



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **December 6, 2018**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager 

**SUBJECT: Review and Possible Action Concerning Fiscal
Year End Budget to Actual Review.**

With the completion of the District's fiscal year end June 30, 2018 audit, District staff would like to present a comprehensive review of operations budget as compared to the adopted June 30, 2018 budget. This process will assist District staff with the up-coming budget preparation for fiscal year 2019-2020.

RECOMMENDATION:

This is for Board information only.

Attachment



M MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: December 6, 2018

TO: BOARD OF DIRECTORS

FROM: Clemens H. Heldmaier, General Manager

**SUBJECT: Executive Summary – June 30, 2018 fiscal year-end audit
Budget vs. Actual**

Sewer Service Charges: Total revenue of \$2,051,620 collected; \$52,449 above budget.

Budgeted revenues were expected to increase 1.70% due to favorable flow distribution in the prior wet weather period. This 1.70% increase in revenue was expected based on a 2.88% increase in residential rate from \$41.73 to \$42.93, the prop 218 limit. For FY 18-19 the District went through a sewer rate study and raised the prop 218 limit raising rates approximately 20%.

Water Sales: Total revenue of \$1,921,188 collected; \$8,692 above budget.

2017-2018 Water Rates were once again increased by 3% for all standard 5/8' connections across all 4 tiers. During the budget process it was anticipated that usage in addition to the increased rates would increase revenue approximately \$150,000. This estimate proved true.

Sewer Fees: Total revenue of \$22,535 collected; \$5,535 above budget.

Water Fees: Total revenue of \$18,030 collected; \$5,980 above budget.

Remodel fees for both Sewer and Water funds exceeded expectations. Other fee categories were slightly lower than prior years.

Sewer Property Tax: Total revenue of \$367,805 collected; \$132,805 above budget.

Water Property Tax: Total revenue of \$367,805 collected; \$132,805 above budget.

The District collected \$219K in ERAF apportionments, which was split 50/50 between Sewer and Water. The District does not budget for the receipt of ERAF revenues, due to the fact we are not made aware of the revenues during the budget process. Without the receipt of ERAF, the District



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would have collected exactly \$258K in property tax revenues, exceeding budget projections by approximately \$23,000. Beginning with the FY18-19 budget, ERAF apportionments are included in the projection of property taxes, thus raising the revenue projection to \$550,000 to be split equally.



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Sewer Personnel expense: Total expense of \$340,580 incurred; \$33,639 above budget

Water Personnel expenses: Total expense of \$758,551 incurred; \$10,709 above budget

Sewer overbudget – During the first two months of the fiscal year, the District’s former Clerk was training the current Clerk in anticipation for her departure. This caused additional payroll for an additional FTE that was unbudgeted.

Water overbudget – the General Manager’s position is based on negotiations which had not yet occurred at the time of the budget.

PARS expenditures – PARS contributions were \$3,649 over budget for both Sewer and Water combined.

Sewer Professional Services: Total expense of \$340,580 incurred; \$195,823 above budget.

Water Professional Services: Total expense of \$100,232 incurred; \$39,468 below budget.

Sewer overbudget – Legal costs associated with various litigation caused more than 90% of the cost over-runs.

Water underbudget – costs associated with the District’s attorney were less than half of what was projected.

Sewer Engineering: Total expense of \$68,682 incurred; \$16,682 above budget.

Water Engineering: Total expense of \$187,283 incurred; \$100,283 above budget.

Sewer general engineering expenses were mainly attributed to capital improvement projects that were not eligible to be capitalized.



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Water quality engineering expenses were more than double the budget in response to Pillar Ridge Water Treatment plant. The District and its engineers were also responsible for increased documentation to the State regarding updated regulations.



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Sewer Pumping: Total expense of \$39,312 incurred; \$7,312 above budget.

Water Pumping: Total expense of \$80,301 incurred \$28,699 below budget.

Sewer fund budget over-runs are due to the increased PG&E costs at District pump houses.

Sewer Authority Mid-Coastside: Total expense of \$1,979,517 incurred; \$344,264 above budget

Budget over-runs are due to mid-year budget adjustments from SAM based on a variety of factors.

Water Supply: Total expense of \$43,833 incurred; \$8,167 below budget.

Mainly due to less water purchases. The District expected to purchase \$10K of water per quarter, however, on average only \$6K worth was purchased.

Water Collection/Transmission: Total expense of \$55,817 incurred; \$38,683 below budget.

No major maintenance work performed on water mains or water service lines. Work performed by Mossa Excavation, Andreini Brothers, and R&B company.

Water Treatment: Total expense of \$64,693 incurred; \$693 above budget.

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. District staff was diligent about keeping these costs under control.

All other Accounts Sewer: Total expense of \$36,368 incurred; \$17,492 below budget.

All other Accounts Water: Total expense of \$109,225 incurred; \$21,375 below budget.



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The District's collection system maintenance performed by District employees saw minimal activity, saving the District over \$10,000.

The water enterprise accounts which were the main cause of the \$21,375 below budget were as follows:

Claims \$10K below budget – No activity & SCADA maintenance - \$12K below budget.

Sewer Capital Improvement: Total capitalized expenses \$300,351; \$1,339,649 below budget.

Due to various impediments, the Cabrillo Highway Express Sewer Project did not begin in FY 17-18. The project is currently on-going and will be captured as a FY 18-19 capital expense.

Major projects include the Sanitary Sewer Improvement project and spot repairs.

The District also paid SAM \$16,071 for Lift Station Repairs.

Water Capital Improvement: Total capitalized expenses \$235,275; \$478,225 below budget.

Major projects include the following:

- SCADA System Enhancements
- Further projects at the Alta Vista site
- 4th Street new service line

Sewer Connection Fees: Total revenue of \$229,263 collected; \$34,687 above budget.

A total of 8 new construction connections sold.

Water Connection Fees: Total revenue of \$368,729 collected; \$42,199 above budget.

A total of 8 new construction connection fees sold.



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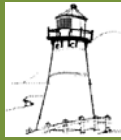
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A total of 11 new construction PFP connections sold.



Montara Water & Sanitary

Budgeted Cash Flow - Sewer

Fiscal year 2017-18

Operating Cash Flow

Operating income		<u>Actual</u>		<u>Budget</u>		<u>Variance</u>
Sewer Service Charges	\$	2,051,620	\$	1,999,171	\$	52,449
Cell Tower Lease	\$	35,632	\$	34,300	\$	1,332
Fees & Other	\$	22,535	\$	17,000	\$	5,535
Property Tax	\$	367,805	\$	235,000	\$	132,805
Waste Collection Revenues	\$	21,677	\$	22,000	\$	(323)
Total operating income	\$	2,499,269	\$	2,307,471	\$	191,798
Operating expenses						
Personnel	\$	(340,580)	\$	(306,639)	\$	33,941
Professional Services	\$	(310,773)	\$	(114,950)	\$	195,823
Facilities & Administration	\$	(39,836)	\$	(46,100)	\$	(6,264)
Engineering	\$	(68,682)	\$	(52,000)	\$	16,682
Pumping	\$	(39,312)	\$	(32,000)	\$	7,312
Sewer Authority Mid-Coastside	\$	(1,858,172)	\$	(1,635,254)	\$	222,918
All other Accounts	\$	(36,368)	\$	(53,860)	\$	(17,492)
Total operating expenses	\$	(2,693,723)	\$	(2,240,803)	\$	452,920
Net Cash Flow Provided by Operations	\$	(194,454)	\$	66,668		

Investment cash flow

Investment income						
Interest Revenue	\$	41,070	\$	15,000	\$	26,070
Total investment income	\$	41,070	\$	15,000	\$	26,070
Investment expenses						
Capital Improvement Program	\$	(300,351)	\$	(1,640,000)	\$	(1,339,649)
SAM Capital Assessment	\$	(121,345)	\$	-	\$	121,345
Total investment expenses	\$	(421,696)	\$	(1,640,000)	\$	(1,218,304)
Net Cash Flow Used by Investments	\$	(380,626)	\$	(1,625,000)		

Financing cash flow

Financing income						
Connection Fees	\$	229,263	\$	194,576	\$	34,687
Total financing income	\$	229,263	\$	194,576	\$	34,687
Financing expenses						
Loan Interest Expense	\$	(42,218)	\$	(42,634)	\$	(416)
Loan Principal Payment	\$	(75,180)	\$	(75,179)	\$	1
Total financing expenses	\$	(117,398)	\$	(117,813)	\$	(415)
Net Cash Flow Provided by Financing Activities	\$	111,865	\$	76,763		
Total Cash Flow Provided by All Activities	\$	(463,215)	\$	(1,481,569)		

Two-Year Comparative Income Statement

Sewer Comparison - Actuals
6/30/2017 vs. 6/30/2018

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2017 - June 30, 2018	July 1, 2016 - June 30, 2017		
Revenue				
Sewer Service Charges	2,051,620	1,964,795	86,825	4.42%
Cell Tower Lease	35,632	34,427	1,205	3.50%
Fees & Other	22,535	28,102	(5,567)	-19.81%
Property Tax	367,805	340,018	27,787	8.17%
Waste Collection Revenues	21,677	23,130	(1,453)	-6.28%
Net Sales	2,499,269	2,390,473	108,796	4.55%
Expenses				
Personnel	340,580	217,936	122,644	56.28%
Professional Services	310,773	114,425	196,348	171.59%
Facilities & Administration	39,836	44,165	(4,329)	-9.80%
Engineering	68,682	44,122	24,560	55.66%
Pumping	39,312	36,043	3,269	9.07%
Sewer Authority Mid-Coastside	1,858,172	999,512	858,660	85.91%
Depreciation	555,756	513,594	42,162	8.21%
All other Accounts	36,368	28,518	7,850	27.53%
Total Expenses	3,249,479	1,998,315	1,251,164	62.61%
Net Operating Income	(750,210)	392,157	(1,142,367)	-291.30%
Non-Operating				
Connection Fees - Revenue	229,263	175,830	53,433	30.39%
LAIF interest - Revenue	41,070	32,034	9,036	28.21%
PNC equipment lease - Expense	(18,222)	(19,545)	1,323	-6.77%
I-Bank Loan - Expense	(23,996)	(24,853)	857	-3.45%
Sam Capital Assessment - Expense	(121,345)	(113,432)	(7,913)	6.98%
Total Other Income (Expense)	106,770	50,034	56,736	113.40%



MWSD — Fiscal Year 2017-2018 budget actual - 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>2017-18 Actual</u>	<u>Positive/ (Negative)</u>
Cell Tower Lease:	4220	33,500	34,427	34,300	35,632	1,332
Administrative Fees (New Construction):	4410	3,318	3,409	3,500	4,040	540
Administrative Fees (Remodel):	4420	1,422	1,448	2,000		(2,000)
Inspection Fees (New Construction):	4430	3,136	3,220	3,500	3,339	(161)
Inspection Fees (Remodel):	4440	3,219	3,748	4,000		(4,000)
Mainline Extension Fees:	4450				1,500	1,500
Remodel Fees:	4460	2,222	15,844	4,000	10,278	6,278
Property Tax Receipts:	4610	325,926	340,018	235,000	367,805	132,805
Sewer Service Charges:	4710	2,063,335	1,975,325	2,003,171	2,053,963	50,792
Sewer Service Refunds, Customer:	4720	(8,386)	(10,530)	(4,000)	(2,343)	1,657
Waste Collection Revenues:	4760	19,350	23,130	22,000	21,677	(323)
Other Revenue:	4990	155	433		3,378	3,378
Total Operating Revenue:		2,447,196	2,390,473	2,307,471	2,499,269	191,798
<u>Operating Expenses</u>						
Bank Fees:	5190	3,363	6,692	6,500	6,654	(154)
Board Meetings:	5210	3,282	4,169	4,000	1,836	2,164
Director Fees:	5220	2,363	2,665	3,300	3,900	(600)
Election Expenses:	5230		4,860			
Conference Attendance:	5250		147	2,000	3,131	(1,131)
Information Systems:	5270	3,888	1,667	6,000	1,224	4,776
Fidelity Bond:	5310			500		500
Property & Liability Insurance:	5320	1,688	3,758	2,000	2,161	(161)
LAFCO Assessment:	5350	1,718	1,526	2,000	1,601	399
Meeting Attendance, Legal:	5420	7,139	6,483	9,500	6,951	2,549
General Legal:	5430	31,865	32,775	25,000	44,220	(19,220)
Litigation:	5440				165,192	(165,192)
Maintenance, Office:	5510	7,619	6,933	8,000	4,020	3,980
Meetings, Local:	5520					
Office Supplies:	5540	7,366	7,755	8,000	6,243	1,757
Postage:	5550	2,668	1,143	2,500	277	2,223
Printing & Publishing:	5560	3,478	1,135	3,000	2,909	91
Accounting:	5610	38,555	38,950	30,000	31,276	(1,276)
Audit:	5620	12,050	13,000	13,000	18,000	(5,000)
Consulting:	5630	16,886	19,894	28,000	35,859	(7,859)
Data Services:	5640	5,504		6,000	5,851	149
Labor & HR Support:	5650	1,875	2,250	2,500	2,484	16



MWSD — Fiscal Year 2017-2018 budget actual - 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>2017-18 Actual</u>	<u>Positive/ (Negative)</u>
Payroll Services:	5660	839	942	950	940	10
Other Professional Services:	5690	375	132			
San Mateo County Tax Roll Charges:	5710	116	119	2,500		2,500
Telephone & Internet:	5720	13,742	16,380	16,500	18,961	(2,461)
Mileage Reimbursement:	5730	682	1,063	1,500	564	936
Reference Materials:	5740		23	200		200
Other Administrative:	5790					
CalPERS 457 Deferred Plan:	5810	13,954	18,637	15,445	18,386	(2,941)
Employee Benefits:	5820	47,890	37,701	35,635	39,107	(3,472)
Disability Benefits:	5830	1,397	1,360	1,534	1,360	174
Payroll Taxes:	5840	14,577	14,552	16,879	16,063	816
Worker's Compensation Insurance:	5960	491	2,120	2,447	4,082	(1,635)
Management:	5910	92,434	99,561	103,725	114,908	(11,183)
Staff :	5920	112,648	119,299	112,599	127,015	(14,416)
Staff Certification:	5930	1,800	1,800	1,800	1,800	
Staff Overtime:	5940	2,888	3,879	2,514	918	1,596
Staff Standby:	5950	29			32	(32)
District sponsored Defined Benefit Plan:	5850	(0)	(80,974)	14,061	16,909	(2,848)
Claims, Property Damage:	6170			10,000	12,810	(2,810)
Education & Training:	6195			1,000	717	283
Meeting Attendance, Engineering:	6210			2,000		2,000
General Engineering:	6220	31,924	44,122	50,000	68,682	(18,682)
Equipment & Tools, Expensed:	6320			1,000		1,000
Alarm Services:	6335	5,896	6,738	5,700	5,146	554
Landscaping:	6337	3,702	4,080	2,400	2,280	120
Pumping Fuel & Electricity:	6410	25,454	36,043	32,000	39,312	(7,312)
Pumping Maintenance, General:	6430	3,525				
Maintenance, Collection System:	6660			10,000		10,000
Fuel:	6810	792	878	800	988	(188)
Truck Equipment, Expensed:	6820	89	71	160	2	158
Truck Repairs:	6830	153	331	400	780	(380)
Total Other Operations:	6890		550			
SAM Collections:	6910	360,504	321,608	285,934	232,841	53,093
SAM Operations:	6920	707,892	677,904	1,259,320	1,625,331	(366,011)
SAM Prior-Year Adjustment:	6930					
SAM Maintenance, Collection System:	6940			40,000		40,000
SAM Maintenance, Pumping:	6950			50,000		50,000



MWSD — Fiscal Year 2017-2018 budget actual - 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>2017-18 Actual</u>	<u>Positive/ (Negative)</u>
Depreciation:	5260	508,067	513,594		555,756	(555,756)
Total Operations Expense:		2,103,168	1,998,315	2,240,803	3,249,479	(1,008,676)
Net Change in position from Operations:		344,029	392,157	66,668	(750,210)	1,200,474
<u>Non Operating Revenue / Expense</u>						
Connection Fees, Residential New Const:	7110	53,363	140,090	144,576	221,658	77,082
Connection Fees, Residential Remodel:	7120	47,234	35,740	50,000	7,605	(42,395)
Connection Fees - Other:	7100					
Employee Loans:	7700	895				
LAIF, Interest:	7200	18,184	32,034	15,000	41,070	26,070
Total Non Operating Revenue:		119,676	207,864	209,576	270,333	60,757
<u>Financing Expense</u>						
PNC Equipment Lease:	9125	20,743	19,545	18,280	18,222	58
Capital Assessment, SAM:	9175	160,668	113,432		121,345	(121,345)
I-Bank Loan:	9200	28,284	24,853	24,354	23,996	358
Total Financing Expense:		209,695	157,830	42,634	163,563	(120,929)



Montara Water & Sanitary

Budgeted Cash Flow - Water

Fiscal year 2017-18

Operating Cash Flow

Operating income	Actual	Budget	Variance
Water Sales	\$ 1,921,188	\$ 1,912,496	\$ 8,692
Cell Tower Lease	\$ 35,632	\$ 34,300	\$ 1,332
Fees & Other	\$ 18,030	\$ 12,050	\$ 5,980
Property Tax	\$ 367,805	\$ 235,000	\$ 132,805
Backflow Testing	\$ 17,858	\$ 13,000	\$ 4,858
Total operating income	\$ 2,360,513	\$ 2,206,846	\$ 153,667
Operating expenses			
Personnel	\$ (758,551)	\$ (769,260)	\$ (10,709)
Professional Services	\$ (100,232)	\$ (139,700)	\$ (39,468)
Facilities & Administration	\$ (51,824)	\$ (57,380)	\$ (5,556)
Engineering	\$ (187,283)	\$ (87,000)	\$ 100,283
Pumping	\$ (80,301)	\$ (109,000)	\$ (28,699)
Supply	\$ (43,833)	\$ (52,000)	\$ (8,167)
Collection/Transmission	\$ (55,817)	\$ (94,500)	\$ (38,683)
Treatment	\$ (64,693)	\$ (64,000)	\$ 693
All Other Accounts	\$ (109,225)	\$ (130,600)	\$ (21,375)
Total operating expenses	\$ (1,451,759)	\$ (1,503,440)	\$ (51,681)
Net Cash Flow Provided by Operations	\$ 908,754	\$ 703,406	

Investment cash flow

Investment income			
GO Bonds, Assessment Receipts	\$ 1,226,216	\$ 1,150,436	\$ 75,780
Total investment income	\$ 1,226,216	\$ 1,150,436	\$ 75,780
Investment expenses			
Capital Improvement Program	\$ (235,275)	\$ (713,500)	\$ (478,225)
Total investment expenses	\$ (235,275)	\$ (713,500)	\$ (478,225)
Net Cash Flow Used by Investments	\$ 990,941	\$ 436,936	

Financing cash flow

Financing income			
Connection Fees	\$ 284,552	\$ 253,020	\$ 31,532
Total financing income	\$ 284,552	\$ 253,020	\$ 31,532
Financing expenses			
Long Term Debt - Interest Expense	\$ (368,729)	\$ (326,530)	\$ 42,199
Long Term Debt - Principal Payment	\$ (1,167,320)	\$ (1,062,675)	\$ 104,645
Total financing expenses	\$ (1,536,049)	\$ (1,389,205)	\$ 146,844
Net Cash Flow Provided by Financing Activities	\$ (1,251,497)	\$ (1,136,185)	
Total Cash Flow Provided by All Activities	\$ 648,198	\$ 4,157	

Two-Year Comparative Income Statement

Water Comparison - Actuals
6/30/2017 vs. 6/30/2018

	[Current Period]	[Prior Period]	Increase / (Decrease)	Percent Change
	July 1, 2017 - June 30, 2018	July 1, 2016 - June 30, 2017		
Revenue				
Water Sales	1,921,188	1,768,246	152,942	8.65%
Cell Tower Lease	35,632	34,427	1,205	3.50%
Fees & Other	18,030	24,372	(6,342)	-26.02%
Property Tax	367,805	340,018	27,787	8.17%
Backflow Testing	17,858	25,636	(7,778)	-30.34%
Net Sales	2,360,513	2,192,699	167,814	7.65%
Expenses				
Personnel	758,551	700,919	57,632	8.22%
Professional Services	100,232	156,359	(56,127)	-35.90%
Facilities & Administration	51,824	60,926	(9,102)	-14.94%
Engineering	187,283	142,968	44,315	31.00%
Pumping	80,301	99,817	(19,516)	-19.55%
Supply	43,833	37,179	6,654	17.90%
Collection/Transmission	55,817	99,611	(43,794)	-43.96%
Treatment	64,693	41,037	23,656	57.65%
Depreciation	1,005,802	972,946	32,856	3.38%
All other Accounts	109,225	114,437	(5,212)	-4.55%
Total Expenses	2,457,561	2,426,199	31,362	1.29%
Net Operating Income	(97,048)	(233,500)	136,452	-58.44%
Non-Operating				
Connection Fees - Revenue	284,552	208,786	75,766	36.29%
GO Bonds Assessment - Revenue	1,226,216	1,253,111	(26,895)	-2.15%
PNC equipment lease - Expense	(18,222)	(19,545)	1,323	-6.77%
GO Bonds Interest - Expense	(265,164)	(286,455)	21,291	-7.43%
SRF Interest - Expense	(83,943)	(90,816)	6,873	-7.57%
Conservation Program - Expense	(1,400)	(1,129)	(271)	24.05%
Total Other Income (Expense)	1,142,039	1,063,952	78,087	7.34%



MWSD — Fiscal Year 2017-2018 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<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>2017-18</u> <u>Actual</u>	<u>Positive/</u> <u>(Negative)</u>
Cell Tower Lease:	4220	33,500	34,427	34,300	35,632	1,332
Administrative Fees (New Construction):	4410	6,349	7,292	5,500	4,545	(955)
Administrative Fees (Remodel):	4420	0	0	900	1,679	779
Inspection Fees (New Construction):	4430	5,813	6,888	5,000	4,293	(707)
Inspection Fees (Remodel):	4440	0	460	650	1,908	1,258
Mainline Extension Fees:	4450	46,459				0
Remodel Fees:	4460		9,732		1,593	1,593
Other Fees:	4470				2,832	2,832
Property Tax Receipts:	4610	325,926	340,018	235,000	367,805	132,805
Testing, Backflow:	4740	16,377	14,816	13,000	17,858	4,858
Water Sales:	4810	1,739,386	1,771,239	1,915,496	1,922,676	7,180
Water Sales Refunds, Customer:	4850	(1,488)	(2,993)	(3,000)	(1,488)	1,512
Other Revenue:	4990	8,793	10,820		1,180	1,180
Total Operating Revenue:		2,181,114	2,192,699	2,206,846	2,360,513	153,667
<u>Operating Expenses</u>						
Bank Fees:	5190	6,907	6,743	7,000	1,618	5,382
Board Meetings:	5210	3,282	4,169	4,000	1,836	2,164
Director Fees:	5220	2,363	2,665	3,300	3,900	(600)
Election Expenses:	5230		4,860			0
CDPH Fees:	5240	18,086		15,500	10,832	4,668
Conference Attendance:	5250	5,267	850	4,000	5,697	(1,697)
Information Systems:	5270	3,888	2,973	3,000	9,488	(6,488)
Fidelity Bond:	5310			500		500
Property & Liability Insurance:	5320	1,688	3,758	2,700		2,700
LAFCO Assessment:	5350	2,328	2,048	2,500	2,208	292
Meeting Attendance, Legal:	5420	7,700	6,480	8,500	3,211	5,289
General Legal:	5430	43,625	57,788	60,000	23,868	36,132
Litigation:	5440				775	(775)
Maintenance, Office:	5510	8,122	8,678	8,000	5,561	2,439



MWSD — Fiscal Year 2017-2018 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<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>2017-18</u> <u>Actual</u>	<u>Positive/</u> <u>(Negative)</u>
Memberships:	5530	17,225	17,679	18,000	20,298	(2,298)
Office Supplies:	5540	7,366	7,638	8,000	8,452	(452)
Postage:	5550	7,578	7,168	7,500	6,379	1,121
Printing & Publishing:	5560	1,650	1,356	2,000	1,739	261
Accounting:	5610	38,555	38,950	30,000	31,276	(1,276)
Audit:	5620	20,950	13,000	13,000	18,000	(5,000)
Consulting:	5630	28,560	36,600	25,000	19,678	5,322
Data Services:	5640	18,773				0
Labor & HR Support:	5650	2,651	2,349	2,250	2,484	(234)
Payroll Services:	5660	839	942	950	940	10
Other Professional Services:	5690	227	132			0
San Mateo Co. Tax Roll Charges:	5710	122	119			0
Telephone & Internet:	5720	19,391	22,304	22,380	22,460	(80)
Mileage Reimbursement:	5730	2,157	1,648	2,000	564	1,436
Reference Materials:	5740	0	23	800		800
Other Administrative:	5790	127	2,147	0	615	(615)
CalPERS 457 Deferred Plan:	5810	31,571	36,418	35,513	37,021	(1,508)
Employee Benefits:	5820	75,196	76,378	86,856	74,878	11,978
Disability Benefits:	5830	3,329	3,366	3,637	3,366	271
Payroll Taxes:	5840	36,932	38,090	42,294	39,499	2,795
Worker's Compensation Insurance:	5960	4,788	14,423	19,948	19,208	740



MWSD — Fiscal Year 2017-2018 budget actual - WATER ENTERPRISE

<u>Operating Revenue</u>	<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>2017-18</u> <u>Actual</u>	<u>Positive/</u> <u>(Negative)</u>
Management:	5910	92,434	99,563	103,725	114,908	(11,183)
Staff :	5920	329,764	347,037	358,357	360,388	(2,031)
Staff Certification:	5930	9,440	9,125	9,000	10,042	(1,042)
Staff Overtime:	5940	48,214	52,690	55,831	42,425	13,406
Staff Standby:	5950	22,621	23,830	25,947	25,125	822
District sponsored Defined Benefit Plan:	5850	0	(150,932)	28,152	31,691	(3,539)
Backflow Prevention:	6160	800	892	1,000	473	527
Claims, Property Damage:	6170	0	175	10,000	0	10,000
SCADA Maintenance:	6185	28,817	20,505	20,000	7,778	12,222
Internet & Telephone, Communications:	6187				2,024	(2,024)
Education & Training:	6195	2,574	8,131	7,000	9,911	(2,911)
Meeting Attendance, Engineering:	6210	0		2,000	16	1,984
General Engineering:	6220	15,406	4,029	20,000	8,503	11,497
Water Quality Engineering:	6230	82,864	138,939	65,000	178,764	(113,764)
Equipment & Tools, Expensed:	6320	4,008	2,962	5,000	7,441	(2,441)
Alarm Services:	6335	640	777	800	671	129
Landscaping:	6337	6,226	7,102	6,000	5,947	53
Lab Supplies & Equipment:	6370	818	178	1,000	3,698	(2,698)
Meter Reading:	6380		119		21	(21)
Pumping Fuel & Electricity:	6410	89,652	82,730	90,000	68,177	21,823
Pumping Maintenance, Generators:	6420	4,771	12,118	10,000	7,777	2,223
Pumping Maintenance, General:	6430	6,284	4,969	7,000	4,137	2,863
Pumping Equipment, Expensed:	6440	1,786		2,000	210	1,790
Maintenance, Raw Water Mains:	6510	2,478	1,421	2,000	1,474	526
Maintenance, Wells:	6520	20,657	1,466	10,000	16,851	(6,851)
Water Purchases:	6530	38,009	34,292	40,000	25,508	14,492
Hydrants:	6610	0	3,819	1,000	408	592
Maintenance, Water Mains:	6620	71,575	75,576	55,000	39,633	15,367
Maintenance, Water Service Lines:	6630	33,705	4,206	25,000	12,389	12,611
Maintenance, Tanks:	6640	8,741	71	1,000	741	259



MWSD — Fiscal Year 2017-2018 budget actual - WATER 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>2017-18 Actual</u>	<u>Positive/ (Negative)</u>
Maintenance, Distribution General:	6650	2,406	5,220	10,000	273	9,727
Meters:	6670	5,382	10,719	2,500	2,373	127
Chemicals & Filtering:	6710	40,896	11,660	30,000	18,681	11,319
Maintenance, Treatment Equipment:	6720	11,965	4,724	4,000	10,508	(6,508)
Treatment Analysis:	6730	28,890	24,653	30,000	35,504	(5,504)
Uniforms:	6770	14,530	10,560	12,000	11,166	834
Fuel:	6810	6,117	6,143	8,000	5,598	2,402
Truck Equipment, Expensed:	6820	651	496	1,000	12	988
Truck Repairs:	6830	1,074	2,316	5,000	4,422	578
Other Operations:	6890	2,811	18,301		240	(240)
Depreciation:	5260	881,848	949,538		972,113	(92,113)
Amortization:	5265	28,549	23,408		33,689	(33,689)
Total Operations Expense:		2,340,101	2,275,268	1,503,440	2,457,561	(954,121)
Net Change in position from Operations:		(158,987)	(82,568)	703,406	(97,048)	1,107,788
<u>Non Operating Revenue / Expense</u>						
Connection Fees, Residential New Const:	7110	77,695	130,171	173,020	145,168	(27,852)
Connection Fees, Residential Remodel:	7120	0	25,921			0
Connection Fees, Residential Fire:	7130	61,724	52,693	80,000	118,691	38,691
Connection Fees, Residential Remodel Fire:	7140				12,893	12,893
Connection Fees, Well Conversion:	7150				7,800	7,800
General Obligation Bonds, Assessment Receipts:	7600	1,215,941	1,253,111	1,150,436	1,226,216	75,780
Total Non Operating Revenue:		1,355,359	1,461,897	1,403,456	1,510,768	107,312
<u>Financing Expenses</u>						
PFP Connection Expenses:	9075					
General Obligation Bonds:	9100	307,634	286,455	273,978	265,164	8,814
PNC Equipment Lease:	9125	20,743	19,545	18,280	18,222	58
State Revolving Fund Loan:	9150	60,239	90,816	34,273	83,943	(49,670)
Conservation Program/Rebates:	9210	6,018	1,129	500	1,400	(900)
Total Financing Expense:		394,634	397,944	327,031	368,729	(41,698)

Fiscal year 2017-2018 Budget Operating Reserves

WATER

Operating Reserve:

The District's Water Operating Reserve target is two months of operating expenses. Based on fiscal year **2017-18** budget the amount of operating reserves is as follows:

Target calculation

\$	1,503,440	12	Budgeted FY17/18 expenditures Months
<hr/>			
\$	125,287	x 2	Monthly budgeted operating expenses Two months expenditures
<hr/>			
\$	250,573		Target Reserve
<hr/> <hr/>			

Actual reserve at fiscal year June 30, 2018

\$46,009

Actual Operating Funds @ June 30, 2018

\$872,766

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 **2017-18** budget the amount of operating reserves is as follows:

Minimum Target

\$	2,240,803	12	Budgeted FY17/18 expenditures Months
<hr/>			
\$	186,734	x 2	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	373,467		Minimum Target Reserve
<hr/> <hr/>			

Maximum Target

\$	2,240,803	12	Budgeted FY17/18 expenditures Months
<hr/>			
\$	186,734	x 10	Monthly budgeted operating expenses Monthly budgeted operating expenses
<hr/>			
\$	1,867,336		Maximum Target Reserve
<hr/> <hr/>			

Actual reserve at fiscal year June 30, 2018

\$ 240,073

Actual Operating Funds @ June 30, 2018

\$ 3,040,370

Fiscal year 2017-2018 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

\$	299,567	Lowest year CIP existing customers (fiscal year 2021-22)
\$	750,000	Engineer estimate
\$	1,049,567	Minimum target

Maximum Target

\$	576,018	Highest year CIP existing customers (fiscal year 2019-20)
\$	750,000	Engineer estimate
\$	1,326,018	Maximum target

Actual reserve at fiscal year June 30, 2018

\$ 398,249

SEWER

Minimum Target

\$	1,502,500	Lowest year CIP existing customers (fiscal year 2018-19)
\$	1,177,000	Engineer estimate
\$	2,679,500	Minimum target

Maximum Target

\$	2,172,500	Highest year CIP existing customers (fiscal year 2021-22)
\$	1,177,000	Engineer estimate
\$	3,349,500	Maximum target

Actual reserve at fiscal year June 30, 2018

\$ 3,932,906

Fiscal year 2017-2018 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 2017-18 amount to be reserved is \$253,020.

Actual reserve at fiscal year June 30, 2018

\$ 253,020

SEWER

At the beginning of the fiscal year, the budgeted amounts will be set aside as a reserve.
Fiscal year 2017-18 amount to be reserved is \$194,576.

Actual reserve at fiscal year June 30, 2017

\$ 194,576

Sewer

Personnel

CalPERS 457 Deferred Plan:	5810
Employee Benefits:	5820
Disability Benefits:	5830
Payroll Taxes:	5840
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
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
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
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
Pumping Maintenance, General:	6430
Pumping Equipment, Expensed:	6440

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
Fuel:	6810
Truck Equipment, Expensed:	6820
Truck Repairs:	6830
Other Operations:	6890