



**Montara Water
and Sanitary District**
Serving the Community of Montara and Moss Beach

P.O. Box 370131
8888 Cabrillo Hwy
Montara, CA 94037-0131
t: 650.728.3545 • f: 650.728.8556

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

NOTICE OF SPECIAL MEETING OF THE FINANCE COMMITTEE

AGENDA

**Special Finance Committee Meeting
District Board of Directors**

December 22, 2020 at 2:00 p.m.

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED REMOTELY PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 TEMPORARILY SUSPENDING AND MODIFYING CERTAIN TELECONFERENCE REQUIREMENTS UNDER THE RALPH M. BROWN ACT. MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Directors, staff and the public may participate remotely via the application ZOOM:

ZOOM MEETING INFORMATION:

WEBSITE: <https://us02web.zoom.us/j/83183750954?pwd=N0dWcEQvWU5lbXRmZWlkr1NEOWREdz09>

MEETING ID: 831 8375 0954

Password: 458019

CALL IN PHONE NUMBER: +1 669 900 9128

INSTRUCTIONS for remote access are available at <https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>. You also may view video during the meeting via live stream or after the meeting at <https://videoplayer.telvue.com/player/wuZKb9gwEY7sMACIIsr7VSJglB35kNZA/stream/159?fullscreen=true&showtabssearch=false&autostart=false> . If you experience technical difficulties or have technical questions prior to or during the meeting, please contact MWSD's IT support at (650) 728-7843.

Note: Public participation is not permitted during closed session discussion items.

Public Comment

In accordance with the Government Code, members of the public may address the Board on specific agenda items when the matter is announced by the Board President. Any other item of interest that is within the subject matter jurisdiction of the District may be addressed during the Oral Comments portion of the meeting. A "raise hand" button available for every Zoom user can be used to alert the President of the intent to comment.

Public comment also may be submitted in writing (in accordance with the three-minute per speaker limit) via email to info@mwsd.net up to one-hour prior to the scheduled meeting time. Please indicate in your email the agenda item to which your comment applies. The District Clerk will read all comments into the record. Comments and materials related to an item on this Agenda submitted after distribution of the Agenda Packet are available in the District Clerk's office during normal business hours and may also be available on the District's web site (www.mwsd.montara.org) subject to staff's ability to post the documents before the meeting.

Upon request, this Agenda and written agenda materials will be made available in appropriate alternative formats to persons with a disability. Request for a disability-related modification or accommodation in order to participate in the public meeting should be emailed to info@mwsd.net or submitted by phone at 650-728-3545 at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, and local orders, the format of this meeting may be altered, or the meeting may be canceled. You may check on the status of the meeting by visiting the District's website at: <http://mwsd.montara.org> .

CALL TO ORDER
ROLL CALL
ORAL COMMENTS
OLD BUSINESS (none)
NEW BUSINESS

1. [Review of Draft 2019/2020 Fiscal Year End Finance Report.](#)

ADJOURNMENT

The District has a curfew of 10:30 p.m. for all meetings. The meeting may be extended for one hour by vote of the Board.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 22, 2022**

TO: FINANCE COMMITTEE

FROM: Clemens Heldmaier, General Manager *CH*

**SUBJECT: Review of Draft 2019/2020 Fiscal Year End
Finance Review.**

With the completion of the District's fiscal year end June 30, 2020 audit, District staff would like to present a comprehensive review of operations as compared to the adopted June 30, 2020 budget. This process will assist District staff with the up-coming budget preparation for fiscal year 2021-2022.

Before the report is brought to the full board, staff would give the Finance Committee the opportunity to review and comment on the draft report.

RECOMMENDATION:

This is for Committee information only.

Attachment



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 22, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

SUBJECT: Executive Summary – June 30, 2020 fiscal year-end audit Budget vs. Actual

Sewer Service Charges: Total revenue of \$3,078,983 collected; \$72,771 above budget.

Budgeted revenues were budgeted to increase 17.97% due the adoption of a rate increase of 21% for all customer classes. The rate increase is due to take effect over a period of two fiscal years as shown in the table below and ends. Actual revenue collected in excess of budget by \$72,771 is accurate and verified through County remittance advice.

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

Water Sales: Total revenue of \$1,971,796 collected; \$27,796 above budget.

2019-2020 Water Rates were increased by 3.0% for all standard 5/8' connections across all 4 tiers as approved in the 5-year rate increase plan. During the budget process it was anticipated that in spite of a rate increase usage would decrease, thus revenue was budgeted flat at \$1,944,000. The budget was within 1.4% of actual and on the positive side.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 22, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Sewer Fees: Total revenue of \$13,561 collected; \$7,539 below budget.

Water Fees & Other: Total revenue of \$73,410 collected; \$59,410 above budget.

Remodel fees for both Sewer and Water funds both fell short of expectations by a combined \$8,000. Other fee categories were hit and miss within the Water fund, the sewer fund did not meet expectations.

Water other fee over budget is due to \$44K cost reimbursement from the Big Wave project as well as \$10K insurance reimbursement for a damaged District vehicle.

Sewer Property Tax: Total revenue of \$407,337 collected; \$132,337 above budget.

Water Property Tax: Total revenue of \$407,337 collected; \$132,337 above budget.

The District collected \$295K in ERAF apportionments, which was split 50/50 between Sewer and Water. Without the receipt of ERAF, the District would have collected approximately \$284K in property tax revenues per fund, meeting expectations.

Sewer Personnel expense: Total expense of \$362,667 incurred; \$12,548 above budget

Water Personnel expenses: Total expense of \$833,822 incurred; \$52,339 below budget

Sewer over budget – Due to the family composition and rising costs of healthcare, employee benefits were over budget by \$12,547. Staff wages were also over budget by approximately \$8,000.

Water under budget – The fiscal year 2019-2020 budget anticipated the inclusion of a 4th water operator. The position did not get filled until 3/30/2020, or 9 months into the fiscal year.

Sewer Professional Services: Total expense of \$246,117 incurred; \$254,083 below budget.

Water Professional Services: Total expense of \$230,950 incurred; \$146,550 below budget.

Sewer under budget – Legal costs associated with various litigation were under budget by \$273K.

Water underbudget – Legal costs associated with various litigation were under budget by \$107.6K. In addition, the expected connection rate study did not take place in FY 19-20.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 22, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Sewer Engineering: Total expense of \$35,060 incurred; \$26,940 below budget.

Water Engineering: Total expense of \$129,213 incurred; \$251,287 below budget.

The majority of sewer engineering expenses were mainly attributed to capital improvement projects that were subsequent capitalized at fiscal year end.

During the budget process, the water enterprise was incurring large engineering bills due to on-going work with the State Water Boards for water quality engineering expenses. These costs were brought down due to the District satisfying water board requirements. Water quality engineering actual expenses decreased over \$300K from FY 18-19 to FY 19-20.

Sewer Pumping: Total expense of \$39,587 incurred; \$5,413 below budget.

Water Pumping: Total expense of \$104,561 incurred \$1,139 below budget.

Sewer fund budget over-runs in prior years are due to the increased PG&E costs at District pump houses. FY 19-20 budget increased these line items and fell under budget.

Sewer Authority Mid-Coastside: Total expense of \$1,870,688 incurred; \$90,000 below budget

Both the O&M budget and collections budget were to the penny, due to no additional budget requests from SAM. The underbudget is due to the capitalization of pump station repair costs incurred by SAM and passed through to MWSD.

Water Supply: Total expense of \$47,284 incurred; \$216 below budget.

Water purchases were under budget but well maintenance expenses were above budget due to well monitoring expenses. Work performed by Balance Hydrologics.

Water Collection/Transmission: Total expense of \$75,351 incurred; \$7,149 below budget.

On-going maintenance work performed on water mains or water service lines. Work performed by Mossa Excavation, Andreini Brothers, and R&B company.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 22, 2020

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Water Treatment: Total expense of \$72,437 incurred; \$12,563 below budget.

Increased costs associated with purchase of chemicals for water treatment were offset by savings in treatment analysis. Costs associated with the purchase of chemicals and equipment as well as the analysis of water samples by BSK lab, CA laboratory services, as well as North Coast County Water District.

All other Accounts Sewer: Total expense of \$1,606 incurred; \$68,254 below budget.

All other Accounts Water: Total expense of \$122,979 incurred; \$4,371 below budget.

The reason for the major underbudget was due to the correction of a prior year error in which the District inadvertently expensed principal payment of a FY 19-20 I-Bank Loan. The correction brought the District back into line with amortization schedules.

Nothing further to report regarding all other water accounts.

Sewer Capital Improvement: \$1,486,085 budget. Total capitalized expenses \$388,528; \$1,097,557 below budget.

The Cabrillo Highway Express Sewer Project got underway in FY 18-19. The project is currently on-going and expected to progress through the 20-21 fiscal year.

Other capitalized projects include the implementation and installation of Smart Covers, SIP & GIS mapping.

The District also paid SAM \$120,551 for Lift Station Repairs.

Water Capital Improvement: \$549,500 budget. Total capitalized expenses \$907,030; \$357,530 above budget.

Major projects include the following:

- Alta Vista Tracer
- Wagner Wellhead rehab
- Purchase of Vessels
- Portola Well Rehab
- Purchase of Generator



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 22, 2020**

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

Sewer Connection Fees: Total revenue of \$280,972 collected; \$80,972 above budget.

A total of 8 new construction connections sold.

Water Connection Fees: Total revenue of \$308,236 collected; \$28,236 above budget.

A total of 9 new construction connections sold, 1 being for the Big Wave Project – 2 inch.

DRAFT



Montara Water & Sanitary

Budgeted Cash Flow - Sewer

Fiscal year 2019-20

Operating Cash Flow

Operating income	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Sewer Service Charges	\$ 3,078,983	\$ 3,006,212	\$ 72,771
Cell Tower Lease	\$ 42,687	\$ 37,000	\$ 5,687
Fees & Other	\$ 13,561	\$ 21,100	\$ (7,539)
Property Tax	\$ 407,337	\$ 275,000	\$ 132,337
Waste Collection Revenues	\$ 24,353	\$ 23,000	\$ 1,353
Total operating income	\$ 3,566,921	\$ 3,362,312	\$ 204,609
Operating expenses			
Personnel	\$ (362,677)	\$ (350,129)	\$ 12,548
Professional Services	\$ (246,117)	\$ (500,200)	\$ (254,083)
Facilities & Administration	\$ (54,974)	\$ (56,950)	\$ (1,976)
Engineering	\$ (35,060)	\$ (62,000)	\$ (26,940)
Pumping	\$ (39,587)	\$ (45,000)	\$ (5,413)
Sewer Authority Mid-Coastside	\$ (1,870,688)	\$ (1,960,688)	\$ (90,000)
All other Accounts	\$ (1,606)	\$ (69,860)	\$ (68,254)
Total operating expenses	\$ (2,610,709)	\$ (3,044,827)	\$ (434,118)
Net Cash Flow Provided by Operations	\$ 956,212	\$ 317,485	

Investment cash flow

Investment income			
Interest Revenue	\$ 105,107	\$ 50,000	\$ 55,107
Total investment income	\$ 105,107	\$ 50,000	\$ 55,107
Investment expenses			
Capital Improvement Program	\$ (388,528)	\$ (1,486,085)	\$ (1,097,557)
Total investment expenses	\$ (388,528)	\$ (1,486,085)	\$ (1,097,557)
Net Cash Flow Used by Investments	\$ (283,421)	\$ (1,436,085)	

Financing cash flow

Financing income			
Connection Fees	\$ 280,972	\$ 200,000	\$ 80,972
Total financing income	\$ 280,972	\$ 200,000	\$ 80,972
Financing expenses			
Loan Interest Expense	\$ (38,952)	\$ (37,803)	\$ 1,149
Loan Principal Payment	\$ (87,124)	\$ (87,133)	\$ (9)
Total financing expenses	\$ (126,076)	\$ (124,936)	\$ 1,140
Net Cash Flow Provided by Financing Activities	\$ 154,896	\$ 75,064	
Total Cash Flow Provided by All Activities	\$ 827,687	\$ (1,043,536)	

Two-Year Comparative Income Statement

Sewer Comparison - Actuals
6/30/2019 vs. 6/30/2020

	[Current Period]	[Prior Period]	Variance	Percent Change
	July 1, 2019 - June 30, 2020	July 1, 2018 - June 30, 2019		
Revenue				
Sewer Service Charges	3,078,983	2,610,740	468,242	17.94%
Cell Tower Lease	42,687	36,752	5,935	16.15%
Fees & Other	13,561	15,296	(1,735)	-11.35%
Property Tax	407,337	404,079	3,258	0.81%
Waste Collection Revenues	24,353	23,172	1,181	5.10%
Net Sales	3,566,921	3,090,039	476,881	15.43%
Expenses				
Personnel	362,677	351,230	11,446	3.26%
Professional Services	246,117	257,761	(11,644)	-4.52%
Facilities & Administration	54,974	50,809	4,165	8.20%
Engineering	35,060	33,584	1,476	4.39%
Pumping	39,587	44,881	(5,294)	-11.80%
Sewer Authority Mid-Coastside	1,870,688	1,729,678	141,010	8.15%
Depreciation	474,270	408,078	66,192	16.22%
All other Accounts	1,606	56,388	(54,782)	-97.15%
Total Expenses	3,084,979	2,932,410	152,568	5.20%
Net Operating Income	481,942	157,629	324,313	205.74%
Non-Operating				
Connection Fees - Revenue	280,972	312,379	(31,407)	-10.05%
LAIF interest - Revenue	105,107	99,073	6,034	6.09%
PNC equipment lease - Expense	(15,151)	(17,492)	2,341	-13.38%
I-Bank Loan - Expense	(23,801)	(22,382)	(1,419)	6.34%
Total Other Income (Expense)	347,127	371,577	(24,450)	-6.58%
Capital Improvement Program	388,528	2,471,289	(2,082,761)	-84.28%



MWSD — Fiscal Year 2019-2020 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18 Actual</u>	<u>2018-19 Actual</u>	<u>Approved Budget</u>		<u>Variance</u>
				<u>2019-20</u>	<u>2019-20 Actual</u>	
Cell Tower Lease:	4220	35,632	36,752	37,000	42,687	5,687
Administrative Fees (New Construction):	4410	4,040	3,647	3,600	3,794	194
Administrative Fees (Remodel):	4420			2,000	542	(1,458)
Inspection Fees (New Construction):	4430	3,339	3,448	3,500	3,584	84
Inspection Fees (Remodel):	4440			4,000	512	(3,488)
Mainline Extension Fees:	4450	1,500				
Remodel Fees:	4460	10,278	5,376	8,000	2,999	(5,001)
Grants:	4510				112	112
Property Tax Receipts:	4610	367,805	404,079	275,000	407,337	132,337
Sewer Service Charges:	4710	2,053,963	2,610,244	3,010,212	3,086,734	76,522
Sewer Service Refunds, Customer:	4720	(2,343)	496	(4,000)	(7,751)	(3,751)
Waste Collection Revenues:	4760	21,677	23,172	23,000	24,353	1,353
Other Revenue:	4990	3,378	2,825		2,018	2,018
Total Operating Revenue:		2,499,269	3,090,039	3,362,312	3,566,921	204,609
<u>Operating Expenses</u>						
Bank Fees:	5190	6,654	6,875	7,500	6,592	(908)
Board Meetings:	5210	1,836	3,928	3,000	3,861	861
Director Fees:	5220	3,900	2,288	4,000	4,125	125
Election Expenses:	5230		4,265	5,000		(5,000)
Conference Attendance:	5250	3,131	2,467	5,000	35	(4,965)
Information Systems:	5270	1,224	1,725	4,000	9,746	5,746
Fidelity Bond:	5310		438	500		(500)
Property & Liability Insurance:	5320	2,161	7,737	2,000	1,394	(606)
LAFCO Assessment:	5350	1,601	1,794	2,000	2,060	60
Meeting Attendance, Legal:	5420	6,951	14			
General Legal:	5430	44,220	25,260	412,500	89,445	(323,055)
Litigation:	5440	165,192	158,255		49,445	49,445
Maintenance, Office:	5510	4,020	7,230	8,000	4,614	(3,386)
Meetings, Local:	5520					
Memberships:	5530				600	600
Office Supplies:	5540	6,243	5,681	8,000	6,388	(1,612)
Postage:	5550	277	2,043	2,650	654	(1,996)
Printing & Publishing:	5560	2,909	2,490	5,000	980	(4,020)
Accounting:	5610	31,276	26,503	30,000	37,875	7,875
Audit:	5620	18,000	13,000	13,000	8,150	(4,850)
Consulting:	5630	35,859	25,261	35,000	50,500	15,500



MWSD — Fiscal Year 2019-2020 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18 Actual</u>	<u>2018-19 Actual</u>	<u>Approved Budget</u>		<u>Variance</u>
				<u>2019-20</u>	<u>2019-20 Actual</u>	
Data Services:	5640	5,851	6,079	6,200	7,173	973
Labor & HR Support:	5650	2,484	2,442	2,500	2,562	62
Payroll Services:	5660	940	949	1,000	967	(33)
Other Professional Services:	5690					
San Mateo County Tax Roll Charges:	5710		119	1,000	119	(881)
Telephone & Internet:	5720	18,961	25,300	24,000	31,129	7,129
Mileage Reimbursement:	5730	564	1,570	1,500	327	(1,173)
Reference Materials:	5740		87	200		(200)
Other Administrative:	5790		448		608	608
CalPERS 457 Deferred Plan:	5810	18,386	18,955	17,002	20,180	3,178
Employee Benefits:	5820	39,107	52,115	48,307	50,680	2,373
Disability Benefits:	5830	1,360	1,360	1,401	1,709	308
Payroll Taxes:	5840	16,063	15,610	18,580	16,217	(2,363)
PARS:	5850	16,909	19,459	16,487	20,480	3,993
Worker's Compensation Insurance:	5960	4,082	2,622	5,473	2,837	(2,636)
Management:	5910	114,908	112,113	111,733	114,041	2,308
Staff :	5920	127,015	125,760	126,526	132,421	5,895
Staff Certification:	5930	1,800	1,800	1,800	2,225	425
Staff Overtime:	5940	918	1,435	2,821	1,888	(933)
Staff Standby:	5950	32				
Claims, Property Damage:	6170	12,810	20,514	20,000	632	(19,368)
Education & Training:	6195	717	559	1,000		(1,000)
Meeting Attendance, Engineering:	6210			2,000		(2,000)
General Engineering:	6220	68,682	33,584	60,000	35,060	(24,940)
Equipment & Tools, Expensed:	6320			1,000		(1,000)
Alarm Services:	6335	5,146	5,028	5,700	6,133	433
Landscaping:	6337	2,280	2,588	3,600	4,468	868
Pumping Fuel & Electricity:	6410	39,312	44,881	45,000	39,587	(5,413)
Pumping Maintenance, General:	6430					
Maintenance, Collection System:	6660		550	10,000		(10,000)
Uniforms:	6770				126	126
Fuel:	6810	988	1,021	1,000	848	(152)
Truck Equipment, Expensed:	6820	2	27	160	439	279
Truck Repairs:	6830	780	423	1,000	622	(378)
Total Other Operations:	6890				(29,919)	(29,919)
SAM Collections:	6910	232,841	329,965	341,549	341,549	0
SAM Operations:	6920	1,625,331	1,316,715	1,529,139	1,529,139	0



MWSD — Fiscal Year 2019-2020 budget actual - SEWER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18 Actual</u>	<u>2018-19 Actual</u>	<u>Approved Budget</u>		<u>Variance</u>
				<u>2019-20</u>	<u>2019-20 Actual</u>	
SAM Prior-Year Adjustment:	6930					
SAM Maintenance, Collection System:	6940			40,000		(40,000)
SAM Maintenance, Pumping:	6950		82,999	50,000		(50,000)
Depreciation:	5260	555,756	408,078		474,270	474,270
Total Operations Expense:		3,249,479	2,932,410	3,044,828	3,084,979	40,151
Net Change in position from Operations:		(750,210)	157,629	317,484	481,942	164,458
<u>Non Operating Revenue / Expense</u>						
Connection Fees, Residential New Const:	7110	221,658	246,161	150,000	225,264	75,264
Connection Fees, Residential Remodel:	7120	7,605	66,218	50,000	55,708	5,708
Connection Fees - Other:	7100					
Employee Loans:	7700					
LAIF, Interest:	7200	41,070	99,073	50,000	105,107	55,107
Sewer:	8075			1,486,085		(1,486,085)
Total Non Operating Revenue:		270,333	411,451	1,736,085	386,079	(1,350,006)
<u>Financing Expense</u>						
PNC Equipment Lease:	9125	18,222	17,492	15,221	15,151	(70)
Capital Assessment, SAM:	9175	121,345				
I-Bank Loan:	9200	23,996	22,382	22,582	23,801	1,219
Total Financing Expense:		163,563	39,874	37,803	38,952	1,149



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2019-20

Operating Cash Flow

Operating income	Actual	Budget	Variance
Water Sales	\$ 1,971,796	\$ 1,944,000	\$ 27,796
Cell Tower Lease	\$ 42,687	\$ 37,000	\$ 5,687
Fees & Other	\$ 73,410	\$ 14,000	\$ 59,410
Property Tax	\$ 407,337	\$ 275,000	\$ 132,337
Backflow Testing	\$ 25,761	\$ 18,000	\$ 7,761
Total operating income	\$ 2,520,990	\$ 2,288,000	\$ 232,990
Operating expenses			
Personnel	\$ (833,822)	\$ (886,161)	\$ (52,339)
Professional Services	\$ (230,950)	\$ (377,500)	\$ (146,550)
Facilities & Administration	\$ (72,681)	\$ (114,300)	\$ (41,619)
Engineering	\$ (129,213)	\$ (380,500)	\$ (251,287)
Pumping	\$ (104,561)	\$ (105,700)	\$ (1,139)
Supply	\$ (47,284)	\$ (47,500)	\$ (216)
Collection/Transmission	\$ (75,351)	\$ (82,500)	\$ (7,149)
Treatment	\$ (72,437)	\$ (85,000)	\$ (12,563)
All Other Accounts	\$ (122,979)	\$ (127,350)	\$ (4,371)
Total operating expenses	\$ (1,689,278)	\$ (2,206,511)	\$ (517,233)
Net Cash Flow Provided by Operations	\$ 831,712	\$ 81,489	

Investment cash flow

Investment income			
GO Bonds, Assessment Receipts	\$ 1,191,631	\$ 1,150,436	\$ 41,195
Total investment income	\$ 1,191,631	\$ 1,150,436	\$ 41,195
Investment expenses			
Capital Improvement Program	\$ (907,030)	\$ (549,500)	\$ 357,530
Total investment expenses	\$ (907,030)	\$ (549,500)	\$ 357,530
Net Cash Flow Used by Investments	\$ 284,601	\$ 600,936	

Financing cash flow

Financing income			
Connection Fees	\$ 308,236	\$ 280,000	\$ 28,236
Total financing income	\$ 308,236	\$ 280,000	\$ 28,236
Financing expenses			
Long Term Debt - Interest Expense	\$ (296,080)	\$ (318,633)	\$ (22,553)
Long Term Debt - Principal Payment	\$ (1,188,622)	\$ (1,189,448)	\$ (826)
Total financing expenses	\$ (1,484,702)	\$ (1,508,081)	\$ (23,379)
Net Cash Flow Provided by Financing Activities	\$ (1,176,466)	\$ (1,228,081)	
Total Cash Flow Provided by All Activities	\$ (60,153)	\$ (545,656)	



MWSD — Fiscal Year 2019-2020 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18</u>	<u>Approved Budget</u>	<u>2018-19</u>	<u>Approved Budget</u>	<u>2019-20</u>	<u>Variance</u>
		<u>Actual</u>	<u>2018-19</u>	<u>Actual</u>	<u>2019-20</u>	<u>Actual</u>	
Cell Tower Lease:	4220	35,632	35,500	36,752	37,000	42,687	5,687
Administrative Fees (New Construction):	4410	4,545	5,500	3,126	5,000	4,336	(664)
Administrative Fees (Remodel):	4420	1,679	900	0	0	1,084	1,084
Inspection Fees (New Construction):	4430	4,293	5,000	2,956	4,000	4,096	96
Inspection Fees (Remodel):	4440	1,908	650	0	0	1,536	1,536
Mainline Extension Fees:	4450			3,119	3,000	0	(3,000)
Remodel Fees:	4460	1,593		1,900	2,000	1,421	(579)
Other Fees:	4470	2,832		3,382	0	4,400	4,400
Grants:	4510			280	0	112	112
Property Tax Receipts:	4610	367,805	275,000	404,079	275,000	407,337	132,337
Testing, Backflow:	4740	17,858	16,000	18,420	18,000	25,761	7,761
Water Sales:	4810	1,922,676	1,915,496	1,892,091	1,947,000	1,973,134	26,134
Water Sales, Fire Protection:	4820		1,915,496				0
Water Sales Refunds, Customer:	4850	(1,488)	(3,000)	(4,670)	(3,000)	(1,338)	1,662
Other Revenue:	4990	1,180	0	3,936	0	56,424	56,424
Total Operating Revenue:		2,360,513	2,251,046	2,365,369	2,288,000	2,520,990	232,990
<u>Operating Expenses</u>							
Bank Fees:	5190	1,618	3,500	3,495	3,750	1,434	(2,316)
Board Meetings:	5210	1,836	4,000	3,928	4,000	3,861	(140)
Director Fees:	5220	3,900	3,300	2,288	3,300	4,125	825
Election Expenses:	5230			4,265	0	0	0
CDPH Fees:	5240	10,832	15,500	10,530	15,750	12,405	(3,345)
Conference Attendance:	5250	5,697	6,000	2,467	6,000	243	(5,757)
Information Systems:	5270	9,488	3,000	10,185	3,000	18,631	15,631
Fidelity Bond:	5310		500	438	500	0	(500)
Property & Liability Insurance:	5320		2,700	2,215	2,500	1,173	(1,327)
LAFCO Assessment:	5350	2,208	2,500	2,520	2,750	2,759	9
Meeting Attendance, Legal:	5420	3,211	8,500	14			0
General Legal:	5430	23,868	60,000	24,250	231,000	123,406	(107,594)
Litigation:	5440	775					0
Maintenance, Office:	5510	5,561	8,000	11,015	8,000	6,414	(1,586)
Meetings, Local:	5520			41	0	(142)	(142)
Memberships:	5530	20,298	20,500	22,236	24,000	23,026	(974)
Office Supplies:	5540	8,452	7,000	7,244	8,000	6,525	(1,475)
Postage:	5550	6,379	7,000	9,318	9,000	11,567	2,567



MWSD — Fiscal Year 2019-2020 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18</u> <u>Actual</u>	<u>Approved Budget</u> <u>2018-19</u>	<u>2018-19</u> <u>Actual</u>	<u>Approved Budget</u> <u>2019-20</u>	<u>2019-20</u> <u>Actual</u>	<u>Variance</u>
Printing & Publishing:	5560	1,739	2,000	3,213	3,000	2,171	(829)
Accounting:	5610	31,276	30,000	26,503	30,000	37,875	7,875
Audit:	5620	18,000	13,000	13,000	13,000	8,150	(4,850)
Consulting:	5630	19,678	35,000	28,471	100,000	56,893	(43,107)
Data Services:	5640			0	0	900	900
Labor & HR Support:	5650	2,484	2,500	2,442	2,500	2,641	141
Payroll Services:	5660	940	1,000	949	1,000	967	(33)
Other Professional Services:	5690			480			0
San Mateo Co. Tax Roll Charges:	5710			119	0	119	119
Telephone & Internet:	5720	22,460	25,000	31,642	27,000	36,093	9,093
Mileage Reimbursement:	5730	564	2,000	2,188	2,000	623	(1,377)
Reference Materials:	5740		800	0	800	0	(800)
Other Administrative:	5790	615		791	0	500	500
CalPERS 457 Deferred Plan:	5810	37,021	43,029	38,266	43,235	42,604	(631)
Employee Benefits:	5820	74,878	80,058	84,851	88,110	85,042	(3,068)
Disability Benefits:	5830	3,366	4,288	3,366	3,467	3,564	97
Payroll Taxes:	5840	39,499	48,760	39,124	49,062	43,195	(5,867)
Worker's Compensation Insurance:	5960	19,208	23,317	12,579	23,324	14,274	(9,050)



MWSD — Fiscal Year 2019-2020 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18</u> <u>Actual</u>	<u>Approved Budget</u> <u>2018-19</u>	<u>2018-19</u> <u>Actual</u>	<u>Approved Budget</u> <u>2019-20</u>	<u>2019-20</u> <u>Actual</u>	<u>Variance</u>
Management:	5910	114,908	103,725	112,113	111,733	114,042	2,309
Staff :	5920	360,388	426,804	356,877	446,840	407,112	(39,728)
Staff Certification:	5930	10,042	11,400	9,275	11,400	10,625	(775)
Staff Overtime:	5940	42,425	69,334	45,516	48,105	45,849	(2,256)
Staff Standby:	5950	25,125	26,123	24,705	23,249	25,485	2,236
PARS:	5850	31,691	35,734	37,916	37,636	42,031	4,395
Backflow Prevention:	6160	473	1,000	764	1,000	326	(674)
Claims, Property Damage:	6170	0	10,000	22	10,000	392	(9,608)
SCADA Maintenance:	6185	7,778	10,000	12,061	13,000	2,468	(10,532)
Internet & Telephone, Communications:	6187	2,024					0
Education & Training:	6195	9,911	9,000	5,098	9,000	4,372	(4,628)
Meeting Attendance, Engineering:	6210	16	500		500	0	(500)
General Engineering:	6220	8,503	45,000	1,467	30,000	12,390	(17,610)
Water Quality Engineering:	6230	178,764	100,000	420,284	350,000	116,823	(233,177)
Equipment & Tools, Expensed:	6320	7,441	5,000	11,867	8,000	17,500	9,500
Alarm Services:	6335	671	800	718	800	1,040	240
Landscaping:	6337	5,947	6,000	5,811	56,000	6,950	(49,050)
Facilities other:	6330				0	249	249
Lab Supplies & Equipment:	6370	3,698	2,000	2,251	2,500	9,432	6,932
Meter Reading:	6380	21	0		0	10	10
Pumping Fuel & Electricity:	6410	68,177	90,000	77,011	90,000	75,074	(14,926)
Pumping Maintenance, Generators:	6420	7,777	10,000	21,339	10,000	20,908	10,908
Pumping Maintenance, General:	6430	4,137	5,000	3,448	5,000	17	(4,983)
Pumping Equipment, Expensed:	6440	210	700	478	700	8,562	7,862
Maintenance, Raw Water Mains:	6510	1,474	2,100	1,857	2,500	27	(2,473)
Maintenance, Wells:	6520	16,851	10,000	8,635	5,000	13,281	8,281
Water Purchases:	6530	25,508	40,000	26,826	40,000	33,976	(6,024)
Hydrants:	6610	408	1,000		1,000	6,481	5,481
Maintenance, Water Mains:	6620	39,633	50,000	46,952	50,000	40,201	(9,799)
Maintenance, Water Service Lines:	6630	12,389	20,000	3,506	20,000	6,384	(13,616)
Maintenance, Tanks:	6640	741	1,000	1,593	1,000	5,141	4,141
Maintenance, Distribution General:	6650	273	7,000	7,341	8,000	10,890	2,890
Maintenance, Collection System:	6660			414			0
Meters:	6670	2,373	2,500	8,177	2,500	6,253	3,753
Chemicals & Filtering:	6710	18,681	30,000	20,233	20,000	39,914	19,914
Maintenance, Treatment Equipment:	6720	10,508	4,000	28,456	20,000	13,805	(6,195)
Treatment Analysis:	6730	35,504	42,000	45,055	45,000	18,718	(26,282)



MWSD — Fiscal Year 2019-2020 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<u>GL Codes</u>	<u>2017-18 Actual</u>	<u>Approved Budget 2018-19</u>	<u>2018-19 Actual</u>	<u>Approved Budget 2019-20</u>	<u>2019-20 Actual</u>	<u>Variance</u>
Uniforms:	6770	11,166	12,000	11,459	2,000	3,702	1,702
Vehicles - Other:	6800					183	183
Fuel:	6810	5,598	8,000	6,541	10,000	6,237	(3,763)
Truck Equipment, Expensed:	6820	12	1,000	309	1,000	3,433	2,433
Truck Repairs:	6830	4,422	5,000	2,411	5,000	3,694	(1,306)
Other Operations:	6890	240		43		4,265	4,265
Depreciation:	5260	972,113		982,039	0	991,413	991,413
Amortization:	5265	33,689		28,549	0	28,549	28,549
Total Operations Expense:		2,457,561	1,666,472	2,783,849	2,206,511	2,709,240	502,729
Net Change in position from Operations:		(97,048)	584,574	(418,480)	81,489	(188,250)	(269,739)
<u>Non Operating Revenue / Expense</u>							
Connection Fees, Residential New Const:	7110	145,168	173,020	151,098	150,000	223,718	73,718
Connection Fees, Residential Remodel:	7120						0
Connection Fees, Residential Fire:	7130	118,691	80,000	164,056	130,000	84,517	(45,483)
Connection Fees, Residential Remodel Fire:	7140	12,893		2,032			0
Connection Fees, Well Conversion:	7150	7,800					0
General Obligation Bonds, Assessment Receipts:	7600	1,226,216	1,150,436	1,182,939	1,150,436	1,191,631	41,195
Water:	8100				549,500	0	(549,500)
Total Non Operating Revenue:		1,510,768	1,403,456	1,500,125	1,979,936	1,499,867	(480,069)
<u>Financing Expenses</u>							
PFP Connection Expenses:	9075						0
General Obligation Bonds:	9100	265,164	252,521	242,762	230,539	221,777	(8,762)
PNC Equipment Lease:	9125	18,222	16,826	17,492	15,221	15,151	(70)
State Revolving Fund Loan:	9150	83,943	78,455	78,501	72,873	72,938	65
I-Bank Loan:	9200			43,714		(13,785)	(13,785)
Conservation Program/Rebates:	9210	1,400	2,000	1,500	3,000	1,350	(1,650)
Total Financing Expense:		368,729	349,802	383,970	321,633	297,431	(24,202)

Two-Year Comparative Income Statement

Water Comparison - Actuals
6/30/2019 vs. 6/30/2020

	[Current Period]	[Prior Period]	Variance	Percent Change
	July 1, 2019 - June 30, 2020	July 1, 2018 - June 30, 2019		
Revenue				
Water Sales	1,971,796	1,887,420	84,375	4.47%
Cell Tower Lease	42,687	36,752	5,935	16.15%
Fees & Other	73,410	18,699	54,711	292.59%
Property Tax	407,337	404,079	3,259	0.81%
Backflow Testing	25,761	18,420	7,341	39.85%
Net Sales	2,520,990	2,365,369	155,621	6.58%
Expenses				
Personnel	833,822	764,587	69,235	9.06%
Professional Services	230,950	96,227	134,723	140.01%
Facilities & Administration	72,681	71,967	714	0.99%
Engineering	129,213	421,751	(292,538)	-69.36%
Pumping	104,561	102,276	2,285	2.23%
Supply	47,284	37,318	9,966	26.70%
Collection/Transmission Treatment	75,351	67,983	7,367	10.84%
	72,437	93,744	(21,306)	-22.73%
Depreciation	1,019,962	1,010,588	9,374	0.93%
All other Accounts	122,979	117,407	5,572	4.75%
Total Expenses	2,709,240	2,783,849	(74,609)	-2.68%
Net Operating Income	(188,250)	(418,480)	230,230	-55.02%
Non-Operating				
Connection Fees - Revenue	308,236	317,186	(8,950)	-2.82%
GO Bonds Assessment - Revenue	1,191,631	1,182,939	8,692	0.73%
PNC equipment lease - Expense	(15,151)	(17,492)	2,341	-13.38%
GO Bonds Interest - Expense	(221,777)	(242,762)	20,985	-8.64%
SRF Interest - Expense	(72,938)	(78,501)	5,563	-7.09%
Conservation Program - Expense	(1,350)	(1,500)	150	-10.00%
Total Other Income (Expense)	1,188,651	1,159,869	28,781	2.48%
Capital Improvement Program	907,030	454,420	452,610	99.60%

Fiscal year 2019-2020 Budget Operating Reserves

WATER

Operating Reserve:

The District's Water Operating Reserve target is two months of operating expenses. Based on fiscal year **2019-20** budget the amount of operating reserves is as follows:

Target calculation

\$	2,206,511	12	Budgeted FY19/20 expenditures Months
<hr/>			
\$	183,876	x 2	Monthly budgeted operating expenses Two months expenditures
<hr/>			
\$	367,752		Target Reserve
<hr/> <hr/>			

Actual reserve at fiscal year June 30, 2020
\$46,009

Actual Operating Funds @ June 30, 2020
\$707,342

SEWER

Operating Reserve:

For the District's Sewer Operating Reserve, the **maximum** target amount shall equal ten months' of operating expenses and the **minimum** target amount shall equal two months' of operating expenses.

Based on fiscal year **2019-20** budget the amount of operating reserves is as follows:

Minimum Target

\$	3,044,828	12	Budgeted FY19/20 expenditures Months
<hr/>			
\$	253,736	x 2	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	507,471		Minimum Target Reserve
<hr/> <hr/>			

Maximum Target

\$	3,044,828	12	Budgeted FY19/20 expenditures Months
<hr/>			
\$	253,736	x 10	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	2,537,357		Maximum Target Reserve
<hr/> <hr/>			

Actual reserve at fiscal year June 30, 2020
\$ 406,882

Actual Operating Funds @ June 30, 2020
\$ 1,911,840

Fiscal year 2019-2020 Budget

Capital Reserve Connection Fee Reserve

Capital Reserve:

For the Water and Sewer capital reserves, the target amounts are based on district engineers' estimates of the annual costs to replace water and sewer facilities and the five year capital improvement plans (CIP). Each Utility enterprise shall have a separate capital reserve. The maximum target amount shall equal the highest total annual amount shown in the CIP applicable to existing customers plus the district engineer's estimate of annual replacement capital project costs. The minimum target amount shall equal the lowest total annual amount shown in the CIP applicable to existing customers plus the district engineers' estimate of annual replacement capital project costs.

WATER

Minimum Target

\$	549,500	Lowest year CIP existing customers (fiscal year 2019-20)
\$	750,000	Engineer estimate
<hr/>		
\$	1,299,500	Minimum target

Maximum Target

\$	4,416,075	Highest year CIP existing customers (fiscal year 2022-23)
\$	750,000	Engineer estimate
<hr/>		
\$	5,166,075	Maximum target

Actual reserve at fiscal year June 30, 2020

\$ 398,249

SEWER

Minimum Target

\$	1,486,085	Lowest year CIP existing customers (fiscal year 2019-20)
\$	1,177,000	Engineer estimate
<hr/>		
\$	2,663,085	Minimum target

Maximum Target

\$	3,497,000	Highest year CIP existing customers (fiscal year 2023-24)
\$	1,177,000	Engineer estimate
<hr/>		
\$	4,674,000	Maximum target

Actual reserve at fiscal year June 30, 2020

\$ 3,970,253

Fiscal year 2019-2020 Budget

Capital Reserve Connection Fee Reserve

CONNECTION FEE RESERVE

Connection Fees:

Provides funds for expansion-related capital projects caused by increases in new water and sewer customers. The connection fee reserves are restricted pursuant to Government Code Section 66013.

The water and sewer connection fee reserves shall equal one year's revenue.

WATER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve. Fiscal year 2019-20 amount to be reserved is \$280,000.

Actual reserve at fiscal year June 30, 2020

\$ 253,020

SEWER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve. Fiscal year 2019-20 amount to be reserved is \$200,000.

Actual reserve at fiscal year June 30, 2020

\$ 194,600

Sewer

Personnel

CalPERS 457 Deferred Plan:	5810
Employee Benefits:	5820
Disability Benefits:	5830
Payroll Taxes:	5840
PARS:	5850
Worker's Compensation Insurance:	5960
Management:	5910
Staff:	5920
Staff Certification:	5930
Staff Overtime:	5940
Staff Standby:	5950

Professional Services

Accounting:	5610
Audit:	5620
Consulting:	5630
Data Services:	5640
Labor & HR Support:	5650
Payroll Services:	5660
Other Professional Services:	5690
Meeting Attendance, Legal:	5420
General Legal:	5430
Litigation:	5440

Facilities & Administration

Alarm Services:	6335
Landscaping:	6337
Office Supplies:	5540
Postage:	5550
Printing & Publishing:	5560
Telephone & Internet:	5720
Other Administrative:	5790
Maintenance, Office:	5510

Engineering

Meeting Attendance, Engineering:	6210
General Engineering:	6220

Pumping

Pumping Fuel & Electricity:	6410
Pumping Maintenance, General:	6430

Sewer Authority Mid-Coastside

SAM Collections:	6910
SAM Operations:	6920
SAM Prior-Year Adjustment:	6930
SAM Maintenance, Collection System:	6940
SAM Maintenance, Pumping:	6950

All other Accounts

Bank Fees:	5190
Board Meetings:	5210
Director Fees:	5220
Election Expenses:	5230
Conference Attendance:	5250
Information Systems:	5270
Fidelity Bond:	5310
Property & Liability Insurance:	5320
LAFCO Assessment:	5350
Meetings, Local:	5520
Memberships:	5530
San Mateo County Tax Roll Charges:	5710
Mileage Reimbursement:	5730
Reference Materials:	5740
Claims, Property Damage:	6170
Education & Training:	6195
Equipment & Tools, Expensed:	6320
Maintenance, Collection System:	6660
Uniforms:	6770
Fuel:	6810
Truck Equipment, Expensed:	6820
Truck Repairs:	6830
Total Other Operations:	6890

Water

Personnel

CalPERS 457 Deferred Plan:	5810
Employee Benefits:	5820
Disability Benefits:	5830
Payroll Taxes:	5840
PARS:	5850
Worker's Compensation Insurance:	5960
Management:	5910
Staff:	5920
Staff Certification:	5930
Staff Overtime:	5940
Staff Standby:	5950

Professional Services

Accounting:	5610
Audit:	5620
Consulting:	5630
Labor & HR Support:	5650
Payroll Services:	5660
Other Professional Services:	5690
Meeting Attendance, Legal:	5420
General Legal:	5430
Litigation:	5440

Facilities & Administration

Alarm Services:	6335
Landscaping:	6337
Office Supplies:	5540
Postage:	5550
Printing & Publishing:	5560
Fidelity Bond:	5310
Maintenance, Office:	5510
Telephone & Internet:	5720
Other Administrative:	5790

Engineering

Meeting Attendance, Engineering:	6210
General Engineering:	6220
Water Quality Engineering:	6230

Pumping

Pumping Fuel & Electricity:	6410
Pumping Maintenance, Generators:	6420

Supply

Maintenance, Raw Water Mains:	6510
Maintenance, Wells:	6520
Water Purchases:	6530

Collection/Transmission

Hydrants:	6610
Maintenance, Water Mains:	6620
Maintenance, Water Service Lines:	6630
Maintenance, Tanks:	6640
Maintenance, Distribution General:	6650
Meters:	6670

Treatment

Chemicals & Filtering:	6710
Maintenance, Treatment Equipment:	6720
Treatment Analysis:	6730

All other Accounts

Bank Fees:	5190
Board Meetings:	5210
Director Fees:	5220
Election Expenses:	5230
CDPH Fees:	5240
Conference Attendance:	5250
Information Systems:	5270
Property & Liability Insurance:	5320
LAFCO Assessment:	5350
Meetings, Local:	5520
Memberships:	5530
Mileage Reimbursement:	5730
Reference Materials:	5740
Backflow Prevention:	6160
Claims, Property Damage:	6170
SCADA Maintenance:	6185
Internet & Telephone, Communications:	6187
Education & Training:	6195
Equipment & Tools, Expensed:	6320
Lab Supplies & Equipment:	6370
Meter Reading:	6380
Uniforms:	6770
Vehicles - Other:	6800
Fuel:	6810

Pumping Maintenance, General:	6430	Truck Equipment, Expensed:	6820
Pumping Equipment, Expensed:	6440	Truck Repairs:	6830
		Other Operations:	6890
		Water:	8100