

CENTRAL COAST WATER AUTHORITY

FY 2013/14
CONTINUING
DISCLOSURE ANNUAL
REPORT

\$123,190,000
REFUNDING REVENUE BONDS
(STATE WATER PROJECT REGIONAL
FACILITIES)
SERIES 2006A

FY 2013/14 CONTINUING DISCLOSURE

ANNUAL REPORT

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March 5, 2015

Ms. Valere Jones-Shaw
 Bank of New York Mellon Trust Company
 400 South Hope Street, 4th Floor
 Los Angeles, CA 90071

RE: Central Coast Water Authority Fiscal Year 2013/14 Annual Report on
 Continuing Disclosure for the \$123,190,000 Refunding Revenue Bonds
 (State Water Project Regional Facilities), Series 2006A

Jack Boysen
 Chairman

Richard Shaikewitz
 Vice Chairman

Ray A. 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

Dear Valere:

Attached is the Fiscal Year 2013/14 Annual Report pursuant to the Continuing Disclosure Agreement between the Central Coast Water Authority and Bank of New York Western Trust Company (as successor Trustee).

Fiscal Year 2013/14 State Water Deliveries

A table showing deliveries during Fiscal Year 2013/14 to Santa Barbara and San Luis Obispo County State water contractors is attached.

Rate Coverage Reserve Fund

On December 18, 1997, the Authority Board of Directors established the Rate Coverage Reserve Fund. This fund provides a mechanism to allow 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 (refer to the attached Rate Coverage Reserve Fund Policy for additional information).

Under the provisions of the Rate Coverage Reserve Fund policy, Authority Contractors may deposit up to 25% of their estimated annual contract payments in cash with the Authority. The deposit amount on the first day of the fiscal year is then added to the net revenues for each participating Contractor when calculating Net Revenues for the year. The Rate Coverage Reserve Fund policy was approved by AMBAC, the Authority's bond insurer.

The following agencies elected to participate in the CCWA Rate Coverage Reserve Fund during Fiscal Year 2013/14 and have deposited the following amounts:

Project Participant	FY 2013/14 Rate Coverage Fund Deposit
City of Buellton	\$ 258,427
Carpinteria Valley Water District	816,100
City of Guadalupe	167,787
La Cumbre Mutual Water Company	391,135
Montecito Water District	1,087,787
City of Santa Maria	4,290,188
Santa Ynez, RWCD, I.D. #1 (City of Solvang)	606,183
Santa Ynez, RWCD, I.D. #1	418,061
TOTAL:	\$ 8,035,669

255 Industrial Way
 Buellton, CA 93427-9591
 (805) 688-2292
 FAX: (805) 686-4700

Continuing Disclosure Annual Report

Consistent with Section 4 of the Continuing Disclosure Report, the Fiscal Year 2013/14 Annual Report includes the charts described under the captions, "Historic Water Connections and Sales Revenues," "Historic Water Deliveries," "Largest Customers," "Water System Rates and Charges," "Historic Operating Results" and "Debt Service Coverage" for each of the following Contractors:

City of Santa Maria
City of Santa Barbara
City of Guadalupe
City of Buellton
Goleta Water District
Montecito Water District
Carpinteria Valley Water District
La Cumbre Mutual Water Company
Santa Ynez River Water Conservation District, Improvement District No. 1
(including the City of Solvang as an attachment)
City of Pismo Beach
City of Morro Bay

Section 4 of the Continuing Disclosure Agreement requires that the Authority submit a copy of its audited financial statements. Five copies of the Authority's FY 2013/14 Comprehensive Annual Financial Report were previously sent to you under separate cover.

City of Morro Bay From the information presented to CCWA, the City of Morro Bay did not meet the required 1.25 coverage ratio during FY 2013/14. The City has provided a letter (included), which describes the steps it is taking to meet the requirement in the future.

Audited Financial Statements The City of Guadalupe did not submit audited financial statements for FY 2013/14. As such, CCWA was unable to verify the actual operating results with their financial statements.

If you have any questions, please call me at (805) 688-2292, extension 214.

Sincerely,



Ray A. Stokes
Executive Director

RAS

Attachments

cc: Doug Brown, Stradling, Yocca, Carlson & Rauth
Dave Houston, Citigroup

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RAS

FY 2013/14 STATE WATER DELIVERIES

Central Coast Water Authority

Fiscal Year 2013/14 State Water Deliveries

Fiscal Year 2013/14 Continuing Disclosure Annual Report

Project Participant	<i>Acre-Feet</i>		
	Requests	Exchange	Net Deliveries
Lopez Turnout (SLO County)	1,507		1,507
Chorro Valley Turnout (SLO County)	2,062		2,062
City of Guadalupe	91		91
City of Santa Maria	4,546		4,546
Golden State Water Company	78		78
Vandenberg Air Force Base	934		934
City of Buellton	51		51
Santa Ynez ID#1 (Solvang only)	926		926
Santa Ynez ID#1 (excluding Solvang)	164	2,245	2,409
Goleta Water District	4,625	(808)	3,817
Morehart Land Company	8	-	8
LaCumbre Mutual Water Co.	715	-	715
Raytheon Systems Co.	-	-	-
City of Santa Barbara	1,591	(135)	1,456
Montecito Water District	3,451	(944)	2,507
Carpinteria Valley Water District	1,230	(358)	872
TOTAL:	21,979	-	21,979

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

Adopted: December 18, 1997

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- (60) days 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
Rate Coverage Reserve Fund Policy

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.

CITY OF BUELLTON

The information set forth below has been provided by the City of Buellton (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active domestic water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual domestic water sales revenues. Sales revenues for the year ended June 30, 2014 increased by almost 5%. This was primarily due to a water rate increase.

Historic Water Connections and Sales and Service Revenues

Fiscal Year Ending June 30	Connections	Water Sales Revenues
2010	1,558	\$ 1,467,931
2011	1,557	1,387,651
2012	1,570	1,368,805
2013	1,569	1,460,658
2014	1,569	1,532,887

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries and the source of that water in acre-feet per year.

*Historic Water Deliveries and Source of Water Delivered
(In acre-feet per year)*

Fiscal Year Ending June 30	Santa Ynez River Appropriation	Groundwater Basin	State Water	Total
2010	371	701	228	1,300
2011	152	706	326	1,184
2012	222	462	528	1,212
2013	369	484	373	1,227
2014	762	488	50	1,300

WATER SYSTEM RATES AND CHARGES

General. The City is not subject to the jurisdiction of, or regulation by, the State of California Public Utilities Commission. It is the City's policy to annually determine the adequacy of the water system rate structure after full consideration of expected operations, maintenance and capital costs. The City currently sets water charges to pay the cost of groundwater pumping, water treatment and current operation expenses for the water system, debt service with respect to its bonds, and coverage of its obligations under the Water Supply Agreement. Capital improvements and debt service payments are funded from water connection and user fees.

Water Service Charges. The City separates its customers into commercial and residential. Charges are associated with the water meter size (an additional dwelling unit fee of \$7.00 per dwelling unit) and quantity of water used. The City increased its water rates approximately 40% effective on July 25, 1995 and further increased the rates on July 26, 1996 by 15% on consumption price plus \$7.00 per additional dwelling unit. As a result, the Water Quantity Charge for commercial and residential customers is now \$1.97 per 100 cubic feet. The Water Meter Charges are set forth below:

Meter Size	Monthly Service Charge ¹
Up to 3/4"	\$ 19.20
1"	21.65
1 1/2"	26.48
2"	36.21
3"	55.60
4"	73.80
6"	104.11
8"	140.51

Collection Procedures. The City is on a monthly billing cycle, sending out bills for the prior month service. Payment is due upon receipt and is considered delinquent if not paid by the 20th day of the following month. If payment is not received, a delinquency notice appears on the next water bill. Currently 10% of the accounts, which account for approximately 1% of the Water System Revenues, are delinquent. The City reports, however, that upon receipt of such delinquent notices almost all of its customers pay delinquent amounts within two weeks. Water service for all accounts not paid in full within 55 days of the original billing date are discontinued by the City until full payment is made, including late penalties and a \$20.00 re-connection fee, if reinstated during business hours and \$53.00 after hours.

Connection Fees. The City charges connection fees for improvement or expansion of water treatment and distribution facilities to meet the requirements of community growth. The current connection fee for single-family residences is \$3,640. The current connection fee for commercial and all other uses and meter sizes will be based on \$5,200 per acre-foot per year of anticipated water use.

¹ Plus \$7.00 for each additional dwelling unit that is served by one meter.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2014, as determined by the amount of their respective annual payments.

	Water Usage ²	Annual Payments
Professional Investment Planning	23,777	\$77,352
Buellton Union School District	20,619	42,710
FPA Flying Flags Assoc., L.P.	19,353	39,519
Santa Ynez Valley Marriott	13,160	27,319
Rivergrove Mobile Home Park	8,521	28,087
The Inn Group	9,627	20,939
Terravant Wine Co	8,113	17,144
Rancho De Maria	8,503	19,040
DAYS Inn	4,621	10,791
Laurel Co	<u>3,927</u>	<u>9,013</u>
TOTAL	120,221	\$291,914

These ten customers accounted for approximately 19.04% of the City's water service revenues for fiscal year 2013/14.

² Hundred Cubic Feet

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2013/14. These results have been derived from the City's audited financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF BUELLTON

<u>REVENUES</u>	<u>June 30, 2014</u>
Water Sales	\$ 1,532,887
Connection Fees	-
Other Fees & Income	18,223
Interest Income	<u>4,546</u>
TOTAL REVENUES	<u>1,555,656</u>
 <u>OPERATING EXPENSES</u>	
Operations & Maintenance Expenses	553,211
FmHA Debt Service	<u>-</u>
TOTAL OPERATING EXPENSES	<u>553,211</u>
 NET REVENUES	 1,002,445
Rate Coverage Reserve Fund Deposit	<u>258,427</u>
Adjusted Net Revenues	<u>1,260,872</u>
 State Water Payments	 962,999
 <i>Coverage Ratio</i>	 <i>1.31</i>
 Available for Capital Improvements and other purposes	 \$ 39,446

Source: City of Buellton

CARPINTERIA VALLEY WATER DISTRICT

The information set forth below has been provided by the Carpinteria Valley Water District (the “District”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active domestic and agricultural water connections to the District’s water system for the five most recent fiscal years, and corresponding annual water sales revenues. All sales revenue numbers include monthly service charges as well as the unit cost of water.

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Ag.	%	Dom.	%	Ag.	%
2010	3,896	90	430	10	\$ 7,789,308	77	\$ 2,300,628	23
2011	3,893	90	429	10	7,915,815	78	2,185,382	22
2012	3,912	90	427	10	8,129,365	77	2,382,813	23
2013	4,029	91	412	9	8,171,789	76	2,626,845	24
2014	4,038	91	406	9	8,411,037	75	2,818,138	25

The following table of total sales revenues shows categories of water revenue based on the unit cost of water and monthly service charges including those for fire protection.

Total Sales Revenue (\$)

Fiscal Year Ending June 30	Water Revenue	Monthly Service Charge	Total
2010	\$ 4,266,070	\$ 5,823,866	\$ 10,089,936
2011	4,124,997	5,979,200	10,101,197
2012	4,381,982	6,193,234	10,575,216
2013	4,789,302	6,009,332	10,798,634
2014	5,022,841	6,206,334	11,229,175

Operating revenues decreased in FY 08/09 due to a decrease in water sales as well as the termination of the Plains Exploration and Production Option Agreement with annual payments of \$300,000. Sales revenue decreased in FY 09/10 due to cooler than average weather resulting in a drop in water sales by approximately 500 AF. Sales revenues in FY 10/11 were little changed from the previous year. Operating revenues increased in FY 12 primarily due to an increase in water sold of approximately 271 acre feet. The District also sold a combined total of 800 AF of water to neighboring water agencies for \$120,000. Sales revenue increased in FY 13 due to dryer weather conditions. The continued dry conditions over FY 2013/14 resulted in higher water demand that resulted in increased water sales revenue.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries and the source of that water in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries and Source of Water Delivered (In acre - feet per year)¹ Deliveries

Fiscal Year Ending June 30	Residential ²	Commercial	Public Authority	Industrial	Irrigation	Total
2010	1,452	349	149	79	1,796	3,825
2011	1,397	365	135	69	1,633	3,599
2012	1,429	346	151	80	1,865	3,871
2013	1,523	369	220	85	2,155	4,352
2014	1,529	350	170	87	2,415	4,551

Sources

Fiscal Year Ending June 30	Groundwater	State Water	Cachuma Project	Total
2010	1,327	363	2,876	4,546
2011	797	516	3,100	4,413
2012	1,174	470	3,148	4,792
2013	864	359	3,648	4,871
2014	754	846	3,490	5,090

MANAGEMENT DISCUSSION OF HISTORIC WATER CONNECTIONS, SALES REVENUES AND DELIVERIES

The decrease in FY 08/09 was due to a wet year. FY 09/10 was a cooler than average year that also resulted in a decrease in demand for water. FY 10/11 continued cold and wet, resulting in further diminished water sales. Water sales increased in FY 11/12 by 274 AF as a result of a dryer year as compared to FY 10/11. The FY 11/12 deliveries figure also includes the sale of 800 AF of water to neighboring water agencies. Water sales increased in FY 12/13 and FY 13/14 with dry weather and drought conditions.

¹ Unaccounted water due to general system loss, including leakage, line flushing and fire hydrant testing, averages 3% and is apportioned to all account types.

The following table sets forth the ten largest customers of the District's water system as of June 30, 2014, as determined by the amount of their respective water usage:

Customer	Water Usage (units: HCF)	Annual Payments
Casitas Village	21,049	\$231,159
Villa Del Mar	24,203	\$230,685
Sandpiper	22,381	\$213,196
Cate School	43,758	\$193,752
City of Carpinteria	19,447	\$123,853
Tom Ota	31,632	\$59,002
Circle G	25,588	\$54,492
Reiter Bros	30,300	\$54,123
Westerlay Orchids	20,981	\$49,842
Cervini Farm	25,561	<u>\$46,553</u>
		\$1,256,656

These ten customers accounted for approximately 11% of water service revenues for the year ending June 30, 2014.

WATER SYSTEM RATES AND CHARGES

General. The District is not subject to the jurisdiction of, or regulation by, the California Public Utilities Commission. The District annually determines the adequacy of the water system rate structure after full consideration of expected operations, maintenance and capital costs. The District currently sets water charges to pay water costs for purchased water, costs of groundwater pumping and current operating expenses for the water system. Capital improvements and debt service payments are funded from water charges and connection fees.

Water Service Charges. The District has separated its customer base into two classes of service – domestic and agricultural. Domestic service is further separated into two types: 1) residential and 2) commercial, industrial, public authority and landscape.

In FY 08/09 the water rate for agricultural users increased to \$1.70 per HCF. All other Residential, Domestic - commercial, industrial and public authority users' tiered structure increased to \$3.00 through \$4.15 per HCF depending on use. In FY 09/10 changes included an increase in the unit cost of water to Domestic-commercial, industrial and public authority users. The tiered structure effective 7/1/2009 increased to \$3.11-\$4.32 per HCF. The agricultural rate increased to \$1.74 per HCF. In FY 09/10 the Base tier decreased to \$3.00 per HCF, the mid-level tier remained unchanged at \$3.85 per HCF and the Peak tier increased to \$4.85 per HCF. The Irrigation rate decreased to \$1.70 per HCF. Also decreased was the Capital Improvement Program rate to \$2.42 per HCF. In FY 10/11, water rates remained at FY 09/10 levels: Base tier \$3.00 per HCF, Mid-level tier \$3.85 per HCF, Peak tier \$4.85 per HCF; Irrigation rate \$1.70 per HCF; Capital Improvement Program rate \$2.42 per HCF. In FY 11/12 the tiered water rate structure remained the same as FY 09/10 rates. In FY 12/13 water rates increased to \$3.05 for the Base tier, \$3.92 for the Mid-Level tier and \$4.93 for the Peak tier. Agricultural rates increased to \$1.72 per HCF. The rate for the Capital Improvement Program charge increased to \$2.75 per HCF. State Water Project charges also increased as reflected in the schedule below. FY 2013/14 the water rates did not change from FY 2012/13.

A schedule of the District's current monthly service charges effective since July 1, 2013 is shown below:

MONTHLY SERVICE CHARGES			
METER SIZE	BASIC	STATE WATER	TOTAL
5/8"	\$4.88	\$26.49	\$30.79
3/4"	4.88	26.49	31.37
1"	8.13	44.15	52.28
1 1/2"	16.25	88.30	104.55
2"	26.00	141.28	167.28
3"	52.00	282.56	334.56
4"	81.25	441.50	522.75
6"	162.50	883.00	1,045.50
8"	373.84	2,030.90	2,404.65

CAPITAL IMPROVEMENT CHARGES		
Rate	\$2.75	Per HCF
Minimum	\$16.50	6 HCF
Maximum	\$275.00	100 HCF

Connection Fees. For every new meter installation, the District charges the installation cost of the new service and meter plus a "Capital Cost Recovery Fee". The base charge component of Capital Cost Recovery Fees ranges from \$1,307 to \$150,303 depending on the size of the meter. In addition to the base charge, there is a "fully loaded equivalent State Water Project monthly service charge" component. This second component is an amount added to the base charge, equivalent to State Water Project monthly service charges that would have been paid beginning July 1, 1996. The Board of Directors adopted the Capital Cost Recovery Fees on July 16, 1997. A third component was added in September of 2000 to capture the monthly service charge increases necessary to fund the debt service for the \$9 million COPs issued in May of 2000, to pay for the District's Capital Improvement Program. The Series 2000 COPs were subsequently refinanced in FY 05/06 and replaced by the Series 2006A COPs in the amount of \$10 million. The District also has three State Revolving Fund loans that total approximately \$21.8 million. These are assigned to the Capital Improvement Program component of the Capital Cost Recovery Fee. The final component recovers annual capital expenditures made to District infrastructure. This meter-based charge varies annually and was added to the Capital Cost Recovery Fee schedule in July 2007. In fiscal year 2010 the board approved a fixed annual Capital Cost Recovery Fee Schedule to be updated annually as needed. Effective July 1, 2013 CCRF rates are:

Meter Size	Capital Cost Recovery Fees
3/4"	\$ 11,000.00
1"	16,364.00
1 1/2"	29,836.00
2"	46,015.00
3"	89,107.00

The District requires the Capital Cost Recovery Fee to be paid prior to accepting the installation fee deposit.

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2011/12. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

CARPINTERIA VALLEY WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2014</u>
Muni. & Ind. Water Sales	\$3,158,883
Agricultural Water Sales	1,863,958
Water Service Charge	6,206,334
Fire Protect & Service Revenue	228,640
Capital Cost Rec Fee	613,972
Interest Revenue	26,484
Other Income	62,958
Overhead charges	<u>56,940</u>
TOTAL REVENUES:	<u>12,218,169</u>
<u>OPERATING EXPENSES</u>	
Cost of Purchased Water	665,351
Pumping Expense	287,174
Treatment expense	1,006,344
Trans & Dist Exp	931,836
Customer Accounts	75,315
Cachuma Operating Expense	541,839
General & Admin.	<u>2,203,554</u>
TOTAL OPERATING EXPENSES:	<u>5,711,413</u>
NET REVENUES	6,506,756
Rate Coverage Reserve Fund Deposit	<u>816,100</u>
Adjusted Net Revenues	<u>7,583,164</u>
State Water Payments	3,539,365
<i>Coverage Ratio:</i>	<i>2.07</i>
Additional Debt Service	1,431,460
Available for Capital improvements and other purposes	\$2,352,031

Source: Carpinteria Valley Water District

GOLETA WATER DISTRICT

The information set forth below has been provided by the Goleta Water District (the “District”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the District’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	*Other	%	Dom.	%	*Other	%
2010	15,937	97.49	409	2.51	\$15,157,916	91.56	\$1,396,734	8.44
2011	15,986	97.47	415	2.53	13,619,146	86.63	2,102,769	13.37
2012	15,878	97.44	417	2.56	16,692,802	89.42	1,975,206	10.58
2013	16,096	97.45	422	2.55	18,819,581	84.88	3,351,673	15.12
2014	16,118	97.44	424	2.56	20,469,508	85.27	3,536,298	14.73

The number of active connections to the District’s water system increased slightly in 2014. From 2010 thru 2014, the number of active connections has increased at an annual average of less than 0.5%. Water service revenue increased from 2010 thru 2014 primarily reflecting a relatively dry weather condition, an improving economy, and increases in rates effective July 1, 2011 and July 1, 2012.

*Other connections and sales revenue includes Agriculture, Landscape and Recycled water deliveries.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In Acre-Feet per Year)*

Fiscal Year Ending June 30	Ag-Recreation- Recycled Deliveries	Urban Deliveries	Total
2010	4,023	8,948	12,971
2011	3,517	8,644	12,161
2012	3,579	8,696	12,275
2013	5,029	8,894	13,923
2014	5,803	9,081	14,884

Weather variability and local economic performance both have a direct influence on total demand for water service, thus the amount of water delivered varies from year to year. Deliveries, as shown above for the past five years, responded consistently with exhibited weather and economic patterns.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District’s water system as of June 30, 2013, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage</u> ¹	<u>Annual Payments</u>
U.C.S.B.	1,003	\$ 2,195,976
Santa Barbara County	251	633,439
Cavaletto Ranches, LLC	778	458,282
Glen Annie Golf Club	303	442,941
Santa Barbara Municipal Airport	97	333,463
Bacara Resort	125	293,776
Michael Towbes	96	259,506
Sandpiper Golf Course	324	247,503
Santa Barbara Unified School D.	80	212,776
Goleta Union School District	<u>66</u>	<u>183,368</u>
TOTAL	3,123	\$ 5,261,030

These ten customers accounted for approximately 21.0% of the water usage and 15.7% of the water service revenues for the year ended June 30, 2014. The water usage is shown in acre-feet.

WATER SYSTEM RATES AND CHARGES

The District’s current rates and charges as of June 30, 2014 are as follows:

	<u>Commodity Charge</u>
Agriculture, West Conduit System	\$1.26/HCF
Agriculture, Urban	\$1.38/HCF
Urban	\$5.12/HCF
Urban, Conservation	\$4.90/HCF
Recreation	\$3.70/HCF
Reclaimed	\$2.96/HCF

<u>Meter Size</u>	<u>Volume</u>	<u>Monthly Charge</u>
5/8” or 3/4”	Ultra low flow	\$ 12.70
5/8” or 3/4”	Low flow	25.40
5/8” or 3/4”	All other	38.10
1”	N/A	63.52
1 1/2”	N/A	127.00
2”	N/A	203.23
3”	N/A	381.05
4”	N/A	635.09
6”	N/A	1,270.16
8”	N/A	2,032.28
10”	N/A	4,827.40

The 5/8” and 3/4” Monthly Meter Charges are based on a 12 month trailing average of water use, defined as Ultra low flow (4 or less HCF), Low flow (greater than 4 but less than 8 HCF), and All other (greater than 8 HCF). Residential Agricultural customers are charged at the Urban rate unless usage exceeds 11 HCF per dwelling for any given month, beyond which Agriculture commodity charges apply.

¹Acre-feet

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2014. These results have been derived from the District's draft audited financial statements for 2014. A final version of the CAFR for Fiscal Year 2014 will be provided to CCWA.

GOLETA WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2014</u>
Water Sales	\$ 24,005,806
Monthly Service Charges	9,411,946
Other Fees & Income	726,658
Interest Income	<u>44,002</u>
TOTAL REVENUES:	<u>34,188,412</u>
<u>OPERATING EXPENSES</u>	
Source of Supply	6,306,403
Water Treatment	2,371,480
Transmission & Distribution	3,614,773
Customer Accounts	1,262,580
General and Administrative	<u>4,655,740</u>
TOTAL OPERATING EXPENSES:	<u>18,210,976</u>
NET REVENUES	15,977,436
State Water Payments	7,998,066
<i>Coverage Ratio:</i>	<i>2.00</i>
Other Debt Service	3,290,542
Capital Contributions (excluded for purposes of coverage ratio calculations)	304,512
Available for Capital Improvements and other purposes	\$ 4,993,340

Source: Goleta Water District

CITY OF GUADALUPE

The information set forth below has been provided by the City of Guadalupe (the "City"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2014 are unaudited.

HISTORIC WATER CONNECTIONS AND SALES

The following table shows the number of active water connections to the City's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
2010	1,915	\$ 1,344,941
2011	1,927	1,315,006
2012	1,931	1,461,669
2013	1,940	1,515,152
2014	1,945	1,856,503

The number of connections increased for FY 2013/14 by approximately 5 services. There was an increase in revenue of about \$341,351 from the prior year. This rise resulted from increased water use at agricultural production businesses, State water sales, increase of various fees and a water rate CPI adjustment effective January 2014. The city continues to anticipate the additional sales revenue from planned new developments. The CPI rate increase and new development sales revenue will increase actual revenue in future years.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Deliveries ¹
2010	900
2011	871
2012	924
2013	909
2014	1,045

¹ Groundwater and State Water

The following table sets forth the ten largest customers of the City's water system as of June 30, 2014 as determined by the amount of their respective annual payments.

LARGEST CUSTOMERS

<u>Customer</u>	<u>Water Usage²</u>	<u>Annual Payments</u>
Apio Cooler	176,517	\$ 583,953
County Housing Authority	8,470	29,330
Obispo Cooling	8,884	28,791
Riverview Town Homes	7,852	24,178
Guadalupe Union School	6,086	19,034
Guadalupe Laundromat	3,351	10,785
Pan American Seed	2,457	7,875
Simplot	2,066	7,218
P& M Properties	1,635	5,303
Salvador Barragan	<u>1,263</u>	<u>4,138</u>
TOTAL	218,581	\$ 720,605

These ten customers accounted for approximately 39% of water service revenues for the year ended June 30, 2014.

WATER SYSTEM RATES AND CHARGES

Consumption Charges. All classes of water users are charged the same rate. Specifically, all users pay \$21.61 monthly for the first six (6) units [one (1) unit = 100 cubic feet] as a minimum charge. For each unit above the base six (6) units the charge is \$3.60 per unit. Beginning January 1, 2015, the base charge will increase to \$3.65 per unit.

Connection Charges. The City charges connection fees for improvement or expansion of water treatment and distribution facilities as follows:

<u>Meter Size</u>	<u>Connection Charge</u>
¾"	\$ 2,361
1"	2,656
1 ½"	3,542
2"	7,083
3"	9,444
4"	13,184
6"	23,021

Immediate Availability Charges: On July 26, 1993, the City initiated a standby/availability charge on vacant parcels in the City. The charge was set at \$5.00 per month per parcel less than one (1) acre, and \$10.00 per month per acre for parcels larger than one (1) acre. The standby charge is added to the tax bill for each vacant parcel and is collected by the Santa Barbara County Tax Collector.

² Hundred Cubic Feet

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2013/14. These results have been estimated by the City, but exclude certain non-cash items and include certain other adjustments. This table has not been audited by the City's auditor.

CITY OF GUADALUPE

<u>REVENUES</u>	<u>June 30, 2014</u>
M&I Sales	\$ 1,763,926
Connection Fees	4,855
Interest Income	172
Other Revenues	<u>87,550</u>
TOTAL REVENUES:	<u>\$ 1,856,503</u>
<u>OPERATING EXPENSES</u>	
Salaries & Benefits	131,148
Operations & Maintenance	<u>374,467</u>
TOTAL OPERATING EXPENSES:	<u>505,615</u>
NET REVENUES	1,350,888
Rate Coverage Reserve Fund Deposit	<u>167,787</u>
Adjusted Net Revenues	1,518,675
State Water Payments	744,436
<i>Coverage Ratio:</i>	<i>2.04</i>
Available for Capital improvements and Other purposes	\$ 606,452

Source: City of Guadalupe

LA CUMBRE MUTUAL WATER COMPANY

The information set forth below has been provided by the La Cumbre Mutual Water Company (the “Company”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the Company’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues (exclusive of monthly service charges).

Fiscal Year Ending Dec. 31	Connections					Sales Revenues				
	Dom.	%	Ag.	%	Total	Dom.	%	Ag.	%	Total
2009	1,437	98	31	2	1,468	\$ 2,476,318	96	\$ 110,200	4	\$ 2,586,518
2010	1,437	98	30	2	1,469	2,290,754	96	86,885	4	2,377,639
2011	1,431	97	40	3	1,471	2,515,941	96	92,096	4	2,608,037
2012	1,431	97	40	3	1,471	2,892,733	96	131,256	4	3,023,989
2013	1,454	98	31	2	1,485	3,429,362	96	149,405	4	3,279,957

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In Acre-Feet per Year)*

Fiscal Year Ending Dec. 31	Domestic Deliveries	Agricultural Deliveries	Total
2009	1,608	94	1,702
2010	1,449	74	1,523
2011	1,399	66	1,465
2012	1,499	88	1,587
2013	1,671	105	1,776

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the Company’s water system as of December 31, 2013, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage (HCF)</u>	<u>Annual Payment</u>
La Cumbre Golf & Country Club	75,590	\$243,561
Stanford Farms	10,141	68,877
Timothy Pasquinelli	8,032	56,657
Stephen Redding	7,545	49,789
Marsupial Properties	5,869	45,178
Jeffrey Henley	6,652	41,526
Overwater, LLC	4,481	29,231
Carriage Hill Association	4,067	27,579
Christopher & Ann Conway	4,037	27,296
Paula Patrick	<u>3,532</u>	<u>21,871</u>
TOTAL	129,946	\$611,566

These ten customers account for approximately 14% of all water service revenues in fiscal year 2013.

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows (all on a two month billing cycle):

CURRENT (effective July 1, 2011)	
Residential – Tiered Rate	
Tier 1 (0-50)	\$3.90/HCF
Tier 2 (51-120)	\$4.65/HCF
Tier 3 (121-240)	\$5.40/HCF
Tier 4 (241 & >)	\$6.65/HCF
 Commercial –Tiered Rate	
100% of past 3 year average on a bi-monthly avg.	\$3.90/HCF
Any usage above 3 year average	\$5.40/HCF
 Multi-Family Rate – Tiered Rate	
(0-18) HCF/Dwelling/2mo.	\$3.90/HCF
(19-60) HCF/Dwelling/2mo.	\$4.65/HCF
(>60) HCF/Dwelling/2mo.	\$5.40/HCF
 Schools and Golf Courses – Tiered Rate	
100% of past 3 year average on a bi-monthly avg.	\$3.03/HCF
Any usage above 3 year average	\$5.40/HCF
 Agricultural – Tiered Rate	
Tier 1 for first 40 HCF	\$3.90/HCF
Tier 2 for <=870 HCF/ag acres/12 mo. period	\$2.92/HCF
Tier 3 for >870 HCF/ag acres/12 mo. period	\$5.40/HCF

CURRENT (effect. July 1, 2011)	
<u>Item</u>	<u>Bi-Monthly Charge</u>
"A" less than 50 HCF/Year *	\$ 10.00
"B" less than 100 HCF/Year *	20.00
3/4" meter	30.00
1" meter	50.00
1 1/2" meter	100.00
2" meter	160.00
3" meter	300.00
4" meter	500.00
Fire Sprinkler System under 2"	21.00
Over 2"	42.00
Private Fire Hydrant	21.00

* This special bi-monthly charge is for 3/4" services that used less than the noted HCF for the previous year beginning on the last working day in December.

<u>Item</u>	CURRENT (effective Oct. 22, 2012) <u>Connection Charge + Cap Cost Recovery Fee</u>
3/4" meter	\$ 6,338 + 12,918
1" meter	7,245 + 20,813
1 1/2" meter	8,153 + 45,213
2" meter	9,060 + 71,766
3" meter	9,960 + 152,504
4" meter	10,868 + 215,300
Fire Sprinkler System under 2"	10,868 + 3,938
Over 2"	10,868 + 7,875
Private Fire Hydrant	TBD + 3,938

	CURRENT (effective Jan. 1, 2007)
Land Charges	\$29 per acre per bi-monthly period

Water rates were increased in July 2011 to help pay for iron treatment plant and encourage conservation.

FISCAL YEAR 2012 OPERATING RESULTS

The following table is a summary of operating results of the water system of the Company for the Fiscal Year ended December 31, 2013. These results have been derived from the Company’s financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the Company’s auditor.

LA CUMBRE MUTUAL WATER COMPANY

Per Financial Statements

<u>REVENUES</u>	<u>Dec. 31, 2013</u>
Water Sales	\$ 3,429,362
Meter Charges	444,979
Land Charges	358,910
Connection Fees	28,058
Other Income	30,166
Rental income	109,838
Interest Income	<u>1,489</u>
TOTAL REVENUES:	<u>\$4,402,802</u>
<u>OPERATING EXPENSES</u>	
Water Source	160,943
Water Treatment	94,628
Transmission & Distribution	374,855
Admin. & General	800,470
Taxes	22,617
Water Conveyance	72,189
Misc Expense	<u>4,552</u>
TOTAL OPERATING EXPENSES:	<u>1,530,254</u>
NET REVENUES	2,872,548
Rate Coverage Reserve Fund Deposit	<u>391,135</u>
Adjusted Net Revenues	3,263,683
State Water Payments	1,696,315
Coverage Ratio:	1.92
Available for Capital improvements and other purposes	\$ 1,176,233

Source: La Cumbre Mutual Water District

MONTECITO WATER DISTRICT

The information set forth below has been provided by the Montecito Water District (the “District”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND WATER SALES REVENUES

The following table shows the number of active water connections to the District’s water system for the five most recent fiscal years, together with the amount of annual water sales revenues:

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Agricultural	%	Dom.	%	Agricultural	%
2010	4,516	99	42	1	\$ 9,121,648	99	\$ 307,674	1
2011	4,530	99	45	1	8,132,186	99	269,759	1
2012	4,532	99	45	1	8,969,598	99	376,369	1
2013	4,540	99	45	1	10,120,915	99	452,110	1
2014	4,552	99	45	1	10,640,299	99	620,240	1

The total actual connections for the 2013/14 FY were 4,597. Domestic sales revenues for 2013/14 FY were \$10,640,299. Agricultural sales revenues for 2013/14 FY were \$620,240. Total water sales were \$11,260,539.

Water service charges and connection fee revenues were \$4,986,440 and \$166,724 respectively.

Ordinance 93 Penalty Revenue. On February 11, 2014, the Board of Directors adopted Ordinance No. 92, under which it declared a water shortage emergency, adopted restrictions on the use of water, and imposed penalties for the violation of use restrictions. On February 21, 2014, the Board of Directors adopted Ordinance 93, allocating water during water shortage emergency and providing penalty rates and restrictions for consumption in excess of allocation. The assessed penalties for water use over an account allocation has been considered as a revenue source to offset the reduction in customer water sales. Based on Ordinance 93, if customers exceed their monthly allocation, they are subject to a \$30/Hundred cubic feet (HCF) penalty for the first violation and \$45/HCF penalty for each violation thereafter. Penalties are reset each water year which begins October 1st.

Ordinance 93 Penalty Revenue was \$1,511,356.

HISTORIC WATER DELIVERIES

Actual water deliveries for 2013/14 FY are 5,775 Acre-Feet (AF). The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years:

*Historic Water Deliveries
(In acre-feet per year)*

<u>Fiscal Year Ending June 30</u>	<u>Agricultural</u>	<u>Domestic</u>	<u>Total</u>
2010	366	4,908	5,274
2011	316	4,399	4,715
2012	451	4,851	5,302
2013	548	5,397	5,945
2014	587	5,188	5,775

Actual water productions for 2013/14 FY are 6,211 AF. The following table summarizes Water Production by source:

*Water Production by Sources
(In acre-feet per year)*

<i>Fiscal Year Ending June 30</i>	<u>Groundwater</u>	<u>Cachuma Project</u>	<u>Other¹ Sources</u>	<u>Total</u>
2010	240	3,945	1,900	6,085
2011	167	2,386	2,792	5,345
2012	167	3,289	2,207	5,663
2013	320	4,390	1,690	6,400
2014	607	2,292	3,312	6,211

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system for 2013/14, as determined by the amount paid:

<u>Customer</u>	<u>Water Usage (HCF)²</u>	<u>Annual Payment</u>
Resort Hotel	44,877	\$272,338
Golf Club	74,001	246,097
Agricultural	21,731	195,613
Private College	32,842	175,059
Agricultural	29,272	146,206
Golf Club	28,901	143,444
Agricultural	48,919	135,945
Retirement Community	18,719	131,386
Agricultural	15,355	124,506
Private Residence	12,797	108,896
	<u>327,414</u>	<u>\$1,679,491</u>

These ten customers accounted for approximately 14.91% of water service revenues in 2013/14.

WATER SYSTEM RATES AND CHARGES

Water Service Charges. The District has separated its customer base into several classes of service. Rates charged to each class of customers vary. A schedule of the District's water rates and charges as of June 30, 2014 is as follows:

<u>Meter Size</u>	<u>Meter Charge</u>	<u>Meter Size</u>	<u>Meter Charge</u>
3/4"	\$ 35.99	3"	\$ 431.97
1"	\$ 60.01	4"	\$ 719.96
1-1/2"	\$108.00	6"	\$ 1,199.93
2"	\$191.99		

¹ Other sources include water from Jameson Lake and Fox and Alder Creeks, infiltration water from Doulton Tunnel, and water from the State Water Project which began 1997/1998.

*Quantity Water Rates in Addition to Monthly Service Charge
(Price per HCF)*

	<u>1st Block</u>	<u>2nd Block</u>	<u>3rd Block</u>	<u>4th Block</u>
Single Family Residential	\$ 4.36	\$ 4.83	\$ 5.70	\$ 6.86
Multi-Family Residential	\$ 4.36	\$ 4.83	\$ 5.70	-
Commercial	\$ 4.83	\$ 5.70	-	-
Institutional & Public	\$ 4.83	\$ 5.70	-	-
Agricultural ³	\$ 2.43	\$ 4.36	-	-
Non-Potable	\$ 1.94	-	-	-

The District completed a five year financial plan and a cost of service study in 2013. The financial plan includes increases to both the monthly service charges and the consumption rates for the next five fiscal years. The initial rate increase was effective on September 1, 2013. There will be 7.4% rate increases for the next four years thereafter. Quantity water rates beginning on August 1, 2014 are as follows:

*Monthly Service Charges
Effective August 1, 2014*

<u>Meter Size</u>	<u>Meter Charge</u>	<u>Meter Size</u>	<u>Meter Charge</u>
3/4"	\$ 38.66	3"	\$ 463.94
1"	\$ 64.45	4"	\$ 773.23
1-1/2"	\$115.99	6"	\$1,288.72
2"	\$206.20		

*Quantity Water Rates in Addition to Monthly Service Charges
Effective August 1, 2014
(Price per HCF)*

	<u>1st Block</u>	<u>2nd Block</u>	<u>3rd Block</u>	<u>4th Block</u>
Single Family Residential	\$ 4.68	\$ 5.18	\$ 6.12	\$ 7.37
Multi-Family Residential	\$ 4.68	\$ 5.18	\$ 6.12	-
Commercial	\$ 5.18	\$ 6.12	-	-
Institutional & Public	\$ 5.18	\$ 6.12	-	-
Agricultural ³	\$ 2.61	\$ 4.48	-	-
Non-Potable	\$ 2.08	-	-	-

Connection Fees. The District charges connection fees to cover the costs of installing meters. (Please note that the District no longer installs 5/8"x 3/4" meters.) In addition, a Capital Cost Recovery Fee is charged as a buy-in fee for new customers to buy into the District's capital facilities. Connection Fees are increased annually with the fiscal year budget based on the actual costs to install a meter. The Capital Cost Recovery fees are increased annually based on a prescribed formula approved by the Board of Directors in 1997 with Resolution No. 1837. The breakdown of Connection and Capital Cost Recovery Fees as of July, 2014 is as follows:

<u>Meter Size</u>	<u>Connection Fee</u>	<u>Capital Cost Recovery Fee</u>
3/4"	\$2,247	\$14,226
1"	2,386	23,710
1-1/2"	3,120	42,678
2"	3,814	75,872

² Hundred Cubic Feet (hcf)

³ Agricultural users with dwelling units on the property are charged 20 hcf per month at the domestic rate for each dwelling.

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results for the water system of the District for FY 2013/14. These results have been derived from the District's financial statements, exclude certain non-cash items, and include certain other adjustments. This table has not been audited by the District's auditors.

MONTECITO WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2014</u>
Water Sales	\$ 11,260,539
Water Service Charges	3,475,084
Ordinance 93 Drought Penalty Charge	1,511,356
Connection/Capital Cost Recovery Fees	166,724
Water Availability Charge	310,740
Interest Income	36,430
Other Income	<u>119,508</u>
TOTAL REVENUES	16,880,381
<u>OPERATING EXPENSES</u>	
Water Purchased	2,162,874
Pumping	355,378
Water Treatment	1,602,585
General & Administrative	2,541,321
Operations & Maintenance	<u>1,560,227</u>
TOTAL OPERATING EXPENSES	8,222,385
NET REVENUES	8,657,996
Rate Coverage Reserve Fund Deposit	<u>1,087,787</u>
Adjusted Net Revenues	9,745,783
State Water Payments	5,978,116
Coverage Ratio	<i>1.63</i>
Other Debt Service ⁴	1,240,288
Available for Capital Improvements and Other Purposes	\$ 1,439,592

Source: Montecito Water District

⁴ Department of Water Resources Ortega Improvement Project Loan and 2010A Revenue Bonds.

CITY OF SANTA BARBARA

The information set forth below has been provided by the City of Santa Barbara (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Historic Water Connections and Sales Revenues

Fiscal Year <u>Ending June 30</u>	<u>Connections</u>		<u>Sales Revenues</u>	
	<u>Dom.</u>	<u>%</u>	<u>Dom.</u>	<u>%</u>
2010	26,504	100	\$28,163,162	100
2011	26,557	100	\$27,181,923	100
2012	26,649	100	\$29,992,081	100
2013	26,797	100	\$32,683,467	100
2014	26,919	100	\$33,296,287	100

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending <u>June 30</u>	<u>Urban Deliveries</u>
2010	13,428
2011	13,284
2012	13,949
2013	14,366
2014	14,218

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2014, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage</u> ¹	<u>Annual Payment</u>
Cottage Hospital	52,886	\$ 444,849
Santa Barbara Unified School District	47,333	304,591
City of Santa Barbara Parks	29,765	240,067
Housing Authority	32,693	207,604
Fess Parker Double Tree	26,977	149,686
Mission Linen Supply	26,238	140,676
Montecito Country Club	10,782	128,960
Dario Pini	23,497	127,196
Samarkand Retirement	20,106	113,326
Santa Barbara Community College Dist.	<u>12,680</u>	<u>106,376</u>
	282,957	\$ 1,967,331

These ten customers accounted for approximately 5.9% of the annual water system sales for Fiscal Year 2013/14. Note that in December 2013 Cottage Hospital was charged for approximately 30,000 HCF of water that had been used and unbilled since June 2007; therefore, Cottage Hospital FY13/14 water usage and annual payment information reflect this adjustment.

¹ Hundred cubic feet

Water System Rates and Charges During FY 2013/14

Customer Class	Water Service Rates
Single Family Residential	First 4 HCF @ \$3.18 Next 14 HCF @ \$5.16 All other @ \$6.62 per HCF
Multi-Family Residential 1-4 dwelling units	First 4 HCF per dwelling unit @ \$3.18 Next 4 HCF per dwelling unit @ \$5.16 All other @ \$6.62 per HCF
Multi-Family Residential 5+ dwelling units	First 4 HCF per dwelling unit @ \$3.18 Next 4 HCF per dwelling unit @ \$5.16 All other @ \$6.62 per HCF
Commercial	100% of base allotment ² @ \$5.16 per HCF; All other @ \$5.91 per HCF
Industrial	100% of base allotment ¹ @ \$5.16 per HCF; All other @ \$5.91 per HCF
Irrigation – Residential	Billed as if used through associated residential meter, OR All use within monthly water budget ³ @ \$5.16 per HCF; All other @ \$6.62 per HCF
Irrigation - Recreation/Parks/Schools	All use within monthly water budget ² @ \$2.70 per HCF All other @ \$6.62 per HCF
Irrigation – Commercial	All use within monthly water budget ² @ \$5.16 per HCF; All other @ \$6.62 per HCF
Irrigation – Agriculture	All use within monthly water budget ² @ \$1.51 per HCF All other @ \$6.62 per HCF
Recycled Water	All usage @ \$2.16/HCF
Outside City Limits	130% of corresponding in-City rates

Monthly Service Charges for Water Meters by Size During FY 2013/14

Meter Size	Monthly Service Charge
5/8"	\$ 13.81
3/4"	19.57
1"	31.09
1 1/2"	59.89
2"	94.44
3"	203.87
4"	365.14
6"	751.02
8"	1,384.55
10"	2,190.86

Connection Charges during Fiscal Year 2013/14

	5/8" Meter	1" Meter
Connection Charges on 1" Service:	\$2,297	\$2,820
Buy-in Fee (per detached single family residence)	6,070	15,174
	\$8,367	\$17,994

² Base allotment = average monthly consumption during most recent January – June period.

³ Monthly water budget = (ET_o)(0.62/748)((PF X HA)/IE)), where ET_o = Reference evapotranspiration (weather factor); 0.62/748 = Conversion factor (inches to HCF); PF = Plant factor; and HA = Square footage of irrigated area.

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2013/14. These results have been derived from the City's financial statements, exclude certain non-cash items, and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA BARBARA	
<u>REVENUES</u>	<u>June 30, 2014</u>
M&I Sales	\$ 33,296,287
Service Charges	624,169
JPA Reimbursement	2,440,251
Interest Income	700,100
Other Revenues	<u>124,496</u>
TOTAL REVENUE	37,185,303
<u>Operating Expenses</u>	
Salaries & Benefits	7,841,426
Materials & Supplies	15,153,567
Interest Expense	0
Other	<u>0</u>
TOTAL OPERATING EXPENSES	22,994,993
NET REVENUES	14,190,310
State Water Payments	5,230,535
Parity Debt Service ⁴	<u>2,774,171</u>
Total Contract Payments	<u>8,004,706</u>
Coverage Ratio	1.77
Available for Capital improvements and Other purposes	\$ 6,185,604

Source: City of Santa Barbara

⁴ Represents debt service on 2013 Water COPs and Cater-Ortega DWR loan, which are on a parity with payments to the Authority under the Water Supply Agreement. Coverage calculations take into consideration both payments to the Authority under the Water Supply Agreement and Parity Debt Service.

CITY OF SANTA MARIA

The information set forth below has been provided by the City of Santa Maria (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER AND WASTEWATER CONNECTIONS
AND SALES AND SERVICE REVENUES**

The following table shows the number of active water and wastewater connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water and wastewater sales revenues.

Historic Water and Wastewater Connections and Sales and Service Revenues

<u>Fiscal Year Ending June 30</u>	<u>Connections</u>	<u>Water Sales Revenues</u>	<u>Wastewater Service Revenues</u>
2010	20,927	\$ 25,411,420	\$ 6,083,368
2011	21,050	26,393,674	6,506,699
2012	21,199	27,803,548	7,406,355
2013	21,385	29,938,893	7,649,638
2014	21,580	31,962,813	8,247,634

HISTORIC WATER DELIVERIES

The City records the volume of water delivered by its water system. Over the past five years, the volume of water delivered by the City has fluctuated, ranging from a low of approximately 13,016 acre-feet in fiscal year 2011 to a high of approximately 13,986 acre-feet in fiscal year 2010. The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries In Acre-Feet per Year

<u>Fiscal Year Ending June 30</u>	<u>Deliveries</u>
2010	13,986
2011	13,016
2012	13,264
2013	13,338
2014	13,882

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2014 as determined by the amount of their respective annual payments.

Largest Water Customers

Customer ¹	Water Usage ²	Annual Payments
City of Santa Maria	297,061	\$ 1,589,771
Santa Maria Elementary School	139,809	692,106
Santa Maria Land Partners ³	73,814	372,278
Alan Hancock College	55,944	297,910
Casa Grande Mobile Homes	54,627	264,879
Fresh Venture Foods	53,492	263,427
Marian Hospital & Facilities	43,900	261,078
S.B. County Housing Authority	43,420	218,368
Pictsweet Frozen Foods	33,875	176,369
Casa Del Rio Mobile Estates	<u>27,746</u>	<u>100,205</u>
TOTAL	823,688	\$ 4,236,391

The ten largest water customers accounted for approximately 14.9% water service by volume in fiscal year 2014.

The following table sets forth the ten largest customers discharging to the City's wastewater system as of June 30, 2014 and their respective annual payments.

Largest Wastewater Customers

Customer	Wastewater Usage ²	Annual Payments
Sure Fresh	69,655	\$ 276,397
Fresh Venture Foods	52,038	139,984
Santa Maria Land Partners ³	47,392	70,155
Marian Hospital & Facilities	38,754	69,978
S.B. County Housing Authority	31,102	44,414
Casa Grande Mobile Homes	28,561	57,721
Mission Linen	26,319	51,832
Casa Del Rio Mobile Estates	25,694	34,940
Alan Hancock College	22,686	43,787
Santa Maria Elementary School	<u>21,643</u>	<u>43,123</u>
TOTAL	363,844	\$ 832,331

The ten largest wastewater customers accounted for approximately 9.5% of wastewater service by volume in fiscal year 2014.

¹ Some food processors use private well water for their operations and therefore do not appear as largest water customers. However, their wastewater is treated by the City and they are among the largest wastewater customers.

² Hundred Cubic Feet

³ Formerly known as "SP Village Green LLC"

WATER AND WASTEWATER SYSTEM RATES AND CHARGES

General. The City is not subject by statute to the jurisdiction of, or regulation by, the California Public Utilities Commission. City staff annually determines the adequacy of Water and Wastewater System rate structure after full consideration of expected operations, maintenance, and capital costs. The City currently sets water and wastewater charges to pay water costs for purchased water, wastewater treatment costs, costs of groundwater pumping and current operating expenses for the Water and Wastewater System. Capital improvements are funded from water/wastewater charges and from connection fees.

Water Service Charges. A schedule of the City’s current monthly water rates and charges as of July 1, 2014 is set forth below:

Monthly Service Charges for Water Meters by Size

Meter Size	Inside City
5/8 x 3/4"	\$ 30.01
1"	47.07
1 1/4"	55.82
1 1/2"	74.39
2"	102.88
3"	223.27
4"	372.15
6"	930.52

Capacity Charge

1 – 500 cubic feet	\$ 3.271 per 100 cubic feet
501 – 1000 cubic feet	3.879 per 100 cubic feet
1001 – 1500 cubic feet	4.534 per 100 cubic feet
Above 1501 cubic feet	5.162 per 100 cubic feet

Wastewater Treatment Charges. A schedule of the City’s current monthly wastewater treatment rates and charges as of July 1, 2014 is set forth below:

Monthly Wastewater Rates

Single Family Residence	\$ 17.42
Multiple Apartments:	
2 Rooms or Less	12.33
3 + Rooms	13.40
Mobile Homes (number of spaces)	12.33
Motel/Hotel (per unit)	8.58

Per 100 cubic feet

Office Buildings	\$ 2.04
Restaurants	4.88
Commercial	2.95
Food Processing	2.84
Machinery	2.36
Miscellaneous	2.36

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water and wastewater system of the City for Fiscal Year 2013/14. These results have been derived from the City's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA MARIA

<u>REVENUES</u>	<u>June 30, 2014</u>
Water & Wastewater Fees & Charges	\$ 40,210,447
Other Revenues	1,923,475
Interest Income	333,089
TOTAL REVENUES:	<u>\$ 42,467,011</u>
<u>OPERATING EXPENSES</u>	
Salaries, Wages & Benefits	4,043,829
Materials & Supplies	2,190,269
Equipment Maintenance & Operations	1,762,608
Contracts & Services	3,382,263
Bad Debts	144,696
TOTAL OPERATING EXPENSES:	<u>11,523,665</u>
NET REVENUES	30,943,346
Rate Coverage Fund Deposit	4,290,188
TOTAL NET REVENUES	<u>35,233,534</u>
State Water Payments	17,793,198
<i>Coverage Ratio:</i>	<i>1.98</i>
Other Debt Service	4,629,363
Available for Capital improvements and other purposes	\$ 12,810,973

Source: City of Santa Maria

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
Improvement District #1**

The information set forth below has been provided by the Santa Ynez River Water Conservation District, Improvement District No. 1 (the "ID No.1"), with the exception of the information presented for the City of Solvang. The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

City of Solvang has represented to ID No.1 that the information contained in City's Continuing Disclosure Statement is accurate. In the preparation of this Disclosure Statement, ID No.1 has (i) relied only on its data in preparing the ID No.1 information, and (ii) accounted for and verified the accuracy of the data contained herein. ID No.1 makes no representations or warranties as to the accuracy or completeness of any information set forth in the City of Solvang's continuing disclosure information.

Historic Water Connections and Sales Revenues

The following table shows the number of **active** water metered connections to the ID No.1's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Metered Connections				Sales Revenues					
	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Dom.</u> ⁽¹⁾	<u>%</u>	<u>Ag.</u> ⁽²⁾	<u>%</u>	<u>Solvang</u>	<u>%</u>
2010	2,492	97	87	4	\$ 3,763,466	74	\$ 1,202,826	24	\$ 130,386	2
2011	2,437	97	82	3	3,835,905	77	1,103,781	22	69,777	1
2012	2,408	96	107	4	4,043,655	75	1,246,184	23	81,941	2
2013	2,486	96	112	4	4,186,528	75	1,260,828	23	84,229	2
2014	2,517	96	107	4	4,862,751	71	1,723,274	25	303,425	4

The actual FY 2013/14 total water sales revenues are approximately 25% percent higher than the FY 2012/13 revenues due to the implementation of the first year water rate increase of a five-year adopted water rate schedule which was effective July 1, 2013.

- (1) Domestic Revenues are shown to include a pro-rata share of the Rural Residential sales revenues.
- (2) Ag Sales Revenues are shown to include a pro-rata share of Limited Ag water sales revenues.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries (in acre feet)

Fiscal Year Ending June 30	Ag. Deliveries	Domestic	Solvang	Total
2010	2,639	2,679	98	5,416
2011	2,415	2,797	43 ¹	5,255
2012	2,454	2,753	53 ¹	5,260
2013	2,881	2,434	56 ¹	5,371
2014	2,660	2,682	16 ¹	5,358

The FY 2013/14 actual overall water deliveries are lower than FY 2012/13 due to rate increases and water conservation efforts in 2013/14 requested by the State due to drought conditions.

LARGEST CUSTOMERS

The following table sets forth the ten largest customer accounts of the ID No. 1's water system as of June 30, 2014, as determined by the amount of their respective annual payments.

Customer	Water Usage ⁴	Annual Payments
Public Agency	79	\$ 207,010
Private Agriculture	100	62,577
Private Agriculture	276	50,281
Private Agriculture	133	27,387
Public Park	54	27,040
Private Agriculture	72	20,045
Private Agriculture	69	19,342
Private Agriculture	80	17,258
Private Agriculture	63	14,433
Private Agriculture	71	<u>13,959</u>
TOTAL	997	\$ 459,332

These ten customers accounted for approximately 6.7% of the water sales revenues for Fiscal Year 2013/14.

¹ Represents the total acre feet for the City of Solvang's two master meters and City of Solvang park, as well two mutual water companies' master meters.

ID No.1's rates and charges for FY 2013/14 are as follows:

Monthly Meter Charge

Meter Size	Domestic/Limited	
	Agricultural	Agricultural
5/8"	\$ 33.50	
3/4"	40.10	
1"	66.50	
1 1/2"	132.70	\$ 53.90
2"	210.60	89.10
3"	423.80	179.30
4"	597.70	249.70
6"	1,325.50	557.70
8"	2,121.20	

Consumption Charge

Domestic	Rural Residential / Limited Agricultural	Agriculture
\$3.29 per HCF	1 st 125 units: \$3.29 per HCF 126+ units: \$1.13 per HCF	\$0.42 per HCF
Temporary Rate		Cachuma Park & City of Solvang
\$5.40 per HCF	(Conn. Fee \$150.00; minimum chg.: \$25.00)	\$1.19 per HCF

Connection Charge

Meter Size	Meter Only ⁽¹⁾	Service and Meter
5/8" – 1"	\$ 3,506.55	\$6,731.12 Short Side (1" service) 10,150.90 Long Side (1" service)
3/4"	\$ 4,207.86	\$7,472.11 Short Side (1" service) 10,891.88 Long Side (1" service)
1"	\$ 7,013.09	\$10,435.18 Short Side (1" service) 13,854.96 Long Side (1" service)
(2) 5/8" – 1"		\$10,834.93 Short Side (1" double service) 14,254.71 Long Side (1" double service)
1 1/2"	\$ 14,026.18	\$18,340 Short Side (2" service) 21,790.45 Long Side (2" service)
2"	\$22,441.88	\$27,163.64 Short Side* (2" service) 30,624.59 Long Side* (2" service)
3"	*see below	*see below

Footnotes: ⁽¹⁾ Reflects actual meter cost and Capital Facilities Charge. *2-inch meter only price listed is for standard style meters. Prices vary for Compound Meters. Installation prices for 3-inch meters are figured on an individual basis.

Fire Service Connection Fee: \$660 per inch of diameter of Service size.

Capital Facilities Charge on Larger Services

Meter Size	Charge	
3"	\$ 44,883.78	+ Serv. & Meter Costs
4"	\$ 63,117.81	+ Serv. & Meter Costs
6"	\$ 140,261.80	+ Serv. & Meter Costs
8"	\$ 224,418.88	+ Serv. & Meter Costs

Installation Charge: The meter and service installation charge shall equal the cost of installation as determined by ID No.1 from time to time.

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system of ID No. 1 for Fiscal Year 2013/14. These results have been derived from ID No. 1's financial statements, exclude certain non-cash items, and include certain other adjustments.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,
IMPROVEMENT DISTRICT, NO. 1

<u>REVENUES</u>	June 30, 2014
M&I Water Sales	\$ 5,975,572
Ag. Water Sales	610,453
Water Sales to City of Solvang	303,425
SWP Revenue from City of Solvang	3,245,931
Connection Fees	94,158
Special Assessments	626
Other Fees & Income	279,413
Interest Income	<u>28,731</u>
TOTAL REVENUES:	10,538,309
<u>OPERATING EXPENSES</u>	
Water Purchased	173,974
Pumping	703,170
Water Treatment	60,559
Transmission & Distribution	991,565
Special Programs and Study Fees	721,343
Other	6,063
Administration & General	<u>1,953,732</u>
TOTAL OPERATING EXPENSES:	4,610,406
NET REVENUES	<u>5,927,903</u>
Rate Coverage Reserve Fund Deposit (Includes Solvang)	1,024,244
Adjusted Net Revenues	<u>6,952,147</u>
State Water Payments (Includes Solvang)	4,307,127
<i>Coverage Ratio:</i>	<i>1.61</i>
Other Debt Service	316,225
Other Expenses (i.e., Unanticipated & Special Legal Fees)	178,887
Available for Capital improvements and other purposes	\$ 1,122,164

Source: Santa Ynez Improvement District No. 1

CITY OF SOLVANG

Except as otherwise noted, the information set forth below has been provided by the City of Solvang (the “City”). Neither the Central Coast Water Authority (the “Authority”) nor the Santa Ynez River Water Conservation District, Improvement District No. 1 (the “District”) makes any representations or warranties as to the accuracy or completeness of any of the information set forth below except to the extent that either of them is identified as the source thereof.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2010	1,981	\$ 3,957,709	1,315
2011	2,019	3,927,817	1,322
2012	2,118	4,167,680	1,347
2013	2,153	4,455,120	1,416
2014	2,156	4,631,124	1,409

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2014, as determined by the amount of their respective annual payments.

Largest Customers as of June 30, 2014

Customer	Water Usage	Annual Payments
Rancho Santa Ynez Mobile Estates	30,236	\$100,023
City of Solvang	14,752	56,110
Alisal Guest Ranch	14,519	45,448
Solvang School	9,155	38,401
Mission Oaks	4,046	29,286
Chumash Casino	7,913	26,517
Inland Pacific Builders	4,452	21,110
Holiday Inn Express	5,550	17,530
Hadsten House	4,977	16,690
Atterdag Village	<u>6,960</u>	<u>15,673</u>
TOTAL	102,560	\$366,788

WATER CHARGES

On a monthly basis, every connection to the Water system is subject to both a Base Rate and a Quantity Rate as follows:

Base Rate

per Connection, All Water Connections

<u>Meter Size</u>	<u>Rated Flow (gpm)¹</u>	<u>Ratio to 5/8" x 3/4" Meter</u>	<u>Meter Charges</u>	<u>Outside Users²</u>
5/8" x 3/4"	20	1.0	\$ 69.08	\$103.62
3/4"	30	1.5	103.62	155.43
1"	50	2.5	172.70	259.05
1-1/2"	100	5.0	345.40	518.10
2"	160	8.0	552.64	828.96
3"	320	16.0	1,105.29	1,657.94
4"	450	22.5	1,727.01	2,590.52
6"	1,000	50.0	3,454.02	5,181.03
8"	1,600	80.0	5,526.43	8,289.65

Quantity Rate

Single Family Residential Users per 100 Cubic Feet

<u>Cubic Feet</u>	<u>Rate</u>
0 to 1,600	\$3.16
1,600 & above	\$3.71

All Other Users per 100 Cubic Feet

<u>Cubic Feet</u>	<u>Rate</u>
All	\$3.43

¹ gallons per minute

² outside users are properties outside of City limits, and are subject to 1.5 times the above listed rates.

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2013/14. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SOLVANG

<u>REVENUES</u>	<u>June 30, 2014</u>
Water Sales	\$ 4,631,124
Other Fees & Income	29,511
Capital contributions	481,283
Interest Income	<u>10,920</u>
TOTAL REVENUES:	<u>5,152,838</u>
<u>OPERATING EXPENSES</u>	
Operating Expenses	1,992,037
Interest Expense	<u>6,879</u>
TOTAL OPERATING EXPENSES:	<u>1,998,916</u>
NET REVENUES	3,153,922
Rate Coverage Fund Deposit	<u>606,183</u>
Adjusted Net Revenues	<u>3,760,105</u>
State Water Payments	2,743,342
<i>Coverage Ratio:</i>	<i>1.37</i>
Other Debt Service	-
Available for Capital improvements and other purposes	\$ 410,580

Source: City of Solvang

SAN LUIS OBISPO COUNTY

CITY OF MORRO BAY

The information set forth below has been provided by the City of Morro Bay (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
2010	5,545	\$ 3,574,319
2011	5,385	3,421,151
2012	5,401	3,396,936
2013	5,455	3,377,534
2014	5,473	3,491,575

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Deliveries
2009	1,282
2011	1,250
2012	1,177
2013	1,141
2014	1,214

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2014, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
City of Morro Bay	21,708	\$ 240,525
Morro Bay High School irrigation	16,093	49,990
Pacific Care Center	96,66	107,099
Mission Linen Supply	9,075	100,551
Department of Parks	5,720	116,754
Imperial Coast, LP	4,792	93,019
San Luis Coastal School District	4,043	44,796
Silver City Manor	3,768	46,749
Morro Dunes Trailer Park	3,360	51,653
Morro Elementary School	<u>2,843</u>	<u>28,550</u>
TOTAL	81,068	\$ 879,686

These ten customers accounted for approximately 25% of water services revenues in fiscal year 2013/2014.

¹ Hundred Cubic Feet

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2013/14. These results have been derived from the City's financial statements, but exclude certain non-cash items and include certain other adjustments.

CITY OF MORRO BAY

<u>REVENUES</u>	<u>June 30, 2014</u>
Water Service Charge	\$ 3,391,983
Connection Fees	28,075
Penalties & Reconnections	71,517
Miscellaneous	<u>59,293</u>
TOTAL REVENUES:	<u>3,550,868</u>
<u>OPERATING EXPENSES</u>	
Administration & General	1,765,579
Maintenance	<u>192,702</u>
TOTAL OPERATING EXPENSES:	<u>1,958,281</u>
NET REVENUES	1,592,587
State Water Payments	2,158,842
<i>Coverage Ratio:</i>	<i>0.74</i>
Available for Capital improvements and other purposes	\$ (566,255)

Source: City of Morro Bay



City of Morro Bay

Morro Bay, CA 93442
(805) 772-6201

January 12, 2015

Ray Stokes, Deputy Director
Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

RE: CITY OF MORRO BAY'S 2013/14 BOND COVERAGE RATIO

Dear Ray,

For the 2013/14 fiscal year, the City of Morro Bay failed to meet its minimum bond coverage ratio. The required coverage ratio is greater than, or equal to, 1.25; for the 2013/14 fiscal year, Morro Bay's is 0.74.

On March 27, 2014, the City of Morro Bay issued a Request for Proposals for Consulting Services, Water and Sewer Rate Study Services, and on May 23rd, Bartle Wells was selected to perform these studies. The City has established the following proposed schedule to present, discuss and implement the new rates:

1. Public Works Advisory Board preliminary workshop, January 29, 2015
2. City Council Rate Study Session, February 24, 2015
3. City Council meeting to further discuss and potentially adopt the rate schedule(s), March 24, 2015
4. City Council Prop 218 Public Hearing, May 26, 2015
5. New rates implementation date: July 1, 2015

If you have any questions, please contact me at (805) 772-6217.

Sincerely,


Susan Slayton
Administrative Services Director

cc: Dave Buckingham, City Manager
Rob Livick, Public Works Director

FINANCE
595 Harbor Street

ADMINISTRATION
595 Harbor Street

FIRE DEPT.
715 Harbor Street

PUBLIC SERVICES
955 Shasta Avenue

HARBOR DEPT.
1275 Embarcadero Road

CITY ATTORNEY
955 Shasta Avenue

POLICE DEPT.
850 Morro Bay Boulevard

RECREATION & PARKS
1001 Kennedy Way

CITY OF PISMO BEACH

The information set forth below has been provided by the City of Pismo Beach (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City’s water system for the ten most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
2005	4,405	\$1,888,635
2006	4,443	1,994,992
2007	4,458	2,124,500
2008	4,713	2,619,579
2009	4,540	2,834,803
2010	4,558	2,874,984
2011	4,569	3,048,595
2012	4,584	3,257,915
2013	4,596	3,390,236
2014	4,695	3,793,692

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the ten most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Urban Deliveries¹
2005	1,953
2006	1,945
2007	2,026
2008	2,018
2009	1,939
2010	1,735
2011	1,717
2012	1,785
2013	1,828
2014	1,944

¹ The Water Deliveries for 2003 through 2005 have been corrected. Water production was reported instead of water deliveries.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2013, as determined by the amount of their respective annual payments.

Customer	Water Usage	Annual Payments
Pismo Beach Mobile Home Park	14,603	\$44,977
Cliffs Shell Beach	13,547	41,725
Pismo Coast Village	12,126	37,477
Toucan I HOA	8,354	30,409
Motel 6, Inc.	7,389	22,758
Pismo Lighthouse Suites	7,269	22,389
Hilton Garden Inn	7,241	22,302
Shorecliff Lodge	7,068	21,769
Dolphin Bay Hotel	6,852	19,438
<u>City of Pismo Beach</u>	<u>6,813</u>	<u>20,990</u>
Totals	91,262	\$284,234

These ten customers accounted for approximately 7.5% of water service revenues in fiscal year 2013/2014.

Rates and Charges
Bi-monthly fixed charges are as follows:

Meter Size		
All Meters		
5/8" & 3/4"	\$	24.33
1"		48.66
1-1/2"		81.03
2"		129.69
3"		243.32
4"		405.62
6"		973.29
	Single Family Residential	All Other Metered Users
Consumption Charge:		
0-10 HCF	\$2.49/HCF	\$3.08/HCF
11-20 HCF	\$3.08/HCF	
21-35 HCF	\$3.64/HCF	
Over 35 HCF	\$4.98/HCF	
Construction Meter		\$6.16/HCF
Irrigation Meter		\$3.64/HCF
Connection Charges:		
A) State Water Supply Fee	\$9,937 per equivalent dwelling unit	
B) Special Tax Levy FY 2013-14	\$178.16 per year per equivalent dwelling unit.	

FISCAL YEAR 2014 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for FY 2013/14. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF PISMO BEACH

<u>REVENUES</u>	<u>June 30, 2014</u>
Water Service Charge	\$3,793,692
State Water Impact Fee	445,480
Interest	18,018
Assessments	1,272,141
Other Revenues	108,884
TOTAL REVENUES:	<u>\$5,638,215</u>
<u>OPERATING EXPENSES</u>	
Administration and General	686,157
*Lopez Contract Payments ²	1,156,211
Operations & Maintenance	707,108
Utilities	121,785
TOTAL OPERATING EXPENSES:	<u>2,671,261</u>
NET REVENUES	2,966,954
State Water Payments	1,238,740
Total Contract Payments	<u>1,238,740</u>
Coverage Ratio:	2.40
Available for Capital improvements and other purposes	\$1,728,214

Source: City of Pismo Beach

² The Lopez obligation was previously reported as parity debt in the 1996 Revenue Bond official statement. The City has determined that this is not a debt obligation but is instead a contract obligation. Therefore, the amount is presented as an operating expense.