

**SHEEP CREEK WATER COMPANY
OPERATIONS BUDGET 2023 INCOME
PROJECTED INCOME**

Monthly Water Use Income

Month	<u>Projected Monthly Usage (HCF)</u>			Total Monthly Usage Income
	Tier 1 Rate .55	Tier 2 Rate 4.50	Tier 3 Rate 10.00	
January	9,000	1,200	2,100	\$ 31,350
February	9,300	1,200	2,300	\$ 33,515
March	9,800	1,500	2,600	\$ 38,140
April	11,500	2,500	3,800	\$ 55,575
May	12,500	3,000	4,900	\$ 69,375
June	13,600	3,500	5,000	\$ 73,230
July	13,500	3,800	3,800	\$ 62,525
August	13,500	3,800	8,000	\$ 104,525
September	12,000	3,500	6,500	\$ 87,350
October	11,500	2,000	3,800	\$ 53,325
November	10,000	1,500	3,200	\$ 44,250
December	7,300	1,250	2,500	\$ 34,640

Monthly Service Charge Income- Operating

Average Active Services	1210	Service Charge	\$ 60.50	\$ 878,460.00
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Monthly Service Charge Income- CoBank

Average Active Services	1210	Service Charge	\$ 5.00	\$ 72,600.00
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Stock Transfers

Transfer Fee	Estimated Transfers per Month	Estimated Annually Transfer Income
\$18	11	\$2,376

Reconnect Fees

Standard Fee	Nonpayment Fee	Reconnects per Month	Estimated Reconnect Income
\$60	\$60	Standard 1 Nonpayment 1	\$1,440

Construction Meters

Meters	Months	Service Charge	Average Usage \$10.00 HCF	Total
2	3	\$65.50	0	\$393.00

Penalties/Late Fees

Average per Month- 12 \$120	Estimated Annual Penalties/Late Fees Income \$1,440
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Lost Certificate Fee

Average per Month- 3 \$45	Estimated Annual Lost Certificate Fee Income \$540
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**SHEEP CREEK WATER COMPANY
OPERATIONS BUDGET 2023 INCOME
PROJECTED INCOME CONTINUED**

Total Projected Annual Operating Income

	2023 Budget	2022 Budget	2021 Budget	2022 Actual
Meter Service Charge	\$878,460	\$786,720	\$785,400	\$792,055
Well 11 Loan- \$5.00 Meter Service Charge	\$72,600	\$71,520	\$71,400	\$72,005
Water Usage- Tier 1- \$0.55	\$73,425	\$67,400	\$65,500	\$68,920
Water Usage- Tier 2- \$4.50	\$129,375	\$102,243	\$87,365	\$99,010
Water Usage- Tier 3- \$10.00	\$485,000	\$350,760	\$295,460	\$387,662
Stock Transfers	\$2,376	\$2,376	\$2,376	\$1,808
Construction Meters	\$393	\$0	\$0	\$0
Penalties/Late Fees/ Reconnect Fees	\$2,880	\$5,340	\$6,780	\$1,362.52
Lost Certificate Fee	\$540	\$540	\$540	\$480.00
Total Operations Income	\$1,645,049	\$1,386,899	\$1,314,821	\$1,423,303

Total Outstanding Loans- 2023 Assessment Account

	Remaining Balance	Annual Interest	Annual Principal	Total Annual Loan Payments
CoBank - Refinanced Shareholder				
Loans (4 year term) 7/2020 - 7/2024	\$182,855	\$4,518	\$102,445	\$106,963
\$5.00 Meter Service Charge plus Tier 3				

Estimated Annual Reserve Account Transfers

Assessment Acct	\$	121,100.00	Base Rate Increase for CoBank Loan Payments, Tier 3- \$1.00 per HCF
Capitol Improvement	\$	72,750.00	Income based on \$1.50 per hcf of Tier 3 for Capitol Upgrades
System Upgrade Acct	\$	45,000.00	Income based on \$3,750 per month from Service Charge for System Replacement
Well Acct (Maintenance)	\$	59,875.00	Income based on .25 per hcf for Tier 1; \$0.50 per hcf for Tier 2&3
Well Acct (MWA Fees)	\$	41,975.00	Income based on usage from Well #11 water for MWA Replacement Water Fees

**SHEEP CREEK WATER COMPANY
OPERATIONS BUDGET 2023
NOTES**

Notes- Income

1. Usage estimates are based on actual 2021 usage with current allotments. Usages have steadily increased each year and expect usage to increase slightly over 2021.
- 2.
3. \$0.63 from Tier 3 income to be transferred to operations income- \$.50 from Capitol Improvement; \$0.13 from Assessment to help pay for operations
4. \$1.50 per hcf from Tier 3 to be transferred to Capitol Improvement Account.
5. \$45,000 from Meter Base Rate to be used and transferred to System Upgrade Account.
6.
\$0.25 per hcf of Tier 1 & Tier 3 plus \$0.50 per hcf of Tier 2 to be transferred to the Well Account for well maintenance.
7. \$1.46 per hcf of Tier 2 will transfer the Well Account for Mojave Water Agency- Water Replacement Fees.
8. \$1.00 per hcf of Tier 3 will transfer to Assessment Account. Portion used for CoBank- Well 11 Loan Payment.

Notes- Expenses

1. System repairs and maintenance remain high due to increasing materials cost and higher number of meters being replaced.
2. Increase in Legal Fess with continued State Compliance Order & PPHCSD consolidation.
3. Increase in Engineering due to State Compliance Order.
4. Well electrical increased due to additional Well 11 usage.
5. Water quality and treatment expenses will remain increased due to additional pumping hours on the wells.
6. COLA increase at 6% due to much higher rise in living expenses. Take affect March 1, 2022
7. MWA Replacement Fees 2021/2022- \$665.50 per acre foot. Average of 38 acre foot per year
8. Sub contract labor, diesel fuel increased due to Source Capacity Project
9. Field salaries increased due to cost of living and 2 temporary help
10. Office salaries increased due to additional office staff
11. Increase in gasoline and diesel due to continued rise in fuel cost.
12. Increase in vehicle and equipment maintenance
13. Increase in medical and stipend costs

**SHEEP CREEK WATER COMPANY
OPERATIONS BUDGET 2023
PRODUCTION & DISTIRBUTION**

ACCOUNT	BUDGET 2023	BUDGET 2022	BUDGET 2021	2022 Actual	OVER / UNDER
FIELD CREW					
Salaries	\$218,915	\$180,000	\$179,759	\$188,081.49	(\$8,081)
Overtime	\$17,000	\$17,600	\$16,909	\$14,793.87	\$2,806
SER/SEP-Retirement	\$15,610	\$13,317	\$13,767	\$4,251.68	\$9,065
Uniforms, Hats	\$2,700	\$2,100	\$1,800	\$1,775.09	\$325
Emergency Phone	\$550	\$550	\$520	\$620.75	(\$71)
Emergency Pager	\$0	\$0	\$0	\$0.00	\$0
Training/Certs	\$1,100	\$1,200	\$1,200	\$1,025.20	\$175
TRUCK & EQUIPMENT					
Truck Payment	\$13,200	\$12,000	\$22,000	\$10,451.85	\$1,548
Equipment Payment	\$0	\$0	\$4,140	\$0.00	\$0
Fuel- Gasoline	\$17,000	\$15,000	\$10,000	\$16,236.21	(\$1,236)
Fuel- Diesel	\$13,300	\$12,000	\$8,000	\$13,015.91	(\$1,016)
Registration- DMV	\$2,900	\$3,493	\$3,200	\$2,743.00	\$750
Rprs & Maint.- Auto	\$11,500	\$7,000	\$7,000	\$11,447.47	(\$4,447)
Rprs & Maint.- Equip	\$3,000	\$5,000	\$5,000	\$5,113.46	(\$113)
Equipment Rental	\$500	\$4,500	\$4,500	\$0.00	\$4,500
Waste- Hazmat	\$450	\$500	\$500	\$8,796.00	(\$8,296)
DISTRIBUTION SYSTEM					
Rprs & Maint- Lines	\$12,000	\$12,000	\$12,000	\$2,692.26	\$9,308
Rprs & Maint- Meters	\$25,000	\$30,000	\$25,000	\$19,320.06	\$10,680
Rprs & Maint- CLA-VAL	\$10,000	\$3,000	\$3,000	\$2,500.31	\$500
Rprs & Maint- System	\$12,000	\$8,500	\$8,500	\$10,448.65	(\$1,949)
Shop Equipment	\$2,000	\$3,000	\$2,500	\$1,543.57	\$1,456
Supplies- General	\$2,000	\$3,500	\$3,500	\$1,601.18	\$1,899
Supplies- Inventory	\$500	\$1,500	\$1,500	\$141.69	\$1,358
Cross Connection Control	\$100	\$100	\$100	\$0.00	\$100
County Waste Fees	\$300	\$300	\$300	\$0.00	\$300
Contract Services	\$1,200	\$1,200	\$1,200	\$0.00	\$1,200
Damages- Personnel	\$200	\$250	\$250	\$0.00	\$250
Safety Equipment	\$1,000	\$450	\$450	\$686.90	(\$237)
Small Tools	\$1,200	\$1,200	\$1,200	\$369.27	\$831
State Health Fees	\$5,500	\$5,500	\$7,000	\$4,119.70	\$1,380
Sub Contract Labor	\$7,000	\$7,500	\$7,500	\$6,110.00	\$1,390
Travel Reimbursement	\$100	\$100	\$100	\$0.00	\$100
Water Conservation	\$250	\$250	\$500	\$0.00	\$250
Water Quality Treatment	\$14,000	\$7,500	\$6,500	\$14,086.84	(\$6,587)
Water Quality Maint/Samp	\$30,000	\$4,500	\$6,500	\$16,613.57	(\$12,114)
Prod./Dist. Total	\$442,075	\$364,610	\$365,895	\$358,585.98	\$6,024

**SHEEP CREEK WATER COMPANY
OPERATIONS BUDGET 2023
ADMINISTRATION**

ACCOUNT	BUDGET 2023	BUDGET 2022	BUDGET 2021	2022 Actual	OVER / UNDER
Account Transfers					
Assessment Acct	\$ 121,100.00	\$127,020	\$124,228	\$122,456.88	\$4,563
Capitol Improvement	\$ 72,750.00	\$83,250	\$93,500	\$76,635.47	\$6,615
System Upgrade Acct	\$ 45,000.00	\$45,000	\$45,000	\$45,000.00	\$0
Well Acct (Maintenance)	\$ 59,875.00	\$62,350	\$68,750	\$75,395.92	(\$13,046)
Well Acct (MWA Fees)	\$ 41,975.00	\$43,143	\$36,865	\$42,255.00	\$888
OFFICE					
Accounting	\$20,000	\$25,000	\$6,600	\$14,500.00	\$10,500
Advertising	\$150	\$150	\$250	\$225.00	(\$75)
Bank Charges	\$300	\$300	\$300	\$179.80	\$120
Contributions	\$250	\$250	\$250	\$0.00	\$250
Copier- Lease	\$2,600	\$2,435	\$2,400	\$2,335.84	\$99
Credit Card Fees	\$15,000	\$16,000	\$5,500	\$14,912.46	\$1,088
Dues/Subscriptions	\$3,400	\$2,500	\$2,500	\$2,874.82	(\$375)
Equipment Rentals	\$150	\$200	\$200	\$0.00	\$200
Employees					
Employee Gifts	\$3,800	\$2,400	\$2,400	\$4,634.68	(\$2,235)
Safety/OT- Dinner/Lunch	\$1,000	\$1,000	\$1,000	\$866.70	\$133
Employee of Year	\$200	\$250	\$250	\$174.85	\$75
Engineering- General	\$15,000	\$15,000	\$25,000	\$0.00	\$15,000
INSURANCE					
General	\$20,000	\$28,200	\$28,200	\$12,047.01	\$16,153
Medical- Employee	\$90,171	\$92,000	\$86,023	\$65,595.17	\$26,405
Medical- Board	\$37,521	\$18,750	\$18,142	\$15,056.33	\$3,694
Work Comp.	\$15,500	\$14,000	\$12,000	\$8,790.00	\$5,210
Other new wells	\$378,000	\$100	\$100	\$600.00	(\$500)
Legal- General	\$20,000	\$20,000	\$20,000	\$38,624.20	(\$18,624)
Legal- AVL/MWA/SWRCB	\$4,000	\$12,000	\$12,000	\$2,864.10	\$9,136
Licenses/Permits	\$1,500	\$2,000	\$2,000	\$2,087.05	(\$87)
Medical Supplies	\$200	\$400	\$250	\$0.00	\$400
Meeting/Conferences					\$0
Annual/Regular Meetings	\$500	\$1,500	\$1,500	\$358.32	\$1,142
Management	\$500	\$1,000	\$1,000	\$457.68	\$542
Office	\$200	\$600	\$600	\$0.00	\$600
Miscellaneous	\$3,100	\$500	\$500	\$2,533.61	(\$2,034)
N.S.F Checks	\$550	\$500	\$800	\$890.17	(\$390)

**SHEEP CREEK WATER COMPANY
OPERATIONS BUDGET 2023
ADMINISTRATION**

ACCOUNT	BUDGET 2023	BUDGET 2022	BUDGET 2021	2022 Actual	OVER / UNDER
OFFICE SUPPLIES					
Billing	\$7,500	\$1,800	\$1,000	\$6,235.22	(\$4,435)
Bookkeeping	\$2,000	\$1,250	\$1,250	\$1,381.28	(\$131)
Copier	\$4,400	\$3,000	\$2,500	\$3,554.87	(\$555)
Computer	\$3,000	\$3,000	\$2,500	\$1,736.50	\$1,264
Payroll Supplies	\$2,000	\$500	\$500	\$1,496.95	(\$997)
General	\$3,000	\$4,000	\$3,000	\$3,340.33	\$660
OUTSIDE SERVICES					
Dig Alert- USA's	\$1,000	\$2,200	\$1,800	\$911.00	\$1,289
Turner Security	\$660	\$600	\$660	\$1,049.40	(\$449)
CR&R-Trash	\$2,550	\$2,545	\$2,442	\$2,530.08	\$15
Printing	\$1,500	\$1,500	\$1,500	\$1,124.12	\$376
TNN- Computer/Phone	\$6,250	\$6,250	\$6,250	\$5,965.69	\$284
Postage	\$9,800	\$8,500	\$8,500	\$8,801.42	(\$301)
SALARIES					
Management	\$93,984	\$95,853	\$91,875	\$102,201.36	(\$6,348)
Office	\$161,674	\$107,422	\$102,343	\$144,080.34	(\$36,658)
Overtime- Office	\$4,100	\$2,488	\$2,343	\$3,695.17	(\$1,207)
SER/SEP-Retirement	\$17,897	\$14,178	\$13,759	\$8,368.17	\$5,810
Rprs & Maint- Office	\$2,000	\$2,000	\$2,000	\$0.00	\$2,000
Rprs & Maint- Equip	\$1,000	\$250	\$250	\$700.35	(\$450)
Replacement- Equip	\$2,000	\$2,500	\$2,500	\$581.83	\$1,918
TAXES	\$70,825	\$45,450	\$42,800	\$66,648.64	(\$21,199)
Payroll	\$136,300	\$96,000	\$88,000	\$138,365.39	(\$42,365)
Payroll Withheld	(\$87,500)	(\$69,000)	(\$63,000)	(\$91,054.16)	\$22,054
Property	\$20,425	\$17,650	\$17,000	\$17,737.41	(\$87)
Corporate	\$1,600	\$800	\$800	\$1,600.00	(\$800)
Telephone/Race	\$2,300	\$1,800	\$1,800	\$2,311.08	(\$511)
Theft Losses	\$0	\$0	\$0	\$0.00	\$0
Training	\$700	\$250	\$100	\$550.00	(\$300)
Travel Reimbursement	\$50	\$50	\$50	\$0.00	\$50
UTILITES					
Electric- Wells	\$110,000	\$82,000	\$70,000	\$99,146.62	(\$17,147)
Electric- General	\$3,500	\$3,000	\$3,000	\$3,419.43	(\$419)
Natural Gas	\$500	\$450	\$450	\$450.35	(\$0)
Administration Total	\$1,488,483	\$1,010,694	\$963,180	\$1,022,631.26	(\$11,937)
Prod./Dist. Total	\$442,075	\$364,610	\$365,895	\$358,585.98	\$6,024
Total Operations	\$1,930,558	\$1,375,304	\$1,329,075	\$1,381,217.24	(\$5,913)
Operations Income	\$1,645,049	\$1,386,899	\$1,314,821	\$1,470,018.66	\$83,120