



MID-PENINSULA WATER DISTRICT

OPERATING AND CAPITAL BUDGETS FISCAL YEAR 2017-2018





MID-PENINSULA WATER DISTRICT

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Board of Directors

Albert Stuebing – President
Dave Warden – Vice President
Betty Linvill – Director
Louis J. Vella – Director
Matthew P. Zucca – Director

Officers

Tammy Rudock – General Manager
Candy Pina – Administrative Services Manager/District Secretary
Rene Ramirez – Operations Manager
Joan L. Cassman, Hanson Bridgett LLP, District Counsel
Joubin Pakpour, Pakpour Consulting Group, District Engineer
Jeff Ira, District Treasurer



ABOUT MID-PENINSULA WATER DISTRICT

The Mid-Peninsula Water District (MPWD), formerly Belmont County Water District, was formed as a California special district in 1929 from seven (7) independent water distribution systems (including the Spring Valley Water Company), which were united and began functioning as a public utility in 1930. Since its inception, the MPWD has been served by the San Francisco Regional Water System and purchased its entire water supply from San Francisco Water, a service of the San Francisco Public Utilities Commission (SFPUC). Reference www.sfwater.org.

The MPWD now supplies water to consumers in an area slightly larger than the city limits of Belmont. Small portions of the service area are within the city limits of San Carlos, Redwood City, and parts of the unincorporated County of San Mateo. The MPWD's service territory covers approximately five (5) square miles and serves approximately 30,000 people. In the event of an emergency the MPWD can serve or be served with inter-ties between neighboring utilities. Presently, the MPWD has one (1) inter-tie with Foster City, two (2) with San Carlos, one (1) with Redwood City and three (3) with San Mateo.

The MPWD is a member of the Bay Area Water Supply and Conservation Agency (BAWSCA), which represents the interests of 26 cities and water districts, and two private utilities that purchase water wholesale from the SFPUC. For complete information about BAWSCA: www.bawsca.org.

GOVERNANCE

Policy development and rates for service are established by five (5) Directors, elected by MPWD ratepayers to serve staggered four-year terms on its governing board.

Officers of the MPWD include the General Manager, District Secretary, District Counsel, District Engineer and District Treasurer.

ORGANIZATIONAL STRUCTURE

The General Manager is appointed by and reports directly to the Board of Directors. Along with the General Manger, the Administrative Services Manager and the new Operations Manager oversee the day-to-day operations of the MPWD.

The Administrative Services Manager serves as the District Secretary and leads the following operations: Administration, Finance and Accounting, Human Resources, and Customer Services. The Operations Manager leads the water system operations, maintenance, and capital project management.

There are a total of 18 employees within the MPWD.

The Operations staff totals thirteen (13) employees, including the Manager, Field Operations Supervisors, Lead Operators, Water Treatment Operators, and Maintenance Technicians.

The Administrative and Customer Services staff totals four (4) employees, including the Administrative Services Manager, Administrative Specialists, and an Administrative Assistant.

The MPWD Mission Statement, Vision Statement, and Strategic Goals are reviewed annually in January by the Board of Directors, together with the development of annual Strategic Plan and Board assignments.

MPWD MISSION STATEMENT

The mission of the MPWD is to deliver a safe, high quality, reliable supply of water for current and future generations in a cost effective, environmentally sensitive and efficient manner.

MPWD VISION STATEMENT

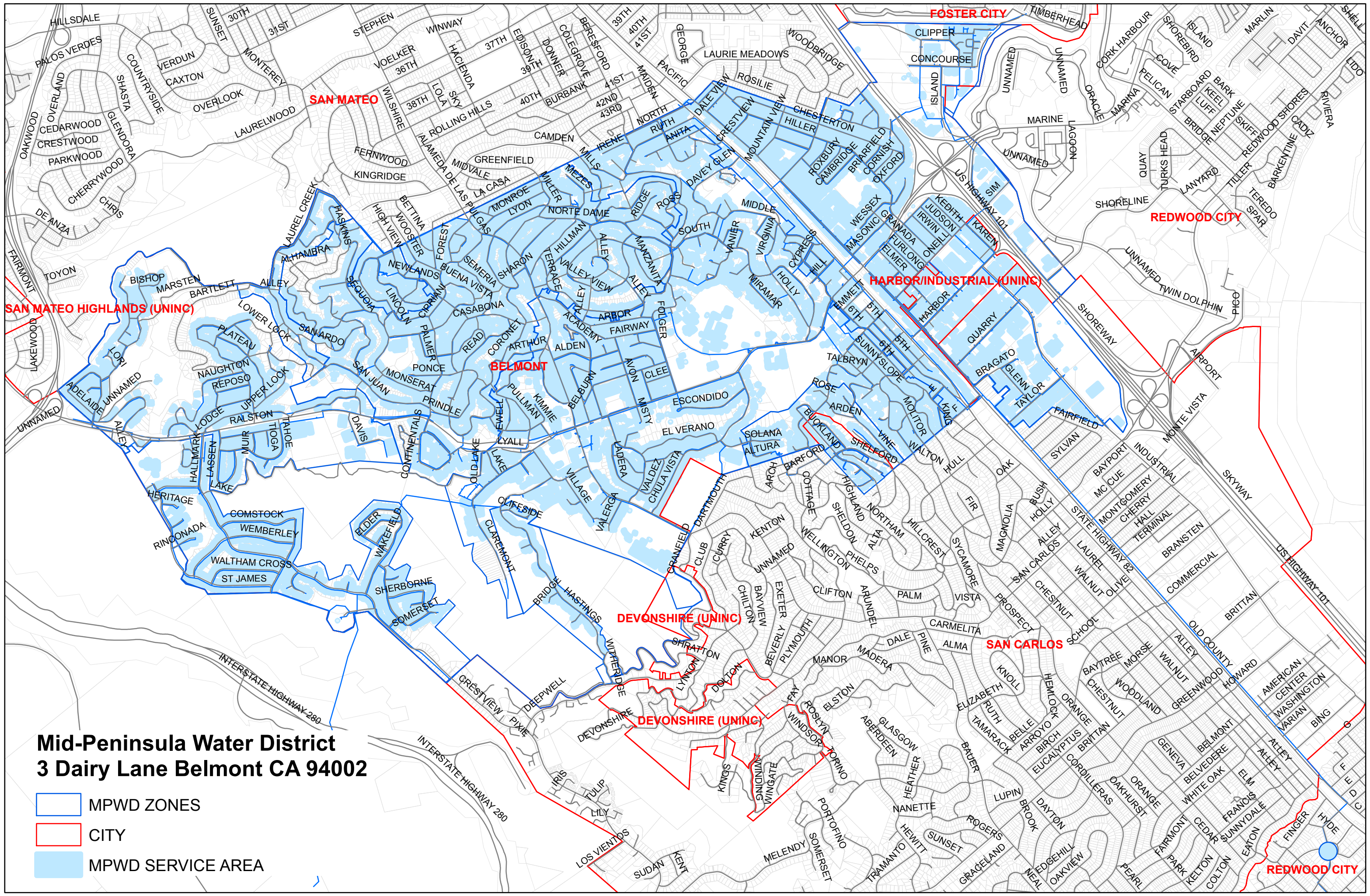
The MPWD strives to be recognized by our ratepayers, the community we serve, and other agencies for our outstanding service and enlightened water conservation programs. We will employ innovative approaches to water and energy sustainability to achieve cutting edge environmental efficiency and a competitive rate structure. We will commit ourselves to provide community information and water education.

MPWD STRATEGIC GOALS

1. To effectively manage the water resources, demands, and infrastructure for the MPWD.
2. To operate the MPWD at the highest level of service to customers at the lowest expense.
3. To develop an environment that fosters open and candid communications with the community, customers, staff, and directors.
4. To keep current with water issues and industry best management standards.

For further information about the MPWD: www.midpeninsulawater.org.

The MPWD Service Map and Organizational Chart to follow:



**Mid-Peninsula Water District
3 Dairy Lane Belmont CA 94002**

- MPWD ZONES
- CITY
- MPWD SERVICE AREA



MPWD Organizational Chart

CUSTOMERS

Board of Directors

General Manager
Tammy Rudock

District Counsel
Hanson Bridgett
Joan Cassman

District Treasurer
CG Uhlenberg
Jeff Ira

District Engineer
Pakpour Consulting
Joubin Pakpour

Operations Manager
Rene Ramirez

Administrative Services Manager
Candy Pina

Field Operations
Supervisor
Henry Young

Field Operations
Supervisor
Mike Anderson

Field Operations
Supervisor
Brent Chester

Lead Operators
Rick Bisio
Stan Olsen

Water System
Operators
Chris Michaelis
Robby Piccolotti
Maintenance
Technician
Tava Mataele
Jon Tscharnner

Water System
Operator
Ron Leithner

Water System
Operator
Jonathan Anderson
Maintenance
Technician
Brad Burwell

Administrative Specialists
Jeanette Kalabolas
Misty Malczon

Administrative Assistant
Laura Ravella

MPWD BUDGET PROCESS

BUDGET ADMINISTRATION

The MPWD operates on a July 1st to June 30th fiscal year. Each fiscal year, two (2) budgets are developed, an Operating Budget and a Capital Budget.

The Board of Directors begins the budget development process in February or March of each year for a June adoption. The budget documents are discussed during regular Board meetings each month from February through June. Public comment is welcome.

The Operating Budget includes the revenues and expenditures for the day-to-day operations of the MPWD. The Capital Budget includes the capital infrastructure and system projects and outlays.

A mid-year budget review is typically scheduled each year. This process allows for an updated report on the previous 6-month operational and capital activities, and revenue collections and expenditures. Any proposed budgetary adjustments for the remainder of the fiscal year are also considered at this time.

The MPWD's budget format was significantly improved in Fiscal Year (FY) 2012/2013. The Board of Directors and staff wanted a high level of transparency and more user friendly budget documents. A line-by-line operating budget accounting for MPWD revenue and expenditure account items was developed. A capital budget was enhanced to present not only the proposed projects and outlay items but also the revenue sources for them.

Budget documents are posted at the MPWD website: www.midpeninsulawater.org.

CAPITAL IMPROVEMENTS

A Comprehensive System Analysis was completed in 2015, and a total of \$52 million in system capital improvements was prioritized. After a year of discussion during 2016, the Board approved debt financing as the option to expedite approximately \$20 million in deferred and much needed capital improvements.

A 5-year Capital Improvement Program (CIP) for FYs 2016-2021 totaling \$20,045,000 was approved by the Board on May 26, 2016 (per Resolution 2016-06).

An informational summary of the Board discussions on the CIP and funding options, including frequently asked questions, is posted at the MPWD website*:

<https://storage.googleapis.com/midpeninsulawater-org/uploads/09CIPInfoSummFAQs0822162.pdf>

The MPWD secured debt financing totaling \$19 million (2016 COP - Certificates of Participation) on December 7, 2016. Quarterly reports on the expenditures have been provided at regular MPWD Board Meetings.*

The MPWD also continues to operate on a “pay go” basis for capital outlays and improvements that would not otherwise be funded with the 2016 COP dollars. These outlays and projects are presented to the Board for “pay-go” funding consideration annually during the budget process or on a case-by-case basis as needed.

**The MPWD launched its newly redesigned website on August 16, 2017, and will be extensively updating the CIP page and adding the 2016 COP documents and quarterly reports.*

MPWD TIERED RATE STRUCTURE

In June 2015, following completion of a comprehensive water rate study, the MPWD approved new water rates for FYs 2015 through 2019 that provide for a phased approach to raising rates to keep pace with increasing wholesale water and operational costs. The tiered rate model also encourages conservation by increasing unit rates for higher consumption.

The MPWD relies solely on water from the SFPUC, which is in process of completing a \$4.8 billion seismic Water System Improvement Program in 2019 on the Hetch Hetchy regional distribution system. Costs for the capital improvements are passed on through wholesale water prices and the MPWD water rates must be adjusted accordingly. Other factors affecting water rates include conservation impacts and cost of MPWD operations.

For FY 2017/2018 the Board approved **NO RATE INCREASES!** Justifications are listed below in the Operating Budget discussion here in below.

The MPWD engages in an array of water conservation programs including Lawn-Be-Gone, HET (High Energy Toilet), Rain Barrel, and High Efficiency Clothes Washing Machine rebate programs, school conservation programs, and landscape audit programs. More information is available about these programs at the MPWD’s website: www.midpeninsulawater.org.

FY 2017/2018 OPERATING BUDGET

BUDGET CATEGORY	ACTUAL FY 2017/2018 BUDGET	ACTUAL FY 2016/2017 BUDGET	ACTUAL FY 2015/2016 BUDGET
Total Operating Revenues	\$11,827,720	\$11,488,120	\$11,623,320
Total Operating Expenditures	\$12,342,912	\$10,856,950	\$10,923,320
Net Transfer To Capital	\$ (515,192)	\$ 631,170	\$ 700,000

Here are FY 2017/2018 budget assumptions:

REVENUES

- **Water revenue requirements include no adjustment in rates** because:
 - The SFPUC is not increasing wholesale water rates for FY 2017/2018;
 - The MPWD has fully funded its reserves (\$5,000,000), plus has excess reserves of approximately \$500,000;
 - Operations have consistently been well managed within or under budget for the past few years, and staff believes the incremental inflationary increases projected in FY 2017/2018 can be absorbed;
 - Staff has heard the Board's concern about MPWD's water rates when compared to other BAWSCA agencies;
 - MPWD customers achieved exemplary water conservation savings during the past few years of California drought and MPWD rate increase periods and deserve to reap some benefit of the MPWD's current positive financial position;
 - Additional development projects in Belmont are being considered, which would result in increased revenues for the MPWD; and
 - MPWD has surplus real properties currently under review for market comparison that could be sold within the next 12 months resulting in further excess reserves.
- Water consumption trends were reviewed with the Board for the past five (5) years and the FY 2017/2018 projected amount is reflective of the average consumption of the two lowest months reviewed—approximately 2.7% increase, and a smaller percentage increase in use next year for a total of 5.2%.
- Development revenues (Water System Capacity Charges and Water Demand Offset Charges) were left at the current fiscal year's projections. There remain a few large projects in Belmont that have been permitted and might be constructed next year.
- Service Line & Installation Charges were reduced to \$10,000 to be conservative.
- Lease of Physical Property Revenues were reduced based on projected FY 2016/2017 actuals.
- Total Operating Revenues are projected to increase by \$329,600 (or 2.9%) when compared with the projected Total Operating Revenues for FY 2016/2017.

EXPENDITURES

- A 3% inflationary factor was applied to Salaries & Wages and Payroll Taxes & Benefits and should cover the MPWD Employees Association living wage adjustment and merit increases.
- The SFPUC Treated Water projected expenditure was increased by 5.2% after the review of past actual expenses.
- A 3% inflationary factor was applied to Utilities.
- Professional Services were slightly decreased by 2.6% as a result of anticipated workload in FY 2017/2018.
- Training/Travel/Recruitment expenditures are projected to remain the same as FY 2016/2017.
- Depreciation is projected to increase by 10.5%.
- A full year of debt service payments for the 2016 COP was included totaling \$1,045,867.
- Total Operating Expenditures are projected to increase by 8.6%, the majority of which is for projected increased use and more Purchased Water (5.2%).
- The Net Transfer to Capital is projected to be \$534,808.
- The MPWD's debt service coverage requirement for the 2016 COP is 1.3, and it is projected to be 1.51 for FY 2017/2018.

FY 2017/2018 CAPITAL PAY-GO BUDGET

Besides adopting a five-year Capital Improvement Plan (CIP) at its June 2016 meeting, the Board impressed upon staff to coordinate construction projects with the City of Belmont to minimize impacts and inconveniences to customers/taxpayers and also take advantage of any construction benefits and cost savings from combining construction projects. Three capital projects were identified: Davey Glen Road project (CIP 15-43) was ranked as a priority project and is already identified to be funded from COP proceeds. The other two projects, Francis Avenue Improvements (CIP 15-51) and Academy Avenue Improvements (CIP 15-53), while on the CIP list, did not rank high enough but are identified as future CIP projects.

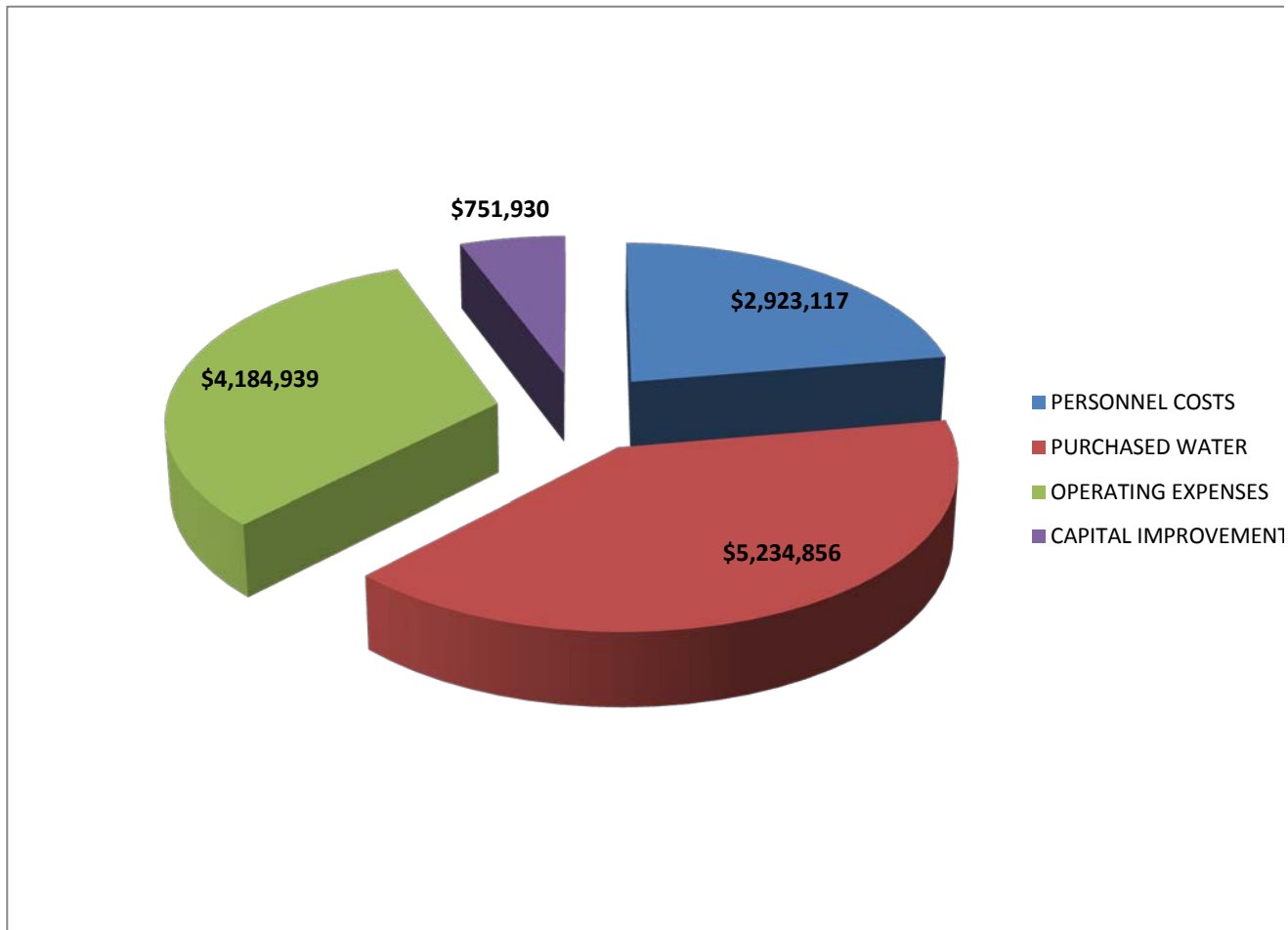
The Board authorized engineering design work for the three CIP projects to the same engineering firm that is designing the City's sewer system improvements. A combined City of Belmont sewer and MPWD water improvement project is scheduled to go out to bid during FY 2017/2018.



MID-PENINSULA WATER DISTRICT

OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2017-2018

PROPOSED FY 2017-2018 BUDGET EXPENDITURES



TOTAL EXPENDITURES	FY 17/18		APPROVED	
	BUDGETED	% OF TOTAL	FY 16/17 BUDGETED	% OF TOTAL
PERSONNEL COSTS	\$ 2,923,117	22%	\$ 2,832,300	23%
PURCHASED WATER	\$ 5,234,856	40%	\$ 4,976,000	40%
OPERATING EXPENSES	\$ 4,184,939	32%	\$ 3,542,217	28%
CAPITAL IMPROVEMENT	\$ 751,930	6%	\$ 1,158,708	9%
TOTAL OPERATING EXPENDITURES	\$ 13,094,842	100%	\$ 12,509,225	100%
	\$ -		\$ -	

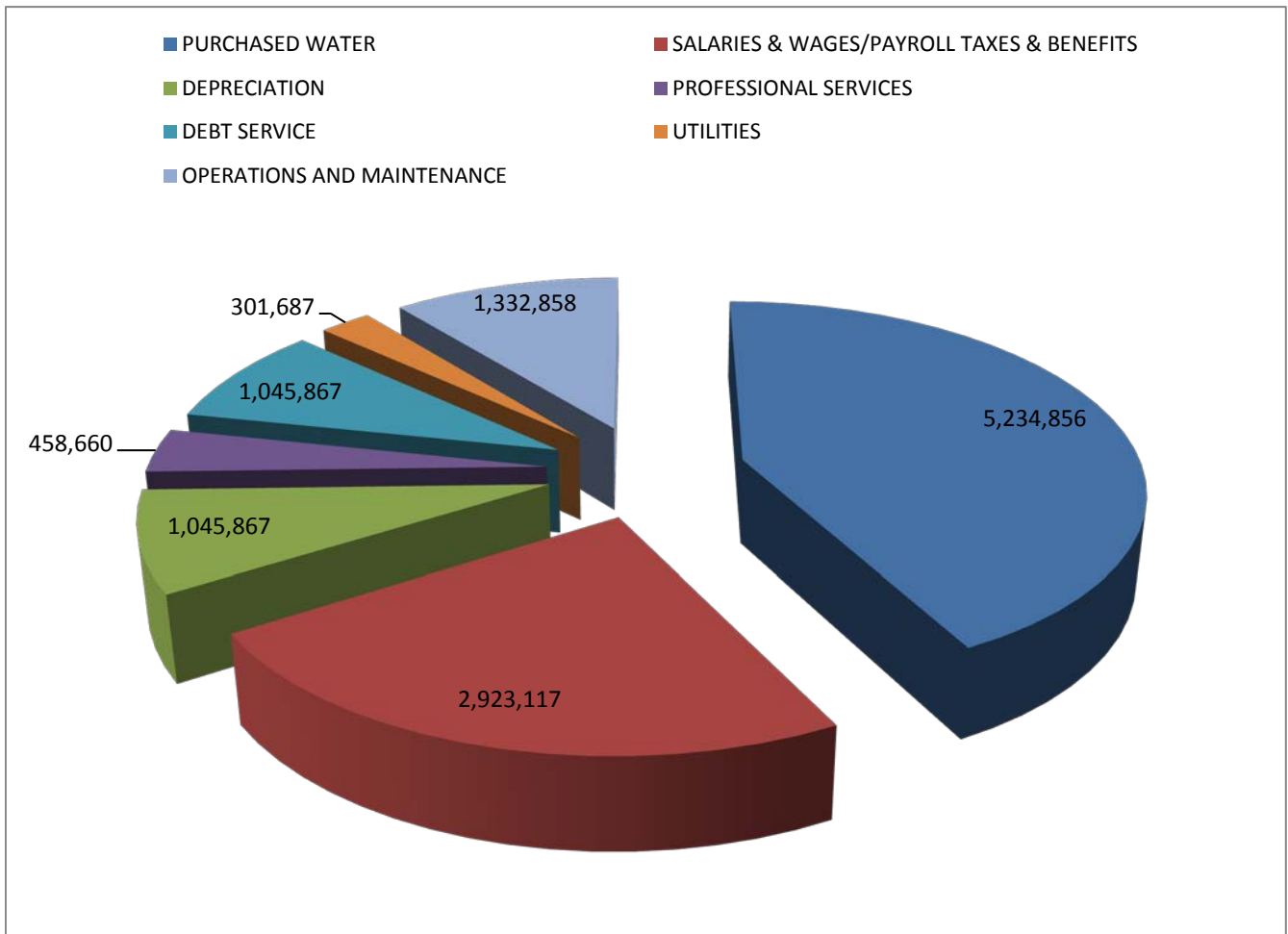
**MID-PENINSULA WATER DISTRICT
BUDGET FOR YEAR 2017-2018
SUMMARY**

8/17/2017

DESCRIPTION	FY 2015-2016 ACTUAL	APPROVED AMENDED FY 2016-2017 BUDGET	ACTUALS 7/1/16-04/30/17	FY 2017-2018 BUDGET	Increase (Decrease)	% Change
OPERATING REVENUE						
WATER COMMODITY CHARGES	7,433,821	8,100,000	7,577,277	8,500,000	400,000	4.9%
FIXED SYSTEM CHARGES	2,452,298	2,663,720	2,459,633	2,663,720	-	0.0%
FIRE SERVICE CHARGES	14,650	14,400	13,131	14,000	(400)	-2.8%
SERVICE LINE & INSTALLATION CHARGES	113,439	25,000	1,813	10,000	(15,000)	-60.0%
WATER SYSTEM CAPACITY CHARGES	90,625	200,000	76,875	200,000	-	0.0%
WATER DEMAND OFFSET CHARGES	13,793	10,000	9,393	10,000	-	0.0%
MISCELLANEOUS	11,460	10,000	93,455	10,000	-	0.0%
INTEREST REVENUE - LAIF	14,847	20,000	30,992	10,000	(10,000)	-50.0%
LEASE OF PHYSICAL PROPERTY	170,763	200,000	130,656	150,000	(50,000)	-25.0%
PROPERTY TAX REVENUE	266,341	255,000	283,528	260,000	5,000	2.0%
TOTAL OPERATING REVENUE	10,582,037	11,498,120	10,676,751	11,827,720	329,600	2.9%
OPERATING EXPENDITURES (OP EXP)						
SALARIES & WAGES	1,519,614	1,668,500	1,456,502	1,718,225	49,725	3.0%
PAYROLL TAXES & BENEFITS	827,215	1,163,800	1,001,738	1,204,892	41,092	3.5%
PURCHASED WATER	4,491,157	4,976,000	4,625,129	5,234,856	258,856	5.2%
OUTREACH & EDUCATION	119,470	116,900	52,152	116,900	-	0.0%
M&R - OPS SYSTEM	367,496	378,250	243,562	389,598	11,348	3.0%
M&R - FACILITIES & EQUIPMENT	134,261	162,000	69,018	166,860	4,860	3.0%
SYSTEM SURVEYS	31,545	12,000	7,936	30,000	18,000	150.0%
ADMINISTRATION & EQUIPMENT	256,145	348,500	257,898	314,755	(33,745)	-9.7%
MEMBERSHIP & GOV FEES	180,815	197,500	153,082	208,613	11,113	5.6%
BAD DEBT & CLAIMS	8,888	37,000	16,205	37,000	-	0.0%
UTILITIES	267,479	292,900	221,861	301,687	8,787	3.0%
PROFESSIONAL SERVICES	539,375	473,900	368,087	458,660	(15,240)	-3.2%
TRAINING/TRAVEL & RECRUITMENT	22,577	45,000	37,897	45,000	-	0.0%
RESTRICTED EARNINGS	-	20,000	30,992	20,000	-	0.0%
RESERVES	-	-	-	-	-	NA
DEBT SERVICE	-	508,267	314,493	1,045,867	537,600	105.8%
TOTAL OP EXP LESS DEPRECIATION (DEPREC)	8,766,037	10,400,517	8,856,550	11,292,912	892,395	8.6%
TOTAL OP REVENUE LESS OP EXP & DEPREC	1,816,000	1,097,603	1,820,201	534,808	(562,795)	-51.3%
DEPRECIATION	910,362	950,000	833,961	1,050,000	100,000	10.5%
TOTAL OP REVENUE LESS OP EXPENDITURES	905,638	147,603	986,240	(515,192)	(662,795)	-449.0%
NET TRANSFERS TO CAPITAL	(905,638)	(147,603)	(986,240)	515,192	662,795	-146.9%
NET RESULTS OF OPERATIONS	-	-	-	-	-	
DEBT SERVICE COVERAGE				1.51		

**MID-PENINSULA WATER DISTRICT
BUDGET FOR YEAR 2017-2018
SUMMARY**

OPERATING EXPENDITURES	BUDGET \$	% OF TOTAL
PURCHASED WATER	5,234,856	42.4%
SALARIES & WAGES/PAYROLL TAXES & BENEFITS	2,923,117	23.7%
DEPRECIATION	1,045,867	8.5%
PROFESSIONAL SERVICES	458,660	3.7%
DEBT SERVICE	1,045,867	8.5%
UTILITIES	301,687	2.4%
OPERATIONS AND MAINTENANCE	1,332,858	10.8%
TOTAL OPERATING EXPENDITURES	12,342,912	100%



NOTE: Operating Expenditures under \$100k are not reflected in the above chart.

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015-2016 ACTUAL \$	ACTUALS 7/1/16-4/30/17	APPROVED AMENDED FY 2016-2017 BUDGETED	FY 2017-2018 BUDGET \$	Increase (Decrease)	% Change
1-400-4010-40-00	WATER COMMODITY CHARGES	7,433,821	7,577,277	8,100,000	8,500,000	400,000	4.9%
1-400-4020-00-00	FIXED SYSTEM CHARGES	2,452,298	2,459,633	2,663,720	2,663,720	-	0.0%
1-400-4030-00-00	FIRE SERVICE CHARGES	14,650	13,131	14,400	14,000	(400)	-2.8%
1-400-4050-00-00	SERVICE LINE & INSTALLATION CHARGES	113,439	1,813	25,000	10,000	(15,000)	-60.0%
1-400-4060-00-00	WATER SYSTEM CAPACITY CHARGES	90,625	76,875	200,000	200,000	-	0.0%
1-400-4070-00-00	WATER DEMAND OFFSET CHARGES	13,793	9,393	10,000	10,000	-	0.0%
1-400-4090-00-00	MISCELLANEOUS	11,060	69,655	10,000	10,000	-	0.0%
1-400-4000-00-00	TOTAL WATER AND FEE CHARGES	10,129,686	10,207,776	11,023,120	11,407,720	384,600	3.5%
1-400-4102-00-00	Interest Revenue- LAIF	14,847	30,992	20,000	10,000	(10,000)	-50.0%
1-400-4100-00-00	INTEREST REVENUE	14,847	30,992	20,000	10,000	(10,000)	-50.0%
1-420-4201-44-00	Lease of Physical Property	170,763	130,656	200,000	150,000	(50,000)	-25.0%
1-420-4202-45-00	Property Tax Revenue	266,341	283,528	255,000	260,000	5,000	2.0%
1-420-4208-46-00	Landscape Plan Permit Review	400	23,800			-	NA
1-420-4200-00-00	OTHER REVENUE	437,504	437,983	455,000	410,000	(45,000)	-9.9%
	TOTAL OPERATING REVENUE	10,582,037	10,676,751	11,498,120	11,827,720	329,600	2.9%
1-601-6010-50-00	Salaries & Wages	1,450,321	1,388,405	1,575,000	1,622,250	47,250	3.0%
1-601-6010-50-00	Capital Salaries & Wages		71,221	-			
1-601-6010-51-00	Director Compensation	7,600	5,900	11,000	11,000	-	0.0%
1-601-6010-00-00	GROSS REGULAR WAGES	1,457,921	1,465,526	1,586,000	1,633,250	47,250	3.0%
1-601-6010-50-00	CAPITAL SALARY & WAGES reversed		(71,221)				

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015-2016	ACTUALS	APPROVED AMENDED	FY 2017-2018	Increase	%
		ACTUAL \$	7/1/16-4/30/17	FY 2016-2017 BUDGETED	BUDGET \$	(Decrease)	Change
1-602-6020-56-00	Overtime Labor	27,979	30,821	45,500	46,865	1,365	3.0%
1-602-6020-57-00	Standby Labor	33,715	31,376	37,000	38,110	1,110	3.0%
1-602-6020-00-00	SUB-TOTAL SALARY & WAGES	1,519,614	1,456,502	1,668,500	1,718,225	49,725	3.0%
1-603-6030-58-00	FICA/Medicare PR Tax	106,709	100,825	131,500	135,445	3,945	3.0%
1-603-6030-59-00	ACWA Health Care	301,917	298,265	320,000	329,600	9,600	3.0%
1-603-6030-60-00	ACWA Dental	25,645	23,055	31,000	31,930	930	3.0%
1-603-6030-61-00	ACWA Vision	4,293	4,015	4,350	4,481	131	3.0%
1-603-6030-62-00	ACWA Life/AD&D	4,164	4,012	4,200	4,326	126	3.0%
1-603-6030-63-00	Standard LDL/SDL Disability	8,781	9,129	12,400	12,772	372	3.0%
1-603-6030-64-00	Workers' Comp Insurance	35,976	30,486	50,400	50,400	-	0.0%
1-603-6030-65-00	Unemployment	-	-	1,000	1,030	30	3.0%
1-603-6030-66-00	CALPERS Retirement - ER 2%@55	(13,127)	193,892	235,000	242,050	7,050	3.0%
	CAPITAL PAYROLL TAXES & BENEFITS		28,503	-	-		
1-603-6030-67-00	Retirees' ACWA Health Care	59,261	59,283	56,000	57,680	1,680	3.0%
1-603-6030-68-00	Directors' ACWA Health Care	106,223	103,851	108,000	111,240	3,240	3.0%
1-603-6030-70-00	Medical Reimbursement	541	546	1,000	1,030	30	3.0%
1-603-6030-71-00	Employee Service Recognition	9,050	7,157	7,000	10,000	3,000	42.9%
1-603-6030-72-00	Safety Incentive Program	7,200	7,730	7,200	7,416	216	3.0%
1-603-6030-73-00	Uniforms	26,673	22,988	24,750	25,493	743	3.0%
1-603-6030-74-00	PARS OPEB Expense	200,104	136,502	170,000	180,000	10,000	5.9%
1-603-6030-75-00	Net Pension Expense	(56,196)	-				
1-603-6030-00-00	SUB-TOTAL PAYROLL TAXES & BENEFITS	827,215	1,030,241	1,163,800	1,204,892	41,092	3.5%
	CAPITAL PAYROLL TAXES & BENEFITS		(28,503)				
	PERSONNEL COSTS	2,346,829	2,458,240	2,832,300	2,923,117	90,817	3.2%
1-610-6100-76-00	SFPUC Treated Water	3,951,422	4,124,078	4,441,144	4,700,000	258,856	5.8%
1-610-6100-77-00	BAWSCA (Debt Service Surcharges)	461,256	435,831	476,000	476,000	-	0.0%
1-610-6100-78-00	Rates Stabilization	-	-	-	-	-	NA
1-610-6100-79-00	SFPUC Water Service Charge	78,478	65,220	58,856	58,856	-	0.0%
6-610-6100-00-00	PURCHASED WATER	4,491,157	4,625,129	4,976,000	5,234,856	258,856	5.2%

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015-2016 ACTUAL \$	ACTUALS 7/1/16-4/30/17	APPROVED AMENDED FY 2016-2017 BUDGETED	FY 2017-2018 BUDGET \$	Increase (Decrease)	% Change
1-630-6301-00-00	Water Conservation Program	4,541	2,469	7,200	7,200	-	0.0%
1-630-6302-00-00	School Conservation Program	24,403	1,680	7,200	7,200	-	0.0%
1-630-6303-00-00	Public Outreach & Education	32,208	16,366	25,750	25,750	-	0.0%
1-634-6304-80-00	HET (High Efficiency Toilet) Rebates	13,068	10,048	19,750	19,750	-	0.0%
1-634-6304-81-00	Washing Machine Rebates	13,447	29	13,750	13,750	-	0.0%
1-634-6304-82-00	Lawn-Be-Gone Rebates	31,076	20,736	38,100	38,100	-	0.0%
1-634-6304-83-00	Rain Barrels Rebates	727	823	5,150	5,150	-	0.0%
1-630-6300-00-00	WATER CONSERVATION REBATES	58,318	31,636	76,750	76,750	-	0.0%
	OUTREACH/EDUCATION	119,470	52,152	116,900	116,900	-	0.0%
1-640-6401-00-00	Water Quality	45,930	55,219	67,000	69,010	2,010	3.0%
1-640-6402-00-00	Pumping	30,015	11,044	63,250	65,148	1,898	3.0%
1-640-6403-00-00	Storage Tanks	2,710	3,698	10,000	10,300	300	3.0%
1-640-6404-00-00	Mains/Distribution	189,632	92,852	100,000	103,000	3,000	3.0%
1-640-6405-00-00	Meters & Service	54,589	12,852	30,000	30,900	900	3.0%
1-640-6406-00-00	Fire Hydrants	30,226	24,157	31,000	31,930	930	3.0%
1-640-6407-00-00	Regulator Stations	9,305	78	6,000	6,180	180	3.0%
1-640-6408-00-00	Safety	4,286	12,701	32,000	32,960	960	3.0%
1-640-6409-00-00	SCADA maintenance	801	10,071	15,000	15,450	450	3.0%
1-640-6410-00-00	Generator Maintenance	-	20,891	24,000	24,720	720	3.0%
1-640-6400-00-00	FIELD OPERATIONS & MAINTENANCE	367,496	243,562	378,250	389,598	11,348	3.0%
1-650-6501-00-00	Buildings&Grounds	68,020	45,297	93,000	95,790	2,790	3.0%
1-650-6502-00-00	Equipment&Tools	17,596	13,642	21,000	21,630	630	3.0%
1-650-6503-00-00	Vehicles & Large Equipment	26,475	(7,040)	19,000	19,570	570	3.0%
1-650-6504-00-00	Fuel	22,170	17,119	29,000	29,870	870	3.0%
1-650-6500-00-00	FACILITIES & EQUIPMENT	134,261	69,018	162,000	166,860	4,860	3.0%
1-660-6601-00-00	Cathodic Protection Survey	700	7,586	12,000		(12,000)	-100.0%
1-660-6602-00-00	Leak Detection Survey	30,845	350	-	30,000	30,000	NA

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015-2016 ACTUAL \$	ACTUALS 7/1/16-4/30/17	APPROVED AMENDED FY 2016-2017 BUDGETED	FY 2017-2018 BUDGET \$	Increase (Decrease)	% Change
1-660-6600-00-00	SYSTEM SURVEYS	31,545	7,936	12,000	30,000	18,000	150.0%
1-670-6701-00-00	Office Supplies	15,953	10,614	15,000	15,450	450	3.0%
1-670-6702-00-00	Insurance- Liability/Vehicles/Excess	65,516	60,442	87,750	90,383	2,633	3.0%
1-670-6703-00-00	Postage	12,693	10,200	8,000	8,240	240	3.0%
1-670-6704-00-00	Printing/Print Supplies	33,710	12,296	15,000	15,450	450	3.0%
1-670-6705-00-00	Equipment Services/Maintenance	10,819	23,373	56,750	58,453	1,703	3.0%
1-670-6706-00-00	Computer Supplies & Upgrades	1,065	16,707	14,750	15,193	443	3.0%
1-670-6707-00-00	Security & Safety	16	2,816	10,750	11,073	323	3.0%
1-670-6708-00-00	Miscellaneous Fees	184	16	500	515	15	3.0%
1-670-6709-00-00	Customer Credit Card Service Fees	116,189	121,433	140,000	100,000	(40,000)	-28.6%
1-670-6700-00-00	ADMINISTRATION & EQUIP	256,145	257,898	348,500	314,755	(33,745)	-9.7%
1-680-6801-00-00	Dues & Publications	34,240	35,339	39,500	40,685	1,185	3.0%
1-680-6802-00-00	Gov't Fees & Licenses	51,233	24,203	53,250	54,848	1,598	3.0%
1-680-6803-00-00	BAWSCA Membership Assessments	67,742	65,081	68,750	76,000	7,250	10.5%
1-680-6804-00-00	Env Health - Cross Connection Inspection	27,600	27,500	31,000	31,930	930	3.0%
1-680-6805-00-00	Software Licenses	-	960	5,000	5,150	150	3.0%
1-680-6800-00-00	MEMBERSHIP & GOV FEES	180,815	153,082	197,500	208,613	11,113	5.6%
1-690-6901-00-00	Bad Debt	4,901	2,483	7,000	7,000	-	0.0%
1-690-6902-00-00	Claims	3,987	13,722	30,000	30,000	-	0.0%
1-690-6900-00-00	BAD DEBT & CLAIMS	8,888	16,205	37,000	37,000	-	0.0%
1-700-7001-00-00	Utilities-Internet/Cable	9,365	9,525	12,100	12,463	363	3.0%
1-700-7002-00-00	Utilities-Cellular Telephones	14,187	9,442	11,850	12,206	356	3.0%
1-700-7003-00-00	Utilities-Electric-Pumping Costs	197,246	160,624	220,000	226,600	6,600	3.0%
1-700-7004-00-00	Utilities-Electric-Bldgs&Grounds	22,458	19,618	24,000	24,720	720	3.0%
1-700-7005-00-00	Utilities-Telephones	17,702	16,909	17,500	18,025	525	3.0%
1-700-7006-00-00	Utilities-Sewer - NPDES	6,521	5,743	7,450	7,674	224	3.0%
1-700-7000-00-00	UTILITIES	267,479	221,861	292,900	301,687	8,787	3.0%
1-710-7101-00-00	Prof Serv - District Counsel	100,903	52,163	90,000	90,000	-	0.0%

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2015-2016	ACTUALS	APPROVED AMENDED	FY 2017-2018	Increase	%
		ACTUAL \$	7/1/16-4/30/17	FY 2016-2017 BUDGETED	BUDGET \$	(Decrease)	Change
1-710-7102-00-00	Prof Serv - District Engineer	133,144	49,558	80,000	80,000	-	0.0%
1-710-7103-00-00	Prof Serv - IT	20,669	19,703	19,750	19,750	-	0.0%
1-710-7104-00-00	Prof Serv- Annual Finance Audit	18,600	17,700	17,700	19,000	1,300	7.3%
1-710-7106-00-00	Prof Serv- Accounting & Payroll	18,995	21,316	21,750	21,750	-	0.0%
1-710-7107-00-00	Prof Serv- Customer Billing	72,695	59,008	72,250	72,250	-	0.0%
1-710-7109-00-00	Prof Serv - Answering Svs	25	6,488	8,750	5,000	(3,750)	-42.9%
1-710-7110-00-00	Prof Serv - Miscellaneous	170,744	139,152	160,000	147,210	(12,790)	-8.0%
1-710-7111-00-00	Prof Serv - District Treasurer	3,600	3,000	3,700	3,700	-	0.0%
1-710-7100-00-00	PROFESSIONAL SERVICES	539,375	368,087	473,900	458,660	(15,240)	-3.2%
1-720-7201-00-00	Director Travel	1,768	1,650	5,000	5,000	-	0.0%
1-720-7202-00-00	Director Expense	87	190	1,000	1,000	-	0.0%
1-720-7203-00-00	Elections	-	4,896	-	-	-	NA
1-720-7204-00-00	Employee Travel/Training	14,906	25,530	32,000	32,000	-	0.0%
1-720-7205-00-00	Meetings Expense	5,815	5,630	7,000	7,000	-	0.0%
1-720-7200-00-00	TRAINING & TRAVEL	22,577	37,897	45,000	45,000	-	0.0%
1-730-7302-00-00	Restricted Earnings Expense - Interest LAI	-	30,992	20,000	20,000	-	0.0%
1-730-7300-00-00	RESTRICTED EARNINGS EXPENSE	-	30,992	20,000	20,000	-	0.0%
1-800-8001-00-00	Working Reserves: Capital	-	-	-	-	-	NA
1-800-8002-00-00	Working Reserves: Operating	-	-	-	-	-	NA
1-800-8000-00-00	RESERVES	-	-	-	-	-	NA
1-900-9010-00-00	DEPRECIATION	910,362	833,961	950,000	1,050,000	100,000	10.5%
1-740-7405-00-00	DEBT SERVICE 2016 COPs	-	314,493	508,267	1,045,867	537,600	105.8%
SUB-TOTAL - OPERATING EXPENSES		7,329,569	7,232,271	8,518,217	9,419,795	901,578	10.6%
TOTAL OPERATING EXPENSES		9,676,399	9,690,511	11,350,517	12,342,912	992,395	8.7%
NET OPERATING SURPLUS/(LOSS)							
TRANSFER TO CAPITAL		905,638	986,240	147,603	(515,192)	(662,795)	-449.0%

**MID-PENINSULA WATER DISTRICT
BUDGET FOR FY 2017-2018
CAPITAL OUTLAY/CAPITAL PROJECTS**

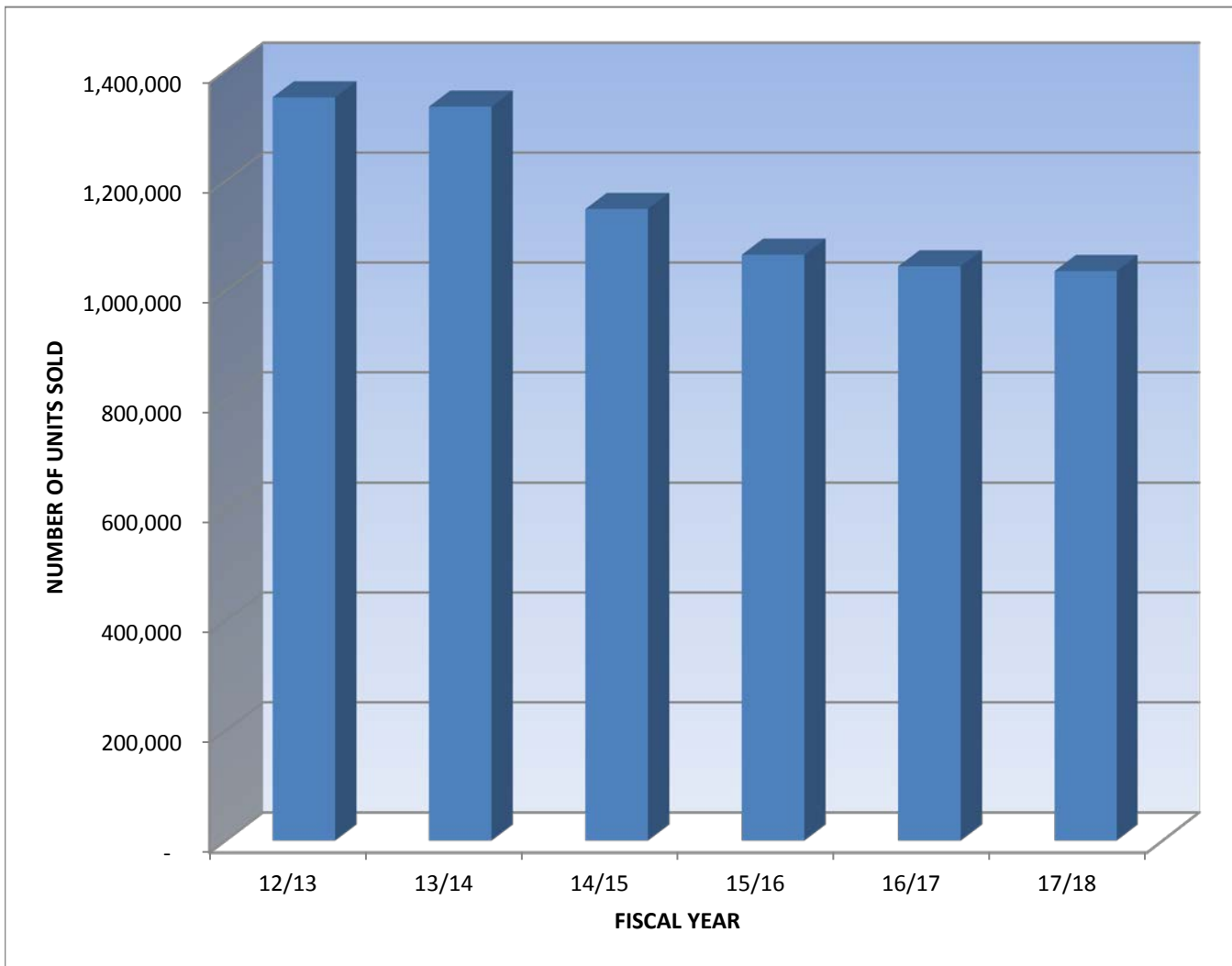
DESCRIPTION	APPROVED AMENDED FY 2016-2017 BUDGET \$	ACTUAL 7/1/2016 5/31/2017	FY 2017-2018 BUDGET \$
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)			
AMI Meter Change Out Program	600,000	502,807	
Alameda de las Pulgas Water Main Replacement Project - CIP	243,708	243,708	
Engineering Design Services for WMR Belmont Sewer COORD	100,000	-	
CIP 15-51 Francis Improvements	-	-	425,790
CIP 15-53 Academy Improvements	-	-	276,140
CAPITAL IMPROVEMENTS - WIP TOTAL	943,708	746,515	701,930
CAPITAL OUTLAY			
Financial Management System (FMS) - Comp Repl	95,000	94,865	-
Implementation of Sensus Consumer Portal	70,000	64,855	-
Miscellaneous Capital Outlay/Projects	50,000	52,383	50,000
CAPITAL OUTLAY TOTAL	215,000	212,103	50,000
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	1,158,708	958,618	751,930
DEPRECIATION	950,000	833,961	1,050,000
TRANSFER FROM OPS	147,603	986,240	(515,192)
TRANSFER (TO)/FROM CAPITAL RESERVES	61,105	(861,583)	217,122
CAPITAL OUTLAY/CAPITAL PROJECTS	(1,158,708)	(958,619)	(751,930)
NET RESULTS OF CAPITAL	-	(0)	-

**WATER SALES ANALYSIS
MID-PENINSULA WATER DISTRICT
APPROVED BUDGET - FISCAL YEAR 2017/2018**

Fiscal Year	Actual Number of Units Sold
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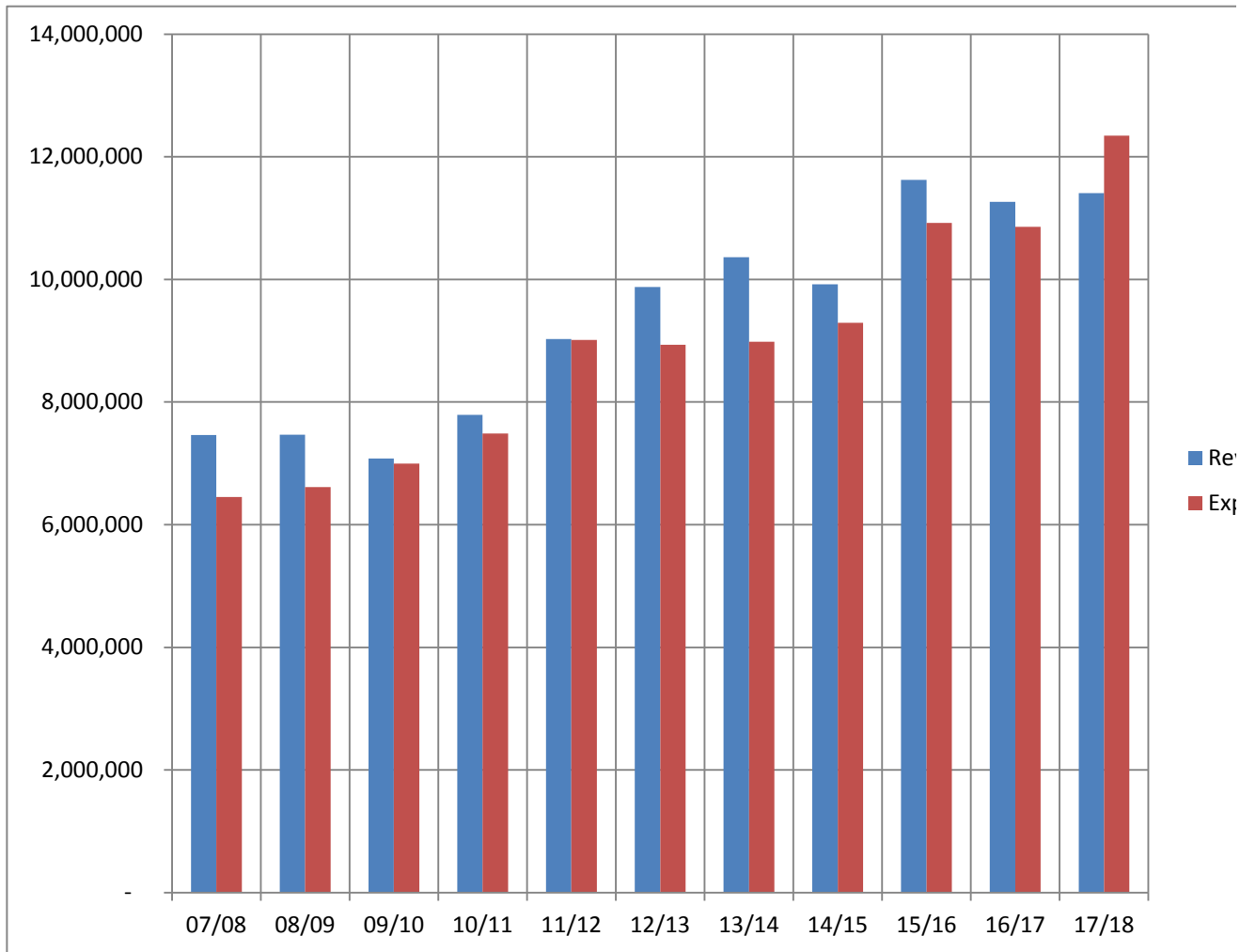
12/13	1,352,197
13/14	1,335,319
14/15	1,148,813
15/16	1,065,517
16/17	1,044,423
17/18	1,035,916

Based on consumption trends and no change in water charges



WATER SALES ANALYSIS
MID-PENINSULA WATER DISTRICT
Operating Revenue vs Operating Expenses

Fiscal Year	Revenues	Expenses	
07/08	7,464,418	6,453,780	
08/09	7,469,669	6,615,611	
09/10	7,082,219	6,995,624	
10/11	7,793,618	7,487,137	
11/12	9,028,136	9,014,267	
12/13	9,875,689	8,934,651	
13/14	10,360,026	8,981,349	
14/15	9,922,334	9,293,119	
15/16	11,623,320	10,923,320	
16/17	11,263,802	10,856,950	Unaudited financials - to be updated
17/18	11,407,720	12,342,912	



Good News!



NO WATER RATE INCREASES FOR NEXT FISCAL YEAR, BEGINNING JULY 1, 2017!

That's right! We are committed to manage operations within the current MPWD rate structure for another year, and wanted to spread the word!



MPWD's mission is to deliver a safe, high-quality, reliable supply of water for current and future generations in a cost-effective, environmentally-sensitive, and efficient manner.

Serving You Is Our Business...

Please contact us if there is an opportunity to serve you better! MPWD@MidPeninsulaWater.org or 650-591-8941



MID-PENINSULA
WATER DISTRICT

3 Dairy Lane
Belmont, CA 94002

IMPORTANT CUSTOMER NOTICE

See other side for details.

HAVE YOU SIGNED UP FOR CIVIC PAY?



Register your online account with MPWD's new customer portal to take advantage of new features, set up recurring payments, and select paperless options. All you need is your water utility bill dated after April 1 and your email address. Go to:

www.MidPeninsulaWater.org/billpay

MidPeninsulaWater.org

 Produced with eco-friendly printing and paper