

Atascadero Mutual Water Company
P.O. Box 6075
Atascadero, CA 93423

Water Watch



July 2020

ATASCADERO MUTUAL WATER COMPANY

5-Year Capital Improvement Plan

AMWC's capital improvement plan for the upcoming fiscal year ending April 30, 2021 (FY 2020) anticipates nearly \$2.3 million in expenditures. Significant projects include constructing a new booster station to service the Random Oaks zone, rehabilitating Well No. 6A, drilling new Nacimiento Water Project (NWP) recovery wells, performing a pilot study to determine the most cost effective method for treating perfluoroalkyl substance (PFAS) contamination, re-aligning an 18" water main to allow temporary treatment of PFAS contamination by blending, replacing defective water main valves, replacing aging water service laterals and meters, installing new water service laterals and meters, upgrading fire hydrants, installing new fire hydrants, replacing chemical injection pumps and analyzers, and numerous other projects. The cost of these capital projects is in addition to the ongoing expenses associated with the operation and maintenance of AMWC's wells, booster stations, tanks, the distribution system, and the NWP.

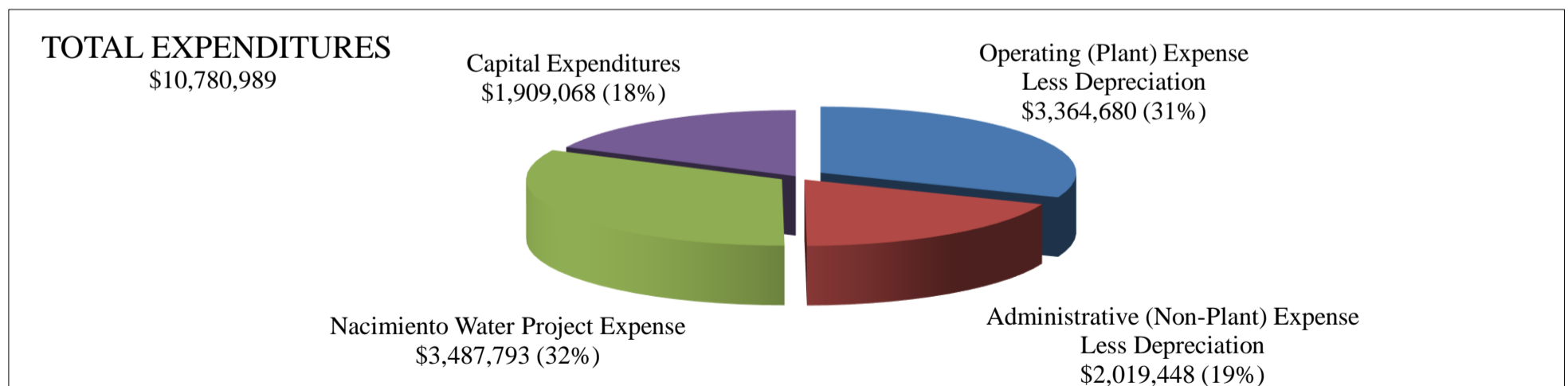
Annual expenditures for capital projects for FY 2021 through FY 2025 are anticipated to average \$1.6 million and include: implementing PFAS treatment by granulated activated carbon or ion exchange, extending the water main in Santa Lucia Road to Laurel Road; earthquake retrofitting the Pine Mountain Tank; replacing water mains in Ash, Maple, and Catalpa Avenues; upgrading the water main in Sombrilla Avenue; upgrading pressure-reducing stations; replacing aging vehicles; installing check and altitude control valves at the San Carlos tank; upgrading pressure-reducing stations; replacing compressors, backhoes, and other diesel equipment, as required by AB 32; replacing water main valves; and numerous other projects.

Debt service, operating, and maintenance costs for the NWP have had a significant impact on AMWC's budget. These costs are anticipated to average \$3.2 million per year over the next five years. Debt service payments of \$2.6 million will continue through year 2041.

FINANCIAL STATEMENTS

BALANCE SHEETS	APRIL 30		STATEMENTS OF OPERATIONS	YEARS ENDED APRIL 30	
	2020	2019		2020	2019
Current Assets					
Cash and cash equivalents	\$ 2,127,389	\$ 484,428	Water sales	\$ 7,946,742	\$ 7,519,065
Short-term investments	1,672,000	1,678,000	Meter installation and connection fees	895,698	648,231
Accounts receivable, net of allowance for doubtful accounts	842,287	785,811	Other revenue	912,855	730,480
Inventory	456,055	404,057	Total revenue	9,755,295	8,897,776
Prepaid expenses and other receivables	168,061	161,904	Plant Operating Expenses		
Prepaid Nacimientto water project	592,133	570,831	Salaries and wages	1,090,921	1,100,097
Total current assets	5,857,925	4,085,031	Benefits	357,916	425,650
Property and Equipment, net of accumulated depreciation					
	42,840,120	42,324,393	Electricity and gas	910,164	853,733
Long-Term Investments					
	738,000	2,718,000	Insurance	39,453	36,401
TOTAL ASSETS					
	\$ 49,436,045	\$ 49,127,424	Plant repairs	354,354	362,099
Current Liabilities					
Accounts payable	\$ 222,339	\$ 124,048	Depreciation	1,181,476	1,153,922
Customer deposits	370,590	50,647	Other plant expense	590,479	566,319
Accrued salaries and benefits	631,102	552,894	Total plant operating expense	4,524,763	4,498,221
Other accrued expenses	41,003	22,859	Non-Plant Operating Expenses		
Total current liabilities	1,265,034	750,448	Office salaries and wages	819,339	750,764
Commitments and Contingencies					
Shareholders' Equity					
Common stock	102,586	102,601	Benefits	205,701	189,276
Contributed capital	2,847,341	2,816,026	Meter reading and servicing	160,663	156,382
Retained earnings	45,221,084	45,458,349	Office	11,285	15,257
Total shareholders' equity	48,171,011	48,376,976	Professional fees	355,309	428,838
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
	\$ 49,436,045	\$ 49,127,424	Insurance	20,174	14,970
Operating loss					
			Depreciation	214,675	246,081
			Nacimientto water project debt service	2,610,345	2,611,519
			Nacimientto water project operating and maintenance	877,448	895,944
			Other non-plant expense	446,976	437,965
			Total non-plant operating expense	5,721,915	5,746,996
			Operating loss	(491,383)	(1,347,441)
			Non-Operating Income		
				295,746	51,745
			Net loss before income taxes	(195,637)	(1,295,696)
			Income Tax Expense		
				41,643	19,996
			NET LOSS **	\$ (237,280)	\$ (1,315,692)

**AMWC Note: The net loss does not reflect the \$1,909,068 and \$1,539,257 spent for capital improvements in 2020 and 2019, respectively.



This information is obtained from AMWC's 2020 financial reports audited by Caliber Audit & Attest, LLP.
The complete report, including notes to financial statements, can be obtained at AMWC's office located at 5005 El Camino Real, Atascadero.