

**Mammoth Community Water District**  
**Budget for the Fiscal Year April 1, 2019 - March 31, 2020**  
 March 2019

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**Introduction**

The mission of the Mammoth Community Water District is to provide excellent water and wastewater services to the Town of Mammoth Lakes. The annual budget is the roadmap to accomplishing our mission. The budget describes the source and expected amounts of revenue and defines the expected types and amounts of expenditures. Once approved by the Board, the budget defines strategic and operational direction and grants authority to the managers and staff of the District to expend resources to deliver water and wastewater services.

The budget is a collaborative effort that incorporates the strategic plan developed by staff and approved by the Board. Leaders from each department are involved in the planning and allocation of resources to effectively and efficiently accomplish our mission. The budget is guided by the experience of past years and anticipates plans for the coming year.

The budget is organized into funds representing type of service (Water or Wastewater), function (Administration, Operation or Capital) and lifecycle (Replacement or Expansion). Each fund is intended to be self-contained with balanced revenue and expenses and an appropriate reserve. The budget is primarily focused on the 2020 fiscal year, but looks forward to Fiscal Years 2021-2024 to project the status of available fund balances.

The District receives revenue primarily from property taxes and fixed and variable charges for water and wastewater services from our customers. Other revenue sources are connection fees for new water/wastewater customers, fees for lab and engineering services, and interest on invested funds. The District spends money on capital assets, personnel and operating expenses, and services for outside expertise.

Because the winter of 2018-2019 has delivered higher than average snowpack, the budget is based on the anticipation that surface water will be our primary source with no additional conservation restrictions above the standard water conservation practices always in place.

Total revenue is budgeted at \$14,076,400. Budgeted expenditures on operations, personnel, and capital are \$12,978,714. The surplus of \$1,097,686 will be added to our operating and capital reserves and be available for future capital projects.

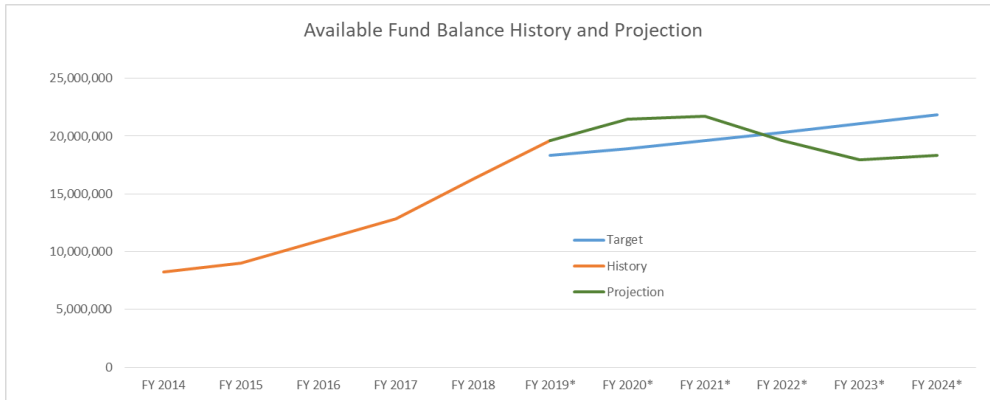
Revenue and Expense Summary	FY 2019 Budget	FY 2019 Projection	FY 2020 Budget	Difference - FY 20 Budget to FY 19 Budget		Difference - FY 20 Budget to FY 19 Projection	
Revenue	\$13,455,070	\$13,916,000	\$ 14,076,400	\$ 621,330	4.6%	\$ 160,400	1.2%
Personnel Expense	\$ 5,589,756	\$ 5,464,851	\$ 6,027,053	\$ 437,297	7.8%	\$ 562,202	10.3%
Operating Expense	\$ 3,561,931	\$ 3,329,000	\$ 3,295,941	\$ (265,990)	-7.5%	\$ (33,059)	-1.0%
Capital Exp (excluding Capital Labor)	\$ 5,019,871	\$ 1,740,000	\$ 3,655,719	\$ (1,364,152)	-27.2%	\$ 1,915,719	110.1%
Add to reserves	\$ (716,488)	\$ 3,382,149	\$ 1,097,686	\$ 1,814,174	-253.2%	\$ (2,284,463)	-67.5%

The District has adopted an operations and capital reserve policy that defines targets for financial reserves consistent with prudent planning and risk management. The projected reserve balance at the beginning of FY 2020 is

approximately \$20.3 million. The target reserve balance at the end of FY 2024 is approximately \$21.8 million. If capital spending proceeds as planned, the projected 2024 ending balance will be approximately \$18.3 million.

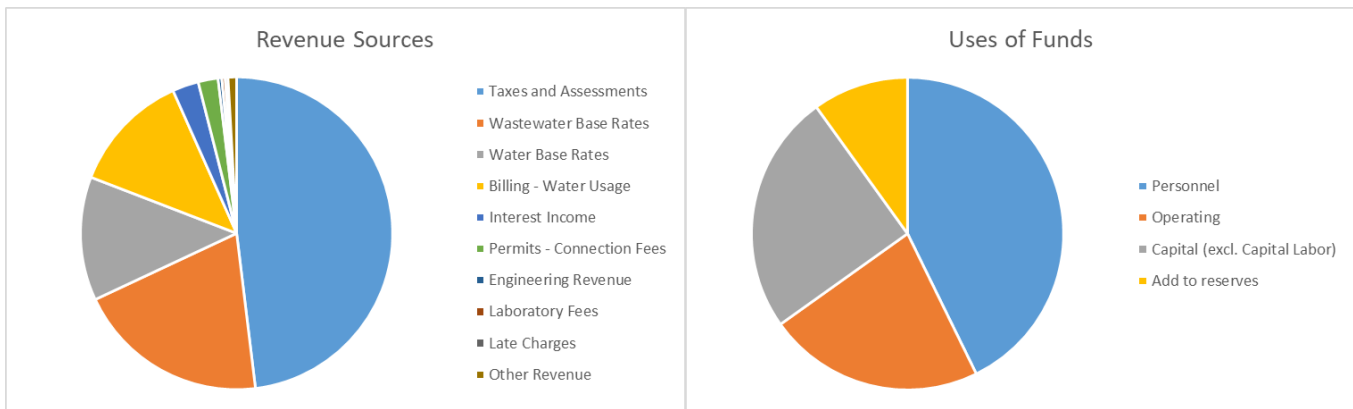
The Reserve Funds Policy and FY 2020 Reserve Fund Targets are included as Attachments A and B to this document.

The orange line on the graph below represents the District’s historical available fund balance. The green line represents the projected fund balance. The blue line represents the target fund balance defined by the fund reserve policy.



This presentation is organized by:

- Revenue budget and fund balance projections
- Budgeted Operations expenses
- Budgeted Personnel expenses
- Budgeted Capital expenditures



Taxes and Assessments	6,780,000	48%
Wastewater Base Rates	2,789,000	20%
Water Base Rates	1,805,000	13%
Billing - Water Usage	1,770,000	13%
Interest Income	456,000	3%
Permits - Connection Fees	237,400	2%
Engineering Revenue	46,300	0.3%
Laboratory Fees	42,800	0.3%
Late Charges	34,700	0.2%
Other Revenue	115,200	1%
<b>Total</b>	<b>14,076,400</b>	

Personnel Expense	\$ 6,027,053
Operating Expense	\$ 3,295,941
Capital Exp (excluding Capital Labor)	\$ 3,655,719

## Revenue Budget

The total revenue budget of \$14,076,400 for fiscal year 2020 represents a 1.2% increase from FY 2019 revenue projection and a 4.6% increase from the 2019 revenue budget.

- Water and wastewater rates increase incrementally each year according to the adopted rate schedule covering fiscal years 2017 – 2021. These annual increases are partially offset by a long-term decline in water use. The District’s rate structure is set up to match fixed and variable revenue with fixed and variable costs so that variations in water sales, which comprise 13% of total revenue, have a muted effect on total revenue.
- Connection fee revenue is assigned to the water and wastewater expansion funds and will be used for capital projects that expand the capacity of our water and wastewater systems. Because connection fee revenue varies significantly from year to year based on residential and commercial development in town, the FY 2020 budget is based on the FY 2019 projection
- Property tax revenue has increased an average of 1.2% annually over the last five years. FY 2020 revenue is budgeted at \$20,000 below the FY 2019 budget and \$77,267 (1.2%) over the projected FY 2019 revenue.

**Table A** shows the budgeted revenue for FY 2020 with comparisons to the budget and projected revenue for FY 2019. **Table B** shows projections of revenue and expenses for the next five fiscal years, and the projected available reserve balance for each year.

**Table A – FY 2020 Budgeted Revenue**

Description	FY 19	FY 19	FY 20	Change	Change
	Budget	Projection		Budget	from FY 19
			Budget	Budget	Projection
Billing - Water Usage	1,470,080	1,705,420	1,770,000	299,920	64,580
Water Base Rates	1,763,580	1,769,542	1,805,000	41,420	35,458
Wastewater Base Rates	2,804,770	2,761,396	2,789,000	(15,770)	27,604
Late Charges	40,000	34,667	34,700	(5,300)	33
Laboratory Fees	50,000	42,847	42,800	(7,200)	(47)
Labor/Equipment Charges	0	6,047	4,000	4,000	(2,047)
Housing Rents	49,440	50,832	57,000	7,560	6,168
Carpool Vehicle Rent	0	3,404	3,400	3,400	(4)
Permits - Plan Check	7,600	8,273	8,300	700	27
Permits - Inspection	7,000	5,542	5,500	(1,500)	(42)
Permits - Connection Fees	210,000	237,433	237,400	27,400	(33)
Permits - FOG	3,100	3,764	3,800	700	36
Permits - Meters	28,000	31,804	31,800	3,800	(4)
Permits - Construction Fee	1,500	719	700	(800)	(19)
Other Revenue	80,000	46,955	47,000	(33,000)	45
Taxes and Assessments	6,800,000	6,702,733	6,780,000	(20,000)	77,267
Interest Income	140,000	504,811	456,000	316,000	(48,811)
	<b>13,455,070</b>	<b>13,916,189</b>	<b>14,076,400</b>	<b>621,330</b>	<b>160,211</b>

Negative numbers represent a reduction in budgeted revenue from FY 2019 to FY 2020.

**Table B – Projected Revenue, Expenses, and Available Fund Balances**

	FY 2020 Budget	FY 2021 Projection	FY 2022 Projection	FY 2023 Projection	FY 2024 Projection
Revenue (excluding Connection Fee)	\$ 13,839,000	14,115,780	14,398,096	14,686,058	14,979,779
Connection Fee Revenue	\$ 237,400	244,522	251,858	259,413	267,196
Personnel expense	\$ 6,027,053	6,268,135	6,518,861	6,779,615	7,050,800
Operating expense	\$ 3,295,941	3,394,819	3,496,664	3,601,564	3,709,611
Capital expense (excluding Capital Labor)	\$ 3,655,719	\$ 4,386,775	\$ 6,736,246	\$ 6,267,815	\$ 4,118,968
Addition (reduction) to Capital Reserves	\$ 860,287	\$ 66,051	\$ (2,353,675)	\$ (1,962,937)	\$ 100,400
Addition to Expansion Reserves	\$ 237,400	\$ 244,522	\$ 251,858	\$ 259,413	\$ 267,196
	<b>Projected ending balance</b>	<b>Projected ending balance</b>	<b>Projected ending balance</b>	<b>Projected ending balance</b>	<b>Projected ending balance</b>
Operating/Capital fund reserve	\$ 19,660,287	\$ 19,726,338	\$ 17,372,663	\$ 15,409,726	\$ 15,510,126
Expansion fund reserve	\$ 1,777,400	\$ 2,021,922	\$ 2,273,780	\$ 2,533,193	\$ 2,800,389
<b>Total fund reserve</b>	<b>\$ 21,437,687</b>	<b>\$ 21,748,260</b>	<b>\$ 19,646,443</b>	<b>\$ 17,942,919</b>	<b>\$ 18,310,515</b>

### Operations Budget

After decreasing 4.5% from FY 2017 to FY 2018 and increasing 15% from FY 2018 to FY 2019, the FY 2020 operating budget at \$3,295,941 is \$265,990 (7%) lower than FY 2019 budget and 1% lower than the FY 2019 projection. An effort was made to analyze historical spending, recognize new needs, and reduce budget line items where possible.

Some significant changes from the FY 2019 budget include:

- Reduction of \$230,200 to the Building Maintenance and Repair budget
  - The FY 2019 budget included repairs to the LMTP and WWTP filter room roofs.
- Reduction of \$45,500 in Utility Expense
  - The FY 2019 budget was based on the assumption we would be pumping groundwater, while the FY 2020 budget assumes we will have sufficient surface water supply.
- Reduction of \$38,000 to the Legal Services budget
- Reduction of \$35,800 to the Computer Systems budget
  - The regular workstation replacement program is ongoing, but there is only one server on the replacement schedule in FY 2020.
- Increase of \$95,000 to funding the future LADWP settlement amount
  - Additional contributions when the budget allows will decrease the total cost of funding.
- Increase of \$39,030 to the Line/Equipment Maintenance and Repair budget
  - Projected repairs previously included in the Capital budget have been moved to the Operating budget.

The Outside Services expense line has been subdivided into additional accounts to provide increased clarity and accountability to the budget and financial reporting. The new expense classifications, previously included within Outside Services, combine for a savings of \$56,362 from the FY 2019 Outside Services budget.

Table C shows the operating budget for each category with comparisons to the prior year's budget and projection.

### **Table C – Operating Budget Comparison**

Account-Description	FY 19 Budget	FY 19 Projection	FY 20 Budget	FY 19 Budget to FY 20 Budget Difference	FY 19 Projection to FY 20 Budget Difference
6023-Employee Engagement	\$14,500	\$10,895	\$18,300	\$3,800	\$7,405
6024-Ee PPE, Unif, Other	\$17,250	\$13,992	\$16,100	(\$1,150)	\$2,108
6100-Outside Services	\$1,180,352	\$1,307,442	\$111,375	(\$1,068,977)	(\$1,196,067)
6101-Property Tax Admin Fee			\$188,000	\$188,000	\$188,000
6102-Sludge Disposal			\$210,000	\$210,000	\$210,000
6105-Software Licenses			\$118,705	\$118,705	\$118,705
6106-IT Services			\$58,400	\$58,400	\$58,400
6108-Banking Fees			\$38,900	\$38,900	\$38,900
6110-Professional Services			\$348,360	\$348,360	\$348,360
6111-Outside Lab Services			\$50,250	\$50,250	\$50,250
6115-Employee Housing Expenses	\$36,674	\$21,391	\$52,060	\$15,386	\$30,669
6120-Operating Tool and Equip	\$46,850	\$31,223	\$29,600	(\$17,250)	(\$1,623)
6125-Gasoline	\$31,000	\$32,677	\$34,500	\$3,500	\$1,823
6126-Diesel Fuel	\$9,600	\$17,167	\$13,600	\$4,000	(\$3,567)
6130-Insurance	\$180,000	\$172,829	\$180,000	\$0	\$7,171
6135-Leased Lines	\$12,600	\$4,582	\$0	(\$12,600)	(\$4,582)
6140-Legal Services	\$161,000	\$105,690	\$123,000	(\$38,000)	\$17,310
6145-M & R - Line Repair/Equipment	\$189,330	\$230,139	\$233,160	\$43,830	\$3,021
6150-M & R - Buildings	\$333,850	\$361,575	\$103,650	(\$230,200)	(\$257,925)
6155-M & R - Vehicles	\$66,400	\$59,515	\$73,950	\$7,550	\$14,435
6160-Memberships/Certifications	\$45,260	\$49,769	\$47,075	\$1,815	(\$2,694)
6165-Permit Materials	\$28,000	\$31,895	\$30,000	\$2,000	(\$1,895)
6179-Operating Chemicals	\$153,790	\$117,289	\$162,290	\$8,500	\$45,001
6180-Operating Supplies	\$131,570	\$91,027	\$116,100	(\$15,470)	\$25,073
6181-Computer Systems/Equip	\$87,200	\$57,107	\$51,400	(\$35,800)	(\$5,707)
6185-Postage/Freight	\$9,700	\$7,892	\$9,320	(\$380)	\$1,428
6190-Advertising Publications & PR	\$51,000	\$17,177	\$23,250	(\$27,750)	\$6,073
6192-Books & Subscriptions	\$2,670	\$2,438	\$3,236	\$566	\$798
6200-Safety	\$24,710	\$18,447	\$22,510	(\$2,200)	\$4,063
6205-Permits & Licensing	\$76,050	\$50,463	\$76,050	\$0	\$25,587
6210-Telephone	\$43,240	\$40,193	\$40,900	(\$2,340)	\$707
6215-Training & Meetings	\$42,700	\$33,911	\$53,175	\$10,475	\$19,264
6220-Travel Expenses	\$56,035	\$32,019	\$62,225	\$6,190	\$30,206
6230-Utilities - Electric & Gas W/S	\$375,000	\$275,829	\$329,500	(\$45,500)	\$53,671
6237-Water Conservation	\$89,600	\$67,867	\$105,000	\$15,400	\$37,133
6500-Trout and LADWP funding	\$66,000	\$66,546	\$162,000	\$96,000	\$95,454
<b>Grand Total</b>	<b>\$3,561,931</b>	<b>\$3,328,984</b>	<b>\$3,295,941</b>	<b>(\$265,990)</b>	<b>(\$33,044)</b>

Negative numbers represent a reduction in budget from last fiscal year and positive numbers represent an increase from last year.

### **Personnel Budget**

The FY 2020 District personnel budget of \$6,027,053 is 7.8% higher than last fiscal year. The number of permanent positions at MCWD remains at 42 for FY 2020. The District Organizational Chart is included as Attachment C.

Because only 39 of our 42 permanent positions are currently filled, the budget for an un-filled position might be used for contracts with Sierra Employment to provide labor while recruitment is ongoing. Presently, there are two contract workers in the Mechanical Maintenance Department. Additionally, it is expected that workers from the summer construction crew will assist with maintenance projects with costs totaling \$44,542.

The cost of capital labor is included in the budget for each capital project. To avoid double counting, the capital labor of MCWD employees is subtracted from the total capital budget when presenting the budget overview. The capitalized labor component is \$206,681.

As a result of diligent efforts by District staff and management to create a safe work environment, Worker’s Compensation expenses have declined by \$125,254 over the last two years.

**Table D** provides a high-level view of expenses for MCWD personnel and a comparison to FY 2019.

**Table D – Personnel Expenses Comparison**

	<b>Total Pay</b>	<b>Pension</b>	<b>Insurance</b>	<b>FICA tax</b>	<b>WC Cost</b>	<b>Total Cost</b>
FY 20 Permanent and Contract employee in Operations	3,951,335	863,794	1,016,146	58,844	92,392	6,027,053
FY 19 Permanent and Contract employee in Operations	3,653,967	781,917	967,753	53,448	105,072	5,589,756
\$ change, FY 19 to FY 20	297,368	81,877	48,393	5,396	(12,680)	437,297
% change, FY 19 to FY 20	8.1%	10.5%	5.0%	10.1%	-12.1%	7.8%

**Capital Budget**

The District has approximately \$70 million (net of depreciation) in capital assets including, wells, distribution and collection lines for water and wastewater, water and wastewater treatment plants, buildings, vehicles, and equipment. These assets are essential to our mission of reliably providing water and wastewater service to our customers.

The Capital budget of \$3,717,792 represents the cost of incrementally refurbishing or replacing our infrastructure as it wears out in service and adding new infrastructure to increase the efficiency of operations. This capital budget includes completion of one production well that has been in process for two years. Each current-year project is given a Business Risk Evaluation (BRE) rank based on the likelihood and consequence of failure to complete the project. This ranking serves to prioritize projects within and across years.

Each current-year project is also given a probability factor that estimates the likelihood of spending the full budget in FY 2020. The capital budget for FY 2020 is calculated by multiplying the project cost by the probability factor. The cost for future-year projects is factored up for inflation.

**Table E** lists capital projects planned for the next ten years.

**Table E – Capital Projects**

Description	BRE	Probability	FY 2020 Budget	Factored budget	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget	FY 25-29 Budget
East Lk Mary Lift Station Rehab	22	100%	67,700	67,700	144,000	74,000	76,000	79,000	
Well 32	21	75%	1,679,100	1,259,300		-	-	-	
Laurel Pond Monitoring Wells	21	75%	165,100	123,800		-	-	-	
WWTP Back-up Power and battery UPS	21	90%	297,500	267,800		-	-	-	
WWTP Main PLC Upgrade	21	100%	183,900	183,900	258,000	212,000	-	-	
Rehab Primary Clarifier #2	20	100%	39,600	39,600		42,000	-	45,000	49,000
Sewer Line Rehab FY 2020	18	100%	346,000	346,000	361,000	382,000	404,000	428,000	2,214,000
Tank Rehab	18	100%	270,000	270,000	376,000	318,000	328,000	338,000	
Distribution System Improvements FY 2020	17	100%	315,500	315,500	361,000	371,000	55,000	1,126,000	1,230,000
WTP Arc Flash Study	17	100%	95,000	95,000	103,000	-	-	-	
WWTP Grit removal	13	100%	205,600	205,600		-	-	-	
Tamarack Lift Station Rehab	13	100%	67,700	67,700		-	-	-	
Rehab/Replace Admin Bldg		100%	50,000	50,000		2,122,000	2,732,000	-	
Wastewater Cost of Service Study		100%	25,000	25,000	72,000	-	-	-	61,000
LMTP Improvements		50%	10,000	5,000	412,000	-	-	-	
Connection Fee/Permit Fee Study		100%	40,000	40,000		-	-	-	
Contingency for unplanned capital projects		50%	85,000	42,500		-	-	-	
Contingency for unplanned capital projects		50%	65,000	32,500		-	-	-	
Update Shallow Groundwater Model		90%	150,000	135,000					
Future Well Replacements						1,648,000	1,591,000		7,379,000
Expansion Wells						-	-	1,688,000	
Geothermal Monitoring Well (Deep & nested pair)	24				1,390,500	-	-		
Geothermal Monitoring Well (Shallow)					618,000				
Water Modeling					21,000	-	-		
Wastewater Modeling					21,000	-	-		
WWTP filter replacement						1,061,000	-		
Water Cost of Service Study						53,000	-		
Treatment Plant PLC Upgrades						159,000	179,000	202,000	184,000
Power storage							546,000		
Rehab North EQ Basin									369,000
Zone 2B Storage									4,337,000
Knolls Transmission Line Expansion									2,857,000
Meridian Sewer Expansion									3,837,000
Shady Rest Relief Main - Center St									683,000
Hwy 203 Expansion									541,000
Old Mammoth Interceptor Expansion									2,811,000
Employee Housing		75%	220,000	165,000	230,000	240,000	250,000	260,000	1,200,000
<b>Capital Equipment</b>									
Fuel Dispenser Replacements		100%	20,000	20,000					
Tracked Side-by-Side Snow Vehicle		100%	35,000	35,000					
LIMS		100%	40,000	40,000					
T-6 Control Valves		100%	21,000	21,000					
Jackhammer for Skid-Steer		100%	9,500	9,500					
Diesel Equipment Replacement (CARB)					200,000	200,000	200,000	200,000	700,000
Vehicle Replacement					70,000	115,000	178,000	35,000	
<b>Annual Total</b>			<b>4,503,200</b>	<b>3,862,400</b>	<b>4,637,500</b>	<b>6,997,000</b>	<b>6,539,000</b>	<b>4,401,000</b>	<b>28,452,000</b>

## MCWD Operating and Capital Available Reserve Policy

Adopted 03-17-2016

Ratified 03-21-2019

It is fiscally responsible to set aside cash reserves to prepare for planned and unexpected expenses in the future. To ensure equity between current and future ratepayers, a portion of each year's revenue should be reserved for the replacement of assets that are currently in use. Customers who receive the benefit of the water and wastewater infrastructure should contribute to the replacement of those assets as they age so the cost is shared appropriately between current and future ratepayers.

For each of the funds below, a benchmark for appropriate available reserves is provided, and description of circumstances when use of reserve funds is recommended.

The recommended annual contribution to reserves will be the lesser of 5% of revenue or the difference between the total target available reserve balance and the total current available reserve balance.

### Fund 10 – Administrative Operation:

- Operating reserve equal to average current liabilities for Fund 10, plus 20% of the liability for employee sick and vacation leave balances.
- Reserve balance should be used to pay current liabilities when current revenue is insufficient to meet obligations.

### Fund 20 – Water Operation:

- Operating reserve equal to six months of operating expenses.
- Water operating reserves should be used when short-term fluctuations in expenses or revenue cause water revenue to be insufficient to meet operating expenses.

### Fund 30 – Wastewater Operation:

- Operating reserve equal to six months of operating expense.
- Wastewater operating reserves should be used when short-term fluctuations in operating expenses or revenue cause wastewater revenue to be insufficient to meet operating expenses.

### Fund 21 – Administrative Capital Replacement:

- Reserve, when combined with the reserve of Fund 31, equal to the replacement cost of the District administration building at the end of its useful life.
- Reserves will be used to replace or upgrade the administration building.

### Fund 22 – Water Capital Replacement:

- Capital Repair and Replacement: reserve equal to 4% of the replacement cost of Fund 22 capital assets. The average expected life of capital assets is about 25 years. 4% (1/25) approximates the annual replacement cost of these assets.
- Reserves will be used for the unexpected replacement of a major component of the water infrastructure (e.g. well, treatment plant), for changes to the infrastructure required to meet new regulatory mandates, or for the planned replacement of assets where the cost of the replacement is greater than the current revenue available.

### Fund 23 – Wastewater Capital Replacement:

- Capital Repair and Replacement: reserve equal to 4% of the replacement cost of Fund 23 capital assets. The average expected life of capital assets is about 25 years. 4% (1/25) approximates the annual replacement cost of these assets.



## MCWD Operating and Capital Available Reserve Policy

Adopted 03-17-2016

Ratified 03-21-2019

- Reserves will be used for the unexpected replacement of a major component of the wastewater infrastructure (e.g. lift stations, treatment plant), for changes to the infrastructure required to meet new regulatory mandates, or for the planned replacement of assets where the cost of the replacement is greater than the current revenue available.

### Fund 31 – Administrative Capital Expansion:

The purpose of the fund is to provide capital for all future expansion of administrative support services required for operations and infrastructure at build-out. The balance of the fund may be negative or positive, depending on the cash flow of revenue and expansion capital projects. The fund balance should be zero when all infrastructure and administrative support expansion services needed for the customer base at build-out is built and in operation.

### Fund 32 – Water Capital Expansion:

The purpose of the fund is to provide for all future expansion of the water infrastructure required to meet the needs of all future customers. The revenue source is water connection fees. Expenditures will be for capital projects that expand the capacity of the system to meet the needs of new users. The balance of the fund may be negative or positive, depending on the cash flow of connection fee revenue and expansion capital projects. The fund balance should be zero when all infrastructure needed for the customer base at build-out has been built and is in operation.

### Fund 33 – Wastewater Capital Expansion:

The purpose of the fund is to provide for all future expansion of the wastewater infrastructure required to meet the needs of all future customers. The revenue source is wastewater connection fees. Expenditures will be for capital projects that expand the capacity of the system to meet the needs of new users. The balance of the fund may be negative or positive, depending on the cash flow of connection fee revenue and expansion capital projects. The fund balance should be zero when all infrastructure needed for the customer base at build-out has been built and is in operation.

### Fund 96 – New Enterprise:

- Recommended reserve equal to five years' average participation in the employee down payment assistance program.
- Reserves will be used if participation in the employee down payment assistance program in any year is greater than the annual contribution to the fund from District property tax revenues.

### Fund 97 – Trout Habitat Enhancement:

The District has an ongoing obligation according to the Trout Habitat agreement to contribute \$10,000/year (increased annually for inflation) for twenty years ending 2032, and administer the accumulated funds for trout habitat enhancement. There is no target fund balance; the balance will be the sum of accumulated contributions less expenditures according to the settlement agreement.

### Fund 98 – LADWP Settlement:

The District has a future obligation of \$3.2 million (increased by CPI each year between 2014 and final settlement) to LADWP as part of the agreement entered into by the District and LADWP in July 2013. The date of the final payment will be affected by the amount of water used by the District's customers, but will be between the years of 2063 and 2073. The annual contribution to meet the future obligation is approximately \$50K.

**MCWD FY 2020 Reserve Funds Targets**

Fund 10 – Admin Operation: \$190,000

Fund 20 – Water Operation: \$1,160,000

Fund 30 – Wastewater Operation: \$1,260,000

Fund 21 – Admin Replacement: \$3,000,000

Fund 22 – Water Capital Replacement: \$5,964,000

Fund 23 – Wastewater Capital Replacement: \$3,348,000

Fund 31 – Admin Expansion: \$1,500,000

Fund 32 – Water Expansion: \$870,000 (current balance)

Fund 33 – Wastewater Expansion: \$163,000 (current balance)

Fund 96 – New Enterprise: \$1,000,000

Fund 97 – Trout Settlement: \$76,000

Fund 98 – LADWP Settlement: \$220,000

The projected available fund balance (cash – liabilities) at the beginning of fiscal year 2020 is approximately \$20,340,000. The target reserve balance at the end of fiscal year 2020 is \$18,751,000. The proposed operating and capital budget for fiscal year 2020 will result in an addition to reserves of approximately \$1,098,000. If budgeted revenue and expenses occur as planned, we will end fiscal year 2020 with a reserve balance of approximately \$21,438,000.

**MAMMOTH COMMUNITY WATER DISTRICT  
FY20 ORGANIZATION CHART**

