

Central Coast Water Authority



*fiscal year
2015/16 Budget*

A California Joint Powers Authority

Central Coast Water Authority

A CALIFORNIA JOINT POWERS AUTHORITY

Fiscal Year
2015/16 Budget

Central Coast Water Authority

Mission:

To provide San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water.

Objectives:

- Treat and deliver water through the Coastal Aqueduct to San Luis Obispo and Santa Barbara Counties.
- Minimize environmental impacts and protect the environment during operation of our facilities.
- Cost effectively operate and maintain our facilities.
- Ensure our water supply meets or exceeds health and safety standards.
- Work with the Department of Water Resources and other state, federal and local agencies to achieve our mutual objectives.
- Assist project participants in their efforts to reduce groundwater overdraft.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2014

Executive Director

Central Coast Water Authority
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Fiscal Year 2015/16 Budget

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Polonio Pass Water Treatment Plant Backwash Pump Repair

Budget Foreword

The Budget Foreword section of the FY 2015/16 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

• Form of Government	Joint Powers Authority
• Government Code Section	Section 6500, Article 1, Chapter 5, Division 7, Title 1
• Date of Organization	August 1, 1991
• Member Agencies	8
• Associate Members	1
• Area served	Santa Barbara County, San Luis Obispo County
• Fiscal Year End	June 30th
• Santa Barbara County Table A	39,078 acre-feet
• Drought Buffer Table A	3,908 acre-feet
• San Luis Obispo County Table A	4,830 acre-feet

Operational Information

• Polonio Pass Water Treatment Plant capacity	50 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Number of water storage tanks	7
• Number of turnouts	10
• Number of full-time equivalent Positions	29.25

Central Coast Water Authority
Reader's Guide
Fiscal Year 2015/16 Budget

The organization and presentation of the Central Coast Water Authority's fiscal year budget is designed to satisfy the needs of citizens, ratepayers, public officials and Authority employees. It is organized and structured to meet external and internal managerial needs. As a comprehensive management and balanced financial plan, this document describes the programs, services and resources being provided by the Authority as well as policies and long-term financial plans.

The Authority's budget is divided into the following seven (7) major sections with sub-sections included in each major section:

- I. **BUDGET FOREWORD** An introductory section that contains the budget transmittal letter; narrative discussion on the financial policies, goals and objectives of the Authority; and narrative discussion on the budget process.
- II. **BUDGET SUMMARY** A past, present and future overview of the Authority's budget and financial plans.
- III. **REVENUES AND SOURCES OF CASH** Narrative, graphs and spreadsheets describing the Authority's revenue and other sources of cash for the past and present fiscal year and revenue projections.
- IV. **DEPARTMENT OF WATER RESOURCES (DWR)** Narrative, graphs and spreadsheets describing the DWR charges which are paid by the member agencies and other project participants of the Authority.
- V. **OPERATING EXPENSES** The operating expense section of the budget is comprised of the Administration, Water Treatment Plant, and Distribution Departments and includes narrative discussion on the operating expenses for each department as well as graphs and spreadsheets.
- VI. **TEN YEAR FINANCIAL PLAN** The ten year financial plan section of the budget provides the ten year pro forma projections for each project participant.
- VII. **APPENDIX** The appendix includes a glossary of terms and other items relevant to the Authority's budget.

To aid the reader in finding specific information quickly, a Table of Contents is provided at the beginning of this document.



April 23, 2015

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Submitted herewith is the Fiscal Year (FY) 2015/16 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2015/16.

The basic purpose of the budgetary process is to determine CCWA activities and projects to be undertaken and to identify resources and revenues available to fund them. In addition, the budget is more than just a financial document. The budget represents a process through which CCWA pursues for the ensuing year are established.

Financial control is the traditional function of a budget. This comprehensive budget also contains a vast amount of additional information including manpower requirements, equipment needs, and programs and services being provided. This level of detail provides you an opportunity to identify all the resources needed to accomplish CCWA's goals and objectives.

The budget also serves as a guide for policy implementation, making it a thorough and valuable document.

For seventeen consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2015/16 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2014/15:

Water Deliveries

Total deliveries during FY 2014/15 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 25,334 acre-feet compared to the actual FY 2013/14 deliveries of 21,979 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

Jack Boysen
Chairman

Richard Shaikewitz
Vice Chairman

Ray Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

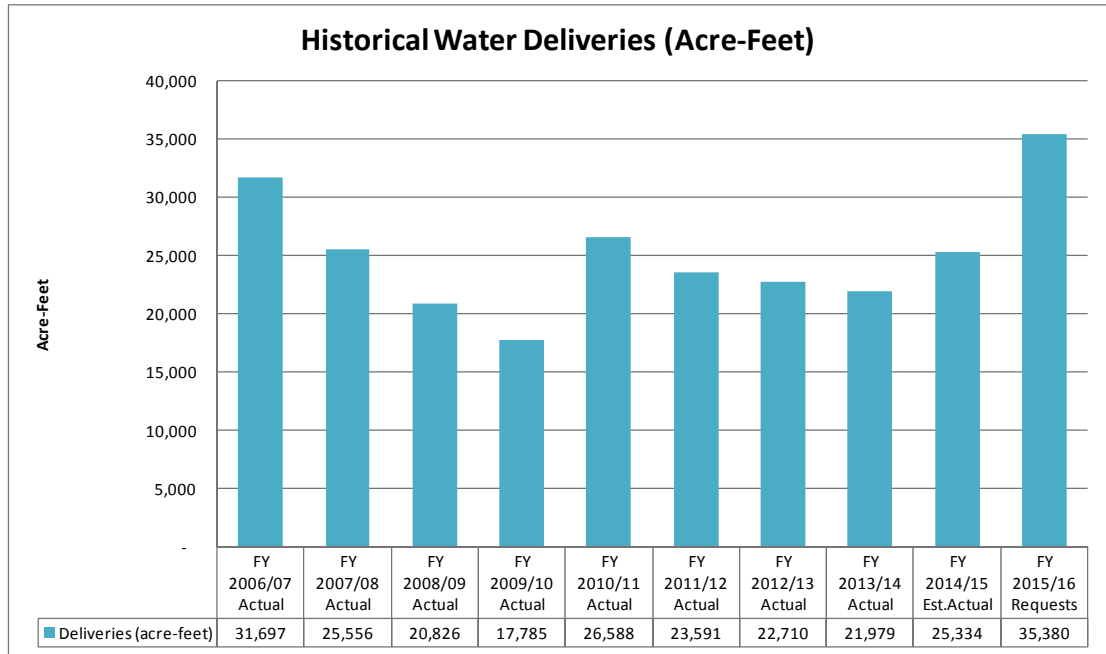
Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company



CCWA Supplemental Water Purchase Program

In response to the continued ongoing drought in California, the CCWA Board of Directors authorized the development of a Supplemental Water Purchase Program (SWPP) for those CCWA project participants that needed additional water supplies to help meet their demand not being met with other water supplies.

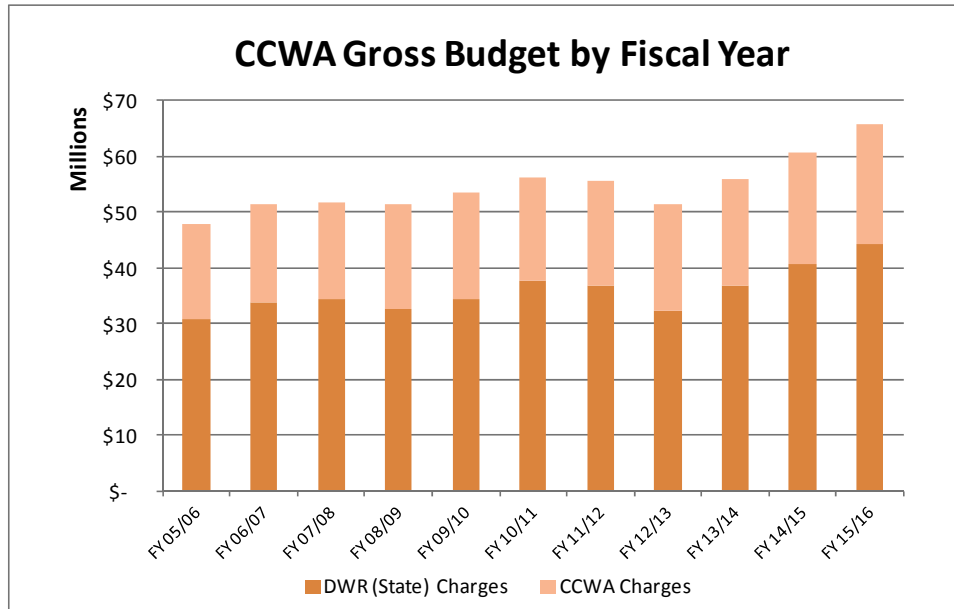
In calendar year 2014, CCWA entered into a number of different transactions to purchase almost 6,000 AF of water. In 2015, CCWA entered into contracts for the purchase of around 7,500 AF. These purchases have been instrumental in allowing our project participants to meet their demand.

CCWA Credits

Actual CCWA operating expenses for FY 2014/15 are anticipated to be approximately \$.5 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2015/16.

CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 2005/06 to FY 2015/16.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2014/15 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2013/14 Comprehensive Annual Financial Report.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2015 and 2016, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 34,292 and 36,125 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

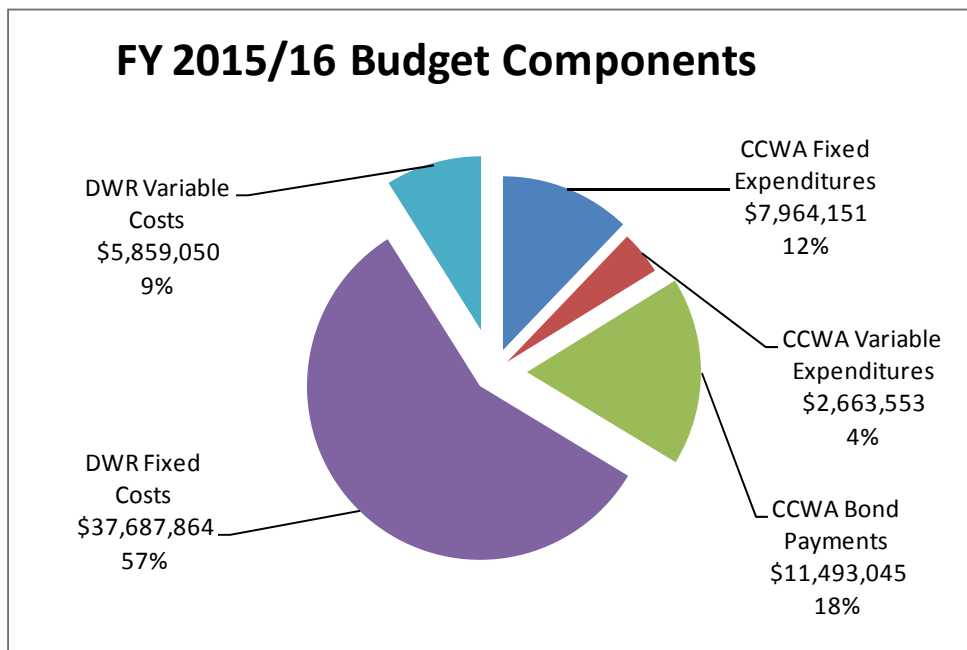
During FY 2015/16, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could potentially have a significant fiscal impact to CCWA in the current and future years. Therefore, staff will place a high priority on working through the various available venues to minimize the fiscal impacts to CCWA and ensure that we continue to meet our goal of providing reliable, high quality supplemental water.

California Drought

The State of California is in the fourth year of drought which is creating extensive and multiple issues for individual water agencies such as CCWA. While CCWA has been successful in acquiring additional water supplies to meet the needs of our project participants, should the drought continue into 2016, there is no doubt that even more complex and severe challenges will be encountered. As a result, much of CCWA's staff efforts will involve the proactive efforts to respond to this prolonged drought.

FY 2015/16 BUDGET SUMMARY

The FY 2015/16 budget calls for total project participant payments of \$65.6 million compared to the FY 2014/15 budget of \$58.7 million, a \$6.9 million increase. These amounts include \$0.1 million in CCWA credits for FY 2015/16 and \$0.2 million for FY 2014/15. The following graph shows the breakout of the various cost components in the CCWA FY 2015/16 Budget:



The following table compares the FY 2015/16 Budget and the FY 2014/15 Budget:

Budget Item	Final FY 2014/15 Budget	Final FY 2015/16 Budget	Increase (Decrease)
<u>CCWA Expenses</u>			
CCWA Operating Expenses - Fixed	\$ 6,244,893	\$ 6,513,938	\$ 269,045
CCWA Operating Expenses - Variable	1,656,725	2,663,553	\$ 1,006,827
Revenue Bond Debt Service Payments	11,508,503	11,493,045	(15,458)
Capital Improvement Projects	495,810	738,141	242,331
Total CCWA Expenses:	19,905,931	21,408,675	1,502,745
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	33,938,581	37,687,864	3,749,282
DWR Variable Costs	4,730,902	5,859,050	1,128,149
Warren Act and Trust Fund Payments	258,622	712,072	453,450
Total Pass-Through Expenses:	38,928,105	44,258,987	5,330,882
Subtotal Gross Budget:	58,834,036	65,667,662	6,833,626
CCWA Credits	(162,075)	(104,480)	57,594
TOTAL:	\$ 58,671,961	\$ 65,563,182	\$ 6,891,220

CCWA Operating Expense Budget

The FY 2015/16 CCWA operating expense budget total is \$9.2 million, which is \$1.3 million higher than the FY 2014/15 operating expense budget, a 16.15% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2015/16 and FY 2014/15.

	Final FY 2014/15 Budget	Preliminary FY 2015/16 Budget	Increase	Percentage Change
Fixed O&M	\$ 6,244,893	\$ 6,513,938	\$ 269,045	4.31%
Variable O&M	1,656,725	2,663,553	1,006,827	60.77%
Total:	\$ 7,901,618	\$ 9,177,490	\$ 1,275,872	16.15%

The following is a list of the major highlights of the operating expense budget. Additional highlights and detailed explanations are available in the departmental sections of the budget.

Personnel Expenses

Personnel expenses are increasing by about \$61,000 which includes the following changes from the prior year:

- The FY 2015/16 Budget includes a \$98,172 salary pool for employee salary increases based on a salary pool percentage of 3.73%. The salary pool percentage is comprised of a 3% merit component and a 0.73% change in the consumer price index. However, the total salaries and wages budget is only increasing by about \$56,000 because certain employees have remained at the top

of their salary range, stalling their salary growth, and one full-time employee changed to part-time.

- PERS retirement expenses are increasing by about \$14,000 due to salary increases and the change in the employer and employee contribution rate for the FY 2015/16 to 21.035% as compared to the prior year amount of 21.507%.
- Health insurance expenses and cafeteria plan benefits combined are decreasing by about \$11,000 due to a decrease in dental and vision claims along with a small 2.92% decrease in health insurance premiums, as opposed to the budgeted increase of 5% for calendar year 2015. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2016.
- The FY 2014/15 Budget includes \$43,920 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents a \$1,080 increase in the estimated FY 2015/16 amount from the FY 2014/15 budgeted amount of \$42,840 for the annually required contribution for the CCWA retiree medical benefit.

Supplies and Equipment

Supplies and equipment are increasing by around \$542,000 due primarily to an increase in deliveries and the increased cost of chemicals needed due to drought related water quality changes.

Monitoring Expenses

Monitoring expenses are increasing by \$10,000 for lab supplies and lab testing as compared to last fiscal year due to drought related water quality monitoring along with new required testing.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$19,000 primarily for repairs and maintenance needed as equipment, structures and vehicles age.

Professional Services

Professional Services are increasing by \$161,000 primarily due to the increased cost of legal services in relation to the anticipated additional legal services regarding the pursuit of obtaining DWR approval to allow assignment of the State water contract from Santa Barbara County to CCWA.

Utilities

Utility expenses are increasing by about \$485,000 primarily due to an increase in requested water deliveries into Lake Cachuma of 7,818 AF compared to the prior fiscal year.

CCWA Capital Improvement Projects

The FY 2015/16 Budget includes \$738,141 for capital improvements, a \$242,331 increase over the prior year amount. All capital improvement projects are funded on a current basis from project participant assessments.

Please refer to the “*Capital Improvements*” section of this FY 2015/16 Budget for additional information on the budgeted capital improvement projects.

CCWA 2006A Revenue Bond Debt Service

CCWA 2006A revenue bond debt service for FY 2015/16 totals \$11.5 million, which is \$15,458 less than the prior year amount.

Warren Act and Trust Fund Payments

The FY 2015/16 Budget includes \$712,072 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 12,277 acre feet of water to be delivered to Lake Cachuma.

CCWA Credits

The FY 2015/16 budget includes the following credits:

CCWA O&M Credits	\$	70,777
O&M Reserve Fund Interest Income		5,701
Rate Coverage Reserve Fund Interest		26,658
Prepayments and Other Credits		1,345
	\$	<u>104,480</u>

DWR Charges

The FY 2015/16 DWR fixed charges total \$37.7 million, which is \$3.7 million more than the FY 2014/15 Budget. The DWR variable charges total \$5.9 million, which is \$1.1 million more than the prior year amount.

Please refer to the DWR section of the budget for a detailed discussion on the DWR charges.

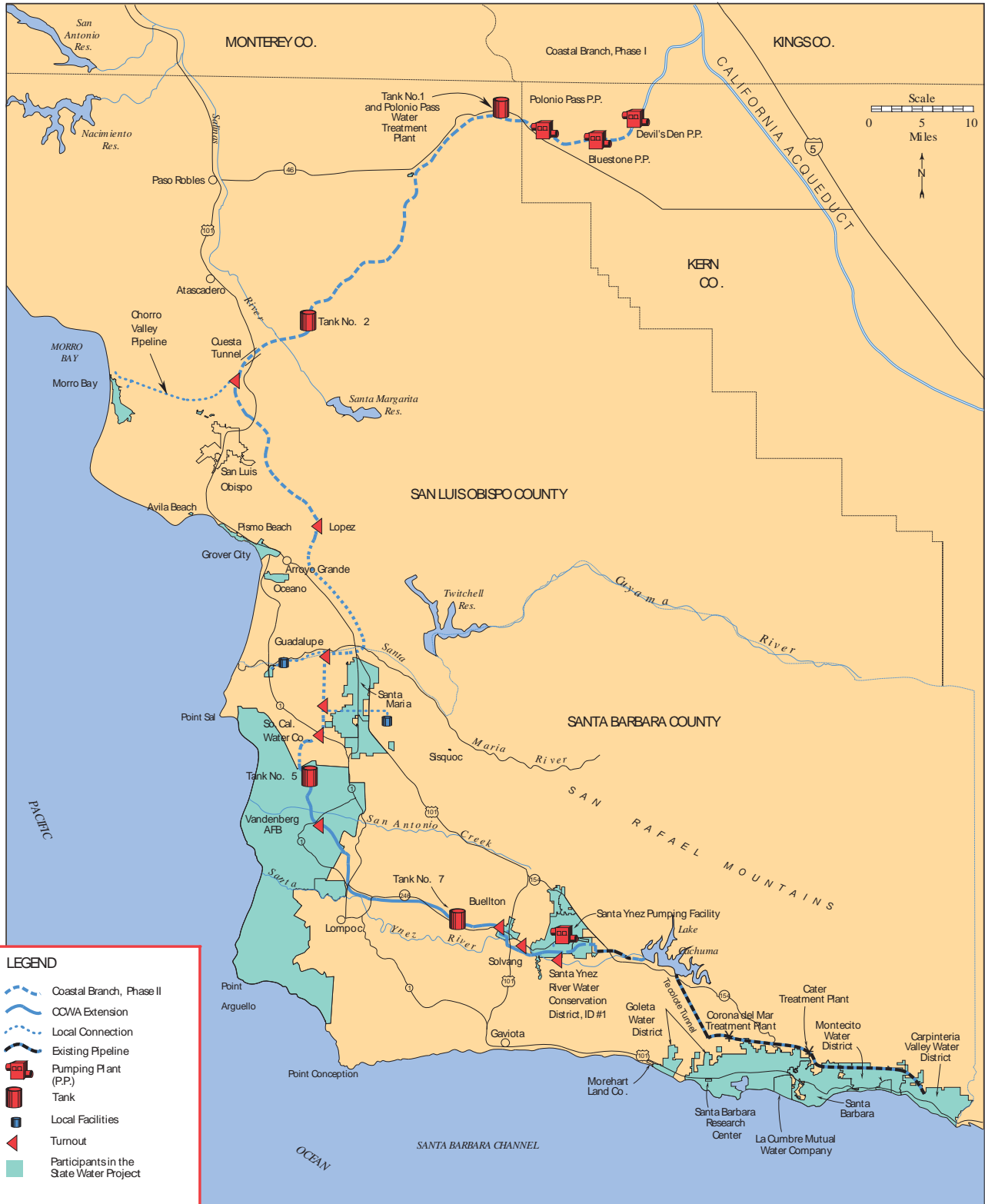
CONCLUSION

We are proud of the many accomplishments achieved during the past year through the combined efforts of CCWA staff and project participants. We look forward to the challenges of the upcoming productive successful year.

Sincerely,


Ray Stokes
Executive Director

Project Map



Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2015/16 Budget

The Authority is a public entity duly organized and existing under a Joint Exercise of Powers Agreement – Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County, two of which have subsequently merged. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create the Authority to finance, develop, operate, and maintain the Authority’s facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. The Authority currently has a staff of 28 full-time and 2 part-time employees.

The Authority is presently composed of eight members, all of which are public agencies: the Cities of Buellton, Guadalupe, Santa Barbara and Santa Maria, Carpinteria Valley Water District, Goleta Water District, Montecito Water District and Santa Ynez River Water Conservation District, Improvement District No. 1 (in which the City of Solvang is located). (A founding member of the Authority, the Summerland Water District, was merged into the Montecito Water District.) In addition, the Authority has an Associate Member, the La Cumbre Mutual Water Company. Each member appoints a representative to the Authority’s Board of Directors. San Luis Obispo County Flood Control and Water Conservation District (SLOFCWCD and/or San Luis Obispo Water Purchasers) has expressed an interest in joining the Authority. However, any decision to do so must be approved by the unanimous vote of the present members.

The member agencies are represented on the CCWA Board of Directors by an individual chosen by each public entity’s Board or City Council. Each vote on the Authority’s Board of Directors is weighted roughly in proportion to the entity’s allocation of State water entitlement. The following table outlines the voting percentage for each member of the CCWA Board of Directors.

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2015/16 Budget

Board of Directors Voting Percentages

City of Guadalupe	1.15%
City of Santa Maria	43.19%
City of Buellton	2.21%
Santa Ynez RWCD, Improvement District #1	7.64%
Goleta Water District	17.20%
City of Santa Barbara	11.47%
Montecito Water District	9.50%
Carpinteria Valley Water District	<u>7.64%</u>
TOTAL	100.00%

CCWA Committees

There are three Authority committees. They consist of the Finance Committee, Personnel Committee, and Operating Committee.

The Operating Committee is composed of the general managers, city administrators and water supply managers of the various water agencies and cities served by the Authority. The Operating Committee typically meets once a month to act on matters such as project construction, operations and financial issues and recommends actions to the Authority's Board of Directors.

Santa Barbara County Project Participants

Each Santa Barbara County project participant is a water purveyor or user located in Santa Barbara County which obtained contractual rights to receive water from the State Water Project prior to 1991. Those rights have been assigned to the Authority pursuant to the terms of the Water Supply Agreements.

Central Coast Water Authority
 Organization Overview, Structure and Staffing
 Fiscal Year 2015/16 Budget

Santa Barbara County Project Participant Table A Amounts

<u>Agency</u>	<u>Table A ⁽¹⁾</u>
City of Buellton	578
Carpinteria Valley Water District	2,000
Goleta Water District	4,500
City of Guadalupe	550
La Cumbre Mutual Water Company	1,000
Montecito Water District	3,000
Morehart Land Company	200
City of Santa Barbara	3,000
Raytheon Systems Company (SBRC)	50
City of Santa Maria	16,200
Santa Ynez River W.C.D., ID #1	2,000
Golden State Water (SCWC)	500
Vandenberg Air Force Base	<u>5,500</u>
TOTAL	39,078

(1) In acre-feet per year. The amounts do not include the Authority's 3,908 acre-feet per year "drought buffer" entitlement and 2,500 acre-feet per year additional entitlement which has been acquired by Goleta Water District.

San Luis Obispo County Water Purchasers

Each San Luis Obispo County water purchaser is a water purveyor or user located in San Luis Obispo County which obtained contractual rights from San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) to receive water from the State Water Project.

San Luis Obispo County Project Participant Table A Amounts

<u>Agency</u>	<u>Table A</u>
Avila Beach Community Services District	100
Avila Valley Mutual Water Co., Inc.	20
California Men's Colony (State)	400
County of SLO C.S.A. No. 16, I.D. #1	100
County of SLO (Op. Center & Reg. Park)	425
City of Morro Bay	1,313
Oceano Community Services District	750
City of Pismo Beach	1,240
San Luis Coastal Unified School District	7
San Miguelito Mutual Water Company	275
SLO Co. Comm. Coll. District (Cuesta College)	<u>200</u>
TOTAL	4,830

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2015/16 Budget

Water Supply Agreements

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority in order to provide for the development, financing, construction, operation and maintenance of the Authority's facilities and to designate the Authority to act on behalf of the Santa Barbara County project participants with respect to the DWR facilities. The purpose of the Water Supply Agreements is to assist in carrying out the purposes of the Authority with respect to the Authority project by (1) requiring the Authority to sell, and the Santa Barbara County project participants to buy, a specified amount of project allotment from the Authority, and (2) assigning the Santa Barbara County project participants' Table A rights in the State Water Project to the Authority.

Local Water Treatment Agreements

Each San Luis Obispo County water purchaser has entered into a Local Water Treatment Agreement with SLOCFCWCD and SLOCFCWCD has entered into the Master Water Treatment Agreement with the Authority to cause the Authority to provide for the development, financing, construction, operation and maintenance of the Authority's facilities. The purpose of the Local Water Treatment Agreements is to provide the terms and conditions of the treatment of the San Luis Obispo County water purchaser's water to be delivered from the State Water Project and to provide for the financing of certain local improvements.

State Water Project

The State Water Project is one of the largest water supply projects undertaken in the history of water development. It encompasses a complex of reservoirs, pumping plants, power plants, canals, and tunnels owned and operated by the DWR. State water, which primarily originates north of the Sacramento-San Joaquin Delta, is transported from the Delta to serve water contractors in the San Francisco Bay area, the San Joaquin Valley, and Southern California. All of the initially planned 642-mile aqueduct and pipeline system is operational with the last 100 miles of the Coastal Branch Phase II substantially completed and placed into operation in August 1997.

DWR has previously completed what is known as the Coastal Branch Phase I, which branches off the California Aqueduct in the southwestern corner of Kings County near Interstate 5. The Coastal Branch Phase I is a 15-mile canal that ends near Devils Den in northwestern Kern County.

The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2015/16 Budget

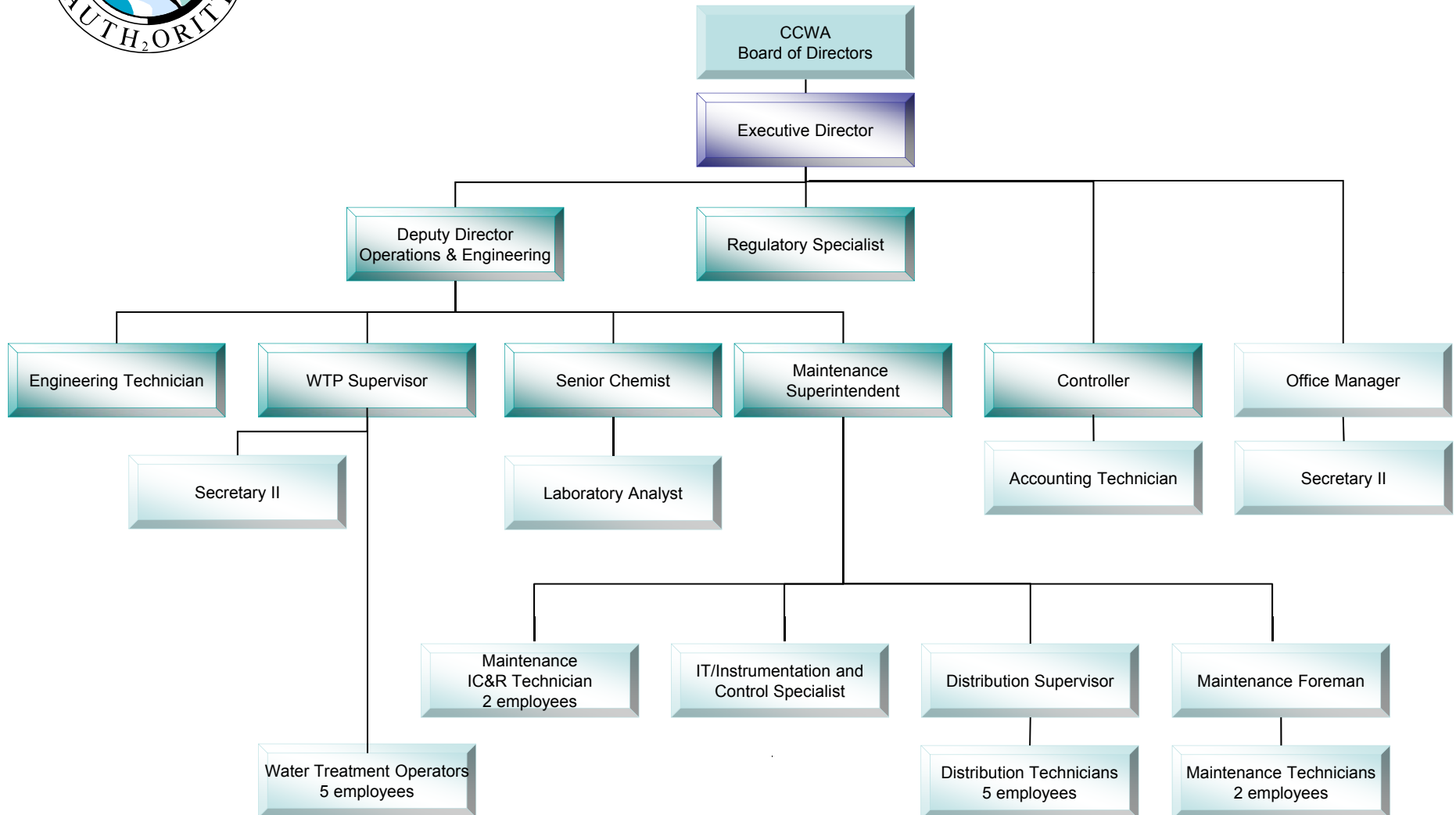
mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

The CCWA Extension begins at a diameter of 39 inches at Tank 5, continuing south to a point near Lompoc where it turns east, reducing to a diameter of 30 inches along the way. Water flows by gravity to the Santa Ynez Pumping Plant. At this facility, the chloramines used for disinfection are removed (a process called dechloramination) and the water is then pumped into Lake Cachuma through a 30-inch diameter pipe that was originally used to deliver Cachuma Project water to the Santa Ynez River Water Conservation District, Improvement District No. 1.

The water treatment plant receives raw water from the Coastal Branch Phase II and, after treatment, returns the water to the Coastal Branch Phase II. The plant is sized at 50 million gallons per day to accommodate the maximum annual entitlement of both counties. The plant uses conventional modern treatment units for filtration and disinfection of surface water in conformance with the relevant regulations of the California Department of Public Health.

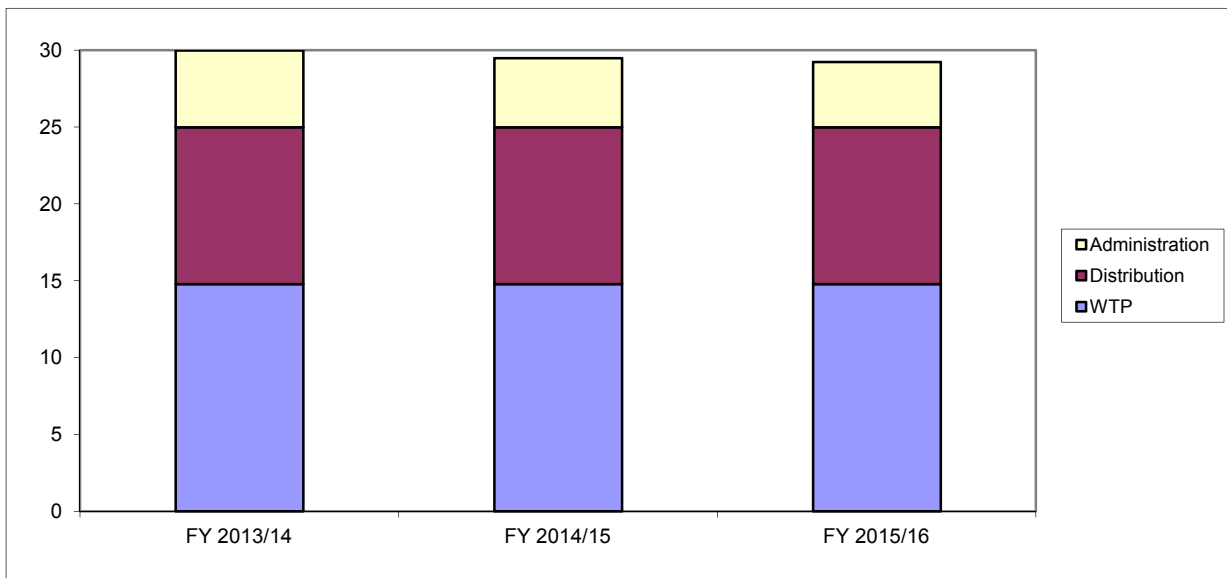


Central Coast Water Authority Organization Chart FY 2015/16



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2015/16 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2013/14	Authorized FY 2014/15	Requested FY 2015/16	Over FY 2013/14	Over FY 2014/15
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager	1.00	-	-	(1.00)	-
Regulatory Specialist	1.00	1.00	1.00	-	-
Controller	-	1.00	1.00	1.00	-
Senior Accountant	1.00	-	-	(1.00)	-
Office Manager	-	1.00	1.00	1.00	-
Secretary II	2.50	1.50	1.50	(1.00)	-
Accounting Technician	0.50	1.00	0.75	0.25	(0.25)
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Manager	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	2.00	2.00	2.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	30.00	29.50	29.25	(0.75)	(0.25)



Central Coast Water Authority
Budget Process
Fiscal Year 2015/16 Budget

Fiscal Year Budget

The Authority's fiscal year budget is one of the most important documents prepared by the Authority. Through the process of planning and preparing the budget, the Authority is given the opportunity to reassess its plans and goals for the coming and future years. The process also provides direction for management and staff.

In December of each year, the Authority's staff prepares a list of goals and objectives by department and general area of responsibility. The annual goals and objectives are reviewed by the Executive Director and refined as appropriate. The goals are then presented to the Board of Directors at the regular January Board meeting.

Ten Year Financial Plan

The Ten Year Financial Plan is prepared to provide the project participants pro forma projections of the Authority's expenditures and includes projections for both the CCWA and DWR portions of the budget. DWR provides projections for each of these years for both the fixed and variable costs, and the CCWA expenses are generally projected with a 3% inflation factor to all operating expenses.

The Ten Year Financial Plan is prepared only as an informational tool and is not formally adopted by the Board of Directors. The financial plan is presented to the Operating Committee and is used by the member agencies and other project participants for their planning and long-term budgeting purposes.

The various components of the budget are compiled, including "pass-through" charges from the Department of Water Resources (DWR) and Warren Act charges paid to the U.S. Bureau of Reclamation (*see the Revenues and Sources of Cash section for a description of Warren Act Charges*). While these expenditures are not considered expenses for the Authority, the charges are collected by the Authority and paid to the respective agencies; therefore, they are included in the budget.

The requested budget is prepared recognizing the Board approved organization-wide and departmental goals. All Authority goals must be funded within the budget to allow each goal to be accomplished. Stated another way, there are no unfunded mandates.

Committee Review of the Budget

The initial review of the budget is presented to the Finance and Operating Committees each March. Each of these Committees provides input to staff regarding the requested budget. As required by California's Brown Act and

Central Coast Water Authority
Budget Process
Fiscal Year 2015/16 Budget

Public Records Act, both meetings are posted at least 72 hours, and typically one week, in advance of the meetings inviting the public to attend and provide input regarding the proposed budget.

Board Adoption of the Fiscal Year Budget

Initial review of the preliminary budget by the Board of Directors occurs during its March regular meeting. The Board reviews the proposed budget and makes changes as it deems appropriate. After staff amends the budget reflecting the Board's direction, the amended budget is then resubmitted to the Board for final review and adoption. This process may continue until staff and the Board have reached a budget suitable for Board approval. Approval of the final budget typically occurs at the regular April Board meeting. The budget is approved by motion and majority vote of the Board. All of these meetings are posted for public participation.

Budget Amendment Process

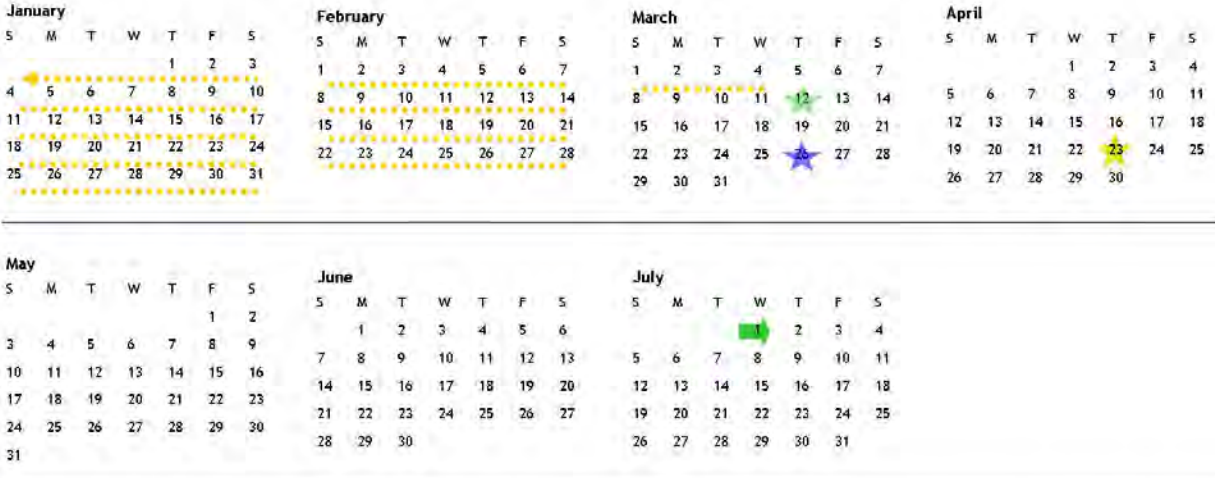
The budget may only be amended during the year by Board action. This process involves requests by staff to the Board for additional funding. The Board considers the requests of staff at regularly scheduled meetings and approves or rejects the requests by motion and majority vote.

CCWA Financial Schedule FY 2015/16

The Financial Schedule on the following page provides a graphical overview of the major financial milestones that occur for the budget preparation and the corresponding revenue and expenditure cycles.

Central Coast Water Authority
Budget Process
 Fiscal Year 2015/16 Budget

CCWA Budget Planning Schedule
FY 2015/16 Budget



- Receive DWR Statement of Charges (for following calendar year)
- Prepare Draft Budget
- Submit Preliminary Budget to Operating Committee
- Submit Preliminary Budget to Finance Committee
- Submit Preliminary Budget to Board of Directors
- Board Approval of Final Budget
- Beginning of 2015/16 Budget Expenditure Cycle

July 1, 2014
 November 1, 2014 - February 26, 2015
 March 12, 2015
 March 12, 2015
 March 26, 2015
 April 23, 2015
 July 1, 2015

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2015/16 Budget

Budget Reporting

For budgetary reporting purposes, the Central Coast Water Authority uses the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred. Non-cash expense items such as depreciation expense for fixed assets and accrued compensated absences are excluded from the budget.

The Authority operates under one fund for budgetary purposes. However, the Authority’s various departments and budget preparation are segregated into sub-sections as follows:

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II

Santa Ynez I

Santa Ynez II

DWR Reaches

Reach 33B

Reach 34

Reach 35

Reach 37

Reach 38

For further information on the various cost centers within the Distribution Department subsection, please see the discussion of financial reaches in the section titled “Distribution Department.”

Financial Statement Reporting

The Authority operates as a proprietary fund-type. All proprietary fund-types are accounted for on a flow of economic resources measurement focus. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Where appropriate, net total assets (i.e., fund equity) are segregated into contributed capital and retained earnings. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2015/16 Budget

The Fiscal Year 2015/16 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

The Authority's management believes that a successful budget should contain the following ingredients for it to be useful to the individuals using the information:

1. **Worthy Purpose** There should be clear goals for the budget. The goals and objectives of the Authority should dictate the Authority's budget.
2. **Participative Ownership** Budget ownership and the motivation to make it work will only occur when there is significant decision making involvement at the levels of implementation.
3. **Reporting System** A good budgeting system must be fully integrated with the Authority's reporting (i.e., accounting) system. That is, the accounting system and the budgeting system should be consistent in account classifications and methods of accounting for data, time periods, etc. Ease of understanding is enhanced when the budgeted data and the accounting system mirror each other.
4. **Support of Management** In any well-organized budgeting system, support from top management is essential for the system to be effective. By being involved in establishing the budget concepts and procedures as well as reviewing budget variations, the Board will lend support to the rest of the Authority and create acceptance and promote effective use of the budgeting system by all.

BUDGET POLICIES

- The primary budgetary objective is to provide the highest possible level of service to the Authority's project participants without impairing the Authority's sound financial condition. Continual efforts will be made to improve productivity, lower costs, and enhance services.
- The Authority will endeavor to keep current expenditures less than current revenues. Current expenditures are defined as operating expenses, debt payment, and capital improvement expenditures. The Authority will strive to operate within the approved budgetary amounts to avoid subsequent billings to the member agencies and other project participants for over-expenditures.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2015/16 Budget

- The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues and expenditures/expenses to budgeted amounts.
- Laws and policies limiting revenue sources and expenditures must be explicitly addressed in the budget process.
- No Unfunded Mandates The Board of Directors will not establish a goal or policy without also providing the necessary funding to accomplish those goals or policies.
- Budget Change Policy The adopted budget may only be changed by Board action. Budget change requests may be made by staff to the Board of Directors at a regularly scheduled Board meeting. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority's staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 2006 revenue bond debt service and DWR charges.
- DWR Charges and Credits The Authority will endeavor to provide sufficient information to the member agencies and other project participants regarding the DWR charges to enable them to gain a full understanding of the charges. Additionally, the Authority will provide credits given by DWR on the next available billing sent to the project participants.
- Ten Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a ten year financial plan which provides estimates of the total State water costs for the ten-year period.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2015/16 Budget

- Distribution Department Financial Reach Allocation Percentages The Authority will amend the Distribution Department financial reach allocation percentages for fixed O&M costs based on the actual costs incurred by financial reach. These percentages will be based on the actual percentages from the Yearend Budget Report two years prior to the current budget year.
- Spare Parts Inventory The Authority will track the purchase of spare parts inventory greater than \$2,000 and allocate costs to the appropriate financial reach when the spare parts are actually used at a specific location or financial reach.
- Appropriated Contingency No expenditure will be made from the Appropriated Contingency account without prior approval from the Board of Directors.
- Staff Salary Pool Policy The overall salary pool will consist of two separate pools: (1) a pool for all employees excluding the Executive Director and Deputy Director, and (2) a pool – i.e., proposed salary treatment – for the Executive Director and Deputy Director.

The Authority will calculate and include in the proposed budget a salary pool with a cost of living component and a merit increase component. The merit increase percentage will be three percent (3%). The cost of living percentage will be the annual percentage change computed each year in December based on the Los Angeles-Riverside-Orange, CA Consumer Price Index for All Urban Consumers.

The employee pool will be calculated by multiplying the resulting salary pool percentage (merit increase percentage and cost of living percentage) by the actual annual salaries for all employees at the time the budget is prepared based on full staffing (excluding the Executive Director and Deputy Director). The Executive Director and Deputy Director's pool will be calculated by multiplying the resulting salary pool percentage (merit increase percentage and cost of living percentage) by his or her actual annual salary at the time the budget is prepared. The two pools are then added together to determine the overall salary pool for budget purposes.

The CCWA Board of Directors shall administer the Executive Director and Deputy Director's pay treatment separate from the employee salary pool and the Executive Director shall administer the pay treatment (i.e., the employee pool) for all other CCWA employees.

- Employee Benefits Funding Benchmark The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2015/16 Budget

preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability, and life insurance as a proportion of the full-time regular wages budget for the fiscal year.

- Budget Transfer Policy If CCWA staff determine funds are available in an Operations and Maintenance or Project account, staff may transfer available funds to other accounts and/or projects which were not anticipated in the CCWA Board adopted budget with the approval of the Finance Committee Chairperson, or alternatively, the CCWA Board Chairperson. Transfer of funds for projects and/or one-time expenditures cannot exceed \$10,000. Staff will prepare a summary of the Budget Fund Transfers which will include the source and destination of the funds, financial reaches impacted and justification for the transfer. A summary of the approved transfers will be included on the CCWA Board Consent Calendar as part of the next regularly scheduled Board meeting.
- Self-Funded Dental/Vision Plan Annual Limits and Premium Amounts The CCWA self-funded Dental/Vision plan annual limit on total expenditures for each covered employee and the corresponding premium amount will increase at the beginning of each plan year by the December to December percentage change of the Los Angeles/Riverside All Urban Consumers, Consumers Price Index.

CAPITAL IMPROVEMENTS POLICY

- Long-Range CIP Plan The Authority will identify long-range capital projects and capital improvements of all types which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.
- CIP Paid from Current Revenues When appropriate, capital improvements will be paid through current revenue sources rather than financing capital projects over a period of time.

DEBT POLICY

- Debt Financing The Authority will use debt financing when it is judged to be appropriate based on the long-term capital needs of the Authority and the Authority's ability to repay the indebtedness has been evaluated in light of all sources and uses of cash.
- Long-Term Debt The Authority will only incur long-term debt for the financing of capital improvements that are not expected to recur and are long-lived. Conversely, if the capital requirements are recurring, of relative

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2015/16 Budget

small scale, or are for short-lived improvements, the cost of these improvements should be paid from current revenues.

RESERVE POLICY

- The Authority will maintain an Operations and Maintenance Reserve Fund in the amount of \$2 million. Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities.

INVESTMENT POLICY

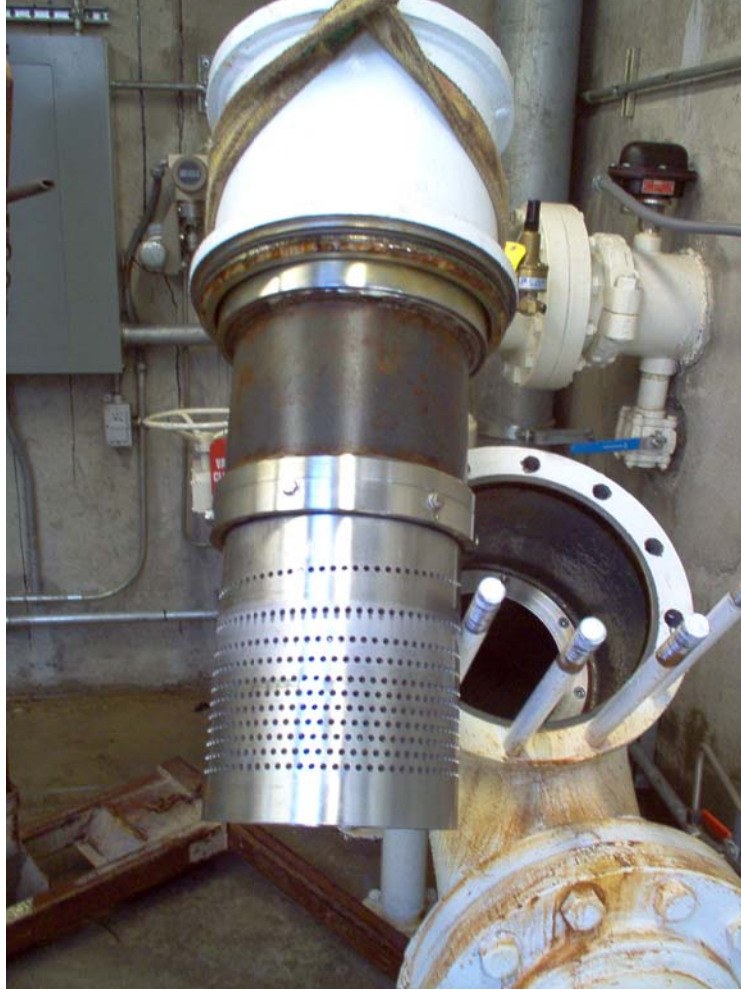
- The Authority will operate its idle cash investments under the prudent person rule which states: "...in investing...property for the benefit of another, a trustee shall exercise judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs...."
- The criteria for selecting investments and the order of priority:
 - (1) Safety, which refers to the potential loss of principal, interest or a combination of the two.
 - (2) Liquidity, which refers to the ability to "cash-in" at any moment in time with a minimal chance of losing some portion of principal or interest.
 - (3) Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

- Monthly Budget Reports The Authority's Controller will produce monthly budget reports covering the activity for the current period.
- Independent Audit The Authority will employ an independent accounting firm to perform an annual audit of the Authority's financial statements, and make the audit available to all required and interested parties.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2015/16 Budget

- Budget Preparation The Authority will prepare an annual budget document that provides a basic understanding of the Authority's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for customer input prior to final adoption of the budget.
- Accounting System The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will strive to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.
- Budget Awards The Authority will annually submit its budget to the Government Finance Officers' Association for consideration of the Distinguished Budget Presentation Award.



Lopez Turnout Sleeve valve repair

Budget Summary

The Budget Summary section of the FY 2015/16 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document as well as cost per acre-foot amounts based on the FY 2015/16 Budget.

Highlights

Budget Summary

• FY 2015/16 Gross Budget	\$ 65,667,662
• FY 2014/15 Gross Budget	<u>\$ 58,834,036</u>
Increase:	\$ 6,833,626
• FY 2015/16 CCWA Credits	\$ 104,480
• FY 2014/15 CCWA Credits	<u>\$ 162,075</u>
Decrease:	\$ (57,595)
• FY 2015/16 Net Budget (After CCWA Credits)	\$ 65,563,182
• FY 2014/15 Net Budget (After CCWA Credits)	<u>\$ 58,671,961</u>
Increase:	\$ 6,891,221

Significant Budget Changes

- DWR Fixed cost increase of \$3.7 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years
- DWR Variable cost increase of \$1.1 million due to an increase in deliveries coupled with a large increase in the DWR Variable OMP&R costs for electricity due to lower hydroelectric generation from decreased water deliveries
- CCWA Fixed O&M Expense budget increase of \$269,045
- CCWA Variable O&M Expense budget increase of \$1,006,827
- CCWA capital improvement projects budget increase of \$242,331
- Warren Act and Trust Fund budget increase of \$453,450

Central Coast Water Authority
Budget Summary
Fiscal Year 2015/16 Budget

	FY 2013/14		FY 2014/15		Change from	Change from
	Actual	Budget	Estimated Actual	Budget	FY 2014/15 Budget	FY 2014/15 Est. Actual
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses ⁽¹⁾	8,890,690	7,901,618	7,901,618	9,177,490	1,275,872	1,275,872
Debt Service Payments	11,508,383	11,508,503	11,508,503	11,493,045	(15,458)	(15,458)
Capital Improvement Projects	(248,301)	495,810	495,810	738,141	242,331	242,331
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	345,401	-	100,000	-	-	(100,000)
CCWA Credits	-	(162,075)	(162,075)	(104,480)	57,594	57,594
Subtotal Revenues	20,496,174	19,743,856	19,843,856	21,304,195	1,560,339	1,460,339
<i>Pass-Through Expenses</i>						
DWR Fixed Costs	33,364,367	33,938,581	35,771,334	37,687,864	3,749,282	1,916,529
DWR Variable Costs	3,008,089	4,730,902	4,730,902	5,859,050	1,128,149	1,128,149
Warren Act Charges	178,517	258,622	258,622	712,072	453,450	453,450
Subtotal Pass-Through Expenses	36,550,974	38,928,105	40,760,858	44,258,987	5,330,882	3,498,129
TOTAL SOURCES OF CASH	57,047,148	58,671,961	60,604,714	65,563,182	6,891,220	4,958,467
USES OF CASH						
<i>CCWA Operating Expenses</i>						
Personnel	3,984,956	4,238,812	4,146,891	4,299,632	60,820	152,741
Office Expenses	16,651	19,150	15,202	19,150	-	3,948
Supplies and Equipment	1,037,861	1,170,981	1,464,212	1,712,687	541,706	248,475
Monitoring Expenses	68,242	90,305	100,120	100,391	10,086	271
Repairs and Maintenance	215,298	236,220	231,381	255,306	19,086	23,925
Professional Services	263,074	329,851	372,289	491,335	161,484	119,046
General and Administrative	204,814	240,963	232,049	246,099	5,137	14,050
Utilities	752,840	803,022	1,137,857	1,286,695	483,673	148,838
Other Expenses	718,169	772,315	672,744	766,195	(6,120)	93,451
<i>Total Operating Expenses</i>	7,261,905	7,901,618	8,372,746	9,177,490	1,275,872	804,744
<i>Other Expenditures</i>						
Warren Act Charges	178,517	258,622	258,622	712,072	453,450	453,450
Capital Improvement Projects ⁽¹⁾	749,170	495,810	495,810	738,141	242,331	242,331
CCWA Credits	-	(162,075)	(162,075)	(104,480)	57,594	57,594
2006 Revenue Bond Debt Service	11,508,383	11,508,503	11,508,503	11,493,045	(15,458)	(15,458)
Unexpended O&M Assessments	976,715	-	(371,128)	-	-	-
<i>Total Other Expenditures</i>	13,412,786	12,100,860	11,729,732	12,838,777	737,917	737,917
<i>Total CCWA Expenditures</i>	20,674,691	20,002,478	20,102,479	22,016,268	2,013,789	1,542,661
<i>DWR Charges</i>						
Fixed DWR Charges	33,364,367	33,938,581	35,771,334	37,687,864	3,749,282	1,916,529
Variable DWR Charges	3,008,089	4,730,902	4,730,902	5,859,050	1,128,149	1,128,149
<i>Total DWR Charges</i>	36,372,457	38,669,483	40,502,236	43,546,914	4,877,431	3,044,678
TOTAL USES OF CASH	57,047,148	58,671,961	60,604,715	65,563,182	6,891,220	4,587,339
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ (0)	0
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ (0)	\$ 0	\$ (0)	\$ -		

(1) Includes carryover revenues from the prior year.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2015/16 Budget

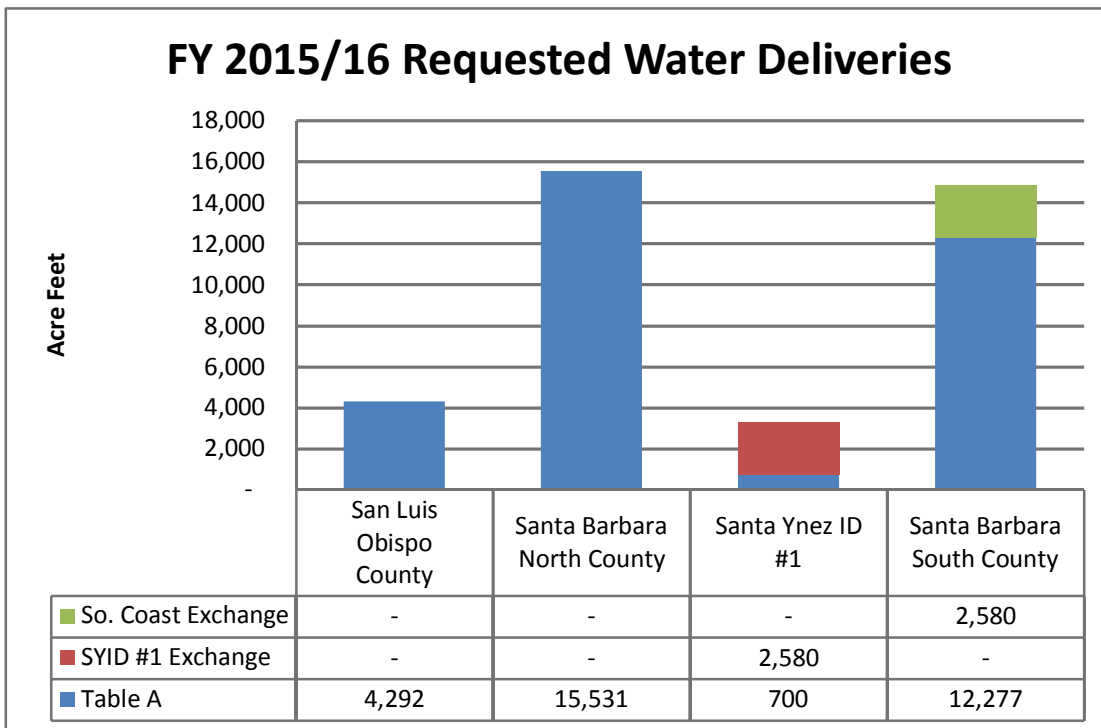
Project Participant	Unadjusted	Unadjusted	Exchange	Exchange	Regional	Regional	Adjusted	Warren Act	2006A			Non-Annual	CCWA	Total
	Fixed CCWA	Variable CCWA	Agreement	Agreement	WTP	WTP			Revenue	Bond Debt	Subtotal			
	Operating	Operating	Cap. & Fixed	Variable	Allocation	Allocation	Charge	Charges	Service	FY 2015/16	Expenses	Amount Due	CCWA	
	Expense ⁽¹⁾	Expense								CCWA				
Guadalupe	73,954	5,659	-	-	\$25,492	-	\$105,105	-	163,728	\$268,833	-	(\$652)	\$ 268,181	
Santa Maria	2,152,840	581,038	-	-	\$914,490	-	3,648,367	-	-	3,648,367	-	(16,983)	3,631,384	
Golden State Water	70,585	2,594	-	-	\$22,167	-	95,346	-	-	95,346	-	(86)	95,260	
Vandenberg AFB	837,971	56,543	-	-	\$254,902	-	1,149,415	-	-	1,149,415	-	(4,112)	1,145,303	
Buellton	105,259	27,588	-	-	\$35,336	-	168,183	-	290,011	458,194	-	(5,417)	452,777	
Santa Ynez (Solvang)	268,892	58,995	-	-	\$86,727	-	414,614	-	890,751	1,305,365	-	(2,265)	1,303,100	
Santa Ynez	90,551	33,013	381,675	121,668	\$191,326	-	818,234	-	334,525	1,152,758	-	(23,583)	1,129,175	
Goleta	1,047,750	557,499	(137,403)	(43,801)	\$225,629	(\$717,257)	932,416	232,387	2,807,550	3,972,353	-	(668)	3,971,685	
Morehart Land	46,567	5,128	-	0	\$9,202	(\$31,474)	29,424	2,320	128,911	160,654	-	(11,319)	149,335	
La Cumbre	232,833	121,540	-	0	\$59,940	(\$192,641)	221,673	54,982	617,241	893,896	-	(1,467)	892,429	
Raytheon	11,642	4,372	-	0	\$2,749	(\$9,005)	9,758	1,978	26,984	38,720	-	(2,302)	36,418	
Santa Barbara	698,500	439,439	(91,602)	(29,200)	\$160,264	(\$503,100)	674,301	185,584	1,725,889	2,585,773	-	(509)	2,585,264	
Montecito	698,500	382,838	(91,602)	(29,200)	\$152,042	(\$482,281)	630,296	159,978	2,028,495	2,818,769	-	(4,118)	2,814,651	
Carpinteria	465,666	184,910	(61,068)	(19,467)	\$91,148	(\$295,657)	365,532	74,843	1,159,728	1,600,104	-	(3,047)	1,597,057	
Shandon	8,595	-	-	-	-	-	8,595	-	13,028	21,623	-	-	21,623	
Chorro Valley	218,852	106,267	-	-	-	-	325,119	-	1,037,841	1,362,960	-	(663)	1,362,297	
Lopez	223,123	96,130	-	-	-	-	319,253	-	268,364	587,617	-	(27,290)	560,327	
TOTAL:	7,252,078	\$2,663,553	(0)	-	\$2,231,414	(\$2,231,414)	\$9,915,631	\$712,072	\$11,493,045	\$22,120,748	\$0	(104,480)	\$22,016,268	

(1) Includes capital improvement projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						TOTAL DWR and CCWA
	Transportation Capital Through Reach 35	Transportation Capital Through Reach 37	Transportation Capital Through Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 269,246	\$ -	\$ -	\$ 142,358	\$ 24,032	\$ 36,204	\$ 471,840	\$ -	\$ 9,304	\$ 9,304	(\$ 652)	\$ 480,491	\$ 748,672
Santa Maria	7,930,520	769,190	-	4,335,331	707,851	1,066,366	14,809,257	-	1,460,677	1,460,677	(20,383)	16,249,551	19,880,935
Golden State Water	244,769	23,740	-	129,416	21,847	32,913	452,686	-	-	-	(669)	452,017	547,277
Vandenberg AFB	2,692,460	261,145	428,219	1,423,578	240,320	362,038	5,407,759	-	-	-	-	5,407,759	6,553,062
Buellton	282,953	27,444	45,002	149,605	25,255	38,059	568,318	-	55,625	55,625	(909)	623,034	1,075,811
Santa Ynez (Solvang)	727,450	71,221	116,787	421,891	63,494	90,219	1,491,062	-	187,229	187,229	(1,933)	1,676,358	2,979,459
Santa Ynez	251,627	23,740	38,929	139,476	23,895	40,973	518,640	-	84,889	84,889	(799)	602,730	1,731,905
Goleta	2,202,922	213,664	350,361	1,247,288	196,625	296,213	4,507,073	50,391	1,269,089	1,319,479	(6,051)	5,820,502	9,792,187
Morehart Land	97,908	9,496	15,572	51,766	8,739	13,165	196,646	-	-	-	(347)	196,299	345,634
La Cumbre	489,538	47,481	77,858	288,147	43,694	65,825	1,012,544	8,843	192,619	201,462	(1,311)	1,212,696	2,105,125
Raytheon	24,477	2,374	3,893	12,942	2,185	3,291	49,161	265	4,055	4,320	(87)	53,394	89,813
Santa Barbara	1,468,615	142,443	233,574	776,497	131,083	197,475	2,949,687	67,519	1,114,989	1,182,508	(3,879)	4,128,316	6,713,580
Montecito	1,468,615	142,443	233,574	776,497	131,083	197,475	2,949,687	52,989	890,803	943,793	(4,017)	3,889,463	6,704,114
Carpinteria	979,077	94,962	155,716	574,941	87,389	131,650	2,023,734	-	409,763	409,763	(2,331)	2,431,165	4,028,222
Goleta 2500 AF	24,834	-	-	120,235	28,494	149,575	323,139	-	-	-	-	323,139	323,139
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	21,623
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,362,297
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	560,327
TOTAL:	\$ 19,155,010	\$ 1,829,344	\$ 1,699,483	\$ 10,589,967	\$ 1,735,988	\$ 2,721,440	\$ 37,731,232	\$ 180,007	\$ 5,679,043	\$ 5,859,050	\$ (43,368)	\$ 43,546,914	\$ 65,563,182

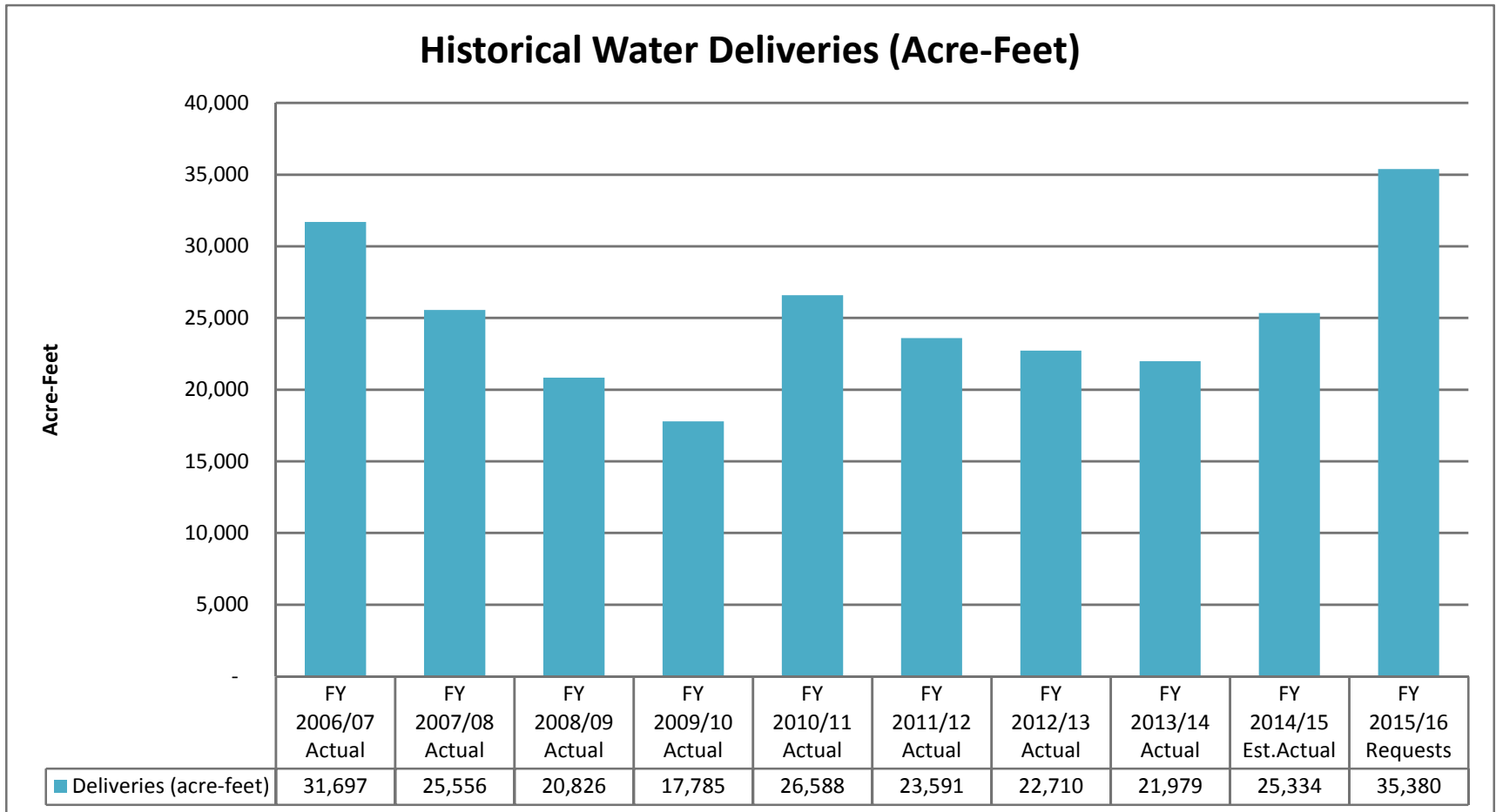
Central Coast Water Authority
FY 2015/16 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	2,038	-	2,038
Chorro Valley	2,253	-	2,253
Guadalupe	120	-	120
Santa Maria	12,321	-	12,321
Golden State Water	55	-	55
VAFB	1,199	-	1,199
Buellton	585	-	585
Solvang	1,251	-	1,251
Santa Ynez	700	2,580	3,280
Goleta	4,935	(929)	4,007
Morehart	40	-	40
La Cumbre	948	-	948
Raytheon	34	-	34
Santa Barbara	3,819	(619)	3,200
Montecito	3,377	(619)	2,758
Carpinteria	1,703	(413)	1,290
TOTAL:	35,380	-	35,380



Santa Ynez ID#1 exchanges its Lake Cachuma entitlement for an equal amount of the Santa Barbara County south coast project participant State water. The amounts in the graph above show both the Santa Ynez ID#1 exchanged State water and the South coast Cachuma water taken in the exchange.

Central Coast Water Authority
Ten-Year Water Delivery History
(Fiscal Year)



Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2015/16 Budget

To calculate the cost per acre-foot of water to the CCWA project participants, one must distinguish between the various “cost-types” and the various “water-types.”

Cost-Types

The two cost-types are fixed and variable costs.

Fixed costs include all CCWA and DWR costs which do not vary with the quantity of water delivered to the project participant, and generally, include CCWA fixed operations and maintenance costs, CCWA revenue bond payments and DWR fixed costs.

Variable costs include all CCWA and DWR costs which are only incurred if the project participant takes water deliveries. These include power (electrical) costs to pump the water and chemical costs to treat the water.

Water-Types

When discussing the cost per acre-foot, there are generally three (3) different “types” of water delivered by CCWA.

FY 2015/16 Table A Fixed Cost Per Acre-Foot

As described above, this includes all costs which do not vary with the quantity of water delivered to the project participant.

Project Participant	Table A Amount	Fixed Cost Per Acre-Foot	
		Fixed Costs Excluding CCWA Credits	Fixed Cost Per Acre-Foot
Guadalupe	550	\$ 732,162	\$ 1,331.20
Santa Maria	16,200	17,627,781	1,088.13
Golden State Water Co.	500	543,777	1,087.55
VAFB	5,500	6,478,654	1,177.94
Buellton	578	987,157	1,707.88
Santa Ynez (Solvang)	1,500	2,712,215	1,808.14
Santa Ynez ⁽¹⁾	500	1,073,271	1,928.35
Goleta	4,500	8,074,295	1,794.29
Morehart	200	352,979	1,764.89
La Cumbre	1,000	1,810,703	1,810.70
Raytheon	50	84,399	1,687.98
Santa Barbara	3,000	5,212,838	1,737.61
Montecito	3,000	5,489,701	1,829.90
Carpinteria	2,000	3,493,012	1,746.51
TOTAL:	39,078	\$ 54,672,944	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2015/16 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

As the above shows, there are significant differences between the fixed cost per acre-foot for each of the project participants. Explanations for these differences include:

Bond Financing vs Capital Deposits The City of Santa Maria, Golden State Water Company, and Vandenberg Air Force Base all contributed cash for their respective share of the construction costs of the CCWA facilities. As such, their fixed cost per acre-foot is lower because they are not paying the CCWA revenue bond payments.

Location Along the CCWA Pipeline As general rule, a project participant only pays to get the water to their location, which includes capital facilities necessary to deliver the water to each project participant. Therefore, a project participant which is higher upstream of the pipeline will have less capital costs than a project participant which is located further downstream.

Revenue Bond Capitalized Interest Elections During construction of the CCWA project facilities, all financing participants were able to elect to pay for their share of the revenue bond interest expense beyond the initial three years, with revenue bond proceeds, up to a total of five years (also referred to as “capitalized interest” elections). Certain financing participants elected longer capitalized interest elections which increase their total borrowing costs and therefore, they have a higher fixed cost per acre-foot.

Customized Revenue Bond Repayment Elections In order to offset the near-term higher costs of State water during the first ten (10) years of revenue bond repayments, all financing participants were given the option of electing customized revenue bond repayment elections consisting of gradually increasing debt service payments over the first ten years and then level debt service payments afterwards; decreased debt service payments for the first ten years and then a large step-up for the remaining term or level debt service for the entire revenue bond repayment term. Those financing participants that elected customized (i.e., escalating or step-up) repayment elections have higher debt service payments which is reflected in their higher fixed cost per acre-foot.

Financing of Local Facilities When the CCWA revenue bonds were issued to finance construction of the CCWA project facilities, certain financing participants requested that CCWA also finance certain local facilities to be constructed by individual project participants. Those financing participants that elected to finance their local facilities with the CCWA

Central Coast Water Authority
 Cost Per Acre-Foot Analysis
 Fiscal Year 2015/16 Budget

revenue bonds have higher revenue bond debt service payments which are reflected in their higher fixed cost per acre-foot.

FY 2015/16 Table A Variable Cost Per Acre-Foot

This represents the variable costs for all water deliveries excluding exchange water deliveries to the South Coast project participants. Generally, these amounts include the CCWA power and chemical costs, adjustments for the variable Regional Water Treatment Plant Allocation (retreatment charge and credits), DWR variable costs and Warren Act and Trust Fund payments for Table A deliveries into Lake Cachuma for the South Coast project participants (please refer to the Water Treatment Plant section of this Budget for additional information on the Regional Water Treatment Plant Allocation).

Project Participant	Table A Amount	FY 2015/16 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
		Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	550	120	-	120	\$ 5,659		\$ 2,235		\$ 19,378		\$ 27,272	\$ 227.27
Santa Maria	16,200	12,321	-	12,321	581,038		229,459		1,989,679		2,800,175	227.27
Golden State Water Co.	500	55	-	55	2,594		1,024		8,882		12,500	227.27
VAFB	5,500	1,199	-	1,199	56,543		22,329		193,623		272,495	227.27
Buellton	578	585	-	585	27,588		10,895		94,470		132,952	227.27
Santa Ynez (Solvang)	1,500	1,251	-	1,251	58,995		23,298		202,020		284,313	227.27
Santa Ynez ⁽¹⁾	500	700	2,580	3,280	33,013		61,086		113,048		207,147	227.27
Goleta	4,500	4,935	(929)	4,007	232,748	324,750	74,618	(188,948)	797,013	232,387	1,472,568	319.16
Morehart	200	40	-	40	1,886	3,242	745	(1,886)	6,459	2,320	12,767	319.16
La Cumbre	1,000	948	-	948	44,705	76,836	17,655	(44,705)	153,085	54,982	302,558	319.16
Raytheon	50	34	-	34	1,608	2,764	635	(1,608)	5,506	1,978	10,883	319.16
Santa Barbara	3,000	3,819	(619)	3,200	180,094	259,345	59,590	(150,893)	616,705	185,584	1,150,425	319.16
Montecito	3,000	3,377	(619)	2,758	159,275	223,563	51,368	(130,074)	545,413	159,978	1,009,523	319.16
Carpinteria	2,000	1,703	(413)	1,290	80,320	104,590	24,032	(60,853)	275,044	74,843	497,976	319.16
TOTAL:	39,078	31,088	-	31,088	\$ 1,466,065	\$ 995,090	\$ 578,968	\$ (578,968)	\$ 5,020,327	\$ 712,072	\$ 8,193,554	

(1) Santa Ynez fixed cost amounts exclude the fixed and capital exchange agreement modifications, which are shown under the Exchange Agreement cost per acre-foot analysis. Also adjusted for the retreatment allocation charge to the exchange deliveries.

Central Coast Water Authority
 Cost Per Acre-Foot Analysis
 Fiscal Year 2015/16 Budget

FY 2015/16 Exchange Variable Cost Per Acre-Foot

This represents the cost per acre-foot for water exchanged between the Santa Ynez River Water Conservation District, ID#1 (Santa Ynez, ID#1) and the South Coast exchange participants *[please refer to the Water Treatment Plant section of this Budget for additional information on the Santa Ynez Exchange Agreement]*. These costs include the CCWA variable costs paid by Santa Ynez, ID#1, the Polonio Pass Water Treatment Plant fixed and capital amounts paid by Santa Ynez, ID#1 to the south coast project participants, and the DWR variable costs paid by the South Coast exchange participants.

Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,580	\$ 121,668	\$ 381,675	-	\$ 503,344	\$ 195.09
Goleta	(929)			\$ 149,989	149,989	161.49
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(619)			99,993	99,993	161.49
Montecito	(619)			99,993	99,993	161.49
Carpinteria	(413)			66,662	66,662	161.49
TOTAL:	-	\$ 121,668	\$ 381,675	\$ 416,636	\$ 919,979	

Year-End Reconciliation and Adjustments to Cost Per Acre-Foot Amounts

At the close of each fiscal year all costs are reconciled or “trued-up” to the fiscal year budget and actual billings to the project participants. This reconciliation process results in adjustments to all cost components. Additionally, the amounts included in the CCWA budget for DWR variable costs, generally exclude certain credits that are returned on an annual basis. Therefore, when the DWR variable costs are trued-up, the total cost per acre-foot generally decreases when compared to the calculated amount in the budget.



Golden State Water Co. Turnout Valve Operation

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2015/16 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

The Authority's Revenue budget is comprised of payments made by member agencies and other project participants for Authority operating expenses, debt service on the Authority's revenue bonds and investment income. Additionally, there are other payments made by the project participants that are treated as pass-through expenses. These pass-through expenses represent payments for the Department of Water Resources and Warren Act charges paid to the U.S. Bureau of Reclamation; they are not considered revenues for the Authority. These payments are collected by the Authority and paid directly to the two agencies by the Authority.

Assumptions for Revenue Projections

Since the Authority is a "pass-through" organization, ***all revenues are equal to the expenditures included in the budget.*** As such, there is no difference between the revenue estimates and the expenditures because the revenues are equal to the expenditures.

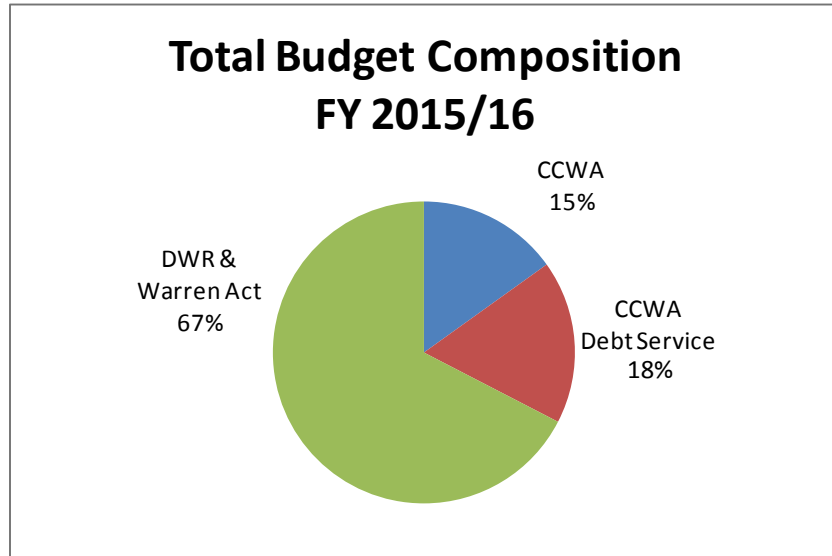
Revenues and Other Sources of Cash

Revenues	FY 2013/14	FY 2014/15	FY 2015/16
	Actual	Estimated Actual	Budget
CCWA Operating Expenses ⁽¹⁾	\$ 8,890,690	\$ 7,901,618	\$ 9,177,490
Debt Service Payments	11,508,383	11,508,503	11,493,045
Capital Improvement Projects (CIP)	(248,301)	495,810	738,141
Investment Income	345,401	100,000	-
Subtotal Revenues	20,496,174	20,005,931	21,408,675
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	33,380,476	35,771,334	37,731,232
DWR Variable Costs	3,008,089	4,730,902	5,859,050
DWR Account Interest	(16,109)	-	(43,368)
Warren Act Charges ⁽¹⁾	178,517	258,622	712,072
Subtotal Pass Through Expenses	36,550,974	40,760,858	44,258,987
Gross Budget Before Credits	57,047,148	60,766,789	65,667,662
Credits and Prepayments	-	(162,075)	(104,480)
TOTAL SOURCES OF CASH	\$ 57,047,148	\$ 60,604,714	\$ 65,563,182

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

Revenues and Other Sources of Cash



FY 2014/15 Actual Cash Receipts

The actual cash receipts for FY 2014/15 are anticipated to be less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 2013/14, (2) interest income for FY 2013/14, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

The Authority's operating expense revenues are billed directly to project participants in accordance with their Water Supply Agreements. After the total operating expense budget has been determined, it is adjusted based on the "Santa Ynez Exchange Agreement" modifications (see the *Water Treatment Plant section to this document for further information on the Exchange Agreement*). These Exchange Agreement modifications decrease the electrical costs at the Santa Ynez Pumping Facility. This modified amount is billed to the affected member agencies.

The amounts billed to the member agencies and other Santa Barbara County project participants are further adjusted for the "WTP Regional Allocation" (see the *Water Treatment Plant section to this document for further information on the WTP Regional Allocation*). The WTP Regional Allocation does not adjust the total revenues received by the Authority, but it does affect the amount of the payments by the various member agencies and other project participants.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

The following table shows the Authority's operating expense budget and capital improvement projects modified as a result of the Regional Water Treatment Plant modifications and the Santa Ynez Exchange Agreement resulting in the net operating expense revenues to the Authority.

**TOTAL CCWA FY 2015/16 OPERATING EXPENSES
AND CAPITAL IMPROVEMENT PROJECTS**

Project Participant	CCWA Fixed Operating Expenses	CCWA Variable Operating Expenses	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 73,954	\$ 5,659	\$ 25,492	\$ -	\$ -	\$ -	\$ 105,105
Santa Maria	2,152,840	581,038	914,490	-	-	-	3,648,367
Golden State Water Co.	70,585	2,594	22,167	-	-	-	95,346
Vandenberg AFB	837,971	56,543	254,902	-	-	-	1,149,415
Buellton	105,259	27,588	35,336	-	-	-	168,183
Santa Ynez (Solvang)	268,892	58,995	86,727	-	-	-	414,614
Santa Ynez	90,551	33,013	191,326	-	381,675	121,668	818,234
Goleta	1,047,750	557,499	225,629	(717,257)	(137,403)	(43,801)	932,416
Morehart Land	46,567	5,128	9,202	(31,474)	-	-	29,424
La Cumbre	232,833	121,540	59,940	(192,641)	-	-	221,673
Raytheon	11,642	4,372	2,749	(9,005)	-	-	9,758
Santa Barbara	698,500	439,439	160,264	(503,100)	(91,602)	(29,200)	674,301
Montecito	698,500	382,838	152,042	(482,281)	(91,602)	(29,200)	630,296
Carpinteria	465,666	184,910	91,148	(295,657)	(61,068)	(19,467)	365,532
Shandon	8,595	-	-	-	-	-	8,595
Chorro Valley	218,852	106,267	-	-	-	-	325,119
Lopez	223,123	96,130	-	-	-	-	319,253
TOTAL:	\$7,252,078	\$2,663,553	\$2,231,414	(\$2,231,414)	\$ -	\$ -	\$ 9,915,631

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2015/16, are **\$9,915,631**

Please refer to the "Operating Expenses" section of this budget for additional information regarding the Operating Expense reimbursement payments from the CCWA project participants.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

Debt Service Payments

The debt service payments on the 2006 Revenue Bonds issued by the Authority are paid entirely by the financing participants based on their proportional share of the project capital costs. Payments by the financing participants for debt service are treated as revenue by the Authority.

For FY 2015/16, total net revenue for debt service payments will be \$10,546,796 or about \$60,000 less than the FY 2014/15 revenues. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2015/16 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2015/16 Net Debt Service Revenue
Avila Beach	\$ 13,158	\$ (2,164)	\$ 10,994
California Men's Colony	115,090	(48,327)	66,763
County of SLO	122,601	(51,538)	71,063
Cuesta College	57,550	(24,166)	33,383
Morro Bay	742,599	(369,683)	372,916
Oceano	96,204	(14,740)	81,464
Pismo Beach	159,002	(24,337)	134,665
Shandon	13,028	(1,741)	11,287
Guadalupe	163,728	(62,852)	100,876
Buellton	290,011	(10,230)	279,781
Santa Ynez (Solvang)	890,751	(27,289)	863,463
Santa Ynez	334,525	(12,093)	322,432
Goleta	2,807,550	(155,363)	2,652,187
Morehart Land	128,911	(715)	128,195
La Cumbre	617,241	(3,576)	613,665
Raytheon	26,984	(945)	26,040
Santa Barbara	1,725,889	(33,917)	1,691,972
Montecito	2,028,495	(53,958)	1,974,537
Carpinteria	1,159,728	(48,614)	1,111,115
TOTAL:	\$ 11,493,045	\$ (946,249)	\$ 10,546,796
<p>(1) 2006A revenue bond principal and interest, minus FY 2014/15 debt service account interest income credits plus bond trustee fees.</p> <p>(2) Payments from project participants for local facilities financed with CCWA revenue bonds.</p>			

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

FY 2015/16 CCWA Credits

The following table shows a summary of the FY 2015/16 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$2	\$93	\$ 557		\$652
Santa Maria	(0)	2,751	14,233		16,983
Golden State Water Co.	1	85	-		86
Vandenberg AFB	4,112	-	-		4,112
Buellton	4,461	98	857		5,417
Santa Ynez (Solvang)	(0)	255	2,011		2,265
Santa Ynez	22,111	85	1,387		23,583
Goleta	(96)	764	-		668
Morehart Land	10,189	34	-	1,096	11,319
La Cumbre	-	170	1,298		1,467
Raytheon	2,044	8	-	249	2,302
Santa Barbara	0	509	-		509
Montecito	-	509	3,609		4,118
Carpinteria	0	340	2,707		3,047
Shandon					-
Oceano CSD					-
Avila Beach CSD					-
Pismo Beach					-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	663				663
Lopez	27,290				27,290
TOTAL:	\$70,777	\$5,701	\$26,658	\$1,345	\$104,480

Investment Income and Cash Management

The Authority does not include investment income in the revenue budget. However, all cash balances are invested by the Treasurer and investment earnings are allocated to the various project participants depending on the funds being invested.

The Authority's Treasurer is responsible for the investment of all Authority funds within the parameters of the Board adopted investment policy.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

Bank Account Cash Balances

The Authority has three demand deposit bank accounts, one general account at the California Local Agency Investment Fund (LAIF) and various money market accounts. All these accounts earn interest income based on the average outstanding balance for each period the funds are available. Interest income associated with these accounts is allocated by financial reach (*see the Distribution Department section for information on financial reaches*) based on the average outstanding balance for the month.

Debt Service Payments

Payments made by the financing participants for debt service payments on the 2006 Revenue Bonds are held in a separate account and invested in accordance with the Authority's investment policy with investment maturities corresponding to the debt service payment dates. Investment income within this account is allocated to the financing participants based on the proportional amount initially paid.

Investment Income

Investment income associated with the debt service payments and DWR payments is not treated as investment income for CCWA. It is instead recorded as a liability to the project participants until the income is paid to the participants.

DWR Payment Investments

Payments made by project participants for subsequent payment to DWR are held in a separate account and invested in accordance with CCWA's investment policy with investment maturities corresponding to the anticipated payment dates to DWR. Investment income in this account is allocated to the various project participants based on their proportional amount initially paid. Investment income associated with the DWR payments is not treated as investment income for the Authority but is instead recorded as a liability to the project participants until paid to them.

CCWA Operating Expense Revenue

Revenues from assessments for the Authority's operating expense budget are invested in the Local Agency Investment Fund and money market accounts with the Authority's bank. Investment income from these accounts is treated as investment income for the Authority.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

Pass-Through Expenses

Certain amounts paid to the Authority by the project participants are treated as “pass-through” expenses for purposes of the budget. These expenses include payments to DWR and Warren Act charges.

As these expenses are paid by the project participants to the Authority, they are recorded as a liability, payable to the respective project participants. They are not considered revenues.

Warren Act Charges

Warren Act charges represent the cost of wheeling water through Cachuma Project facilities. These costs are paid to the U.S. Bureau of Reclamation for each acre-foot of water delivered to the lake.

There are two components to the Warren Act charges: (1) Trust Fund payments of \$43 an acre-foot and (2) Warren Act charges of \$15 per acre foot.

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2015/16.

Warren Act and Trust Fund Charges

Project Participant	Total FY 2015/16 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	4,007	\$ 232,387
Morehart Land Co.	40	2,320
LaCumbre	948	54,982
Raytheon	34	1,978
Santa Barbara	3,200	185,584
Montecito	2,758	159,978
Carpinteria	1,290	74,843
TOTAL:	12,277	\$ 712,072

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2015/16 Budget

The following table represents the Fiscal Year 2015/16 DWR and Warren Act charges to be collected and paid by the Authority (see the *Department of Water Resources* section of this document for further information on the DWR charges).

Project Participant	FY 2015/16 DWR Fixed Charges	FY 2015/16 DWR Variable Charges	FY 2015/16 Interest Income	FY 2015/16 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$471,840	\$9,304	(\$652)	\$ -	\$480,491
Santa Maria	14,809,257	1,460,677	(20,383)	-	16,249,551
Golden State Water Co.	452,686	-	(669)	-	452,017
Vandenberg AFB	5,407,759	-	-	-	5,407,759
Buellton	568,318	55,625	(909)	-	623,034
Santa Ynez (Solvang)	1,491,062	187,229	(1,933)	-	1,676,358
Santa Ynez	518,640	84,889	(799)	-	602,730
Goleta	4,830,212	1,319,479	(6,051)	232,387	6,376,027
Morehart Land	196,646	-	(347)	2,320	198,619
LaCumbre	1,012,544	201,462	(1,311)	54,982	1,267,678
Raytheon	49,161	4,320	(87)	1,978	55,372
Santa Barbara	2,949,687	1,182,508	(3,879)	185,584	4,313,900
Montecito	2,949,687	943,793	(4,017)	159,978	4,049,441
Carpinteria	2,023,734	409,763	(2,331)	74,843	2,506,009
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$37,731,232	\$5,859,050	(\$43,368)	\$712,072	\$44,258,987

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

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Authority Billing Procedures

All expenses of the Authority including operating expenses, debt service payments, capital purchases, and pass-through expenses are paid by the Authority's project participants.

The Water Supply Agreements provide guidelines to be followed when billing the Santa Barbara County project participants for the Authority charges. The Master Water Treatment Agreement, the Agreement for Construction, Operation and Maintenance of the Chorro Valley and Lopez Turnouts, and the Agreement for Coastal Branch Operations and Maintenance provide the guidelines to be followed when billing the San Luis Obispo County project participants for the Authority charges.

The agreements stipulate that the Fixed Authority and DWR costs will be billed to the project participants once a year and be due and payable on June 1st of each year. The Variable charges, which are based on the requested deliveries by each project participant, are billed three months in advance on a quarterly basis.

The project participants are billed for the Authority expenses based on the Board adopted fiscal year budget. Additionally, the fixed portion of the DWR charges is billed based on the most recent calendar year Statement of Charges and DWR projections.

DWR prepares its Statement of Charges on a calendar year basis. The DWR State Water Project Analysis Office (SWPAO) also supplies the Authority with projected estimates of the following calendar year charges. The current calendar year Statement of Charges and the SWPAO estimated charges are used to calculate the amount payable by the project participants for the budgeted fiscal year.

At the close of each fiscal year, a reconciliation is prepared comparing the actual expenditures for the Authority to the amount billed to the project participants. Under-expenditures in the budget including investment income are refunded to each project participant based on the actual results for the year. Over-expenditures are charged to each participant based on the actual results for the year.

Water Delivery Requests and Variable O&M Cost Invoices

Water Delivery Requests from Project Participants

In October of each year, DWR requests that each State water project contractor (SWPC) submit delivery requests for a five-year period on a calendar year basis commencing with the next calendar year. These requests are based on the following:

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There are basically two “tracks” that a SWPC can take with regard to delivery requests to DWR.

- (1) The “seller’s track”, which means that any SWPC water that is available to that contractor above their requested amount will be made available for sale through one of the DWR “turnback pools.” The turnback pools are a pool of unused water available by individual SWPC for sale to all SWPC and allocated in proportion to the Table A amount for each contractor requesting to buy the Turnback Pool water. The price received for water sold in Turnback pool A is one-half of the delta water rate (about \$30/AF for 2015) and one-quarter the delta water rate (about \$15/ for 2015) for Turnback pool B.
- (2) The “storer’s track”, which means the individual contractor wishes to store its unused current year water allocated by DWR in San Luis Reservoir to be used in the next calendar year.

For the past several years, CCWA has been on the storer’s track, which means that CCWA requests delivery of all water that is available to CCWA based on the total Table A amount of all the CCWA project participants times the current year allocation percentage from DWR. Any amounts not used by individual CCWA project participants is then “carried over” in San Luis Reservoir into the next calendar year to be used that year. Generally, this water carried over from the prior year is used first, before any of the current Table A water is used, as there is a risk that if San Luis Reservoir fills and spills, the water carried over from the prior year is lost (this is less of an issue now, but still a possibility).

SWPC cannot be on both the seller’s and storer’s tracks; it must be one or the other. As such, CCWA as a whole has selected to be on the storer’s track and individual project participants cannot elect to be on the seller’s track, except for the ability to sell water within CCWA.

CCWA project participants DO NOT pay variable costs based on water available to them in that particular year. Rather, the payment of variable costs for water is based on delivery requests based on estimated actual demand (discussed below).

Variable O&M Cost Billings to Project Participants

Pursuant to the Water Supply Agreements with each project participant, all CCWA costs are paid in advance of when the actual costs will be incurred. Fixed costs are paid annually on June 1st of each year for the ensuing fiscal year which begins on July 1st. Variable costs are paid quarterly, one quarter in advance of the quarter for which the costs are intended.

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The basis for the billings to the CCWA project participants is the annual fiscal year budget. The basis for the variable billings is requests from the project participants **based on their estimated demand for the year.** The idea is that project participants should provide delivery requests based on their estimated demand and then CCWA will attempt to meet that demand through the combination of various water sources that are available including, the current DWR Table A allocation, carryover water, dry year water purchase programs, purchases from other CCWA project participants, turnback pool purchases, etc.

The quarterly variable O&M costs are based on the requested water deliveries from each project participant. ***NOTE: The requested water deliveries may be, and many times are, different from the amount of water that is available to the project participant from DWR discussed above.*** For example, a project participant may have water available based on the current DWR Table A allocation percentage and/or carryover water from the prior year, but not have the need, or demand for that water. Conversely, the amount of water currently available from the DWR current year allocation may not be sufficient to meet the estimated demand (discussed above), but other sources may be available to meet that demand.

The quarterly variable invoices include both the CCWA variable O&M costs (electrical and chemical costs) and the DWR variable costs. The CCWA variable costs are billed to the project participants based on the budget amount for the entire year and there is no variation between the budget amount and the billed amount to the CCWA project participants.

The DWR variable costs are “trued-up” with each quarterly invoice. This means that each quarter, the actual costs incurred based on the actual water deliveries for the prior quarter are reconciled so that any difference, either positive or negative is adjusted on the current quarter’s invoice. Therefore, the DWR variable costs are constantly reconciled for differences between the requested water deliveries in the annual budget and the actual water delivered.

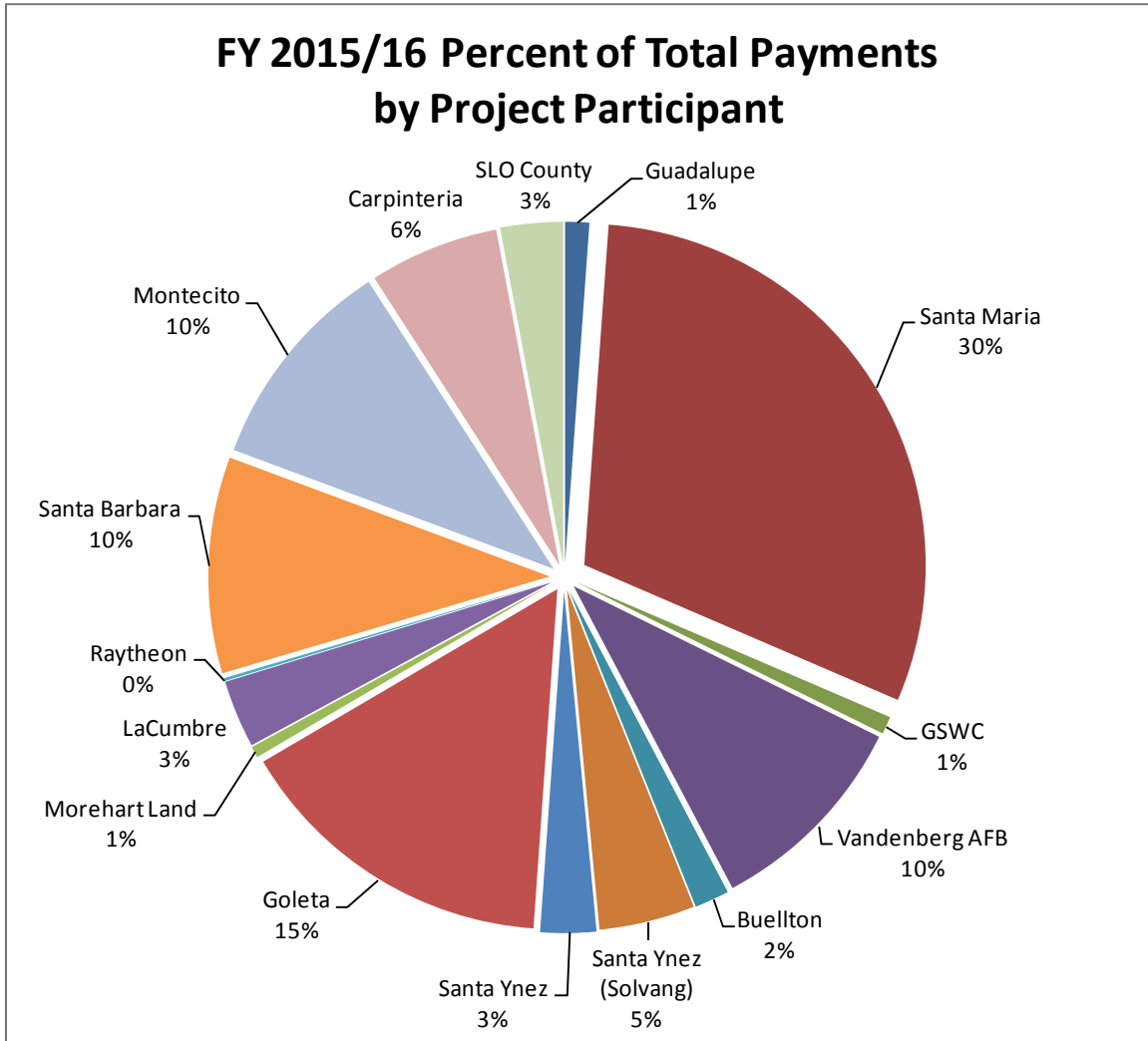
At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit or additional amount due, is provided or collected, usually in October of each year on the October 1st variable billing.

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2015/16 for each project participant.

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Project Participant	FY 2015/16 Operating Expenses ⁽¹⁾	FY 2015/16 Debt Service Payments	FY 2015/16 DWR Costs	FY 2015/16 Warren Act Charges ⁽²⁾	FY 2015/16 CCWA Credits	FY 2015/16 Total Payments
Guadalupe	\$105,105	\$ 163,728	\$480,491	\$0	\$ (652)	\$748,672
Santa Maria	3,648,367	-	16,249,551	-	(16,983)	19,880,935
Golden State Water Co.	95,346	-	452,017	-	(86)	547,277
Vandenberg AFB	1,149,415	-	5,407,759	-	(4,112)	6,553,062
Buellton	168,183	290,011	623,034	-	(5,417)	1,075,811
Santa Ynez (Solvang)	414,614	890,751	1,676,358	-	(2,265)	2,979,459
Santa Ynez	818,234	334,525	602,730	-	(23,583)	1,731,905
Goleta	932,416	2,807,550	6,143,640	232,387	(668)	10,115,326
Morehart Land	29,424	128,911	196,299	2,320	(11,319)	345,634
La Cumbre	221,673	617,241	1,212,696	54,982	(1,467)	2,105,125
Raytheon	9,758	26,984	53,394	1,978	(2,302)	89,813
Santa Barbara	674,301	1,725,889	4,128,316	185,584	(509)	6,713,580
Montecito	630,296	2,028,495	3,889,463	159,978	(4,118)	6,704,114
Carpinteria	365,532	1,159,728	2,431,165	74,843	(3,047)	4,028,222
Shandon	8,595	13,028	N/A	-	-	21,623
Chorro Valley	325,119	1,037,841	N/A	-	(663)	1,362,297
Lopez	319,253	268,364	N/A	-	(27,290)	560,327
TOTAL:	\$9,915,631	\$11,493,045	\$43,546,914	\$712,072	\$ (104,480)	\$65,563,182
(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.						
(2) Adjusted for Santa Ynez Exchange Agreement Modifications.						

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The following table shows the three-year trend in total payments due for each project participant and the corresponding increase or (decrease).

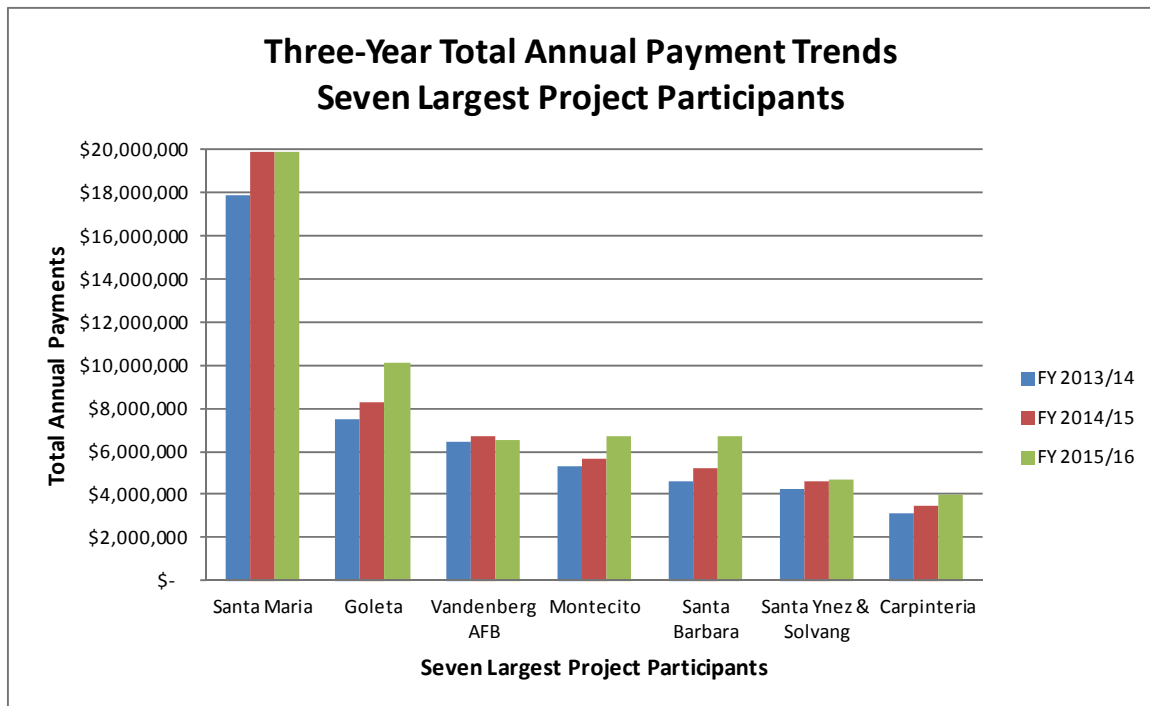
Central Coast Water Authority
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Three-Year Total Payments History by Project Participant

Project Participant	Total Payments FY 2013/14	Total Payments ⁽¹⁾ FY 2014/15	Total Payments FY 2015/16	Change FY 2013/14 to FY 2014/15	Change FY 2014/15 to FY 2015/16
Guadalupe	\$ 748,501	\$ 737,342	\$748,672	\$ (11,159)	\$11,330
Santa Maria	17,899,772	19,874,909	19,880,935	1,975,137	6,026
Golden State Water Co.	563,816	613,878	547,277	50,062	(66,601)
Vandenberg AFB	6,466,966	6,736,103	6,553,062	269,137	(183,041)
Buellton	1,010,332	1,060,264	1,075,811	49,932	15,547
Santa Ynez (Solvang)	2,689,421	2,936,311	2,979,459	246,890	43,148
Santa Ynez	1,593,410	1,690,299	1,731,905	96,889	41,606
Goleta	7,493,080	8,239,113	10,115,326	746,033	1,876,213
Morehart Land	341,669	364,059	345,634	22,390	(18,425)
La Cumbre	1,774,988	1,879,462	2,105,125	104,474	225,663
Raytheon	85,536	95,237	89,813	9,701	(5,424)
Santa Barbara	4,617,852	5,254,522	6,713,580	636,670	1,459,058
Montecito	5,278,075	5,696,476	6,704,114	418,401	1,007,638
Carpinteria	3,123,139	3,434,509	4,028,222	311,370	593,713
Shandon	21,156	21,601	21,623	445	22
Chorro Valley	1,290,765	1,300,587	1,362,297	9,822	61,710
Lopez	524,732	570,041	560,327	45,309	(9,714)
TOTAL:	\$55,523,210	\$ 60,504,714	\$65,563,182	\$ 4,981,504	\$5,058,468

(1) Includes Revised 2014/15 Budget to capture change in Transportation Minimum from the November 30, 2014 Revised 2015 SOC.

The following chart shows the three-year trend in total annual payments for the seven largest CCWA project participants.





Asphalt crack sealing by CCWA staff at Treatment Plant

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2015/16 Budget provides information on the Authority's payments to DWR. This section includes information on the allocation of the fixed and variable DWR costs and other information regarding the FY 2015/16 DWR charges.

Highlights

Total FY 2015/16 DWR Charges **\$ 43,546,914**

- DWR Fixed Charges \$ 37,731,232
- DWR Variable Charges \$ 5,859,050
- Interest credits \$ (43,368)

Fixed Charge Highlights

- Total fixed charge increase over FY 2014/15 of \$3,767,614.
- DWR Fixed cost increase of \$2.8 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years, along with a combined increase of \$1.0 million in all other fixed cost components.

Variable Charge Highlights

- DWR Variable cost increase of \$1.1 million over FY 2014/15 due to an increase in deliveries coupled with a large increase in the DWR Variable OMP&R costs for electricity due to lower hydroelectric generation from decreased water deliveries
- Estimated Variable OMP&R unit rate for 2015: \$157.00; 2016: \$167.00

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Through the Santa Barbara County Flood Control and Water Conservation District (SBCFC&WCD), the Authority holds a contract with the Department of Water Resources (DWR) to purchase up to 45,486 acre-feet of water per year. The costs for this water are charged to the various Authority project participants.

The DWR charges include both fixed and variable components. The fixed costs represent costs that must be paid independent of the amount of water requested by the project participants. The variable costs vary based on delivery amounts and are comprised of power and power related costs.

DWR Billing Procedures

The DWR prepares its annual bill (“Statement of Charges”) on a calendar year basis and submits the bill to the Authority. The variable portion of the bill is based on the requested deliveries of the Authority’s project participants, which the Authority provides to DWR in October of the prior year. The fixed portion of the bill is based on the Authority’s State water Table A amount. The Delta Water Charge is billed by DWR net of Table A entitlement reductions (*see the sections entitled “Delta Water Charges” and “Table A Entitlement Reductions”*).

The Statement of Charges is allocated on a financial reach basis (*see the Distribution Department section of this budget for further information on financial reaches*). Invoices are then prepared by the Authority and forwarded to its project participants.

Summary of FY 2015/16 DWR Charges

The DWR charges for the first half of FY 2015/16 are based on the Revised 2015 Statement of Charges. The DWR charges for the second half of FY 2015/16 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

The fixed DWR charges are allocated to the various project participants based on their State water Table A allocation. The variable DWR charges are allocated in proportion to the project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 74 shows fixed and variable DWR costs for each project participant.

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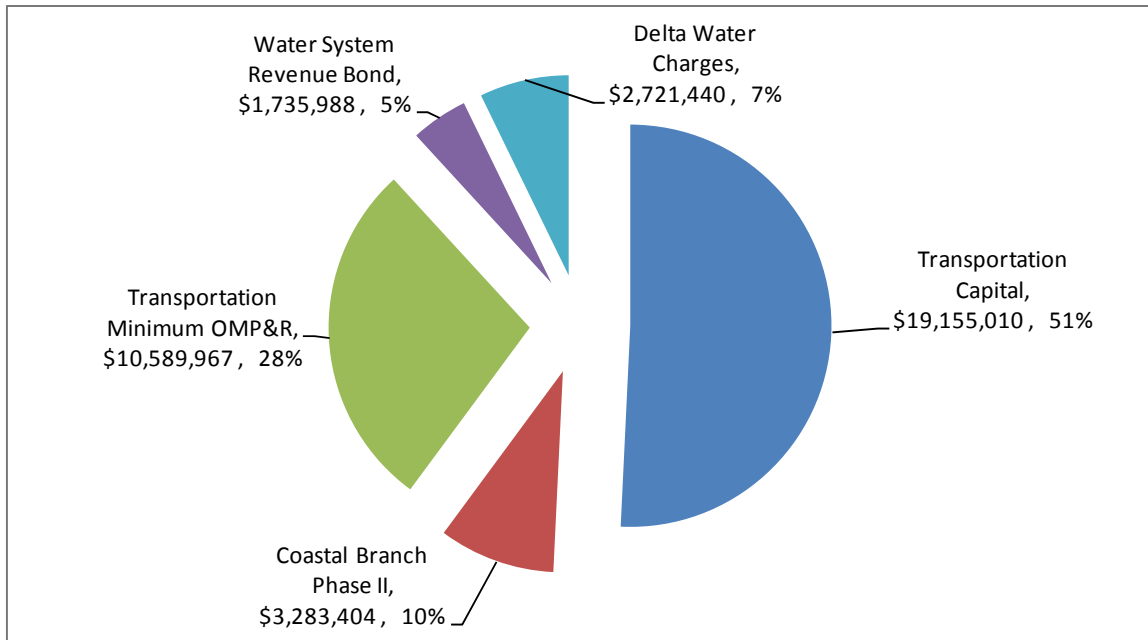
The following table provides a comparison of the FY 2013/14 through the FY 2015/16 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Est. Actual ⁽¹⁾	FY 2015/16 Budget	FY 2015/16 Budget to FY 2014/15 Budget Increase (Decrease)
Transportation Capital	\$ 17,911,402	\$ 19,005,342	\$ 18,776,943	\$ 19,155,010	\$ 149,668
Coastal Branch Phase II	2,679,118	3,283,404	3,416,070	3,528,826	245,422
Transportation Minimum OMP&R	8,465,503	7,787,572	9,811,164	10,589,967	2,802,395
Water System Revenue Bond	1,541,058	1,862,717	1,780,106	1,735,988	(126,730)
Delta Water Charges	1,924,294	2,024,583	2,246,795	2,721,440	696,857
Subtotal Fixed DWR Charges	<u>32,521,375</u>	<u>33,963,618</u>	<u>36,031,078</u>	<u>37,731,232</u>	<u>3,767,614</u>
Off-Aqueduct Charges	260,044	117,694	334,580	180,007	62,313
Variable OMP&R	2,950,574	4,613,208	4,056,472	5,679,043	1,065,835
Subtotal Variable DWR Charges	<u>3,210,618</u>	<u>4,730,902</u>	<u>4,391,052</u>	<u>5,859,050</u>	<u>1,128,148</u>
DWR Account Investment Income	(44,044)	(25,036)	-	(43,368)	(18,332)
Total DWR Charges	<u>\$ 35,687,949</u>	<u>\$ 38,669,484</u>	<u>\$ 40,422,130</u>	<u>\$ 43,546,914</u>	<u>\$ 4,877,430</u>

(1) Includes the actual credits provided by DWR which were included in the fiscal year budget projections.

DWR FIXED COSTS

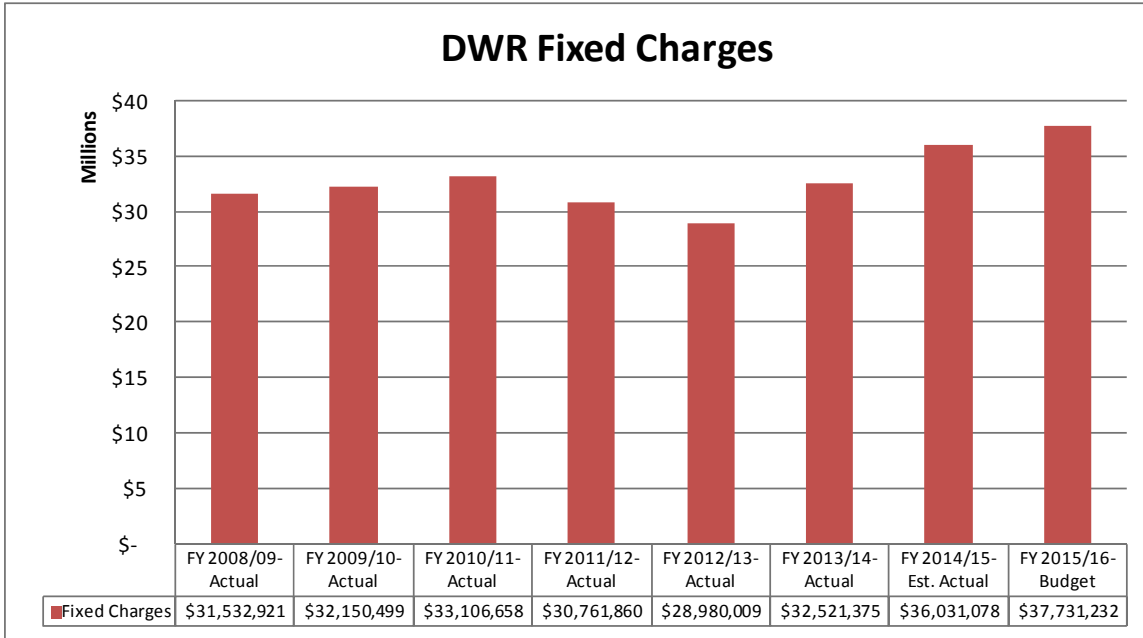
The DWR fixed costs are comprised of the following cost components:



The FY 2015/16 DWR fixed charges total \$37,731,232, which is \$3,767,614 more than the FY 2014/15 Budget. The reasons for the cost component variances are described later in this section.

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The following graph shows the eight-year trend in the DWR fixed costs.



Transportation Capital

The Transportation Capital cost component covers the use of facilities to transport water to the vicinity of each State water contractor’s turnouts. Generally, the charge represents each contractor’s proportionate share of the reimbursable capital costs and fixed operating costs.

The following table shows the allocation of the FY 2015/16 Transportation Capital charges to each of the CCWA project participants:

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TRANSPORTATION CAPITAL CHARGES

Project Participant			Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate		Prior Year		FY 2015/16 Transportation Capital Charges
	Table A	Percentage			Management Funds Credit	DWR Credits for Overpayments ⁽²⁾			
Guadalupe	550	1.41%	\$ 319,959	\$ (22)	\$ (39,897)	\$ (10,794)	\$	269,246	
Santa Maria	16,200	41.46%	9,424,234	(638)	(1,175,157)	(317,918)		7,930,520	
Golden State Water Co.	500	1.28%	290,871	(20)	(36,270)	(9,812)		244,769	
VAFB	5,500	14.07%	3,199,585	(217)	(398,973)	(107,935)		2,692,460	
Buellton	578	1.48%	336,247	(23)	(41,928)	(11,343)		282,953	
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	864,739	(59)	(108,059)	(29,171)		727,450	
Santa Ynez ⁽³⁾	500	1.28%	298,747	(20)	(37,022)	(10,078)		251,627	
Goleta	4,500	11.52%	2,617,843	(177)	(326,433)	(88,311)		2,202,922	
Morehart	200	0.51%	116,349	(8)	(14,508)	(3,925)		97,908	
La Cumbre	1,000	2.56%	581,743	(39)	(72,541)	(19,625)		489,538	
Raytheon	50	0.13%	29,087	(2)	(3,627)	(981)		24,477	
Santa Barbara	3,000	7.68%	1,745,228	(118)	(217,622)	(58,874)		1,468,615	
Montecito	3,000	7.68%	1,745,228	(118)	(217,622)	(58,874)		1,468,615	
Carpinteria	2,000	5.12%	1,163,486	(79)	(145,081)	(39,249)		979,077	
Subtotal:	39,078	100.00%	\$ 22,733,346	\$ (1,540)	\$ (2,834,741)	\$ (766,889)	\$	19,130,177	
Goleta Additional Table A	2,500	5.50%	28,402	-	(2,610)	(958)		24,834	
CCWA Drought Buffer	3,908	-	-	-	-	-		-	
TOTAL:	45,486		\$ 22,761,748	\$ (1,540)	\$ (2,837,351)	\$ (767,847)	\$	19,155,010	

(1) Reach 36 was deleted during project design. DWR Reaches to the end of Coastal Branch Phase II consist of Reaches 1 to 35. The Coastal Branch extension consists of Reaches 37 and 38.
 (2) Credits for prior year(s) overpayments amortized by DWR through the year 2035.
 (3) Adjusted for transfer of the Solvang 150 acre foot drought buffer Table A to Santa Ynez.

The FY 2015/16 Transportation capital charges are decreasing by \$149,668 due to the following:

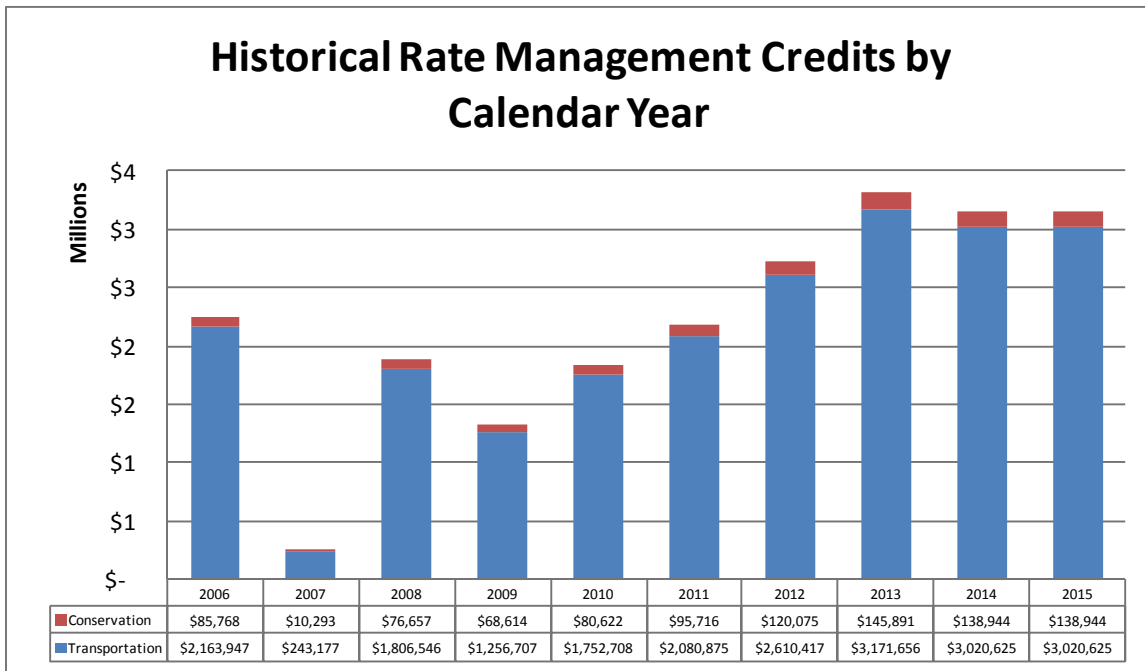
Transportation Capital Budget-to-Budget Changes			
	FY 2014/15	FY 2015/16	Change
Calculated Component	\$ 22,607,004	\$ 22,761,748	\$ 154,744
Rate Management Credits	(2,837,351)	(2,837,351)	0
Prior Year Overcollection Credit	(762,477)	(767,847)	(5,370)
Other Adjustments	(1,834)	(1,540)	295
Total:	\$ 19,005,342	\$ 19,155,010	\$ 149,668

Rate Management Credits

One provision of the contract between CCWA and the Department of Water Resources provides for the reduction of capital charges based on excess revenues collected by DWR due to differences between collections from the State Water Project Contractors and the actual amounts paid for capital related charges. These credits are referred to as “rate management credits” and are allocated to each Contractor in proportion to their total repayment of capital charges to DWR. As such, CCWA receives a large portion of the annual rate management credits (currently about 9.00%) because our facilities were constructed in the 1990’s while most other Contractor’s facilities were constructed in the 1960’s so that CCWA’s capital repayments to DWR are quite high when compared to other Contractors.

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Each year, DWR prepares a financial analysis to determine the revenues that are available to pay rate management credits. Pursuant to the Contract, the maximum amount of rate management credits in any one year does not exceed \$40.5 million to all Contractors. There are a number of factors that can impact the revenues available to pay rate management credits, and therefore, the actual credits provided by DWR have been somewhat volatile as can be seen in the following graph showing the actual historical calendar year rate management credits provided by DWR.



It is anticipated that the revenues available for rate management credits in the future will be substantially more stable and therefore not subject to the volatility as has been the case in the past. For 2014 and beyond, CCWA is projecting DWR will have revenues to pay full rate management credits each year of about \$3.2 million.

Coastal Branch Extension-Transportation Capital Reach 37 and 38

This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according to DWR's actual construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

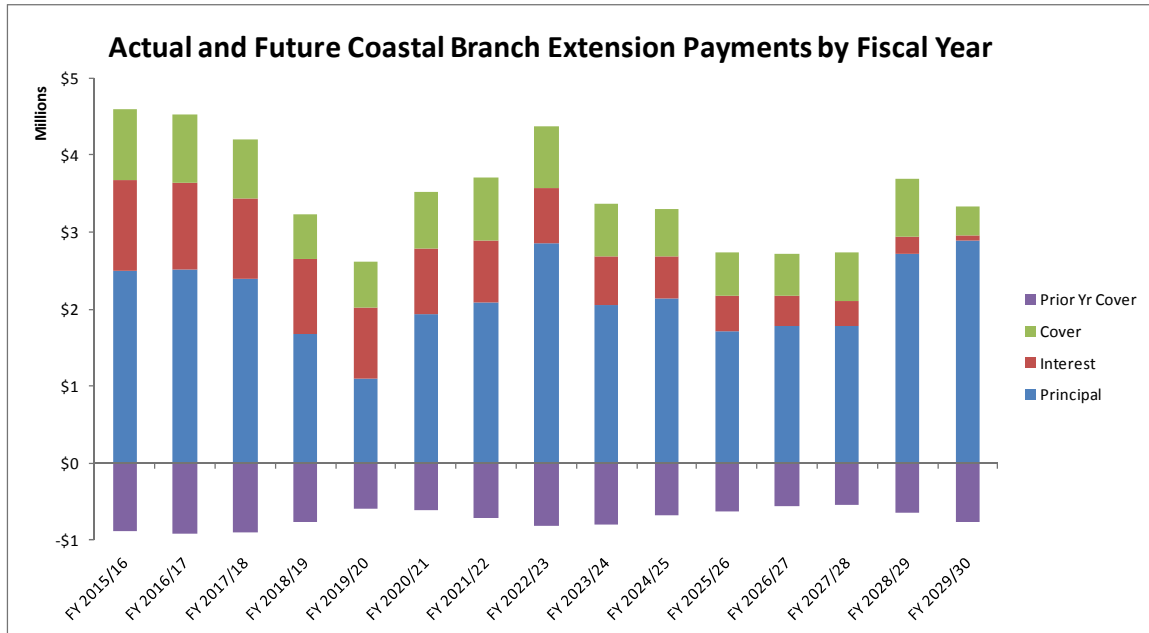
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Coastal Branch Extension debt service payments for FY 2015/16 total \$3,528,826, which is \$245,422 higher than the prior year amount due to the following:

Coastal Branch Extension Debt Service			
	FY 2014/15	FY 2015/16	Change
Principal Payments	\$ 2,106,191	\$ 2,491,801	\$ 385,610
Interest Payments	1,256,111	1,174,587	(81,524)
Bond Cover	888,777	919,887	31,110
Rate Management Credits	(183,274)	(183,274)	(0)
Return of Prior Year Cover	(784,401)	(874,174)	(89,773)
Total:	\$ 3,283,404	\$ 3,528,826	\$ 245,422

Principal, Interest and Bond Cover Changes

Over the years, DWR has refinanced some of the original bonds used to finance these facilities and the resulting debt service repayment fluctuates significantly between years as can be seen in the following graph.



In addition to the revenue bond principal and interest, DWR also collects bond cover or an additional 25% of revenue bond payments as an additional security for the bond holders. DWR holds one year of bond cover and then returns the prior year bond cover payments as credits.

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Coastal Branch Extension Bond Allocation

CCWA is challenging DWR's allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension. Total construction and finance related costs were around \$35 million for the project, but DWR is allocating approximately \$46 million in revenue bond principal payments to CCWA. Recently, DWR agreed that the additional bonds allocated above the construction costs is incorrect and that the bonds should be reallocated to the general water system for the State Water Project away from the Coastal Branch Extension.

DWR still has not finalized the corrections to the Coastal Branch Extension debt service schedules for the over allocation of revenue bonds above the construction costs. The corrections, once implemented, will reduce the total debt service costs for the Coastal Branch Extension facilities.

The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2015/16.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	<i>Reach 37</i>				
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	999,686	(230,496)	769,190
Golden State Water Co.	500	1.30%	30,855	(7,114)	23,740
VAFB	5,500	14.28%	339,400	(78,255)	261,145
Buellton	578	1.50%	35,668	(8,224)	27,444
Santa Ynez (Solvang)	1,500	3.89%	92,564	(21,342)	71,221
Santa Ynez	500	1.30%	30,855	(7,114)	23,740
Goleta	4,500	11.68%	277,691	(64,027)	213,664
Morehart	200	0.52%	12,342	(2,846)	9,496
La Cumbre	1,000	2.60%	61,709	(14,228)	47,481
Raytheon	50	0.13%	3,085	(711)	2,374
Santa Barbara	3,000	7.79%	185,127	(42,684)	142,443
Montecito	3,000	7.79%	185,127	(42,684)	142,443
Carpinteria	2,000	5.19%	123,418	(28,456)	94,962
Total:	38,528	100.00%	2,377,525	(548,181)	\$ 1,829,344

Central Coast Water Authority
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Project Participant	Reach 38					FY 2015/16
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	769,190
Golden State Water Co.	-	0.00%	-	-	-	23,740
VAFB	5,500	25.20%	556,539	(128,320)	428,219	689,363
Buellton	578	2.65%	58,487	(13,485)	45,002	72,446
Santa Ynez (Solvang)	1,500	6.87%	151,783	(34,996)	116,787	188,008
Santa Ynez	500	2.29%	50,594	(11,665)	38,929	62,669
Goleta	4,500	20.62%	455,350	(104,989)	350,361	564,025
Morehart	200	0.92%	20,238	(4,666)	15,572	25,068
La Cumbre	1,000	4.58%	101,189	(23,331)	77,858	125,339
Raytheon	50	0.23%	5,059	(1,167)	3,893	6,267
Santa Barbara	3,000	13.74%	303,567	(69,993)	233,574	376,016
Montecito	3,000	13.74%	303,567	(69,993)	233,574	376,016
Carpinteria	2,000	9.16%	202,378	(46,662)	155,716	250,678
Total:	21,828	100.00%	2,208,750	(509,267)	\$ 1,699,483	\$ 3,528,826

(1) Includes credits for the return of bond cover of \$874,174 and Rate Management Funds Credits of \$183,274.

Transportation Minimum OMP&R

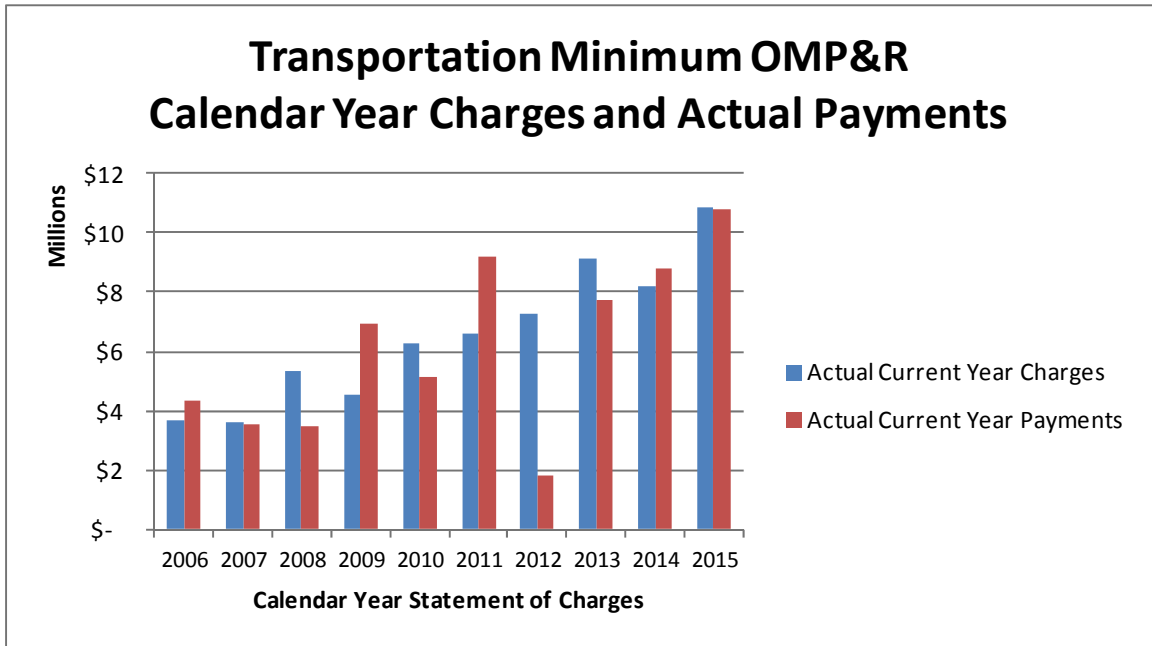
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally, do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2015/16, total Transportation Minimum OMP&R charges are \$10,589,967, which is \$2,802,395 more than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2014/15	FY 2015/16	Change
Calculated Component	\$ 7,420,541	\$ 10,262,196	\$ 2,841,655
Prior Year (Over)/Under Collection	501,887	(27,311)	(529,198)
DHCCP Costs	23,985	-	(23,985)
Prior Year Amount Due	(158,841)	355,082	513,923
Total:	\$ 7,787,572	\$ 10,589,967	\$ 2,802,395

DWR estimates the calendar year charges for each Contractor and then reconciles or “true’s-up” the actual charges incurred in the following year(s) resulting in either an over or under-payment of charges. The following graph shows the actual charges by calendar year and the actual payments from CCWA in that year, with the difference being either the over or under-collection.

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Bay Delta Conservation Plan Supplemental Funding Agreement

CCWA, along with many other State and Federal water contractors, participated in a funding agreement for a total of \$140 million for initial planning and design work for an alternative conveyance facility and habitat plan in the Sacramento San Joaquin delta referred to as the “Bay Delta Conservation Plan” (BDCP). CCWA’s share of the initial \$140 million was \$744,261.

Subsequent to expenditure of the initial \$140 million, DWR determined it needed an additional \$100 million to complete the initial work, of which CCWA’s share is \$651,495.

The City of Santa Maria agreed to pay the BDCP costs for the City of Santa Barbara, Carpinteria Valley Water District, Montecito Water District and the Goleta Valley Water District.

In total, CCWA has paid \$1,443,725 for the BDCP/DHCCP costs, as shown in the following table by calendar year.

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Calendar Year	BDCP Costs paid by CCWA
2008	\$ 38,233
2009	311,342
2010	379,630
2011	57,651
2012	267,916
2013	340,984
2014	47,969
Total:	<u>\$ 1,443,725</u>

The following table shows the allocation of the FY 2015/16 Transportation Minimum OMP&R charges to each of the CCWA project participants.

Project Participant	Table A	Percentage	Calculated Component FY 2015/16	Prior Year(s) Undercollections	DHCCP Costs ⁽²⁾	FY 2014/15 Amount Due	FY 2015/16 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 142,738	\$ (380)	\$ -	\$ (0)	\$ 142,358
Santa Maria	16,200	41.46%	4,204,273	(11,189)	-	142,247	4,335,331
Golden State Water Co.	500	1.28%	129,762	(345)	-	(0)	129,416
VAFB	5,500	14.07%	1,427,377	(3,799)	-	0	1,423,578
Buellton	578	1.48%	150,004	(399)	-	(0)	149,605
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	379,198	(1,009)	-	43,702	421,891
Santa Ynez ⁽¹⁾	500	1.28%	139,848	(372)	-	0	139,476
Goleta	4,500	11.52%	1,167,854	(3,108)	-	82,543	1,247,288
Morehart	200	0.51%	51,905	(138)	-	0	51,766
La Cumbre	1,000	2.56%	259,523	(691)	-	29,315	288,147
Raytheon	50	0.13%	12,976	(35)	-	0	12,942
Santa Barbara	3,000	7.68%	778,569	(2,072)	-	0	776,497
Montecito	3,000	7.68%	778,569	(2,072)	-	0	776,497
Carpinteria	2,000	5.12%	519,046	(1,381)	-	57,276	574,941
Subtotal:	39,078	100.00%	\$ 10,141,640	\$ (26,990)	\$ -	\$ 355,082	\$ 10,469,732
Goleta Additional Table A	2,500	-	120,556	(321)	-	-	120,235
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 10,262,196	\$ (27,311)	\$ -	\$ 355,082	\$ 10,589,967

(1) Adjusted for the transfer of 150 acre feet drought buffer Table A from Solvang to Santa Ynez.
 (2) DHCCP and Monterey litigation costs allocated in proportion to Table A amounts and drought buffer amounts.
 The City of Santa Maria has agreed to pay the DHCCP costs for Goleta, Santa Barbara, Montecito and Carpinteria.
 Please see the corresponding table showing the allocation of these costs.

Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2015/16, the WSRB is about \$126,730 lower than the prior year amount.

The following table shows the allocation of the WSRB for each CCWA project participant.

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WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2015/16 WSRB Charges
Guadalupe	550	1.41%	\$ 40,797	\$ (16,765)	\$ 24,032
Santa Maria	16,200	41.46%	1,201,660	(493,810)	707,851
Golden State Water Co.	500	1.28%	37,088	(15,241)	21,847
VAFB	5,500	14.07%	407,971	(167,651)	240,320
Buellton	578	1.48%	42,874	(17,619)	25,255
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	107,789	(44,295)	63,494
Santa Ynez ⁽¹⁾	500	1.28%	40,564	(16,669)	23,895
Goleta	4,500	11.52%	333,795	(137,169)	196,625
Morehart	200	0.51%	14,835	(6,096)	8,739
La Cumbre	1,000	2.56%	74,177	(30,482)	43,694
Raytheon	50	0.13%	3,709	(1,524)	2,185
Santa Barbara	3,000	7.68%	222,530	(91,446)	131,083
Montecito	3,000	7.68%	222,530	(91,446)	131,083
Carpinteria	2,000	5.12%	148,353	(60,964)	87,389
Subtotal	39,078	100.00%	\$ 2,898,672	\$ (1,191,179)	\$ 1,707,493
Goleta Additional Table A	2,500	-	\$ 48,365	(19,871)	\$ 28,494
CCWA Drought Buffer	3,908	-	-	-	-
TOTAL:	45,486		\$ 2,947,038	\$ (1,211,050)	\$ 1,735,988

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (2) WSRB return of bond cover for July 2014 and January 2015 payments.

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Delta Water Charge

The Delta Water Charge is a unit charge applied to each acre-foot of State water Table A amount net of Table A reductions (see “Table A Reductions” in the section discussing “Other DWR Charges and Credits”). The unit charge covers repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities with appropriate interest, by the end of the State water contract repayment period in 2035.

No Table A reductions are assumed for FY 2015/16.

The FY 2015/16 Delta Water Charge totals \$2,721,440, which is \$696,857 higher than the prior year amount for the following reasons.

Delta Water Charge			
	FY 2014/15	FY 2015/16	Change
Rate per acre-foot	\$ 46.47	\$ 62.34	\$ 15.87
Delta Water Charge	2,113,531	2,835,386	721,855
Rate Management Credits	(138,944)	(138,944)	-
Replacement Deposits	49,996	24,998	(24,998)
Total:	\$ 2,024,583	\$ 2,721,440	\$ 696,857

As the table above shows, the FY 2015/16 rate per acre-foot totals \$62.34, which is \$15.87/AF higher than the prior year amount.

The FY 2015/16 rate includes an estimated \$5.00/AF increase for calendar year 2016 for potential other conservation and delta related facilities (\$2.50/AF on a fiscal year basis).

Beginning with the calendar year 2011 Statement of Charges, DWR began billing for deposits associated with replacing certain equipment at DWR conservation facilities. Under the Contract, this is called the “Replacement Accounting System” deposits (RAS). DWR and the State Water Project Contractors agreed to include a charge on the Delta Water Charge cost per acre-foot beginning with the 2011 SOC to fund these conservation facility replacements.

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The following table shows the allocation of the FY 2015/16 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE

Project Participant	Table A Including Drought Buffer	Percentage	Gross Delta Water Charges	Replacement Accounting System Deposits	Rate Management Funds Credit	FY 2015/16 Delta Water Charges
Guadalupe	605	1.41%	\$ 37,713	\$ 332	(1,842)	\$ 36,204
Santa Maria	17,820	41.46%	1,110,816	9,793	(54,244)	1,066,366
Golden State Water Co.	550	1.28%	34,284	302	(1,674)	32,913
VAFB	6,050	14.07%	377,129	3,325	(18,416)	362,038
Buellton	636	1.48%	39,645	350	(1,936)	38,059
Santa Ynez (Solvang)	1,500	3.49%	93,503	824	(4,108)	90,219
Santa Ynez	700	1.63%	43,635	385	(3,047)	40,973
Goleta	4,950	11.52%	308,560	2,720	(15,068)	296,213
Morehart	220	0.51%	13,714	121	(670)	13,165
La Cumbre	1,100	2.56%	68,569	605	(3,348)	65,825
Raytheon	55	0.13%	3,428	30	(167)	3,291
Santa Barbara	3,300	7.68%	205,707	1,814	(10,045)	197,475
Montecito	3,300	7.68%	205,707	1,814	(10,045)	197,475
Carpinteria	2,200	5.12%	137,138	1,209	(6,697)	131,650
Subtotal	42,986	100.00%	\$ 2,679,548	\$ 23,624	\$ (131,307)	\$ 2,571,865
Goleta Additional Table A	2,500	5.50%	\$ 155,838	\$ 1,374	(7,637)	\$ 149,575
TOTAL:	45,486	-	\$ 2,835,386	\$ 24,998	\$ (138,944)	\$ 2,721,440

2015 COST PER AF:	\$ 59.8354
Increase for 2015 SOC per AF /2	\$ 2.5000
Estimated rate for FY 2015/16	\$ 62.3354

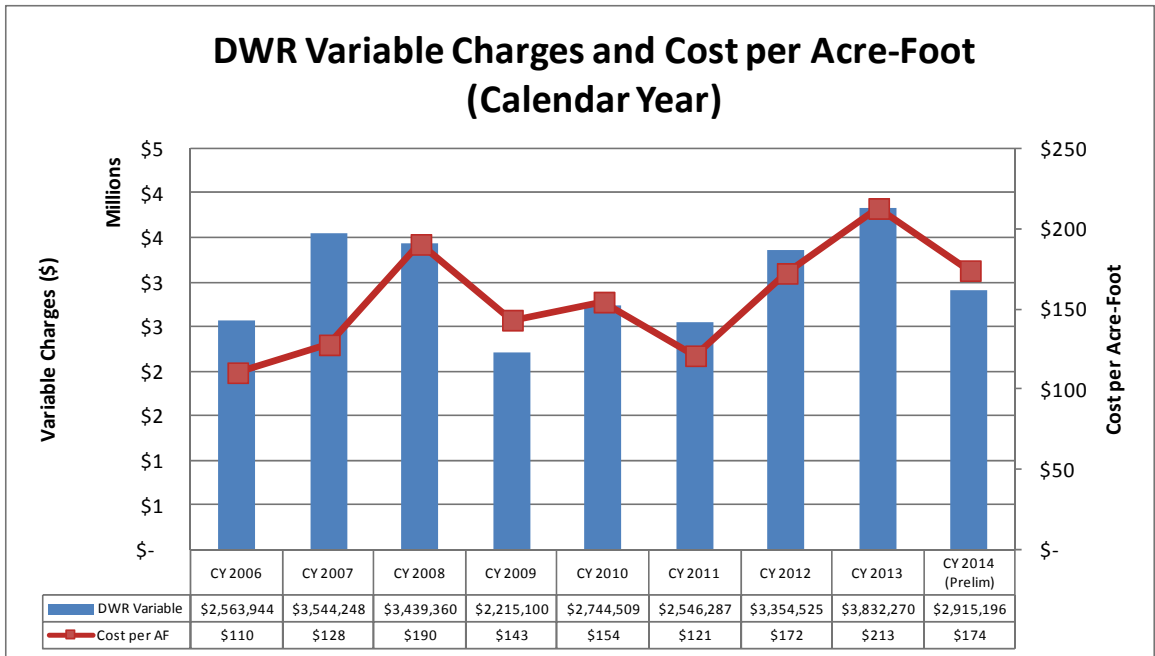
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DWR VARIABLE COSTS

The DWR variable charges are comprised of the following two cost components:

- Off-Aqueduct Charge
- Variable OMP&R

The following graph shows the nine-year history of the actual and estimated DWR variable costs and cost per acre-foot for each calendar year.



The DWR variable charges for FY 2015/16 total \$5,859,050, which is \$1,128,148 higher than the budgeted FY 2014/15 variable payments.

Off-Aqueduct Charges

Off-aqueduct charges are the bond debt service, bond cover, reserve, and operations and maintenance expenses allocated to power facilities not located on the State water aqueduct.

For FY 2015/16, the off-aqueduct charges total \$180,007, which is \$62,313 higher than the prior year budget.

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The following table shows the allocation of off-aqueduct charges for FY 2015/16.

Project Participant	OFF-AQUEDUCT CHARGES				FY 2014/15 Charges ⁽⁴⁾	TOTAL FY 2015/16 Off-Aqueduct				
	July 2015 to December 2015		January 2016 to June 2016							
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2015 Off-Aqueduct ^(1 & 2)	Half-Year 2016 Charges			Requested Delivery AF ⁽¹⁾	Delivery Percentage	2016 Off-Aqueduct ⁽³⁾	Half-Year 2016 Charges
Guadalupe	60	0.39%	\$ 690	\$ 345	60	0.38%	\$ 393	\$ 197	\$ (4,230)	\$ -
Santa Maria	6,447	42.43%	74,147	37,074	5,874	36.96%	38,518	19,259	(121,631)	-
Golden State Water Co.	24	0.15%	271	135	31	0.20%	206	103	(8,245)	-
VAFB	-	0.00%	-	-	1,199	7.54%	7,862	3,931	(66,495)	-
Buellton	311	2.05%	3,577	1,788	274	1.72%	1,797	898	(7,370)	-
Santa Ynez (Solvang) ⁽⁵⁾	676	4.45%	7,775	3,887	575	3.62%	3,770	1,885	(6,589)	-
Santa Ynez ⁽⁶⁾	318	2.09%	3,658	1,829	382	2.40%	2,505	1,252	(7,728)	-
Goleta	2,194	14.44%	25,229	12,614	2,742	17.25%	17,980	8,990	28,787	50,391
Morehart	23	0.15%	262	131	17	0.11%	113	56	(1,644)	-
La Cumbre	450	2.96%	5,175	2,588	498	3.13%	3,265	1,633	4,623	8,843
Raytheon	26	0.17%	299	150	8	0.05%	53	27	89	265
Santa Barbara	2,058	13.54%	23,669	11,835	1,761	11.08%	11,547	5,774	49,911	67,519
Montecito	1,813	11.93%	20,851	10,426	1,564	9.84%	10,259	5,129	37,434	52,989
Carpinteria	795	5.23%	9,143	4,572	908	5.71%	5,955	2,978	(16,837)	-
	15,194	100.00%	\$ 174,747	\$ 87,374	15,894	100.00%	\$ 104,224	\$ 52,112	\$ (119,924)	\$ 180,007

- (1) Off-aqueduct charges are billed to the project participants based on requested deliveries. South coast deliveries include exchange deliveries with Santa Ynez ID#1.
(2) Source: DWR invoice dated July 1, 2014 for Calendar Year 2015 Statement of Charges.
(3) Source: Attachment #3, November 30, 2014 DWR Invoice for calendar year 2015.
(4) Credits for reconciliation of 2015 off-aqueduct charges, return of bond cover and SMIF interest.
(5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
(6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

Variable OMP&R Charges

Variable OMP&R costs basically represent power costs to pump the water and represent costs that are based on and vary with the amount of State water deliveries.

For FY 2015/16, the variable OMP&R charges total \$5,679,043 which is \$1,065,835 more than the prior year amount. The budget is based on estimated water deliveries of 31,088 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2015/16 is estimated to be \$157/AF and \$167/AF for the second half of the fiscal year. This is a significant increase in the estimated cost per acre foot compared to prior years primarily resulting from a large reduction in hydropower generation by DWR due to a large decrease in water deliveries. Because of the decrease in hydro power generation, DWR has to purchase power on the open market instead of using its own power generation for water deliveries.

The following table shows the allocation of the FY 2015/16 variable OMP&R costs.

Central Coast Water Authority
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VARIABLE OMP&R CHARGES

Project Participant	July 1, 2015 to Dec 31, 2015 ⁽¹⁾			\$157/AF ⁽²⁾	Jan 1, 2016 to June 30, 2016 ⁽³⁾			\$167/AF ⁽⁴⁾		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2015 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2016 Var OMP&R	FY 2014/15 Credits ⁽⁵⁾	FY 2015/16 Var. OMP&R
Guadalupe	60	-	60	\$ 9,420	60	-	60	\$ 10,020	\$ (10,136)	\$ 9,304
Santa Maria	6,447	-	6,447	1,012,179	5,874	-	5,874	980,958	(532,460)	1,460,677
Golden State Water Co.	24	-	24	3,693	31	-	31	5,257	(39,831)	-
VAFB	-	-	-	-	1,199	-	1,199	200,233	(327,904)	-
Buellton	311	-	311	48,827	274	-	274	45,758	(38,960)	55,625
Santa Ynez (Solvang)	676	-	676	106,132	575	-	575	96,025	(14,928)	187,229
Santa Ynez ⁽⁶⁾	318	1,580	1,898	49,942	382	1,000	1,382	63,785	(28,838)	84,889
Goleta	2,194	(570)	1,624	344,393	2,742	(360)	2,382	457,895	466,801	1,269,089
Morehart	23	-	23	3,580	17	-	17	2,872	(27,661)	-
La Cumbre	450	-	450	70,650	498	-	498	83,162	38,808	192,619
Raytheon	26	-	26	4,082	8	-	8	1,352	(1,380)	4,055
Santa Barbara	2,058	(378)	1,680	323,106	1,761	(239)	1,522	294,074	497,809	1,114,989
Montecito	1,813	(378)	1,435	284,641	1,564	(239)	1,325	261,263	344,899	890,803
Carpinteria	795	(254)	541	124,815	908	(162)	746	151,669	133,279	409,763
Total	15,194	-	15,194	\$ 2,385,459	15,894	-	15,894	\$ 2,654,324	\$ 459,499	\$ 5,679,043

(1) 2015 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: November 30, 2014 Revised Statement of Charges for calendar year 2015.

(3) 2015 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2016.

(5) Credits for FY 2014/15 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.

(6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

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Other DWR Charges and Credits

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2015 or 2016.

Turnback Pool Sales This represents elections by project participants to “turnback” a portion of their State water in a given year. The initial amount of the turnback water, designated as Pool A, must be submitted for sale by February 15 of each year. The water is then sold by DWR to other State water contractors by March 1. The sellers receive half the Delta Water Rate for each acre-foot of water sold in Pool A. Any water that is not sold in Pool A is placed in Pool B for possible sale, unless the sellers indicate otherwise.

The second “pool” of water to be sold, designated as Pool B, must be submitted for sale by March 15 of each year, and is sold by DWR by April 1. The sellers receive one-fourth of the Delta Water Rate for each acre-foot sold in Pool B. Any water that is not sold in Pool B to other State water contractors or purchased by DWR is sold by DWR to the highest bidder.

CCWA Turnback Pool

In January 1998, the Authority implemented an internal turnback pool program similar to the DWR program. The Authority’s pool is utilized during those years when (1) less than 100% of State water allocation is available and (2) filling the Authority’s project participant delivery requests is only possible by acquiring unused Table A amounts from other project participants.

Any water that is not sold in the Authority’s turnback pool is sold in the DWR turnback pool. The price for water sold in the Authority’s turnback pool is the same as that sold in the DWR pool.

Central Coast Water Authority
DWR Charges
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Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
Guadalupe	\$ 269,246	\$ -	\$ -	\$ 142,358	\$ 24,032	\$ 36,204	\$ 471,840	\$ -	\$ 9,304	\$ 9,304	\$ (652)	\$ 480,491
Santa Maria	7,930,520	769,190	-	4,335,331	707,851	1,066,366	14,809,257	-	1,460,677	1,460,677	(20,383)	16,249,551
Golden State Water Co.	244,769	23,740	-	129,416	21,847	32,913	452,686	-	-	-	(669)	452,017
Vandenberg AFB	2,692,460	261,145	428,219	1,423,578	240,320	362,038	5,407,759	-	-	-	-	5,407,759
Buellton	282,953	27,444	45,002	149,605	25,255	38,059	568,318	-	55,625	55,625	(909)	623,034
Santa Ynez (Solvang)	727,450	71,221	116,787	421,891	63,494	90,219	1,491,062	-	187,229	187,229	(1,933)	1,676,358
Santa Ynez	251,627	23,740	38,929	139,476	23,895	40,973	518,640	-	84,889	84,889	(799)	602,730
Goleta	2,202,922	213,664	350,361	1,247,288	196,625	296,213	4,507,073	50,391	1,269,089	1,319,479	(6,051)	5,820,502
Morehart Land	97,908	9,496	15,572	51,766	8,739	13,165	196,646	-	-	-	(347)	196,299
La Cumbre	489,538	47,481	77,858	288,147	43,694	65,825	1,012,544	8,843	192,619	201,462	(1,311)	1,212,696
Raytheon	24,477	2,374	3,893	12,942	2,185	3,291	49,161	265	4,055	4,320	(87)	53,394
Santa Barbara	1,468,615	142,443	233,574	776,497	131,083	197,475	2,949,687	67,519	1,114,989	1,182,508	(3,879)	4,128,316
Montecito	1,468,615	142,443	233,574	776,497	131,083	197,475	2,949,687	52,989	890,803	943,793	(4,017)	3,889,463
Carpinteria	979,077	94,962	155,716	574,941	87,389	131,650	2,023,734	-	409,763	409,763	(2,331)	2,431,165
Goleta 2500 AF	24,834	-	-	120,235	28,494	149,575	323,139	-	-	-	-	323,139
Total	\$ 19,155,010	\$ 1,829,344	\$ 1,699,483	\$ 10,589,967	\$ 1,735,988	\$ 2,721,440	\$ 37,731,232	\$ 180,007	\$ 5,679,043	\$ 5,859,050	\$ (43,368)	\$ 43,546,914



Leak repair at E.Q. Basin at Water Treatment Plant

Operating Expenses

The Operating Expenses section of the FY 2015/16 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2015/16 Operating Expenses \$ 9,177,490**
- Fixed expense increase \$ 269,045
- Variable expense increase \$ 1,006,827
- Increase over FY 2014/15 Budget \$ 1,275,872
- Percentage increase 16.15%

Significant Operating Expense Changes

- Includes a salary pool for FY 2015/16 of \$98,172, equivalent to a 3.73% increase comprised of a 3% merit percentage and a 0.73% change in the consumer price index.
- Chemical costs budgeted at \$41.27 an acre-foot (excluding Santa Ynez Pumping facility chemical costs)
- Budgeted employee benefits percentage for FY 2015/16: 42.33%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2015/16 Budget

The Operating Expense section of the Authority's budget includes all expenses for the day-to-day operations of the Authority. These expenses include personnel, office expenses, supplies and equipment, monitoring expenses, repairs and maintenance, professional services, general and administrative and other expenses. The operating expense budget does not include capitalized purchases, debt or reserve payments.

The Central Coast Water Authority's Operating Expense budget is separated into three (3) departments: Administration, Water Treatment Plant, and Distribution.

Administration The **Administration Department** includes all expenses associated with the administration of the Authority including salaries and benefits for administration employees, auditing and legal fees, insurance, office expenses, and all other operating expenses for the administration department.

Operations and Maintenance The operations and maintenance section of the budget is comprised of the **Water Treatment Plant Department** and the **Distribution Department**.

The Operations and Maintenance staff comprise the bulk (26) of the 30 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2015/16. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

When the anticipated expenses for the fiscal year have been determined, certain adjustments are made to the budget based on the "Santa Ynez Exchange Agreement" (*see the "Water Treatment Plant" section of this document for further information about the Santa Ynez Exchange Agreement*). These adjustments reduce the variable costs (chemicals and electrical) in the budget based on the provisions of the Exchange Agreement. The project participants are billed for the Authority's operating expenses budget based on the adjusted expenses which include the Exchange Agreement modifications. These adjustments are not reflected in the Operating Expense departmental budgets that follow.

Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2015/16 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2015/16 budget are as follows:

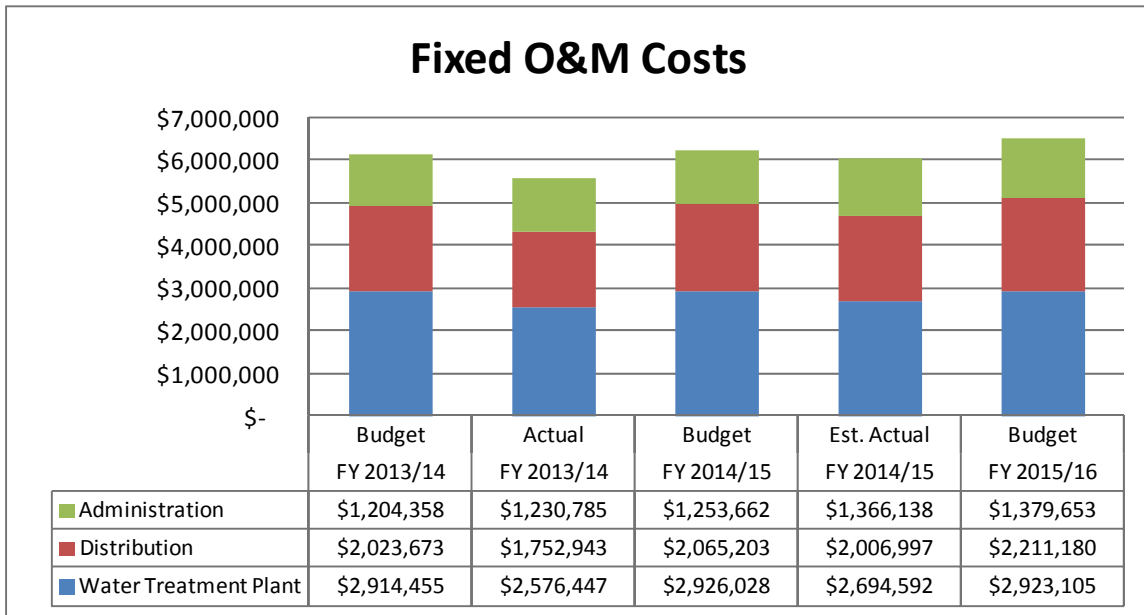
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$209,115.
- Decrease in Warren Act and Trust Fund charges of \$149,640 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

The Authority’s Operating Expense budget is separated by department and further subdivided into Fixed and Variable O&M costs.

Fixed O&M Costs refer to all costs of the Authority that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and general and administrative costs.

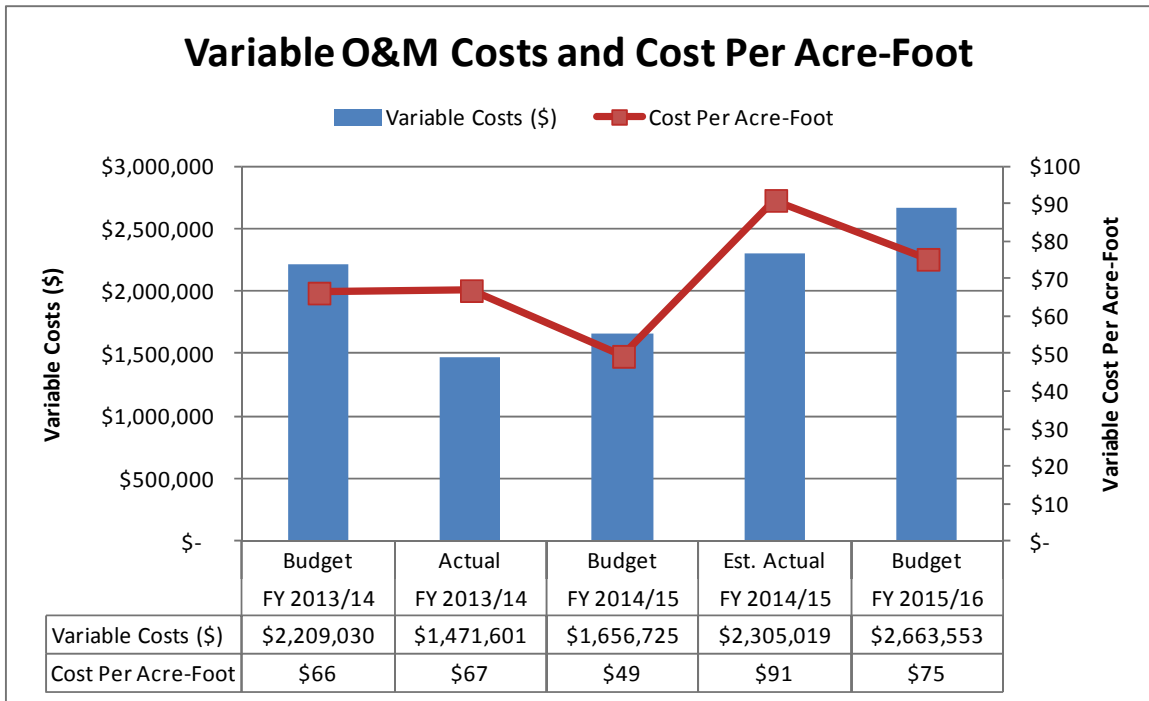
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2015/16 Budget

Variable O&M Costs refer to all costs that vary with the amount of water processed. These costs include all chemical and electrical costs for the Water Treatment Plant and Distribution Departments.

The following chart shows the variable O&M costs compared to the requested and variable cost per acre-foot for the same period.



The Fiscal Year 2015/16 Consolidated Departmental Operating Expense Budget totals \$9,177,490 which is \$1,275,872 higher than the Fiscal Year 2014/15 Budget, a 16.15% increase. Explanations for the various changes within the budget are discussed below and are also included in the various departmental sections of this Budget document.

Personnel Expenses

Personnel expenses are increasing by about \$61,000 which includes the following changes from the prior year:

- The FY 2015/16 Budget includes a \$98,172 salary pool for employee salary increases based on a salary pool percentage of 3.73%. The salary pool percentage is comprised of a 3% merit component and a 0.73% change in the consumer price index. However, the total salaries and wages budget is only increasing by about \$56,000 because certain

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2015/16 Budget

- employees have remained at the top of their salary range, stalling their salary growth, and one full-time employee changed to part-time.
- PERS retirement expenses are increasing by about \$14,000 due to salary increases and the change in the employer and employee contribution rate for the FY 2015/16 to 21.035% as compared to the prior year amount of 21.507%
 - Health insurance expenses and cafeteria plan benefits combined are decreasing by about \$11,000 due to a decrease in dental and vision claims along with a small 2.92% decrease in health insurance premiums, as opposed to the budgeted increase of 5% for calendar year 2015. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2016.
 - The FY 2014/15 Budget includes \$43,920 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents a \$1,080 increase in the estimated FY 2015/16 amount from the FY 2014/15 budgeted amount of \$42,840 for the annually required contribution for the CCWA retiree medical benefit.

Supplies and Equipment

Supplies and equipment are increasing by around \$542,000 due primarily to an increase in deliveries and the increased cost of chemicals needed due to drought related water quality changes.

Monitoring Expenses

Monitoring expenses are increasing by \$10,000 for lab supplies and lab testing as compared to last fiscal year due to drought related water quality monitoring along with new required testing.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$19,000 primarily for repairs and maintenance needed as equipment, structures and vehicles age.

Professional Services

Professional Services are increasing by \$161,000 primarily due to the increased cost of legal services in relation to the anticipated additional legal services regarding the pursuit of obtaining DWR approval to allow assignment of the State water contract from Santa Barbara County to CCWA.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2015/16 Budget

Utilities

Utility expenses are increasing by about \$485,000 primarily due to an increase in requested water deliveries into Lake Cachuma of 7,818 AF compared to the prior fiscal year.

Approximately 47% of the operating expense budget represents personnel expenses. This is followed by 19% for supplies and equipment, and 14% for utilities and the balance comprised of other expenses.

The chart on page 82 provides a detailed breakdown of the components of the FY 2015/16 budget.

Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2015/16 Budget

CCWA Employee Benefits Percentage

In December 2003, the CCWA Board of Directors established the following Budget policy, with regard to employer paid employee benefits:

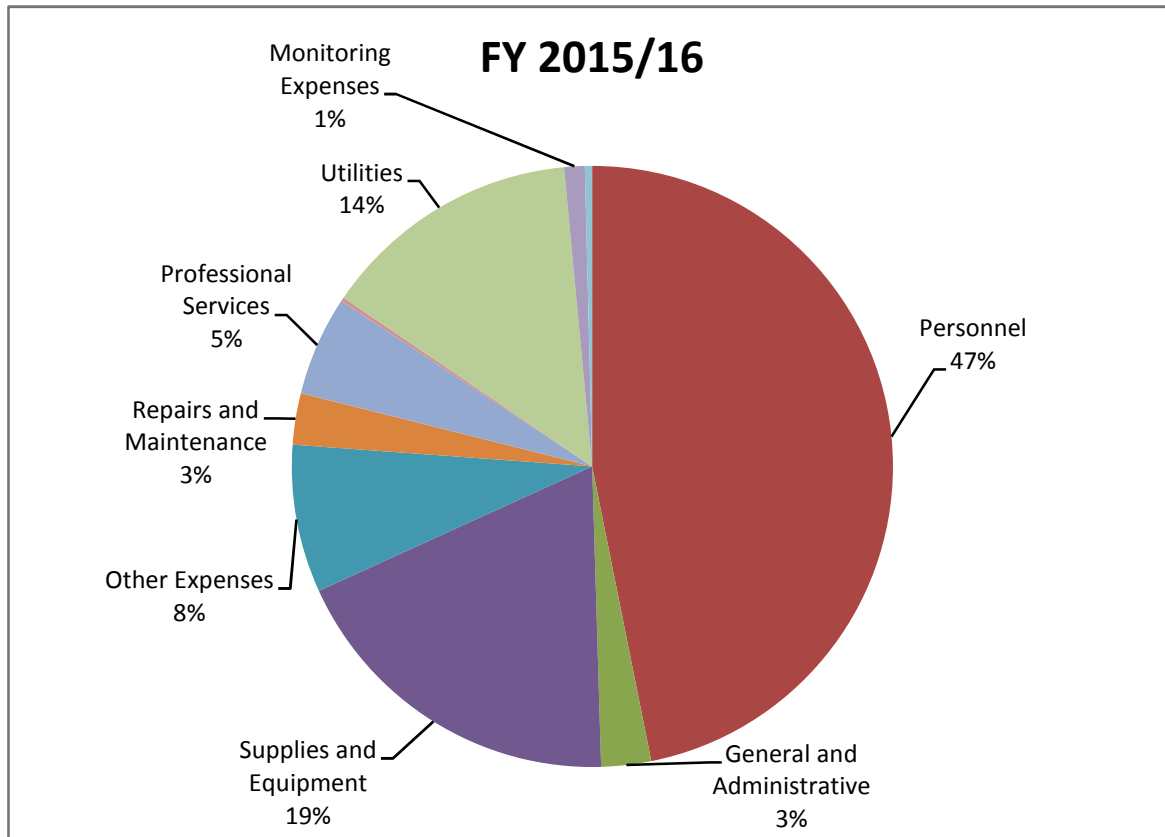
Employee Benefits Funding Benchmark: The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance as a proportion of the full-time wages budget for the fiscal year.

The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2013/14 through 2015/16.

	FY 2013/14 Actual	FY 2014/15 Est. Actual	FY 2015/16 Budget
Total Regular Salaries	\$ 2,677,143	\$ 2,654,207	\$ 2,733,028
<u>Benefits</u>			
PERS Retirement	561,690	572,730	589,036
Health Insurance	412,085	420,844	469,490
Cafeteria Plan Benefits	60,252	68,539	24,857
Dental/Vision Plan	49,841	50,675	48,613
Long-Term Disability	10,782	11,049	13,341
Life Insurance	11,467	11,522	11,422
Total Benefits:	<u>\$ 1,106,116</u>	<u>\$ 1,135,358</u>	<u>\$ 1,156,760</u>
Employee Benefits Percentage	41.32%	42.78%	42.33%

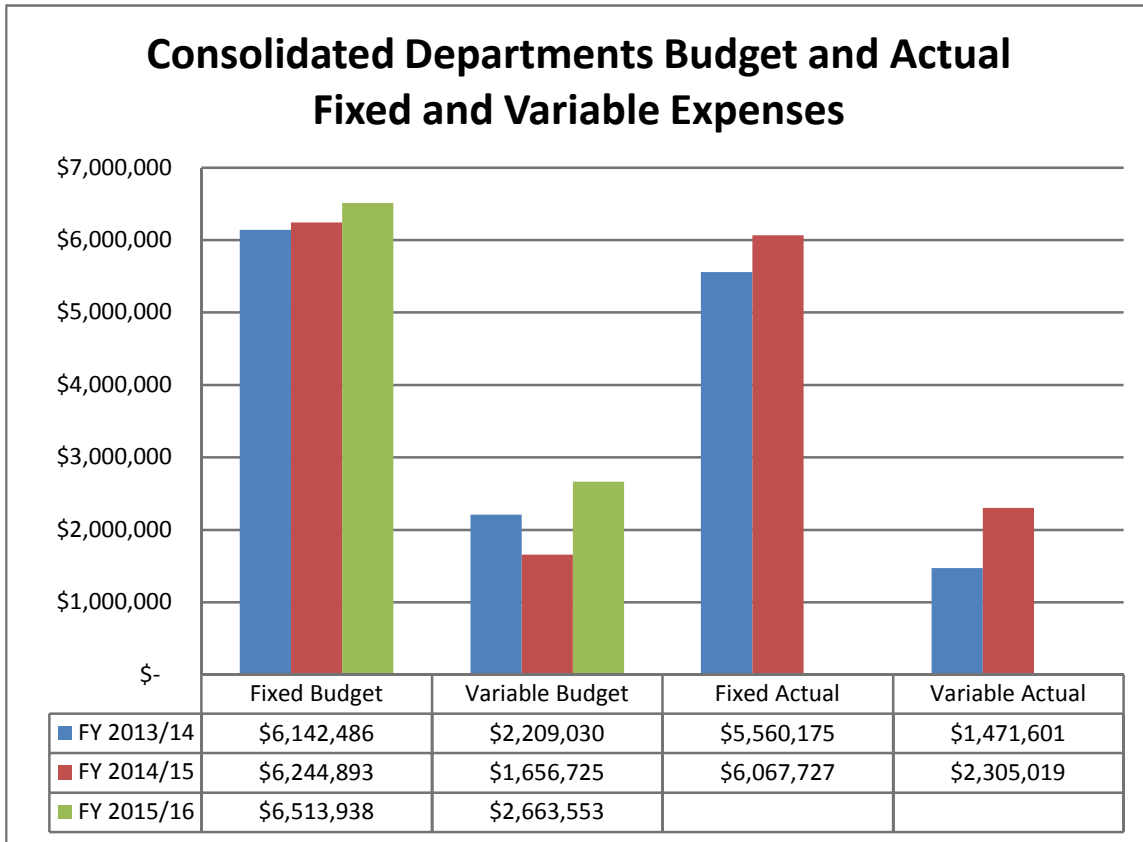
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2015/16 Budget
Personnel	\$ 4,299,632
Office Expenses	19,150
Supplies and Equipment	1,712,687
Monitoring Expenses	100,391
Repairs and Maintenance	255,306
Professional Services	491,335
General and Administrative	246,099
Utilities	1,286,695
Other Expenses	729,470
Turnouts	36,725
TOTAL:	\$ 9,177,490



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget
Personnel	\$ 4,154,292	\$ 3,935,555	\$ 4,238,812	\$ 4,146,891	\$ 4,299,632
Office Expenses	18,850	16,651	19,150	15,202	19,150
Supplies and Equipment	1,442,843	1,037,861	1,170,981	1,464,212	1,712,687
Monitoring Expenses	75,305	68,242	90,305	100,120	100,391
Repairs and Maintenance	216,460	215,298	236,220	231,381	255,306
Professional Services	322,369	263,074	329,851	372,289	491,335
General and Administrative	232,816	204,814	240,963	232,049	246,099
Utilities	1,107,745	750,365	803,022	1,137,857	1,286,695
Other Expenses	759,417	493,256	750,571	665,362	729,470
Turnouts	21,419	46,659	21,744	7,382	36,725
Total:	\$ 8,351,516	\$ 7,031,776	\$ 7,901,618	\$ 8,372,746	\$ 9,177,490



Central Coast Water Authority
Consolidated Department Operating Expenses
Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 2,649,895	\$ 2,525,484	\$ 2,676,536	\$ 2,654,207	\$ 2,733,028	\$ 56,492	2.11%
1300.60	Capitalized Wages and Overtime	-	(10,241)	-	-	-	-	N/A
5000.20	Overtime	126,775	118,728	130,028	120,377	132,773	2,746	2.11%
5000.40	Standby Pay	52,945	50,130	52,711	49,885	53,927	1,215	2.31%
5000.50	Shift Differential Pay	16,486	14,955	16,551	16,251	17,161	609	3.68%
5100.10	PERS Retirement	538,468	520,201	575,643	572,730	589,036	13,393	2.33%
5100.15	Medicare Taxes	42,098	39,352	42,743	41,879	42,945	202	0.47%
5100.20	Health Insurance	432,909	383,599	419,416	420,844	469,490	50,074	11.94%
5100.25	Workers' Compensation	101,921	81,927	101,869	96,694	100,408	(1,461)	-1.43%
5100.30	Vehicle Expenses	9,000	9,208	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	39,000	48,748	42,840	5,863	43,920	1,080	2.52%
5100.40	Cafeteria Plan Benefits	57,212	60,252	71,959	68,539	24,857	(47,102)	-65.46%
5100.45	Dental/Vision Plan	51,203	49,841	62,565	50,675	48,613	(13,952)	-22.30%
5100.50	Long-Term Disability	10,707	10,002	10,819	11,049	13,341	2,523	23.32%
5100.55	Life Insurance	10,964	10,689	11,422	11,522	11,422	-	0.00%
5100.60	Employee Physicals	900	523	900	220	900	-	0.00%
5000.30	Temporary Services	5,000	-	5,000	-	-	(5,000)	-100.00%
5100.80	Employee Incentive Programs	6,560	1,918	6,560	-	6,560	-	0.00%
5100.65	Employee Education Reimbursement	2,250	-	2,250	-	2,250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	20,239	-	17,156	-	-	N/A
Total Personnel Expenses:		4,154,292	3,935,555	4,238,812	4,146,891	4,299,632	60,820	1.43%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	9,700	9,088	9,700	8,452	9,700	-	0.00%
5200.30	Misc. Office Expenses	9,150	7,563	9,450	6,750	9,450	-	0.00%
Total Office Expenses:		18,850	16,651	19,150	15,202	19,150	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	14,502	12,820	14,772	12,866	14,772	-	0.00%
5500.15	Minor Tools and Equipment	13,900	11,660	10,000	10,225	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	1,060	1,500	1,136	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,285,611	888,191	1,015,379	1,311,915	1,543,465	528,086	52.01%
5500.35	Maintenance Supplies/Hardware	20,000	24,273	22,000	26,327	26,000	4,000	18.18%
5500.40	Safety Supplies	10,000	10,100	10,000	9,502	12,000	2,000	20.00%
5500.45	Fuel and Lubricants	85,830	82,751	85,830	85,926	91,450	5,620	6.55%
5500.50	Seed/Erosion Control Supplies	11,000	6,642	11,000	6,202	13,000	2,000	18.18%
5500.55	Backflow Prevention Supplies	500	364	500	114	500	-	0.00%
Total Supplies and Equipment:		1,442,843	1,037,861	1,170,981	1,464,212	1,712,687	541,706	46.26%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	57,000	55,279	57,000	65,027	62,236	5,236	9.19%
5600.20	Lab Tools and Equipment	-	-	15,000	17,751	1,720	(13,280)	-88.53%
5600.30	Lab Testing	18,305	12,963	18,305	17,343	36,435	18,130	99.04%
Total Monitoring Expenses:		75,305	68,242	90,305	100,120	100,391	10,086	11.17%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	135,500	129,881	145,500	149,610	163,000	17,500	12.03%
5700.20	Vehicle Repairs and Maintenance	15,000	15,753	20,000	18,277	20,000	-	0.00%
5700.30	Building Maintenance	53,900	60,084	58,660	54,830	60,246	1,586	2.70%
5700.40	Landscape Maintenance	12,060	9,579	12,060	8,664	12,060	-	0.00%
Total Repairs and Maintenance:		216,460	215,298	236,220	231,381	255,306	19,086	8.08%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	144,925	100,862	127,275	74,078	159,975	32,700	25.69%
5400.20	Legal Services	107,500	111,099	132,500	235,585	250,000	117,500	88.68%
5400.30	Engineering Services	10,000	3,732	10,000	6,884	15,000	5,000	50.00%
5400.40	Permits	20,900	13,667	20,900	18,179	25,800	4,900	23.44%
5400.50	Non-Contractual Services	4,044	2,595	4,176	2,563	4,260	84	2.01%
5400.60	Accounting Services	35,000	31,120	35,000	35,000	36,300	1,300	3.71%
Total Professional Services:		322,369	263,074	329,851	372,289	491,335	161,484	48.96%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	54,100	52,588	58,900	36,038	48,500	(10,400)	-17.66%
5300.20	Mileage Reimbursement	1,650	643	1,650	114	1,650	-	0.00%
5300.30	Dues and Memberships	144,556	128,359	149,513	172,930	163,049	13,537	9.05%
5300.40	Publications	2,500	2,273	2,500	3,080	2,500	-	0.00%
5300.50	Training	15,500	9,688	15,500	9,720	16,000	500	3.23%
5300.60	Advertising	3,500	1,956	2,000	-	2,000	-	0.00%
5300.70	Printing and Binding	3,500	2,075	3,500	3,173	3,500	-	0.00%
5300.80	Postage	7,510	7,232	7,400	6,994	8,900	1,500	20.27%
Total General and Administrative:		232,816	204,814	240,963	232,049	246,099	5,137	2.13%
<u>UTILITIES</u>								
5800.20	Natural Gas	9,490	6,673	8,190	1,893	8,190	-	0.00%
5800.30	Electric-Fixed	146,831	139,729	126,972	121,872	131,627	4,654	3.67%
5800.35	Electric-Variable	923,418	583,410	641,347	993,104	1,120,088	478,741	74.65%
5800.40	Water	2,850	2,681	3,200	2,739	3,200	-	0.00%
5800.50	Telephone	15,810	11,125	13,728	10,572	14,006	278	2.03%
5800.60	Waste Disposal	9,345	6,747	9,585	7,677	9,585	-	0.00%
Total Utilities:		1,107,745	750,365	803,022	1,137,857	1,286,695	483,673	60.23%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	148,468	141,910	147,118	138,540	139,308	(7,810)	-5.31%
5900.30	Non-Capitalized Projects	273,567	121,974	258,569	202,166	235,893	(22,676)	-8.77%
5900.40	Equipment Rental	34,020	19,296	32,020	27,292	33,540	1,520	4.75%
5900.50	Non-Capitalized Equipment	14,500	4,763	14,500	13,547	14,500	-	0.00%
5900.60	Computer Expenses	168,841	153,338	176,341	192,644	179,225	2,884	1.64%
5900.70	Appropriated Contingency	120,021	51,977	122,023	91,172	127,004	4,982	4.08%
Total Other Expenses:		759,417	493,256	750,571	665,362	729,470	(21,101)	-2.81%
Turnout Expenses		21,419	46,659	21,744	7,382	36,725	14,981	68.90%
TOTAL OPERATING EXPENSES		\$ 8,351,516	\$ 7,031,776	\$ 7,901,618	\$ 8,372,746	\$ 9,177,490	\$ 1,275,872	16.15%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2015/16 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>					Turnout Costs	
	Table A	Percentage	Administration Expenses	Table A	Percentage	WTP Fixed	WTP Fixed and Capital	Exchange Fixed and Capital		Total Fixed WTP
				Fixed	Retreatment	Adjustments	Costs			
Shandon	-	-	\$ -	100	0.23%	\$ 7,317	-	-	7,317	\$ -
Chorro Valley	-	-	-	2,338	5.32%	171,063	-	-	171,063	17,900
Lopez	-	-	-	2,392	5.45%	175,014	-	-	175,014	2,544
Guadalupe	550	1.41%	19,904	550	1.25%	40,242	23,257	-	63,499	2,043
Santa Maria	16,200	41.46%	586,271	16,200	36.90%	1,185,297	685,031	-	1,870,327	2,467
Golden State Water Co.	500	1.28%	18,095	500	1.14%	36,583	21,143	-	57,726	4,215
VAFB	5,500	14.07%	199,043	5,500	12.53%	402,415	232,572	-	634,988	2,000
Buellton	578	1.48%	20,918	578	1.32%	42,290	24,441	-	66,731	2,316
Santa Ynez (Solvang)	1,500	3.84%	54,284	1,500	3.42%	109,750	63,429	-	173,178	1,739
Santa Ynez	500	1.28%	18,095	500	1.14%	36,583	130,240	381,675	548,499	1,500
Goleta	4,500	11.52%	162,853	4,500	10.25%	329,249	(377,298)	(137,403)	(185,452)	-
Morehart Land	200	0.51%	7,238	200	0.46%	14,633	(21,130)	-	(6,497)	-
La Cumbre	1,000	2.56%	36,190	1,000	2.28%	73,166	(105,650)	-	(32,484)	-
Raytheon (SBRC)	50	0.13%	1,809	50	0.11%	3,658	(5,283)	-	(1,624)	-
Santa Barbara	3,000	7.68%	108,569	3,000	6.83%	219,499	(251,532)	(91,602)	(123,635)	-
Montecito	3,000	7.68%	108,569	3,000	6.83%	219,499	(251,532)	(91,602)	(123,635)	-
Carpinteria	2,000	5.12%	72,379	2,000	4.55%	146,333	(167,688)	(61,068)	(82,423)	-
TOTAL:	39,078	100.00%	\$ 1,414,216	43,908	100.00%	\$ 3,212,593	\$ 0	-	\$ 3,212,593	\$ 36,725

Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Operating & CIP Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Fixed Distribution Costs	
Shandon	1,278	-	-	-	-	-	-	-	1,278	8,595
Chorro Valley	29,889	-	-	-	-	-	-	-	29,889	218,852
Lopez	30,579	14,985	-	-	-	-	-	-	45,564	223,123
Guadalupe	7,031	3,446	1,288	-	-	-	-	-	11,765	97,211
Santa Maria	207,098	101,490	37,951	32,267	-	-	-	-	378,806	2,837,871
Golden State Water Co.	6,392	3,132	1,171	996	-	-	-	-	11,692	91,728
VAFB	70,311	34,457	12,884	10,955	25,540	80,366	-	-	234,513	1,070,543
Buellton	7,389	3,621	1,354	1,151	2,684	8,446	15,090	-	39,735	129,700
Santa Ynez (Solvang)	19,176	9,397	3,514	2,988	6,965	21,918	39,161	-	103,119	332,321
Santa Ynez	6,392	3,132	1,171	996	2,322	7,306	13,054	-	34,373	602,466
Goleta	57,527	28,192	10,542	8,963	20,896	65,754	117,482	246,291	555,648	533,048
Morehart Land	2,557	1,253	469	398	929	2,922	5,221	10,946	24,695	25,437
La Cumbre	12,784	6,265	2,343	1,992	4,644	14,612	26,107	54,731	123,477	127,183
Raytheon (SBRC)	639	313	117	100	232	731	1,305	2,737	6,174	6,359
Santa Barbara	38,352	18,794	7,028	5,975	13,931	43,836	78,321	164,194	370,432	355,366
Montecito	38,352	18,794	7,028	5,975	13,931	43,836	78,321	164,194	370,432	355,366
Carpinteria	25,568	12,530	4,685	3,984	9,287	29,224	52,214	109,463	246,954	236,910
TOTAL:	561,313	259,802	91,545	76,740	101,361	318,950	426,277	752,557	2,588,545	\$ 7,252,078

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2015/16 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS	Summary of Total Costs	
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs				
Shandon	\$ -	\$ -			\$ -	\$ -	\$ 8,595	Fixed O&M Costs	
Chorro Valley	-	106,267			106,267	106,267	325,119	Administration	\$ 1,379,653
Lopez	-	96,130			96,130	96,130	319,253	Water Treatment Plant	2,923,105
Guadalupe	-	5,659	2,235		7,894	7,894	105,105	Distribution	2,211,180
Santa Maria	-	581,038	229,459		810,497	810,497	3,648,367	Total Fixed O&M Costs	6,513,938
Golden State Water Co.	-	2,594	1,024		3,618	3,618	95,346	Variable O&M Costs	
VAFB	-	56,543	22,329		78,872	78,872	1,149,415	Water Treatment Plant	1,668,463
Buellton	-	27,588	10,895		38,482	38,482	168,183	Distribution	995,090
Santa Ynez (Solvang)	-	58,995	23,298		82,293	82,293	414,614	Total Variable O&M Costs	2,663,553
Santa Ynez	-	33,013	61,086	121,668	215,767	215,767	818,234	Capital Improvement Projects	
Goleta	324,750	232,748	(114,330)	(43,801)	74,618	399,368	932,416		738,141
Morehart Land	3,242	1,886	(1,141)	0	745	3,987	29,424	Total O&M and CIP Costs:	
La Cumbre	76,836	44,705	(27,050)	0	17,655	94,490	221,673		\$ 9,915,631
S.B. Research	2,764	1,608	(973)	0	635	3,399	9,758		
Santa Barbara	259,345	180,094	(91,304)	(29,200)	59,590	318,935	674,301		
Montecito	223,563	159,275	(78,706)	(29,200)	51,368	274,931	630,296		
Carpinteria	104,590	80,320	(36,821)	(19,467)	24,032	128,622	365,532		
TOTAL:	\$ 995,090	\$ 1,668,463	\$ -	\$ -	1,668,463	2,663,553	\$ 9,915,631		



Robert Puddicome Board Room

Administration Department

The Administration Department is comprised of the Executive Director, Accounting and Finance, Engineering and support staff. The department is responsible for administration of the Authority and provides support to the Board of Directors, various Authority committees, and operations and maintenance departments of the Authority.

Highlights

Department Information

- Number of employees 4.25
- Number of Board members 8
- Number of Authority Committees 3
- Board of Directors meetings Fourth Thursday of each month
- Operating Committee meetings Second Thursday, quarterly
- Finance Committee meetings Fourth Thursday, quarterly
- Other Committee meetings As needed

Budget Information

- Total FY 2015/16 O&M Budget \$1,379,653
- O&M Budget increase over FY 2014/15 \$ 125,991
- Percentage increase over FY 2014/15 10.05%

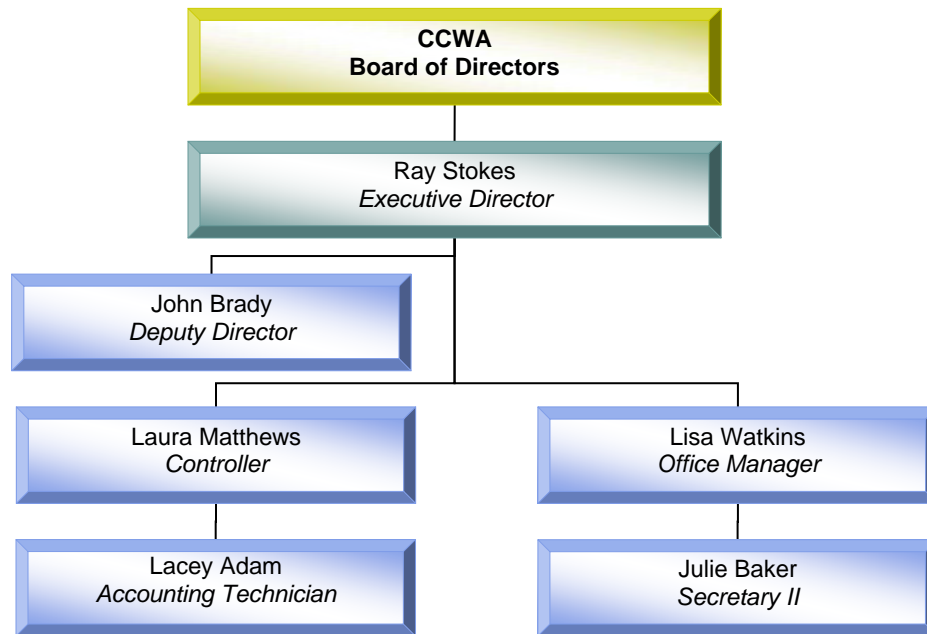
Significant Goals for FY 2015/16

- Obtain approval from DWR and Santa Barbara County for assignment of the State Water Project Contract to CCWA.
- Reacquire the 12,214 AF of Santa Barbara County suspended Table A water
- Actively participate in negotiations regarding a State Water Project contract amendment to provide for enhanced water management provisions and possible cost and water allocations associated with the Bay Delta Conservation Plan.
- Explore groundwater banking opportunities both outside Santa Barbara County (short-term) and within Santa Barbara County (long-term).
- Obtain approval and execution of the recently negotiated State Water Project Contract extension and amendment.
- Analyze the potential benefits of the Bay Delta Conservation Plan and the twin tunnels project to determine a CCWA position on the proposed project.
- Explore and analyze refinancing the CCWA 2006 revenue bonds.
- Develop a formal long-term capital improvements program including development of a CCWA facilities assessment program.
- Cooperate and assist with the Santa Barbara County long-term water supply alternatives study, and the San Luis Obispo County Paso Robles Basin water supply feasibility study.

Central Coast Water Authority
Administration Department
Fiscal Year 2015/16 Budget

The Administration Department is comprised of the Executive Director, Deputy Director, Controller, Office Manager and support staff. The department is responsible for administration of the Authority and provides support to the (1) Board of Directors and various Authority committees and (2) operations and maintenance departments of the Authority.

The Authority's Administration Department has three main functions: Executive, which provides oversight and management of the Authority; Finance/Treasury, which is the central fiscal control and accounting agency of the Authority and which invests all cash balances of the Authority; and Administrative Services, which coordinates and administers the employee benefits program and the Authority's auto, property and liability insurances.



EXECUTIVE DIRECTOR

The Executive Director is the chief executive officer and administrative head of the Authority, with the responsibility for planning, organizing, staffing, coordinating, budgeting, and directing the administrative activities and operations of the Authority. The Executive Director is appointed by and serves at the pleasure of the Authority Board of Directors. The Executive Director appoints the supervisors of all departments and is responsible for implementation of policies established by the Board of Directors.

The Executive Director is responsible for providing and exercising overall supervision and disciplinary control over the necessary administrative and operating staff to carry out official Board policies. The Executive Director is responsible for the execution of contracts and other documents on behalf of the Authority to the extent

Central Coast Water Authority
Administration Department
Fiscal Year 2015/16 Budget

provided by the Board of Directors. The Executive Director serves as the Treasurer for the Authority.

DEPUTY DIRECTOR

The Deputy Director serves as the operations officer for the Authority and is responsible for all operational and engineering related activities, including planning and directing the operations and maintenance of the water treatment plant, laboratory, distribution system and network system. In addition, the Deputy Director is responsible for all engineering work and oversees project management related to CCWA's distribution pipeline, water treatment plant, and ancillary facilities.

The Deputy Director is charged with the responsibility for construction contract administration and management, and provides technical oversight to the operations and maintenance departments, including evaluating, designing, and implementing operational and capital improvements for the Authority. Additional secondary duties include oversight of professional consultants and detailed analysis and design for engineering work performed in-house.

CONTROLLER

The Controller manages the finance department's daily finance/accounting activities including payrolls and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, debt management, risk management, and cash management. The Controller provides oversight of the employee benefits program for the Authority.

OFFICE MANAGER

The Authority's Office Manager administers the employee benefits program, which includes health insurance, life insurance, dental and vision insurance, deferred compensation, Section 125 cafeteria plan, and the Public Employees' Retirement System (PERS). The Office Manager maintains vendor risk management related to auto, property and liability insurances. Additionally, the Office Manager serves as Secretary to the Board of Directors.

Central Coast Water Authority
Administration Department
Fiscal Year 2015/16 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

The Administration Department expenses are treated as fixed expenses for purposes of billing to the project participants. All project participants pay the Administration Department expenses based primarily on their proportional share of Table A amounts.

The Administration Department operating expense budget for FY 2015/16 is increasing by \$125,991 or 10.05% when compared to the FY 2014/15 Budget. The total FY 2015/16 budget is \$1,379,653 compared to the FY 2014/15 budget of \$1,253,662. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$400 due to the following:

- Administration Department FY 2015/16 salary pool allocation of \$16,417 based on a salary pool percentage of 3.73%. However, the total salary and wage budget is only increasing by around \$3,000 because certain employees are at the top of the salary range and are therefore receiving a smaller percentage increase, and one employee converted from full-time status to part-time.
- Health insurance expenses and cafeteria plan benefit expenses combined are decreasing by about \$4,000 primarily due to a reduction in health insurance premiums.
- PERS retirement expense increase of about \$1,000 due to a change in the employer and employee contribution rate in the FY 2014/15 to 21.035% as compared to the prior year amount of 21.507%

Professional Services Professional Services are increasing by \$135,000 primarily due to the increased cost of legal services in relation to the supplemental water purchase program, and the addition of a salary study as requested by the Board of Directors.

General and Administrative General and administrative expenses are decreasing by \$2,000 primarily due to an increase in State Water Project Contractors Authority dues.

Other Expenses Other Expenses are decreasing by \$10,000, due to a decrease in non-capitalized project expenses of \$15,000 (see below), combined with increases in computer related expenses and appropriated contingency.

Central Coast Water Authority
Administration Department
Fiscal Year 2015/16 Budget

Non-Capitalized Projects					
Project Description	Financial Reach	Total Project Cost ⁽¹⁾	WTP	Distribution	Administration
Sonicwall to Replace Ecessa (End of Life) 2015 Urban Water Management Plan	ADM/ALL/WTP	5,460	1,820	1,820	1,820
	ADM	15,750			15,750
TOTAL:		\$ 21,210	\$ 1,820	\$ 1,820	\$ 17,570

(1) Excludes CCWA labor and overhead costs.

Description:	Sonicwall to Replace Ecessa (End of Life)
Department:	Administration, Distribution, Water Treatment Plant
Expanded Description	Sonic is a hardware device that allows CCWA to maximize the network's dual internet connection with CCWA's two Internet Service Providers (ISP): Impulse and Comcast. The existing device is now considered at the end of its service life.
Estimated Charge – Consultant	\$5,200
Contingency (5%)	<u>\$260</u>
Subtotal without CCWA Labor	\$5,460
CCWA Labor	\$1,866
Total Cost	\$7,326
Operating Budget Impact:	A redundant internet connection is critical for maintaining a reliable connection to the internet. In the event that the CCWA fiber optic cable is severed, operators from the Water Treatment Plant or from the Buellton Administrative Office would be able to establish network communications and controls on the opposite side of the FOC cut. This allows ongoing operations to be monitored and controlled as needed for ongoing water delivery operations.

Central Coast Water Authority
Administration Department
Fiscal Year 2015/16 Budget

Description:	Urban Water Management Plan
Department:	Administration
Expanded Description	Every five years, water purveyors are required to prepare an Urban Water Management Plan. If water purveyors wish to pursue grant funding from the State, an Urban Water Management Plan must be prepared. This project will retain a consultant to assist staff in preparing the required plan.
Estimated Charge – Consultant	\$15,000
Contingency (5%)	\$750
Subtotal without CCWA Labor	\$15,750
CCWA Labor	\$6,414
Total Cost	\$22,164
Operating Budget Impact:	Although there are no immediate financial benefits to preparing an Urban Water Management Plan, it does allow for the possibility to pursue grant funds from the State of California. Grant awards can be significant.

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2015/16 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2013/14	Number Auth. FY 2014/15	Number Requested FY 2015/16	Change Over FY 2013/14	Change Over FY 2014/15
Executive Director ^{(1) (2)}	0.50	0.50	0.50	-	-
Deputy Director ^{(1) (2)}	1.00	0.25	0.25	(0.75)	-
Operations Manager ^{(1) (2)}	0.25	-	-	(0.25)	-
Controller ⁽²⁾	-	1.00	1.00	1.00	-
Senior Accountant ⁽²⁾	1.00	-	-	(1.00)	-
Office Manager ⁽²⁾	-	1.00	1.00	1.00	-
Accounting Technician ⁽³⁾	0.50	1.00	0.75	0.25	(0.25)
Secretary II ⁽²⁾	1.75	0.75	0.75	(1.00)	-
TOTAL:	5.00	4.50	4.25	(0.75)	(0.25)

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2014/15 Total Annual Salary	Allocation to Admin Department
Executive Director ^{(1) (2)}	1	N/A	N/A	N/A	\$ 226,537	\$ 113,268
Deputy Director ^{(1) (2)}	1	N/A	N/A	N/A	\$ 158,463	\$ 39,616
Controller ⁽²⁾	1	24	\$ 8,714	\$ 10,631	\$ 110,250	\$ 110,250
Office Manager ⁽²⁾	1	19	\$ 6,704	\$ 8,179	\$ 80,445	\$ 80,445
Accounting Technician ⁽³⁾	1	12	\$ 4,686	\$ 5,717	\$ 46,010	\$ 46,010
Secretary II ⁽²⁾	1	12	\$ 4,686	\$ 5,717	\$ 51,021	\$ 51,021
FY 2014/15 Salary Pool						\$ 16,417
TOTAL:						\$ 457,027

(1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).

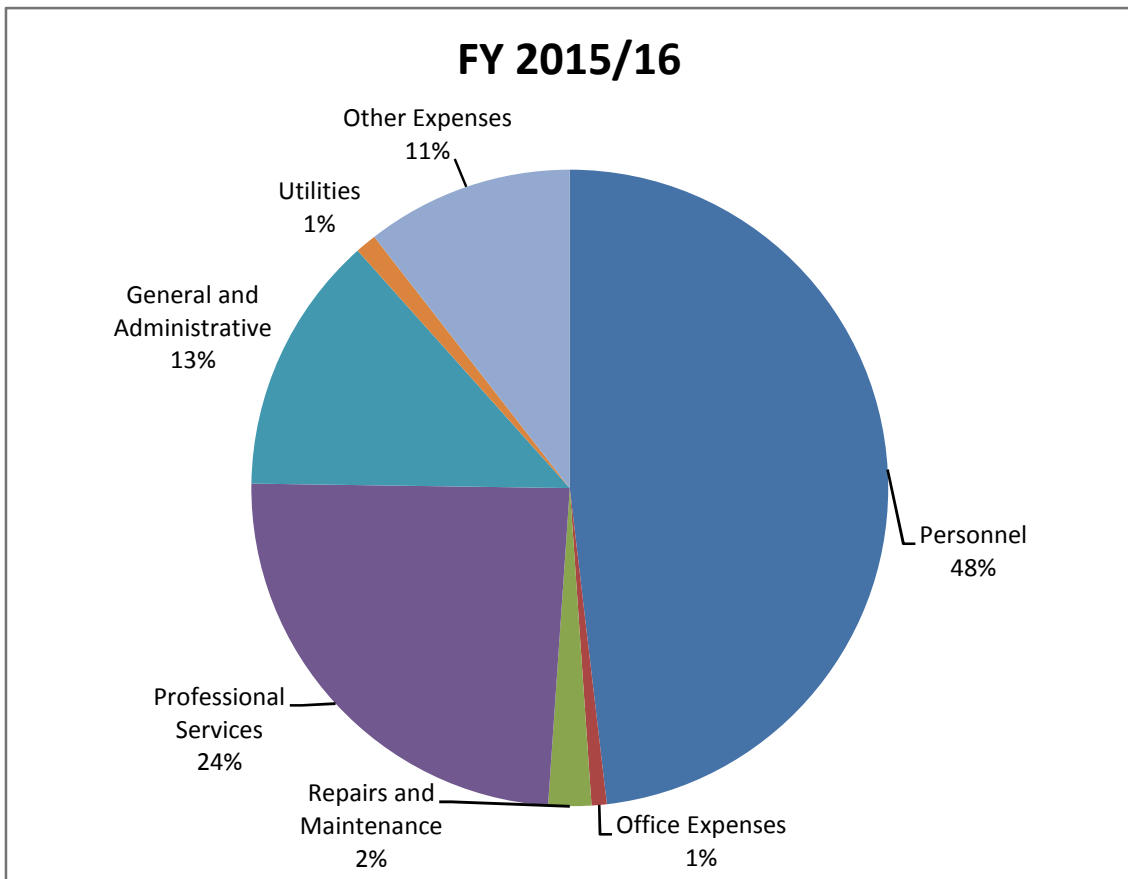
The Deputy Director is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

(2) CCWA succession plan position changes approved by the Board on March 22, 2012.

(2) Accounting Technician changed from full-time to 3/4 time position in July 2014.

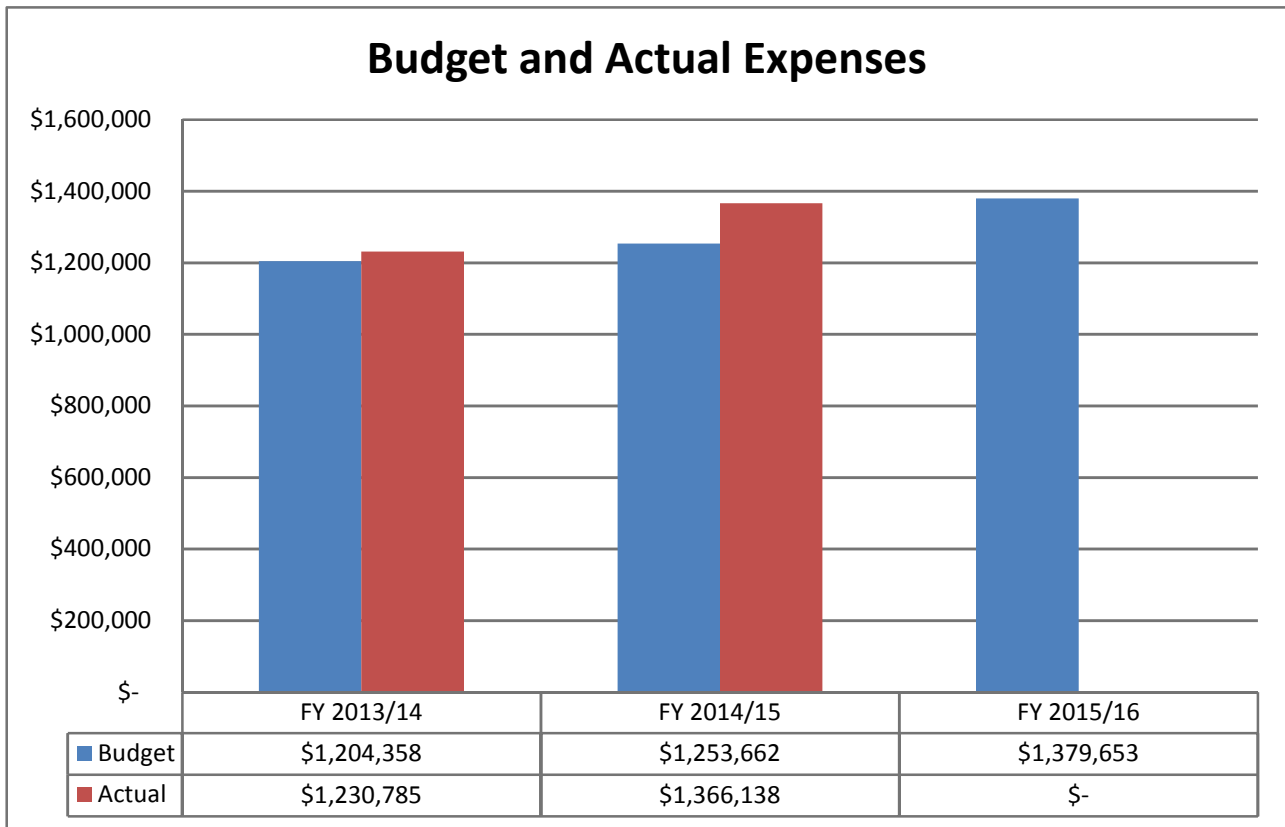
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2015/16 Budget
Personnel	\$ 664,149
Office Expenses	10,500
Repairs and Maintenance	30,195
Professional Services	333,000
General and Administrative	181,599
Utilities	14,954
Other Expenses	145,255
TOTAL:	<u>\$ 1,379,653</u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget
Personnel	\$ 628,323	\$ 745,371	\$ 663,782	\$ 698,169	\$ 664,149
Office Expenses	10,500	9,043	10,500	7,088	10,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	29,060	24,836	30,195	23,088	30,195
Professional Services	196,484	181,377	199,116	275,754	333,000
General and Administration	183,716	147,241	179,163	170,621	181,599
Utilities	14,300	13,444	15,910	13,081	14,954
Other Expenses	141,975	109,473	154,996	178,338	145,255
TOTAL:	\$ 1,204,358	\$ 1,230,785	\$ 1,253,662	\$ 1,366,138	\$ 1,379,653



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 438,375	\$ 484,061	\$ 454,014	\$ 470,043	\$ 457,027	\$ 3,014	0.66%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	2,000	8,013	5,000	5,948	5,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	91,226	102,447	97,645	105,263	98,501	856	0.88%
5100.15	Medicare Taxes	6,617	8,101	6,828	7,951	6,825	(3)	-0.04%
5100.20	Health Insurance	43,768	49,219	54,787	59,670	56,178	1,391	2.54%
5100.25	Workers' Compensation	4,525	5,010	4,691	4,999	4,348	(343)	-7.31%
5100.30	Vehicle Expenses	9,000	9,208	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	6,175	48,748	6,783	5,863	6,954	171	2.52%
5100.40	Cafeteria Plan Benefits	15,974	15,710	11,896	15,538	8,677	(3,219)	-27.06%
5100.45	Dental/Vision Plan	6,051	10,844	8,379	10,299	6,511	(1,869)	-22.30%
5100.50	Long-Term Disability	1,675	1,800	1,742	1,772	2,111	369	21.17%
5100.55	Life Insurance	1,407	1,751	1,487	1,753	1,487	-	0.00%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,280	279	1,280	-	1,280	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	181	-	70	-	-	N/A
Total Personnel Expenses:		628,323	745,371	663,782	698,169	664,149	367	0.06%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	6,000	5,616	6,000	4,519	6,000	-	0.00%
5200.30	Miscellaneous Office Expenses	4,500	3,427	4,500	2,569	4,500	-	0.00%
Total Office Expenses:		10,500	9,043	10,500	7,088	10,500	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		-	-	-	-	-	-	N/A
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,500	5,915	5,500	3,443	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	20,500	16,448	21,635	17,448	21,635	-	0.00%
5700.40	Landscape Maintenance	3,060	2,473	3,060	2,196	3,060	-	0.00%
Total Repairs and Maintenance:		29,060	24,836	30,195	23,088	30,195	-	0.00%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	50,500	37,613	28,000	7,558	43,000	15,000	53.57%
5400.20	Legal Services	107,500	110,049	132,500	230,634	250,000	117,500	88.68%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,484	2,595	3,616	2,563	3,700	84	2.32%
5400.60	Accounting Services	35,000	31,120	35,000	35,000	36,300	1,300	3.71%
Total Professional Services:		196,484	181,377	199,116	275,754	333,000	133,884	67.24%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	41,600	22,793	34,400	14,144	24,000	(10,400)	-30.23%
5300.20	Mileage Reimbursement	1,000	534	1,000	114	1,000	-	0.00%
5300.30	Dues and Memberships	128,856	117,190	132,463	150,812	145,799	13,337	10.07%
5300.40	Publications	1,500	1,130	1,500	1,566	1,500	-	0.00%
5300.50	Training	3,000	589	3,000	80	2,500	(500)	-16.67%
5300.60	Advertising	-	-	-	-	-	-	N/A
5300.70	Printing and Binding	3,500	2,075	3,500	3,173	3,500	-	0.00%
5300.80	Postage	4,260	2,931	3,300	731	3,300	-	0.00%
Total General and Administrative:		183,716	147,241	179,163	170,621	181,599	2,437	1.36%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	325	450	97	450	-	0.00%
5800.30	Electric-Fixed	8,040	6,923	9,056	7,499	8,040	(1,015)	-11.21%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	946	1,200	956	1,200	-	0.00%
5800.50	Telephone	2,310	3,019	2,664	2,465	2,724	60	2.25%
5800.60	Waste Disposal	2,300	2,230	2,540	2,063	2,540	-	0.00%
Total Utilities:		14,300	13,444	15,910	13,081	14,954	(955)	-6.00%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	16,923	18,888	18,777	16,769	17,752	(1,025)	-5.46%
5900.30	Non-Capitalized Projects	25,550	20,503	33,040	81,614	17,570	(15,470)	-46.82%
5900.40	Equipment Rental	5,020	4,640	5,020	4,648	5,340	320	6.37%
5900.50	Non-Capitalized Equipment	2,500	-	2,500	2,047	2,500	-	0.00%
5900.60	Computer Expenses	68,367	65,442	71,078	73,259	75,041	3,963	5.58%
5900.70	Appropriated Contingency	23,615	-	24,582	-	27,052	2,470	10.05%
Total Other Expenses:		141,975	109,473	154,996	178,338	145,255	(9,741)	-6.28%
TOTAL OPERATING EXPENSES		\$ 1,204,358	\$ 1,230,785	\$ 1,253,662	\$ 1,366,138	\$ 1,379,653	\$ 125,991	10.05%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5000.10 **ACCOUNT TITLE:** Full-Time Regular Salaries

Description: Funds for the Administration Department regular employees. Includes \$16,417 for the FY 2015/16 salary pool.

FY 15/16 Requested Budget	457,027
FY 14/15 Estimated Actual	470,043
Increase (Decrease)	(13,016)

ACCOUNT NUMBER: 5000.20 **ACCOUNT TITLE:** Overtime

Description: Overtime expenses for non-exempt Administration employees.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	5,948
Increase (Decrease)	(948)

ACCOUNT NUMBER: 5000.30 **ACCOUNT TITLE:** Temporary Services

Description: Not funded.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.10 **ACCOUNT TITLE:** PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 21.035% contribution rate for FY 2015/16. CCWA currently has no PEPRAs employees.

FY 15/16 Requested Budget	98,501
FY 14/15 Estimated Actual	105,263
Increase (Decrease)	(6,762)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.15 **ACCOUNT TITLE:** Medicare

Description: Funds for the employer portion of Medicare taxes for the Administration Department. Amount is equal to 1.45% of regular and overtime wages and employer paid deferred compensation contributions.

FY 15/16 Requested Budget	6,825
FY 14/15 Estimated Actual	7,951
Increase (Decrease)	(1,125)

ACCOUNT NUMBER: 5100.20 **ACCOUNT TITLE:** Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department based on dependent status. Includes an estimated increase of 5% for 2016.

FY 15/16 Requested Budget	56,178
FY 14/15 Estimated Actual	59,670
Increase (Decrease)	(3,492)

Family	\$	19,009
Emp + 1	\$	14,622
Employee only	\$	7,311

ACCOUNT NUMBER: 5100.25 **ACCOUNT TITLE:** Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on an X-Mod rate of 106%. Based on a 5% premium increase over FY 2014/15.

FY 15/16 Requested Budget	4,348
FY 14/15 Estimated Actual	4,999
Increase (Decrease)	(651)

ACCOUNT NUMBER: 5100.30 **ACCOUNT TITLE:** Vehicle Expenses

Description: Auto allowance for the Executive Director in the amount of \$750 each per month.

FY 15/16 Requested Budget	9,000
FY 14/15 Estimated Actual	9,000
Increase (Decrease)	0

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.35 **ACCOUNT TITLE:** Retiree Medical Future Liability Deposit

Description: Estimates \$1,464 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

FY 15/16 Requested Budget	6,954
FY 14/15 Estimated Actual	5,863
Increase (Decrease)	1,091

ACCOUNT NUMBER: 5100.40 **ACCOUNT TITLE:** Cafeteria Plan Benefits

Description: Funds for the portion of the cafeteria plan benefits which exceed the premium costs for the Administrative employees based on each employee's benefit election.

FY 15/16 Requested Budget	8,677
FY 14/15 Estimated Actual	15,538
Increase (Decrease)	(6,861)

ACCOUNT NUMBER: 5100.45 **ACCOUNT TITLE:** Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,215 per year per family for dental and vision expenses. Budgeted amount is \$1,736 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 15/16 Requested Budget	6,511
FY 14/15 Estimated Actual	10,299
Increase (Decrease)	(3,789)

ACCOUNT NUMBER: 5100.50 **ACCOUNT TITLE:** Long-Term Disability Insurance

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.52 per \$100 of salary.

FY 15/16 Requested Budget	2,111
FY 14/15 Estimated Actual	1,772
Increase (Decrease)	339

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.55 **ACCOUNT TITLE:** Life Insurance

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employee's annual salary to a maximum of \$100,000.

FY 15/16 Requested Budget	1,487
FY 14/15 Estimated Actual	1,753
Increase (Decrease)	(266)

ACCOUNT NUMBER: 5100.65 **ACCOUNT TITLE:** Employee Education Reimbursement

Description: Funds for reimbursement of employee educational expenses under the policy established by CCWA.

FY 15/16 Requested Budget	250
FY 14/15 Estimated Actual	-
Increase (Decrease)	250

ACCOUNT NUMBER: 5100.80 **ACCOUNT TITLE:** Employee Incentive Programs

Description: Funds to encourage employee safety through safety awards and incentive programs and the Employee Achievement Awards Program (EAAP).

FY 15/16 Requested Budget	1,280
FY 14/15 Estimated Actual	-
Increase (Decrease)	1,280

Safety Program	\$	680
EAAP	\$	600
TOTAL:	\$	1,280

ACCOUNT NUMBER: 5200.20 **ACCOUNT TITLE:** Office Supplies

Description: Funds for Office supplies for the Administration Department. Based on \$600 per month in office supply expenses.

FY 15/16 Requested Budget	6,000
FY 14/15 Estimated Actual	4,519
Increase (Decrease)	1,481

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5200.30 **ACCOUNT TITLE:** Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards and kitchen supplies.

FY 15/16 Requested Budget	4,500
FY 14/15 Estimated Actual	2,569
Increase (Decrease)	1,931

ACCOUNT NUMBER: 5300.10 **ACCOUNT TITLE:** Meetings and Travel

Description: Funds for meetings and travel expenses for the Administration Department employees and SWC Consultant.

FY 15/16 Requested Budget	24,000
FY 14/15 Estimated Actual	14,144
Increase (Decrease)	9,856

\$	2,000	ACWA Conferences
\$	18,000	SWC Meetings (\$1,500 per month)
\$	2,000	DWR/Sacramento/MWQI
\$	2,000	Other miscellaneous meetings
\$	24,000	

ACCOUNT NUMBER: 5300.20 **ACCOUNT TITLE:** Mileage Reimbursement

Description: Funds for mileage reimbursement based on the IRS current standard mileage rate.

FY 15/16 Requested Budget	1,000
FY 14/15 Estimated Actual	114
Increase (Decrease)	886

ACCOUNT NUMBER: 5300.30 **ACCOUNT TITLE:** Dues and Memberships

Description: Funds for professional dues.

FY 15/16 Requested Budget	145,799
FY 14/15 Estimated Actual	150,812
Increase (Decrease)	(5,012)

\$	89,899	SWC Dues
\$	12,770	SWPCA JPA & SFCWA JPA Dues
\$	13,613	SWPCA Delta Specific Project Committee
\$	17,867	ACWA
\$	6,400	MWQI Charges for 2015 Calendar Year
\$	2,250	Support various water education programs
\$	3,000	Employee Professional Dues and Misc.
\$	145,799	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5300.40 **ACCOUNT TITLE:** Publications

Description: Funds for publications received by CCWA

FY 15/16 Requested Budget	1,500
FY 14/15 Estimated Actual	1,566
Increase (Decrease)	(66)

\$	750	Personnel related subscriptions
\$	500	Employee professional publications
\$	250	Other Publications - General
\$	1,500	TOTAL

ACCOUNT NUMBER: 5300.50 **ACCOUNT TITLE:** Training

Description: Funds for training of CCWA personnel.
Does not include educational reimbursement expenses.

FY 15/16 Requested Budget	2,500
FY 14/15 Estimated Actual	80
Increase (Decrease)	2,420

ACCOUNT NUMBER: 5300.60 **ACCOUNT TITLE:** Advertising

Description: Funds for public relations expenses for
CCWA including advertising for open positions and subscription to
"Jobs Available."

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.70 **ACCOUNT TITLE:** Printing and Binding

Description: Funds for the printing and binding of CCWA
documents including the Board packets, the annual budget, and the
Comprehensive Annual Financial Report (CAFR).

FY 15/16 Requested Budget	3,500
FY 14/15 Estimated Actual	3,173
Increase (Decrease)	327

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5300.80 **ACCOUNT TITLE:** Postage

Description: Funds for all postal and mail expenses.
 \$ 3,000 Postage meter expenses (\$250 per month)
 \$ 300 Overnight and shipping svcs (\$25 per month)
 \$ 3,300 TOTAL

FY 15/16 Requested Budget 3,300
FY 14/15 Estimated Actual 731
Increase (Decrease) 2,569

ACCOUNT NUMBER: 5400.10 **ACCOUNT TITLE:** Professional Services

Description: Funds for miscellaneous consultants and other services.
 \$ 2,500 Administration office alarm system
 \$ 500 CA DMV driver monitoring service
 \$ 15,000 Salary Study
 \$ 25,000 SB County admin charge for SWPC Extension
 \$ 43,000 TOTAL

FY 15/16 Requested Budget 43,000
FY 14/15 Estimated Actual 7,558
Increase (Decrease) 35,442

ACCOUNT NUMBER: 5400.20 **ACCOUNT TITLE:** Legal Services

Description: Funds for CCWA legal services.
 \$ 240,000 Brownstein Hyatt Farber General Counsel
 \$ 10,000 Stradling Yocca Carlsen Personnel Counsel
 \$ 250,000 TOTAL

FY 15/16 Requested Budget 250,000
FY 14/15 Estimated Actual 230,634
Increase (Decrease) 19,366

ACCOUNT NUMBER: 5400.30 **ACCOUNT TITLE:** Engineering Services

Description: Funded in the Water Treatment Plant and Distribution Department budgets.

FY 15/16 Requested Budget -
FY 14/15 Estimated Actual -
Increase (Decrease) -

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5400.50 **ACCOUNT TITLE:** Non-Contractual Services

Description: Funds for miscellaneous non-contractual services such as the Section 125 plan administration fees and the employee assistance program.

FY 15/16 Requested Budget	3,700
FY 14/15 Estimated Actual	2,563
Increase (Decrease)	1,138

\$	1,500	IRC 125 Plan administraton fees (\$125 per mo)
\$	1,200	Employee Assistance Program
\$	1,000	Other miscellaneous
\$	3,700	TOTAL

ACCOUNT NUMBER: 5400.60 **ACCOUNT TITLE:** Accounting Services

Description: Funds for the annual audit of the FY 2014/15 Financial Statements.

FY 15/16 Requested Budget	36,300
FY 14/15 Estimated Actual	35,000
Increase (Decrease)	1,300

\$	22,000	Nasiff, Hicks & Company
\$	14,300	Ernst & Young, LLP
\$	36,300	TOTAL

ACCOUNT NUMBER: 5700.10 **ACCOUNT TITLE:** Equipment Repairs and Maintenance

Description: Funds for repairs to administration office equipment including maintenance agreements.

FY 15/16 Requested Budget	5,500
FY 14/15 Estimated Actual	3,443
Increase (Decrease)	2,057

\$	4,500	Copier maintenance agreement
\$	1,000	Other misc. equipment repairs
\$	5,500	TOTAL

ACCOUNT NUMBER: 5700.30 **ACCOUNT TITLE:** Building Maintenance

Description: Funds for minor repairs to the Administration office building and janitorial services.

FY 15/16 Requested Budget	21,635
FY 14/15 Estimated Actual	17,448
Increase (Decrease)	4,187

\$	660	Monthly Pest Control
\$	14,975	Janitorial services and supplies
\$	4,500	Building repairs (includes \$2,000 for HVAC)
\$	1,500	HVAC quarterly maintenance
\$	21,635	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5700.40 **ACCOUNT TITLE:** Landscape Maintenance

Description: Funds for landscape maintenance at the Administration office building.

FY 15/16 Requested Budget	3,060
FY 14/15 Estimated Actual	2,196
Increase (Decrease)	864

\$	2,280	Gardener (\$190 per month)
\$	480	Irrigation Water (\$40 per month)
\$	300	Miscellaneous
\$	3,060	TOTAL

ACCOUNT NUMBER: 5800.20 **ACCOUNT TITLE:** Natural Gas

Description: Funds for natural gas service to the Administration building (\$37.50 per month).

FY 15/16 Requested Budget	450
FY 14/15 Estimated Actual	97
Increase (Decrease)	353

ACCOUNT NUMBER: 5800.30 **ACCOUNT TITLE:** Electric

Description: Funds for electrical service to the Administration building (\$670 per month).

FY 15/16 Requested Budget	8,040
FY 14/15 Estimated Actual	7,499
Increase (Decrease)	541

ACCOUNT NUMBER: 5800.40 **ACCOUNT TITLE:** Water and Sewer

Description: Funds for water and sewer service for the Administration building (\$100 per month).

FY 15/16 Requested Budget	1,200
FY 14/15 Estimated Actual	956
Increase (Decrease)	244

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5800.50 **ACCOUNT TITLE:** Telephone

Description: Funds for long distance, local and cellular phone service.

FY 15/16 Requested Budget	2,724	\$	180	Long distance and 800# (\$15 per month)
FY 14/15 Estimated Actual	2,465	\$	1,740	Local long distance (\$145 per month)
Increase (Decrease)	259	\$	804	Cell phones and airtime (\$67 per month)
		\$	2,724	TOTAL

ACCOUNT NUMBER: 5800.60 **ACCOUNT TITLE:** Waste Disposal

Description: Funds for waste disposal services for the Administration building.

FY 15/16 Requested Budget	2,540	\$	2,340	Waste Disposal service (\$195 per month)
FY 14/15 Estimated Actual	2,063	\$	200	Hazardous Waste Disposal
Increase (Decrease)	477	\$	2,540	TOTAL

ACCOUNT NUMBER: 5900.10 **ACCOUNT TITLE:** Insurance

Description: Funds for insurance related expenses.

FY 15/16 Requested Budget	17,752	\$	1,446	Property and auto insurance based on allocation provided by JPIA
FY 14/15 Estimated Actual	16,769	\$	12,187	General Liability and E&O apportioned by payroll percentages
Increase (Decrease)	983	\$	4,119	Employee fidelity bond \$5 million limit
		\$	17,752	TOTAL

ACCOUNT NUMBER: 5900.30 **ACCOUNT TITLE:** Non-Capitalized Projects

Description: Funds for projects around the Buellton Administrative Offices which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria.

FY 15/16 Requested Budget	17,570
FY 14/15 Estimated Actual	-
Increase (Decrease)	17,570

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5900.40 **ACCOUNT TITLE:** Equipment Rental

Description: Funds for rental of equipment.

FY 15/16 Requested Budget	5,340	\$	1,780	Postage meter (\$445 per quarter)
FY 14/15 Estimated Actual	4,648	\$	3,060	Copier lease (\$255 per month)
Increase (Decrease)	692	\$	500	Other
		\$	5,340	TOTAL

ACCOUNT NUMBER: 5900.50 **ACCOUNT TITLE:** Non-Capitalized Equipment

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 15/16 Requested Budget	2,500
FY 14/15 Estimated Actual	2,047
Increase (Decrease)	453

ACCOUNT NUMBER: 5900.60 **ACCOUNT TITLE:** Computer Expenses

Description: Funds for computer expenses including minor software purchases, minor equipment purchases and service contracts.

FY 15/16 Requested Budget	75,041	\$	64,635	CompuVision, Annual Service Agreements and Software Subscriptions
FY 14/15 Estimated Actual	73,259	\$	10,406	Software and other computer services
Increase (Decrease)	1,782	\$	75,041	TOTAL

ACCOUNT NUMBER: 5900.70 **ACCOUNT TITLE:** Appropriated Contingency

Description: 2.0% of operating expenses

FY 15/16 Requested Budget	27,052
FY 14/15 Estimated Actual	-
Increase (Decrease)	27,052



Backwash Pump Installation Project

Water Treatment Plant Department

The Water Treatment Plant Department receives raw water from DWR and operates and maintains the Polonio Pass Water Treatment Plant. The Department treats the water utilizing full conventional treatment technologies to meet all state and federal potable water standards and performs all chemical and biologic analyses required by the California Department of Public Health and the U.S. Environmental Protection Agency.

Highlights

Department Information

- Number of employees 14.80
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2015/16 requested water deliveries 35,380-feet

Budget Information

- Total FY 2015/16 O&M Budget \$ 4,591,568
- O&M Budget increase over FY 2014/15 \$ 555,994
 - Fixed cost decrease over FY 2014/15 \$ (2,923)
 - Variable cost increase over FY 2014/15 \$ 558,917
- Percentage increase 13.78%
- Fixed O&M Expenses \$ 2,923,105
- Variable O&M Expenses \$ 1,668,463
- FY 2015/16 budgeted chemical cost \$ 41.27 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 42.29
 - Variable \$ 18.62
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 147.94
 - Variable \$ 47.16

Significant Accomplishments During FY 2014/15

- WTP responded to historical high levels of 2-Methyl Isoborneol (MIB) and Geosmin in the raw water. Upon detection, WTP staff implemented the established MIB Response Plan. WTP staff procured a Powered Activated Carbon (PAC) dosing unit, designed, permitted, installed and initiated operation within 7 days of detecting MIB above the CCWA action level of 10 ng/l. In addition, CCWA staff assisted Participants through prompt notification, providing frequent information updates, preparation of a MIB fact sheet, preparation of a sample Press Release and, if requested by a Participant, directly answered questions from customers and NEWS press.
- Due to the severe drought in FY 2014/2015, WTP staff implemented a greatly expanded source water quality monitoring program to address quickly changing water quality within the DWR aqueduct. The flow rates through the aqueduct slowed to historically low levels, which caused prolific growth of algae and pond weed. Water quality changes were also related to groundwater being pumped into the aqueduct as well. The monitoring program allowed CCWA staff to develop appropriate treatment strategies to ensure consistent high water quality was delivered to Participants.

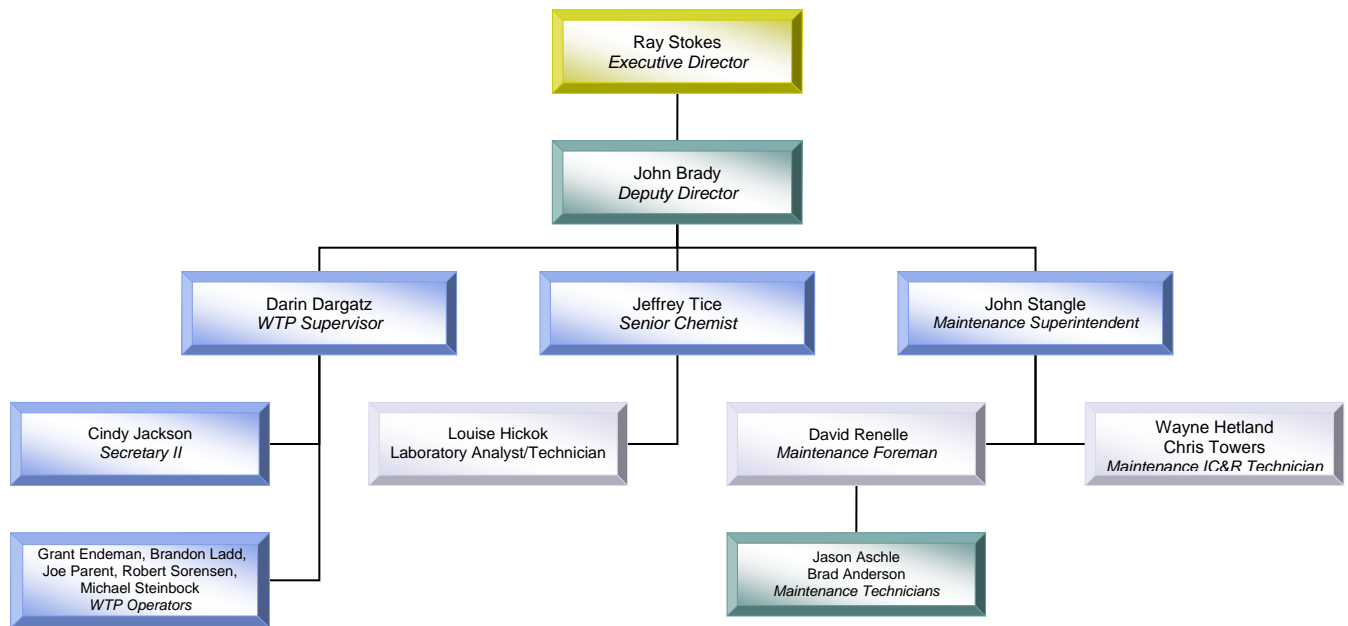
Significant Goals for FY 2015/16

- WTP staff will implement the Chemical Tank Inspection Program that was developed in FY 2014/2015. All chemical tanks at the WTP will be inspected by a professional tank inspection vendor. However, WTP staff will prepare the tanks for inspection, coordinate the installation of temporary storage and dosing systems when needed.
- WTP staff will assist with the migration to an improved Computerized Maintenance Management System. This effort will include evaluating all existing preventative maintenance tasks to ensure (1) all health and safety requirements are made available through the CMMS, (2) the work tasks are adequately described and frequency is justified, (3) routine work routing is optimized and (4) including any new maintenance tasks not previously included in the existing CMMS.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

The Water Treatment Plant Department receives raw water from DWR, operates and maintains the Polonio Pass Water Treatment Plant and performs all chemical and biologic analyses required by the California Department of Public Health.

The Water Treatment Plant Department is supervised by the Water Treatment Plant Supervisor who is responsible for the day-to-day treatment plant operations, maintenance and laboratory functions.



The five (5) Plant Operators operate the treatment plant and monitor the distribution pipeline on a full-time 24 hour per day basis. They place raw water orders to DWR based on system demand, treat the water according to current plant operating parameters, perform water quality analyses, monitor the plant and pipeline Supervisory Control and Data Acquisition (SCADA) system, and assist the maintenance and laboratory sections as required.

The Maintenance Superintendent oversees plant maintenance and supervises the two (2) Maintenance/IC&R Technicians and the Maintenance Foreman. Together with available operations staff, they keep the treatment plant in full operation.

The Maintenance Foreman is responsible for the daily plant maintenance and supervises two (2) Maintenance Technicians.

The Senior Chemist and Laboratory Analyst operate the plant laboratory. All analyses required by the Environmental Protection Agency and Department of Public Health or needed for plant process control are either performed in-house or sent to a contract

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

laboratory by the Senior Chemist. The Senior Chemist also submits all federal and state mandated reports, provides laboratory data to project participants, oversees the water sampling program, maintains all laboratory equipment, and trains Operations and Maintenance staff in laboratory safety and procedures.

The Maintenance Instrumentation Calibration and Repair Technician repairs instruments and electronics both at the Water Treatment Plant and along the Pipeline.

The goals for the Water Treatment Plant Department will be discussed at an upcoming meeting of the CCWA Board of Directors.

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

The expenses associated with operating the Water Treatment Plant are divided into fixed and variable O&M costs.

Fixed O&M Costs are costs of the treatment plant that do not vary with the amount of water processed at the treatment plant. These include personnel costs, professional services, general and administrative costs.

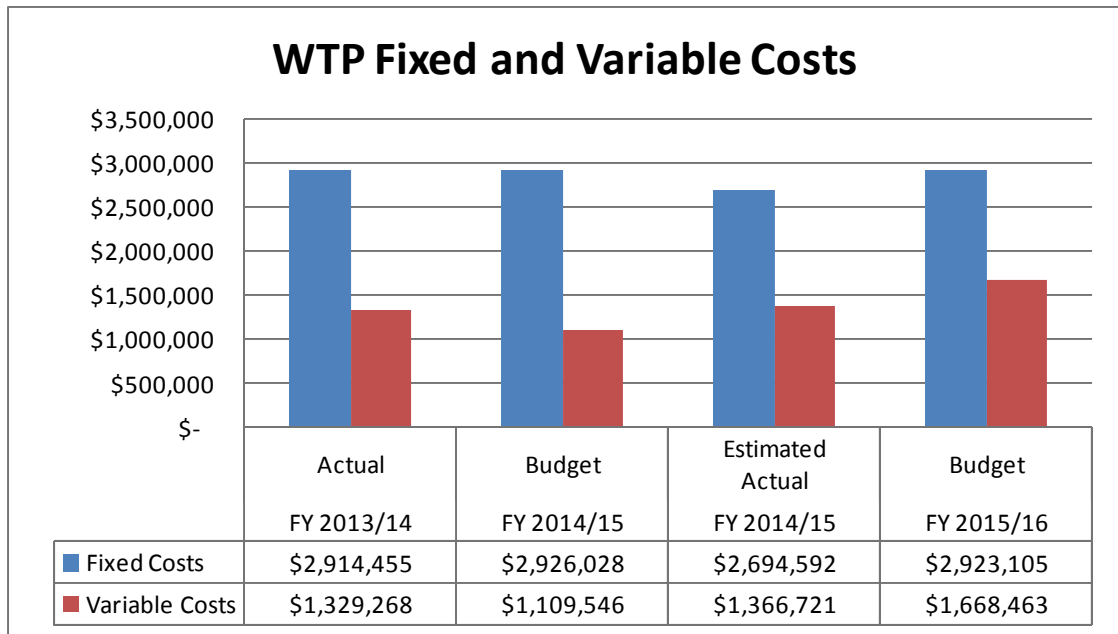
For FY 2015/16, the Water Treatment Plant fixed O&M costs total \$2,923,105 or \$2,923 less than the FY 2014/15 budget.

Variable O&M Costs are costs that vary with the amount of water processed at the treatment plant. These costs include chemical and electrical costs.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

For FY 2015/16, the Water Treatment Plant variable O&M costs total \$1,668,463 which is an increase of \$558,917 from the FY 2014/15 budget. The FY 2015/16 variable O&M budget is comprised of \$1,543,465 for chemical expenses and \$124,998 for electrical costs based on treatment and delivery of 35,380 acre-feet of water for the year.

The following graph shows the allocation of fixed and variable O&M costs at the plant for the fiscal years indicated.



Variable O&M Costs Excluding San Luis Obispo County: San Luis Obispo County (SLO) does not pay for costs of dechloraminating water at the Santa Ynez Pumping Facility before the water is discharged into Lake Cachuma.

Allocation of Water Treatment Plant Expenses: All project participants pay for fixed costs at the Water Treatment Plant based on their State water Table A allocation.

Fiscal Year 2015/16 Operating Expense Budget

The FY 2015/16 water treatment plant operating expense budget is \$4,591,568 which is \$555,994 more than the previous year's budget of \$4,035,574, a 13.78% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 46% of the budget. Supplies and equipment comprise 35% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment and utilities section of the budget. The chart on page 134 shows the allocation of the various components of the water treatment plant operating expense budget.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

Personnel Expenses Total personnel expenses are increasing by about \$43,000 when compared to the FY 2014/15 budget for the following reasons.

- The FY 2015/16 Budget includes a \$47,967 salary pool allocation based on a salary pool percentage of 3.73%. The total salaries and wages budget is only increasing by about \$41,000 because certain employees have remained at the top of their salary range, stalling their salary growth.
- Health insurance and cafeteria plan benefit is decreasing by about \$14,000 due primarily to a decrease health insurance premiums.
- PERS retirement expense increase of about \$10,000 is due to a change in the employer and employee contribution rate in the FY 2015/16 to 21.035% as compared to the prior year amount of 21.507%.

Supplies and Equipment Supplies and equipment are increasing by around \$535,000 due primarily to an increase in deliveries and the increased cost of chemicals needed due to drought related water quality changes.

Monitoring Expenses Monitoring expenses are increasing by \$10,000 for lab supplies and lab testing as compared to last fiscal year due to drought related water quality monitoring along with new required testing.

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$17,000 primarily for repairs and maintenance needed as equipment, structures and vehicles age.

Professional Services Professional service expenses are increasing by about \$14,000 for services regarding switch gear maintenance, and additional permits.

General and Administrative General and administrative expenses are increasing by \$3,000 primarily due to additional training and postage.

Utilities Utility expenses are increasing by approximately \$35,000 due to increase in electrical costs related to the increase in deliveries.

Other Expenses Other expenses are decreasing by approximately \$100,000 primarily due to a \$96,000 decrease in non-capitalized projects.

Central Coast Water Authority
 Water Treatment Plant Department
 Fiscal Year 2015/16 Budget

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension is funded through the CCWA O&M assessments. Additionally, certain portions of the facilities around the Polonio Pass Water Treatment are owned by DWR but also operated and maintained by CCWA such as the access road to the Water Treatment Plant. Since CCWA does not own the DWR facilities, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the Water Treatment Plant which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table is a summary of the FY 2015/16 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects</i>		
Project Description	Financial Reach	Amount ⁽¹⁾
Pavement Maintenance Program	WTP	\$ 19,656
Painting Program	WTP	10,500
Supplemental Fall Protection Equipment	WTP	5,670
Development of Capital Improvement Program	WTP	26,250
Sonicwall to Replace Ecessa (End of Life)	ADM/AII/WTP	1,820
TOTAL:		\$ 63,896
<p>(1) Excludes CCWA labor and overhead costs. (2) Please refer to the Administration Department section of this budget for narrative description of these projects.</p>		

Central Coast Water Authority
 Water Treatment Plant Department
 Fiscal Year 2015/16 Budget

Description:	Pavement Maintenance Program
Department:	Water Treatment Plant
Expanded Description	CCWA staff conducts annual inspections of all of the paved surfaces maintained by CCWA. Following the assessments, pavement maintenance work is planned for the following fiscal year. Staff has identified areas that require crack sealing and areas that require slurry sealing. CCWA will complete the crack sealing using in-house resources. Approximately four pallets of sealing material will be required to complete the crack sealing work. In addition, approximately 100,000 square feet of pavement requires slurry sealing by a contractor at approximately \$0.10 per sf.
Estimated Charge – Contractor	\$9,000
Estimated Charge – Material	\$9,000
Tax (8%)	\$720
Contingency (5%)	\$936
Subtotal without CCWA Labor	\$19,656
CCWA Labor	\$4,665
Total Cost	\$24,321
Operating Budget Impact:	The purpose of proactive pavement maintenance is to postpone for as long as possible the complete replacement the pavement. The costs for crack sealing, slurry coating and pot-hole repair are minimal when compared to a full replacement program. Through routine assessments and implementation of proactive measures to lengthen the service life of the pavement, full replacement can be postponed significantly and can be carefully planned and budgeted for.

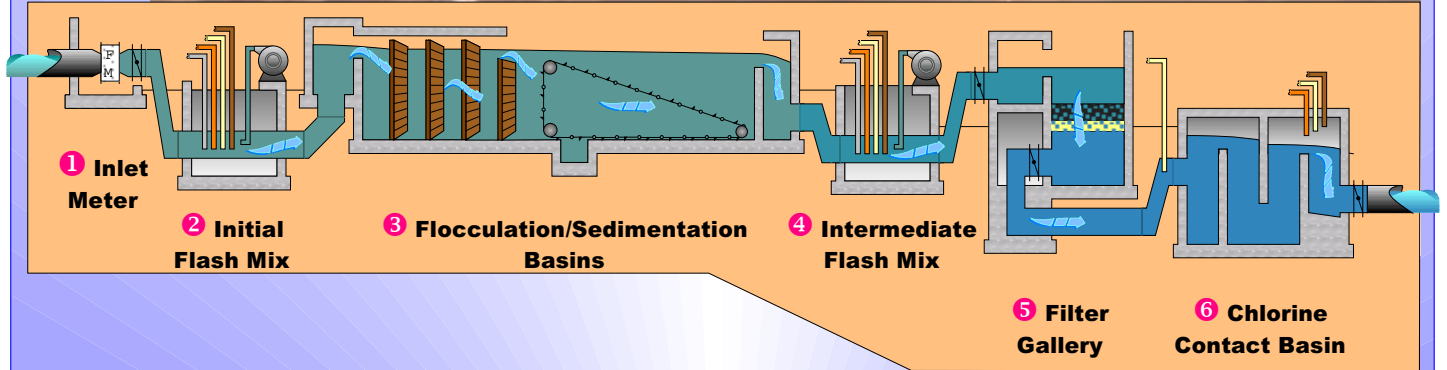
Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

Painting Program	
Department:	Water Treatment Plant
Expanded Description	As part of the maintenance of buildings and structures, CCWA staff inspects all facilities annually. One aspect of the inspection is to assess the condition of all painted surfaces. The assessments are subsequently prioritized for service. A budget of \$10,000 has been established to handle repainting of surfaces with degrading paint.
Estimated Charge - Contractor	\$10,000
Contingency (5%)	<u>\$500</u>
Subtotal without CCWA Labor	\$10,500
Labor and overhead	\$4,996
Total Cost	\$15,496
Operating Budget Impact:	Painting the surfaces of buildings and facilities serves as a measure to protect the underlying materials from degradation from weathering. It is more cost effective to repaint as opposed to replacing structural components of buildings or other facilities. The service life of the underlying materials of the painted surface is significantly extended.

Supplemental Fall Protection Equipment	
Department:	Water Treatment Plant
Expanded Description	As part of an on-going effort to reduce the fall hazards at the Water Treatment Plant, a periodic review of the plant is conducted and improvements are identified. This project will fund reasonable measures that will reduce fall hazards to CCWA staff.
Estimated Charge – Materials	\$5,000
Tax (8%)	\$400
Contingency (5%)	<u>\$270</u>
Subtotal without CCWA Labor	\$5,670
Labor and overhead	\$6,117
Total Cost	\$11,787
Operating Budget Impact:	Through conducting a systematic review and elimination of fall hazards within the Water Treatment Plant, worker related injuries will be avoided or at least maintained at minimal levels. Through keeping worker injuries to a minimum, worker production will remain high and worker's compensation insurance premiums will also be controlled to a relatively lower level.

Central Coast Water Authority
 Water Treatment Plant Department
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Description:	Development of Capital Improvement Program and Update of As-Built Records
Department:	Water Treatment Plant
Expanded Description	As the CCWA Water Treatment Plant and Distribution System ages, there will be a need for replacement and refurbishment of major system components as well as a need to construct improvements. The purpose of this project is to establish a formal Capital Improvement Program (CIP) where major replacements, refurbishments and improvements can be planned over a ten year horizon. This project will utilize the services of an engineering consultant, to be selected through a Request For Qualifications process, to assist CCWA Staff in developing a CIP Program. As part of this process, as-built records will be updated as needed. 50% of work will be for the WTP and 50% on Distribution-All.
Estimated Charge - Consultant	\$25,000
Contingency (5%)	<u>\$1,250</u>
Subtotal without CCWA Labor	\$26,250
Labor and overhead	\$1,896
Total Cost	\$28,146
Operating Budget Impact:	Currently, projects are funded on a current year basis. In addition, projects are typically presented to the Board of Directors as part of the overall CCWA budget. By providing the Board of Directors an advance review of projects over a ten year horizon, projects can be prioritized and scheduled to meet the collective needs of CCWA Participants.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

Regional Water Treatment Plant Allocation

Instead of building a pipeline around or through Lake Cachuma to the South Coast to convey State water to the South Coast project participants, the Authority is conveying State water using the lake and existing conveyance facilities. The water is dechloraminated (de-treated) at the Santa Ynez Pumping Facility before it is discharged into the lake.

Since the South Coast project participants must “retreat” the State water that is delivered from Lake Cachuma, they would effectively be paying twice to treat the water if the Regional Water Treatment Plant Allocation agreement was not in place. Initial treatment occurs at the Polonio Pass Water Treatment Plant and retreatment occurs at the various South Coast project participants’ treatment plants.

The Regional Water Treatment Plant Allocation is a credit financed by Santa Barbara County project participants which directly receive treated State water from the Coastal Branch Extension or CCWA pipeline. The credit is applied to the South Coast project participants to cover their costs to retreat State water. In short, the purpose of this credit is to ensure that all Authority project participants pay the same cost to treat State water. The treatment plant capital and fixed and variable operating and maintenance costs are included in the Regional Water Treatment Plant Allocation calculation.

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Golden State Water Company, and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation. The current budgeted capital component of the Regional Water Treatment Plant Allocation and Credit is based on a remaining principal balance of \$35,896,498 for constructing the Polonio Pass Water Treatment Plant at an interest cost of 4.24% for 15 years. These terms match the terms of the Authority’s outstanding 2006A refunding revenue bonds.

The Regional Water Treatment Plant Allocation computations also take into account the effect of the Santa Ynez Exchange Agreement on certain project participants (see “*Santa Ynez Exchange Agreement*” included in this section of the Budget).

The following tables show the calculation of the FY 2015/16 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2015/16 Budget

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A Amount	Exchange Deliveries	Allocated Table A	Allocated Table A Percentage	WTP Fixed Operating Costs ⁽²⁾	Imputed WTP Debt Service Costs ⁽³⁾	Total Unadjusted Fixed & Cap.	Capital Retirement Adjustment	Fixed O&M Retirement Adjustment	Total Adjusted Fixed & Capital	Allocated Table A % SB County	Fixed & Capital Retirement Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550		550	1.25%	\$ 40,242	\$ 41,123	\$ 81,365	\$ 52,878	\$ 51,744	\$ 104,622	1.41%	23,257	\$ 42.29
Santa Maria	16,200		16,200	36.90%	1,185,297	1,211,268	2,396,565	1,557,495	1,524,100	3,081,595	41.46%	685,031	42.29
Golden State Water	500		500	1.14%	36,583	37,385	73,968	48,071	47,040	95,111	1.28%	21,143	42.29
VAFB	5,500		5,500	12.53%	402,415	411,233	813,649	528,779	517,441	1,046,221	14.07%	232,572	42.29
Buellton	578		578	1.32%	42,290	43,217	85,507	55,570	54,378	109,948	1.48%	24,441	42.29
Santa Ynez (Solvang)	1,500		1,500	3.42%	109,750	112,154	221,904	144,213	141,120	285,333	3.84%	63,429	42.29
Santa Ynez	500	2,580	3,080	7.01%	225,353	37,385	262,737	296,116	289,767	585,884	7.88%	130,240	42.29
Goleta	4,500	(929)	3,571	8.13%	261,292	336,463	597,755	343,341	335,979	679,321	9.14%	151,011	42.29
Morehart	200	-	200	0.46%	14,633	14,954	29,587	19,228	18,816	38,044	0.51%	8,457	42.29
La Cumbre	1,000	-	1,000	2.28%	73,166	74,770	147,936	96,142	94,080	190,222	2.56%	42,286	42.29
Raytheon	50	-	50	0.11%	3,658	3,738	7,397	4,807	4,704	9,511	0.13%	2,114	42.29
Santa Barbara	3,000	(619)	2,381	5.42%	174,195	224,309	398,504	228,894	223,986	452,880	6.09%	100,674	42.29
Montecito	3,000	(619)	2,381	5.42%	174,195	224,309	398,504	228,894	223,986	452,880	6.09%	100,674	42.29
Carpinteria	2,000	(413)	1,587	3.61%	116,130	149,539	265,669	152,596	149,324	301,920	4.06%	67,116	42.29
SB County Subtotal:	39,078	-	39,078	89.00%	2,859,199	2,921,848	5,781,047	3,757,025	3,676,468	7,433,493	100.00%	1,652,446	
SLO County	4,830	-	4,830	11.00%	353,394	361,137	714,531	0	-	-		-	
TOTAL:	43,908		43,908	100.00%	\$ 3,212,593	\$ 3,282,985	\$ 6,495,578	\$ 3,757,025	\$ 3,676,468	\$ 7,433,493	100.00%	1,652,446	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	11,170	Total Adjusted Fixed & Capital Costs (SB County)	\$ 7,433,493
Total SB County Table A	39,078	Total Unadjusted Fixed & Capital Costs (SB County)	5,781,047
Subtotal:	50,248	Fixed & Capital WTP Allocation Amount	<u>\$ 1,652,446</u>
South Coast Retreated %	1.29		

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾			
	South Coast Allocated Table A	South Coast Allocated Table A %	South Coast Fixed & Cap. Credit	Credit/AF On Allocated Table A
Guadalupe				
Santa Maria				
Golden State Water				
VAFB				
Buellton				
Santa Ynez (Solvang)				
Santa Ynez				
Goleta	3,571	31.97%	(528,309)	(147.94)
Morehart	200	1.79%	(29,587)	(147.94)
La Cumbre	1,000	8.95%	(147,936)	(147.94)
Raytheon	50	0.45%	(7,397)	(147.94)
Santa Barbara	2,381	21.31%	(352,206)	(147.94)
Montecito	2,381	21.31%	(352,206)	(147.94)
Carpinteria	1,587	14.21%	(234,804)	(147.94)
SB County Subtotal:	11,170	100.00%	(1,652,446)	
SLO County	0	0.00%	-	
TOTAL:	11,170	100.00%	(1,652,446)	

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants and plus exchange deliveries for Santa Ynez ID#1.
(2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
(3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of \$35,896,498 at 4.24% interest for 15 years, which corresponds to the CCWA 2006A revenue bonds.
(4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
(5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
(6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants and plus exchange deliveries for Santa Ynez ID#1.
(2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
(3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of \$35,896,498 at 4.24% interest for 15 years, which corresponds to the CCWA 2006A revenue bonds.
(4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
(5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
(6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2015/16 Budget
 Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retreatment Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retreatment Adjustment	Retreatment Variable Allocation	Retreatment Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retreatment	Fixed, Capital & Variable Credits
Guadalupe	120		120	\$ 5,659	7,894	2,235	18.62					\$ 25,492	
Santa Maria	12,321		12,321	581,038	810,497	229,459	18.62					914,490	
Golden State Water	55		55	2,594	3,618	1,024	18.62					22,167	
VAFB	1,199		1,199	56,543	78,872	22,329	18.62					254,902	
Buellton	585		585	27,588	38,482	10,895	18.62					35,336	
Santa Ynez (Solvang)	1,251		1,251	58,995	82,293	23,298	18.62					86,727	
Santa Ynez	700	2,580	3,280	154,682	215,767	61,086	18.62					191,326	
Goleta	4,935	(929)	4,007	188,948	263,566	74,618	18.62	4,007	32.64%	\$ (188,948)	(47.16)	225,629	\$ (717,257)
Morehart	40	-	40	1,886	2,631	745	18.62	40	0.33%	(1,886)	(47.16)	9,202	(31,474)
La Cumbre	948	-	948	44,705	62,359	17,655	18.62	948	7.72%	(44,705)	(47.16)	59,940	(192,641)
Raytheon	34	-	34	1,608	2,243	635	18.62	34	0.28%	(1,608)	(47.16)	2,749	(9,005)
Santa Barbara	3,819	(619)	3,200	150,893	210,483	59,590	18.62	3,200	26.06%	(150,893)	(47.16)	160,264	(503,100)
Montecito	3,377	(619)	2,758	130,074	181,442	51,368	18.62	2,758	22.47%	(130,074)	(47.16)	152,042	(482,281)
Carpinteria	1,703	(413)	1,290	60,853	84,885	24,032	18.62	1,290	10.51%	(60,853)	(47.16)	91,148	(295,657)
SB County Subtotal:	31,088	-	31,088	1,466,065	2,045,033	578,968	18.62	12,277	100.00%	(578,968)		2,231,414	(2,231,414)
SLO County	4,292		4,292	202,398	-			0	0.00%	-		-	-
TOTAL:	35,380	(0)	35,380	\$ 1,668,463	\$ 2,045,033	\$ 578,968		12,277	100.00%	\$ (578,968)		\$ 2,231,414	\$ (2,231,414)

Variable Retreatment Allocation Factor

y Deliveries	31,088
Subtotal:	43,365

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

Santa Ynez Exchange Agreement

On January 1, 1995 the Authority purchased a five-mile long pipeline from Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1) to convey State water into Lake Cachuma for delivery to certain Santa Barbara County South Coast project participants who are also Cachuma Project members.

SYID#1 has a contract with the U.S. Bureau of Reclamation for water from the Cachuma Project and, until January 1, 1995, owned a pipeline which extends from Lake Cachuma to the Santa Ynez area. This pipeline was used to deliver water from Lake Cachuma to SYID#1.

The Authority acquired the Cachuma pipeline from SYID#1 under the Santa Ynez River/State Water Project Exchange Agreement (the "Santa Ynez Exchange Agreement"). Also, water stored at Lake Cachuma which would normally be delivered to SYID#1 is exchanged for an equal amount of State water delivered to the Santa Ynez turnout. This State water originally ordered by the South Coast project participants is exchanged with SYID#1 Cachuma Lake water.

SYID#1 pays the variable and fixed costs to treat exchanged water as well as regional water treatment plant allocations (see "*Regional Water Treatment Plant Allocation*" narrative included in this section).

The benefits of exchange are:

- SYID#1 does not have to build a treatment plant to treat its Cachuma water because it will instead receive State water.
- The South Coast project participants obtain water at a reduced cost because they are purchasing less expensive Cachuma water from SYID#1. The South Coast project participants are also reimbursed for fixed capital and variable treatment costs for the State water that is delivered to and paid for by SYID#1. Additionally the South Coast project participants do not pay for power and Warren Act charges for the exchanged State water that would otherwise be delivered to the lake.
- All the South Coast project participants' Santa Ynez II reach capital costs are reduced because an existing pipeline was acquired to convey State water from the Santa Ynez area to the lake. Otherwise, the Authority would have had to construct an additional five miles of new pipeline at much greater expense.

Under the Santa Ynez Exchange Agreement, the South Coast project participants are required to take delivery of an amount of water that equals or exceeds SYID#1's annual allocation of Cachuma water.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

The following tables show the FY 2014/15 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2015/16 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 40,242	\$ 73	\$ -	\$ 41,123	\$ 75	\$ -	\$ -
Santa Maria	16,200		36.90%	1,185,297	73	-	1,211,268	75	-	-
Golden State Water	500		1.14%	36,583	73	-	37,385	75	-	-
VAFB	5,500		12.53%	402,415	73	-	411,233	75	-	-
Buellton	578		1.32%	42,290	73	-	43,217	75	-	-
Santa Ynez (Solvang)	1,500		3.42%	109,750	73	-	112,154	75	-	-
Santa Ynez	500	2,580	1.14%	36,583	73	188,769	37,385	75	192,906	381,675
Goleta	4,500	(929)	10.25%	329,249	73	(67,957)	336,463	75	(69,446)	(137,403)
Morehart	200	-	0.46%	14,633	73	-	14,954	75	-	-
La Cumbre	1,000	-	2.28%	73,166	73	-	74,770	75	-	-
Raytheon	50	-	0.11%	3,658	73	-	3,738	75	-	-
Santa Barbara	3,000	(619)	6.83%	219,499	73	(45,305)	224,309	75	(46,297)	(91,602)
Montecito	3,000	(619)	6.83%	219,499	73	(45,305)	224,309	75	(46,297)	(91,602)
Carpinteria	2,000	(413)	4.55%	146,333	73	(30,203)	149,539	75	(30,865)	(61,068)
SB County Subtotal:	39,078	-	89.00%	2,859,199	-	-	2,921,848	-	-	-
SLO County	4,830	-	11.00%	353,394	-	-	361,137	-	-	-
TOTAL:	43,908		100.00%	\$ 3,212,593		\$ -	\$ 3,282,985			\$ -

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot
Guadalupe	120		120	\$ 5,659	\$ 47.16	-	-	-
Santa Maria	12,321		12,321	581,038	47.16	-	-	-
Golden State Water	55		55	2,594	47.16	-	-	-
VAFB	1,199		1,199	56,543	47.16	-	-	-
Buellton	585		585	27,588	47.16	-	-	-
Santa Ynez (Solvang)	1,251		1,251	58,995	47.16	-	-	-
Santa Ynez	700	2,580	3,280	33,013	47.16	\$ 121,668	503,344	\$ 195
Goleta	4,935	(929)	4,007	232,748	47.16	(43,801)	(181,204)	\$ (195)
Morehart	40	-	40	1,886	47.16	-	-	-
La Cumbre	948	-	948	44,705	47.16	-	-	-
Raytheon	34	-	34	1,608	47.16	-	-	-
Santa Barbara	3,819	(619)	3,200	180,094	47.16	(29,200)	(120,802)	\$ (195)
Montecito	3,377	(619)	2,758	159,275	47.16	(29,200)	(120,802)	\$ (195)
Carpinteria	1,703	(413)	1,290	80,320	47.16	(19,467)	(80,535)	\$ (195)
SB County Subtotal:	31,088	-	31,088	1,466,065	-	-	-	-
SLO County	4,292		4,292	202,398	-	-	-	-
TOTAL:	35,380	(0)	35,380	\$ 1,668,463		\$ -		\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2015/16 Budget

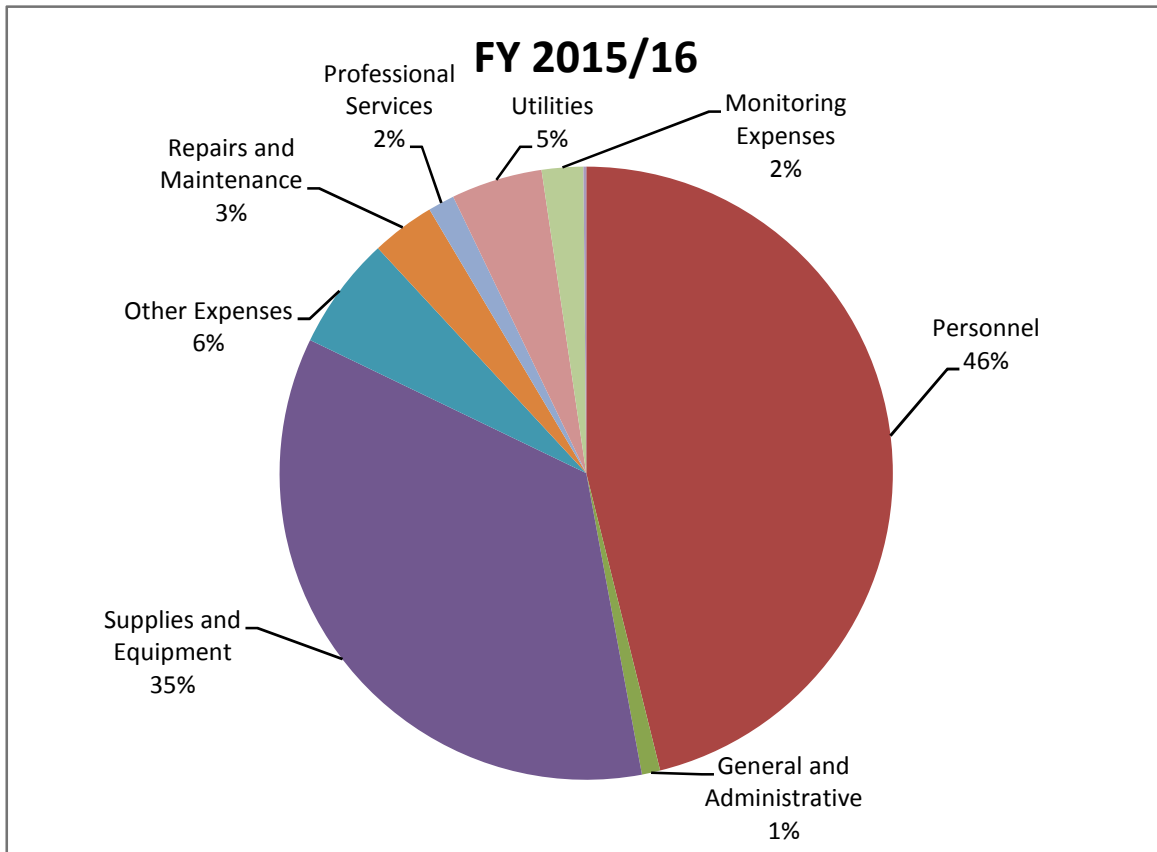
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2013/14	Number Auth. FY 2014/15	Number Requested FY 2015/16	Change Over FY 2013/14	Change Over FY 2014/15
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance, IC&R Techs ⁽⁵⁾	1.60	1.60	1.60	-	-
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Secretary II	0.75	0.75	0.75	-	-
TOTAL:	14.80	14.80	14.80	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2014/15 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 226,537	\$ 56,634
Deputy Director ⁽²⁾	1	N/A	N/A	N/A	\$ 158,463	\$ 55,462
WTP Supervisor	1	21	\$ 7,445	\$ 9,083	\$ 108,596	\$ 108,596
Maintenance Superintendent ⁽³⁾	1	21	\$ 7,445	\$ 9,083	\$ 106,442	\$ 63,865
Maintenance Foreman	1	17	\$ 6,036	\$ 7,364	\$ 86,355	\$ 86,355
Regulatory Specialist ⁽⁴⁾	1	19	\$ 6,704	\$ 8,179	\$ 97,787	\$ 24,447
Senior Chemist	1	19	\$ 6,704	\$ 8,179	\$ 92,542	\$ 92,542
Maintenance Technicians	2	14	\$ 5,155	\$ 6,289	\$ 150,946	\$ 150,946
Maintenance, IC&R Tech ⁽⁵⁾	2	16	\$ 5,727	\$ 6,987	\$ 166,655	\$ 133,324
WTP Operators	5	15	\$ 5,434	\$ 6,629	\$ 392,837	\$ 392,837
Laboratory Analyst	1	13	\$ 4,892	\$ 5,968	\$ 71,616	\$ 71,616
Secretary II	1	12	\$ 4,686	\$ 5,717	\$ 50,777	\$ 50,777
FY 2014/15 Salary Pool						\$ 47,967
TOTAL:						\$ 1,335,369

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Deputy Director is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
(3) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).
(4) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).
(5) The two Maintenance, IC&R Techs are allocated to Water Treatment Plant (80%) and Distribution (20%).

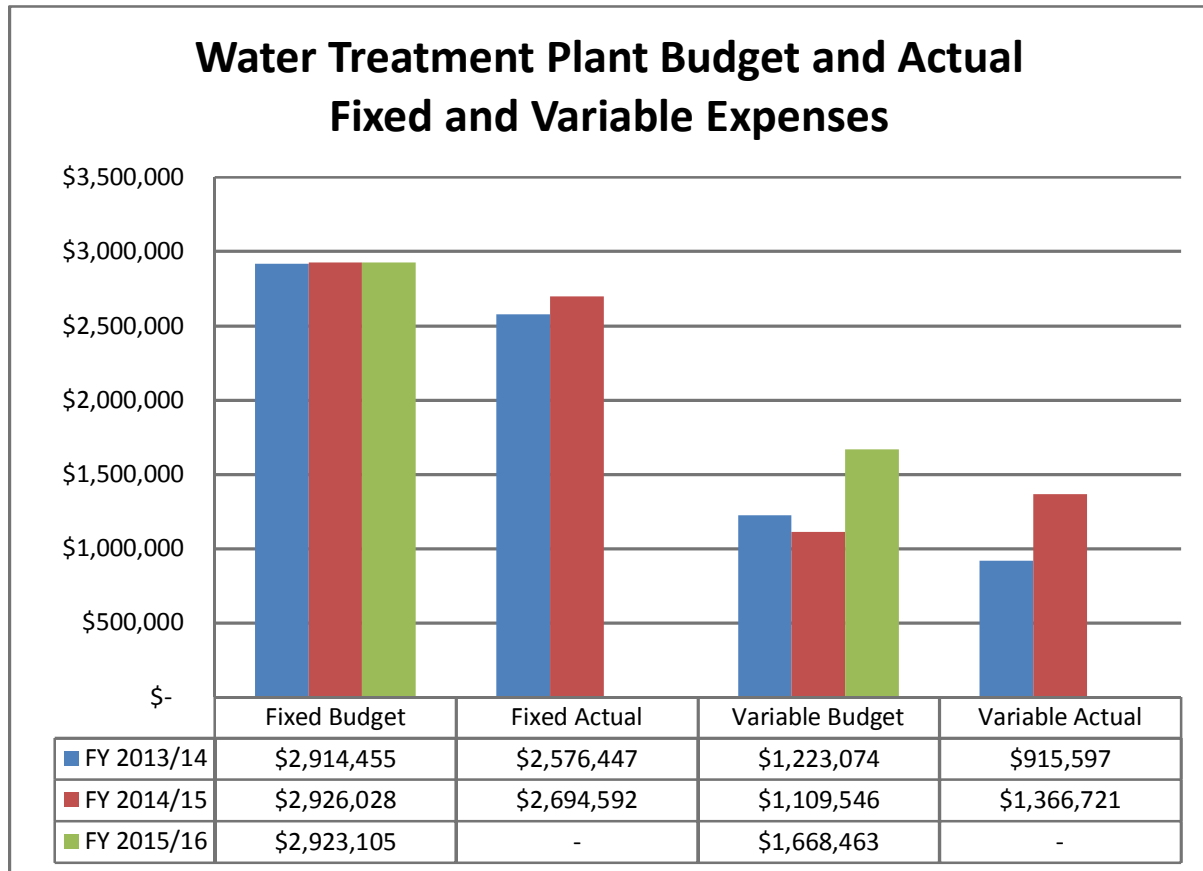
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2015/16 Budget
Personnel	\$ 2,117,470
Office Expenses	6,250
Supplies and Equipment	1,609,440
Monitoring Expenses	100,391
Repairs and Maintenance	153,911
Professional Services	63,960
General and Administrative	44,900
Utilities	221,117
Other Expenses	274,128
TOTAL:	\$ 4,591,568



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget
Personnel	\$ 2,032,142	\$ 1,894,857	\$ 2,074,854	\$ 1,991,175	\$ 2,117,470
Office Expenses	6,250	5,438	6,250	5,771	6,250
Supplies and Equipment	1,343,316	944,777	1,075,354	1,375,945	1,609,440
Monitoring Expenses	75,305	68,242	90,305	100,120	100,391
Repairs and Maintenance	126,200	141,716	137,325	145,347	153,911
Professional Services	42,760	25,817	50,360	27,704	63,960
General and Administrative	33,200	37,474	42,200	43,239	44,900
Utilities	160,921	135,419	184,978	137,786	221,117
Other Expenses	423,629	238,302	373,948	234,226	274,128
Total:	\$ 4,243,723	\$ 3,492,043	\$ 4,035,574	\$ 4,061,314	\$ 4,591,568



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,278,228	\$ 1,205,150	\$ 1,293,997	\$ 1,252,609	\$ 1,335,369	\$ 41,371	3.20%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	63,911	55,307	64,700	59,917	66,768	2,069	3.20%
5000.40	Standby Pay	22,959	27,751	23,044	29,282	23,827	783	3.40%
5000.50	Shift Differential Pay	16,486	14,955	16,551	16,251	17,161	609	3.68%
5100.10	PERS Retirement	263,351	250,977	278,300	269,243	287,805	9,505	3.42%
5100.15	Medicare Taxes	20,457	18,774	20,911	19,546	21,150	239	1.14%
5100.20	Health Insurance	220,134	206,035	208,041	202,084	229,793	21,752	10.46%
5100.25	Workers' Compensation	56,677	47,930	57,337	55,036	57,148	(189)	-0.33%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	19,565	-	21,491	-	22,033	542	2.52%
5100.40	Cafeteria Plan Benefits	29,265	34,054	43,851	42,728	15,477	(28,374)	-64.71%
5100.45	Dental/Vision Plan	26,160	22,282	31,394	25,750	24,393	(7,001)	-22.30%
5100.50	Long-Term Disability	5,232	5,109	5,300	5,503	6,610	1,311	24.74%
5100.55	Life Insurance	5,587	5,650	5,805	5,796	5,805	-	0.00%
5100.60	Employee Physicals	450	193	450	220	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,680	690	2,680	-	2,680	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	-	-	7,210	-	-	N/A
Total Personnel Expenses:		2,032,142	1,894,857	2,074,854	1,991,175	2,117,470	42,616	2.05%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	2,500	2,510	2,500	2,917	2,500	-	0.00%
5200.30	Miscellaneous Office Expenses	3,750	2,928	3,750	2,854	3,750	-	0.00%
Total Office Expenses:		6,250	5,438	6,250	5,771	6,250	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	7,755	8,066	8,025	8,603	8,025	-	0.00%
5500.15	Minor Tools and Equipment	5,000	4,369	5,000	5,225	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	251	500	276	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,285,611	888,191	1,015,379	1,311,915	1,543,465	528,086	52.01%
5500.35	Maintenance Supplies/Hardware	10,000	11,077	12,000	16,545	16,000	4,000	33.33%
5500.40	Safety Supplies	5,000	5,741	5,000	5,611	5,000	-	0.00%
5500.45	Fuel and Lubricants	26,450	25,137	26,450	27,731	26,450	-	0.00%
5500.50	Seed/Erosion Control Supplies	3,000	1,945	3,000	39	5,000	2,000	66.67%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		1,343,316	944,777	1,075,354	1,375,945	1,609,440	534,086	49.67%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	57,000	55,279	57,000	65,027	62,236	5,236	9.19%
5600.20	Lab Tools and Equipment	-	-	15,000	17,751	1,720	(13,280)	-88.53%
5600.30	Lab Testing	18,305	12,963	18,305	17,343	36,435	18,130	99.04%
Total Monitoring Expenses:		75,305	68,242	90,305	100,120	100,391	10,086	11.17%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	90,000	99,682	100,000	109,323	115,000	15,000	15.00%
5700.20	Vehicle Repairs and Maintenance	5,000	4,140	5,000	3,985	5,000	-	0.00%
5700.30	Building Maintenance	26,200	33,935	27,325	28,079	28,911	1,586	5.80%
5700.40	Landscape Maintenance	5,000	3,960	5,000	3,960	5,000	-	0.00%
Total Repairs and Maintenance:		126,200	141,716	137,325	145,347	153,911	16,586	12.08%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	20,100	16,328	27,700	13,089	36,400	8,700	31.41%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	5,000	-	5,000	-	5,000	-	0.00%
5400.40	Permits	17,100	9,489	17,100	14,615	22,000	4,900	28.65%
5400.50	Non-Contractual Services	560	-	560	-	560	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		42,760	25,817	50,360	27,704	63,960	13,600	27.01%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	6,500	15,442	13,500	12,002	13,500	-	0.00%
5300.20	Mileage Reimbursement	500	65	500	-	500	-	0.00%
5300.30	Dues and Memberships	14,200	9,551	15,200	19,970	15,400	200	1.32%
5300.40	Publications	500	628	500	746	500	-	0.00%
5300.50	Training	7,500	6,453	7,500	4,640	8,500	1,000	13.33%
5300.60	Advertising	1,500	1,305	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	2,500	4,030	3,500	5,881	5,000	1,500	42.86%
Total General and Administrative:		33,200	37,474	42,200	43,239	44,900	2,700	6.40%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	8,100	5,759	6,800	1,608	6,800	-	0.00%
5800.30	Electric-Fixed	98,519	96,539	75,084	75,084	80,392	5,309	7.07%
5800.31	Electric-Variable	43,656	27,406	94,167	54,806	124,998	30,831	32.74%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	6,500	3,272	4,782	3,010	4,782	-	0.00%
5800.60	Waste Disposal	4,145	2,444	4,145	3,278	4,145	-	0.00%
Total Utilities:		160,921	135,419	184,978	137,786	221,117	36,139	19.54%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	79,961	74,635	78,482	74,425	74,633	(3,848)	-4.90%
5900.30	Non-Capitalized Projects	210,980	101,471	160,157	78,223	63,896	(96,261)	-60.10%
5900.40	Equipment Rental	17,000	9,265	17,000	13,899	18,200	1,200	7.06%
5900.50	Non-Capitalized Equipment	5,000	4,763	5,000	5,000	5,000	-	0.00%
5900.60	Computer Expenses	53,542	48,169	55,937	62,679	55,083	(854)	-1.53%
5900.70	Appropriated Contingency	57,146	-	57,373	-	57,316	(57)	-0.10%
Total Other Expenses:		423,629	238,302	373,948	234,226	274,128	(99,820)	-26.69%
TOTAL OPERATING EXPENSES		\$ 4,243,723	\$ 3,492,043	\$ 4,035,574	\$ 4,061,314	\$ 4,591,568	\$ 555,994	13.78%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$47,967 for the FY 2015/16 salary pool.

FY 15/16 Requested Budget	1,335,369
FY 14/15 Estimated Actual	1,252,609
Increase (Decrease)	82,760

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

Description: Funds for overtime expenses for non-exempt WTP employees. Overtime is set at 5% of salaries.

FY 15/16 Requested Budget	66,768
FY 14/15 Estimated Actual	59,917
Increase (Decrease)	6,851

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime capitalized as a component of capital projects constructed or acquired by CCWA.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

\$ - TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 15/16 Requested Budget	23,827
FY 14/15 Estimated Actual	29,282
Increase (Decrease)	(5,455)

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on 1.96 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.28 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

FY 15/16 Requested Budget	17,161
FY 14/15 Estimated Actual	16,251
Increase (Decrease)	910

Description: Funds for shift employee pay.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 15/16 Requested Budget	287,805
FY 14/15 Estimated Actual	269,243
Increase (Decrease)	18,563

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 21.035% contribution rate for FY 2015/16. CCWA currently has no PEPRAs employees.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 15/16 Requested Budget	21,150
FY 14/15 Estimated Actual	19,546
Increase (Decrease)	1,604

Description: Funds for the employer portion of Medicare taxes for the WTP department. Amount is equal to 1.45% of all wages and salaries. CCWA currently has no PEPRAs employees.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2016.

FY 15/16 Requested Budget	229,793
FY 14/15 Estimated Actual	202,084
Increase (Decrease)	27,709

Family	\$ 19,009
Emp + 1	\$ 14,622
Employee only	\$ 7,311

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 106%. Based on a 5% premium increase over FY 2014/15.

FY 15/16 Requested Budget	57,148
FY 14/15 Estimated Actual	55,036
Increase (Decrease)	2,112

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,464 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

FY 15/16 Requested Budget	22,033
FY 14/15 Estimated Actual	-
Increase (Decrease)	22,033

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

Description: Funds for the portion of the cafeteria plan benefits which exceed the premium costs for the employees based on each employee's benefit election.

FY 15/16 Requested Budget	15,477
FY 14/15 Estimated Actual	42,728
Increase (Decrease)	(27,252)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 15/16 Requested Budget	24,393
FY 14/15 Estimated Actual	25,750
Increase (Decrease)	(1,357)

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,215 per year per family for dental and vision expenses. Budgeted amount is \$1,736 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

FY 15/16 Requested Budget	6,610
FY 14/15 Estimated Actual	5,503
Increase (Decrease)	1,108

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.52 per \$100 of salary.

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

FY 15/16 Requested Budget	5,805
FY 14/15 Estimated Actual	5,796
Increase (Decrease)	9

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employee's annual salary to a maximum of \$100,000.

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

FY 15/16 Requested Budget	450
FY 14/15 Estimated Actual	220
Increase (Decrease)	230

Description: Funds for employee physicals paid by CCWA, including DOT, pre-employment, and respiratory evaluation.

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

Description: Funds for reimbursement of employee education expenses under the policy established by CCWA. Employees will be taking welding, electrical/electronics, and laboratory classes.

FY 15/16 Requested Budget	1,000
FY 14/15 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

Description: Funds to encourage employee safety through safety awards and incentive programs and the Employee Achievement Awards Program (EAAP).

Safety Program	\$	1,380
EAAP		1,300
TOTAL:	\$	2,680

FY 15/16 Requested Budget	2,680
FY 14/15 Estimated Actual	-
Increase (Decrease)	2,680

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP. Based on \$208 per month in office supply expenses.

FY 15/16 Requested Budget	2,500
FY 14/15 Estimated Actual	2,917
Increase (Decrease)	(417)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses associated with CCWA. This includes picture developing, awards, business cards, coffee, kitchen supplies, etc.

FY 15/16 Requested Budget	3,750
FY 14/15 Estimated Actual	2,854
Increase (Decrease)	896

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for WTP employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director.

FY 15/16 Requested Budget	13,500
FY 14/15 Estimated Actual	12,002
Increase (Decrease)	1,498

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 15/16 Requested Budget	500
FY 14/15 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 15/16 Requested Budget	15,400
FY 14/15 Estimated Actual	19,970
Increase (Decrease)	(4,570)

AWWA dues	\$	400
WRF dues		10,000
Certification		800
Urban Water Consv Fee	\$	3,200
CWEA	\$	1,000
	\$	15,400

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 15/16 Requested Budget	500
FY 14/15 Estimated Actual	746
Increase (Decrease)	(246)

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

Description: Funds for training of WTP personnel. Does not include educational reimbursement.

FY 15/16 Requested Budget	8,500
FY 14/15 Estimated Actual	4,640
Increase (Decrease)	3,860

\$	7,500	\$500 per employee
	1,000	Crane recertification training
\$	8,500	

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

Description: Funds for advertising expenses for the WTP including open job position advertising.

FY 15/16 Requested Budget	1,500
FY 14/15 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses for the WTP, including 16 weekly taste and odor samplings.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	5,881
Increase (Decrease)	(881)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services
Description: Outside professional services including:
 \$ 3,000 Cathodic protection
 2,000 Fire system/extinguisher inspection
 5,400 Security
 2,400 Crane inspection
 1,400 Oil, coolant and diesel analysis
 16,000 Switch gear maintenance
 3,200 Emergency generator/forklift service
 3,000 Equipment Calibration
 \$ 36,400 TOTAL

FY 15/16 Requested Budget	36,400
FY 14/15 Estimated Actual	13,089
Increase (Decrease)	23,311

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services
Description: Not funded for this fiscal year.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services
Description: Funds for all non-capitalized engineering services and small projects.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits
Description: Funds for all required WTP permits.
 \$ 1,000 RWQCB NPDES
 15,000 Drinking Water Program
 2,000 DHS Lab Accreditation
 1,400 Emergency Generator Permit
 2,600 Hazardous Materials Fees
 \$ 22,000 TOTAL

FY 15/16 Requested Budget	22,000
FY 14/15 Estimated Actual	14,615
Increase (Decrease)	7,385

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 15/16 Requested Budget	560
FY 14/15 Estimated Actual	-
Increase (Decrease)	560

\$ 560 Employee Assistance Program

\$ 560 TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

Description: Funds for employer provided uniforms including reimbursement of uniform expenses to employees.

FY 15/16 Requested Budget	8,025
FY 14/15 Estimated Actual	8,603
Increase (Decrease)	(578)

\$ 5,100 Uniform Service (\$425 per month)

1,350 Blue jean pants (\$150/yr emp allowance)

1,575 Boots (\$175/yr employee allowance)

- Misc. uniform requirements (jackets, etc.)

\$ 8,025 TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

Description: Funds for the purchase of minor tools and equipment.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	5,225
Increase (Decrease)	(225)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Funds for maintaining spare parts inventory and to replace failing minor equipment.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

Description: Funds for the purchase of supplies for landscape maintenance at the WTP.

FY 15/16 Requested Budget	500
FY 14/15 Estimated Actual	276
Increase (Decrease)	224

\$ 500 Herbicide

\$ 500 TOTAL

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

Description: Funds for the purchase of chemicals to operate the plant including chlorine, polymers, etc.

FY 15/16 Requested Budget	1,543,465
FY 14/15 Estimated Actual	1,311,915
Increase (Decrease)	231,550

(1) WTP Plant: \$41.27 per acre foot and 35,380 acre feet of requests
 (2) Santa Ynez Pumping Station: \$3.42/af for 12,277 AF pumped water
 (3) Tank 5 and 7 Chlorination at \$3.34/af for 12,378 AF

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 15/16 Requested Budget	16,000
FY 14/15 Estimated Actual	16,545
Increase (Decrease)	(545)

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	5,611
Increase (Decrease)	(611)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

Description: Funds for reseeding, replanting and erosion control supplies.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	39
Increase (Decrease)	4,961

\$	5,000	Erosion maintenance
\$	5,000	TOTAL

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for WTP vehicles, equipment and emergency generator. Does not include mileage reimbursement expenses.

FY 15/16 Requested Budget	26,450
FY 14/15 Estimated Actual	27,731
Increase (Decrease)	(1,281)

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

Description: Funds for the purchase of laboratory supplies including chemicals.

FY 15/16 Requested Budget	62,236
FY 14/15 Estimated Actual	65,027
Increase (Decrease)	(2,791)

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory. The equipment includes: Conductivity Probe, DO Meter and two portable pH meters.

FY 15/16 Requested Budget	1,720
FY 14/15 Estimated Actual	17,751
Increase (Decrease)	(16,031)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 15/16 Requested Budget	36,435
FY 14/15 Estimated Actual	17,343
Increase (Decrease)	19,092

\$	18,600	MIB and Microcystin Monitoring
	7,340	Annual Compliance Monitoring
	530	Monthly Compliance Monitoring
	3,850	DBP
	5,640	Cryptosporidium, Giardia and LT2
	475	DI Water Testing
\$	36,435	TOTAL

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of WTP equipment including pumps, motors, valves, instrumentation, equipment, etc.

FY 15/16 Requested Budget	115,000
FY 14/15 Estimated Actual	109,323
Increase (Decrease)	5,677

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of WTP vehicles.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	3,985
Increase (Decrease)	1,015

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the WTP buildings.

FY 15/16 Requested Budget	28,911
FY 14/15 Estimated Actual	28,079
Increase (Decrease)	832

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	16,311	Janitorial service
	4,500	HVAC
	3,900	Janitorial Supplies
\$	28,911	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the WTP facility landscape. Includes weed abatement for sludge lagoons and leachfield.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	3,960
Increase (Decrease)	1,040

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for propane gas service to the WTP.

FY 15/16 Requested Budget	6,800
FY 14/15 Estimated Actual	1,608
Increase (Decrease)	5,192

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 15/16 Requested Budget	80,392
FY 14/15 Estimated Actual	75,084
Increase (Decrease)	5,308

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP. Variable electrical costs.

FY 15/16 Requested Budget	124,998
FY 14/15 Estimated Actual	54,806
Increase (Decrease)	70,192

\$	3.53	\$/AF
	35,380	AF
\$	124,998	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to the WTP.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for WTP phones including long distance, pagers and cellular phone bills.

FY 15/16 Requested Budget	4,782
FY 14/15 Estimated Actual	3,010
Increase (Decrease)	1,772

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of hazardous waste for the WTP.

FY 15/16 Requested Budget	4,145
FY 14/15 Estimated Actual	3,278
Increase (Decrease)	867

\$	2,415	Garbage
	630	Bulk Dumpster
	1,000	Waste Oil/Solvent
	100	Light Bulbs
\$	4,145	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 15/16 Requested Budget	74,633
FY 14/15 Estimated Actual	74,425
Increase (Decrease)	209

\$	39,024	Property and auto coverage based on the apportionment provided by JPIA.
\$	35,609	General liability and E&O based on salary proportions.
\$	74,633	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects around the WTP which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria.

See the detailed description of the WTP Non-Capitalized Projects in this section of the Budget.

FY 15/16 Requested Budget	63,896
FY 14/15 Estimated Actual	78,223
Increase (Decrease)	(14,327)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

\$	3,900	Copier lease
	10,100	Motorized equipment
	3,000	Lagoon cleaning
	1,200	Water truck for dust control
\$	18,200	TOTAL

FY 15/16 Requested Budget	18,200
FY 14/15 Estimated Actual	13,899
Increase (Decrease)	4,301

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	5,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

Description: Funds for computer expenses including minor software purchases, minor equipment purchases and service contracts.

\$	50,265	CompuVision, Annual Service Agreements and Software Subscriptions
\$	4,818	Software, New Computers and other computer services.
\$	55,083	TOTAL

FY 15/16 Requested Budget	55,083
FY 14/15 Estimated Actual	62,679
Increase (Decrease)	(7,596)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding
chemical and variable electric costs.

FY 15/16 Requested Budget	57,316
FY 14/15 Estimated Actual	-
Increase (Decrease)	57,316



Santa Ynez Pumping Facility Pump Replacement

Distribution Department

The Distribution Department is responsible for the daily operations and maintenance of the 130 miles of pipeline, five storage tanks, ten turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access and cathodic protection structures.

Highlights

Department Information

- Number of employees 10.20
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Number of water storage tanks 7
- Number of turnouts 10

Budget Information

- Total FY 2015/16 O&M Budget \$ 3,206,270
- O&M Budget increase over FY 2014/15 \$ 593,887
 - Fixed cost increase over FY 2014/15 145,977
 - Variable cost increase over FY 2014/15 \$ 447,910
- Percentage increase 22.73%
- Fixed O&M expenses \$ 2,211,180
- Variable O&M expenses \$ 995,090
- FY 2015/16 budgeted electrical cost \$81.05 per acre-foot

Significant Accomplishments During FY 2014/15

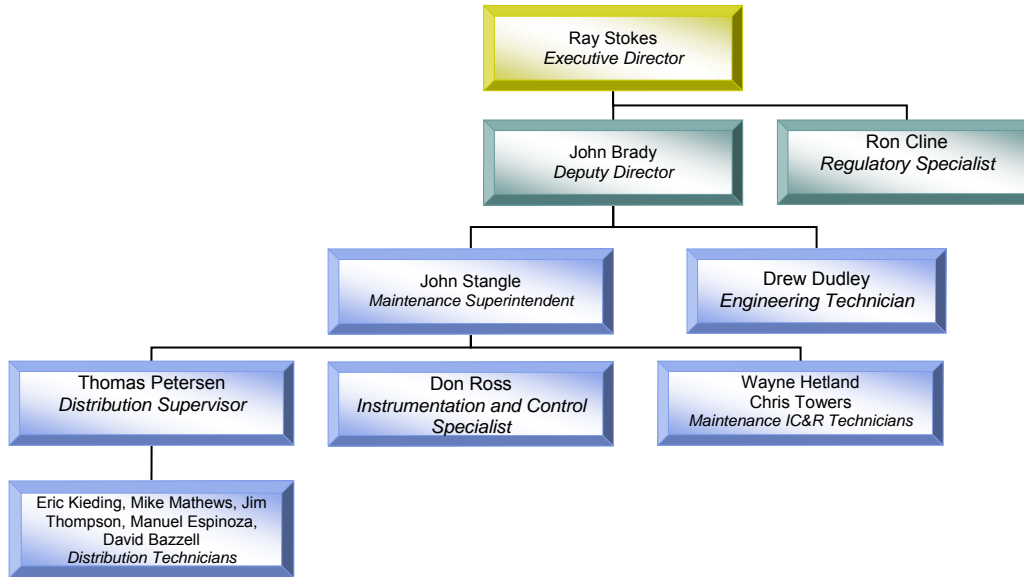
- As part of the over-all effort to convey over 14,000 acre-feet of water to Lake Cachuma in 2014, Distribution staff quickly and efficiently responded to a breakdown event that resulted in the complete shutdown of the Santa Ynez Pumping Plant (SYPP) and returned the plant to full operation within 4 hours. All pump/motor removals and reinstallations, as well as transportation to the rebuild vendor, were completed by CCWA staff.
- Distribution staff implemented an enhanced preventative maintenance program at the SYPP, which included pump efficiency testing, vibrational monitoring of pumps and motors, infrared photography of all electrical panels and a scheduled and systematic rebuilding of each pump and motor at the pumping plant. Two pump/motor assemblies were rebuilt in FY 2014/2015 and the remaining three pump/motor assemblies will be rebuilt in FY 2015/2016.

Significant Goals for FY 2015/16

- Distribution staff will continue to expand the Facilities Assessment Program to ensure that this program can support the development and routine updating of a formal Capital Improvement Program. The program has already expanded to include formal pavement assessments, formal concrete structure assessments, performing close interval surveys of the pipeline cathodic protection system, leak detection testing/inspections of the pipeline and winter preparation inspections of the right-of-way. The program will be further expanded to include (1) improved internal pipeline inspection methodology, (2) standardizing all inspection data documentation, (3) compiling all inspections within the CCWA Geographic Information System.
- Distribution staff will assist with the migration to an improved Computerized Maintenance Management System. This effort will include evaluating all existing preventative maintenance tasks to ensure (1) all health and safety requirements are made available through the CMMS, (2) the work tasks are adequately described and frequency is justified, (3) routine work routing is optimized and (4) including any new maintenance tasks not previously included in the existing CMMS.

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

The Distribution Department is responsible for maintaining the distribution system (i.e., pipeline and ancillary facilities).



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist and Maintenance IC&R Technicians

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technicians report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Deputy Director, who provide long term planning and establish priorities.

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

The Regulatory Specialist reports to the Executive Director and divides time between Distribution and Water Treatment Plant Departments. The Regulatory Specialist is responsible for safety, environmental monitoring, and regulatory compliance.

The accomplishments, performance indicators (“Service Efforts and Accomplishments”) and goals for the Distribution Department will be presented at a future meeting of the CCWA Board of Directors.

DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

The distribution system for the State water facilities is divided into segments called “Financial Reaches.” These financial reaches are the portions of the pipeline through which the project participants receive and pay for water in accordance with their Water Supply Agreements.

Participation in each financial reach is based on the location of a particular project participant’s turnout. Each participant pays for its share of the Coastal Branch and Authority financial reaches down to the financial reach from which that participant takes delivery of water. For example, South Coast project participants pay for their share of all financial reaches since they take delivery from the terminus of the Authority pipeline.

The financial reaches for the distribution system include Authority reaches and DWR reaches. The facilities owned by the Authority are considered Authority reaches and those owned by DWR are considered DWR reaches.

The Distribution Department is responsible for maintaining both the Authority and the DWR reaches downstream of the Polonio Pass Water Treatment Plant.

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

DWR REACHES

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

CCWA [Authority] REACHES

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page 171 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

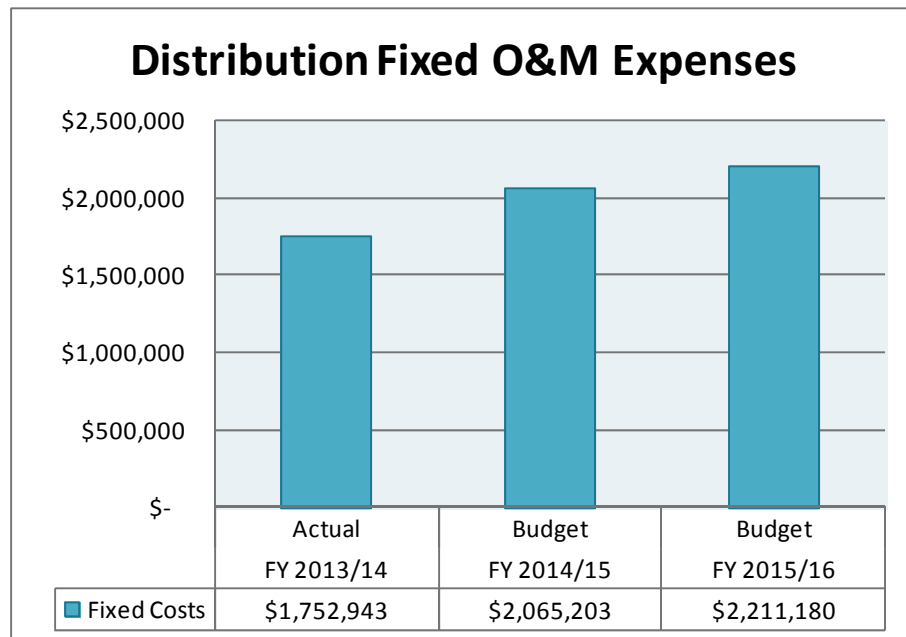
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2013/14 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

Distribution Department Financial Reach Allocation			
Financial Reach	FY 2015/16 Allocation Percentage	FY 2014/15 Allocation Percentage	Increase (Decrease)
Reach 33B	23.36%	26.40%	-3.04%
Reach 34	10.81%	11.12%	-0.31%
Reach 35	3.81%	3.93%	-0.12%
Reach 37	3.19%	2.90%	0.29%
Reach 38	4.22%	4.03%	0.19%
Mission Hills II	13.27%	13.26%	0.01%
Santa Ynez I	17.74%	16.11%	1.63%
Santa Ynez II	23.60%	22.25%	1.35%
TOTAL:	100.00%	100.00%	0.00%

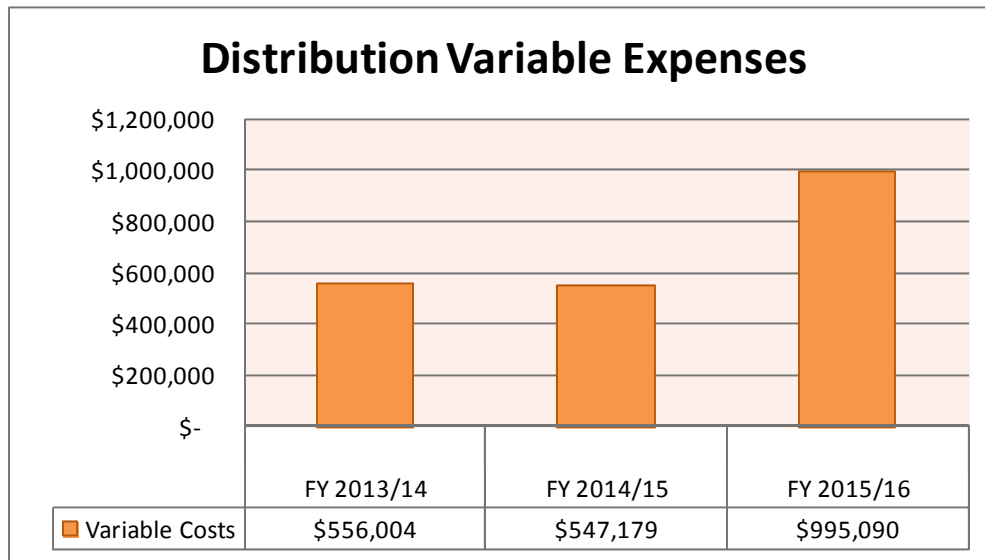
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2015/16 fixed O&M costs are \$145,977 higher than the prior year budget amount.



Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2015/16 variable O&M costs are \$447,915 higher than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2015/16 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$81.05/AF
Goleta	4,007	\$ 324,750
Morehart	40	3,242
La Cumbre	948	76,836
Raytheon	34	2,764
Santa Barbara	3,200	259,345
Montecito	2,758	223,563
Carpinteria	1,290	104,590
Total South Coast:	12,277	\$ 995,090
<small>(1) Excludes water deliveries exchanged with Santa Ynez ID#1.</small>		

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

Fiscal Year 2015/16 Operating Expense Budget

The Fiscal Year 2015/16 Distribution Department operating expense budget is \$3,206,270, which is \$593,887 higher than the previous year's budget of \$2,213,107, an increase of 22.73%. The personnel expense section of the Distribution Department budget represents approximately 47% of the budget. Utilities comprise 33%, with other expenses making up the balance of the budget. The chart on page 172 shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Personnel Expenses Personnel expenses are increasing by about \$18,000 attributed to the following:

- The FY 2015/16 Budget includes a \$33,788 salary pool allocation based on a salary pool percentage of 3.73%. However, the total salaries and wages budget is only increasing by about \$12,000 primarily because certain employees have remained at the top of their salary range, stalling their salary growth.
- PERS retirement expenses are increasing by about \$3,000 due to salary increases and the change in the employer and employee contribution rate for the FY 2014/15 to 21.035% as compared to the prior year amount of 21.507%
- Health insurance and cafeteria plan benefit combined reflect increases of around \$6,000 which is attributed to a change in employee demographics.

Utility Expenses Utility expenses are increasing by about \$450,000 attributed to the decrease in estimated electrical cost per acre-foot of delivering water into Lake Cachuma from \$122.71/AF in FY 2014/15 compared to \$81.05/AF for FY 2015/16 coupled with a 7,818 increase in water deliveries to Lake Cachuma.

Other Expenses Other expenses are increasing by approximately \$88,000 due to an increase in non-capitalized project expenses (see the discussion on non-capitalized projects later in this section of the Budget).

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance, and non-capitalized projects.

The following table shows the FY 2015/16 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES								
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects ⁽¹⁾	TOTAL	
Guadalupe	\$ 543	\$ 1,000	-	\$ 500	\$ 2,043	-	\$ 2,043	
Santa Maria	467	1,500	-	500	2,467		2,467	
Golden State Water Co.	715	3,000	-	500	4,215		4,215	
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000	
Buellton	316	1,500	-	500	2,316		2,316	
Santa Ynez (Solvang)	239	1,000	-	500	1,739		1,739	
Santa Ynez	-	1,000	-	500	1,500		1,500	
Chorro Valley ⁽²⁾	-	16,500	900	500	17,900		17,900	
Lopez	544	1,500	-	500	2,544		2,544	
TOTAL:	\$ 2,825	\$ 28,500	\$ 900	\$ 4,500	\$ 36,725	\$ -	\$ 36,725	

(1) Please see the CIP section of the budget for information regarding the Turnout capital projects.
(2) Cost of equipment repairs to leaking an insulation flange at Chorro estimated at \$15,000.

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2015/16.

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

Non-Capitalized Projects-Reach Specific		
Project Description	Financial Reach	Amount
Pavement Maintenance Program	ALL	12,201
Painting Program	ALL	5,250
RPP Air Conditioning Installation	ALL	10,206
PLC Upgrade Project	ALL	56,700
Development of Capital Improvement Program	ALL	26,250
Sonicwall to Replace Ecessa (End of Life)	ADM/ALL/WTP	1,820
Permanent Bypass Piping at Bradbury Outlet	SYII	42,000
TOTAL NON-CAPITALIZED PROJECTS		\$ 154,427
(1) Please see the Administration Department section of this budget for narrative discussions on these non-capitalized projects.		

Description:	Pavement Maintenance Program
Department:	Distribution – All
Expanded Description	CCWA staff conducts annual inspections of all of the paved surfaces maintained by CCWA. One part of the pavement maintenance program is to fill in asphalt cracks with CCWA's crack sealing machine. Approximately two pallets of sealing material are required for FY 15/16. In addition, approximately 18,000 square feet of pavement requires slurry sealing by a contractor this year.
Estimated Charge – Contractor	\$8,920
Estimated Charge – Materials	\$2,500
Taxes (8%)	\$200
Contingency (5%)	<u>\$581</u>
Subtotal without CCWA Labor	\$12,201
CCWA Labor	\$6,619
Total Cost	\$18,820
Operating Budget Impact:	The purpose of proactive pavement maintenance is to postpone for as long as possible the complete replacement the pavement. The costs for crack sealing, slurry coating and pot-hole repair are minimal when compared to a full replacement program. Through routine assessments and implementation of proactive measures to lengthen the service life of the pavement, full replacement can be postponed significantly and can be carefully planned and budgeted for.

Central Coast Water Authority
Distribution Department
Fiscal Year 2015/16 Budget

Description:	Painting Program
Department:	Distribution – All
Expanded Description	As part of the maintenance of buildings and structures, CCWA staff inspects all facilities annually. One aspect of the inspection is to assess the condition of all painted surfaces. The assessments are subsequently prioritized for service. A budget of \$5,000 has been established to handle repainting of surfaces with degrading paint.
Estimated Charge - Contractor	\$5,000
Contingency (5%)	\$250
Subtotal without CCWA Labor	\$5,250
Labor and overhead	\$5,383
Total Cost	\$10,633
Operating Budget Impact:	Painting the surfaces of buildings and structures serves as a measure to protect the underlying materials form degradation from weathering. It is more cost effective to repaint as opposed to replacing structural components of buildings or other structure. The service life of the underlying materials of the painted surface is significantly extended

Description:	Remote Process Logic Controller Panel (RPP) Air Conditioning System
Department:	Distribution – All
Expanded Description	The CCWA fiber optic cable network includes many RPP installations along the pipeline. Following a systematic troubleshooting investigation, it was found that at some locations some of the instrumentation equipment within the RPP enclosure were over-heating. To mitigate this issue, a low scale air conditioning system will be installed at each RPP on the pipeline
Estimated Charge – Materials	\$9,000
Taxes (8%)	\$720
Contingency (5%)	<u>\$486</u>
Subtotal without CCWA Labor	\$10,206
Total Cost	\$10,206
Operating Budget Impact:	Through the installation of the RPP Air Conditioning System, the over-heating issue will be resolved and reduce the need for additional labor to respond to RPP instrumentation failures arising from over-heating.

Central Coast Water Authority
 Distribution Department
 Fiscal Year 2015/16 Budget

Description:	Process Logic Controller (PLC) Upgrade Project
Department:	Distribution – All
Expanded Description	The current Modicon PLCs are now considered obsolete and product support from manufacturer will be no longer available. This project is to replace the obsolete PLC components with current technology. This will be the first of a three phase project. The main focus of Phase 1 is to replace obsolete PLC components within the distribution system. The final two phases will focus on the WTP.
Estimated Charge - Materials	\$50,000
Sales Tax (8.0%)	\$4,000
Contingency (5%)	<u>\$2,700</u>
Subtotal without CCWA Labor	\$56,700
Total Cost	\$56,700
Operating Budget Impact:	The PLC provides the heart and soul of the control functions for all of the major facilities within the CCWA system. Consequently, these units are important to keep in good functioning condition at all times. When the manufacturer advances the PLC to a more advanced level, the technical support and repair parts from the manufacturer will eventually become unavailable. To avoid loss of continuous automated control of the major CCWA system facilities, migration to the advanced product is necessary. If postponed, the chances of extended outages of the PLC unit will increase due to fewer available repair parts and no technical support, which will translate to higher operational costs.

Central Coast Water Authority
 Distribution Department
 Fiscal Year 2015/16 Budget

Description:	Development of Capital Improvement Program and Update of As-Built Records
Department:	Distribution – All
Expanded Description	As the CCWA Water Treatment Plant and Distribution System ages, there will be a need for replacement and refurbishment of major system components as well as a need to construct improvements. The purpose of this project is to establish a formal Capital Improvement Program (CIP) where major replacements, refurbishments and improvements can be planned over a ten year horizon. This project will utilize the services of an engineering consultant, to be selected through a Request For Qualifications process, to assist CCWA Staff in developing a CIP Program. As part of this process, as-built records will be updated as needed. 50% of work will be for the WTP and 50% on Distribution-All.
Estimated Charge - Consultant	\$25,000
Contingency (5%)	<u>\$1,250</u>
Subtotal without CCWA Labor	\$26,250
Labor and overhead	\$8,897
Total Cost	\$35,147
Operating Budget Impact:	Currently, projects are funded on a current year basis. In addition, projects are typically presented to the Board of Directors as part of the overall CCWA budget. By providing the Board of Directors an advance review of projects over a ten year horizon, projects can be prioritized and scheduled to meet the collective needs of CCWA Participants.

Central Coast Water Authority
 Distribution Department
 Fiscal Year 2015/16 Budget

Description:	Permanent Bypass Piping at Bradbury Outlet Works Evaluation
Department:	Distribution – SYII
Expanded Description	The pipeline between the Santa Ynez Pumping Plant and the Bradbury Dam is directly plumbed to the Bradbury Penstock. Due to the various interests in operating the Bradbury Dam Penstock, a proposal is needed to clearly identify all of the pertinent issues related to (1) CCWA Lake Delivery Operations, (2) Water Rights Releases, (3) Environmental Releases and (4) use of water from the Penstock to supply Hilton Creek. CCWA staff proposes to retain an experienced engineering firm to prepare this proposal.
	\$40,000
Contingency (5%)	<u>\$2,000</u>
Subtotal without CCWA Labor	\$42,000
CCWA Labor	\$4,935
Total Cost	\$46,935
Operating Budget Impact:	<p>Due to environmental requirements, the amount of State Water Project water that can be delivered through the Penstock is limited at certain times of the year. However, during Water Rights Releases, the amount of SWP water delivered through the Penstock must be maximized.</p> <p>In terms of operational costs, less pumping energy is required when making deliveries through the Penstock. However, significant fines could result from violating environmental permit conditions if SWP water is discharged to the Penstock at an inappropriate time. Through developing a clear well developed proposal for the Penstock Operation, a consensus among all the interested parties can be achieved. This will allow staff to operate the pumping plant in a cost efficient manner.</p>

Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2015/16 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2013/14	Number Auth. FY 2014/15	Number Requested FY 2015/16	Change Over FY 2013/14	Change Over FY 2014/15
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director ⁽²⁾	0.40	0.40	0.40	-	-
Regulatory Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technicians ⁽⁵⁾	0.40	0.40	0.40	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.20	10.20	10.20	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2014/15 Total Annual Salary	Allocation to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 226,537	\$ 56,634
Deputy Director ⁽²⁾	1	N/A	N/A	N/A	\$ 158,463	\$ 63,385
Regulatory Specialist ⁽³⁾	1	19	\$ 6,704	\$ 8,179	\$ 97,787	\$ 73,340
Distribution Supervisor	1	19	\$ 6,704	\$ 8,179	\$ 95,924	\$ 95,924
Engineering Technician	1	16	\$ 5,727	\$ 6,987	\$ 83,840	\$ 83,840
Instrumentation & Control Specialist	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 93,130
Maintenance Superintendent ⁽⁴⁾	1	21	\$ 7,445	\$ 9,083	\$ 106,442	\$ 42,577
Maintenance/IC&R Tehcnician ⁽⁵⁾	2	16	\$ 5,727	\$ 6,987	\$ 166,655	\$ 33,331
Distribution Technicians	5	14	\$ 5,155	\$ 6,289	\$ 364,683	\$ 364,683
FY 2014/15 Salary Pool						\$ 33,788
TOTAL:						\$ 940,632

(1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).

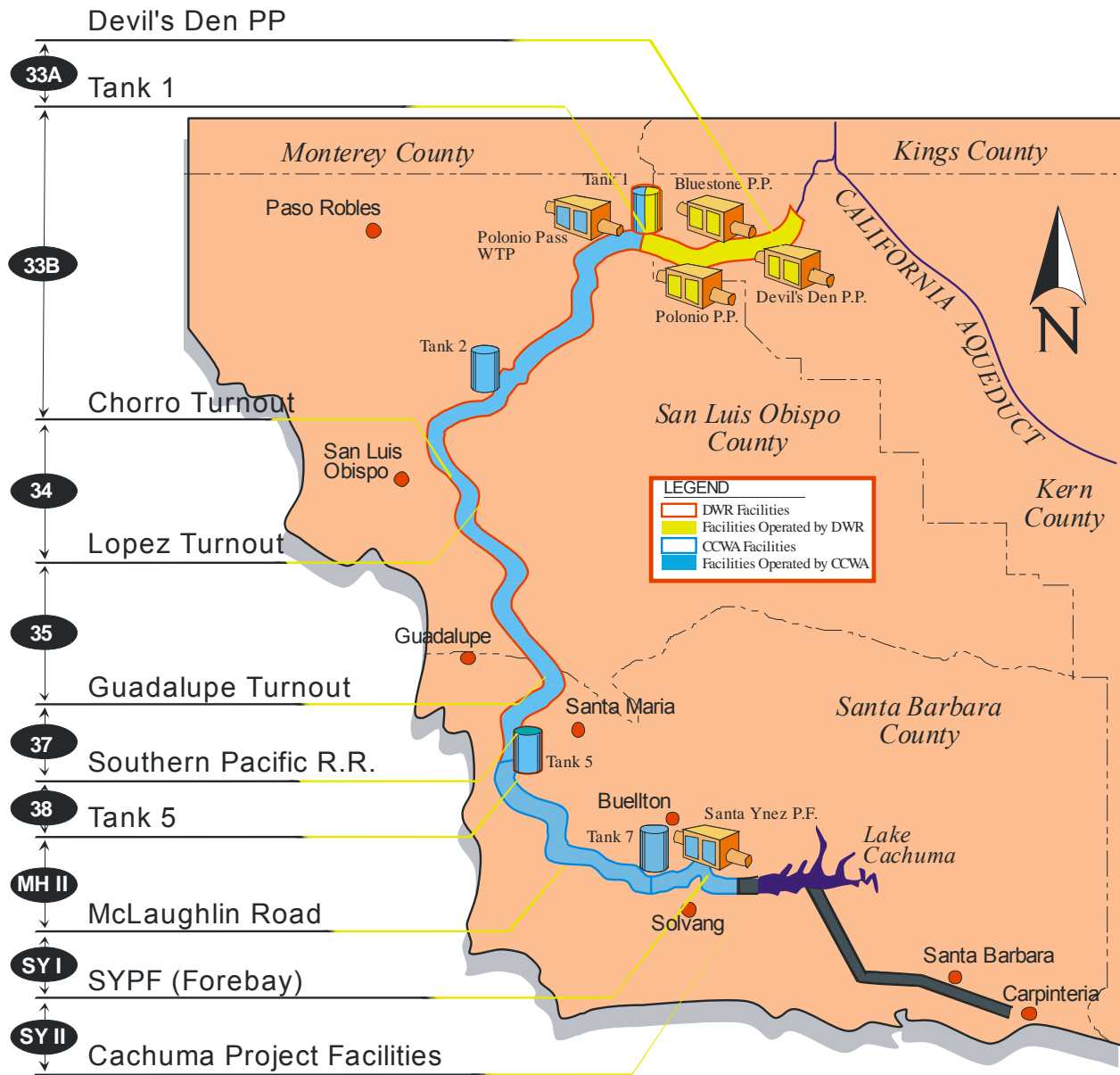
(2) The Operations Manager is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).

(4) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).

(5) The two Maintenance IC&R Technicians are allocated to Water Treatment Plant (80%) and Distribution (20%).

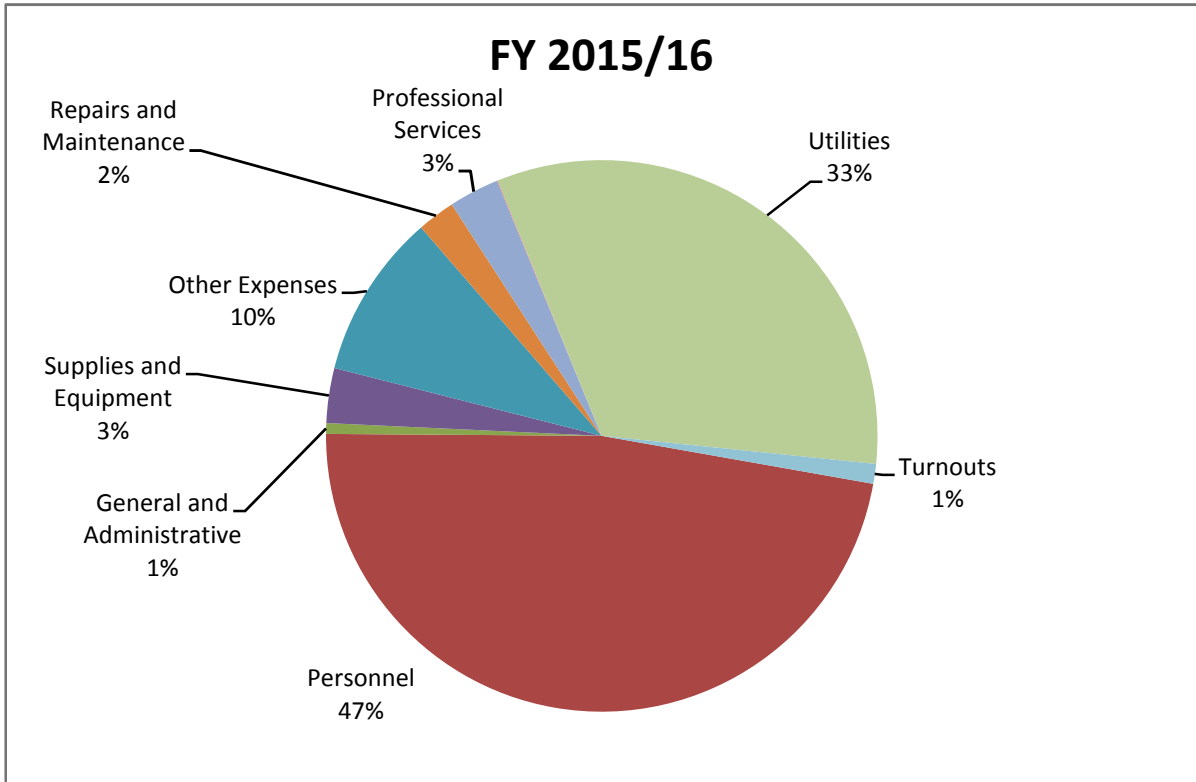
COASTAL BRANCH FINANCIAL REACHES



Purveyor	CONTRACT ENTITLEMENT IN FINANCIAL REACHES								
	WTP / 33B	34	35	37	38	MH II	SY I	SY II	
Shandon	100								
Chorro Valley	2,338								
Lopez	2,392	2,392							
Guadalupe	550	550	550						
Santa Maria	16,200	16,200	16,200	16,200					
Golden State Water	500	500	500	500					
Vandenberg AFB	5,500	5,500	5,500	5,500	5,500	5,500			
Buellton	578	578	578	578	578	578	578		
Santa Ynez (Solvang)	1,500	1,500	1,500	1,500	1,500	1,500	1,500		
Santa Ynez	500	500	500	500	500	500	500		
Goleta	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	
Morehart Land	200	200	200	200	200	200	200	200	
LaCumbre	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Raytheon	50	50	50	50	50	50	50	50	
Santa Barbara	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Montecito	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
TOTAL	43,908 AF	41,470 AF	39,078 AF	38,528 AF	21,828 AF	21,828 AF	16,328 AF	13,750 AF	

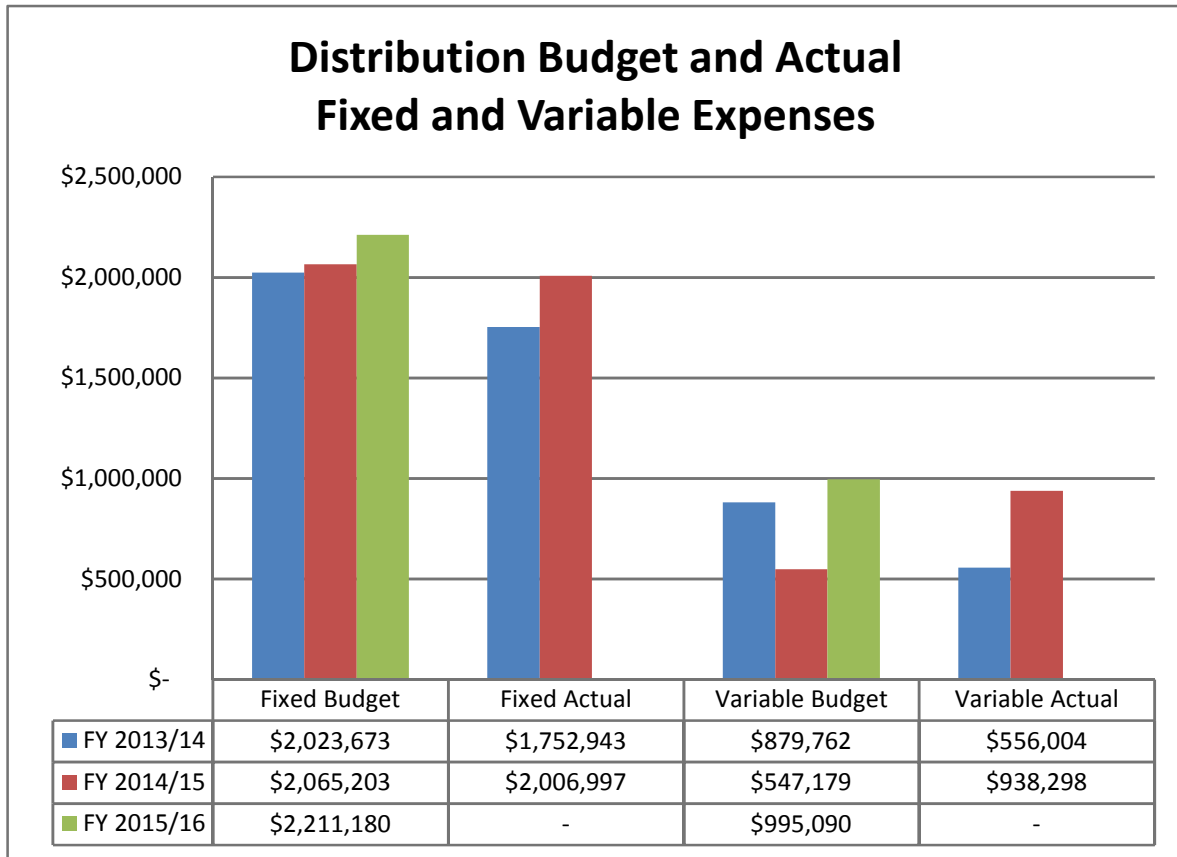
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2015/16 Budget
Personnel	\$ 1,518,013
Office Expenses	2,400
Supplies and Equipment	103,247
Monitoring Expenses	-
Repairs and Maintenance	71,200
Professional Services	94,375
General and Administrative	19,600
Utilities	1,050,623
Other Expenses	310,087
Turnouts	36,725
TOTAL:	\$ 3,206,270



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2015/16 Budget

Item	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget
Personnel	\$ 1,493,828	\$ 1,295,327	\$ 1,500,176	\$ 1,457,548	\$ 1,518,013
Office Expenses	2,100	2,170	2,400	2,344	2,400
Supplies and Equipment	99,527	93,084	95,627	88,267	103,247
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	61,200	48,745	68,700	62,947	71,200
Professional Services	83,125	55,881	80,375	68,831	94,375
General and Administrative	15,900	20,099	19,600	18,190	19,600
Utilities	932,524	601,501	602,134	986,990	1,050,623
Other Expenses	193,813	145,481	221,626	252,798	310,087
Turnouts	21,419	46,659	21,744	7,382	36,725
TOTAL:	\$ 2,903,435	\$ 2,308,948	\$ 2,612,382	\$ 2,945,295	\$ 3,206,270



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 933,292	\$ 836,274	\$ 928,525	\$ 931,556	\$ 940,632	\$ 12,107	1.30%
1300.60	Capitalized Wages and Overtime	-	(10,241)	-	-	-	-	N/A
5000.20	Overtime	60,863	55,409	60,328	54,511	61,005	677	1.12%
5000.40	Standby Pay	29,986	22,378	29,667	20,603	30,100	433	1.46%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	183,891	166,778	199,698	198,224	202,730	3,032	1.52%
5100.15	Medicare Taxes	15,024	12,477	15,004	14,383	14,970	(33)	-0.22%
5100.20	Health Insurance	169,007	128,345	156,588	159,090	183,519	26,931	17.20%
5100.25	Workers' Compensation	40,719	28,987	39,841	36,659	38,912	(929)	-2.33%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	13,260	-	14,566	-	14,933	367	2.52%
5100.40	Cafeteria Plan Benefits	11,974	10,488	16,212	10,273	704	(15,508)	-95.66%
5100.45	Dental/Vision Plan	18,992	16,715	22,792	14,625	17,709	(5,082)	-22.30%
5100.50	Long-Term Disability	3,800	3,093	3,777	3,774	4,620	843	22.32%
5100.55	Life Insurance	3,970	3,288	4,130	3,973	4,130	-	0.00%
5100.60	Employee Physicals	450	330	450	-	450	-	0.00%
5000.30	Temporary Services	5,000	-	5,000	-	-	(5,000)	-100.00%
5100.80	Employee Incentive Programs	2,600	950	2,600	-	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	20,058	-	9,877	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,493,828	1,295,327	1,500,176	1,457,548	1,518,013	17,836	1.19%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,200	963	1,200	1,016	1,200	-	0.00%
5200.30	Miscellaneous Office Expenses	900	1,208	1,200	1,328	1,200	-	0.00%
Total Office Expenses:		2,100	2,170	2,400	2,344	2,400	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	6,747	4,754	6,747	4,263	6,747	-	0.00%
5500.15	Minor Tools and Equipment	8,900	7,290	5,000	5,000	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	810	1,000	860	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	13,196	10,000	9,782	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,359	5,000	3,891	7,000	2,000	40.00%
5500.45	Fuel and Lubricants	59,380	57,614	59,380	58,194	65,000	5,620	9.46%
5500.50	Seed/Erosion Control Supplies	8,000	4,696	8,000	6,163	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	364	500	114	500	-	0.00%
Total Supplies and Equipment:		99,527	93,084	95,627	88,267	103,247	7,620	7.97%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	40,000	24,284	40,000	36,844	42,500	2,500	6.25%
5700.20	Vehicle Repairs and Maintenance	10,000	11,614	15,000	14,292	15,000	-	0.00%
5700.30	Building Maintenance	7,200	9,702	9,700	9,303	9,700	-	0.00%
5700.40	Landscape Maintenance	4,000	3,146	4,000	2,508	4,000	-	0.00%
Total Repairs and Maintenance:		61,200	48,745	68,700	62,947	71,200	2,500	3.64%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	74,325	46,920	71,575	53,432	80,575	9,000	12.57%
5400.20	Legal Services	-	1,050	-	4,951	-	-	N/A
5400.30	Engineering Services	5,000	3,732	5,000	6,884	10,000	5,000	100.00%
5400.40	Permits	3,800	4,178	3,800	3,564	3,800	-	0.00%
5400.50	Non-Contractual Services	-	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		83,125	55,881	80,375	68,831	94,375	14,000	17.42%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	6,000	14,354	11,000	9,892	11,000	-	0.00%
5300.20	Mileage Reimbursement	150	44	150	-	150	-	0.00%
5300.30	Dues and Memberships	1,500	1,618	1,850	2,149	1,850	-	0.00%
5300.40	Publications	500	515	500	767	500	-	0.00%
5300.50	Training	5,000	2,646	5,000	5,000	5,000	-	0.00%
5300.60	Advertising	2,000	651	500	-	500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	750	272	600	382	600	-	0.00%
Total General and Administrative:		15,900	20,099	19,600	18,190	19,600	-	0.00%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2015/16 Administration/O&M Budget

Account Number	Account Name	FY 2013/14 Budget	FY 2013/14 Actual	FY 2014/15 Budget	FY 2014/15 Estimated Actual	FY 2015/16 Budget	Change from FY 2014/15 Budget	Percent Change FY 2014/15 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	940	589	940	188	940	-	0.00%
5800.30	Electric Fixed	40,272	36,267	42,833	39,289	43,194	361	0.84%
5800.31	Electric-Variable	879,762	556,004	547,179	938,298	995,090	447,910	81.86%
5800.40	Water	1,650	1,734	2,000	1,782	2,000	-	0.00%
5800.50	Telephone	7,000	4,834	6,282	5,097	6,500	218	3.47%
5800.60	Waste Disposal	2,900	2,073	2,900	2,336	2,900	-	0.00%
Total Utilities:		932,524	601,501	602,134	986,990	1,050,623	448,489	74.48%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	51,584	48,387	49,859	47,346	46,922	(2,937)	-5.89%
5900.30	Non-Capitalized Projects	37,037		65,372	42,329	154,427	89,055	136.23%
5900.40	Equipment Rental	12,000	5,391	10,000	8,745	10,000	-	0.00%
5900.50	Non-Capitalized Equipment	7,000	-	7,000	6,500	7,000	-	0.00%
5900.60	Computer Expenses	46,932	39,727	49,327	56,706	49,101	(226)	-0.46%
5900.70	Appropriated Contingency	39,260	51,977	40,068	91,172	42,636	2,569	6.41%
Total Other Expenses:		193,813	145,481	221,626	252,798	310,087	88,461	39.91%
	Turnouts	21,419	46,659	21,744	7,382	36,725	14,981	68.90%
TOTAL OPERATING EXPENSES		\$ 2,903,435	\$ 2,308,948	\$ 2,612,382	\$ 2,945,295	\$ 3,206,270	593,887	22.73%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$33,788 for FY 2015/16 salary pool.

FY 15/16 Requested Budget	940,632
FY 14/15 Estimated Actual	931,556
Increase (Decrease)	9,076

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

Description: Funds for overtime expenses for non-exempt Distribution employees.

FY 15/16 Requested Budget	61,005
FY 14/15 Estimated Actual	54,511
Increase (Decrease)	6,494

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime capitalized as a component of capital projects constructed or acquired by CCWA.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 15/16 Requested Budget	30,100
FY 14/15 Estimated Actual	20,603
Increase (Decrease)	9,496

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$1.91 per hour (5% of average hourly rate). 2/3 of Instrumentation Employee standby pay allocated to Distribution Department and 1/3 allocated to the Water Treatment Plant Department.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 15/16 Requested Budget	202,730
FY 14/15 Estimated Actual	198,224
Increase (Decrease)	4,506

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 21.035% contribution rate for FY 2015/16 based on the 2% @ 55 formula. CCWA currently has no PEPRAs employees.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 15/16 Requested Budget	14,970
FY 14/15 Estimated Actual	14,383
Increase (Decrease)	588

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 15/16 Requested Budget	183,519
FY 14/15 Estimated Actual	159,090
Increase (Decrease)	24,429

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2016.

Family	\$	19,009
Emp + 1	\$	14,622
Employee only	\$	7,311

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on an X-Mod rate of 106%. Based on a 5% premium increase over FY 2014/15

FY 15/16 Requested Budget	38,912
FY 14/15 Estimated Actual	36,659
Increase (Decrease)	2,253

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,464 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

FY 15/16 Requested Budget	14,933
FY 14/15 Estimated Actual	-
Increase (Decrease)	14,933

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

Description: Funds for the portion of the cafeteria plan benefits which exceed the premium costs for the Distribution employees based on each employee's benefit election.

FY 15/16 Requested Budget	704
FY 14/15 Estimated Actual	10,273
Increase (Decrease)	(9,570)

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,215 per year per family for dental and vision expenses. Budgeted amount is \$1,736 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 15/16 Requested Budget	17,709
FY 14/15 Estimated Actual	14,625
Increase (Decrease)	3,084

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.52 per \$100 of salary.

FY 15/16 Requested Budget	4,620
FY 14/15 Estimated Actual	3,774
Increase (Decrease)	846

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

Description: Funds for the employer paid life insurance premiums for each employee. CCWA policy provides life insurance equal to 150% of an employees annual salary to a maximum of \$100,000.

FY 15/16 Requested Budget	4,130
FY 14/15 Estimated Actual	3,973
Increase (Decrease)	157

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

Description: Funds for employee physicals paid by CCWA, including DOT, pre-employment, and respirator evaluation.

FY 15/16 Requested Budget	450
FY 14/15 Estimated Actual	-
Increase (Decrease)	450

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

Description: Funds for reimbursement of employee education expenses under the policy established by CCWA.

FY 15/16 Requested Budget	1,000
FY 14/15 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

Description: Funds to encourage employee safety through safety awards and incentive programs and the Employee Achievement Awards Program (EAAP).

FY 15/16 Requested Budget	2,600
FY 14/15 Estimated Actual	-
Increase (Decrease)	2,600

Safety Program	\$	1,300
EAAP	\$	1,300
TOTAL:	\$	2,600

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 15/16 Requested Budget	1,200
FY 14/15 Estimated Actual	1,016
Increase (Decrease)	184

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards, kitchen supplies, etc.

FY 15/16 Requested Budget	1,200
FY 14/15 Estimated Actual	1,328
Increase (Decrease)	(128)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director as well as travel expenses for winter maintenance.

FY 15/16 Requested Budget	11,000
FY 14/15 Estimated Actual	9,892
Increase (Decrease)	1,108

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 15/16 Requested Budget	150
FY 14/15 Estimated Actual	-
Increase (Decrease)	150

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues and memberships in required areas.

FY 15/16 Requested Budget	1,850
FY 14/15 Estimated Actual	2,149
Increase (Decrease)	(299)

- DPH Licenses
- NACE Certifications
- Backflow Certification
- Safety Certification

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 15/16 Requested Budget	500
FY 14/15 Estimated Actual	767
Increase (Decrease)	(267)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

Description: Funds for training Distribution Department staff.
Does not include educational reimbursement.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	5,000
Increase (Decrease)	-

\$ 5,000 - \$500 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

Description: Funds for public relations materials
for the Distribution Department including open position advertising.

FY 15/16 Requested Budget	500
FY 14/15 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses
for the Distribution Department.

FY 15/16 Requested Budget	600
FY 14/15 Estimated Actual	382
Increase (Decrease)	218

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: \$ 50,000 Environmental Services, Required by Reg Agency
10,000 Cathodic protection
3,200 Emergency generator and forklift service
10,000 Switch Gear, Transformer oil analysis
2,375 Fire extinguisher and SCBA inspections
1,000 Crane inspections
4,000 Security
\$ 80,575 TOTAL

FY 15/16 Requested Budget	80,575
FY 14/15 Estimated Actual	53,432
Increase (Decrease)	27,143

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	4,951
Increase (Decrease)	(4,951)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 15/16 Requested Budget	10,000
FY 14/15 Estimated Actual	6,884
Increase (Decrease)	3,116

\$	6,000	SCADA Support
	3,000	GIS Support
	1,000	General Services
\$	10,000	TOTAL

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the Distribution Department.

FY 15/16 Requested Budget	3,800
FY 14/15 Estimated Actual	3,564
Increase (Decrease)	236

	1,500	Low Threat Discharge Permit
	1,300	Diesel Permit
	1,000	SYPP, Tank 7 and 5 Business Plan
\$	3,800	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

Description: Funds for employer provided uniforms including reimbursement of uniform expenses to employees.

FY 15/16 Requested Budget	6,747
FY 14/15 Estimated Actual	4,263
Increase (Decrease)	2,484

\$	3,402	Uniform Service (\$284 month)
\$	1,350	Blue jean pants (\$150/year employee allowance)
\$	1,575	Boots (\$175/year employee allowance)
\$	420	Misc. uniform requirements (jackets, etc.)
\$	6,747	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

Description: Funds for the purchase of minor tools and equipment.

FY 15/16 Requested Budget	5,000
FY 14/15 Estimated Actual	5,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

FY 15/16 Requested Budget	1,000
FY 14/15 Estimated Actual	860
Increase (Decrease)	140

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 15/16 Requested Budget	-
FY 14/15 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 15/16 Requested Budget	10,000
FY 14/15 Estimated Actual	9,782
Increase (Decrease)	218

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 15/16 Requested Budget	7,000
FY 14/15 Estimated Actual	3,891
Increase (Decrease)	3,110

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for Distribution Department vehicles. Does not include mileage reimbursement expenses.

FY 15/16 Requested Budget	65,000
FY 14/15 Estimated Actual	58,194
Increase (Decrease)	6,805

\$	57,697	Vehicles
\$	1,900	Emergency Generator Sets
\$	3,503	Lubricants
\$	1,900	Miscellaneous
\$	65,000	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

Description: Funds for reseeding, replanting and erosion control supplies.

FY 15/16 Requested Budget	8,000
FY 14/15 Estimated Actual	6,163
Increase (Decrease)	1,837

\$	1,000	Seed
	1,000	Plants and materials
	6,000	Erosion control
\$	8,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 15/16 Requested Budget	500
FY 14/15 Estimated Actual	114
Increase (Decrease)	386

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

FY 15/16 Requested Budget	42,500
FY 14/15 Estimated Actual	36,844
Increase (Decrease)	5,656

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles. Increased to allow for aging vehicles approaching 100,000 miles.

FY 15/16 Requested Budget	15,000
FY 14/15 Estimated Actual	14,292
Increase (Decrease)	708

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

FY 15/16 Requested Budget	9,700
FY 14/15 Estimated Actual	9,303
Increase (Decrease)	397

\$	3,500	Janitorial Service
	1,700	Pest Control
	4,500	HVAC, includes quarterly inspection
\$	9,700	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 15/16 Requested Budget	4,000
FY 14/15 Estimated Actual	2,508
Increase (Decrease)	1,492

\$	3,300	SYPF (\$275 month avg)
\$	700	SYPF spring mowing
\$	4,000	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 15/16 Requested Budget	940
FY 14/15 Estimated Actual	188
Increase (Decrease)	752

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 15/16 Requested Budget	43,194
FY 14/15 Estimated Actual	39,289
Increase (Decrease)	3,905

\$	16,815	Suite B & C	\$1,401 month
	676	2 ISO vaults	\$56 month
	4,289	2 Tanks	\$357 month
	2,741	11 Rectifiers	\$228 month
	3,280	EDV	\$273 month
	15,392	SYPF	\$1,283 month
\$	43,194	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 15/16 Requested Budget	995,090
FY 14/15 Estimated Actual	938,298
Increase (Decrease)	56,792

Acre feet pumped	12,277
Cost per acre foot	\$81.05
TOTAL	\$995,090

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to
the Distribution Department.

FY 15/16 Requested Budget	2,000
FY 14/15 Estimated Actual	1,782
Increase (Decrease)	218

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for Distribution Department phones including
long distance and cellular phone bills.

FY 15/16 Requested Budget	6,500
FY 14/15 Estimated Actual	5,097
Increase (Decrease)	1,403

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of
hazardous waste (waste oil) for the Distribution Department.

FY 15/16 Requested Budget	2,900
FY 14/15 Estimated Actual	2,336
Increase (Decrease)	564

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 15/16 Requested Budget	46,922
FY 14/15 Estimated Actual	47,346
Increase (Decrease)	(424)

\$	21,839	Property and Auto Insurance as apportioned by JPIA.
\$	25,083	General liability and E&O insurance pro rated by salary percentages.
\$	46,922	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy (see detailed breakout in this section of the budget).

FY 15/16 Requested Budget	154,427
FY 14/15 Estimated Actual	42,329
Increase (Decrease)	112,098

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 15/16 Requested Budget	10,000
FY 14/15 Estimated Actual	8,745
Increase (Decrease)	1,255

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 15/16 Requested Budget	7,000
FY 14/15 Estimated Actual	6,500
Increase (Decrease)	500

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2015/16 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

Description: Funds for computer expenses including minor software and equipment purchases, and service contracts.

FY 15/16 Requested Budget	49,101
FY 14/15 Estimated Actual	56,706
Increase (Decrease)	(7,605)

\$	41,265	CompuVision, Annual Service Agreements, and Software Subscriptions
\$	7,836	Software, New Computers, DSL Allowance and other computer services.
\$	49,101	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding variable electric costs.

FY 15/16 Requested Budget	42,636
FY 14/15 Estimated Actual	91,172
Increase (Decrease)	(48,536)



Tank 2 Inspection silt removal system

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2015/16 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2015/16 is \$738,141.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. Currently, for FY 2014/15, it is not yet known if funds will need to be carried over into FY 2015/16 from FY 2014/15.

Funding of Capital Improvements Expenditures

The FY 2015/16 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2015/16 capital improvements by department and financial reach.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2015/16 Budget

FY 2015/16 Capital Improvements					
Capital Improvements	Specific		Water Treatment		Total
	Financial Reach	Administration	Plant	Distribution	
Phase 4 ABB Meter Replacement Program.	WTP		68,040		68,040
Backwash Water Pump Motor Rebuild	WTP		30,051		30,051
Sludge Collection System Repair	WTP		45,360		45,360
Chlorination Piping and Eductor Refurbishment	WTP		39,123		39,123
Filter Effluent Pipe to Contact Basin Connection Repair	WTP		47,250		47,250
Filter Air Scour Valve Actuator replacement	WTP		36,515		36,515
SYPP Pump and Motor Rebuild Project	SYII			59,325	59,325
Santa Ynez Pumping Plant Surge Tank Pedestal Repair	SYII			84,000	84,000
Administrative Office Emergency Power Enhancement.	ADM/ALL	8,663		8,663	17,325
Pipeline Encasement on Thompson Road, Nipomo	ALL			80,194	80,194
New Vcenter Server - replace current Manager	ADM/ALL/WTP	4,900	4,900	4,900	14,700
New Physical Domain Controller	ADM/ALL/WTP	5,775	5,775	5,775	17,325
ESXVMWare Host Addition	ADM	15,225			15,225
Computerized Maintenance Management System	ALL/WTP		12,474	12,474	24,948
Distribution Supervisor Truck - Replace D057	ALL			34,020	34,020
Regulatory Specialist Truck - Replace D-016	ALL			34,020	34,020
Distribution Truck - Replace D067 O&M Crew	ALL			34,020	34,020
Distribution Sample Truck - Replace D070	ALL			28,350	28,350
Deputy Director Vehicle - Replace D068 Sedan	ALL			28,350	28,350
Total:			\$ 34,563	\$ 289,488	\$ 414,090
				\$ 738,141	

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2015/16 Budget

State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

Description:	Phase 4 ABB Meter Replacement Program
Department:	Water Treatment Plant
Expanded Description	ABB changed the basic design of their mag-meters and have stopped manufacturing the older models. The replacement plan for CCWA's 40 mag-meters includes four phases over four years. Phase 1 included purchase of spare parts for repair work and the first round of meter replacement. Phase 2 will consist of replacing 20 meters. Phase 3 will consist of replacing the remaining 19 meters. All of the old meters will serve as replacement parts. This is the fourth and last phase, which includes replacing the large 42 inch diameter.
Estimated Charge - Material	\$60,000
Tax (8%)	\$4,800
Contingency (5%)	\$3,240
Subtotal without CCWA Labor	\$68,040
CCWA Labor	\$7,831
Total Cost	\$75,871
Operating Budget Impact:	The CCWA operation requires the use of highly accurate flow meters for measuring chemical dosage rates and water deliveries. The electromagnetic flow meters in use have proven to be a highly reliable, precise and accurate. CCWA has maintained an inventory of spare parts to ensure that the older meters can remain operational until they are ultimately replaced in FY 15/16. The cost of total replacement of all meters has been spread out over time, as opposed to one large project to replace all meters at once. This has allowed staff to effectively schedule the replacement work at a reasonable rate, while balancing with other work load demands.

Central Coast Water Authority
 Capital Improvements
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Description:	Backwash Water Pump Motor Rebuild, Control Valves and Associated Actuators Replacement
Department:	Water Treatment Plant
Expanded Description	This project is a continuation of the Backwash Water Pump Rebuild Project. The associated electric motor will be rebuilt by an outside vender. In addition, the pump's control valves and associated actuators, which are at the end of their service life, will be replaced.
Estimated Charge – Vender	\$26,500
Tax (8%)	\$2,120
Contingency (5%)	\$1,431
Subtotal without CCWA Labor	\$30,051
CCWA Labor	\$3,532
Total Cost	\$33,583
Operating Budget Impact:	The Backwash Water Pump is responsible for pumping treated water to an elevated storage tank at the Water Treatment Plant. This tank provides the source of water supply for the Plant's potable water and utility water distribution systems. Both of these distribution systems are integral to the ongoing operation of the Water Treatment Plant. The utility water distribution system is used to backwash filters, provide carrier water for chemical dosing and to provide fire suppression. An unplanned failure of the Backwash Water Pump would significantly impact ongoing operations. This would result in an emergency repair of the pump and an emergency project to install temporary measures to pump treated water to the elevated tank. The cost to proactively rebuild the pump before failure is much more cost effective than unplanned emergency projects.

Central Coast Water Authority
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 Fiscal Year 2015/16 Budget

Description:	Sludge Collection System Repair
Department:	Water Treatment Plant
Expanded Description	A critical component of the sedimentation basin is the sludge removal system. The existing system is a chain and flight assembly that gently scrapes the floor of the sedimentation basin and directs the settled sludge to a collection trench for subsequent removal. This system has been in place since original construction and, based on inspections by the original manufacture and CCWA staff, the drive sprockets and bushing components of the system will require replacement for each basin. This will be the third phase of a three phase project.
Estimated Charge – Material	\$40,000
Tax (8%)	\$3,200
Contingency (5%)	<u>\$2,160</u>
Subtotal without CCWA Labor	\$45,360
CCWA Labor	\$7,568
Total Cost	\$52,928
Operating Budget Impact:	The sedimentation process of the treatment plant relies on the effective removal of accumulated sludge on the bottom of the sedimentation basin. If the settled sludge is not efficiently removed, the production rate of the treatment plant will be impacted and may cease altogether in the extreme case. CCWA’s mission is to provide a reliable water supply. Therefore, replacement of this component before failure is mission critical. A planned replacement program will avoid the higher costs of an emergency repair and the negative impact on delivery of water to project participants.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2015/16 Budget

Description:	Chlorination Piping and Eductor Refurbishment
Department:	Water Treatment Plant
Expanded Description	The existing chlorinators and associated equipment has been in service over ten years and is approaching the end of its service life. The project will replace the aging equipment with equipment meeting current standards.
Estimated Charge – Material	\$34,500
Tax (8%)	\$2,760
Contingency (5%)	\$1,863
Subtotal without CCWA Labor	\$39,123
CCWA Labor	\$3,214
Total Cost	\$42,337
Operating Budget Impact:	The economics and effectiveness of using chlorine gas is quite considerable. The current cost of chlorine gas for CCWA is \$600/ton and the current cost of 12.5% sodium hypochlorite for CCWA is \$1.98/gallon, which translates to \$3,168/ton. This indicates that chlorine gas is approximately 1/5 the cost of sodium hypochlorite solution. Considering that CCWA uses up to one ton of chlorine gas per day, the savings are significant. Consequently, the proactive maintenance of the chlorination system is justified from both a cost effectiveness basis as well as from a safety perspective.

Description:	Combine Filter Effluent Pipe to Chlorine Contact Basin Connection Repair
Department:	Water Treatment Plant
Expanded Description	A separation was identified at the flexible pipe joint linking the combined filter effluent pipe to the Chlorine Contact Basin. The separation was repaired through placement of mortar within the separation. In FY 14/15, a consulting engineer was retained to develop a design for the permanent repair. This project proposes to implement the recommended repair.
Estimated Charge – Contractor	\$45,000
Contingency (5%)	\$2,250
Subtotal without CCWA Labor	\$47,250
CCWA Labor	\$1,584
Total Cost	\$48,834
Operating Budget Impact:	Although the joint separation has been temporarily repaired, it is anticipated that the repair will eventually fail and result in leakage of water from the Chlorine Contact Basin. A permanent repair will avoid the loss of water from leakage and also save the associated treatment and conveyance costs of water that would have leaked. To avoid water loss and unplanned interruption of water delivery operations, this project will be implemented during the annually scheduled winter shutdown.

Central Coast Water Authority
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	Filter Air Scour Valve Actuator Replacement
Department:	Water Treatment Plant
Expanded Description	<p>At the heart of the water treatment plant is the filter operation. The filters serve as the final treatment process that will remove contaminants from the water before the water is disinfected and delivered to Participants. It is important to clean the filters routinely and effectively, as this will avoid contaminant from breaking through the filters. One part of the filter cleaning is to agitate the filter media with an air scour process, which involves passing compressed air through the filter media. The flow of compressed air is controlled through valves with a mechanical actuator.</p> <p>Since the existing air scour valve actuators of the WTP's filters are beginning to fail and are at the end of their service life, this project will replace the existing actuators with new ones.</p>
Estimated Charge - Vender	\$32,200
Tax (8%)	\$2,576
Contingency (5%)	<u>\$1,739</u>
Subtotal without CCWA Labor	\$36,515
Labor and overhead	\$7,090
Total Cost	\$43,605
Operating Budget Impact:	Failure to adequately clean the filters at the Water Treatment Plant will ultimately lead to contaminants breaking through the filters. This will be a violation of the Water Treatment Plants' permit conditions as well as Surface Water Treatment Rule.

Description:	Santa Ynez Pumping Plant Pump and Motor Refurbishment
Department:	SYII
Expanded Description	<p>This project is part of an ongoing preventative maintenance program for the Santa Ynez Pumping Plant. In FY 14/15, following the failure of Pump #2, two pumps and motors were rebuilt. This project will rebuild the remaining pumps and associated motors. In addition, electrical disconnects will be installed on the motors to facilitate safe pump/motor efficiency testing.</p>
Estimated Charge – Vender	\$56,500
Contingency (5%)	<u>\$2,825</u>
Subtotal without CCWA Labor	\$59,325
CCWA Labor	\$4,919
Total Cost	\$64,244
Operating Budget Impact:	<p>According to the pump manufacturer, the pumps have an expected life span of 15 years, but can range up to 25 years before refurbishment is required. The existing pumps have been in place since late 1997, or 17 years. Through refurbishing these pumps and motors in FY 15/16, catastrophic failure of the pumps, motors and related equipment can be avoided. This ensures cost effective operations of the pumping systems as well as facilitate uninterrupted operation.</p>

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 Fiscal Year 2015/16 Budget

Description:	Santa Ynez Pumping Plant Surge Tank Pedestal Investigation
Department:	Distribution – Reach SYII
Expanded Description	The pedestal supporting the surge tank at the Santa Ynez Pumping Plant has become deteriorated, with deep cracks near the edges of the pedestal. In FY 14/15, an engineering consultant was retained to design an appropriate repair. This project is to implement the recommended repair of the pedestal.
Estimated Charge – Contractor	\$80,000
Contingency (5%)	<u>\$4,000</u>
Subtotal without CCWA Labor	\$84,000
CCWA Labor	\$9,598
Total Cost	\$93,598
Operating Budget Impact:	The surge tank at the Santa Ynez Pumping Plant is an important hydraulic control for the pumping operation. It provides a mechanism to attenuate the occurrence of pressure transients within the pipeline between the pumping plant and Bradbury Dam. Pressure transients have the potential of causing significant damage to the pipeline if they are not mitigated through the use of a surge tank. If the concrete pedestal upon which the surge tank is mounted fails, the surge tank will need to be isolated to control any leakage and repaired. The cost of repairing the surge tank pedestal is much less than costs for repairing a damaged surge tank and any damage to the pipeline arising from an unmitigated pressure transient.

Description:	Buellton Administrative Office Emergency Power Enhancement
Department:	Admin, Distribution All
Expanded Description	The current emergency electrical generator providing service to the Administrative Office is not of sufficient size to service all electrical circuits of the office. Of particular concern is the circuit linked to the air conditioning units for the Server Rooms. The Server Rooms require constant temperature control to protect the heat sensitive equipment. This project will be designed to eliminate this deficiency.
Estimated Charge - Contractor	\$16,500
Contingency (5%)	<u>\$825</u>
Subtotal without CCWA Labor	\$17,325
Total Cost	\$17,325
Operating Budget Impact:	Through expanding the coverage of the emergency electrical generator at the Buellton Administrative Offices, the heat sensitive server rooms will be protected during a utility power outage. The emergency electrical generator will provide power to the server room air conditioning units. Although there is a daily remote data back-up of all CCWA data on the network, implementing a data recovery operation as a result of a preventable power failure will require time and effort by CCWA staff and the CCWA consulting network engineer. This project serves to prevent failure of the servers arising from over-heating during a utility power outage.

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Description:	Pipeline Encasement on Thompson Road, Nipomo
Department:	Distribution - All
Expanded Description	<p>The pipeline and fiber optic cable passes under Thompson Road in Nipomo California. For the majority of the pipeline, easements were secured to establish the right to construct the pipeline facilities through a given parcel of land. However, for the road crossings in San Luis Obispo County, the County did not provide an easement through their Right-of-Way (ROW). Rather, the County issued DWR/CCWA an encroachment permit for the construction of the pipeline facilities in the County's ROW. Consequently, the County has senior rights to CCWA/DWR with regards to future improvements within their ROW.</p> <p>The County of San Luis Obispo is currently planning to construct a bus stop over the CCWA/DWR pipeline. To protect the structural integrity of the pipeline from the new Bus Stop operation, the pipeline will need to be encased with steel reinforced concrete. As required by the Encroachment Permit, CCWA/DWR will bear the expense of the encasement.</p> <p>This project includes the design and construction of the portion of the pipeline directly underlying the proposed Bus Stop. The length of the section of pipeline to be encased is 50 feet.</p>
Estimated Charge - Engineer	\$15,275
Estimated Charge - Contractor	\$61,100
Contingency (5%)	<u>\$3,819</u>
Subtotal without CCWA Labor	\$80,194
Labor and overhead	\$6,253
Total Cost	\$86,447
Operating Budget Impact:	<p>This section of pipeline is located within the Santa Maria Valley with pressures in the 300 psi range. Should the pipeline get damaged and leak, significant volume of water would be released at a rapid rate. Through implementing this protective measure, the costs to respond to a catastrophic event are avoided.</p>

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Description:	New Vcenter Server - to replace current Manager
Department:	Administration, Distribution, Water Treatment Plant
Expanded Description	The Manager Server is a physical server that allows the CCWA network to access, monitor, configure and troubleshoot issues with all of the existing VMware virtual servers. If the virtual server hardware failed, the new Vcenter Server will allow for emergency access to the virtual server, since it is a separate physical server unit. The current Manager Server is over five years old and past its expected service life.
Estimated Charge – Contractor	\$14,000
Contingency (5%)	\$700
Subtotal without CCWA Labor	\$14,700
CCWA Labor	\$1,866
Total Cost	\$16,566
Operating Budget Impact:	The CCWA network provides critical information technology services for administration and operations. Accordingly, it is important to be able to respond to a physical breakdown of hardware to recover important operational data. Through the use of a separate Manager Server, the virtual servers of the CCWA network can be accessed in an emergency to troubleshoot the malfunction and to collect critical data. This will avoid an interruption of operations and also avoid efforts to reconstruct any data lost due to the malfunction.

Description:	New Physical Domain Controller
Department:	Administration, Distribution, Water Treatment Plant
Expanded Description	The Physical Domain Controller is a separate physical server that manages employee login credentials into the CCWA Domain. This server is separate from the CCWA virtual servers and controls login security and access to the CWA Domain. The existing Domain Controller is past its expected service life.
Estimated Charge – contractor	\$16,500
Contingency (5%)	\$825
Subtotal without CCWA Labor	\$17,325
CCWA Labor	\$1,866
Total Cost	\$19,191
Operating Budget Impact:	Information security within the CCWA network is vital. The network contains sensitive personal data of employees as well as critical operational data. Access to the CCWA network must be secured to protect CCWA employees from identity theft as well as to protect the operations from cyber attacks. Ensuring that the Domain Controller is fully functional is critical to CCWA's commitment to maintaining the integrity of the confidential data housed within the CCWA network.

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Description:	ESX VMWare Host Addition
Department:	Administration, Distribution, Water Treatment Plant
Expanded Description	The ESX VMware Host is a necessary component of virtual server architecture. The current virtual server hardware is operating at its maximum capacity with no room for grow. The existing system currently has two Hosts and one Storage Area Network (SAN) device. Through adding this virtual Host, operational flexibility and room for expansion is provided.
Estimated Charge – Consultant	\$14,500
Contingency (5%)	<u>\$725</u>
Subtotal without CCWA Labor	\$15,225
CCWA Labor	\$1,866
Total Cost	\$17,091
Operating Budget Impact:	The CCWA network provides critical information technology services for the CCWA administration and operations departments. Accordingly, it is important to be able to respond to growing needs for the organization as they arise. The use of virtual servers has greatly enhanced the efficiency of server utilization. An expansion of the virtual server architecture is a fraction of the cost of the traditional physical stand alone server architecture.

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Description:	Computerized Maintenance Management System
Department:	Distribution- All, Water Treatment Plant
Expanded Description	The current Computerized Maintenance Management System utilized by CCWA staff has been problematic. The software issues encountered by CCWA staff are not being adequately addressed by the software developer. This arises from the fact the software developer is understaffed and the resolution of the issue may be beyond the capability of the developer. This project is to replace the existing CMMS with a more modern and robust software program with demonstration effectiveness in the water industry.
Estimated Charge – Materials	\$22,000
Tax (8%)	\$1,760
Contingency (5%)	\$1,188
Subtotal without CCWA Labor	\$24,948
CCWA Labor	\$7,761
Total Cost	\$32,709
Operating Budget Impact:	<p>A functional and effective CMMS is vital to scheduling and tracking the routine preventative maintenance task and work order requests. It is important to ensure that required maintenance work is completed on time and that staff repair requests, particularly for safety issues, are documented and promptly reported to management.</p> <p>In addition, a CMMS is an excellent management tool in that it provides a way to evaluate staffing levels, optimal routing of staff to remote locations, equipment life, as well as being utilized in developing a capital improvement program.</p>

Description:	Distribution Supervisor Truck - Replace D057 Truck
Department:	Distribution –All
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 135,000 at start of FY 15/16
Estimated Charge – Materials	\$30,000
Tax (8%)	\$2,400
Contingency (5%)	\$1,620
Subtotal without CCWA Labor	\$34,020
CCWA Labor	\$311
Total Cost	\$34,331
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and has a variety of appearances and facilities that must be maintained and operated by CCWA’s licensed Distribution Operators. To ensure continuous reliable operations of the pipeline, this equipment must be routinely serviced, maintained and quickly repaired if issues arise. By providing a vehicle for the Distribution Supervisor, these tasks can be

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Description:	Regulatory Specialist Truck - Replace D016 Truck
Department:	Distribution – All
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 135,000 at start of FY 15/16
Estimated Charge – Materials	\$30,000
Tax (8%)	\$2,400
Contingency (5%)	\$1,620
Subtotal without CCWA Labor	\$34,020
CCWA Labor	\$311
Total Cost	\$34,331
Operating Budget Impact:	The CCWA operation includes a water treatment plant, pipeline and a pumping plant over an area spanning over 140 miles. The Regulatory Specialist conducts required environmental inspections and services throughout the CCWA System. In addition, the Regulatory Specialist manages the CCWA Safety Program, which requires mobilization to all major facilities within the CCWA system to provide required safety training, inspections and response to worker related injuries. Environmental and employee health and safety issues, if left unattended, can result in significant fines and significant response actions costs.

Description:	Distribution Truck - Replace D067 O&M Crew
Department:	Distribution -All
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 130,000 at start of FY 15/16
Estimated Charge – Materials	\$30,000
Tax (8%)	\$2,400
Contingency (5%)	\$1,620
Subtotal without CCWA Labor	\$34,020
CCWA Labor	\$311
Total Cost	\$34,331
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and has a variety of appearances and facilities that must be maintained and operated by CCWA’s licensed Distribution Operators. To ensure continuous reliable operations of the pipeline, this equipment must be routinely serviced, maintained and quickly repaired if issues arise. By providing a vehicle for the Distribution Crew, these tasks can be implemented in an efficient proactive manner.

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 Capital Improvements
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Description:	Distribution Sample Truck - Replace D070 Truck
Department:	Distribution - All
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 135,000 at start of FY 15/16
Estimated Charge – Materials	\$25,000
Tax (8%)	\$2,000
Contingency (5%)	<u>\$1,350</u>
Subtotal without CCWA Labor	\$28,350
CCWA Labor	\$311
Total Cost	\$28,661
Operating Budget Impact:	The CCWA pipeline delivers potable water through its entire 140 mile length. As required by regulation, CCWA staff must collect samples from each active Turnout and all Reservoirs for water quality analysis. In addition, samples are required to be collected at a prescribed frequency. Failure to collect the required samples could potentially lead to a Notice of Violation and potentially fines. Consequently, there is a need to provide reliable transportation for CCWA staff so that the required water quality samples can be collected for analysis.

Description:	Deputy Director Vehicle - Replace D068 Sedan
Department:	Distribution All
Expanded Description	CCWA has extended the replacement frequency to 150,000 miles for sedans. This vehicle will have approximately 165,000 at start of FY 15/16
Estimated Charge – Materials	\$25,000
Tax (8%)	\$2,000
Contingency (5%)	<u>\$1,350</u>
Subtotal without CCWA Labor	\$28,350
CCWA Labor	\$311
Total Cost	\$28,661
Operating Budget Impact:	The CCWA operation includes a water treatment plant, pipeline, administrative offices and a pumping plant over 140 miles area. The Deputy Director is responsible for the operation of all of these facilities. In addition, the Deputy Director reports to work at all locations on a rotating basis, although the primary work location is the Buellton Administrative office. Through being physically available to all CCWA staff, the operation is better managed for optimal cost control.

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Capital Improvements
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FORMAL CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT

CCWA is embarking on the development of its first formal Capital Improvement Program (CIP). As the various facilities and systems that are operated and maintained by CCWA age, there will be a need for projects to replace, refurbish and improve those facilities and systems. Not only will the number of these kinds of project increase but their magnitude in both costs and potential impact on operations will increase as well. In addition, the Board may find that the CCWA System can be improved or modified to provide additional benefits to CCWA Participants. Consequently, there is a need to carefully consider what specific projects are needed or desired by the Board and to plan and schedule their implementation. The project identification, planning, prioritization and scheduling steps are the basic steps of preparing a formal CIP.

Another important purpose of a formal CIP is that it provides a format in which to communicate to the Board a more comprehensive long range plan for the CCWA system operation and development. The current method for presenting projects to the Board is through the annual budgeting process. All projects are funded on a current year basis and are included in the agency's draft budget, which is submitted to the Board of Directors for approval. This process does not provide a full view of multi-year projects nor does it provide a definitive long term plan. In order to adequately communicate to the Board the current work of careful planning and prioritizing of projects, a formal CIP is needed.

During the first year of CIP development, the services of an experienced engineering consultant will be utilized to assist CCWA staff. As with all CIPs, the basic elements will include the following

- Identification of Projects. Since the purpose of the CIP is to communicate the long term development plans for the CCWA System, it is important to identify the size of the projects to bring to the Boards attention. For the purposes of initial evaluation, CCWA staff will use \$75,000 as the threshold level in which to include a project in the CIP. The Board may decide to increase or reduce this threshold level.

In terms of identifying projects, there are two kinds of projects: (1) projects identified through routine facility assessments and (2) projects that improve the CCWA system that provide additional benefits to CCWA Participants, such as expanding the water treatment plant for example.

- Identify Funding for Projects. For the CCWA operation, all funding of projects occurs through the annual budgeting process for the CCWA operation. However, for large projects, the Board may decide to direct staff to pursue grant funding opportunities. Since applying for grants is a project in itself and may require an extended timeframe to secure a grant, this may be the first step in developing a project.

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Capital Improvements
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- **Budgeting Project.** A formal CIP will allow the Board to fully consider the costs and schedule of a multi-year project. In addition, annual updates of the CIP will allow updates to project costs estimates and other important updates for the Board to consider. This will improve the current method of submitting projects on a current year budget basis only.
- **Implementing Projects.** A standard project management approach will be utilized in organizing and implementing projects. Every project will be described, in terms of cost and schedule, as a multi-phased project to include the phases shown below:
 - **Project initiation.** Once a project is identified, staff will need to prepare a description of the project as well as provide justification for the project. This is the very early stages of the project and is the basis for initial approval. If the project is approved, the next step will be implemented.
 - **Planning/Predesign.** For large projects, preliminary engineering is required to estimate the order of magnitude, scope, and cost of the project. Either staff or a consulting engineer can be utilized in developing these estimates. Following this step, the Board may want to provide additional review as to whether to approve the project for further development.
 - **Design.** Once a project has been approved by the Board, the project will be designed by a consulting engineering firm. If the design contract exceeds \$30,000, staff will request approval from the Board before awarding the contract, consistent with the CCWA Purchasing Policies. Generally, the design will be incorporated into a Request-For-Bids (RFB) document, using CCWA's standard contracts and front end specifications for public works projects.
 - **Construction Bid and Award.** Once the RFB is finalized, it will be advertised as required by public procurement regulations. The competitive bidding process will follow establish public works project protocol. Once bids have been publically opened, the Bids will be reviewed to determine if the contractor is responsible and if the Bid was responsive to Bid Documents. Once this process is completed, the lowest responsible and responsive Bid will be presented to the Board for consideration for contract award.
 - **Construction.** The construction phase will include the efforts of CCWA staff and engineering inspectors to closely monitor the progress of the construction to ensure adherence to the requirements

Central Coast Water Authority
Capital Improvements
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of the Contract Documents as well as identify potential changes to the work that may to CCWA's benefit. Staff will provide periodic updates to the Board and may also potentially request modifications of the work underway.

- Post Construction. This step is critical in terms of releasing the contractor from the project through verifying work was completed as required by the Contract Documents, all releases from future contractor and subcontractor claims have been secured and that as-built records are completed.

As an initial concept, CCWA staff prepared the following table to show the current thinking of the long term projects over a ten year planning horizon. As indicated earlier, CCWA staff proposes to utilize the services of an experience engineering consultant to assist with the development of a formal CIP. This process will likely include collaboration with participants to gain consensus with a long term plan for the CCWA System.

Conceptual Capital Improvement Program (Threshold = \$75,000)

Major Facilities	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Network											
Switch Replacement - 2 Yr	\$75,000										
SCADA Upgrade - 2Yr									\$350,000		
PLC Upgrade - 3 Yr	\$150,000										
Distribution General											
Air Vac Replacement - 3 Yr						\$75,000					
Pavement Overlays - 2 Yr				\$75,000							
Thompson Road Nipomo Encasement - 1 Yr		\$80,000									
Water Treatment Plant											
Powdered Activated Carbon System - 1 Yr			\$650,000								
West Slope Drainage Improvements - 1 Yr				\$150,000							
Sludge Collector System - 3 year											\$225,000
Lining of Chlorine Contact Basin - 1 Yr					\$450,000						
Lining of Filters - 4 Yr						\$920,000					
Filter Media Replacement - 4 Year											\$2,000,000
Clearwells/Backwash Structural Repair - 2 Yr			\$150,000								
Chlorine Scrubber - 1 Yr							\$150,000				
Clarifier Interior Recoating - 1 Yr		\$95,000									
Pavement Overlays - 1 Yr						\$75,000					
EDV											
Hydraulic Package Refurbishment - 1 Yr							\$75,000				
Tank 5											
Structural Repair - 1 Yr				\$175,000							
Tank 7											
Structural Repair - 1 Yr		\$90,000									
Santa Ynez Pumping Plant											
Surge Tank Pedestal - 1 Yr	\$85,000										
Pump/Motor Refurbishment - 1 Yr	\$75,000										
Bradbury Dam											
Permanent Bypass Piping System - 2 Yr					\$150,000						
Estimated Yearly Totals	\$247,500	\$352,500	\$775,000	\$362,500	\$562,500	\$405,000	\$480,000	\$255,000	\$405,000	\$175,000	\$575,000



Distribution crew repairing an Air & Vacuum valve on SYII line

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2015/16 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

Highlights

2006A Revenue Bond Principal and Interest Due \$ 11,504,725

- FY 2015/16 Principal Payment \$ 8,405,000
- FY 2015/16 Interest Payments \$ 3,099,725

- Bond Trustee Expenses \$ 2,000

Bond Payment Funding Sources \$ 11,504,725

- Fixed Assessments from Project Participants \$ 11,493,045
- Debt Service Account Interest Credits \$ 13,680

2006 Revenue Bond Information

- Principal Payment Date October 1st
- Interest Payment Dates October 1st and April 1st
- Outstanding Principal Balance (6-30-15) \$ 68,050,000
- True Interest Cost (TIC) 4.24%
- Final maturity date October 1, 2021

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CCWA Bond Debt
Fiscal Year 2015/16 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

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CCWA Bond Debt
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Series 2006 A Refunding Revenue Bonds

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated September 28, 2006 with interest payable on April 1 and principal and interest payable on October 1 of each year (see the "2006A Revenue Bond Debt Service Schedule" in this section).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2015/16 Budget

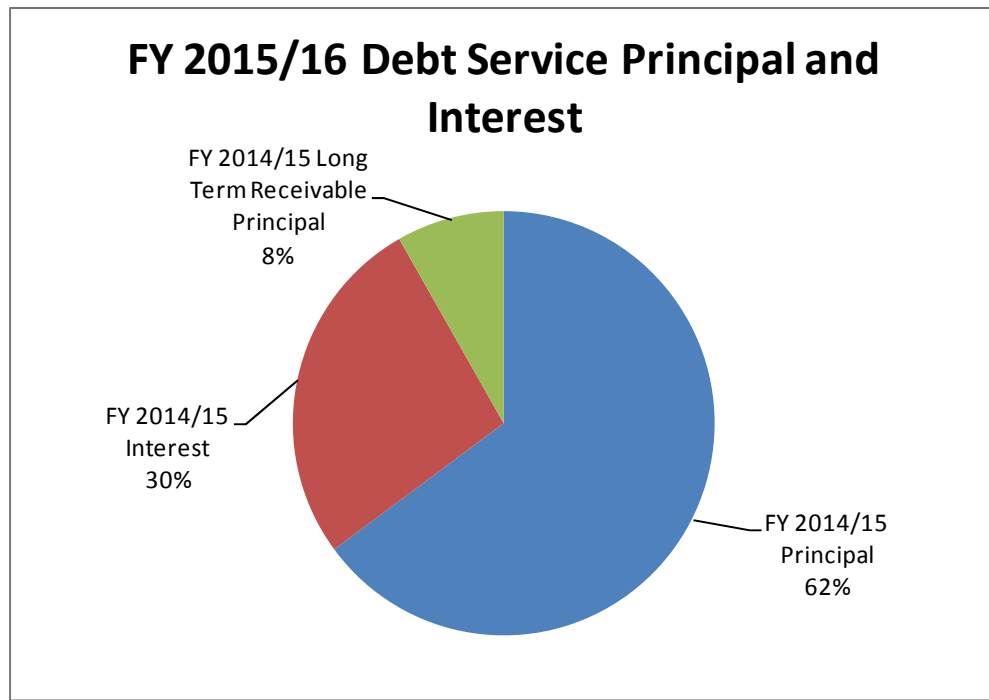
Fiscal Year 2015/16 Debt Service Budget

For FY 2015/16, total 2006A principal payments are \$8,405,000 and total interest due is \$3,099,725, totaling \$11,504,725. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

The following are adjustments to the CCWA 2006A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$13,680.

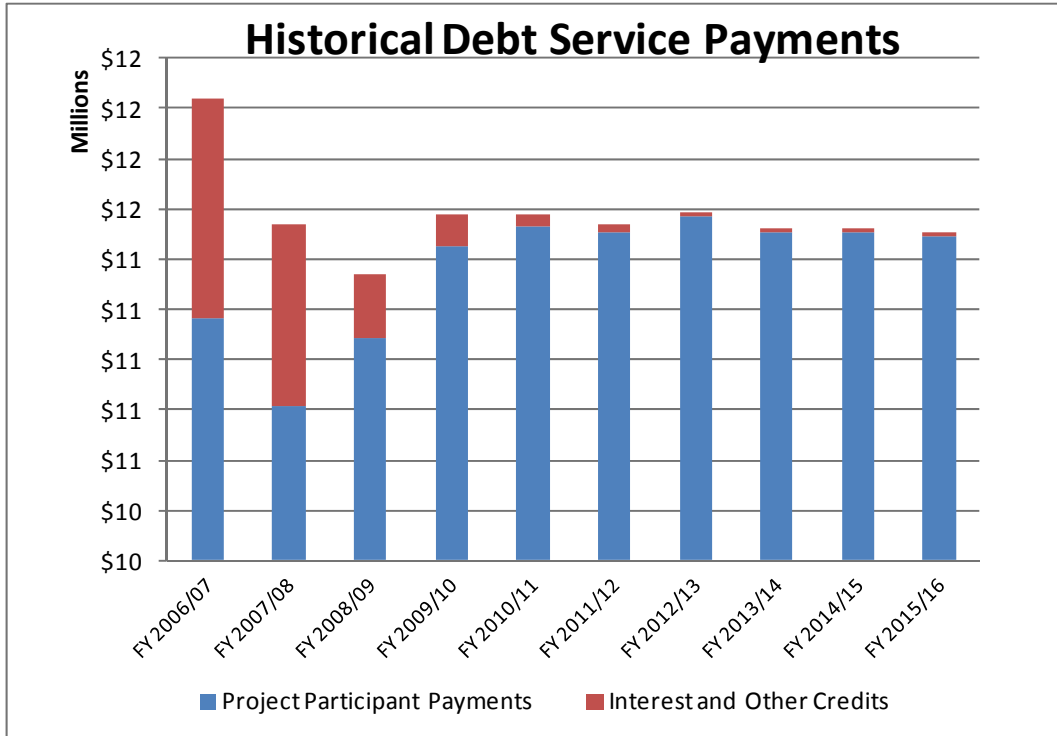
The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2015/16.



Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2015/16 Budget

Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority’s facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2006A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2015/16 and the portion of the FY 2015/16 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

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Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2015/16	FY 2015/16 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (23,831)	\$ (2,164)	\$ 15,354
California Men's Colony	915,568	(524,293)	(48,327)	342,948
County of SLO	976,433	(559,161)	(51,538)	365,734
Cuesta College	457,835	(262,176)	(24,166)	171,493
Morro Bay	7,036,800	(4,043,708)	(369,683)	2,623,409
Oceano	281,692	(162,350)	(14,740)	104,602
Pismo Beach	465,088	(268,048)	(24,337)	172,703
Shandon	33,276	(19,178)	(1,741)	12,356
Guadalupe	1,201,137	(692,262)	(62,852)	446,022
Buellton	195,505	(112,677)	(10,230)	72,598
Santa Ynez (Solvang)	479,456	(225,576)	(27,289)	226,591
Santa Ynez	159,819	(94,850)	(12,093)	52,876
Goleta	2,969,066	(1,711,189)	(155,363)	1,102,514
Morehart Land	12,390	(6,599)	(715)	5,076
La Cumbre	61,948	(32,992)	(3,576)	25,379
Raytheon	18,052	(10,404)	(945)	6,703
Santa Barbara	648,172	(373,567)	(33,917)	240,688
Montecito	934,625	(497,763)	(53,958)	382,904
Carpinteria	929,035	(535,439)	(48,614)	344,982
TOTAL:	\$ 17,817,245	\$ (10,156,065)	\$ (946,249)	\$ 6,714,931

Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2015/16 Budget

Financing Participant	Allocation Percentage	FY 2015/16	FY 2015/16	FY 2015/16	Trustee Expenses	Debt Service	FY 2015/16
		Series A (10/1/15) Principal Payment	Series A (10/1/15) Interest Payment	Series A (4/1/16) Interest Payment		Account Interest & Credits ⁽¹⁾	Total Payments
Avila Beach	0.11449%	\$ 9,623	\$ 1,895	\$ 1,654	\$ 2	\$ (16)	\$ 13,158
California Men's Colony	1.00140%	84,168	16,572	14,468	20	(138)	115,090
County of SLO	1.06675%	89,661	17,654	15,412	21	(147)	122,601
Cuesta College	0.50074%	42,087	8,287	7,235	10	(69)	57,550
Morro Bay	6.46135%	543,076	106,930	93,354	129	(890)	742,599
Oceano	0.83707%	70,356	13,853	12,094	17	(115)	96,204
Pismo Beach	1.38347%	116,281	22,895	19,988	28	(191)	159,002
Shandon	0.11336%	9,527	1,876	1,638	2	(16)	13,028
Guadalupe	1.42469%	119,745	23,578	20,584	28	(207)	163,728
Buellton	2.52375%	212,121	41,766	36,463	50	(390)	290,011
Santa Ynez (Solvang)	7.75040%	651,421	128,263	111,978	155	(1,066)	890,751
Santa Ynez	2.91069%	244,643	48,170	42,054	58	(400)	334,525
Goleta	24.42782%	2,053,158	404,262	352,933	489	(3,292)	2,807,550
Morehart Land	1.12175%	94,283	18,564	16,207	22	(166)	128,911
La Cumbre	5.37046%	451,388	88,877	77,592	107	(724)	617,241
Raytheon	0.23482%	19,736	3,886	3,393	5	(35)	26,984
Santa Barbara	15.01654%	1,262,140	248,512	216,959	300	(2,024)	1,725,889
Montecito	17.65001%	1,483,483	292,094	255,007	353	(2,444)	2,028,495
Carpinteria	10.09044%	848,101	166,989	145,787	202	(1,351)	1,159,728
TOTAL:	100.00000%	\$ 8,405,000	\$ 1,654,925	\$ 1,444,800	\$ 2,000	\$ (13,680)	\$ 11,493,045

(1) Represents interest on the financing participant debt service payments for FY 2014/15.

Central Coast Water Authority
 CCWA Bond Debt
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Central Coast Water Authority
Series 2006A Revenue Bond Debt Service Schedule
Dated September 28, 2006

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)	
4/1/2007			2,927,860	123,190,000	2,927,860	
10/1/2007	4.000%	5,895,000	2,879,863	117,295,000		
4/1/2008			2,761,963	117,295,000	11,536,825	
10/1/2008	4.000%	6,190,000	2,761,963	111,105,000		
4/1/2009			2,638,163	111,105,000	11,590,125	
10/1/2009	4.000%	6,430,000	2,638,163	104,675,000		
4/1/2010			2,509,563	104,675,000	11,577,725	
10/1/2010	4.000%	6,695,000	2,509,563	97,980,000		
4/1/2011			2,375,663	97,980,000	11,580,225	
10/1/2011	5.000%	6,960,000	2,375,663	91,020,000		
4/1/2012			2,201,663	91,020,000	11,537,325	
10/1/2012	4.00% - 4.50%	7,335,000	2,201,663	83,685,000		
4/1/2013			2,045,800	83,685,000	11,582,463	
10/1/2013	5.000%	7,625,000	2,045,800	76,060,000		
4/1/2014			1,855,175	76,060,000	11,525,975	
10/1/2014	5.000%	8,010,000	1,855,175	68,050,000		
4/1/2015			1,654,925	68,050,000	11,520,100	
10/1/2015	5.000%	8,405,000	1,654,925	59,645,000		
4/1/2016			1,444,800	59,645,000	11,504,725 FY 2015/16	
10/1/2016	5.000%	8,825,000	1,444,800	50,820,000		
4/1/2017			1,224,175	50,820,000	11,493,975	
10/1/2017	4.000%	9,265,000	1,224,175	41,555,000		
4/1/2018			1,038,875	41,555,000	11,528,050	
10/1/2018	5.000%	9,640,000	1,038,875	31,915,000		
4/1/2019			797,875	31,915,000	11,476,750	
10/1/2019	5.000%	10,125,000	797,875	21,790,000		
4/1/2020			544,750	21,790,000	11,467,625	
10/1/2020	5.000%	10,630,000	544,750	11,160,000		
4/1/2021			279,000	11,160,000	11,453,750	
10/1/2021	5.000%	11,160,000	279,000	-	11,439,000	
			\$ 123,190,000	\$ 52,552,498	\$ -	\$ 175,742,498



Air & Vacuum vault assessment on SYI line

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2015/16 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

<u>FY 2015/16 Total Reserve Balances</u>	\$10,073,972
• O&M Reserve Fund	\$ 2,000,000
• Rate Coverage Reserve Fund	\$ 8,073,972

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2015/16 Budget

This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2015/16 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	\$ 2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2015/16 Budget

Rate Coverage Reserve Fund

During its December 18, 1997 regular meeting, the Board of Directors also adopted the “Rate Coverage Reserve Fund” policy as follows:

Purpose: The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).

Contributions: Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor, which has elected to participate in the Rate Fund, shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor’s Contract Payments with respect to that year. A participating Contractor’s initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund’s creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty-days (60) of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.

Withdrawal: A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2015/16 Budget

Administration: Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

Use of Funds: Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2014. Participation in the fund for FY 2015/16 is not yet known. Prior to June 30, 2015, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2015/16.

FY 2014/15 Rate Coverage Reserve Fund

Project Participant	FY 2014/15 Deposit
City of Buellton	\$ 259,165
Carpinteria Valley Water District	818,430
City of Guadalupe	168,266
La Cumbre Mutual Water Company	392,252
Montecito Water District	1,090,893
City of Santa Maria	4,302,439
Santa Ynez, RWCD, I.D. #1 (Solvang)	607,914
Santa Ynez, RWCD, I.D. #1	419,255
County of San Luis Obispo (Shandon)	15,357
TOTAL:	\$ 8,073,972

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2015/16 Budget

Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

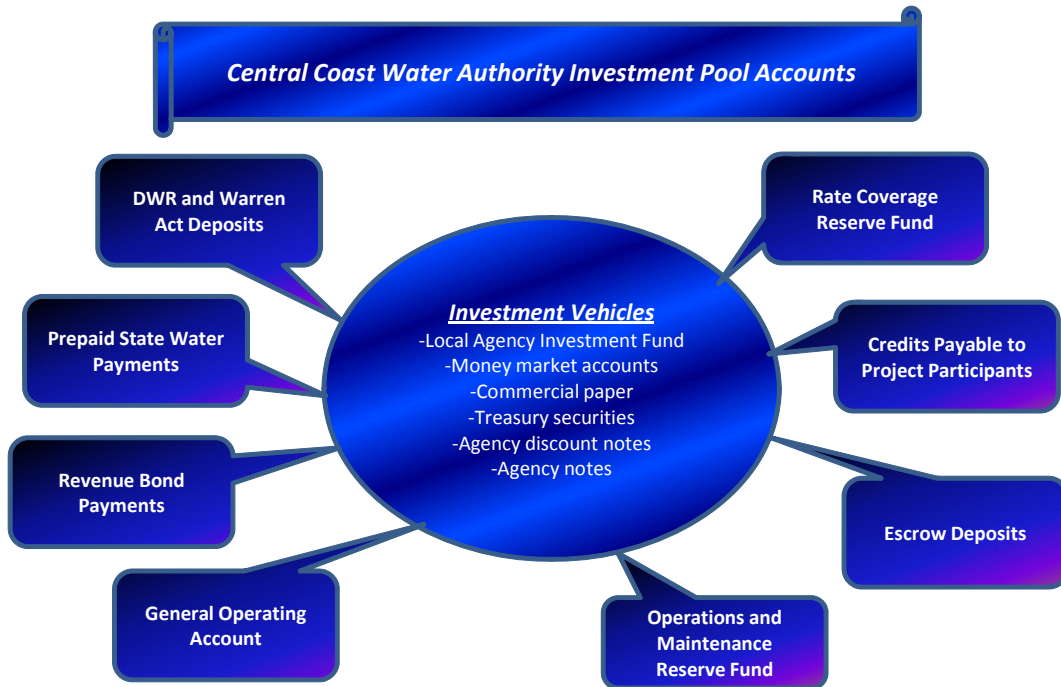
CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2015/16 Budget



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority
Reserves and Cash Management
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represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- DWR and Warren Act Deposits – funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- Escrow Deposits – deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- Credits payable to Project Participants– credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.



WTP sulfuric acid system piping replacement project

Ten Year Financial Plan

The Ten Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant for the next ten years.

Central Coast Water Authority
Ten Year Financial Plan
Fiscal Year 2015/16 Budget

The Ten Year Financial Plan shows the allocated share of the Authority's costs to each project participant for the next ten fiscal years beginning with the current budget year.

The Ten Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority's project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the "Budget Foreword" section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

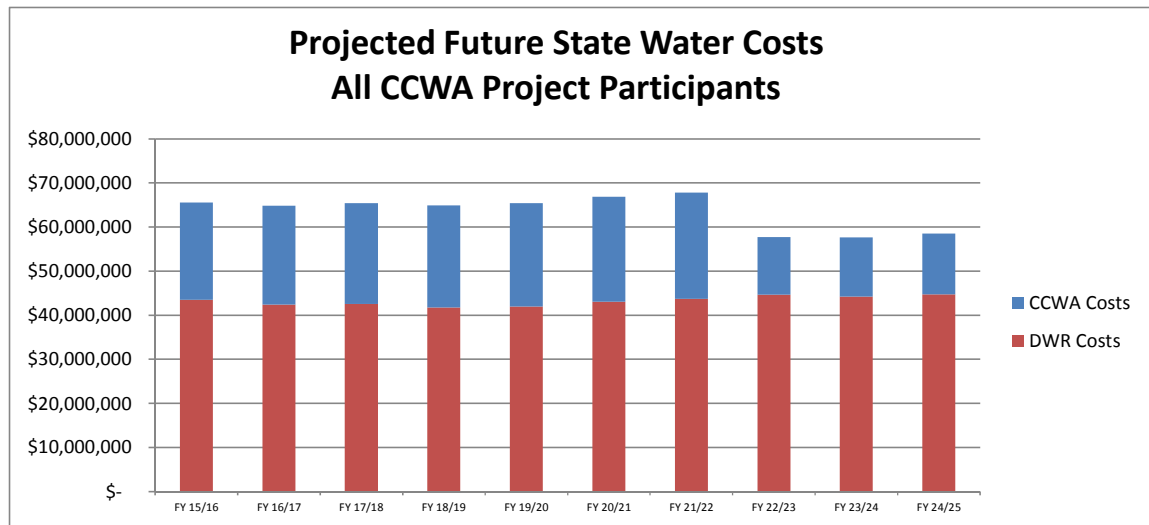
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	9,010	9,623	10,355	10,394	10,394	10,394	10,394	10,394	10,394	10,394
Table A Water Deliveries-2nd Quarter	6,648	6,780	6,969	6,990	6,990	6,990	6,990	6,990	6,990	6,990
Table A Water Deliveries-3rd Quarter	8,063	8,205	8,234	8,238	8,238	8,238	8,238	8,238	8,238	8,238
Table A Water Deliveries-4th Quarter	9,079	9,735	9,769	9,777	9,777	9,777	9,777	9,777	9,777	9,777
Total FY Table A Deliveries (<i>acre-feet</i>)	32,800	34,343	35,327	35,399	35,399	35,399	35,399	35,399	35,399	35,399
Exchange Deliveries-1st Quarter	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405
Exchange Deliveries-2nd Quarter	175	175	175	175	175	175	175	175	175	175
Exchange Deliveries-3rd Quarter	100	100	100	100	100	100	100	100	100	100
Exchange Deliveries-4th Quarter	900	900	900	900	900	900	900	900	900	900
Total FY Exchange Deliveries (<i>acre-feet</i>)	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 7,252,078	\$ 7,469,640	\$ 7,693,730	\$ 7,924,542	\$ 8,162,278	\$ 8,407,146	\$ 8,659,361	\$ 8,919,141	\$ 9,186,716	\$ 9,462,317
CCWA Variable O&M Costs ⁽²⁾	2,663,553	2,751,789	2,925,214	3,017,653	3,108,183	3,201,428	3,297,471	3,396,395	3,498,287	3,603,236
CCWA Revenue Bond Payments	11,388,564	11,468,975	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	712,072	705,658	746,756	747,916	747,916	747,916	747,916	747,916	747,916	747,916
Subtotal: CCWA Costs	22,016,268	22,396,063	22,868,750	23,141,861	23,461,002	23,785,241	24,118,748	13,063,453	13,432,919	13,813,469
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	19,155,010	19,009,795	18,968,216	18,879,001	18,844,612	18,836,230	18,830,667	18,826,556	18,823,998	18,821,137
Coastal Branch Extension	3,528,826	3,609,219	3,311,994	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549
Water System Revenue Bond Surcharge	1,735,988	1,750,072	1,710,898	1,430,454	1,684,697	1,470,328	1,518,367	1,440,828	1,466,432	1,400,285
Transportation Minimum OMP&R	10,589,967	9,652,873	9,665,876	9,762,534	9,860,159	9,958,760	10,058,348	10,158,931	10,260,521	10,363,126
Delta Water Charge	2,721,440	2,838,211	2,987,069	3,143,370	3,307,486	3,479,807	3,660,745	3,850,729	4,050,213	4,259,671
DWR Variable Costs	5,815,682	5,587,760	5,922,653	6,103,982	6,287,102	6,475,715	6,669,986	6,870,086	7,076,188	7,288,474
Subtotal: DWR Costs	\$ 43,546,914	\$ 42,447,930	\$ 42,566,706	\$ 41,782,667	\$ 42,012,030	\$ 43,125,787	\$ 43,731,931	\$ 44,697,106	\$ 44,248,086	\$ 44,749,241
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 65,563,182	\$ 64,843,993	\$ 65,435,456	\$ 64,924,528	\$ 65,473,031	\$ 66,911,027	\$ 67,850,678	\$ 57,760,559	\$ 57,681,005	\$ 58,562,710

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 56,371,875	\$ 55,798,786	\$ 55,840,832	\$ 55,054,977	\$ 55,329,831	\$ 56,485,968	\$ 57,135,305	\$ 46,746,162	\$ 46,358,613	\$ 46,923,084
April 1st Variable Payment ⁽⁴⁾	2,807,414	2,743,527	3,009,150	3,097,457	3,184,164	3,273,472	3,365,460	3,460,207	3,557,796	3,658,314
July 1st Variable Payment	1,815,254	1,635,938	1,771,375	1,822,123	1,872,279	1,923,941	1,977,152	2,031,959	2,088,410	2,146,556
October 1st Variable Payment	2,091,705	2,037,561	2,102,255	2,160,867	2,220,141	2,281,193	2,344,077	2,408,848	2,475,562	2,544,277
January 1st Variable Payment	2,476,934	2,628,181	2,711,844	2,789,105	2,866,616	2,946,453	3,028,685	3,113,383	3,200,623	3,290,480

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.



Central Coast Water Authority
City of Guadalupe
State Water Cost Ten-Year Projections
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Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Water Deliveries-1st Quarter	30	30	61	61	61	61	61	61	61	61
Water Deliveries-2nd Quarter	30	30	61	61	61	61	61	61	61	61
Water Deliveries-3rd Quarter	30	61	61	61	61	61	61	61	61	61
Water Deliveries-4th Quarter	30	61	61	61	61	61	61	61	61	61
Total FY Water Deliveries (acre-feet)	120	181	242	242	242	242	242	242	242	242

CCWA Variable Cost per AF Assumptions	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218

CCWA Costs	
CCWA Fixed O&M Costs ⁽²⁾	\$ 97,211 \$ 102,429 \$ 105,502 \$ 108,667 \$ 111,927 \$ 115,285 \$ 118,743 \$ 122,306 \$ 125,975 \$ 129,754
CCWA Variable O&M Costs ⁽²⁾	7,894 11,825 16,284 16,772 17,276 17,794 18,328 18,878 19,444 20,027
CCWA Bond Payments & O&M Credits	163,076 163,398 163,883 163,152 163,022 162,825 162,614 - - -
Subtotal: CCWA Costs	268,181 277,651 285,669 288,592 292,225 295,903 299,686 141,183 145,419 149,781

DWR Costs ⁽⁷⁾	
Transportation Capital	269,246 267,205 266,620 265,366 264,883 264,765 264,687 264,629 264,593 264,553
Coastal Branch Extension	- - - - - - - - - -
Water System Revenue Bond Surcharge	24,032 24,227 23,685 19,802 23,322 20,354 21,019 19,946 20,300 19,385
Transportation Minimum OMP&R	142,358 134,263 134,443 135,788 137,146 138,517 139,902 141,301 142,714 144,141
Delta Water Charge	36,204 37,750 39,730 41,809 43,992 46,284 48,691 51,218 53,871 56,657
DWR Variable Costs ⁽⁶⁾	8,651 31,134 42,875 44,161 45,486 46,851 48,256 49,704 51,195 52,731
Subtotal: DWR Costs	\$ 480,491 \$ 494,579 \$ 507,354 \$ 506,927 \$ 514,829 \$ 516,772 \$ 522,556 \$ 526,798 \$ 532,674 \$ 537,467

DWR Future Capital Projects (BDPC) ⁽⁵⁾

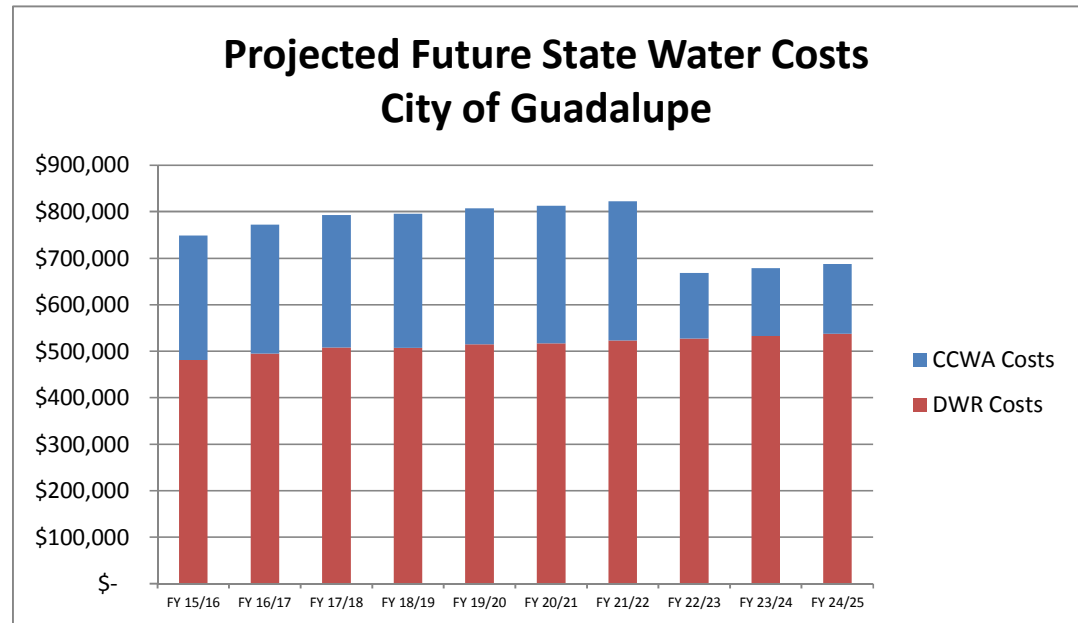
Total Projected State Water Costs	\$ 748,672 \$ 772,230 \$ 793,023 \$ 795,519 \$ 807,054 \$ 812,675 \$ 822,242 \$ 667,982 \$ 678,093 \$ 687,249
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Central Coast Water Authority
City of Guadalupe
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 732,127	\$ 729,272	\$ 733,864	\$ 734,585	\$ 744,292	\$ 748,030	\$ 755,657	\$ 599,400	\$ 607,454	\$ 614,490
April 1st Variable Payment ⁽⁴⁾	4,136	7,120	14,790	15,233	15,690	16,161	16,646	17,145	17,660	18,190
July 1st Variable Payment	4,136	7,120	14,790	15,233	15,690	16,161	16,646	17,145	17,660	18,190
October 1st Variable Payment	4,136	14,359	14,790	15,233	15,690	16,161	16,646	17,145	17,660	18,190
January 1st Variable Payment	4,136	14,359	14,790	15,233	15,690	16,161	16,646	17,145	17,660	18,190

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
City of Santa Maria
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Water Deliveries-1st Quarter	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146
Water Deliveries-2nd Quarter	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301
Water Deliveries-3rd Quarter	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352
Water Deliveries-4th Quarter	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522
Total FY Water Deliveries (acre-feet)	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321

CCWA Variable Cost per AF Assumptions	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218

CCWA Costs	
CCWA Fixed O&M Costs ⁽²⁾	\$ 2,837,871 \$ 3,159,350 \$ 3,254,130 \$ 3,351,754 \$ 3,452,307 \$ 3,555,876 \$ 3,662,552 \$ 3,772,429 \$ 3,885,602 \$ 4,002,170
CCWA Variable O&M Costs ⁽²⁾	810,497 804,921 829,069 853,941 879,559 905,946 933,124 961,118 989,952 1,019,650
CCWA Bond Payments & O&M Credits	(16,983) - - - - - - - - -
Subtotal: CCWA Costs	3,631,384 3,964,271 4,083,199 4,205,695 4,331,866 4,461,822 4,595,677 4,733,547 4,875,553 5,021,820

DWR Costs ⁽⁷⁾	
Transportation Capital	7,930,520 7,870,398 7,853,184 7,816,247 7,802,009 7,798,539 7,796,236 7,794,534 7,793,475 7,792,290
Coastal Branch Extension	769,190 786,714 721,927 536,940 442,044 633,201 652,573 773,801 560,352 570,338
Water System Revenue Bond Surcharge	707,851 713,594 697,620 583,269 686,937 599,528 619,116 587,499 597,939 570,968
Transportation Minimum OMP&R	4,335,331 3,954,642 3,959,969 3,999,568 4,039,564 4,079,959 4,120,759 4,161,966 4,203,586 4,245,622
Delta Water Charge	1,066,366 1,111,923 1,170,241 1,231,475 1,295,770 1,363,280 1,434,166 1,508,596 1,586,747 1,668,806
DWR Variable Costs ⁽⁶⁾	1,440,293 2,119,335 2,182,915 2,248,403 2,315,855 2,385,330 2,456,890 2,530,597 2,606,515 2,684,710
Subtotal: DWR Costs	\$ 16,249,551 \$ 16,556,605 \$ 16,585,856 \$ 16,415,901 \$ 16,582,180 \$ 16,859,838 \$ 17,079,740 \$ 17,356,993 \$ 17,348,614 \$ 17,532,735

DWR Future Capital Projects (BDCP) ⁽⁵⁾

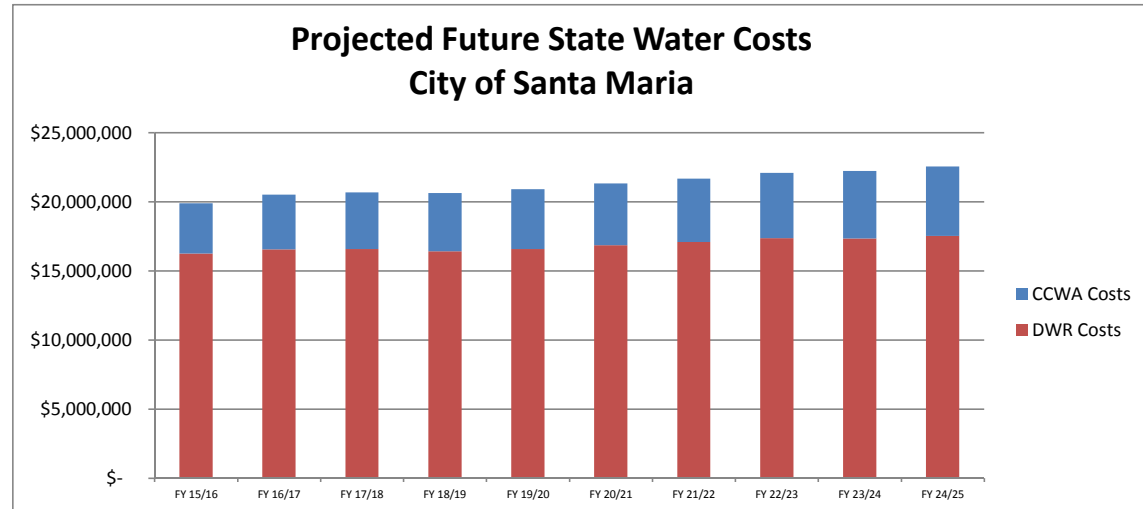
Total Projected State Water Costs	\$ 19,880,935 \$ 20,520,876 \$ 20,669,055 \$ 20,621,597 \$ 20,914,046 \$ 21,321,660 \$ 21,675,416 \$ 22,090,540 \$ 22,224,168 \$ 22,554,555
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Central Coast Water Authority
City of Santa Maria
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 17,630,145	\$ 17,596,620	\$ 17,657,071	\$ 17,519,253	\$ 17,718,631	\$ 18,030,383	\$ 18,285,401	\$ 18,598,825	\$ 18,627,701	\$ 18,850,194
April 1st Variable Payment ⁽⁴⁾	757,388	984,008	1,013,529	1,043,935	1,075,253	1,107,510	1,140,735	1,174,958	1,210,206	1,246,512
July 1st fixed Payment	420,345	546,118	562,501	579,376	596,757	614,660	633,100	652,093	671,656	691,805
October 1st Variable Payment	429,661	558,222	574,969	592,218	609,984	628,284	647,132	666,546	686,542	707,139
January 1st Variable Payment	643,396	835,909	860,986	886,816	913,420	940,823	969,047	998,119	1,028,062	1,058,904

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

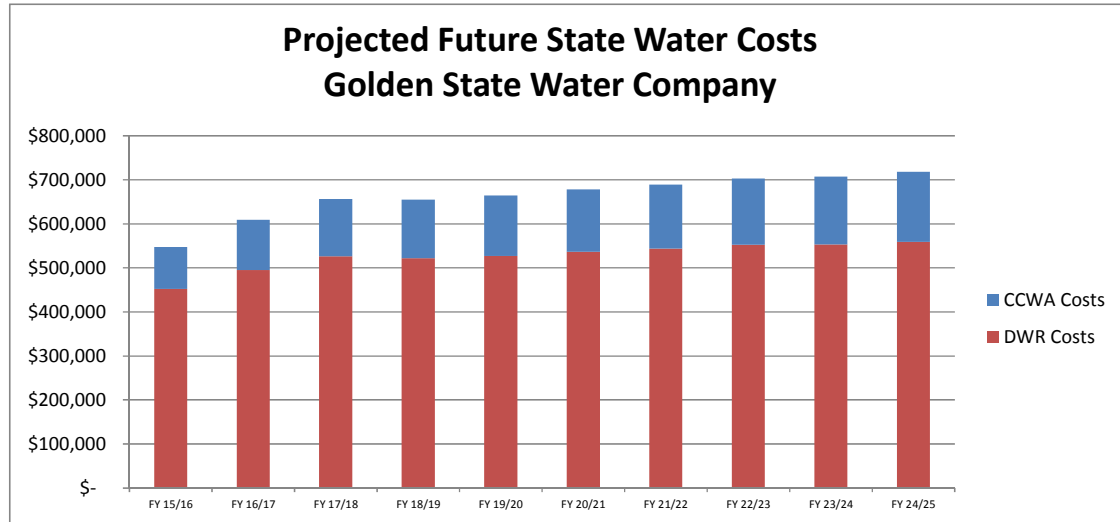
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Water Deliveries-1st Quarter	16	16	135	135	135	135	135	135	135	135
Water Deliveries-2nd Quarter	7	7	63	63	63	63	63	63	63	63
Water Deliveries-3rd Quarter	16	134	134	134	134	134	134	134	134	134
Water Deliveries-4th Quarter	16	131	131	131	131	131	131	131	131	131
Total FY Water Deliveries (acre-feet)	55	289	463	463	463	463	463	463	463	463
CCWA Variable Cost per AF Assumptions	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 91,728	\$ 95,535	\$ 98,401	\$ 101,353	\$ 104,393	\$ 107,525	\$ 110,751	\$ 114,074	\$ 117,496	\$ 121,021
CCWA Variable O&M Costs ⁽²⁾	3,618	18,849	31,155	32,089	33,052	34,044	35,065	36,117	37,201	38,317
CCWA Bond Payments & O&M Credits	(86)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	95,260	114,384	129,556	133,442	137,446	141,569	145,816	150,191	154,696	159,337
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	244,769	242,914	242,382	241,242	240,803	240,696	240,625	240,572	240,539	240,503
Coastal Branch Extension	23,740	24,281	22,282	16,572	13,643	19,543	20,141	23,883	17,295	17,603
Water System Revenue Bond Surcharge	21,847	22,024	21,531	18,002	21,202	18,504	19,109	18,133	18,455	17,622
Transportation Minimum OMP&R	129,416	122,057	122,221	123,443	124,678	125,925	127,184	128,456	129,740	131,038
Delta Water Charge	32,913	34,319	36,119	38,008	39,993	42,077	44,264	46,562	48,974	51,506
DWR Variable Costs ⁽⁶⁾	(669)	49,628	82,030	84,491	87,025	89,636	92,325	95,095	97,948	100,886
Subtotal: DWR Costs	\$ 452,017	\$ 495,223	\$ 526,565	\$ 521,759	\$ 527,344	\$ 536,380	\$ 543,648	\$ 552,700	\$ 552,951	\$ 559,159
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 547,277	\$ 609,607	\$ 656,121	\$ 655,202	\$ 664,790	\$ 677,949	\$ 689,464	\$ 702,890	\$ 707,647	\$ 718,496

Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
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<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	544,328	\$	541,130	\$	542,936	\$	538,621	\$	544,712	\$	554,269	\$	562,074	\$	571,678	\$	572,499	\$	579,293
April 1st Variable Payment ⁽⁴⁾		860		3,806		33,002		33,992		35,012		36,062		37,144		38,258		39,406		40,588
July 1st Variable Payment		401		1,776		15,401		15,863		16,339		16,829		17,334		17,854		18,390		18,941
October 1st Variable Payment		854		31,803		32,758		33,740		34,752		35,795		36,869		37,975		39,114		40,288
January 1st Variable Payment		834		31,091		32,024		32,985		33,974		34,994		36,043		37,125		38,239		39,386

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
Vandenberg AFB
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

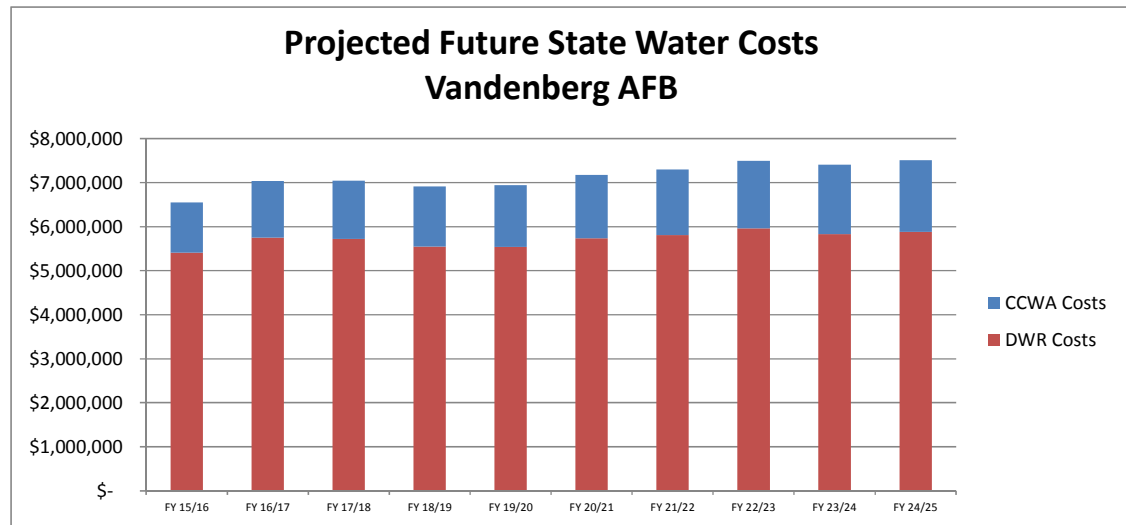
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Water Deliveries-1st Quarter	-	973	973	973	973	973	973	973	973	973
Water Deliveries-2nd Quarter	-	240	240	240	240	240	240	240	240	240
Water Deliveries-3rd Quarter	464	464	464	464	464	464	464	464	464	464
Water Deliveries-4th Quarter	735	735	735	735	735	735	735	735	735	735
Total FY Water Deliveries (acre-feet)	1,199	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412
CCWA Variable Cost per AF Assumptions	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 1,070,543	\$ 1,125,659	\$ 1,159,428	\$ 1,194,211	\$ 1,230,037	\$ 1,266,939	\$ 1,304,947	\$ 1,344,095	\$ 1,384,418	\$ 1,425,951
CCWA Variable O&M Costs ⁽²⁾	78,872	157,574	162,301	167,170	172,185	177,351	182,672	188,152	193,796	199,610
CCWA Bond Payments & O&M Credits	(4,112)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	1,145,303	1,283,233	1,321,730	1,361,381	1,402,223	1,444,290	1,487,618	1,532,247	1,578,214	1,625,561
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	2,692,460	2,672,049	2,666,204	2,653,664	2,648,830	2,647,652	2,646,870	2,646,292	2,645,933	2,645,531
Coastal Branch Extension	689,363	705,068	647,005	481,216	396,169	567,487	584,848	693,495	502,198	511,148
Water System Revenue Bond Surcharge	240,320	242,269	236,846	198,023	233,219	203,543	210,194	199,460	203,004	193,847
Transportation Minimum OMP&R	1,423,578	1,342,625	1,344,434	1,357,878	1,371,457	1,385,171	1,399,023	1,413,013	1,427,143	1,441,415
Delta Water Charge	362,038	377,505	397,304	418,093	439,922	462,842	486,908	512,178	538,711	566,570
DWR Variable Costs ⁽⁶⁾	-	414,888	427,335	440,155	453,359	466,960	480,969	495,398	510,260	525,568
Subtotal: DWR Costs	\$ 5,407,759	\$ 5,754,405	\$ 5,719,128	\$ 5,549,030	\$ 5,542,957	\$ 5,733,656	\$ 5,808,813	\$ 5,959,836	\$ 5,827,249	\$ 5,884,079
DWR Future Capital Projects (BDPC) ⁽⁵⁾										
Total Projected State Water Costs	\$ 6,553,062	\$ 7,037,637	\$ 7,040,858	\$ 6,910,411	\$ 6,945,180	\$ 7,177,946	\$ 7,296,431	\$ 7,492,083	\$ 7,405,463	\$ 7,509,639

Central Coast Water Authority
Vandenberg AFB
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 6,474,190	\$ 6,465,175	\$ 6,451,222	\$ 6,303,086	\$ 6,319,635	\$ 6,533,635	\$ 6,632,790	\$ 6,808,533	\$ 6,701,407	\$ 6,784,461
April 1st Variable Payment ⁽⁴⁾	-	230,931	237,859	244,995	252,345	259,915	267,712	275,744	284,016	292,537
July 1st Variable Payment	-	56,961	58,670	60,430	62,243	64,111	66,034	68,015	70,055	72,157
October 1st Variable Payment	30,523	110,125	113,429	116,832	120,337	123,947	127,666	131,495	135,440	139,504
January 1st Variable Payment	48,350	174,444	179,678	185,068	190,620	196,339	202,229	208,296	214,545	220,981

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
City of Buellton
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Water Deliveries-1st Quarter	184	184	184	184	184	184	184	184	184	184
Water Deliveries-2nd Quarter	127	127	127	127	127	127	127	127	127	127
Water Deliveries-3rd Quarter	119	119	119	119	119	119	119	119	119	119
Water Deliveries-4th Quarter	155	155	155	155	155	155	155	155	155	155
Total FY Water Deliveries (acre-feet)	585	585	585	585	585	585	585	585	585	585

CCWA Variable Cost per AF Assumptions	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 129,700	\$ 144,813	\$ 149,157	\$ 153,632	\$ 158,241	\$ 162,988	\$ 167,878	\$ 172,914	\$ 178,102	\$ 183,445
CCWA Variable O&M Costs ⁽²⁾	38,482	38,218	39,364	40,545	41,761	43,014	44,305	45,634	47,003	48,413
CCWA Bond Payments & O&M Credits	284,594	289,448	290,308	289,014	288,783	288,433	288,061	-	-	-
Subtotal: CCWA Costs	452,777	472,479	478,830	483,191	488,786	494,436	500,244	218,548	225,105	231,858

<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	282,953	280,808	280,194	278,876	278,368	278,244	278,162	278,101	278,063	278,021
Coastal Branch Extension	72,446	74,096	67,994	50,571	41,634	59,638	61,462	72,880	52,776	53,717
Water System Revenue Bond Surcharge	25,255	25,460	24,890	20,810	24,509	21,391	22,089	20,961	21,334	20,372
Transportation Minimum OMP&R	149,605	141,098	141,288	142,701	144,128	145,569	147,025	148,495	149,980	151,480
Delta Water Charge	38,059	39,685	41,766	43,952	46,246	48,656	51,186	53,842	56,631	59,560
DWR Variable Costs ⁽⁶⁾	54,716	100,626	103,645	106,754	109,957	113,255	116,653	120,153	123,757	127,470
Subtotal: DWR Costs	\$ 623,034	\$ 661,773	\$ 659,777	\$ 643,664	\$ 644,842	\$ 666,752	\$ 676,577	\$ 694,432	\$ 682,542	\$ 690,619
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

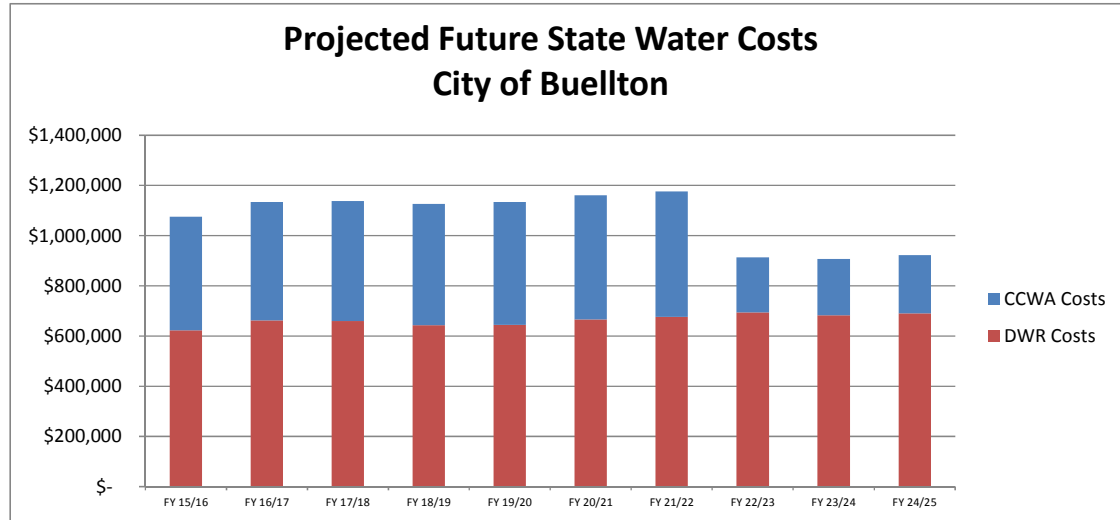
Total Projected State Water Costs	\$ 1,075,811	\$ 1,134,252	\$ 1,138,607	\$ 1,126,855	\$ 1,133,628	\$ 1,161,188	\$ 1,176,821	\$ 912,980	\$ 907,647	\$ 922,477
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Central Coast Water Authority
City of Buellton
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	982,613	\$	995,409	\$	995,598	\$	979,556	\$	981,910	\$	1,004,919	\$	1,015,863	\$	747,194	\$	736,887	\$	746,594
April 1st Variable Payment ⁽⁴⁾		29,314		43,670		44,981		46,330		47,720		49,151		50,626		52,145		53,709		55,320
July 1st Variable Payment		20,233		30,142		31,046		31,978		32,937		33,925		34,943		35,991		37,071		38,183
October 1st Variable Payment		18,958		28,243		29,091		29,963		30,862		31,788		32,742		33,724		34,736		35,778
January 1st Variable Payment		24,694		36,788		37,891		39,028		40,199		41,405		42,647		43,926		45,244		46,601

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
State Water Cost Ten-Year Projections
Fiscal Year 2015/16 Budget

<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Water Deliveries-1st Quarter	451	451	451	451	451	451	451	451	451	451
Water Deliveries-2nd Quarter	225	225	225	225	225	225	225	225	225	225
Water Deliveries-3rd Quarter	211	211	211	211	211	211	211	211	211	211
Water Deliveries-4th Quarter	364	364	364	364	364	364	364	364	364	364
Total FY Water Deliveries (acre-feet)	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251

CCWA Variable Cost per AF Assumptions	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218

<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 332,321	\$ 366,287	\$ 377,276	\$ 388,594	\$ 400,252	\$ 412,260	\$ 424,627	\$ 437,366	\$ 450,487	\$ 464,002
CCWA Variable O&M Costs ⁽²⁾	82,293	81,727	84,179	86,704	89,305	91,984	94,744	97,586	100,514	103,529
CCWA Bond Payments & O&M Credits	888,486	888,891	891,532	887,556	886,849	885,774	884,631	-	-	-
Subtotal: CCWA Costs	1,303,100	1,336,906	1,352,987	1,362,855	1,376,407	1,390,018	1,404,002	534,952	551,001	567,531

<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	727,450	721,935	720,356	716,968	715,662	715,343	715,132	714,976	714,879	714,770
Coastal Branch Extension	188,008	192,291	176,456	131,241	108,046	154,769	159,504	189,135	136,963	139,404
Water System Revenue Bond Surcharge	63,494	64,009	62,577	52,319	61,618	53,778	55,535	52,699	53,635	51,216
Transportation Minimum OMP&R	421,891	356,683	357,163	360,735	364,342	367,986	371,666	375,382	379,136	382,928
Delta Water Charge	90,219	93,596	98,505	103,659	109,072	114,754	120,721	126,986	133,565	140,472
DWR Variable Costs ⁽⁶⁾	185,296	215,185	221,640	228,289	235,138	242,192	249,458	256,942	264,650	272,589
Subtotal: DWR Costs	\$ 1,676,358	\$ 1,643,699	\$ 1,636,697	\$ 1,593,211	\$ 1,593,878	\$ 1,648,822	\$ 1,672,015	\$ 1,716,120	\$ 1,682,828	\$ 1,701,379
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

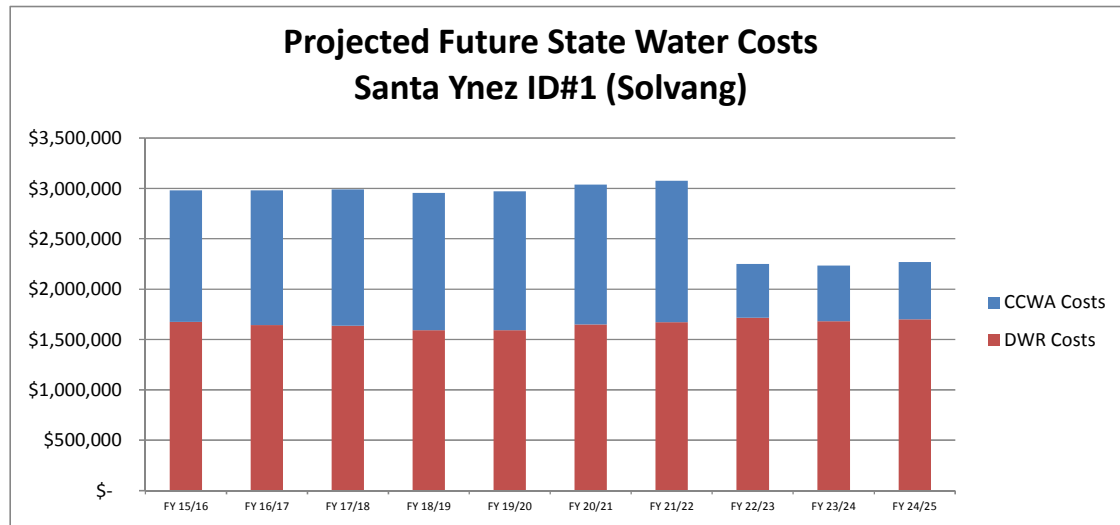
Total Projected State Water Costs	\$ 2,979,459	\$ 2,980,605	\$ 2,989,684	\$ 2,956,066	\$ 2,970,284	\$ 3,038,840	\$ 3,076,017	\$ 2,251,072	\$ 2,233,829	\$ 2,268,910
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Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 2,711,869	\$ 2,683,694	\$ 2,683,865	\$ 2,641,073	\$ 2,645,841	\$ 2,704,664	\$ 2,731,816	\$ 1,896,544	\$ 1,868,665	\$ 1,892,791
April 1st Variable Payment ⁽⁴⁾	96,469	107,040	110,251	113,559	116,965	120,474	124,089	127,811	131,646	135,595
July 1st Variable Payment	48,128	53,401	55,003	56,653	58,353	60,104	61,907	63,764	65,677	67,647
October 1st Variable Payment	45,133	50,079	51,581	53,128	54,722	56,364	58,055	59,796	61,590	63,438
January 1st Variable Payment	77,860	86,391	88,983	91,653	94,402	97,234	100,151	103,156	106,251	109,438

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
Santa Ynez ID#1
State Water Cost Ten-Year Projections
Fiscal Year 2015/16 Budget

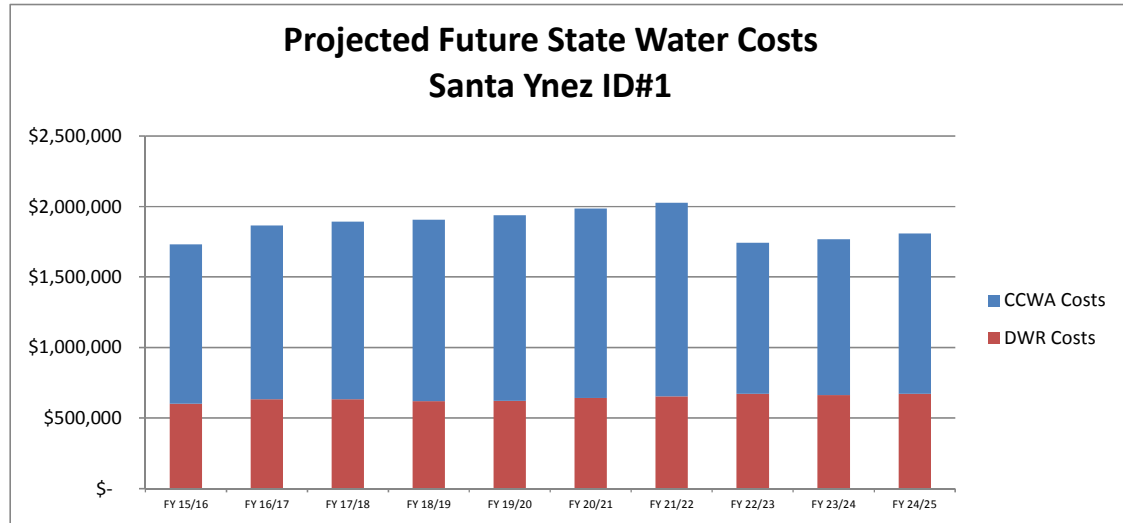
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽¹⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	267	267	267	267	267	267	267	267	267	267
Table A Water Deliveries-2nd Quarter	51	51	51	51	51	51	51	51	51	51
Table A Water Deliveries-3rd Quarter	159	159	159	159	159	159	159	159	159	159
Table A Water Deliveries-4th Quarter	223	223	223	223	223	223	223	223	223	223
Total FY Table A Deliveries (<i>acre-feet</i>)	700	700	700	700	700	700	700	700	700	700
Exchange Deliveries-1st Quarter	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405
Exchange Deliveries-2nd Quarter	175	175	175	175	175	175	175	175	175	175
Exchange Deliveries-3rd Quarter	100	100	100	100	100	100	100	100	100	100
Exchange Deliveries-4th Quarter	900	900	900	900	900	900	900	900	900	900
Total FY Exchange Deliveries (<i>acre-feet</i>)	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580
CCWA Variable Cost per AF Assumptions	\$ 63	\$ 65	\$ 67	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 602,466	\$ 683,459	\$ 703,962	\$ 725,081	\$ 746,834	\$ 769,239	\$ 792,316	\$ 816,085	\$ 840,568	\$ 865,785
CCWA Variable O&M Costs ⁽²⁾	215,767	214,283	220,711	227,333	234,153	241,177	248,413	255,865	263,541	271,447
CCWA Bond Payments & O&M Credits	310,942	333,826	334,818	333,325	333,059	332,655	332,226	-	-	-
Subtotal: CCWA Costs	1,129,175	1,231,568	1,259,492	1,285,739	1,314,046	1,343,072	1,372,955	1,071,950	1,104,109	1,137,232
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	251,627	249,719	249,173	248,001	247,550	247,439	247,366	247,312	247,279	247,241
Coastal Branch Extension	62,669	64,097	58,819	43,747	36,015	51,590	53,168	63,045	45,654	46,468
Water System Revenue Bond Surcharge	23,895	24,089	23,549	19,689	23,189	20,238	20,899	19,832	20,184	19,274
Transportation Minimum OMP&R	139,476	131,544	131,722	133,039	134,369	135,713	137,070	138,441	139,825	141,223
Delta Water Charge	40,973	43,678	45,969	48,374	50,900	53,552	56,336	59,260	62,330	65,554
DWR Variable Costs ⁽⁶⁾	84,090	120,415	124,028	127,748	131,581	135,528	139,594	143,782	148,095	152,538
Subtotal: DWR Costs	\$ 602,730	\$ 633,543	\$ 633,259	\$ 620,599	\$ 623,604	\$ 644,060	\$ 654,434	\$ 671,672	\$ 663,368	\$ 672,298
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 1,731,905	\$ 1,865,111	\$ 1,892,751	\$ 1,906,338	\$ 1,937,650	\$ 1,987,132	\$ 2,027,389	\$ 1,743,623	\$ 1,767,477	\$ 1,809,531

Central Coast Water Authority
Santa Ynez ID#1
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,432,048	\$ 1,530,413	\$ 1,548,012	\$ 1,551,257	\$ 1,571,916	\$ 1,610,426	\$ 1,639,382	\$ 1,343,976	\$ 1,355,841	\$ 1,385,545
April 1st Variable Payment ⁽⁴⁾	152,879	155,228	159,885	164,682	169,622	174,711	179,952	185,351	190,911	196,639
July 1st Variable Payment	20,642	23,489	24,194	24,920	25,668	26,438	27,231	28,048	28,889	29,756
October 1st Variable Payment	23,671	44,253	45,581	46,948	48,357	49,808	51,302	52,841	54,426	56,059
January 1st Variable Payment	102,665	111,727	115,079	118,531	122,087	125,750	129,522	133,408	137,410	141,532

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
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- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
Goleta Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

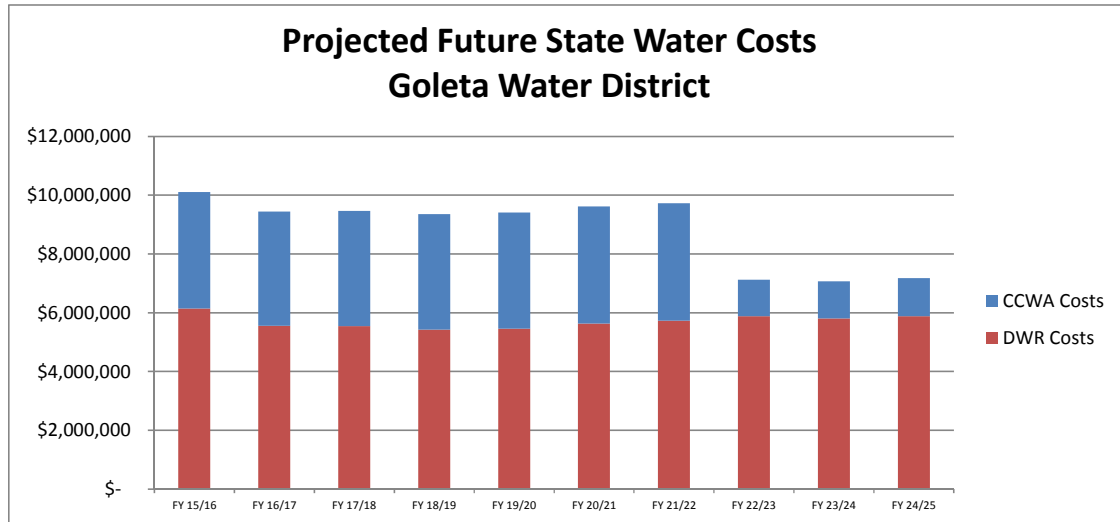
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	1,057	863	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057
Table A Water Deliveries-2nd Quarter	568	776	568	568	568	568	568	568	568	568
Table A Water Deliveries-3rd Quarter	1,349	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334
Table A Water Deliveries-4th Quarter	1,033	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138	1,138
Total FY Table A Deliveries (<i>acre-feet</i>)	4,007	4,111	4,097	4,097	4,097	4,097	4,097	4,097	4,097	4,097
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	506	506	506	506	506	506	506	506	506	506
Exchange Deliveries-2nd Quarter	63	63	63	63	63	63	63	63	63	63
Exchange Deliveries-3rd Quarter	36	36	36	36	36	36	36	36	36	36
Exchange Deliveries-4th Quarter	324	324	324	324	324	324	324	324	324	324
Total FY Exchange Deliveries (<i>acre-feet</i>)	929	929	929	929	929	929	929	929	929	929
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 533,048	\$ 431,280	\$ 444,218	\$ 457,545	\$ 471,271	\$ 485,410	\$ 499,972	\$ 514,971	\$ 530,420	\$ 546,333
CCWA Variable O&M Costs ⁽²⁾	399,368	412,061	422,974	435,663	448,733	462,195	476,061	490,343	505,053	520,205
CCWA Bond Payments & O&M Credits	2,806,882	2,801,620	2,809,944	2,797,412	2,795,183	2,791,794	2,788,191	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	232,387	238,423	237,609	237,609	237,609	237,609	237,609	237,609	237,609	237,609
Subtotal: CCWA Costs	3,971,685	3,883,384	3,914,745	3,928,229	3,952,797	3,977,007	4,001,832	1,242,923	1,273,082	1,304,146
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	2,227,756	2,210,867	2,206,032	2,195,656	2,191,656	2,190,681	2,190,034	2,189,556	2,189,259	2,188,926
Coastal Branch Extension	564,025	576,874	529,368	393,722	324,138	464,308	478,512	567,405	410,890	418,212
Water System Revenue Bond Surcharge	225,120	226,946	221,866	185,499	218,468	190,669	196,899	186,844	190,164	181,586
Transportation Minimum OMP&R	1,367,524	1,211,910	1,213,542	1,225,678	1,237,934	1,250,314	1,262,817	1,275,445	1,288,199	1,301,081
Delta Water Charge	445,788	464,861	489,242	514,842	541,722	569,946	599,581	630,698	663,371	697,677
DWR Variable Costs ⁽⁶⁾	1,313,428	866,851	890,370	917,081	944,594	972,932	1,002,119	1,032,183	1,063,149	1,095,043
Subtotal: DWR Costs	\$ 6,143,640	\$ 5,558,309	\$ 5,550,420	\$ 5,432,477	\$ 5,458,513	\$ 5,638,850	\$ 5,729,963	\$ 5,882,131	\$ 5,805,031	\$ 5,882,526
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 10,115,326	\$ 9,441,694	\$ 9,465,165	\$ 9,360,707	\$ 9,411,309	\$ 9,615,857	\$ 9,731,796	\$ 7,125,054	\$ 7,078,113	\$ 7,186,672

Central Coast Water Authority
Goleta Water District
 State Water Cost Ten-Year Projections
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<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 8,170,142	\$ 7,924,358	\$ 7,914,212	\$ 7,770,353	\$ 7,780,374	\$ 7,943,122	\$ 8,016,006	\$ 5,364,919	\$ 5,272,303	\$ 5,333,816
April 1st Variable Payment ⁽⁴⁾	615,839	412,152	482,230	494,481	507,099	520,095	533,482	547,270	561,472	576,099
July 1st Variable Payment	248,704	252,532	194,746	199,694	204,789	210,038	215,444	221,012	226,747	232,655
October 1st Variable Payment	545,881	412,526	422,843	433,585	444,649	456,045	467,783	479,873	492,326	505,152
January 1st Variable Payment	534,759	440,126	451,134	462,594	474,399	486,557	499,081	511,980	525,266	538,950

NOTES

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- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.



Central Coast Water Authority
Morehart Land Company
State Water Cost Ten-Year Projections
Fiscal Year 2015/16 Budget

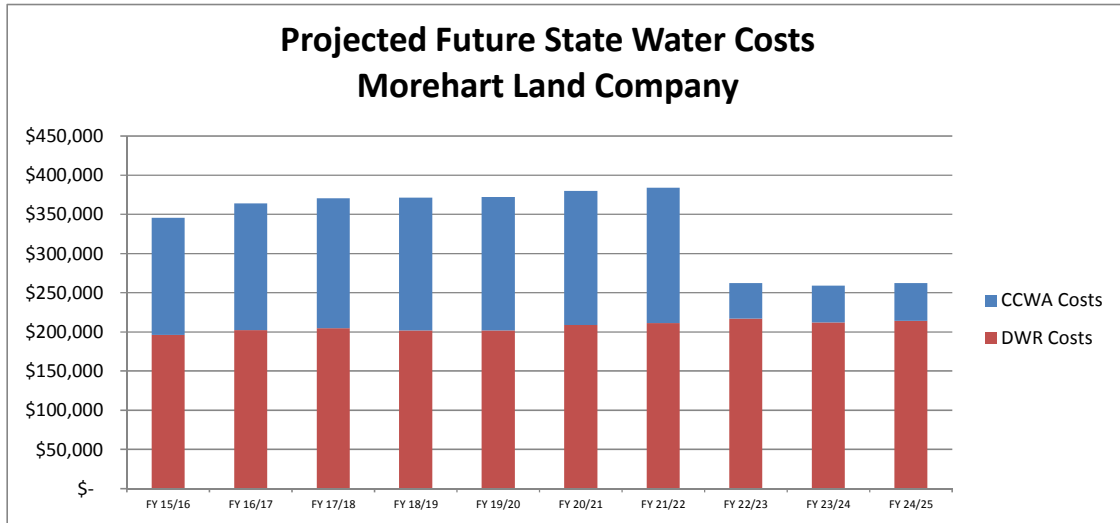
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	16	16	23	31	31	31	31	31	31	31
Table A Water Deliveries-2nd Quarter	7	7	11	14	14	14	14	14	14	14
Table A Water Deliveries-3rd Quarter	6	9	12	15	15	15	15	15	15	15
Table A Water Deliveries-4th Quarter	11	17	22	28	28	28	28	28	28	28
Total FY Table A Deliveries (<i>acre-feet</i>)	40	49	69	89	89	89	89	89	89	89
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 25,437	\$ 25,024	\$ 25,775	\$ 26,548	\$ 27,344	\$ 28,165	\$ 29,010	\$ 29,880	\$ 30,776	\$ 31,700
CCWA Variable O&M Costs ⁽²⁾	3,987	4,872	7,083	9,422	9,705	9,996	10,296	10,605	10,923	11,251
CCWA Bond Payments & O&M Credits	117,592	128,653	129,035	128,460	128,358	128,202	128,036	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	2,320	2,819	3,979	5,139	5,139	5,139	5,139	5,139	5,139	5,139
Subtotal: CCWA Costs	149,335	161,368	165,872	169,569	170,546	171,501	172,481	45,624	46,838	48,089
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	97,908	97,165	96,953	96,497	96,321	96,278	96,250	96,229	96,216	96,201
Coastal Branch Extension	25,068	25,639	23,527	17,499	14,406	20,636	21,267	25,218	18,262	18,587
Water System Revenue Bond Surcharge	8,739	8,810	8,613	7,201	8,481	7,402	7,643	7,253	7,382	7,049
Transportation Minimum OMP&R	51,766	48,823	48,889	49,377	49,871	50,370	50,874	51,382	51,896	52,415
Delta Water Charge	13,165	13,727	14,447	15,203	15,997	16,831	17,706	18,625	19,589	20,603
DWR Variable Costs ⁽⁶⁾	(347)	8,360	12,154	16,168	16,653	17,153	17,667	18,197	18,743	19,306
Subtotal: DWR Costs	\$ 196,299	\$ 202,524	\$ 204,583	\$ 201,945	\$ 201,730	\$ 208,669	\$ 211,407	\$ 216,904	\$ 212,088	\$ 214,161
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 345,634	\$ 363,892	\$ 370,454	\$ 371,514	\$ 372,275	\$ 380,171	\$ 383,888	\$ 262,528	\$ 258,927	\$ 262,250

Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	339,674	\$	347,841	\$	347,239	\$	340,785	\$	340,778	\$	347,883	\$	350,786	\$	228,587	\$	224,121	\$	226,555
April 1st Variable Payment ⁽⁴⁾		2,324		5,152		7,919		10,821		11,091		11,370		11,657		11,952		12,256		12,570
July 1st Variable Payment		1,073		2,378		3,655		4,994		5,119		5,248		5,380		5,516		5,657		5,801
October 1st Variable Payment		894		2,972		4,061		5,202		5,332		5,466		5,604		5,746		5,893		6,043
January 1st Variable Payment		1,669		5,548		7,581		9,711		9,954		10,204		10,461		10,726		10,999		11,281

NOTES

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Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

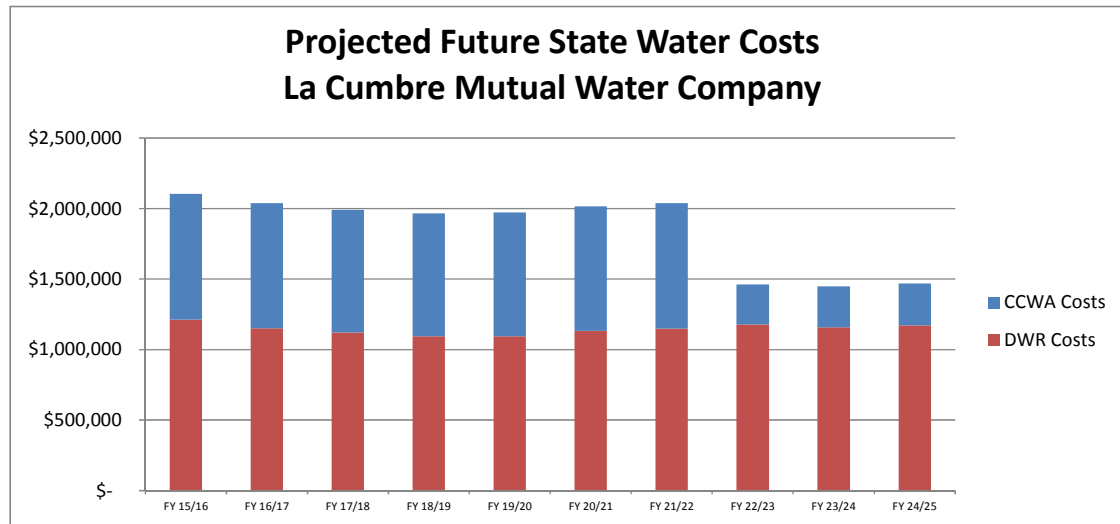
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	213	305	213	213	213	213	213	213	213	213
Table A Water Deliveries-2nd Quarter	237	297	237	237	237	237	237	237	237	237
Table A Water Deliveries-3rd Quarter	260	252	252	252	252	252	252	252	252	252
Table A Water Deliveries-4th Quarter	238	201	201	201	201	201	201	201	201	201
Total FY Table A Deliveries (<i>acre-feet</i>)	948	1,055	903	903	903	903	903	903	903	903
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 127,183	\$ 103,137	\$ 106,231	\$ 109,418	\$ 112,700	\$ 116,081	\$ 119,564	\$ 123,151	\$ 126,845	\$ 130,650
CCWA Variable O&M Costs ⁽²⁾	94,490	105,789	93,232	96,029	98,910	101,878	104,934	108,082	111,324	114,664
CCWA Bond Payments & O&M Credits	615,774	615,937	617,767	615,012	614,522	613,777	612,985	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	54,982	61,211	52,374	52,374	52,374	52,374	52,374	52,374	52,374	52,374
Subtotal: CCWA Costs	892,429	886,074	869,604	872,833	878,507	884,110	889,856	283,606	290,543	297,688
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	489,538	485,827	484,764	482,484	481,606	481,391	481,249	481,144	481,079	481,006
Coastal Branch Extension	125,339	128,194	117,637	87,494	72,031	103,180	106,336	126,090	91,309	92,936
Water System Revenue Bond Surcharge	43,694	44,049	43,063	36,004	42,404	37,008	38,217	36,265	36,910	35,245
Transportation Minimum OMP&R	288,147	244,114	244,443	246,887	249,356	251,849	254,368	256,912	259,481	262,075
Delta Water Charge	65,825	68,637	72,237	76,017	79,986	84,153	88,529	93,123	97,947	103,013
DWR Variable Costs ⁽⁶⁾	200,152	181,532	159,985	164,784	169,728	174,820	180,064	185,466	191,030	196,761
Subtotal: DWR Costs	\$ 1,212,696	\$ 1,152,354	\$ 1,122,129	\$ 1,093,671	\$ 1,095,109	\$ 1,132,401	\$ 1,148,763	\$ 1,179,000	\$ 1,157,755	\$ 1,171,036
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 2,105,125	\$ 2,038,428	\$ 1,991,733	\$ 1,966,504	\$ 1,973,616	\$ 2,016,510	\$ 2,038,619	\$ 1,462,607	\$ 1,448,299	\$ 1,468,724

Central Coast Water Authority
La Cumbre Mutual Water Company
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<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,755,500	\$ 1,689,895	\$ 1,686,142	\$ 1,653,316	\$ 1,652,604	\$ 1,687,439	\$ 1,701,247	\$ 1,116,685	\$ 1,093,570	\$ 1,104,925
April 1st Variable Payment ⁽⁴⁾	78,557	100,718	72,083	73,875	75,720	77,621	79,579	81,596	83,674	85,813
July 1st Variable Payment	87,409	98,212	80,205	82,199	84,252	86,368	88,546	90,790	93,102	95,482
October 1st Variable Payment	95,732	83,223	85,281	87,401	89,585	91,834	94,150	96,536	98,994	101,525
January 1st Variable Payment	87,927	66,380	68,022	69,713	71,455	73,248	75,096	76,999	78,960	80,979

NOTES

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Central Coast Water Authority
Raytheon Systems Company
State Water Cost Ten-Year Projections
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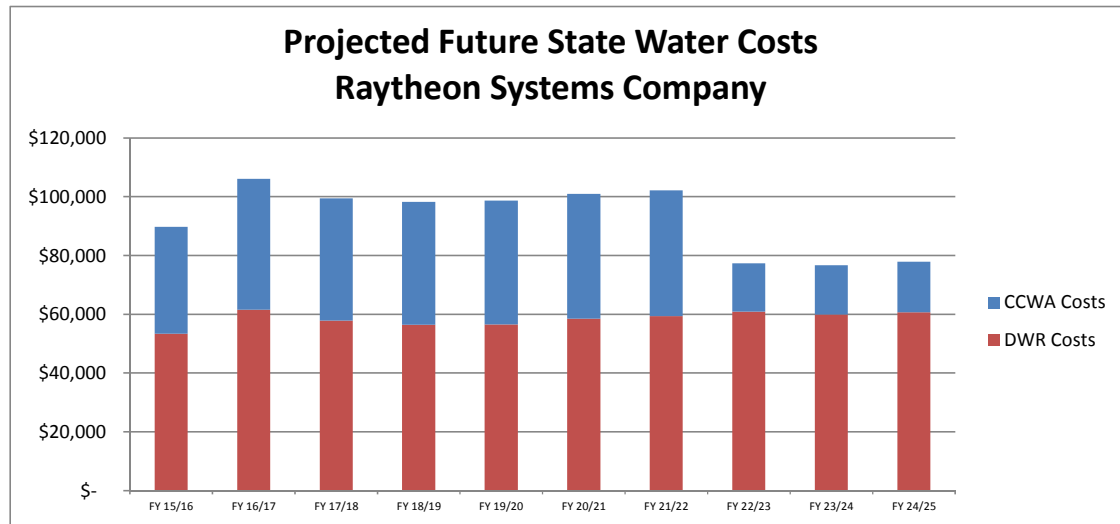
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	15	11	15	15	15	15	15	15	15	15
Table A Water Deliveries-2nd Quarter	11	36	11	11	11	11	11	11	11	11
Table A Water Deliveries-3rd Quarter	2	14	14	14	14	14	14	14	14	14
Table A Water Deliveries-4th Quarter	6	15	15	15	15	15	15	15	15	15
Total FY Table A Deliveries (<i>acre-feet</i>)	34	76	55	55	55	55	55	55	55	55
Exchange Deliveries-1st Quarter										
Exchange Deliveries-2nd Quarter										
Exchange Deliveries-3rd Quarter										
Exchange Deliveries-4th Quarter										
Total FY Exchange Deliveries (<i>acre-feet</i>)	-	-	-	-	-	-	-	-	-	-
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 6,359	\$ 5,548	\$ 5,714	\$ 5,886	\$ 6,062	\$ 6,244	\$ 6,431	\$ 6,624	\$ 6,823	\$ 7,028
CCWA Variable O&M Costs ⁽²⁾	3,399	7,620	5,679	5,849	6,024	6,205	6,391	6,583	6,781	6,984
CCWA Bond Payments & O&M Credits	24,683	26,931	27,011	26,891	26,869	26,837	26,802	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	1,978	4,409	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190
Subtotal: CCWA Costs	36,418	44,508	41,594	41,815	42,146	42,476	42,815	16,397	16,794	17,202
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	24,477	24,291	24,238	24,124	24,080	24,070	24,062	24,057	24,054	24,050
Coastal Branch Extension	6,267	6,410	5,882	4,375	3,602	5,159	5,317	6,305	4,565	4,647
Water System Revenue Bond Surcharge	2,185	2,202	2,153	1,800	2,120	1,850	1,911	1,813	1,845	1,762
Transportation Minimum OMP&R	12,942	12,206	12,222	12,344	12,468	12,592	12,718	12,846	12,974	13,104
Delta Water Charge	3,291	3,432	3,612	3,801	3,999	4,208	4,426	4,656	4,897	5,151
DWR Variable Costs ⁽⁶⁾	4,233	13,076	9,744	10,037	10,338	10,648	10,967	11,296	11,635	11,984
Subtotal: DWR Costs	\$ 53,394	\$ 61,617	\$ 57,852	\$ 56,481	\$ 56,607	\$ 58,527	\$ 59,402	\$ 60,973	\$ 59,972	\$ 60,698
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 89,813	\$ 106,125	\$ 99,445	\$ 98,296	\$ 98,753	\$ 101,003	\$ 102,217	\$ 77,370	\$ 76,765	\$ 77,900

Central Coast Water Authority
Raytheon Systems Company
 State Water Cost Ten-Year Projections
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<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	80,203	\$	81,020	\$	80,832	\$	79,221	\$	79,200	\$	80,960	\$	81,668	\$	56,301	\$	55,159	\$	55,741
April 1st Variable Payment ⁽⁴⁾		4,227		3,731		5,076		5,202		5,332		5,466		5,604		5,746		5,893		6,043
July 1st Variable Payment		3,100		11,796		3,723		3,815		3,910		4,009		4,110		4,214		4,321		4,432
October 1st Variable Payment		501		4,624		4,738		4,856		4,977		5,102		5,231		5,363		5,500		5,640
January 1st Variable Payment		1,781		4,954		5,076		5,202		5,332		5,466		5,604		5,746		5,893		6,043

NOTES

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- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.



Central Coast Water Authority
City of Santa Barbara
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

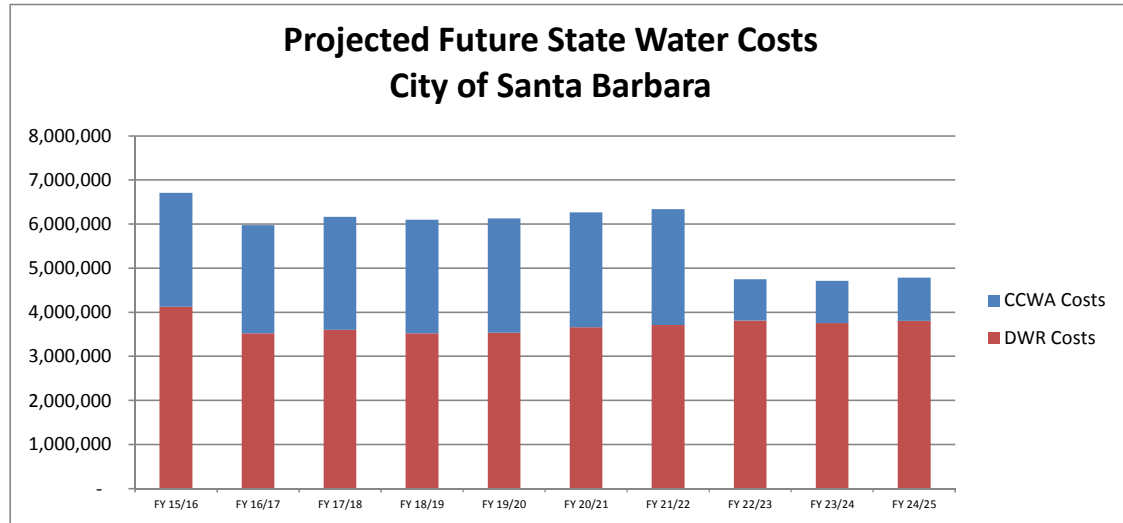
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	640	575	640	640	640	640	640	640	640	640
Table A Water Deliveries-2nd Quarter	1,039	585	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039
Table A Water Deliveries-3rd Quarter	833	903	903	903	903	903	903	903	903	903
Table A Water Deliveries-4th Quarter	688	861	861	861	861	861	861	861	861	861
Total FY Table A Deliveries (acre-feet)	3,200	2,924	3,443	3,443	3,443	3,443	3,443	3,443	3,443	3,443
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	337	337	337	337	337	337	337	337	337	337
Exchange Deliveries-2nd Quarter	42	42	42	42	42	42	42	42	42	42
Exchange Deliveries-3rd Quarter	24	24	24	24	24	24	24	24	24	24
Exchange Deliveries-4th Quarter	216	216	216	216	216	216	216	216	216	216
Total FY Exchange Deliveries (acre-feet)	619	619	619	619	619	619	619	619	619	619
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 355,366	\$ 271,984	\$ 280,143	\$ 288,548	\$ 297,204	\$ 306,120	\$ 315,304	\$ 324,763	\$ 334,506	\$ 344,541
CCWA Variable O&M Costs ⁽²⁾	318,935	293,074	355,460	366,124	377,108	388,421	400,073	412,076	424,438	437,171
CCWA Bond Payments & O&M Credits	1,725,379	1,722,243	1,727,360	1,719,657	1,718,287	1,716,203	1,713,988	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	185,584	169,576	199,682	199,682	199,682	199,682	199,682	199,682	199,682	199,682
Subtotal: CCWA Costs	\$ 2,585,264	\$ 2,456,877	\$ 2,562,646	\$ 2,574,011	\$ 2,592,280	\$ 2,610,426	\$ 2,629,047	\$ 936,521	\$ 958,626	\$ 981,394
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	1,468,615	1,457,481	1,454,293	1,447,453	1,444,817	1,444,174	1,443,747	1,443,432	1,443,236	1,443,017
Coastal Branch Extension	376,016	384,583	352,912	262,481	216,092	309,539	319,008	378,270	273,926	278,808
Water System Revenue Bond Surcharge	131,083	132,147	129,189	108,013	127,211	111,024	114,651	108,796	110,729	105,735
Transportation Minimum OMP&R	776,497	732,341	733,328	740,661	748,067	755,548	763,103	770,735	778,442	786,226
Delta Water Charge	197,475	205,912	216,711	228,051	239,957	252,459	265,586	279,370	293,842	309,038
DWR Variable Costs ⁽⁶⁾	1,178,630	609,418	719,666	741,256	763,493	786,398	809,990	834,290	859,319	885,098
Subtotal: DWR Costs	4,128,316	3,521,882	3,606,099	3,527,915	3,539,637	3,659,142	3,716,087	3,814,892	3,759,494	3,807,922
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 6,713,580	\$ 5,978,759	\$ 6,168,744	\$ 6,101,925	\$ 6,131,918	\$ 6,269,568	\$ 6,345,134	\$ 4,751,413	\$ 4,718,120	\$ 4,789,316

Central Coast Water Authority
City of Santa Barbara
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<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 5,030,432	\$ 4,906,691	\$ 4,893,936	\$ 4,794,863	\$ 4,791,635	\$ 4,895,066	\$ 4,935,388	\$ 3,305,365	\$ 3,234,682	\$ 3,267,365
April 1st Variable Payment ⁽⁴⁾	430,602	275,942	306,619	314,377	322,368	330,598	339,075	347,806	356,800	366,063
July 1st Variable Payment	476,439	189,727	339,258	347,842	356,683	365,789	375,169	384,830	394,780	405,029
October 1st Variable Payment	377,582	280,505	290,927	298,288	305,870	313,679	321,722	330,006	338,540	347,329
January 1st Variable Payment	398,525	325,894	338,003	346,555	355,363	364,436	373,780	383,406	393,319	403,531

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
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Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

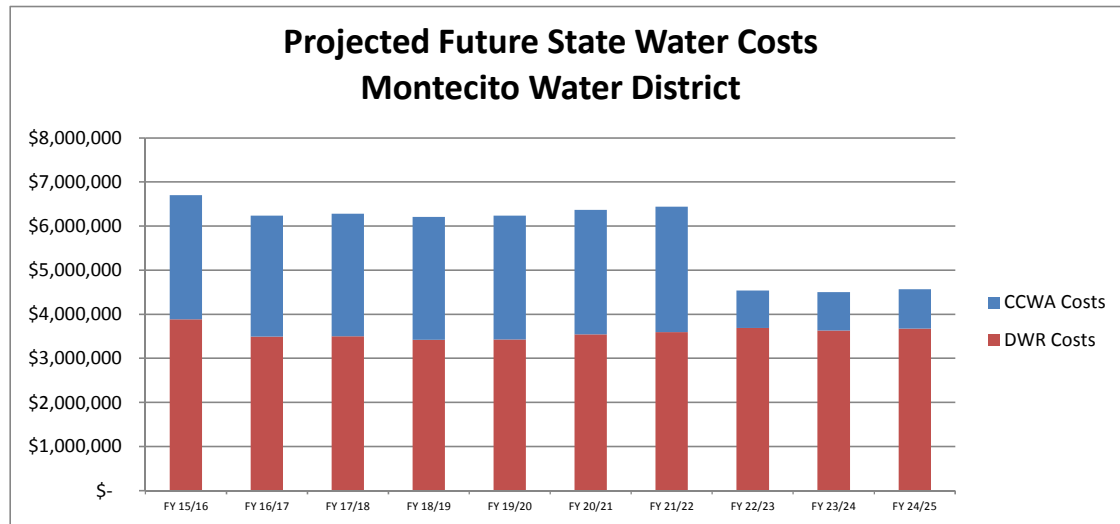
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	640	575	640	640	640	640	640	640	640	640
Table A Water Deliveries-2nd Quarter	794	755	794	794	794	794	794	794	794	794
Table A Water Deliveries-3rd Quarter	674	705	705	705	705	705	705	705	705	705
Table A Water Deliveries-4th Quarter	650	720	720	720	720	720	720	720	720	720
Total FY Table A Deliveries (acre-feet)	2,758	2,755	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	337	337	337	337	337	337	337	337	337	337
Exchange Deliveries-2nd Quarter	42	42	42	42	42	42	42	42	42	42
Exchange Deliveries-3rd Quarter	24	24	24	24	24	24	24	24	24	24
Exchange Deliveries-4th Quarter	216	216	216	216	216	216	216	216	216	216
Total FY Exchange Deliveries (acre-feet)	619	619	619	619	619	619	619	619	619	619
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 355,366	\$ 284,959	\$ 293,508	\$ 302,313	\$ 311,382	\$ 320,724	\$ 330,346	\$ 340,256	\$ 350,464	\$ 360,978
CCWA Variable O&M Costs ⁽²⁾	274,931	276,150	295,164	304,018	313,139	322,533	332,209	342,175	352,441	363,014
CCWA Bond Payments & O&M Credits	2,024,376	2,024,275	2,030,290	2,021,235	2,019,625	2,017,176	2,014,572	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	159,978	159,783	165,810	165,810	165,810	165,810	165,810	165,810	165,810	165,810
Subtotal: CCWA Costs	2,814,651	2,745,167	2,784,771	2,793,377	2,809,956	2,826,243	2,842,937	848,242	868,715	889,802
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	1,468,615	1,457,481	1,454,293	1,447,453	1,444,817	1,444,174	1,443,747	1,443,432	1,443,236	1,443,017
Coastal Branch Extension	376,016	384,583	352,912	262,481	216,092	309,539	319,008	378,270	273,926	278,808
Water System Revenue Bond Surcharge	131,083	132,147	129,189	108,013	127,211	111,024	114,651	108,796	110,729	105,735
Transportation Minimum OMP&R	776,497	732,341	733,328	740,661	748,067	755,548	763,103	770,735	778,442	786,226
Delta Water Charge	197,475	205,912	216,711	228,051	239,957	252,459	265,586	279,370	293,842	309,038
DWR Variable Costs ⁽⁶⁾	939,776	580,375	616,198	634,684	653,725	673,337	693,537	714,343	735,773	757,846
Subtotal: DWR Costs	\$ 3,889,463	\$ 3,492,839	\$ 3,502,631	\$ 3,421,343	\$ 3,429,869	\$ 3,546,080	\$ 3,599,633	\$ 3,694,945	\$ 3,635,949	\$ 3,680,670
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 6,704,114	\$ 6,238,006	\$ 6,287,402	\$ 6,214,720	\$ 6,239,825	\$ 6,372,323	\$ 6,442,571	\$ 4,543,187	\$ 4,504,664	\$ 4,570,472

Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
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<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 5,329,429	\$ 5,221,698	\$ 5,210,230	\$ 5,110,207	\$ 5,107,151	\$ 5,210,643	\$ 5,251,014	\$ 3,320,859	\$ 3,250,640	\$ 3,283,802
April 1st Variable Payment ⁽⁴⁾	397,657	274,680	302,587	310,267	318,178	326,326	334,718	343,363	352,266	361,437
July 1st Variable Payment	340,268	240,112	258,918	265,490	272,259	279,231	286,412	293,809	301,427	309,274
October 1st Variable Payment	284,192	219,582	225,779	231,510	237,412	243,492	249,754	256,204	262,847	269,690
January 1st Variable Payment	352,568	281,933	289,889	297,247	304,825	312,632	320,672	328,953	337,483	346,269

NOTES

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Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

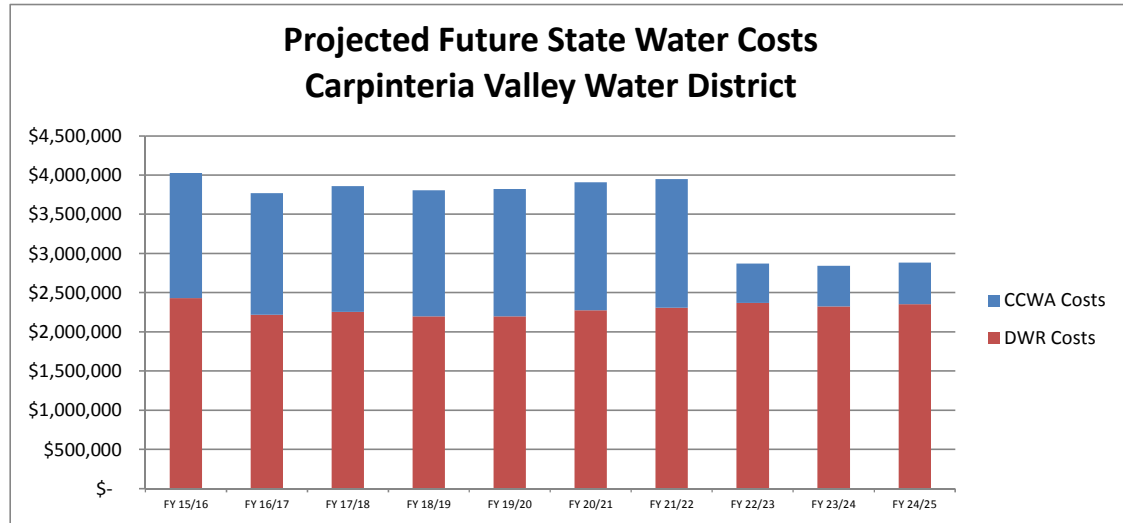
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	300	75	300	300	300	300	300	300	300	300
Table A Water Deliveries-2nd Quarter	242	214	242	242	242	242	242	242	242	242
Table A Water Deliveries-3rd Quarter	492	508	508	508	508	508	508	508	508	508
Table A Water Deliveries-4th Quarter	256	400	400	400	400	400	400	400	400	400
Total FY Table A Deliveries (acre-feet)	1,290	1,197	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	225	225	225	225	225	225	225	225	225	225
Exchange Deliveries-2nd Quarter	28	28	28	28	28	28	28	28	28	28
Exchange Deliveries-3rd Quarter	16	16	16	16	16	16	16	16	16	16
Exchange Deliveries-4th Quarter	144	144	144	144	144	144	144	144	144	144
Total FY Exchange Deliveries (acre-feet)	413	413	413	413	413	413	413	413	413	413
CCWA Variable Cost per AF Assumptions	\$ 97	\$ 100	\$ 103	\$ 106	\$ 110	\$ 113	\$ 116	\$ 120	\$ 123	\$ 127
DWR Variable Cost per AF Assumptions	\$ 167	\$ 172	\$ 177	\$ 182	\$ 188	\$ 194	\$ 199	\$ 205	\$ 212	\$ 218
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 236,910	\$ 206,092	\$ 212,274	\$ 218,643	\$ 225,202	\$ 231,958	\$ 238,917	\$ 246,084	\$ 253,467	\$ 261,071
CCWA Variable O&M Costs ⁽²⁾	128,622	120,008	149,729	154,221	158,848	163,613	168,522	173,577	178,785	184,148
CCWA Bond Payments & O&M Credits	1,156,681	1,157,270	1,160,708	1,155,532	1,154,611	1,153,211	1,151,723	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	74,843	69,438	84,112	84,112	84,112	84,112	84,112	84,112	84,112	84,112
Subtotal: CCWA Costs	1,597,057	1,552,807	1,606,824	1,612,507	1,622,772	1,632,894	1,643,273	503,773	516,363	529,331
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	979,077	971,654	969,529	964,969	963,211	962,783	962,498	962,288	962,157	962,011
Coastal Branch Extension	250,678	256,389	235,274	174,988	144,061	206,359	212,672	252,180	182,618	185,872
Water System Revenue Bond Surcharge	87,389	88,098	86,126	72,009	84,807	74,016	76,434	72,531	73,820	70,490
Transportation Minimum OMP&R	574,941	488,227	488,885	493,774	498,712	503,699	508,736	513,823	518,961	524,151
Delta Water Charge	131,650	137,274	144,474	152,034	159,972	168,306	177,058	186,246	195,895	206,025
DWR Variable Costs ⁽⁶⁾	407,432	276,936	330,068	339,970	350,169	360,675	371,495	382,640	394,119	405,942
Subtotal: DWR Costs	\$ 2,431,165	\$ 2,218,578	\$ 2,254,357	\$ 2,197,743	\$ 2,200,932	\$ 2,275,837	\$ 2,308,892	\$ 2,369,708	\$ 2,327,569	\$ 2,354,492
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 4,028,222	\$ 3,771,385	\$ 3,861,180	\$ 3,810,250	\$ 3,823,705	\$ 3,908,731	\$ 3,952,165	\$ 2,873,481	\$ 2,843,932	\$ 2,883,822

Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 3,417,326	\$ 3,305,004	\$ 3,297,271	\$ 3,231,947	\$ 3,230,576	\$ 3,300,331	\$ 3,328,037	\$ 2,233,153	\$ 2,186,917	\$ 2,209,620
April 1st Variable Payment ⁽⁴⁾	188,305	86,903	158,912	162,968	167,146	171,449	175,881	180,447	185,149	189,993
July 1st Variable Payment	96,842	70,102	81,726	83,812	85,961	88,174	90,453	92,801	95,220	97,710
October 1st Variable Payment	182,279	151,791	158,609	162,657	166,827	171,123	175,546	180,103	184,796	189,631
January 1st Variable Payment	143,470	157,585	164,663	168,866	173,195	177,654	182,247	186,977	191,850	196,868

NOTES

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Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

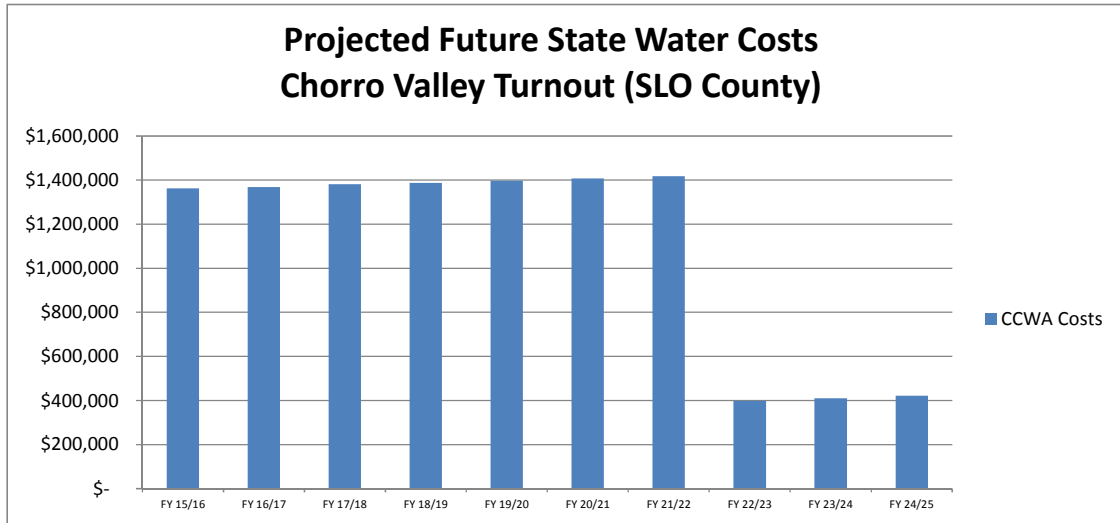
Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	541	584	726	726	726	726	726	726	726	726
Table A Water Deliveries-2nd Quarter	543	584	472	472	472	472	472	472	472	472
Table A Water Deliveries-3rd Quarter	584	490	490	490	490	490	490	490	490	490
Table A Water Deliveries-4th Quarter	584	650	650	650	650	650	650	650	650	650
Total FY Table A Deliveries (acre-feet)	2,253	2,309	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338
CCWA Variable Cost per AF Assumptions	\$ 45	\$ 46	\$ 48	\$ 49	\$ 50	\$ 52	\$ 53	\$ 55	\$ 57	\$ 58
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 218,852	\$ 225,417	\$ 232,180	\$ 239,145	\$ 246,320	\$ 253,709	\$ 261,320	\$ 269,160	\$ 277,235	\$ 285,552
CCWA Variable O&M Costs ⁽²⁾	106,267	106,538	111,117	114,450	117,884	121,420	125,063	128,815	132,679	136,660
CCWA Bond Payments & O&M Credits	1,037,178	1,035,676	1,038,753	1,034,121	1,033,297	1,032,044	1,030,712	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 1,362,297	\$ 1,367,631	\$ 1,382,050	\$ 1,387,716	\$ 1,397,500	\$ 1,407,173	\$ 1,417,095	\$ 397,975	\$ 409,914	\$ 422,212
Total Projected State Water Costs	\$ 1,362,297	\$ 1,367,631	\$ 1,382,050	\$ 1,387,716	\$ 1,397,500	\$ 1,407,173	\$ 1,417,095	\$ 397,975	\$ 409,914	\$ 422,212

Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
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<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,256,029	\$ 1,261,093	\$ 1,270,933	\$ 1,273,266	\$ 1,279,616	\$ 1,285,753	\$ 1,292,032	\$ 269,160	\$ 277,235	\$ 285,552
April 1st Variable Payment ⁽⁴⁾	25,524	26,971	34,509	35,545	36,611	37,709	38,841	40,006	41,206	42,442
July 1st Variable Payment	25,619	26,967	22,430	23,103	23,796	24,510	25,245	26,003	26,783	27,586
October 1st Variable Payment	27,562	22,617	23,295	23,994	24,714	25,455	26,219	27,006	27,816	28,650
January 1st Variable Payment	27,562	29,983	30,882	31,809	32,763	33,746	34,758	35,801	36,875	37,981

NOTES

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- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2015/16 fixed payment is paid on June 1, 2015).
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Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

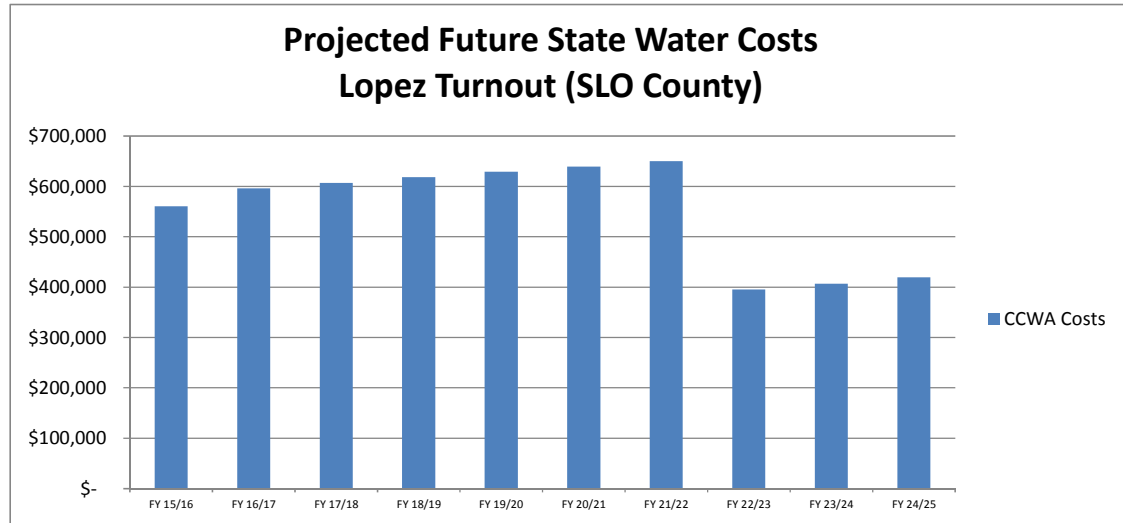
Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter	495	552	524	556	556	556	556	556	556	556
Table A Water Deliveries-2nd Quarter	465	544	528	546	546	546	546	546	546	546
Table A Water Deliveries-3rd Quarter	512	491	516	517	517	517	517	517	517	517
Table A Water Deliveries-4th Quarter	567	543	571	574	574	574	574	574	574	574
Total FY Table A Deliveries (<i>acre-feet</i>)	2,038	2,130	2,140	2,192	2,192	2,192	2,192	2,192	2,192	2,192
CCWA Variable Cost per AF Assumptions	\$ 45	\$ 46	\$ 48	\$ 49	\$ 50	\$ 52	\$ 53	\$ 55	\$ 57	\$ 58
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 223,123	\$ 229,816	\$ 236,711	\$ 243,812	\$ 251,126	\$ 258,660	\$ 266,420	\$ 274,413	\$ 282,645	\$ 291,124
CCWA Variable O&M Costs ⁽²⁾	96,130	98,281	101,714	107,321	110,540	113,856	117,272	120,790	124,414	128,146
CCWA Bond Payments & O&M Credits	241,074	267,804	268,600	267,402	267,189	266,865	266,521	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 560,327	\$ 595,901	\$ 607,024	\$ 618,535	\$ 628,856	\$ 639,382	\$ 650,213	\$ 395,203	\$ 407,059	\$ 419,271
Total Projected State Water Costs	\$ 560,327	\$ 595,901	\$ 607,024	\$ 618,535	\$ 628,856	\$ 639,382	\$ 650,213	\$ 395,203	\$ 407,059	\$ 419,271

Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	464,197	\$	497,620	\$	505,311	\$	511,214	\$	518,315	\$	525,525	\$	532,941	\$	274,413	\$	282,645	\$	291,124
April 1st Variable Payment ⁽⁴⁾		23,331		25,473		24,918		27,196		28,012		28,852		29,718		30,609		31,527		32,473
July 1st Variable Payment		21,916		25,103		25,108		26,720		27,522		28,348		29,198		30,074		30,976		31,906
October 1st Variable Payment		24,146		22,636		24,524		25,310		26,069		26,851		27,657		28,487		29,341		30,221
January 1st Variable Payment		26,737		25,069		27,164		28,094		28,937		29,805		30,699		31,620		32,569		33,546

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

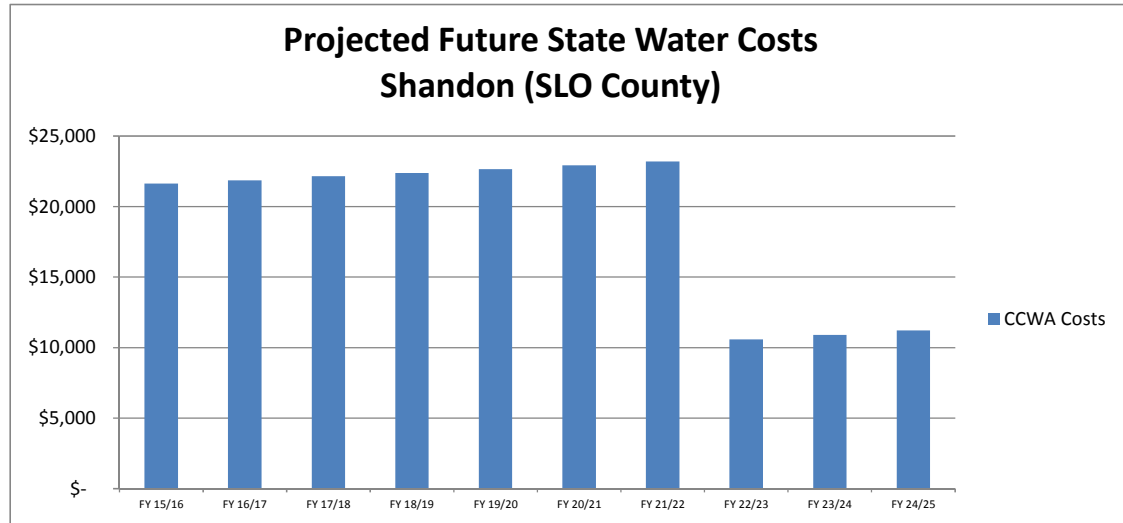
<i>Water Deliveries-Fiscal Year Basis (AF)</i> ⁽¹⁾	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Table A Water Deliveries-1st Quarter										
Table A Water Deliveries-2nd Quarter										
Table A Water Deliveries-3rd Quarter										
Table A Water Deliveries-4th Quarter										
Total FY Table A Deliveries (<i>acre-feet</i>)	-	-	-	-	-	-	-	-	-	-
CCWA Variable Cost per AF Assumptions	\$ 45	\$ 46	\$ 48	\$ 49	\$ 50	\$ 52	\$ 53	\$ 55	\$ 57	\$ 58
<i>CCWA Costs</i>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 8,595	\$ 8,853	\$ 9,118	\$ 9,392	\$ 9,674	\$ 9,964	\$ 10,263	\$ 10,571	\$ 10,888	\$ 11,215
CCWA Variable O&M Costs ⁽²⁾	-	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	13,028	13,001	13,039	12,981	12,971	12,955	12,938	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 21,623	\$ 21,854	\$ 22,158	\$ 22,373	\$ 22,645	\$ 22,919	\$ 23,201	\$ 10,571	\$ 10,888	\$ 11,215
Total Projected State Water Costs	\$ 21,623	\$ 21,854	\$ 22,158	\$ 22,373	\$ 22,645	\$ 22,919	\$ 23,201	\$ 10,571	\$ 10,888	\$ 11,215

Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2015/16 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	21,623	\$	21,854	\$	22,158	\$	22,373	\$	22,645	\$	22,919	\$	23,201	\$	10,571	\$	10,888	\$	11,215
April 1st Variable Payment ⁽⁴⁾		-		-		-		-		-		-		-		-		-		-
July 1st Variable Payment		-		-		-		-		-		-		-		-		-		-
October 1st Variable Payment		-		-		-		-		-		-		-		-		-		-
January 1st Variable Payment		-		-		-		-		-		-		-		-		-		-

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2015/16 fixed payment is paid on June 1, 2015).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2015 Statement of Charges dated November 30, 2014.



Central Coast Water Authority
CCWA Fixed Costs
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Allocation Percentage	Base Year									
		FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Base Fixed O&M Costs		7,252,078	7,252,078	7,469,640	7,693,730	7,924,542	8,162,278	8,407,146	8,659,361	8,919,141	9,186,716
Inflation Factor			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Projected Fixed O&M		7,252,078	7,469,640	7,693,730	7,924,542	8,162,278	8,407,146	8,659,361	8,919,141	9,186,716	9,462,317
Capital Improvement Projects		-	-	-	-	-	-	-	-	-	-
Other Costs		-	-	-	-	-	-	-	-	-	-
TOTAL CCWA FIXED COSTS		7,252,078	7,469,640	7,693,730	7,924,542	8,162,278	8,407,146	8,659,361	8,919,141	9,186,716	9,462,317
Guadalupe	1.37%	97,211	102,429	105,502	108,667	111,927	115,285	118,743	122,306	125,975	129,754
Santa Maria	42.30%	2,837,871	3,159,350	3,254,130	3,351,754	3,452,307	3,555,876	3,662,552	3,772,429	3,885,602	4,002,170
Golden State Water	1.28%	91,728	95,535	98,401	101,353	104,393	107,525	110,751	114,074	117,496	121,021
Vandenberg AFB	15.07%	1,070,543	1,125,659	1,159,428	1,194,211	1,230,037	1,266,939	1,304,947	1,344,095	1,384,418	1,425,951
Buellton	1.94%	129,700	144,813	149,157	153,632	158,241	162,988	167,878	172,914	178,102	183,445
Santa Ynez (Solvang)	4.90%	332,321	366,287	377,276	388,594	400,252	412,260	424,627	437,366	450,487	464,002
Santa Ynez	9.15%	602,466	683,459	703,962	725,081	746,834	769,239	792,316	816,085	840,568	865,785
Goleta	5.77%	533,048	431,280	444,218	457,545	471,271	485,410	499,972	514,971	530,420	546,333
Morehart Land Co.	0.34%	25,437	25,024	25,775	26,548	27,344	28,165	29,010	29,880	30,776	31,700
La Cumbre	1.38%	127,183	103,137	106,231	109,418	112,700	116,081	119,564	123,151	126,845	130,650
Raytheon	0.07%	6,359	5,548	5,714	5,886	6,062	6,244	6,431	6,624	6,823	7,028
Santa Barbara	3.64%	355,366	271,984	280,143	288,548	297,204	306,120	315,304	324,763	334,506	344,541
Montecito	3.81%	355,366	284,959	293,508	302,313	311,382	320,724	330,346	340,256	350,464	360,978
Carpinteria	2.76%	236,910	206,092	212,274	218,643	225,202	231,958	238,917	246,084	253,467	261,071
Shandon	0.12%	8,595	8,853	9,118	9,392	9,674	9,964	10,263	10,571	10,888	11,215
Chorro Valley	3.02%	218,852	225,417	232,180	239,145	246,320	253,709	261,320	269,160	277,235	285,552
Lopez	3.08%	223,123	229,816	236,711	243,812	251,126	258,660	266,420	274,413	282,645	291,124
Total:	100.00%	7,252,078	7,469,640	7,693,730	7,924,542	8,162,278	8,407,146	8,659,361	8,919,141	9,186,716	9,462,317

Central Coast Water Authority
CCWA & DWR Variable Cost Projections
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Base Year									
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
CCWA Variable Costs/AF-North County	45	46	48	49	50	52	53	55	57	58
CCWA WTP Variable Retreatment Costs/AF	19	19	20	20	21	22	22	23	24	24
Inflation Factor		3%	3%	3%	3%	3%	3%	3%	3%	3%
Projected CCWA Variable \$/AF-North County	63	65	67	69	71	74	76	78	80	83
CCWA Variable Costs/AF-South County	126	130	134	138	142	146	150	155	159	164
CCWA WTP Variable Retreatment Costs/AF	19	19	20	20	21	22	22	23	24	24
South Coast Retreatment Credits/AF	(47)	(49)	(50)	(52)	(53)	(55)	(56)	(58)	(60)	(62)
Inflation Factor		3%	3%	3%	3%	3%	3%	3%	3%	3%
Projected CCWA Variable \$/AF-South County	97	100	103	106	110	113	116	120	123	127
Estimated DWR Variable \$/AF	167	167	172	177	182	188	194	199	205	212
Inflation Factor		3%	3%	3%	3%	3%	3%	3%	3%	3%
Projected DWR Variable \$/AF	167	172	177	182	188	194	199	205	212	218
Total Projected Variable Cost/AF										
CCWA & DWR Variable - North Coast \$/AF	230	237	244	252	259	267	275	283	292	301
CCWA & DWR Variable - South Coast \$/AF ⁽¹⁾	264	272	280	289	297	306	316	325	335	345

(1) South Coast total AF estimates do not include Warren Act charges.

Central Coast Water Authority
CCWA Bond Debt
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Allocation Percentage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Principal Payment		8,405,000	8,825,000	9,265,000	9,640,000	10,125,000	10,630,000	11,160,000	-	-	-
Interest Payment		3,099,725	2,668,975	2,263,050	1,836,750	1,342,625	823,750	279,000	-	-	-
Other Costs (Credits)		(11,680)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-	-	-
TOTAL DEBT SERVICE PAYMENTS		11,493,045	11,468,975	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-	-	-
Guadalupe	1.42%	163,728	163,398	163,883	163,152	163,022	162,825	162,614	-	-	-
Santa Maria	0.00%	-	-	-	-	-	-	-	-	-	-
Golden State Water	0.00%	-	-	-	-	-	-	-	-	-	-
Vandenberg AFB	0.00%	-	-	-	-	-	-	-	-	-	-
Buellton	2.52%	290,011	289,448	290,308	289,014	288,783	288,433	288,061	-	-	-
Santa Ynez (Solvang)	7.75%	890,751	888,891	891,532	887,556	886,849	885,774	884,631	-	-	-
Santa Ynez	2.91%	334,525	333,826	334,818	333,325	333,059	332,655	332,226	-	-	-
Goleta	24.43%	2,807,550	2,801,620	2,809,944	2,797,412	2,795,183	2,791,794	2,788,191	-	-	-
Morehart Land Co.	1.12%	128,911	128,653	129,035	128,460	128,358	128,202	128,036	-	-	-
La Cumbre	5.37%	617,241	615,937	617,767	615,012	614,522	613,777	612,985	-	-	-
Raytheon	0.23%	26,984	26,931	27,011	26,891	26,869	26,837	26,802	-	-	-
Santa Barbara	15.02%	1,725,889	1,722,243	1,727,360	1,719,657	1,718,287	1,716,203	1,713,988	-	-	-
Montecito	17.65%	2,028,495	2,024,275	2,030,290	2,021,235	2,019,625	2,017,176	2,014,572	-	-	-
Carpinteria	10.09%	1,159,728	1,157,270	1,160,708	1,155,532	1,154,611	1,153,211	1,151,723	-	-	-
Shandon	0.11%	13,028	13,001	13,039	12,981	12,971	12,955	12,938	-	-	-
Chorro Valley	9.03%	1,037,841	1,035,676	1,038,753	1,034,121	1,033,297	1,032,044	1,030,712	-	-	-
Lopez	2.34%	268,364	267,804	268,600	267,402	267,189	266,865	266,521	-	-	-
Total:	100.00%	11,493,045	11,468,975	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-	-	-

Central Coast Water Authority
DWR Transportation Capital Charges
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Allocation Percentage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Current Year Charges		22,761,748	22,798,267	22,756,688	22,667,473	22,633,084	22,624,702	22,619,139	22,615,028	22,612,470	22,609,609
Rate Management Credits (Over)/Under Payment		(2,837,351)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)
Miscellaneous Charges/(Credits)		(1,540)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		19,155,010	19,009,795	18,968,216	18,879,001	18,844,612	18,836,230	18,830,667	18,826,556	18,823,998	18,821,137
Guadalupe	1.41%	269,246	267,205	266,620	265,366	264,883	264,765	264,687	264,629	264,593	264,553
Santa Maria	41.40%	7,930,520	7,870,398	7,853,184	7,816,247	7,802,009	7,798,539	7,796,236	7,794,534	7,793,475	7,792,290
Golden State Water	1.28%	244,769	242,914	242,382	241,242	240,803	240,696	240,625	240,572	240,539	240,503
Vandenberg AFB	14.06%	2,692,460	2,672,049	2,666,204	2,653,664	2,648,830	2,647,652	2,646,870	2,646,292	2,645,933	2,645,531
Buellton	1.48%	282,953	280,808	280,194	278,876	278,368	278,244	278,162	278,101	278,063	278,021
Santa Ynez (Solvang)	3.80%	727,450	721,935	720,356	716,968	715,662	715,343	715,132	714,976	714,879	714,770
Santa Ynez	1.31%	251,627	249,719	249,173	248,001	247,550	247,439	247,366	247,312	247,279	247,241
Goleta	11.63%	2,227,756	2,210,867	2,206,032	2,195,656	2,191,656	2,190,681	2,190,034	2,189,556	2,189,259	2,188,926
Morehart Land Co.	0.51%	97,908	97,165	96,953	96,497	96,321	96,278	96,250	96,229	96,216	96,201
La Cumbre	2.56%	489,538	485,827	484,764	482,484	481,606	481,391	481,249	481,144	481,079	481,006
Raytheon	0.13%	24,477	24,291	24,238	24,124	24,080	24,070	24,062	24,057	24,054	24,050
Santa Barbara	7.67%	1,468,615	1,457,481	1,454,293	1,447,453	1,444,817	1,444,174	1,443,747	1,443,432	1,443,236	1,443,017
Montecito	7.67%	1,468,615	1,457,481	1,454,293	1,447,453	1,444,817	1,444,174	1,443,747	1,443,432	1,443,236	1,443,017
Carpinteria	5.11%	979,077	971,654	969,529	964,969	963,211	962,783	962,498	962,288	962,157	962,011
Total:	100.00%	19,155,010	19,009,795	18,968,216	18,879,001	18,844,612	18,836,230	18,830,667	18,826,556	18,823,998	18,821,137

Central Coast Water Authority
DWR Coastal Branch Extension
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Allocation Percentage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Principal		2,491,801	2,518,121	2,400,429	1,680,036	1,093,659	1,926,454	2,090,424	2,852,166	2,052,007	2,135,200
Interest		1,174,587	1,116,933	1,036,447	964,598	915,730	866,263	803,397	722,770	631,233	545,607
Bond Cover		919,887	894,052	769,170	587,862	606,447	718,676	818,673	793,714	681,209	616,951
Return of Prior Year Cover		(874,174)	(919,887)	(894,052)	(769,170)	(587,862)	(606,447)	(718,676)	(818,673)	(793,714)	(681,209)
Other Charges/(Credits)		(183,274)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		3,528,826	3,609,219	3,311,994	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549
Guadalupe	0.00%	-	-	-	-	-	-	-	-	-	-
Santa Maria	21.80%	769,190	786,714	721,927	536,940	442,044	633,201	652,573	773,801	560,352	570,338
Golden State Water	0.67%	23,740	24,281	22,282	16,572	13,643	19,543	20,141	23,883	17,295	17,603
Vandenberg AFB	19.54%	689,363	705,068	647,005	481,216	396,169	567,487	584,848	693,495	502,198	511,148
Buellton	2.05%	72,446	74,096	67,994	50,571	41,634	59,638	61,462	72,880	52,776	53,717
Santa Ynez (Solvang)	5.33%	188,008	192,291	176,456	131,241	108,046	154,769	159,504	189,135	136,963	139,404
Santa Ynez	1.78%	62,669	64,097	58,819	43,747	36,015	51,590	53,168	63,045	45,654	46,468
Goleta	15.98%	564,025	576,874	529,368	393,722	324,138	464,308	478,512	567,405	410,890	418,212
Morehart Land Co.	0.71%	25,068	25,639	23,527	17,499	14,406	20,636	21,267	25,218	18,262	18,587
La Cumbre	3.55%	125,339	128,194	117,637	87,494	72,031	103,180	106,336	126,090	91,309	92,936
Raytheon	0.18%	6,267	6,410	5,882	4,375	3,602	5,159	5,317	6,305	4,565	4,647
Santa Barbara	10.66%	376,016	384,583	352,912	262,481	216,092	309,539	319,008	378,270	273,926	278,808
Montecito	10.66%	376,016	384,583	352,912	262,481	216,092	309,539	319,008	378,270	273,926	278,808
Carpinteria	7.10%	250,678	256,389	235,274	174,988	144,061	206,359	212,672	252,180	182,618	185,872
Total:	100.00%	3,528,826	3,609,219	3,311,994	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549

Central Coast Water Authority
DWR Water System Revenue Bond Surcharge
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Allocation	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
	Percentage										
WSRB Charge		2,947,038	2,958,357	2,923,824	2,629,222	2,762,678	2,603,026	2,585,608	2,500,927	2,491,812	2,421,928
Return of Prior Year Cover(41%)		(1,211,050)	(1,208,285)	(1,212,926)	(1,198,768)	(1,077,981)	(1,132,698)	(1,067,241)	(1,060,099)	(1,025,380)	(1,021,643)
Other Charges/(Credits)		-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		1,735,988	1,750,072	1,710,898	1,430,454	1,684,697	1,470,328	1,518,367	1,440,828	1,466,432	1,400,285
Guadalupe	1.38%	24,032	24,227	23,685	19,802	23,322	20,354	21,019	19,946	20,300	19,385
Santa Maria	40.78%	707,851	713,594	697,620	583,269	686,937	599,528	619,116	587,499	597,939	570,968
Golden State Water	1.26%	21,847	22,024	21,531	18,002	21,202	18,504	19,109	18,133	18,455	17,622
Vandenberg AFB	13.84%	240,320	242,269	236,846	198,023	233,219	203,543	210,194	199,460	203,004	193,847
Buellton	1.45%	25,255	25,460	24,890	20,810	24,509	21,391	22,089	20,961	21,334	20,372
Santa Ynez (Solvang)	3.66%	63,494	64,009	62,577	52,319	61,618	53,778	55,535	52,699	53,635	51,216
Santa Ynez	1.38%	23,895	24,089	23,549	19,689	23,189	20,238	20,899	19,832	20,184	19,274
Goleta	12.97%	225,120	226,946	221,866	185,499	218,468	190,669	196,899	186,844	190,164	181,586
Morehart Land Co.	0.50%	8,739	8,810	8,613	7,201	8,481	7,402	7,643	7,253	7,382	7,049
La Cumbre	2.52%	43,694	44,049	43,063	36,004	42,404	37,008	38,217	36,265	36,910	35,245
Raytheon	0.13%	2,185	2,202	2,153	1,800	2,120	1,850	1,911	1,813	1,845	1,762
Santa Barbara	7.55%	131,083	132,147	129,189	108,013	127,211	111,024	114,651	108,796	110,729	105,735
Montecito	7.55%	131,083	132,147	129,189	108,013	127,211	111,024	114,651	108,796	110,729	105,735
Carpinteria	5.03%	87,389	88,098	86,126	72,009	84,807	74,016	76,434	72,531	73,820	70,490
Total:	100.00%	1,735,988	1,750,072	1,710,898	1,430,454	1,684,697	1,470,328	1,518,367	1,440,828	1,466,432	1,400,285

Central Coast Water Authority
DWR Transportation Minimum OMP&R
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Allocation Percentage	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Current Year Charges		10,262,196	9,652,873	9,665,876	9,762,534	9,860,159	9,958,760	10,058,348	10,158,931	10,260,521	10,363,126
(Over)/Under Payment		(27,311)	-	-	-	-	-	-	-	-	-
BDCP/DHCCP-Non-Construction		-	-	-	-	-	-	-	-	-	-
Miscellaneous Charges/(Credits)		355,082	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		10,589,967	9,652,873	9,665,876	9,762,534	9,860,159	9,958,760	10,058,348	10,158,931	10,260,521	10,363,126
Guadalupe	1.39%	142,358	134,263	134,443	135,788	137,146	138,517	139,902	141,301	142,714	144,141
Santa Maria	40.97%	4,335,331	3,954,642	3,959,969	3,999,568	4,039,564	4,079,959	4,120,759	4,161,966	4,203,586	4,245,622
Golden State Water	1.26%	129,416	122,057	122,221	123,443	124,678	125,925	127,184	128,456	129,740	131,038
Vandenberg AFB	13.91%	1,423,578	1,342,625	1,344,434	1,357,878	1,371,457	1,385,171	1,399,023	1,413,013	1,427,143	1,441,415
Buellton	1.46%	149,605	141,098	141,288	142,701	144,128	145,569	147,025	148,495	149,980	151,480
Santa Ynez (Solvang)	3.70%	421,891	356,683	357,163	360,735	364,342	367,986	371,666	375,382	379,136	382,928
Santa Ynez	1.36%	139,476	131,544	131,722	133,039	134,369	135,713	137,070	138,441	139,825	141,223
Goleta	12.55%	1,367,524	1,211,910	1,213,542	1,225,678	1,237,934	1,250,314	1,262,817	1,275,445	1,288,199	1,301,081
Morehart Land Co.	0.51%	51,766	48,823	48,889	49,377	49,871	50,370	50,874	51,382	51,896	52,415
La Cumbre	2.53%	288,147	244,114	244,443	246,887	249,356	251,849	254,368	256,912	259,481	262,075
Raytheon	0.13%	12,942	12,206	12,222	12,344	12,468	12,592	12,718	12,846	12,974	13,104
Santa Barbara	7.59%	776,497	732,341	733,328	740,661	748,067	755,548	763,103	770,735	778,442	786,226
Montecito	7.59%	776,497	732,341	733,328	740,661	748,067	755,548	763,103	770,735	778,442	786,226
Carpinteria	5.06%	574,941	488,227	488,885	493,774	498,712	503,699	508,736	513,823	518,961	524,151
Total:	100.00%	10,589,967	9,652,873	9,665,876	9,762,534	9,860,159	9,958,760	10,058,348	10,158,931	10,260,521	10,363,126

Central Coast Water Authority
DWR Delta Water Charge
 Ten-Year Financial Plan Projections
 FY 2015/16 Budget

	Table A & Drought Buffer %		Table A & Drought Buffer %									
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25		
Delta Water Charge \$/AF-Base	\$ 62	\$ 62	\$ 65	\$ 69	\$ 72	\$ 76	\$ 80	\$ 84	\$ 88	\$ 92		
Inflation %		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%		
Projected DWC-Base Charges	\$ 62	\$ 65	\$ 69	\$ 72	\$ 76	\$ 80	\$ 84	\$ 88	\$ 92	\$ 97		
Rate Management Credits/AF	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)		
Miscellaneous Charges/(Credits)	-	-	-	-	-	-	-	-	-	-		
TOTAL PAYMENTS	\$ 59	\$ 62	\$ 66	\$ 69	\$ 73	\$ 77	\$ 80	\$ 85	\$ 89	\$ 94		
Guadalupe	605	1.33%	36,204	37,750	39,730	41,809	43,992	46,284	48,691	51,218	53,871	56,657
Santa Maria	17,820	39.18%	1,066,366	1,111,923	1,170,241	1,231,475	1,295,770	1,363,280	1,434,166	1,508,596	1,586,747	1,668,806
Golden State Water	550	1.21%	32,913	34,319	36,119	38,008	39,993	42,077	44,264	46,562	48,974	51,506
Vandenberg AFB	6,050	13.30%	362,038	377,505	397,304	418,093	439,922	462,842	486,908	512,178	538,711	566,570
Buellton	636	1.40%	38,059	39,685	41,766	43,952	46,246	48,656	51,186	53,842	56,631	59,560
Santa Ynez (Solvang)	1,500	3.30%	90,219	93,596	98,505	103,659	109,072	114,754	120,721	126,986	133,565	140,472
Santa Ynez	700	1.54%	40,973	43,678	45,969	48,374	50,900	53,552	56,336	59,260	62,330	65,554
Goleta	7,450	16.38%	445,788	464,861	489,242	514,842	541,722	569,946	599,581	630,698	663,371	697,677
Morehart Land Co.	220	0.48%	13,165	13,727	14,447	15,203	15,997	16,831	17,706	18,625	19,589	20,603
La Cumbre	1,100	2.42%	65,825	68,637	72,237	76,017	79,986	84,153	88,529	93,123	97,947	103,013
Raytheon	55	0.12%	3,291	3,432	3,612	3,801	3,999	4,208	4,426	4,656	4,897	5,151
Santa Barbara	3,300	7.25%	197,475	205,912	216,711	228,051	239,957	252,459	265,586	279,370	293,842	309,038
Montecito	3,300	7.25%	197,475	205,912	216,711	228,051	239,957	252,459	265,586	279,370	293,842	309,038
Carpinteria	2,200	4.84%	131,650	137,274	144,474	152,034	159,972	168,306	177,058	186,246	195,895	206,025
Total:	45,486	100.00%	\$ 2,721,440	\$ 2,838,211	\$ 2,987,069	\$ 3,143,370	\$ 3,307,486	\$ 3,479,807	\$ 3,660,745	\$ 3,850,729	\$ 4,050,213	\$ 4,259,671



Appendix

The Appendix to the FY 2015/16 Budget contains miscellaneous statistical information on the CCWA and a glossary of terms.

Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2015/16 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the U.S. state of California, just west of Ventura County. The estimated total population of the County as of January 2012 was 427,267 according to the Santa Barbara County website. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Santa Barbara County, often branded as the American Riviera, is home to a beautiful landscape and great climate for living, playing and working. The County is well known for its strong sense of community, prime agricultural land, award winning wineries, and attractive cultural and tourism opportunities. However, Santa Barbara County also touts its talented and highly skilled workforce, and growing business sectors, from high tech to health care to design. Quality institutions like UC Santa Barbara and Vandenberg Airforce Base continue to attract high quality individuals to the County. It is these attributes that attract and retain businesses in the area.

Central Coast Water Authority
Miscellaneous Statistical Information
Fiscal Year 2015/16 Budget

Form of government	Joint	Powers Authority
Date of organization	August	1, 1991
Number of full-time equivalent positions		29.50
Polonio Pass Water Treatment Plant design capacity	43	million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)		42.5
Coastal Branch pipeline (in miles)		100.6
State water Table A amount		(acre-feet per year)
CCWA contract Table A amount		39,078
CCWA drought buffer		3,908
Goleta Water District additional Table A		<u>2,500</u>
TOTAL	45,486	
FY 2014/15 Santa Barbara County requested deliveries	29,155	acre-feet
San Luis Obispo State water Table A		4,830 acre-feet
FY 2014/15 San Luis Obispo requested deliveries		4,356 acre-feet
Amount of treated water storage in tanks		23.7 million gallons
Number of turnouts	10	
Number of project participants		
Santa Barbara County	13	
San Luis Obispo County	11	—
TOTAL	24	
Estimated total population served by State water		
Santa Barbara County	340,000	
San Luis Obispo County		<u>41,000</u>
TOTAL	381,000	

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2015/16 Budget

A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2015/16 Budget

C

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are “carried over” into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

Delta Water Charge - A unit charge applied to each acre-foot of State water entitlement by DWR. The unit charge is applied to result in repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period (2035).

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2015/16 Budget

deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2015/16 Budget

J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2015/16 Budget

O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Off Aqueduct Charge - Bond debt service, cover and reserves for transmission costs allocated to DWR off-aqueduct power facilities (power cost which includes both fixed and variable cost elements.)

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2015/16 Budget

Reserves - A budgeted amount to be set aside in an account for future use.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2015/16 Budget

Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

Transportation Charge - Minimum Operation, Maintenance, Power and Replacement (OMP&R) - Operating costs incurred by DWR that do not depend on or vary with quantities of water delivered to the Authority.

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

Water System Revenue Bond Surcharge - The surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. Project interest rate is the melded financing costs for projects not financed with water system revenue bonds.

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report, needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Southern California Water Company, La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch

Phase II project, which extends from northwest Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000.)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the

federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The

change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting

from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and curating 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County) and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 80% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out. In the meantime, the reliability of requested deliveries by CCWA project participants is much higher – virtually 100% – because their current total demand is significantly less than 39,078 acre feet per year.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

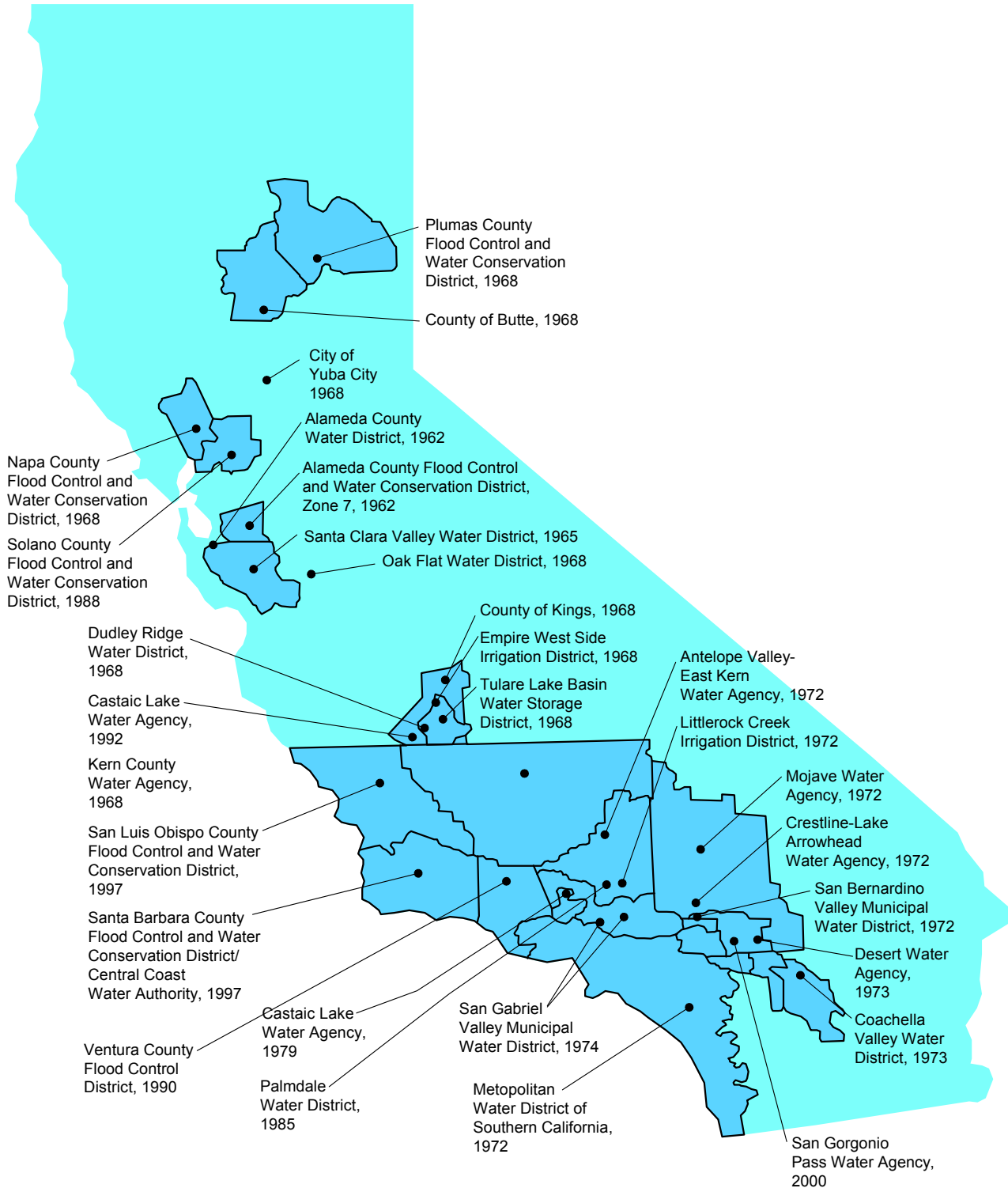


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	43 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	California Cities Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Santa Barbara Research Center, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.