

Atascadero Mutual Water Company

P.O. Box 6075

Atascadero, CA 93423

Water Watch



July 2023

ATASCADERO MUTUAL WATER COMPANY

5-Year Capital Improvement Plan

AMWC's capital improvement plan for fiscal year ending April 30, 2024 (FY 2024) anticipates \$3.8 million in expenditures. Significant projects include design and permitting of a new water treatment facility for removing perfluoroalkyl substances (PFAS), replacement of the 100+ year old water main in Entrada Avenue, replacement of the Supervisory Control and Data Acquisition (SCADA) server and radios, drilling of a new well for recovery of water from the Nacimiento Water Project recharge basin, 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, and numerous other projects. Many of these projects are done in conjunction with and ahead of City and County road improvement projects to avoid cutting into roads that were recently improved. 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 Nacimiento Water Project.

Annual expenditures for capital projects for FY 2025 are anticipated to be over \$18 million and are primarily related to the construction of a new water treatment facility for removing PFAS. Capital investment expenditures from FY 2026 through FY 2028 average \$1.36 million and include replacing defective water main valves, replacing aging water service laterals and meters, replacing aging vehicles and equipment, upgrades to pressure-reducing stations, installing new water service laterals and meters, upgrading fire hydrants, installing new fire hydrants, and numerous other projects intended to offset the depreciation of the water system.

Debt service, operating, and maintenance costs for the Nacimiento Water Project 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.

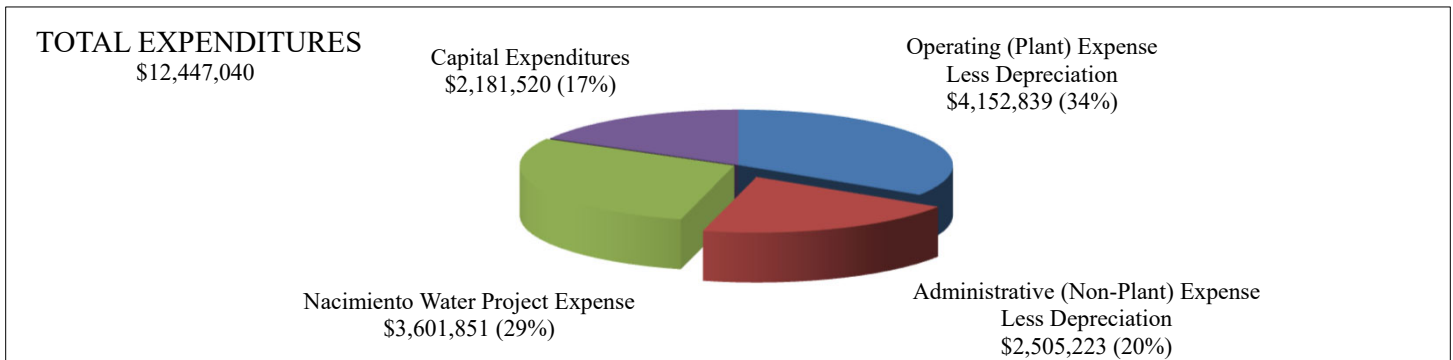
FINANCIAL STATEMENTS

BALANCE SHEETS

| | APRIL 30 | |
|---|---------------|---------------|
| | 2023 | 2022 |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,909,160 | \$ 4,689,520 |
| Short-term investments | 1,743,000 | 747,000 |
| Accounts receivable, net of allowance for doubtful accounts | 1,066,998 | 964,978 |
| Inventory | 646,957 | 526,829 |
| Prepaid expenses and other receivables | 218,643 | 186,759 |
| Prepaid Nacimientto water project | 573,518 | 555,881 |
| Total current assets | 6,158,276 | 7,670,967 |
| Property and Equipment, net of accumulated depreciation | 44,584,825 | 43,761,808 |
| TOTAL ASSETS | \$ 50,743,101 | \$ 51,432,775 |
| Current Liabilities | | |
| Accounts payable | \$ 249,650 | \$ 289,250 |
| Customer deposits | 274,505 | 326,872 |
| Accrued salaries and benefits | 735,464 | 769,072 |
| Other accrued expenses | 35,713 | 32,554 |
| Current portion of contract liability | - | 28,073 |
| Total current liabilities | 1,295,332 | 1,445,821 |
| Commitments and Contingencies | | |
| Shareholders' Equity | | |
| Common stock | 102,617 | 102,593 |
| Contributed capital | 3,088,714 | 3,004,546 |
| Retained earnings | 46,256,438 | 46,879,815 |
| Total shareholders' equity | 49,447,769 | 49,986,954 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 50,743,101 | \$ 51,432,775 |

STATEMENTS OF OPERATIONS

| | YEARS ENDED APRIL 30 | |
|---|----------------------|--------------|
| | 2023 | 2022 |
| Revenues | | |
| Water sales | \$ 9,264,817 | \$ 8,679,640 |
| Meter installation and connection fees | 431,501 | 1,160,350 |
| Other revenue | 1,162,153 | 1,148,212 |
| Total revenue | 10,858,471 | 10,988,202 |
| Plant Operating Expenses | | |
| Salaries and wages | 1,248,165 | 1,101,867 |
| Benefits | 388,096 | 374,712 |
| Electricity and gas | 1,212,139 | 1,138,983 |
| Insurance | 67,988 | 51,955 |
| Plant repairs | 615,145 | 476,631 |
| Depreciation | 1,297,160 | 1,239,125 |
| Other plant expense | 621,306 | 687,377 |
| Total plant operating expense | 5,449,999 | 5,070,650 |
| Non-Plant Operating Expenses | | |
| Office salaries and wages | 928,654 | 844,884 |
| Benefits | 191,718 | 227,678 |
| Meter reading and servicing | 180,385 | 154,506 |
| Office | 12,854 | 19,664 |
| Professional fees | 611,480 | 374,333 |
| Insurance | 23,530 | 24,613 |
| Depreciation | 132,406 | 196,135 |
| Nacimientto water project debt service | 2,610,112 | 2,611,099 |
| Nacimientto water project operating and maintenance | 991,739 | 1,100,324 |
| Other non-plant expense | 556,602 | 427,648 |
| Total non-plant operating expense | 6,239,480 | 5,980,884 |
| Operating income (loss) | (831,008) | (63,332) |
| Non-Operating Income | | |
| Net income (loss) before income taxes | 225,069 | 262,402 |
| Income Tax Expense | | |
| Net income (loss) | 17,414 | 14,240 |
| NET INCOME | \$ (623,353) | \$ 184,830 |



This information is obtained from AMWC's 2023 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.