

# Lebec County Water District Rate Study

---

**Purpose and Objective**

This is a rate study for the Lebec County Water District (LCWD). The objective of this process is to ensure that LCWD has the ability to obtain sufficient funds to operate, maintain and manage on a continuing basis, in full compliance with federal, state and local requirements. A rate study identifies the total annual revenue required by a utility to conduct its normal day-to-day operations, along with anticipating and planning for future operating and capital needs.

Implementing the recommendations of this rate study will enable LCWD to meet ongoing recurring expenses for the next four years. This study is a first step towards the system making a comprehensive assessment on current and future resources, along with taking an informed approach on consolidation opportunities.

---

**Water System**

LCWD was formed in 1967 and provides water service to the mountain community of Lebec, located in southern Kern County, in the Castaic Lake Valley, Cuddy Canyon and surrounding mountains. LCWD has a service area of approximately 1,500 acres. LCWD supplies potable water to approximately 298 residential homes, two mobile home parks, more than 50 commercial businesses including a Holiday Inn Express, as well as the northbound and southbound Caltrans I-5 rest stops. All of the water services are metered.

LCWD obtains its water supply from three primary wells that it owns and operates. These wells are the Lebec, State and Chimney Canyon wells. LCWD also owns the Cuddy Creek Well, but it is not currently in use.

LCWD is currently engaged in a consolidation project with Frazier Mountain High School, expected to be completed in 2026. If successful, LCWD will construct a new well for the school and provide water for approximately 300 students. LCWD is also in discussions to consolidate with Krista Mutual Water Company in the future.

---

*Continued on next page*

## Lebec County Water District Rate Study, Continued

---

### Production and Consumption

LCWD gets its water supply from three wells: State Well, Lebec Well, and Chimney Canyon Well. Between April 2024 and March 2025, 59,925,012 gallons of water were pumped, while approximately 46,511,147 gallons were sold. This indicates a water loss of 28.8%. Recently, new meters were installed by LCWD for customers. It is recommended that the well meters be tested for accuracy, and/or an assessment is conducted to reduce water loss.

Based on sales data, 46.4% of water was sold between the months of October and March. The lower percentage of water pumped during months where the weather could be cooler is expected. There is no indication of excessive hardship put on water supply or LCWD finances during warmer months.

---

### Current Rates

In 2022, LCWD implemented the existing rate structure based on a rate study done by a consultant. This rate study was conducted during a rate transition to a uniform variable rate to ensure compliance with legal rulings. As a result, some classes of customers had variable rate decreases, while others saw their variable rate increase. Since this time, unexpected repairs, along with higher-than-expected inflation, have significantly reduced reserves. A rate increase is necessary to ensure revenues meet expenses. The current rates are as follows:

Meter Size	Current Monthly Base Charge	Current Usage Rate (per CF)
¾"	\$54.15	\$0.29
1"	\$90.36	
1 ½"	\$180.49	
2"	\$288.90	
4"	\$902.54	

### Revenue and Expenses

Prior to FY 2025, LCWD had a history of maintaining strong reserves. In FY 2023, LCWD had \$661,260 in cash and cash equivalents, plus an additional \$47,325 in accounts receivable. Even though expenses exceeded revenue

---

*Continued on next page*

## Lebec County Water District Rate Study, Continued

---

### Revenue and Expenses cont'd

by \$29,221, which is 5.8%, there was a healthy, consistent cash flow, with easily accessible funds in reserve. In FY 2024, total cash had dropped to \$468,607, with \$61,339 in accounts receivable. Combining cash on hand and receivables expected to be collected at end of the fiscal year, funds decreased by 33% in 12 months. This includes a \$72,596 loss during FY 2024, which was a 15.2% loss. In addition, there were one-time repairs and replacements that decreased the cash-on-hand. According to the last account balances, LCWD had \$43,461.18 in checking and \$371,838.01 in savings.

During the previous rate study, it was determined that established fixed expenses were too cost prohibitive to be all included in the base rate. Whenever some fixed expenses are not included in the base rate, they need to be made up through an increase in variable rates. This could have the potential for decreased revenue if conservation is practiced due to climate or customer finances. Another factor was the recent requests of providing larger meters that were not classified under the current rate structure.

---

### Reserve Funding

LCWD has a policy of maintaining at least two months revenue, at least \$120,000 in emergency funding, and at least \$300,000 for capital improvements. As of FY 2024, enough cash was on hand to satisfy any two out of the three criteria, but not all three.

LCWD is in a period of considering options for consolidation with Krista Mutual Water Company, as well as completion of consolidation with Frazier Mountain High School. During this period of consolidation, LCWD wishes to keep the water charges as flexible as possible and is opting not to add additional charges to enhance the Capital Replacement/System Improvement reserve to safely maximize current resources. When both consolidation project outcomes are determined, a comprehensive assessment of resources will be made, and a plan will be developed to meet reserve needs while maximizing options in an efficient, but safe matter.

---

### Rate Study Process

The rate study process entailed the following steps:

- 1) Gather financial and usage information
  - 2) Based on financial and population trends, project future usage and revenue needs for the system
  - 3) Calculate base and variable rates that are fair to all customers based on potential usage that will balance the budget over the term.
- 

*Continued on next page*

## Lebec County Water District Rate Study, Continued

---

### Assumptions

The following assumptions were made in projections:

- New rate structure will take effect August 1, 2025 and remain in place through FY 25 and FY 26
- There will be annual inflation increases of 2.2% of base and variable rates effective each July of 2027, 2028, and 2029
- A gradual increase of five connections over the next three years was included to assume that all current Ready-to-Serve connections would be activated. LCWD is opting to assume that all vacated active connections will be filled
- Water sales will decrease 8% through FY 2026 due to increases in variable rates, then increase 3% in FY 2027 and 1% annually thereafter to approach previous usage habits.
- There will be minimal demand for Surplus Water
- There will be minimal adverse conditions to make conservation mandatory.

---

### Base and Variable Rates

Revenue from rates is comprised of the following:

- Base Rate – A monthly charge based on meter size that all customers need to pay, regardless of actual water use. Ideally, the total base rate revenue should cover fixed costs that remain the same regardless of water usage. Fixed costs may cover 100 percent of some expenses in a system’s budget, but only a portion of other types of expenses. The base rate also needs to cover any contribution to reserve funds. Conversely, if there is outside revenue, it should be applied to the expenses associated with the base rate.
- Variable Rate – Ideally, this rate is charged based on designated units of water used. The total variable rate revenue should at least cover expenses that vary by water usage, and are more directly related to how much water is pumped, treated, stored and distributed. Most costs for electricity, chemicals and repairs can be classified as variable expenses because they are directly related to the amount of water customers’ use. Aligning variable rates with variable expenses protects the operating budget from decreased usage. Although there are circumstances where variable rates can differ by meter size, there must be evidence that it costs more per unit to deliver water to different sizes of meters. Since there is no evidence that it costs more to deliver water to different meters, variable rates should be uniform for all classifications.

---

*Continued on next page*

## Lebec County Water District Rate Study, Continued

---

### Base and Variable Rates cont'd

During this upcoming period of determining consolidation options, LCWD wants to keep rates as flexible as possible for customers. This means determining an acceptable percentage of fixed costs that will be covered by the base rate and filling out the remainder of costs through variable rates and other income. A comprehensive review of expenses is done on an ongoing basis by the Board, and expenses are constantly examined to ensure efficiency.

During this rate study period, operating reserve contributions will be capped at 1.2% of annual budgeted expenses. This will free up existing cash-on-hand to be used towards fully funding emergency reserves and system improvements.

---

### Reserves

Currently LCWD has the following reserve guidelines:

- Two months of monthly expenditures are required to be in checking account
- \$120,000 available for Emergency Fund
- \$250,000 available for capital improvements

Due to pending litigation, it is recommended that LCWD take a one-time withdrawal, projected to be \$60,412.78 in order to support legal costs specific to the litigation. It is further recommended that LCWD suspend operating expenditures minimum and Emergency Fund minimum in order to support these costs. Excess revenue at the end of each Fiscal Year shall be allocated to Emergency Fund.

In order to prepare for unexpected pending litigation in the future, it is recommended that the Emergency Fund be inclusive of pending litigation costs, and that the allocation be increased to \$170,000 as soon as sufficient revenue can be reimbursed.

---

### Rate Structure Proposal

Based on the current situation of LCWD needing more time to evaluate issues around consolidation, as well as taking into account recent inflation increases and the impact on customers, it is recommended to implement a rate structure that generates sufficient revenue to meet expenses, while giving customers flexibility to control their bill through usage. This structure will enable LCWD to save its remaining cash on hand for emergencies and

---

*Continued on next page*

## Lebec County Water District Rate Study, Continued

---

### Rate Structure Proposal

system improvements, thereby maintaining financial strength and enabling eligibility for grant opportunities. It is recommended to structure rates in the following manner:

- Charge 67.6% of total fixed charges as the base rate
- Structure base rates based on number of customers per meter classification and maximum flow capacity
- Ensure there are established base charges for meter sizes up to 12''
- Account for remainder of revenue needed through other sources, and variable rate charges. This will involve projecting additional surplus usage, activating additional connections, and accounting for decreased usage with the initial price increase

Using the above criteria, the following rate structure is recommended as of June 1, 2025

Meter Size	Proposed Monthly Base Charge	Proposed Usage Rate (per CF)
¾''	\$63.70	\$.042
1''	\$106.16	
1 ½''	\$212.32	
2''	\$339.72	
4''	\$1,273.33	
6''	\$2,866.34	
8''	\$3,397.14	
10''	\$6,369.51	
12''	\$8,492.87	

---

*Continued on next page*

## Lebec County Water District Rate Study, Continued

---

**Proposition 218  
Process**

California approved Proposition 218 in 1996 requiring agencies to adopt property fees and charges in accordance with a defined public process found in article XIII D or by associated court decision. Water and wastewater rates are user fees under the definition and must meet the following requirements:

- Revenues derived from the fee or charge must not exceed the funds required to provide the property-related service.
- Revenue from the fee or charge must not be used for any purpose other than that for which the fee or charge is imposed.
- No fee or charge may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners.
- The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.
- The fee or charge may not be imposed for service, unless the service is actually used by, or immediately available to, the owner of the property in question.

---

*Continued on next page*

## Lebec County Water District Rate Study, Continued

---

### **Proposition 218 Process, cont'd**

Written notice should be given to both the record owners and customers within the area subject to the fee or charge. The notice shall include the following:

- The formula or schedule of charges by which the property owner or customer can easily calculate their own potential charge.
- The basis upon which the amount of the proposed fee or charge is to be imposed on each parcel. An explanation of the costs which the proposed fee will cover and how the costs are allocated among property owners.
- Date, time and location of a public hearing on the rate adjustment. The public hearing must occur 45 or more days after the mailing of the notice.

California's Proposition 218 provides that a customer of the City or owner of record of a parcel or parcels subject to the proposed rate increases, may submit a protest against any or all of the proposed rate increases by filing a written protest with the City at or before the time the public hearing has concluded. Only one protest per parcel is counted. If written protests are filed by a majority of the affected parcels, the proposed rate increases will not be imposed.

---

### **Next Steps**

This rate study provides a path forward for LCWD to preserve funds already in the bank over the next four years while the system is working on solutions to expand delivery of water to additional customers. Approval of these recommendations will ensure safe, clean water to the community.

The following are next steps:

- Distribute Proposition 218 Notice to customers
- Hold Public Hearing at least 45 days after notice is distributed
- Board makes decision on recommendations
- If applicable, suspend policy on reserves

---

### **Disclaimer**

The recommendations contained in this financial analysis are based on historical financial information provided to Self-Help Enterprises by LCWD. Although every effort was made to assure the reliability of this information, no warranty is expressed or implied as to the correctness, accuracy or completeness of the information contained herein.

---

*Continued on next page*

## **Lebec County Water District Rate Study, Continued**

---

**Disclaimer,**  
cont'd

Any opinions, findings, and conclusions or recommendations expressed in this material are solely the responsibility of Self-Help Enterprises and do not necessarily represent the official views of the California State Water Resources Control Board, who funded this rate study. For accounting advice, a Certified Public Accountant should be consulted. For legal advice, the advice of an attorney should be sought.

---

**Attachments**

The following are attached:

- Projected revenue, usage, rates, and expenses covered by this study from August 1, 2025 – June 30, 2030
-

<b>Revenue</b>					
<b>0.75-inch</b>	<b>25-26</b>	<b>26-27</b>	<b>27-28</b>	<b>28-29</b>	<b>29-30</b>
Base Rate	\$ 63.70	\$ 63.70	\$ 65.10	\$ 66.53	\$ 68.00
Periods	11	12	12	12	12
Customers	257	258	260	262	262
Base Total	\$ 180,078.43	\$ 197,213.59	\$ 203,114.71	\$ 209,180.03	\$ 213,781.99
Base Unit Usage - Annual	2586897	2379945.24	2460881.899	2504758.088	2549265.713
# Customers Adjustment %	1	1.003891051	1.007751938	1.007692308	1
Period Adjustment %	0.838228194	1	1	1	1
Conservation Adjustment %	0.92	1.03	1.01	1.01	1.01
Adjusted Usage	1994937.2	2460881.899	2504758.088	2549265.713	2574758.37
Unit Rate	\$ 0.042	\$ 0.042	\$ 0.043	\$ 0.044	\$ 0.045
Unit Total	\$ 83,787.36	\$ 103,357.04	\$ 107,514.24	\$ 111,832.02	\$ 115,435.25
Tier Total	\$ 263,865.79	\$ 300,570.63	\$ 310,628.95	\$ 321,012.05	\$ 329,217.24
<b>% Usage</b>	<b>46%</b>	<b>48%</b>	<b>48%</b>	<b>48%</b>	<b>48%</b>
<b>% Revenue</b>	<b>51%</b>	<b>51%</b>	<b>51%</b>	<b>51%</b>	<b>51%</b>
<b>1-inch</b>					
Base Rate	\$ 106.16	\$ 106.16	\$ 108.49	\$ 110.88	\$ 113.32
Periods	11	12	12	12	12
Customers	4	4	4	4	4
Base Total	\$ 4,671.00	\$ 5,095.63	\$ 5,207.74	\$ 5,322.31	\$ 5,439.40
Base Unit Usage - Annual	20991	19311.72	19891.0716	20089.98232	20290.88214
# Customers Adjustment %	1	1	1	1	1
Period Adjustment %	0.76513744	1	1	1	1
Conservation Adjustment %	0.92	1.03	1.01	1.01	1.01
Adjusted Usage	14776.12	19891.0716	20089.98232	20290.88214	20493.79096
Unit Rate	\$ 0.042	\$ 0.042	\$ 0.043	\$ 0.044	\$ 0.045
Unit Total	\$ 620.60	\$ 835.43	\$ 862.34	\$ 890.13	\$ 918.81
Tier Total	\$ 5,291.59	\$ 5,931.06	\$ 6,070.08	\$ 6,212.44	\$ 6,358.21
<b>% Usage</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>% Revenue</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>1.5-inch</b>					
Base Rate	\$ 212.32	\$ 212.32	\$ 217.00	\$ 221.77	\$ 226.65
Periods	11	12	12	12	12
Customers	1	1	1	1	1
Base Total	\$ 2,335.57	\$ 2,547.90	\$ 2,603.95	\$ 2,661.24	\$ 2,719.79
Base Unit Usage - Annual	178898	164586.16	169523.7448	171218.9822	172931.1721
# Customers Adjustment %	1	1	1	1	1
Period Adjustment %	0.760813424	1	1	1	1
Conservation Adjustment %	0.92	1.03	1.01	1.01	1.01
Adjusted Usage	125219.36	169523.7448	171218.9822	172931.1721	174660.4838
Unit Rate	\$ 0.042	\$ 0.042	\$ 0.043	\$ 0.044	\$ 0.045
Unit Total	\$ 5,259.21	\$ 7,120.00	\$ 7,349.40	\$ 7,586.20	\$ 7,830.63
Tier Total	\$ 7,594.79	\$ 9,667.90	\$ 9,953.36	\$ 10,247.44	\$ 10,550.41
<b>% Usage</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>% Revenue</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>

<b>2-inch</b>					
Base Rate	\$ 339.72	\$ 339.72	\$ 347.19	\$ 354.83	\$ 362.64
Periods	11	12	12	12	12
Customers	13	13	13	13	13
Base Total	\$ 48,579.54	\$ 52,995.86	\$ 54,161.77	\$ 55,353.33	\$ 56,571.10
Base Unit Usage - Annual	588862	541753.04	558005.6312	563585.6875	569221.5444
# Customers Adjustment %	1	1	1	1	1
Period Adjustment %	0.847077923	1	1	1	1
Conservation Adjustment %	0.92	1.03	1.01	1.01	1.01
Adjusted Usage	458907.04	558005.6312	563585.6875	569221.5444	574913.7598
Unit Rate	\$ 0.042	\$ 0.042	\$ 0.043	\$ 0.044	\$ 0.045
Unit Total	\$ 19,274.10	\$ 23,436.24	\$ 24,191.35	\$ 24,970.80	\$ 25,775.36
Tier Total	\$ 67,853.63	\$ 76,432.09	\$ 78,353.12	\$ 80,324.12	\$ 82,346.46
<b>% Usage</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>
<b>% Revenue</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>
<b>4-inch</b>					
Base Rate	\$ 1,273.93	\$ 1,273.93	\$ 1,301.96	\$ 1,330.60	\$ 1,359.87
Periods	11	12	12	12	12
Customers	3	3	3	3	3
Base Total	\$ 42,039.65	\$ 45,861.44	\$ 46,870.39	\$ 47,901.54	\$ 48,955.37
Base Unit Usage - Annual	1636863	1505913.96	1551091.379	1566602.293	1582268.316
# Customers Adjustment %	1	1	1	1	1
Period Adjustment %	0.877392305	1	1	1	1
Conservation Adjustment %	0.92	1.03	1.01	1.01	1.01
Adjusted Usage	1321277.32	1551091.379	1566602.293	1582268.316	1598090.999
Unit Rate	\$ 0.042	\$ 0.042	\$ 0.043	\$ 0.044	\$ 0.045
Unit Total	\$ 55,493.65	\$ 65,145.84	\$ 67,244.84	\$ 69,411.47	\$ 71,647.90
Tier Total	\$ 97,533.30	\$ 111,007.27	\$ 114,115.22	\$ 117,313.00	\$ 120,603.27
<b>% Usage</b>	<b>31%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>
<b>% Revenue</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
<b>6-inch</b>					
Base Rate	\$ 2,866.34	\$ 2,866.34	\$ 2,929.40	\$ 2,993.85	\$ 3,059.71
Periods	11	12	12	12	12
Customers	2	2	2	2	2
Base Total	\$ 63,059.51	\$ 68,792.19	\$ 70,305.62	\$ 71,852.35	\$ 73,433.10
Base Unit Usage - Annual	432825	398199	410144.97	414246.4197	418388.8839
# Customers Adjustment %	1	1	1	1	1
Period Adjustment %	0.948505747	1	1	1	1
Conservation Adjustment %	0.92	1.03	1.01	1.01	1.01
Adjusted Usage	377694.04	410144.97	414246.4197	418388.8839	422572.7727
Unit Rate	\$ 0.042	\$ 0.042	\$ 0.043	\$ 0.044	\$ 0.045
Unit Total	\$ 15,863.15	\$ 17,226.09	\$ 17,781.11	\$ 18,354.02	\$ 18,945.39
Tier Total	\$ 78,922.66	\$ 86,018.28	\$ 88,086.74	\$ 90,206.37	\$ 92,378.48
<b>% Usage</b>	<b>9%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>
<b>% Revenue</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>14%</b>	<b>14%</b>

<b>Other Revenue</b>					
Water Revenue - July 2024	\$ 57,000.00				\$ -
Meter Install	\$ 8,000.00	\$ 8,000.00	\$ -	\$ 8,000.00	\$ -
Tax Income	\$ 68,000.00	\$ 69,496.00	\$ 71,024.91	\$ 72,587.46	\$ 74,184.38
Surplus Water	\$ 18,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Will Serve	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00
Customer Charges	\$ 16,000.00	\$ 16,352.00	\$ 16,711.74	\$ 17,079.40	\$ 17,455.15
<b>Total</b>	\$ 168,700.00	\$ 105,548.00	\$ 99,436.66	\$ 109,366.86	\$ 103,339.53
<b>Planned Reserve Withdrawal</b>	\$ 61,200.00				
Grand Total	\$ 750,961.76	\$ 695,175.23	\$ 706,644.12	\$ 734,682.28	\$ 744,793.61
<b>Operating Expenses</b>					
<b>Fixed</b>					
Advertising	\$ -	\$ -	\$ 261.00	\$ 266.74	\$ 272.61
Automobile	\$ 18,368.00	\$ 18,772.10	\$ 19,185.08	\$ 19,607.15	\$ 20,038.51
Bank Charge	\$ 1,600.00	\$ 1,635.20	\$ 1,671.17	\$ 1,707.94	\$ 1,745.51
Board Compensation	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
Board-GSA	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Subscriptions	\$ 1,000.00	\$ 1,022.00	\$ 1,044.48	\$ 1,067.46	\$ 1,090.95
Education	\$ 500.00	\$ 500.00	\$ 700.00	\$ 715.40	\$ 731.14
Emergency Communications	\$ 700.00	\$ 715.40	\$ 731.14	\$ 747.22	\$ 763.66
Engineering	\$ 1,000.00	\$ 1,022.00	\$ 1,044.48	\$ 1,067.46	\$ 1,090.95
Equipment Rental	\$ 3,400.00	\$ 3,474.80	\$ 3,551.25	\$ 3,629.37	\$ 3,709.22
Fees and Permits	\$ 1,500.00	\$ 1,533.00	\$ 1,566.73	\$ 1,601.19	\$ 1,636.42
Insurance	\$ 83,900.00	\$ 85,745.80	\$ 87,632.21	\$ 89,560.12	\$ 91,530.44
Maintenance	\$ 33,000.00	\$ 33,726.00	\$ 34,467.97	\$ 35,226.27	\$ 36,001.25
Meals/Entertainment	\$ 200.00	\$ 204.40	\$ 500.00	\$ 511.00	\$ 522.24
Office Expenses	\$ 5,080.00	\$ 5,191.76	\$ 5,305.98	\$ 5,422.71	\$ 5,542.01
Payroll/Employment Fees	\$ 283,875.00	\$ 290,120.25	\$ 296,502.90	\$ 303,025.96	\$ 309,692.53
PO Box	\$ 190.00	\$ 194.18	\$ 198.45	\$ 202.82	\$ 207.28
Postage	\$ 5,000.00	\$ 5,110.00	\$ 5,222.42	\$ 5,337.31	\$ 5,454.73
Accounting	\$ 6,000.00	\$ 6,132.00	\$ 6,266.90	\$ 6,404.78	\$ 6,545.68
Audit	\$ 20,000.00	\$ 20,440.00	\$ 20,889.68	\$ 21,349.25	\$ 21,818.94
Legal-Standard	\$ 5,500.00	\$ 5,621.00	\$ 5,744.66	\$ 5,871.04	\$ 6,000.21
Legal-Other	\$ 100,000.00			\$ -	\$ -
Rent	\$ 12,000.00	\$ 12,264.00	\$ 12,533.81	\$ 12,809.55	\$ 13,091.36
Software	\$ 4,000.00	\$ 4,088.00	\$ 4,177.94	\$ 4,269.85	\$ 4,363.79
Taxes	\$ 25,125.00	\$ 25,677.75	\$ 26,242.66	\$ 26,820.00	\$ 27,410.04
Telephone	\$ 3,800.00	\$ 3,883.60	\$ 3,969.04	\$ 4,056.36	\$ 4,145.60
Tools	\$ 500.00	\$ 511.00	\$ 522.24	\$ 533.73	\$ 545.47
Travel	\$ 325.00	\$ 332.15	\$ 339.46	\$ 346.93	\$ 354.56
Internet	\$ 1,440.00	\$ 1,471.68	\$ 1,504.06	\$ 1,537.15	\$ 1,570.96
Uniforms	\$ 500.00	\$ 511.00	\$ 522.24	\$ 533.73	\$ 545.47
Utilities - Office	\$ 1,700.00	\$ 1,737.40	\$ 1,775.62	\$ 1,814.69	\$ 1,854.61
Water Testing	\$ 10,000.00	\$ 10,220.00	\$ 10,444.84	\$ 10,674.63	\$ 10,909.47
<b>Total Fixed</b>	\$ 637,803.00	\$ 549,456.47	\$ 562,118.41	\$ 574,317.82	\$ 586,785.61

<b>Variable</b>					
Maintenance	\$ 33,000.00	\$ 34,861.84	\$ 36,241.21	\$ 37,673.28	\$ 38,887.11
Utilities - Pump	\$ 71,000.00	\$ 75,005.78	\$ 77,973.52	\$ 81,054.63	\$ 83,666.21
<b>Total Variable</b>	<b>\$ 104,000.00</b>	<b>\$ 109,867.63</b>	<b>\$ 114,214.73</b>	<b>\$ 118,727.91</b>	<b>\$ 122,553.32</b>
<b>Total Operating Expenses</b>	<b>\$ 741,803.00</b>	<b>\$ 659,324.09</b>	<b>\$ 676,333.15</b>	<b>\$ 693,045.73</b>	<b>\$ 709,338.93</b>
<b>Debt/Reserves</b>					
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency Reserves	\$ -	\$ 27,600.00	\$ 21,900.00	\$ 33,000.00	\$ 28,153.96
Operating Reserves	\$ 8,901.64	\$ 7,911.89	\$ 8,116.00	\$ 8,316.55	\$ 8,512.07
CIP Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 8,901.64</b>	<b>\$ 35,511.89</b>	<b>\$ 30,016.00</b>	<b>\$ 41,316.55</b>	<b>\$ 36,666.03</b>
<b>Surplus/(Loss)</b>	<b>\$ 257.13</b>	<b>\$ 339.25</b>	<b>\$ 294.97</b>	<b>\$ 320.00</b>	<b>\$ (1,211.35)</b>

<b>Fixed \$</b>	<b>\$ 340,763.70</b>	<b>\$ 372,506.61</b>	<b>\$ 382,264.18</b>	<b>\$ 392,270.78</b>	<b>\$ 400,900.74</b>
<b>Fixed %</b>	<b>45%</b>	<b>54%</b>	<b>54%</b>	<b>53%</b>	<b>54%</b>
<b>Variable \$</b>	<b>\$ 180,298.07</b>	<b>\$ 217,120.63</b>	<b>\$ 224,943.28</b>	<b>\$ 233,044.64</b>	<b>\$ 240,553.33</b>
<b>Variable %</b>	<b>24%</b>	<b>31%</b>	<b>32%</b>	<b>32%</b>	<b>32%</b>