

Fiscal Year 2019-2020

Budget Executive Summary

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Board of Directors

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Eric Marshall, *Treasurer*
Scott Boyd, *Director*

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 Coastside (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 2018-19 Accomplishments

1. No turnover of District staff has led to better customer service and efficiencies in operations
2. Addition of Airport 3 Treatment Plant and other water system improvements provides continued ability to sell connections to perspective customers.
3. Completion of Cabrillo Hwy Phase 1A and 2018 Sewer Mainline Replacement Project increased sewer system reliability and environmental protection.

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4. Successful Financial Audit and Single Audit.
 - a. No note of material weaknesses or significant deficiencies in the Financial Statement Audit

Fiscal Year 2019-20 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 2019-20. Capital project cost estimates are based on the Capital Improvement Program (CIP) and related water master plan.

Fiscal year 2019-20 Challenges

On the sewer side major challenges for FY 2019-20 budget include increased SAM costs as they continue to struggle with increased costs as well as JPA membership issues. In addition, legal professional services are expected to increase due to on-going litigation between SAM and HMB. MWSD will also implement a total of \$1.49 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. Unfortunately, the addition of the water operator was to occur in fiscal year 2018-19, however, due to various issues the District was not able to fill the position. Constant increases in regulations and number of facilities operated by MWSD over the past decades require this additional full-time position.

Engineering costs have increased exponentially due to State regulatory agencies constant inquiries as to water quality for various wells in the District.

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Sewer Enterprise:

Sewer service charge:

In fiscal year 2018-19, the District adopted a sewer rate increases covering 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.

In fiscal year 2019-20 the District will undertake a rate study to set rates for FY 2020-21 and forward.

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

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

	FY 2018-19	FY 2019-20		
	Proposed Budget	Proposed Budget	\$ Increase	% increase
Operations & Maintenance	\$ 1,249,147	\$ 1,529,139	\$ 279,992	22.41%
Collection Services	\$ 328,036	\$ 341,549	\$ 13,513	4.12%
	<u>\$ 1,870,688</u>	<u>\$ 1,870,688</u>		

Labor:

The Sewer Enterprise has two full time equivalents that are paid through Sewer operations. Overall, benefits and labor in comparison to fiscal year 2018-19 are budgeted to increase \$34,480 or 10.92%. This fiscal year includes a 4.01% cost of living increase as well as a 2.5% merit increase. Major line items increasing are the cost of employee medical benefits due to the change in family composition of employees.

Connection Fees:

Revenue from new residential construction has been budgeted relatively flat. For fiscal year 2018-19 the District has issued five 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 2019-20. The revenue from these connections is used for MWSD capital expenditures.

Capital Improvement:

Fiscal year 2018-19 Sewer CIP budget was set at \$3,877,500. 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. Through April 2019, Sewer CIP is 73.54% through its total budget for a total of \$2,234,393 in capital costs.

Fiscal year 2019-2020 budget model currently includes the majority of these high priority projects as well as others. In an effort of maintaining costs, the Cabrillo Highway Express Sewer, Phase 1B portion has been shifted to fiscal year 2020-21. The District will instead focus on finishing phase 1A and continuing to address the replacement of medium and high priority sewer mains.

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 2019-20, due to expectations of increased conservation, revenue collections have been budgeted to increase 1.64%. The board has authorized an immediate rate study with the outcome to be implemented as early as possible within fiscal year 2019-20.

Labor:

The District has 5 full time equivalents that are paid through Water operations. Overall, benefits and labor in comparison to fiscal year 2018-19 are budgeted to increase \$13,589 or 1.56%. This fiscal year includes a 4.01% 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 increased to \$280,000 with the estimate that ten connections will be issued in fiscal year 2019-20. Thus far through April the District has issued six new construction connections and well over thirteen PFP connections for remodels. The District is aware that the possibility of 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 2019-20.

Capital Improvement:

The projected current year CIP budget of \$549,500 is an increase of \$68,500 or 14.24%. This increase was to be expected as the District is back to continually maintaining and improving the current system

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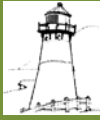
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through the traditional sense of replacing water main, laterals, and meters. Major projects for the 2019-20 fiscal year include emergency generator replacement, existing well upgrade and water main upgrade programs.

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 2019-2020

Cash flow summary

Operating cash flow

Operating income		FY 2018-2019	FY 2019-2020	Variance (%)	Variance (\$)
Sewer Service Charges	\$	2,548,225	\$ 3,006,212	17.97%	\$ 457,987
Cell Tower Lease	\$	35,500	\$ 37,000	4.23%	\$ 1,500
Fees & Other	\$	17,000	\$ 21,100	24.12%	\$ 4,100
Property Tax	\$	275,000	\$ 275,000	0.00%	\$ -
Waste Collection Revenues	\$	23,000	\$ 23,000	0.00%	\$ -
Total operating income	\$	2,898,725	\$ 3,362,312		
Operating expenses					
Personnel	\$	(315,649)	\$ (350,129)	10.92%	\$ 34,480
Professional Services	\$	(232,000)	\$ (500,200)	115.60%	\$ 268,200
Facilities & Administration	\$	(55,600)	\$ (56,950)	2.43%	\$ 1,350
Engineering	\$	(62,000)	\$ (62,000)	0.00%	\$ -
Pumping	\$	(41,000)	\$ (45,000)	9.76%	\$ 4,000
Sewer Authority Mid-Coastside	\$	(1,667,183)	\$ (1,960,688)	17.60%	\$ 293,505
All other Accounts	\$	(67,860)	\$ (69,860)	2.95%	\$ 2,000
Total operating expenses	\$	(2,441,292)	\$ (3,044,827)		
Net Cash Flow Provided by Operations	\$	457,433	\$ 317,485		

Investment cash flow

Investment income					
Interest Revenue	\$	25,000	\$ 50,000	100.00%	\$ 25,000
Total investment income	\$	25,000	\$ 50,000		
Investment expenses					
Capital Improvement Program	\$	(3,877,500)	\$ (1,486,085)	-61.67%	\$ (2,391,415)
Total investment expenses	\$	(3,877,500)	\$ (1,486,085)		
Net Cash Flow Used by Investments	\$	(3,852,500)	\$ (1,436,085)		

Financing cash flow

Financing income					
Connection Fees	\$	194,600	\$ 200,000	2.77%	\$ 5,400
Total financing income	\$	194,600	\$ 200,000		
Financing expenses					
Loan Interest Expense	\$	(40,307)	\$ (37,803)	-6.21%	\$ (2,504)
Loan Principal Payment	\$	(81,092)	\$ (87,133)	7.45%	\$ 6,041
Total financing expenses	\$	(121,399)	\$ (124,936)		
Net Cash Flow Provided by Financing Activities	\$	73,201	\$ 75,064		
Overall projected cash flow	\$	(3,321,867)	\$ (1,043,536)		
Transfer from Sewer Reserves	\$	3,321,867	\$ 1,043,536 *		
Net cash flow	\$	-	\$ -		

* Please see discussion of Sewer reserve funds on page 23.



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2019-2020

Cash flow summary

Operating cash flow

Operating income		FY 2018-2019	FY 2019-2020	Variance (%)	Variance (\$)
Water Sales	\$	1,912,496	\$ 1,944,000	1.65%	\$ 31,504
Cell Tower Lease	\$	35,500	\$ 37,000	4.23%	\$ 1,500
Fees & Other	\$	12,050	\$ 14,000	16.18%	\$ 1,950
Property Tax	\$	275,000	\$ 275,000	0.00%	\$ -
Backflow Testing & Other	\$	16,000	\$ 18,000	12.50%	\$ 2,000
Total operating income	\$	2,251,046	\$ 2,288,000		
Operating expenses					
Personnel	\$	(872,572)	\$ (886,161)	1.56%	\$ 13,589
Professional Services	\$	(150,000)	\$ (377,500)	151.67%	\$ 227,500
Facilities & Administration	\$	(58,500)	\$ (114,300)	95.38%	\$ 55,800
Engineering	\$	(145,500)	\$ (380,500)	161.51%	\$ 235,000
Pumping	\$	(105,700)	\$ (105,700)	0.00%	\$ -
Supply	\$	(52,100)	\$ (47,500)	-8.83%	\$ (4,600)
Collection/Transmission	\$	(81,500)	\$ (82,500)	1.23%	\$ 1,000
Treatment	\$	(76,000)	\$ (85,000)	11.84%	\$ 9,000
All Other Accounts	\$	(124,600)	\$ (127,350)	2.21%	\$ 2,750
Total operating expenses	\$	(1,666,472)	\$ (2,206,511)		
Net Cash Flow Provided by Operations	\$	584,574	\$ 81,489		

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	\$	(481,000)	\$ (549,500)	14.24%	\$ 68,500
Total investment expenses	\$	(481,000)	\$ (549,500)		
Net Cash Flow Used by Investments	\$	669,436	\$ 600,936		

Financing cash flow

Financing income					
Connection Fees	\$	253,020	\$ 280,000	10.66%	\$ 26,980
Total financing income	\$	253,020	\$ 280,000		
Financing expenses					
Long Term Debt - Interest Expense	\$	(347,802)	\$ (318,633)	-8.39%	\$ (29,169)
Long Term Debt - Principal Payment	\$	(1,200,079)	\$ (1,189,448)	-0.89%	\$ (10,631)
Total financing expenses	\$	(1,547,881)	\$ (1,508,081)		
Net Cash Flow Provided by Financing Activities	\$	(1,294,861)	\$ (1,228,081)		
Overall projected cash flow	\$	(40,851)	\$ (545,656)		
Transfer from Water Reserves	\$	(40,851)	\$ (545,656)		*
Net cash flow	\$	-	\$ -		

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



MWSD — Fiscal Year 2019-20 Operations Budget - SEWER ENTERPRISE

Operating Revenue	GL Codes	2016-17	2017-18	Approved	Income/Exp	% To date	Projected	Projected as	Proposed	Increase/(Decr	Increase/(de
		Actual	Actual	Budget	enditures as			% of Budget	Budgeted	ease) from	crease) %
				2018-19	of April 30,				amounts	2018-2019 \$	
					2019				2019-20		
Cell Tower Lease:	4220	34,427	35,632	35,500	30,507	85.94%	36,608	103.12%	37,000	1,500	4.23%
Administrative Fees (New Construction):	4410	3,409	4,040	3,500	2,605	74.43%	3,126	89.31%	3,600	100	2.86%
Administrative Fees (Remodel):	4420	1,448	0	2,000	0	0.00%	0	0.00%	2,000	0	0.00%
Inspection Fees (New Construction):	4430	3,220	3,339	3,500	2,464	70.40%	2,957	84.48%	3,500	0	0.00%
Inspection Fees (Remodel):	4440	3,748	0	4,000	0	0.00%	0	0.00%	4,000	0	0.00%
Mainline Extension Fees:	4450		1,500		0	0.00%	0	0.00%		0	#DIV/0!
Remodel Fees:	4460	15,844	10,278	4,000	6,641	166.02%	7,969	199.22%	8,000	4,000	100.00%
Grants:	4510		0			0.00%	0	0.00%		0	#DIV/0!
Property Tax Receipts:	4610	340,018	367,805	275,000	381,720	138.81%	400,000	145.46%	275,000	0	0.00%
Sewer Service Charges:	4710	1,975,325	2,053,963	2,552,225	2,349,050	92.04%	2,552,225	100.00%	3,010,212	457,987	17.94%
Sewer Service Refunds, Customer:	4720	(10,530)	(2,343)	(4,000)	0	0.00%	0	0.00%	(4,000)	0	0.00%
Waste Collection Revenues:	4760	23,130	21,677	23,000	19,230	83.61%	23,076	100.33%	23,000	0	0.00%
Other Revenue:	4990	433	3,378		2,809	100.00%	3,000	100.00%			
Total Operating Revenue:		2,390,473	2,499,269	2,898,725	2,795,026	96.42%	3,028,961	104.49%	3,362,312	463,587	15.99%
Operating Expenses											
Bank Fees:	5190	6,692	6,654	6,500	6,125	94.23%	7,500	115.39%	7,500	1,000	15.38%
Board Meetings:	5210	4,169	1,836	2,500	2,930	117.20%	3,516	140.64%	3,000	500	20.00%
Director Fees:	5220	2,665	3,900	4,000	1,725	43.13%	2,070	51.75%	4,000	0	0.00%
Election Expenses:	5230	4,860	0	5,000	4,265	85.30%	5,118	102.36%	5,000	0	0.00%
Conference Attendance:	5250	147	3,131	3,000	1,384	46.13%	1,661	55.36%	5,000	2,000	66.67%
Information Systems:	5270	1,667	1,224	4,000	1,402	35.05%	1,682	42.06%	4,000	0	0.00%
Fidelity Bond:	5310		0	500	438	87.50%	525	105.00%	500	0	0.00%
Property & Liability Insurance:	5320	3,758	2,161	2,000	2,215	110.75%	2,658	132.90%	2,000	0	0.00%
LAFCO Assessment:	5350	1,526	1,601	2,000	1,794	89.70%	1,794	89.70%	2,000	0	0.00%
Meeting Attendance, Legal:	5420	6,483	6,951	9,500	14	0.14%	16	0.17%	0	(9,500)	-100.00%
General Legal:	5430	32,775	209,412	150,000	137,631	91.75%	165,157	110.11%	412,500	262,500	175.00%
Maintenance, Office:	5510	6,933	4,020	8,000	6,633	82.91%	7,960	99.50%	8,000	0	0.00%
Meetings, Local:	5520		0		6	100.00%	7	100.00%		0	
Memberships:	5530		0		0	0.00%	0	0.00%		0	
Office Supplies:	5540	7,755	6,243	8,000	5,193	64.91%	6,232	77.90%	8,000	0	0.00%
Postage:	5550	1,143	277	2,500	1,900	76.00%	2,280	91.20%	2,650	150	6.00%
Printing & Publishing:	5560	1,135	2,909	5,000	2,267	45.34%	2,720	54.41%	5,000	0	0.00%
Accounting:	5610	38,950	31,276	30,000	20,153	67.18%	24,184	80.61%	30,000	0	0.00%
Audit:	5620	13,000	18,000	13,000	8,000	61.54%	13,000	100.00%	13,000	0	0.00%
Consulting:	5630	19,894	35,859	20,000	20,298	101.49%	24,358	121.79%	35,000	15,000	75.00%
Data Services:	5640		5,851	6,000	6,079	101.32%	6,079	101.32%	6,200	200	3.33%
Labor & HR Support:	5650	2,250	2,484	2,500	2,035	81.40%	2,442	97.68%	2,500	0	0.00%
Payroll Services:	5660	942	940	1,000	795	79.50%	954	95.40%	1,000	0	0.00%
Other Professional Services:	5690	132	0		0	0.00%	0	0.00%		0	
San Mateo County Tax Roll Charges:	5710	119	0	2,500	119	4.76%	143	5.71%	1,000	(1,500)	-60.00%
Telephone & Internet:	5720	16,380	18,961	24,000	20,218	84.24%	24,262	101.09%	24,000	0	0.00%
Mileage Reimbursement:	5730	1,063	564	1,500	1,296	86.40%	1,555	103.68%	1,500	0	0.00%
Reference Materials:	5740	23	0	200	87	43.50%	104	52.20%	200	0	0.00%
Other Administrative:	5790		0		518	100.00%	622	100.00%		0	
CalPERS 457 Deferred Plan:	5810	18,637	18,386	15,912	16,338	102.68%	19,606	123.21%	17,002	1,089	6.85%
Employee Benefits:	5820	37,701	39,107	35,635	44,755	125.59%	53,706	150.71%	48,307	12,672	35.56%
Disability Insurance:	5830	1,360	1,360	1,534	1,134	73.92%	1,361	88.71%	1,401	(133)	-8.66%



MWSD — Fiscal Year 2019-20 Operations Budget - SEWER ENTERPRISE

Operating Revenue	GL Codes	2016-17		2017-18		Approved Budget		Income/Exp		Projected as		Proposed Budgeted		Increase/(Decrease) from		Increase/(Decrease) %	
		Actual		Actual		2018-19		of April 30, 2019	% To date	Projected	% of Budget	2019-20		2018-2019 \$			
Payroll Taxes:	5840	14,552		16,063		17,390		12,662	72.81%	15,194	87.38%	18,580		1,191		6.85%	
Worker's Compensation Insurance:	5960	2,120		4,082		2,447		1,405	57.42%	1,686	68.90%	5,473		3,026		123.66%	
Management:	5910	99,561		114,908		103,725		94,621	91.22%	113,545	109.47%	111,733		8,008		7.72%	
Staff :	5920	119,299		127,015		119,047		105,016	88.21%	126,019	105.86%	126,526		7,478		6.28%	
Staff Certification:	5930	1,800		1,800		1,800		1,500	83.33%	1,800	100.00%	1,800		0		0.00%	
Staff Overtime:	5940	3,879		918		2,744		1,435	52.30%	1,722	62.76%	2,821		77		2.81%	
Staff Standby:	5950			32					0.00%	0	0.00%			0			
PARS:	5850	(80,974)		16,909		15,416		13,297	86.26%	15,956		16,487		1,072		6.95%	
Claims, Property Damage:	6170			12,811		20,000		20,514	102.57%	20,514	102.57%	20,000		0		0.00%	
Education & Training:	6195			717		1,000		409	40.90%	491	49.08%	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	44,122		68,682		60,000		27,101	45.17%	32,521	54.20%	60,000		0		0.00%	
Equipment & Tools, Expensed:	6320			0		1,000		0	0.00%	0	0.00%	1,000		0		0.00%	
Alarm Services:	6335	6,738		5,146		5,700		4,584	80.42%	5,501	96.51%	5,700		0		0.00%	
Landscaping:	6337	4,080		2,280		2,400		1,934	80.58%	2,321	96.70%	3,600		1,200		50.00%	
Pumping Fuel & Electricity:	6410	36,043		39,312		41,000		36,011	87.83%	43,213	105.40%	45,000		4,000		9.76%	
Pumping Maintenance, General:	6430							0	0.00%	0	0.00%						
Maintenance, Collection System:	6660					10,000		550	5.50%	660	6.60%	10,000		0		0.00%	
Fuel:	6810	878		988		1,000		738	73.80%	886	88.55%	1,000		0		0.00%	
Truck Equipment, Expensed:	6820	71		2		160		18	11.44%	22	13.73%	160		0		0.00%	
Truck Repairs:	6830	331		780		1,000		266	26.60%	319	31.92%	1,000		0		0.00%	
Total Other Operations:	6890	550		0					0.00%	0	0.00%			0			
SAM Collections:	6910	321,608		232,841		328,036		275,292	83.92%	330,350	100.71%	341,549		13,513		4.12%	
SAM Operations:	6920	677,904		1,625,331		1,249,147		1,108,524	88.74%	1,330,229	106.49%	1,529,139		279,992		22.41%	
SAM Prior-Year Adjustment:	6930			0				0	0.00%	0	0.00%			0			
SAM Maintenance, Collection System:	6940			0		40,000		0	0.00%	0	0.00%	40,000		0		0.00%	
SAM Maintenance, Pumping:	6950	0		0		50,000		49,008	98.02%	58,810	117.62%	50,000		0		0.00%	
Total Operations Expense:		1,484,721		2,693,723		2,441,292		2,072,631	84.90%	2,485,030	101.79%	3,044,827		603,535		24.72%	
Net Change in position from Operations:		905,751		(194,455)		457,433		722,394	157.92%	543,931	118.91%	317,485		(139,948)		-30.59%	



MWSD — Fiscal Year 2019-2020 Non-Operating Budget - SEWER ENTERPRISE

	GL Codes	2016-17 Actual	2017-18 Actual	Approved Budget 2018-19	Income/Expenditure s as of April 30,	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2019-20	Increase/(Decrease) from 2018-2019 \$	Increase/(decrease) %
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	140,090	221,658	144,600	152,570	105.51%	183,084	126.61%	150,000	5,400	3.73%
Connection Fees, Residential Remodel:	7120	35,740	7,605	50,000	58,466	116.93%	70,159	140.32%	50,000	0	0.00%
LAIF, Interest:	7200	32,034	41,070	25,000	99,073	396.29%	118,888	475.55%	50,000	25,000	100.00%
Total Non Operating Revenue:		207,864	270,333	219,600	310,109	141.22%	372,130	169.46%	250,000	30,400	13.84%
Non Operating Expense											
PNC Equipment Lease:	9125	19,545	18,222	16,826	14,129	83.97%	16,826	100.00%	15,221	15,221	90.46%
Capital Assessment, SAM:	9175	113,432	121,345		0	0.00%	0	0.00%		(23,481)	#DIV/0!
I-Bank Loan:	9200	24,853	23,996	23,481	12,783	54.44%	23,481	100.00%	22,582	(17,726)	-75.49%
Total Non Operating Expense:		157,830	163,563	40,307	26,912	66.77%	40,307	100.00%	37,803	(25,985)	-64.47%
Net Change in position from Non Operating		50,034	106,770	179,293	283,197		331,823		212,197	56,385	



MWSD — Fiscal Year 2019-2020 Operations Budget - WATER ENTERPRISE

Operating Revenue	GL Codes	2016-17 Actual	2017-18 Actual	Approved Budget 2018-19	Income/Expenditures as of April 30, 2019	% To date	Projected	Projected as % of Budget	Proposed Budgeted amounts 2019-20	Increase/(Decrease) from 2017-18 \$	Increase/(decrease) %
Cell Tower Lease:	4220	34,427	35,632	35,500	30,507	85.94%	36,608	103.12%	37,000	1,500	4.23%
Administrative Fees (New Construction):	4410	7,292	4,545	5,500	2,084	37.89%	2,501	45.47%	5,000	(500)	-9.09%
Administrative Fees (Remodel):	4420	0	1,679	900	0	0.00%	0	0.00%	0	(900)	-100.00%
Inspection Fees (New Construction):	4430	6,888	4,293	5,000	1,972	39.44%	2,366	47.33%	4,000	(1,000)	-20.00%
Inspection Fees (Remodel):	4440	460	1,908	650	0	0.00%	0	0.00%	0	(650)	-100.00%
Mainline Extension Fees:	4450		0		3,119	100.00%	3,119	100.00%	3,000	3,000	
Grants:	4510				280	100.00%	336	100.00%		0	#DIV/0!
Remodel Fees:	4460	9,732	4,425		1,900	100.00%	2,280	100.00%	2,000		
Property Tax Receipts:	4610	340,018	367,805	275,000	381,720	138.81%	400,000	145.46%	275,000	0	0.00%
Testing, Backflow:	4740	14,816	17,858	16,000	18,420	115.13%	22,104	138.15%	18,000	2,000	12.50%
Water Sales:	4810	1,771,239	1,922,677	1,915,496	1,587,665	82.89%	1,905,198	99.46%	1,947,000	31,504	1.64%
Water Sales Refunds, Customer:	4850	(2,993)	(1,488)	(3,000)	(4,670)	155.67%	(5,604)	186.80%	(3,000)	0	0.00%
Other Revenue:	4990	10,820	1,180	0	3,920	100.00%	4,000	100.00%		0	
Total Operating Revenue:		2,192,699	2,360,513	2,251,046	2,026,917	90.04%	2,372,908	105.41%	2,288,000	34,954	1.55%
Operating Expenses											
Bank Fees:	5190	6,743	1,618	3,500	2,317	66.20%	2,780	79.44%	3,750	250	7.14%
Board Meetings:	5210	4,169	1,836	4,000	2,930	73.25%	3,516	87.90%	4,000	0	0.00%
Director Fees:	5220	2,665	3,900	3,300	1,725	52.27%	2,070	62.73%	3,300	0	0.00%
Election Expenses:	5230	4,860	0		4,265	100.00%	4,265	100.00%		0	
CDPH Fees:	5240		10,832	15,500	10,530	67.93%	12,635	81.52%	15,750	250	1.61%
Conference Attendance:	5250	850	5,697	6,000	1,384	23.07%	1,661	27.68%	6,000	0	0.00%
Information Systems:	5270	2,973	9,488	3,000	1,402	46.73%	1,682	56.08%	3,000	0	0.00%
Fidelity Bond:	5310		0	500	438	87.50%	438	87.60%	500	0	0.00%
Property & Liability Insurance:	5320	3,758	0	2,700	2,215	82.04%	2,215	82.04%	2,500	(200)	-7.41%
LAFCO Assessment:	5350	2,048	2,208	2,500	2,520	100.80%	2,520	100.80%	2,750	250	10.00%
Meeting Attendance, Legal:	5420	6,480	3,211	8,500	14	0.16%	14	0.17%	0	(8,500)	-100.00%
General Legal:	5430	57,788	24,643	60,000	17,313	28.86%	20,776	34.63%	231,000	171,000	285.00%
Maintenance, Office:	5510	8,678	5,561	8,000	7,482	93.53%	8,978	112.23%	8,000	0	0.00%
Meetings, Local:	5520		0		1,021	100.00%	1,225	100.00%		0	
Memberships:	5530	17,679	20,298	20,500	22,236	108.47%	22,236	108.47%	24,000	3,500	17.07%
Office Supplies:	5540	7,638	8,452	7,000	6,756	96.51%	8,107	115.82%	8,000	1,000	14.29%
Postage:	5550	7,168	6,379	7,000	7,240	103.43%	8,688	124.11%	9,000	2,000	28.57%
Printing & Publishing:	5560	1,356	1,739	2,000	2,478	123.90%	2,974	148.68%	3,000	1,000	50.00%
Accounting:	5610	38,950	31,276	30,000	20,153	67.18%	24,184	80.61%	30,000	0	0.00%
Audit:	5620	13,000	18,000	13,000	8,000	61.54%	13,000	100.00%	13,000	0	0.00%
Consulting:	5630	36,600	19,678	35,000	23,508	67.17%	28,210	80.60%	100,000	65,000	185.71%
Data Services:	5640		0		0	0.00%	0	0.00%		0	
Labor & HR Support:	5650	2,349	2,484	2,500	2,035	81.40%	2,442	97.68%	2,500	0	0.00%
Payroll Services:	5660	942	940	1,000	795	79.50%	954	95.40%	1,000	0	0.00%
Other Professional Services:	5690	132	0		0	0.00%	0	0.00%		0	
San Mateo County Tax Roll Charges:	5710	119	0		119	100.00%	143	100.00%			
Telephone & Internet:	5720	22,304	22,460	25,000	25,230	100.92%	30,276	121.10%	27,000	2,000	8.00%
Mileage Reimbursement:	5730	1,648	564	2,000	1,392	69.60%	1,670	83.52%	2,000	0	0.00%
Reference Materials:	5740	23	0	800	0	0.00%	0	0.00%	800	0	0.00%
Other Administrative:	5790	2,147	615		(109)	100.00%	(131)	100.00%		0	
CalPERS 457 Deferred Plan:	5810	36,418	37,021	43,029	32,414	75.33%	38,897	90.40%	43,235	206	0.48%
Employee Benefits:	5820	76,378	74,878	80,058	66,266	82.77%	79,519	99.33%	88,110	8,052	10.06%
Disability Insurance:	5830	3,366	3,366	4,288	2,805	65.42%	3,366	78.50%	3,467	(821)	-19.14%
Payroll Taxes:	5840	38,090	39,499	48,760	32,233	66.11%	38,680	79.33%	49,062	301	0.62%
Worker's Compensation Insurance:	5960	14,423	19,208	23,317	6,406	27.47%	7,687	32.97%	23,324	7	0.03%
Management:	5910	99,563	114,908	103,725	94,620	91.22%	113,544	109.47%	111,733	8,008	7.72%
Staff :	5920	347,037	360,388	426,804	297,136	69.62%	356,563	83.54%	446,840	20,036	4.69%
Staff Certification:	5930	9,125	10,042	11,400	7,575	66.45%	9,090	79.74%	11,400	0	0.00%
Staff Overtime:	5940	52,690	42,425	69,334	38,595	55.67%	46,314	66.80%	48,105	(21,229)	-30.62%
Staff Standby:	5950	23,830	25,125	26,123	20,474	78.37%	24,569	94.05%	23,249	(2,874)	-11.00%
PARS:	5850	(150,932)	31,691	35,734	25,798	72.20%	30,958	86.63%	37,636	1,903	5.32%
Backflow Prevention:	6160	892	473	1,000	576	57.60%	691	69.12%	1,000	0	0.00%

**MWSD — Fiscal Year 2019-2020 Operations Budget - WATER ENTERPRISE**

Operating Revenue	GL Codes	2016-17	2017-18	Approved Budget	Income/Expenditures	% To date	Projected	Projected as %	Proposed Budgeted	Increase/(Decrease)	Increase/(decrease)
		Actual	Actual	2018-19	as of April 30, 2019			of Budget	amounts 2019-20	from 2017-18 \$	%
Claims, Property Damage:	6170	175	0	10,000	22	0.22%	26	0.26%	10,000	0	0.00%
SCADA Maintenance:	6185	20,505	9,802	10,000	12,061	120.61%	14,473	144.73%	13,000	3,000	30.00%
Internet & Telephone, Communications:	6187				0	0.00%	0	0.00%		0	
Education & Training:	6195	8,131	9,911	9,000	3,420	38.00%	4,104	45.60%	9,000	0	0.00%
Meeting Attendance, Engineering:	6210		16	500	0	0.00%	0	0.00%	500	0	0.00%
General Engineering:	6220	4,029	8,503	45,000	20,926	46.50%	25,111	55.80%	30,000	(15,000)	-33.33%
Water Quality Engineering:	6230	138,939	178,764	100,000	322,166	322.17%	386,599	386.60%	350,000	250,000	250.00%
Equipment & Tools, Expensed:	6320	2,962	7,441	5,000	10,663	213.26%	12,796	255.91%	8,000	3,000	60.00%
Alarm Services:	6335	777	671	800	666	83.25%	799	99.90%	800	0	0.00%
Landscaping:	6337	7,102	5,947	6,000	4,362	72.70%	5,234	87.24%	56,000	50,000	833.33%
Lab Supplies & Equipment:	6370	178	3,698	2,000	2,112	105.60%	2,534	126.72%	2,500	500	25.00%
Meter Reading:	6380	119	21		0	0.00%	0	0.00%		0	
Pumping Fuel & Electricity:	6410	82,730	68,177	90,000	59,941	66.60%	71,929	79.92%	90,000	0	0.00%
Pumping Maintenance, Generators:	6420	12,118	7,777	10,000	13,743	137.43%	16,492	164.92%	10,000	0	0.00%
Pumping Maintenance, General:	6430	4,969	4,137	5,000	208	4.16%	250	4.99%	5,000	0	
Pumping Equipment, Expensed:	6440		210	700	478	68.24%	573	81.89%	700	0	0.00%
Maintenance, Raw Water Mains:	6510	1,421	1,474	2,100	1,857	88.43%	2,228	106.12%	2,500	400	
Maintenance, Wells:	6520	1,466	16,851	10,000	7,621	76.21%	9,145	91.45%	5,000	(5,000)	-50.00%
Water Purchases:	6530	34,292	25,508	40,000	6,781	16.95%	8,138	20.34%	40,000	0	0.00%
Hydrants:	6610	3,819	375	1,000	(570)	-57.00%	(684)	-68.40%	1,000	0	0.00%
Maintenance, Water Mains:	6620	75,576	39,633	50,000	64,906	129.81%	77,887	155.77%	50,000	0	0.00%
Maintenance, Water Service Lines:	6630	4,206	12,389	20,000	8,546	42.73%	10,255	51.28%	20,000	0	0.00%
Maintenance, Tanks:	6640	71	741	1,000	109	10.90%	131	13.08%	1,000	0	0.00%
Maintenance, Distribution General:	6650	5,196	273	7,000	7,341	104.87%	8,809	125.85%	8,000	1,000	14.29%
Maintenance, Collection System:	6660	24	33		414	100.00%	497	100.00%			
Meters:	6670	10,719	2,373	2,500	8,177	327.08%	9,812	392.50%	2,500	0	0.00%
Chemicals & Filtering:	6710	11,660	18,681	30,000	2,931	9.77%	3,517	11.72%	20,000	(10,000)	-33.33%
Maintenance, Treatment Equipment:	6720	4,724	10,508	4,000	19,370	484.25%	23,244	581.10%	20,000	16,000	400.00%
Treatment Analysis:	6730	24,653	35,504	42,000	36,052	85.84%	43,262	103.01%	45,000	3,000	7.14%
Uniforms:	6770	10,560	11,166	12,000	8,964	74.70%	10,757	89.64%	2,000	(10,000)	-83.33%
Fuel:	6810	6,143	5,598	8,000	4,797	59.96%	5,756	71.96%	10,000	2,000	25.00%
Truck Equipment, Expensed:	6820	496	12	1,000	104	10.37%	124	12.44%	1,000	0	0.00%
Truck Repairs:	6830	2,316	4,422	5,000	1,529	30.58%	1,835	36.69%	5,000	0	0.00%
Other Operations:	6890	18,301	238		41	100.00%	49	100.00%		0	
Total Operations Expense:		1,302,322	1,451,758	1,666,472	1,430,023	85.81%	1,713,091	102.80%	2,206,511	540,039	32.41%
Net Change in position from Operations:		890,378	908,754	584,574	596,894	102.11%	659,817	112.87%	81,489	(505,085)	-86.40%



MWSD — Fiscal Year 2019-20 Non-Operating Budget - WATER ENTERPRISE

	<u>GL Codes</u>	<u>2016-17 Actual</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>Income/Expendi tures as of April 30, 2019</u>	<u>% To date</u>	<u>Projected</u>	<u>Projected as % of Budget</u>	<u>Proposed Budgeted amounts 2019-20</u>	<u>Increase/(Decrease) from 2017-18 \$</u>	<u>Increase/(de crease) %</u>
Non Operating Revenue											
Connection Fees, Residential New Const:	7110	130,171	145,168	173,020	112,692	65.13%	150,256	86.84%	150,000	(23,020)	-13.30%
Connection Fees, Residential Remodel:	7120	25,921				0.00%	0	0.00%		0	#DIV/0!
Connection Fees, Residential Fire:	7130	52,693	118,691	80,000	135,229	169.04%	180,305	225.38%	130,000	50,000	62.50%
Connection Fees, Residential Remodel Fire:	7140		12,893		2,032	100.00%	2,710	100.00%		0	
Connection Fees, Well Conversion:	7150		7,800			0.00%	0	0.00%		0	
General Obligation Bonds, Assessment Receipts:	7600	1,253,111	1,226,216	1,150,436	1,040,740	90.47%	1,150,436	100.00%	1,150,436	0	0.00%
Total Non Operating Revenue:		1,461,897	1,510,768	1,403,456	1,290,693	91.97%	1,483,707	105.72%	1,430,436	26,980	1.92%
Non Operating Expense											
General Obligation Bonds:	9100	286,455	265,164	252,521	145,171	57.49%	252,521	100.00%	230,539	(21,982)	-8.71%
PNC Equipment Lease:	9125	19,545	18,222	16,826	14,129	83.97%	16,826	100.00%	15,221	(1,605)	-9.54%
State Revolving Fund Loan:	9150	90,816	83,943	78,455	39,938	50.91%	78,455	100.00%	72,873	(5,582)	-7.11%
Water Rebates :	9210	1,129	1,400	2,000	1,500	75.00%	2,250	112.50%	3,000	1,000	50.00%
Total Non Operating Expense:		397,944	368,730	349,802	200,738	57.39%	350,052	100.07%	321,633	(29,169)	-8.34%
Net Change in position from Non Operating activities:		1,063,952	1,142,038	1,053,654	1,089,955		1,133,655		1,108,803	56,149	5.33%

MWSD SEWER Capital Improvement Program

2019-20

SEWER SYSTEM

PROJECT	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
MWSD CAPITAL PROJECTS					
Mechanical System Repairs & Replacements	\$ 95,000	\$ 75,000	\$ 70,500	\$ 50,000	\$ 50,000
Inflow & Infiltration Testing / Televising	\$ 25,000	\$ 15,000	\$ 30,000	\$ 30,000	\$ 30,000
Seal Cove Area Repair and Maint. Project	\$ 15,000	\$ 25,000	\$ 16,000	\$ 10,000	\$ 10,000
Replace Pump Station Pumps	\$ 37,875	\$ 708,875	\$ 50,525	\$ 121,500	\$ 1,167,500
Replace Medium High Priority Sewer Mains	\$ 630,710	\$ 895,815	\$ 1,984,750	\$ 1,210,000	\$ 2,172,000
Spot Repairs Program	\$ 100,000	\$ 25,000	\$ 60,000	\$ 60,000	\$ 60,000
Replace/Maintain Distillery Pump Station	\$ 5,000	\$ 5,000	\$ 50,000	\$ 5,000	\$ 5,000
Cabrillo Hwy Express Sewer (Planned 2021**)	\$ 50,000		\$ 526,975	\$ 668,250	
Pump Station Communication Upgrades	\$ 80,000	\$ 40,000	\$ 9,000	\$ 2,500	\$ 2,500
MWSD CAPITAL PROJECTS TOTAL:	\$ 1,038,585	\$ 1,789,690	\$ 2,797,750	2,157,250	3,497,000
Rollover from FY 18/19 Budget:					
Cabrillo Hwy Express Sewer, Phase 1A	\$ 110,000				
Next Phase:					
Cabrillo Hwy Express Sewer, Phase 1B		\$ 1,158,300			
(**) Phase 4: \$1.82M schedule for year 2025					
<i>Critical facility improvements:</i>					
Valleamar System Upgrades	\$337,500				
* Included in Pump Stations above.					
TOTAL ANNUAL COST	1,486,085	2,947,990	2,797,750	2,157,250	3,497,000

MWSD
Five Year Capital Improvement Program
WATER SYSTEM

	A	B	C	D	E	F	G
	Existing Customer CIP - WATER	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	5-Year CIP Total
1							
2	Misc. Repair&Replacements	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824	\$ 52,040
3	Water Meters	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 130,101
4	Water Lateral Services	\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 130,101
5	Water Main Replacements	\$ 25,000	\$ 150,000	\$ 153,000	\$ 156,060	\$ 159,181	\$ 643,241
6	Fire Hydrants Replacements	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367	\$ 6,495	\$ 31,224
7	Distribution System Renewal and Replacement Program	\$ 91,000	\$ 217,320	\$ 221,666	\$ 226,100	\$ 230,622	\$ 986,708
8	Water Conservation Program	\$ 8,500	\$ 8,755	\$ 9,018	\$ 9,288	\$ 9,567	\$ 45,128
9	Storage Tank Rehabilitation Program			\$ 250,000	\$ 300,000	\$ -	\$ 550,000
10	Emergency Generator Replacement Program	\$ 100,000	\$ 150,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 475,000
11	Vehicle Replacement Fund		\$ 40,000	\$ 40,000		\$ -	\$ 80,000
13	EXISTING CUSTOMER CIP TOTAL	\$ 199,500	\$ 416,075	\$ 595,684	\$ 610,388	\$ 315,189	\$ 2,136,836
14	New Customer CIP - WATER	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	5-Year CIP Total
15	Water Main Upgrade Program	\$ 100,000	\$ 500,000	\$ 515,000	\$ 530,450	\$ 546,364	\$ 2,191,814
16	Existing Well Upgrade Program	\$ 250,000	\$ 250,000	\$ 280,000		\$ -	\$ 780,000
17	New and Upgraded PRV Stations' Program	\$ -	\$ 250,000	\$ 257,500	\$ 265,225	\$ 273,182	\$ 1,045,907
18	Emergency Generator Upgrade Program		\$ 150,000	\$ 200,000	\$ 206,000	\$ 212,180	\$ 768,180
19	Schoolhouse Booster Pump Station Upgrade	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000
20	Portola Tank Telemetry Upgrade	\$ -			\$ 250,000	\$ -	\$ 250,000
21	Develop Additional Supply Reliability		\$ 350,000	\$ -	\$ 350,000	\$ 1,000,000	\$ 1,700,000
22	Big Wave NPA Water Main Extension		\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000
23	NEW CUSTOMER CIP TOTAL	\$ 350,000	\$ 4,000,000	\$ 1,252,500	\$ 1,601,675	\$ 2,381,725	\$ 9,585,900
24	Total Annual Capital Cost	\$ 549,500	\$ 4,416,075	\$ 1,848,184	\$ 2,212,063	\$ 2,696,914	\$ 11,722,736