

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

**Monthly Water Use Income**

Month	Projected Monthly Usage (HCF)			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

**Monthly Service Charge Income- CoBank**

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

**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**

	<b>2023 Budget</b>	<b>2022 Budget</b>	<b>2021 Budget</b>	<b>2022 Actual</b>
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
<b>Total Operations Income</b>	<b>\$1,645,049</b>	<b>\$1,386,899</b>	<b>\$1,314,821</b>	<b>\$1,423,303</b>

**Total Outstanding Loans- 2023 Assessment Account**

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

**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 Fees 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**

<b>ACCOUNT</b>	<b>BUDGET 2023</b>	<b>BUDGET 2022</b>	<b>BUDGET 2021</b>	<b>2022 Actual</b>	<b>OVER / UNDER</b>
<b>FIELD CREW</b>					
Salaries	\$219,566	\$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
<b>TRUCK &amp; EQUIPMENT</b>					
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)
<b>DISTRIBUTION SYSTEM</b>					
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)
<b>Prod./Dist. Total</b>	<b>\$442,726</b>	<b>\$364,610</b>	<b>\$365,895</b>	<b>\$358,585.98</b>	<b>\$6,024</b>

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

<b>ACCOUNT</b>	<b>BUDGET 2023</b>	<b>BUDGET 2022</b>	<b>BUDGET 2021</b>	<b>2022 Actual</b>	<b>OVER / UNDER</b>
<b>Account Transfers</b>					
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
<b>OFFICE</b>					
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
<b>Employees</b>					
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
<b>INSURANCE</b>					
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 <b>new wells</b>	\$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
<b>Meeting/Conferences</b>					
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**

<b>ACCOUNT</b>	<b>BUDGET 2023</b>	<b>BUDGET 2022</b>	<b>BUDGET 2021</b>	<b>2022 Actual</b>	<b>OVER / UNDER</b>
<b>OFFICE SUPPLIES</b>					
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
<b>OUTSIDE SERVICES</b>					
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)
<b>SALARIES</b>					
Management	\$96,330	\$95,853	\$91,875	\$102,201.36	(\$6,348)
Office	\$162,470	\$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
<b>TAXES</b>	\$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
<b>UTILITES</b>					
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)
<b>Administration Total</b>	\$1,491,624	\$1,010,694	\$963,180	\$1,022,631.26	(\$11,937)
<b>Prod./Dist. Total</b>	\$442,726	\$364,610	\$365,895	\$358,585.98	\$6,024
<b>Total Operations</b>	\$1,934,350	\$1,375,304	\$1,329,075	\$1,381,217.24	(\$5,913)
<b>Operations Income</b>	\$1,645,049	\$1,386,899	\$1,314,821	\$1,470,018.66	\$83,120