XIV. PUBLIC SERVICES</b>				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Police Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other Public Facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Environmental Setting**

The proposed project would increase the amount of land being used for agricultural cultivation at an existing wastewater treatment facility in the Helendale CSD. The expansion will not increase the number of employees necessary for the cultivation operation, and does not include the construction of any structures.

**Substantiation**

XIV a) **Less than Significant.** The proposed project will have no impact on government facilities or services due to the construction of no additional structures and no additional staff.

Fire Protection. Fire protection services are provided by the County of San Bernardino.

Police Protection. Police services are provided by the County of San Bernardino.

Schools. The Helendale School District provides elementary and middle school education, as well as charter school opportunities. The Victor Union High School District provided high school education.

Parks. The Helendale CSD provides parks for the community.

Other Public Facilities. The Helendale CSD provides water and wastewater services to the community.

**Mitigation Measures**

No significant adverse impacts are identified or anticipated. Therefore, no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>XV. RECREATION</b>				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Environmental Setting**

The proposed project would increase the amount of land being used for agricultural cultivation at an existing wastewater treatment facility for the Helendale CSD. The expansion will not increase the number of employees necessary for the cultivation operation, and does not include the construction of any structures.

**Substantiation**

- XV a) **No Impact.** The proposed project will not increase the use of existing neighborhood or regional parks or other recreational facilities.
- XV b) **No Impact.** The proposed project will not include recreational facilities or regional or other recreational facilities.

**Mitigation Measures**

No significant adverse impacts are identified or anticipated. Therefore, no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>XVI. TRANSPORTATION/TRAFFIC - Would the project:</b>				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways, freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the County congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Environmental Setting**

The project is located on 128.44± acres of Rural Living (RL) zoned property. Surrounding properties are also zoned RL. The proposed project is the expansion of existing agricultural cultivation to increase the area of under cultivation to allow for the use of increased production of reclaimed water. The site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres have fallow agricultural uses and an occasionally used racetrack. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to serve the Silver Lakes community. Two points of access to the site are provided via Wild Road and Helendale Road. No additional access points or roadway improvements are proposed. No staffing increases are proposed.

**Substantiation**

XVI a/b) **No Impact.** The proposed project will not impact traffic and circulation impacts associated with the proposed project on the surrounding roadway system because no additional staff are necessary.



- XVI c) **No Impact.** The project will not conflict with the congestion management plan because no additional staff are proposed. There is no impact.
- XVI d) **No Impact.** The project will not substantially increase hazards due to a design feature or incompatible uses because the project is an expansion of the existing agricultural cultivation use on the properties. This expansion is compatible with the current uses on the site and those of the surrounding properties. There is no impact.
- XVI e) **No Impact.** The project will not result in inadequate emergency access, because there are already two points of access to the site from Wild Road and Helendale Road. There is no impact.
- XVI f) **No Impact.** The project will not conflict with adopted policies, plans, or programs regarding public transit and alternative or non-motorized transportation because there will be no change current staffing levels.

**Mitigation Measures**

No impacts are identified or anticipated as a result of the project. Therefore, no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>XVII. UTILITIES AND SERVICE SYSTEMS - Would the project:</b>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Be served by a landfill(s) with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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## Environmental Setting

The project is located on 128.44± acres of Rural Living (RL) zoned property. Surrounding properties are also zoned RL. The proposed project is the expansion of existing agricultural cultivation to increase the area of under cultivation to allow for the use of increased production of reclaimed water. The site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres has fallow agricultural and an occasionally used racetrack. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to serve the Silver Lakes community.

## Substantiation

- XVII a) **No Impact.** The project will expand the existing agricultural cultivation use only. No staffing changes are proposed and no changes to other uses on the property are proposed. The Helendale Community Services District manages the sanitary sewer collection system, with the wastewater treatment facility being located on the subject site. The plan complies with all requirements of the Regional Water Quality Control Board – Lahonton Region. There is no impact.
- XVII b) **No Impact.** The proposed project will not require or result in a need for new water or wastewater treatment facilities or expansion of existing facilities. Expansion of the agricultural cultivation area will be watered through the use of reclaimed water from the wastewater treatment facility. Expansion of the wastewater treatment facility is not needed because no additional staff is proposed. There is no impact.
- XVII c) **No Impact.** No additional impervious surfaces will be added as a result of this project and there will be no changes to drainage patterns. Therefore, there is no impact.
- XVII d) **No Impact.** The proposed project will expand the area being utilized for agricultural cultivation, which will be watered with reclaimed water from the existing wastewater treatment facility. No additional groundwater will be used for the project. Therefore, there is no impact to water supplies.
- XVII e) **No Impact.** The Helendale Community Services District manages the wastewater treatment plan, and will provide reclaimed water to the proposed agricultural cultivation expansion. No staffing increases are proposed by the project, and no structures will be constructed; therefore, no additional capacity at the wastewater treatment facility is necessary. There is no impact.
- XVII f) **Less than Significant.** The project would consist of no additional short-term construction activities because the proposed expansion area has been in agricultural use since the early 1950s. The existing fencing and “Thoroughbred Horse Track” are proposed to remain and continue to be used for existing recreational and park activities for the Helendale community. The application of recycled water for agricultural uses in either percolation ponds or an agricultural crop (i.e. alfalfa or other high use water fodder crop) will continue the historical uses of this site. This historical and continued agricultural uses creates no additional waste products and thus would not result in significant short-term or long-term solid waste generation. If any additional waste is found or produced during the construction phase of this project it would be disposed of in accordance with all applicable regulations, and demolition debris reduction ordinances, as applicable. Therefore, the proposed project would comply with all federal, state, and local statutes and regulation related to solid waste disposal requirements. Therefore, no significant impacts related to landfill capacity are anticipated from the proposed project.

XVII g) **Less than Significant.** The proposed project would comply with all federal, state, and local statutes and regulation related to solid waste. The project would consist of continued agricultural uses with existing agricultural fencing. Therefore, no short-term waste generation or minor quantities of construction debris) and thus would not result in significant long-term solid waste generation. Any solid waste produced during the construction phase of this project would be disposed of in accordance with all applicable regulations, including the Helendale CSD construction and demolition debris reduction ordinance, as applicable. Therefore, no significant impacts related to landfill capacity are anticipated from the proposed project.

**Mitigation Measures**

No significant adverse impacts are identified or anticipated. Therefore, no mitigation measures are required.

<i>ISSUES</i>	<i>Potentially Significant Impact</i>	<i>Less than Significant with Mitigation Incorp.</i>	<i>Less than Significant</i>	<i>No Impact</i>
<b>XVIII. MANDATORY FINDINGS OF SIGNIFICANCE:</b>				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Environmental Setting**

The project is located on 128.44± acres of Rural Living (RL) zoned property. Surrounding properties are also zoned RL. The proposed project is the expansion of existing agricultural cultivation to increase the area of under cultivation to allow for the use of increased production of reclaimed water. The site is part of the Silver Lakes community which was developed and opened in the early 1970s. The southern 55.57± acres presently has fallow agricultural uses and an occasionally used racetrack. The northern 72.87± acres were developed with a wastewater treatment facility in the early 1970s to serve the Silver Lakes community.

### Substantiation

- XVIII a) **Less than Significant.** The project does not have the potential to significantly degrade the overall quality of the region's environment, or substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population or drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. No potential impact on rare or endangered species or other species of plants or animals or habitat identified by the California Natural Diversity Database (CNDDDB) has been identified in the analysis of the proposed project, based on the disturbed condition of the project site. There are no identified historic or prehistoric resources identified on this site.
- XVIII b) **Less than Significant.** The project does not have impacts that are individually limited, but cumulatively considerable. Special studies prepared to analyze impacts of the proposed project consider and evaluate existing and planned conditions of the surrounding area and the region. Existing and planned infrastructure in the surrounding area has been planned to accommodate planned build out of the area, including the project site.
- XVIII c) **Less than Significant.** The design of the project, with application of Federal, State and local policies, standards, and design guidelines ensure that there would be no substantial adverse effects on human beings, either directly or indirectly. Impacts of the proposed project would be less than significant.

## XIX. MITIGATION MEASURES

MONITORING MITIGATION MEASURES: (Compliance monitoring will be verified by existing procedures for condition compliance)

### AIR QUALITY

- III.1. The project shall comply with Mojave Desert Air Quality Management District's Rule 402, "Nuisance".
- III.2. The project shall comply with Mojave Desert Air Quality Management District's Rule 403, "Fugitive Dust".

### BIOLOGICAL RESOURCES

- IV.1. A survey by the Project Wildlife Biologist (Randolph Coleman, Certified Wildlife Biologist, Certified Arborist) shall be required for burrowing owls and nesting birds if earth moving activities do not begin prior to February 1, 2017, or if there is a lapse of construction activities for 30 continuous working days thereafter.
- IV.2. If Tortoises are observed on the Site in the future, all earth moving activities shall cease immediately and the Project Wildlife Biologist (Randolph Coleman, Certified Wildlife Biologist, Certified Arborist) shall be contacted for consultation with USFWS and CDFW to discuss potential mitigation measures, if necessary.

### CULTURAL

- V.1. All earthmoving work in the immediate vicinity shall cease and County Coroner shall be contacted pursuant to State Health and Safety Code §7050.5 if human remains are encountered. If the remains are determined to be Native American, the State Native American Heritage Commission (NAHC) shall be contacted to determine the Most Likely Descendant (MLD). The MLD shall be contacted to make a determination regarding disposition of the remains. Work shall not resume until such time as the site has been cleared by the County Coroner or qualified archaeologist or Tribal representative.
- V.2. In the event that Tribal cultural resources are discovered during the project development and/or construction, all work in the immediate vicinity of the find shall cease and a qualified archaeologist and appropriate local Tribe or Band shall assess the significance of such resources and shall meet and confer regarding the mitigation for such resources. If the owner and the Tribe or Band cannot agree on the significance or the mitigation for such resources, these issues shall be presented to the Helendale CSD General Manager for decision. The Helendale CSD shall make the determination based on the provisions of CEQA with respect to archaeological resources and shall take into account the religious beliefs, customs and practices of the Tribe or Band.
- V.3. If significant Tribal cultural resources are discovered, for which a Treatment Plan must be prepared, the developer or qualified archaeologist shall contact the appropriate Tribe or Band for collaboration on Plan development.
- V.4. If requested by a Tribe or Band, the developer or the qualified archaeologist shall, in good faith, consult with Tribal representatives on the discovery and its disposition (e.g. avoidance, preservation, return of artifacts to tribe, etc.).
- V.5. In the event that fossils are discovered during the project development/construction, all work in the immediate vicinity of the find shall cease and a qualified paleontologist shall be hired to assess the find. Work on the overall project may continue during this assessment period.

## **GENERAL REFERENCES**

Alquist-Priolo Special Studies Zone Act Map Series (PRC 27500)

California Department of Water Resources Bulletin #118 (Critical Regional Aquifers).

CEQA Guidelines, Appendix G

County of San Bernardino Development Code

County of San Bernardino draft Helendale Community Plan

County of San Bernardino, Countywide Integrated Waste Management Plan.

County of San Bernardino, *San Bernardino County Storm Water Program, Model Water Quality Management Plan Guidance*.

Helendale Community Services District Road Planning and Design Standards

Environmental Impact Report, San Bernardino County General Plan, 2007

Federal Emergency Management Agency Flood Insurance Rate Map and Flood Boundary Map

Mojave Desert Air Quality Management District, discussion with staff, May 2016.

County of San Bernardino, Greenhouse Gas Emissions Reduction Plan, January 6, 2012.

Title 22 Engineering Report & Farm Management Plan, Helendale Wastewater Treatment Plant and Community Park, December 2010.

1999 Wastewater Discharge Requirements 6-01-39 (WDID No 6B361111001)

Investigative Order, January 2010

Helendale CSD Draft Anti-Degradation Study, July 2, 2010

Helendale CSD Draft Recycled Water Facilities Plan, November 2010

Draft Helendale Community Plan, 2011

Wastewater Treatment Plant Groundwater Investigation, April 12, 2012

Revised Monitoring and Reporting Program No. 01-39, June 13, 2001

Revised Wastewater Discharge Requirements Board Order 6-01-39, June 13, 2001

Recycled Water Facilities Plan, January 2012

Mojave Water Agency Regional Salt Management Program

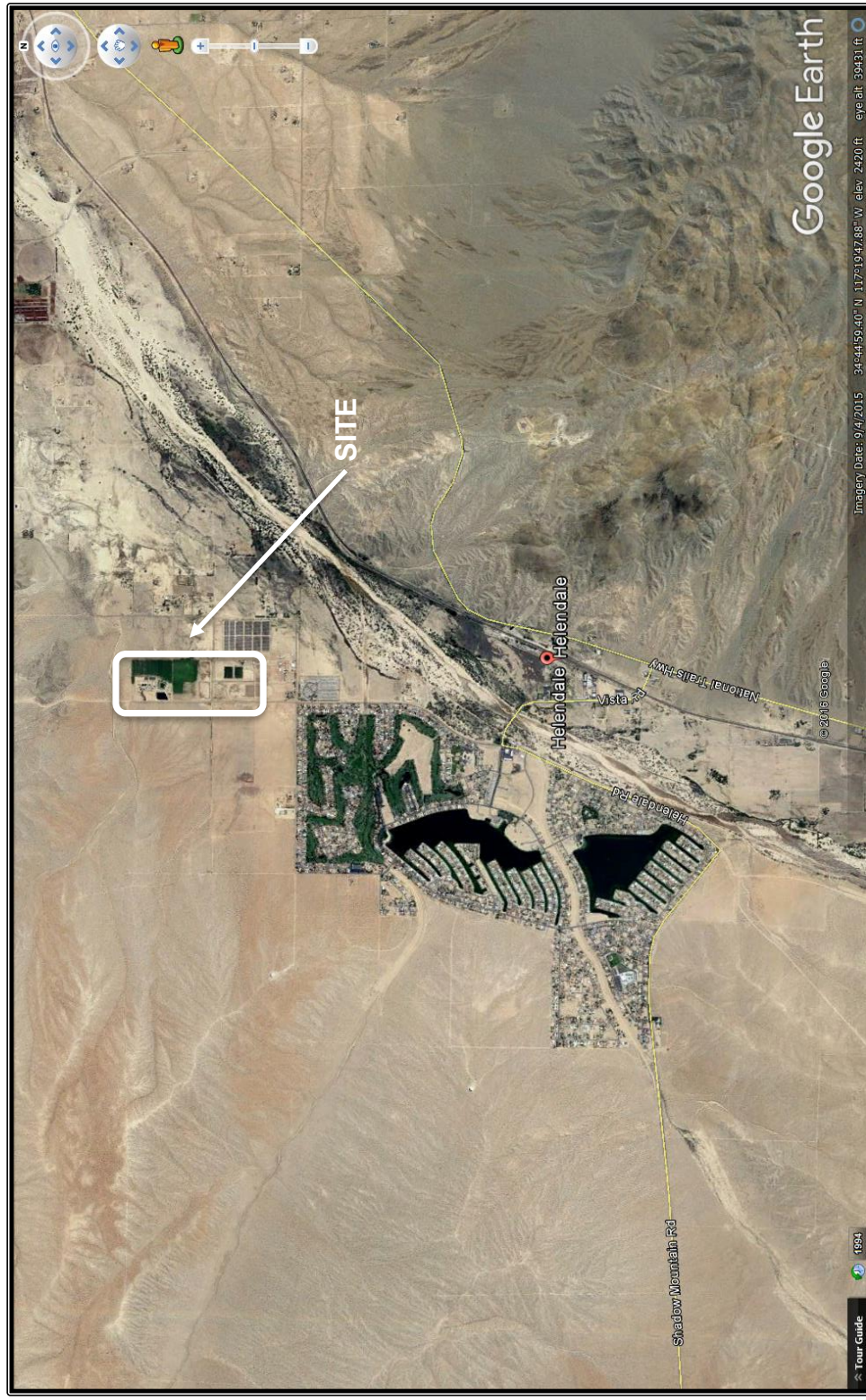
# **EXHIBITS**

Exhibit 1 - Regional Location





**Exhibit 2 – Project Vicinity**



**Exhibit 3 – Project Site**



**Exhibit 4 – Photographs**



**Helendale Community Services District – Dog Park on Smithson Road**



**Helendale Community Services District – Dog Park @ Smithson Road looking East**



**Helendale Community Services District – Equestrian Area at Park**



**Helendale Community Services District – Equestrian Area at Park and Gate Access**



**Helendale Community Services District – Equestrian Area Hay Barn**



**Helendale Community Services District – Residence for Helendale CSD Staff**



**Helendale Community Services District – Wastewater Treatment Plant Signage**



**Helendale Community Services District – Wastewater Treatment Plant**



**Helendale Community Services District – Wastewater Treatment Plant**



**Helendale Community Services District – Wastewater Treatment Plant Field Area**



**Wild Road looking north at Wastewater Treatment Plant**



**Wild Road looking Southerly at Expansion Area for Reclaimed Water**





**Interior of Site look Westerly at Racetrack, fallow fields, and Water Tank in distance**



**Interior of Site look Southwesterly at Racetrack and Silver Lakes in distance**



**Interior of Site look Westerly at Racetrack and Fire Hydrant**



**Interior of Site look Northeasterly at 4-Plex & Portable Buildings for Helendale**



**Helendale Community Park – Utility & Storage Building for Sports Fields**



**Maintenance Yard Area looking at Purple Pipe (Recycled Water)**



**Maintenance Yard Area looking at Agricultural Well - Unused Connection**



**Maintenance Yard Area looking at 4-Plex and Potable Buildings**



**Helendale Community Services District Maintenance Building and Yard Area**



**Helendale Community Services District Access to South Half of Park Area**



**Near Center of Park area and looking Southeasterly at South Half of Park Area**



**Near Center of Park area and looking Southwesterly at South Half of Park Area**

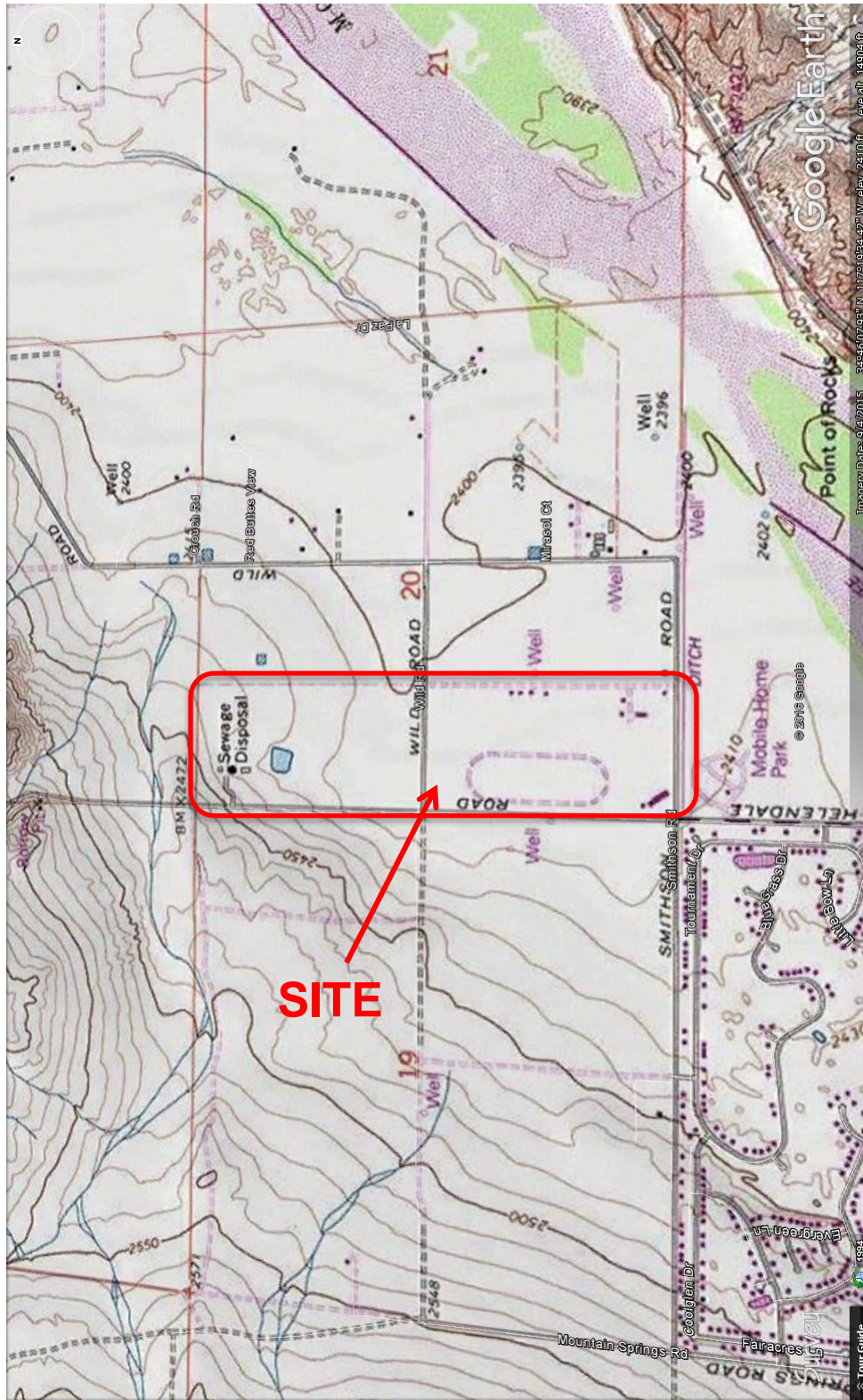


**Helendale Community Park – NWC of Grass Fields**



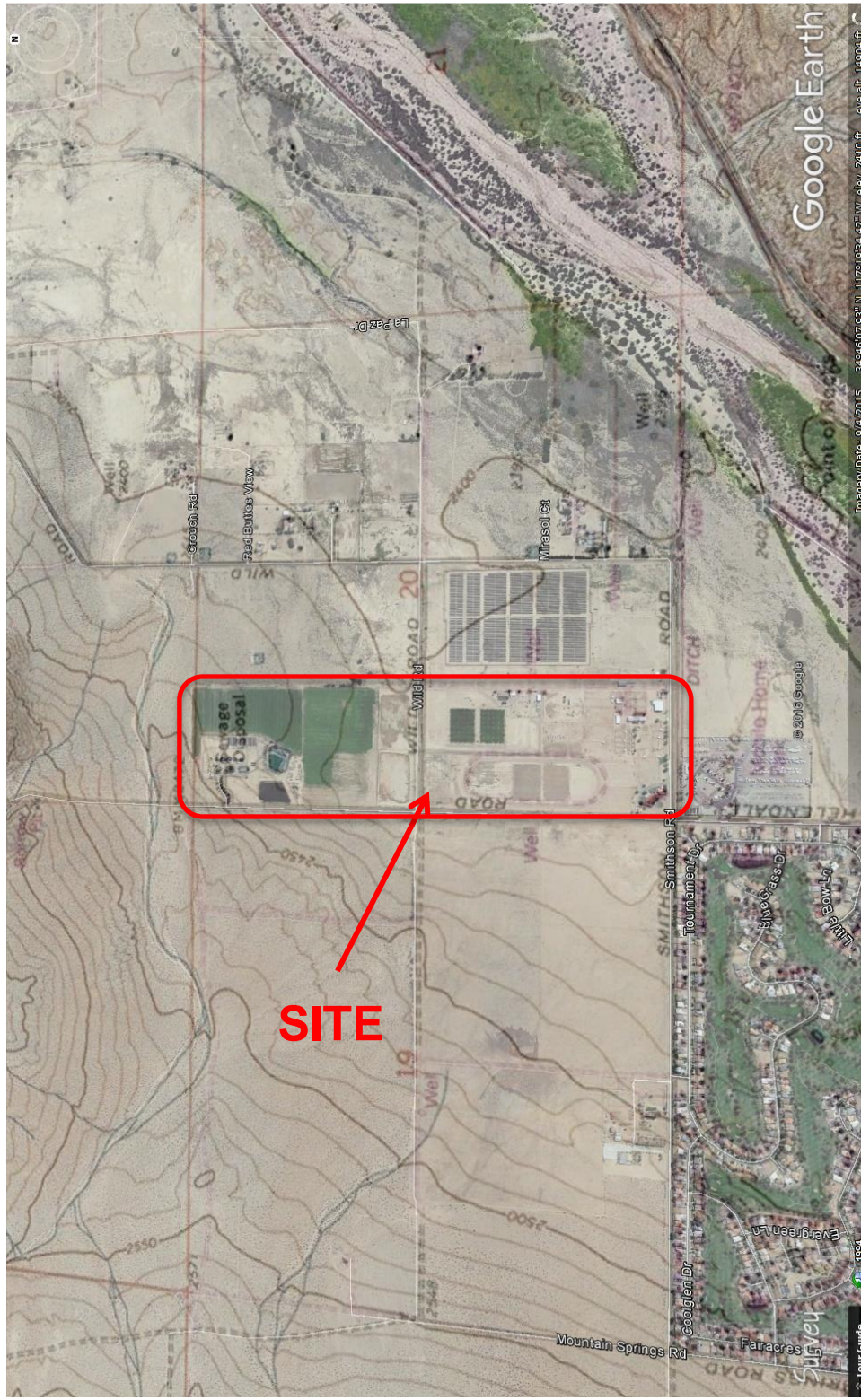
**Near Center of Park area along Helendale Road and looking Southeasterly**

**Exhibit 5 – USGS Quad Sheet**

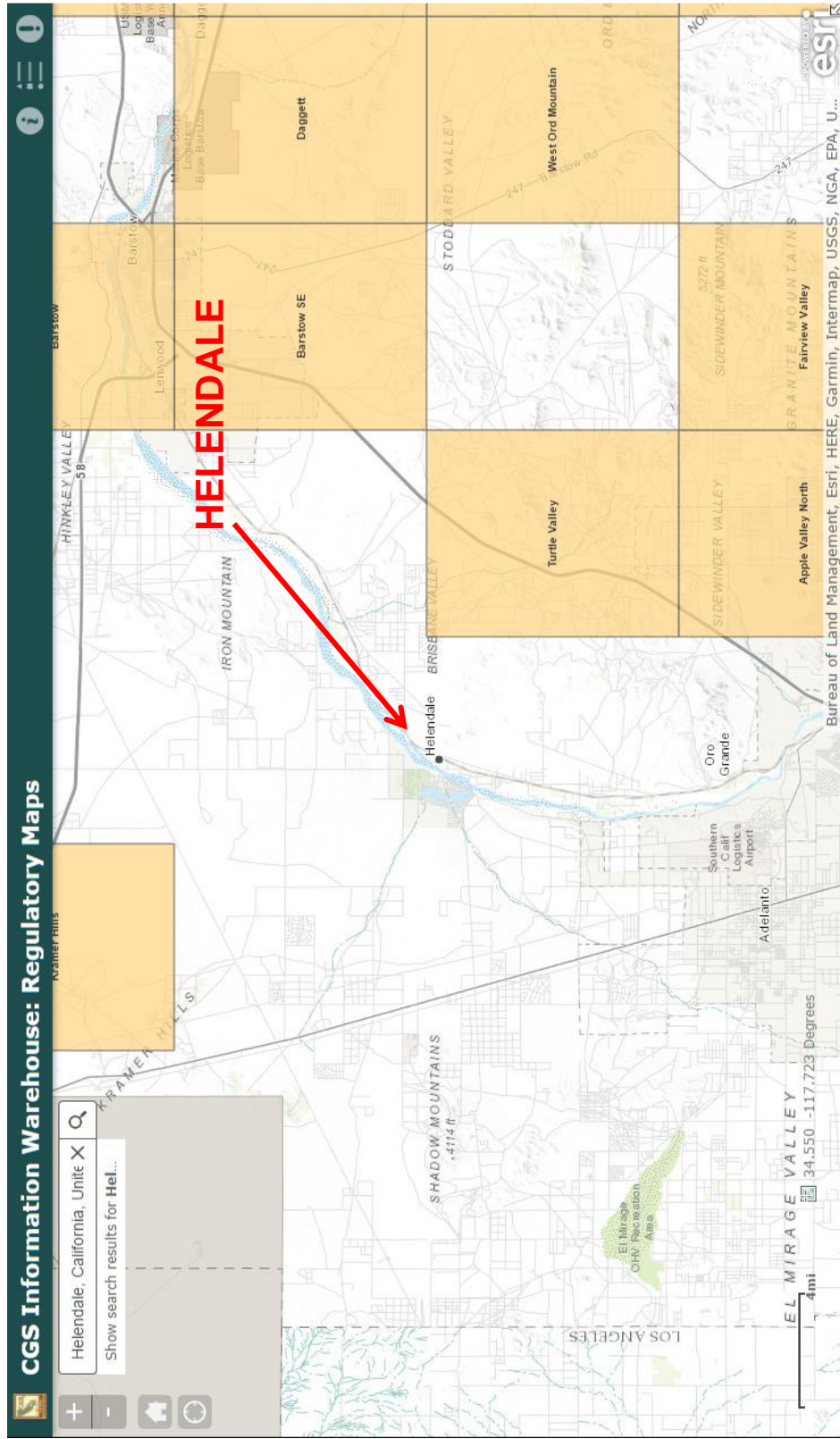




**Exhibit 6 – USGS Quad Sheet Overlaying Google Earth**



**Exhibit 7 – California Alquist-Priolo Earthquake Fault Zone and Seismic Hazards Map**



**Exhibit 8 – USGS Fault Map**

