

## **STAFF REPORT**

**To:** Coastside County Water District Board of Directors

**From:** Mary Rogren, Assistant General Manager

**Agenda:** February 14, 2017

### **Report**

**Date:** February 10, 2017

**Subject:** Draft Fiscal Year 2017-2018 Operations Budget and Draft Fiscal Year 2017/18 to 2026/27 Capital Improvement Program.

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### **Recommendation:**

No Board action required at this time.

### **Background:**

Staff presents for the Board's review the attached draft Fiscal Year 2017-2018 Operations Budget and draft Fiscal Year 2017/18 to 2026/27 Capital Improvement Program (CIP). Staff will make a presentation reviewing budget details.

Note that this is the first introduction to the Board of the draft Fiscal Year 2017-2018 Budget and the 10 year Capital Improvement Program. Over the next few months, staff will be meeting with the Board to discuss the budget in further detail. (Please refer to the Budget Timeline for meeting dates. Note that staff met with the Finance Committee on February 8 and the Facilities Committee on February 9 to discuss the draft Operations Budget and CIP.)

Highlights:

### **Budget to Budget Comparison**

- FY2018 Budget assumes water sales at current levels of 560 MG, up from the 550 MG planned in the FY2017 Budget. As the rate adjustment is still to be determined, no rate adjustment has been included in the draft budget.
- FY2018 water purchases from SFPUC are \$276,000 less than the FY2017 budget primarily due to an increased use of local sources. The impact of the SFPUC volume decrease is partially offset by a 5.7% increase in SFPUC water rates.
- Total FY2017 Operating Expenses are 2.2% higher than the FY2016 budget (or \$183,000), primarily due to increases in engineering, pension costs and inflation adjustments.
- The FY2018 budget also includes an additional \$179,000 for debt service for a new (2016) IBank loan.

CIP

- \$29,460,000 total 10 year CIP (FY2018 dollars)
- \$15,815,000 total 5 year CIP (average of \$3,163,000 per year)
- Increase of \$1,880,000 for FY17 - FY21 CIP includes \$1,200,000 increases in cost estimates for tank recoating/rehabilitation.

Please note that due to the volume of paper, the individual detailed sheets for the Operations Budget and Capital Improvement Program are not included in this agenda packet. The individual detailed sheets are available in electronic form on the District's website at [www.coastsidewater.org](http://www.coastsidewater.org) or hard copies may be obtained at the District's office.

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## Operations &amp; Maintenance Budget - FY 2017-2018

|                                    |                                    | Proposed Budget FY 17/18 | Approved FY 16/17 Budget | FY17/18 Budget Vs. FY 16/17 Budget \$ Change | FY17/18 Budget Vs. FY 16/17 Budget % Change | Proj Year End Actual FY 16/17 | FY 17/18 Budget Vs. FY 16/17 Actual \$ Change | FY 17/18 Budget Vs. FY 16/17 Actual % Change | YTD Actual FY 16/17 as of January 31, 2017 |
|------------------------------------|------------------------------------|--------------------------|--------------------------|--|---|-------------------------------|---|--|--|
| Account Number                     | Description                        |                          |                          |  |   |                               |   |  |  |
| <b>OPERATING REVENUE</b>           |                                    |                          |                          |  |   |                               |   |  |  |
| 4120                               | Water Sales (1)                    | \$10,400,000             | \$10,266,127             | \$133,873                                    | 1.3%  | \$10,400,000                  | \$0   | 0.0%   | \$6,340,645                                |
| <b>Total Operating Revenue</b>     |                                    | <b>\$10,400,000</b>      | <b>\$10,266,127</b>      | <b>\$133,873</b>                             | <b>1.3%</b>                                 | <b>\$10,400,000</b>           | <b>\$0</b>                                    | <b>0.0%</b>                                  | <b>\$6,340,645</b>                         |
| <b>NON-OPERATING REVENUE</b>       |                                    |                          |                          |  |   |                               |   |  |  |
| 4170                               | Hydrant Sales                      | \$50,000                 | \$50,000                 | \$0  | 0.0%  | \$55,000                      | -\$5,000                                      | -9.1%  | \$43,804                                   |
| 4180                               | Late Penalty                       | \$60,000                 | \$72,000                 | -\$12,000                                    | -16.7%                                      | \$60,000                      | \$0   | 0.0%   | \$45,711                                   |
| 4230                               | Service Connections                | \$10,000                 | \$10,000                 | \$0  | 0.0%  | \$12,000                      | -\$2,000                                      | -16.7%                                       | \$9,340                                    |
| 4920                               | Interest Earned                    | \$6,174                  | \$3,070                  | \$3,104                                      | 101.1%                                      | \$3,500                       | \$2,674                                       | 76.4%  | \$3,277                                    |
| 4930                               | Property Taxes                     | \$700,000                | \$600,000                | \$100,000                                    | 16.7%                                       | \$700,000                     | \$0   | 0.0%   | \$419,074                                  |
| 4950                               | Miscellaneous                      | \$37,000                 | \$37,000                 | \$0  | 0.0%  | \$105,000                     | -\$68,000                                     | -64.8%                                       | \$101,052                                  |
| 4955                               | Cell Site Lease Income             | \$154,000                | \$143,692                | \$10,308                                     | 7.2%  | \$150,000                     | \$4,000                                       | 2.7%   | \$86,855                                   |
| 4965                               | ERAF Refund                        | \$250,000                | \$200,000                | \$50,000                                     | 25.0%                                       | \$325,314                     | -\$75,314                                     | -23.2%                                       | \$325,314                                  |
| <b>Total Non-Operating Revenue</b> |                                    | <b>\$1,267,174</b>       | <b>\$1,115,762</b>       | <b>\$151,412</b>                             | <b>13.6%</b>                                | <b>\$1,410,814</b>            | <b>-\$143,640</b>                             | <b>-10.2%</b>                                | <b>\$1,034,427</b>                         |
| <b>TOTAL REVENUES</b>              |                                    | <b>\$11,667,174</b>      | <b>\$11,381,889</b>      | <b>\$285,285</b>                             | <b>2.5%</b>                                 | <b>\$11,810,814</b>           | <b>-\$143,640</b>                             | <b>-1.2%</b>                                 | <b>\$7,375,072</b>                         |
| <b>OPERATING EXPENSES</b>          |                                    |                          |                          |  |   |                               |   |  |  |
| 5130                               | Water Purchased                    | \$2,302,064              | \$2,578,474              | -\$276,410                                   | -10.7%                                      | \$2,260,000                   | \$42,064                                      | 1.9%   | \$1,481,940                                |
| 5230                               | Electrical Exp. Nunes WTP          | \$40,280                 | \$31,270                 | \$9,010                                      | 28.8%                                       | \$38,000                      | \$2,280                                       | 6.0%   | \$20,361                                   |
| 5231                               | Electrical Expenses, CSP           | \$318,000                | \$325,420                | -\$7,420                                     | -2.3%                                       | \$300,000                     | \$18,000                                      | 6.0%   | \$213,160                                  |
| 5232                               | Electrical Expenses/Trans. & Dist. | \$25,440                 | \$18,020                 | \$7,420                                      | 41.2%                                       | \$24,000                      | \$1,440                                       | 6.0%   | \$13,123                                   |
| 5233                               | Elec Exp/Pilarcitos Cyn            | \$32,309                 | \$26,000                 | \$6,309                                      | 24.3%                                       | \$25,000                      | \$7,309                                       | 29.2%  | \$20,572                                   |
| 5234                               | Electrical Exp., Denn              | \$92,220                 | \$85,000                 | \$7,220                                      | 8.5%  | \$90,000                      | \$2,220                                       | 2.5%   | \$28,244                                   |
| 5242                               | CSP - Operation                    | \$10,500                 | \$10,500                 | \$0  | 0.0%  | \$10,500                      | \$0   | 0.0%   | \$5,649                                    |
| 5243                               | CSP - Maintenance                  | \$37,000                 | \$37,000                 | \$0  | 0.0%  | \$37,000                      | \$0   | 0.0%   | \$7,313                                    |
| 5246                               | Nunes WTP Oper                     | \$72,000                 | \$57,000                 | \$15,000                                     | 26.3%                                       | \$70,000                      | \$2,000                                       | 2.9%   | \$36,597                                   |
| 5247                               | Nunes WTP Maint                    | \$122,500                | \$80,500                 | \$42,000                                     | 52.2%                                       | \$85,000                      | \$37,500                                      | 44.1%  | \$47,922                                   |
| 5248                               | Denn. WTP Oper.                    | \$34,500                 | \$35,000                 | -\$500                                       | -1.4%                                       | \$29,000                      | \$5,500                                       | 19.0%  | \$11,555                                   |
| 5249                               | Denn WTP Maint                     | \$60,000                 | \$53,000                 | \$7,000                                      | 13.2%                                       | \$70,000                      | -\$10,000                                     | -14.3%                                       | \$50,173                                   |
| 5250                               | Laboratory Expenses                | \$53,000                 | \$53,000                 | \$0  | 0.0%  | \$53,000                      | \$0   | 0.0%   | \$24,703                                   |
| 5260                               | Maintenance Expenses               | \$291,700                | \$281,700                | \$10,000                                     | 3.5%  | \$281,700                     | \$10,000                                      | 3.5%   | \$140,093                                  |
| 5261                               | Maintenance, Wells                 | \$40,000                 | \$50,000                 | -\$10,000                                    | -20.0%                                      | \$40,000                      | \$0   | 0.0%   | \$10,978                                   |
| 5263                               | Uniforms                           | \$10,000                 | \$10,000                 | \$0  | 0.0%  | \$10,000                      | \$0   | 0.0%   | \$7,940                                    |
| 5318                               | Studies/Surveys/Consulting         | \$160,000                | \$150,000                | \$10,000                                     | 6.7%  | \$150,000                     | \$10,000                                      | 6.7%   | \$33,256                                   |
| 5321                               | Water Resources                    | \$37,000                 | \$47,000                 | -\$10,000                                    | -21.3%                                      | \$25,000                      | \$12,000                                      | 48.0%  | \$5,377                                    |
| 5322                               | Community Outreach                 | \$54,700                 | \$50,000                 | \$4,700                                      | 9.4%  | \$50,000                      | \$4,700                                       | 9.4%   | \$4,259                                    |
| 5381                               | Legal                              | \$110,000                | \$60,000                 | \$50,000                                     | 83.3%                                       | \$100,000                     | \$10,000                                      | 10.0%  | \$50,421                                   |
| 5382                               | Engineering                        | \$100,000                | \$14,000                 | \$86,000                                     | 614.3%                                      | \$54,000                      | \$46,000                                      | 85.2%  | \$4,200                                    |
| 5383                               | Financial Services                 | \$20,000                 | \$20,000                 | \$0  | 0.0%  | \$18,000                      | \$2,000                                       | 11.1%  | \$8,580                                    |
| 5384                               | Computer Services                  | \$144,800                | \$125,300                | \$19,500                                     | 15.6%                                       | \$100,000                     | \$44,800                                      | 44.8%  | \$55,050                                   |
| 5410                               | Salaries, Admin.                   | \$1,147,800              | \$1,100,800              | \$47,000                                     | 4.3%  | \$960,000                     | \$187,800                                     | 19.6%  | \$535,191                                  |
| 5411                               | Salaries - Field                   | \$1,258,789              | \$1,217,375              | \$41,414                                     | 3.4%  | \$1,217,375                   | \$41,414                                      | 3.4%   | \$757,500                                  |

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**Operations & Maintenance Budget - FY 2017-2018**

| Account Number                          | Description                 | Proposed Budget FY 17/18 | FY17/18 Budget Vs. FY 16/17 Budget |                  |              | FY 17/18 Budget Vs. FY 16/17 Actual |                   |               | YTD Actual FY 16/17 as of January 31, 2017 |
|---|-----------------------------|--------------------------|------------------------------------|------------------|--------------|-------------------------------------|-------------------|---------------|--|
|   |                             |                          | Approved FY 16/17 Budget           | \$ Change        | % Change     | Proj Year End Actual FY 16/17       | \$ Change         | % Change      |  |
| 5420                                    | Payroll Taxes               | \$169,904                | \$162,245                          | \$7,659          | 4.7%         | \$150,000                           | \$19,904          | 13.3%         | \$88,321                                   |
| 5435                                    | Employee Medical Insurance  | \$447,056                | \$412,904                          | \$34,152         | 8.3%         | \$412,904                           | \$34,152          | 8.3%          | \$232,032                                  |
| 5436                                    | Retiree Medical Insurance   | \$47,215                 | \$59,976                           | -\$12,761        | -21.3%       | \$59,976                            | -\$12,761         | -21.3%        | \$29,220                                   |
| 5440                                    | Employee Retirement         | \$542,877                | \$508,257                          | \$34,620         | 6.8%         | \$485,000                           | \$57,877          | 11.9%         | \$269,696                                  |
| 5445                                    | SIP 401a Plan               | \$35,000                 | \$33,000                           | \$2,000          | 6.1%         | \$33,000                            | \$2,000           | 6.1%          | \$0  |
| 5510                                    | Motor Vehicle Exp.          | \$50,700                 | \$56,700                           | -\$6,000         | -10.6%       | \$50,000                            | \$700             | 1.4%          | \$27,715                                   |
| 5620                                    | Office & Billing Expenses   | \$225,500                | \$170,775                          | \$54,725         | 32.0%        | \$225,000                           | \$500             | 0.2%          | \$135,112                                  |
| 5625                                    | Meetings/Training/Seminars  | \$24,000                 | \$24,000                           | \$0              | 0.0%         | \$24,000                            | \$0               | 0.0%          | \$9,896                                    |
| 5630                                    | Insurance                   | \$120,000                | \$120,000                          | \$0              | 0.0%         | \$115,000                           | \$5,000           | 4.3%          | \$72,301                                   |
| 5687                                    | Memberships & Subscriptions | \$75,350                 | \$74,000                           | \$1,350          | 1.8%         | \$74,000                            | \$1,350           | 1.8%          | \$47,725                                   |
| 5688                                    | Election Expense            | \$0                      | \$0                                | \$0              |              | \$0                                 | \$0               |               | \$0  |
| 5689                                    | Union Expenses              | \$6,000                  | \$6,000                            | \$0              | 0.0%         | \$6,000                             | \$0               | 0.0%          | \$0  |
| 5700                                    | County Fees                 | \$20,000                 | \$19,000                           | \$1,000          | 5.3%         | \$19,000                            | \$1,000           | 5.3%          | \$11,242                                   |
| 5705                                    | State Fees                  | \$24,000                 | \$16,000                           | \$8,000          | 50.0%        | \$24,000                            | \$0               | 0.0%          | \$19,332                                   |
| <b>Total Operating Expenses</b>         |                             | <b>\$8,362,203</b>       | <b>\$8,179,216</b>                 | <b>\$182,987</b> | <b>2.2%</b>  | <b>\$7,775,455</b>                  | <b>\$586,748</b>  | <b>7.5%</b>   | <b>\$4,516,749</b>                         |
| <b>CAPITAL ACCOUNTS</b>                 |                             |                          |                                    |                  |              |                                     |                   |               |  |
| 5712                                    | Existing Bonds - 2006B      | \$486,776                | \$486,426                          | \$350            | 0.1%         | \$486,395                           | \$381             | 0.1%          | \$359,439                                  |
| 5715                                    | Existing Bond-CIEDB 11-099  | \$336,269                | \$336,409                          | -\$140           | 0.0%         | \$336,409                           | -\$140            | 0.0%          | \$336,409                                  |
| 5716                                    | CIEDB 16-111                | \$324,652                | \$145,203                          | \$179,449        |              | \$145,203                           | \$179,449         |               | \$145,203                                  |
| <b>Total Capital Accounts</b>           |                             | <b>\$1,147,697</b>       | <b>\$968,038</b>                   | <b>\$179,659</b> | <b>18.6%</b> | <b>\$968,007</b>                    | <b>\$179,690</b>  | <b>18.6%</b>  | <b>\$841,051</b>                           |
| <b>TOTAL REVENUE LESS TOTAL EXPENSE</b> |                             | <b>\$2,157,274</b>       | <b>\$2,234,635</b>                 | <b>-\$77,361</b> | <b>-3.5%</b> | <b>\$3,067,352</b>                  | <b>-\$910,078</b> | <b>-29.7%</b> | <b>\$2,017,271</b>                         |
| 5713                                    | Cont. to CIP & Reserves     | \$2,157,274              |                                    |                  |              |                                     |                   |               |  |

Notes:

| Project # | Project Name | Comments | FY 17/18 | FY18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 | FY 23/24 | FY 24/25 | FY 25/26 | FY26/27 | FY 17/18 to FY 26/27 Total |
|-----------|--------------|----------|----------|---------|----------|----------|----------|----------|----------|----------|----------|---------|----------------------------|
|-----------|--------------|----------|----------|---------|----------|----------|----------|----------|----------|----------|----------|---------|----------------------------|

Equipment Purchase & Replacement

|       |   |                             |            |           |            |           |           |            |           |           |           |           |            |
|-------|---|-----------------------------|------------|-----------|------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|------------|
| 06-03 | SCADA/Telemetry/Electric Controls Replacement ( <i>Backup Communications @ Cahill, PRV controls</i> ) | \$50K added for each year   | \$ 50,000  | \$ 50,000 | \$ 50,000  | \$ 50,000 | \$ 50,000 | \$ 50,000  | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 500,000 |
| 08-10 | Backhoe   | cost increase (from \$80K)  |            |           | \$ 130,000 |           |           |            |           |           |           |           | \$ 130,000 |
| 08-12 | New Service Truck   | cost increase (from \$200K) | \$ 250,000 |           |            |           |           |            |           |           |           |           | \$ 250,000 |
| 15-04 | Vactor Truck/Trailer  | moved from FY18/19          |            |           |            |           |           | \$ 500,000 |           |           |           |           | \$ 500,000 |
| 99-02 | Vehicle Replacement   | added vehicle replacements  | \$ 90,000  | \$ 90,000 | \$ 30,000  | \$ 30,000 | \$ 30,000 | \$ 30,000  | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 420,000 |
| 99-03 | Computer Systems  |                             | \$ 5,000   | \$ 5,000  | \$ 5,000   | \$ 5,000  | \$ 5,000  | \$ 5,000   | \$ 5,000  | \$ 5,000  | \$ 5,000  | \$ 5,000  | \$ 50,000  |
| 99-04 | Office Equipment/Furniture  |                             | \$ 3,000   | \$ 3,000  | \$ 3,000   | \$ 3,000  | \$ 3,000  | \$ 3,000   | \$ 3,000  | \$ 3,000  | \$ 3,000  | \$ 3,000  | \$ 30,000  |

|  |  |  |            |            |            |           |           |            |           |           |           |           |              |
|--|--|--|------------|------------|------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|--------------|
| <i>Equipment Purchase &amp; Replacement Totals</i> |  |  | \$ 398,000 | \$ 148,000 | \$ 218,000 | \$ 88,000 | \$ 88,000 | \$ 588,000 | \$ 88,000 | \$ 88,000 | \$ 88,000 | \$ 88,000 | \$ 1,880,000 |
|--|--|--|------------|------------|------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|--------------|

Facilities & Maintenance

|       |   |   |            |           |           |           |           |           |           |           |              |           |              |
|-------|---|---|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|--------------|
| 08-08 | PRV Valves Replacement Project            |   | \$ 30,000  | \$ 30,000 | \$ 30,000 |           |           |           |           |           |              |           | \$ 90,000    |
| 09-07 | Advanced Metering Infrastructure          | moved up installation from FY18/19; added \$250K for contract installation in FY17/18; removed \$50K in FY19/20 and \$20K/yr from FY18/19 forward; net 5 year change = + \$160K | \$ 850,000 |           |           |           |           |           |           |           |              |           | \$ 850,000   |
| 09-09 | Fire Hydrant Replacement                  |   | \$ 40,000  | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000    | \$ 40,000 | \$ 400,000   |
| 15-03 | District Administration/Operations Center |   |            |           |           |           |           |           |           |           | \$ 3,000,000 |           | \$ 3,000,000 |
| 16-07 | Sample Station Replacement Project        |   | \$ 5,000   | \$ 5,000  | \$ 5,000  | \$ 5,000  | \$ 5,000  | \$ 5,000  | \$ 5,000  | \$ 5,000  |              |           | \$ 40,000    |
| 99-01 | Meter Change Program                      | moved up \$300K from FY 18/19   | \$ 600,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000    | \$ 20,000 | \$ 780,000   |

|  |  |  |              |           |           |           |           |           |           |           |              |           |              |
|--|--|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|--------------|
| <i>Facilities and Maintenance Totals</i> |  |  | \$ 1,525,000 | \$ 95,000 | \$ 95,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 | \$ 3,060,000 | \$ 60,000 | \$ 5,160,000 |
|--|--|--|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|--------------|

Pipeline Projects

|       |   |   |            |            |            |              |              |              |              |            |              |              |              |
|-------|---|---|------------|------------|------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|
| 06-02 | Highway 1 South Pipeline Replacement Project                | moved up from FY 19/20; reduced cost \$800K                         | \$ 80,000  | \$ 500,000 |            |              |              |              |              |            |              |              | \$ 580,000   |
| 07-03 | Pilarcitos Canyon Pipeline Replacement                      | moved up from FY 23/24 (interest from SFPUC) -- reduced cost \$400K | \$ 150,000 | \$ 600,000 |            |              |              |              |              |            |              |              | \$ 750,000   |
| 07-04 | Bell Moon Pipeline Replacement Project                      |   |            |            |            |              |              |              | \$ 60,000    | \$ 250,000 |              |              | \$ 310,000   |
| 13-02 | Replace 8 Inch Pipeline Under Creek at Pilarcitos Ave       |   |            |            |            |              | \$ 400,000   |              |              |            |              |              | \$ 400,000   |
| 14-01 | Replace 12" Welded Steel Line on Hwy 92 with 8"             |   | \$ 300,000 |            |            | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |              |            |              |              | \$ 3,300,000 |
| 14-27 | Grandview 2 Inch Replacement                                |   |            |            |            |              |              |              | \$ 450,000   |            |              |              | \$ 450,000   |
| 14-28 | Replace 2 Inch Hilltop Market to Spanishtown                |   |            |            |            |              |              |              | \$ 240,000   |            |              |              | \$ 240,000   |
| 14-29 | Replace 2 Inch GS Purissima Way                             |   |            |            | \$ 125,000 |              |              |              |              |            |              |              | \$ 125,000   |
| 14-30 | Replace Miscellaneous 2 Inch GS El Granada                  |   |            | \$ 60,000  |            |              |              |              |              |            |              |              | \$ 60,000    |
| 14-31 | Ferdinand Avenue - Replace 4" WS Ferdinand Ave. to Columbus |   |            | \$ 225,000 |            |              |              |              |              |            |              |              | \$ 225,000   |
| 14-32 | Casa Del Mar - Replace Cast Iron Mains                      |   |            |            |            |              | \$ 1,000,000 | \$ 1,000,000 |              |            |              |              | \$ 2,000,000 |
| 14-33 | Miramar Cast Iron Pipeline Replacement                      |   |            |            |            |              |              |              |              | \$ 500,000 | \$ 1,000,000 |              | \$ 1,500,000 |
| 16-09 | Slipline 10 Inch Pipeline in Magellan at Hwy 1              |   |            | \$ 100,000 |            |              |              |              |              |            |              |              | \$ 100,000   |
| 18-XX | Pine Willow Oak - 2400 feet                                 | new   |            |            |            |              | \$ 500,000   |              |              |            |              |              | \$ 500,000   |
| NN-00 | Pipeline Replacement  |   |            |            |            |              |              |              | \$ 1,050,000 | \$ 750,000 | \$ 500,000   | \$ 1,500,000 | \$ 3,800,000 |

|                                 |  |  |            |              |            |              |              |              |              |              |              |              |               |
|---------------------------------|--|--|------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <i>Pipeline Projects Totals</i> |  |  | \$ 530,000 | \$ 1,425,000 | \$ 185,000 | \$ 1,000,000 | \$ 2,900,000 | \$ 2,000,000 | \$ 1,800,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 1,500,000 | \$ 14,340,000 |
|---------------------------------|--|--|------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|

Pump Stations/Tanks/Wells

|       |   |                            |            |              |  |  |  |  |  |  |  |  |              |
|-------|---|----------------------------|------------|--------------|--|--|--|--|--|--|--|--|--------------|
| 06-04 | Hazen's Tank Replacement                  | moved from FY 16/17        | \$ 30,000  |              |  |  |  |  |  |  |  |  | \$ 30,000    |
| 08-14 | Alves Tank Recoating, Interior & Exterior | increased cost from \$600K | \$ 100,000 | \$ 1,500,000 |  |  |  |  |  |  |  |  | \$ 1,600,000 |
| 08-16 | Cahill Tank Exterior Recoat               |                            |            | \$ 75,000    |  |  |  |  |  |  |  |  | \$ 75,000    |
| 09-18 | New Pilarcitos Well                       |                            |            | \$ 150,000   |  |  |  |  |  |  |  |  | \$ 150,000   |

| Project # | Project Name   | Comments  | FY 17/18  | FY18/19    | FY 19/20   | FY 20/21   | FY 21/22  | FY 22/23   | FY 23/24 | FY 24/25 | FY 25/26 | FY26/27 | FY 17/18 to FY 26/27 Total |
|-----------|--|---|-----------|------------|------------|------------|-----------|------------|----------|----------|----------|---------|----------------------------|
| 11-02     | CSPS Stainless Steel Inlet Valves                        |   |           | \$ 100,000 |            |            |           |            |          |          |          |         | \$ 100,000                 |
| 11-05     | Half Moon Bay Tank #2 Interior & Exterior Recoat         | moved from FY 17/18; increased cost from \$200K |           |            | \$ 20,000  | \$ 400,000 |           |            |          |          |          |         | \$ 420,000                 |
| 11-06     | Half Moon Bay Tank #3 Interior & Exterior Recoat         | moved from FY 19/30; increased cost from \$200K |           |            |            |            | \$ 20,000 | \$ 400,000 |          |          |          |         | \$ 420,000                 |
| 13-08     | Crystal Springs Spare 350 HP Motor                       |   |           |            |            |            | \$ 60,000 |            |          |          |          |         | \$ 60,000                  |
| 16-08     | New Denniston Well #2                                    | moved from FY 17/18                             |           |            | \$ 100,000 |            |           |            |          |          |          |         | \$ 100,000                 |
| 18-XX     | CSP Air Relief Valves                                    | new   | \$ 40,000 |            |            |            |           |            |          |          |          |         | \$ 40,000                  |
| 18-XX     | CSP Spare 500 Pump Rehabilitation                        | new   | \$ 30,000 |            |            |            |           |            |          |          |          |         |                            |
| 18-XX     | CSP Fire System  | new   |           | \$ 40,000  |            |            |           |            |          |          |          |         | \$ 40,000                  |
| 18-XX     | Denniston Tank THM Control (Mixer & Blower)              | new   | \$ 80,000 |            |            |            |           |            |          |          |          |         | \$ 80,000                  |
| 18-XX     | CSP -- (3) Butterfly Valves                              | new   |           | \$ 45,000  |            |            |           |            |          |          |          |         | \$ 45,000                  |
| 18-XX     | EG #2 Tank Chlorination System (Residual control system) | new   |           | \$ 50,000  |            |            |           |            |          |          |          |         | \$ 50,000                  |
| 18-XX     | CSP Communications                                       | new   | \$ 50,000 |            |            |            |           |            |          |          |          |         | \$ 50,000                  |

|                                  |            |              |            |            |           |            |      |      |      |      |              |
|----------------------------------|------------|--------------|------------|------------|-----------|------------|------|------|------|------|--------------|
| Pump Stations/Tanks/Wells Totals | \$ 330,000 | \$ 1,960,000 | \$ 120,000 | \$ 400,000 | \$ 80,000 | \$ 400,000 | \$ - | \$ - | \$ - | \$ - | \$ 3,260,000 |
|----------------------------------|------------|--------------|------------|------------|-----------|------------|------|------|------|------|--------------|

Water Supply Development

|       |                                    |                  |            |  |              |              |              |  |  |  |  |  |              |
|-------|------------------------------------|------------------|------------|--|--------------|--------------|--------------|--|--|--|--|--|--------------|
| 12-12 | San Vicente Diversion and Pipeline | moved out 1 year |            |  | \$ 300,000   | \$ 1,000,000 | \$ 1,000,000 |  |  |  |  |  | \$ 2,300,000 |
| 13-04 | Denniston Reservoir Restoration    |                  |            |  | \$ 1,000,000 |              |              |  |  |  |  |  | \$ 1,000,000 |
| 17-12 | Recycled Water Project Development |                  | \$ 100,000 |  |              |              |              |  |  |  |  |  | \$ 100,000   |

|                                 |            |      |              |              |              |      |      |      |      |      |              |
|---------------------------------|------------|------|--------------|--------------|--------------|------|------|------|------|------|--------------|
| Water Supply Development Totals | \$ 100,000 | \$ - | \$ 1,300,000 | \$ 1,000,000 | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,400,000 |
|---------------------------------|------------|------|--------------|--------------|--------------|------|------|------|------|------|--------------|

Water Treatment Plants

|       |  |                              |            |           |            |           |           |           |            |           |           |           |            |
|-------|--|------------------------------|------------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|
| 08-07 | Nunes Filter Valve Replacement   | cost increase (was \$30K/yr) |            | \$ 45,000 | \$ 45,000  | \$ 45,000 | \$ 45,000 | \$ 45,000 |            |           |           |           | \$ 225,000 |
| 13-05 | Denniston WTP Emergency Power  | moved from FY 18/19          |            |           |            |           |           |           | \$ 500,000 |           |           |           | \$ 500,000 |
| 17-01 | Nunes Water Treatment Plant Treated Water Meter                            | moved from FY 16/17          |            |           | \$ 100,000 |           |           |           |            |           |           |           | \$ 100,000 |
| 17-04 | Denniston Dam Spillway Repairs   |                              | \$ 90,000  |           |            |           |           |           |            |           |           |           | \$ 90,000  |
| 18-XX | Denniston Heater   | new                          | \$ 15,000  |           |            |           |           |           |            |           |           |           | \$ 15,000  |
| 18-XX | Nunes Treatment Plant Improvements - Study (Filter 5, Filter Coating,etc.) | new                          | \$ 100,000 |           |            |           |           |           |            |           |           |           | \$ 100,000 |
| 18-XX | Nunes Bulk Caustic Tank  | new                          | \$ 40,000  |           |            |           |           |           |            |           |           |           | \$ 40,000  |
| 99-05 | Denniston Maintenance Dredging   |                              | \$ 35,000  | \$ 35,000 | \$ 35,000  | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 35,000  | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 350,000 |

|                               |            |           |            |           |           |           |            |           |           |           |              |
|-------------------------------|------------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|--------------|
| Water Treatment Plants Totals | \$ 280,000 | \$ 80,000 | \$ 180,000 | \$ 80,000 | \$ 80,000 | \$ 80,000 | \$ 535,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ 1,420,000 |
|-------------------------------|------------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|--------------|

|             |              |              |              |              |              |              |              |              |              |              |               |
|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| GRAND TOTAL | \$ 3,163,000 | \$ 3,708,000 | \$ 2,098,000 | \$ 2,633,000 | \$ 4,213,000 | \$ 3,133,000 | \$ 2,488,000 | \$ 1,688,000 | \$ 4,683,000 | \$ 1,683,000 | \$ 29,460,000 |
|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|

MEMO - Prior CIP Difference

\$ 1,968,000

\$ 3,293,000

\$ 3,898,000

\$ 2,188,000

\$ 2,588,000

\$ 2,308,000

\$ 2,718,000

\$ 1,620,000

\$ 4,615,000

\$ 1,195,000

\$ 415,000

\$ (1,800,000)

\$ 445,000

\$ 1,625,000

\$ 825,000

\$ (230,000)

\$ 68,000

\$ 68,000

|                                 |              |                |              |
|---------------------------------|--------------|----------------|--------------|
| 5 year change                   | \$ 1,880,000 | 5 year average | \$ 3,163,000 |
| Alves/other tank cost increases | \$ 1,220,000 |                |              |
| Moved up Pilarcitos Canyon      | \$ 750,000   |                |              |
| AMI installation (net change)   | \$ 160,000   |                |              |
| Hwy 1 S cost decrease           | \$ (800,000) |                |              |
| New projects/other              | \$ 550,000   |                |              |
|                                 | \$ 1,880,000 |                |              |