



MID-PENINSULA WATER DISTRICT

OPERATING AND CAPITAL BUDGETS FISCAL YEAR 2016-2017





MID-PENINSULA WATER DISTRICT

OPERATING AND CAPITAL BUDGETS
FISCAL YEAR 2016-2017



Board of Directors

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

The Operations Manager leads the operations and maintenance of the MPWD water distribution system, including capital project management.

There are a total of 18 employees within the MPWD.

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

The Administrative and Customer Services staff totals four (5) employees, including the General Manager, 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

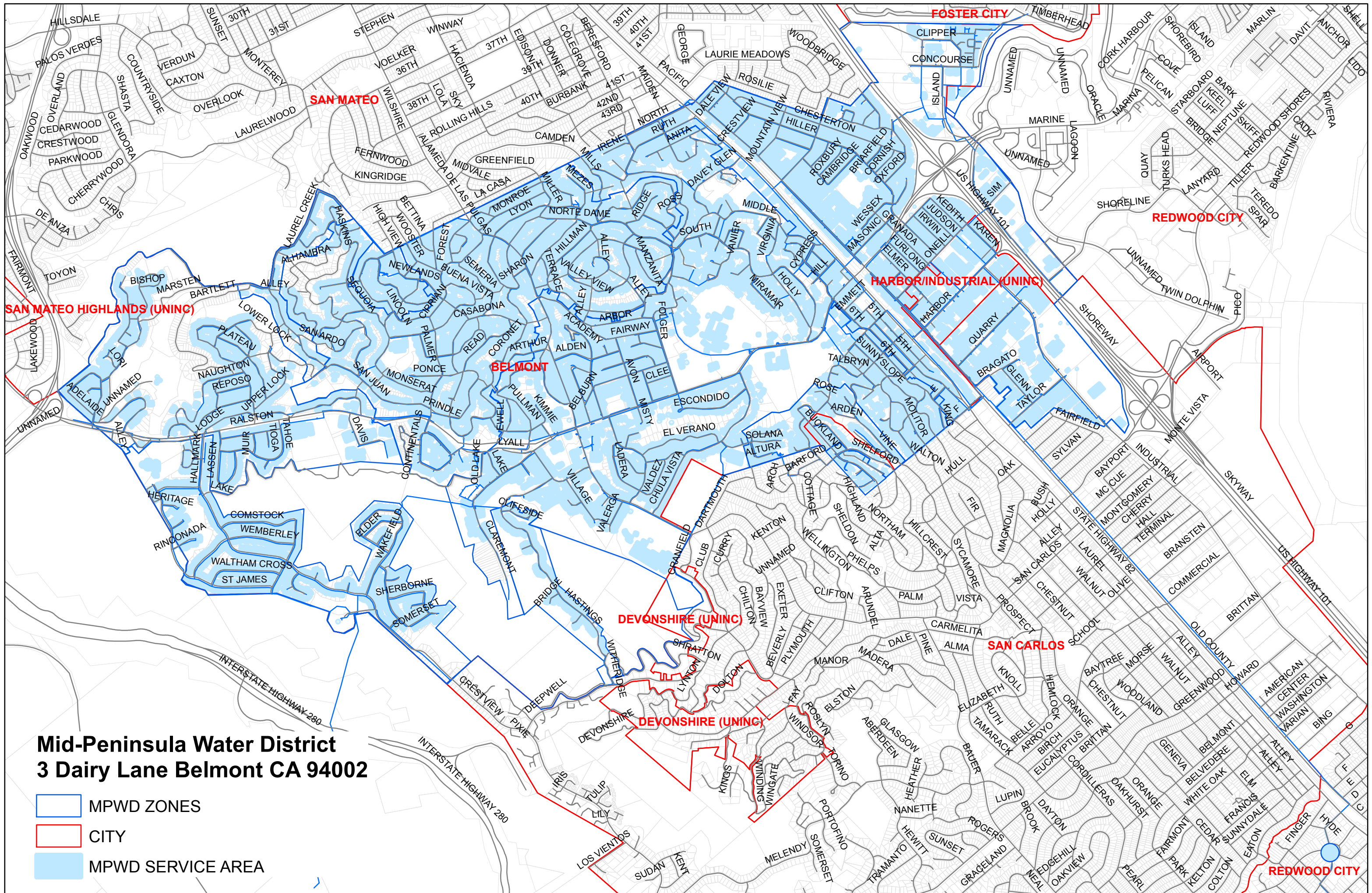
The MPWD strives to be recognized by our ratepayers, the community we serve, and other agencies for our outstanding service and enlightened water conservation programs. We will employ innovative approaches to water and energy sustainability to achieve cutting edge environmental efficiency and a competitive 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 are included on the following pages.



**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 Tscharner

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's website: www.midpeninsulawater.org.

"PAY AS YOU GO" CAPITAL IMPROVEMENTS

The MPWD has been operating on a "pay as you go" basis, avoiding debt for capital improvements. As a result of the MPWD's Comprehensive System Analysis and Capital Improvement Program FY 2016/2017 Update and \$50 million identified in priority capital projects, the Board of Directors has been discussing options for a 5-year CIP, including financing, since late 2015.

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. The MPWD rate increase effective July 1, 2016, includes a pass-through of the SFPUC wholesale water rate increase.

A Water Sales Analysis is attached to the end of this budget document for information, as is the current year MPWD Rates Notice.

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.

REVIEW OF FY 2016/2017 OPERATING BUDGET

| BUDGET CATEGORY | PROPOSED FY 2016/2017 BUDGET | PROJECTED FY 2015/2016 BUDGET | ACTUAL FY 2014/2015 | ACTUAL FY 2013/2014 |
|------------------------------|------------------------------------|-------------------------------------|------------------------|------------------------|
| Total Operating Revenues | \$11,488,120 | \$11,623,320 | \$9,922,334 | \$10,360,026 |
| Total Operating Expenditures | \$10,854,550 | \$10,923,320 | \$9,293,119 | \$ 8,981,349 |
| Net Transfer to Capital | \$ 633,570 | \$ 700,000 | \$ 629,215 | \$ 1,378,677 |

Significant FY 2016/2017 fiscal impacts:

REVENUES

- FY 2016/2017 Water Commodity Charges reflect the proposed water rate adjustments (small increases to monthly fixed system charges and modifications to residential Tiers 2, 3, and 4) and what is anticipated to be another year of reduced consumption revenues as a result of higher than expected water conservation by customers.
- Development revenues (Service Line & Installation Charges, 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.
- Lease of Physical Property Revenues were reduced as a result of two long-term lessees that terminated their occupancy at 1513 Folger and one of the cellular customers at Dekoven.
- Total Operating Revenues are projected to decrease by \$135,200 (or -1.2%) when compared with the projected Total Operating Revenues for FY 2015/2016.

EXPENDITURES

- Salaries & Wages were analyzed and found to be projected too high, so staff corrected that based on actuals, and then increased by a projected 2% living wage adjustment and 3% merit increase.

- The SFPUC Treated Water projected expenditure was reduced in line with customer water conservation savings, and then the SFPUC 9% pass-through wholesale water rate increase was applied.
- Utilities were reduced to capture the anticipated decreased electricity costs as a result of pumping during off-peak hours. The systematic analysis was initiated by Operations staff, and the cost savings are as a result of that implementation plan.
- Professional Services are projected to decrease as a result of the completion of the UWMP and more of the District Engineer's time being capitalized.
- Training/Travel/Recruitment expenditures are projected to decrease because of reduced Director and Employee training and travel costs (based on actuals) and no MPWD election during FY 2016/2017.
- Depreciation is projected to increase by \$80,000 to \$950,000.
- Total Operating Expenditures are projected to decrease by -0.6%, even with the projected increase to purchase SFPUC treated water.
- The Net Transfer to Capital is projected to be close to 10% less than what it was projected for FY 2015/2016, at \$633,570.

DISCUSSION

The following are explanations for significant variances when the PROPOSED FY 2016/2017 MPWD Operating Budget is compared with the PROJECTED FY 2015/2016 MPWD Operating Budget:

| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | PROPOSED BUDGET | EXPLANATION |
|-----------------------|----------------------------|------------------------|--|
| 4010 | Water Commodity Charges | \$8.1 million | Explained above in the fiscal impact REVENUES section (first bullet point). |
| 4020 | Fixed System Charges | \$2.7 million | Increased by \$219,940. Included rates adjustment to monthly fixed system charges and modification to tier breakpoints for Tiers 2, 3, and 4, residential, effective 07/01/16. |
| 4050/4060 /4070 | Development Charges | \$235,000 total | Projected development expected. *4203 - New Construction Revenue eliminated in FY 2015/2016. |
| 6011 | Salaries & Wages | \$1.5 million | Increased by \$28,100. Staff analyzed the projections against actuals and determined they were too high, so they were reduced from FY 2015/2016 projected level. Included 2% living wage adjustments and 3% merit increases. |

| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | PROPOSED BUDGET | EXPLANATION |
|-----------------------|---------------------------------------|------------------------|--|
| 6042 | Short-/Long-Term Disability Ins | \$12,400 | Considering potential program changes for short-term disability insurance. |
| 6053 | PARS OPEB Expense | \$170,000 | Full funding of the ARC. |
| 6101 | SFPUC Treated Water & Service Charges | \$5 million | Explained above in the fiscal impact EXPENDITURES section (second bullet point). |
| 6102 | BAWSCA Debt Service Surcharges | \$476,000 | Debt service payment for MPWD's share of refinancing SFPUC infrastructure improvements. |
| 6300 | Outreach & Education | \$134,000 | Increased by 3% CPI. Public outreach, education, and messaging. |
| 6700 | Administration & Equipment | \$326,750 | Renamed from Office Supplies & Equipment to be more descriptive of account line items. Increased by 3% CPI. |
| 7003 | Utilities – Electric – Pumping | \$220,000 | Decreased by 14% and explained above in the fiscal impact EXPENDITURES section (third bullet point). |
| 7102 | Prof Serv – District Engineer | \$100,000 | Decreased by 34% and explained above in the fiscal impact EXPENDITURES section (fourth bullet point). |
| 7110 | Prof Serv – Miscellaneous | \$160,000 | Decreased by \$44,000. Projected professional services expenditure: Continued public relations/outreach services, and continued website services (\$45,000); temporary administrative staffing during FMS transition (\$60,000); 2017 strategic planning facilitation and Board development w/Julie Brown (\$5,000); and Miscellaneous (\$50,000). |
| 7201 | Director Travel | \$5,000 | Reduced projection based upon actuals. |
| 7202 | Director Expense | \$5,000 | Reduced projection based upon actuals. |
| 7203 | Elections | \$0 | No MPWD election in FY 2016/2017. |

| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | PROPOSED BUDGET | EXPLANATION |
|----------------|--------------------------|-----------------|--|
| 7204 | Employee Travel/Training | \$20,000 | Reduced projection based upon actuals. |
| 9010 | Depreciation | \$950,000 | Increased per accounting principles. |

REVIEW OF FY 2016/2017 CAPITAL BUDGET

Staff is proposing a cash-funded “pay as you go” \$1,565,000 Capital Budget in FY 2016/2017, until further decisions are made by the Board of Directors on a 5-year CIP, including:

- Capital Improvement Projects
 - Alameda del las Pulgas Water Main Replacement (construction) - \$700,000;
 - Karen Road Water Main Replacement (design completion only) - \$100,000;
 - Continued AMI meter change-out program - \$500,000; and
 - Folger Pump Station demolition - \$50,000.

- Capital Outlay
 - Comprehensive Financial Management System Replacement (carryover from FY 2015/2016) - \$95,000;
 - Implementation of Sensus Consumer Portal (carryover from FY 2015/2016) - \$70,000;
 - Miscellaneous Capital Outlay (placeholder for unknown outlay items or capitalized adjustments) - \$50,000.

The capital projects include those identified within the MPWD 2016 Strategic Plan.

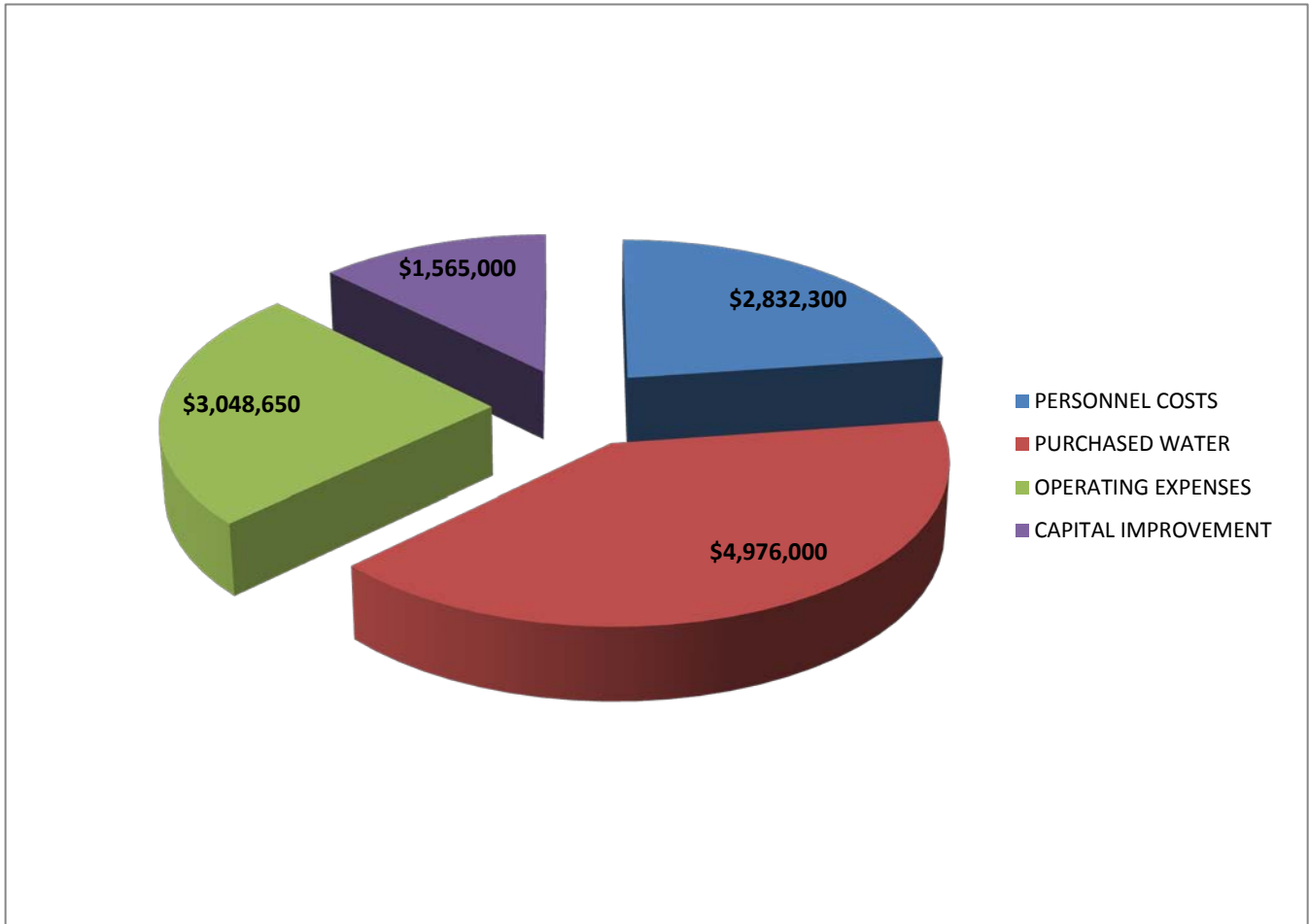


MID-PENINSULA WATER DISTRICT

OPERATING AND CAPITAL BUDGETS

FISCAL YEAR 2016-2017

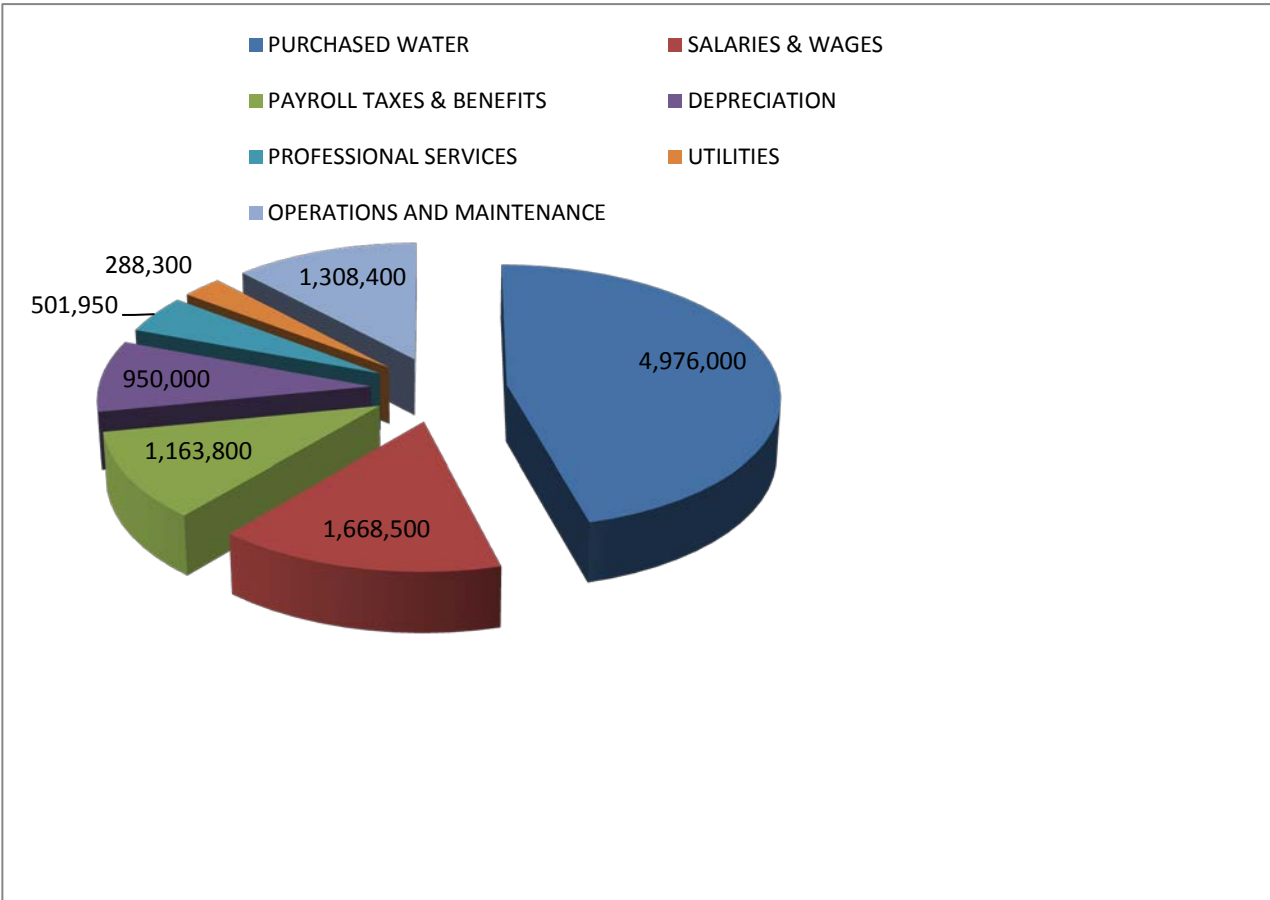
PROPOSED FY 2016-2017 BUDGET EXPENDITURES



| | PROPOSED | | APPROVED | |
|-------------------------------------|----------------------|--------------|----------------------|--------------|
| | FY 16/17 | % OF | FY 15/16 | % OF |
| | BUDGETED | TOTAL | BUDGETED | TOTAL |
| TOTAL EXPENDITURES | | | | |
| PERSONNEL COSTS | \$ 2,832,300 | 23% | \$ 2,776,316 | 23% |
| PURCHASED WATER | \$ 4,976,000 | 40% | \$ 5,062,000 | 41% |
| OPERATING EXPENSES | \$ 3,048,650 | 25% | \$ 3,085,004 | 25% |
| CAPITAL IMPROVEMENT | \$ 1,565,000 | 13% | \$ 1,292,000 | 11% |
| TOTAL OPERATING EXPENDITURES | \$ 12,421,950 | 100% | \$ 12,215,320 | 100% |
| | \$ - | | \$ - | |

**MID-PENINSULA WATER DISTRICT
BUDGET FOR FISCAL YEAR 2016-2017
SUMMARY**

| OPERATING EXPENDITURES | BUDGET \$ | % OF TOTAL |
|-------------------------------------|-------------------|-------------------|
| PURCHASED WATER | 4,976,000 | 45.8% |
| SALARIES & WAGES | 1,668,500 | 15.4% |
| PAYROLL TAXES & BENEFITS | 1,163,800 | 10.7% |
| DEPRECIATION | 950,000 | 8.8% |
| PROFESSIONAL SERVICES | 501,950 | 4.6% |
| UTILITIES | 288,300 | 2.7% |
| OPERATIONS AND MAINTENANCE | 1,308,400 | 12.1% |
| TOTAL OPERATING EXPENDITURES | 10,856,950 | 100% |



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

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | FY 2014-2015 ACTUAL \$ | ACTUALS 7/1/15-5/31/16 | APPROVED AMENDED FY 2015-2016 BUDGET | PROPOSED FY 2016-2017 BUDGET | Increase (Decrease) | % Change | Assumptions |
|----------------|-------------------------------------|------------------------|------------------------|--------------------------------------|------------------------------|---------------------|----------|--|
| 4010 | WATER COMMODITY CHARGES | 7,203,329 | 6,606,579 | 8,400,000 | 8,100,000 | (300,000) | -3.6% | Water Conservation/Reduced Sales & SFPUC Pass-through |
| 4020 | FIXED SYSTEM CHARGES | 2,065,843 | 2,246,655 | 2,443,780 | 2,663,720 | 219,940 | 9.0% | |
| 4030 | FIRE SERVICE CHARGES | 15,471 | 13,411 | 14,400 | 14,400 | - | 0.0% | |
| 4050 | SERVICE LINE & INSTALLATION CHARGES | | 92,529 | 25,000 | 25,000 | - | 0.0% | Anticipated Development |
| 4060 | WATER SYSTEM CAPACITY CHARGES | | 81,250 | 200,000 | 200,000 | - | 0.0% | Anticipated development; Previously New Construction Revenue |
| 4070 | WATER DEMAND OFFSET CHARGES | | 12,576 | 10,000 | 10,000 | - | 0.0% | Anticipated development; Previously New Construction Revenue |
| 4090 | MISCELLANEOUS | 173,662 | 11,460 | 30,000 | 10,000 | (20,000) | -66.7% | |
| 4102 | Interest Revenue- LAIF | 9,751 | 13,405 | 10,000 | 10,000 | - | 0.0% | |
| 4100 | INTEREST REVENUE | 9,751 | 13,405 | 10,000 | 10,000 | - | 0.0% | |
| 4201 | Lease of Physical Property | 194,681 | 148,986 | 245,140 | 200,000 | (45,140) | -18.4% | Reduction of two lessees; 3% CPI |
| 4202 | Property Tax Revenue | 259,597 | 242,775 | 245,000 | 255,000 | 10,000 | 4.1% | 3% CPI |
| 4200 | OTHER REVENUE | 454,278 | 391,762 | 490,140 | 455,000 | (35,140) | -7.2% | |
| 4000 | TOTAL OPERATING REVENUE | 9,922,334 | 9,469,628 | 11,623,320 | 11,488,120 | (135,200) | -1.2% | |
| 6011 | Salaries & Wages | 1,308,186 | 1,329,646 | 1,546,900 | 1,575,000 | 28,100 | 1.8% | Decreased projected payroll in line with 2015-16 Actuals: 2% CPI, 3% Merit |
| 6012 | Director Compensation | 8,800 | 5,900 | 11,000 | 11,000 | - | 0.0% | |
| 6010 | GROSS REGULAR WAGES | 1,316,986 | 1,335,546 | 1,557,900 | 1,586,000 | 28,100 | 1.8% | |

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

| ACCOUNT | ACCOUNT | FY 2014-2015 | ACTUALS | APPROVED AMENDED FY 2015-2016 | PROPOSED FY 2016-2017 | Increase | % | |
|---------|--|------------------|------------------|-------------------------------------|--------------------------|-----------------|--------------|---|
| 6021 | Overtime Labor | 41,463 | 25,792 | 43,300 | 45,500 | 2,200 | 5.1% | 2% CPI plus 3% merit |
| 6022 | Standby Labor | 32,283 | 30,232 | 35,100 | 37,000 | 1,900 | 5.4% | 2% CPI plus 3% merit |
| 6020 | SUB-TOTAL SALARY & WAGES | 1,390,732 | 1,391,570 | 1,636,300 | 1,668,500 | 32,200 | 2.0% | |
| 6031 | FICA/Medicare PR Tax | 100,122 | 96,664 | 126,476 | 131,500 | 5,024 | 4.0% | FICA rates .0765 of salary |
| 6038 | ACWA Health Care | 286,290 | 279,315 | 310,272 | 320,000 | 9,728 | 3.1% | Increase for 1/2 a year |
| 6039 | ACWA Dental | 26,094 | 23,868 | 29,991 | 31,000 | 1,009 | 3.4% | Increase for 1/2 a year |
| 6040 | ACWA Vision | 4,091 | 3,980 | 4,223 | 4,350 | 127 | 3.0% | Increase for 1/2 a year |
| 6041 | ACWA Life/AD&D | 3,804 | 3,870 | 4,035 | 4,200 | 165 | 4.1% | Increase for 1/2 a year |
| 6042 | Short-/Long-Term Disability Ins | 7,887 | 8,132 | 9,953 | 12,400 | 2,447 | 24.6% | Potential program changes |
| 6043 | Workers' Comp Insurance | 54,564 | 41,709 | 48,000 | 50,400 | 2,400 | 5.0% | 2% CPI + 3% Merit salary increase |
| 6044 | Unemployment | 0 | - | 1,000 | 1,000 | - | 0.0% | |
| 6045 | CALPERS Retirement - ER 2%@55 | 55,720 | 181,370 | 245,706 | 235,000 | (10,706) | -4.4% | CalPers Valuation of 8.4% of payroll + \$98,525 UAL |
| 6046 | Retirees' ACWA Health Care | 101,404 | 54,126 | 54,400 | 56,000 | 1,600 | 2.9% | 6% increase for 1/2 a year, retiree changes |
| 6047 | Directors' ACWA Health Care | 1,028 | 96,997 | 105,060 | 108,000 | 2,940 | 2.8% | 6% increase for 1/2 a year |
| 6049 | Medical Reimbursement | 1,076 | 496 | 2,500 | 1,000 | (1,500) | -60.0% | |
| 6050 | Employee Service Recognition | 3,418 | 9,050 | 7,000 | 7,000 | - | 0.0% | |
| 6051 | Safety Incentive Program | 16,729 | 6,600 | 7,200 | 7,200 | - | 0.0% | |
| 6052 | Uniforms | 99,808 | 24,725 | 24,000 | 24,750 | 750 | 3.1% | 3% CPI |
| 6053 | PARS OPEB Expense | 143,873 | 148,850 | 160,200 | 170,000 | 9,800 | 6.1% | Annual Required Contribution |
| 6030 | SUB-TOTAL PAYROLL TAXES & BENEF | 905,906 | 979,751 | 1,140,016 | 1,163,800 | 23,784 | 2.1% | |
| 6000 | PERSONNEL COSTS | 2,296,638 | 2,371,321 | 2,776,316 | 2,832,300 | 55,984 | 2.0% | |
| 6101 | SFPUC Treated Water | 3,660,218 | 3,570,257 | 4,600,000 | 4,500,000 | (100,000) | -2.2% | Per actual trend analysis; updated Bartle Wells projections |
| 6102 | BAWSCA (Debt Service Surcharges) | 500,592 | 422,818 | 462,000 | 476,000 | 14,000 | 3.0% | |
| 6103 | Rates Stabilization | - | - | - | - | - | NA | |
| 6104 | SFPUC Water Service Charge | - | 71,956 | - | - | - | NA | |
| 6100 | PURCHASED WATER | 4,160,810 | 4,065,032 | 5,062,000 | 4,976,000 | (86,000) | -1.7% | |

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

| ACCOUNT | ACCOUNT | FY 2014-2015 | ACTUALS | APPROVED AMENDED FY 2015-2016 | PROPOSED FY 2016-2017 | Increase | % | |
|---------|---|--------------|---------|-------------------------------------|--------------------------|----------|---------|---------------------------------------|
| 6301 | Water Conservation Program | 8,316 | 3,871 | 7,000 | 7,200 | 200 | 2.9% | 3% CPI |
| 6302 | School Conservation Program | 8,323 | 21,248 | 7,000 | 7,200 | 200 | 2.9% | 3% CPI |
| 6303 | Public Outreach & Education | 26,744 | 20,864 | 25,000 | 25,750 | 750 | 3.0% | 3% CPI |
| 6305 | HET (High Efficiency Toilet) Rebates | 5,486 | 10,738 | 24,000 | 24,750 | 750 | 3.1% | 3% CPI |
| 6306 | Washing Machine Rebates | 8,326 | 13,418 | 25,000 | 25,750 | 750 | 3.0% | 3% CPI |
| 6307 | Lawn-Be-Gone Rebates | 17,684 | 30,291 | 37,000 | 38,100 | 1,100 | 3.0% | 3% CPI |
| 6308 | Rain Barrels Rebates | 3,674 | 683 | 5,000 | 5,150 | 150 | 3.0% | 3% CPI |
| 6304 | WATER CONSERVATION REBATES | 35,170 | 55,130 | 91,000 | 93,750 | 2,750 | 3.0% | |
| 6300 | OUTREACH/EDUCATION | 78,553 | 101,113 | 130,000 | 133,900 | 3,900 | 3.0% | |
| 6401 | Water Quality | 73,965 | 44,294 | 65,000 | 67,000 | 2,000 | 3.1% | 2 Analyzers \$7300 |
| 6402 | Pumping | 23,060 | 14,336 | 25,750 | 78,250 | 52,500 | 203.9% | Repair PCVs and pump maintenance |
| 6403 | Storage Tanks | (2,292) | 2,710 | 5,150 | 15,000 | 9,850 | 191.3% | Power cleaning |
| 6404 | Mains/Distribution | 208,823 | 179,324 | 154,500 | 100,000 | (54,500) | -35.3% | |
| 6405 | Meters & Service | 85,907 | 55,484 | 77,250 | 30,000 | (47,250) | -61.2% | Meter testing |
| 6406 | Fire Hydrants | 21,924 | 30,068 | 30,000 | 31,000 | 1,000 | 3.3% | 3% CPI |
| 6407 | Regulator Stations | 1,531 | 9,305 | 10,300 | 6,000 | (4,300) | -41.7% | |
| 6408 | Safety | 6,930 | 4,157 | 10,300 | 32,000 | 21,700 | 210.7% | Confined Space Entry equipment |
| 6409 | SCADA maintenance | | 401 | | 15,000 | 15,000 | NA | |
| 6410 | Generator Maintenance | | | | 24,000 | 24,000 | NA | Generator testing |
| 6400 | FIELD OPERATIONS & MAINTENANCE | 419,847 | 340,079 | 378,250 | 398,250 | 20,000 | 5.3% | |
| 6501 | Buildings&Grounds | 52,975 | 59,536 | 71,000 | 93,000 | 22,000 | 31.0% | \$20k fuel station controller; 3% CPI |
| 6502 | Equipment&Tools | 19,336 | 16,221 | 20,600 | 21,000 | 400 | 1.9% | |
| 6503 | Vehicles & Large Equipment | 14,663 | 20,176 | 10,300 | 19,000 | 8,700 | 84.5% | Re-upholster trucks |
| 6504 | Fuel | 29,931 | 20,217 | 27,800 | 29,000 | 1,200 | 4.3% | |
| 6500 | FACILITIES & EQUIPMENT | 116,905 | 116,150 | 129,700 | 162,000 | 32,300 | 24.9% | |
| 6601 | Cathodic Protection Survey | 6,500 | 700 | | 12,000 | 12,000 | NA | Every two years |
| 6602 | Leak Detection Survey | - | 30,845 | 32,000 | (32,000) | (32,000) | -100.0% | Every two years |
| 6600 | SYSTEM SURVEYS | 6,500 | 31,545 | 32,000 | 12,000 | (20,000) | -62.5% | |

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

| ACCOUNT | ACCOUNT | FY 2014-2015 | ACTUALS | APPROVED AMENDED FY 2015-2016 | PROPOSED FY 2016-2017 | Increase | % | |
|---------|--|--------------|---------|-------------------------------------|--------------------------|----------|--------|---------------------------------|
| 6701 | Office Supplies | 7,148 | 14,390 | 17,300 | 18,000 | 700 | 4.0% | 3% CPI |
| 6702 | Insurance- Liability/Vehicles/Excess | 98,492 | 59,493 | 85,000 | 87,750 | 2,750 | 3.2% | 3% CPI |
| 6704 | Postage | 4,499 | 11,538 | 3,150 | 3,250 | 100 | 3.2% | 3% CPI |
| 6705 | Printing/Print Supplies | 19,712 | 32,754 | 12,710 | 13,000 | 290 | 2.3% | 3% CPI |
| 6706 | Equipment Services/Maintenance | 90,562 | 7,725 | 55,000 | 56,750 | 1,750 | 3.2% | 3% CPI |
| 6707 | Computer Supplies & Upgrades | 15,414 | 985 | 11,330 | 11,750 | 420 | 3.7% | 3% CPI |
| 6708 | Security & Safety | 6,447 | 1 | 10,450 | 10,750 | 300 | 2.9% | 3% CPI |
| 6709 | Miscellaneous Fees | 184 | 1,394 | 546 | 500 | (46) | -8.4% | |
| 6710 | Customer Credit Card Service Fees | 103,812 | 107,245 | 121,639 | 125,000 | 3,361 | 2.8% | 3% CPI |
| 6700 | ADMINISTRATION & EQUIP | 346,268 | 235,525 | 317,125 | 326,750 | 9,625 | 3.0% | |
| 6801 | Dues & Publications | 40,111 | 31,618 | 38,200 | 39,500 | 1,300 | 3.4% | 3% CPI |
| 6802 | Gov't Fees & Licenses | 19,429 | 49,147 | 71,000 | 73,250 | 2,250 | 3.2% | 3% CPI |
| 6803 | BAWSCA Membership Assessments | 54,955 | 61,974 | 66,800 | 68,750 | 1,950 | 2.9% | 3% CPI |
| 6804 | Env Health - Cross Connection Inspection | 26,300 | 25,300 | 29,900 | 31,000 | 1,100 | 3.7% | 3% CPI |
| 6805 | Software Licenses | - | - | 5,000 | 5,000 | - | 0.0% | New Financial Management System |
| 6800 | MEMBERSHIP & GOV FEES | 140,795 | 168,039 | 210,900 | 217,500 | 6,600 | 3.1% | |
| 6901 | Bad Debt | 6,266 | 4,659 | 7,000 | 7,000 | - | 0.0% | |
| 6902 | Claims | 18,521 | 3,987 | 30,000 | 30,000 | - | 0.0% | |
| 6900 | BAD DEBT & CLAIMS | 24,787 | 8,646 | 37,000 | 37,000 | - | 0.0% | |
| 7001 | Utilities-Internet/Cable | 4,752 | 8,100 | 7,244 | 7,500 | 256 | 3.5% | |
| 7002 | Utilities-Cellular Telephones | 13,325 | 11,004 | 11,500 | 11,850 | 350 | 3.0% | |
| 7003 | Utilities-Electric-Pumping Costs | 256,122 | 172,225 | 255,834 | 220,000 | (35,834) | -14.0% | |
| 7004 | Utilities-Electric-Bldgs&Grounds | 19,728 | 20,238 | 23,401 | 24,000 | 599 | 2.6% | |
| 7005 | Utilities-Telephones | 12,373 | 15,429 | 17,092 | 17,500 | 408 | 2.4% | |
| 7006 | Utilities-Sewer - NPDES | 6,484 | 5,978 | 7,210 | 7,450 | 240 | 3.3% | |
| 7000 | UTILITIES | 312,784 | 232,973 | 322,281 | 288,300 | (33,981) | -10.5% | 3% CPI |
| 7101 | Prof Serv - District Counsel | 110,721 | 91,327 | 98,000 | 100,000 | 2,000 | 2.0% | |
| 7102 | Prof Serv - District Engineer | 136,030 | 128,199 | 151,000 | 100,000 | (51,000) | -33.8% | |
| 7103 | Prof Serv - IT | 11,592 | 19,229 | 19,194 | 19,750 | 556 | 2.9% | 3% CPI |

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

| ACCOUNT | ACCOUNT | FY 2014-2015 | ACTUALS | APPROVED AMENDED FY 2015-2016 | PROPOSED FY 2016-2017 | Increase | % | |
|---------------------------------------|--|--------------|-----------|-------------------------------------|--------------------------|-----------|---------|--|
| 7104 | Prof Serv- Annual Finance Audit | 16,500 | 18,000 | 20,000 | 20,000 | - | 0.0% | |
| 7106 | Prof Serv- Accounting & Payroll | 17,597 | 19,604 | 21,010 | 21,750 | 740 | 3.5% | 3% CPI |
| 7107 | Prof Serv- Customer Billing | 60,199 | 75,938 | 70,040 | 72,250 | 2,210 | 3.2% | 3% CPI |
| 7109 | Prof Serv - Answering Svs | 3,372 | 21 | 4,223 | 4,500 | 277 | 6.6% | |
| 7110 | Prof Serv - Miscellaneous | 102,071 | 151,109 | 175,418 | 160,000 | (15,418) | -8.8% | Temp Admin Employee for FMS Implementation \$60K; J. Davidson \$45K, J. Brown \$5K; Misc \$50K |
| 7111 | Prof Serv - District Treasurer | 3,600 | 3,000 | 3,600 | 3,700 | 100 | 2.8% | 3% CPI |
| 7100 | PROFESSIONAL SERVICES | 461,682 | 506,426 | 562,485 | 501,950 | (60,535) | -10.8% | |
| 7201 | Director Travel | 1,641 | 1,768 | 6,180 | 5,000 | (1,180) | -19.1% | |
| 7202 | Director Expense | 753 | 87 | 2,060 | 1,000 | (1,060) | -51.5% | |
| 7203 | Elections | - | - | 5,000 | - | (5,000) | -100.0% | |
| 7204 | Employee Travel/Training | 18,409 | 13,071 | 25,750 | 20,000 | (5,750) | -22.3% | |
| 7205 | Meetings Expense | 3,518 | 5,470 | 5,150 | 5,000 | (150) | -2.9% | |
| 7200 | TRAINING & TRAVEL | 24,322 | 20,396 | 44,140 | 31,000 | (13,140) | -29.8% | |
| 7302 | Restricted Earnings Expense - Interest LAI | (9,751) | (13,405) | (10,000) | (10,000) | - | 0.0% | |
| 7300 | RESTRICTED EARNINGS EXPENSE | (9,751) | (13,405) | (10,000) | (10,000) | - | 0.0% | |
| 8001 | Working Reserves: Capital | - | - | - | - | - | NA | |
| 8002 | Working Reserves: Operating | - | - | 61,123 | - | (61,123) | -100.0% | |
| 8000 | RESERVES | - | - | 61,123 | - | (61,123) | -100.0% | |
| 9010 | DEPRECIATION | 912,979 | 828,781 | 870,000 | 950,000 | 80,000 | 9.2% | |
| SUB-TOTAL - OPERATING EXPENSES | | 6,996,481 | 6,641,300 | 8,147,004 | 8,024,650 | (122,354) | -1.5% | |
| TOTAL OPERATING EXPENSES | | 9,293,119 | 9,012,621 | 10,923,320 | 10,856,950 | (66,370) | -0.6% | |
| NET OPERATING SURPLUS/(LOSS) | | | | | | - | | |
| TRANSFER TO CAPITAL | | 629,215 | 457,007 | 700,000 | 631,170 | (68,830) | -9.8% | |

**MID-PENINSULA WATER DISTRICT
BUDGET FOR FY 2016-2017
CAPITAL OUTLAY/CAPITAL PROJECTS**

| DESCRIPTION | APPROVED AMENDED FY 2015-2016 BUDGET | ACTUAL 7/1/2015 5/31/2016 | PROPOSED FY 2016-2017 BUDGET |
|--|---|---------------------------------|------------------------------------|
| CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP) | | | |
| AMI Meter Change Out Program - CIP | 400,000 | 442,400 | 500,000 |
| Karen Road Water Main Replacement - CIP | 100,000 | 31,970 | 100,000 |
| Folger Pump Station Demolition - CIP | 50,000 | 24,903 | 50,000 |
| Alameda de las Pulgas Water Main Replacement Project - CIP | 30,000 | 91,669 | 700,000 |
| Prior Year Capital Projects - CIP | 156,000 | 117,831 | - |
| CAPITAL IMPROVEMENTS - WIP TOTAL | 736,000 | 708,773 | 1,350,000 |
| CAPITAL OUTLAY | | | |
| Financial Management System (FMS) - Comprehensive | 145,000 | 58,684 | 95,000 |
| Implementation of Sensus Consumer Portal | 70,000 | - | 70,000 |
| Miscellaneous Capital Outlay/Projects | 50,000 | 52,499 | 50,000 |
| Prior Year Capital Outlay | 291,000 | 183,427 | - |
| CAPITAL OUTLAY TOTAL | 556,000 | 294,610 | 215,000 |
| CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL | 1,292,000 | 1,003,383 | 1,565,000 |
| DEPRECIATION | 870,000 | 828,781 | 950,000 |
| TRANSFER FROM OPS | 700,000 | 457,007 | 631,170 |
| TRANSFER (TO)/FROM CAPITAL RESERVES | (278,000) | (282,406) | (16,170) |
| CAPITAL OUTLAY/CAPITAL PROJECTS | (1,292,000) | (1,003,383) | (1,565,000) |
| NET RESULTS OF CAPITAL | - | (0) | - |

Jul '14 - Jun 15 Jul '15 - May 16

Ordinary Income/Expense

| | | |
|--|--------------|--------------|
| Income | | |
| 4000 · OPERATING REVENUE | | |
| 4010 · WATER COMMODITY CHARGES | | |
| 4011 · Water Charges | 7,228,781.54 | 6,622,281.27 |
| 4012 · Water Refunds | -15,645.66 | -13,328.17 |
| 4013 · Returned Water Charges | -11,207.85 | -3,131.48 |
| 4014 · Water Sales Sent to Collections | 1,401.19 | 757.29 |
| Total 4010 · WATER COMMODITY CHARGES | 7,203,329.22 | 6,606,578.91 |
| 4020 · FIXED SYSTEM CHARGES | 2,065,842.80 | 2,246,655.37 |
| 4030 · FIRE SERVICES FEES | 14,570.00 | 13,411.25 |
| 4050 · SERVICE LINE & INSTALL CHARGES | 0.00 | 92,528.93 |
| 4060 · WATER SYSTEM CAPACITY CHARGES | 0.00 | 81,250.00 |
| 4070 · WATER DEMAND OFFSET CHARGES | 0.00 | 12,576.00 |
| 4090 · MISCELLANEOUS CHARGES | 0.00 | 11,060.19 |
| Total 4000 · OPERATING REVENUE | 9,283,742.02 | 9,064,060.65 |
| 4100 · INTEREST INCOME | | |
| 4102 · Interest Revenue- LAIF | 9,751.21 | 13,405.32 |
| Total 4100 · INTEREST INCOME | 9,751.21 | 13,405.32 |
| 4200 · OTHER INCOME | | |
| 4201 · Lease of Physical Property | 194,680.87 | 148,986.38 |
| 4202 · Property Tax Revenue | 259,597.10 | 242,775.43 |
| 4203 · New Construction Revenue | 118,202.24 | |
| 4206 · Other Income - Miscellaneous | 49,532.88 | |
| 4207 · Net Gain on Sale of Assets | 5,927.17 | |
| 4208 · Landscape Plan Permit Review | 0.00 | 400.00 |
| Total 4200 · OTHER INCOME | 627,940.26 | 392,161.81 |
| 4310 · Fire Service | 900.80 | |
| Total Income | 9,922,334.29 | 9,469,627.78 |
| Cost of Goods Sold | | |
| 5000 · Cost of Goods Sold | | |
| 5010 · Mains COGS | -60.49 | |
| 5020 · Hydrants COGS | 0.00 | |
| 5030 · Meters COGS | 0.00 | |
| Total 5000 · Cost of Goods Sold | -60.49 | 0.00 |
| Total COGS | -60.49 | 0.00 |
| Gross Profit | 9,922,394.78 | 9,469,627.78 |
| Expense | | |
| 6000 · PERSONNEL COSTS | | |
| 6010 · GROSS REGULAR WAGES | | |
| 6011 · Salaries & Wages | 1,069,848.79 | 1,082,409.44 |
| 6012 · Director Compensation | 8,800.00 | 5,900.00 |
| 6013 · Sick Leave | 65,507.16 | 56,771.83 |
| 6014 · Vacation | 84,974.63 | 92,944.90 |
| 6015 · Holiday | 63,492.22 | 69,236.47 |
| 6016 · Administrative | 24,363.05 | 28,283.58 |
| Total 6010 · GROSS REGULAR WAGES | 1,316,985.85 | 1,335,546.22 |
| 6020 · SALARY & WAGES | | |
| 6021 · Overtime Labor | 41,463.05 | 25,791.97 |
| 6022 · Standby Labor | 32,282.81 | 30,231.74 |
| Total 6020 · SALARY & WAGES | 73,745.86 | 56,023.71 |
| 6030 · PAYROLL TAXES & BENEFITS | | |
| 6031 · FICA/Medicare PR Tax | 100,121.57 | 96,664.06 |

| | | |
|---|---------------------|---------------------|
| 6038 · ACWA Health Care | 286,289.92 | 279,315.49 |
| 6039 · AWCA Dental | 26,093.91 | 23,867.57 |
| 6040 · ACWA Vision | 4,091.31 | 3,979.88 |
| 6041 · ACWA Life/AD&D | 3,803.51 | 3,869.60 |
| 6042 · Standard LDL/SDL Disability | 7,886.89 | 8,131.82 |
| 6043 · Workers Comp Insurance | 54,563.97 | 41,709.05 |
| 6044 · Unemployment | 0.04 | |
| 6045 · CALPERS Retirement - ER 2%@55 | 55,720.14 | 181,370.18 |
| 6046 · Retirees' ACWA Health Care | 101,403.65 | 54,125.96 |
| 6047 · Directors' ACWA Health Care | 1,027.62 | 96,997.07 |
| 6049 · Medical Reimbursement | 1,075.70 | 495.88 |
| 6050 · Employee Service Recognition | 3,418.00 | 9,049.85 |
| 6051 · Safety Incentive Program | 16,728.99 | 6,600.00 |
| 6052 · Uniforms | 99,808.00 | 24,724.72 |
| 6053 · OPEB Expense | 143,873.00 | 148,850.00 |
| Total 6030 · PAYROLL TAXES & BENEFITS | <u>905,906.22</u> | <u>979,751.13</u> |
| Total 6000 · PERSONNEL COSTS | 2,296,637.93 | 2,371,321.06 |
| 6100 · PURCHASED WATER | | |
| 6101 · SFPUC Treated Water | 3,660,218.10 | 3,570,257.48 |
| 6102 · BAWSCA (Debt Service Surcharge) | 500,592.00 | 422,818.00 |
| 6104 · SFPUC Water Service Charge | 0.00 | 71,956.04 |
| Total 6100 · PURCHASED WATER | <u>4,160,810.10</u> | <u>4,065,031.52</u> |
| 6300 · OUTREACH/EDUCATION | | |
| 6301 · Water Conservation Program | 8,315.88 | 3,870.79 |
| 6302 · School Conservation Program | 8,322.67 | 21,247.97 |
| 6303 · Public Outreach & Education | 26,744.20 | 20,864.34 |
| 6304 · Water Conservation Rebates | | |
| 6305 · HET (High Efficiency Toilet) | 5,486.46 | 10,737.57 |
| 6306 · Washing Machine Rebates | 8,325.62 | 13,418.22 |
| 6307 · Lawn-Be-Gone Rebates | 17,684.10 | 30,290.92 |
| 6308 · Rain Barrels Rebate | 3,674.27 | 683.32 |
| Total 6304 · Water Conservation Rebates | <u>35,170.45</u> | <u>55,130.03</u> |
| Total 6300 · OUTREACH/EDUCATION | 78,553.20 | 101,113.13 |
| 6400 · M&R - OPS SYSTEMS | | |
| 6401 · Water Quality | 73,964.83 | 44,294.36 |
| 6402 · Pumping | 23,060.10 | 14,335.64 |
| 6403 · Storage Tanks | -2,291.74 | 2,710.24 |
| 6404 · Mains/Distribution | 208,883.00 | 99,106.99 |
| 640401 · Mains/Distribution PY | | 80,216.85 |
| 6405 · Meters & Service | 85,906.72 | 51,711.06 |
| 640501 · Meters & Service PY | | 3,773.10 |
| 6406 · Fire Hydrants | 21,923.72 | 18,219.75 |
| 640601 · Fire Hydrants PY | | 11,847.87 |
| 6407 · Regulator Stations | 1,531.11 | 9,305.45 |
| 6408 · Employee Safety | 6,930.07 | 4,156.53 |
| 6409 · SCADA Maintenance | | 400.70 |
| Total 6400 · M&R - OPS SYSTEMS | <u>419,907.81</u> | <u>340,078.54</u> |
| 6500 · M&R - FACILITIES & EQUIPMENT | | |
| 6501 · M&R - Buildings & Grounds | 52,975.24 | 59,536.45 |
| 6502 · M&R - Equipment & Tools | 19,336.26 | 16,220.56 |
| 6503 · M&R - Vehicle & Large Equip | 14,662.87 | 20,175.61 |
| 6504 · M&R - Fuel | 29,930.65 | 20,217.05 |
| Total 6500 · M&R - FACILITIES & EQUIPMENT | <u>116,905.02</u> | <u>116,149.67</u> |
| 6600 · MAJOR MAINTENANCE | | |

| | | |
|--|--------------|--------------|
| 6601 · Cathodic Protection Survey | 6,500.00 | 700.00 |
| 6602 · Leak Detection Survey | 0.00 | 30,845.00 |
| Total 6600 · MAJOR MAINTENANCE | 6,500.00 | 31,545.00 |
| 6700 · OFFICE SUPPLIES & EQUIPMENT | | |
| 6701 · Office Supplies | 7,147.83 | 14,389.80 |
| 6702 · Insurance-Liability/Vehicle | 98,491.99 | 59,493.09 |
| 6703 · Bank Service Fees | 183.55 | 1,393.68 |
| 6704 · Postage | 4,498.75 | 11,537.92 |
| 6705 · Printing/Print Supplies | 19,711.77 | 32,754.03 |
| 6706 · Equipment Services/Maintenance | 90,561.75 | 7,725.20 |
| 6707 · Computer Supplies & Upgrades | 15,413.54 | 985.06 |
| 6708 · Security & Safety | 6,446.92 | 1.00 |
| 6709 · Customer Credit Card Svs Fees | 103,811.63 | 107,245.20 |
| Total 6700 · OFFICE SUPPLIES & EQUIPMENT | 346,267.73 | 235,524.98 |
| 6800 · MEMBERSHIP & GOV FEES | | |
| 6801 · Dues & Publications | 40,111.36 | 31,618.44 |
| 6802 · Gov't Fees & Licenses | 19,428.81 | 49,146.88 |
| 6803 · BAWSCA Membership Assessments | 54,954.58 | 61,973.67 |
| 6804 · Env Health-Cross Con Inspection | 26,300.00 | 25,300.00 |
| Total 6800 · MEMBERSHIP & GOV FEES | 140,794.75 | 168,038.99 |
| 6900 · BAD DEBT & CLAIMS | | |
| 6901 · Bad Debt | 6,265.75 | 4,659.28 |
| 6902 · Claims | 18,521.00 | 3,987.00 |
| Total 6900 · BAD DEBT & CLAIMS | 24,786.75 | 8,646.28 |
| 7000 · UTILITIES | | |
| 7001 · Utilities - Internet/Cable | 4,751.91 | 8,099.55 |
| 7002 · Utilities - Cell Telephone | 13,324.90 | 11,004.21 |
| 7003 · Utilities - Electric - Pumping | 256,121.54 | 172,224.58 |
| 7004 · Utilities - Electric-Bldgs&Grnd | 19,728.43 | 20,237.97 |
| 7005 · Utilities - Telephones | 12,372.68 | 15,429.49 |
| 7006 · Utilities - Sewer - NPDES | 6,484.30 | 5,977.52 |
| Total 7000 · UTILITIES | 312,783.76 | 232,973.32 |
| 7100 · PROFESSIONAL SERVICES | | |
| 7101 · Prof Serv - District Counsel | 110,720.60 | 91,327.00 |
| 7102 · Prof Serv - District Engineer | 136,030.00 | 128,198.65 |
| 7103 · Prof Serv - IT | 11,591.72 | 19,229.31 |
| 7104 · Prof Serv - Annual FinanceAudit | 16,500.00 | 18,000.00 |
| 7106 · Prof Serv - Accting & Payroll | 17,597.38 | 19,603.85 |
| 7107 · Prof Serv - Customer Billing | 60,199.11 | 75,937.86 |
| 7109 · Prof Serv - Answering Svs | 3,372.00 | 20.85 |
| 7110 · Prof Serv - Miscellaneous | 102,071.00 | 151,108.56 |
| 7111 · Prof Serv - District Treasurer | 3,600.00 | 3,000.00 |
| Total 7100 · PROFESSIONAL SERVICES | 461,681.81 | 506,426.08 |
| 7300 · TRAINING & TRAVEL | | |
| 7301 · Director Travel | 1,641.34 | 1,768.39 |
| 7302 · Director Expenses | 753.39 | 86.71 |
| 7203 · Elections | | |
| 7304 · Employee Travel/Training | 18,409.42 | 13,070.60 |
| 7305 · Meeting Expenses | 3,518.00 | 5,470.29 |
| Total 7300 · TRAINING & TRAVEL | 24,322.15 | 20,395.99 |
| Total Expense | 8,389,951.01 | 8,197,244.56 |
| Net Ordinary Income | 1,532,443.77 | 1,272,383.22 |
| Other Income/Expense | | |
| Other Expense | | |

| | | |
|--------------------------------------|--------------------|--------------------|
| 9000 · OTHER EXPENSE | | |
| 9010 · Depreciation and Amortization | 912,978.83 | 828,781.46 |
| Total 9000 · OTHER EXPENSE | <u>912,978.83</u> | <u>828,781.46</u> |
| Total Other Expense | <u>912,978.83</u> | <u>828,781.46</u> |
| Net Other Income | <u>-912,978.83</u> | <u>-828,781.46</u> |
| Net Income | <u>619,464.94</u> | <u>443,601.76</u> |
| | 629,216.15 | 457,007.08 |

Jul '12 - Mar 13

Ordinary Income/Expense

Income

| | |
|--------------------------------------|---------------------|
| 4000 · OPERATING REVENUE | |
| 4010 · WATER FEES | |
| 4011 · Water Charges | 5,427,366.36 |
| 4012 · Water Refunds | -212,812.08 |
| 4013 · Returned Water Charges | -3,198.14 |
| 4014 · Water Sales Bad Debt Recovery | 599.70 |
| Total 4010 · WATER FEES | <u>5,211,955.84</u> |
| 4020 · SERVICE FEES | 1,298,241.19 |
| 4030 · FIRE SERVICES FEES | 7,317.14 |
| Total 4000 · OPERATING REVENUE | <u>6,517,514.17</u> |
| 4100 · INTEREST INCOME | |
| 4101 · Interest Revenue - OPEB PARS | 17,946.89 |
| 4102 · Interest Revenue- LAIF | 8,565.57 |
| Total 4100 · INTEREST INCOME | <u>26,512.46</u> |
| 4200 · OTHER INCOME | |
| 4201 · Lease of Physical Property | 129,995.88 |
| 4202 · Property Tax Revenue | 165,053.56 |
| 4203 · New Construction Revenue | 31,572.52 |
| 4205 · Proceeds from Insurance Claim | 0.00 |
| Total 4200 · OTHER INCOME | <u>326,621.96</u> |
| Total Income | <u>6,870,648.59</u> |

Expense

| | |
|--------------------------------------|-------------------|
| 6000 · PERSONNEL COSTS | |
| 6010 · GROSS REGULAR WAGES | |
| 6011 · Salaries & Wages | 582,479.41 |
| 6012 · Director Compensation - 90 | 4,350.00 |
| 6013 · Sick Leave - 99 | 17,203.31 |
| 6014 · Vacation - 99 | 50,142.50 |
| 6015 · Holiday - 99 | 44,837.13 |
| 6016 · Administrative - 99 | 11,197.72 |
| Total 6010 · GROSS REGULAR WAGES | <u>710,210.07</u> |
| 6020 · SALARY & WAGES | |
| 6021 · Overtime Labor - 99 | 42,613.34 |
| 6022 · Standby Labor - 60 | 32,168.31 |
| Total 6020 · SALARY & WAGES | <u>74,781.65</u> |
| 6030 · PAYROLL TAXES & BENEFITS | |
| 6031 · FICA/Medicare PR Tax | 61,628.34 |
| 6038 · ACWA Health Care | 142,194.40 |
| 6039 · AWCA Dental | 17,071.52 |
| 6040 · ACWA Vision | 2,402.61 |
| 6041 · ACWA Life/AD&D | 1,839.77 |
| 6042 · Standard LDL/SDL Disability | 4,555.99 |
| 6043 · Workers Comp Insurance | 20,167.29 |
| 6044 · Unemployment - 90 | 7,754.14 |
| 6045 · CALPERS Retirement - ER 2%@55 | 105,441.87 |
| 6046 · Retirees' ACWA Health Care | 58,428.49 |
| 6047 · Directors' ACWA Health Care | 62,663.32 |
| 6048 · GM Relocation Reimbursement | 10,000.00 |
| 6049 · Medical Reimbursement - 90 | 2,085.25 |
| 6050 · Employee Service Recognition | 3,653.71 |
| 6051 · Safety Incentive Program | 2,550.00 |

| | |
|--|---------------------|
| 6052 · Uniforms - 99 | 10,133.36 |
| Total 6030 · PAYROLL TAXES & BENEFITS | <u>512,570.06</u> |
| Total 6000 · PERSONNEL COSTS | 1,297,561.78 |
| 6100 · PURCHASED WATER | |
| 6101 · SFPUC Treated Water - 50 | 3,120,827.52 |
| Total 6100 · PURCHASED WATER | <u>3,120,827.52</u> |
| 6200 · CUSTOMER CREDIT CARD SVS FEES | |
| 6201 · Customer Credit Card Svs Fees | 70,592.74 |
| Total 6200 · CUSTOMER CREDIT CARD SVS FEES | <u>70,592.74</u> |
| 6300 · OUTREACH/EDUCATION | |
| 6301 · Water Conservation Program - 80 | 14,040.91 |
| 6302 · School Conservation Program- 80 | 251.94 |
| Total 6300 · OUTREACH/EDUCATION | <u>14,292.85</u> |
| 6400 · M&R - OPS SYSTEMS | |
| 6401 · Water Quality - 70 | 24,868.58 |
| 6402 · Pumping - 60 | 11,715.96 |
| 6403 · Storage Tanks - 70 | 9,236.46 |
| 6404 · Mains/Distribution - 99 | 73,868.83 |
| 6405 · Meters & Service - 70 | 46,601.27 |
| 6406 · Fire Hydrants - 70 | 29,631.28 |
| 6407 · Regulator Stations - 70 | 4,588.51 |
| 6408 · Safety | 5,500.65 |
| Total 6400 · M&R - OPS SYSTEMS | <u>206,011.54</u> |
| 6500 · M&R - FACILITIES & EQUIPMENT | |
| 6501 · M&R - Buildings & Grounds - 99 | 59,599.98 |
| 6502 · M&R - Equipment & Tools - 99 | 9,630.33 |
| 6503 · M&R - Vehicle & Large Equip -70 | 20,765.22 |
| 6504 · M&R - Fuel - 99 | 31,659.92 |
| Total 6500 · M&R - FACILITIES & EQUIPMENT | <u>121,655.45</u> |
| 6600 · MAJOR MAINTENANCE | |
| 6601 · Cathodic Protection | 51,955.00 |
| Total 6600 · MAJOR MAINTENANCE | <u>51,955.00</u> |
| 6700 · OFFICE SUPPLIES & EQUIPMENT | |
| 6701 · Office Supplies- 90 | 12,367.47 |
| 6702 · Insurance-Liability/Vehicle-90 | 96,893.59 |
| 6703 · Bank Service Fees - 90 | 695.45 |
| 6704 · Postage - 80 | 3,147.56 |
| 6705 · Printing - 80 | 21,411.51 |
| 6707 · Computer Supplies & Upgrades | 629.49 |
| 6708 · Security & Safety | 4,630.85 |
| 6709 · Other Fees | -80.36 |
| Total 6700 · OFFICE SUPPLIES & EQUIPMENT | <u>139,695.56</u> |
| 6800 · MEMBERSHIP & GOV FEES | |
| 6801 · Dues & Publications - 99 | 23,696.31 |
| 6802 · Gov't Fees & Licenses | 10,972.13 |
| 6803 · BAWSCA Assessments | 32,941.12 |
| 6804 · Env Health-Cross Con Inspection | 14,525.00 |
| Total 6800 · MEMBERSHIP & GOV FEES | <u>82,134.56</u> |
| 6900 · BAD DEBT & CLAIMS | |
| 6901 · Bad Debt - 80 | 225.10 |
| 6902 · Claims | 1,145.98 |
| Total 6900 · BAD DEBT & CLAIMS | <u>1,371.08</u> |
| 7000 · UTILITIES | |
| 7001 · Utilities - Internet/Cable | 1,252.17 |

| | |
|--|--------------------------|
| 7002 · Utilities - Cell Telephone - 99 | 10,445.65 |
| 7003 · Utilities - Electric - Pumping | 208,373.72 |
| 7004 · Utilities - Electric-Bldgs&Grnd | 16,836.21 |
| 7005 · Utilities - Telephones - 99 | 12,309.26 |
| 7006 · Utilities - Sewer - NPDES - 99 | 5,156.94 |
| Total 7000 · UTILITIES | <u>254,373.95</u> |
| 7100 · PROFESSIONAL SERVICES | |
| 7101 · Prof Serv - District Counsel | 99,157.00 |
| 7102 · Prof Serv -District Engineer-70 | 12,300.40 |
| 7103 · Prof Serv - IT 90 | 17,977.58 |
| 7104 · Prof Serv - Annual FinanceAudit | 15,500.00 |
| 7105 · Prof Serv - Mngmt Consult - 90 | 141,793.96 |
| 7106 · Prof Serv - Accting & Payroll | 31,417.71 |
| 7107 · Prof Serv - Customer Billing 80 | 29,494.37 |
| 7108 · Prof Serv - Recruiting | 67,171.09 |
| 7109 · Prof Serv - Answering Svs - 99 | 2,010.50 |
| 7110 · Prof Serv - Miscellaneous 90 | 8,797.36 |
| Total 7100 · PROFESSIONAL SERVICES | <u>425,619.97</u> |
| 7300 · TRAINING & TRAVEL | |
| 7301 · Director Travel - 90 | 135.00 |
| 7302 · Director Expenses | 109.50 |
| 7304 · Employee Travel/Training - 99 | 5,720.28 |
| 7305 · Meeting Expenses | 608.79 |
| Total 7300 · TRAINING & TRAVEL | <u>6,573.57</u> |
| Total Expense | <u>5,792,665.57</u> |
| Net Ordinary Income | <u>1,077,983.02</u> |
| Other Income/Expense | |
| Other Expense | |
| 9000 · OTHER EXPENSE | |
| 9010 · Depreciation and Amortization | 590,828.40 |
| Total 9000 · OTHER EXPENSE | <u>590,828.40</u> |
| Total Other Expense | <u>590,828.40</u> |
| Net Other Income | <u>-590,828.40</u> |
| Net Income | <u><u>487,154.62</u></u> |

May 31, 16

ASSETS

Current Assets

Checking/Savings

1000 · Cash

1010 · Petty Cash 400.00

1020 · Customer Cash Drawer 200.00

1030 · Cash- Checking 151,856.84

1040 · General Fund - LAIF

1041 · Cash- General Fund (LAIF) 4,049,651.92

1042 · LAIF Interest Accrual 2,883.92

Total 1040 · General Fund - LAIF 4,052,535.84

Total 1000 · Cash 4,204,992.68

Total Checking/Savings 4,204,992.68

Accounts Receivable

1200 · Accounts Receivable

1210 · Accounts Receivable Water 819,296.66

Total 1200 · Accounts Receivable 819,296.66

Total Accounts Receivable 819,296.66

Other Current Assets

1300 · Inventory.

1330 · Inventory- Meters 61,308.35

Total 1300 · Inventory. 61,308.35

1400 · Other Current Assets

1410 · Prepaid Expenses 149,755.19

1420 · Prepaid Liability Insurance 32,937.69

1430 · Payroll Clearing A/C -8,686.05

1440 · Auto/Transportation Clearing AC 100.00

1480 · Accounts Sent to Collections -16,383.43

Total 1400 · Other Current Assets 157,723.40

Total Other Current Assets 219,031.75

Total Current Assets 5,243,321.09

Fixed Assets

1550 · FIXED ASSETS PY

1511 · VEHICLES & EQUIPMENT 1,685,411.77

1512 · LAND 1,045,264.00

1513 · TELEPHONE SYSTEM UPGRADE 22,401.54

1514 · COMPUTER SYSTEMS 192,131.43

1515 · SCADA 37,438.17

1531 · MACHINERY & EQUIPMENT 190,366.81

1532 · MAIN REPLACEMENT 943,798.63

1533 · MASTER PLAN 161,466.05

1534 · PUMPS & VALVES 37,831.51

1535 · INDUSTRIAL RD INTERTIE@PAMF 396,488.40

1536 · BUCKLAND TANK PROJECT 2,206,146.34

1537 · AMI METER CHANGE OUT PROGRAM 1,962,918.62

1538 · AMI NEW & UPGRADED METERS 39,762.88

1539 · UTILITY PLANT IN SERVICE 32,861,498.29

Total 1550 · FIXED ASSETS PY 41,782,924.44

1600 · ACCUMULATED DEPRECIATION

1651 · Accum Depr - Vehicle & Equip -1,481,066.39

1652 · Accum Depr - Meter Program -136,609.05

1653 · Accum Depr - Computer Systems -71,995.15

1681 · Accum Depr - Machinery & Equip -59,808.73

| | |
|--|-----------------------|
| 1682 · Accum Depr - Main Replacement | -161,466.05 |
| 1683 · Accum Depr - Master Plan | -2,621.53 |
| 1684 · Accum Depr - Pump & Valves | -106,040.95 |
| 1685 · Accum Depr - UtilityPlant inSvs | -23,662,903.41 |
| Total 1600 · ACCUMULATED DEPRECIATION | <u>-25,682,511.26</u> |
| 1700 · CONSTRUCTION IN PROGRESS | |
| 1720 · ALAMEDA MAIN REPLACEMENT CY | |
| 1721 · Alameda - Prof Svs CY | 120,355.96 |
| 1724 · Alameda - Construction | 2,200.00 |
| Total 1720 · ALAMEDA MAIN REPLACEMENT CY | <u>122,555.96</u> |
| 1725 · KAREN ROAD MAIN REPLACE CY | |
| 1726 · Karen Road - Prof Svs CY | 29,122.71 |
| 1727 · Karen Road - Parks CY | 2,847.19 |
| Total 1725 · KAREN ROAD MAIN REPLACE CY | <u>31,969.90</u> |
| 1730 · HALLMARK TANK S&S RETROFIT - CY | |
| 1731 · Hallmark - Prof Svs CY | 40,401.22 |
| Total 1730 · HALLMARK TANK S&S RETROFIT - CY | <u>40,401.22</u> |
| 1736 · METER CHANGE OUT PROG CY | |
| 1738 · Meter Chg Out - Parts | 5,621.22 |
| Total 1736 · METER CHANGE OUT PROG CY | <u>5,621.22</u> |
| 1740 · DEKOVEN TANKS S&S RETROFIT - CY | |
| 1741 · Dekoven - Prof Svs CY | 50,937.94 |
| Total 1740 · DEKOVEN TANKS S&S RETROFIT - CY | <u>50,937.94</u> |
| 1745 · FOLGER PUMP STATION DEMO - CY | |
| 1746 · Folger Demo - Prof Svs CY | 24,903.06 |
| Total 1745 · FOLGER PUMP STATION DEMO - CY | <u>24,903.06</u> |
| 1750 · FINANCIAL MANAGEMENT SYSTEM CY | |
| 1751 · FMS - Prof Svs CY | 58,683.80 |
| Total 1750 · FINANCIAL MANAGEMENT SYSTEM CY | <u>58,683.80</u> |
| 1755 · DAIRY LANE WIRING/CABLING | |
| 1757 · DL W/Cabling - Parts CY | 12,730.41 |
| 1759 · DL W/Cabling - Construction CY | 31,600.60 |
| Total 1755 · DAIRY LANE WIRING/CABLING | <u>44,331.01</u> |
| 1780 · METER UPGRADES - CY | |
| 1781 · 2177 Carlmont Drive | 4,644.74 |
| 1786 · 1401 Shoreway Springhill Htl U | 24,769.11 |
| 1939 · 2940 Alhambra Drive | 1,187.87 |
| Total 1780 · METER UPGRADES - CY | <u>30,601.72</u> |
| Total 1700 · CONSTRUCTION IN PROGRESS | <u>410,005.83</u> |
| Total Fixed Assets | 16,510,419.01 |
| Other Assets | |
| 1800 · OTHER ASSET | |
| 1801 · Net OPEB Asset | -4,565.45 |
| 1980 · Deferred Outflows | 203,461.00 |
| Total 1800 · OTHER ASSET | <u>198,895.55</u> |
| Total Other Assets | <u>198,895.55</u> |
| TOTAL ASSETS | <u>21,952,635.65</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2100 · Accounts Payable | 106,195.16 |
| Total Accounts Payable | <u>106,195.16</u> |
| Other Current Liabilities | |

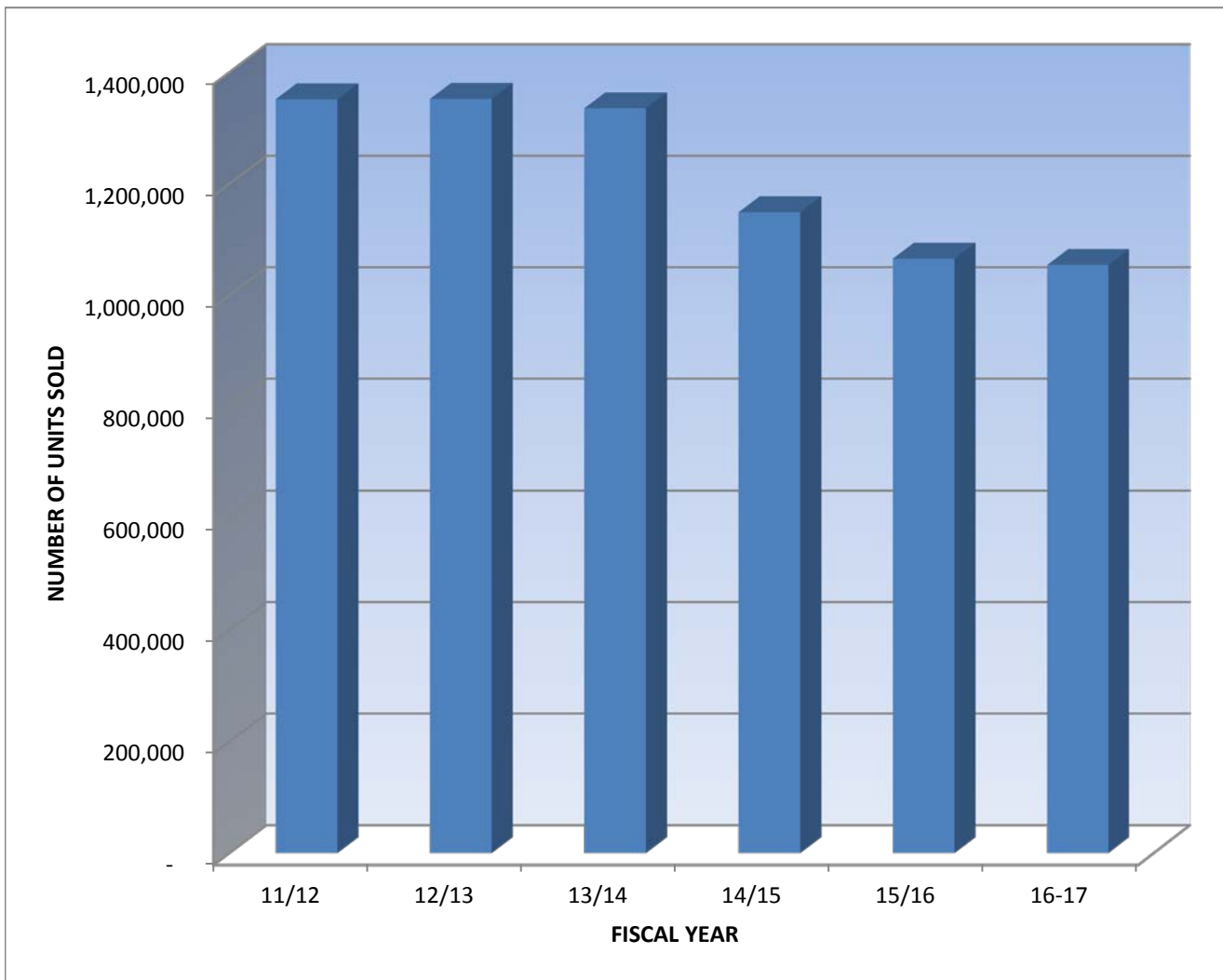
| | |
|--|---------------------|
| 2000 · Other Current Liabilities | |
| 2010 · Deferred Revenue | 600.00 |
| 2020 · Vacation & Holiday - Current | 128,481.36 |
| 2030 · Sick Leave Accrual - ST | 194,061.76 |
| 2050 · Accrued Expenses | 63,527.04 |
| 2070 · Customer Deposits | |
| 178101 · 2177 Carlmont Drive U | 113,210.14 |
| 178201 · 2904 San Juan Blvd U | 400.00 |
| 178301 · 2906 San Juan Blvd U | 400.00 |
| 178401 · 1710 Valley View CLOSED | 400.00 |
| 178601 · 1401 Shoreway Springhill Htl U | 195,321.64 |
| 178701 · 2204 Thurm Water Meter Upg U | 11,226.63 |
| 193901 · 2940 Alhambra Drive U | 17,363.44 |
| 207001 · 10 Notre Dame Pl landscape U | 400.00 |
| 207002 · 1471-1477 El Camino PRev U | 5,000.00 |
| 207003 · CD - 400 - 490 El Camino U | 4,039.25 |
| 207004 · CD - 1201 Shoreway Road U | 5,000.00 |
| 207005 · 539 Harbor Blvd Plan Check U | 5,000.00 |
| 207006 · 2128 Pullman Plan Check Rev U | 400.00 |
| 207007 · CD - 1901 Alden Plan Review U | 400.00 |
| 207008 · CD - 1320 Talbryn Drive PR U | 1,835.00 |
| 207009 · 699 Ralston Plan Review Fee U | 5,000.00 |
| 207010 · 576 - 600 El Camino Real U | 4,540.65 |
| 207011 · 322 Chesterton Fire Flow | 638.30 |
| 207012 · 2177 Carlmont Drive Plan Rev U | 5,000.00 |
| 207013 · 2828 Monte Cresta Fire H Reloc | 27,652.34 |
| 207014 · 1807 Bayview Avenue | 900.80 |
| 207015 · Dekoven Tank Sell Tower U | 2,500.00 |
| 207016 · 1401 Shoreway/Comorant U | 3,435.45 |
| 207017 · 360/380 Industrial Road (OSH) U | 4,254.98 |
| 207018 · 700 Island Parkway Plan Rev U | 5,000.00 |
| 207019 · 1006 Muir Way Fire Flow U | 103.12 |
| 207020 · Hallmark (CC) Cell Twr ImproveU | 2,133.81 |
| 207021 · Davis Dr Plan Review -CSpringsU | 5,000.00 |
| 207023 · 740 El Camino - Fire Install U | 7,727.04 |
| 207024 · 1831 Robin Whipple Way U | 638.30 |
| Total 2070 · Customer Deposits | <u>434,920.89</u> |
| 2999 · Deferred Inflows | <u>218,718.00</u> |
| Total 2000 · Other Current Liabilities | <u>1,040,309.05</u> |
| Total Other Current Liabilities | <u>1,040,309.05</u> |
| Total Current Liabilities | <u>1,146,504.21</u> |
| Long Term Liabilities | |
| 2700 · LONG TERM LIABILITIES | |
| 2996 · Net Pension Liability | 1,118,234.00 |
| Total 2700 · LONG TERM LIABILITIES | <u>1,118,234.00</u> |
| Total Long Term Liabilities | <u>1,118,234.00</u> |
| Total Liabilities | <u>2,264,738.21</u> |
| Equity | |
| 3000 · Opening Bal Equity | 144.00 |
| 3800 · Board Approved Reserves | |
| 3810 · Capital Reserve | 1,549,651.92 |
| 3820 · Emergency Reserve | 2,000,000.00 |
| 3830 · Working Capital Reserve | 500,000.00 |
| Total 3800 · Board Approved Reserves | <u>4,049,651.92</u> |

| | |
|--|-----------------------------|
| 3900 - Unappropriated Fund Balance | 216,681.75 |
| 3940 - Fund Balance Invest in Ut Plant | 16,510,419.01 |
| 3950 - Prior Period Adjustment | -1,532,601.00 |
| Net Income | 443,601.76 |
| Total Equity | <u>19,687,897.44</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>21,952,635.65</u></u> |

**WATER SALES ANALYSIS
MID-PENINSULA WATER DISTRICT
APPROVED BUDGET - FISCAL YEAR 2016/2017**

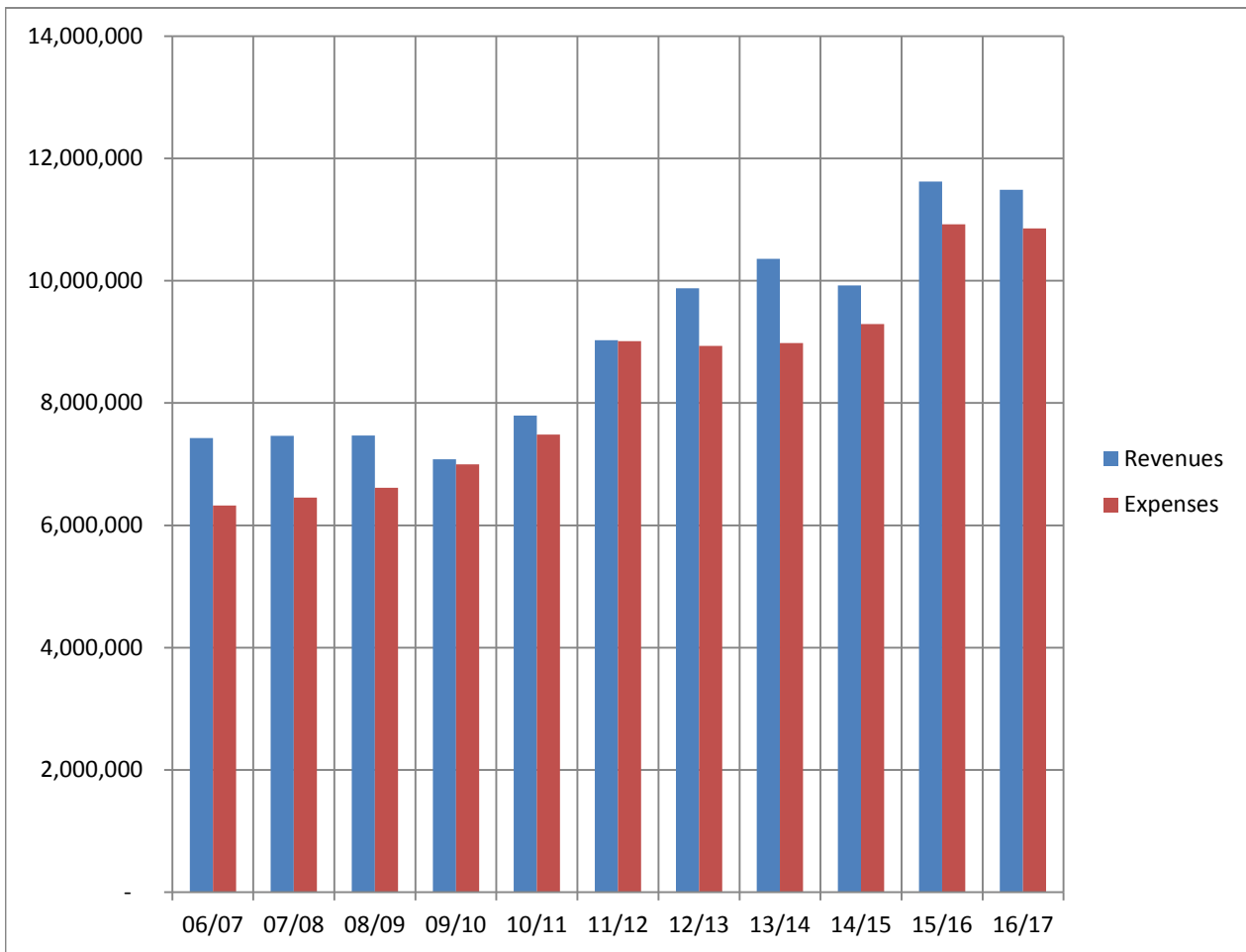
| Fiscal Year | Actual Number of Units Sold |
|--------------------|------------------------------------|
|--------------------|------------------------------------|

| | | |
|-------|-----------|---|
| 11/12 | 1,351,614 | |
| 12/13 | 1,352,197 | |
| 13/14 | 1,335,319 | |
| 14/15 | 1,148,813 | |
| 15/16 | 1,065,517 | Actual from July 2015 - May 2016 & Projected for June 2016 |
| 16-17 | 1,054,100 | Projection from Cash Flow Update by Bartle Wells April 2016 |



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

| Fiscal Year | Revenues | Expenses | |
|-------------|------------|------------|------------------|
| 06/07 | 7,430,071 | 6,323,429 | |
| 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 | 2015/2016 Budget |
| 16/17 | 11,488,120 | 10,856,950 | |

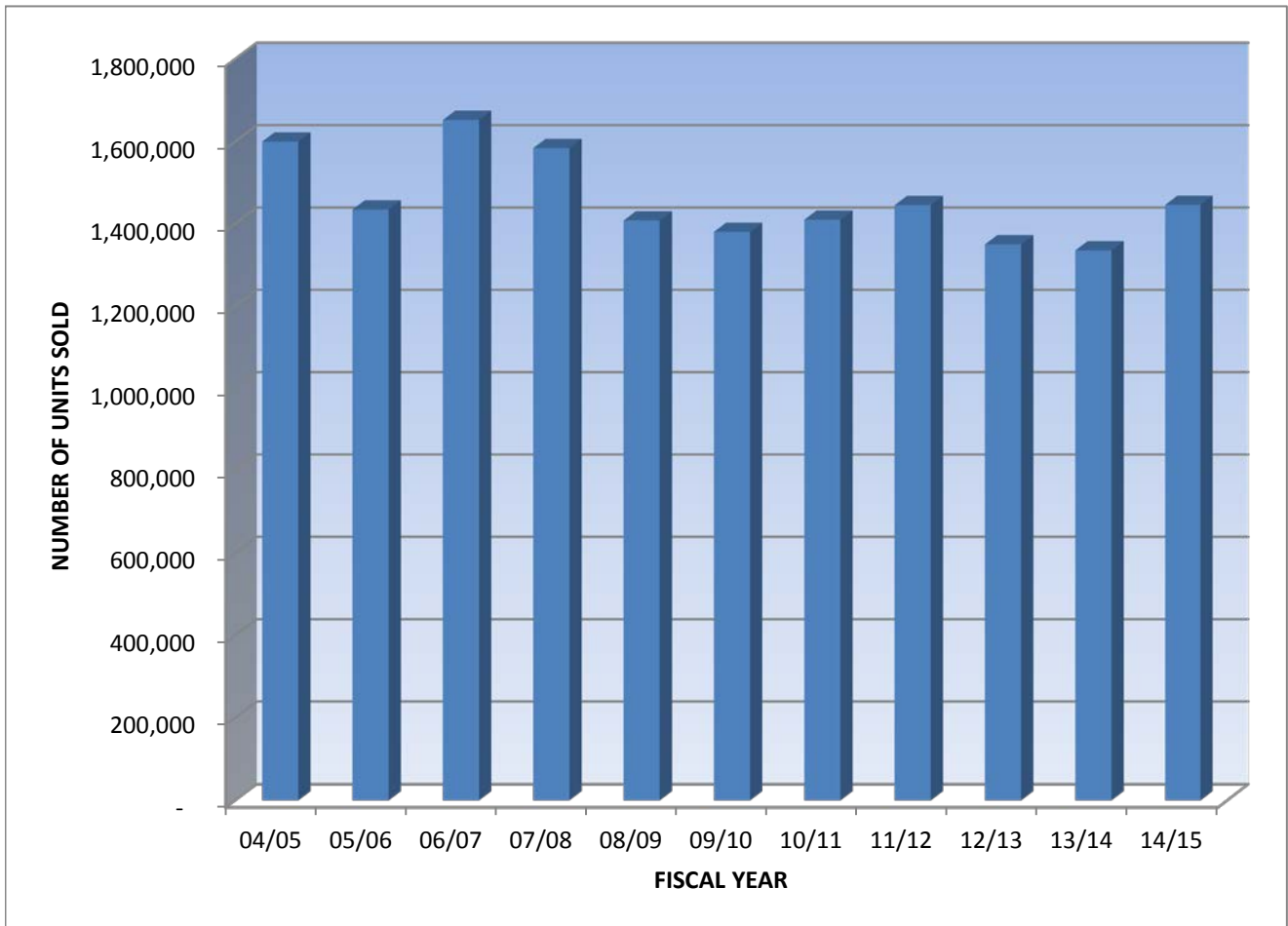


**WATER SALES ANALYSIS
MID-PENINSULA WATER DISTRICT
APPROVED BUDGET - FISCAL YEAR 2014/2015**

| Fiscal Year | Actual Number of Units Purchased |
|--------------------|---|
|--------------------|---|

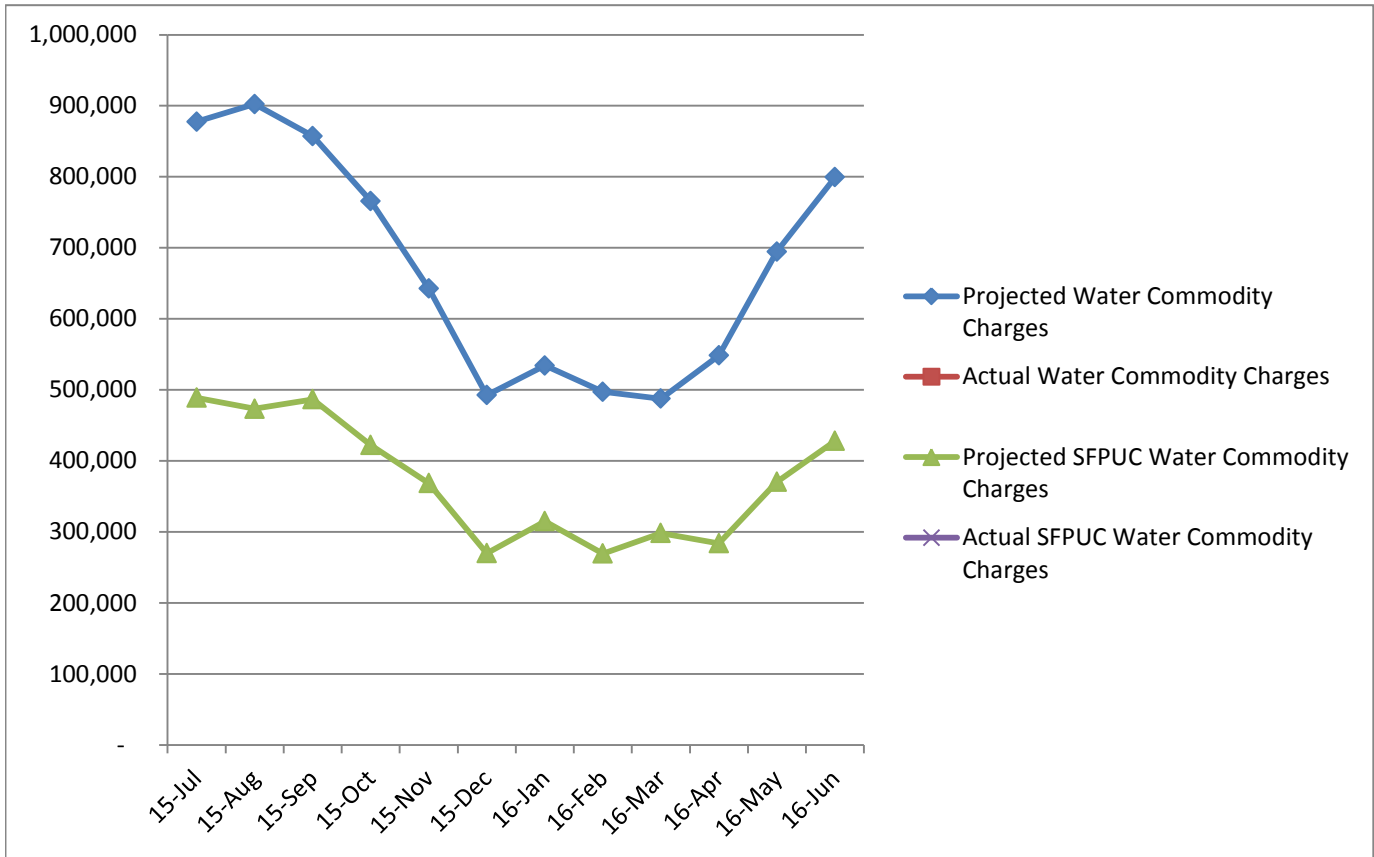
| | |
|-------|-----------|
| 04/05 | 1,599,472 |
| 05/06 | 1,434,648 |
| 06/07 | 1,652,208 |
| 07/08 | 1,583,791 |
| 08/09 | 1,407,976 |
| 09/10 | 1,380,310 |
| 10/11 | 1,409,727 |
| 11/12 | 1,445,282 |
| 12/13 | 1,350,039 |
| 13/14 | 1,335,319 |
| 14/15 | 1,445,842 |

Projected increase includes PAMF clinic on line Nov 2014



**WATER COMMODITY SALES & PURCHASE ANALYSIS
MID-PENINSULA WATER DISTRICT
FY 2015/2016**

| Month | Projected Water Commodity Charges | Actual Water Commodity Charges | Projected SFPUC Water Commodity Charges | Actual SFPUC Water Commodity Charges |
|--------|-----------------------------------|--------------------------------|---|--------------------------------------|
| 15-Jul | 877,590 | | 489,016 | |
| 15-Aug | 902,328 | | 473,484 | |
| 15-Sep | 857,296 | | 486,595 | |
| 15-Oct | 765,936 | | 422,362 | |
| 15-Nov | 642,755 | | 368,651 | |
| 15-Dec | 492,570 | | 269,938 | |
| 16-Jan | 534,202 | | 315,073 | |
| 16-Feb | 497,295 | | 269,627 | |
| 16-Mar | 487,686 | | 298,365 | |
| 16-Apr | 548,434 | | 283,967 | |
| 16-May | 694,575 | | 370,376 | |
| 16-Jun | 799,332 | | 428,037 | |





3 DAIRY LANE – POST OFFICE BOX 129
BELMONT, CA 94002
(650) 591-8941
www.midpeninsulawater.org

May 23, 2016

NOTICE OF INCREASE IN WATER RATES

Since 1929, the Mid-Peninsula Water District (MPWD) has been reliably delivering high quality Hetch Hetchy drinking water to the communities of Belmont, San Carlos, and unincorporated areas of San Mateo County. We sincerely appreciate the opportunity to serve you.

The MPWD is a self-supporting agency, relying primarily on revenues from water charges and service fees to fund its operations. Understanding that rate increases may present financial challenges for some consumers, we hope the following information provides clarification why the MPWD water service rate increase is needed effective July 1, 2016.

BACKGROUND ON APPROVED MPWD 5-YEAR RATE PLAN

Following a formal notice and Proposition 218 majority protest hearing process on June 25, 2015, the MPWD Board of Directors approved a series of annual water rate adjustments over a 5-year period (July 1, 2015, through June 30, 2020), including a pass through provision of any excess SFPUC wholesale water rate increases.

UPDATE ON SAN FRANCISCO REGIONAL WATER SUPPLY SYSTEM IMPROVEMENT PROGRAM

The MPWD relies on imported treated water from the San Francisco Public Utility Commission (SFPUC) for 100% of its water supply. The SFPUC is undertaking a \$4.8 billion Water Supply Improvement Program (WSIP) for much needed capital replacement and rehabilitation of the almost 100-year-old Hetch Hetchy water supply system. This multi-year capital improvements program will meet water quality requirements, and ensure the reliability, capacity and seismic safety of the aging Hetch Hetchy water infrastructure system in an environmentally sustainable and cost-effective manner. May 2019 is the anticipated completion of the WSIP. For more detailed information, please review the recent SFPUC WSIP Regional Projects Quarterly Report (2nd Quarter FY 2015/2016) for a summary of the program's regional projects at <http://www.sfwater.org/modules/showdocument.aspx?documentid=8436>.

MPWD'S SUSTAINED FOCUS ON COST-EFFICIENCY AND PRUDENT FINANCIAL MANAGEMENT

Through diligent budgeting, financial management, and cost controls, the MPWD continues its commitment to providing high-quality cost-efficient services. The MPWD has prudently managed its annual operations and capital improvements despite continued reduced revenues as a result of customer water conservation achievements.

WHY ARE WATER SERVICE RATES BEING INCREASED?

The SFPUC will impose a wholesale water rate increase of 9.3% effective July 1st. That means the charge for wholesale customers, like the MPWD, will be increased from \$3.75 hcf to \$4.10 hcf. SFPUC's rate increase is primarily due to the reduced wholesale customer sales projections from 130 mgd for FY 2015/2016 to 107 mgd for FY 2016/2017.

Pursuant to California Government Code Section 53756, the MPWD adopted the pass through of any additional increases in SFPUC wholesale water rates above the previously projected SFPUC rate for FY 2016/2017 (\$3.78CCF). That means the MPWD's tiered customer rates will increase by \$0.32 hcf effective July 1, 2016, as reflected in the table on the reverse side.

Also effective July 1, 2016, will be minimal increases to the MPWD monthly fixed system charges and breakpoint transitions for Residential Tiers 2, 3, and 4 as shown in the table on the reverse side.

Rates Effective July 1, 2016 with SFPUC Wholesale Pass-Through

| | | Proposed Rates Effective July 1, 2016 | | |
|--|--------------------|---------------------------------------|--|--|
| | | Previously Adopted Rates | SFPUC Wholesale Rate Pass Through* | Total With SFPUC Rate Pass Through |
| Fixed Monthly Charges | | | | |
| <i>Billed based on meter size</i> | | | | |
| <u>Meter</u> | <u>Meter Ratio</u> | | | |
| 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 | | | | |
| <i>Billed based on monthly metered water use (\$/hcf)</i> | | | | |
| <u>Residential Rate Tiers</u> | | | | |
| Tier 1 | 0 - 2 hcf | \$5.30 | \$0.32 | \$5.62 |
| Tier 2 | 3 - 8 hcf | 7.90 | 0.32 | 8.22 |
| Tier 3 | 9 - 20 hcf | 9.50 | 0.32 | 9.82 |
| Tier 4 | Over 20 hcf | 11.10 | 0.32 | 11.42 |
| <u>Commercial Rate Tiers</u> | | | | |
| Tier 1 | 0 - 5 hcf | \$7.25 | \$0.32 | \$7.57 |
| Tier 2 | Over 5 hcf | 8.35 | 0.32 | 8.67 |
| Note: 1 hcf = one hundred cubic feet or approximately 748 gallons. | | | | |

* The 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 the MPWD's Proposition 218 Notice and SFPUC's wholesale rate of \$4.10 per hcf adopted on May 10, 2016.

WHAT WILL THE MPWD WATER RATE INCREASE LOOK LIKE?

As a result of the rate increase effective on July 1, 2016, a typical single family water bill (7 hcf) will be approximately \$6.84 higher per month.

CONTACT INFORMATION

Please contact us should you have any questions or comments at mpwd@midpeninsulawater.org or call 650-591-8941.



Bringing Quality Water to Your Door Since 1929