



MAMMOTH COMMUNITY WATER DISTRICT

Post Office Box 597

Mammoth Lakes, California 93546-0597

780th Regular Meeting of the
Mammoth Community Water District
Board of Directors

Thursday, September 16, 2021

Please Note:

Members of the public will have the opportunity to directly address the District Board of Directors concerning any item listed on the Agenda below before or during consideration of that item.

In accordance with the California Department of Public Health's and Governor Newsom's Executive Orders N-29-20 and N-33-20, the District boardroom is closed and this meeting will be conducted solely by video/teleconference with members of the Board attending from separate remote locations in response to the threat of COVID-19. The public is invited to listen, observe, and provide comments during the meeting by either method provided for below. The Board President will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.

For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Directors, staff, and members of the public who wish to participate in the meeting may do so by joining the following Zoom Videoconference Meeting: <https://zoom.us/j/7609342596> (meeting ID: 760 934 2596) OR Join via teleconference by dialing 1-669-900-9128, 760-934-2596#

AGENDA

5:30 P.M.

Roll Call

Directors Cage, Creasy, Domaille, Smith, and Thompson

Public Forum

Any member of the public may address the Board relating to any matter within the Board's jurisdiction. This need not be related to any item on the agenda, and presentation should be limited to five (5) minutes. No formal action by the Board will be taken on these items.

Consent Agenda A

All matters listed are considered to be routine by the Board and may be enacted on by one motion. There will be no separate discussion on these items unless requested by the Board. If discussion is requested, that item will be moved and considered separately after adoption of the consent agenda.

A-1 Approve August 2021 Check Disbursements (Incode 10 #'s 1342-1464)

A-2 Approve Minutes from the Regular Board Meeting held August 19, 2021

Consent Agenda B — Staff Reports

All matters listed are considered to be routine by the Board and may be acted on by one motion. There will be no separate discussion on these items unless requested by the Board. If discussion is requested, that item will be moved and considered separately after adoption of the consent agenda.

B-1 Operations Department Report

B-2 Maintenance Department Report

B-3 Finance Department Report

B-4 Engineering Department Report

B-5 Information Services Report

B-6 Personnel Services Report

B-7 Regulatory Support Services Report

B-8 General Manager's Report

Current Business

C-1 Presentation, Discussion, and Filing of the 2020-2021 Financial Audit

- Richard Teaman, CPA, Teaman, Ramirez & Smith

C-2 DRAFT Water and Wastewater Rate Study Report Prepared by Raftelis Financial Consultants for Proposed 2022-2026 Water and Wastewater Rates

- A.** Representatives of Raftelis Will Make a Presentation to the Board on the Draft Rate Study Report
- B.** The Board Will Discuss and Provide Direction to Staff and Raftelis on the Draft Report and Proposal to Adjust the District's Water and Wastewater Service Rates and Charges Through April 1, 2026.

C-3 Discuss and Possibly Adopt the MCWD Board of Directors Delegation of Authority Policy (PL-BOD-003)

C-4 Appoint an Ad Hoc Committee to Conduct an Annual Performance Review of the General Manager

C-5 Ratify Resolution No. 08-19-21-16 Honoring Jesus Guarneros

Board Member's Committee Reports

Committee Meetings Held:

Technical Services Committee – *September 15, 2021*

Director Comments, Requests, and Reports

Attorney's Report

Closed Session

D-1 Conference with Real Property Negotiators

Pursuant to Government Code Sections 54954.5(e) and 54956.8

Property Description: Mono County APN – 035-090-008

Under Negotiation: Price and Terms of Payment

MCWD Negotiators: Mark Busby, Garrett Higerd, and Tom Cage

Property Owner Negotiator: Scott Voss

Adjournment

NOTE: Items listed on the agenda may be reviewed or acted upon by the Board in any order or sequence. The items are listed for identification purposes only.

The meeting will be held in the conference room at the District facility located one mile east of Old Mammoth Road on Meridian Boulevard, just off Highway 203, Mammoth Lakes, California.



MARK BUSBY
General Manager

Date of Issuance: Thursday, September 9, 2021

Posted: MCWD Office
MCWD Website: www.mcwd.dst.ca.us
cc: Members, Board of Directors
Town of Mammoth Lakes
KMMT, KIBS, KSRW Radio

In compliance with the Americans with Disabilities Act, if you need a disability related modification or accommodation to participate in this meeting please call Stephanie Hake at (760) 934-2596 at least one full day before the meeting.

Documents and material relating to an open session agenda item that are provided to the Mammoth Community Water District Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at the District facility located at 1315 Meridian Boulevard, Mammoth Lakes, California.



MAMMOTH COMMUNITY WATER DISTRICT
Post Office Box 597
Mammoth Lakes, California 93546-0597

NOTICE OF A TECHNICAL SERVICES COMMITTEE MEETING

NOTICE IS HEREBY GIVEN that the Technical Services Committee of the Board of Directors of the Mammoth Community Water District will hold a **TECHNICAL SERVICES COMMITTEE MEETING** to be held **WEDNESDAY, SEPTEMBER 15, 2021** at **8:00 A.M.**

Please Note:

Members of the public will have the opportunity to directly address the District Board of Directors concerning any item listed on the Agenda below before or during consideration of that item.

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The agenda items are:

1. Review of the Operations Department Report (B-1)
2. Review of the Maintenance Department Report (B-2)
3. Review of the Engineering Department Report (B-4)
4. Review of the Information Services Report (B-5)
5. Discussion / Questions Regarding Other Department Reports
 - B-3 Finance Department Report
 - B-6 Personnel Services Report
 - B-7 Regulatory Support Services Report
 - B-8 General Manager's Report

The meeting will be held in the conference room at the District facility located one mile east of Old Mammoth Road on Meridian Boulevard, just off Highway 203, Mammoth Lakes, California.



MARK BUSBY
General Manager

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Posted: MCWD Office
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Town of Mammoth Lakes
KMMT, KIBS, KSRW Radio

If you are an individual with a disability and need assistance or accommodation to participate in this Board meeting at any time, please call Stephanie Hake at (760) 934-2596, ext. 321, or email Ms. Hake at: shake@mcwd.dst.ca.us.

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MAMMOTH COMMUNITY WATER DISTRICT
Post Office Box 597
Mammoth Lakes, California 93546-0597

NOTICE OF A FINANCE COMMITTEE MEETING

NOTICE IS HEREBY GIVEN that the Finance Committee of the Board of Directors of the Mammoth Community Water District will hold a **FINANCE COMMITTEE MEETING** on **WEDNESDAY, SEPTEMBER 15, 2021** at **1:00 P.M.**

Please Note:

Members of the public will have the opportunity to directly address the District Board of Directors concerning any item listed on the Agenda below before or during consideration of that item.

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The agenda items are:

1. Review and Approve the Board of Director Payment Requests for August 2021
2. Review and Approve the Accounts Payable Payment Vouchers for August 2021
3. Discuss and Review the August 2021 Check Register (A-1)
4. Discuss the Finance Department Report (B-3)
5. Discuss the Filing of the 2020-2021 Financial Audit (C-1)
6. Discuss the Draft Board of Directors Delegation of Authority Policy (C-3)
7. Discussion / Questions Regarding Other Department Reports
 - B-1 Operations Department Report
 - B-2 Maintenance Department Report
 - B-4 Engineering Department Report
 - B-5 Information Services Report
 - B-6 Personnel Services Report
 - B-7 Regulatory Support Services Report

B-8 General Manager's Report

The meeting will be held in the conference room at the District facility located one mile east of Old Mammoth Road on Meridian Boulevard, just off Highway 203, Mammoth Lakes, California.



MARK BUSBY
General Manager

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Check Register for the Month of August 2021

Incode Software Report

(Check #1342 - #1464)

MCWD Accounts Payable Notes

Rebates

16 customers purchased 27 high efficiency toilets and received rebates totaling \$4,865.00

4 customers purchased high efficiency washing machines and received rebates totaling \$1,600.00

4 customers purchased high efficiency dishwashers and received rebates totaling \$800.00

Payroll Expenses

Employee Gross Payroll:	\$283,304.81
Board Gross Payroll:	\$225.50
Net Payroll:	\$201,463.58
Employer Paid Payroll Taxes:	\$4,157.29
Employer Paid 401a:	\$56,660.95 (20% of Gross)
Employer Paid 457b Match:	\$5,211.99 (1.84 % of Gross)
Employee Paid 457b:	\$26,506.45 (9.36% of Gross)
Other Employer Paid Benefits:	\$79,276.74



Board Check Register

By Vendor Name

Payment Dates 8/1/2021 - 8/31/2021

Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
Vendor: 00014 - Accelerated Technology Laboratories, Inc.					
08/19/2021	1401	SampleMaster LIMS System SaaS Annual Fee	20-210-6105		6,183.75
08/19/2021	1401	SampleMaster LIMS System SaaS Annual Fee	30-210-6105		6,183.75
Vendor 00014 - Accelerated Technology Laboratories, Inc. Total:					12,367.50
Vendor: 00016 - ACWA - Joint Powers Ins Authority					
08/19/2021	1402	Premiums	10-000-2150		610.67
08/19/2021	1402	Life Ins	10-000-2150		1.55
08/19/2021	1402	Premiums	10-000-2150		9,407.02
08/19/2021	1402	Premiums	10-000-2150		1,291.62
08/19/2021	1402	Premiums	20-000-2150		1,357.65
08/19/2021	1402	Premiums	30-000-2150		1,427.30
08/19/2021	1402	EAP	10-000-2150		28.56
08/19/2021	1402	EAP	20-000-2150		32.37
08/19/2021	1402	EAP	30-000-2150		31.89
08/19/2021	1402	Life Ins	10-000-2150		3.41
08/19/2021	1402	Life Ins	20-000-2150		2.92
08/19/2021	1402	Life Ins	30-000-2150		2.66
08/19/2021	1402	Life Ins	10-000-2150		210.00
08/19/2021	1402	Life Ins	20-000-2150		218.04
08/19/2021	1402	Life Ins	30-000-2150		125.96
08/19/2021	1402	Life Ins	10-000-2150		494.00
08/19/2021	1402	Life Ins	20-000-2150		186.94
08/19/2021	1402	Life Ins	30-000-2150		180.49
08/19/2021	1402	Premiums	10-000-2150		20,619.01
08/19/2021	1402	Premiums	20-000-2150		20,604.08
08/19/2021	1402	Premiums	30-000-2150		21,144.77
08/19/2021	1402	Premium Adjustment	10-000-6020		-1,672.85
Vendor 00016 - ACWA - Joint Powers Ins Authority Total:					76,308.06
Vendor: 00023 - Advanced Stainless & Alloys, Inc.					
08/12/2021	1343	Steep Plate	23-000-1301	21WW02CM	558.34
Vendor 00023 - Advanced Stainless & Alloys, Inc. Total:					558.34
Vendor: 00025 - AFLAC					
08/31/2021	DFT0000079	AFLAC	20-000-2170		3.65
08/31/2021	DFT0000079	AFLAC	20-000-2170		27.58
08/31/2021	DFT0000079	AFLAC	30-000-2170		3.65
08/31/2021	DFT0000079	AFLAC	30-000-2170		27.57
08/31/2021	DFT0000090	AFLAC	20-000-2170		3.65
08/31/2021	DFT0000090	AFLAC	20-000-2170		27.58
08/31/2021	DFT0000090	AFLAC	30-000-2170		3.65
08/31/2021	DFT0000090	AFLAC	30-000-2170		27.57
Vendor 00025 - AFLAC Total:					124.90
Vendor: 00052 - Alpha Supply, LLC					
08/12/2021	1344	Welding Supplies	20-310-6180		19.13
08/12/2021	1344	Welding Supplies	20-320-6180		8.62
08/12/2021	1344	Welding Supplies	20-330-6180		15.62
08/12/2021	1344	Welding Supplies	30-240-6180		8.69
08/12/2021	1344	Welding Supplies	30-310-6180		10.44
08/12/2021	1344	Welding Supplies	20-310-6180		15.30
08/12/2021	1344	Welding Supplies	20-320-6180		6.90
08/12/2021	1344	Welding Supplies	20-330-6180		12.50
08/12/2021	1344	Welding Supplies	30-240-6180		6.95

Board Check Register

Payment Dates: 8/1/2021 - 8/31/2021

Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
08/12/2021	1344	Welding Supplies	30-310-6180		8.35
08/12/2021	1344	Welding Supplies	20-310-6180		11.47
08/12/2021	1344	Welding Supplies	20-320-6180		5.18
08/12/2021	1344	Welding Supplies	20-330-6180		9.38
08/12/2021	1344	Welding Supplies	30-240-6180		5.21
08/12/2021	1344	Welding Supplies	30-310-6180		6.26
Vendor 00052 - Alpha Supply, LLC Total:					150.00
Vendor: 00054 - Alpine Paint					
08/19/2021	1403	Paint	30-240-6145		124.85
Vendor 00054 - Alpine Paint Total:					124.85
Vendor: 00063 - American Business Machines Co.					
08/12/2021	1345	Ops Copier/Printer Agreement	10-100-6180		71.67
08/12/2021	1345	Sales Tax on Parts	10-100-6180		16.74
08/12/2021	1345	Sales Tax on Parts	10-100-6180		5.12
08/19/2021	1404	Sales Tax on Copier Supplies	10-100-6180		5.12
Vendor 00063 - American Business Machines Co. Total:					98.65
Vendor: 00123 - Babcock Laboratories, Inc.					
08/12/2021	1346	Lab Services	30-210-6111		606.00
08/12/2021	1346	Lab Services	30-210-6111		89.25
08/12/2021	1346	Lab Services	20-210-6111		16.80
08/12/2021	1346	Lab Services	20-210-6111		16.80
08/12/2021	1346	Lab Services	20-210-6111		16.80
08/12/2021	1346	Lab Services	30-210-6111		201.60
08/12/2021	1346	Lab Services	20-210-6111		16.80
08/12/2021	1346	Lab Services	30-210-6111		50.40
08/12/2021	1346	Lab Services	20-210-6111		294.00
08/12/2021	1346	Lab Services	30-210-6111		418.00
08/12/2021	1346	Lab Services	20-210-6111		769.65
08/12/2021	1346	Lab Services	20-210-6111		16.80
08/12/2021	1346	Lab Services	20-210-6111		100.80
08/12/2021	1346	Lab Services	30-210-6111		89.25
08/12/2021	1346	Lab Services	30-210-6111		89.25
08/19/2021	1405	Lab Services	30-210-6111		89.25
Vendor 00123 - Babcock Laboratories, Inc. Total:					2,881.45
Vendor: 00125 - Backgrounds Online					
08/12/2021	1347	Background Checks	10-110-6100		256.95
Vendor 00125 - Backgrounds Online Total:					256.95
Vendor: 00131 - Bartkiewicz, Kronick & Shanahan					
08/12/2021	1348	Legal Services	10-100-6140		868.00
08/12/2021	1348	Legal Services	22-000-1301	21W04MS	472.50
Vendor 00131 - Bartkiewicz, Kronick & Shanahan Total:					1,340.50
Vendor: 01991 - Behrens and Associates Inc.					
08/12/2021	1349	Rental of Sound Proofing Equipment	22-000-1301	21W04CO	6,071.00
08/25/2021	1436	Temporary Sound Wall Delivery/Install/Rental	22-000-1301	21W04CS	25,017.52
08/25/2021	1436	Temporary Sound Wall Rental/Removal	22-000-1301	21W04CS	24,109.19
Vendor 01991 - Behrens and Associates Inc. Total:					55,197.71
Vendor: 00189 - Britt's Diesel & Automotive					
08/12/2021	1350	Flat Tire Repair - Sludge Trailer (#109)	30-240-6155		257.59
08/12/2021	1350	Flat Tire Repair - Sludge Trailer (#108)	30-240-6155		380.09
Vendor 00189 - Britt's Diesel & Automotive Total:					637.68
Vendor: 02026 - Buganko Partnership, LLC					
08/12/2021	1351	HECW Rebate (Unit #3)	10-100-6237		400.00

Board Check Register

Payment Dates: 8/1/2021 - 8/31/2021

Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
08/12/2021	1351	HECW Rebate (Unit #1)	10-100-6237		400.00
Vendor 02026 - Buganko Partnership, LLC Total:					800.00
Vendor: 00201 - CA Tax Payment ACH					
08/04/2021	DFT0000081	CA SWT and CASDI	10-000-2210		564.12
08/04/2021	DFT0000081	CA SWT and CASDI	10-000-2210		2,329.44
08/04/2021	DFT0000081	CA SWT and CASDI	20-000-2210		590.54
08/04/2021	DFT0000081	CA SWT and CASDI	20-000-2210		1,980.06
08/04/2021	DFT0000081	CA SWT and CASDI	30-000-2210		1,909.69
08/04/2021	DFT0000081	CA SWT and CASDI	30-000-2210		561.40
08/18/2021	DFT0000092	CA SWT and CASDI	10-000-2210		2,409.35
08/18/2021	DFT0000092	CA SWT and CASDI	10-000-2210		578.37
08/18/2021	DFT0000092	CA SWT and CASDI	20-000-2210		1,915.17
08/18/2021	DFT0000092	CA SWT and CASDI	20-000-2210		570.44
08/18/2021	DFT0000092	CA SWT and CASDI	30-000-2210		534.86
08/18/2021	DFT0000092	CA SWT and CASDI	30-000-2210		1,813.12
08/19/2021	DFT0000085	CA SWT and CASDI	10-000-2210		50.00
Vendor 00201 - CA Tax Payment ACH Total:					15,806.56
Vendor: 00205 - California Broadband Cooperative					
08/12/2021	1352	Internet Service (2 Months)	10-130-6105		1,680.00
Vendor 00205 - California Broadband Cooperative Total:					1,680.00
Vendor: 02042 - Carey Sokol					
08/25/2021	1437	HET Rebate	10-100-6237		200.00
Vendor 02042 - Carey Sokol Total:					200.00
Vendor: 00220 - Carmichael Business Technology					
08/12/2021	1353	Replacement NAS Drive and HDs	10-130-6181		840.41
08/25/2021	1438	Cloud Backup Agreement	10-130-6105		250.00
08/25/2021	1438	Monthly IT Agreement	10-130-6106		2,500.00
Vendor 00220 - Carmichael Business Technology Total:					3,590.41
Vendor: 02027 - Chad Senior					
08/12/2021	1354	HEDW Rebate	10-100-6237		200.00
Vendor 02027 - Chad Senior Total:					200.00
Vendor: 02036 - Chris Conn					
08/25/2021	1439	HET Rebate	10-100-6237		200.00
Vendor 02036 - Chris Conn Total:					200.00
Vendor: 00281 - Chuck Villar Construction					
08/12/2021	1355	Sludge Hauling	30-240-6102		2,596.00
Vendor 00281 - Chuck Villar Construction Total:					2,596.00
Vendor: 00300 - Codale Electric Supply Inc.					
08/19/2021	1406	Motor Control Center	30-240-6145		26,066.52
Vendor 00300 - Codale Electric Supply Inc. Total:					26,066.52
Vendor: 00342 - Cynthia Dayhoff					
08/12/2021	1356	HET Rebate	10-100-6237		200.00
Vendor 00342 - Cynthia Dayhoff Total:					200.00
Vendor: 00348 - Dan Lyster					
08/12/2021	1357	HET Rebate	10-100-6237		200.00
Vendor 00348 - Dan Lyster Total:					200.00
Vendor: 00439 - Dewey Pest Control					
08/12/2021	1358	Pest Control Services	10-100-6150		200.00
Vendor 00439 - Dewey Pest Control Total:					200.00
Vendor: 00452 - Do-It Center					
08/12/2021	1359	R900 - Misc. HW	20-320-6180		92.83
08/12/2021	1359	Flex Tape	20-310-6180		33.92
08/12/2021	1359	Round-Up, Marking Paint	20-330-6150		133.80
08/12/2021	1359	Leader Hose	20-220-6150		18.41
08/12/2021	1359	Couplings	20-310-6180		10.28

Board Check Register

Payment Dates: 8/1/2021 - 8/31/2021

Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
08/12/2021	1359	Dust Brush	30-330-6150		5.32
08/12/2021	1359	Spout Brush Set	30-240-6120		15.49
08/12/2021	1359	Active 3" Tablet - 5lbs	30-240-6180		29.08
08/12/2021	1359	DLX Trimmer	20-330-6120		25.19
08/12/2021	1359	Gorilla Glue	30-330-6180		7.26
08/12/2021	1359	Invoice had \$0 Balance Due to Exchange	20-330-6120		-31.49
08/19/2021	1407	Misc. HW	20-330-6180		30.22
Vendor 00452 - Do-It Center Total:					370.31
Vendor: 02025 - Don Sisson					
08/12/2021	1360	HET Rebate	10-100-6237		200.00
Vendor 02025 - Don Sisson Total:					200.00
Vendor: 00520 - Electric Motor Shop, Inc.					
08/19/2021	1408	ACS580 10hp VFD quote F-SQ66944	30-240-6145		1,376.80
Vendor 00520 - Electric Motor Shop, Inc. Total:					1,376.80
Vendor: 00569 - Federal Tax Payment ACH					
08/04/2021	DFT0000080	Federal Deposit	10-000-2200		1,365.82
08/04/2021	DFT0000080	Federal Deposit	10-000-2200		5,964.20
08/04/2021	DFT0000080	Federal Deposit	20-000-2200		1,441.30
08/04/2021	DFT0000080	Federal Deposit	20-000-2200		5,463.24
08/04/2021	DFT0000080	Federal Deposit	30-000-2200		5,273.61
08/04/2021	DFT0000080	Federal Deposit	30-000-2200		1,369.44
08/18/2021	DFT0000091	Federal Deposit	10-000-2200		6,368.49
08/18/2021	DFT0000091	Federal Deposit	10-000-2200		1,406.76
08/18/2021	DFT0000091	Federal Deposit	20-000-2200		5,295.35
08/18/2021	DFT0000091	Federal Deposit	30-000-2200		1,391.98
08/18/2021	DFT0000091	Federal Deposit	30-000-2200		4,993.13
08/18/2021	DFT0000091	Federal Deposit	30-000-2200		1,304.80
08/19/2021	DFT0000084	Federal Deposit	10-000-2200		6.52
08/19/2021	DFT0000084	Federal Deposit	10-000-2200		27.96
Vendor 00569 - Federal Tax Payment ACH Total:					41,672.60
Vendor: 00571 - FedEx Freight					
08/12/2021	1361	Shipping for Wire	20-220-6145		1,927.42
Vendor 00571 - FedEx Freight Total:					1,927.42
Vendor: 00608 - Frontier					
08/12/2021	1362	Land Line	10-100-6210		73.61
08/25/2021	1440	Internet Service for GWTPs 1 & 2	10-130-6105		114.98
08/25/2021	1440	Land Line	10-100-6210		160.72
Vendor 00608 - Frontier Total:					349.31
Vendor: 01997 - Frontier					
08/25/2021	1441	Land Lines	10-100-6210		80.22
08/25/2021	1441	Land Lines	20-230-6210		53.94
08/25/2021	1441	Land Lines	10-100-6210		358.09
08/25/2021	1441	Land Lines	20-230-6210		54.14
Vendor 01997 - Frontier Total:					546.39
Vendor: 02024 - Gardiner Miller					
08/12/2021	1363	HECW, HEDW, HET(2) Rebates	10-100-6237		200.00
08/12/2021	1363	HECW, HEDW, HET(2) Rebates	10-100-6237		400.00
08/12/2021	1363	HECW, HEDW, HET(2) Rebates	10-100-6237		400.00
Vendor 02024 - Gardiner Miller Total:					1,000.00
Vendor: 02028 - Gene Stone					
08/12/2021	1364	HET Rebate	10-100-6237		200.00
Vendor 02028 - Gene Stone Total:					200.00
Vendor: 00662 - Grainger Inc.					
08/12/2021	1365	Detergent	10-100-6180		81.30
08/12/2021	1365	Fittings	20-340-6145		95.35

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Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
08/12/2021	1365	Ear Plugs	10-100-6180		9.70
08/12/2021	1365	Respirators and Cartridges	20-310-6200		268.02
08/12/2021	1365	Fan	30-320-6120		63.33
08/12/2021	1365	Fans	10-100-6120		115.14
08/12/2021	1365	Saw Blades	30-320-6180		229.69
08/12/2021	1365	Paper Products	10-100-6180		521.58
08/12/2021	1365	Trash Bags, Wastebasket, Surge Protectors	10-100-6180		555.44
08/19/2021	1409	Bearing Grease	10-000-1200		45.83
08/19/2021	1409	Waterproofers	10-100-6180		51.66
08/19/2021	1409	Cleaning Supplies, Ant Killer	10-100-6180		290.98
08/19/2021	1409	Detergent	20-400-6180		61.29
08/19/2021	1409	1" Brass Ball Valves	10-000-1200		322.73
08/25/2021	1442	Insect Killer	10-100-6150		30.90
08/25/2021	1442	AAA Batteries	10-000-1200		177.49
08/25/2021	1442	Saw Blade/Batteries	10-000-1200		24.42
08/25/2021	1442	Saw Blade/Batteries	20-320-6180		17.47
08/25/2021	1442	Fly Traps	30-240-6180		114.95
08/25/2021	1442	Clip-On Fan	10-100-6120		16.77
				Vendor 00662 - Grainger Inc. Total:	3,094.04
Vendor: 00663 - Granite Construction					
08/19/2021	1410	Construction Material	22-000-1301	21W01CM	4,084.21
				Vendor 00663 - Granite Construction Total:	4,084.21
Vendor: 00684 - Haaker Equipment Company					
08/12/2021	1366	Part for Rental Vactor	22-000-1301	21W01CE	713.79
08/12/2021	1366	Vactor Parts (#51)	30-320-6155		1,787.31
08/19/2021	1411	Vactor Rental	22-000-1301	21W01CE	13,468.75
				Vendor 00684 - Haaker Equipment Company Total:	15,969.85
Vendor: 00685 - Hach Company					
08/12/2021	1367	Lab Supplies	30-210-6180		513.98
08/12/2021	1367	Lab Supplies	30-240-6180		325.64
08/19/2021	1412	Lab Supplies	30-210-6180		581.47
08/25/2021	1443	Hach LDO sc Model 2	30-240-6180		2,457.82
				Vendor 00685 - Hach Company Total:	3,878.91
Vendor: 00687 - Hardy Diagnostics					
08/19/2021	1413	Lab Supplies	20-210-6180		253.52
08/19/2021	1413	Lab Supplies	30-210-6180		245.88
				Vendor 00687 - Hardy Diagnostics Total:	499.40
Vendor: 00705 - High Country Lumber, Inc.					
08/12/2021	1368	Concrete Mix	20-220-6150		24.19
08/12/2021	1368	Adapters	20-310-6180		13.11
08/12/2021	1368	Tape Measure and Punch	30-320-6120		43.07
08/12/2021	1368	Finance Charges	10-100-6180		2.61
				Vendor 00705 - High Country Lumber, Inc. Total:	82.98
Vendor: 00706 - High Sierra Energy Foundation					
08/12/2021	1369	LivingWise Contribution	10-100-6237		2,759.75
				Vendor 00706 - High Sierra Energy Foundation Total:	2,759.75
Vendor: 00723 - Idexx Distribution, Inc.					
08/12/2021	1370	Lab Supplies	30-210-6180		4,616.17
				Vendor 00723 - Idexx Distribution, Inc. Total:	4,616.17
Vendor: 00728 - Int'l Union of Op. Engineers					
08/19/2021	1414	Union Dues	10-000-2170		88.00
08/19/2021	1414	Union Dues	20-000-2170		154.12
08/19/2021	1414	Union Dues	30-000-2170		197.88
08/19/2021	1414	Union Dues	30-000-2170		-22.00
				Vendor 00728 - Int'l Union of Op. Engineers Total:	418.00

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Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
Vendor: 01987 - Inyo County Environmental Health Services					
08/12/2021	1371	Lab Services	30-210-6111		697.00
Vendor 01987 - Inyo County Environmental Health Services Total:					697.00
Vendor: 02018 - Inyo County Parks and Recreation					
08/12/2021	1373	Day Use Fee	10-100-6123		50.00
08/12/2021	1372	Refundable Deposit	10-100-6123		250.00
Vendor 02018 - Inyo County Parks and Recreation Total:					300.00
Vendor: 02029 - Jack Morey					
08/12/2021	1374	HET Rebate (2)	10-100-6237		400.00
Vendor 02029 - Jack Morey Total:					400.00
Vendor: 02035 - Janice Thomson					
08/25/2021	1444	HECW and HEDW Rebates	10-100-6237		400.00
08/25/2021	1444	HECW and HEDW Rebates	10-100-6237		200.00
Vendor 02035 - Janice Thomson Total:					600.00
Vendor: 02023 - Jeremy Goico					
08/12/2021	1375	HET Rebate (2)	10-100-6237		348.00
Vendor 02023 - Jeremy Goico Total:					348.00
Vendor: 02038 - Kevin McBride					
08/25/2021	1445	HECW Rebate	10-100-6237		400.00
Vendor 02038 - Kevin McBride Total:					400.00
Vendor: 00993 - KIBS-FM					
08/19/2021	1415	Advertising	10-100-6190		250.00
Vendor 00993 - KIBS-FM Total:					250.00
Vendor: 01003 - KMMT-FM					
08/19/2021	1416	Advertising	10-100-6190		300.00
Vendor 01003 - KMMT-FM Total:					300.00
Vendor: 01018 - L'Abri H.O.A.					
08/25/2021	1446	HOA Dues - Units 6, 9, and 10	96-000-6115		1,050.00
Vendor 01018 - L'Abri H.O.A. Total:					1,050.00
Vendor: 02041 - Laurie Caine					
08/25/2021	1447	HET Rebate	10-100-6237		200.00
Vendor 02041 - Laurie Caine Total:					200.00
Vendor: 01054 - Liebert Cassidy Whitmore					
08/12/2021	1376	Legal Services	10-110-6140		342.00
Vendor 01054 - Liebert Cassidy Whitmore Total:					342.00
Vendor: 01099 - Mammoth Disposal					
08/12/2021	1377	Trash Service	10-100-6100		1,425.50
08/12/2021	1377	Recycling Service	10-100-6100		126.00
08/12/2021	1377	Recycling Service	10-100-6100		120.00
08/19/2021	1417	Toilet Rental	22-000-1301	21W01CS	231.78
08/19/2021	1417	Toilet Rental	22-000-1301	21W04CS	299.53
08/19/2021	1417	Dumpster Rental	22-000-1301	21W04CS	1,588.50
08/19/2021	1417	Dumpster Rental	22-000-1301	21W04CS	266.50
Vendor 01099 - Mammoth Disposal Total:					4,057.81
Vendor: 02022 - Mammoth Lakes Nursery					
08/12/2021	1379	Plants and Soil	20-230-6150		108.00
Vendor 02022 - Mammoth Lakes Nursery Total:					108.00
Vendor: 01106 - Mammoth Lock & Key					
08/19/2021	1418	Padlocks - Inventory	10-000-1200		1,050.68
Vendor 01106 - Mammoth Lock & Key Total:					1,050.68
Vendor: 01112 - Mammoth Ready Mix					
08/19/2021	1419	Construction Material	22-000-1301	21W01CM	3,193.03
08/19/2021	1419	Construction Material	22-000-1301	21W01CM	1,683.49
Vendor 01112 - Mammoth Ready Mix Total:					4,876.52

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Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
Vendor: 02031 - Matthew Del Bel					
08/12/2021	1380	HET and HEDW Rebates	10-100-6237		200.00
08/12/2021	1380	HET and HEDW Rebates	10-100-6237		400.00
Vendor 02031 - Matthew Del Bel Total:					600.00
Vendor: 01183 - McMaster-Carr Supply Co.					
08/12/2021	1381	Washdown Switch (5), Pressure Transmitter (2)	20-230-6145		1,300.87
08/12/2021	1381	Magnets for Barcodes	10-120-6180		55.99
08/12/2021	1381	Press-on Mount for Vibration Actuated Meter	30-240-6145		119.61
08/12/2021	1381	Suction Water Hoses	20-230-6145		229.91
08/12/2021	1381	Refund for Returned Merchandise	10-120-6180		-55.99
08/19/2021	1420	Misc. HW	10-100-6180		52.05
08/19/2021	1420	Containers - 5 gal and 1.3 gal	10-100-6180		80.70
08/25/2021	1448	Respirator and Cartridges	30-330-6200		142.60
08/25/2021	1448	Wall-Mount Shelving	30-240-6150		389.21
08/25/2021	1448	Steel Screws and Nylon Rod	20-220-6145		94.05
Vendor 01183 - McMaster-Carr Supply Co. Total:					2,409.00
Vendor: 01186 - MCS Inspection					
08/12/2021	1342	Tank 1 Coating Inspection	22-000-1301	21W02CS	25,365.74
Vendor 01186 - MCS Inspection Total:					25,365.74
Vendor: 01240 - Mission Uniform & Linen					
08/12/2021	1382	Linen and Uniform Service	10-100-6180		1,327.32
08/12/2021	1382	Linen and Uniform Service	10-120-6124		135.19
08/12/2021	1382	Linen and Uniform Service	20-220-6124		37.18
08/12/2021	1382	Linen and Uniform Service	20-230-6124		37.18
08/12/2021	1382	Linen and Uniform Service	20-310-6124		37.18
08/12/2021	1382	Linen and Uniform Service	30-210-6124		95.77
08/12/2021	1382	Linen and Uniform Service	30-240-6124		224.88
08/12/2021	1382	Linen and Uniform Service	30-310-6124		37.18
Vendor 01240 - Mission Uniform & Linen Total:					1,931.88
Vendor: 01254 - Mono County Department of Public Works					
08/19/2021	1421	Dump Fees	22-000-1301	21W04CS	220.45
Vendor 01254 - Mono County Department of Public Works Total:					220.45
Vendor: 01257 - Mono County Tax Collector					
08/12/2021	1383	Property Tax - L'Abri #9	96-000-6115		418.21
08/12/2021	1383	Property Tax - L'Abri #10	96-000-6115		344.24
08/12/2021	1383	Property Tax - L'Abri #6	96-000-6115		335.50
08/12/2021	1383	Property Tax - Timberline #11	96-000-6115		378.53
Vendor 01257 - Mono County Tax Collector Total:					1,476.48
Vendor: 02033 - Morales Rooter					
08/19/2021	1422	Sewer Rooter Service - Mountain Meadows	96-000-6115		270.00
Vendor 02033 - Morales Rooter Total:					270.00
Vendor: 01262 - Mountain Meadows HOA					
08/12/2021	1384	Bat Assessment	96-000-6115		641.67
Vendor 01262 - Mountain Meadows HOA Total:					641.67
Vendor: 01263 - Mountain Motors Auto Repair					
08/12/2021	1385	Oil Change - (#86)	20-220-6155		120.70
Vendor 01263 - Mountain Motors Auto Repair Total:					120.70
Vendor: 02039 - Nathan Maguire					
08/25/2021	1449	HET Rebate (2)	10-100-6237		217.00
Vendor 02039 - Nathan Maguire Total:					217.00
Vendor: 01318 - NTU Technologies, Inc.					
08/12/2021	1386	929 (Operating Chemical)	30-240-6179		15,252.48
Vendor 01318 - NTU Technologies, Inc. Total:					15,252.48

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Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
Vendor: 00609 - Orion					
08/04/2021	DFT0000074	457B EE Contribution	10-000-2161		3,400.00
08/04/2021	DFT0000074	457B EE Contribution	20-000-2161		3,807.61
08/04/2021	DFT0000074	457B EE Contribution	30-000-2161		2,882.39
08/04/2021	DFT0000075	457b EE Contribution	10-000-2161		482.17
08/04/2021	DFT0000075	457b EE Contribution	20-000-2161		1,038.36
08/04/2021	DFT0000075	457b EE Contribution	30-000-2161		1,633.05
08/04/2021	DFT0000078	401A/457 ER	10-000-2160		899.84
08/04/2021	DFT0000078	401A/457 ER	10-000-2160		9,401.89
08/04/2021	DFT0000078	401A/457 ER	20-000-2160		9,838.78
08/04/2021	DFT0000078	401A/457 ER	20-000-2160		867.90
08/04/2021	DFT0000078	401A/457 ER	30-000-2160		819.70
08/04/2021	DFT0000078	401A/457 ER	30-000-2160		9,359.61
08/18/2021	DFT0000086	457B EE Contribution	10-000-2161		3,400.00
08/18/2021	DFT0000086	457B EE Contribution	20-000-2161		3,807.58
08/18/2021	DFT0000086	457B EE Contribution	30-000-2161		2,882.42
08/18/2021	DFT0000087	457b EE Contribution	10-000-2161		402.17
08/18/2021	DFT0000087	457b EE Contribution	20-000-2161		1,032.22
08/18/2021	DFT0000087	457b EE Contribution	30-000-2161		1,738.48
08/18/2021	DFT0000089	401A/457 ER	10-000-2160		9,639.31
08/18/2021	DFT0000089	401A/457 ER	10-000-2160		842.54
08/18/2021	DFT0000089	401A/457 ER	20-000-2160		920.42
08/18/2021	DFT0000089	401A/457 ER	20-000-2160		9,503.45
08/18/2021	DFT0000089	401A/457 ER	30-000-2160		861.59
08/18/2021	DFT0000089	401A/457 ER	30-000-2160		8,917.91
Vendor 00609 - Orion Total:					88,379.39
Vendor: 01414 - Raftelis Financial Consultants, Inc.					
08/12/2021	10069	Water Cost of Service Study	22-000-1301	21W10MS	9,266.25
Vendor 01414 - Raftelis Financial Consultants, Inc. Total:					9,266.25
Vendor: 02037 - Randee Levin					
08/25/2021	1450	HEDW Rebate	10-100-6237		200.00
Vendor 02037 - Randee Levin Total:					200.00
Vendor: 02040 - Robert Provost					
08/25/2021	1451	HET Rebate (3)	10-100-6237		500.00
Vendor 02040 - Robert Provost Total:					500.00
Vendor: 01615 - Sierra Employment Services, Inc.					
08/12/2021	1387	Temp Services - Week Ending 7/18/21	20-320-6009		2,990.76
08/12/2021	1387	Temp Services - Week Ending 7/18/21	22-000-1301	21W01CL	10,820.50
08/12/2021	1387	Temp Services - Week Ending 7/18/21	30-310-6009		2,990.76
08/12/2021	1387	Temp Services - Week Ending 8/1/21	20-320-6009		3,184.92
08/12/2021	1387	Temp Services - Week Ending 8/1/21	22-000-1301	21W01CL	12,505.01
08/12/2021	1387	Temp Services - Week Ending 8/1/21	30-310-6009		1,072.82
08/25/2021	1452	Temp Services - Week Ending 8/15/21	20-320-6009		2,803.44
08/25/2021	1452	Temp Services - Week Ending 8/15/21	22-000-1301	21W01CL	9,385.44
Vendor 01615 - Sierra Employment Services, Inc. Total:					45,753.65
Vendor: 01624 - Sierra Wave Media					
08/12/2021	1388	Advertising	10-100-6190		399.00
Vendor 01624 - Sierra Wave Media Total:					399.00
Vendor: 01639 - Snowcreek Athletic Club					
08/19/2021	1423	Snowcreek Dues	10-000-2170		80.00
08/19/2021	1423	Snowcreek Dues	20-000-2170		35.51

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08/19/2021	1423	Snowcreek Dues	30-000-2170		115.49
Vendor 01639 - Snowcreek Athletic Club Total:					231.00
Vendor: 01645 - Solenis, LLC					
08/19/2021	1424	Two Totes Praestol K275FLX for screw press	30-240-6179		8,128.47
Vendor 01645 - Solenis, LLC Total:					8,128.47
Vendor: 01662 - Standard Insurance Company					
08/19/2021	1425	Disability	10-000-2150		267.95
08/19/2021	1425	Disability	20-000-2150		280.58
08/19/2021	1425	Disability	30-000-2150		266.55
08/19/2021	1425	Disability	10-000-2150		37.60
08/19/2021	1425	Disability	20-000-2150		39.57
08/19/2021	1425	Disability	30-000-2150		37.21
08/19/2021	1425	Disability	10-000-2150		274.71
08/19/2021	1425	Disability	20-000-2150		271.07
08/19/2021	1425	Disability	30-000-2150		253.95
08/19/2021	1425	Disability	10-000-2150		38.56
08/19/2021	1425	Disability	20-000-2150		38.22
08/19/2021	1425	Disability	30-000-2150		35.43
Vendor 01662 - Standard Insurance Company Total:					1,841.40
Vendor: 02005 - State of California Franchise Tax Board					
08/19/2021	1427	Garnishments	10-000-2170		100.00
08/19/2021	1426	Garnishments	10-000-2170		100.00
Vendor 02005 - State of California Franchise Tax Board Total:					200.00
Vendor: 0234 - Stephen Smith					
08/25/2021	1453	HET Rebate	10-100-6237		200.00
Vendor 0234 - Stephen Smith Total:					200.00
Vendor: 01678 - Sterling Health Service Administration					
08/04/2021	DFT0000076	HSA	10-000-2151		297.84
08/18/2021	DFT0000088	HSA	10-000-2151		297.84
Vendor 01678 - Sterling Health Service Administration Total:					595.68
Vendor: 02032 - Steve Churm					
08/12/2021	1389	HET Rebate (3)	10-100-6237		500.00
Vendor 02032 - Steve Churm Total:					500.00
Vendor: 01701 - Steve's Auto & Truck Parts					
08/12/2021	1390	Truck Battery	20-310-6155		165.85
08/12/2021	1390	DEF	22-000-1301	21W01CM	188.13
08/12/2021	1390	Core Deposit Refund	20-310-6155		-19.40
08/19/2021	1428	Auto Supplies	10-000-1200		30.73
08/19/2021	1428	Auto Supplies	10-000-1200		74.87
08/19/2021	1428	Auto Supplies	10-000-1200		188.84
08/19/2021	1428	Battery for Walk-Behind Saw	22-000-1301	21W01CM	165.85
Vendor 01701 - Steve's Auto & Truck Parts Total:					794.87
Vendor: 01731 - SWRCB-DWOCF					
08/12/2021	1391	Grade 2 Treatment Exam - S. Minich	20-200-6160		65.00
Vendor 01731 - SWRCB-DWOCF Total:					65.00
Vendor: 01740 - Tamarack HOA					
08/12/2021	1392	HOA Dues	96-000-6115		475.00
Vendor 01740 - Tamarack HOA Total:					475.00
Vendor: 02030 - Terry Swearengin					
08/12/2021	1393	HET Rebate (3)	10-100-6237		500.00
Vendor 02030 - Terry Swearengin Total:					500.00
Vendor: 01763 - Thatcher Company, Inc					
08/19/2021	1429	Operating Chemicals for GWTP	20-220-6179		3,438.06
08/19/2021	1429	6 Chlorine Ton Cylinders, 6 to return	30-240-6179		8,642.12

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Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
08/19/2021	1429	Operating chemicals for ground water plants	20-220-6179		1,854.28
08/19/2021	1429	Operating chemicals for ground water plants	20-220-6179		2,688.26
08/19/2021	1429	Deposit Refund for Empty Cylinders	30-240-6179		-13,406.25
Vendor 01763 - Thatcher Company, Inc Total:					3,216.47
Vendor: 01770 - The Sheet					
08/19/2021	1430	Advertising	10-100-6190		1,050.00
Vendor 01770 - The Sheet Total:					1,050.00
Vendor: 01792 - Timberline HOA					
08/12/2021	1394	HOA Dues - TL14915	96-000-6115		525.00
Vendor 01792 - Timberline HOA Total:					525.00
Vendor: 02043 - Tom Haddad					
08/25/2021	1454	HET Rebate (2)	10-100-6237		400.00
Vendor 02043 - Tom Haddad Total:					400.00
Vendor: 01828 - Tyler Technologies, Inc.					
08/12/2021	1395	Incode Implementation	21-000-1301	21A01MS	130.00
08/12/2021	1395	UB Conversion Fee	21-000-1301	21A01MS	500.00
08/12/2021	1395	UB Implementation	21-000-1301	21A01MS	5,232.50
08/12/2021	1395	Customer Portal Annual SaaS	10-120-6105		10,587.00
08/12/2021	1395	Incode/EnerGov Implementations	21-000-1301	21A01MS	6,278.75
08/19/2021	1431	AR Online Set-Up	21-000-1301	21A01MS	800.00
08/25/2021	1455	EnerGov Annual SaaS Fee	20-400-6105		9,060.00
08/25/2021	1455	EnerGov Annual SaaS Fee	30-400-6105		9,060.00
08/25/2021	1455	AR Online SaaS Annual Fee	10-120-6105		100.00
Vendor 01828 - Tyler Technologies, Inc. Total:					41,748.25
Vendor: 01838 - US Geological Survey					
08/25/2021	1456	Well Monitoring	20-220-6110		9,474.00
Vendor 01838 - US Geological Survey Total:					9,474.00
Vendor: 01840 - USA Blue Book					
08/19/2021	1432	USABlueBook DPD (Total) Dispenser for 25 mL Sample	30-240-6179		93.97
Vendor 01840 - USA Blue Book Total:					93.97
Vendor: 01841 - USA North 811					
08/19/2021	1434	811 Subscription	20-310-6100		377.13
08/19/2021	1433	CA State Fee for Regulatory Costs	20-310-6100		197.12
Vendor 01841 - USA North 811 Total:					574.25
Vendor: 01854 - Verizon Wireless - Cell Phones					
08/12/2021	1396	Cell Phone Plans	10-100-6210		85.49
08/12/2021	1396	Cell Phone Plans	10-130-6210		11.87
08/12/2021	1396	Cell Phone Plans	20-300-6210		28.39
08/12/2021	1396	Cell Phone Plans	20-320-6210		29.43
08/12/2021	1396	Cell Phone Plans	20-400-6210		58.06
08/12/2021	1396	Cell Phone Plans	30-300-6210		28.39
08/12/2021	1396	Cell Phone Plans	30-320-6210		29.43
08/12/2021	1396	Cell Phone Plans	30-400-6210		58.04
Vendor 01854 - Verizon Wireless - Cell Phones Total:					329.10
Vendor: 01855 - Verizon Wireless - Data Plans					
08/12/2021	1397	iPad Data Plans	10-100-6210		47.56
08/12/2021	1397	iPad Data Plans	10-130-6210		107.49
08/12/2021	1397	iPad Data Plans	20-220-6210		25.33
08/12/2021	1397	iPad Data Plans	20-230-6210		25.33
08/12/2021	1397	iPad Data Plans	20-300-6210		26.88
08/12/2021	1397	iPad Data Plans	20-310-6210		23.73
08/12/2021	1397	iPad Data Plans	20-320-6210		23.78

Board Check Register

Payment Dates: 8/1/2021 - 8/31/2021

Payment Date	Payment Number	Description (Payable)	Account Number	Project Account Key	Amount
08/12/2021	1397	iPad Data Plans	20-330-6210		22.74
08/12/2021	1397	iPad Data Plans	30-240-6210		53.76
08/12/2021	1397	iPad Data Plans	30-300-6210		26.88
08/12/2021	1397	iPad Data Plans	30-310-6210		23.73
08/12/2021	1397	iPad Data Plans	30-320-6210		23.78
08/12/2021	1397	iPad Data Plans	30-330-6210		22.71
Vendor 01855 - Verizon Wireless - Data Plans Total:					453.70
Vendor: 01872 - Vision Service Plan - CA					
08/31/2021	DFT0000077	VSP	10-000-2150		286.80
08/31/2021	DFT0000077	VSP	20-000-2150		322.89
08/31/2021	DFT0000077	VSP	30-000-2150		322.41
08/31/2021	DFT0000083	VSP	10-000-2150		47.80
Vendor 01872 - Vision Service Plan - CA Total:					979.90
Vendor: 01947 - West Yost Associates					
08/12/2021	1398	Well 32 Professional Services	22-000-1301	21W03MS	230.00
08/12/2021	1398	CD-IV Professional Services	20-100-6110	21T03	690.00
08/12/2021	1398	HydroDave Professional Services	20-220-6110		1,381.25
Vendor 01947 - West Yost Associates Total:					2,301.25
Vendor: 01900 - Western Nevada Supply					
08/12/2021	1399	Yard Hydrant	30-240-6145		213.00
08/12/2021	1399	Sewer Pipe	23-000-1301	21W01CM	4,961.89
08/12/2021	1399	Galvanized Fittings	22-000-1301	21W01CM	85.28
08/12/2021	1399	Galvanized Fittings	22-000-1301	21W01CM	431.14
08/19/2021	1435	Meter Pit Risers	10-000-1200		159.33
08/19/2021	1435	Meter Pit Risers	10-000-1200		123.26
08/19/2021	1435	1" x 6" Brass Nipples	10-000-1200		459.53
08/25/2021	1457	Gasket	30-240-6145		416.59
08/25/2021	1457	1" CTS Pipe	10-000-1200		150.85
Vendor 01900 - Western Nevada Supply Total:					7,000.87
Vendor: 01904 - Wienhoff Drug Testing					
08/12/2021	1400	Pre-Employment Drug Testing	10-110-6100		160.00
Vendor 01904 - Wienhoff Drug Testing Total:					160.00
Grand Total:					574,654.10

<u>Merchant Name</u>	<u>Fund GL Acct</u>	<u>Cardholder</u>	<u>Amount</u>	<u>GL Description</u>
ADOBE	10-120-6105	M. BRETZ	14.99	Adobe
ADOBE	20-330-6105	R. MOTLEY	14.99	desktop subscription
ADOBE	20-300-6105	K. BEDOW	14.99	Editing software subscription
ADOBE	30-240-6105	T. NELSON	14.99	Monthly Adobe Subscription
ADOBE	10-100-6105	S. HAKE	14.99	Monthly Software Subscription
ADOBE	10-100-6105	S. HAKE	14.99	Monthly Software Subscription
ADOBE	30-210-6105	R. MEDHURST	12.99	Monthly subscription
ADOBE	30-240-6105	S. SORNOSO	12.99	Monthly Subscription
ADOBE Total			115.92	
ALLFILTERS.COM	20-200-6180	C. MURRAY	110.45	Kitchen water filter
ALLFILTERS.COM Total			110.45	
AMAZON	10-120-6180	M. LOGAN	136.72	Printer Ink for warehouse
AMAZON Total			136.72	
APPLE.COM	10-100-6210	M. BUSBY	0.99	data storage/management plan
APPLE.COM Total			0.99	
APPLEBEES	20-320-6220	R. LARSON	24.55	food for bobby
APPLEBEES Total			24.55	
ARKANSAS FLAG	20-330-6150	R. MOTLEY	256.20	flags for district
ARKANSAS FLAG Total			256.20	
AWWA	20-310-6160	P. ROSS	210.00	Application for Backflow Exam
AWWA	20-300-6160	K. BEDOW	210.00	Backflow Specialist Cert. Exam
AWWA Total			420.00	
BUILD TOOLS	20-320-6145	K. WEILAND	864.74	Rebar Bender for R-900 job
BUILD TOOLS Total			864.74	
BURGERS	22-340-6123	M. BUSBY	238.96	lunch for the Construction Crew
BURGERS	20-200-6123	C. MURRAY	81.72	GVO recognition snacks.
BURGERS	20-230-6215	M. BUSBY	104.34	Retirement lunch for Glenn and dept.
BURGERS Total			425.02	
CCI HOTEL RES	20-320-6220	R. LARSON	986.14	hotel for Honovaa and bobby
CCI HOTEL RES Total			986.14	
CMTA	10-120-6160	J. BEATTY	95.00	CMTA annual membership
CMTA Total			95.00	
CWEA	30-310-6160	R. GONZALEZ	288.00	C2 grade renewal for Robert
CWEA	30-210-6160	R. MEDHURST	91.00	CWEA re-cert for Sarah Minich-Lab I
CWEA	30-355-6160	A. DERUE	192.00	Renew waste water membership
CWEA Total			571.00	
DISCOUNT TIRE	20-220-6155	M. LOGAN	765.56	replacement tires on veh # 92 Toyota
DISCOUNT TIRE Total			765.56	
DIY	10-130-6180	J. MULBAY	6.45	Server rack Hardware
DIY Total			6.45	
DROPBOX	23-000-1301	K. WEILAND	19.99	File transfer software
DROPBOX Total			19.99	
DTV DIRECTV	10-100-6123	M. VENDORS	128.99	DirecTV
DTV DIRECTV Total			128.99	
EASYCHARGE	20-200-6210	M. VENDORS	35.00	Clays iPad Data Plan
EASYCHARGE Total			35.00	
EBAY	20-310- 6155	M. LOGAN	495.65	battery box on # 107 dump truck
EBAY Total			495.65	
GEOTECH	22-000-1301	M. LOGAN	4,969.04	well # 1 monitoring meters
GEOTECH Total			4,969.04	

GIH	10-120-6180	M. LOGAN	149.24	Warehouse barcode label holders
GIH	10-120-6180	M. LOGAN	231.65	warehouse label holders
GIH Total			380.89	
GOOD LIFE CAFE	20-200-6123	C. MURRAY	116.84	Employee engagement luncheon.
GOOD LIFE CAFE Total			116.84	
KEEN INC	30-240-6124	T. NELSON	(161.41)	Refund for purchase
KEEN INC Total			(161.41)	
LACROSSE	20-330-6124	R. MOTLEY	150.85	rubber safety toe boots for Honovaa
LACROSSE Total			150.85	
LIBERTY	10-100-6215	M. BUSBY	24.00	Lunch at local community meeting
LIBERTY	10-100-6215	M. BUSBY	69.18	Lunch meeting with BLM staff
LIBERTY Total			93.18	
M & N BODWELL	30-210-6180	R. MEDHURST	1.04	Distilled Water for BOD Tests
M & N BODWELL	30-210-6180	R. MEDHURST	12.54	Distilled Water for BOD Tests
M & N BODWELL Total			13.58	
MONO COUNTY	23-000-1301	G. HIGERD	285.00	Laurel Pond Monitoring Wells Permit
MONO COUNTY	23-000-1301	G. HIGERD	6.78	Permit Transaction Fee
MONO COUNTY Total			291.78	
PAYPAL	20-330-6200	R. MOTLEY	191.01	new battery for gas monitor
PAYPAL Total			191.01	
SHELL OIL	20-320-6220	R. LARSON	37.33	Gas for drive home
SHELL OIL Total			37.33	
SMARTSIGN	10-120-6180	M. LOGAN	23.89	warehouse label holders
SMARTSIGN Total			23.89	
SPORT WHSE	10-100-6124	M. BUSBY	51.64	Work shirts
SPORT WHSE Total			51.64	
STAPLES	10-100-6180	S. HAKE	149.43	Office Supplies
STAPLES	10-100-6180	S. HAKE	169.64	Office Supplies
STAPLES	10-100-6180	S. HAKE	20.46	Office Supplies
STAPLES	10-100-6180	S. HAKE	124.37	Office Supplies
STAPLES	10-100-6180	S. HAKE	50.63	Office Supplies
STAPLES	10-100-6180	S. HAKE	360.85	Office Supplies
STAPLES	10-100-6180	S. HAKE	180.37	Office Supplies
STAPLES	10-100-6180	S. HAKE	20.46	Office Supplies
STAPLES	10-100-6180	S. HAKE	72.38	Office Supplies
STAPLES	10-100-6180	S. HAKE	(133.57)	Office Supplies - Returns
STAPLES	10-100-6180	S. HAKE	(318.85)	Office Supplies - Returns
STAPLES Total			696.17	
TACO BELL	20-320-6220	R. LARSON	20.52	food for bobby
TACO BELL Total			20.52	
TOCKIFY	10-130-6105	J. MULBAY	8.00	Internet Web Calendar
TOCKIFY	10-130-6105	J. BURKHART	8.00	Intranet Calendar
TOCKIFY	10-130-6105	J. MULBAY	0.08	Internet Web Calendar Fee
TOCKIFY	10-130-6105	J. BURKHART	0.08	Intranet Calendar
TOCKIFY Total			16.16	
ULINE	10-120-6180	M. LOGAN	51.92	warehouse barcode label holders
ULINE	10-120-6180	M. LOGAN	228.77	warehouse label holders
ULINE Total			280.69	
UPS	10-100-6185	M. VENDORS	33.00	Service Fee
UPS	10-100-6185	M. VENDORS	16.50	Service Fee
UPS	10-100-6185	M. VENDORS	33.00	Service Fee

UPS	30-210-6185	M. VENDORS	41.95	Shipping Charge
UPS	30-210-6185	M. VENDORS	127.69	Shipping Charge
UPS	30-210-6185	M. VENDORS	48.74	Shipping Charge
UPS Total			300.88	
VERIZON	20-400-6181	J. MULBAY	468.36	Inspection iPad and Cover
VERIZON	10-110-6210	J. MULBAY	213.93	Verizon Account - AP on Vacation
VERIZON Total			682.29	
WEB REPS LLC	20-220-6150	R. MOTLEY	218.84	vent covers for well one building
WEB REPS LLC Total			218.84	
ZOOM	10-100-6215	S. HAKE	41.00	Monthly Meetings - Cloud Recording
ZOOM	10-100-6215	J. MULBAY	153.65	MCWD Zoom Accounts
ZOOM Total			194.65	
Grand Total			14,027.19	

MINUTES

Thursday, August 19, 2021
Mammoth Community Water District
Regular Board Meeting

The Board of Directors convened in session at the hour of 5:38 p.m. A brief recess was taken, and the meeting was adjourned at 7:41 p.m.

Prepared by:

Stephanie Hake
Executive Assistant

ATTEST:

Mark Busby
Board Secretary

THE REGULAR MEETING of the Board of Directors of the Mammoth Community Water District held on Thursday, August 17, 2021 at 5:38 p.m.

Vice President Cage noted that President Smith had not signed into the meeting and there had been no communication from him. It was determined there was a quorum of members and Vice President Cage called the meeting to order.

ROLL CALL

Board Present *

Director: Tom Cage
Director: Robert Creasy
Director: Gary Thompson

Board Absent

Director: Dennis Domaille
Director: Tom Smith

Staff Present *

General Manager: Mark Busby
District Engineer: Garrett Higerd
Maintenance Superintendent: Jerry Baker
Finance Manager: Jeff Beatty
Information Services Manager: Justin Mulbay
Principal Administrative Analyst: Chris Weibert
Executive Assistant: Stephanie Hake
District Counsel: Joshua Horowitz

Guests Present *

Patricia Robertson – Mammoth Lakes Housing
Tom Hodges – Mammoth Lakes Housing
Jennifer Kreitz – Mammoth Lakes Housing
Brian D’Andrea – Mammoth Lakes Housing

**** As a result of the threat of COVID-19, the Governor issued Executive Order N-25-20 dated March 12, 2020 allowing for Directors, staff, and members of the public to attend this public meeting via teleconference without strict compliance with the Brown Act’s teleconferencing requirements. To maximize public participation, comply with Brown Act requirements, and provide a clear record of the meeting, public comment was made available for each agenda item and all action items were voted on by roll call.***

PUBLIC FORUM

Vice President Cage opened the public forum at 5:38 p.m.

No one addressed the Board and Vice President Cage closed the public forum at 5:39 p.m.

PUBLIC HEARING

Vice President Cage was having technical difficulties, therefore Director Creasy opened the public hearing to receive comments concerning the filing of reports on delinquent water and sewer charges as of May 31, 2021 at 5:40 p.m.

No one addressed the Board and Director Creasy closed the public hearing at 5:41 p.m.

CONSENT AGENDA A

A-1 Approve June 2021 Check Disbursements (Incode10 #'s 1062 – 1182)

A-2 Approve July 2021 Check Disbursements (Incode10 #'s 1183 – 1341)

A-3 Approve Minutes from the Regular Board Meeting held June 17, 2021

Director Cage said he would abstain from voting for item A-3, the minutes from the June 17 Board meeting due to being absent from the meeting. Director Creasy made a motion to adopt items A-1 and A-2 and to carry item A-3 over to the next board meeting. Attorney Horowitz said that if Director Cage had read and agreed with the minutes he did not need to abstain from the vote. Director Cage said he had read the minutes and Director Creasy amended his motion to include item A-3 as well.

There was no further discussion.

BOARD ACTION – To approve Consent Agenda A, items A-1, A-2, and A-3

MOVED BY: Director Creasy
SECONDED BY: Director Thompson
AYES: Directors Cage, Creasy, and Thompson
NAYS: None
ABSENT: Directors Domaille and Smith

CONSENT AGENDA B – STAFF REPORTS

B-1 Operations Department Report

B-2 Maintenance Department Report

B-3 Finance Department Report

B-4 Engineering Department Report

B-5 Information Services Report

B-6 Personnel Services Report

B-7 Regulatory Support Services Report

B-8 General Manager's Report

Director Thompson made a motion.

BOARD ACTION – To approve Consent Agenda B

MOVED BY: Director Thompson
SECONDED BY: Director Cage
AYES: Directors Cage, Creasy, and Thompson
NAYS: None
ABSENT: Directors Domaille and Smith

CURRENT BUSINESS

C-1 Discuss and Consider Adopting Resolution No. 08-19-21-16 Honoring Jesus Guarneros

Director Creasy read the resolution and Director Cage then made a motion to adopt the resolution.

Following the vote, Director Cage requested that the absent board members have the opportunity to vote on the resolution; therefore, staff were directed to bring the resolution back to the Board at the September 16 regular board meeting to be ratified by all board members.

BOARD ACTION – To adopt Resolution No. 08-19-21-16 honoring Jesus Guarneros

MOVED BY: Director Cage
SECONDED BY: Director Thompson
AYES: Directors Cage, Creasy, and Thompson
NAYS: None
ABSENT: Directors Domaille and Smith

C-2 Discuss and Consider a Request from Mammoth Lakes Housing for Relief of Connection Fees and Provide Direction to the General Manager for Responding to Request

Mark Busby summarized the request by Mammoth Lakes Housing (MLH). Attorney Horowitz then described the legal limitations imposed on MCWD because it is a special district subject to Propositions 218 and 26. He said there are some creative loan options that can possibly assist MLH meet its funding needs.

A lengthy discussion followed with comments and questions from members of the MLH staff and board, as well as MCWD board members and staff.

The Board suggested that the MLH staff prepare a proposal for a loan in consultation with staff that aligns with the District's legal limitations, and bring it back to the Board at a later date.

BOARD ACTION – None

C-3 Discuss and Consider Adopting Resolution No. 08-19-21-17 Confirming Collection and Requesting Inclusion of Delinquent Rates, Charges and Penalties for Water and Sewer Service on the Mono County Tax Roll for the Forthcoming Fiscal Year in the Same Manner as the District's General Taxes

Jeff Beatty commented that one of the property owners on the list originally provided to the Board members had paid the delinquent amount earlier in the day. He also noted that the list had an incorrect APN for one of the properties. Therefore, the final list would need to be amended before being submitted to Mono County.

BOARD ACTION – To adopt Resolution No. 08-19-21-17 confirming collection and requesting inclusion of delinquent rates, charges and penalties for Water and Sewer Service on the Mono County Tax Roll for the forthcoming fiscal year in the same manner as the District’s general taxes with the amended list

MOVED BY: Director Creasy
SECONDED BY: Director Thompson
AYES: Directors Cage, Creasy, and Thompson
NAYS: None
ABSENT: Directors Domaille and Smith

C-4 Quarterly Water Supply Update

Mark Busby led the discussion in Clay Murray’s absence. He noted that in making the projections staff went back to data from 2014, a similar low-water year to this year. He also said that when staff produces the update in January, they will assess how the snow-year is shaping up and begin planning for the potential impacts of another low snow year on the summer 2022 season.

BOARD ACTION – None, information only

Committee Meetings Held During the Month

Technical Services Committee – August 18, 2021

Gary Thompson
Tom Cage (*alternate*)

Investment Committee – August 18, 2021

Tom Cage
Robert Creasy

Finance Committee – August 18, 2021

Tom Cage
Robert Creasy

Technical Services Committee:

Director Thompson reported that the committee was updated on the following District activities:

- ✓ *The well drilling activities at Well 32, Well M-33 (Center Street), and Laurel Pond*
- ✓ *The planned rehabilitation of Wells 1 and 25 this fall*

Director Cage added that he was impressed by the amount of work that staff regularly accomplish and for Mark Busby to convey this message to staff.

Mark Busby added that AmeriGas recently approached staff about wanting to possibly make changes to its lease agreement for the Juniper Ridge site, removing the gas tank and replacing it with underground gas lines. He said that staff will work with legal counsel to modify the lease and bring it back to the Board at a later date for possible approval.

~

Investment Committee:

Director Creasy reported that the committee met with the District's advisors and the only item of note to report is that the investment portfolio continues to perform slightly above the benchmarks.

~

Finance Committee:

Director Creasy said there was a lot of discussion about the check register, but nothing out of the ordinary. Director Cage noted that there were some anomalies in the reporting, likely due to the software transition and that these anomalies should be corrected in the coming months.

DIRECTOR COMMENTS, REQUESTS, AND REPORTS

Director Creasy complimented Melissa Bretz and Justin Mulbay and all staff involved in the lengthy and complex Tyler Software implementation which is now close to completion. He also congratulated staff members, Melissa Reeves and Ryan Conboy on their recent promotions, and welcomed Chris Monroe to the MCWD team.

ATTORNEY REPORT

Attorney Horowitz said the only subject of note is that the State Water Board has reached out to public water providers and requested information about the arrearages of customer water bills. He explained that this survey is the basis on which the State Water Board will distribute the funding allocated by the Legislature for to pay water bill arrearages as part of its COVID-19 relief package. Jeff Beatty said he recently received the questionnaire and has started the process.

The Board members went into closed session at 6:51 p.m.

CLOSED SESSION

D-1 Conference with Real Property Negotiators

Pursuant to Government Code Sections 54954.5(e) and 54956.8

Property Description: Mono County APNs – 035-100-003; 035-010-020; 022-322-035

Under Negotiation: Price and Terms of Payment

MCWD Negotiators: Mark Busby, Garrett Higerd, and Tom Cage

Property Owner Negotiator: Town of Mammoth Lakes

REPORT OUT AND ADJOURNMENT

Direction was given to staff on Item D-1. There was no reportable action from closed session. Vice President Cage adjourned the meeting at 7:41 p.m.

MAMMOTH COMMUNITY WATER DISTRICT

Operations Department Report September 2021

Agenda Item: B-1

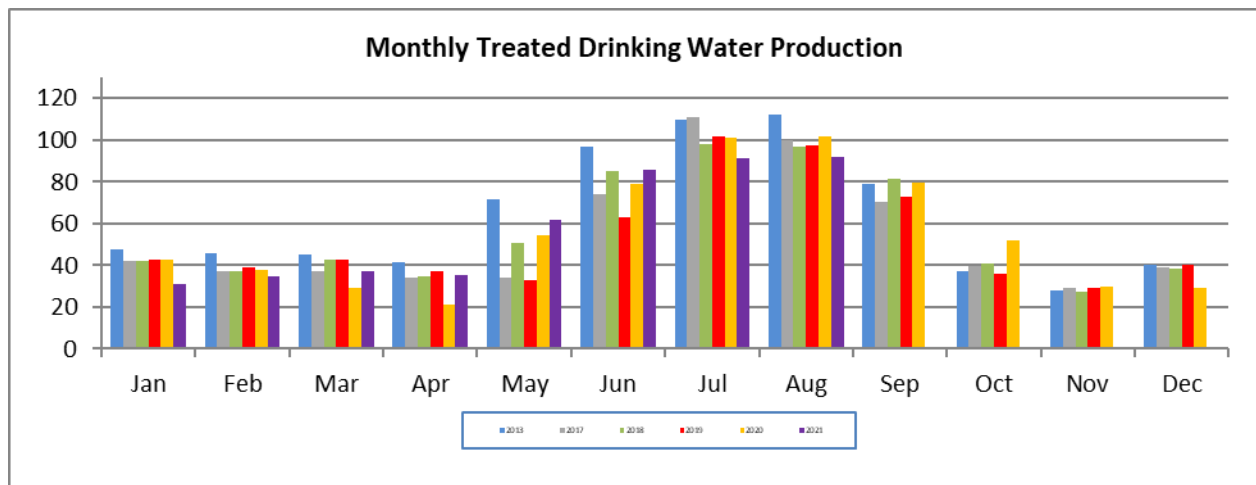
09-16-2021

Report Summary			
August Production Data (In Million Gallons)	2013	2020	2021
Treated Surface Water	30.6	23.1	16.9
Treated Groundwater	81.8	78.7	75.3
Untreated Groundwater	11.2	0.0	0.0
Reclaimed Wastewater	8.5	22.0	22.7
Totals	132.2	123.8	114.8
Non-Revenue Water	9.8	11.2	1.5
Treated Wastewater	40.3	51.9	41.9
Photovoltaic Power Produced (kWh)	233,068	187,040	195,450
Photovoltaic Solar Irradiance (kW/m ²)	1,123	943	956

Monthly - Water Treatment, Production & Supply Management

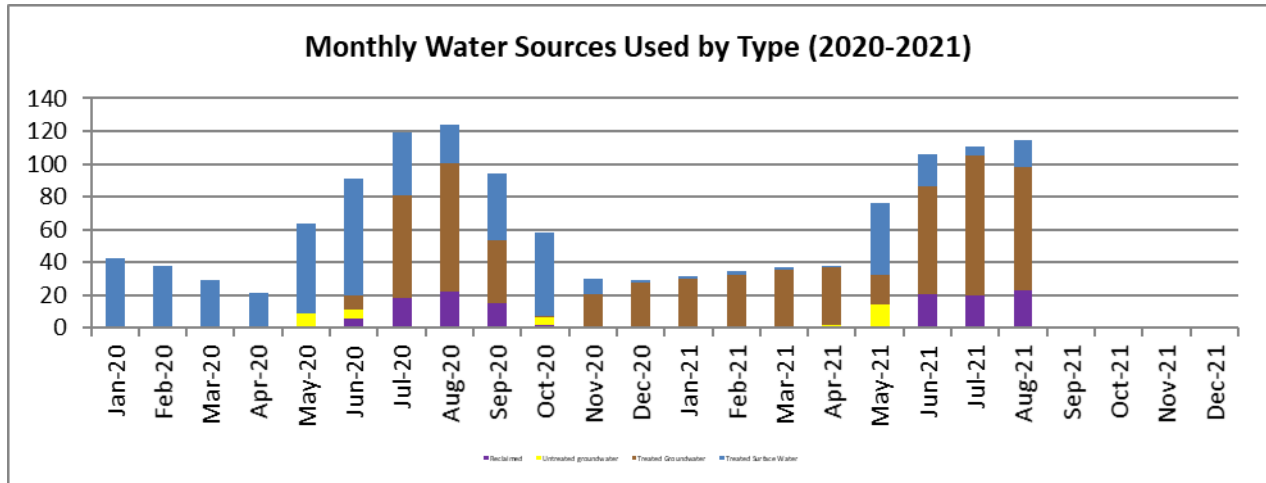
- Drinking Water Treatment**

Routine samples for clarity, chlorine residual, and bacteriological analysis of the District’s drinking water were conducted during the month. The results of all sampling for the month were in compliance with the standards set by the State Water Resources Control Board Drinking Water Division. A total of 92,143,000 gallons were treated for drinking water with an average of 2.972 million gallons per day.



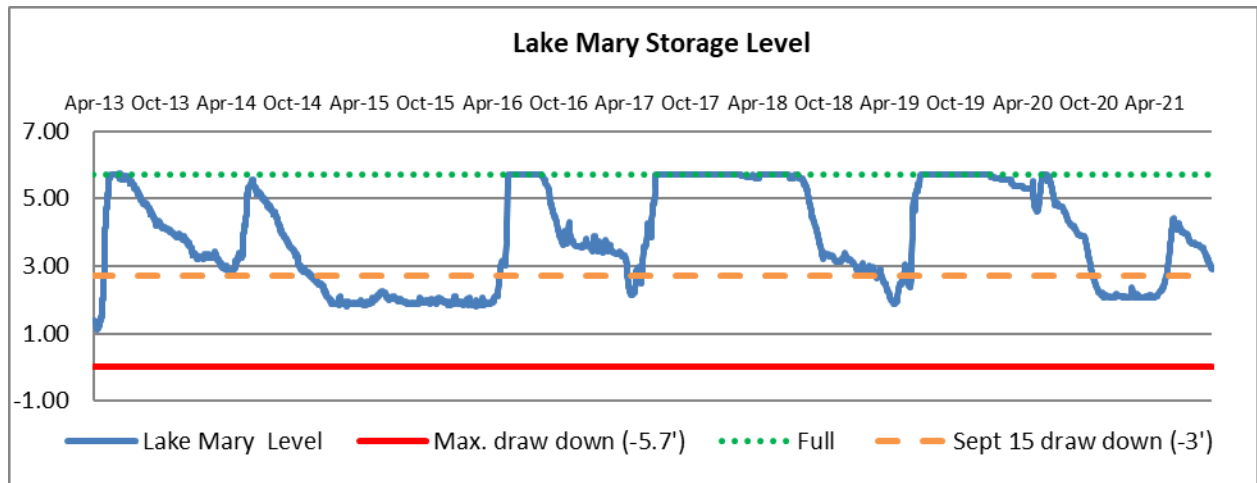
- Water Supply Production and Management**

The total volume of water distributed to the community (including golf course irrigation) during the month of August was 114,827,000 gallons. This amounts to an average demand rate of 3.70 million gallons per day. Drinking water provided to the community was produced from the District’s surface water (18%) and groundwater (82%) treatment plants. Sierra Star and Snowcreek golf courses purchased 22,684,000 gallons of recycled water for irrigation.



• **Surface Water**

The minimum daily stream flow requirement for the month of August was 7.2 cfs for Mammoth Creek, as measured at Old Mammoth Road. Flow rates in the creek ranged from 2.1 cfs to 5.3 cfs with an average flow of 3.4 cfs. The average flow for August 2020 was 7.3 cfs. The flow requirement for September decreases to 5.5 cfs and current flows are below the requirement. The lake is currently 2.8' from full with a balance of 303 ac/ft. Current flows are not sufficient to directly divert water from Mammoth Creek. Production of surface water will require usage from storage and the plan is to utilize approximately 75 ac/ft over the course of the next 30 days at a rate of 0.8 million gallons a day. This will continue provide a reduction in groundwater supplies for some of the wells that have experienced reductions in flow.



• **Groundwater**

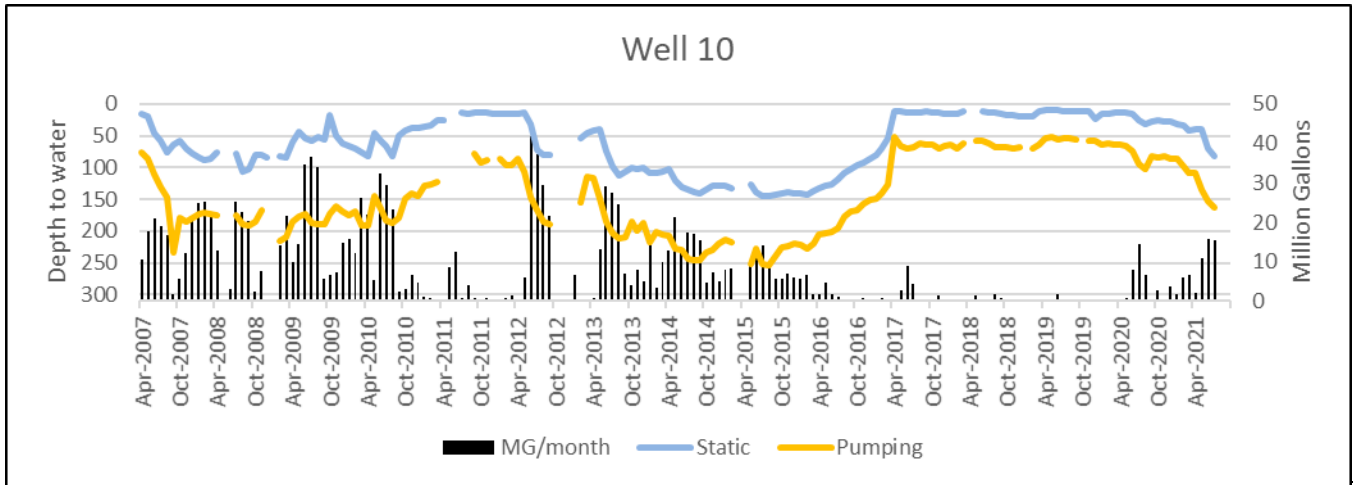
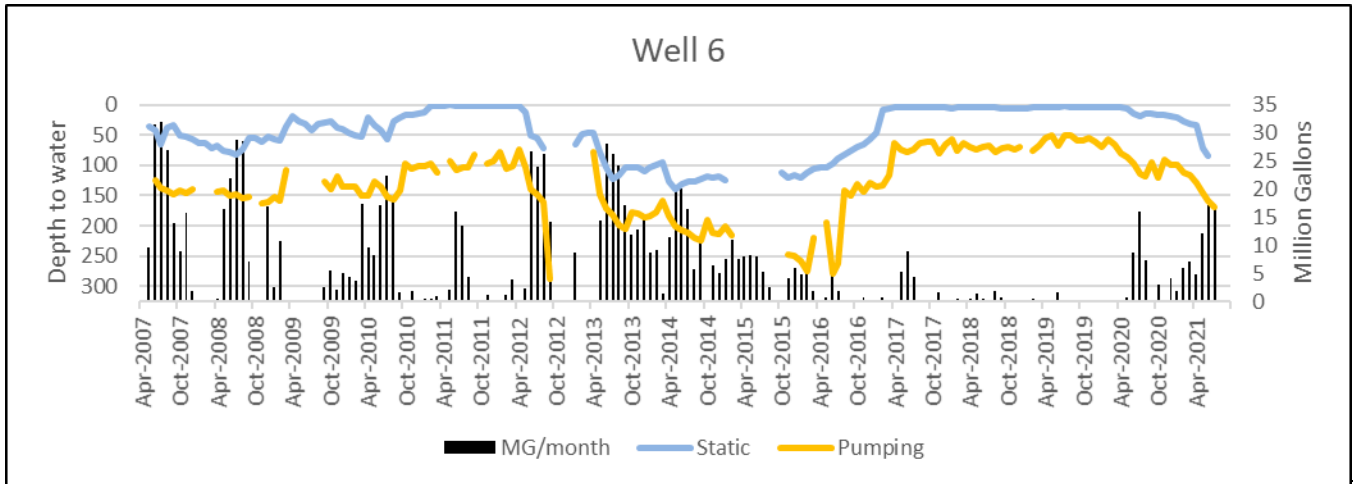
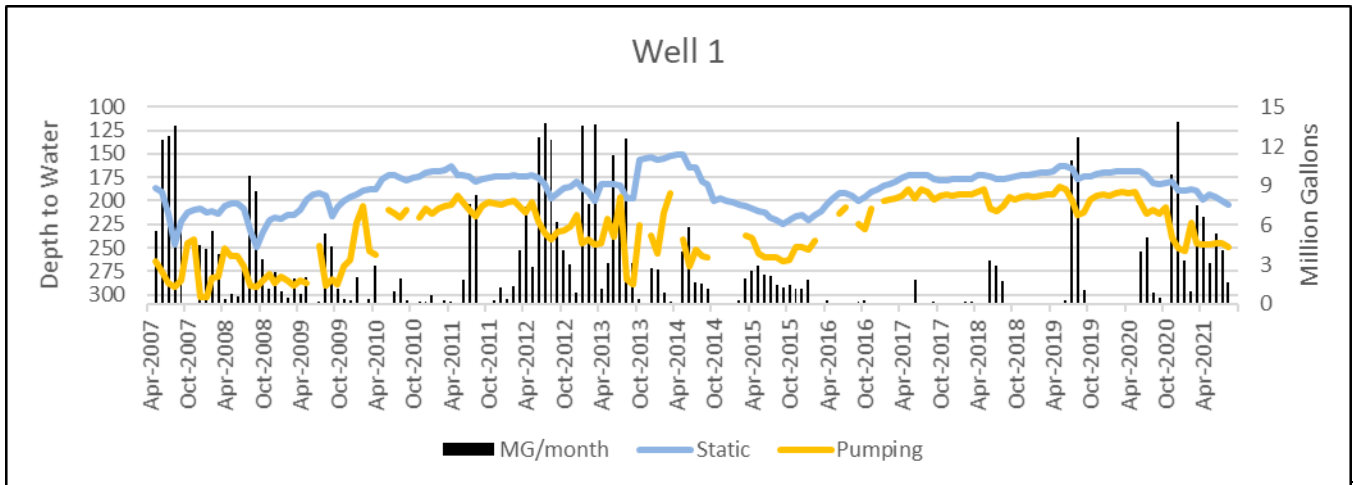
Approximately 75,582,000 gallons or eighty-two percent (82%) of the drinking water produced was from the District’s groundwater sources during the month of August. Groundwater production Wells 1, 6, 10, 15, 17, 18, 20, and 25 are operating as expected and are available for service. Well 1 and Well 25 have shown a reduction in flow and are scheduled for inspection and possible rehab in the fall. Well 16 has been taken out of service due to low levels and will be re-evaluated after a period of non-use. All wells continue to be monitored daily and the currently available

MAMMOTH COMMUNITY WATER DISTRICT

Operations Department Report

September 2021

wells are adequate to meet current demand. Groundwater usage will decrease over the course of the next month as demand decreases and we continue to utilize surface water storage for production.

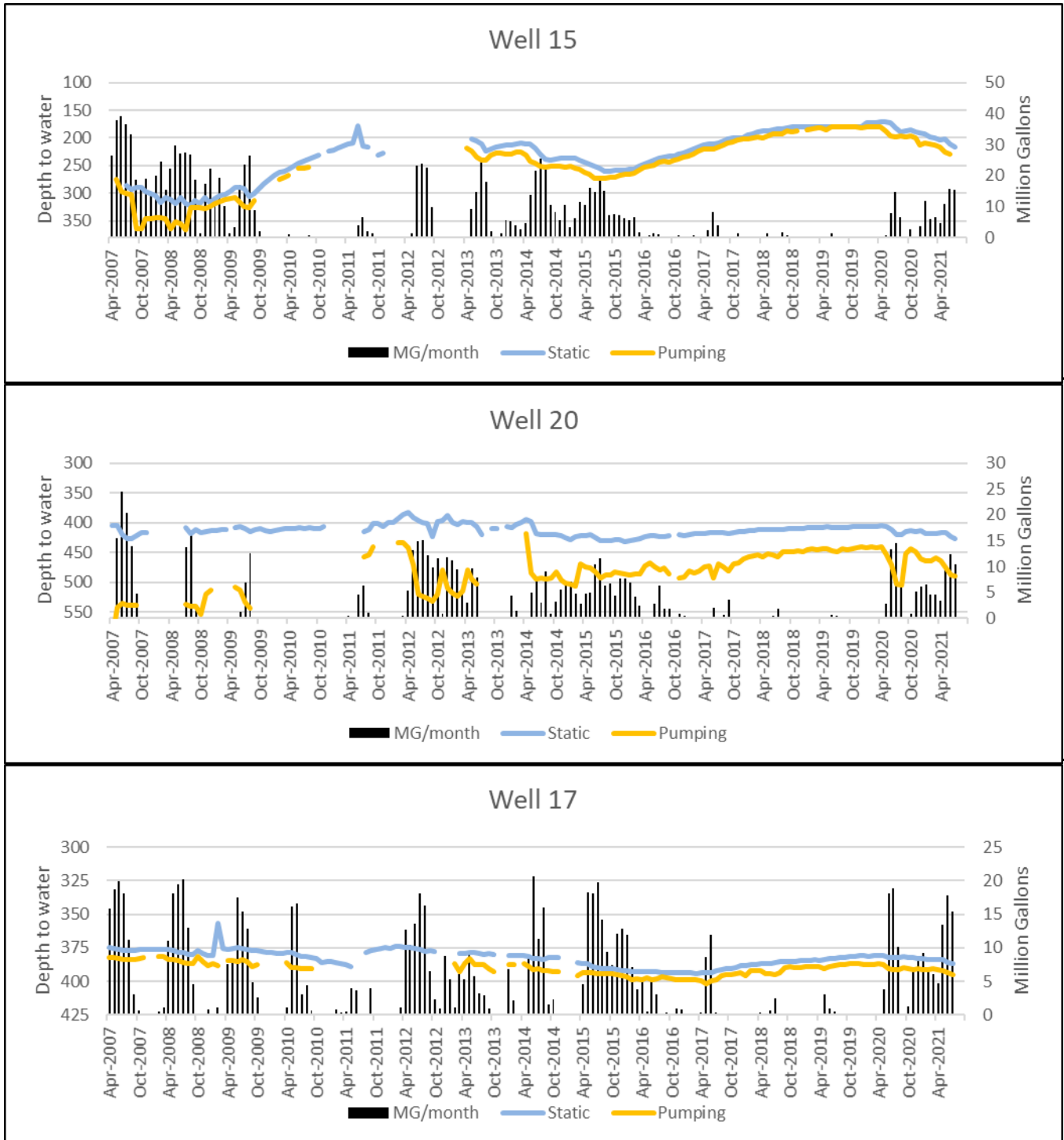


MAMMOTH COMMUNITY WATER DISTRICT

Operations Department Report September 2021

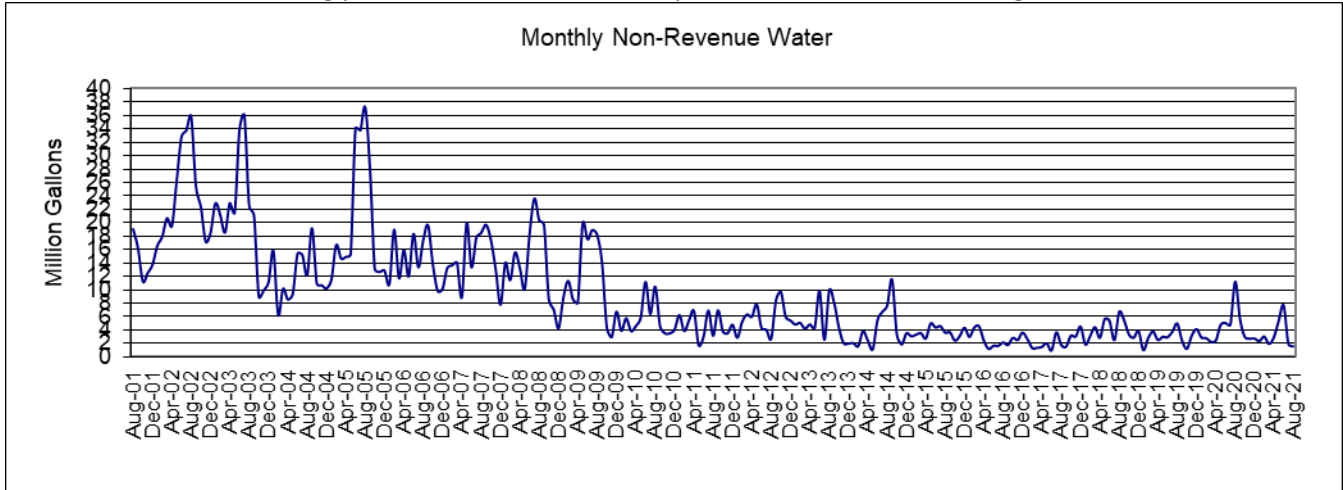
Agenda Item: B-1

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- **Water Audit Information**

The water audit for this billing period shows a total of two percent (2%) or 1.51 million gallons of non-revenue water.



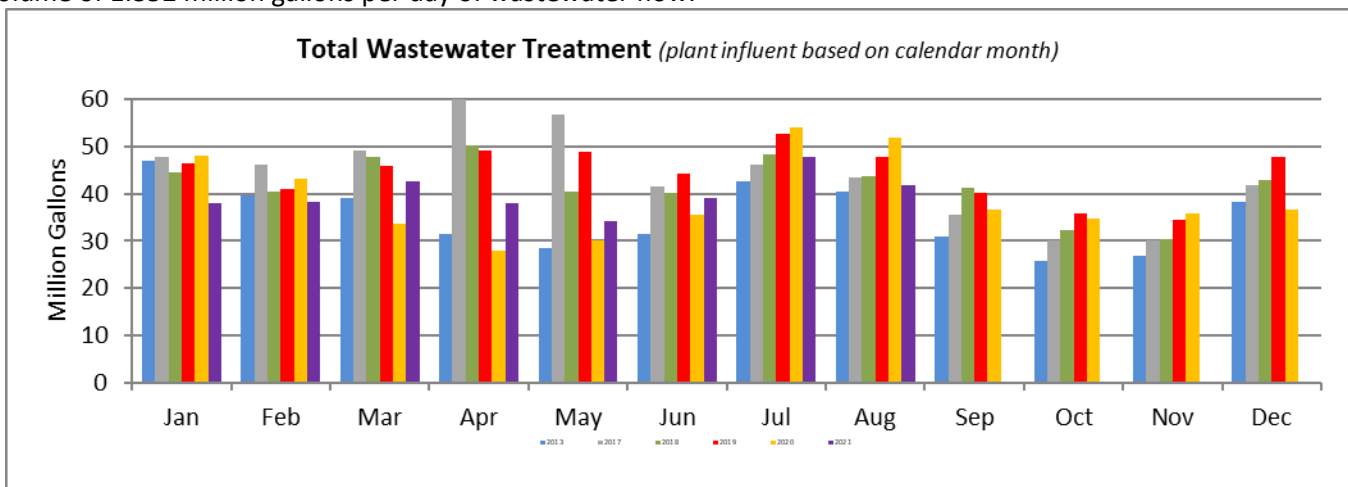
Wastewater – Treatment & Flow

- **Wastewater Treatment**

Treated wastewater discharged from the facility met all water quality standards for the month as established by the State Water Quality Control Board. Staff is currently working with the Lahontan Regional Water Quality Control Board on our revised waste discharge requirements (WDRs) and potential infrastructure upgrades. The final Lahontan site inspection report from the July assessment has been delivered and shows no significant findings or corrective actions.

- **Wastewater Flows**

The total volume of wastewater treated during the month of August was 41,918,000 gallons. This results in an average volume of 1.352 million gallons per day of wastewater flow.



- **Industrial Users**

Currently the Wastewater and Engineering staff are monitoring for potential industrial users and ensuring compliance with our requirements.

- **Projects**

Installation of the screw press has been completed and is now in operation. The conveyance system is functional but requires some additional work to complete the permanent setup. The remaining work on the conveyance system is pending equipment arrival. Delivery of this equipment has experienced multiple delays and is now scheduled for early fall.

Laboratory Management

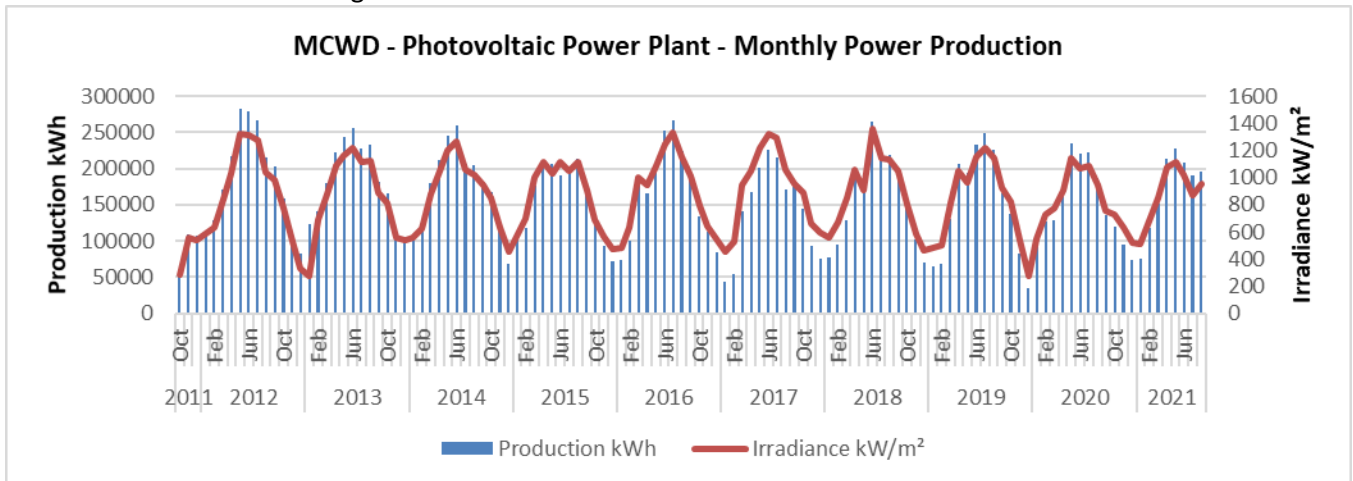
- **Regulatory Compliance**

The Environmental Laboratory Accrediting Program (ELAP) conducted a virtual assessment of the lab on June 28th and provided an assessment report. Laboratory staff have prepared a response to the report to address the items identified by ELAP. Laboratory personnel continue to update processes and record keeping practices to meet the forthcoming regulation changes from state to nationally recognized standards.

Photovoltaic Power Plant Operations & Total District Electrical Usage

- **Solar plant production**

The total kilowatt hours of energy produced for the month of August was 195,450 kWh. The irradiance and production were 1% and 4% more than August 2020.



- **Total electrical energy use**

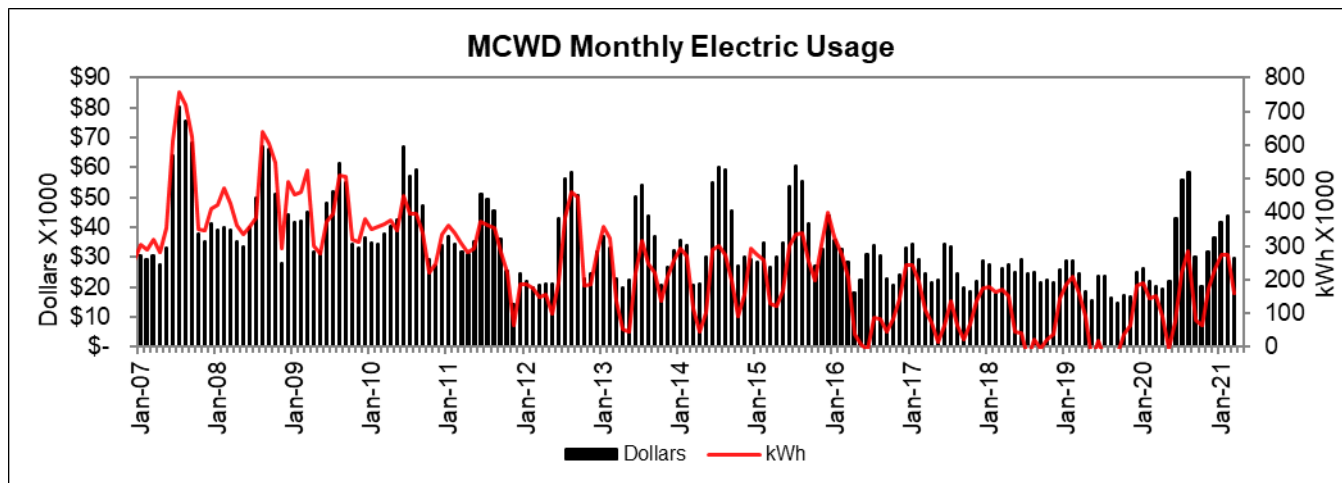
Monthly energy usage chart for the past 14 years through March 2021. The data is lagging due to SCE issues with their electronic billing data. The monthly total includes all District facilities (34 electric meters) for all water, wastewater, and administrative uses.

MAMMOTH COMMUNITY WATER DISTRICT

Operations Department Report
September 2021

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Report Summary

In August, the Maintenance Department's focus was supporting special projects, USAs, meter testing, and administration of the backflow and conservation programs.

Wastewater Treatment Plant and Recycled Water Maintenance

- Performed routine daily and weekly preventive maintenance inspections
- Repaired lights in pipe gallery and welding shop
- Repaired filter backwash pump
- Replaced soft starter on the Snowcreek Golf Course recycled water pump

Solar Power Plant Maintenance

- Performed general visual inspections
- Repaired electrical strings in solar farm
- Weed control around the wastewater plant and the solar farm

Surface Water Treatment Plant and Related Facilities Maintenance

- Performed preventive maintenance inspections
- Calibrate finish flow meter at LMWTP

Groundwater Treatment Plant and Related Facilities Maintenance

- Performed daily and weekly preventive maintenance inspections
- Replaced pressure switch on the Zone 3 booster pump #2 at GWTP #2

Water Distribution System Operations & Maintenance

- Performed weekly inspections at the pressure reducing stations and monthly tank inspections
- Valve exercising: 207 valves exercised, 58% of annual goal completed. The district has 1,919 valves which are on a five-year exercising rotation with 30 critical valves being exercised annually.
- Air relief valve inspections: 7 valves inspected, 33% of annual goal completed. The district has 109 air relief valves which are inspected on a five-year rotating basis.
- Fire hydrant inspections: 266 hydrants inspected, 95% of annual goal completed. There are 559 fire hydrants in the system, which are inspected on a two-year rotating basis.
- Quarterly water mainline flushing: 44 areas within the Water Distribution System where crews have identified dead end lines, 75% of annual goal completed
- Reinstalled and calibrated the level transducer in Tank T-1
- Performed 1 no-water usage investigation which resulted in replacement of the meter
- Performed 35 metering system repairs and 3 hookups for new accounts
- Repaired 1 leaking water service lateral
- Adjusted control valves as needed for area specific water usage changes and pumped out vaults
- Responded to 17 customer service calls, primarily to turn water off/on and check for leaks

- Backflow annual test mailings: first notices for September included 149 sites and 237 hazards, second notices for August included 105 sites and 183 hazards, third notices for August included 45 sites and 97 hazards. There are 1,890 backflow assemblies at 979 sites in the data base.
- Performed backflow tests and inspections on new installations; responded to customer inquiries regarding the backflow program; followed up on delinquent accounts to enforce annual testing compliance
- Meter testing program following AWWA standards for flow accuracy: There are approximately 3,800 meters in our distribution system. The program consists of testing 240 meters annually and we have tested 192 meters, 80% of the annual goal. Meters tested are meeting the AWWA standards.
- Mapped meters as needed
- Cleaned and repaired meter pits as needed
- Continue to replace failed and warrantied R450 units with new R900 units. New R900 units will be included in the meter reading pilot study.

Wastewater Collection System Operations & Maintenance

- Performed weekly inspections of the lift stations and force mains
- Sewer five-year rotating scheduled cleanings and inspections: 59,523' of pipe cleaned, 82% of annual goal completed. There are 361,527' of sewer lines on this schedule.
- Sewer quarterly and bi-annual rotating scheduled cleanings and inspections: 30,779' of pipe cleaned, 81% of annual goal completed. There are 38,030' of sewer lines on this schedule. This schedule includes identified sewer lines that need enhanced maintenance. Sewer lines on this schedule get cleaned two to four times a year. Some lines also have minimizer pumps that inject a grease emulsifier several times a day to help keep grease in suspension. These are monitored on an as-needed basis.
- Routine maintenance revealed debris buildup in several manholes, cleaned channels and shelves
- Cut out roots from sewer mains on Hillside, Convict, Crystal, Crest Lane, and Twin Lakes Lane

Special Projects/Programs

Sludge Dewatering and Conveyance

To reduce WWTP operational and sludge hauling costs staff are working to complete sludge dewatering equipment upgrades.

Status: A new sludge conveyance system is on order and scheduled to be installed this fall. Staff is currently working on installing the upgraded PLC dewatering equipment controls.

Tank T-1 Rehabilitation

A full rehab of the interior and exterior of the tank was required to meet our scheduled maintenance program. District staff implemented a plan to meet water needs while the tank is offline.

Status: The contractors have finished the interior and exterior rehabilitation. Lake Mary tank was returned to service on September 1st. This project was completed on schedule and is projected come in under budget.

Sewer Rehabilitation FY22

MCWD continues to make improvements to the sewer system which includes: CIPP slip lining approximately 6,018' of sewer main, rehabilitation of 12 manholes, and the installation of 15 Top Hat spot repairs.

Status: Work has begun on the manhole rehabilitations and is scheduled to be completed by the end of October

MAMMOTH COMMUNITY WATER DISTRICT
Maintenance Department Report
September 2021

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Summer Construction - Planned in-house construction projects for FY22:

Commerce Circle Water Laterals

Project involves replacing 7 double and 6 single service laterals, including 20 meters.

Status: Project completed

Juniper Ridge Laterals

Project involves replacing 16 double laterals, 5 single laterals, 6 ARVs, and 1 blow-off lateral.

Status: 14 Meters and 2 ARVs have been completed, work is ongoing

R-900 Radio Tower Base

Project involves building tower base and installing new R900 collector tower for meter reading pilot study.

Status: Project completed

Tank T-1 Power Project involves trenching and installation of an electrical line from Tank T-2 to Tank T-1 to allow for a more consistent power supply for communication control equipment. The electrical line and all related components have been installed at both tank sites and tested.

Status: Project completed

TOML Paving project

Project involves lowering and raising of MCWD valves and manholes on Commerce Cir, Red Fir, Mountain Blvd. This project has been added to coordinate with TOML paving projects.

Status: Work in progress, scheduled for Fall completion

8" ACP Sewer Pipe Extension (Slocum's)

Project involves 100' of new sewer line and 1 new manhole on Frontage Rd to reroute Slocum's' sewer lateral.

Status: Scheduled October 4th - October 15th

Snowcreek Crest Water Laterals

Project Involves replacing 27 double laterals, 2 single laterals, and 1 ARV, affecting 58 total services.

Status: TBD

Fats, Oil, and Grease (FOG) Program:

	Total Active FSEs	Exempted FSEs	Goslyn Traps	Conventional Grease Traps	Interceptors	Garbage Disposals	Violations
2021 Totals	80	23	21	22	11	2	3
2020 Totals	79	22	21	22	11	2	0

Departmental / General

- Performed fire mitigation work on District property at 501 Monterey Pine
- Processed 17 indoor rebate applications
- Filled vacant Line Maintenance worker position
- Monitored MAWA accounts and other irrigation activity, issued 20 violations
- Responded to 167 USA Dig Alerts to date in 2021, locating MCWD water and sewer lines

Financial Department Update

The Finance department staff is completing an analysis of individual accounts to compare usage across several months to find and correct potential errors related to the UB software conversion which cast doubt on the accuracy of water use revenue from the July billing period. Due to these suspected inaccuracies water use revenue and total revenue are not being reported this month. Monthly reporting will resume when these suspected errors are corrected.

As part of finalizing our annual financial audit, accruing entries were done to move revenue and expenses between FY 2021 and 2022.

- Miscellaneous revenue from the ACWA JPIA refund was moved from FY 2022 back to FY 2021
- Expenses for USGS testing were moved from FY 2022 to FY 2021
- Expenses for Tyler software were proportionally moved from FY 2021 to FY 2022

Operating expenses continue to trend below budget, partially a result of delayed invoicing and partly from avoided expenses. Personnel expenses trend very close to budget as the District currently has all approved positions filled.

The water and wastewater rate study will be presented by Raftelis to the Board at the regular meeting on September 16th with an opportunity for the Board to provide direction to staff on next steps of the process to implement the new rate structure at the beginning of FY 2023.

Richard Teaman and Rick Gallo of Teaman, Ramirez and Smith, Inc. will present the results of the FY 2021 audit to the Board at the regular meeting on September 16th.

Significant expenditures for August include:

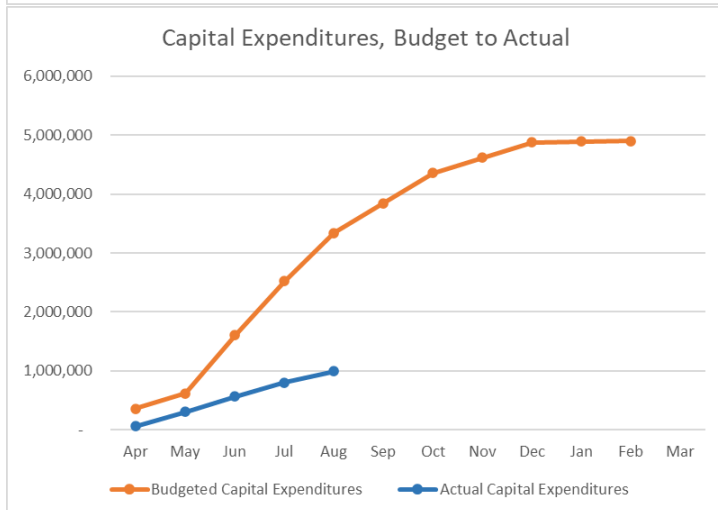
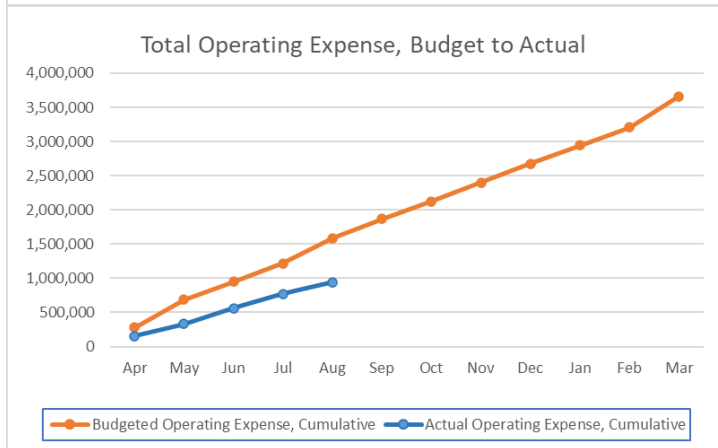
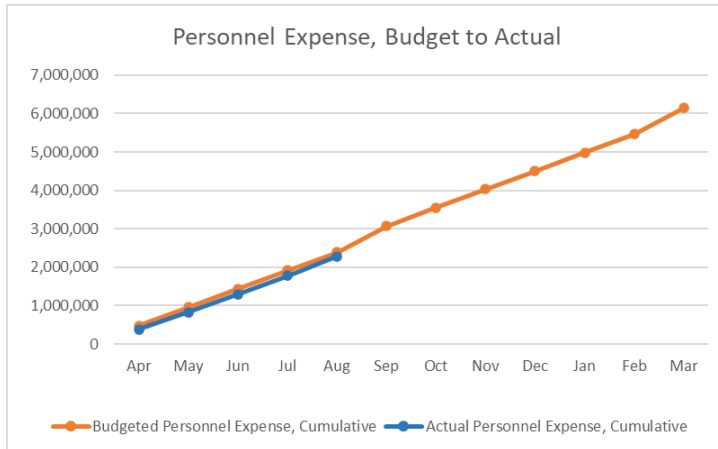
- A total of \$55,197.71 to Behrens and Associates for sound curtains during the drilling of Well M-33 (Center Street).
- \$25,364.74 to MCS Inspections for work on the Tank T-1 rehab

Graphs and Tables

Details on capital expenditures are listed in Table A, operation expenses in Table B, fund balances in Table C, utility bill aging in Table D, and cash balance projection in Table E, followed by a summary of the District's investment portfolio including the monthly report of transactions. Summary graphs of revenue and expenses are presented below.

MAMMOTH COMMUNITY WATER DISTRICT
Finance Department Report
September 2021

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Finance Department Report

09/16/2021

September 2021

Financial Reports

Table A Capital Project Management

Capital Funds Project Summary
 Fiscal Year: 2022
 Spending through August 2021

PROJECT DESCRIPTION	BRE	FY 2022 Budget	FY 2022 YTD Expenditure	Prior Project Expenditure	Total Project Expenditure
2021 ERP Upgrade	8	248,900	109,476	60,217	169,693
2021 Water Distribution System Improvements	17	701,356	311,589	4,611	316,200
2021 Tank 1 Rehab	18	454,633	76,943	-	76,943
2021 Well 32	21	450,000	231,240	2,106,915	2,338,155
2021 Center St Mon Well		585,000	86,147	4,188	90,335
2021 Well 1 Rehab		175,000	4,076		
2021 Expansion Wells		30,000	0		
2021 Dist. Syst. Modeling		30,000	0		
2021 Well 25 Rehab		125,000	0		
2021 Well 10 Pump and Motor		49,650	49,508	-	49,508
2021 Water Cost of Service Study		26,250	24,666	-	24,666
2021 Sewer Line Rehab	18	431,469	6,690	-	6,690
2021 Coldwater LS	13	39,620	35,330	-	35,330
2021 Dewatering PLC	20	161,598	224	792,529	792,753
2021 Digester Mix Pump	17	80,516	1,234	-	1,234
2021 Laurel Pond Mon Wells	21	350,000	7,521	92,403	99,924
2021 Parcel Relief Main		625,000	478	-	478
2021 Collection Syst Modeling		30,000	0	-	-
2021 Battery Backup and Storage		20,000	511	-	511
2021 Sludge Dewatering and Conveyance		-	3,806	-	3,806
Capital Equipment					
Loader (CARB compliance)		250,000			
Sludge hauling trailer		65,000			
Construction crew truck		47,500	40,169		
Forklift		40,600			
Vehicle replacement (Engineering)		35,000			
Tapping tool		15,000			
Total Capital Projects and Equipment		5,067,092	989,609		

BRE = Business Risk Exposure

MAMMOTH COMMUNITY WATER DISTRICT
Finance Department Report
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Table B Revenue and Expenses

Account	YTD Actual	YTD Budget	Better/Worse	% Diff
Billing - Water Usage		875,063		
Water Base Rates	765,053	770,067	(5,014)	-0.7%
Wastewater Base Rates	1,209,280	1,170,323	38,957	3.3%
Engineering Revenue	35,675	25,407	10,269	40.4%
Miscellaneous Revenue	103,036	104,542	(1,505)	-1.4%
Permits - Connection Fees	125,461	145,359	(19,898)	-13.7%
Taxes and Assessments	1,420,315	1,541,982	(121,667)	-7.9%
Interest Income	93,954	111,622	(17,668)	-15.8%
Subtotal Revenue		4,744,364		
Investment Gain (Loss)	(39,517)	-		
Total Revenue		4,744,364		
Salaries & Wages	1,489,634	1,727,438	237,804	13.8%
Employee Benefits - Group Insu	438,749	410,785	(27,964)	-6.8%
Employee Benefits - Pension	311,572	368,290	56,718	15.4%
Employer Paid Taxes	38,795	51,662	12,867	24.9%
Total Personnel Expense	2,278,750	2,558,175	279,425	10.9%
Outside Services/Contractual	46,572	65,211	18,640	28.6%
Property Tax Admin. Fee	-	93,296	93,296	100.0%
Sludge Disposal	12,720	31,238	18,518	59.3%
Software Licenses and Agrmnts	103,514	102,590	(924)	-0.9%
IT Services	14,591	15,411	819	5.3%
Banking Fees	11,733	16,349	4,616	28.2%
Professional Services	33,716	127,711	93,995	73.6%
Outside Lab Services	8,373	25,271	16,898	66.9%
Equipment Rental	-	-		
Employee Housing Expenses	13,653	30,413	16,760	55.1%
Operating Tools	29,783	17,097	(12,686)	-74.2%
Employee Engagement	1,789	6,122	4,333	70.8%
Ee Ben. PPE Unif Other	5,977	8,803	2,825	32.1%
Gasoline	15,010	16,098	1,088	6.8%
Diesel Fuel	10,819	4,994	(5,825)	-116.6%
Insurance	69,195	65,224	(3,971)	-6.1%
Legal Services	24,041	43,941	19,900	45.3%
M & R - Line Repair/Equipment	112,429	116,896	4,467	3.8%
M & R - Buildings	50,805	72,742	21,937	30.2%
M & R - Vehicles	17,266	28,530	11,264	39.5%
Memberships/Certifications	4,813	19,930	15,117	75.9%
Permit Materials	2,446	20,825	18,379	88.3%
Operating Chemicals	90,939	98,367	7,429	7.6%
Operating Supplies	47,694	53,941	6,246	11.6%
Computer Systems/Equipment	3,162	33,695	30,533	90.6%
Postage/Freight	3,438	3,653	215	5.9%
Advertising Publications & PR	10,136	9,954	(182)	-1.8%
Books & Subscriptions	248	354	106	29.9%
Safety	11,804	11,133	(671)	-6.0%
Permits & Licensing	4,920	34,040	29,121	85.5%
Settlement Costs	87,711	87,360	(351)	-0.4%
Telephone	17,053	19,564	2,512	12.8%
Training & Meetings	6,955	31,627	24,672	78.0%
Travel Expenses	533	23,699	23,166	97.7%
Uncollectables	14,345	-		
Bank Reconciliation over/short	774	-		
Utilities-Electric	10,801	173,514	162,713	93.8%
Utilities-Propane	3,129	13,620	10,490	77.0%
Water Conservation	30,753	51,438	20,685	40.2%
Total Operating Expense	933,641	1,574,649	656,127	41.7%

MAMMOTH COMMUNITY WATER DISTRICT

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September 2021

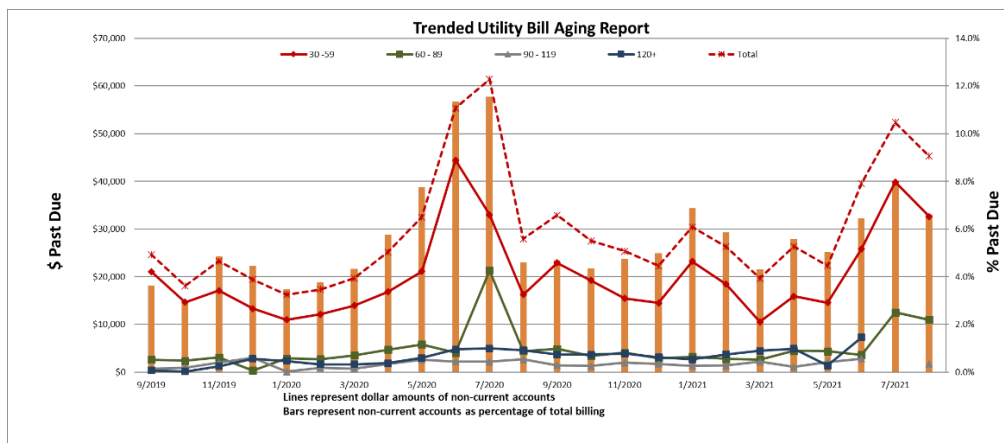
Table C Fund Balance

	Operating Funds			Capital R&R Funds		
	10 Admin	20 Water	30 Wastewater	21 Admin	22 Water	23 Wastewater
Cash Total	(624,896)	2,053,583	1,493,312	1,126,307	9,139,250	8,938,699
Current Assets	(162,999)	(130,682)	(240,063)	(331,481)	(145,496)	(1,594,496)
Non-current Assets	0	-	-	(7,034)	-	-
Capital Assets	-	-	2,564	87,719	664,309	131,860
Total Assets	(787,895)	1,922,901	1,255,813	875,510	9,658,064	7,476,063
Current Liabilities	(90,217)	(336,240)	(203,154)	(178,735)	(243,023)	(817,710)
Non-current Liabilities	-	-	-	-	-	(21,350)
Assets - Liabilities	(878,112)	1,586,661	1,052,659	696,776	9,415,041	6,637,003
Target Fund Balance	190,000	1,160,000	1,260,000	1,000,000	5,964,000	3,348,000
Available Fund Balance	(715,113)	1,717,343	1,290,158	947,572	8,896,228	8,120,990

	Capital Expansion Funds			96 Enterprise	98 LADWP	Total
	31 Admin	32 Water	33 Wastewater			
Cash Total	1,021,829	1,470,482	543,861	1,183,473	443,496	26,789,398
Current Assets	-	-	-	2,348	-	(2,602,868)
Non-current Assets	-	-	-	(238,909)	-	(245,942)
Capital Assets	-	-	-	-	-	886,451
Total Assets	1,021,829	1,470,482	543,861	946,913	443,496	24,827,039
Current Liabilities	-	(67)	(67)	95	-	(925,896)
Non-current Liabilities	-	-	-	-	-	(78,410)
Assets - Liabilities	1,021,829	1,470,415	543,795	947,008	443,496	23,822,733
Target Fund Balance	1,000,000	1,045,000	288,000	500,000	375,000	16,215,101
Available Fund Balance	1,021,829	1,470,415	543,795	1,183,569	443,496	25,863,503

Available fund balance equals cash – current liabilities.

Table D Trended Utility Bill Aging Report



The total amount past due is \$45,296 as of August 31, 2021.

MAMMOTH COMMUNITY WATER DISTRICT

Finance Department Report

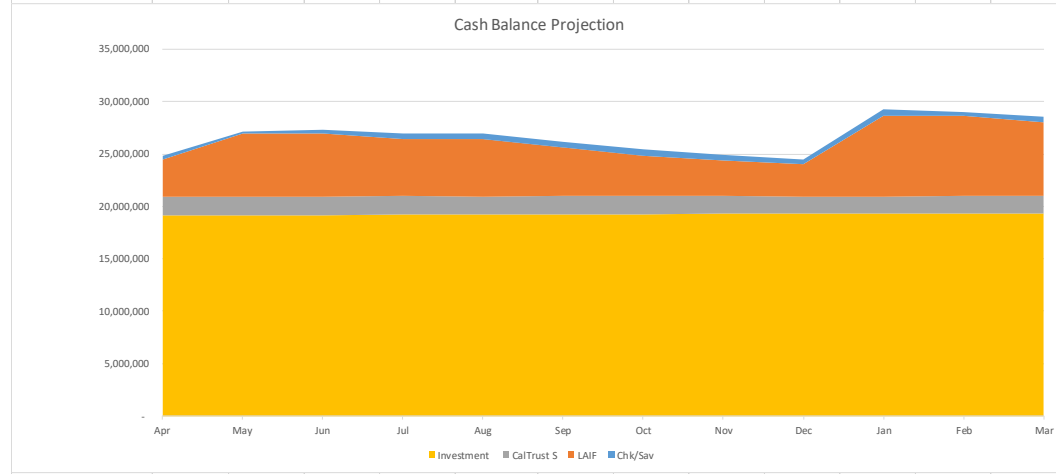
September 2021

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Table E Cash Balance Projection and Investment Summary

	Apr	May	Jun	Jul	Aug	(Estimated)						
						Sep	Oct	Nov	Dec	Jan	Feb	Mar
Chk/Sav	424,386	197,790	391,254	553,047	550,917	527,522	601,791	583,456	479,489	632,056	383,004	545,786
LAIF	3,516,603	6,036,743	6,036,743	5,440,797	5,440,797	4,642,611	3,844,158	3,345,440	3,046,555	7,647,570	7,650,119	7,052,669
CalTrust S	1,737,832	1,752,109	1,738,457	1,738,708	1,738,956	1,739,536	1,740,115	1,740,696	1,641,276	1,641,823	1,642,370	1,642,918
Investment	19,178,356	19,178,356	19,184,005	19,228,095	19,220,161	19,239,381	19,258,621	19,277,879	19,297,157	19,316,454	19,335,771	19,355,106
Total	24,857,177	27,164,998	27,350,459	26,960,647	26,950,831	26,149,050	25,444,685	24,947,470	24,464,477	29,237,903	29,011,264	28,596,479



Mammoth Community Water District
Account #10652

Portfolio Summary
As of August 31, 2021



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.19
Average Coupon	1.68%
Average Purchase YTM	1.26%
Average Market YTM	0.39%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.18 yrs
Average Life	2.24 yrs

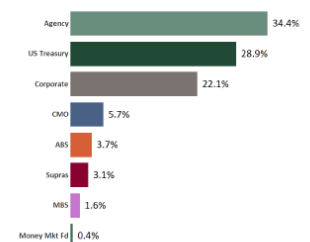
ACCOUNT SUMMARY

	Beg. Values as of 7/31/21	End Values as of 8/31/21
Market Value	19,228,095	19,220,161
Accrued Interest	72,057	74,998
Total Market Value	19,300,152	19,295,159
Income Earned	21,744	20,866
Cont/WD		-1,767
Par	18,760,816	18,771,523
Book Value	18,953,375	18,971,424
Cost Value	19,012,722	19,043,010

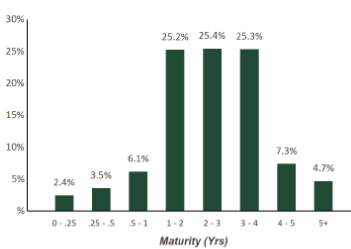
TOP ISSUERS

Government of United States	28.9%
Federal National Mortgage Assoc	13.1%
Federal Home Loan Mortgage Corp	12.2%
Federal Home Loan Bank	9.6%
Federal Farm Credit Bank	3.8%
Intl Bank Recon and Development	2.1%
Bank of America Corp	1.8%
Toyota Motor Corp	1.7%
Total	73.2%

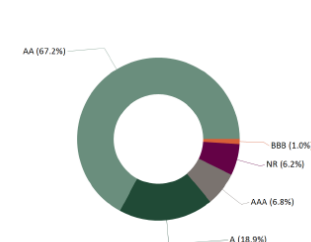
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	1/31/2019
Mammoth Community Water District	-0.02%	0.05%	0.18%	0.45%	2.15%	N/A	N/A	N/A	2.90%
ICE BofA 0-5 Yr US Treasury Index	-0.05%	0.05%	-0.08%	-0.04%	1.85%	N/A	N/A	N/A	2.71%



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	08/02/2021	31846V203	1.06	First American Govt Obligation Fund Class Y	1.000	0.01%	1.06	0.00	1.06	0.00
Purchase	08/07/2021	31846V203	1,300.00	First American Govt Obligation Fund Class Y	1.000	0.01%	1,300.00	0.00	1,300.00	0.00
Purchase	08/09/2021	31846V203	100,000.00	First American Govt Obligation Fund Class Y	1.000	0.01%	100,000.00	0.00	100,000.00	0.00
Purchase	08/09/2021	31846V203	850.00	First American Govt Obligation Fund Class Y	1.000	0.01%	850.00	0.00	850.00	0.00
Purchase	08/11/2021	31846V203	220,000.00	First American Govt Obligation Fund Class Y	1.000	0.01%	220,000.00	0.00	220,000.00	0.00
Purchase	08/11/2021	31846V203	1,815.00	First American Govt Obligation Fund Class Y	1.000	0.01%	1,815.00	0.00	1,815.00	0.00
Purchase	08/12/2021	31846V203	464.24	First American Govt Obligation Fund Class Y	1.000	0.01%	464.24	0.00	464.24	0.00
Purchase	08/12/2021	31846V203	707.17	First American Govt Obligation Fund Class Y	1.000	0.01%	707.17	0.00	707.17	0.00
Purchase	08/15/2021	31846V203	5,050.00	First American Govt Obligation Fund Class Y	1.000	0.01%	5,050.00	0.00	5,050.00	0.00
Purchase	08/15/2021	31846V203	100,000.00	First American Govt Obligation Fund Class Y	1.000	0.01%	100,000.00	0.00	100,000.00	0.00
Purchase	08/16/2021	31846V203	1,100.00	First American Govt Obligation Fund Class Y	1.000	0.01%	1,100.00	0.00	1,100.00	0.00
Purchase	08/16/2021	31846V203	26.92	First American Govt Obligation Fund Class Y	1.000	0.01%	26.92	0.00	26.92	0.00
Purchase	08/16/2021	31846V203	844.96	First American Govt Obligation Fund Class Y	1.000	0.01%	844.96	0.00	844.96	0.00
Purchase	08/16/2021	31846V203	1,150.89	First American Govt Obligation Fund Class Y	1.000	0.01%	1,150.89	0.00	1,150.89	0.00
Purchase	08/16/2021	31846V203	343.29	First American Govt Obligation Fund Class Y	1.000	0.01%	343.29	0.00	343.29	0.00
Purchase	08/16/2021	31846V203	656.03	First American Govt Obligation Fund Class Y	1.000	0.01%	656.03	0.00	656.03	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	08/16/2021	31846V203	11,855.02	First American Govt Obligation Fund Class Y	1.000	0.01%	11,855.02	0.00	11,855.02	0.00
Purchase	08/16/2021	31846V203	9,243.24	First American Govt Obligation Fund Class Y	1.000	0.01%	9,243.24	0.00	9,243.24	0.00
Purchase	08/17/2021	31846V203	3,281.25	First American Govt Obligation Fund Class Y	1.000	0.01%	3,281.25	0.00	3,281.25	0.00
Purchase	08/17/2021	31846V203	614.86	First American Govt Obligation Fund Class Y	1.000	0.01%	614.86	0.00	614.86	0.00
Purchase	08/18/2021	31846V203	26.21	First American Govt Obligation Fund Class Y	1.000	0.01%	26.21	0.00	26.21	0.00
Purchase	08/20/2021	31846V203	70.50	First American Govt Obligation Fund Class Y	1.000	0.01%	70.50	0.00	70.50	0.00
Purchase	08/20/2021	31846V203	129.33	First American Govt Obligation Fund Class Y	1.000	0.01%	129.33	0.00	129.33	0.00
Purchase	08/23/2021	3137BWWD2	250,000.00	FHLMC K725 A2 3.002% Due 1/25/2024	105.531	-0.39%	263,828.12	458.64	264,286.76	0.00
Purchase	08/23/2021	31846V203	1,360.00	First American Govt Obligation Fund Class Y	1.000	0.01%	1,360.00	0.00	1,360.00	0.00
Purchase	08/23/2021	31846V203	21.38	First American Govt Obligation Fund Class Y	1.000	0.01%	21.38	0.00	21.38	0.00
Purchase	08/25/2021	31846V203	750.00	First American Govt Obligation Fund Class Y	1.000	0.01%	750.00	0.00	750.00	0.00
Purchase	08/25/2021	31846V203	687.50	First American Govt Obligation Fund Class Y	1.000	0.01%	687.50	0.00	687.50	0.00
Purchase	08/25/2021	31846V203	120,779.91	First American Govt Obligation Fund Class Y	1.000	0.01%	120,779.91	0.00	120,779.91	0.00
Purchase	08/25/2021	31846V203	1,168.66	First American Govt Obligation Fund Class Y	1.000	0.01%	1,168.66	0.00	1,168.66	0.00
Purchase	08/25/2021	31846V203	525.03	First American Govt Obligation Fund Class Y	1.000	0.01%	525.03	0.00	525.03	0.00
Purchase	08/25/2021	31846V203	764.54	First American Govt Obligation Fund Class Y	1.000	0.01%	764.54	0.00	764.54	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	08/25/2021	31846V203	1,154.71	First American Govt Obligation Fund Class Y	1.000	0.01%	1,154.71	0.00	1,154.71	0.00
Purchase	08/25/2021	31846V203	832.01	First American Govt Obligation Fund Class Y	1.000	0.01%	832.01	0.00	832.01	0.00
Purchase	08/25/2021	31846V203	979.71	First American Govt Obligation Fund Class Y	1.000	0.01%	979.71	0.00	979.71	0.00
Purchase	08/25/2021	31846V203	1,612.65	First American Govt Obligation Fund Class Y	1.000	0.01%	1,612.65	0.00	1,612.65	0.00
Purchase	08/25/2021	31846V203	101,854.81	First American Govt Obligation Fund Class Y	1.000	0.01%	101,854.81	0.00	101,854.81	0.00
Purchase	08/31/2021	3133EMNF5	400,000.00	FFCB Note 0.375% Due 1/15/2025	99.594	0.50%	398,376.00	191.67	398,567.67	0.00
Purchase	08/31/2021	31846V203	3,812.50	First American Govt Obligation Fund Class Y	1.000	0.01%	3,812.50	0.00	3,812.50	0.00
Subtotal			1,345,833.38				1,358,037.50	650.31	1,358,687.81	0.00
TOTAL ACQUISITIONS			1,345,833.38				1,358,037.50	650.31	1,358,687.81	0.00
DISPOSITIONS										
Sale	08/23/2021	31846V203	264,286.76	First American Govt Obligation Fund Class Y	1.000	0.01%	264,286.76	0.00	264,286.76	0.00
Sale	08/31/2021	31846V203	398,567.67	First American Govt Obligation Fund Class Y	1.000	0.01%	398,567.67	0.00	398,567.67	0.00
Subtotal			662,854.43				662,854.43	0.00	662,854.43	0.00
Call	08/25/2021	828807DB0	100,000.00	Simon Property Group Callable Note Cont 3/15/2022 2.625% Due 6/15/2022	101.344	0.94%	101,344.41	510.40	101,854.81	1,891.87
Subtotal			100,000.00				101,344.41	510.40	101,854.81	1,891.87



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	08/12/2021	17318UAD6	0.00	Citigroup Commercial Mtg Trust 2012-GC8 A4 3.024% Due 9/10/2045	100.000		0.00	464.24	464.24	0.00
Paydown	08/12/2021	36198FAE2	0.00	GS Mortgage Securities Trust 2013-GC14 A5 4.243% Due 8/10/2046	100.000		0.00	707.17	707.17	0.00
Paydown	08/16/2021	3128MEMN8	792.58	FHLMC FG G15565 3% Due 10/1/2030	100.000		792.58	52.38	844.96	0.00
Paydown	08/16/2021	31307PEF2	1,105.16	FHLMC FG J32834 2.5% Due 9/1/2030	100.000		1,105.16	45.73	1,150.89	0.00
Paydown	08/16/2021	31307PNB1	276.10	FHLMC FG J33086 3% Due 11/1/2030	100.000		276.10	67.19	343.29	0.00
Paydown	08/16/2021	3132KFBZ4	588.49	FHLMC FG V60956 2.5% Due 9/1/2030	100.000		588.49	67.54	656.03	0.00
Paydown	08/16/2021	44891RAC4	0.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	100.000		0.00	26.92	26.92	0.00
Paydown	08/16/2021	47789JAD8	11,639.95	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	100.000		11,639.95	215.07	11,855.02	0.00
Paydown	08/16/2021	65479JAD5	9,047.88	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	100.000		9,047.88	195.36	9,243.24	0.00
Paydown	08/17/2021	61762MBW0	0.00	Morgan Stanley BAML Trust 2013-C10 A4 Due 7/15/2046	100.000		0.00	614.86	614.86	0.00
Paydown	08/18/2021	43813KAC6	0.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	100.000		0.00	26.21	26.21	0.00
Paydown	08/20/2021	92290BAA9	0.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	100.000		0.00	70.50	70.50	0.00
Paydown	08/20/2021	92348AAA3	0.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	100.000		0.00	129.33	129.33	0.00
Paydown	08/23/2021	43813GAC5	0.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	100.000		0.00	21.38	21.38	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	08/25/2021	3137B3NX2	0.00	FHLMC K031 A2Due 4/25/2023	100.000		0.00	687.50	687.50	0.00
Paydown	08/25/2021	3137BFDQ1	120,479.61	FHLMC K717 A2 2.991% Due 9/25/2021	100.000		120,479.61	300.30	120,779.91	0.00
Paydown	08/25/2021	3138ETA55	1,111.67	FNMA FN AL8127 2% Due 1/1/2031	100.000		1,111.67	56.99	1,168.66	0.00
Paydown	08/25/2021	3138WE3R8	466.73	FNMA FN AS5307 3% Due 7/1/2030	100.000		466.73	58.30	525.03	0.00
Paydown	08/25/2021	3138WE5U9	699.80	FNMA FN AS5358 3% Due 7/1/2030	100.000		699.80	64.74	764.54	0.00
Paydown	08/25/2021	3138YDAS8	1,114.36	FNMA FN AY0016 2.5% Due 1/1/2030	100.000		1,114.36	40.35	1,154.71	0.00
Paydown	08/25/2021	3138YR6T0	760.09	FNMA FN AZ0881 2.5% Due 7/1/2030	100.000		760.09	71.92	832.01	0.00
Paydown	08/25/2021	3138YTMT8	919.35	FNMA FN AZ2169 2.5% Due 7/1/2030	100.000		919.35	60.36	979.71	0.00
Paydown	08/25/2021	31418BLL8	1,502.96	FNMA FN MA2130 3.5% Due 12/1/2029	100.000		1,502.96	109.69	1,612.65	0.00
Subtotal			150,504.73				150,504.73	4,154.03	154,658.76	0.00
Maturity	08/09/2021	14912\$6U0	100,000.00	Caterpillar Finance Serv Corp Note 1.7% Due 8/9/2021	100.000		100,000.00	0.00	100,000.00	0.00
Maturity	08/11/2021	69371RN44	220,000.00	Paccar Financial Corp Note 1.65% Due 8/11/2021	100.000		220,000.00	0.00	220,000.00	0.00
Maturity	08/15/2021	341099CP2	100,000.00	Florida Power Corp Callable Note Cont 5/15/2021 3.1% Due 8/15/2021	100.000		100,000.00	0.00	100,000.00	0.00
Subtotal			420,000.00				420,000.00	0.00	420,000.00	0.00
Security Withdrawal	08/05/2021	31846V203	1,606.58	First American Govt Obligation Fund Class Y	1.000		1,606.58	0.00	1,606.58	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Security Withdrawal	08/25/2021	31846V203	160.16	First American Govt Obligation Fund Class Y	1.000		160.16	0.00	160.16	0.00
Subtotal			1,766.74				1,766.74	0.00	1,766.74	0.00
TOTAL DISPOSITIONS			1,335,125.90				1,336,470.31	4,664.43	1,341,134.74	1,891.87

OTHER TRANSACTIONS										
Interest	08/07/2021	06406RAA5	100,000.00	Bank of NY Mellon Corp Callable Note Cont 1/7/2022 2.6% Due 2/7/2022	0.000		1,300.00	0.00	1,300.00	0.00
Interest	08/09/2021	14912\$6U0	100,000.00	Caterpillar Finance Serv Corp Note 1.7% Due 8/9/2021	0.000		850.00	0.00	850.00	0.00
Interest	08/11/2021	69371RN44	220,000.00	Paccar Financial Corp Note 1.65% Due 8/11/2021	0.000		1,815.00	0.00	1,815.00	0.00
Interest	08/15/2021	341099CP2	100,000.00	Florida Power Corp Callable Note Cont 5/15/2021 3.1% Due 8/15/2021	0.000		1,550.00	0.00	1,550.00	0.00
Interest	08/15/2021	912828J27	350,000.00	US Treasury Note 2% Due 2/15/2025	0.000		3,500.00	0.00	3,500.00	0.00
Interest	08/16/2021	06406FAD5	100,000.00	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.2% Due 8/16/2023	0.000		1,100.00	0.00	1,100.00	0.00
Interest	08/17/2021	69353RFB9	250,000.00	PNC Bank Callable Note Cont 1/18/2022 2.625% Due 2/17/2022	0.000		3,281.25	0.00	3,281.25	0.00
Interest	08/23/2021	38141GWT7	85,000.00	Goldman Sachs Group Inc Callable Note Cont 1/23/2023 3.2% Due 2/23/2023	0.000		1,360.00	0.00	1,360.00	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	08/25/2021	3135G05X7	400,000.00	FNMA Note 0.375% Due 8/25/2025	0.000		750.00	0.00	750.00	0.00
Interest	08/31/2021	9128282S8	200,000.00	US Treasury Note 1.625% Due 8/31/2022	0.000		1,625.00	0.00	1,625.00	0.00
Interest	08/31/2021	912828YE4	350,000.00	US Treasury Note 1.25% Due 8/31/2024	0.000		2,187.50	0.00	2,187.50	0.00
Subtotal			2,255,000.00				19,318.75	0.00	19,318.75	0.00
Dividend	08/02/2021	31846V203	44,880.08	First American Govt Obligation Fund Class Y	0.000		1.06	0.00	1.06	0.00
Subtotal			44,880.08				1.06	0.00	1.06	0.00
TOTAL OTHER TRANSACTIONS			2,299,880.08				19,319.81	0.00	19,319.81	0.00

District Projects

- **Well 32 Production Well Development** – Carson Pump has completed the well development and pump testing (step and constant rate) and a permanent pump and motor has been specified and ordered. During pump testing the well stabilized at about 220 gpm and the pump is being designed accordingly. Unfortunately, the sustainable pumping rate is significantly less than some of the preliminary estimates during the drilling process. However, the well will still be a valuable addition to our well portfolio and will increase groundwater supply reliability to GWTP #1. Now that the site is clear of the pump rig, Line Maintenance staff is constructing a landscape berm and a portion of the irrigation system. Allied General Contractors is under contract to construct the equipment building and landscaping and is mobilizing this week. Staff is also working with SCE planners on electrical service. Staff remains committed to completing the portions of work that impact the residents on Ranch Road, this construction season. An updated Gantt chart has been prepared and distributed to the Ranch Road Homeowners Association. Some of the mechanical and electrical equipment needed to bring the well on-line may be impacted due to COVID supply chain disruptions. However, that work can be completed relatively quietly behind the landscaping and/or inside the control building when equipment arrives.
- **Center Street Monitoring Well (Well M33)** – The completed well was sampled by the USGS for the first time to get baseline data. Staff is working with a pump contractor and in-house staff to install a permanent sampling pump, generator connection, instrumentation, and other appurtenances. The Town of Mammoth Lakes easement has been recorded and the permanent access easement is being finalized. The USGS is completing the final Well Driller’s report and invoicing.
- **Laurel Pond Monitoring Well Replacements** – This project is in the close-out stage and staff has completed initial water quality testing of the wells. The initial samples came back “non-detect” for nitrogen in the groundwater below Laurel Pond. This is an important development because Lahontan has pointed to Laurel Pond as a likely source of high Nitrogen levels at several nearby water systems and springs (Hot Creek Hatchery). Lahontan has indicated that they would like MCWD to upgrade its wastewater treatment plant to remove nitrogen, at significant cost to the District. This new data does not support that position. The District is purchasing water quality sampling equipment and finalizing a plan for continued sampling to establish a statistical baseline.
- **Monitoring Wells BLM 2 and 3** – BLM 2 and 3 are complete and staff is working with the BLM, USGS and Ormat to get them instrumented and sampled. Ormat continues to push for startup of CD IV by the end of 2021 because of Power Purchase Agreement commitments and BLM 2 and 3 are in place to provide baseline data prior to Ormat starting new geothermal pumping.
- **2021 Construction Crew Projects** – Design, planning, and permitting work is complete and construction is underway on Commerce Circle. It is expected that some of this work will be pushed to 2022 due to other project priorities and coordination concerns.
 - Commerce Circle Water Lateral Replacements – COMPLETE
 - Juniper Ridge Water Lateral Replacements – UNDER CONSTRUCTION (6 remaining)
 - Snowcreek Crest Water Lateral Replacements – pushed to 2022
 - South Frontage Road Sewer Main Extension (Slocum’s) – Scheduled for October
 - Ranches at Snowcreek Water Lateral Replacements – pushed to 2022
 - The Woodlands Condos Meter Pit Replacements – pushed to 2022

- **T-1 Lake Mary Tank Rehabilitation** – This project is complete and the tank has been filled and is back online. The related T-1 underground power project is also complete and being added to our permanent as-builts.
- **Wells #1 and #25 Rehab Project** – An engineering analyses of the pump in Well #1 determined that a better-designed pump would produce the required 500 gpm (that has not been achieved in a long time) at much higher efficiency. Engineering has been coordinating very closely with Operations and Maintenance staff on this project. An RFB is out for this work and the target is to have the work completed this fall when the District is less dependent on these wells.
- **Timber Ridge Tank Communications Tower (for Neptune R900 pilot study)** – The new tower has been erected and the Neptune R900 pilot study is underway.

Department Activities

- **Waste Discharge Requirements (WDRs)** – The latest date for draft WDRs to be released is summer 2021 and to the Lahontan Board in November. We understand that they are rewriting the new draft in response to our concerns presented in the letter we sent in December. However, Lahontan staff has indicated that they expect there to be significant changes that would require upgrades to the Wastewater Treatment Plant. We are staying abreast of the situation and will provide further updates as it develops. At the heart of the issue is Lahontan’s developing opinion that Laurel Pond’s regulatory definition should be changed to a water of the State (Minor Surface Water) rather than a restricted recreational impoundment (which has been the definition since 1985 – the year the District started discharging there under an agreement with the USFS to enhance waterfowl nesting habitat). It may be beneficial for the District to begin pursuing a Lahontan Basin Plan Amendment to define the past, present, and future beneficial uses of Laurel Pond. A Basin Plan Amendment would require a Use Attainability Analysis (UAA), a scientific peer review, environmental documentation, and a lengthy process through Lahontan, the State Water Board, the Office of Administrative Law, and the USEPA. This process would also likely cost a significant amount of money – exceeding current budgets.
- **Recycled Water Program Permitting** – Engineering staff submitted an updated Title 22 Engineering Report to the Department of Drinking Water (DDW) as part of a long-term effort to obtain permit coverage for our recycled water program under a General Use Permit program issued in 2016. The General Use Permit was created in response to the last extended drought and is intended to reduce unnecessary regulation on recycled water use. The main reasons for the proposed change is to expand the trucked recycled water program to year-round and to more explicitly identify Laurel Pond as a recycled water use site and a Restricted Recreational Impoundment. Once reviewed and approved by DDW, the updated Title 22 Engineering Report will be submitted to Lahontan for General Use Permit coverage. The ordinance establishing the District’s original recycled water program in 2009 will need to be repealed and superseded.
- **AmeriGas Juniper Tank Lease Amendment** – District staff is working with general counsel on an amended lease with AmeriGas for propane tanks and appurtenances on District property at the Juniper Tank and Well #1. AmeriGas is planning to expand their franchise service lines and wants to eliminate small tanks where they can. They have approached the District with a plan to eliminate the propane tank at the Juniper Tank site but in order to do this, they need to construct a new main line from Juniper Ridge to an existing line on

Forest Service land in the Chair 15/Eagle ski run. AmeriGas would like to make the tie-in to the main in the Chair 15 run by the end of the year.

- **Sludge Hauling Contract and Alternatives Analysis** – The end of 2021 will mark the close of the first year of the contract with Villar Construction for hauling sludge to Fallon, NV. The contract allows for a four-year extension under the same terms and conditions (subject to 1% price increases as included in Villar’s original bid). If Villar declines to extend, staff will put the hauling contract back out to bid. An updated benefit cost/benefit analysis will be prepared to determine the tipping fee that would cause a local biomass alternative, if one were to become available, to pencil out.
- **Out-of-Service-Area Connections** – Nothing new to report. We expect to hear from Alterra/MMSA when more information is available on their plans and water and sewer needs.
 - **Main Lodge** – MMSA has proposed a new Main Lodge development Master Plan and is working with the Town to begin the CEQA process. They have hired a civil engineering firm to analyze the water and sewer service alternatives – some that would involve MCWD and others that would not (e.g., package treatment plant). It is understood that MCWD involvement would require an annexation and/or an out-of-service-area agreement. We will stay apprised as the project develops.
 - **Chair 4 and Maintenance Shop Sewer** – These MMSA facilities are outside of MCWD service area and have been connected to MCWD sewer for many years without an out-of-service-area agreement. Documents have been located that indicate that conversations occurred with MMSA in the early 1980s regarding this, but it does not look like an out-of-service-area agreement was finalized.
- **Well Site Acquisition** – Nothing new to report. This activity is important but secondary to the Alterra plans at Main Lodge. Staff plans to re-focus on this after the construction season. Previously identified sites adjacent to Sierra Star Golf Course need to be re-evaluated to make sure they meet site constraints. MMSA is planning on development at Eagle Lodge, and need the land at Well 16, but it is a lower priority than Main Lodge. Topics identified that require more negotiation include: approaches to establish land value and schedule.
- **Inyo National Forest Permitting and Coordination** –
 - **Laurel Pond Memorandum of Agreement (MOA)** – In 1983 MCWD entered into a twenty-year agreement with the Inyo National Forest to “utilize sewage effluent in a beneficial manner by creating waterfowl habitat in the vicinity of Laurel Pond.” It appears this agreement has not been renewed or extended. Staff has reached out to the Forest Service to initiate a renewal.
 - **Master Use Permit Updates** – Staff will work with the USFS to add the newly-constructed Laurel Pond Monitoring Wells and T-1 power line to the list of MCWD facilities on USFS land in the next regular update.
 - **Lake Mary Dam Spillway** – Nothing new to report. The Inyo National Forest is working on an updated Grainger-Thye permit to allow MCWD to continue to operate the Langeman gate on Lake Mary for water storage. The dam is owned by the Forest Service. The Forest Service is working

with the Bureau of Reclamation on a potential project to construct a spillway that meets USFS standards as identified in their recent Dam Hazard Analysis.

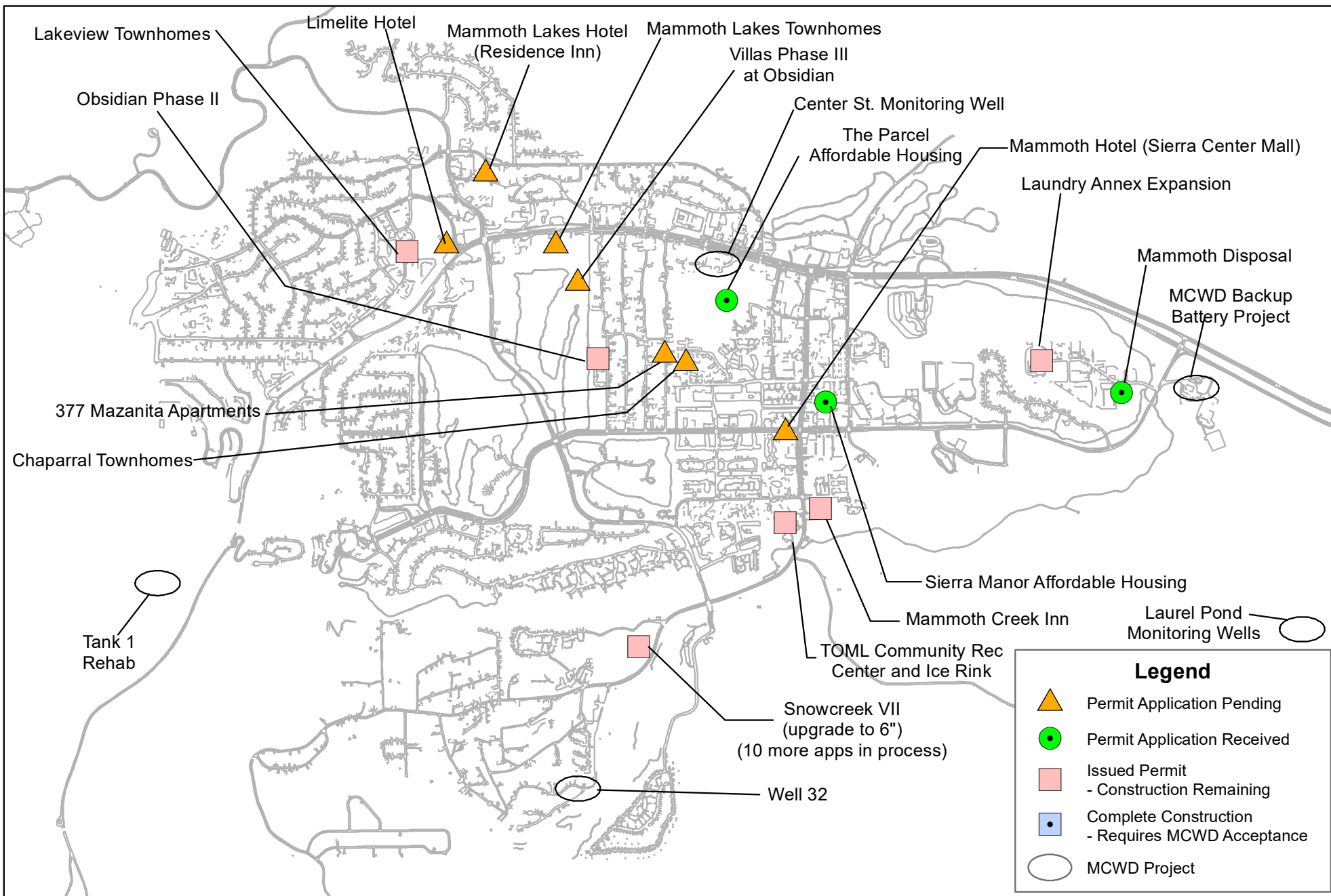
- **USGS-Proposed Communications Tower and Lease** – Nothing new to report. Following Board approval of the USGS proposal for a new 60' communications tower, USGS staff is working to further develop plans and specifications for the project. The tower will be designed to accommodate the co-location of existing MCWD communication equipment currently attached to the Administration and Engineering Buildings. This project will require an environmental (CEQA) analysis and will also require NEPA because it will be federally funded.
- **WWTP Backup Battery Project** – Nothing new to report. Tesla's Self-Generation Incentive Program (SGIP) incentives application was approved by the California Public Utilities Commission and \$2.5 million in SGIP funds have been reserved for the project. The project size has been increased from \$2 million based on more recent electrical usage information. The cost to MCWD is still \$0. Tesla recently toured the plant with Maintenance staff to look at electrical equipment and survey the space where the batteries will go for use in their detailed design. We do not have a detailed schedule for construction yet, but it could be as soon as 2022.

Permits

Connection permit activity is in full swing for the 2021 construction season. Some of the highlights include:

- **Town of Mammoth Lakes Community Recreation Center (CRC)** – This project is under construction. Recently very large quantities of concrete have been poured for the foundations and slabs.
- **Snowcreek VII Phase 1** – Working with the developer on Construction Permit close out (punch lists, easements, inspections, transferring infrastructure, etc.).
- **Snowcreek VII Phase 2 and 3** – Working with the developer on Transfer Agreements, bonds, easements, inspections, and Connection Permits for the next round of buildings they want to construct ASAP to meet market demands.
- **The Parcel** – The Town of Mammoth Lakes has entered into a development agreement with Pacific (an affordable housing developer) to construct Phase 1 involving 80 units in two buildings. Engineering staff is working with the developer's engineers and the Town on utility plans, permits, a transfer agreement, and the necessary easements.
- **Obsidian Phase 3** – This proposed tract map would add more condo units to the north of Obsidian Phase 2 (formerly Tallus). The project would connect a new water main between Dorrance Drive and Callahan Way.
- **Limelite Hotel** – This is a proposed large hotel at the corner of Lake Mary Road and Canyon Boulevard next to the Westin.

- **Mammoth Hotel (Sierra Center Mall)** – The applicant has indicated that they may move forward with this project in 2021. The applicant has applied for a demolition/core and shell permit from the Town but no permit applications have been submitted to the District yet.
- **Sierra Manor Affordable Housing Project** – Mammoth Lakes Housing is renovating two (2) existing commercial buildings into an 11-unit affordable housing complex with onsite parking and CALGREEN water efficiency and conservation measures.
- **Mammoth Disposal** – With the pending closure of Benton Crossing Landfill, Mammoth Disposal is working on upgrades to their facilities in the Industrial Park to adapt them to the long-haul transfer waste management model. The Mammoth Disposal Transfer Station is currently permitted to accept up to 15 tons per day of municipal solid waste (MSW). The upgrades include expansion to a large-volume transfer station that would permit up to 500 tons of MSW per day. The scope of work shall include the construction of new facilities at the site as well as relocation of the recycling functions to the Mammoth Disposal property located at 264 Commerce Drive.
- **Mammoth Lakes Townhomes** – This proposal would redevelop the La Sierra’s property into townhomes.
- **Mammoth Creek Inn Remodel** – This hotel remodel project is undergoing a major resubmittal with an expanded scope.
- **Outlet Mall Coin Laundry Tenant Improvement** – Staff provided a significant amount of time researching, investigating, and marking sewer laterals for this new laundry mat in the old Polo retail space.
- **Permit Processing, Forms and Applications** – The District’s Permit Official, continues to work with Information Services to create fillable pdf permit application forms in preparation for upcoming Tyler EnerGov Permit Software System. The new system will provide an opportunity for a fresh look at our permit processing workflow and is expected to result in improvements.



Mammoth Community Water District
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Construction Permits and Projects - September 2021

Engineering Department Report



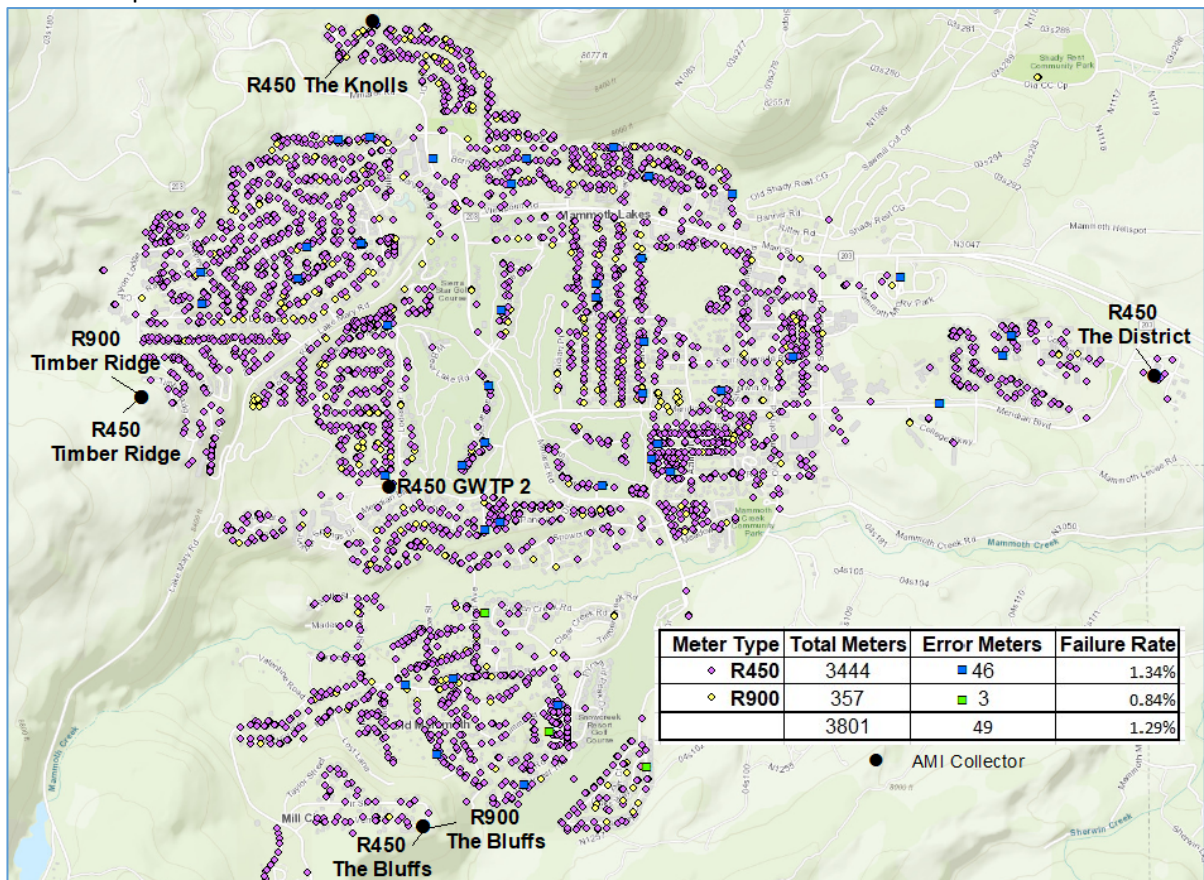
0 500 1,000 2,000 Feet

Executive Summary

MCWD and Neptune have commenced the R900 Pilot Study on approximately 10% of the District’s AMI Meter system. Overall, there are seven AMI Collectors. The Timber Ridge R900 Collector installation was completed this past month and the Bluffs R900 Collector was installed during fall of 2020. Together, those Collectors will gather R900 endpoint reads throughout the pilot study. The remaining R450 endpoints will be captured by the existing five R450 Collectors. ISD will produce a monthly R450/R900 Read Map for tracking the read and failure rates of both radio types. ISD also continues working with Finance staff on outstanding Tyler Incode Utility Billing configuration issues and with Engineering staff on Form development and Business Management Templates for the EnerGov permitting portion of the software, still scheduled to go-live in fall 2021.

Hardware Systems

- Ferguson/Neptune R900 Pilot Study** – The Timber Ridge R900 Collector was installed and configured during the month of August, which allowed MCWD and Neptune to officially start the R900 Pilot Study. As of September 1st, MCWD has 357 R900 meters in the ground. MCWD anticipates adding additional R900 units through the course of the pilot study. See monthly R450/R900 Read and Failure Map below for further detail.



- SCADA Server Replacements** – ISD and Operations conducted the initial scoping and planning meeting with Tesco Controls for the replacement of all SCADA Server hardware during the current

budget-year PC Replacement Program. This project will be a significant undertaking scheduled to take place this coming winter.

- Ongoing hardware support, maintenance, and updates.

Software Systems

- *Tyler Incode and EnerGov Implementations* – ISD and Finance staff are still resolving some configuration issues with Utility Billing functions in Incode, but overall, the Incode platform is performing well for the remaining Financial modules. Staff are also busy establishing the process for transmission of Account and Usage data between Tyler Incode and WaterSmart analytic software. From ISD standpoint, most of the implementation work is now focused towards The EnerGov Civic Permitting Suite, still on schedule to go-live in 2021. MCWD staff will continue weekly implementation meetings until the new InCode and EnerGov ERP platforms are fully established.
- *Office 365 Agency Upgrade* – ISD has completed some final punch list items for the Office 365 conversion, performing shared calendar setups and distribution group administration.
- *Neptune 360 Data Transfers* – Staff are still awaiting the update to the Received/Not Received status in Neptune 360 dashboard, as well as merging usage data with the new Tyler account numbers. Staff will continue to work with Neptune until they deliver resolution to these outstanding issues.
- *infraMap Cloud and Backflow Applications* – Performed 811 My Ticket Distribution Group maintenance and tested email notifications, updated to latest infraMap Cloud Windows mobile application on field Toughbooks and continued to refine Asset platform.
- Ongoing software support, maintenance, and updates.

Administrative

- Four new desktops were deployed under the current Workstation Replacement Program for Personnel Services, Plant Maintenance, Mechanical Maintenance, and Engineering departments.
- Setup two new user accounts in Line Maintenance, a new user in the Administration department, and transferred another existing user from Administration to Personnel Services.
- Continued administration of VoIP phones, iPads, laptops.

Network

- Managing remote access connections and devices.
- Office 365 Email Accounts and Active Directory administration.
- All network systems secure, no data loss or intrusions.

GIS

- Collecting and assimilating Groundwater Monitoring and Response Plan (GMRP) GIS data for upcoming mapping and display products.
- Refining Meter Testing Data and Collector Field Application.
- Repaired Hydrant Fire Flow Field Collector application currently being utilized in the field by MLFPD.
- Created the Engineering September Monthly Permits and Projects Map.

MCWD Websites

-
- Continued maintenance and security for all MCWD web platforms: MCWD Internet, MCWD Intranet, and MCWD GIS Portal.
 - Postings or Updates to Internet/Facebook Sites
 - Mammoth Creek Streamflow Data ending 08/31/21
 - Wells 1 and 25 Addendums One and Two
 - Removed Laurel Pond Road Closure Weekly Schedule Update
 - Revised Board meeting minutes, agendas and materials
 - Added electronic Forms and information to Permit page
 - Postings or Updates to Intranet Site
 - FY22 Amended Adopted Salary and Authorized Positions Resolution
 - Updated Staff Schedule and Phone Contact List

Administration

- Continuous and ongoing activities associated with day-to-day administration, including but not limited to:
 - Administrative, organizational and operational policy development, guidelines, implementation and related day-to-day projects
 - Non-personnel and personnel-based legal matters, e.g., ADA/FEHA, COBRA/CalCOBRA, etc.
- Ongoing activities associated with classification maintenance plan
- Ongoing activities related to working with LCW on updating the District's Personnel Manual
- Ongoing activities associated with training the Risk Control / Safety Compliance Officer / Human Resources Generalist on duties to support PSD
- Legislative/Client Update 09/2021 (provided by LCW/CSDA):
 - None to report at this time

Workforce Planning

- Ongoing administration for a recruitment for the Maintenance Department
- Ongoing administration for a recruitment for the Operations Department
- Ongoing administration for a recruitment for the General Manager's Office
- Effective Tuesday, 08/24/2021, please welcome Andrew "Drew" M. Hoit, Line Maintenance Worker I in the Line Maintenance Division, Maintenance Department
- Effective Tuesday, 08/31/2021, please welcome Leanna R. Block, Administrative Assistant in the General Manager's Office
- Ongoing monitoring of FMLA/CFRA determinations processed for statutorily protected leave and ADA/FEHA accommodation for some departments
- Ongoing monitoring of COVID-19 related regulation updates
- Attend Timberline HOA Annual Meeting 09/11/2021

Risk/Safety/Training

- Risk/Safety:
 - Process safety tailgate and wellness activity logs for 09/2021 safety incentive program
 - Monthly restock of Cal/OSHA compliant first aid safety kits at all locations
 - Continuous and ongoing activities associated with the Injury and Illness Prevention Program policy development and guidelines
 - Continuous and ongoing activities associated with manual to electronic conversion of Cal/OSHA required Hazard Communication Safety Data Sheets (SDS)
 - Schedule, coordinate, and facilitate Cal/OSHA required annual respirator fit testing by Arbor Environmental concluded Thursday, 08/19/2021 for all required staff
 - Coordinate and attend annual ACWA/JPIA risk assessment inspection scheduled for Thursday, 08/26/2021 and process any mitigation findings
 - Claims received and/or processed:
 - None received or processed
- Training:
 - Webcasts/onsite/offsite training processed, provided, attended, and/or proctored this month:
 - LCW – Introduction to the Fair Labor Standards Act Webinar 09/02/2021

The pertinent topics typically covered in the monthly Regulatory Support Services Report are being addressed in other department reports through October 2021.

The General Manager's report is designed to summarize important District activities and to highlight developments that may require Board action in the future.

Key tasks for the month included continuing to work with local agencies on groundwater monitoring activities related to the CD IV geothermal expansion project currently under construction, monitoring District water conservation needs, and work force planning. Other key activities included working with the development community, and monitoring of local and state activities related to COVID-19.

Departmental / General

Staff Resources and Management

- Continued monthly General All Staff and Management staff meetings
- Continued monthly Engineering, Operations, and Maintenance (EOM) collaborative meetings, reporting on and tracking progress for current and future capital projects and programs
- Continued exploring short-term and long-term workforce planning strategies with department managers

COVID-19 Response

MCWD remains at Level 1 of the District's COVID Risk Minimization and Outbreak Plan. Overall Level 1 requires District staff to follow Mono County Health directives for social distancing and wearing masks, which continues to lessen exposure for everyone. Moving forward, we will continue to monitor conditions related to COVID-19 in both Inyo and Mono Counties and will modify our risk level and their associated requirements accordingly. Risk Level 1 presently provides for the following:

- Maintaining essential water and wastewater services to the community
- District front reception area and permit counter are open to the public with modifications per Mono County Business Guidelines
- Following social distancing directives
- Face coverings are required for both vaccinated and unvaccinated persons in indoor common areas

Management continues to focus on communications, utilizing a mix of both Zoom video conferencing and in-person meetings to coordinate with the community and District staff.

Water and Wastewater

District staff are continuing to monitor key factors with regards to existing and potential future conservation needs. At the April 15, 2021 board meeting the Board approved a motion declaring a water shortage condition for Mammoth Lakes and voted to move into Level 1 water restrictions. Level 1 water restrictions provide for a 10% reduction in water usage, which is key in reducing pumping or stressing of groundwater aquifers. Declaration of a water shortage condition for Mammoth was in alignment with the State Water Resources Control Board's notice to California water agencies declaring a drought and recommendation to implement practical actions to increase drought resiliency such as increasing water conservation measures.

Total water produced in August 2021 was 114.8 million gallons, down from the 123.8 million gallons produced in August 2020. Water sources included, 15% from surface water, 65% from groundwater, and 20% from recycled water. Currently, Lake Mary has a balance of 303 acre feet, which amounts to 50% of the District's surface water storage capacity.

August average daily wastewater flows were 1.35 million gallons for a total of 41.9 million gallons treated for the month.

Financial Management

Finance Department activities focused on optimizing the new enterprise software from Tyler Technologies. Other department priorities are continued discussions with Raftelis Financial, Inc. regarding the completion of the water and wastewater rate study. Staff are continuing to work with Mono County on property tax allocation for the two parcels that were annexed into the District's service area allowing for future Snowcreek VIII development activities.

Letters of Support, Contracts and Agreements

Contracts signed in August for budgeted projects included:

- West Yost - task order for supporting Well 32 development work \$20,649
- Carson Pump - Change order for Well 32 project development activities, \$8,500
- West Yost – task order for HydroDaVE groundwater data management \$16,803
- Signed and recorded the permanent easement for Center Street monitoring well

Departmental Activities

- Engineering Department continues to support the many active and planned construction projects at the District and throughout the community. This includes work on Well #32, Laurel Pond monitoring wells, Center Street monitoring well, new waste discharge requirements for the WWTP, Wells #1 and #25 rehabilitation, and working with the TOML on coordination with development projects.
- Regulatory Support Services activities include: Continued conservation efforts monitoring and reaching out to customers regarding leaks, irrigation use, and PR/advertising.
- Personnel Services Department activities include job recruitment activities for open positions, working with the District's labor counsel on bringing the Personnel Manual up to date with current requirements, facilitating communications with Local 12, and job description development
- Information Services Department continues to work on the Tyler Encode and Intergov enterprise software integration and to support all departments as needed
- Operations Department staff continue to monitor water and wastewater production for compliance with all regulations
- Maintenance Department staff are managing summer in-house construction crew projects while continuing to meet their maintenance goals and requirements for the 2021 calendar year programs

Projects/Related

Geothermal/Groundwater Monitoring/Proposed CD IV Expansion Project

The District continued to focus its efforts on expanding groundwater monitoring prior to the CD IV project coming on-line at the end of 2021. BLM expanded its monitoring well development plan, calling for the development of three additional monitoring wells, BLM2 and BLM3 near Old Shady Rest Campground and a third well, M33, in the Center Street area, which are now complete. With all monitoring wells completed the District is now focusing its efforts to work with BLM and USGS staff to facilitate the installation of all downhole monitoring well equipment.

Ormat continues major construction activities on the CD IV project and are planning to have the new plant online by late 2021. Presently the CD IV project includes construction of a new plant, new injection wells constructed near their existing plant and construction of new production wells in the Shady Rest Park area off Sawmill Road.

The additional groundwater monitoring is a result of District staff working collaboratively with local agencies to establish adequate groundwater monitoring for any notable effects from increased pumping as proposed by Ormat's CD IV expansion project. BLM staff stated that the additional monitoring wells are being added to the existing Groundwater Monitoring and Response Plan (GMRP), which is a requirement of the CD IV geothermal expansion project in Basalt Canyon. By having the additional monitoring data, it will enable the parties to watch for any notable departures from baseline pressure, temperature, and water chemistry. If notable departures from baseline data are detected it would trigger a data review and analysis led by the BLM in consultation with Ormat, MCWD, USGS, USFS, and GBUAPCD. The next GMRP meeting is anticipated for late September 2021.

Alterra/MMSA Main Lodge Development

Alterra/MMSA has proposed a new Main Lodge development Master Plan and is working with the TOML to begin the CEQA process. They have hired a civil engineering firm to analyze the water and sewer service alternatives – some that would involve MCWD and others that would not, such as a package treatment plant. It is understood that MCWD involvement would require an annexation and/or an out-of-service-area agreement. We continue to meet with Alterra/MMSA staff to stay apprised as the project develops.

Well 32

Well #32 construction activities continued with well development and pump testing now complete. District crews are presently working with a contractor to complete site landscaping and the equipment building. Down-hole equipment, based on the pump test results, has also been ordered.

MCWD Water Discharge Requirements

The Lahontan Regional Water Quality Control Board's (LRWQCB) notified MCWD staff of their intent to review and update the District's Waste Discharge Requirements (WDRs) for effluent from the Wastewater Treatment Plant. District staff are currently engaged with consultants and Lahontan's staff to review and update the District's WDR.

MAMMOTH COMMUNITY WATER DISTRICT

FINANCIAL STATEMENTS

Year Ended March 31, 2021

Mammoth Community Water District
Financial Statements
Year Ended March 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mammoth Community Water District
Mammoth Lakes, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Mammoth Community Water District (the "District") as of and for the year ended March 31, 2021, and the related notes to the 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 District'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 District'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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

New Accounting Pronouncements

As described in Note 1C to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, and No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii to viii 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September __, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Riverside, California
September __, 2021

Management's Discussion and Analysis

As management of the Mammoth Community Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended March 31, 2021.

Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$94,646,189 (*net position*). Of this amount, \$28,425,909 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The total net position increased by \$2,614,561. This increase is attributable to higher than expected operating and tax revenue, lower than expected operating expenditures, capital projects completed below budget and delays experienced on planned capital projects.
- Capital assets, net of accumulated depreciation, increased by \$1,356,280. This increase reflects the net of capital projects completed in fiscal year 2021 and the depreciation of all District capital assets. Capital assets equal to \$3,698,858 were added in fiscal year 2021. Significant additions to District assets include an additional well, improvements to the sludge dewatering system at the wastewater treatment plant, upgrade to the PLC system for the wastewater treatment plant, rehabilitation of a water tank and two sewer lift stations and ongoing replacement and rehabilitation of water and sewer distribution and collection systems.
- Construction in progress totals \$2,745,352. This reflects capital projects started but not completed within the fiscal year.
- The District's total liabilities at the end of fiscal year 2021 were \$1,523,034, of which \$817,336 is due within the next year. The District's only long-term liability is the value of accrued leave time for employees. This liability will be paid as employees take paid time off or separate from District service. Total liabilities increased \$418,334 from last fiscal year.
- Cash and investments had a net increase of \$1,516,971. This net increase was a result of cash inflows from revenue that exceeded cash expenditures on expenses and deferred capital projects.
- Operating Revenue increased from the prior year by \$249,605. Water and wastewater revenue decreased by \$50,986 and revenue from connection fees increased by \$300,591. Property taxes increased from the prior year by \$383,281 due to an increase in assessed valuation and collection by Mono County.
- Operating Expenses, including Depreciation and Amortization, decreased from the prior year by \$520,740, a 4% decrease.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of the following: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, 3) Statement of Cash Flows, 4) Statement of Fiduciary Assets and Liabilities and 5) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Statement of Net Position* presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The *Statement of Cash Flows* presents information on cash receipts and payments for the fiscal year.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data supplied in each of the specific financial statements listed above. The *Notes to the Financial Statements* can be found in pages 6-20 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* of the District’s Water, Wastewater and New Enterprise activities.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District’s financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$94,646,189 at the close of fiscal year 2021, an increase of 2.9% over the previous year.

By far the largest portion of the District’s net position (70%) is represented by its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The District does not have any debt related to capital assets.

The remaining balance of *unrestricted net position*, \$28,425,909, may be used to meet the District’s ongoing obligations to citizens and creditors. The following table shows the projected capital project expenditures for the next five years:

Fiscal Year(s):	2022	2023	2024	2025	2026
Projected Capital Costs:	\$5,138,992	\$5,435,000	\$3,561,000	\$6,535,000	\$2,584,000

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

Net Position

	<u>FY 2021</u>	<u>FY 2020</u>
Current and Other Assets	\$31,368,942	\$29,594,818
Capital Assets	<u>\$66,220,280</u>	<u>\$64,864,000</u>
Total Assets	<u>\$97,589,222</u>	<u>\$94,458,818</u>
Noncurrent Liabilities	\$ 705,698	\$ 693,704
Other Liabilities	<u>\$ 817,336</u>	<u>\$ 410,996</u>
Total Liabilities	<u>\$ 1,523,034</u>	<u>\$ 1,104,700</u>
Deferred Inflows of Resources	<u>\$ 1,419,999</u>	<u>\$ 1,322,490</u>
Net Position:		
Net Investment in Capital Assets	\$66,220,280	\$64,864,000
Unrestricted	<u>\$28,425,909</u>	<u>\$27,167,628</u>
Total Net Position	<u><u>\$94,646,189</u></u>	<u><u>\$92,031,628</u></u>

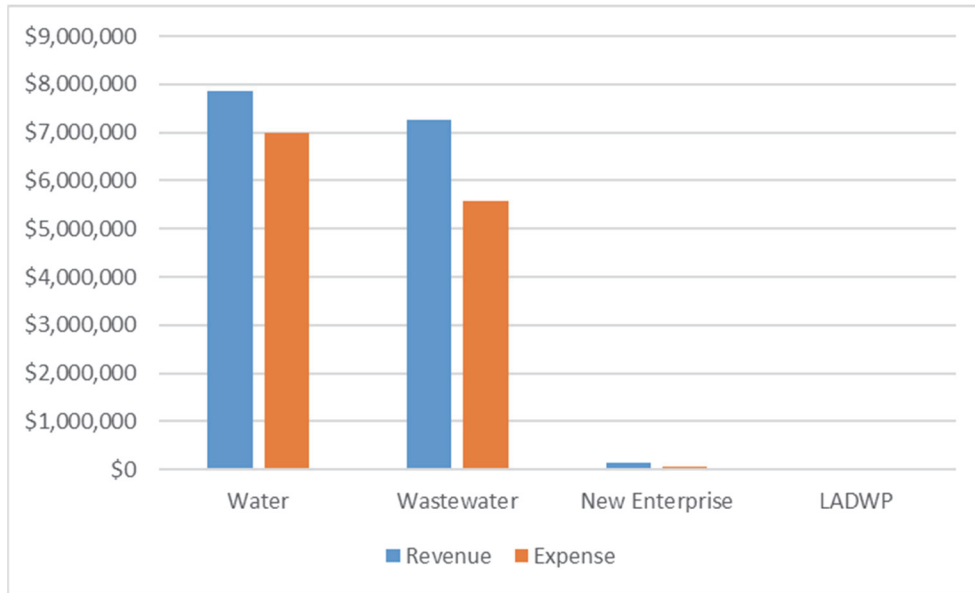
Change in Net Position

	FY 2021	FY 2020
Revenues:		
Water Services	\$ 3,598,196	\$ 3,488,811
Wastewater Services	\$ 2,630,932	\$ 2,791,303
Permits	\$ 606,230	\$ 305,639
Non-Operating	<u>\$ 8,429,868</u>	<u>\$ 8,635,948</u>
Total Revenues	<u>\$15,265,226</u>	<u>\$ 15,221,701</u>
Expenses:		
Operating:		
General and Administrative	\$ 2,944,802	\$ 3,217,594
Water Services	\$ 3,086,996	\$ 3,355,626
Wastewater Services	\$ 2,469,610	\$ 2,203,895
Depreciation and Amortization	<u>\$ 4,149,257</u>	<u>\$ 4,394,290</u>
Total Expenses	<u>\$ 12,650,665</u>	<u>\$ 13,171,405</u>
Change in Net Position	\$ 2,614,561	\$ 2,050,296
Net Position, Beginning	\$ 92,031,628	<u>\$ 89,981,332</u>
Net Position, Ending	<u>\$ 94,646,189</u>	<u>\$ 92,031,628</u>

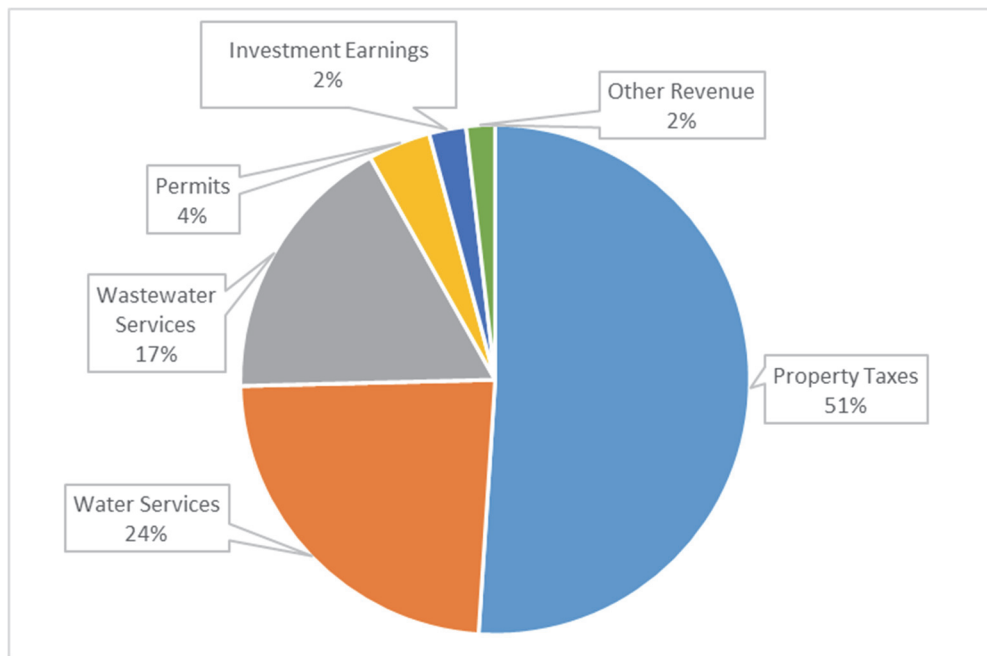
- In March 2020, the District Board of Directors temporarily reduced the water and wastewater base rates to provide relief to customers affected by the economic disruption caused by regulatory response to COVID-19. The revenue lost in this temporary rate reduction was partially offset by increased water use revenue, but the total water and wastewater revenue was \$50,986 lower than in FY 2020.
- Connection permit revenue increased by \$300,591 (98%) over last year. This increase is largely due to connection fees received for a single large housing development that has been pending for several years.
- Factors influencing the decrease in the Water Services and Wastewater Services operating expenses include: savings in personnel expense resulting from unfilled positions, reduction in professional services related to monitoring geothermal impacts on groundwater, and reduced training expense as a result of restrictions on travel and meetings.
- The increase in net position of \$2,614,561 (2.8%) from fiscal year 2020 to 2021 is due to an increase of revenue (primarily property tax and connection permit fees) and a decrease in operating expenses.
- The District’s water and wastewater rate structure, effective from April 2016 – March 2021, provides for incremental annual rate increases. A rate study is being conducted to establish new rates for the next five years calculated to meet the ongoing operating and capital of the District.

District Activities: The District’s Wastewater, Water, New Enterprise and LADWP activities are as follows.

Expenses and Program Revenues



Revenues by Source



Capital Asset and Debt Administration

Capital Assets: The District's capital assets for its business-type activities as of March 31, 2021 amount to \$66,220,280 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment. Additional information on the District's capital assets can be found in Note 5 of the *Notes to Financial Statements*.

Major capital asset additions during fiscal year 2021 include the following completed capital projects: installation of improved sludge de-watering equipment at the wastewater treatment plant, upgrade to the PLC system for the wastewater treatment plant, rehabilitation of a water tank and two sewer lift stations and ongoing replacement and rehabilitation of water and sewer distribution and collection systems.

Mammoth Community Water District's Capital Assets (Net of Depreciation)

	<u>FY 2021</u>	<u>FY 2020</u>
Land	\$ 444,330	\$ 444,330
Construction in Progress	\$ 2,745,352	\$ 938,673
Subsurface Lines	\$ 30,335,114	\$ 37,242,958
General Plant Administration Facilities	\$ 12,608,270	\$ 13,773,962
Water Treatment Facilities	\$ 29,350,467	\$ 33,904,539
Wastewater Collection and Treatment Facilities	\$ 49,061,211	\$ 49,396,502
Source of Supply	\$ 1,416,987	\$ 4,964,661
Vehicles and Equipment	<u>\$ 6,053,358</u>	<u>\$ 4,954,695</u>
Total Capital Assets	\$ 132,015,089	\$ 145,620,320
Less Accumulated Depreciation	<u>\$ (65,794,809)</u>	<u>\$ (80,756,320)</u>
Total Capital Assets, Net	<u>\$ 66,220,280</u>	<u>\$ 64,864,000</u>

Long-term Liability: At the end of the current fiscal year, the District had a total long-term liability outstanding of \$705,698. This liability represents the value of accumulated employee leave balances not expected to be paid within one year. The total value of all employee leave balances is \$784,108, with \$78,410 estimated to be payable within one year. Additional information on the District's long-term liability can be found in Note 6 of the Notes to Financial Statements.

Mammoth Community Water District's Outstanding Debt

	<u>FY 2021</u>	<u>FY 2020</u>
Compensated Leave Balances	\$ 784,108	\$ 770,783
Total Long-term Liability	<u>\$ 784,108</u>	<u>\$ 770,783</u>

The increase in long-term liability is due to the increase in the value of employee compensated leave balances.

Economic Factors and Next Year's Budgets and Rates

The financial position of the District is significantly influenced by weather, with both operating cost and revenue affected. In years of low snowfall, the District must impose water use restrictions and operating costs increase as the water source shifts from surface to groundwater. When there is average snowfall, more recreational visitors generate additional revenue, and water treatment and delivery costs decrease with the use of surface water. After four years of historic drought ending in 2015, the winters of 2016 through 2020 alternated between high and average snowfall. The winter of 2021 brought below average snowfall, which will prompt water conservation measures over the next year.

Because of the wide and unpredictable variation in snowfall, the District's rate structure has a provision for a Water Shortage Surcharge (WSS) which can be imposed by the Board during periods of water use restrictions to offset the loss of revenue. Since approximately 95% of the District's operating costs are fixed, the WSS provides a structure that matches fixed and variable costs and revenue.

Water sales typically provide between 10% and 15% of the District's total revenue. This segment of our revenue increased by \$193,507 (12% increase in water sales revenue) from FY 2020 to FY 2021.

Property valuation and related tax revenue continues to increase gradually. New housing development generates connection fee revenue designated for future infrastructure needs and increases the assessed valuation of our tax base. The District has projected revenue conservatively and anticipated rising operating costs in the preparation of the budget for the 2022 fiscal year. The FY 2022 capital budget of \$5,139,000 includes completion of a new production well with expected cost of approximately \$450,000, two monitoring wells totaling approximately \$800,000, additional water system improvements of approximately \$1,456,000, and improvements to the wastewater collection system and treatment plant of approximately \$1,338,000.

During FY 2021, actions by state and local politicians in response to COVID-19 caused significant economic disruption. Many local businesses closed, either temporarily or permanently. Many local residents were forced from productive work to unemployment. Housing costs rose sharply as work-from-home and remote learning motivated many second homeowners to make Mammoth Lakes their primary home. Throughout the economic disruption the District's customers continued to responsibly pay their bills for service and revenue loss was minor. The District experienced some increased cost and decreased productivity related to remote work and rotating shifts but the overall impact on the District has been minimal.

Requests for Information

This report is designed to provide a general overview of the Mammoth Community Water District for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Manager, P.O. Box 597, Mammoth Lakes, CA 93546.

BASIC FINANCIAL STATEMENTS

Mammoth Community Water District
Statement of Net Position
March 31, 2021

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 6,791,621
Restricted Cash and Cash Equivalents	87,985
Investments	18,228,499
Receivables:	
Billings	455,222
Interest	74,068
Property Taxes	2,872,156
Loans	2,274,370
Other	134,109
Inventory	349,538
Deposits and Prepaid Items	101,374
Total Current Assets	31,368,942

Land and Construction in Progress, Not Being Depreciated	3,189,682
Capital Assets, Net of Depreciation	63,030,598
Total Assets	97,589,222

LIABILITIES

Current Liabilities:

Accounts Payable	529,300
Restricted Accounts Payable	87,985
Accrued Expenses	68,931
Deposits Payable	52,710
Current Maturities of Long-Term Debt	78,410
Total Current Liabilities	817,336

Noncurrent Liabilities:

Long-Term Debt:	
Compensated Absences	705,698
Total Liabilities	1,523,034

DEFERRED INFLOWS OF RESOURCES

Deferred Property Taxes	1,419,999
Total Deferred Inflows of Resources	1,419,999

NET POSITION

Net Investment in Capital Assets	66,220,280
Unrestricted	28,425,909
Total Net Position	\$ 94,646,189

The accompanying notes are an integral part of this statement.

Mammoth Community Water District
Statement of Revenues, Expenses and Changes in Net Position
Year Ended March 31, 2021

OPERATING REVENUES	
Water Services	\$ 3,598,196
Wastewater Services	2,630,932
Permits	<u>606,230</u>
Total Operating Revenues	<u>6,835,358</u>
OPERATING EXPENSES	
General and Administrative	2,944,802
Water Services	3,086,996
Wastewater Services	2,469,610
Depreciation and Amortization	<u>4,149,257</u>
Total Operating Expenses	<u>12,650,665</u>
Operating Income (Loss)	<u>(5,815,307)</u>
NON-OPERATING REVENUES (EXPENSES)	
Property Taxes	7,791,754
Investment Earnings	359,693
Other Revenues	232,843
Gain (Loss) on Sale of Assets	<u>45,578</u>
Total Non-Operating Revenues (Expenses)	<u>8,429,868</u>
Change in Net Position	2,614,561
Net Position - Beginning	<u>92,031,628</u>
Net Position - Ending	<u><u>\$ 94,646,189</u></u>

The accompanying notes are an integral part of this statement.

Mammoth Community Water District
Statement of Cash Flows
Year Ended March 31, 2021

**CASH FLOWS FROM OPERATING
ACTIVITIES**

Receipts from Customers	\$ 6,800,725
Payments to Suppliers	(2,615,323)
Payments to Employees	(5,940,576)
Other Receipts	<u>501,029</u>
 Net Cash Provided (Used) by Operating Activities	 <u>(1,254,145)</u>

**CASH FLOWS FROM NON-CAPITAL
FINANCING ACTIVITIES**

Property Taxes	<u>7,606,902</u>
 Net Cash Provided (Used) by Non-Capital Financing Activities	 <u>7,606,902</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Proceeds from Sale of Assets	45,578
Acquisition and Construction of Capital Assets	<u>(5,320,810)</u>
 Net Cash Provided (Used) by Capital and Related Financing Activities	 <u>(5,275,232)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(15,124,967)
Proceeds from the Sale and Maturities of Investments	11,661,699
Interest on Investments	<u>363,343</u>
 Net Cash Provided by Investing Activities	 <u>(3,099,925)</u>

Net Increase (Decrease) in Cash and Cash Equivalents	 <u>(2,022,400)</u>
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Cash and Cash Equivalents - Beginning of Year, As Previously Reported	8,825,903
Prior Period Adjustment	<u>76,103</u>

Cash and Cash Equivalents - Beginning of Year, As Restated	 <u>8,902,006</u>
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Cash and Cash Equivalents - End of Year	<u><u>\$ 6,879,606</u></u>
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The accompanying notes are an integral part of this statement.

Mammoth Community Water District
Statement of Cash Flows - Continued
Year Ended March 31, 2021

**RECONCILIATION OF OPERATING INCOME
(LOSS) TO NET CASH PROVIDED (USED) BY
OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (5,815,307)
Depreciation and Amortization	4,149,257
Other Receipts	501,029

Change in Assets and Liabilities:

Decrease (Increase) in Operating Assets:	
Accounts Receivable	(198,901)
Inventory	(28,899)
Deposits and Prepaid Expenses	(18,828)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	368,145
Accounts Payable Related to Capital Assets	(184,727)
Restricted Accounts Payable	11,882
Accrued Expenses	(45,389)
Deposits Payable	(5,732)
Compensated Absences	13,325

Net Cash Provided (Used) by Operating Activities	\$ (1,254,145)
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SUPPLEMENTAL DISCLOSURES

Cash and Cash Equivalents:	
Cash and Cash Equivalents	\$ 6,791,621
Restricted Cash and Cash Equivalents	87,985
Total	\$ 6,879,606

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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4	Loans Receivable	17
5	Capital Assets	17
6	Long-Term Liabilities	18
7	Defined Contribution Plan	18
8	Risk Management	19
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Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The Mammoth Community Water District (District) was organized in 1957, for the purpose of providing water distribution services as well as wastewater collection and treatment facilities for the residents and businesses of the Mammoth Lakes area. The District's name was Mammoth County Water District and was changed by the Board of Directors (Board) in January 1995, to Mammoth Community Water District.

The District's basic financial statements include the operations of all organizations for which the District Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying basic financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39, No. 80 and No. 90.

The basic financial statements include the activities of the New Enterprise Division (expansion and other activities), the Water Division (water distribution services), the Wastewater Division (wastewater collection and treatment facilities) Trout Habitat Enhancement Program (see Note 9) and the Los Angeles Department of Water and Power (LADWP) settlement reserve (see Note 9). The activities for each division and the settlement reserve are reflected in the combining schedules.

B) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities in the United States of America.

The District reports its activities as an enterprise fund using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of cash flows.

Net position is displayed as three components: (1) Net investment in capital assets, which reflects the cost of capital assets less accumulated depreciation and capital-related deferred outflows of resources, less the outstanding principal of related debt not associated with unspent bond proceeds and deferred inflows of resources; (2) Restricted, which reflect the carrying value of assets less related liabilities and deferred inflows of resources that are restricted by outside covenants or by law; and (3) Unrestricted, which represents the remaining net position.

The District distinguished operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and wastewater services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and wastewater treatment services.

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.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standard Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This Statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2019. The District implemented this Statement in the 2021 fiscal year which is reflected in the District's financial statements.

Governmental Accounting Standard Board Statement No. 95

In May of 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides which are as follows:

- A. Statement 83 - Reporting periods beginning after June 15, 2019.
- B. Statement 84 and Implementation Guide 2019-2 - Reporting periods beginning after December 15, 2019.
- C. Statement 87 and Implementation Guide 2019-3 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- D. Statement 88 - Reporting periods beginning after June 15, 2019.
- E. Statement 89 - Reporting periods beginning after December 15, 2020.
- F. Statement 90 - Reporting periods beginning after December 15, 2019.
- G. Statement 91 - Reporting periods beginning after December 15, 2021.
- H. Statement 92, paragraphs 6 and 7 - Fiscal years beginning after June 15, 2021.
- I. Statement 92, paragraphs 8, 9, and 12 - Reporting periods beginning after June 15, 2021.
- J. Statement 92, paragraph 10 - Government acquisitions occurring in reporting periods beginning after June 15, 2021.
- K. Statement 93, paragraphs 13 and 14 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
- L. Implementation Guide 2017-3, Questions 4.484 and 4.491 - The first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.
- M. Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1-5.4 - Actuarial valuations as of December 15, 2018, or later.
- N. Implementation Guide 2018-1 - Reporting periods beginning after June 15, 2019.
- O. Implementation Guide 2019-1 - Reporting periods beginning after June 15, 2020.

Statement No. 95 is effective immediately. The District has elected to delay certain provisions in the GASB Statements as allowed by GASB Statement No. 95.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Budget and Budgeting

Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following April 1. The budgets are used as a management tool and are not a legal requirement.

E) Cash Equivalents, Restricted Cash and Cash Equivalents and Restricted Accounts Payable

For the purposes of the statement of cash flows, the District considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted cash and cash equivalents consist of amounts restricted for the trout habitat enhancement program as part of a legal settlement (See Note 9). These amounts are offset against restricted accounts payable since the District is holding these funds until they are used for specified projects.

F) Allowances for Uncollectible Accounts

The District does not provide an allowance for uncollectible accounts. Based upon prior experience and management's assessment of the collectability of existing specific accounts, all past due accounts have been paid. When accounts become past due, they are transferred to the tax roll and eventually collected.

G) Inventory and Prepaid Items

Inventories of supplies and expendable equipment are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than purchased.

H) Capital Assets

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets, donated work of art and similar items are recorded at their estimated acquisition value rather than fair value. Capital assets purchased of at least \$5,000 are capitalized if they have an expected useful life of 5 years or more.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Plant and Pipelines	30-60
Source of Supply	5-50
Vehicles and Equipment	5-15

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Compensated Absences

All earned vacation and accumulated sick leave payable upon termination or retirement are accrued as compensated absences. A liability is accrued for a portion of the sick leave balances of all employees who are currently eligible to receive a payment for sick leave upon termination, as well as for those expected to become eligible. As of March 31, 2021, the total estimated liability for all compensated absences was \$784,108.

J) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. Currently, the District has no items that qualify for this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. The deferred property taxes are related to property taxes receivables. The District will receive the second installment of property taxes from the County that relate to the period of January to June subsequent to year end. Only half of those property taxes relate to the current year and the other half is deferred to be recognized in the following year.

K) Property Taxes

The County of Mono (County) is responsible for the assessment, collection, and apportionment of property taxes for the District.

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of Mono for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State of California (Proposition 13 adopted by the votes on September 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies - are limited to 1% of full value which results in a tax rate of \$1 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates - are attached annually on January 1 proceeding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K) Property Taxes - Continued

Tax Collections - are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes, does not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Tax Levy Apportionments - Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Administrative fees are expensed and included in general and administrative expenses.

L) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2) CASH AND INVESTMENTS

The primary goals of the District's investment policy are to assure compliance with all Federal, State, and Local laws governing the investment of funds under the control of the organization, protect the principal of investments entrusted, and generate income under the parameters of such policies.

The District's investment policy and State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, prime commercial paper, banker acceptances, repurchase agreements, negotiable certificates of deposits and other investments. Funds may also be invested in the State Treasurer's Local Agency Investment Fund (LAIF), County Pooled Investment Funds, and the Investment Trust of California (CalTRUST).

Cash and Investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$ 6,791,621
Restricted Cash and Cash Equivalents	87,985
Investments	18,228,499
Total Cash and Investments	\$ 25,108,105

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

2) CASH AND INVESTMENTS - Continued

Cash and investments consist of the following:

Cash on Hand		\$	300
Deposits with Financial Institutions			653,575
Investments			<u>24,454,230</u>
Total Cash and Investments			<u>\$ 25,108,105</u>

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

The table below identifies the investment types that are authorized for the District by 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, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio ⁽¹⁾	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	30% ⁽²⁾	5%
CA Local Agency Obligations	5 years	30% ⁽²⁾	5%
Federal Agency Securities	5 years	None	25%
Bankers' Acceptance	180 days	40%	5%
Commercial Paper	270 days	25% ⁽²⁾	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Non-negotiable Certificates of Deposit	5 years	20%	None
Placement Service Deposits and Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Notes	5 years	30%	5%
Mutual Funds and Money Market Funds	N/A	20%	10% ⁽³⁾
Collateralized Bank Deposits	5 years	20%	None
Mortgage Pass Through and Asset-Backed Securities	5 years ⁽⁴⁾	20%	5%
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	10%

⁽¹⁾ Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

⁽²⁾ No more than 30% of the portfolio may be in Municipal Securities.

⁽³⁾ Pooled funds can be 40% of the maximum percentage of the portfolio.

⁽⁴⁾ The 10% limitation does not apply to money market funds.

⁽⁴⁾ The California Government Code has a maximum maturity of 5 years. Under Government Code Section 53601, the District's Board of Directors may grant authority to exceed this maximum maturity. For Mortgage Pass Through and Asset-Backed Securities, the Board of Directors have approved certain investments to exceed the 5 years maturity.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee, are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

Disclosures Relating to 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 rates risk is by purchasing a combination of shorter term 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.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

Investment Type	Remaining Maturity (in Months)				
	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months	
Money Market	\$ 590,267	\$ 590,267	\$	\$	
U.S. Treasury Obligations	4,274,380	545,102	949,689	2,779,589	
Federal Agency Securities	6,924,640	1,090,807	1,431,592	4,402,241	
Medium Term Notes	4,420,311	1,681,162	503,436	2,235,713	
Supranational	593,528		593,528		
Mortgage Pass Through and Asset-Backed Securities	2,366,048	357,096	1,054,331	954,621	
State Investment Pool - LAIF	3,533,336	3,533,336			
Investment Trust of California (CalTRUST)	1,737,444	1,737,444			
Mono County Investment Pool	14,276	14,276			
Total	\$ 24,454,230	\$ 9,549,490	\$ 2,884,717	\$ 11,065,402	\$ 954,621

Disclosures Relating to 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. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk - Continued

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>
Money Market	\$ 590,267	N/A	\$
U.S. Treasury Obligations	4,274,380	N/A	
Federal Agency Securities	6,924,640	N/A	
Medium Term Notes	4,420,311	A	
Supranational	593,528		
Mortgage Pass Through and Asset-Backed Securities	2,366,048	AA	
State Investment Pool - LAIF	3,533,336	N/A	
Investment Trust of California (CalTRUST)	1,737,444	N/A	
Mono County Investment Pool	<u>14,276</u>	N/A	<u> </u>
 Total	 <u>\$ 24,454,230</u>		 <u>\$ 0</u>

<u>Investment Type</u>		<u>Ratings of Year End</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Money Market	\$ 590,267	\$ 590,267	\$	\$	\$
U.S. Treasury Obligations	4,274,380	4,274,380			
Federal Agency Securities	6,924,640	6,924,640			
Medium Term Notes	4,420,311		1,315,637	3,104,674	
Supranational	593,528	593,528			
Mortgage Pass Through and Asset-Backed Securities	2,366,048	2,366,048			
State Investment Pool - LAIF	3,533,336				3,533,336
Investment Trust of California (CalTRUST)	1,737,444		1,737,444		
Mono County Investment Pool	<u>14,276</u>				<u>14,276</u>
 Total	 <u>\$ 24,454,230</u>	 <u>\$14,748,863</u>	 <u>\$ 3,053,081</u>	 <u>\$ 3,104,674</u>	 <u>\$ 3,547,612</u>

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

2) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total District's investments is as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association (FNMA)	Federal Agency Securities	\$ 2,668,290
Federal Home Loan Bank (FHLB)	Federal Agency Securities	\$ 2,207,890
Federal Home Loan Mortgage Corporation (FHLMC)	Federal Agency Securities	\$ 1,723,060

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 (e.g., broker-dealer) 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 government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit). 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. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of March 31, 2021, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of March 31, 2021, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Investment Type	Reported Amount
Money Market	\$ 590,267
U.S. Treasury Obligations	4,274,380
Federal Agency Securities	6,924,640
Medium Term Notes	4,420,311
Supranational	593,528
Mortgage Pass Through and Asset-Backed Securities	2,366,048

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

2) CASH AND INVESTMENTS - Continued

Local Agency Investment Fund (LAIF)

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The District may invest up to \$75,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended March 31, 2021 was 0.357%. The carrying value and estimated market value of the LAIF Pool at March 31, 2021 was \$126,743,941,017 and \$126,904,887,135, respectively. The District's share of the Pool at March 31, 2021 was approximately 0.0028 percent.

The fair value of the District's investment in this pool is reported in the accompanying financial statements 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. Included in LAIF's investment portfolio are structured notes and asset-backed securities totaling \$1,100,000,000 and \$2,340,565,000, respectively. LAIF's and the District's exposure to risk (credit, market or legal) is not currently available.

The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by Statute. LAIF is also regulated by California Government Code Section 16429.

Investment Trust of California (CalTRUST)

The Investment Trust of California (CalTRUST) is organized as a Joint Powers Authority ("JPA") that was established by public agencies in California for the purpose of pooling and investing local agency funds - operating reserves as well as bond proceeds. Investments with CalTRUST are highly liquid. CalTRUST is governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST. CalTRUST offers the option of four accounts to provide participating agencies - a governmental fund, a money market fund, a short-term account, and a medium-term account. As of March 31, 2021, the District's investment in CalTRUST is \$1,737,444 in the short-term account. Amounts that may be withdrawn from the money market fund are based upon the fund's assets valued using the amortized cost method. Amounts that may be withdrawn from the short-term and medium-term pools are based on the net asset value per share and the number of shares held by participants in each pool.

Collateral for Deposits

All Cash and certificates of deposits are entirely insured or collateralized.

Under the provisions of the California Government Code, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits.

The District may waive the 110% collateral requirement for deposits which are insured up to \$250,000 by the FDIC.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

3) FAIR VALUE MEASUREMENTS

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

Fair values of assets measured on a recurring basis are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Money Market	\$ 590,267	\$	\$ 590,267
U.S. Treasury Obligations	4,274,380	4,274,380	
Federal Agency Securities	6,924,640	6,924,640	
Medium Term Notes	4,420,311	4,420,311	
Supranational	593,528	593,528	
Mortgage Pass Through and Asset-Backed Securities	2,366,048	2,366,048	
State Investment Pool - LAIF	3,533,336		3,533,336
Investment Trust of California (CalTRUST)	1,737,444		1,737,444
Mono County Investment Pool	14,276		14,276
Total	\$ 24,454,230	\$ 18,578,907	\$ 5,875,323

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices. Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

4) LOANS RECEIVABLE

Loans receivable includes \$2,099,268 of loans to employees for home down payment assistance and \$250 in miscellaneous loans. The District has a program for employee home down payment assistance to assist employees in purchasing homes within the District's geographic area. The down payment assistance is secured by the property being purchased and subject to the terms of each employee down payment agreement.

On April 8, 2015, the District approved a promissory note to loan amounts to Snowcreek Investment Company for \$365,000. The loan was provided for the purpose of assisting the company with recycled water and untreated groundwater service. Interest accrues at an annual rate of 5%. Principal and Interest are due in 120 monthly payments of \$3,881 commencing on June 15, 2015. All accrued and unpaid interest and principal balance shall be due the earlier of (i) June 14, 2025; (ii) at such time as the company commences construction of the additional 9 holes to be added to the existing 9 holes of Snowcreek Golf Course; (iii) the date of funding of the construction loan use to construct the new 9 holes to be added to the existing 9 holes of the Snowcreek Golf Course; (iv) the sale of the of the property; and (v) any change in the ownership of the company. The balance of the loan is \$174,852 as of March 31, 2021.

5) CAPITAL ASSETS

Capital Assets are presented as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 444,330	\$	\$	\$ 444,330
Construction in Progress	938,673	5,983,150	4,176,471	2,745,352
Total Capital Assets, Not Depreciated	1,383,003	5,983,150	4,176,471	3,189,682
Capital Assets, Being Depreciated:				
Subsurface Lines	37,242,958	773,157	7,681,001	30,335,114
General Plant Administration Facilities	13,773,962	215,864	1,381,556	12,608,270
Water Treatment Facilities	33,904,539	622,309	5,176,381	29,350,467
Wastewater Collection and Treatment Facilities	49,396,502	716,101	1,051,392	49,061,211
Source of Supply	4,964,661		3,547,674	1,416,987
Vehicles and Equipment	4,954,695	1,371,427	272,764	6,053,358
Total Capital Assets Being Depreciated	144,237,317	3,698,858	19,110,768	128,825,407
Less Accumulated Depreciation	(80,756,320)	(4,149,257)	(19,110,768)	(65,794,809)
Total Capital Assets Being Depreciated, Net	63,480,997	(450,399)	0	63,030,598
Total Capital Assets, Net	\$ 64,864,000	\$ 5,532,751	\$ 4,176,471	\$ 66,220,280

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

6) LONG-TERM LIABILITIES

A) Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year was as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 770,783	\$ 499,249	\$ 485,924	\$ 784,108	\$ 78,410
Total Long-Term Liabilities	<u>\$ 770,783</u>	<u>\$ 499,249</u>	<u>\$ 485,924</u>	<u>\$ 784,108</u>	<u>\$ 78,410</u>

B) Compensated Absences

District employees accumulate earned but unused vacation benefits and sick leave benefits which can be converted to cash at termination of employment. In accordance with GASB Codification Section C60, a liability is recorded for unused vacation and sick leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement. Management has estimated the amount expected to be liquidated in the next current period and reflected this amount as a current liability. The remaining liability is reported as long-term debt on the Statement of Net Position.

7) DEFINED CONTRIBUTION PLANS

The District provides pension benefits for all its eligible represented and non-represented employees through a defined contribution plan (the "Plan"). The Money Purchase Pension Plan is administered for the District by Orion Portfolio Solutions, LLC. The District retains the authority to define and amend Plan provisions. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Full-time employees are eligible to participate from the first full month following the date of employment if they are over 18 years of age. The District's contributions for each employee vest annually at 20% per year after 1,000 hours of service for that year and are fully vested after five year continuous service. District's contributions for, and earnings forfeited by, employees who leave employment before five years of service are used to supplement the District's current period contribution requirement. The District contributed an amount equal to 20% of the participant's total compensation for both represented and non-represented employees. In addition, the District matches employee's contributions to their 457 deferred compensation plan to a maximum of 2% of compensation. There were no changes to the Plans during the fiscal year ended March 31, 2021.

Employees are not required to, and do not, contribute to the Money Purchase Pension Plan. During the fiscal year ended March 31, 2021, payroll for covered employees was \$3,896,737. Contributions for the fiscal year ended March 31, 2021 was \$853,906.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

8) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWAJPIA), a public entity risk pool currently operating as a common risk carrier management and insurance program for member agencies. The purpose of ACWAJPIA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expenses. The District pays an annual premium to the ACWAJPIA for its general liability, automobile, and property coverage. The agreement for formation of the ACWAJPIA provides that the ACWAJPIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. The District continues to carry commercial insurance for all other risks of loss, including worker’s compensation, employee health, and accident insurance.

9) COMMITMENTS AND CONTINGENCIES

Various claims have been filed against the District. In the opinion of the District’s management and legal counsel, the claims will not have a material impact on the basic financial statements.

Los Angeles Department of Water and Power Settlement

The District entered into a settlement agreement with the Los Angeles Department of Water of Power (LADWP) regarding water rights from the Mammoth Creek and the Owens River watershed. As part of the settlement, the District during the 2014 fiscal year paid LADWP \$3,400,000 for implementation of, and on-going operation and maintenance of, water conservation and water use efficiency actions in the watershed. The settlement agreement is effective for a primary term of 50 years, until January 1, 2064, and can be extended for up to ten years subject to the District’s savings in water consumption of less than 4,387 acre feet per year.

The agreement may extend for a second fifty year term, after the primary term extension, subject to the District paying LADWP \$2,400,000. The \$2,400,000 will be adjusted for an annual escalation rate, from January 1, 2014, equal to the smaller of the consumer price index (CPI) for that year or three percent. The CPI as of January 1, 2021 was 0.9%. Therefore, the annual escalation rate used was 0.9% for fiscal year 2021. As of March 31, 2021, the LADWP adjusted extension payment was \$2,779,986. This was an increase of \$24,797 over the prior year’s estimated adjusted extension payment. The Board of Directors have authorized to set aside annual amounts to pay the future obligation to LADWP. The District set aside \$50,000 during the fiscal year. The balance of the amounts set aside was \$368,467 on March 31, 2021.

Fiscal Year	CPI-U ⁽²⁾	Actual Factor	Adjusted Settlement Due	Funding	Reserve Balance ⁽²⁾
2014	N/A	N/A	\$ 2,400,000	\$ -	\$ -
2015	-0.1%	-0.1%	\$ 2,397,600	\$ -	\$ -
2016	3.1%	3.0%	\$ 2,469,528	\$ -	\$ -
2017	2.1%	2.1%	\$ 2,521,388	\$ 50,000	\$ 50,188

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2021

9) COMMITMENTS AND CONTINGENCIES - Continued

Los Angeles Department of Water and Power Settlement - Continued

Fiscal Year	CPI-U ⁽¹⁾	Actual Factor	Adjusted Settlement Due	Funding	Reserve Balance ⁽²⁾
2018	3.5%	3.0%	\$ 2,597,030	\$ 55,000	\$ 105,414
2019	3.2%	3.0%	\$ 2,674,941	\$ 55,000	\$ 164,095
2020	3.1%	3.0%	\$ 2,755,189	\$ 150,000	\$ 316,580
2021	0.9%	0.9%	\$ 2,779,986	\$ 50,000	\$ 368,467

⁽¹⁾ The Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles area as of January 1st of each year.

⁽²⁾ Reserve balance includes investment earnings on the amounts set aside.

Trout Habitat Enhancement Program

The District entered into a settlement agreement with the California Department of Fish and Game and the California Trout, Inc., regarding the fishery bypass flow requirements for Mammoth Creek. As part of the settlement, the District agreed to contribute \$10,000 per year, adjusted annually for inflation or deflation using the ENR Construction Cost Index (CCI) to support appropriate projects selected for implementation under the Trout Habitat Enhancement Program. The contributions are required for 20 consecutive years from the effective date of the agreement which was January 28, 2010. The Governance Committee, consisting of one member from each party above, will select projects to fund and implement and have designated the District as the fiscal agent. Currently, the District has \$87,985 of restricted cash and cash equivalents and related restricted accounts payable to this settlement agreement.

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the District's operational and financial performance is uncertain at this time.

10) PRIOR PERIOD ADJUSTMENT

The Statement of Cash Flows includes a prior period adjustment of \$76,103. The District implemented GASB Statement No. 84, *Fiduciary Activities*, during the 2021 fiscal year. Due to the implementation, this reclassified the Trout Habitat Enhancement Program activities, which only had cash and investments, from an agency fund to the District's enterprise fund.

SUPPLEMENTARY SCHEDULES

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Mammoth Community Water District
Combining Schedule of Net Position
March 31, 2021

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Trout Habitat Enhancement</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$	\$ 1,263,914	\$ 5,159,240	\$
Restricted Cash and Cash Equivalents				87,985
Investments	897,869	12,231,323	5,099,307	
Receivables:				
Billings		301,019	154,203	
Interest		45,440	28,628	
Property Taxes		807,327	2,064,829	
Loans	2,274,370			
Other	10,203	55,984	67,922	
Inventory		174,769	174,769	
Deposits and Prepaid Items		50,687	50,687	
Total Current Assets	3,182,442	14,930,463	12,799,585	87,985
Land and Construction in Progress, Not Being Depreciated				
	186,330	2,516,111	487,241	
Capital Assets, Net of Depreciation	1,095,229	42,043,925	19,891,444	
Total Assets	4,464,001	59,490,499	33,178,270	87,985
LIABILITIES				
Current Liabilities:				
Accounts Payable	105	386,079	143,116	
Restricted Accounts Payable				87,985
Accrued Expenses		40,505	28,426	
Deposits Payable	12,110	20,246	20,354	
Current Maturities of Long-Term Debt		40,271	38,139	
Total Current Liabilities	12,215	487,101	230,035	87,985
Noncurrent Liabilities:				
Long-Term Debt:				
Compensated Absences		362,440	343,258	
Total Liabilities	12,215	849,541	573,293	87,985
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes		396,537	1,023,462	
Total Deferred Inflows of Resources	0	396,537	1,023,462	0
NET POSITION				
Net Investment in Capital Assets	1,281,559	44,560,036	20,378,685	
Unrestricted	3,170,227	13,684,385	11,202,830	
Total Net Position	\$ 4,451,786	\$ 58,244,421	\$ 31,581,515	\$ 0

<u>LADWP</u>	<u>Totals</u>
\$ 368,467	\$ 6,791,621
	87,985
	18,228,499
	455,222
	74,068
	2,872,156
	2,274,370
	134,109
	349,538
	101,374
<u>368,467</u>	<u>31,368,942</u>
	3,189,682
	<u>63,030,598</u>
<u>368,467</u>	<u>97,589,222</u>
	529,300
	87,985
	68,931
	52,710
	78,410
<u>0</u>	<u>817,336</u>
	705,698
<u>0</u>	<u>1,523,034</u>
	1,419,999
<u>0</u>	<u>1,419,999</u>
	66,220,280
<u>368,467</u>	<u>28,425,909</u>
<u>\$ 368,467</u>	<u>\$ 94,646,189</u>

Mammoth Community Water District
Combining Schedule of Revenues, Expenses and Changes in Net Position
Year Ended March 31, 2021

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Trout Habitat Enhancement</u>
OPERATING REVENUES				
Water Services	\$	\$ 3,598,196	\$	\$
Wastewater Services			2,630,932	
Permits		394,148	212,082	
		<u>0</u>	<u>2,843,014</u>	<u>0</u>
OPERATING EXPENSES				
General and Administrative	39,637	1,453,010	1,452,155	
Water Services		3,086,996		
Wastewater Services			2,469,610	
Depreciation and Amortization	27,233	2,457,823	1,664,201	
	<u>66,870</u>	<u>6,997,829</u>	<u>5,585,966</u>	<u>0</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(66,870)</u>	<u>(3,005,485)</u>	<u>(2,742,952)</u>	<u>0</u>
NON-OPERATING REVENUES (EXPENSES)				
Property Taxes		3,582,415	4,209,339	
Investment Earnings	32,856	206,818	118,132	
Other Revenues	102,857	59,847	70,139	
Gain (Loss) on Sale of Assets		10,439	35,139	
	<u>135,713</u>	<u>3,859,519</u>	<u>4,432,749</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)				
Income before Transfers	68,843	854,034	1,689,797	0
Transfers In		3,250,847	2,257,745	
Transfers Out		<u>(3,002,453)</u>	<u>(2,556,139)</u>	
Change in Net Position	68,843	1,102,428	1,391,403	0
Net Position - Beginning	<u>4,382,943</u>	<u>57,141,993</u>	<u>30,190,112</u>	<u>0</u>
Net Position - Ending	<u>\$ 4,451,786</u>	<u>\$ 58,244,421</u>	<u>\$ 31,581,515</u>	<u>\$ 0</u>

<u>LADWP</u>	<u>Totals</u>
\$	\$ 3,598,196
	2,630,932
	606,230
<u>0</u>	<u>6,835,358</u>
	2,944,802
	3,086,996
	2,469,610
	4,149,257
<u>0</u>	<u>12,650,665</u>
<u>0</u>	<u>(5,815,307)</u>
	7,791,754
1,887	359,693
	232,843
	45,578
<u>1,887</u>	<u>8,429,868</u>
1,887	2,614,561
50,000	5,558,592
	(5,558,592)
<u>51,887</u>	<u>2,614,561</u>
<u>316,580</u>	<u>92,031,628</u>
<u>\$ 368,467</u>	<u>\$ 94,646,189</u>

Mammoth Community Water District
Combining Schedule of Cash Flows
Year Ended March 31, 2021

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Trout Habitat Enhancement</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 3,500	\$ 3,963,013	\$ 2,834,212	\$
Payments to Suppliers	(17,061)	(1,526,689)	(1,071,573)	
Payments to Employees	(209,549)	(2,921,682)	(2,809,345)	
Other Receipts	477,213	7,354	16,462	
Payments from Other Funds for Trout Habitat				11,882
Payments to Other Funds for Trout Habitat		(11,882)		
Net Cash Provided (Used) by Operating Activities	<u>254,103</u>	<u>(489,886)</u>	<u>(1,030,244)</u>	<u>11,882</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Advances from Other Funds		3,250,847	2,257,745	
Advances to Other Funds		(3,002,453)	(2,556,139)	
Property Taxes		3,805,544	3,801,358	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>0</u>	<u>4,053,938</u>	<u>3,502,964</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Assets		10,439	35,139	
Acquisition & Construction of Capital Assets	(17,244)	(3,271,707)	(2,031,859)	
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(17,244)</u>	<u>(3,261,268)</u>	<u>(1,996,720)</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(922,770)	(9,750,192)	(4,452,005)	
Proceeds from the Sale and Maturities of Investments	653,055	7,825,000	3,183,644	
Interest on Investments	32,856	208,643	119,957	
Net Cash Provided by Investing Activities	<u>(236,859)</u>	<u>(1,716,549)</u>	<u>(1,148,404)</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>0</u>	<u>(1,413,765)</u>	<u>(672,404)</u>	<u>11,882</u>
Cash and Cash Equivalents - Beginning of Year, As Previously Reported	0	2,677,679	5,831,644	
Prior Period Adjustment				76,103
Cash and Cash Equivalents - Beginning of Year, As Restated	<u>0</u>	<u>2,677,679</u>	<u>5,831,644</u>	<u>76,103</u>
Cash and Cash Equivalents - End of Year	<u>\$ 0</u>	<u>\$ 1,263,914</u>	<u>\$ 5,159,240</u>	<u>\$ 87,985</u>

<u>LADWP</u>	<u>Totals</u>
\$	\$ 6,800,725
	(2,615,323)
	(5,940,576)
	501,029
	11,882
	<u>(11,882)</u>
<u>0</u>	<u>(1,254,145)</u>
50,000	5,558,592
	(5,558,592)
	<u>7,606,902</u>
<u>50,000</u>	<u>7,606,902</u>
	45,578
	<u>(5,320,810)</u>
<u>0</u>	<u>(5,275,232)</u>
	(15,124,967)
	11,661,699
<u>1,887</u>	<u>363,343</u>
<u>1,887</u>	<u>(3,099,925)</u>
<u>51,887</u>	<u>(2,022,400)</u>
316,580	8,825,903
	<u>76,103</u>
<u>316,580</u>	<u>8,902,006</u>
<u>\$ 368,467</u>	<u>\$ 6,879,606</u>

Mammoth Community Water District
Combining Schedule of Cash Flows - Continued
Year Ended March 31, 2021

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Trout Habitat Enhancement</u>
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (66,870)	\$ (3,005,485)	\$ (2,742,952)	\$ 0
Depreciation and Amortization	27,233	2,457,823	1,664,201	
Other Receipts	477,213	7,354	16,462	
Change in Assets and Liabilities:				
Decrease (Increase) in Operating Assets:				
Account Receivable	(170,000)	(24,583)	(4,318)	
Inventory		(13,264)	(15,635)	
Deposits and Prepaid Expenses		(2,210)	(16,618)	
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	(16,973)	290,099	95,019	
Accounts Payable Related to Capital Assets		(170,259)	(14,468)	
Restricted Accounts Payable				11,882
Accrued Expenses		(27,933)	(17,456)	
Deposits Payable	3,500	(4,748)	(4,484)	
Compensated Absences		3,320	10,005	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 254,103</u>	<u>\$ (489,886)</u>	<u>\$ (1,030,244)</u>	<u>\$ 11,882</u>
SUPPLEMENTAL DISCLOSURES				
Cash and Cash Equivalents:				
Cash and Cash Equivalents	\$	\$ 1,263,914	\$ 5,159,240	\$
Restricted Cash and Cash Equivalents				87,985
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 0</u>	<u>\$ 1,263,914</u>	<u>\$ 5,159,240</u>	<u>\$ 87,985</u>

<u>LADWP</u>	<u>Totals</u>
\$ 0	\$ (5,815,307)
	4,149,257
	501,029
	(198,901)
	(28,899)
	(18,828)
	368,145
	(184,727)
	11,882
	(45,389)
	(5,732)
	<u>13,325</u>
<u>\$ 0</u>	<u>\$ (1,254,145)</u>
\$ 368,467	\$ 6,791,621
	87,985
<u>\$ 368,467</u>	<u>\$ 6,879,606</u>

September ___, 2021

Board of Directors
Mammoth Community Water District
Mammoth Lakes, CA

We have audited the financial statements of the Mammoth Community Water District (the “District”) for the year ended March 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 23, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District changed accounting policies related to fiduciary funds by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, and No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, in fiscal year 2021. Accordingly, the cumulative effect of the accounting change as of the beginning of year is reported in the Statement of Cash Flows. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s 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 significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life. We evaluated the key factors and assumptions used to develop the capital assets depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of deferred property taxes is based on property taxes received from the County of Mono and then deferred according to the estimated time period they relate to. We evaluated the key factors and assumptions used to develop the deferred property taxes in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Notes 2 and 3 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of capital assets in Note 5 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of deferred property taxes in Note 1 to the financial statements is based on subsequent property taxes received from the County of Mono. These amounts are then deferred according to the estimated time period they relate to which could differ from the actual time period.

The financial statements disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September __, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is 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.

We were engaged to report on the combining schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

As part of the audit, we assisted with the preparation of the financial statements and related notes, and the preparation of the State Controller Report. However, these services do not constitute an audit under *Government Auditing Standards* and are considered nonaudit services. Management has reviewed, approved, and accepted responsibility for the results of these services.

Restriction on Use

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

Very truly yours,

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Directors
Mammoth Community Water District
Mammoth Lakes, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Mammoth Community Water District (the "District") as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September __, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Riverside, California
September __, 2021

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

Jeffrey Beatty, Finance Manager
Mammoth Community Water District
P.O. Box 597
Mammoth Lakes, CA 93546

We have performed the procedures enumerated below, which were agreed to by the Mammoth Community Water District (the "District") and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*), on the Appropriations Limit documents of the District, for the year ended March 31, 2021 (prepared in accordance with Section 1.5 Article XIII B of the California Constitution). The District's management is responsible for the Appropriations Limit documents.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes which is solely to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution for the fiscal year ending March 31, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the completed documents required by the Article XIII B Appropriations Limitation Uniform Guidelines, and determined that the limit and annual adjustment factors were adopted by resolution of the Board of Directors. We also determined that the population and inflation options 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.

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 engaged by Mammoth Community Water District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review engagement, the objective

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of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit worksheet and the District's Appropriations Limit documents. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the information and use of the Mammoth Community Water District and is not intended to be and should not be used by anyone other than the District. However, this report is a matter of public record and its distribution is not limited.

Riverside, California
September __, 2021

**MAMMOTH COMMUNITY WATER DISTRICT
APPROPRIATIONS LIMIT COMPUTATION
2020-2021**

	<u>2020-2021</u>
Per Capita Personal Income Change	3.73%
Population Change Town of Mammoth Lakes Population	-0.36%
CPI Change Converted to a Ratio	1.0373
Population Change Converted to a Ratio	0.9964
Calculation of Growth Factor	1.0336
2019-2020 Limit	<u>\$ 13,232,224</u>
2020-2021 Appropriations Limit (\$13,232,224 X 1.0336)	<u>\$ 13,676,827</u>

Mammoth

Community Water District

Water and Wastewater Rate Study

Draft Report / September 3, 2021

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September 3, 2021

Mark Busby
General Manager
Mammoth Community Water District
1315 Meridian Boulevard
Mammoth Lakes, CA 93546

Subject: Water and Wastewater Rate Study Report

Dear Mr. Busby,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this report for the Mammoth Community Water District's (District) Water and Wastewater Rate Study. The Study involved a comprehensive review of the District's Financial Plans, analysis of District water usage, and rate structure alternatives for the Wastewater utility. We are confident that the results to water rates, based on cost of service principles, result in fair and equitable rates for the District's customers and meet the requirements of Proposition 218.

The major objectives of the Study include:

- » Developing long-term financial plans that sufficiently fund operating expenses and adopted reserve policies
- » Conducting cost of service analyses that fairly and equitably allocate costs of providing water and wastewater services among and between customer classes
- » Designing water and wastewater rates that fully recover costs to serve customers while minimizing rate impacts and improving equity
- » Preparing a Study Report, or administrative record, that clearly and comprehensively explains each step of the rate study process

This report details the long-term financial plans, cost of service analyses, and proposed rates for the District's water and wastewater utilities. The financial plans identify the projected revenue needs and revenue adjustments over the next 10 years, which inform five years of proposed rates for adoption.

It was a pleasure working with you, and we wish to express our thanks for your and District staff members' support during the Study. If you have any questions, please contact me at kkostiuk@raftelis.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Kostiuk', with a stylized flourish at the end.

Kevin Kostiuk
Manager

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1 Executive Summary

Study Background

The Mammoth Community Water District (District) contracted with Raftelis to conduct a Water and Wastewater Rate Study, which includes the development of a long-term financial plan, cost of service (COS) analysis, and rate design for each of the District's utilities. The study culminates in five years of cost-based water and wastewater rate recommendations based on the results of the financial planning exercise, the COS analyses, and wastewater rate design alternatives. This Executive Summary outlines the rate proposal and contains a description of the rate study process, methodology, and recommendations for the District's water and wastewater rates.

Objectives of the Study

The major components and objectives of the water rate study include:

1. Developing long-term financial plans that meet the water and wastewater utilities' operating revenue requirements while adequately funding reserves in accordance with industry best practices and the District's adopted policies.
2. Conducting COS analyses that establishes a nexus between the cost to serve customers and the responsibility of each class, in compliance with Proposition 218 and based on industry standard methodologies.
3. Designing five years of water and wastewater rates that comply with Proposition 218 and ensure financial sufficiency to fund operating costs over the study period.

Rate Objectives

Raftelis worked with District staff to prioritize objectives for the proposed water rates. These prioritized objectives include improving fairness and equity between customer classes, simplifying the rate structure to enhance customer understanding, maintaining affordability at its current level, and minimizing impacts to customers. The COS analyses reflects the updated cost allocations based on the District's most recent financial data. The proposed water rates (which maintain the existing rate structure) and the wastewater rate structure modifications are recommended to best meet these rate objectives. All proposed changes were analyzed to minimize financial impacts to the greatest extent possible.

Current Rates

Water Rates

The District's current water rates were implemented April 1, 2020 and include a monthly service charge based on meter size and a usage rate charged for every 1,000 gallons (kgal) of water used. Water is charged at a uniform rate for multifamily, commercial, and recycled water customers as well as separate three-tiered rates for residential and irrigation customers.

Table 1-1 shows the current monthly service charges by meter size. **Table 1-2** shows the current water usage rates by customer class and monthly tiers.

Table 1-1: Current Monthly Service Charges

	A	B
Line	Meter Size	Current Charges
1	5/8"	\$15.05
2	3/4"	\$15.05
3	1"	\$22.79
4	1 1/2"	\$42.16
5	2"	\$65.39
6	3"	\$138.95
7	4"	\$247.39
8	6"	\$545.52
9	8"	\$932.72
10	MFR Dwelling	\$15.05

Table 1-2: Current Water Usage Rates (\$/kgal)

	A	B
Line	Class	Current Charges
	SFR	
1	Tier 1 - First 4,000 Gal.	\$0.99
2	Tier 2 - Next 4,000 Gal.	\$2.32
3	Tier 3 - Above 8,000 Gal.	\$5.06
4	MFR	\$2.36
5	Commercial	\$3.13
	Irrigation	
6	Tier 1 - 100% of MAWA	\$2.77
7	Tier 2 - 100% to 200%	\$6.19
8	Tier 3 - Above 200%	\$9.15
9	Recycled	\$1.83

Wastewater Rates

The current rate structure consists of a fixed monthly charge for residential classes (per dwelling unit). All single-family residential customers pay \$21.15 per month and all multi-family units pay \$18.21 per month, per dwelling unit. Non-residential classes pay “fixture” based charges. Charges per fixture (sometimes called a *special multiplier*) may vary within customer classes. For example, restaurants and other similar businesses pay a charge per seat while hospitals and dorms pay a charge per bed. Raftelis recommends a change in structure, as discussed in more detail below. **Table 1-3** shows the current wastewater charges by customer class.

Table 1-3: Current Monthly Service Charges

	A	B
Line	Customer Unit	Current Charges
1	Single Family	\$21.15
2	Multi Family	\$18.21
3	RV Space	\$3.09
4	Motel Units	\$9.63
5	Ski Dorm/Bed	\$3.09
6	Commercial Unit	\$13.64
7	Laundry - Commercial	\$814.31
8	Laundromat - Public	\$499.45
9	Service Station	\$24.97
10	Car Wash	\$62.48
11	Restaurant Seat	\$2.55
12	Bar Seat	\$1.34
13	Theatre Seat	\$0.65
14	Public Building	\$41.72
15	Elem School	\$0.94
16	High School	\$1.15
17	Storage/Warehouse	\$18.82
18	Swimming Pool	\$12.47
19	Spa/Hot Tub	\$6.38
20	Hospital Bed	\$28.72
21	Juniper	\$13.71
22	Mill Cabins	\$21.14

Process and Approach

Raftelis held several meetings with District staff to discuss and understand objectives, characteristics, and challenges of the District’s water utility to provide the recommendations and results detailed in this report. Raftelis confirmed various assumptions and inputs and used an iterative process to view several scenarios to determine the recommended financial plan and rates for service. Raftelis then designed and presented a COS and rate model to analyze various rate scenarios to fully fund both utilities’ operating revenue requirements through fair, equitable, and defensible cost-based rates.

The proposed financial plans detailed in this report follow industry standards for long-term financial planning. The financial plan relies on reasonable assumptions based on industry indices, such as general inflation based on the Consumer Price Index (CPI), and input from District staff. Raftelis worked closely with District staff to determine the most accurate methodology to project future revenues and expenses to reinforce sound fiscal management practices.

The financial plan utilizes fiscal year (FY) 2021 as the base year and then projects FY 2022 and the five-year rate-setting period between FY 2023 to FY 2027. Each fiscal year begins on April 1 and ends on March 31. For example, FY 2021 is

defined as the year beginning on April 1, 2020 and ending on March 31, 2021. The proposed rates were developed for implementation on April 1, 2022 (first day of FY 2023) and in April every year thereafter through FY 2027.

The COS analysis and resulting water and wastewater rates are developed using the principles established by the American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges, 7th edition* (M1 Manual) and the Water Environment Federation's *Financing and Charges for Wastewater Systems, 4th Edition* (WEF Manual). The water rates developed in this study were designed based on the industry standard Base-Extra Capacity methodology and the legal requirements set forth in the following section. This methodology allocates costs consistent with demand patterns of each customer class and for tiered rates, the demand patterns and costs to serve each tier.

Legal Framework¹

California Constitution – Article XIII D, Section 6 (Proposition 218)

Proposition 218 was enacted by voters in 1996 to ensure, in part, that fees and charges imposed for ongoing delivery of a service to a property (property-related fees and charges) are proportional to, and do not exceed, the cost of providing service. Water service fees and charges are property-related fees and charges subject to the provisions of California Constitution Article XIII D, Section 6 (Proposition 218). The principal requirements, as they relate to public water service fees and charges, are as follows:

1. Revenues derived from the fee or charge shall not exceed the costs required to provide the property-related service.
2. Revenues derived by the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
3. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No fee or charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
5. A written notice of the proposed fee or charge shall be mailed to the record-owner of each parcel not less than 45 days prior to a public hearing, when the agency considers all written protests against the charge.

As stated in the M1 Manual, “water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers.” Raftelis follows industry standard rate setting methodologies set forth by the AWWA M1 Manual to ensure that the results of this study meet Proposition 218 requirements and create rates that do not exceed the proportionate cost of providing water service.

California Constitution – Article X, Section 2

Article X, Section 2 of the California Constitution states the following:

“It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is

¹ Raftelis does not practice law, nor does it provide legal advice. The above discussion provides a general overview of Raftelis' understanding as rate practitioners and is labeled “legal framework” for literary convenience only. The District should consult with its legal counsel for clarification and/or specific guidance.

to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.”

Article X, Section 2 of the State Constitution establishes the need to preserve the state’s water supplies and to discourage the waste or unreasonable use of water by encouraging conservation. Public agencies are constitutionally mandated to maximize the beneficial use of water, prevent waste, and encourage conservation.

In addition, Section 106 of the California Water Code declares that the highest priority use of water is for domestic purposes, with irrigation water secondary. To meet the objectives of Article X, Section 2 and the California Water Code, a water purveyor may utilize its water rate design to incentivize the efficient use of water. The District has established tiered water rates (also known as “inclining tier” or “inclining block”) water rates to incentivize customers to use water in an efficient manner. The inclining tier rates (as well as rates for uniform rate classes) need to be based on the proportionate costs incurred to provide water to, and within, each customer class to achieve compliance with Proposition 218.

Tiered water rate structures, when properly designed and differentiated by customer class, allow a water utility to send conservation price signals to customers while proportionately allocating the costs of service. Due to a necessity in reducing water waste and increasing efficiency, tiered water rates are ubiquitous, especially in relatively water-scarce regions like California. Tiered rates meet the requirements of Proposition 218 if the tiered rates reflect the proportionate cost of providing service *within* each tier.

Cost-Based Rate-Setting Methodology

To develop water and wastewater rates that comply with Proposition 218, meet industry standards, and accomplish the District’s goals for the study, Raftelis follows the four major steps discussed below.

Revenue Requirement Calculation

The first step in the rate-making process is to determine the adequate and appropriate level of funding for a given utility. This is referred to as determining the “revenue requirement” for the base year, which for this study is FY 2023 which runs from April 1, 2022 to March 31, 2023. This analysis considers the short-term and long-term service objectives of the utility over a given planning horizon, including capital facilities, O&M, non-rate sources of revenues, and financial reserve policies to determine the adequacy of a utility’s existing rates to recover its costs. Several factors affect these projections, including the number of customers served, water use trends, non-recurring revenues, conservation, use restrictions, inflation, interest rates, capital financing needs, and other changes in operating and economic conditions, among others.

Cost of Service Analysis

The annual cost of providing service is distributed among customer classes commensurate with their service requirements. A water utility COS analysis involves the following steps (Note, a wastewater utility COS analysis follows the same progression but is omitted below for brevity):

1. **Categorize Costs into System Functions:** Utilizing an agency’s approved budget, financial reports, operating data, engineering data, and CIP, a rate study generally categorizes (i.e., functionalizes) the operating and capital costs of the water system among major system functions. Examples of system functions for a water utility include, but are not limited to water supply, pumping, treatment, distribution, meters, customer, conservation,

and general (indirect). Wastewater functions include Administration, Finance, Information Technology, Lab, Human Resources, Maintenance Management, Engineering, Treatment, Line Maintenance, and Mechanical Maintenance.

- 2. Allocate Functionalized Costs to the Appropriate System Cost Components:** Cost components represent the major pieces of a water system that the agency incurs specific costs related to, with one or more functions attributable to one or more system components. For example, distribution costs (system function) are allocated to delivery, maximum day, and maximum hour (cost components) since distribution lines are sized to accommodate both average (base) demands and maximum day / maximum hour (peak) demands. The District's water system cost components include delivery, maximum day, maximum hour, meter servicing, customer, conservation, general costs. Wastewater components include Volume, Biological Oxygen Demand (BOD), and Total Suspended Solids (TSS).
- 3. Determine Units of Service and Unit Costs for Cost Components:** Each cost component is associated with a specific unit of service; costs within each component are divided by the total units of service to determine the unit cost. For example, delivery costs are associated with total annual use. Dividing total annual costs by total annual use yields the unit cost of delivery under average daily demand.
- 4. Distribute Cost Components to Customer Classes:** The costs of the system, allocated by system component unit costs, are distributed to customer classes and tiers in proportion to their respective demands and burdens on the system using the units of service and unit costs for each component.

Rate Design and Derivation

Rates do more than simply recover costs. Within the legal framework and industry standards, properly designed rates should support and optimize a blend of objectives, such as revenue stability, conservation, affordability, and customer understanding, among others. Rates act as a public information tool in communicating these objectives to customers.

Preparation of Administrative Record and Rate Adoption

Rate adoption is the last step of the rate-making process. Raftelis documents the rate study results in this report (also known as an administrative record), which reflects the basis upon which the rates were calculated, the rationale and justifications behind the proposed charges, any changes to rate structures, and anticipated financial impacts to ratepayers.

Financial Plan Results and Recommendations

Factors Affecting Revenue Requirements

The following items affect the water utility's revenue requirement (i.e., costs) and thus its water rates. The utility's expenses include O&M expenses, capital project costs, and reserve funding; however, the rates derived in this study are designed to recover the operating revenue requirement only- the capital revenue requirement is funded with the District's non-rate revenues.

- » **Inflationary Pressure:** The financial plan forecasts increases in the District's water operating expenses of about 3.9 percent per year, or 19 percent over the study period. This reflects a weighted average of inflation across several categories including general inflation, personnel costs, and energy costs among others.
- » **Property Tax Revenues:** The District has elected to utilize a portion of property tax (non-rate) revenues to offset water and wastewater operating expenses. The remaining property tax revenues will be utilized for the District's

water utility capital improvement program (CIP). The District has planned approximately \$14.4 million in CIP from FY 2022 through FY 2026.

- » **Reserves Funding:** The study maintains the District’s existing water financial reserves policies, which comprise an Operating reserve of six (6) months of O&M expenses, a Capital reserve of 4 percent of water system valuation, and an Emergency reserve of one (1) million dollars.

Water Financial Plan Results

Table 1-4 shows the proposed revenue adjustments that allow the District to maintain financial sufficiency, fund operating expenses, and achieve adopted reserve targets for the water utility over the long term. The proposed adjustments apply to the District’s rate revenues, which were projected for future years assuming no growth in customer connections. Water demand in FY 2021 represents estimated base year water use for the District’s customers. FY 2022 and beyond incorporate a one-time reduction in water demand, based on direction from District staff. California has once again entered a period of water shortage with a growing likelihood of mandatory conservation. Further, other agencies have observed hardening of water demand in recent years at lower levels. The assumptions used reflect a conservative estimate with which to project water demands and therefore water use revenues.

The proposed revenue adjustments represent the increase to total rate revenues required to recover the water utility’s costs and not the expected impact to each customer class. Water rates developed for the base year (FY 2023) reflect the results of the COS analysis, which impacts each customer class, and tier, differently. The proposed revenue adjustment for FY 2023 is 3 percent, meaning that the resulting rates shown in the following sections recover a higher level of revenue in addition to reallocating costs between classes. Revenue adjustments in subsequent years are applied across all charges, classes, and tiers proportional to the base (rate-setting) year rates.

Table 1-4: Proposed Water Revenue Adjustments

	A	B	C	D	E	F
Line	Revenue Adjustment	2023	2024	2025	2026	2027
1	Effective Date	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
2	Percent Adjustment	3%	3%	3%	3%	3%

Figure 1-1 shows the five-year financial plan for FY 2023 through FY 2027. The stacked bars represent the costs of the water utility: O&M expenses, make up the largest portion (blue bars). Net cash flow (yellow bars) falls below zero in FY 2025 and FY 2026, meaning that the District will draw from reserves to fund a portion of expenses in those years. Current revenues (solid line) equal the projected revenues at the District’s existing water rates and proposed revenues (dotted line) equal the projected revenues with the proposed revenue adjustments in Table 1-4 applied.

Figure 1-1: Water Financial Plan

Fund 20 Operating Financial Plan

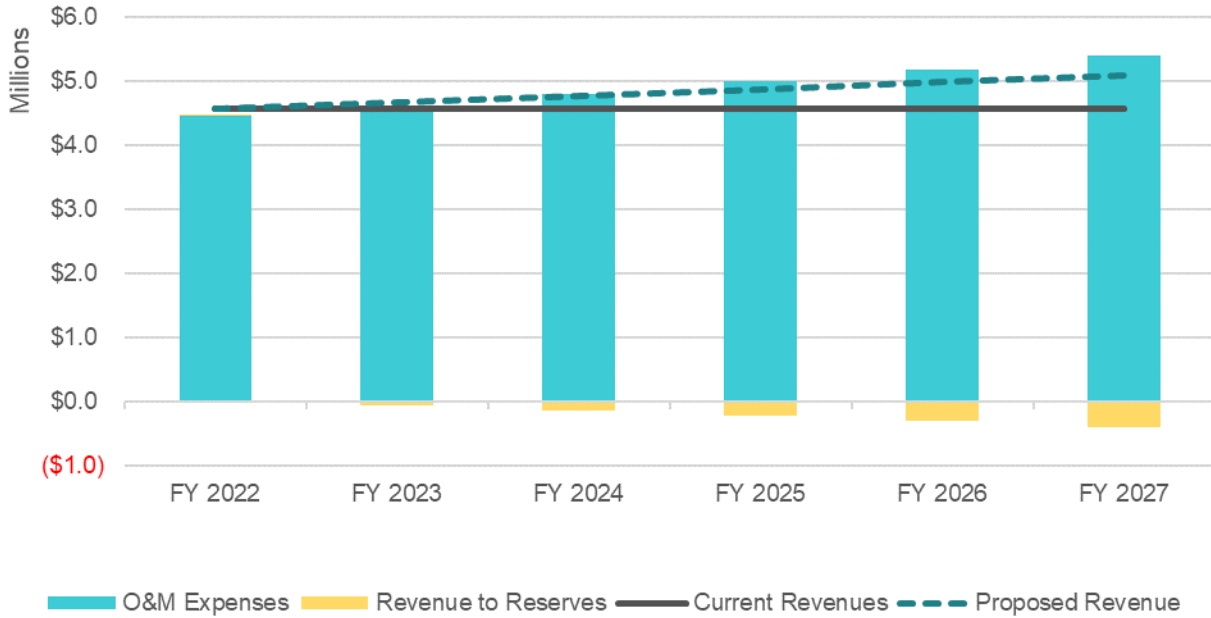


Figure 1-2 shows the ending fund balances (blue bars) for the District’s water funds from FY 2023 to FY 2027. The reserve target (dark blue line) is determined based on the existing reserve policies described above. The ending balance includes both the Operating Fund (Fund 20) and the Capital Repair and Replacement (R&R) Fund (Fund 22). The ending balance is maintained at or above the reserve target in each year through FY 2027, except for dipping just below target in FY 2025.

Figure 1-2: Water Fund 20 and 22 Fund Balance

WATER ENDING BALANCE

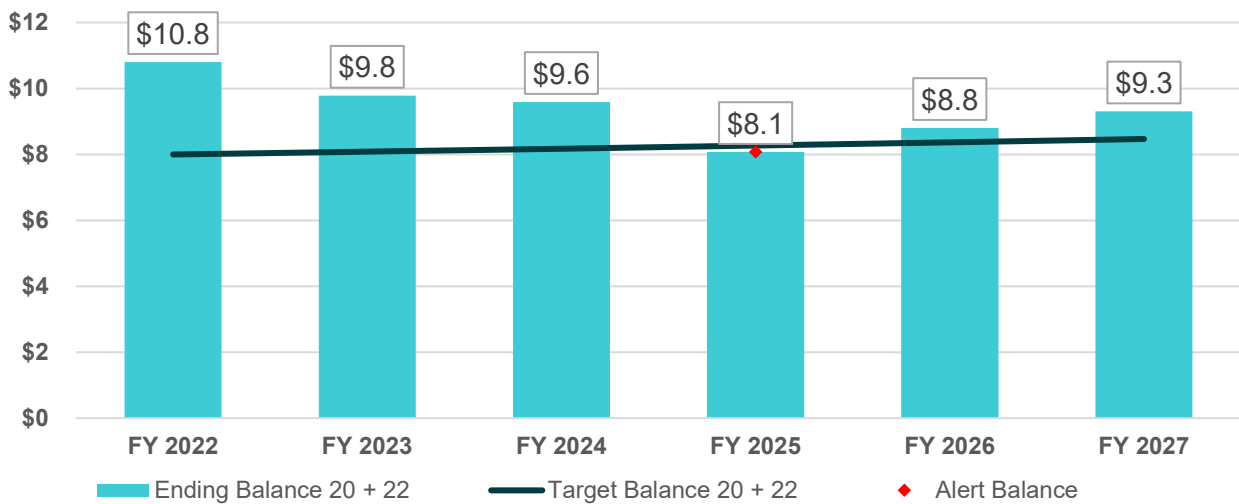
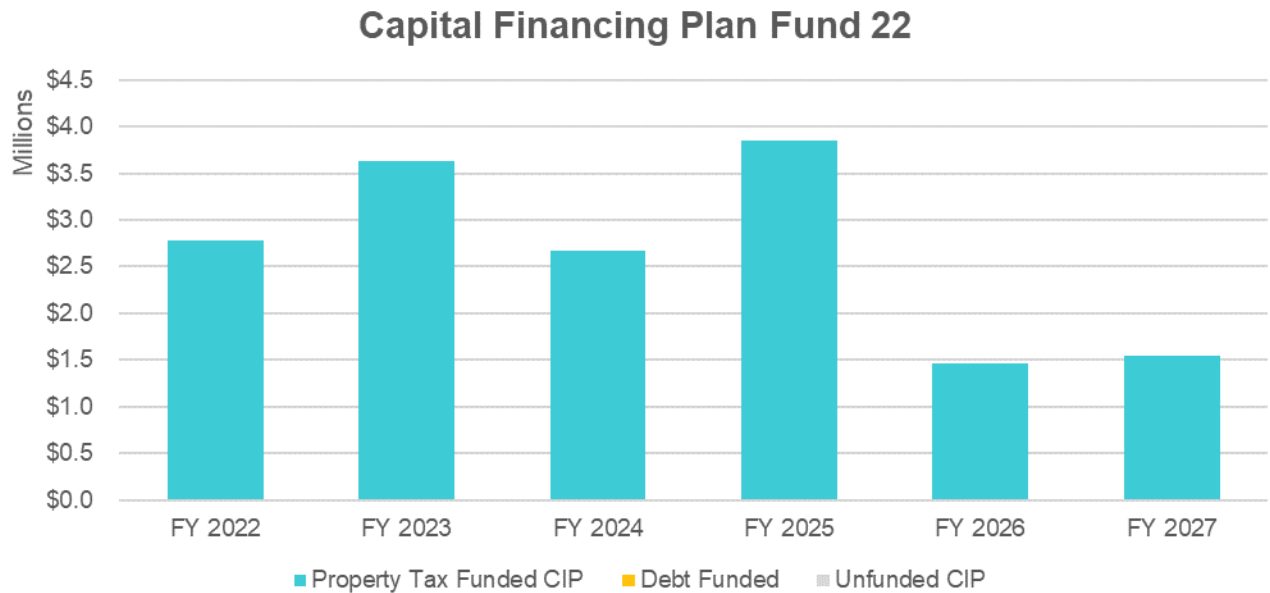


Figure 1-3 shows the five-year CIP expenditures from FY 2023 through FY 2027. All planned CIPs for the five-year period are anticipated to be entirely cash funded through non-rate revenues and are omitted from the revenues required from water rates.

Figure 1-3: Water Capital Financing Plan



Wastewater Financial Plan Results

Table 1-5 shows the proposed revenue adjustments that allow the District to maintain financial sufficiency, fund operating expenses, and achieve adopted cash reserves for the wastewater utility over the long term. The proposed adjustments apply to the District’s rate revenues, which were projected for future years assuming no growth in customer accounts during the study period.

Table 1-5: Proposed Wastewater Revenue Adjustments

	A	B	C	D	E	F
Line	Revenue Adjustment	2023	2024	2025	2026	2027
1	Effective Date	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026	April 1, 2027
2	Percent Adjustment	3%	3%	3%	3%	3%

The proposed revenue adjustments represent the increase to total rate revenues required to recover the wastewater utility’s costs and not the expected impact to each customer class. Wastewater rates developed for the base year (FY 2023) reflect the results of the COS analysis, which impacts each customer class, and user type, differently. The proposed revenue adjustment for FY 2023 is 3 percent, meaning that the resulting rates shown in the following sections recover a higher level of revenue in addition to designing a new rate structure. Revenue adjustments in subsequent years are applied across all charges and customer classes proportional to the base (rate-setting) year rates.

Figure 1-4 shows the five-year financial plan for FY 2023 through FY 2027. The stacked bars represent the costs of the wastewater utility: O&M expenses make up the largest portion (blue bars). Net cash flow (yellow bars) is positive through FY 2025, meaning that the District will contribute to reserves in those years. Current revenues (solid line) equal the

projected revenues at the District’s existing wastewater rates and proposed revenues (dotted line) equal the projected revenues with the proposed revenue adjustments in **Table 1-5** applied.

Figure 1-4: Wastewater Financial Plan

Fund 30 Operating Financial Plan

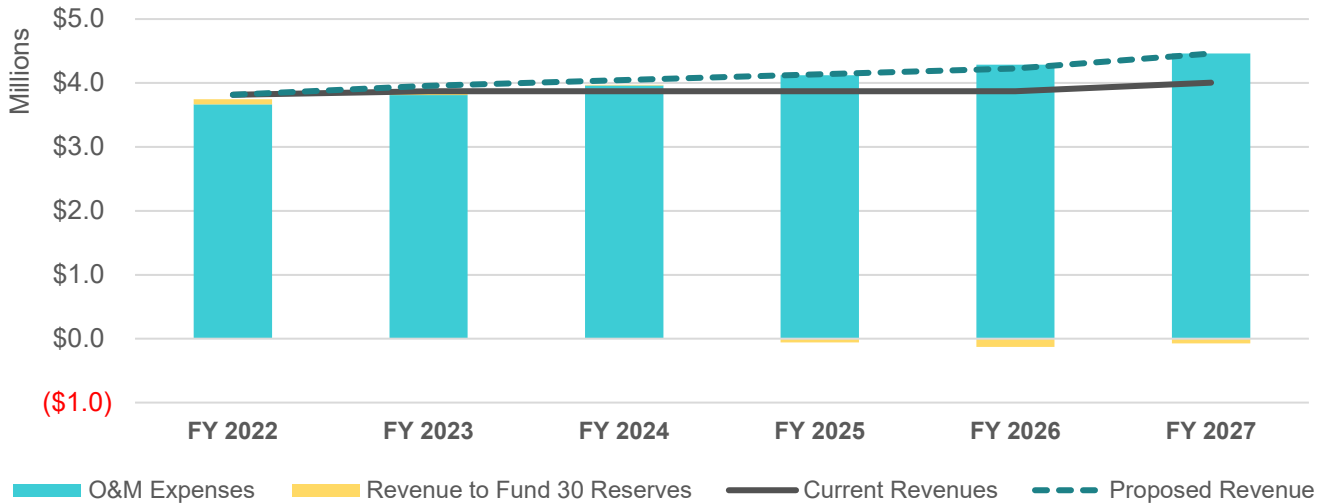


Figure 1-5 shows the ending fund balances (blue bars) for the District’s wastewater funds from FY 2023 to FY 2027. The reserve target (dark blue line) is determined based on the existing reserve policies described above. The ending balance includes both the Operating Fund (Fund 30) and the Capital Repair and Replacement (R&R) Fund (Fund 23). The ending balance is maintained at or above the reserve target in each year through FY 2027.

Figure 1-5: Wastewater Fund 30 and 32 Balance

ENDING BALANCE WW ENTERPRISE

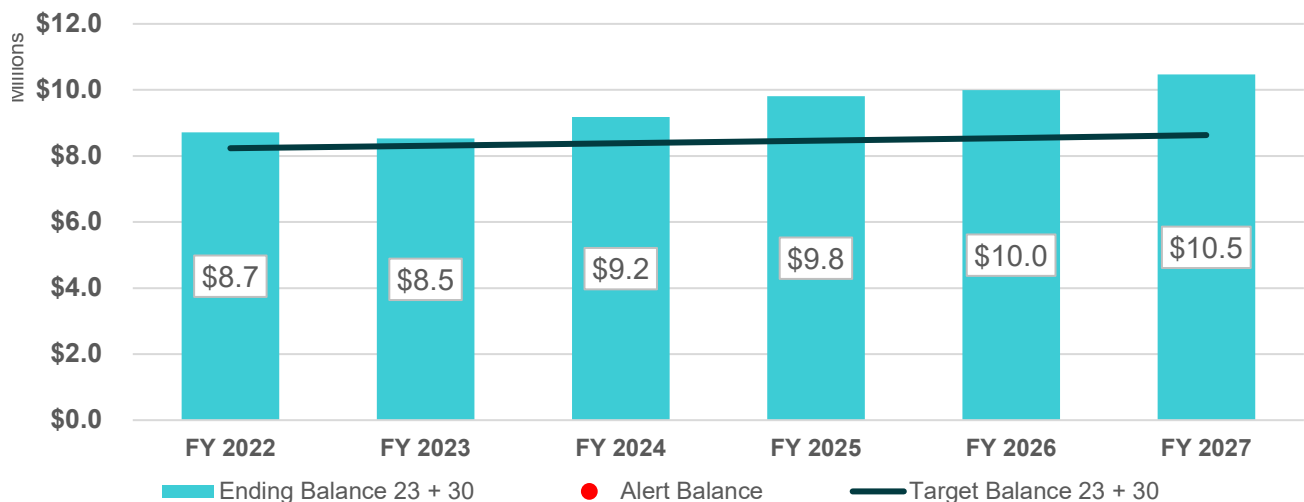
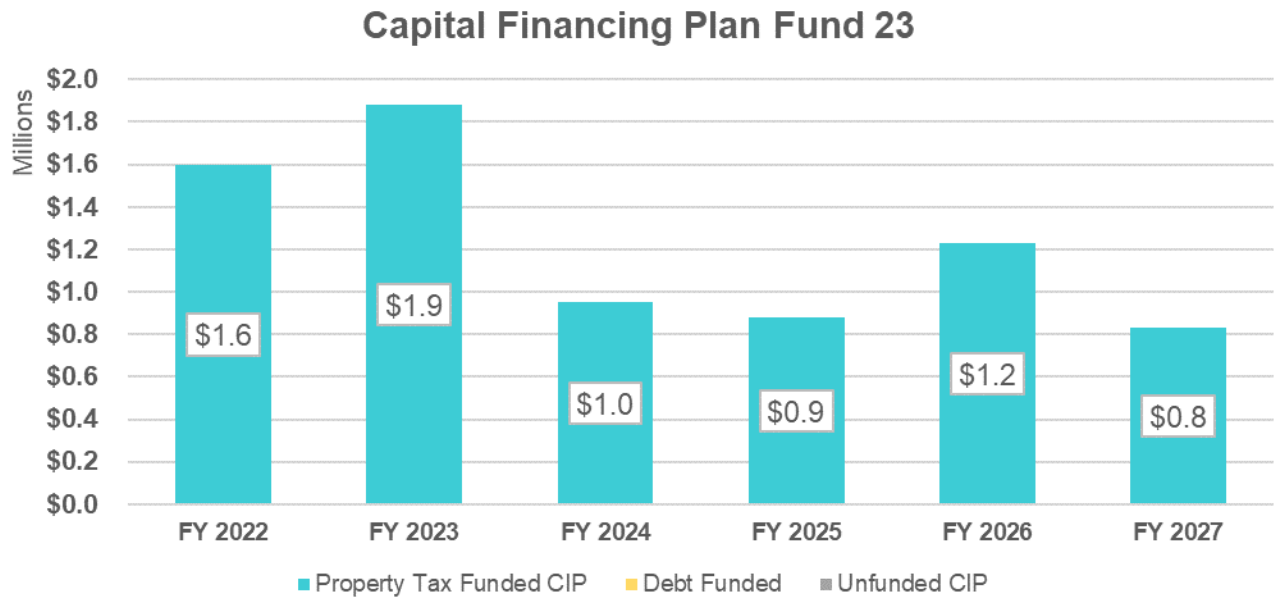


Figure 1-6 shows the five-year CIP expenditures from FY 2023 through 2027. All planned CIP expenses for the five-year period are anticipated to be entirely cash funded through non-rate revenues and are omitted from the revenues required from wastewater rates.

Figure 1-6: Wastewater Capital Financing Plan



Proposed Water Rates

Table 1-6 and Table 1-7 show the proposed monthly service charges and water usage rates, respectively, for FY 2023 through FY 2027 based on the study recommendations. Rates for FY 2023 are determined based on the results of the COS analysis and include the proposed 3 percent rate adjustment. Rates for all subsequent years are determined based on the corresponding revenue adjustments in Table 1-4.

Raftelis recommends no changes to the water usage rate structure for any class. The justification for the rate structure remains the same as presented in the prior Rate Study (2015) and is reiterated below.

Single Family Residential (SFR) Class

Tier 1: Efficient indoor use (4 kgal)

The State of California has targeted 55 gallons per person per day (gpcd) as an efficient indoor use goal. From 2010 US Census data, the average SFR household density in the service area is 2.31 persons. Taken together with the average monthly days of service (30) produces a value of approximately 4,000 gallons per month. In addition to being a measure of efficient indoor use, 4 kgal per month provides enough water to meet the District’s historical average winter water use, per household, for the SFR class.

Tier 2: Efficient summer use (total 8 kgal)

The District determined that a typical single-family lot within the service area demands approximately 500 gallons per irrigation cycle. The District recommends twice-weekly watering for eight total irrigation cycles per month. This produces 4 kgal ((500 X 8)/1,000) for efficient outdoor water use for an average single-family home.

Tier 3: All use greater than Tier 2 (>8 kgal)

All usage greater than the sum of Tier 1 and 2 falls into the third and final tier.

Multi-Family Residential (MFR)

The District will maintain the existing rate structure for MFR. In the prior study, and after a detailed analysis of MFR class usage, Raftelis determined that 80 percent of all MFR use falls within Tier 1. This suggested that a unique uniform commodity rate was most appropriate. Converting to a uniform rate helped to correct an inequity between user classes while achieving dual policy objectives of reducing use of Tier 1 priced water for irrigation and maintaining affordable water service for the class.

Commercial

The District will maintain a unique uniform rate for Commercial customers reflecting its heterogeneous water demand patterns within the class.

Irrigation

The District will maintain the existing Maximum Allowable Water Allocation (MAWA) water budget allocation for Irrigation users with no changes to the tier definitions. The water budget is calculated for each metered connection based on the landscaped meter service area of the property. Tier 1 allots enough water for the efficient level of irrigation, normalized by area. Tiers 2 and 3 represent increasing levels of inefficient irrigation practices.

Recycled Water Rates

The District will maintain the Recycled water commodity rate at 58 percent of the commercial rate.

Table 1-6: Proposed Monthly Water Service Charges

Line	A	C	D	E	F	G	H
	Fiscal Year	2022	2023	2024	2025	2026	2027
	Effective Date		April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
	Meter Size	Current	Proposed	Proposed	Proposed	Proposed	Proposed
1	5/8"	\$15.05	\$15.40	\$15.87	\$16.35	\$16.85	\$17.36
2	3/4"	\$15.05	\$15.40	\$15.87	\$16.35	\$16.85	\$17.36
3	1"	\$22.79	\$23.46	\$24.17	\$24.90	\$25.65	\$26.42
4	1 1/2"	\$42.16	\$43.59	\$44.90	\$46.25	\$47.64	\$49.07
5	2"	\$65.39	\$67.75	\$69.79	\$71.89	\$74.05	\$76.28
6	3"	\$138.95	\$144.26	\$148.59	\$153.05	\$157.65	\$162.38
7	4"	\$247.39	\$257.00	\$264.71	\$272.66	\$280.84	\$289.27
8	6"	\$545.52	\$567.06	\$584.08	\$601.61	\$619.66	\$638.25
9	8"	\$932.72	\$969.72	\$998.82	\$1,028.79	\$1,059.66	\$1,091.45
10	MFR Dwelling	\$15.05	\$15.40	\$15.87	\$16.35	\$16.85	\$17.36

Table 1-7: Proposed Monthly Water Usage Rates (\$/kgal)

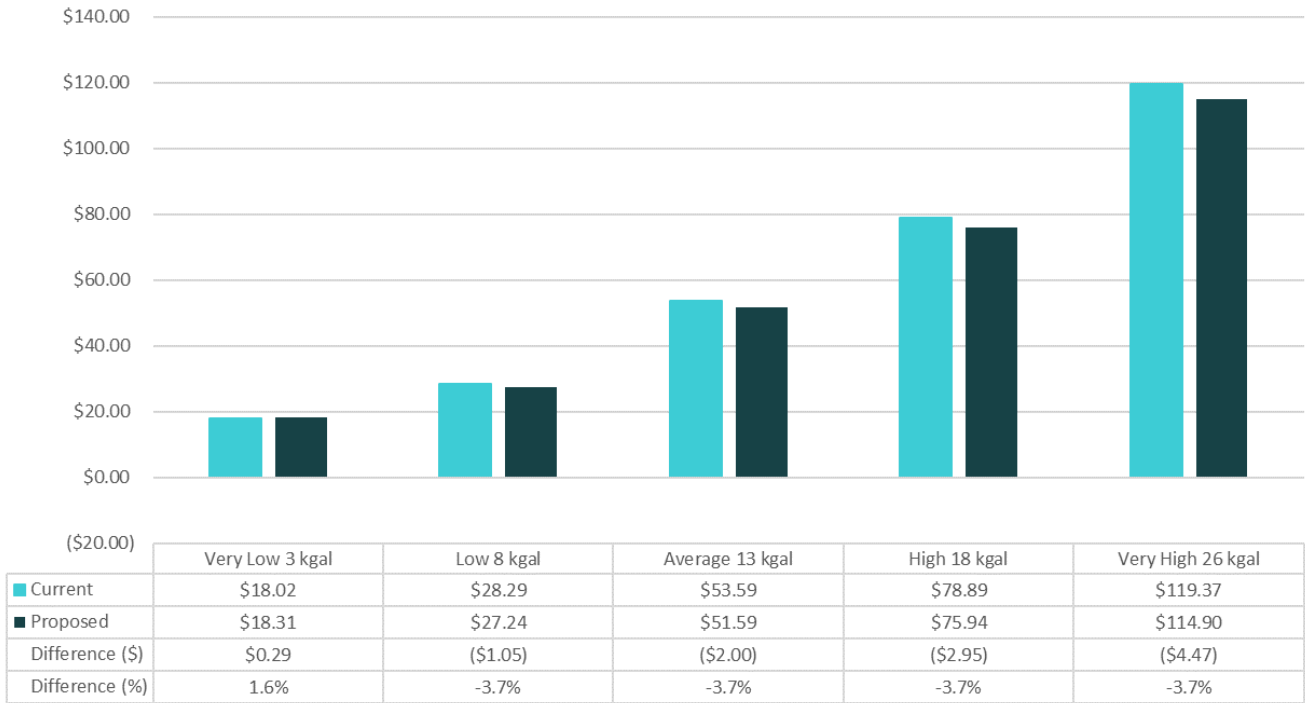
Line	A	C	D	E	F	G	H
	Fiscal Year	2022	2023	2024	2025	2026	2027
	Effective Date		April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
	Meter Size	Current	Proposed	Proposed	Proposed	Proposed	Proposed
SFR							
1	Tier 1 - First 4,000 Gal.	\$0.99	\$0.97	\$1.00	\$1.03	\$1.07	\$1.11
2	Tier 2 - Next 4,000 Gal.	\$2.32	\$1.99	\$2.05	\$2.12	\$2.19	\$2.26
3	Tier 3 - Above 8,000 Gal.	\$5.06	\$4.87	\$5.02	\$5.18	\$5.34	\$5.51
4	MFR	\$2.36	\$2.43	\$2.51	\$2.59	\$2.67	\$2.76
5	Commercial	\$3.13	\$3.26	\$3.36	\$3.47	\$3.58	\$3.69
Irrigation							
6	Tier 1 - 100% of MAWA	\$2.77	\$3.64	\$3.75	\$3.87	\$3.99	\$4.11
7	Tier 2 - 100% to 200% of MAWA	\$6.19	\$6.33	\$6.52	\$6.72	\$6.93	\$7.14
8	Tier 3 - Above 200% of MAWA	\$9.15	\$8.59	\$8.85	\$9.12	\$9.40	\$9.69
9	Recycled	\$1.83	\$1.90	\$1.96	\$2.02	\$2.09	\$2.16

Water Bill Customer Impacts

Figure 1-7, Figure 1-8, and Figure 1-9 show the monthly bill impacts at various levels of use for typical Single Family Residential customers, commercial customers, and irrigation customers, respectively. The average Single Family Residential customer (with a 5/8" meter and using 13,000 gallons per month) will have a decrease of \$2.00 in their monthly bill.

Figure 1-7: Single Family Bill Impacts

Single Family Monthly Bill Impacts, 5/8" Meter



At the proposed rates, the average commercial customer with a 1" meter using an average of 16 kgal per month will see an increase in their monthly bill of \$2.75.

Figure 1-8: Commercial Bill Impacts

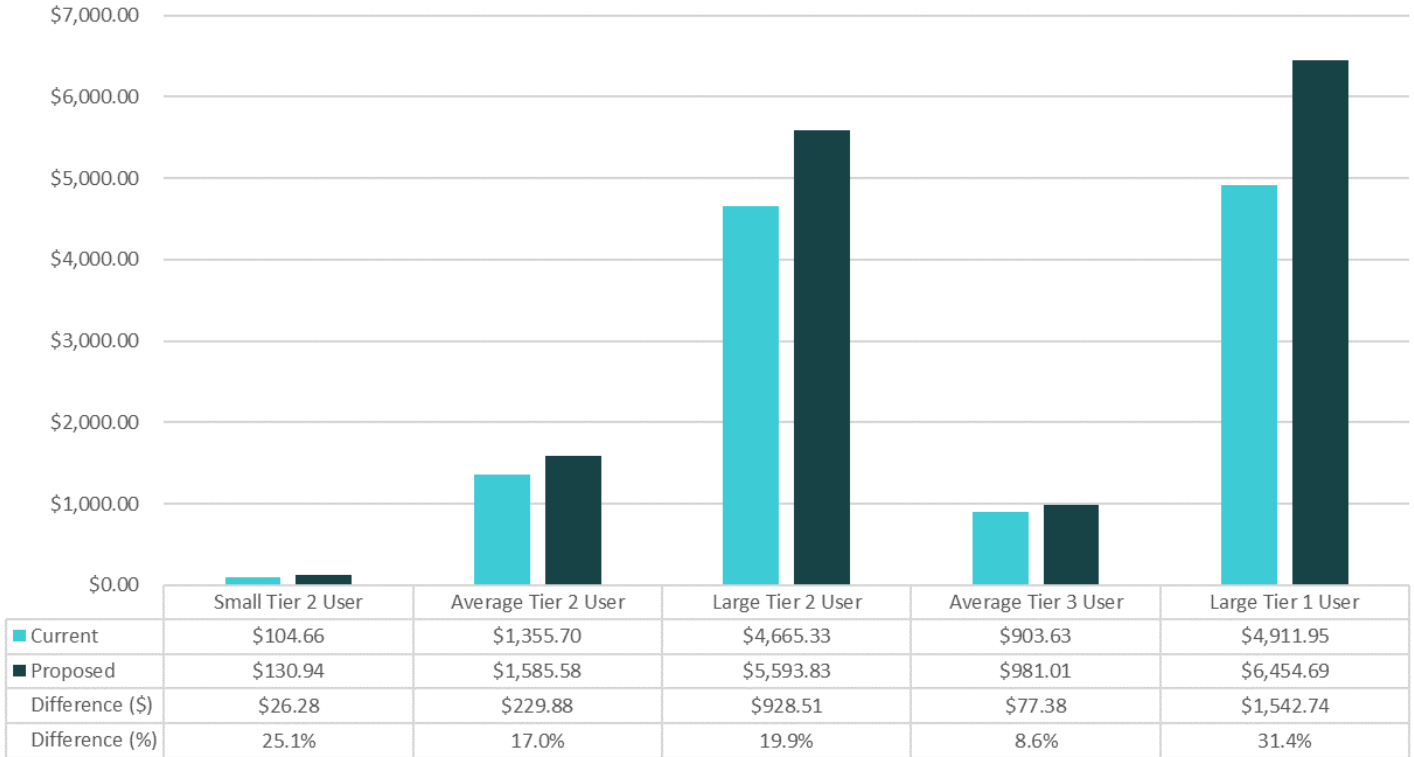
Commercial Monthly Bill Impacts, 1" Meter



Irrigation customers do not pay a base fixed charge by meter size. At proposed rates, Tier 1 Irrigation water users will experience the largest percentage increase to their bill in percentage terms. This impact reflects the changing demand patterns within the Irrigation class and the extra-capacity costs allocated to the Irrigation class relative to all other classes.

Figure 1-9: Irrigation Bill Impacts

Irrigation Monthly Bill Impacts



Proposed Wastewater Rates

Table 1-8 presents the proposed wastewater rate schedule. Residential customers would continue to pay a single fixed monthly charge per equivalent residential unit (ERU). After much discussion with District staff and the Ad Hoc Committee, Raftelis proposes changing non-residential customers to a rate structure that includes a fixed charge based on meter size as well as a volume charge based on average winter consumption (AWC), which represents the peak period sewer system utilization for all wastewater user classes.

Table 1-8: Proposed Wastewater Rates

Line	Effective Date	2022	2023	2024	2025	2026	2027
			April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
		Proposed Wastewater Rates	Current	Proposed	Proposed	Proposed	Proposed
1	Residential	21.15	\$ 23.73	\$ 24.45	\$ 25.19	\$ 25.95	\$ 26.73
	Non-Residential						
2	5/8		\$ 17.37	\$ 17.90	\$ 18.44	\$ 19.00	\$ 19.57
3	3/4		\$ 17.37	\$ 17.90	\$ 18.44	\$ 19.00	\$ 19.57
4	1		\$ 38.38	\$ 39.54	\$ 40.73	\$ 41.96	\$ 43.22
5	1 1/2		\$ 70.47	\$ 72.59	\$ 74.77	\$ 77.02	\$ 79.34
6	2		\$ 128.19	\$ 132.04	\$ 136.01	\$ 140.10	\$ 144.31
7	3		\$ 264.13	\$ 272.06	\$ 280.23	\$ 288.64	\$ 297.30
8	4		\$ 531.89	\$ 547.85	\$ 564.29	\$ 581.22	\$ 598.66
9	6		\$ 531.89	\$ 547.85	\$ 564.29	\$ 581.22	\$ 598.66
10	8		\$ 531.89	\$ 547.85	\$ 564.29	\$ 581.22	\$ 598.66
11	Volume Rate		\$ 4.16	\$ 4.29	\$ 4.42	\$ 4.56	\$ 4.70

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2 General Assumptions

Inflation

The Study Period for financial planning and cash flow projection is from Fiscal Year (FY) 2021 to 2031 (10 years) with proposed revenue adjustments and rates presented for the five years FY 2023-2027. Various types of assumptions and inputs are incorporated into the Study based on discussions with and/or direction from District staff. These include the projected number of accounts and annual changes in water consumption for different customer classes and inflation factors, among others. These cost escalation factors show projected O&M increases across the Study Period for both utilities. Raftelis worked with District staff to escalate individual budget line items according to appropriate escalation factors, which results in the below aggregate escalation factors.

In addition, and to predict non-operating revenues, the study assumes that revenues classified as Other Revenues will increase at 2 percent and that Property Tax Assessments will increase at 1 percent per year. The interest rate on the utilities' reserves is assumed to be 1.5 percent.

Table 2-1: Inflation Assumptions

	A	B	C	D	E	F
Line	Inflation Category	2022	2023	2024	2025	2026
1	Energy	5.0%	5.0%	5.0%	5.0%	5.0%
2	Non-inflated	0.0%	0.0%	0.0%	0.0%	0.0%
3	General Inflation	3.0%	3.0%	3.0%	3.0%	3.0%
4	Salary	3.0%	3.0%	3.0%	3.0%	3.0%
5	Benefits	8.0%	8.0%	8.0%	8.0%	8.0%
6	Other Operating Revenues	2.0%	2.0%	2.0%	2.0%	2.0%
7	Interest	1.5%	1.5%	1.5%	1.5%	1.5%
8	Property Tax Growth	1.0%	1.0%	1.0%	1.0%	1.0%
9	Capital	3.0%	3.0%	3.0%	3.0%	3.0%

Projected Demand and Growth

To estimate future water and wastewater usage, two primary factors are used – account growth and water demand relative to calendar year (CY) 2021, our baseline consumption year within the model. Given that the District is not expecting a high level of growth, Raftelis forecasted future account and volume growth at 0 percent per year through the study period.

3 Reserve Policy

Reserve policies provide a basis for the District to cope with fiscal emergencies such as revenue shortfalls, asset failure, and natural disasters, among others. It also provides guidelines for sound financial management with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs, and emergencies.

Table 3-1 and Table 3-2 detail the reserve type, existing policy, and target level in FY 2022 for the water and wastewater utility funds. The Water Operating Fund policy is an Operating reserve equal to 50 percent, or six months, of annual O&M expenses. This reserve provides for cash flow in case of revenue shortfall and to provide working capital requirements.

The adopted Capital R&R reserve is equal to 4% of existing water system asset value level. A capital reserve considers long term capital improvement projects (CIP) expenditures, projects to be debt financed versus rate or property tax funded, and system age, among other factors.

The adopted Emergency reserve is \$1 million. The Emergency reserve is intended to provide funds in the event of critical asset failure. An appropriate emergency reserve considers the replacement cost of an essential facility, the time necessary to bring a facility back online, and historical information on the frequency of line breaks or other unanticipated repairs, or impacts of natural disasters, among other factors.

Table 3-1: Water Utility Reserve Targets

Line	Reserve	Recommended Policy	2022 Target
1	Operating	50% of Operating Budget	\$2,228,064
2	Emergency	Critical Asset	\$1,000,000
3	Capital R&R	4% of System Value	\$4,768,298
4	Total Water Utility		\$7,996,362

Table 3-2: Wastewater Utility Reserve Targets

Line	Reserve	Recommended Policy	2022 Target
1	Operating	50% of Operating Budget	\$1,833,107
2	Emergency	Critical Asset	\$1,000,000
3	Capital R&R	4% of System Value	\$5,401,535
4	Total Wastewater Utility		\$8,234,643

4 Administrative Costs and Property Tax Allocation

The District has an Administrative Fund (Fund 10) that incurs general, indirect costs that are unallocated between the water and wastewater utilities. As part of this study, and to adequately account for all expenses incurred by the enterprise funds, Raftelis worked with staff to properly allocate indirect costs to the respective funds. A total of \$3,090,639 in FY 2021 was distributed to the Water Operating Fund, Wastewater Operating Fund, Water Capital Replacement Fund, and Wastewater Capital Replacement Fund.

Costs within Fund 10 are allocated based upon the weighted average of Fund 10 cost allocations over the previous four years. The resulting allocation percentages are shown in Table 4-1.

Table 4-1: Fund 10 Administration Allocations

Line	Fund	Fund 10 Allocation
1	Fund 20	34.1%
2	Fund 22	24.3%
3	Fund 30	17.3%
4	Fund 32	24.3%

Allocation of Property Tax Revenue to Respective Funds

The District receives property tax assessment revenues from parcels within its service area. Historically property tax revenues have been designated for capital R&R projects for District Funds 22 (Water Capital R&R) and 23 (Wastewater Capital R&R). At the direction of District staff, 60 percent of property tax revenues are distributed to the water utility and 40 percent to the wastewater utility. This allocation is similar to the 2015 Study allocation of 59.6 percent to water and 34.2 percent to wastewater² For each utility, the District will utilize \$1,000,000 of the allocated property tax revenues in order to partially finance water and wastewater operations expenses.

Table 4-2: Property Tax Allocation

Line	A Property Tax Allocation	B District-Wide Property Tax Received	C % Allocation	D \$ Allocated
1	Water	\$8,160,000	60%	\$4,896,000
2	Wastewater		40%	\$3,264,000

² In the prior rate study, 6.1 percent was allocated to the Administration Replacement Fund and 0.1 percent to the New Enterprise Fund.

5 Water Utility

This section describes the water utility, the District’s customer account and water use data, and corresponding financial plan.

Water Revenue Requirements

A review of a utility’s revenue requirements is a key first step in the rate study process. The review involves an analysis of annual operating revenues under the status quo (i.e., no revenue increases), O&M expenses, transfers between funds, capital expenditures, and reserve requirements. This section of the report provides a discussion of the projected revenues, O&M expenses, other reserve funding and revenue adjustments necessary to ensure the fiscal sustainability and solvency of the water utility.

Revenues from Current Rates

The current rates, last updated on April 1, 2020, were originally developed in the 2015 Rate Study. The District’s water service charges have two components – a fixed component (monthly base service charge) and a volumetric component (water use rates). The monthly base service charge increases with meter size as larger meter sizes generally consume more water on average and tend to have higher rates of peaking; therefore, the costs to provide service to these customers is higher. A typical single-family home with a 5/8” or 3/4” meter has a monthly base charge of \$15.05. Accounts with service designated as multi-family residential (MFR) are charged per dwelling unit, irrespective of the size of meter serving the property. Current base service charges are shown in Table 5-1.

Table 5-1: Current Base Service Charges

	A	B
Line	Meter Size	Current Charges
1	5/8"	\$15.05
2	3/4"	\$15.05
3	1"	\$22.79
4	1 1/2"	\$42.16
5	2"	\$65.39
6	3"	\$138.95
7	4"	\$247.39
8	6"	\$545.52
9	8"	\$932.72
10	MFR Dwelling	\$15.05

The volumetric component of a customer’s water charge is the number of units consumed (measured in one thousand gallon increments, or “kgal”) multiplied by rates that vary by customer class and tier. The current rate classes, tiers, and rates are shown in Table 5-2.

Table 5-2: Current Water Usage Rates (\$ / kgal)

	A	B
Line	Class	Current Charges
SFR		
1	Tier 1 - First 4,000 Gal.	\$0.99
2	Tier 2 - Next 4,000 Gal.	\$2.32
3	Tier 3 - Above 8,000 Gal.	\$5.06
4	MFR	\$2.36
5	Commercial	\$3.13
Irrigation		
6	Tier 1 - 100% of MAWA	\$2.77
7	Tier 2 - 100% to 200% of MAWA	\$6.19
8	Tier 3 - Above 200% of MAWA	\$9.15
9	Recycled	\$1.83

Table 5-3 shows actual and projected water connections by meter size and projected water sales. Recall, MFR counts represent the total number of dwelling units. Projected accounts are forecasted with no new connection growth. The table also shows forecasted water demand by class and tier. Water demand is assumed to remain at FY 2022 levels through FY 2027.

Table 5-3: Water Accounts and Water Use

Line	A Units of Service	B 2022	C 2023	D 2024	E 2025	F 2026	G 2027
Metered Connections							
1	5/8"	16	16	16	16	16	16
2	3/4"	1,897	1,897	1,897	1,897	1,897	1,897
3	1"	425	425	425	425	425	425
4	1 1/2"	63	63	63	63	63	63
5	2"	70	70	70	70	70	70
6	3"	11	11	11	11	11	11
7	4"	8	8	8	8	8	8
8	6"	4	4	4	4	4	4
9	8"	-	-	-	-	-	-
10	MFR	6,909	6,909	6,909	6,909	6,909	6,909
Demand Forecast							
SFR							
11	Tier 1	47,746	47,746	47,746	47,746	47,746	47,746
12	Tier 2	19,539	19,539	19,539	19,539	19,539	19,539
13	Tier 3	57,282	57,282	57,282	57,282	57,282	57,282
14	Multi Family	211,006	211,006	211,006	211,006	211,006	211,006
15	Commercial	87,354	87,354	87,354	87,354	87,354	87,354
Irrigation							
16	Within Budget	52,115	52,115	52,115	52,115	52,115	52,115
17	100%-200% of Budget	14,225	14,225	14,225	14,225	14,225	14,225
18	>200% of Budget	1,198	1,198	1,198	1,198	1,198	1,198
19	Recycled Water	67,201	67,201	67,201	67,201	67,201	67,201

Table 5-4 shows the water base charge revenue generated by each meter size (and MFR accounts) at existing (current) rates; as well as revenue generated from the volumetric water use charges by class and tier at current rates. Revenue is calculated by multiplying the projected demand in each year (Table 5-3) by the respective rates from Table 5-1 and Table 5-2. Note, revenues for FY 2022 and beyond use FY 2021 rates (existing rates).

Table 5-4: Water Revenue at Existing Rates

	A	B	C	D	E	F	G
Line	Demand Forecast	2022	2023	2024	2025	2026	2027
Meter Size							
1	5/8"	\$2,890	\$2,890	\$2,890	\$2,890	\$2,890	\$2,890
2	3/4"	\$342,628	\$342,628	\$342,628	\$342,628	\$342,628	\$342,628
3	1"	\$116,252	\$116,252	\$116,252	\$116,252	\$116,252	\$116,252
4	1 1/2"	\$31,620	\$31,620	\$31,620	\$31,620	\$31,620	\$31,620
5	2"	\$54,535	\$54,535	\$54,535	\$54,535	\$54,535	\$54,535
6	3"	\$18,341	\$18,341	\$18,341	\$18,341	\$18,341	\$18,341
7	4"	\$24,492	\$24,492	\$24,492	\$24,492	\$24,492	\$24,492
8	6"	\$26,185	\$26,185	\$26,185	\$26,185	\$26,185	\$26,185
9	8"	\$0	\$0	\$0	\$0	\$0	\$0
10	MFR	\$1,247,765	\$1,247,765	\$1,247,765	\$1,247,765	\$1,247,765	\$1,247,765
SFR							
11	Tier 1	\$47,268	\$47,268	\$47,268	\$47,268	\$47,268	\$47,268
12	Tier 2	\$45,330	\$45,330	\$45,330	\$45,330	\$45,330	\$45,330
13	Tier 3	\$289,848	\$289,848	\$289,848	\$289,848	\$289,848	\$289,848
14	Multi Family	\$497,975	\$497,975	\$497,975	\$497,975	\$497,975	\$497,975
15	Commercial	\$273,418	\$273,418	\$273,418	\$273,418	\$273,418	\$273,418
Irrigation							
16	Within Budget	\$144,359	\$144,359	\$144,359	\$144,359	\$144,359	\$144,359
17	100%-200% of Budget	\$88,051	\$88,051	\$88,051	\$88,051	\$88,051	\$88,051
18	>200% of Budget	\$10,965	\$10,965	\$10,965	\$10,965	\$10,965	\$10,965
19	Recycled Water	\$122,977	\$122,977	\$122,977	\$122,977	\$122,977	\$122,977
20	Total Revenue	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900

The above rates, meter counts, and sales figures result in the following projected rate revenues. The estimated rate revenues in FY 2023 are \$3,384,900. This amount becomes our revenue requirement for the cost of service analysis in Section 6. The utility’s projected rate revenues for the Study period are summarized in Table 5-5.

Table 5-5: Water Revenue Summary

	A	B	C	D	E	F	G
Line	Demand Forecast	2022	2023	2024	2025	2026	2027
1	Base Charge Revenue	\$1,864,708	\$1,864,708	\$1,864,708	\$1,864,708	\$1,864,708	\$1,864,708
2	Water Use Revenue	\$1,520,192	\$1,520,192	\$1,520,192	\$1,520,192	\$1,520,192	\$1,520,192
3	Total Revenue	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900

The utility also derives some non-operating revenues as well. These revenues include interest income, property taxes, late fees, laboratory fees, permit fees, and other miscellaneous items. Table 5-6 includes non-rate revenues from Funds 20 and 22.

Table 5-6: Other Water Revenues

	A	B	C	D	E	F	G
Line	Other Revenues	2022	2023	2024	2025	2026	2027
1	Other Operating	\$82,061	\$82,061	\$82,061	\$82,061	\$82,061	\$82,061
2	Interest Income	\$161,122	\$153,230	\$144,223	\$131,520	\$125,642	\$115,070
3	Property Tax	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000
4	Total	\$5,139,182	\$5,131,291	\$5,122,284	\$5,109,580	\$5,103,703	\$5,093,130

Operating Expenses

Total Projected O&M expenses are shown in Table 5-7. These expenses are summarized by department. This table shows expenses for the water operating fund (Fund 20), as well as expenses for the capital repair and replacement fund (Fund 22). Both fund expenses are inclusive of administrative expenses (Fund 10) previously allocated in Section 4.

Table 5-7: Projected Operating Expenses

	A	B	C	D	E	F	G
Line	Operating Expenses	2022	2023	2024	2025	2026	2027
Fund 20							
1	Administration	\$290,589	\$299,306	\$308,286	\$317,534	\$327,060	\$336,872
2	Laboratory	\$192,327	\$200,535	\$209,184	\$218,303	\$227,923	\$238,077
3	Operations Admin	\$137,824	\$143,661	\$149,809	\$156,289	\$163,122	\$170,332
4	Maintenance Admin	\$491,425	\$515,331	\$540,687	\$567,595	\$596,165	\$626,516
5	Engineering Water	\$355,519	\$371,155	\$387,657	\$405,083	\$423,497	\$442,963
6	Groundwater	\$878,168	\$913,552	\$950,721	\$989,786	\$1,030,866	\$1,074,090
7	Surface Water	\$130,891	\$134,899	\$139,033	\$143,299	\$147,700	\$152,241
8	Maintenance Water	\$356,085	\$372,412	\$389,680	\$407,954	\$427,303	\$447,801
9	Mechanical Maintenance Water	\$407,196	\$423,839	\$441,336	\$459,741	\$479,110	\$499,507
10	Fund 10	\$1,216,104	\$1,252,587	\$1,290,165	\$1,328,870	\$1,368,736	\$1,409,798
11	Total	\$4,456,128	\$4,627,277	\$4,806,558	\$4,994,454	\$5,191,482	\$5,398,197
Fund 22							
12	Departmental	\$143,840	\$148,155	\$152,599	\$157,177	\$161,893	\$166,749
13	Operations Admin	\$40,330	\$42,233	\$44,248	\$46,383	\$48,648	\$51,049
14	Maintenance Admin	\$50,128	\$52,440	\$54,885	\$57,474	\$60,216	\$63,121
15	Engineering Water	\$239,781	\$250,590	\$262,013	\$274,090	\$286,868	\$300,393
16	Groundwater	\$44,141	\$46,199	\$48,377	\$50,683	\$53,127	\$55,719
17	Mechanical Maintenance Water	\$39,290	\$41,156	\$43,134	\$45,230	\$47,454	\$49,813
18	Fund 10	\$773,307	\$796,506	\$820,402	\$845,014	\$870,364	\$896,475
19	Total	\$1,330,817	\$1,377,279	\$1,425,657	\$1,476,052	\$1,528,569	\$1,583,320

Projected Capital Improvements

The District has programmed approximately \$16 million in capital expenditures during the Study period (FY 2022-2027) for the water utility, as shown in Table 5-8. The CIP costs for future years is determined by using the budgeted costs and inflating the value by the capital cost inflation factor shown in Table 2-1. The District anticipates funding all capital improvements with non-rate derived property tax revenue.

Table 5-8: Capital Improvement Schedule

	A	B	C	D	E	F	G
Line	Capital Projects	2022	2023	2024	2025	2026	2027
1	Well 32	\$515,000	\$0	\$0	\$0	\$0	\$0
2	Water Distribution System Improvements	\$722,397	\$737,326	\$1,159,383	\$614,528	\$652,671	\$692,550
3	Center Street Monitoring Well	\$424,360	\$0	\$0	\$0	\$0	\$0
4	Tank Rehab T-1 (Lake Mary Storage Tank)	\$468,271	\$0	\$0	\$0	\$0	\$0
5	LMTP Upgrades	\$0	\$109,273	\$115,829	\$122,680	\$130,998	\$138,510
6	Water Tank Rehab	\$0	\$546,364	\$579,145	\$614,528	\$652,671	\$692,550
7	Replacement wells	\$0	\$2,076,181	\$0	\$2,336,556	\$0	\$0
8	Cost of Service Study	\$0	\$0	\$0	\$0	\$0	\$0
9	Zone 2B Storage	\$0	\$0	\$579,145	\$0	\$0	\$0
10	Dewatering PLC upgrade	\$83,223	\$0	\$0	\$0	\$0	\$0
11	Well 1 Rehab	\$154,500	\$0	\$0	\$0	\$0	\$0
12	Digester Mix Pump	\$41,466	\$0	\$0	\$0	\$0	\$0
13	ERP Upgrade	\$127,308	\$0	\$0	\$0	\$0	\$0
14	Expansion Wells	\$15,450	\$0	\$0	\$0	\$0	\$0
15	PLC upgrade	\$0	\$103,968	\$139,323	\$147,442	\$0	\$0
16	Construction crew trucks	\$48,925	\$61,002	\$97,253	\$19,696	\$28,982	\$29,851
17	Replacement - Engineering	\$18,025	\$0	\$0	\$0	\$0	\$0
18	Loader (CARB compliance)	\$128,750	\$0	\$0	\$0	\$0	\$0
19	Forklift	\$20,909	\$0	\$0	\$0	\$0	\$0
20	Total	\$2,768,584	\$3,634,113	\$2,670,078	\$3,855,430	\$1,465,322	\$1,553,462

Status Quo Financial Plan (No Revenue Adjustments)

The assumptions shown above are incorporated into the five-year Financial Plan. To develop the Financial Plan, Raftelis forecasts annual expenses and revenues, models reserve balances and transfers between funds, and incorporates capital expenditures and calculated debt service coverage ratios to estimate the amount of additional rate revenue required per year. Table 5-9 displays the proforma of the District’s water utility under current rates over the Study period. The proforma incorporates revenues and expenses from the Water Operating Fund (Fund 20) and Water Replacement Fund (Fund 22) to show the overall position of the utility. All projections shown in the table are based upon the District’s current rate structure and do not include rate adjustments. The proforma incorporates the water utility data presented in the preceding tables of this section.

Under the “status-quo” scenario, revenues generated from rates and other miscellaneous revenues are inadequate to achieve reserve targets over the Study period. While the utility’s operating revenue does cover operating expenses, it is not enough to maintain reserves at policy.

Table 5-9: Status Quo Financial Plan

	A	B	C	D	E	F	G
Line	Fund 20 Financial Plan	2022	2023	2024	2025	2026	2027
Revenue							
1	Water Rate Revenue	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900
2	Revenue Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
3	Other Operating	\$82,061	\$82,061	\$82,061	\$82,061	\$82,061	\$82,061
4	Interest Income	\$161,122	\$152,469	\$141,143	\$124,493	\$116,090	\$130,293
5	Property Tax	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000
6	Total Revenue	\$8,524,082	\$8,515,429	\$8,504,103	\$8,487,453	\$8,479,050	\$8,493,254
Expenses							
7	Fund 20 O&M	\$4,456,128	\$4,627,277	\$4,806,558	\$4,994,454	\$5,191,482	\$5,398,197
8	Fund 22 O&M	\$1,330,817	\$1,377,279	\$1,425,657	\$1,476,052	\$1,528,569	\$1,583,320
9	Fund 22 CIP	\$2,776,309	\$3,634,113	\$2,670,078	\$3,855,430	\$1,465,322	\$1,553,462
10	Total Expenses	\$8,563,255	\$9,638,669	\$8,902,293	\$10,325,936	\$8,185,373	\$8,534,979
11	Net Cash Flow	(\$39,172)	(\$1,123,240)	(\$398,190)	(\$1,838,483)	\$293,677	(\$41,726)
12	Beginning Fund Balance	\$10,841,596	\$10,802,423	\$9,679,184	\$9,280,994	\$7,442,511	\$7,736,188
13	Ending Fund Balance	\$10,802,423	\$9,679,184	\$9,280,994	\$7,442,511	\$7,736,188	\$7,694,462
14	Target	\$7,996,362	\$8,081,936	\$8,171,577	\$8,265,525	\$8,364,039	\$8,467,397

Proposed Water Financial Plan

Raftelis proposes that the District adopt 3 percent rate increases in FY 2023 through FY 2027. All increases are proposed for the beginning of each fiscal year on April 1. Revenue adjustments represent the average increase in rates for the utility as a whole. Actual percent increases (or decreases) in rates are dependent upon the cost of service analysis and are unique to each customer class, tier, and meter size.

Table 5-10 shows the Financial Plan selected by the District Board. The proposed revenue adjustments help to ensure adequate revenue to fund operating expenses and achieve reserve policy targets. The rates presented in Section 7 are based on the proposed Financial Plan.

Table 5-10: Proposed Water Revenue Adjustments

	A	B	C	D	E	F
Line	Revenue Adjustment	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1	Effective Date	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
2	Percent Adjustment	3%	3%	3%	3%	3%

Table 5-11 shows the proforma for the water utility (Funds 20 and 22) with additional revenues from the revenue adjustments in the proposed financial plan. These revenue adjustments allow the utility to fund all operating expenses and achieve reserve targets during the Study Period.

Table 5-11: Proposed Financial Plan

	A	B	C	D	E	F	G
Line	Fund 20 Financial Plan	2022	2023	2024	2025	2026	2027
Revenue							
1	Water Rate Revenue	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900	\$3,384,900
2	Revenue Adjustments	\$0	\$101,547	\$206,140	\$313,872	\$424,835	\$539,127
3	Other Operating	\$82,061	\$82,061	\$82,061	\$82,061	\$82,061	\$82,061
4	Interest Income	\$161,122	\$153,230	\$144,223	\$131,520	\$125,642	\$134,798
5	Property Tax	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000	\$4,896,000
6	Total Revenue	\$8,524,082	\$8,617,738	\$8,713,324	\$8,808,352	\$8,913,438	\$9,036,886
Expenses							
7	Fund 20 O&M	\$4,456,128	\$4,627,277	\$4,806,558	\$4,994,454	\$5,191,482	\$5,398,197
8	Fund 22 O&M	\$1,330,817	\$1,377,279	\$1,425,657	\$1,476,052	\$1,528,569	\$1,583,320
9	CIP	\$2,776,309	\$3,634,113	\$2,670,078	\$3,855,430	\$1,465,322	\$1,553,462
10	Total Expenses	\$8,563,255	\$9,638,669	\$8,902,293	\$10,325,936	\$8,185,373	\$8,534,979
11	Net Cash Flow	(\$39,172)	(\$1,020,931)	(\$188,969)	(\$1,517,584)	\$728,064	\$501,907
12	Beginning Fund Balance	\$10,841,596	\$10,802,423	\$9,781,492	\$9,592,523	\$8,074,939	\$8,803,003
13	Ending Fund Balance	\$10,802,423	\$9,781,492	\$9,592,523	\$8,074,939	\$8,803,003	\$9,304,910
14	Target	\$7,996,362	\$8,081,936	\$8,171,577	\$8,265,525	\$8,364,039	\$8,467,397

Figure 5-1 graphically illustrates the Operating Financial Plan. It compares existing and proposed revenues with projected expenses. The expenses represent O&M expenses (light blue stacked bars) and reserve funding (shown by yellow stacked bars). Total revenues at existing and proposed rates are shown by the horizontal gray and dotted blue lines, respectively. Current revenue from existing rates, in gray, does not meet future total expenses (inclusive of reserve funding) and shows the need for revenue adjustments.

Figure 5-1: Proposed Operating Financial Plan

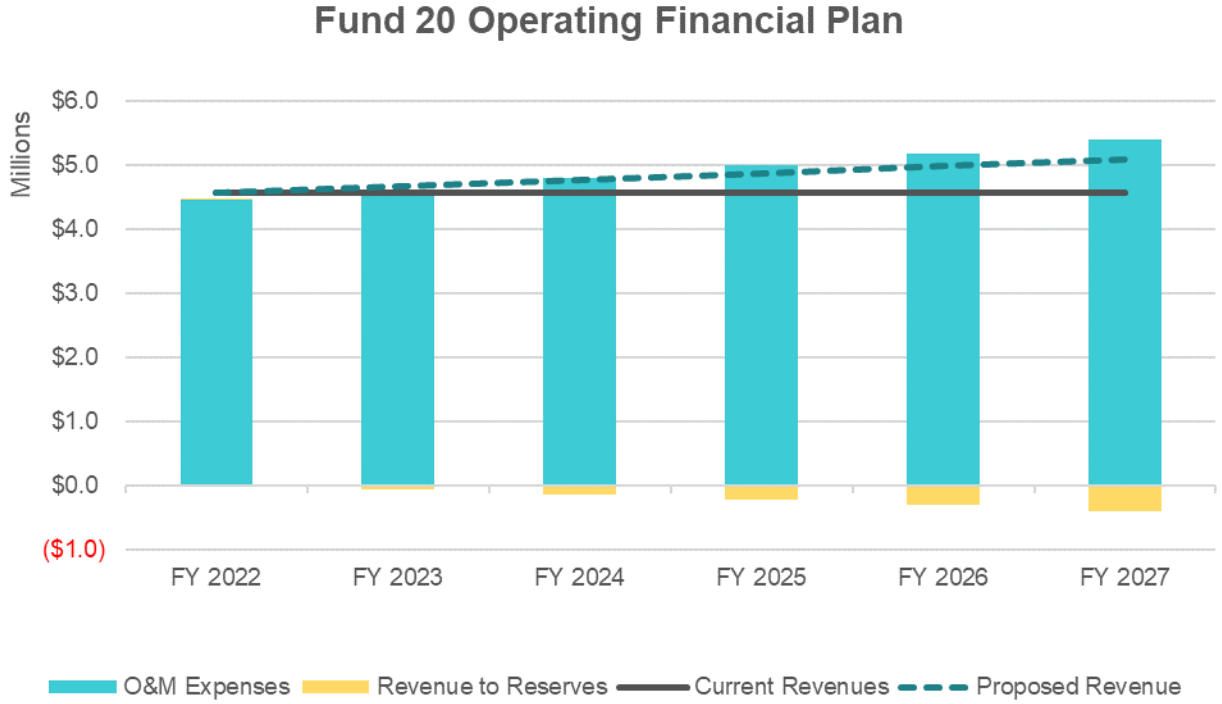
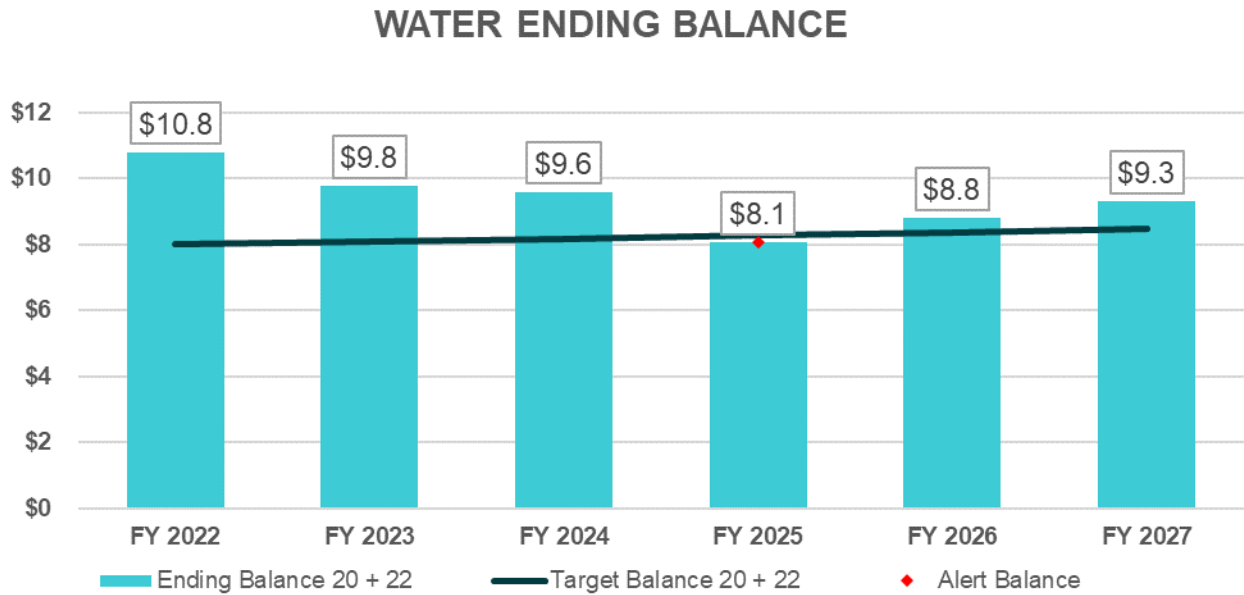


Figure 5-2 shows the water utility’s ending balance by fiscal year. The blue bars indicate the ending balance while the dark line indicates the target balance. A red dot indicates when the utility’s ending balance (blue bar) is below the target balance (dark line).

Figure 5-2: Proposed Water Utility Ending Fund Balances



6 Water Cost of Service Analysis

The principles and methodology of a cost of service analysis were described in Section 1. A cost-of-service analysis distributes a utility's revenue requirements (costs) to each customer class. After determining a utility's revenue requirement, the next step in a cost of service analysis is to functionalize its O&M costs. The **functions** include:

1. Pumping
2. Treatment
3. Transmission
4. Distribution
5. Meter service
6. Customer billing and collection
7. General and administrative
8. Conservation

The functionalization of costs allows us to better allocate the costs to the **cost causation components** (plainly, cost components). The cost components include, but are not limited to:

1. Delivery (average demand) costs
2. Peaking costs (maximum day and maximum hour)
3. Meter service
4. Billing and customer service
5. Fire protection
6. Conservation
7. General and administrative costs

Peaking costs are further divided into maximum day and maximum hour demand. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour demand is the maximum usage in an hour on the maximum usage day. Different facilities, such as distribution and storage facilities, and the O&M costs associated with those facilities, are designed to meet the peaking demands of customers. Therefore, extra capacity³ costs include the O&M costs associated with meeting peak customer demand. This method is consistent with the AWWA M1 Manual and is widely used in the water industry to perform cost of service analyses.

Functionalization of O&M Expenses

Table 6-1 shows the functionalization of the District's O&M expenses for the test year (FY 2023), developed in close consultation with District Staff. Functionalizing O&M expenses allows Raffelis to follow the principles of rate setting theory in which the end goal is to allocate the District's O&M expenses to cost causation components. We note that the functionalized expenses shown in Table 6-1 match with the FY 2023 Fund 20 O&M expenses shown in Table 5-7.

³ The terms *extra capacity*, *peaking* and *capacity costs* are used interchangeably.

Table 6-1: Functionalization of O&M Expenses

	A	B	C
Line	Function	Expenses \$	Expenses %
1	Pumping	\$ 315,724	6.8%
2	Treatment	\$ 1,448,593	31.3%
3	Distribution	\$ 743,566	16.1%
4	Meters	\$ 423,839	9.2%
5	Customer+General	\$ 462,639	10.0%
6	Conservation	\$ 135,265	2.9%
7	Conservation+General	\$ 503,997	10.9%
8	General	\$ 593,654	12.8%
9	Total	\$ 4,627,277	100.0%

Allocation of Functionalized Expenses to Cost Components

After functionalizing expenses, the next step is to allocate the functionalized expenses to cost components. To do so we must identify system-wide peaking factors, which are shown in row 4 of Table 6-2. The system-wide peaking factors are used to derive the cost component allocation bases (i.e., percentages) shown in columns C and E of Table 6-2.

Functionalized expenses are then allocated to the cost components using these allocation bases. To understand the interpretation of the percentages shown in these columns, we must first establish the base use as the average daily demand during the year.

As an example, the functionalized expenses that are allocated to the cost components using the maximum day basis (line 1) attributes 43 percent (1.00/2.30) of the demand (and therefore costs) to base⁴ (average daily demand) use and the remaining 57 percent (1.30/2.30) to maximum day (peaking) use. Expenses allocated using the maximum hour basis assumes 26 percent (1.00/3.82) of costs are due to base, 34 percent (1.30/3.82) allocated to max day, and the remaining proportion (1.52/3.82) of costs allocated to the maximum hour cost component. These allocation bases are used to distribute the functionalized costs to the cost components.

In Table 6-3, The percentages in columns C through I are applied to the functional cost in column B; the results of those operations are added to provide a cost component total in row 9. Once all direct functions have been allocated to cost components, all costs in the general function are reallocated in proportion to the other expenses (i.e., pro rata).

Table 6-2: Peaking Factors

	A	B	C	D	E
Line	Peaking Factors	MD Factor	MD Allocation	MH Factor	MH Allocation
	Factor				
1	Base (Delivery)	1.00	43.4%	1.00	26.2%
2	Max Day	1.30	56.6%	1.30	34.1%
3	Max Hour	N/A	N/A	1.52	39.8%
4	Total:	2.30	100%	3.82	100%

⁴ Base is used throughout this section to reflect the Base part of Base-Extra Capacity method. It is interchangeable with the term Delivery, which is also used in this section and the rate design section to convey average daily demand costs. Delivery is used to avoid confusion for the District since monthly service charges based on meter size is known as the base charge of a bill.

Table 6-3: O&M Cost Allocations

	A	B	C	D	E	F	G	H	I
Line	O&M Cost Allocations	Total	Delivery	Max Day	Max Hour	Meters	Customer	Conservation	General
	Function								
1	Pumping	315,724	100%						
2	Treatment	1,448,593	43.4%	56.6%					
3	Distribution	743,566	26.2%	34.1%	39.8%				
4	Meters	423,839				100%			
5	Customer+ General	462,639					20%		80%
6	Conservation	135,265						100%	
7	Conservation +General	503,997					47.50%	5%	47.50%
8	General	593,654							100%
9	Total:	\$ 4,627,277	\$ 1,139,704	\$ 1,072,545	\$ 295,635	\$ 423,839	\$ 331,926	\$ 160,465	\$ 1,203,164
10	Reallocation of General:		\$ 1,540,172	\$ 1,449,415	\$ 399,515	\$ 572,768	\$ 448,559	\$ 216,849	
11	Allocation %:		33.3%	31.3%	8.6%	12.4%	9.7%	4.7%	

Revenue Requirement – To Be Recovered From Rates

Table 6-4 shows the revenue requirement derivation with the total revenue required from rates shown in the last line (\$3,486,447). Raftelis calculated the revenue requirement using Fiscal Year 2023 expenses. O&M expenses include costs directly related to the supply, treatment, and distribution of water as well as routine maintenance of system facilities. To arrive at the rate revenue requirement, we subtract revenue offsets and adjustments for annual cash balances (which fund reserves), and any fund transfers. The result is the total revenue required from rates. This is the amount that the water base charge and commodity rates are designed to collect. Note there is no capital component to the revenue requirement as water rates are designed only to recover the operating costs of the utility.

Table 6-4: Revenue Required from Rates

	A	B	C	D
Line	Revenue Requirement - 2023	Operating	Capital	Total
	Expenses			
1	O&M	\$ 4,627,277	\$ -	\$ 4,627,277
2	Debt Service	-	-	-
3	Rate Funded Capital	-	-	-
4	Subtotal: Expenses	\$ 4,627,277	\$ -	\$ 4,627,277
	Adjustments			
5	Property Tax Revenue	\$ (1,000,000)	\$ -	\$ (1,000,000)
7	Other Revenue	(177,741)	-	(177,741)
8	Annual Cash Balance	36,911	-	36,911
9	Mid-Year Adjustment	-	-	-
10	Subtotal: Adjustments	\$ (1,140,830)	\$ -	\$ (1,140,830)
11	Net Revenue Requirement:	\$ 3,486,447	\$ -	\$ 3,486,447

Unit Cost Component Derivation

The end goal of the cost of service is to proportionately distribute the cost components to each user class. To do so we must calculate the cost component unit costs, which starts by assessing the total units demanded by each class, for each cost component. Class peaking factors establish the maximum day and maximum hour requirements for each class and are the basis for the peaking unit rate differentials in the final water commodity rates. Shown in Table 6-5, Maximum month values (Column C) are calculated within the FY 2020 usage analysis. Max day (Column H) and max hour (Column I) factors are determined by multiplying the ratio of the use on the average day of the maximum month (Column D) and the average annual daily usage (Column E) for each class by a system adjustment factor (Column G) calculated by dividing the system maximum day use by the average day in the highest month for the system.

Table 6-6 summarizes the units of service. Daily use is calculated as annual use divided by 365 days. For example, SFR customers are estimated to use 124,567 kgal annually, or 341 kgal daily. The max day demand is then calculated as the daily demand multiplied by the max day factor (341 X 2.43). However, we must subtract the anticipated daily usage (341) from the max day usage (831) to calculate the max day units of service (439). Max hour units of service are calculated similarly, and the calculation is completed for all customer classes.

Table 6-5: Customer Class Peaking Factors

Line	A Customer Peaking Calculation	B Annual Use	C Maximum Month	D Average Day in Max. Month	E Average Annual Day	F Avg Day in Max Month / Avg Annual Day	G System Max Day / Avg Day in System Max Month	H Class Max Day Peaking Factor	I Class Max Hour Peaking Factor
Class									
1	SFR	124,567	20,568	686	341	2.01	1.21	2.43	4.04
2	Tier 1	47,746	5,148	172	131	1.31	1.21	1.59	2.64
3	Tier 2	19,539	3,116	104	54	1.94	1.21	2.35	3.90
4	Tier 3	57,282	12,566	419	157	2.67	1.21	3.23	5.37
5	MFR	211,006	30,149	1,005	578	1.74	1.21	2.11	3.50
6	Commercial	87,354	12,091	403	239	1.68	1.21	2.04	3.39
7	Irrigation	67,538	15,330	511	185	2.76	1.21	3.35	5.55
8	Tier 1	52,115	12,152	405	143	2.84	1.21	3.44	5.71
9	Tier 2	14,225	3,391	113	39	2.90	1.21	3.51	5.83
10	Tier 3	1,198	352	12	3	3.58	1.21	4.33	7.19

Table 6-6: Units of Service

Line	A Units of Service	B Annual Use	C Average Use	D MD Factor	E MD Total	F MD Extra	G MH Factor	H MH Total	I MH Extra	J Eq. Meters	K Accounts
Customer Class											
1	SFR	124,567	341	2.43	831	489	4.04	1,379	548		
2	MFR	211,006	578	2.11	1,218	639	3.50	2,021	804		
3	Commercial	126,330	346	2.04	706	360	3.39	1,172	466		
4	Irrigation	67,538	185	3.35	619	434	5.55	1,028	409		
5	Customer							-		10,598	9,403
6	Fire Protection				480	480		2,880	2,400		
7	Total:	529,442	1,451	10	3,853	2,403	16	8,480	4,626	10,598	9,403

Extra capacity units for public and private fire connections are also included in row 6 of Table 6-6. Detail for these units can be found in Table 6-7. District staff estimates that reasonable concurrent maximum fire flow is approximately 2,000 gallons for 4 hours, shown in lines 1 and 2. This is equivalent to 480 kgal of maximum day demand (2 thousand gallons per minute * 4 hours * 60 minutes) and 2,880 kgal maximum hour demand (2 thousand gallons per minute * 24 hours * 60 minutes – maximum day demand).

Table 6-7: Fire Protection Demand

	A	B
Line	Fire Protection Demand	Value
1	Hours for Fire	4
2	Gallons per Minute	2000
3	Required Max Day Demand	480
4	Required Max Hour Demand	2880

Table 6-8 shows the cost component unit cost derivation. The operating revenue requirement shown in the Total column line 1 of Table 6-8(\$4,627,277) is allocated to the cost components using the resulting O&M allocation percentages Table 6-3, row 11. Operating Reserve funding (\$36,911) is allocated in the same manner. Twenty percent of property tax revenues are allocated to the revenue offset component, while the remainder are allocated in proportion to O&M expenses. Lastly, we reallocate a portion (50 percent) of base costs to the meter capacity component (\$534,306) to maintain existing revenue stability from fixed sources to yield the adjusted cost of service. Revenue offsets are maintained as a cost component, which is utilized as a rate component in Section 7.

The total adjusted cost of service is divided by the respective units of service in Table 6-8 to calculate the unit cost of the various cost components. For example, the unit cost for the base (delivery) component is determined by dividing the total base cost (\$643,690) by total water use (529,442 kgal) to derive a base unit cost of \$1.215/kgal. Max day and max hour costs are divided by the total max day and max hour use to determine a unit rate in kgal/day. Annual customer costs are divided by the estimated number of annual monthly bills and meter costs are divided by total meter equivalencies to determine a cost per equivalent meter. The unit costs are used to distribute the cost components to the customer classes in Section 7.

Table 6-8: Unit Cost of Service

	A	B	C	D	E	F	G	H	I
Line	Cost of Service	Delivery	Max Day	Max Hour	Meters	Customer	Conservation	Revenue Offset	Total
	Revenue Requirement								
1	Operating Expenses	1,540,172	1,449,415	399,515	572,768	448,559	216,849	-	\$ 4,627,277
2	Capital Expenses	-	-	-	-	-	-	-	-
3	Property Tax Revenue	(266,277)	(250,586)	(69,071)	(99,025)	(77,550)	(37,490)	(200,000)	(1,000,000)
4	Other Revenue	-	-	-	-	-	-	(177,741)	(177,741)
5	Surplus/Deficit	12,286	11,562	3,187	4,569	3,578	1,730	-	36,911
6	Mid-Year Adjustment	-	-	-	-	-	-	-	-
7	Total:	\$ 1,286,181	\$ 1,210,391	\$ 333,630	\$ 478,312	\$ 374,586	\$ 181,088	\$ (377,741)	\$ 3,486,447
8	COS Adjustment	(643,090)	-	-	643,090	-	-	-	-
9	Total: Cost of Service	\$ 643,090	\$ 1,210,391	\$ 333,630	\$ 1,121,402	\$ 374,586	\$ 181,088	\$ (377,741)	\$ 3,486,447
10	Units of Service	529,442	2,403	4,626	10,598	9,403	529,442	403,111	
11	Unit Cost	1.21	503.73	72.11	105.81	39.84	0.34	(0.94)	

Distribution of Cost Components to Customer Classes

The final step in a cost of service analysis is to distribute the cost components to the user classes using the unit costs derived in Table 6-8. This is the ultimate goal of a cost of service analysis and yields the cost to serve each customer class. Table 6-9 shows the derivation of the cost to serve (i.e., cost of service for) each class. The cost components shown in columns B, C, D, G, and H are collected through the commodity (volumetric) rates (\$/kgal). The cost components shown in columns E and F are collected through the District's base service charge providing fixed revenue.

To derive the cost to serve each class, the unit costs from Table 6-8 are multiplied by the units shown in Table 6-6 for each class. For example, the SFR class base costs are calculated by multiplying the base unit cost (\$1.21) by the annual SFR use (124,567 kgal) to arrive at a total of \$151,306. Similarly, the commercial *customer* costs are derived by multiplying the *customer* unit cost (\$39.84) by the number of accounts (9,403) to arrive at a total cost of \$374,586. Similar calculations for each of the remaining user classes and cost components yield the total cost to serve each user class shown in column I. Finally, water system fire protection costs are reallocated to the meter component. Note that the total cost of service is equal to the revenue requirement in Table 6-4 as intended. We have now calculated the cost to serve each user class and can proceed to derive rates to collect the cost to serve from each class.

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Table 6-9: Class Cost of Service

Line	A Class COS	B Delivery	C Max Day	D Max Hour	E Meters	F Customer	G Conservation	H Revenue Offset	I Total	J Reallocation of Fire	K COS
Class											
1	SFR	\$ 151,306	\$ 246,500	\$ 39,534			\$ 42,606	\$ (116,727)	\$ 363,219		\$ 363,219
2	MFR	256,300	322,093	57,948			72,172	(197,726)	510,786		510,786
3	Commercial	153,448	181,356	33,609			43,209	-	411,622		411,622
4	Irrigation	82,036	218,651	29,466			23,100	(63,288)	289,966		289,966
5	Recycled							-	-		-
6	Customer	-	-	-	1,121,402	374,586	-	-	1,495,989	414,865	1,910,853
7	Fire Protection	-	241,791	173,074			-	-	414,865	(414,865)	-
8	Total:	\$ 643,090	\$1,210,391	\$ 333,630	\$1,121,402	\$ 374,586	\$ 181,088	\$ (377,741)	\$3,486,447	\$ -	\$3,486,447

7 Water Rate Derivation and Design

Proposed Water Service Charge

Utilities invest in and continue to maintain facilities to provide capacity to meet all levels of desired consumption, including peak demand plus fire protection, and these costs must be recovered regardless of the amount of water used during a given period. Thus, peaking costs along with base costs and fixed water system costs to meet average demand are generally considered as fixed water system costs. To balance between affordability and revenue stability, it is a common practice that a portion of the base costs and/or peaking costs are recovered in the monthly service charge, along with customer-related costs and meter-related costs. For the District, 100 percent of peaking costs are recovered on the variable rate while 50 percent of the base delivery costs are to be recovered on the fixed water service charge.

Two components comprise the Water Service Charge: meter capacity costs and customer service costs. The Water Service Charge recognizes the fact that even when a customer uses no water, the District incurs fixed costs in connection with maintaining the ability and readiness to serve each connection.

Meter Capacity Component

The meter capacity component collects capacity related costs. Larger meters have the potential to demand more capacity instantaneously, or said differently, exert greater peaking characteristics compared to smaller meters. The potential capacity needed (peaking) is proportional to the potential flow through each meter size as established by the American Water Works Association (AWWA) hydraulic capacity ratios. For example, the flow through a 4" meter is 21 times that of a 3/4" meter; therefore, the meter capacity component of the base service charge is 21 times that of the 3/4" meter.

Allocating a portion of base costs by meter size (with the remainder allocated to the delivery cost component of the commodity rates) is a way to provide greater revenue stability, especially in light of decreasing water sales revenues during a drought, from permanent conservation, or other water shortage.

In order to create parity across the various meter sizes, each meter size is assigned a factor relative to a 5/8" or 3/4" meter, which has a value of 1.00. This establishes the "base" meter size. A given meter size's ratio of meter and capacity servicing costs relative to the base (that of a 5/8" or 3/4" meter) determines the *meter equivalency*. Summation of all meter equivalencies for a given size yields "Meter Equivalency Units" (MEU), also referred to as equivalent meters. For this study, Raftelis used standard AWWA capacity ratios and estimated meter counts for FY 2023. MFR dwelling units count as one 5/8" or 3/4" meter and has a value of 1.00 for each dwelling unit.

The total equivalent meters calculation is completed by multiplying the count of meters (or count of dwelling units) of a specific size by their respective capacity ratio. Using AWWA meter capacity ratios mentioned above, the total number of equivalent meters within the District is determined to be 10,598.

Table 7-1: Meter Equivalency Calculation

	A	B	C	D
Line	Meter Size	Accounts	Capacity Ratio	EQ. Meters
1	5/8"	16	1.00	16
2	3/4"	1,897	1.00	1,897
3	1"	425	1.67	708
4	1 1/2"	63	3.33	208
5	2"	70	5.33	371
6	3"	11	11.67	128
7	4"	8	21.00	173
8	6"	4	46.67	187
9	8"	-	80.00	-
10	MFR	6,909	1.00	6,909
11	Total:	9,403		10,598

The meter capacity component of the water base service charge is calculated by dividing the total meter capacity costs (inclusive of meter costs, fire protection costs, and a portion of base costs) from Table 6-9 by the total number of equivalent meters in Table 7-1. The cost is rounded up to the nearest penny and is calculated as \$12.08 per equivalent meter.

Customer Component

The customer component recovers costs associated with meter reading, customer billing and collection, as well as answering customer service calls. These costs are uniform for all meter sizes as it costs the same to bill and provide customer service to a small meter as it does a larger meter.

To calculate the customer component, Raftelis divides the total customer service costs from Table 6-9 by the total accounts served by the District from Table 7-1 to determine the monthly customer service charge component of \$3.32.

Table 7-2 shows both the meter capacity and customer component calculations. The costs in column B are divided by the units in column C to derive an annual cost in column E, which is divided by 12 to provide the final monthly rate component.

Table 7-2: Customer and Meter Component Calculations

	A	B	C	E	F
Line	Cost Component	Cost	Units	Annual Rate	Monthly Rate
1	Meters	\$ 1,536,267	10,598 3/4" Meters	\$ 144.96	\$ 12.08
2	Customer	\$ 374,586	9,403 Accounts	\$ 39.84	\$ 3.32

Table 7-3 shows the derivation of the total proposed monthly fixed charges. The summation of the uniform customer component, and the meter (capacity) component that varies by meter size, yields the total proposed monthly service charge.

Table 7-3: Proposed Monthly Service Charge

	A	B	C	D	E	F	G
Line	Service Charge Design	Customer	Meter	Total	Current	% Increase	\$ Increase
Meter Size							
1	5/8"	\$ 3.32	\$ 12.08	\$ 15.40	\$ 15.05	2.33%	\$ 0.35
2	3/4"	3.32	12.08	15.40	15.05	2.33%	0.35
3	1"	3.32	20.13	23.46	22.79	2.94%	0.67
4	1 1/2"	3.32	40.27	43.59	42.16	3.39%	1.43
5	2"	3.32	64.43	67.75	65.39	3.61%	2.36
6	3"	3.32	140.93	144.26	138.95	3.82%	5.31
7	4"	3.32	253.68	257.00	247.39	3.88%	9.61
8	6"	3.32	563.73	567.06	545.52	3.95%	21.54
9	8"	3.32	966.40	969.72	932.72	3.97%	37.00

Table 7-4 shows the proposed five-year forecast of monthly fixed charges. The rates in column D were derived in Table 7-3; the rates in columns E through H are calculated by applying the required revenue increases from Table 5-10 (3 percent per year).

Table 7-4: Forecast of Monthly Fixed Charges

	A	C	D	E	F	G	H
Line	Fiscal Year	2022	2023	2024	2025	2026	2027
	Effective Date		April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
	Meter Size	Current	Proposed	Proposed	Proposed	Proposed	Proposed
1	5/8"	\$15.05	\$15.40	\$15.87	\$16.35	\$16.85	\$17.36
2	3/4"	\$15.05	\$15.40	\$15.87	\$16.35	\$16.85	\$17.36
3	1"	\$22.79	\$23.46	\$24.17	\$24.90	\$25.65	\$26.42
4	1 1/2"	\$42.16	\$43.59	\$44.90	\$46.25	\$47.64	\$49.07
5	2"	\$65.39	\$67.75	\$69.79	\$71.89	\$74.05	\$76.28
6	3"	\$138.95	\$144.26	\$148.59	\$153.05	\$157.65	\$162.38
7	4"	\$247.39	\$257.00	\$264.71	\$272.66	\$280.84	\$289.27
8	6"	\$545.52	\$567.06	\$584.08	\$601.61	\$619.66	\$638.25
9	8"	\$932.72	\$969.72	\$998.82	\$1,028.79	\$1,059.66	\$1,091.45
10	MFR Dwelling	\$15.05	\$15.40	\$15.87	\$16.35	\$16.85	\$17.36

Proposed Commodity Rates

Unit Cost Component Definitions

The commodity rates for each class and tier are derived by summation of the unit rates (\$/kgal) for:

1. Delivery
2. Peaking
3. Conservation
4. Revenue Offsets

Delivery costs are the costs associated with obtaining and treating water to make it ready for transmission and distribution as well as the operating costs associated with delivering water to all customers at a constant average rate of use – also known as serving customers under average daily demand conditions. Therefore delivery costs are spread over all units of water irrespective of customer class or tiers. Delivery is referred to as “base” in the cost of service analysis reflecting the base-extra capacity method utilized in this study.

Peaking costs, or extra-capacity costs, represent costs incurred to meet customer peak demands in excess of base use (or average daily demand). Total extra capacity costs are comprised of maximum day and maximum hour demands. The peaking costs are distributed to each class and tier using peaking factors derived from customer use data. The distribution of peaking requirements (demand) and costs were previously described in Table 6-5.

Conservation costs are costs that cover water conservation and efficiency programs and efforts. These programs are targeted to high-volume water users. Therefore conservation costs are allocated to Tier 2 and 3, where water consumption is considered discretionary or inefficient and for which conservation programs are designed to promote water use curtailment. Allocation of conservation costs to upper tiers helps provide a strong price signal for conservation, consistent with Article X Section 2 of the State of California Constitution, and proportionately allocates such costs to those customers whose greater demand create the need for conservation and efficiency programs and efforts.

Revenue offsets are the non-rate, general revenues available to the District to reduce the commodity rates in the lower tiers to promote affordability and efficient use. Revenue offsets consist of property tax allocated to the water operating fund, miscellaneous fees and charges, and interest income from reserves. These funds allow flexibility in the rate design process to achieve policy objectives while maintaining cost of service principles.

Delivery Unit Cost

The delivery unit cost is the cost to supply and deliver water under average daily demand conditions. By dividing estimated annual usage by total base costs (from Table 6-8), we identify the cost to provide water delivery under the same conditions. Since we are interested in average daily demands, the delivery cost is the same for all classes and tiers. A summary of delivery costs by customer class is provided in Table 7-5.

Table 7-5: Delivery Unit Cost Calculation

	A	B	C	D	E
Line	Class / Tier	Billing Units (kgal)	Intra-Class Allocation	Cost	Rate
SFR					
1	Tier 1 - First 4,000 Gal.	47,746	38.3%	\$ 57,995	\$ 1.21
2	Tier 2 - Next 4,000 Gal.	19,539	15.7%	23,733	1.21
3	Tier 3 - Above 8,000 Gal.	57,282	46.0%	69,578	1.21
4	Subtotal: SFR	124,567		\$ 151,306	\$ 1.21
MFR					
5	MFR	211,006	100.0%	\$ 256,300	\$ 1.21
Commercial					
6	Commercial	126,330	100.0%	\$ 153,448	\$ 1.21
Irrigation					
7	Tier 1 - 100% of MAWA	52,115	77.2%	\$ 63,302	\$ 1.21
8	Tier 2 - 100% to 200%	14,225	21.1%	17,278	1.21
9	Tier 3 - Above 200%	1,198	1.8%	1,456	1.21
10	Subtotal: Irrigation	67,538		\$ 82,036	\$ 1.21

Peaking Unit Cost

Table 6-2 provided customer class peaking factors. For the derivation of intra-class peaking cost components, we must derive peaking factors *within* the tiers. Table 7-6 shows the derivation of the unit peaking costs for SFR tiers and Irrigation tiers. (MFR and Commercial classes are uniform). The peaking factor in column C is multiplied by the billing units in column B to derive the weighted peaking units in column D. The allocation in column E is calculated from these peaking units and the resulting percentages are applied to the total SFR peaking cost in row 4, column F, also shown in Table 6-9, columns C and D. The rate in column G is calculated by dividing the cost in column F by the billing units in column B.

Table 7-6: Peaking Unit Cost Calculation

Line	A Class / Tier	B Billing Units (kgal)	C Peaking Factor	D Peaking Units	E Intra-Class Allocation	F Cost	G Rate
SFR							
1	Tier 1	47,746	1.59	75,874	24.7%	\$ 70,686	\$ 1.48
2	Tier 2	19,539	2.35	45,934	15.0%	42,793	2.19
3	Tier 3	57,282	3.23	185,222	60.3%	172,556	3.01
4	Subtotal: SFR	124,567		307,030		\$ 286,034	\$ 2.30
MFR							
5	MFR	211,006			100.0%	\$ 380,040	\$ 1.80
Commercial							
6	Commercial	126,330			100.0%	\$ 214,965	\$ 1.70
Irrigation							
7	Tier 1	52,115	3.44	179,126	76.4%	\$ 189,684	\$ 3.64
8	Tier 2	14,225	3.51	49,989	21.3%	52,935	3.72
9	Tier 3	1,198	4.33	5,192	2.2%	5,498	4.59
10	Subtotal: Irrigation	67,538		234,307		\$ 248,117	\$ 3.67

Conservation Unit Cost

Conservation components are determined in the same manner as peaking components but use different factors (conservation factors) to determine the weighted units, allocation percentages and therefore unit rates. Conservation factors are applied to all customer classes and tiers except for Tier 1 SFR and Tier 1 Irrigation, which are considered efficient use. MFR and Commercial classes are designated a factor of 100 percent of the unit cost; the upper tiers for SFR and Irrigation are designated a higher weight of conservation costs in recognition that this use is considered inefficient and/or wasteful and is the primary driver for the District’s conservation costs. A higher share of conservation costs is applied to SFR and Irrigation Tier 3 compared to SFR and Irrigation Tier 2 recognizing that direct conservation outreach is required for egregious water use rather than the broad conservation outreach in Tier 2.

Table 7-7: Conservation Unit Cost Calculation

Line	A Class / Tier	B Billing Units (kgal)	C Policy Factor	D Allocation Units	E Intra-Class Allocation	F Cost	G Rate
SFR							
1	Tier 1	47,746	0%	-	0.0%	\$ -	\$ -
2	Tier 2	19,539	100%	19,539	14.6%	6,208	0.32
3	Tier 3	57,282	200%	114,565	85.4%	36,399	0.64
4	Subtotal: SFR	124,567		134,103		\$ 42,606	\$ 0.34
MFR							
5	MFR	211,006	100%		100.0%	\$ 72,172	\$ 0.34
Commercial							
6	Commercial	126,330	100%		100.0%	\$ 43,209	\$ 0.34
Irrigation							
7	Tier 1	52,115	0%	-	0.0%	\$ -	\$ -
8	Tier 2	14,225	100%	14,225	85.6%	19,769	1.39
9	Tier 3	1,198	200%	2,397	14.4%	3,331	2.78
10	Subtotal: Irrigation	67,538		16,622		\$ 23,100	\$ 0.34

Revenue Offset Unit Cost

Revenue offset components are determined similarly to the peaking and conservation components: revenue offsets are applied to Tier 1 and Tier 2 of SFR rates and Tier 1 of Irrigation rates (all use regarded as efficient), as well as to MFR use. Per standing District policy, Commercial accounts are not allocated revenue offsets.

Table 7-8 shows the revenue offset unit rate calculation.

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Table 7-8: Revenue Offset Unit Cost Calculation

	A	B	C	D	E	F	G
Line	Class / Tier	Billing Units (kgal)	Policy Factor	Allocation Units	Intra-Class Allocation	Cost	Rate
SFR							
1	Tier 1	47,746	100%	47,746	71.0%	\$ (82,830)	\$ (1.73)
2	Tier 2	19,539	100%	19,539	29.0%	(33,897)	(1.73)
3	Tier 3	57,282	0%	-	0.0%	-	-
4	Subtotal: SFR	124,567		67,284		\$ (116,727)	\$ (0.94)
MFR							
5	MFR	211,006	100%		100.0%	\$ (197,726)	\$ (0.94)
Commercial							
6	Commercial	126,330	0%		0%	-	\$ -
Irrigation							
7	Tier 1	52,115	100%	52,115	100.0%	\$ (63,288)	\$ (1.21)
8	Tier 2	14,225	0%	-	0.0%	-	-
9	Tier 3	1,198	0%	-	0.0%	-	-
10	Subtotal: Irrigation	67,538		52,115		\$ (63,288)	\$ (0.94)

Final Commodity Rates Derivation

To determine commodity rates, the four components are added together. The resulting summation constitutes the final water commodity rates. The cost of service based rates are shown in column F in Table 7-9. Per District policy, the Recycled water rate is set at 58 percent of the proposed Commercial rate.

Table 7-9: Proposed Commodity Rates

Line	A	B	C	D	E	F	G	H	I
	Class / Tier	Delivery	Peaking	Conservation	Revenue Offset	Proposed	Current	% Increase	\$ Increase
SFR									
1	Tier 1	1.21	1.48	-	(1.73)	0.97	0.99	-2.02%	(0.02)
2	Tier 2	1.21	2.19	0.32	(1.73)	1.99	2.32	-14.22%	(0.33)
3	Tier 3	1.21	3.01	0.64	-	4.87	5.06	-3.75%	(0.19)
4	MFR	1.21	1.80	0.34	(0.94)	2.43	2.36	2.97%	0.07
5	Commercial	1.21	1.70	0.34	-	3.26	3.13	4.15%	0.13
Irrigation									
6	Tier 1	1.21	3.64	-	(1.21)	3.64	2.77	31.41%	0.87
7	Tier 2	1.21	3.72	1.39	-	6.33	6.19	2.26%	0.14
8	Tier 3	1.21	4.59	2.78	-	8.59	9.15	-6.12%	(0.56)
9	Recycled	-	-	-	-	1.90	1.83	3.83%	0.07

Table 7-10 shows proposed five year water commodity rates. Commodity rates are increased “across the board” in subsequent years – that is, relative to existing (current year) rates – by the selected Financial Plan. Beginning April 1, 2023 commodity rates will increase to collect an additional 3 percent per year in additional revenue. All rates are rounded up to the nearest penny.

Table 7-10: Forecast of Commodity Rates

Line	A	C	D	E	F	G	H
	Fiscal Year	2022	2023	2024	2025	2026	2027
	Effective Date		April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
		Current	Proposed	Proposed	Proposed	Proposed	Proposed
SFR							
1	Tier 1 - First 4,000 Gal.	\$0.99	\$0.97	\$1.00	\$1.03	\$1.07	\$1.11
2	Tier 2 - Next 4,000 Gal.	\$2.32	\$1.99	\$2.05	\$2.12	\$2.19	\$2.26
3	Tier 3 - Above 8,000 Gal.	\$5.06	\$4.87	\$5.02	\$5.18	\$5.34	\$5.51
4	MFR	\$2.36	\$2.43	\$2.51	\$2.59	\$2.67	\$2.76
5	Commercial	\$3.13	\$3.26	\$3.36	\$3.47	\$3.58	\$3.69
Irrigation							
6	Tier 1 - 100% of MAWA	\$2.77	\$3.64	\$3.75	\$3.87	\$3.99	\$4.11
7	Tier 2 - 100% to 200%	\$6.19	\$6.33	\$6.52	\$6.72	\$6.93	\$7.14
8	Tier 3 - Above 200%	\$9.15	\$8.59	\$8.85	\$9.12	\$9.40	\$9.69
9	Recycled	\$1.83	\$1.90	\$1.96	\$2.02	\$2.09	\$2.16

Water Customer Impacts

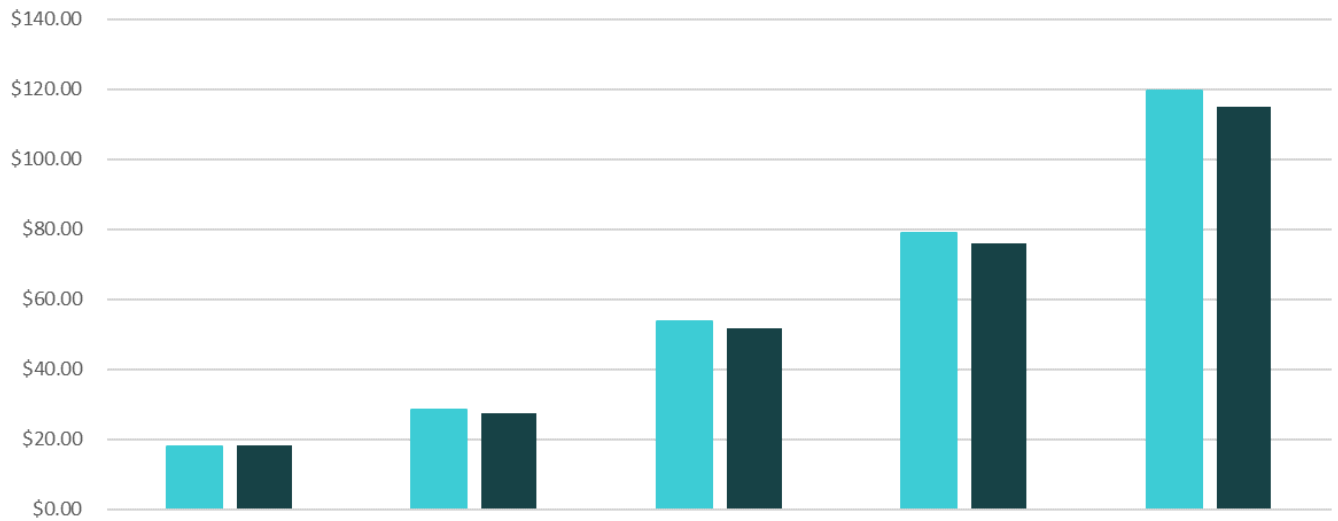
Raftelis calculated water customer impacts for all classes and meter sizes. Customer impacts from the proposed new rates can be seen below in Figure 7-1, Figure 7-2, and Figure 7-3. The District’s average SFR customer uses approximately 13 kgal of water during a given month. At this level of water use, a SFR customer with a 5/8” or 3/4” will experience a \$2.00 decrease in their bill. This is due to a lower commodity rate in Tiers 1 and 2, which more than offsets the \$0.35 increase in the fixed monthly service charge.

At the proposed rates, the average commercial customer with a 1” meter using an average of 16 kgal per month will see an increase in their monthly bill of \$2.75.

Irrigation customers do not pay a base fixed charge by meter size. At proposed rates, Tier 1 Irrigation water users will experience the largest percentage increase to their bill.

Figure 7-1: Single Family Residential Bill Impacts

Single Family Monthly Bill Impacts, 5/8" Meter

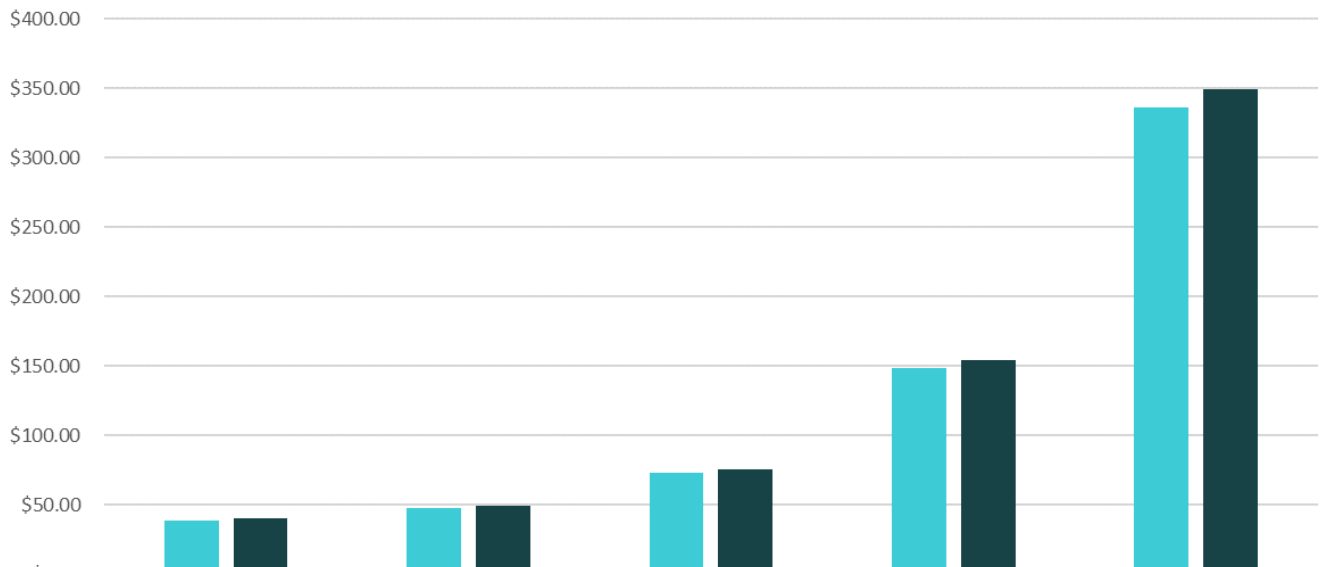


(\$20.00)

	Very Low 3 kgal	Low 8 kgal	Average 13 kgal	High 18 kgal	Very High 26 kgal
■ Current	\$18.02	\$28.29	\$53.59	\$78.89	\$119.37
■ Proposed	\$18.31	\$27.24	\$51.59	\$75.94	\$114.90
Difference (\$)	\$0.29	(\$1.05)	(\$2.00)	(\$2.95)	(\$4.47)
Difference (%)	1.6%	-3.7%	-3.7%	-3.7%	-3.7%

Figure 7-2: Commercial Bill Impacts

Commercial Monthly Bill Impacts, 1" Meter



	Very Low 5 kgal	Low 8 kgal	Average 16 kgal	High 40 kgal	Very High 100 kgal
■ Current	\$38.44	\$47.83	\$72.87	\$147.99	\$335.79
■ Proposed	\$39.76	\$49.54	\$75.62	\$153.86	\$349.46
Difference (\$)	\$1.32	\$1.71	\$2.75	\$5.87	\$13.67
Difference (%)	3.4%	3.6%	3.8%	4.0%	4.1%

Figure 7-3: Irrigation Bill Impacts

Irrigation Monthly Bill Impacts



8 Wastewater Utility

This section describes the wastewater utility, the District’s customer account and wastewater use data, and corresponding financial plan.

Wastewater Revenue Requirements

A review of a utility’s revenue requirements is a key first step in the rate study process. The review involves an analysis of annual operating revenues under the status quo, operation and maintenance (O&M) expenses, transfers between funds, and reserve requirements. This section of the report provides a discussion of the projected revenues, O&M expenses, other reserve funding and revenue adjustments estimated as required to ensure the fiscal sustainability and solvency of the wastewater utility.

Revenues from Current Rates

The current rate structure consists of a fixed monthly charge for residential classes (per dwelling unit). All SFR customers pay \$21.15 per month and all multi-family units pay \$18.21 per month, per dwelling unit. Non-residential classes pay “fixture” based charges. Charges per fixture (sometimes called a *special multiplier*) may vary within customer classes. For example, restaurants and other similar businesses pay a charge per seat while hospitals and dorms pay a charge per bed. Raftelis recommends a change in structure, as discussed in more detail below.

Table 8-1 shows the current wastewater charges by customer class.

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Table 8-1: Current Wastewater Rates

	A	B
Line	Wastewater Charges	Current Charges
Inside District Service Charges		
1	Single Family	\$21.15
2	Multi Family	\$18.21
3	RV Space	\$3.09
4	Motel Units	\$9.63
5	Ski Dorm/Bed	\$3.09
6	Commercial Unit	\$13.64
7	Laundry - Commercial	\$814.31
8	Laundromat - Public	\$499.45
9	Service Station	\$24.97
10	Car Wash	\$62.48
11	Restaurant Seat	\$2.55
12	Bar Seat	\$1.34
13	Theatre Seat	\$0.65
14	Public Building	\$41.72
15	Elem School	\$0.94
16	High School	\$1.15
17	Storage/Warehouse	\$18.82
18	Swimming Pool	\$12.47
19	Spa/Hot Tub	\$6.38
20	Hospital Bed	\$28.72
21	Juniper	\$13.71
22	Mill Cabins	\$21.14
Outside District Service Charges		
23	Out of District Cabin	\$21.15
24	Out of District Manager Unit	\$21.15
25	Out of District Motel	\$21.15
26	Out of District Commercial or Public	\$13.64
27	Out of District Restaurant/Seat	\$2.00
28	Out of District Campground Unit	\$2.40
29	Out of District Picnic Area or Trailhead	\$1.22

Outside District O&M Charges

30	Out of District Cabin	\$25.04
31	Out of District Manager Unit	\$25.04
32	Out of District Motel	\$25.04
33	Out of District Commercial or Public	\$16.12
34	Out of District Restaurant/Seat	\$2.40
35	Out of District Campground Unit	\$2.81
36	Out of District Picnic Area or Trailhead	\$1.43

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Table 8-2 shows projected billable wastewater units. No growth in units is forecasted over the rate-setting period.

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Table 8-2: Billable Wastewater Units

Line	A Billable Units	B 2022	C 2023	D 2024	E 2025	F 2026	G 2027
Inside District							
1	Single Family	2,201	2,201	2,201	2,201	2,201	2,201
2	Multi Family	7,564	7,564	7,564	7,564	7,564	7,564
3	RV Space	-	-	-	-	-	-
4	Motel Units	1,020	1,020	1,020	1,020	1,020	1,020
5	Ski Dorm/Bed	96	96	96	96	96	96
6	Commercial Unit	496	496	496	496	496	496
7	Laundry - Commercial	1	1	1	1	1	1
8	Laundromat - Public	3	3	3	3	3	3
9	Service Station	5	5	5	5	5	5
10	Car Wash	4	4	4	4	4	4
11	Restaurant Seat	6,213	6,213	6,213	6,213	6,213	6,213
12	Bar Seat	1,307	1,307	1,307	1,307	1,307	1,307
13	Theatre Seat	556	556	556	556	556	556
14	Public Building	42	42	42	42	42	42
15	Elem School	908	908	908	908	908	908
16	High School	426	426	426	426	426	426
17	Storage/Warehouse	4	4	4	4	4	4
18	Swimming Pool	13	13	13	13	13	13
19	Spa/Hot Tub	30	30	30	30	30	30
20	Hospital Bed	15	15	15	15	15	15
21	Juniper	43	43	43	43	43	43
22	Mill Cabins	427	427	427	427	427	427
Outside District							
23	Out of District Cabin	86	86	86	86	86	86
24	Out of District Manager Unit	2	2	2	2	2	2
25	Out of District Motel	26	26	26	26	26	26
26	Out of District Commercial or Public	2	2	2	2	2	2
27	Out of District Restaurant/Seat	88	88	88	88	88	88

Table 8-3 shows the wastewater revenue generated by each customer class calculated using existing wastewater rates for FY 2022 and beyond. Revenue is calculated by multiplying the projected units in each year (

Table 8-2) by the respective rates from

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Table 8-1.

Table 8-3: Projected Wastewater Revenue

	A	B	C	D	E	F	G
Line	Billable Units	2022	2023	2024	2025	2026	2027
Inside District Service Charge							
1	Single Family	\$558,614	\$558,614	\$558,614	\$558,614	\$558,614	\$558,614
2	Multi Family	\$1,652,885	\$1,652,885	\$1,652,885	\$1,652,885	\$1,652,885	\$1,652,885
3	RV Space	\$0	\$0	\$0	\$0	\$0	\$0
4	Motel Units	\$117,871	\$117,871	\$117,871	\$117,871	\$117,871	\$117,871
5	Ski Dorm/Bed	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560
6	Commercial Unit	\$81,185	\$81,185	\$81,185	\$81,185	\$81,185	\$81,185
7	Laundry - Commercial	\$9,772	\$9,772	\$9,772	\$9,772	\$9,772	\$9,772
8	Laundromat - Public	\$17,980	\$17,980	\$17,980	\$17,980	\$17,980	\$17,980
9	Service Station	\$1,498	\$1,498	\$1,498	\$1,498	\$1,498	\$1,498
10	Car Wash	\$2,999	\$2,999	\$2,999	\$2,999	\$2,999	\$2,999
11	Restaurant Seat	\$190,118	\$190,118	\$190,118	\$190,118	\$190,118	\$190,118
12	Bar Seat	\$21,017	\$21,017	\$21,017	\$21,017	\$21,017	\$21,017
13	Theatre Seat	\$4,337	\$4,337	\$4,337	\$4,337	\$4,337	\$4,337
14	Public Building	\$21,027	\$21,027	\$21,027	\$21,027	\$21,027	\$21,027
15	Elem School	\$10,242	\$10,242	\$10,242	\$10,242	\$10,242	\$10,242
16	High School	\$5,879	\$5,879	\$5,879	\$5,879	\$5,879	\$5,879
17	Storage/Warehouse	\$903	\$903	\$903	\$903	\$903	\$903
18	Swimming Pool	\$1,945	\$1,945	\$1,945	\$1,945	\$1,945	\$1,945
19	Spa/Hot Tub	\$2,297	\$2,297	\$2,297	\$2,297	\$2,297	\$2,297
20	Hospital Bed	\$5,170	\$5,170	\$5,170	\$5,170	\$5,170	\$5,170
21	Juniper	\$7,074	\$7,074	\$7,074	\$7,074	\$7,074	\$7,074
22	Mill Cabins	\$108,321	\$108,321	\$108,321	\$108,321	\$108,321	\$108,321
Outside District Service Charge							
23	Out of District Cabin	\$10,949	\$10,949	\$10,949	\$10,949	\$10,949	\$10,949
24	Out of District Manager Unit	\$258	\$258	\$258	\$258	\$258	\$258
25	Out of District Motel	\$3,349	\$3,349	\$3,349	\$3,349	\$3,349	\$3,349
26	Out of District Commercial or Public	\$166	\$166	\$166	\$166	\$166	\$166
27	Out of District Restaurant/Seat	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060	\$1,060
28	Out of District Campground Unit	\$0	\$0	\$0	\$0	\$0	\$0
29	Out of District Picnic Area or Trailhead	\$0	\$0	\$0	\$0	\$0	\$0
Outside District O&M Charge							
30	Out of District Cabin	\$12,963	\$12,963	\$12,963	\$12,963	\$12,963	\$12,963
31	Out of District Manager Unit	\$305	\$305	\$305	\$305	\$305	\$305

32	Out of District Motel	\$3,965	\$3,965	\$3,965	\$3,965	\$3,965	\$3,965
33	Out of District Commercial or Public	\$196	\$196	\$196	\$196	\$196	\$196
34	Out of District Restaurant/Seat	\$1,272	\$1,272	\$1,272	\$1,272	\$1,272	\$1,272
35	Out of District Campground Unit	\$0	\$0	\$0	\$0	\$0	\$0
36	Out of District Picnic Area or Trailhead	\$0	\$0	\$0	\$0	\$0	\$0
37	Outside Replacement Charge	\$4,644	\$4,644	\$4,644	\$4,644	\$4,644	\$4,644
38	Total Revenue	\$2,863,821	\$2,863,821	\$2,863,821	\$2,863,821	\$2,863,821	\$2,863,821

The utility also derives some non-operating revenues. These revenues include interest income, property taxes, late fees, laboratory fees, permit fees, and other miscellaneous items. Table 8-4 includes non-rate revenues from Funds 30 and 23.

Table 8-4: Other Wastewater Revenues

Line	A Other Revenues	B 2022	C 2023	D 2024	E 2025	F 2026	G 2027
1	Other Operating	\$41,933	\$41,933	\$41,933	\$41,933	\$41,933	\$41,933
2	Interest Income	\$128,868	\$128,390	\$131,796	\$141,323	\$147,406	\$151,590
3	Property Tax	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000
4	Total	\$3,434,801	\$3,434,324	\$3,437,729	\$3,447,256	\$3,453,339	\$3,457,523

Operating Expenses

Total Projected O&M expenses are shown in

Table 8-5. These expenses are summarized by department. This table shows expenses for the wastewater operating fund (Fund 30), as well as expenses for the capital repair and replacement fund (Fund 23). Both fund expenses are inclusive of administrative expenses allocated in Section 4.

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Table 8-5: Wastewater Operating Expenses

	A	B	C	D	E	F	G
Line	Operating Expenses	2022	2023	2024	2025	2026	2027
Fund 30							
1	Laboratory	\$218,747	\$227,747	\$237,212	\$247,172	\$257,658	\$268,705
2	Operations Admin	\$140,118	\$145,916	\$152,017	\$158,438	\$165,200	\$172,326
3	Maintenance Admin	\$425,802	\$445,739	\$466,848	\$489,209	\$512,910	\$538,043
4	Engineering Wastewater	\$439,822	\$457,959	\$477,037	\$497,113	\$518,253	\$540,526
5	Wastewater Treatment	\$1,034,202	\$1,073,693	\$1,115,046	\$1,158,370	\$1,203,784	\$1,251,413
6	Line Maintenance Wastewater	\$374,726	\$391,243	\$408,678	\$427,091	\$446,549	\$467,122
7	Mechanical Maintenance Wastewater	\$258,715	\$270,623	\$283,221	\$296,555	\$310,676	\$325,638
8	Fund 10	\$774,083	\$797,306	\$821,225	\$845,862	\$871,238	\$897,375
9	Total	\$3,666,215	\$3,810,228	\$3,961,283	\$4,119,810	\$4,286,267	\$4,461,148
Fund 23							
10	Department	\$17,573	\$16,491	\$15,248	\$13,829	\$12,217	\$10,395
11	Maintenance Admin	\$90,860	\$95,174	\$99,745	\$104,590	\$109,728	\$115,181
12	Engineering Water	\$699	\$736	\$775	\$817	\$861	\$907
13	Mechanical Maintenance	\$907	\$954	\$1,005	\$1,059	\$1,117	\$1,178
14	Engineering Wastewater	\$182,798	\$190,922	\$199,500	\$208,565	\$218,147	\$228,283
15	Line Maintenance Wastewater	\$6,825	\$7,194	\$7,588	\$8,008	\$8,455	\$8,933
16	Mechanical Maintenance Wastewater	\$3,820	\$4,028	\$4,249	\$4,485	\$4,737	\$5,006
17	Fund 10	\$551,188	\$567,724	\$584,755	\$602,298	\$620,367	\$638,978
18	Total	\$854,670	\$883,223	\$912,866	\$943,650	\$975,629	\$1,008,861

Projected Capital Improvements

The District has programmed approximately \$7.4 million in wastewater capital expenditures during the Study period (FY 2022-2027) as shown in

Table 8-6. The CIP costs for future years is determined by using the budgeted costs and inflating the value by the capital cost inflation factor shown in Table 2-1. The District anticipates funding all capital improvements with non-rate derived property tax revenue.

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Table 8-6: Wastewater Capital Projects

	A	B	C	D	E	F	G
Line	Capital Projects	2022	2023	2024	2025	2026	2027
1	Laurel Pond Monitoring Wells	\$445,990	\$0	\$0	\$0	\$0	\$0
2	Sewer Line Rehab	\$444,413	\$404,203	\$440,369	\$467,086	\$496,169	\$526,577
3	Coldwater Cr LS Rehab	\$40,809	\$0	\$0	\$0	\$0	\$0
4	Battery Backup and Storage	\$20,600	\$0	\$0	\$0	\$0	\$0
5	WWTP Upgrades	\$0	\$218,545	\$231,658	\$246,486	\$260,837	\$277,020
6	Rehab Primary Clarifier	\$0	\$0	\$45,895	\$0	\$52,167	\$0
7	WWTP Filter Replacement	\$0	\$1,092,727	\$0	\$0	\$0	\$0
8	Rehab North EQ Basin	\$0	\$0	\$0	\$0	\$391,835	\$0
9	Dewatering PLC upgrade	\$83,223	\$0	\$0	\$0	\$0	\$0
10	Well 1 Rehab	\$154,500	\$0	\$0	\$0	\$0	\$0
11	Digester Mix Pump	\$41,466	\$0	\$0	\$0	\$0	\$0
12	ERP Upgrade	\$127,308	\$0	\$0	\$0	\$0	\$0
13	Expansion Wells	\$15,450	\$0	\$0	\$0	\$0	\$0
14	PLC upgrade	\$0	\$103,968	\$139,323	\$147,442	\$0	\$0
15	Construction crew trucks	\$48,925	\$61,002	\$97,253	\$19,696	\$28,982	\$29,851
16	Replacement - Engineering	\$18,025	\$0	\$0	\$0	\$0	\$0
17	Loader (CARB compliance)	\$128,750	\$0	\$0	\$0	\$0	\$0
18	Forklift	\$20,909	\$0	\$0	\$0	\$0	\$0
19	Tapping tool	\$7,725	\$0	\$0	\$0	\$0	\$0
20	Total	\$1,598,092	\$1,880,445	\$954,497	\$880,711	\$1,229,990	\$833,449

Status Quo Financial Plan (No Revenue Adjustments)

The assumptions shown above are incorporated into the five-year Financial Plan. To develop the Financial Plan, Raftelis forecasts annual expenses and revenues, models reserve balances and transfers between funds, and incorporates capital expenditures and calculated debt service coverage ratios to estimate the amount of additional rate revenue required per year. Table 8-7 displays the proforma of the District’s wastewater utility under current rates over the Study period. The proforma incorporates revenues and expenses from the Wastewater Operating Fund (Fund 30) and Wastewater Replacement Fund (Fund 23) to show the overall position of the utility. All projections shown in the table are based upon the District’s current rate structure and do not include rate adjustments. The proforma incorporates the wastewater utility data shown in the preceding tables.

Table 8-7: Status Quo Wastewater Proforma

	A	B	C	D	E	F	G
Line	Wastewater Financial Plan	2022	2023	2024	2025	2026	2027
1	Rate Revenue	\$2,809,900	\$2,863,821	\$2,863,821	\$2,863,821	\$2,863,821	\$2,863,821
2	Revenue Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
3	Other Operating	\$41,933	\$41,933	\$41,933	\$41,933	\$41,933	\$41,933
4	Interest Income	\$128,868	\$127,746	\$129,189	\$135,378	\$136,684	\$135,316
5	Property Tax	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000
6	Total Revenue	\$6,244,701	\$6,297,500	\$6,298,944	\$6,305,132	\$6,306,438	\$6,305,070
	Expenses						
7	Fund 30 O&M	\$3,666,215	\$3,810,228	\$3,961,283	\$4,119,810	\$4,286,267	\$4,461,148
8	Fund 23 O&M	\$854,670	\$883,223	\$912,866	\$943,650	\$975,629	\$1,008,861
9	Fund 23 CIP	\$1,598,092	\$1,880,445	\$954,497	\$880,711	\$1,229,990	\$833,449
10	Total Expenses	\$6,118,977	\$6,573,896	\$5,828,646	\$5,944,170	\$6,491,886	\$6,303,457
11	Net Cash Flow	\$125,724	(\$276,396)	\$470,298	\$360,961	(\$185,448)	\$1,612
12	Beginning Fund Balance	\$8,592,750	\$8,718,474	\$8,442,078	\$8,912,376	\$9,273,337	\$9,087,889
13	Ending Fund Balance	\$8,718,474	\$8,442,078	\$8,912,376	\$9,273,337	\$9,087,889	\$9,089,501
14	Target	\$8,234,643	\$8,306,649	\$8,382,177	\$8,461,440	\$8,544,669	\$8,632,109

Proposed Wastewater Financial Plan

Raftelis proposes that the District adopt 3 percent rate increases in FY 2023 through FY 2027. All increases are proposed for the beginning of each fiscal year (April 1). Revenue adjustments represent the average increase in rates for the utility as a whole. Actual percent increases (or decreases) in rates are dependent upon the cost of service analysis and are unique to each customer class.

Table 8-8 shows the Financial Plan selected by the District Board. The proposed revenue adjustments help to ensure adequate revenue to fund operating expenses and achieve reserve policy targets. The rates presented in Section 10 are based on the proposed Financial Plan below.

Table 8-8: Proposed Wastewater Revenue Increases

	A	B	C	D	E	F
Line	Revenue Adjustment	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1	Effective Date	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
2	Percent Adjustment	3%	3%	3%	3%	3%

Table 8-9 shows the proforma for the wastewater utility (Funds 30 and 32) with additional revenues from the revenue adjustments in the proposed financial plan. These revenue adjustments allow the utility to fund all operating expenses and achieve reserve targets during the Study Period.

Table 8-9: Proposed Wastewater Proforma

	A	B	C	D	E	F	G
Line	Wastewater Financial Plan	2022	2023	2024	2025	2026	2027
1	Rate Revenue	\$2,809,900	\$2,863,821	\$2,863,821	\$2,863,821	\$2,863,821	\$2,863,821
2	Revenue Adjustments	\$0	\$85,915	\$174,407	\$265,554	\$359,435	\$456,132
3	Other Operating	\$41,933	\$41,933	\$41,933	\$41,933	\$41,933	\$41,933
4	Interest Income	\$128,868	\$128,390	\$131,796	\$141,323	\$147,406	\$152,315
5	Property Tax	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000	\$3,264,000
6	Total Revenue	\$6,244,701	\$6,384,059	\$6,475,957	\$6,576,630	\$6,676,595	\$6,778,201
	Expenses						
7	Fund 30 O&M	\$3,666,215	\$3,810,228	\$3,961,283	\$4,119,810	\$4,286,267	\$4,461,148
8	Fund 23 O&M	\$854,670	\$883,223	\$912,866	\$943,650	\$975,629	\$1,008,861
9	Fund 23 CIP	\$1,598,092	\$1,880,445	\$954,497	\$880,711	\$1,229,990	\$833,449
10	Total Expenses	\$6,118,977	\$6,573,896	\$5,828,646	\$5,944,170	\$6,491,886	\$6,303,457
11	Net Cash Flow	\$125,724	(\$189,837)	\$647,311	\$632,460	\$184,708	\$474,744
12	Beginning Fund Balance	\$8,592,750	\$8,718,474	\$8,528,637	\$9,175,948	\$9,808,408	\$9,993,117
13	Ending Fund Balance	\$8,718,474	\$8,528,637	\$9,175,948	\$9,808,408	\$9,993,117	\$10,467,861
14	Target	\$8,234,643	\$8,306,649	\$8,382,177	\$8,461,440	\$8,544,669	\$8,632,109

Figure 8-1 graphically illustrates the Operating Financial Plan. It compares existing and proposed revenues with projected expenses. The expenses represent O&M expenses (light blue stacked bars) and reserve funding (shown by yellow stacked bars). Total revenues at existing and proposed rates are shown by the horizontal gray and dotted blue lines, respectively. Current revenue from existing rates, in gray, does not meet future total expenses (inclusive of reserve funding) and shows the need for revenue adjustments.

Figure 8-1: Wastewater Financial Plan

Fund 30 Operating Financial Plan

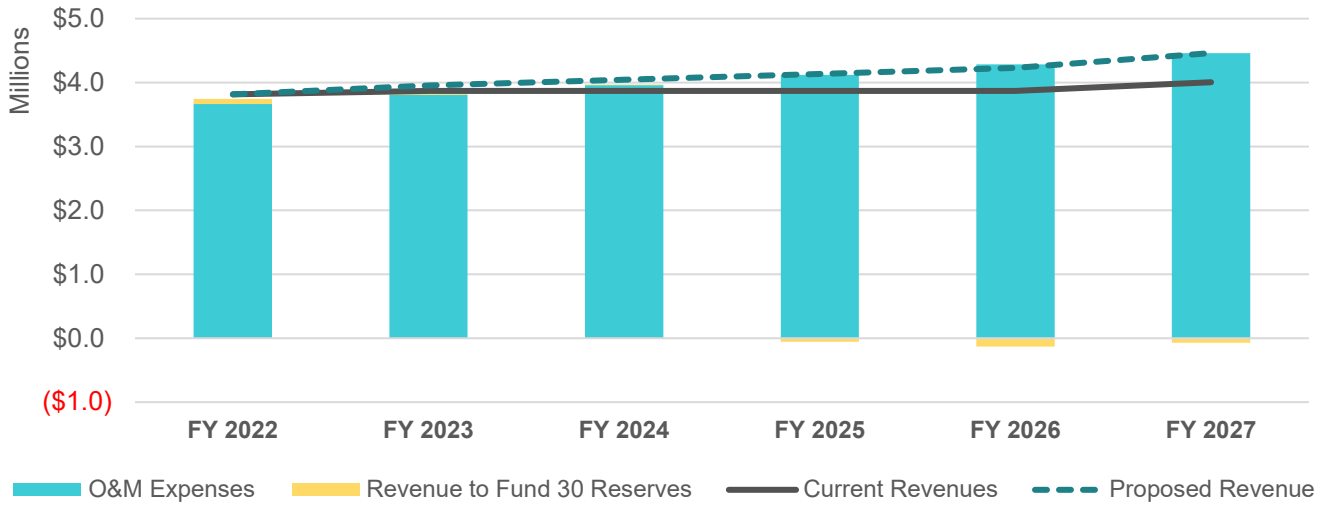
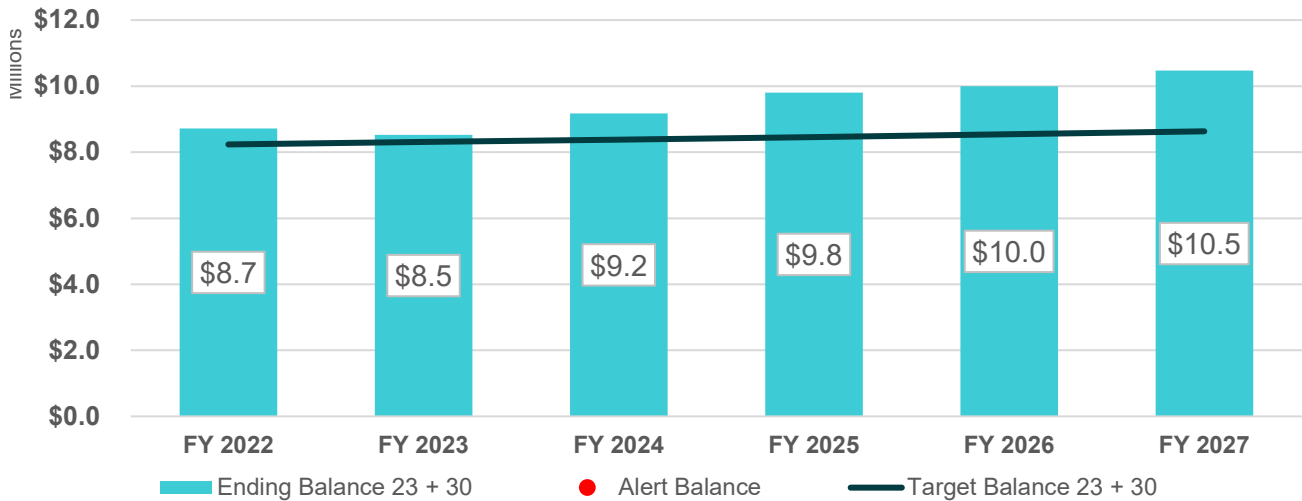


Figure 8-2 shows the wastewater utility’s ending balance by fiscal year. The blue bars indicate the ending balance while the dark line indicates the target balance.

Figure 8-2: Wastewater Fund Balances

ENDING BALANCE WW ENTERPRISE



9 Wastewater Cost of Service Analysis

This section of the report details the cost-of-service analysis and rate calculation process to determine the proposed wastewater rates. The goal of this process is to determine the cost of providing wastewater service to each of the District's wastewater customer classes and to ensure equity and fairness among the various classes.

Process and Approach

The cost-of-service analysis utilized to develop the wastewater rates follows the guidelines for allocating costs outlined in the Water Environment Federation (WEF) Manual No. 27. The cost-of-service analysis and rate design process consists of six major steps, as outlined below:

1. Determine the revenue requirement, equal to the revenue to be recovered from rates.
2. Allocate functionalized O&M expenses to cost components such as flow, strength, customer, and general.
3. Develop customer class characteristics and units of service by cost component.
4. Calculate the cost component unit rates by dividing the total cost in each cost component by the total units of service for that component.
5. Calculate the cost for each customer class by multiplying the unit cost by the units of service for each customer class.
6. Design rates to recover the various customer classes' cost of service and achieve the District's objectives.

Revenue Requirement

The revenue required from rates is the amount of revenue required to fund all wastewater expenses in the test year, and is shown in Table 9-1. The utility must generate annual revenues adequate to meet its estimated annual O&M expenses and reserve targets. Due to the District's choice to begin the development of potential wastewater rate structures before the completion of the financial plan described in Section 8, Raftelis developed rates using FY 2022 as the test year. After the completion of the financial plan, the calculated rates are adjusted by the required increases presented in Table 8-8 for each year, including FY 2023.

Table 9-1: Wastewater Revenue Requirement

	A	B	C	D
Line	Wastewater Revenue Requirement	Operating	Capital	Total
Expenses				
1	O&M	\$3,666,215	\$ -	\$ 3,666,215
2	Debt Service	-	-	-
3	Rate Funded Capital	-	-	-
4	Subtotal: Expenses	\$ 3,666,215	\$ -	\$ 3,666,215
Adjustments				
5	Property Tax Revenue	(\$900,000)	\$ -	\$ (900,000)
6	Recycled Water Revenue			-
7	Other Revenue	(\$105,765)	-	(105,765)
8	Annual Cash Balance	\$149,450	-	149,450
9	Mid-Year Adjustment		-	-
10	Subtotal: Adjustments	\$ (856,315)	\$ -	\$ (856,315)
11	Net Revenue Requirement:	\$ 2,809,900	\$ -	\$ 2,809,900

O&M Cost Allocation to Cost Components

This section discusses the allocation of O&M expenses and capital costs to the wastewater cost components and customer classes. Table 9-2 shows the allocation of the District’s FY 2022 O&M budget, as of January 2021, to the cost components – Flow, BOD, TSS, Customer, and General costs. Column A shows the budget category to be allocated. The percentages in Columns C to G show the allocation factors, developed in consultation with District staff. These factors are applied to the amounts in Column B, resulting in the allocation totals in row 12. The General cost component is then proportionally reallocated to all others in row 13.

Table 9-2: Wastewater O&M Allocation

Line	A O&M Allocation	B Budget	C Flow	D BOD	E TSS	F Customer	G General
	Function						
1	Administration	\$ 380,205					100.00%
2	Finance	203,199				50.00%	50.00%
3	Information	117,079				50.00%	50.00%
4	Lab	210,184		50.00%	50.00%		
5	Operation Administration	134,603	50.00%	25.00%	25.00%		
6	Human Resources and Safety	104,829					100.00%
7	Maintenance Management	406,960	100.00%				
8	Engineering Wastewater	422,172	50.00%	25.00%	25.00%		
9	Wastewater Treatment	996,471	50.00%	25.00%	25.00%		
10	Line Maintenance Wastewater	359,070	100.00%				
11	Mechanical Maintenance Wastewater	247,451	100.00%				
12	Total:	\$ 3,582,222	\$ 1,790,104	\$ 493,403	\$ 493,403	\$ 160,139	\$ 645,173
13	Reallocated Total:		2,183,330	601,788	601,788	195,316	-
14	<i>Percent Allocation</i>		61%	17%	17%	5%	

Units of Service

The second step of the cost-of-service analysis is to determine the units of service, including conducting a plant mass balance analysis. The mass balance analysis is used to estimate and validate the wastewater loadings (flow and strength) generated by each customer class. In Table 9-3, the values in column B, rows 1 and 2 represent an annualized total of the average winter consumption (AWC) of each customer class. In other words, if all residential customers used the same amount of water each month as they do in the average of December, January, and February, they would use approximately 305 million gallons per year. AWC is a commonly used estimate of indoor water use since there would be near zero outdoor water use in those months. Biochemical oxygen demand (BOD) and total suspended solids (TSS) strength parameters (a measure of organic and inorganic materials in wastewater influent) are estimated in milligrams per liter in Columns C and E; the strength and flow for each class are combined to estimate total pounds of pollutants in Columns D and F. Because of the wide variety and mix of the District's classifications of Residential and Non-Residential wastewater customers, the strength of wastewater generated is assumed to be the same between the classes (415 mg/l BOD and 400 mg/l TSS). Inflow and infiltration (I&I) represents plant influent, not from customer generation, but through runoff and seepage. I&I estimates were vetted with District staff and is reapportioned proportionally.

Table 9-3: Mass Balance

Line	A	B	C	D	E	F
	Mass Balance	AWC Flow	BOD	BOD	TSS	TSS
		Annual gal	mg/l	lbs	mg/l	lbs
	Class					
1	Residential	305,365,928	415.0	1,056,902	400.0	1,018,701
2	Non-Residential	119,974,856	415.0	415,245	400.0	400,236
3	Net Plant:	425,340,784	415.0	1,472,147	400.0	1,418,937
4	I&I	115,896,086	17.8	17,245	148.4	143,405
5	Plant Total:	541,236,870	330.0	1,489,391	346.1	1,562,341

Unit and Class Cost of Service

Table 9-4 shows the calculation of unit costs by cost component. The FY 2022 revenue requirement is allocated to cost components using the percentages derived on row 14 of Table 9-2. The units of service developed in Table 9-3 are summarized on rows 2 to 4. The unit cost on line 5 is calculated by dividing the revenue requirement for each cost component by the corresponding units of service.

The final step in the cost-of-service analysis is to allocate the revenue requirement to each customer class based on their share of burden in the wastewater system. Rows 6 and 7 show the revenue requirement allocated to each customer class based on the cost components, which is calculated by multiplying the unit costs of each cost component by the units of service for each customer class. Note that the total cost of service is equal to the total revenue required shown on line 1.

Table 9-4: Cost of Service

Line	A Cost of Service	B Flow	C BOD	D TSS	E Customer	F Total
1	Revenue Requirement	\$ 1,712,607	\$ 472,043	\$ 472,043	\$ 153,206	\$ 2,809,900
	Units of Service					
2	Residential	305,366	1,056,902	1,018,701	2,741	
3	Non-Residential	119,975	415,245	400,236	196	
4	Total:	425,341	1,472,147	1,418,937	2,937	
5	Unit Cost	\$ 4.03	\$ 0.32	\$ 0.33	\$ 52.16	
	<i>Unit of Measure</i>	<i>Kgal</i>	<i>Lb</i>	<i>Lb</i>	<i>Account</i>	
	Class COS					
6	Residential	\$ 1,229,536	\$ 338,895	\$ 338,895	\$ 142,982	\$ 2,050,309
7	Non-Residential	483,071	133,148	133,148	10,224	759,591
8	Total:	\$ 1,712,607	\$ 472,043	\$ 472,043	\$ 153,206	\$ 2,809,900

DRAFT

10 Wastewater Rate Derivation and Design

After several rate design iterations, the District chose to maintain the fixed monthly equivalent residential unit (ERU) charge for residential customers and adopt a new rate structure for non-residential customers. Rather than a charge based on seats, fixtures, or a previously determined ERU value, non-residential customers will have a fixed plus variable rate structure: a fixed monthly charge based on meter size as well as a volumetric charge (\$/kgal of water) based on their AWC. The AWC charge will ensure that customers who place a higher demand on the system will pay their fair share, but no customers will be penalized for high outdoor summer water use for irrigation that is not returned to the wastewater system. The proposed non-residential rate structure improves equity for connections whose water use and wastewater generation no longer reflect their assigned fixture counts/special multipliers. The proposed structure will also reduce the administrative burden on the District and improve customer understanding.

Residential Charges

The ERU charge has two components: billing and treatment/collection. The billing component recovers the cost to generate the monthly bill and provide customer service. Just like the customer component to water service charges, the wastewater billing component is recovered uniformly from the total number of accounts over the course of the year; an analysis of the billing data provided by the District indicated that there are 2,741 accounts that will be issued 32,982 monthly bills. The billing cost was determined in Table 9-4, column E, row 6. The unit cost for this component is \$4.35 per month per account.

All other costs for treatment and collection of wastewater are recovered on an ERU basis. District billing data included 8,513 residential ERUs to recover the costs shown in Table 9-4, columns B, C, and D, row 6. The treatment and collection unit cost for this component is \$18.68 per ERU per month.

The total residential rate, shown in column D of Table 10-1 is \$23.03 per ERU per month. All residential units are assumed to be one ERU. For example, a single family home would be one ERU and a 10 unit apartment complex would equal 10 ERUs.

Table 10-1: Residential ERU Charge Development

	A	B	C	D
Line	ERU Charge Development	Bills	Treatment and Collection	Total
1	Cost	\$ 142,982	\$ 1,907,327	\$ 2,050,309
2	Annual Units	32,892	102,156	
3	Rate	\$ 4.35	\$ 18.68	\$ 23.03

Non-Residential Charges

Fixed Charge

The non-residential fixed charge includes the cost to provide customer service, recovered equally from all accounts, as well as the costs of treating BOD and TSS pollutants, recovered on an equivalent meter basis. Table 10-2 shows the development

of the wastewater equivalent meters. The equivalency ratio in column C is applied to the number of meters in column B to calculate the number of equivalent meters in column D. For consistency, the equivalency ratios are the same as those used in the District's most recent Capacity Fee Study which utilizes data from East Bay Municipal Utilities District (EBMUD)⁵. The EBMUD ratios are calculated in average annual flow in for each meter size.

Table 10-2: Wastewater Equivalent Meters

	A	B	C	D
Line	Equivalent Meter Calculation	Meter Count	Ratio	Eq. Meters
	Meter Size			
1	5/8	10	1.0	10
2	3/4	54	1.0	54
3	1	56	2.6	147
4	1 1/2	36	5.1	184
5	2	48	9.6	461
6	3	9	20.2	181
7	4	6	40.9	246
8	6	10	40.9	409
9	8	2	40.9	82
10	Total	231		1,774

Table 10-3 shows the calculation of the fixed charge. The billing cost in column B was developed in Table 9-4, column E, row 7 and the strength (BOD and TSS) charges are the sum of columns C and D, row 7.

Table 10-3: Non-Residential Fixed Charge Development

	A	B	C	D
Line	Fixed Charge Development	Bills	Strength	Total
1	Cost	\$ 10,224	\$ 266,296	\$ 276,520
2	Annual Units	2,352	21,288	
	<i>Unit of Measure</i>	<i>Bills</i>	<i>Eq. Meters</i>	
3	Rate	\$ 4.35	\$ 12.51	\$ 16.86

Table 10-4 presents the full monthly fixed charge. The ratios in Table 10-2 are applied to the strength charge in Table 10-3 and added to the billing charge for each meter size.

⁵ The sewer ratios calculated using District winter water use present challenges due to a small population of larger meters with disparate and seasonal use. For example, when calculating wastewater ratios, the 4" meter ratio is less than the 2" and the 8" ratio is less than the base 3/4". To avoid manipulation of the data while maintaining a similar approach to derive sewer ratios, Raftelis relies on the sewer flow ratios of EBMUD. EBMUD serves 685,000 customers across a large service area, with a mix of residential and commercial customers.

Table 10-4: Total Proposed Fixed Charge

	A	B	C	D
Line	Proposed Fixed Charge	Billing	Treatment	Total
Meter Size				
1	5/8	\$ 4.35	\$ 12.51	\$ 16.86
2	3/4	\$ 4.35	\$ 12.51	\$ 16.86
3	1	\$ 4.35	\$ 32.91	\$ 37.26
4	1 1/2	\$ 4.35	\$ 64.06	\$ 68.41
5	2	\$ 4.35	\$ 120.10	\$ 124.45
6	3	\$ 4.35	\$ 252.08	\$ 256.43
7	4	\$ 4.35	\$ 512.04	\$ 516.39
8	6	\$ 4.35	\$ 512.04	\$ 516.39
9	8	\$ 4.35	\$ 512.04	\$ 516.39

Volume Charge

The volume charge is designed to recover the remainder of non-residential costs (the flow component shown in Table 9-4, column B, row 7) on the basis of the annualized AWC for the class shown in Table 9-3. Flow costs are divided by the annualized AWC to derive a rate of \$4.03/kgal of water use.

Table 10-5: Proposed Volume Charge

	A	B
Line	Volume Charge Development	Flow
1	Cost (\$)	\$483,071
2	Units (kgal)	119,975
3	Rate (\$/kgal)	\$ 4.03

Wastewater Rate Forecast

Table 10-6 shows the forecast of proposed wastewater rates, developed by applying the revenue increases in Table 8-8 to the rates in Table 10-4 and Table 10-5.

Table 10-6: Wastewater Rate Forecast

	A	B	C	D	E	F	G	H
		2022		2023	2024	2025	2026	2027
	Effective Date	N/A	N/A	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
Line	Proposed Wastewater Rates	Current	COS	Proposed	Proposed	Proposed	Proposed	Proposed
1	Residential	\$ 21.15	\$ 23.03	\$ 23.73	\$ 24.45	\$ 25.19	\$ 25.95	\$ 26.73
	Non-Residential							
2	5/8	Fixture	\$ 16.86	\$ 17.37	\$ 17.90	\$ 18.44	\$ 19.00	\$ 19.57
3	3/4	Fixture	\$ 16.86	\$ 17.37	\$ 17.90	\$ 18.44	\$ 19.00	\$ 19.57
4	1	Fixture	\$ 37.26	\$ 38.38	\$ 39.54	\$ 40.73	\$ 41.96	\$ 43.22
5	1 1/2	Fixture	\$ 68.41	\$ 70.47	\$ 72.59	\$ 74.77	\$ 77.02	\$ 79.34
6	2	Fixture	\$ 124.45	\$ 128.19	\$ 132.04	\$ 136.01	\$ 140.10	\$ 144.31
7	3	Fixture	\$ 256.43	\$ 264.13	\$ 272.06	\$ 280.23	\$ 288.64	\$ 297.30
8	4	Fixture	\$ 516.39	\$ 531.89	\$ 547.85	\$ 564.29	\$ 581.22	\$ 598.66
9	6	Fixture	\$ 516.39	\$ 531.89	\$ 547.85	\$ 564.29	\$ 581.22	\$ 598.66
10	8	Fixture	\$ 516.39	\$ 531.89	\$ 547.85	\$ 564.29	\$ 581.22	\$ 598.66
11	Volume Rate (\$/Kgal)	N/A	\$ 4.03	\$ 4.16	\$ 4.29	\$ 4.42	\$ 4.56	\$ 4.70

Outside of District (OOD) Charges

Outside of District - Base Charges

The District charges OOD customers monthly base charges just like inside District customers, however, OOD accounts pay for only six months of service. The historic basis is that most OOD sewer customers only have access to their properties (and therefore the sewer system) for six months out of the year. Therefore, the OOD Base charges have been levied against OOD customers for only six billing periods. Wastewater collection and treatment infrastructure must be constructed, operated, and maintained at all times to provide capacity for wastewater collection, treatment, and disposal. This infrastructure must be maintained 365 days per year and the costs of doing so are almost entirely fixed. Raffetis recommends the District bill monthly base charges to OOD customers for all 12 months of the year, on par with inside District customers.

Outside of District – Replacement Charges

The District charges OOD customers a monthly operations and maintenance charge and an annual replacement charge to fund capital replacement projects located outside the District boundaries and/or on United States Forest Service land. The monthly O&M charge is currently \$25.04 per cabin and the current annual replacement charge for each customer outside the District boundaries and/or on United States Forest Service land, including Mill City, is \$95.32 per Cabin, Commercial, Public, Restaurant, or Motel complex.

The District receives a share of property tax revenues from inside District customers. Historically property tax revenues have been utilized to pay for the District’s repair and replacement capital program, while rates – via base charges – fund

operations. Since the District does not receive property tax revenues from OOD properties it serves, and to ensure equity with inside District customers, Raftelis recommends a right-sizing of the OOD replacement charge, which is shown in Table 10-7.

The total property tax received by the District is first allocated between the Water and Wastewater utilities. This apportionment was discussed in Section 4 and presented in Table 4-2. The fee is then calculated by dividing the amount of taxes apportioned to Fund 23 - Wastewater replacement capital fund by the total number of residential and non-residential ERUs from the District’s billing data of 11,992. This results in an annual replacement charge of \$272.18 per ERU or a monthly charge of \$22.69 per ERU to outside District customers.

Table 10-7: OOD Replacement Charge Derivation

	A	B
Line	Description	Value
1	Estimated Property Tax Revenues – District-wide	\$8,160,000
2	Percent (%) Allocation to Wastewater	40%
3	Property Tax – Wastewater Utility	\$3,264,000
4	Total Wastewater ERUs	11,992
5	OOD Replacement Charge (Annual)	\$272.18
6	OOD Replacement Charge (Monthly)	\$ 22.69

Table 10-8 shows the forecast of proposed OOD replacement charges, developed by applying the revenue increases in Table 8-8 to the charge calculated in Table 10-7.

Table 10-8: OOD Replacement Charge Forecast

	A	B	C	D	E	F
Line	Fiscal Year	2023	2024	2025	2026	2027
	Effective Date	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026
	Proposed Outside District Replacement Charge	Proposed	Proposed	Proposed	Proposed	Proposed
1	All OOD Customers (\$/Year)	\$ 272.18	\$ 280.35	\$ 288.77	\$ 297.44	\$ 306.37
2	All OOD Customers (\$/Month)	\$ 22.69	\$ 23.37	\$ 24.07	\$ 24.79	\$ 25.54

AGENDA ITEM

Subject: Discuss and Consider Adopting the Proposed MCWD Board Delegation of Authority to General Manager Policy (PL-ADM-003)

Information Provided By: Stephanie Hake, Executive Assistant

Background

In 2018, with direction from the Board and guidance from legal counsel, staff began a thorough review and update of the entire MCWD Code (“Code”) which initially consisted of 12 chapters. To date the Board has been presented with and subsequently repealed Chapters 1, 3, 6, 7, 9, and 10 and replaced them with standalone policies as appropriate.

The remaining chapters of the District’s Code are:

- Chapter 2 – Administration Code
- Chapter 4 – Personnel Manual
- Chapter 5 – Employer-Employee Relations
- Chapter 8 – Environmental Processes
- Chapter 11 – The Sewer Code
- Chapter 12 – The Water Code

The District has been advised that best practice for a county water district like MCWD is to maintain a code of ordinances limited to its core business purposes -- the provision of drinking water and wastewater services. Existing District ordinances related to the administration of the District, governance, human resources, and employee relations are best administered as Board-adopted policies. The Board, through adoption of and regular updating of policies as laws and circumstances dictate, provides general direction to the General Manager, who then implements the Board’s policy direction. Among the benefits of adopting policies, as opposed to using an ordinance code, is that the process for amending a policy is much simpler than that for an ordinance because policy amendments can be approved by minute order and without the time and expense of publication. District policies are intended to be living documents and to be periodically reviewed by the Board to ensure that they remain up to date and consistent with the Board’s direction and vision for the District.

Discussion

The goal of this agenda item is to continue the process of extracting portions of Chapter 2 related to the General Manager’s authority from the Code. This policy is meant to provide clear definition of the authority delegated to the General Manager by the Board; enabling him or her to effectively manage the daily operations of the District. Once adopted, the attached policy will serve as the primary guidance for defining the role and responsibilities of the General Manager and will supersede any redundant or inconsistent rules contained in the District’s Code.

Staff are continuing to work on policy development and building the District Policy Manual. Additional policies will be presented for adoption by the Board in the coming months to continue the process of deconstructing the District Code. For efficiency, it is advised that the Board refrain from repealing sections of the Code on a piecemeal basis in favor of waiting until an entire chapter may be repealed at one time.

Fiscal Impact

There is no fiscal impact associated with this agenda item.

Requested Action

The Board of Directors is requested to adopt the proposed MCWD Board Delegation of Authority to the General Manager Policy.

MAMMOTH COMMUNITY WATER DISTRICT

BOARD DELEGATION OF AUTHORITY TO GENERAL MANAGER POLICYAdopted: XXX

I. PURPOSE

The primary purpose of this policy is to define the role and responsibilities of the General Manager. The Board of Directors sets the policy for the District and the General Manager's role is to implement those policies in the operation and administration of the District's services, facilities, and personnel system.

II. POLICY

The District's General Manager serves at the pleasure of the Board. The Board will provide policy direction and instructions to the General Manager on matters within the authority of the Board by majority vote of the Board during duly convened Board meetings. Members of the Board will deal with matters within the authority of the General Manager through the General Manager, and not through other District employees. The General Manager shall be responsible for the overall operations of the District in the manner set forth in Water Code sections 30580 and 30581, and his/her employment agreement.

Subject to the Board-approved budget, policy direction, and contract approvals, the District's General Manager is delegated the: (a) full charge and control of the construction, maintenance and operation of the water, wastewater and other facilities of the District, (b) full power and authority to employ and discharge employees consistent with District policy and other provisions of law, (c) authority to prescribe the duties of employees consistent with District policy, and (d) power to alter the compensation of employees subject to Board-approved salary schedules.

In an effort to establish and maintain clear delegation of authority, the Board of Directors authorizes the following powers to the General Manager:

Claims: To investigate and resolve third party claims against the District as provided in the District's Claims Processing Policy.

Accepting of Easements and Transfer Agreements: To develop easement values using the services of a land appraiser or other prudent methods and acquire easements up to a cash value of \$20,000.

Budget Expenditures: To authorize approval of contracts and purchases up to the amount included in the annual adopted budget.

Check Signing: To sign District checks pursuant to the following: checks in an amount less than \$10,000 only require one signature and may be signed by the General Manager or his or her designee, checks in amounts of \$10,000 or more require two

signatures and may be signed by the General Manager and either the Finance Manager or one Board Member, or in the absence of the General Manager, either two current board members may sign or the General Manager’s designee and one Board Member.

Disbursement of Monies: To process any disbursements for operations, maintenance, and capitol expenses that have been set forth in the District’s approved budget. For disbursements not previously approved, the General Manager shall submit to the Board for approval at each regular Board meeting a list reflecting all proposed disbursements, including check number, payee, amount, and description of the disbursement.

Professional Services Contracts: To authorize execution of professional services contracts up to \$100,000 within the approved budget, and up to \$20,000 without prior Board authorization if the work is not specifically itemized in the approved budget.

Project Expenditures: To authorize project expenditures including contingencies. Any changes to the approved project cost over \$50,000 shall be brought back to the Board for approval.

Change Orders: To approve change orders on projects, as long as increases do not exceed the Board approved project cost, change the approved scope, or extend the contract completion date. Changes beyond the approved scope, over \$50,000, or which alter the scheduled completion date shall be brought back to the Board for approval.

Emergency Expenditures: To declare emergencies and to authorize emergency expenditures up to \$100,000. An emergency is an unexpected occurrence that significantly impacts the District’s ability to provide continuous clean, safe, and reliable water and wastewater services. The General Manager shall confer with the Board President and receive his or her concurrence in the declaration of an emergency, and the Board shall review and ratify that declaration as provided by law.

Employees: The General Manager is authorized to fill vacant existing positions, add temporary employees, and use District/contract personnel. The Board of Directors has the authority to approve new regular full-time and part-time positions in the District.

General Manager Maximum Approval Amounts

<u>Transaction Type</u>	<u>With Board Approval / Budgeted</u>	<u>Without Board Approval / Not in Budget</u>
Acceptance of Easements	N/A	\$20,000
Professional Services / Contracts	\$100,000	\$20,000

Project Change Orders	N/A	\$50,000
Emergency Expenditures	N/A	\$100,000
Disbursements	No maximum	N/A

The General Manager may designate a person to assume his or her authority during his or her absence. In the absence of the General Manager and any temporary designee appointed by the General Manager, in order for District operations to continue uninterrupted, Department Managers have full authority to make decisions affecting their departments during any such absence. Should any event occur that affects more than one department, then the Managers of all affected departments shall confer and agree to the proper solution and enact the appropriate measures.

The General Manager is fully responsible and accountable for the proper performance of these responsibilities.

The delegation of authority provided in this policy reflects the statutory delegation of duties to general managers of county water districts as provided in Water Code sections 30580 and 30581, and also is intended to clarify the division of authority between the Board and General Manager consistent with the best practices employed by well-governed and efficiently operated public agencies.

III. POLICY REVIEW

This Policy shall be reviewed at least every two years.

AGENDA ITEM

Subject: Appoint an Ad Hoc Committee to Conduct an Annual Performance Review of the General Manager

There are no materials to support this agenda item

AGENDA ITEM

Subject: Ratification of Resolution No. 08-19-21-16 Honoring Jesus Guarneros

Information Provided By: Stephanie Hake, Executive Assistant

Discussion

Resolution No. 08-19-21-16 was presented to the Board for adoption at the August 19, 2021, board meeting. The resolution was unanimously adopted by the three board members in attendance. Vice President Cage requested that staff bring the resolution back at the next board meeting to be ratified by all five members.

Requested Action

Ratify the attached resolution adopted by the Board on August 19, 2021.

RESOLUTION NO. 08-19-21-16

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MAMMOTH COMMUNITY WATER DISTRICT
IN MEMORY OF JESUS GUARNEROS BRAVO
FOR 18 YEARS OF SERVICE**

WHEREAS, Jesus Guarneros Bravo was hired onto the temporary construction crew for Mammoth Community Water District on April 29, 2003;

WHEREAS, Jesus accepted a permanent position with the Line Maintenance team on April 5, 2004;

WHEREAS, Jesus excelled in his role with the Line Maintenance team; with a happy, positive, “I do it” attitude;

WHEREAS, Jesus was a valued and respected member of the MCWD family, always leading by example and putting others needs before his own;

WHEREAS, Jesus was selfless in his commitment to serving the MCWD and the community of Mammoth Lakes;

WHEREAS, Jesus was a great friend that will be dearly missed by his MCWD family.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors and Staff of the Mammoth Community Water District desire to express their sincere appreciation for the services well and ably performed by Jesus Guarneros Bravo throughout his career at the District. The MCWD Board, Staff, and Community owe a debt of gratitude for his unwavering dedication to serve the public.

PASSED AND ADOPTED by the Board of Directors of the Mammoth Community Water District at its regular meeting held on August 19, 2021, by the following vote:

AYES: Directors Cage, Creasy, and Thompson

NAYS: None

ABSENT: Directors Domaille and Smith

MAMMOTH COMMUNITY WATER DISTRICT

Thomas G. Cage, Vice President
Board of Directors

ATTEST:

Mark Busby, Secretary
Board of Directors