

Fiscal Year 2018-2019

Budget Executive Summary

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The Mission of Montara Water and Sanitary District

To sensitively manage the natural resources entrusted to our care, to provide the people of Montara and Moss Beach with reliable, high-quality water, wastewater, and trash disposal services at an equitable price, and to ensure the fiscal and environmental vitality of the district for future generations.

District Overview

The Montara Water & Sanitary District, formed in 1958 as a public agency, is responsible for maintaining approximately twenty-five miles of sewer line and thirteen pump stations. The District is a member of the JPA, Sewer Authority-Mid Coasts (SAM), which operates the sewage treatment plant and inter-tie pipeline connecting the member agencies.

In addition, the District manages a solid waste franchise with Recology of the Coast which collects all trash and disposes of it properly, as well as recycles the material placed in the recycling bins by each household.

Through special State legislation, was granted the powers of a county water district. This was done in an effort to improve the water supply and service provided by the private water company serving the area. On August 5, 2003, the district acquired, and began operating, the water system to serve the unincorporated areas of Montara and Moss Beach. Since then the District has successfully improved water quality and source reliability.

Fiscal year 2017-18 Accomplishments

1. Successful transition of the District's Clerk and Account Specialist positions
2. Successfully integration of the Well Conversion program
3. Successful Financial Audit and Single Audit
 - a. No note of material weaknesses or significant deficiencies in the Financial Statement Audit

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Fiscal Year 2018-19 Budget Overview

This budget continues the District's tradition of meeting all regulatory requirements in planning, designing, operating, and maintaining its facilities. We also continue a tradition of fiscal responsibility, recognizing the cost of District services impacts the community, balanced with the need to maintain prudent reserves to sustain our capital assets. With the resources provided in this budget, the District can continue to focus on customers, work in an environmentally friendly manner, establish and maintain partnerships with other organizations, and foster a positive environment for employees.

Projections used in this budget are the result of multiple levels of review by management, staff, finance committee and the Board of Directors. Cost increases have been limited as much as possible to essential projects or services. As shown in the following Budgeted Cash Flow for both Sewer and Water, the budget presents a projection of revenues by funding source, operating expenses, debt service costs and capital expenditures planned for fiscal year 2018-19. Capital project cost estimates are based on the Capital Improvement Program (CIP) and related water master plan.

Fiscal year 2018-19 Challenges

On the sewer side major challenges for FY 2018-19 budget are significantly increased SAM operations, and legal cost related to the HMB vs. SAM, GCSD and MWSD lawsuit that are offset by this year's 21% rate increase and future increases. MWSD will also implement a total of \$3.87 million in long planned capital sewer projects. Reserve funds have been earmarked in prior years to pay for the improvements.

The most notable change in this year's water budget is the addition of a fourth water systems operator. Constant increases in regulations and number of facilities operated by MWSD over the past decades require this additional full-time position.

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Sewer Enterprise:

Sewer service charge:

The District is proposing to adopt sewer rate increases for the next two fiscal years as shown on the table below. Residential sewer service charges are calculated based on annualized water use from four wet-weather months (November - February or December - March depending on water billing cycle), a period of minimal outdoor irrigation. Commercial sewer service charges vary based on customer class and wastewater strength and are applied based on annual water use.

PROPOSED SEWER RATES			
	Current Sewer Rates*	Proposed Rates Effective	
		July 1, 2018	July 1, 2019
Sewer Service Charge Rates	Equivalent	Rate	Rate
<u>Customer Class</u>	<u>rate per hcf</u>	<u>per hcf</u>	<u>per hcf</u>
Residential	\$14.31	\$17.41	\$21.07
Restaurants	25.96	30.21	36.55
Motels	15.39	18.33	22.18
Offices	12.65	15.69	18.98
General Commercial	13.70	16.80	20.33
Schools	12.88	15.93	19.28
Hospitals	14.40	17.36	21.01

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Sewer Authority Mid-Coastside:

The major factors impacting the Sewer enterprise are the overall costs of being a part of the SAM JPA. The SAM budget is comprised of two separate assessments:

1. Operations & Maintenance, which includes a capital infrastructure component
2. Collection Services

Please note; the district approved the fiscal year 2017-18 budget using SAM's preliminary budget figures. These amounts were subsequently amended.

Current year differences as compared to last fiscal year are as follows:

	FY 2017-18	FY 2018-19		
	Proposed Budget	Proposed Budget	\$ (Decrease)	% (Decrease)
Operations & Maintenance	\$ 1,259,320	\$ 1,249,147	\$ (10,173)	-0.81%
Collection Services	\$ 285,934	\$ 328,036	\$ 42,102	14.72%
	\$ 1,545,254	\$ 1,577,183		

Labor:

The Sewer Enterprise has two full time equivalents that are paid through Sewer operations. Overall, benefits and labor in comparison to fiscal year 2017-18 are budgeted to increase \$9,010 or 2.94%. This fiscal year includes a 2.83% cost of living increase as well as a 2.5% merit increase.

Connection Fees:

Revenue from new residential construction has been budgeted flat. For fiscal year 2017-18 the District has issued eight new connections. Based on the unexpected nature of new connection issuances, the District is remaining conservative and budgeting for a total of six new connections issued for fiscal year 2018-19. The revenue from these connections is used for MWSD capital expenditures.

Capital Improvement:

Fiscal year 2017-18 Sewer CIP budget was set at \$1,640,000. The planned high priority projects included the Cabrillo Highway Phase 1 A & B sewer main replacement as well as other mechanical system repairs & replacements that were deemed to be high priority. A number of issues have plagued the ability to proceed on a number of these planned projects. Through April 2018, Sewer CIP is 13.26% through its total budget for a total of \$217,522 in capital costs.

Fiscal year 2018-2019 budget model currently includes the majority of these high priority projects as well as others. As discussed above, the majority of the planned projects that were to take place in fiscal 17-18 have not seen significant progress. For this reason, the budget set for fiscal year 2018-19 is \$3,640,000. The District expects to have to use a good portion of reserves to fund these projects which have been in the works for many years. Please refer to the capital reserve section of the budget for a more in depth analysis of the current reserve levels.

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Water Enterprise:

Water Sales:

In fiscal year 2014-2015 the District's Water enterprise went through a comprehensive Rate Study prepared by Bartle Wells. The rate study was the culmination of many months of work. Bartle Wells drafted various financial models in order to decide the long term rate structure for the District. The specific assumptions made included the *cost escalation factor*, *Interest earnings rate*, *growth in customer base*, and *price elasticity*. These assumptions are used in order to account for the known cost drivers. The largest portion being the Water enterprise's debt service responsibilities for the next 10-15 years and the District's long term capital improvement program set forth by the District's master plan. After careful consideration of three proposed financial models put in place by Bartle Wells, the decision of a 3% water rate increase and 10 new connections per year was deemed appropriate.

Whereas the Bartle Wells model is used as a guide for the increase in water rates, it is not used to budget revenue collected, as water consumption is an inexact science. For fiscal year 2018-19, water rates have been budgeted for a 3% rate increase, however, due to negative consumption expectations, revenue has been budgeted flat.

Labor:

The District has 5 full time equivalents that are paid through Water operations. Overall, benefits and labor in comparison to fiscal year 2017-18 are budgeted to increase \$103,312 or 13.43%. This fiscal year includes a 2.83% cost of living increase as well as a 2.5% merit increase. The District also intends to recruit the services of a fourth water operator. The addition of the fourth operator is designed to cut down on over-time as well as on-call responsibilities over the next two to three fiscal years.

Connection Fees:

Connection fee revenue for new construction has been budgeted flat at \$252,020 with the estimate that ten connections will be issued in fiscal year 2018-19. Thus far through April the District has issued eight new construction connections. The District is aware that the possibility of many more connections being issued related to the Big Wave project. However, with the current uncertainty regarding the project, it would not be prudent to include the additional revenue for fiscal year 2018-19.

Capital Improvement:

The projected current year CIP budget of \$481,000 is a decrease of \$232,500 or 32.59%. This decrease was to be expected as the District is back to continually maintaining and improving the current system through the traditional sense of replacing water main, laterals, and meters. The Pillar Ridge Rehab project is currently on-going and is expected to continue for the next three to five years.

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Conclusion:

The District strives to keep its rate increases and overall costs as low as possible while meeting or exceeding regulatory standards. This goal and focus is becoming tougher and tougher with rising costs and the constant requirement of maintaining the District's aging infrastructure.

The District continues to strive toward excellence while providing high levels of customer service as well as maintaining a focus on environmental stewardship.



Montara Water & Sanitary

Budgeted Cash Flow - Sewer

Fiscal year 2018-2019

Cash flow summary

Operating cash flow

Operating income	FY 2017-2018	FY 2018-2019	Variance (%)	Variance (\$)
Sewer Service Charges	\$ 1,999,171	\$ 2,548,225	27.46%	\$ 549,054
Cell Tower Lease	\$ 34,300	\$ 35,500	3.50%	\$ 1,200
Fees & Other	\$ 17,000	\$ 17,000	0.00%	\$ -
Property Tax	\$ 235,000	\$ 275,000	17.02%	\$ 40,000
Waste Collection Revenues	\$ 22,000	\$ 23,000	4.55%	\$ 1,000
Total operating income	\$ 2,307,471	\$ 2,898,725		
Operating expenses				
Personnel	\$ (306,639)	\$ (315,649)	2.94%	\$ 9,010
Professional Services	\$ (114,950)	\$ (232,000)	101.83%	\$ 117,050
Facilities & Administration	\$ (46,100)	\$ (55,600)	20.61%	\$ 9,500
Engineering	\$ (52,000)	\$ (62,000)	19.23%	\$ 10,000
Pumping	\$ (32,000)	\$ (41,000)	28.13%	\$ 9,000
Sewer Authority Mid-Coastside	\$ (1,635,254)	\$ (1,667,183)	1.95%	\$ 31,929
All other Accounts	\$ (53,860)	\$ (67,860)	25.99%	\$ 14,000
Total operating expenses	\$ (2,240,803)	\$ (2,441,292)		
Net Cash Flow Provided by Operations	\$ 66,668	\$ 457,433		

Investment cash flow

Investment income				
Interest Revenue	\$ 15,000	\$ 25,000	66.67%	\$ 10,000
Total investment income	\$ 15,000	\$ 25,000		
Investment expenses				
Capital Improvement Program	\$ (1,640,000)	\$ (3,877,500)	136.43%	\$ 2,237,500
Total investment expenses	\$ (1,640,000)	\$ (3,877,500)		
Net Cash Flow Used by Investments	\$ (1,625,000)	\$ (3,852,500)		

Financing cash flow

Financing income				
Connection Fees	\$ 194,576	\$ 194,600	0.01%	\$ 24
Total financing income	\$ 194,576	\$ 194,600		
Financing expenses				
Loan Interest Expense	\$ (42,634)	\$ (40,307)	-5.46%	\$ (2,326)
Loan Principal Payment	\$ (75,179)	\$ (81,092)	7.87%	\$ 5,913
Total financing expenses	\$ (117,813)	\$ (121,399)		
Net Cash Flow Provided by Financing Activities	\$ 76,763	\$ 73,201		
Overall projected cash flow	\$ (1,481,568)	\$ (3,321,867)		
Transfer from Sewer Reserves	\$ 1,481,568	\$ 3,321,867 *		
Net cash flow	\$ -	\$ -		

* Please see discussion of Sewer reserve funds on page 23. In addition, please review the Sewer CIP project summary list on page 17.



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2018-2019

Cash flow summary

Operating cash flow

Operating income		FY 2017-2018	FY 2018-2019	Variance (%)	Variance (\$)
Water Sales	\$	1,912,496	\$ 1,912,496	0.00%	\$ -
Cell Tower Lease	\$	34,300	\$ 35,500	3.50%	\$ 1,200
Fees & Other	\$	12,050	\$ 12,050	0.00%	\$ -
Property Tax	\$	235,000	\$ 275,000	17.02%	\$ 40,000
Backflow Testing & Other	\$	13,000	\$ 16,000	23.08%	\$ 3,000
Total operating income	\$	2,206,846	\$ 2,251,046		
Operating expenses					
Personnel	\$	(769,260)	\$ (872,572)	13.43%	\$ 103,312
Professional Services	\$	(139,700)	\$ (150,000)	7.37%	\$ 10,300
Facilities & Administration	\$	(57,380)	\$ (58,500)	1.95%	\$ 1,120
Engineering	\$	(87,000)	\$ (145,500)	67.24%	\$ 58,500
Pumping	\$	(109,000)	\$ (105,700)	-3.03%	\$ (3,300)
Supply	\$	(52,000)	\$ (52,100)	0.19%	\$ 100
Collection/Transmission	\$	(94,500)	\$ (81,500)	-13.76%	\$ (13,000)
Treatment	\$	(64,000)	\$ (76,000)	18.75%	\$ 12,000
All Other Accounts	\$	(130,600)	\$ (124,600)	-4.59%	\$ (6,000)
Total operating expenses	\$	(1,503,440)	\$ (1,666,472)		
Net Cash Flow Provided by Operations	\$	703,406	\$ 584,574		

Investment cash flow

Investment income					
GO Bonds, Assessment Receipts	\$	1,150,436	\$ 1,150,436	0.00%	\$ -
Total investment income	\$	1,150,436	\$ 1,150,436		
Investment expenses					
Capital Improvement Program	\$	(713,500)	\$ (481,000)	-32.59%	\$ (232,500)
Total investment expenses	\$	(713,500)	\$ (481,000)		
Net Cash Flow Used by Investments	\$	436,936	\$ 669,436		

Financing cash flow

Financing income					
Connection Fees	\$	253,020	\$ 253,020	0.00%	\$ -
Total financing income	\$	253,020	\$ 253,020		
Financing expenses					
Long Term Debt - Interest Expense	\$	(326,530)	\$ (347,802)	6.51%	\$ 21,272
Long Term Debt - Principal Payment	\$	(1,062,675)	\$ (1,200,079)	12.93%	\$ 137,404
Total financing expenses	\$	(1,389,205)	\$ (1,547,881)		
Net Cash Flow Provided by Financing Activities	\$	(1,136,185)	\$ (1,294,861)		
Overall projected cash flow	\$	4,157	\$ (40,851)		
Transfer from Water Reserves	\$	4,157	\$ (40,851)	*	
Net cash flow	\$	-	\$ -		

* Please see discussion of Water reserve funds on page 22.



MWSD — Fiscal Year 2018-19 Operations Budget - SEWER ENTERPRISE

Operating Revenue	GL Codes	2015-16 Actual	2016-17 Actual	Approved Budget 2017-18	Income/Expenditure as of April 30, 2018	% To date	Projected	Projected as % of Budget	Proposed	Increase/(Decrease) from 2017-2018 \$	Increase/(decrease) %
									Budgeted amounts 2018-19		
Cell Tower Lease:	4220	33,500	34,427	34,300	29,587	86.26%	35,505	103.51%	35,500	1,200	3.50%
Administrative Fees (New Construction):	4410	3,318	3,409	3,500	3,535	101.00%	4,242	121.20%	3,500	0	0.00%
Administrative Fees (Remodel):	4420	1,422	1,448	2,000	708	35.40%	850	42.48%	2,000	0	0.00%
Inspection Fees (New Construction):	4430	3,136	3,220	3,500	2,862	81.77%	3,434	98.13%	3,500	0	0.00%
Inspection Fees (Remodel):	4440	3,219	3,748	4,000	110	2.75%	132	3.30%	4,000	0	0.00%
Mainline Extension Fees:	4450					0.00%	0	0.00%		0	#DIV/0!
Remodel Fees:	4460	2,222	15,844	4,000	25,751	643.78%	30,901	772.53%	4,000	0	0.00%
Grants:	4510					0.00%	0	0.00%		0	#DIV/0!
Property Tax Receipts:	4610	325,926	340,018	235,000	339,237	144.36%	407,084	173.23%	275,000	40,000	17.02%
Sewer Service Charges:	4710	2,063,335	1,975,325	2,003,171	1,880,423	93.87%	2,003,171	100.00%	2,552,225	549,054	27.41%
Sewer Service Refunds, Customer:	4720	(8,386)	(10,530)	(4,000)	(2,003)	50.07%	(2,403)	60.08%	(4,000)	0	0.00%
Waste Collection Revenues:	4760	19,350	23,130	22,000	17,911	81.42%	21,494	97.70%	23,000	1,000	4.55%
Other Revenue:	4990	155	433		3,368	100.00%	4,042	100.00%			
Total Operating Revenue:		2,447,196	2,390,473	2,307,471	2,301,490	99.74%	2,508,452	108.71%	2,898,725	591,254	25.62%
Operating Expenses											
Bank Fees:	5190	3,363	6,692	6,500	5,801	89.25%	6,532	100.49%	6,500	0	0.00%
Board Meetings:	5210	3,282	4,169	4,000	1,461	36.53%	1,948	48.71%	2,500	(1,500)	-37.50%
Director Fees:	5220	2,363	2,665	3,300	3,150	95.46%	4,200	127.27%	4,000	700	21.21%
Election Expenses:	5230	0	4,860			0.00%	0	0.00%	5,000	5,000	
Conference Attendance:	5250	0	147	2,000	3,131	156.55%	3,075	153.75%	3,000	1,000	50.00%
Information Systems:	5270	3,888	1,667	6,000	540	9.00%	720	12.00%	4,000	(2,000)	-33.33%
Fidelity Bond:	5310	0		500	0	0.00%	0	0.00%	500	0	0.00%
Property & Liability Insurance:	5320	1,688	3,758	2,000	2,161	108.04%	2,161	108.05%	2,000	0	0.00%
LAFCO Assessment:	5350	1,718	1,526	2,000	1,601	80.05%	1,601	80.05%	2,000	0	0.00%
Meeting Attendance, Legal:	5420	7,139	6,483	9,500	6,951	73.17%	9,268	97.56%	9,500	0	0.00%
General Legal:	5430	31,865	32,775	25,000	112,062	448.25%	149,416	597.67%	150,000	125,000	500.00%
Maintenance, Office:	5510	7,619	6,933	8,000	2,487	31.08%	3,315	41.44%	8,000	0	0.00%
Meetings, Local:	5520	0				0.00%	0	0.00%		0	
Memberships:	5530	0				0.00%	0	0.00%		0	
Office Supplies:	5540	7,366	7,755	8,000	3,832	47.90%	5,110	63.87%	8,000	0	0.00%
Postage:	5550	2,668	1,143	2,500	246	9.84%	328	13.12%	2,500	0	0.00%
Printing & Publishing:	5560	3,478	1,135	3,000	3,360	111.99%	4,480	149.32%	5,000	2,000	66.67%
Accounting:	5610	38,555	38,950	30,000	18,650	62.17%	24,867	82.89%	30,000	0	0.00%
Audit:	5620	12,050	13,000	13,000	9,800	75.39%	13,000	100.00%	13,000	0	0.00%
Consulting:	5630	16,886	19,894	28,000	20,193	72.12%	28,000	100.00%	20,000	(8,000)	-28.57%
Data Services:	5640	5,504		6,000	6,164	102.74%	5,851	97.52%	6,000	0	0.00%
Labor & HR Support:	5650	1,875	2,250	2,500	2,095	83.80%	2,800	112.00%	2,500	0	0.00%
Payroll Services:	5660	839	942	950	796	83.78%	1,061	111.71%	1,000	50	5.26%
Other Professional Services:	5690	375	132			0.00%	0	0.00%		0	
San Mateo County Tax Roll Charges:	5710	116	119	2,500	0	0.00%	0	0.00%	2,500	0	0.00%
Telephone & Internet:	5720	13,742	16,380	16,500	14,813	89.78%	22,220	134.67%	24,000	7,500	45.45%
Mileage Reimbursement:	5730	682	1,063	1,500	564	37.60%	752	50.13%	1,500	0	0.00%
Reference Materials:	5740	0	23	200	0	0.00%	0	0.00%	200	0	0.00%
Other Administrative:	5790	0			435	100.00%	580	100.00%		0	
CalPERS 457 Deferred Plan:	5810	13,954	18,637	15,445	15,838	102.54%	21,117	136.73%	15,912	467	3.02%
Employee Benefits:	5820	47,890	37,701	35,635	39,223	110.07%	52,298	146.76%	35,635	(0)	0.00%
Disability Insurance:	5830	1,397	1,360	1,534	1,020	66.51%	1,360	88.68%	1,534	0	0.00%
Payroll Taxes:	5840	14,577	14,552	16,879	13,180	78.08%	17,573	104.11%	17,390	511	3.03%
Worker's Compensation Insurance:	5960	491	2,120	2,447	3,130	127.91%	4,173	170.55%	2,447	0	0.00%
Management:	5910	92,434	99,561	103,725	98,164	94.64%	130,886	126.19%	103,725	0	0.00%
Staff :	5920	112,648	119,299	112,599	106,682	94.75%	142,242	126.33%	119,047	6,448	5.73%
Staff Certification:	5930	1,800	1,800	1,800	1,500	83.33%	2,000	111.11%	1,800	0	0.00%
Staff Overtime:	5940	2,888	3,879	2,514	642	25.55%	857	34.07%	2,744	230	9.13%
Staff Standby:	5950	29				0.00%	0	0.00%		0	
PARS:	5850	(0)	(80,974)	14,061	13,479	95.86%	17,972		15,416	1,355	9.64%
Claims, Property Damage:	6170	0		10,000	12,811	128.11%	57,081	570.81%	20,000	10,000	100.00%



MWSD — Fiscal Year 2018-19 Operations Budget - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2015-16 Actual</u>	<u>2016-17 Actual</u>	<u>Approved Budget 2017-18</u>	<u>Income/Expenditure s as of April 30, 2018</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as % of Budget</u>	<u>Proposed Budgeted amounts 2018-19</u>	<u>Increase/(Decrease) from 2017-2018 \$</u>	<u>Increase/(decrease) %</u>
Education & Training:	6195	0		1,000	628	62.75%	837	83.67%	1,000	0	0.00%
Meeting Attendance, Engineering:	6210	0		2,000	0	0.00%	0	0.00%	2,000	0	0.00%
General Engineering:	6220	31,924	44,122	50,000	69,402	138.80%	92,535	185.07%	60,000	10,000	20.00%
Equipment & Tools, Expensed:	6320	0		1,000	0	0.00%	0	0.00%	1,000	0	0.00%
Alarm Services:	6335	5,896	6,738	5,700	3,734	65.51%	4,978	87.34%	5,700	0	0.00%
Landscaping:	6337	3,702	4,080	2,400	1,330	55.42%	1,773	73.89%	2,400	0	0.00%
Pumping Fuel & Electricity:	6410	25,454	36,043	32,000	29,858	93.31%	39,810	124.41%	41,000	9,000	28.13%
Pumping Maintenance, General:	6430	3,525				0.00%	0	0.00%			
Maintenance, Collection System:	6660	0		10,000	0	0.00%	0	0.00%	10,000	0	0.00%
Fuel:	6810	792	878	800	779	97.43%	1,039	129.91%	1,000	200	25.00%
Truck Equipment, Expensed:	6820	89	71	160	100	62.50%	100	62.50%	160	0	0.00%
Truck Repairs:	6830	153	331	400	745	186.35%	994	248.47%	1,000	600	150.00%
Total Other Operations:	6890	0	550			0.00%	0	0.00%		0	
SAM Collections:	6910	360,504	321,608	285,934	209,556	73.29%	279,408	97.72%	328,036	42,102	14.72%
SAM Operations:	6920	707,892	677,904	1,259,320	853,599	67.78%	1,138,132	90.38%	1,249,147	(10,173)	-0.81%
SAM Prior-Year Adjustment:	6930	0				0.00%		0.00%		0	
SAM Maintenance, Collection System:	6940			40,000	16,071	40.18%	21,429	53.57%	40,000	0	0.00%
SAM Maintenance, Pumping:	6950	0	0	50,000	0	0.00%	0	0.00%	50,000	0	0.00%
Total Operations Expense:		1,595,101	1,484,721	2,240,803	1,711,765	76.39%	2,319,881	103.53%	2,441,292	200,489	8.95%
Net Change in position from Operations:		852,096	905,751	66,668	589,725	884.57%	188,571	282.85%	457,433	390,765	586.14%



MWSD — Fiscal Year 2018-2019 Non-Operating Budget - SEWER ENTERPRISE

	<u>GL Codes</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17 Actual</u>	<u>Approved</u> <u>Budget 2017-18</u>	<u>Income/Expenditure</u> <u>s as of April 30,</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as</u> <u>% of Budget</u>	<u>Proposed Budgeted</u> <u>amounts 2018-19</u>	<u>Increase/(Decrease)</u> <u>from 2017-18 \$</u>	<u>Increase/(decrease)</u> <u>%</u>
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	53,363	140,090	144,576	217,670	150.56%	164,853	114.03%	144,600	24	0.02%
Connection Fees, Residential Remodel:	7120	47,234	35,740	50,000	32,337	64.67%	38,804	77.61%	50,000	0	0.00%
LAIF, Interest:	7200	18,184	32,034	15,000	41,070	273.80%	49,284	328.56%	25,000	10,000	66.67%
Total Non Operating Revenue:		119,676	207,864	209,576	291,077	138.89%	252,941	120.69%	219,600	10,024	4.78%
Non Operating Expense											
PNC Equipment Lease:	9125	20,743	19,545	18,280	14,542	79.55%	17,451	95.46%	16,826	(1,454)	-7.95%
Capital Assessment, SAM:	9175	160,668	113,432		121,345	100.00%	145,614	100.00%		0	#DIV/0!
I-Bank Loan:	9200	28,284	24,853	24,354	14,027	57.60%	16,833	69.12%	23,481	(873)	-3.58%
Total Non Operating Expense:		209,695	157,830	42,634	149,914	351.63%	179,897	421.96%	40,307	(2,327)	-5.46%
Net Change in position from Non Operating		(90,019)	50,034	166,942	141,162		73,044		179,293	12,351	



MWSD — Fiscal Year 2018-2019 Operations Budget - WATER ENTERPRISE

Operating Revenue	GL Codes	2015-16	2016-17	Approved Budget	Income/Expenditures	% To date	Projected	Projected as %	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	2017-18	as of April 30, 2018			of Budget	amounts 2018-19	from 2017-18 \$	%
Cell Tower Lease:	4220	33,500	34,427	34,300	29,587	86.26%	35,505	103.51%	35,500	1,200	3.50%
Administrative Fees (New Construction):	4410	6,349	7,292	5,500	4,040	73.46%	4,848	88.15%	5,500	0	0.00%
Administrative Fees (Remodel):	4420	0	0	900	1,679	186.56%	2,015	223.87%	900	0	0.00%
Inspection Fees (New Construction):	4430	5,813	6,888	5,000	3,816	76.32%	4,579	91.58%	5,000	0	0.00%
Inspection Fees (Remodel):	4440	0	460	650	1,908	293.54%	2,290	352.25%	650	0	0.00%
Mainline Extension Fees:	4450	46,459		0	0	0.00%	0	0.00%		0	
Remodel Fees:	4460		9,732	0	2,240	100.00%	2,687	100.00%			
Property Tax Receipts:	4610	325,926	340,018	235,000	339,237	144.36%	407,084	173.23%	275,000	40,000	17.02%
Testing, Backflow:	4740	16,377	14,816	13,000	14,782	113.71%	17,738	136.45%	16,000	3,000	23.08%
Water Sales:	4810	1,739,386	1,771,239	1,915,496	1,596,805	83.36%	1,916,166	100.04%	1,915,496	0	0.00%
Water Sales Refunds, Customer:	4850	(1,488)	(2,993)	(3,000)	0	0.00%	0	0.00%	(3,000)	0	0.00%
Other Revenue:	4990	8,793	10,820		1,170	100.00%	1,404	100.00%	0	0	
Total Operating Revenue:		2,181,114	2,192,699	2,206,846	1,995,264	90.41%	2,394,317	108.50%	2,251,046	44,200	2.00%
Operating Expenses											
Bank Fees:	5190	6,907	6,743	7,000	1,520	21.72%	2,027	28.96%	3,500	(3,500)	-50.00%
Board Meetings:	5210	3,282	4,169	4,000	1,461	36.53%	1,948	48.71%	4,000	0	0.00%
Director Fees:	5220	2,363	2,665	3,300	3,150	95.46%	4,200	127.27%	3,300	0	0.00%
Election Expenses:	5230		4,860	0	0	0.00%	0	0.00%		0	
CDPH Fees:	5240	18,086		15,500	10,832	69.88%	14,442	93.17%	15,500	0	0.00%
Conference Attendance:	5250	5,267	850	4,000	5,697	142.42%	5,641	141.03%	6,000	2,000	50.00%
Information Systems:	5270	3,888	2,973	3,000	540	18.00%	720	24.00%	3,000	0	0.00%
Fidelity Bond:	5310			500	0	0.00%	0	0.00%	500	0	0.00%
Property & Liability Insurance:	5320	1,688	3,758	2,700	0	0.00%	0	0.00%	2,700	0	0.00%
LAFCO Assessment:	5350	2,328	2,048	2,500	2,208	88.32%	2,208	88.32%	2,500	0	0.00%
Meeting Attendance, Legal:	5420	7,700	6,480	8,500	3,211	37.78%	4,282	50.37%	8,500	0	0.00%
General Legal:	5430	43,625	57,788	60,000	11,900	19.83%	15,867	26.44%	60,000	0	0.00%
Maintenance, Office:	5510	8,122	8,678	8,000	2,339	29.24%	3,119	38.99%	8,000	0	0.00%
Meetings, Local:	5520				0	0.00%	0	0.00%		0	
Memberships:	5530	17,225	17,679	18,000	20,298	112.77%	20,298	112.77%	20,500	2,500	13.89%
Office Supplies:	5540	7,366	7,638	8,000	3,832	47.90%	5,110	63.87%	7,000	(1,000)	-12.50%
Postage:	5550	7,578	7,168	7,500	5,007	66.77%	6,677	89.02%	7,000	(500)	-6.67%
Printing & Publishing:	5560	1,650	1,356	2,000	715	35.75%	953	47.67%	2,000	0	0.00%
Accounting:	5610	38,555	38,950	30,000	18,650	62.17%	24,867	82.89%	30,000	0	0.00%
Audit:	5620	20,950	13,000	13,000	9,800	75.39%	13,000	100.00%	13,000	0	0.00%
Consulting:	5630	28,560	36,600	25,000	14,379	57.51%	19,171	76.69%	35,000	10,000	40.00%
Data Services:	5640	18,773			313	100.00%	418	100.00%		0	
Labor & HR Support:	5650	2,651	2,349	2,250	2,095	93.11%	2,793	124.15%	2,500	250	11.11%
Payroll Services:	5660	839	942	950	796	83.78%	1,061	111.70%	1,000	50	5.26%
Other Professional Services:	5690	227	132		0	0.00%	0	0.00%		0	
San Mateo County Tax Roll Charges:	5710	122	119		0	0.00%	0	0.00%			
Telephone & Internet:	5720	19,391	22,304	22,380	17,489	78.14%	23,318	104.19%	25,000	2,620	11.71%
Mileage Reimbursement:	5730	2,157	1,648	2,000	564	28.20%	752	37.60%	2,000	0	0.00%
Reference Materials:	5740	0	23	800	0	0.00%	0	0.00%	800	0	0.00%
Other Administrative:	5790	127	2,147		615	100.00%	820	100.00%		0	
CalPERS 457 Deferred Plan:	5810	31,571	36,418	35,513	31,038	87.40%	41,384	116.53%	43,029	7,516	21.16%
Employee Benefits:	5820	75,196	76,378	86,856	69,566	80.09%	92,754	106.79%	80,058	(6,798)	-7.83%
Disability Insurance:	5830	3,329	3,366	3,637	2,525	69.41%	3,366	92.55%	4,288	651	17.90%
Payroll Taxes:	5840	36,932	38,090	42,294	32,884	77.75%	43,845	103.67%	48,760	6,466	15.29%
Worker's Compensation Insurance:	5960	4,788	14,423	19,948	14,481	72.60%	19,308	96.79%	23,317	3,369	16.89%
Management:	5910	92,434	99,563	103,725	98,164	94.64%	130,885	126.19%	103,725	(0)	0.00%
Staff :	5920	329,764	347,037	358,357	303,339	84.65%	404,452	112.86%	426,804	68,447	19.10%
Staff Certification:	5930	9,440	9,125	9,000	8,796	97.74%	11,728	130.31%	11,400	2,400	26.67%
Staff Overtime:	5940	48,214	52,690	55,831	34,805	62.34%	46,406	83.12%	69,334	13,502	24.18%
Staff Standby:	5950	22,621	23,830	25,947	20,803	80.18%	27,738	106.90%	26,123	176	0.68%
PARS:	5850	0	(150,932)	28,152	24,636	87.51%	32,848	116.68%	35,734	7,582	26.93%
Backflow Prevention:	6160	800	892	1,000	473	47.35%	631	63.13%	1,000	0	0.00%

**MWSD — Fiscal Year 2018-2019 Operations Budget - WATER ENTERPRISE**

Operating Revenue	GL Codes	2015-16	2016-17	Approved Budget	Income/Expenditures	% To date	Projected	Projected as %	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	2017-18	as of April 30, 2018			of Budget	amounts 2018-19	from 2017-18 \$	%
Claims, Property Damage:	6170	0	175	10,000	0	0.00%	0	0.00%	10,000	0	0.00%
SCADA Maintenance:	6185	28,817	20,505	20,000	9,011	45.05%	12,014	60.07%	10,000	(10,000)	-50.00%
Internet & Telephone, Communications:	6187			0	0	0.00%	0	0.00%		0	
Education & Training:	6195	2,574	8,131	7,000	8,700	124.29%	11,600	165.72%	9,000	2,000	28.57%
Meeting Attendance, Engineering:	6210	0		2,000	16	0.78%	21	1.03%	500	(1,500)	-75.00%
General Engineering:	6220	15,406	4,029	20,000	10,010	50.05%	13,346	66.73%	45,000	25,000	125.00%
Water Quality Engineering:	6230	82,864	138,939	65,000	104,938	161.44%	139,918	215.26%	100,000	35,000	53.85%
Equipment & Tools, Expensed:	6320	4,008	2,962	5,000	6,012	120.25%	8,017	160.33%	5,000	0	0.00%
Alarm Services:	6335	640	777	800	434	54.20%	578	72.26%	800	0	0.00%
Landscaping:	6337	6,226	7,102	6,000	3,097	51.62%	4,129	68.82%	6,000	0	0.00%
Lab Supplies & Equipment:	6370	818	178	1,000	1,679	167.88%	2,000	200.00%	2,000	1,000	100.00%
Meter Reading:	6380		119	0	21	100.00%	28	100.00%		0	
Pumping Fuel & Electricity:	6410	89,652	82,730	90,000	52,203	58.00%	69,604	77.34%	90,000	0	0.00%
Pumping Maintenance, Generators:	6420	4,771	12,118	10,000	6,604	66.04%	8,805	88.05%	10,000	0	0.00%
Pumping Maintenance, General:	6430	6,284	4,969	7,000	4,137	59.10%	5,516	78.81%	5,000	(2,000)	
Pumping Equipment, Expensed:	6440	1,786		2,000	210	10.52%	280	14.02%	700	(1,300)	-65.00%
Maintenance, Raw Water Mains:	6510	2,478	1,421	2,000	1,474	73.71%	1,965	98.27%	2,100	100	
Maintenance, Wells:	6520	20,657	1,466	10,000	5,355	53.55%	7,139	71.40%	10,000	0	0.00%
Water Purchases:	6530	38,009	34,292	40,000	25,508	63.77%	34,011	85.03%	40,000	0	0.00%
Hydrants:	6610	0	3,819	1,000	375	37.53%	500	50.04%	1,000	0	0.00%
Maintenance, Water Mains:	6620	71,575	75,576	55,000	26,328	47.87%	35,103	63.83%	50,000	(5,000)	-9.09%
Maintenance, Water Service Lines:	6630	33,705	4,206	25,000	12,389	49.55%	16,518	66.07%	20,000	(5,000)	-20.00%
Maintenance, Tanks:	6640	8,741	71	1,000	557	55.65%	742	74.21%	1,000	0	0.00%
Maintenance, Distribution General:	6650	2,406	5,196	10,000	1,248	12.48%	1,664	16.64%	7,000	(3,000)	-30.00%
Maintenance, Collection System:	6660		24		0	0.00%	0	0.00%			
Meters:	6670	5,382	10,719	2,500	1,674	66.95%	2,232	89.27%	2,500	0	0.00%
Chemicals & Filtering:	6710	40,896	11,660	30,000	6,468	21.56%	8,624	28.75%	30,000	0	0.00%
Maintenance, Treatment Equipment:	6720	11,965	4,724	4,000	6,720	168.01%	8,960	224.01%	4,000	0	0.00%
Treatment Analysis:	6730	28,890	24,653	30,000	29,967	99.89%	39,956	133.19%	42,000	12,000	40.00%
Uniforms:	6770	14,530	10,560	12,000	8,350	69.58%	11,133	92.77%	12,000	0	0.00%
Fuel:	6810	6,117	6,143	8,000	4,417	55.21%	5,889	73.61%	8,000	0	0.00%
Truck Equipment, Expensed:	6820	651	496	1,000	6	0.58%	8	0.78%	1,000	0	0.00%
Truck Repairs:	6830	1,074	2,316	5,000	4,224	84.48%	5,632	112.64%	5,000	0	0.00%
Other Operations:	6890	2,811	18,301		238	100.00%	317	100.00%		0	
Total Operations Expense:		1,458,253	1,302,322	1,503,440	1,121,289	74.58%	1,485,290	98.79%	1,666,472	163,032	10.84%
Net Change in position from Operations:		722,861	890,378	703,406	873,975	124.25%	909,026	129.23%	584,574	(118,832)	-16.89%



MWSD — Fiscal Year 2018-2019 Non-Operating Budget - WATER ENTERPRISE

	<u>GL Codes</u>	<u>2015-16</u> <u>Actual</u>	<u>2016-17</u> <u>Actual</u>	<u>Approved Budget</u> <u>2017-18</u>	<u>Income/Expenditures</u> <u>as of April 30, 2018</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as %</u> <u>of Budget</u>	<u>Proposed Budgeted</u> <u>amounts 2018-19</u>	<u>Increase/(Decrease)</u> <u>from 2017-18 \$</u>	<u>Increase/(decrease)</u> <u>%</u>
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	77,695	130,171	173,020	117,378	67.84%	140,854	81.41%	173,020	0	0.00%
Connection Fees, Residential Remodel:	7120		25,921		10,357	100.00%	12,428	100.00%		0	#DIV/0!
Connection Fees, Residential Fire:	7130	61,724	52,693	80,000	52,043	65.05%	62,452	78.07%	80,000	0	0.00%
Connection Fees, Residential Remodel Fire:	7140					0.00%	0	0.00%		0	
Connection Fees, Well Conversion:	7150					0.00%	0	0.00%		0	
General Obligation Bonds, Assessment Receipts:	7600	1,215,941	1,253,111	1,150,436	1,054,409	91.65%	1,150,436	100.00%	1,150,436	0	0.00%
Total Non Operating Revenue:		1,355,359	1,461,897	1,403,456	1,234,186	87.94%	1,366,169	97.34%	1,403,456	0	0.00%
Non Operating Expense											
General Obligation Bonds:	9100	307,634	286,455	273,978	158,545	57.87%	190,254	69.44%	252,521	(21,457)	-7.83%
PNC Equipment Lease:	9125	20,743	19,545	18,280	14,542	79.55%	17,451	95.46%	16,826	(1,454)	-7.95%
State Revolving Fund Loan:	9150	60,239	90,816	34,273		0.00%	0	0.00%	78,455	44,182	128.91%
Water Rebates :	9210	6,018	1,129	500	1,400	280.00%	2,000	400.00%	2,000	1,500	300.00%
Total Non Operating Expense:		394,634	397,944	327,030	174,487	53.36%	209,705	64.12%	349,802	21,272	6.50%
Net Change in position from Non Operating activities:		960,725	1,063,952	1,076,426	1,059,699		1,156,464		1,053,654	(21,272)	-1.98%

MWSD SEWER Capital Improvement Program

2018-19

SEWER SYSTEM

PROJECT	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
MWSD CAPITAL PROJECTS					
Mechanical System Repairs & Replacements	\$ 75,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 25,000
Inflow & Infiltration Testing / Televising	\$ 25,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Seal Cove Area Repair and Maint. Project	\$ 15,000	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000
Replace Pump Station Pumps	\$ 20,000	\$ 20,000	\$ 150,000	\$ 50,000	\$ 20,000
Replace Medium High Priority Sewer Mains	\$ 650,000	\$ 1,250,000	\$ 1,300,000	\$ 1,200,000	\$ 1,300,000
Spot Repairs Program	\$ 35,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Replace Distillery Pump Station	\$ 5,000	\$ 5,000	\$ 15,000	\$ 120,000	\$ 80,000
Cabrillo Hwy Express Sewer	\$ 800,000			\$ 500,000	\$ 500,000
Pump Station Communication Upgrades	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
MWSD CAPITAL PROJECTS TOTAL:	\$ 1,627,500	\$ 1,412,500	\$ 1,572,500	1,977,500	1,982,500
Rollover from FY 17/18:					
Replace Medium High Priority Sewer Mains	\$ 900,000				
Cabrillo Hwy Phase 1	\$ 1,350,000				
TOTAL ANNUAL COST	3,877,500	1,412,500	1,572,500	1,977,500	1,982,500

MWSD
Five Year Capital Improvement Program
WATER SYSTEM

Existing Customer CIP - WATER		FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	5-Year CIP Total						
Misc. Repair&Replacements	\$	10,000	\$	10,200	\$	10,612	\$	10,824	\$	52,040			
Water Meters	\$	25,000	\$	25,500	\$	26,010	\$	26,530	\$	27,061	\$	130,101	
Water Lateral Services	\$	25,000	\$	25,500	\$	26,010	\$	26,530	\$	27,061	\$	130,101	
Water Main Replacements	\$	100,000	\$	50,000	\$	51,000	\$	52,020	\$	53,060	\$	306,080	
Fire Hydrants Replacements	\$	5,500	\$	5,610	\$	5,722	\$	5,837	\$	5,953	\$	28,622	
Distribution System Renewal and Replacement Program Subtotal		\$	165,500	\$	116,810	\$	119,146	\$	121,529	\$	123,960	\$	646,945
Water Conservation Program		\$	8,500	\$	8,755	\$	9,018	\$	9,288	\$	9,567	\$	45,128
Storage Tank Rehabilitation Program		\$	25,000			\$	250,000	\$	-	\$	-	\$	275,000
Emergency Generator Replacement Program		\$	25,000	\$	25,000	\$	120,000	\$	40,000	\$	40,000	\$	250,000
Vehicle Replacement Fund		\$	27,000	\$	29,000	\$	30,000			\$	-	\$	86,000
Pillar Ridge Rehabilitation Program		\$	25,000	\$	25,000	\$	300,000	\$	25,000	\$	50,000	\$	425,000
EXISTING CUSTOMER CIP TOTAL		\$	276,000	\$	204,565	\$	828,164	\$	195,817	\$	223,527	\$	1,728,073
New Customer CIP - WATER		FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	5-Year CIP Total						
Water Main Upgrade Program	\$	130,000	\$	400,000	\$	412,000	\$	424,360	\$	437,091	\$	1,803,451	
Existing Well Upgrade Program			\$	150,000	\$	280,000	\$	288,400	\$	297,052	\$	1,015,452	
New and Upgraded PRV Stations' Program	\$	-	\$	250,000	\$	257,500	\$	265,225	\$	273,182	\$	1,045,907	
Emergency Generator Upgrade Program	\$	75,000	\$	150,000	\$	154,500	\$	159,135	\$	163,909	\$	702,544	
Schoolhouse Booster Pump Station Upgrade	\$	-	\$	-	\$	-	\$	-	\$	350,000	\$	350,000	
Portola Tank Telemetry Upgrade	\$	-	\$	150,000	\$	100,000	\$	-	\$	-	\$	250,000	
Develop Additional Supply Reliability			\$	100,000	\$	-	\$	350,000	\$	1,000,000	\$	1,450,000	
Big Wave NPA Water Main Extension			\$	2,500,000	\$	-	\$	-	\$	-	\$	2,500,000	
NEW CUSTOMER CIP TOTAL		\$	205,000	\$	3,700,000	\$	1,204,000	\$	1,487,120	\$	2,521,234	\$	9,117,354
Total Annual Capital Cost		\$	481,000	\$	3,904,565	\$	2,032,164	\$	1,682,937	\$	2,744,760	\$	10,845,427