



Mid-Peninsula Water District, San Mateo County, California

Annual Report for Certificates of Participation

(2016 Financing Project, CUSIP 59541P)

\$18,570,000

Fiscal Year Ending June 30, 2016

The following data and attachments are submitted by Mid-Peninsula Water District (MPWD) consistent with Appendix D, "Form of Continuing Disclosure Certificate," from the Official Statement (OS) for the Certificates of Participation. Reference letters below correspond with the reference letters of the Appendix D.

Section 4. Audited Financial Report for Fiscal Year Ending June 30, 2016

The audited financial reports for the fiscal year ending June 30, 2016, have been submitted separately for Electronic Municipal Market Access (EMMA).

Section 4. Tables

The requested tables are shown on the following pages, taken primarily from the OS for this first year of disclosure reporting.

Ten Largest Customers Based on Revenue
Water Rates
Revenue and Expense Showing Debt Service Coverage Ratio

Section 5. Reporting of Listed Events

There are no listed events to report.

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Mid-Peninsula Water District	
Ten Largest Customers¹	
(Fiscal Year ending June 30, 2016)	
Customer	Type of Customer
Accor Economy Lodging	Motel
The Belmont Homeowners	Apartments on Davey Glen Road
Notre Dame	School
McClellan Estate Company	Apartments on Old County Road
Novartis	Pharmaceutical manufacturing
Sequoia High School District	School
McClellan Estate Company	Apartments on Crestview
McClellan Estate Company	Apartments on Crestview
Lesley Terrace	Assisted Living
Silverado Senior Living	Assisted Living

These ten customers collectively account for 7.8 percent of revenue from water sales. The largest contribution for any one customer is less than 1.4 percent.

¹ MPWD has adopted a policy of confidentiality with respect to account information on individual water use; therefore, the table shows the ten largest customers based on revenue, and states the percentage of total revenue they represent. See page 27 of the official statement dated December 7, 2016, from the 2016 Certificates of Participation.

Mid-Peninsula Water District Rate Table				
Rates Effective July 1, 2016 ²				
		Base Rate	SFPUC Wholesale Rate Pass Through³	Total Rate
Fixed Monthly Charges				
Meter Size	Meter Ratio	\$ / Month		
5/8"	1.00	\$24.00		\$24.00
1"	1.50	36.00		36.00
1 1/2"	2.50	60.00		60.00
2"	4.00	96.00		96.00
3"	6.00	144.00		144.00
4"	10.00	240.00		240.00
6"	25.00	600.00		600.00
Water Consumption Charges				
Residential Rates		\$ / hcf ⁴		
Tier 1		\$5.30	\$0.32	\$5.62
Tier 2		7.90	0.32	8.22
Tier 3		9.50	0.32	9.82
Tier 4		11.10	0.32	11.42
Commercial Rates				
Tier 1		7.25	0.32	5.62
Tier 2		8.35	0.32	8.67

² Source is MPWD Ordinance No. 116, dated April 28, 2016.

³ The San Francisco Public Utilities Commission (SFPUC) wholesale water rate pass through effective July 1, 2016, equals \$0.32 per hcf based on the incremental difference between the baseline rate of \$3.78 per hcf referenced in MPWD's Proposition 218 Notice and SFPUC's wholesale rate of \$4.10 per hcf adopted on May 10, 2016.

⁴ One hundred cubic feet (hcf) equals approximately 748 gallons.

Mid-Peninsula Water District Revenues, Expenses and Changes in Net Position⁵

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
	Audited	Audited	Audited	Audited
OPERATING REVENUES				
Water service charges	9,023,562	9,748,347	9,269,172	10,103,976
Other revenue	379,852	66,004	70,931	26,107
Total Operating Revenues	9,403,414	9,814,351	9,340,103	10,130,083
OPERATING EXPENSES				
Salaries and benefits	1,896,336	2,214,994	2,258,983	2,293,425
Maintenance and rehabilitation	399,927	460,720	529,883	528,314
Purchased water	4,344,176	4,102,227	4,160,810	4,491,156
Utilities	336,603	303,834	312,784	267,479
Professional services	554,249	386,496	461,682	539,376
Administrative and other	617,416	687,694	665,813	647,516
Depreciation	785,945	837,048	912,979	910,361
Total Operating Expenses	8,934,652	8,993,013	9,302,934	9,677,627
Operating Income/(Loss)	468,762	821,338	37,169	452,456
NON-OPERATING REVENUES				
Rent	171,808	209,518	194,681	170,763
Property taxes	234,629	242,407	259,597	266,341
Insurance claim reimbursement	—	4,726	—	—
Interest income	8,566	11,662	9,751	14,847
Completed projects	64,008	122,203	118,202	—
Total Non-Operating Revenues	479,001	590,516	582,231	451,951
CHANGE IN NET POSITION	947,773	1,411,854	619,400	904,407
NET POSITION, Beginning of Year	17,797,870	18,745,643	18,624,896 ⁽¹⁾	19,244,296
NET POSITION, End of Year	18,745,643	20,157,497	19,244,296	20,148,703

(1) For table: Reflects a prior period adjustment of \$(1,532,601) relating to implementation of GASB 68.

⁵ Taken from page 39 of the OS.